

PRFOODS

AS PRFoods

Consolidated Unaudited Interim Report

1nd quarter and 3 months of 2021/2022
(translation from the Estonian original)

2021/2022

1ND QUARTER & 3 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 July 2021 – 30 September 2021

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CORPORATE PROFILE

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

AS PRFoods' key market is Finland, where we are amongst the four largest fish production companies. 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 Group's fish farms in Swedish lakes, Turku Archipelago area in Finland and 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 four modern factories in Renko and Kokkola (Finland), 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.

Heimon Kala is a brand with a long history, originated in Finland and being one of the most beloved fish producers there. In Estonia, Heimon Kala products have been sold since the end of 2018. 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.

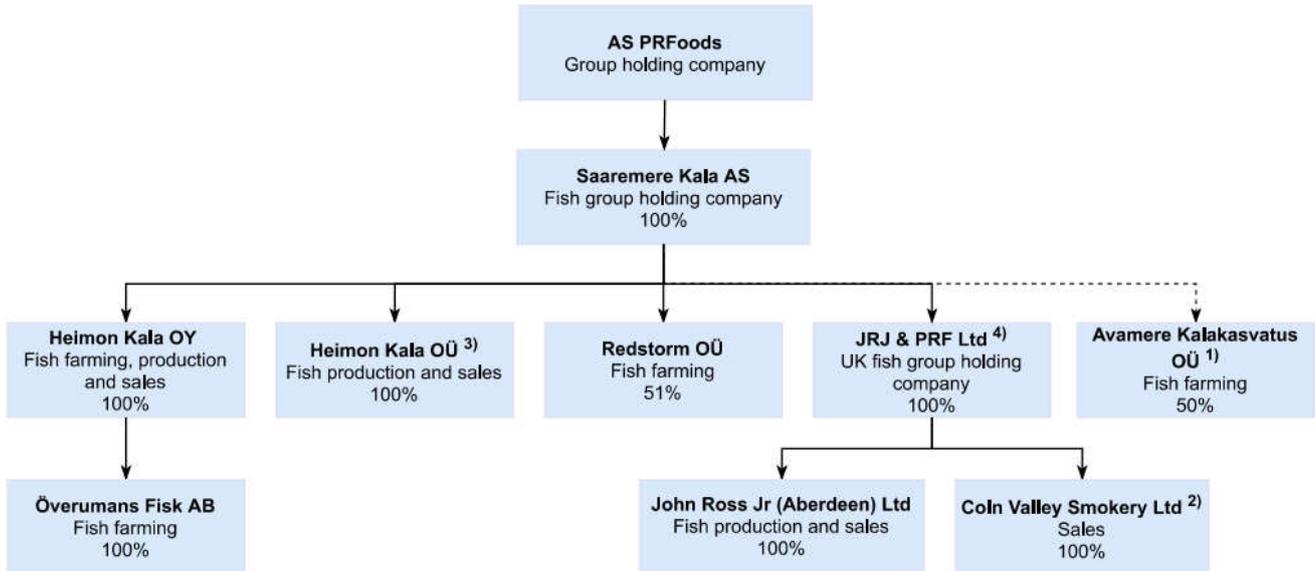
The Group is actively involved in developing new products for expanding also to new export markets. As introducing the Group's own brands is in its early stage in Scandinavia and elsewhere in the world, the management expects the Group's growth period is yet ahead.

THE GEOGRAPHY OF PRODUCTION AND SALES

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



GROUP STRUCTURE AS AT 30.09.2021



- 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
- 3) From 01.01.2021 Vettel OÜ continued its activities under the business name Heimon Kala OÜ
- 4) Saaremere Kala AS acquired 15% of the shares of the holding company JRJ & PRF Limited and holds 100% of JRJ & PRF Limited shares

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”, "Heimon Kala" and “John Ross Aberdeen“.



MANAGEMENT REPORT

MANAGEMENT REPORT

OVERVIEW OF ECONOMIC ACTIVITIES

MANAGEMENT COMMENTARY

Q1 had many things we can be satisfied with- our sales grew by 11.5% and group net loss decreased by 50%. Unfortunately, there are many things, that unearthed massive management mistakes in Finnish unit. All PRFoods current problems stem from management mistakes made in 2020-2021. As of today, we have completed 100% the change of management and key people in Finland, that we started in summer and decision to close loss-making Kokkola factory. These steps build base for renewal of profitability in 2022.

