

PRFOODS

AS PRFoods

Consolidated Unaudited Interim Report
1st quarter and 3 months of 2023/2024
(translation from the Estonian original)

2023/2024

1st QUARTER & 3 MONTHS

PRFOODS

Business name	AS PRFoods
Commercial registry code	11560713
Address	Kärsa, Suure-Rootsi, Saaremaa, Saare county, 94129, Estonia
Phone	+372 452 1470
Website	prfoods.ee
Main activities	Production and sale of fish products Fish farming
Reporting period	1 July 2023 – 30 September 2023

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CORPORATE PROFILE

AS PRFoods ("Group") is a company engaged in fish farming, processing and sales. The Group's shares are listed on the main list of NASDAQ OMX Tallinn Stock Exchange since 5 May 2010 and its bonds are listed on the NASDAQ Tallinn bond list since 6 April 2020.

On 20.09.2022 AS PRFoods subsidiary Saaremere Kala AS signed an agreement for the sale of 100% shares of Överumans Fisk AB to Vattudalens Fisk AB. The transaction has been completed. AS PRFoods takes the future direction of the development of fish farming in Estonia, with the aim of becoming the largest fish farmer in the region.

Since the acquisition of John Ross Jr. and Coln Valley Smokery in the summer of 2017, the Group has sales experience to 37 countries in Europe, North and South America, and Asia.

Main activities of the Group are fish farming and manufacturing of fish products. The main products are salmon and rainbow trout products. Approximately 2/3 of the raw fish used in the Group's rainbow trout production comes from the from coastal waters of Saaremaa in Estonia, assuring the highest quality and reliable deliveries. The rest of raw fish is purchased mainly from Norway and Denmark. Fish products are manufactured in two modern factories in Saaremaa (Estonia) and in Aberdeen (Great Britain).

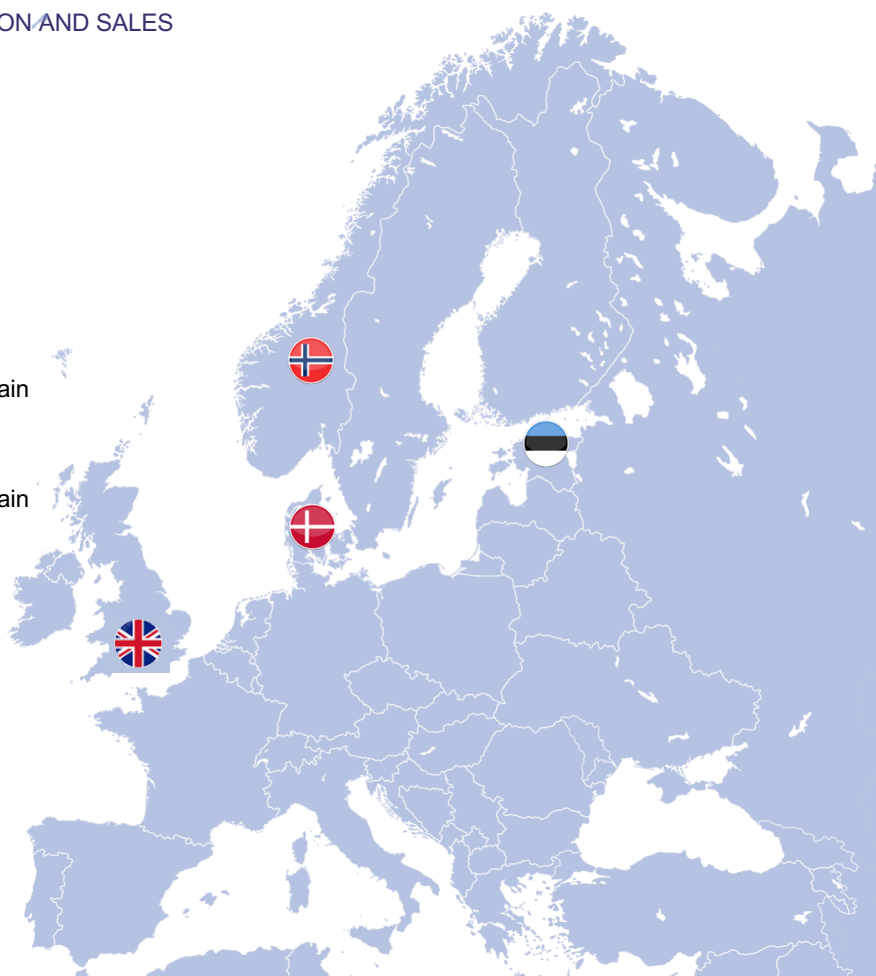
Products of the Group are sold as leading brands in their respective operating market and the primary focus is on higher value-added premium products, increasing thereby the profitability of the company.

AS PRFoods plans to introduce a new brand this year, which emphasizes our Saaremaa origin. We process mostly rainbow trout and salmon in our factories, in smaller quantities also whitefish, perch, pikeperch, vendace, Atlantic and Baltic herrings. We always keep the fish in a place of honour – both when farming and processing it – that is why we raise most of our red fish ourselves and smoke it with alder chips in the traditional way. As our product range is quite wide, a favourite product can be found for the whole family – lightly salted trout slices that have won the title of the Best Fish Product in Estonia, children's favourite trout cutlets or trout roe for a more festive occasion.

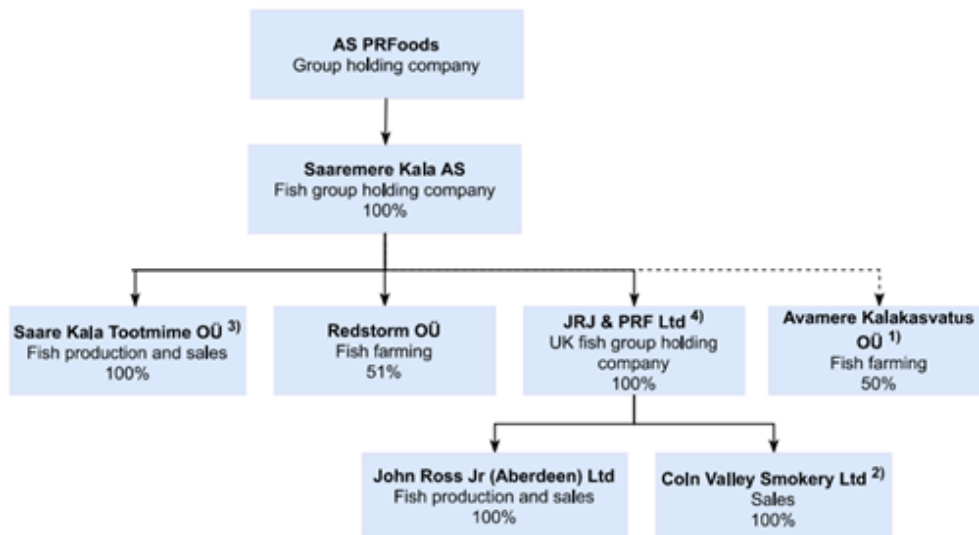
The Group is actively involved in developing new products for expanding also to new export markets.

THE GEOGRAPHY OF PRODUCTION AND SALES

Fish farming	Estonia
Purchase of raw fish	Norway Denmark
Production	Estonia Great Britain
Sales	Great Britain Estonia



GROUP STRUCTURE AS AT 30.09.2023



1) The Group does not consolidate Avamere Kalakasvatus OÜ as it holds neither dominant nor significant control over the company

2) 64% of Coln Valley Smokery Ltd shares owned by JRJ & PRF Ltd and 36% by John Ross Jr (Aberdeen) Ltd

In addition, AS PRFoods holds a 20%-share of AS Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Center of Food and Fermentation Technology).

