

PRFOODS

AS PRFoods

Consolidated Unaudited Interim Report
3rd quarter and 9 months of 2022/2023
(translation from the Estonian original)

2022/2023

3rd QUARTER & 9 MONTHS

PRFOODS

Business name	AS PRFoods
Commercial registry code	11560713
Address	Pärnu mnt 141, Tallinn, Estonia
Phone	+372 452 1470
Website	prfoods.ee
Main activities	Production and sale of fish products Fish farming
Reporting period	1 January 2023 – 31 March 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.

AS PRFoods subsidiary Saaremere Kala AS signed an agreement on 20.09.2022 to transfer 100% shares of Överumans Fisk AB to Vattudalens Fisk AB. The transaction has been concluded.

AS PRFoods will take 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. Fish products are manufactured in two modern factories in Saaremaa (Estonia) and in Aberdeen (Great Britain).

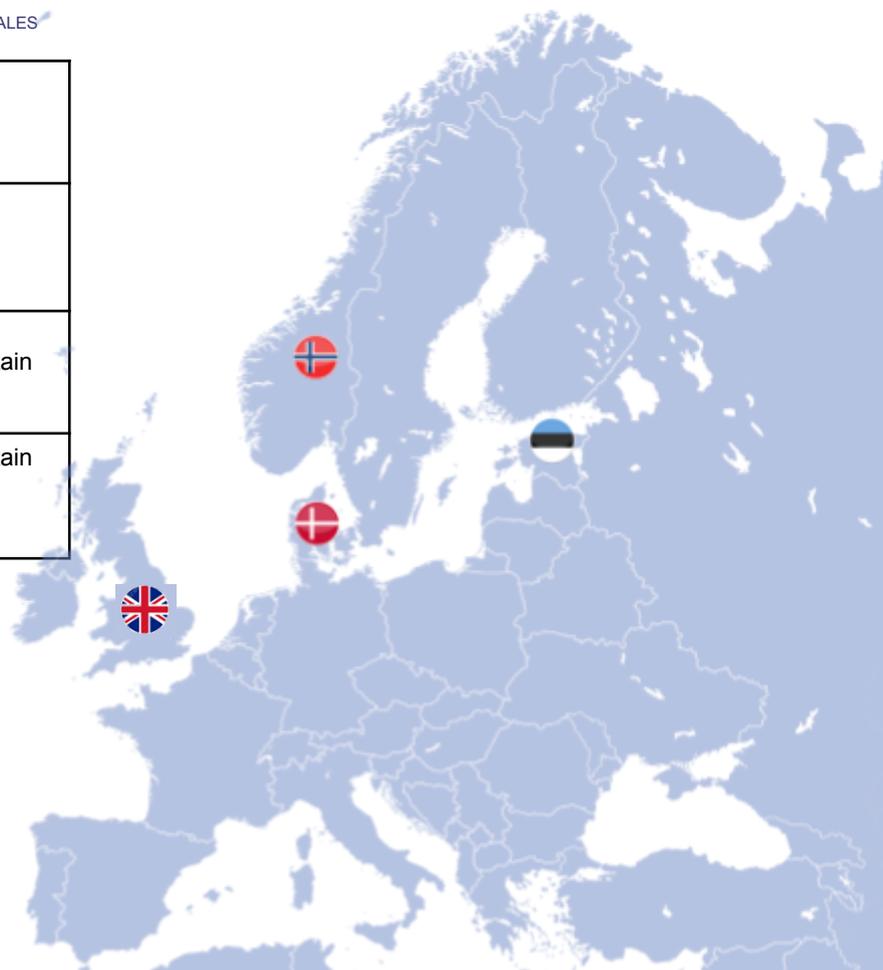
Products of the Group are sold as leading brands in their respective operating market and the primary focus is on higher value-added premium products.

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 – Saare Kala has won best fish product award for four consecutive years.

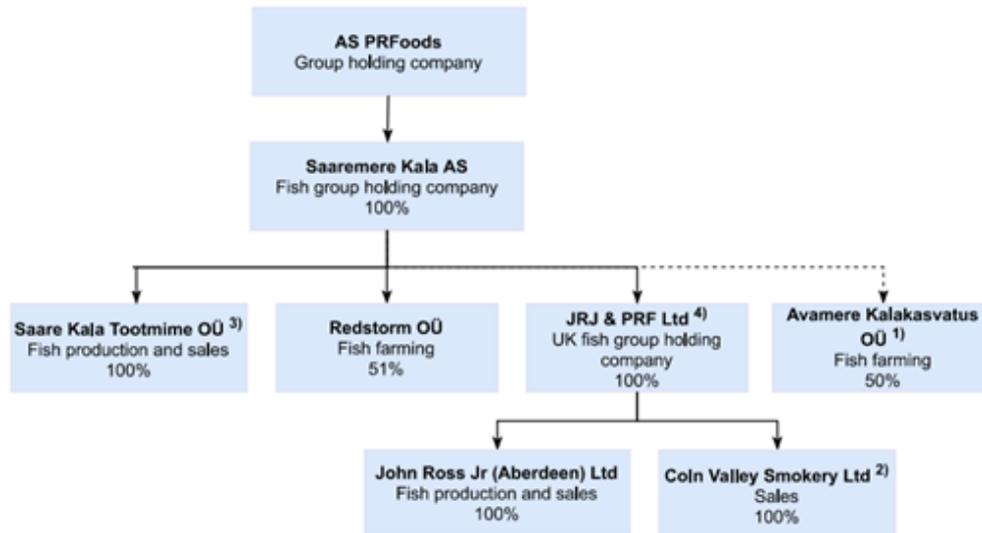
The Group is actively involved in developing new products for expanding also to new export markets.