Corona crises speed up the unearthing of weaknesses in Finnish unit, and unfortunately the previous management did not want to acknowledge their mistakes or correct them. The proof that we are on right track with right people who joined us in fall this year, is the fact as of October we back to being profitable also in Finland: Heimon Kala Oy October EBITDA was 28 thousand euros and better by 270 thousand euros on YoY basis. Finnish unit caused liquidity crisis, which we are correcting with increased performance of our farming unit and cashflow released from biomass harvesting.

Thanks to the changes made to product portfolio and production by new Finnish management, we are out of all non-profitable products in Finland and have secured price and sales increases for next year in all categories. Considering the turbulent times in Finland, we aim to provide investors with regular updates from this unit.

Very well performed our UK unit, who despite some one-offs, fulfilled its EBITDA target in the sum of 172 thousand euros. Estonian EBITDA was still in minus by 150 thousand euros in Q1 due to loss-making Finnish sales.

The decline in Finnish management continued in summer, where instead of cutting loss-making production, they increased it, resulting in 880 thousand euros EBITDA loss.

Fish farming is making very good results in current quarter thanks to increased harvest volume and prices. Fish farming could even post a better EBITDA, but we delayed our Swedish harvest until Q1 2022 due to smaller biomass increase in hot summer. Considering that fresh fish prices are higher in winter, this decision has positive economic impact. At the same time this will decrease our cash flow from biomass in current quarter by 1.5 million euros, which will be deferred until Q1 2022.

We have followed our previously announced plan to emerge from this crisis:

1. Decrease our bank loans: cash flow from financing was -1.5 million euros in Q1
2. Restructure totally Finnish unit, including selling possibly or closing units or closing loss making units. Eliminating form Finnish sales all low margin products: target achieved by end of 2021.
3. Increase retail sales in UK, EU and other domestic markets: target achieved in all markets, except Finland.
4. Group's strategic focus is on fish farming, as area that has been constantly profitable. Group's target is to achieve 10 thousand tons of biomass by 2023, which should give group sales of 40-50 million euros: Swedish farms should contribute already additional 1.500-1.700 tons of biomass by fall 2022.

Group's financial position is not easy. At the same time, we must remember that 11 million euros bonds have been issued solely for refinancing of John Ross Jr. Acquisition and John Ross Jr results have not been impacted so severely, their operational cash flow is very strong and they pay regularly dividends to parent company, therefore we find their leverage to be acceptable.

Fish farming requires long term capital for fish feed and this is under works.

Last year we were forced to reduce significantly working capital financing through banks, which put strain on company's finances. We have reduced significantly working capital needs in operations, also through lower inventory. Most important is to restore profitability in the environment of lower sales and restructure loss-making business units.

Having cut our teeth now for second year in corona crisis, we know that it is not sustainable to rely on outside help and all tough decisions need to be taken sooner than later. For our advantage the fish market has started much stronger this year and is more predictable and demand for our products is growing. The only objective of new financial year is profit and everything that blocks our road to profitability must be eliminated.



Sincerely,

Indrek Kasela



UNAUDITED FINANCIAL RESULTS OF AS PRFOODS, THE 1ND QUARTER OF THE FINANCIAL YEAR 2021/2022 COMPARED TO THE 1ND QUARTER OF FINANCIAL YEAR 2020/2021

- Unaudited consolidated revenue 14.21 million euros (1Q 2020/2021: 12.74 million euros), a decrease by 11.5%
- Gross margin 5.5% (1Q 2020/2021: 9.4%)
- Positive impact from revaluation of fair value of biological assets 0.8 million euros (1Q 2020/2021: negative impact 0.09 million euros).
- Negative impact from one-offs on the result of the first quarter of the financial year 0.04 million euros (1Q 2020/2021: negative impact 0.05 million euros)
- EBITDA from operations -0.8 million euros (1Q 2020/2021: -0.34 million euros)
- EBITDA -0.009 million euros (1Q 2020/2021: -0.48 million euros), without one-offs EBITDA -0.035 million euros (1Q 2020/2021: -0.43 million euros)
- Operating loss 0.65 million euros (1Q 2020/2021: operating loss 1.13 million euros), without one-offs operating loss 0.556 million euros (1Q 2020/2021: operating loss 1.08 million euros)
- Net loss 0.74 million euros (1Q 2020/2021: net loss 1.44 million euros), without one-offs net loss 0.7 million euros (1Q 2020/2021: net loss 1.39 million euros)