The most significant trademarks of the Group are “PRFoods” and “John Ross Aberdeen”.

MANAGEMENT REPORT

MANAGEMENT REPORT

OVERVIEW OF ECONOMIC ACTIVITIES

MANAGEMENT COMMENTARY

1st Quarter of current financial year started with good results from UK, fish farming season in full swing and Estonian operations suffering from discontinuation of sales to Finland due to anti-competition situation. Q1 is one of quieter seasons for us as the seasonality plays strong role in Q2 and Q4. Sales were down 26%, EBITDA was less only by 140,000 EUR. More importantly our operating loss decreased by 50%. In times like these even incremental but steady improvements will bring about results in long term. The operations have been massively streamlined, cost efficiency at its best and we know that once the exclusivity period ends and we can restart exports to Finland, the profitability of Estonian business is going to be substantially improved. Net loss was 720,000 euros compared to 870,000 profit last year, but last year result was affected by one-off profit from sale of Swedish business which resulted in 1,7 million euro financial income.

High inflation and consumers behaviour is affecting all the food producers, but overall we do not see big decline in demand. In contrary since the retail prices of fish products have come down, we expect very healthy demand for Christmas season. Stability is more important than volatility, both in sales and operations and the foundation is now much stronger than last years. We are smaller, but more efficient and once the artificial barriers to sales, like exclusivity in Finland, ends, we will demonstrate much better results.



Sincerely,

Indrek Kasela



UNAUDITED FINANCIAL RESULTS OF AS PRFOODS, THE 1ST QUARTER OF THE FINANCIAL YEAR 2023/2024 COMPARED TO THE 1ST QUARTER OF FINANCIAL YEAR 2022/2023

- Unaudited consolidated revenue 3,4 million euros (1Q 2022/2023: 4,6 million euros), a decrease by 26,1%.
- Positive impact from revaluation of fair value of biological assets 0,36 million euros (1Q 2022/2023: negative impact 0,17 million euros).
- EBITDA from operations -0,46 million euros (1Q 2022/2023: -0,32 million euros)
- EBITDA -0,11 million euros (1Q 2022/2023: -0,49 million euros)
- Operating loss 0,4 million euros (1Q 2022/2023: operating profit 0,81 million euros)
- Net loss -0,72 million euros (1Q 2022/2023: net profit 0,87 million euros)

SUMMARY OF FINANCIAL RESULTS: 1ST QUARTER OF 2023/2024 COMPARED TO 1ST QUARTER OF 2022/2023

mIn EUR	1Q 2023/2024	1Q 2022/2023	Change, mln EUR	Change, %	Impact
Sales	3,4	4,6	-1,2	-26,1%	▼
Gross profit	0,1	0,51	-0,41	-80,4%	▼
EBITDA from operations*	-0,46	-0,32	-0,14	43,8%	▼
Revaluation of bioassets	0,36	-0,17	0,53	311,74%	▲
EBITDA	-0,11	-0,49	0,38	77,55%	▲
Depreciation and amortisation	-0,3	-0,33	0,03	-9,1%	▲
Operating profit (loss)	-0,4	-0,81	0,41	-50,6%	▲
Financial income/expense	-0,31	1,7	-2,01	n/a	▼
Net profit (loss)	-0,72	0,87	-1,59	-182,6%	▼

* before one-offs and fair value adjustment of bioassets



KEY RATIOS – INCOME STATEMENT

mIn EUR unless indicated otherwise	1Q 2022/2023	2022/2023	1Q 2022/2023	2021/2023
Sales	3,4	19,6	4,6	42,1
Gross profit	0,1	3,6	0,5	3,1
EBITDA from operations	-0,46	0,3	-0,3	-1,7
EBITDA	-0,11	0,3	-0,5	-1,9
EBIT	-0,4	-1,0	-0,8	-4,2
EBT	-0,7	0,4	0,9	-8,2
Net profit (loss)	-0,7	0,3	0,9	-8,1
Gross margin	3,5%	18,3%	11,1%	7,4%
Operational EBITDA margin	-13,6%	1,5%	-6,9%	-4,1%
EBITDA margin	-3,1%	1,5%	-10,6%	-5,1%
EBIT margin	-11,7%	-5,1%	-17,7%	-9,9%
EBT margin	-20,7%	2,0%	-19,0%	-19,5%
Net margin	-21,1%	1,5%	18,8%	-19,4%
Operating expense ratio	-25,4%	24,0%	-24,2%	17,1%

EBITDA from operations = Profit (Loss) before one-offs and fair value adjustment of bioassets

EBITDA = Profit (Loss) before interest, tax, depreciation and amortisation

EBIT = Operating profit (loss)

EBT = Profit (Loss) before tax

Gross margin = Gross profit / Net sales

Operational EBITDA margin = EBITDA from operations / Net sales

EBITDA margin = EBITDA / Net sales

EBIT margin = EBIT / Net sales

EBT margin = EBT / Net sales

Net margin = Net earnings / Net sales

Operating expense ratio = Operating expenses / Net sales

KEY RATIOS – BALANCE SHEET

mIn EUR unless indicated otherwise	30.09.2023	30.06.2023	30.09.2022	30.06.2022
Net debt	17,0	16,7	18,8	24,7
Equity	7,4	8,3	8,0	8,1
Working capital	0,2	0,0	0,7	-3,2
Assets	29,3	30,2	33,1	38,9
Liquidity ratio	1,0x	1,0x	1,1x	0,7x
Equity ratio	25,2%	27,4%	24,1%	20,7%
Gearing ratio	69,7%	66,9%	70,2%	75,4%
Debt to total assets	0,8x	0,7x	0,8x	0,8x
Net debt to operating EBITDA	21,4x	55,8x	-11,7x	-14,5x
ROE	-9,2%	4,1%	28,1%	-68,5%
ROA	-2,4%	1,0%	7,2%	-17,3%

Net debt = Short- and long-term loans and borrowings – Cash

Working capital = Current assets – Current liabilities

Liquidity ratio = Current assets / Current liabilities

Equity ratio = Equity / Total assets

Gearing ratio = Net debt / (Equity + Net debt)

Debt to total assets = Debt / Total assets

Net debt to operating EBITDA. = Net debt / EBITDA from operations for the trailing 12 months