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 31.03.2023



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

PRFoods continues to operate now as Estonian-British group, having two production facilities in Estonia and United Kingdom respectively. Fish farming operations are taking place only in Estonia, with further capacity expansions planned.

Q3 and 9 months results show that downsizing operations was risky but proven right, as our profitability has substantially improved. EBITDA from operations improved from -1,1 meur year ago to 0,04 meur. Operating results was near zero when last year it was still -1,4 meur. We finished quarter with small profit compared to -4,5 meur loss last year (due to divestments).

On 9 months basis our EBITDA from operations improved from -2,3 meur to 200,000 eur positive result, while our sales were down 57%. Gross profit improved by 23% in absolute terms, which is very remarkable result.

We finished 9 months with 800,000 eur profit compared to -6,6 million loss last year (incl one -off effect of divestments)

While our products are in strong demand, the overall price increases have negative effect on purchase frequency. High inflation and high food prices persist, making consumption growth unlikely. Also high leverage of the group straddles the company with extreme cash flow management challenges.

We believe with new farming licences we can re-establish PRFoods as regional leader in fish farming and processing. 2024 we see significant growth in sales to Finland and elsewhere in the region.

Challenges remain, as for entire food processing sector, but I am very pleased with personal commitment and professionalism in our operating companies, John Ross Jr. and Saare Kala. Their effort has put the company on new lease of life.

Sincerely,

Indrek Kasela



UNAUDITED FINANCIAL RESULTS OF AS PRFOODS, THE 3RD QUARTER OF THE FINANCIAL YEAR 2022/2023 COMPARED TO THE 3RD QUARTER OF FINANCIAL YEAR 2021/2022

- Unaudited consolidated revenue 3,7 million euros (3Q 2021/2022: 7,4 million euros), a decrease by 50%, mainly from the sale of entities in Finland and Sweden
- Positive impact from revaluation of fair value of biological assets 0,17 million euros (3Q 2021/2022: positive impact 0,25 million euros).
- EBITDA from operations 0,04 million euros (3Q 2021/2022: -1,1 million euros)
- EBITDA 0,2 million euros (3Q 2021/2022: -0,9 million euros)
- Operating loss 0,07 million euros (3Q 2021/2022: operating loss 1,4 million euros)
- Net profit 0,1 million euros (3Q 2021/2022: net loss 4,5 million euros)

SUMMARY OF FINANCIAL RESULTS: 3RD QUARTER OF 2022/2023 COMPARED TO 3RD QUARTER OF 2021/2022

mIn EUR	3Q 2022/2023	3Q 2021/2022	Change, mIn EUR	Change, %	Impact
Sales	3,7	7,4	-3,7	-50%	▼
Gross profit	1,1	-0,3	1,4	466,67%	▲
EBITDA from operations*	0,04	-1,1	1,5	127,27%	▲
Revaluation of bioassets	0,17	0,25	-0,08	-32%	▼
EBITDA	0,20	-0,90	1,1	122,22	▲
Depreciation and amortisation	-0,28	-0,52	0,24	46,15%	▲
Operating profit (loss)	-0,07	-1,40	1,33	95%	▲
Financial income/expense	0,17	-3,28	3,45	105,18%	▲
Net profit (loss)	0,10	-4,50	4,6	102,22	▲

* before one-offs and fair value adjustment of bioassets



UNAUDITED FINANCIAL RESULTS OF AS PRFOODS, THE FIRST 9 MONTHS OF THE FINANCIAL YEAR 2022/2023 COMPARED TO THE FIRST 9 MONTHS OF THE FINANCIAL YEAR 2021/2022

- Unaudited consolidated revenue 15,59 million euros (9m 2021/2022: 36,88 million euros), a decrease by 57,73%
- Negative impact from revaluation of fair value of biological assets 0 million euros (9m 2021/2022: positive impact 0,31 million euros).
- EBITDA from operations 0,2 million euros (9m 2021/2022: -2,9 million euros)
- EBITDA 0,2 million euros (9m 2021/2022: -2,5 million euros)
- Operating loss 0,68 million euros (9m 2021/2022: operating loss 3,1 million euros)
- Net profit 0,8 million euros (9m 2021/2022: net loss 6,6 million euros)

SUMMARY OF FINANCIAL RESULTS: 9M OF 2022/2023 COMPARED TO 9M OF 2021/2022

mIn EUR	9m 2022/2023	9m 2021/2022	Change, mln EUR	Change, %	Impact
Sales	15,6	36,9	-21,3	-57,73%	▼
Gross profit	3,2	2,6	0,6	23,08	▲
EBITDA from operations*	0,2	-2,9	0,6	150%	▲
Revaluation of bioassets	0	0,31	-0,31	-100%	▼
EBITDA	0,2	-2,5	0,3	100%	▲
Depreciation and amortisation	-0,89	-1,32	0,7	-53,03%	▲
Operating profit (loss)	-0,68	-3,1	2,42	78,06%	▲
Financial income/expense	1,6	-3,7	5,3	143,2%	▲
Net profit (loss)	0,8	-6,6	7,4	112,1%	▲