SUMMARY OF FINANCIAL RESULTS: 1ND QUARTER OF 2021/2022 COMPARED TO 1ND QUARTER OF 2020/2021

mln EUR	1Q 2021/2022	1Q 2020/2021	Change, mln EUR	Change, %	Impact
Sales	14.21	12.74	1.47	11.5%	▲
Gross profit	0.77	1.20	-0.43	-35.5%	▼
EBITDA from operations*	-0.79	-0.34	-0.45	132.9%	▼
Revaluation of bioassets	0.82	-0.09	0.91	-968.6%	▲
One-off expenses	-0.04	-0.05	0.01	-12.0%	▲
EBITDA	-0.01	-0.48	0.47	-98.1%	▲
Depreciation and amortisation	-0.66	-0.64	-0.01	1.7%	▼
Operating profit (loss)	-0.66	-1.13	0.46	-41.0%	▲
Financial income/expense	0.00	-0.31	0.31	-100.6%	▲
Net profit (loss)	-0.74	-1.44	0.70	-48.5%	▲

* before one-offs and fair value adjustment of bioassets



KEY RATIOS – INCOME STATEMENT

mIn EUR unless indicated otherwise	3Q 2021	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020	4Q 2019	3Q 2019
Sales	14.2	14.7	14.2	17.0	12.7	15.1	18.5	25.4	19.3
Gross profit	0.8	0.3	0.9	2.5	1.2	0.7	2.0	4.3	2.6
EBITDA from operations	-0.8	-1.0	-0.5	0.6	-0.3	-0.1	0.0	2.1	0.7
EBITDA	0.0	-0.7	-0.7	0.7	-0.5	-0.1	-0.9	1.4	1.5
EBIT	-0.7	-1.4	-1.4	0.0	-1.1	-1.0	-1.4	0.7	1.0
EBT	-0.6	-1.6	-1.8	-0.1	-1.4	-1.2	-1.8	0.6	0.8
Net profit (loss)	-0.7	-1.7	-1.8	-0.2	-1.4	-1.3	-1.7	0.5	0.6
Gross margin	5.4%	2.1%	6.6%	14.9%	9.4%	4.4%	10.8%	17.0%	13.4%
Operational EBITDA margin	-5.5%	-7.0%	-3.5%	3.4%	-2.6%	-0.9%	0.1%	8.4%	3.8%
EBITDA margin	-0.1%	-4.8%	-5.3%	4.1%	-3.8%	-0.5%	-4.6%	5.3%	7.6%
EBIT margin	-4.7%	-9.3%	-9.9%	0.2%	-8.8%	-6.4%	-7.8%	2.9%	5.0%
EBT margin	-4.6%	-10.8%	-12.5%	-0.6%	-11.3%	-8.3%	-9.8%	2.2%	3.9%
Net margin	-5.2%	-11.6%	-12.5%	-1.2%	-11.3%	-8.4%	-9.2%	2.0%	2.9%
Operating expense ratio	16.3%	15.4%	15.6%	15.6%	18.2%	14.0%	14.3%	12.5%	13.4%

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. 2021	30.06. 2021	31.03. 2021	31.12. 2020	30.09. 2020	30.06. 2020	31.03. 2020	31.12. 2019	30.09. 2019
Net debt	24.2	20.9	21.4	21.9	21.5	20.7	17.0	17.8	19.9
Equity	14.9	15.8	17.6	18.6	18.5	19.8	21.6	23.3	22.8
Working capital	-2.6	-2.9	-5.0	-3.9	-4.4	-4.0	-2.5	-3.5	-3.0
Assets	56.0	55.3	54.5	57.5	57.4	57.1	56.9	60.5	62.4
Liquidity ratio	0.9x	0.9x	0.8x	0.8x	0.8x	0.8x	0.9x	0.9x	0.9x
Equity ratio	26.7%	28.6%	32.4%	32.4%	32.3%	34.7%	37.9%	38.5%	36.5%
Gearing ratio	61.8%	56.9%	54.9%	54.0%	53.7%	51.1%	44.0%	43.3%	46.6%
Debt to total assets	0.7x	0.7x	0.7x	0.7x	0.7x	0.7x	0.6x	0.6x	0.6x
Net debt to operating EBITDA	-14.3x	-16.9x	-55.3x	160.0x	12.8x	7.5x	5.3x	5.3x	5.4x
ROE	-26.7%	-28.7%	-23.8%	-21.9%	-7.0%	-9.1%	-5.7%	-3.2%	-4.5%
ROA	-7.9%	-9.1%	-8.4%	-7.8%	-2.4%	-3.2%	-2.1%	-1.2%	-1.6%