ROE = Net earnings for the trailing 12 months / Average equity

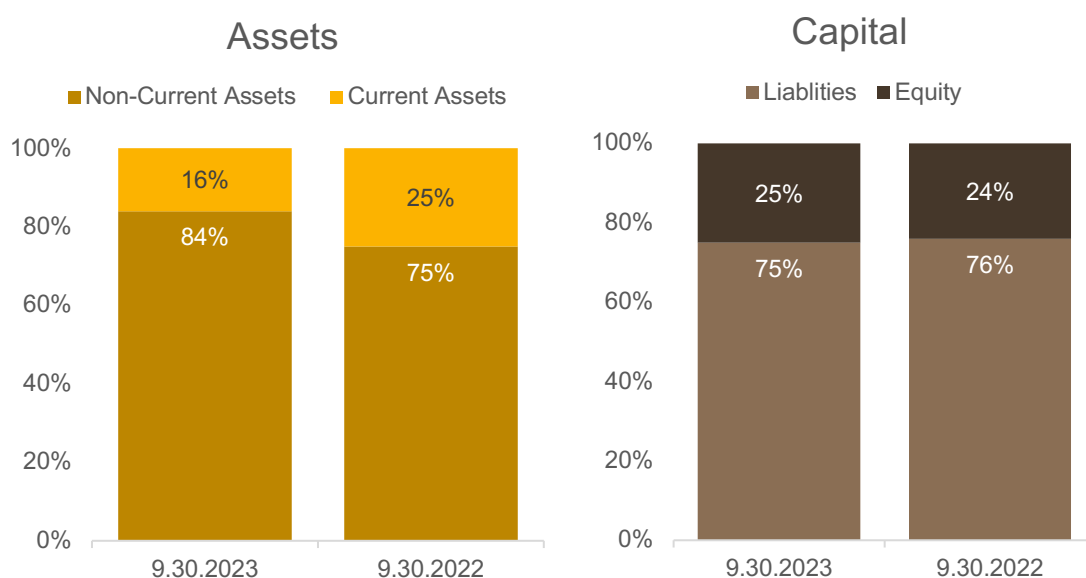
ROA = Net earnings for the trailing 12 months / Average assets

BALANCE SHEET

As at 30.09.2023 consolidated total assets of PRFoods stood at 29,3 million euros. The year before i.e. as at 30.09.2022 the balance sheet totalled 33,1 million euros.

The Group's current assets stood at 4,6 million euros as at 30.09.2023 (30.09.2022: 8,2 million euros). Non-current assets totalled 24,7 million euros (30.09.2022: 24,9 million euros).

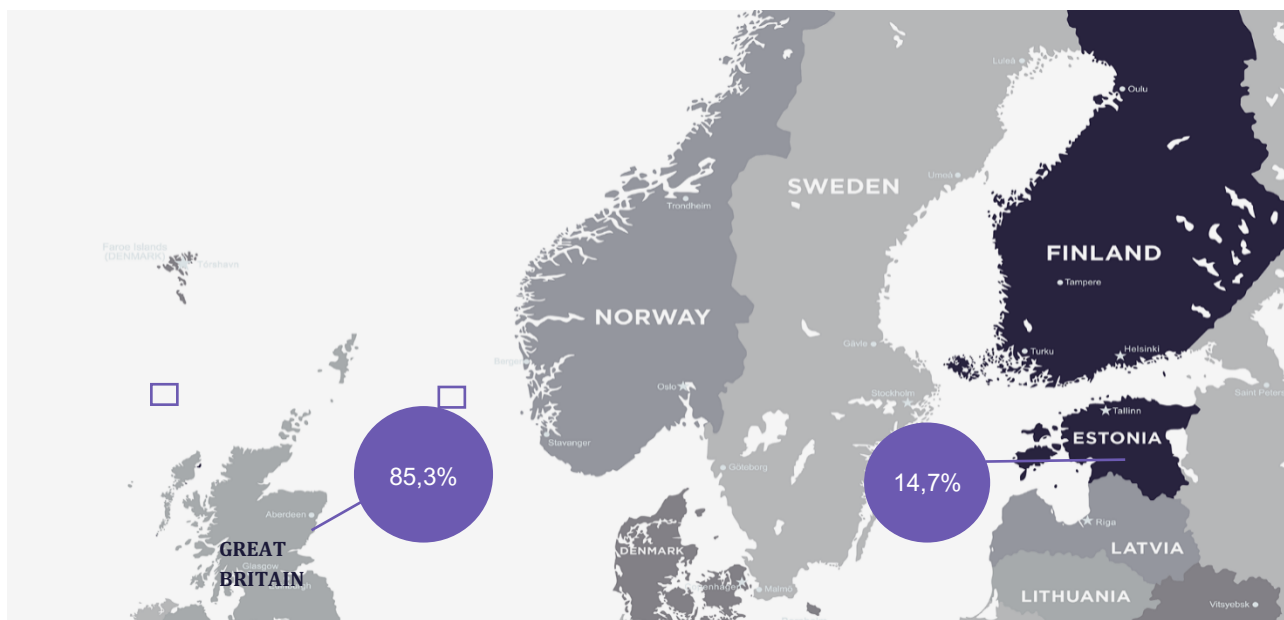
Current liabilities totalled 4,8 million euros as at 30.09.2023 (30.09.2022: 7,5 million euros). Non-current liabilities totalled 17,1 million euros (30.09.2022: 17,6 million euros). Equity of PRFoods was 7,4 million euros (30.09.2022: 8,0 million euros).



REVENUE

The main products of the Group are salmon and rainbow trout goods. The Group is mainly known as a seller of smoked fish products in the UK and a seller of raw fish in Estonia as well as the biggest supplier of caviar to Estonian stores.

The Group's revenue during the first 3 months of the financial year 2023/2024 was 3,4 million euros, less by 1,2 million euros compared to the same period of the previous financial year, when the sales amounted to 4,6 million euros.



GEOGRAPHIC SEGMENTS

mIn EUR	3m 23/24	Share, %	3m 22/23	Share, %	Change, mln EUR	Change, %	Imp.
United Kingdom	2,9	85,3%	3,2	69,5%	-0,3	-9,4%	▼
Estonia	0,5	14,7%	1,3	28,3%	-0,8	-61,5%	▼
Other	0	0%	0,1	2,2%	-0,1	-100%	▼
Total	3,4	100%	4,6	100,0%	-1,2	-26,1%	▼

The United Kingdom with sales revenue of 2,9 million euros and 85,3% of total sales is the largest market of the Group. Estonian market totalled 0,5million euros. i.e. 14,7% of the total.

COSTS

	3m 23/24	3m 22/23	Change	Impact	3m 23/24	3m 22/23	Change	Impact
	mIn EUR	mIn EUR	mIn EUR		as % of sales	as % of sales	%-point	
Sales	3,4	4,61	-1,21	▼	100,00%	100,00%		
Cost of goods sold	-3,3	-4,1	0,80	▲	97,1%	88,94%	8,16	▼
materials in production & cost of goods purchased for resale	-2,3	-3,18	0,88	▲	67,6%	68,98%	-1,38	▲
labour costs	-0,6	-0,35	-0,25	▼	17,6%	7,59%	10,01	▼
depreciation	-0,2	-0,23	0,03	▲	5,9%	4,99%	0,91	▼
other cost of goods sold	-0,2	-0,34	0,14	▲	5,9%	7,38%	-1,48	▲
Operating expenses	-0,9	-1,11	0,21	▲	26,5%	24,08%	2,42	▼
labour costs	-0,4	-0,04	-0,36	▼	11,8%	0,87%	10,93	▼
transport & logistics services	-0,3	-0,38	0,08	▲	8,8%	8,24%	0,56	▼
depreciation	-0,08	-0,07	-0,01	▼	2,4%	1,52%	0,88	▼
advertising, marketing and product development	-0,02	-0,01	-0,01	▼	0,6%	0,22%	0,38	▼
other operating expenses	-0,1	-0,61	0,51	▲	2,9%	13,23%	-10,33	▲
Other income/expenses	-0,09	-0,05	-0,04	▼	2,6%	1,08%	1,52	▼
Financial income / expense	-0,3	1,7	2,00	▼	8,8%	36,9%	N/A	

COST OF GOODS SOLD (COGS)

COGS was 3,3 million euros and it accounted for 97,1% of the total sales of the first quarters of the 2023/2024 financial year, (Q1 2022/2023: -4,1 million euros, 88,94% of sales).