* before one-offs and fair value adjustment of bioassets

KEY RATIOS – INCOME STATEMENT

mIn EUR unless indicated otherwise	3Q 2022/2023	2021/2022	3Q 2021/2022	2020/2021
Sales	3,7	42,1	7,4	58,7
Gross profit	1,1	3,1	-0,3	5
EBITDA from operations	0,0	-1,7	-1,1	-1,2
EBITDA	0,2	-2,1	-0,9	-1,3
EBIT	-0,1	-4,2	-1,4	-3,9
EBT	0,1	-8,2	-4,5	-5
Net profit (loss)	0,1	-8,2	-4,5	-5,2
Gross margin	28,7%	7,4%	-4,3%	8,50%
Operational EBITDA margin	10%	-4,1%	-15,5%	-2,1%
EBITDA margin	5,7%	-5,1%	-12,2%	-2,1%
EBIT margin	-1,9%	-9,9%	-19,2%	-6,6%
EBT margin	2,7%	-19,5%	-63,7%	-8,5%
Net margin	2,8%	-19,4%	-61,1%	-8,8%
Operating expense ratio	-37,1%	-17,1%	-15,6%	16,1%

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	31.03.2023	30.06.2022	31.03.2022	30.06.2021
Net debt	16,58	24,7	23,9	20,9
Equity	7,8	8,1	10,1	15,8
Working capital	0,8	-3,2	-2,9	-2,9
Assets	29,8	38,9	40	55,3
Liquidity ratio	1,0x	0,7x	1,0x	0,9x
Equity ratio	26,0%	20,7%	25,3%	28,6%
Gearing ratio	68,1%	75,4%	70,2	56,9%
Debt to total assets	0,8x	0,8x	0,8x	0,7x
Net debt to operating EBITDA	21,4x	-14,5x	21,4x	-16,9x
ROE	1,3%	-68,5%	-34,8%	-28,7%
ROA	0,3%	-17,3%	-9,4%	-9,1%

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

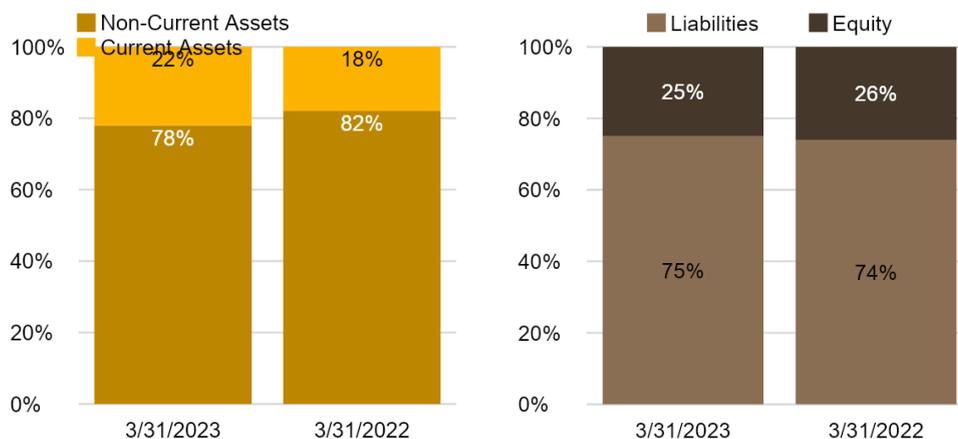
ROA = Net earnings for the trailing 12 months / Average assets

BALANCE SHEET

As at 31.03.2023 consolidated total assets of PRFoods stood at 29,8 million euros. The year before i.e. as at 31.03.2022 the balance sheet totalled 40,0 million euros.

The Group's current assets stood at 5,3 million euros as at 31.03.2023 (31.03.2022: 8,8 million euros). Non-current assets totalled 24,5 million euros (31.03.2022: 31,3 million euros).

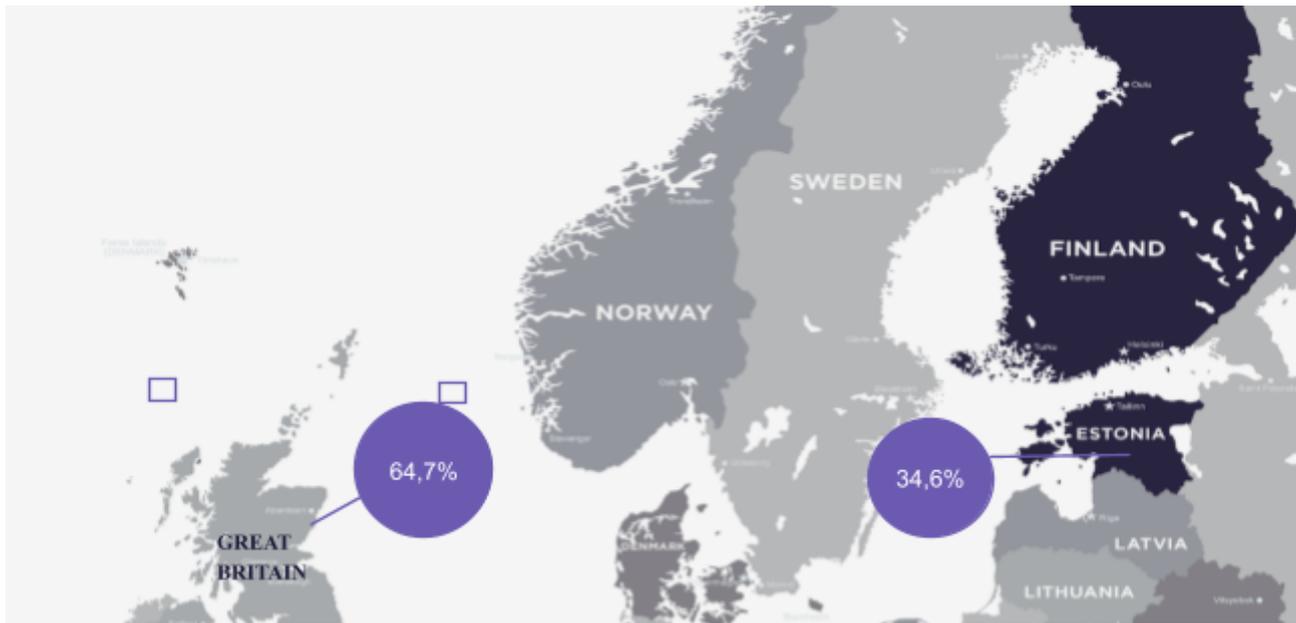
Current liabilities totalled 4,5 million euros as at 31.03.2023 (31.03.2022: 11,6 million euros). Non-current liabilities totalled 17,6 million euros (31.03.2022: 18,3 million euros). Equity of PRFoods was 7,8 million euros (31.03.2022: 10,1 million euros).