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

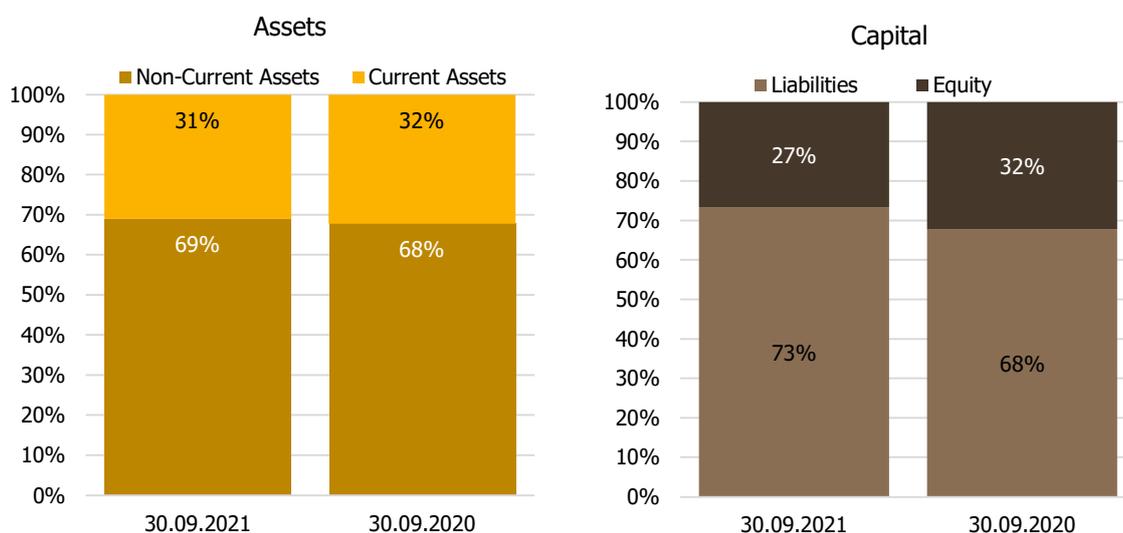
ROA = Net earnings for the trailing 12 months / Average assets

BALANCE SHEET

As at 30.09.2021 consolidated total assets of PRFoods stood at 56.0 million euros. The year before i.e. as at 30.09.2020 the balance sheet totalled 57.4 million euros.

The Group's current assets stood at 17.4 million euros as at 30.09.2021 (30.09.2020: 18.5 million euros). Non-current assets totalled 38.6 million euros (30.09.2020: 38.9 million euros).

Current liabilities totalled 19.9 million euros as at 30.09.2021 (30.09.2020: 22.9 million euros). Non-current liabilities totalled 21.1 million euros (30.09.2020: 15.9 million euros). Equity of PRFoods was 14.9 million euros (30.09.2020: 18.5 million euros).

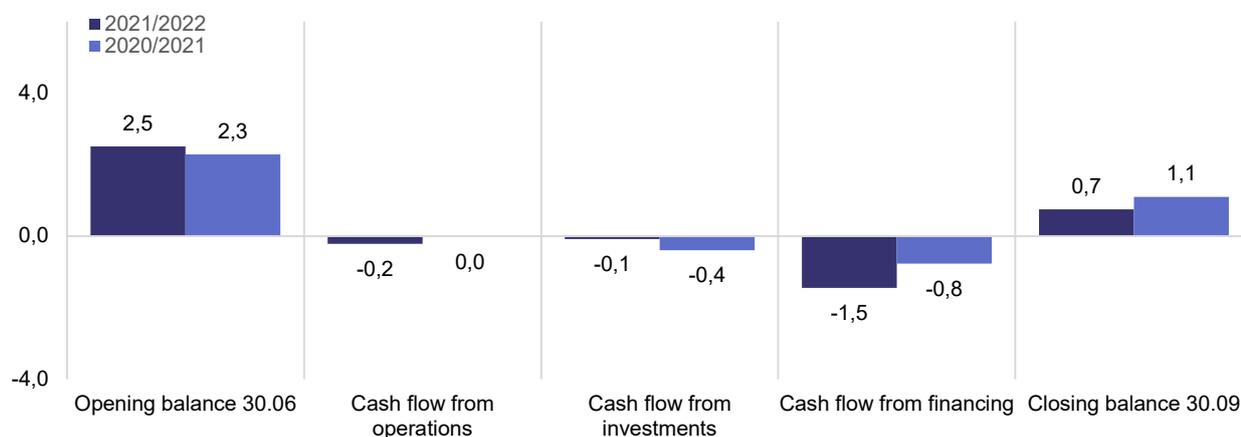


CASH FLOWS

PRFoods' cash and cash equivalents totalled 2.5 million euros at the beginning of the financial year of 2021/2022 and 0.7 million euros at the end of the accounting period, the period's cash flow amounted to -1.8 million euros. Cash flow during the same period last financial year was -1.2 million euros.