Purchase cost of raw fish continues to account for the majority (ca 80%) of the largest COGS item “materials in production and cost of goods purchase for resale” that amounted to 2,3 million euros. Remaining costs are mainly attributable to packaging materials and fish feed.

Labour cost of personnel employed in production and fish farms totalled 0,6 million euros and formed 17,6% of total sales (3m 2022/2023: 0,35 million euros, 7,59% of sales).

Other cost of goods sold amounted to 0,2 million euros and formed 5,9% of total sales (3m 2022/2023: 0,34 million euros, 7,38% of sales). The cost item includes costs on heating, electricity, rent and utilities, and costs incurred in relation to fish farming and auxiliary activities in production.

OPERATING EXPENSES

Operating expenses amounted to 0,9 million euros and accounted for 26,5% of the total sales (3m 2022/2023: 1,11 million euros, 24,08% of sales).

FISH FARMING

The competitive advantage of the Group is its vertical integration – fish farming, production and sales. About two thirds of the raw trout used in the Group’s production is harvested from the Group’s own fish farms in coastal area of Saaremaa, Estonia, ensuring that customers receive fast and high-quality deliveries.

Vertical integration enables the Group to reduce costs in certain phases of fish farming and to also enhance control foremost over fish processing and marketing. In the fish business, as fish are livestock, the quality assurance in the technological process has keenly to be maintained throughout the entire product lifecycle. In addition to improved cost control, the vertical integration enables to reduce risks in fish farming, for instance due to poor quality of feed or base materials, and to secure the volume required for processing as well as price stability of raw material.



PRICE OF FISH

The fish production industry is extremely dependent on availability and the price of raw fish. Large producers make their production plans for three years in advance as it is difficult and expensive in shorter perspective to adapt a fish farm’s production cycle to market needs. Therefore, the world market fish supply is relatively rigid in the short-term, while demand is somewhat shifting depending on the season. This imbalance in fish supply and demand results in constantly fluctuating price of raw fish. Moreover, the far-reaching change in supply chains during the past month in connection with the spread of the virus has increased the amplitude and unpredictability of prices. The Group counters the impact of external environment and volatility of fish price through the changes of the Group’s production and sales strategy.

MARKET PRICE OF FISH

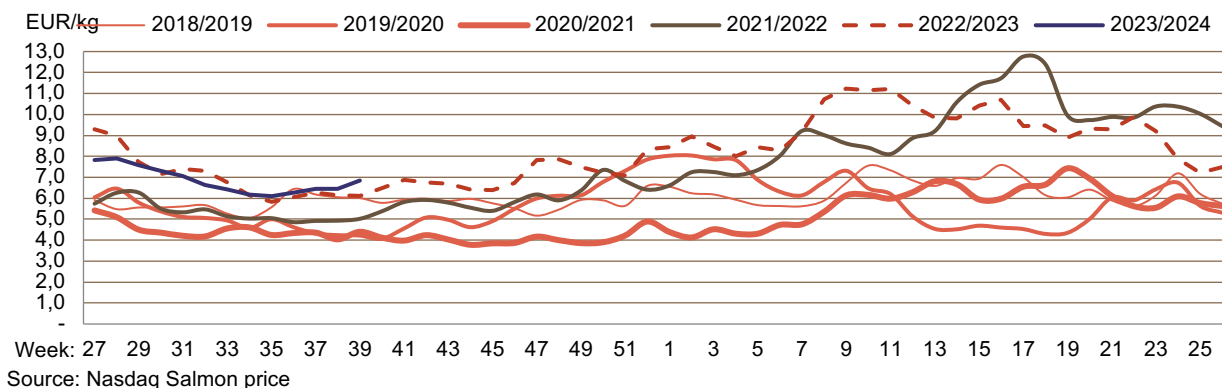
EUR/kg	30.09.2023	30.09.2022	6,84	6,10	12,13%	5,02	36,25%
Salmon	6,84	6,10	12,13%	5,02	36,25%	4,40	55,45%
Rainbow trout	7,09	7,16	-0,98%	5,67	25,04%	4,05	75,06%

As at the end of the reporting period the price of salmon has increased by 12,13% and the price of rainbow trout has decreased by 0,98% compared to the prices a year ago. Over the two-year period the price of salmon has increased by 36,25% and the trout by 25,04%. The price of salmon has increased by 55,45% and of rainbow trout by 75,06% compared to the prices three years ago.

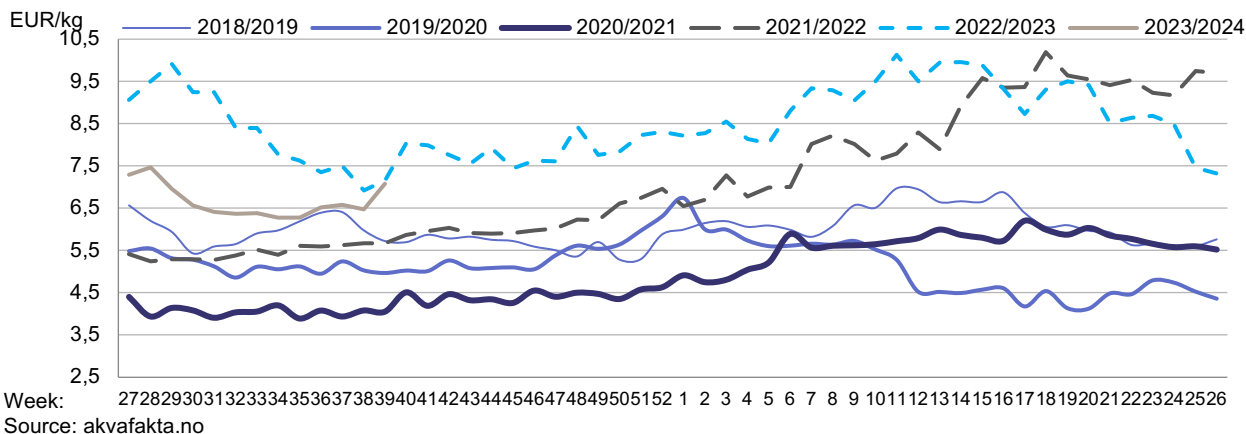
The graphs below illustrate weekly average prices of salmon and rainbow trout since the financial year 2018/2019.



EXPORT PRICE OF NORWEGIAN SALMON



EXPORT PRICE OF NORWEGIAN RAINBOW TROUT



AVERAGE MARKET PRICE OF FISH

EUR/kg	3m 2023/2024	3m 2022/2023	2022/2023 vs 2021/2022	3m 2021/2022	2022/2023 vs 2020/2021	3m 2020/2021	2022/2023 vs 2019/2020
Salmon	6,74	6,77	-0,44%	5,28	27,65%	4,47	50,78%
Rainbow trout	6,66	8,30	-19,76%	5,46	21,98%	4,05	64,44%

As at the end of the reporting period the average market prices of salmon and rainbow trout have decreased by 0,44% and 19,76%, respectively compared to the prices of the same period in the previous financial year. Compared to the average prices of a comparable period two years ago, the average prices of salmon and trout have increased by 27,65% and 21,98%, respectively. The average fish prices have increased compared to the prices three years ago: salmon by 50,78% and rainbow trout by 64,44%.

BIOLOGICAL ASSETS

Biological assets are fish stock accounted for in PRFoods' fish farms in live weight which is trout (*Oncorhynchus mykiss*).