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 9 months of the financial year 2022/2023 was 15,6 million euros, less by 21,3 million euros compared to the same period of the previous financial year, when the sales amounted to 36,9 million euros.



GEOGRAPHIC SEGMENTS

mln EUR	9m 22/23	Share, %	9m 21/22	Share, %	Change, mln EUR	Change, %	Imp.
Finland	0	0%	20,8	56.4%	-20.8	-100%	▼
United Kingdom	10,1	64,7%	11,6	31.4%	-1.5	-12.9%	▼
Estonia	5,4	34,6%	3,2	8.7%	2,2	68.8%	▲
Other	0,1	0,7%	1,3	3.5%	-1.2	-92,3%	▼
Total	15,6	100%	36,9	100,0%	-21,3	-57.72%	▼

The United Kingdom with sales revenue of 10,1 million euros and 64,7% of total sales is the largest market of the Group. Estonian market totalled 5,4 million euros. i.e. 34,6% of the total.

COSTS

	9m 22/23	9m 21/22	Change	Impact	9m 22/23	9m 21/22	Change	Impact
	mln EUR	mln EUR	mln EUR		as % of sales	as % of sales	%-point	
Sales	15,6	36,9	-21,3	▼	100,00%	100,00%		
Cost of goods sold	-12,4	-34,3	21,9	▲	79,49%	93,0%	-13,51%	▲
materials in production & cost of goods purchased for resale	-8,5	-27,2	18,7	▲	54,49%	73,7%	-19,21%	▲
labour costs	-1,9	-4,3	2,4	▲	12,18%	11,7%	0,48%	▼
depreciation	-0,8	-1,5	0,7	▲	5,13%	4,1%	1,03%	▼
other cost of goods sold	-1,2	-1,3	0,1	▲	7,69%	3,5%	4,19%	▼
Operating expenses	-3,86	-5,85	1,99	▲	24,74%	15,95%	4,99%	▼
labour costs	-1,22	-1,85	0,63	▲	7,82%	5,01%	2,82%	▼
transport & logistics services	-0,68	-2,88	2,2	▲	4,36%	7,80%	-3,44%	▲
depreciation	-0,14	-0,34	0,2	▲	0,90%	0,92%	-0,02%	▲
advertising, marketing and product development	-0,12	-0,45	0,33	▲	0,77%	1,22%	-0,45%	▲

other operating expenses	-1,7	-0,33	-1,37	▲	10,9%	0,89%	-10,01%	▼
Other income/expenses	0	-0,14	0,14	▲	0%	0,38%	0,38%	▲
Financial income / expense	1,6	-3,7	5,3	▲	10,26%	10,03%	20,29%	▲

COST OF GOODS SOLD (COGS)

COGS was 12,4 million euros and it accounted for 79,49% of the total sales of the first three quarters of the 2022/2023 financial year, (Q3 2021/2022: 34,3 million euros, 92,95% 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 8,5 million euros. Remaining costs are mainly attributable to packaging materials and fish feed.

Labour cost of personnel employed in production and fish farms totalled 1,9 million euros and formed 12,18% of total sales. Other cost of goods sold amounted to 2 million euros and formed 12,8% of total 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 3,86 million euros and accounted for 24,74% of the total sales (9m 2021/2022: 5,85 million euros, 15,85% 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 the lakes in Sweden and 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