Cash flow from operations was -0.2 million euros and -0.02 million euros a year ago. Cash flow from investment activities was -0.09 million euros and -0.4 million euros a year ago. Cash flow from financing activities totalled -1.5 million euros compared to -0.8 million euros during the same period in the previous financial year.

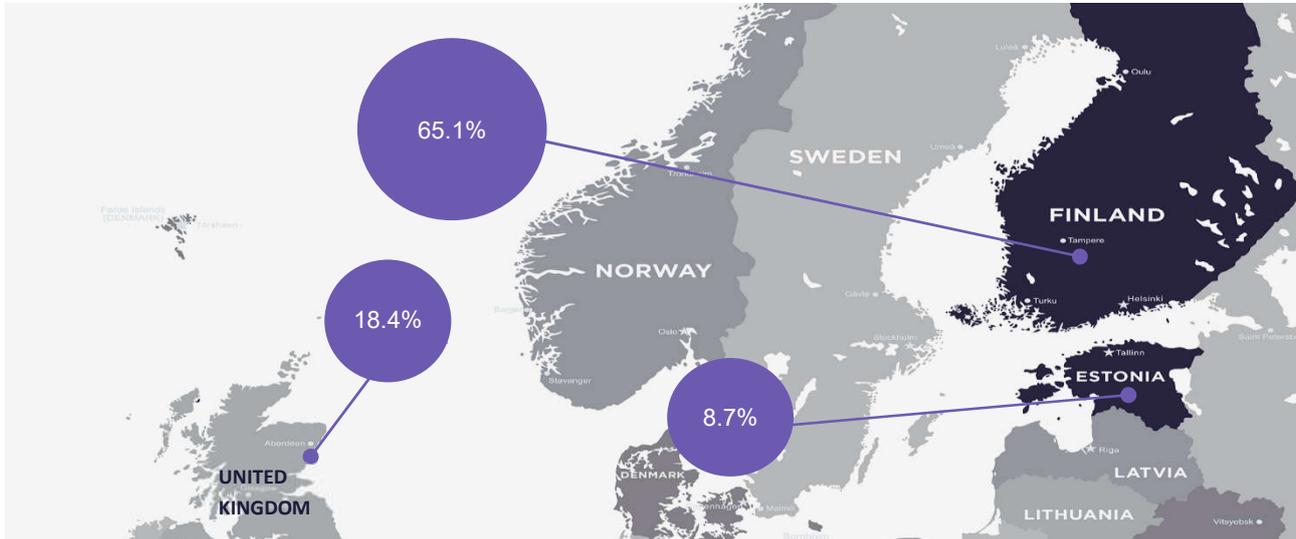
CHANGE IN CASH FLOWS 3 MONTHS OF 2021/2022 VS 3 MONTHS OF 2020/2021



REVENUE

The main products of the Group are salmon and rainbow trout goods. The Group is mainly known as a seller of fresh fish and fish products in Finland, 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 twelve months of the financial year 2021/2021 was 14.7 million euros, up by 1.5 million euros compared to the same period of the previous financial year, when the sales amounted to 12.7 million euros.



GEOGRAPHIC SEGMENTS

mln EUR	3m 21/22	Share, %	3m 20/21	Share, %	Change, mln EUR	Change, %	Imp.
Finland	9.3	65.1%	7.8	61.5%	1.4	18.2%	▲
United Kingdom	2.6	18.4%	2.0	15.8%	0.6	30.1%	▲
Estonia	1.2	8.7%	1.4	11.0%	-0.2	-12.1%	▼
Other	1.1	8.6%	1.5	11.7%	-0.4	-26.0%	▼
Total	14.2	100.0%	12.7	100.0%	1.5	11.5%	▲

Finland with sales revenue of 9.3 million euros and 65.1% of total sales is the largest market of the Group. Revenue of the second largest market, UK, amounted to 2.6 million euros, i.e., 18.4% of total sales. Revenue of the Estonian market totalled 1.2 million euros, i.e., 8.7% of the total. Revenue of the Finnish and British markets increased compared to the same period of the previous financial year: Finland 18.2%, Great Britain 30.1%.