The Group uses the Norwegian export statistics (source: akvafakta.no) to assess the value of rainbow trout's stock. For assessing the value of whitefish stock, the monthly market price survey of the Finnish Fish Farmers' Association is used. When the price of raw fish increases or decreases, so does the value of fish harvested in fish farms of PRFoods, having either a positive or a negative impact on the Group's financial results.

As at 30.09.2023 there were only Juveniles, which were carried in the statement of financial position at cost.

BIOMASS VOLUME AND AVERAGE PRICE. EUR/KG

	3m 23/24	3m 22/23	Change, mln EUR 3m 23/24 vs 3m 22/23	Change, % 3m 23/24 vs 3m 22/23
Biological assets at the end of period. mln EUR	1,13	0,96	0,17	17,7%
Fair value adjustment of biological assets. mln EUR	0,36	-0,17	0,53	311,8%

The fair value of biological assets as at 30.09.2023 was 1,13 million euros compared to 0,96 million euros a year ago.

MANAGEMENT AND SUPERVISORY BOARDS

The Management Board of AS PRFoods is composed of one member – Indrek Kasela – who as per the supervisory board's decision serves as the sole member of the management board since 02.02.2015. The management board is independent in its day-to-day management of the business, protects the best interests of all shareholders and thereby ensures the company's sustainable development in accordance with the set objectives and strategy. It is also responsible for the internal control and risk management processes in the company.

The Supervisory Board of AS PRFoods appoints management board members for a three-year term. The articles of association prescribe the management board to consist of one to four members. Indrek Kasela (born 1971), holds LL.M (Master of Laws) degree from the New York University (1996), BA degree in law from the University of Tartu (1994).

In addition to the management board member position of AS PRFoods, Mr Kasela serves as a member of management board in almost all the Group entities and also in non-Group entities (such as Lindermann, Birnbaum & Kasela OÜ, ManageTrade OÜ ja NBLJK OÜ, etc). He serves as a supervisory board member of AS Toode, ELKE Grupi AS, EPhaG AS, Salva Kindlustuse AS, Ridge Capital AS, AS Ekspress Grupp, Elering AS, SA Avatud Eesti Fond, Tulundusühistu Tuleva, Eesti Avamere Vesiviljelejate Ühistu. Furthermore, he is involved in companies and NPOs, incl. domiciled abroad.

The Supervisory Board of AS PRFoods is currently comprised of six members. The board is chaired by **Lauri Kustaa Äimä**, members of the supervisory board are **Aavo Kokk**, **Arko Kadajane**, **Harvey Sawikin**, **Vesa Jaakko Karo** and **Kuldar Leis**.

The highest governing body of a public limited company is a general meeting of shareholders. According to law, the general meetings of shareholders are either ordinary or extraordinary.

Pursuant to law, a supervisory board of a public limited company is a supervisory body responsible for planning the activities of a company, organising its management and supervising the activities of its management board. According to the Articles of Association of AS PRFoods, the supervisory board has three to seven members elected by the general meeting of shareholders for the term of three years.

Information on the education and careers of the members of the supervisory board as well as their management positions in other companies is available on PRFoods' website www.prfoods.ee.

PRFOODS' SHARES HELD BY THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS AND THE PERSONS/COMPANIES RELATED TO THEM AS AT 30.09.2023:

Shareholder	Number of shares	Ownership interest
Member of the management board – Indrek Kasela	1 613 617	4,17%
Member of the supervisory board – Kuldar Leis	1 126 056	2,92%
Member of the supervisory board – Lauri Kustaa Äimä	125 000	0,32%
Member of the supervisory board – Vesa Jaakko Karo	90 000	0,23%
Member of the supervisory board – Arko Kadajane	8 928	0,02%
Member of the supervisory board – Harvey Sawikin	0	0
Member of the supervisory board – Aavo Kokk	0	,
Total number of shares owned by the members of the supervisory and management boards	2 963 601	7,66%

SHARE AND SHAREHOLDERS

The registered share capital of the company is 7 736 572 euros which is divided to 38 682 860 ordinary shares without nominal value. All shares are freely transferable and of the same kind. i.e. have equal voting and dividend rights.

PRFoods shares are listed in the main list of Nasdaq Tallinn Stock Exchange since 5 May 2010. PRFoods shares do not have an official market maker. PRFoods share is a component in OMX Tallinn General Index.

PRFoods has twice reduced the nominal value of shares with making payments to shareholders: in 2012 by 10 euro cents and in 2015 by 30 euro cents. The general meeting of shareholders from 26 May 2016 resolved to adopt shares without nominal value and on 30 June 2016 the commercial registry registered the shares without nominal value. The accountable nominal value of a share is 0.20 euro (nominal value of a share was 10.0 Estonian kroons until 13 April 2011. 0.60 euro till 3 September 2012. and 0.50 euro till 2 October 2015).

PRFOODS SHARE PRICE. INDICES AND TRADING ACTIVITY

Tallinn Stock Exchange All-Share index decreased by 10,29% and PRFoods share price decreased by 29,03%.

	Index / Share	Ticker / index	30.09.2023	30.09.2022	Change
●	PRFoods share	PRF1T	0,22	0,31	-29,03%
●	OMX Tallinn GI	OMXTGI	1 855,19	1 682,08	10,29%

TRADING STATISTICS

Price (EUR)	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022	1Q 2022	4Q 2021	3Q 2021
Open	0,22	0,24	0,30	0,307	0,348	0,340	0,359	0,376	0,425
High	0,231	0,253	0,304	0,318	0,350	0,370	0,435	0,385	0,428
Low	0,205	0,217	0,235	0,280	0,301	0,340	0,300	0,310	0,360
Last	0,222	0,224	0,248	0,290	0,31	0,348	0,349	0,360	0,376
Traded volume. mln	0,44	0,21	0,49	0,12	0,14	0,11	0,52	0,640	0,67
Number of trades	1 760	1 348	1 860	1172	1065	1077	1994	2614	2 443
Average trade volume	248	156	261	102	129	98	263	245	274
Turnover. mln	0,09	0,05	0,13	0,03	0,05	0,04	0,19	0,23	0,26
Market capitalization. Mln	8,59	8,66	9,59	11,22	11,99	13,46	13,50	13,93	14,54

A total of 1 760 trades were conducted with PRFoods' shares during the first quarter of 2023. A total of 435 904 shares changed hands forming 1,1% of the company's shares. The average trade volume was 248 shares.

Turnover of share trading amounted to 0,09 million euros in 3Q 2023 and the highest share price in 3Q 2023 was 0,231 euros and the lowest was 0,205 euros.

The closing price of the share was 0,222 euro as at 30.09.2023 and the company's market capitalisation was 8,59 million euros.

MARKET RATIOS

Ratios	Formula	30.09.2023	30.09.2022
EV/Sales	$(\text{Market Cap} + \text{Net Debt}) / \text{Sales}$	7,52	6,70
EV/EBITDA from operations	$(\text{Market Cap} + \text{Net Debt}) / \text{EBITDA from operations}$	Neg	Neg
EV/EBITDA	$(\text{Market Cap} + \text{Net Debt}) / \text{EBITDA}$	Neg	Neg
Price/EBITDA from operations	$\text{Market Cap} / \text{EBITDA from operations}$	Neg	Neg
Price/EBITDA	$\text{Market Cap} / \text{EBITDA}$	Neg	Neg
Price-to-Earnings	$\text{Market Cap} / \text{Net Profit}$	Neg	13,3
Price-to-Book	$\text{Market Cap} / \text{Equity}$	1,2	1,4

Market capitalisation (market cap), net debt and equity as at 31.12.2020; sales, EBITDA and net profit/loss for the trailing 12 months

BOND AND BONDHOLDERS

PRFoods issued in the 2019/2020 financial year a total of 90 096 bonds in a private placement and 9,904 bonds in a public offering, with nominal value of 100 euros per bond, the interest rate of 6,25% p.a., and with maturity on 22.01.2025. According the terms of the bonds, the interest on the bonds is paid semi-annually (July and January). At the end of bond subscription period, PRFoods owned 4 926 bonds.