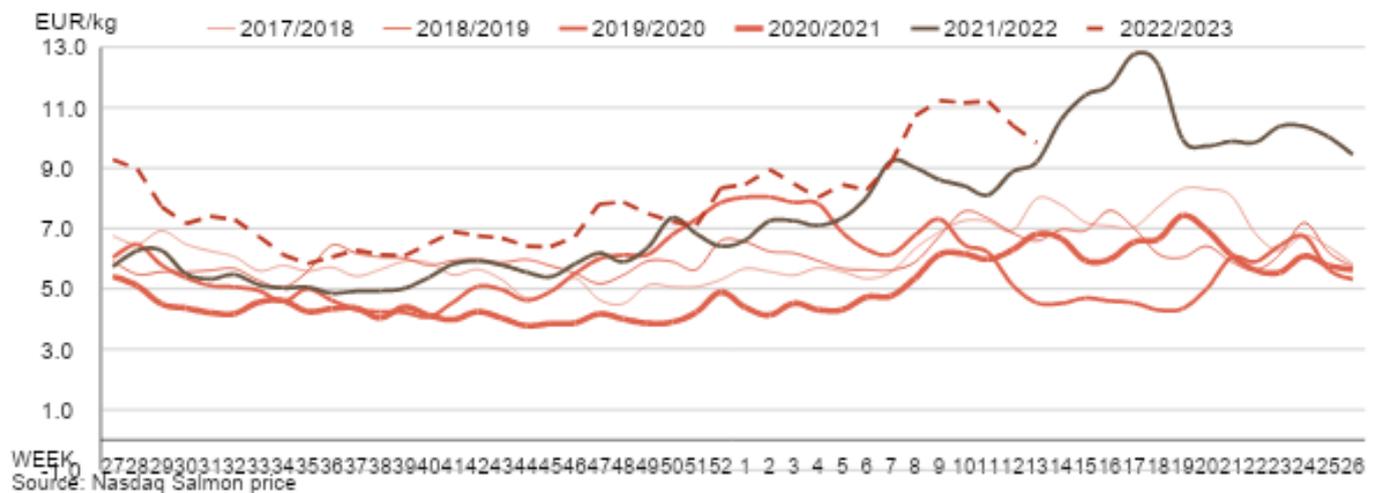
EUR/kg	31.03.2023	31.03.2022	31.03.23 vs 31.03.22	31.03.2021	31.03.23 vs 31.03.21	31.03.2020	31.03.23 vs 31.03.20
Salmon	9,83	9,20	6,8%	6,81	44,35%	4,54	116,52%
Rainbow trout	9,94	7,90	25,82%	6,00	65,67%	4,52	119,91%

As at the end of the reporting period the price of salmon has increased by 6,8% and the price of rainbow trout has increased by 25,82% compared to the prices a year ago. Over the two-year period the price of salmon has increased by 44,35% and the trout by 65,67%. The price of salmon has increased by 116,52% and of rainbow trout by 119,91% compared to the prices three years ago.

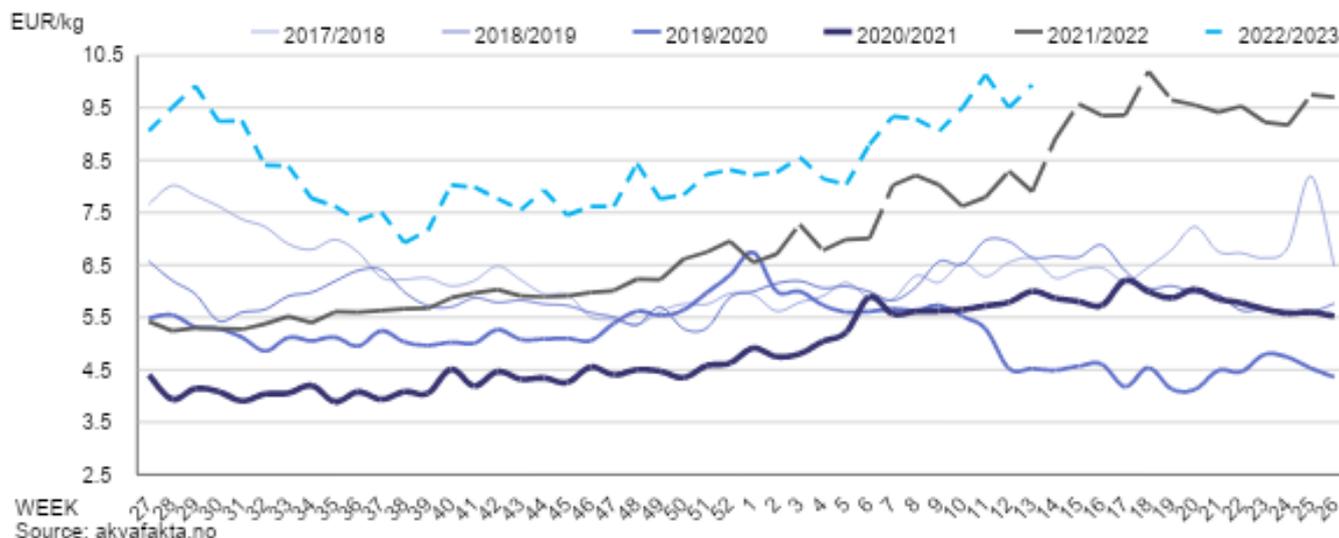
The graphs below illustrate weekly average prices of salmon and rainbow trout since the financial year 2017/2018.



EXPORT PRICE OF NORWEGIAN SALMON



EXPORT PRICE OF NORWEGIAN RAINBOW TROUT



AVERAGE MARKET PRICE OF FISH

EUR/kg	9m 2022/2023	9m 2021/2022	2022/2023 vs 2021/2022	9m 2020/2021	2022/2023 vs 2020/2021	9m 2019/2020	2022/2023 vs 2019/2020
Salmon	7,46	6,29	18,6%	4,49	66,15%	5,65	32,04%
Rainbow trout	8,32	6,13	35,73%	4,47	86,13%	5,35	55,51%

As at the end of the reporting period the average market prices of salmon and rainbow trout have increased by 18,6% and 35,73%, 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 66,15% and 86,13%, respectively. The average fish prices have increased compared to the prices three years ago: salmon by 32,04% and rainbow trout by 55,51%.

BIOLOGICAL ASSETS

Biological assets are fish stock accounted for in PRFoods' fish farms in live weight, including rainbow trout (*Oncorhynchus mykiss*) and European whitefish (*Coregonus lavaretus*).

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.