PRODUCT SEGMENTS

mln EUR	3m 21/22	Share, %	3m 20/21	Share, %	Change, mln EUR	Change, %	Imp.
Hot & cold smoked fish	6.92	48.7%	6.30	49.4%	0.6	9.8%	▲
Fresh fish and fillets	5.36	37.7%	4.12	32.4%	1.2	30.0%	▲
Other fish products	1.93	13.6%	2.31	18.1%	-0.4	-16.3%	▼
Other	0.00	0.0%	0.01	0.1%	0.0	-88.4%	▼
Total	14.21	100.0%	12.74	100.0%	1.5	11.5%	▲

The largest product group of the first quarter of the financial year was hot and cold smoked fish product group, the sales of which amounted to 6.92 million euros and accounted for 48.7% of total sales. The sales of fresh fish and fillets product group of 5.36 million euros accounted for 37.7% of the total and increased 30.0% to compare the same period of previous financial year.

CLIENT SEGMENTS

mln EUR	3m 21/22	Share, %	3m 20/21	Share. %	Change. mln EUR	Change. %	Imp.
Retail chains	6.6	46.2%	7.4	58.3%	-0.9	-11.5%	▼
Wholesale	3.9	27.6%	2.4	18.9%	1.5	63.0%	▲
HoReCa	2.9	20.6%	2.5	19.5%	0.4	17.3%	▲
Other	0.8	6.3%	0.4	3.3%	0.4	88.9%	▲
Total	14.2	100.0%	12.7	100.0%	1.5	11.5%	▲

The largest client group is the retail chains' group sales of which amounted to 6.6 million euros and accounted for 46.2% of the total sales during the period. Sales to wholesale amounting to 3.9 million euros and sales to HoReCa amounting to 2.9 million euros account for 27.6% and 20.6% respectively of the total sales. Compared to the same period in the previous financial year the sales increased in wholesale and HoReCa by 63.0% and 17.3%, respectively.

COSTS

	3m 21/22	3m 20/21	Change	Impact	3m 21/22	3m 20/21	Change	Impact
	mln EUR	mln EUR	mln EUR		as % of sales	as % of sales	%-point	
Sales	14.207	12.737	1.47	▲	100.00%	100.00%		
Cost of goods sold	-13.433	-11.537	-1.89	▼	94.55%	90.58%	3.97%	▼
materials in production & cost of goods purchased for resale	-10.241	-8.151	-2.09	▼	72.08%	64.00%	8.08%	▼
labour costs	-1.453	-1.470	0.02	▲	10.23%	11.54%	-1.31%	▲
depreciation	-0.539	-0.534	-0.01	▼	3.79%	4.19%	-0.40%	▲
other cost of goods sold	-1.200	-1.390	0.19	▲	8.45%	10.85%	-2.40%	▲
Operating expenses	-2.31	-2.32	0.01	▲	16.25%	18.23%	-1.98%	▲
labour costs	-0.64	-0.77	0.13	▲	4.48%	6.05%	-1.57%	▲
transport & logistics services	-0.81	-0.73	-0.08	▼	5.69%	5.76%	-0.07%	▲
depreciation	-0.12	-0.11	-0.01	▼	0.82%	0.86%	-0.04%	▲
advertising, marketing and product development	-0.06	-0.12	0.06	▲	0.40%	0.95%	-0.55%	▲
other operating expenses	-0.68	-0.59	-0.09	▼	4.86%	4.61%	0.25%	▼
Other income/expenses	0.05	0.09	-0.04	▼	0.36%	0.71%	-0.35%	▼
incl. one-offs	-0.04	-0.05	0.01	▲	0.33%	0.43%	-0.10%	▲
Financial income / expense	0.00	-0.31	0.31	▲	-0.01%	2.68%	-2.69%	▲

COST OF GOODS SOLD (COGS)

COGS sold was 13.4 million euros and it accounted for 94.55% of the total sales of the twelfth months of the 2021/2022 financial year (3m 2020/2021: 11.54 million euros, 90.58% 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 10.24 million euros (3m 2020/2021: 8.15 million euros). Remaining costs are mainly attributable to packaging materials and fish feed.

Labour cost of personnel employed in production and fish farms totalled 1.45 million euros and formed 10.2% of total sales (3m 2020/2021: 1.47 million euros, 11.5% of sales).

Other cost of goods sold amounted to 1.2 million euros and formed 8.45% of total sales (3m 2020/2021: 1.39 million euros, 10.85% 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 2.3 million euros and accounted for 16.25% of the total sales (3m 2020/2021: 2.3 million euros, 18.23% of sales).