Following the completion of the public offering of the bonds, the bonds were listed on Tallinn Stock Exchange. Trading on Nasdaq Tallinn bond list started on 6 April 2020.

As of 30.09.2023, the number of bonds owned by PRFoods is 535 with a nominal value of 53,5 thousand euros.

In the 2020/2021 financial year, PRFoods issued 237 subordinated convertible bonds, with a total nominal value of up to 2,37 million euros, with a nominal value of 10 000 euros per subordinated convertible bond, with an interest rate of 7% per calendar year and a maturity date of 01.10.2025.

In addition, PRFoods announced an additional issue of secured bonds with up to 10 000 bonds with a nominal value of 100 euros per bond, maturity date of 22.01.2025 and 6,25% per calendar year. The additional issue was a targeted placement of PRFoods shareholder Amber Trust II S.C.A.

In addition, PRFoods announced an additional issue of secured bonds (issued in accordance with the terms of issue of PRFoods on 14.01.2020) in the amount of up to 1,0 million euros, with up to 10 000 bonds with a nominal value of 100 euros per bond, maturity date of 22.01.2025 and 6,25% per calendar year. The additional issue was a targeted placement of PRFoods shareholder Amber Trust II S.C.A to refinance the investment loan granted to PRFoods by the said shareholder in connection with the maturity of the loan.

As of 30.09.2023, PRFoods has issued 110 237 bonds, of which 110,000 are secured bonds with a nominal value of 100 euro per secured bond, with a total value of 11,0 million euros, and 237 are subordinated convertible bonds with a nominal value of 10,000 euro per subordinated convertible bond, with a total value of 2,37 million euros.

BONDHOLDER STRUCTURE

SEVEN LARGEST BONDHOLDERS OF AS PRFOODS

	Value of bonds 30.09.2023	% of total 30.09.2023	Value of bonds 30.06.2023	% of total 30.06.2023	Change
Swedbank Pensionifond K60	3 940 000	29,5%	3 940 000	29,5%	-
ING Luxembourg S.A. AIF esindajakonto	3 070 000	23,0%	3 070 000	23,0%	-
Swedbank Pensionifond K30	800 000	6,0%	800 000	6,0%	-
Clearstream Banking AG	750 000	5,6%	750 000	5,6%	-
Compensa Life Vienna Insurance Group SE	671 500	5%	671 500	5%	-
Spring Capital Growth Fund 1	504 300	3,8%	504 300	3,8%	-
AS SEB Bankas	366 600	2,7%	479 900	3,6%	-113 300
Total biggest Bondholders	10 102 400	75,6%	10 215 700	75,0%	-
Remaining Bondholders	3 214 100	24,0%	3 100 800	24,6%	113 300
Bonds owned by PRFoods	53 500	0,4%	53 500	0,4%	-

BONDHOLDERS BY VALUE OF BONDS. 30.09.2023

Value of bonds	Number of bondholders	% of bondholders	Value of bonds	% of bond value
1 ... 1 000	195	48,8%	87 800	0,6%
1 001 ... 10 000	116	29%	500 800	3,7%
10 001 ... 50 000	67	16,8%	1 454 400	10,9%
50 001 ... 100 000	11	2,7%	797 500	6,0%
100 001 ...	11	2,7%	10 529 500	78,8%
Total	400	100,0%	13 370 000	100,0%

CONDENSED INTERIM ACCOUNTING REPORT

CONDENSED INTERIM ACCOUNTING REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR '000	Note	30.09.2023	30.09.2022	30.06.2023
ASSETS				
Cash and cash equivalents	2	199	345	394
Receivables and prepayments	3	1 330	4 811	2 118
Inventories	4	1 909	2 102	1 861
Biological assets		1 130	955	772
Total current assets		4 567	8 213	5 145
Long-term financial investments		382	304	381
Tangible assets		6 364	7 169	6 563
Intangible assets		17 954	17 400	18 157
Total non-current assets		24 700	24 873	25 101
TOTAL ASSETS		26 267	33 086	30 246
EQUITY AND LIABILITIES				
Interest-bearing liabilities	5	1 827	3 562	2 111
Payables and prepayments	6	2 947	3 965	3 035
Total current liabilities		4 774	7 527	5 146
Interest-bearing liabilities	5	15 354	15 592	15 024
Deferred tax liabilities		1 454	1 644	1 466
Government grants		309	342	318
Total non-current liabilities		17 117	17 578	16 807
TOTAL LIABILITIES		21 891	25 105	21 953
Share capital	7	7 737	7 737	7 737
Share premium		14 007	14 007	14 007
Treasury shares		-390	-390	-390
Statutory capital reserve		51	51	51
Currency translation differences		412	394	608
Retained profit (loss)		-14 655	-14 043	-13 981
Equity attributable to parent		7 163	7 757	8 032
Non-controlling interest		213	223	259
TOTAL EQUITY		7 376	7 980	8 292
TOTAL EQUITY AND LIABILITIES		29 267	33 085	30 245

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

EUR '000	Note	3m 2023/2024	3m 2023/2024
Revenue		3 411	4 610
Cost of goods sold		-3 290	-4 097
Gross profit		121	514
Operating expenses		-867	-1 114
Selling and distribution expenses		-438	-643
Administrative expenses		-429	-471
Other income / expense		-9	-47
Fair value adjustment on biological assets		358	-170
Operating profit (loss)		-398	-170
Financial income / expenses		-308	1692
Profit (Loss) before tax		-705	874
Income tax		-14	-6
Net profit (loss) for the period		-719	868
Net profit (loss) attributable to:			
Owners of the Parent Company		-674	878
Non-controlling interests		-46	-8
Total net profit (loss) for the period		-720	869
Other comprehensive income (loss) that may subsequently be classified to profit or loss:			
Foreign currency translation differences		-196	-445
Total comprehensive income (expense)		-916	424
Total comprehensive income (expense) attributable to:			
Owners of the Parent Company		-870	433
Non-controlling interests		-46	-8
Total comprehensive income (expense) for the period		-916	424
Profit (Loss) per share (EUR)	7	-0,02	0,02
Diluted profit (loss) per share (EUR)	7	-0,01	0,02

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR '000	Share capital	Share premium	Treasury shares	Statutory capital reserve	Unrea-ised currency differ.	Retained earnings (-loss)	Total	Non-contr. interests	Total equity
Balance at 30.06.2022	7 737	14 007	-390	51	839	-14 391	7 853	199	8 052
Net profit (loss) for the year	0	0	0	0	0	303	303	28	331
Other comprehensive income (expense)	0	0	0	0	-231	0	-231	0	-231
Total comprehensive income (expense) for the period	0	0	0	0	-231	303	72	28	100
Other movement	0	0	0	0	0	107	107	33	140
Balance at 30.06.2023	7 737	14 007	-390	51	608	-13 981	8 032	260	8 292
Net profit (loss) for the year	0	0	0	0	0	-674	-674	-46	-720
Other comprehensive income (expense)	0	0	0	0	-196	0	-196	0	-196
Total comprehensive income (expense) for the period	0	0	0	0	-196	-674	-870	-46	-916
Other movement	0	0	0	0	0	0	0	0	0
Balance at 30.09.2023	7 737	14 007	-390	51	412	-14 655	7 162	214	7 376