BIOMASS VOLUME AND AVERAGE PRICE. EUR/KG

	9m 22/23	9m 21/22	Change, mln EUR 9m 22/23 vs 9m 21/22	Change, % 9m 22/23 vs 9m 21/22
Biological assets at the end of period. mln EUR	0	2,3	-2,3	-100%
Fair value adjustment of biological assets. mln EUR	0	0,31	-0,31	-100%

The fair value of biological assets was 0 million euros compared to 2,3 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, ELKO Grupa 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 comprised of six members. The board is chaired by Lauri Kustaa Äimä, members of the supervisory board are Aavo Kokk, Harvey Sawikin, Vesa Jaakko Karo, Arko Kadajane and Kuldar Leis.

The highest governing body of a public limited company is a general meeting of shareholders. 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 31.03.2023:

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	1.223.050	3.16%
Member of the supervisory board – Lauri Kustaa Äimä	125.000	0.32%
Member of the supervisory board – Vesa Jaakko Karo	9.000	0.23%
Member of the supervisory board – Arko Kadajane	8.928	0.02%
Member of the supervisory board – Harvey Sawikin	0	-
Member of the supervisory board – Aavo Kokk	0	-
Total number of shares owned by the members of the supervisory and management boards	3.060.595	7.91%

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 0,01% and PRFoods share price decreased by 29%.

	Index / Share	Ticker / index	31.03.2023	31.03.2022	Change
●	PRFoods share	PRF1T	0,248	0,349	-29,00%
●	OMX Tallinn GI	OMXTGI	1867,10	1890,35	-0,01%

TRADING STATISTICS

Price (EUR)	1Q 2023	4Q 2022	3Q 2022	2Q 2022	1Q 2022	4Q 2021	3Q 2021	2Q 2021	1Q 2021
Open	0,30	0,307	0,348	0,340	0,359	0,376	0,425	0,380	0,370
High	0,304	0,318	0,350	0,370	0,435	0,385	0,428	0,428	0,388
Low	0,235	0,280	0,301	0,340	0,300	0,310	0,360	0,380	0,362
Last	0,248	0,290	0,31	0,348	0,349	0,360	0,376	0,425	0,382
Traded volume. mln	0,49	0,12	0,14	0,11	0,52	0,640	0,67	0,66	0,74
Number of trades	1 860	1172	1065	1077	1994	2614	2 443	1 935	2 098
Average trade volume	261	102	129	98	263	245	274	340	355
Turnover. mln	0,13	0,03	0,05	0,04	0,19	0,23	0,26	0,26	0,28
Market capitalization. mln	9,59	11,22	11,99	13,46	13,50	13,93	14,54	16,44	14,78

A total of 1 860 trades were conducted with PRFoods' shares during the first quarter of 2023. A total of 485 426 shares changed hands forming 1,25% of the company's shares. The average trade volume was 261 shares.

Turnover of share trading amounted to 0,13 million euros in 1Q 2023 and the highest share price in 1Q 2023 was 0,304 euros and the lowest was 0,235 euros.

The closing price of the share was 0,248 euro as at 31.03.2023 and the company's market capitalisation was 9,59 million euros.

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 31.03.2023, 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.

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 31.03.2023, 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 31.03.2023	% of total 31.03.2023	Value of bonds 30.06.2022	% of total 30.06.2022	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%	-
Spring Capital Growth Fund 1	504 300	3,8%	505 300	3,7%	-1 000
AS SEB Bankas	495 400	3,7%	502 700	3,8%	-7 300
Compensa Life Vienna Insurance Group SE	475 800	3,6%	475 800	3,6%	-
Total biggest Bondholders	10 035 500	75,2%	10 043 800	75,0%	-8 300
Remaining Bondholders	3 281 000	24,4%	3 272 700	24,6%	8 300
Bonds owned by PRFoods	53 500	0,4%	53 500	0,4%	-

BONDHOLDERS BY VALUE OF BONDS. 31.03.2023

Value of bonds	Number of bondholders	% of bondholders	Value of bonds	% of bond value
1 ... 1 000	143	42,4%	72 300	0,5%
1 001 ... 10 000	111	32,9%	464 500	3,5%
10 001 ... 50 000	60	17,8%	1 373 000	10,3%
50 001 ... 100 000	10	3,0%	756 500	5,7%
100 001 ...	13	3,9%	10 703 700	80,0%
Total	337	100,0%	13 370 000	100,0%

CONDENSED INTERIM ACCOUNTING REPORT

CONDENSED INTERIM ACCOUNTING REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR '000	Note	31.03.2023	31.03.2022	30.06.2022
ASSETS				
Cash and cash equivalents	2	457	119	110
Receivables and prepayments	3	3 093	3 669	2 567
Inventories	4	1 785	2 661	2 196
Biological assets		-	2 313	3 003
Total current assets		5 336	8 762	7 876
Deferred tax assets		-	97	93
Long-term financial investments		304	230	229
Tangible assets		6 766	9 017	8 882
Intangible assets		17 401	21 942	21 837
Total non-current assets		24 471	31 286	31 041
TOTAL ASSETS		29 806	40 048	38 917
EQUITY AND LIABILITIES				
Interest-bearing liabilities	5	1 450	7 484	7 094
Payables and prepayments	6	3 055	4 004	3 978
Government grants		-	152	-
Total current liabilities		4 505	11 640	11 073
Interest-bearing liabilities	5	15 585	16 523	17 725
Payables and prepayments	6	-	-	204
Deferred tax liabilities		1 645	1 536	1 599
Government grants		321	226	265
Total non-current liabilities		17 551	18 285	19 792
TOTAL LIABILITIES		22 056	29 925	30 865
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		261	815	839
Retained profit (loss)		- 14 162	- 11 819	- 14 391
Equity attributable to parent		7 504	10 401	7 853
Non-controlling interest		246	- 278	199
TOTAL EQUITY		7 750	10 123	8 052