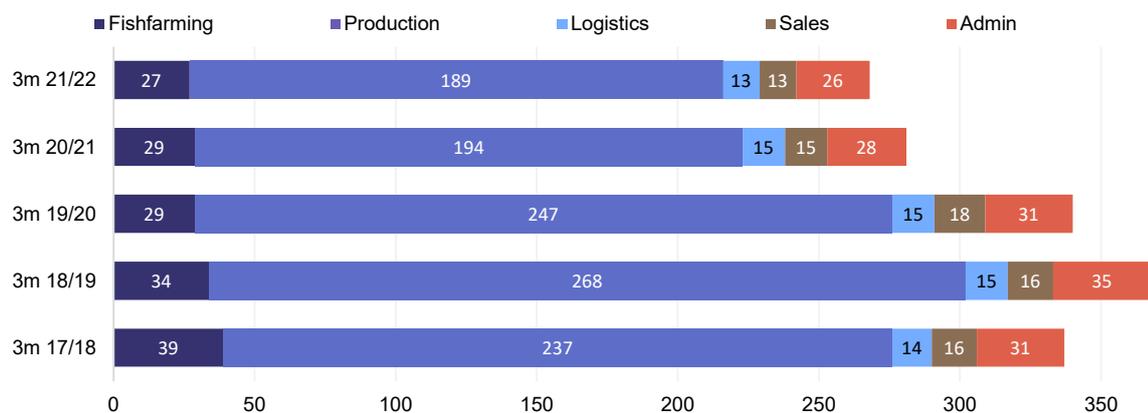
The majority of operating costs are costs on transport & logistics services and labour, formed 5.69% and 4.48%, respectively.

PERSONNEL

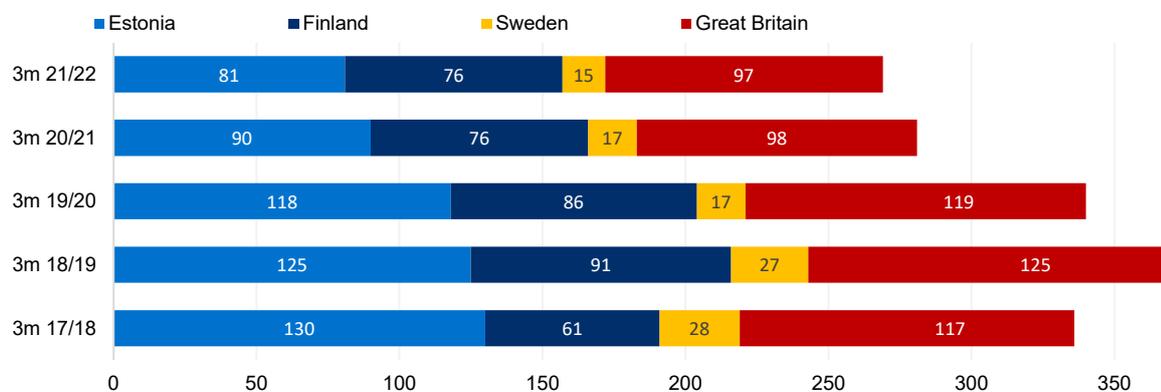
The average number of employees in PRFoods in the 1st quarter of the financial year 2021/2022 was 270. The Group's labour costs totalled 2.1 million euros in the 1st quarter of 2021/2022.

	3Q 2021	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020	4Q 2019	3Q 2019
Average number of employees	270	272	277	287	282	279	305	348	340
Finland	76	77	78	80	76	71	74	991	86
Estonia	82	83	86	89	91	96	101	114	118
UK	97	97	98	102	98	95	111	125	119
Sweden	15	15	15	16	17	17	19	18	17
Payroll expense. th EUR	2.089	2.209	2.089	2.727	2.241	2.168	2.559	3.161	2.683
Monthly average payroll expense per employee. th EUR	2.58	2.71	2.51	3.11	2.65	2.59	2.80	3.03	2.63

Employees per area of activity



Employees per country



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, in the archipelago in Turku area in Finland 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 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 related to 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