Additional information in Note 7.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR '000	Note	3m 2023/2024	2022/2023
Cash flow from operating activities			
Net profit (loss)		-720	332
Adjustments:			
Depreciation		293	1270
Profit from sale and write-offs of fixed assets		0	-2 423
Other non-cash items		251	1 650
Changes in receivables and prepayments		788	-403
Changes in inventories		-48	-7
Changes in biological assets		-358	-1 076
Changes in payables and prepayments		-88	189
Corporate income tax paid		-12	0
Net cash inflow (outflow) from operating activities		106	-468
Cash flow from investing activities			
Sale of tangible and intangible fixed assets		0	66
Purchase of tangible and intangible fixed assets		-30	-248
Government grants, net cash received		-9	67
Acquisition of subsidiaries, net cash received		0	7 015
Interests received		0	1
Net cash inflow (outflow) from investing activities		-39	6 901
Cash flow from financing activities			
Change in overdraft		0	-4 544
Repayments of loans received		-147	-1 275
Change in factoring liability		-176	-60
Proceeds from borrowings		321	2 089
Repayments of lease liabilities		-4	-945
Interests paid		-256	-1 213
Net cash inflow (outflow) from financing activities		-262	-5 948
Net increase (decrease) in cash and cash equivalents		-195	485
Cash and cash equivalents at beginning of the period		394	110
Change in cash and cash equivalents		-195	485
Effect of sale of subsidiary		0	-201
Cash and cash equivalents at the end of the period		199	394

NOTES TO THE INTERIM REPORT

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

AS PRFoods is a company incorporated in Estonia. The interim financial statements compiled as per 31.09.2023 incorporate results of AS PRFoods (hereinafter Parent Company) and companies directly and indirectly held by it: Saaremere Kala AS, Redstorm OÜ and Saare Kala Tootmine OÜ in Estonia and JRJ & PRF Ltd, John Ross Jr (Aberdeen) Ltd, Coln Valley Smokery Ltd in the United Kingdom (hereinafter also referred to as the Group). The Group has a stake in associate companies: Competence Center of Food and Fermentation Technologies AS and Avamere Kalakasvatus OÜ, JRJ & PRF Ltd, John Ross Jr (Aberdeen) Ltd, Coln Valley Smokery Ltd are consolidated from 01.07.2017 and Redstorm OÜ from 01.07.2018. AS PRFoods' shares are listed on Nasdaq Tallinn Stock Exchange since 5 May 2010 and the bonds since 6 April 2020.

The Group's consolidated audited annual report for the financial year that ended on 30 June 2023 is available on PRFoods' website www.prfoods.ee.

CONFIRMATION OF COMPLIANCE

The current unaudited consolidated interim report complies with the requirements of international accounting standards IAS 34 "Interim Financial Reporting" on condensed interim financial statements.

While preparing the interim report at hand, the same accounting principles as in the audited annual report for the financial year ended on 30.06.2023 were applied. The report does not hold all the information that shall be presented in a full annual report. It should thus be read together with the Group's audited consolidated annual report for the financial year that ended on 30.06.2023 compiled in accordance with the international finance reporting standards (IFRS) as adopted by the European Union.

In the opinion of the management, this interim report for the 3 months of the financial year 2023/2024 of AS PRFoods presents correctly and fairly the financial results of the Group as a going concern. The current interim report is neither audited nor reviewed by auditors in any other way and contains only the consolidated reports of the Group.

BASIS OF PREPARATION

The functional currency is euro. The consolidated interim report is presented in thousands of euros and all numerical indicators have been rounded to the nearest thousand, if not indicated otherwise. In the report, thousand euros is indicated as EUR '000.

NOTE 2. CASH AND CASH EQUIVALENTS

EUR '000	30.09.2023	30.06.2023
Cash on hand	1	1
Bank accounts	198	393
Total cash and cash equivalents	199	394

NOTE 3. RECEIVABLES AND PREPAYMENTS

EUR '000	30.09.2023	30.06.2023
Trade.receivables	1 031	1 392
Other.receivables	61	423
Prepaid.expenses	183	260
Prepaid.taxes	55	43
Total.receivables.and.prepayments	1 330	2 118

Write-down on receivables was not recognised during the accounting period.

NOTE 4. INVENTORIES

EUR '000	30.09.2023	30.06.2023
Raw materials and materials	622	575
Work-in-progress	314	417
Finished goods	657	532
Goods purchased for sale	316	336
Total inventories	1 909	1 860

NOTE 5. INTEREST-BEARING LIABILITIES

EUR '000	30.09.2023	30.06.2023
Lease liabilities	100	100
Investment loans	745	1 090
Other loan	982	921
Total short-term interest-bearing liabilities	1 827	2 111
Finance lease liabilities	245	259
Listed bonds	13 101	13 073
Investment loans	2 008	1 692
Total long-term interest-bearing liabilities	15 354	15 024
incl. payable within 1-5 years	15 354	15 024

On 01 July 2021, John Ross Jr. (Aberdeen) Ltd entered into an agreement with Santander UK plc an investment loan of 1,5 million GBP (1,7 million euros) to finance the purchase of 15% non-controlling interests of JRJ&PRF Limited from Christopher Leigh and Victoria Leigh-Pearson to Saaremere Kala AS. The loan term is 01.07.2025. The loan interest rate is 3,5%. The loan is secured by a mortgage on a property of John Ross Jr (Aberdeen) Ltd.

On 22.10.2020, Saare Kala Tootmine OÜ concluded a loan agreement with the Maaelu Arendamise Sihtasutus as part of the measure "Covid-19 loan for organic and rural economy entrepreneurs" for the automation of a factory in Saaremaa. The amount of the investment loan is 1,0 million euros with a term of 6 years, the final term of the loan is 30.09.2026. The loan interest rate is 4,5%. The loan is secured by a mortgage and commercial pledge on the assets of Saare Kala Tootmine OÜ and a 100% guarantee by AS PRFoods.

On 04.01.2021, the fish farming company Redstorm OÜ entered into an investment and working capital loan with Maaelu Arendamise Sihtasutus (the Rural Development Foundation) within the framework of the measure “COVID-19 loan for bio- and rural economy entrepreneurs”. The amount of the investment loan is 193 thousand euros and the amount of the working capital financing loan is 610 thousand euros, the maturity of the loans is 31.12.2026. The interest rate of the loan is 4,75%. The loan is secured by a mortgage and a commercial pledge on the assets of OÜ Redstorm and a guarantee from AS PRFoods in the amount of 0,5 million euros.

On 01.07.2021, Redstorm OÜ signed a short-term investment loan with the majority shareholder Lindermann, Birnbaum, Kasela OÜ in the amount of 0,44 million euros with an interest rate of 6,25% per calendar year..