TOTAL EQUITY AND LIABILITIES		29 806	40 048	38 917
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

EUR '000	Note	3Q 2022/2023	3Q 2021/2022	9m 2022/2023	9m 2021/2022
Revenue		3 675	7 379	15 585	36 878
Cost of goods sold		-2 619	-7 698	-12 404	-34 270
Gross profit		1 056	-319	3 181	2 608
Operating expenses		-1 362	-1 149	-3 855	-5 853
Selling and distribution expenses		-621	-964	-1 935	-4 213
Administrative expenses		-741	-185	-1 920	-1 640
Other income / expense		66	-198	-2	-136
Fair value adjustment on biological assets		170	246	0	314
Operating profit (loss)		-71	-1 420	-677	-3 067
Financial income / expenses		171	-3 283	1 619	-3 651
Profit (Loss) before tax		101	-4 703	942	-6 718
Income tax		2	192	-106	83
Net profit (loss) for the period		103	-4 511	836	-6 635
Net profit (loss) attributable to:					
Owners of the Parent Company		153	-4 481	821	-6 641
Non-controlling interests		-51	-30	15	6
Total net profit (loss) for the period		102	-4 511	836	-6 635
Other comprehensive income (loss) that may subsequently be classified to profit or loss:					
Foreign currency translation differences		-133	-140	-578	132
Total comprehensive income (expense)		-31	-4 651	258	-6 503
Total comprehensive income (expense) attributable to:					
Owners of the Parent Company		20	-4 621	243	-6 509
Non-controlling interests		-51	-30	15	6
Total comprehensive income (expense) for the period		-31	-4 651	258	-6 503
Profit (Loss) per share (EUR)	7	0.00	-0.12	0.02	-0.17
Diluted profit (loss) per share (EUR)	7	0.00	-0.10	0.02	-0.15

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR '000	Share capital	Share premium	Treasury shares	Statutory capital reserve	Unrea-lised currency differ.	Retained earnings (-loss)	Total	Non-contr . interests	Total equity
Balance at 30.06.2021	7 737	14 007	-390	51	559	-6 723	15 241	533	15 774
Net profit (loss) for the year	0	0	0	0	0	-8 143	-8 143	-17	-8 160
Other comprehensive income (expense)	0	0	0	0	280	0	280	0	280
Total comprehensive income (expense) for the period	0	0	0	0	280	-8 143	-7 863	-17	-7 880
Other movement	0	0	0	0	0	477	477	-317	160
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	821	821	14	835
Other comprehensive income (expense)	0	0	0	0	-578	0	-578	0	-578
Total comprehensive income (expense) for the period	0	0	0	0	-578	821	243	14	257
Other movement	0	0	0	0	0	-592	-592	33	-559
Balance at 31.03.2023	7 737	14 007	-390	51	261	-14 162	7 504	246	7 750

Additional information in Note 7.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR '000	Note	9m 2022/2023
Cash flow from operating activities		
Net profit (loss)		835
Adjustments:		
Depreciation		894
Other non-cash items		0
Changes in receivables and prepayments		-1 470
Changes in inventories		69
Changes in biological assets		-303
Changes in payables and prepayments		1 381
Net cash inflow (outflow) from operating activities		1 406
Cash flow from investing activities		
Sale of tangible and intangible fixed assets		0
Purchase of tangible and intangible fixed assets		-249
Acquisition of subsidiaries, net cash received		6 310
Government grants, net cash received		62
Interests received		6
Net cash inflow (outflow) from investing activities		6 129
Cash flow from financing activities		
Change in overdraft		-4 544
Repayments of loans received		-943
Proceeds from borrowings		279
Change in factoring liability		-98
Repayments of lease liabilities		-992
Interests paid		-1 176
Net cash inflow (outflow) from financing activities		-7 474
Net increase (decrease) in cash and cash equivalents		
		547
Cash and cash equivalents at beginning of the period		110
Change in cash and cash equivalents		547
Effect of sale of subsidiary		-201
Cash and cash equivalents at the end of the period	2	456

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 31.03.2023 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, Överumans Fisk AB in Sweden (until 20.09.2022) 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 2022 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 30.06.2022 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 30.06.2022 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 9 months of the financial year 2022/2023 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	31.03.2023	30.06.2022
Cash on hand	1	1
Bank accounts	456	109
Total cash and cash equivalents	457	110

NOTE 3. RECEIVABLES AND PREPAYMENTS

EUR '000	31.03.2023	30.06.2022
Trade.receivables	1 730	2 115
Other.receivables	1 060	38
Prepaid.expenses	256	233
Prepaid.taxes	47	181

Total receivables and prepayments	3 093	2 567
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Write-down on receivables was not recognised during the accounting period.

NOTE 4. INVENTORIES

EUR '000	31.03.2023	30.06.2022
Raw materials and materials	631	907
Work-in-progress	358	454
Finished goods	506	534
Goods purchased for sale	291	301
Total inventories	1 785	2 196

NOTE 5. INTEREST-BEARING LIABILITIES

EUR '000	31.03.2023	30.06.2022
Lease liabilities	233	421
Overdraft	0	4 544
Investment loans	883	1 418
Other loan	334	711
Total short-term interest-bearing liabilities	1 450	7 094
Finance lease liabilities	257	1 061
Listed bonds	13 044	12 960
Investment loans	2 284	3 704
Total long-term interest-bearing liabilities	15 585	17 725
incl. payable within 1-5 years	15 585	17 725

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 amount of the investment loan is 1.5 million GBP (1,7 million euros) and 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 Rural Development Foundation 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 2.5% per year until 30.09.2022 and 4.5% thereafter. 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.