NOTE 6. PAYABLES AND PREPAYMENTS

EUR '000	30.09.2023	30.06.2023
Trade payables	1 642	1 389
Payables to employees	74	150
Prepayments	49	0
Other short-term liabilities	0	87
Interest payables	440	594
Other payables	509	398
Tax liabilities	233	417
Total short-term payables and prepayments	2 947	3 035

NOTE 7. EQUITY

SHARE CAPITAL

As at 30.09.2023 the Group had 38 682 860 shares (30.06.2023: 38 682 860), including 1 000 000 treasury shares (30.06.2023: 1 000 000 treasury shares).

Treasury shares

As of 01.07.2014, the Group initiated a buy-back programme of its own shares in accordance with the resolution of the general meeting of shareholders held on 29.05.2014, according to which up to 500,000 own shares were to be bought back until 31.05.2017. The initial buy-back programme was completed on 18.05.2016. The ordinary general meeting of shareholders held on 26.05.2016 adopted a resolution to expand the existing buy-back programme, according to which up to additional 500,000 own shares were to be bought back until 29.05.2019. On 14 June 2016, the Management Board of AS PRFoods entered into a service agreement with AS SEB Pank to continue the implementation of the buy-back programme of own shares. As at 30.09.2023 AS SEB Pank had acquired 1,000,000 shares of AS PRFoods in the name and on the account of the Group with average price of 0.4915 euros per share.

The buy-back programme was implemented in compliance with the resolutions of the general meetings of shareholders held on 29.05.2014 and 26.05.2016, and the Commission Regulation (EU) No. 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures.

CAPITAL RESERVE AND RETAINED EARNINGS

The Estonian Commercial Code requires companies to create a capital reserve. Each year at least 1/20 of profit for the year has to be transferred to the capital reserve until the reserve amounts to 1/10 of share capital. The capital reserve may be used for covering losses and increasing the share capital but not for making distributions to shareholders.

EARNINGS PER SHARE

Earnings per share have been calculated by dividing the net profit attributable to the shareholders by the average number of shares for the period.

	3m 2023/2024	3m 2022/2023
Net profit (loss) attributable to equity holders of the company. EUR '000	-674	878
Average number of shares. thousand	38 683	38 683
Earnings (Loss) per share. EUR	-0,02	0,02
Basic earnings (loss) per share. EUR	-0,02	0,02
Diluted earnings (loss) per share. EUR	-0,01	0,02

NOTE 8. RELATED PARTY TRANSACTIONS

The Company considers parties to be related when one party has control over the other party or has significant influence over the business decision of the other party.

Related parties include:

- shareholders with significant influence (the largest shareholder of PRFoods is the international investment fund Amber Trust II S.C.A.)
- members of the Supervisory Board and members of all management boards of group entities
- close family members of the persons mentioned above and the companies related to them.

At the balance sheet date, there were no receivables from related parties. No write-downs on receivables from related parties have been recognised.

Party	Creditor	Payables and prepayments	Payables as at	Payables as at
			30.09.2023	30.06.2023
			EUR '000	EUR '000
Lindermann, Birnbaum & Kasela OÜ	Shareholder AS PRFoods	Investment loan	465	465
Amber Trust II S.C.A.	Shareholder AS PRFoods	Bond and interest of bond	3 324	3 351
Lindermann, Birnbaum & Kasela OÜ	Shareholder AS PRFoods	Bond and interest of bond	149	112
Lindermann, Birnbaum & Kasela OÜ	Shareholder AS PRFoods	Payable	0	90
Fodiator OÜ	Related party	Investment loan	26	9
Fodiator OÜ	Related party	Bond and interest of bond	0,3	9
Fodiator OÜ	Related party	Payable	0	14
Fodiator OÜ	Related party	Payable	0	14
Rebane Consulting	Related party	Payable	0	3
Total			3 964	4 044

Benefits including employment taxes to members of the management boards and supervisory boards of AS PRFoods and its subsidiaries and other key members of management were as follows:

EUR '000	3m 2023/2024	3m 2022/2023
Short-term benefits	11	11
Total	11	11

The members of the management and supervisory boards AS PRFoods are not entitled to any pension-related rights from the company. The members of the management boards are entitled to termination benefits.

NOTE 9. ASSOCIATE COMPANIES

AVAMERE KALAKASVATUS OÜ (50% HOLDING)

On 18.01.2019 Avamere Kalakasvatus OÜ was registered in the Estonian Commercial Registry. The company is an associate of AS PRFoods and it submitted an application to the Technical Regulatory Authority for the building right of the establishment of an offshore fish farming complex in the Estonian waters off the coast of Paldiski. The building right is to allow establishing a rainbow trout farming complex in the offshore cages.

AS TOIDU- JA FERMENTATSIOONITEHNOLOOGIA ARENDUSKESKUS (20% HOLDING)

Since 2010 the Group holds 20% in AS Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Center of Food and Fermentation Technology).

NOTE 10. SUBSIDIARIES

Subsidiary	Domicile	Ownership interest 30.09.2023	Ownership interest 30.06.2022	Area of activity	Owner
Saaremere Kala AS	Estonia	100%	100%	Fish group holding company	AS PRFoods
Saare Kala Tootmine OÜ	Estonia	100%	100%	Production of fish products	Saaremere Kala AS
JRJ & PRF Limited	Scotland	100%	85%	Fish group holding company	Saaremere Kala AS
John Ross Jr. (Aberdeen) Limited	Scotland	100%	100%	Production and sale of fish products	JRJ & PRF Limited
Coln Valley Smokery Limited	Great Britain	100%	100%	Production and sale of fish products	64% JRJ & PRF Limited 36% John Ross Jr. (Aberdeen) Limited
Redstorm OÜ	Estonia	51%	51%	Fish farming	Saaremere Kala AS

The ownership percentage of subsidiaries' equity equals the voting rights. The shares of subsidiaries are not listed.


NOTE 11. FINANCIAL STATEMENTS OF SUBSIDIARIES

	Saare Kala Tootmine	Redstorm	PRF&JRJ (UK) konsolideeritud
tEUR	Q1 23/24	Q1 23/24	Q1 23/24
Revenue	517	0	2,894
Cost of goods sold	-730	-373	-2,189
Gross profit	-213	-373	705
Operating expenses	-203	-53	-526
Selling and distribution expenses	-148	0	-290
Administrative expenses	-55	-53	-236
Other income / expense	2	0	0
Operating profit (loss)	-414	-426	178
Financial income / expenses	-9	-26	-63
Profit (Loss) before tax	-423	-452	116
Income tax	0	0	-14
Net profit (loss) for the period	-423	-452	102
EBITDA	-285	-28	247
Gross margin	-41.2%	n/a	24.4%
Raw material margin	26.5%	n/a	43.8%
EBITDA margin	-55.1%	n/a	8.5%
Net margin	-81.8%	n/a	3.5%
Operating expenses ratio	-39.3%	n/a	-18.2%

MANAGEMENT BOARD'S CONFIRMATION TO THE INTERIM REPORT

The Management Board confirms the correctness and completeness of the consolidated condensed interim report for the 1st quarter and 3 months of the financial year 2023/2024 of AS PRFoods and its subsidiaries (together the Group) presented in the pages 7 – 31 hereof and confirms to the best of its knowledge that:

- the activities report of the consolidated interim report presents adequate and fair overview of the development and results of business activities of the Group and the financial position thereof and includes the description of the main risk factors and uncertainties;
- the accounting principles applied in the preparation of the consolidated condensed interim accounting report are in compliance with the International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as adopted by the European Union;
- the consolidated interim report provides a true and fair overview of the assets, liabilities and financial position of the Group and of the results of its operations and its cash flows.



Indrek Kasela

Member of the Management Board

29 November 2023