The fish farming company Redstorm OÜ concluded an investment and working capital loan with the Rural Development Foundation on 04.01.2021 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 final term of the loans is 31.12.2026. The loan interest rate is 2.75% per year until 31.12.2022 and 4.75% thereafter. The loan is secured by a mortgage and commercial pledge on the assets of OÜ Redstorm and a guarantee of AS PRFoods in the amount of 0.5 million euros.

NOTE 6. PAYABLES AND PREPAYMENTS

EUR '000	31.03.2023	30.06.2022
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Trade payables	1 713	2 082
Payables to employees	96	252
Interest payables	357	596
Other payables	638	675
Tax liabilities	251	373
Total short-term payables and prepayments	3 055	3 978

NOTE 7. EQUITY

SHARE CAPITAL

As at 31.03.2023 the Group had 38 682 860 shares (30.06.2022: 38 682 860), including 1 000 000 treasury shares (30.06.2022: 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 30.06.2022 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.

	9m 2022/2023	9m 2021/2022
Net profit (loss) attributable to equity holders of the company. EUR '000	821	-6,641
Average number of shares. thousand	38 683	38 683
Earnings (Loss) per share. EUR	0,02	-0,17
Basic earnings (loss) per share. EUR	0,02	-0,17
Diluted earnings (loss) per share. EUR	0,02	-0,15

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 31.03.2023 EUR '000	Payables as at 30.06.2022 EUR '000
Amber Trust II S.C.A.	Shareholder AS PRFoods	Investment loan	0	500
Lindermann, Birnbaum & Kasela OÜ	Liabilities	Investment loan	240	1 115
Indrek Kasela	Board member	Loan note	0	40
Amber Trust II S.C.A.	Shareholder AS PRFoods	Bond and interest of bond	2 890	2 680
Lindermann, Birnbaum & Kasela OÜ	Liabilities	Bond and interest of bond	111	98
Total			3 241	4 433

Part of the related party loans (Amber Trust and Lindermann, Birnbaum & Kasela) were given to the subsidiary Överumans Fisk AB, which has been sold as of the date of the interim report.

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 31.03.2023	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
Överumans Fisk AB¹	Sweden	0%	100%	Fish farming	Heimon Kala Oy

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

¹ Subsidiary sold in September 2022

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

Överumans Fisk AB

As of 20.09.2022, AS PRFoods transferred 100% of the shares of the subsidiary Saaremere Kala AS to Överumans Fisk AB to Vattudalens Fisk AB. The assets and liabilities of Överumans Fisk AB have been eliminated from the consolidated financial statement as of 30.09.2022.

Sale price and terms of payment, difference between acquisition and sales price

The sale price of Överumans Fisk AB's shares was 7 915 thousand euros.

The sales price was agreed upon based on Överumans Fisk AB's financial results, net working capital and net debt as of 30.06.2022.

The effect of the sale on the group's financial position

EUR'000	Note	2022/2023
Sales price of the shares		7 915
Net assets of the subsidiary at the sales moment		-2 423
Write-off of immaterial and materials assets from consolidated financial statements of parent company		-3 024
Profit from sales of subsidiary		2 468

The profit from the sale of the subsidiary is reflected in the Financial income/expenses line of the Consolidated Statement of Comprehensive Income.

NOTE 11. FINANCIAL STATEMENTS OF SUBSIDIARIES

tEUR	Saare Kala Tootmine Q3 22/23	Saare Kala Tootmine 9m 22/23	Redstorm Q3 22/23	Redstorm 9m 22/23	PRF&JRJ (UK) konsolideeritud Q3 22/23	PRF&JRJ (UK) konsolideeritud 9m 22/23
Revenue	1,312	4,369	-520	984	2,883	10,090
Cost of goods sold	-1,245	-4,263	-61	-1,298	-1,843	-7,197
Gross profit	67	106	-581	-314	1,040	2,893

Operating expenses	-259	-779	-23	-120	-969	-2,221
Selling and distribution expenses	-176	-536	0	0	-447	-1,398
Administrative expenses	-83	-243	-23	-120	-522	-823
Other income / expense	56	89	0	0	0	0
Operating profit (loss)	-136	-584	-604	-434	70	672
Financial income / expenses	-5	3	-21	-57	-86	-176
Profit (Loss) before tax	-141	-581	-625	-491	-15	496
Income tax	0	0	0	0	2	-106
Net profit (loss) for the period	-141	-581	-625	-491	-13	390
EBITDA	18	-180	-43	207	122	874
Gross margin	5.1%	2.4%	0.0%	-31.9%	36.1%	28.7%
Raw material margin	38.1%	33.3%	0.0%	-0.7%	57.9%	46.5%
EBITDA margin	1.4%	-4.1%	0.0%	21.0%	4.2%	8.7%
Net margin	-10.7%	-13.3%	0.0%	-49.9%	-0.5%	3.9%
Operating expenses ratio	-19.7%	-17.8%	0.0%	-12.2%	-33.6%	-22.0%

MANAGEMENT BOARD'S CONFIRMATION TO THE INTERIM REPORT

The Management Board confirms the correctness and completeness of the consolidated condensed interim report for the 3rd quarter and 9 months of the financial year 2022/2023 of AS PRFoods and its subsidiaries (together the Group) presented in the pages 7-30 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 May 2023