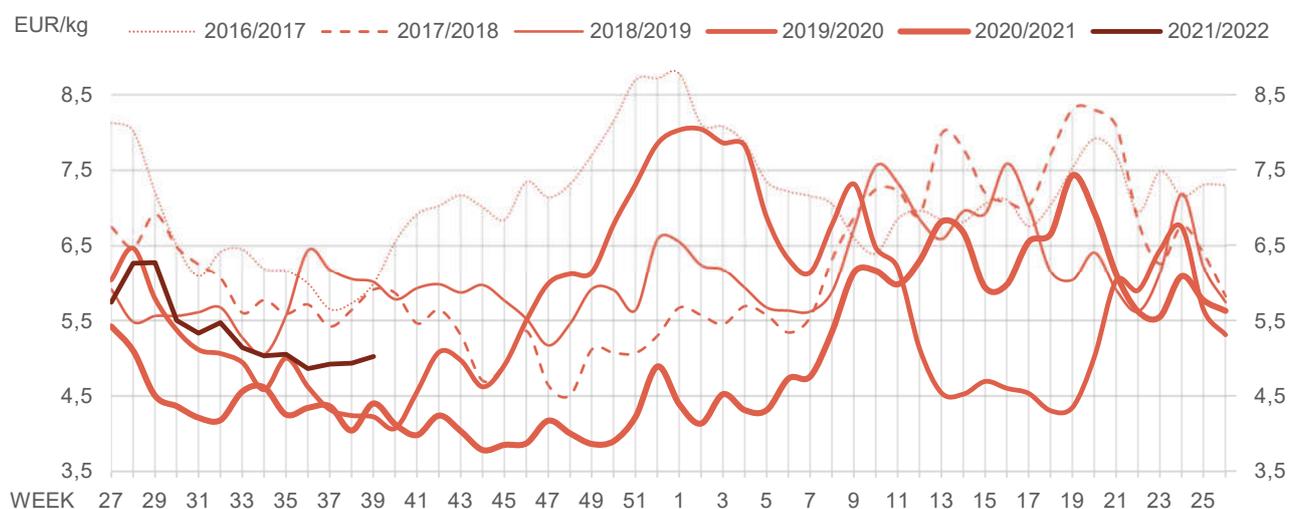
EUR/kg	30.09.2021	30.09.2020	30.09.21 vs 30.09.20	30.09.2019	30.09.21 vs 30.09.19	30.09.2018	30.09.21 vs 30.09.18
Salmon	5.02	4.40	14.1%	4.22	19.0%	6.01	-16.5%
Rainbow trout	5.67	4.05	39.9%	4.97	14.1%	5.72	-0.9%

As at the end of the reporting period the price of salmon has increased by 14.1% and the price of rainbow trout has increased by 39.9% compared to the prices a year ago. Over the two-year period the price of salmon has increased by 19.0% and the trout by 14.1%. The price of salmon has decreased by 16.5% and of rainbow trout by 0.9% compared to the prices three years ago.

The graphs below illustrate weekly average prices of salmon and rainbow trout since the financial year 2016/2017.



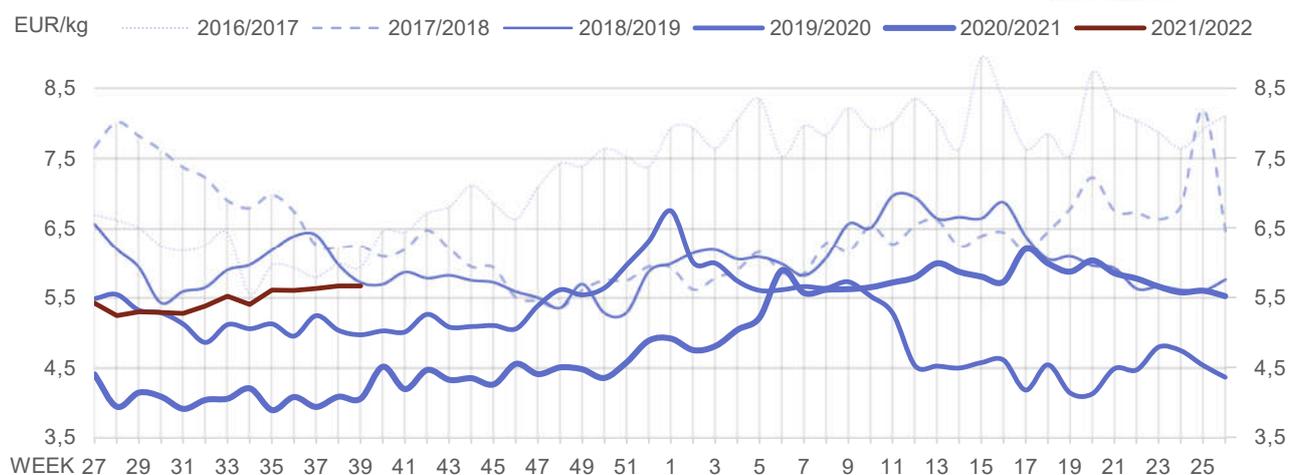
EXPORT PRICE OF NORWEGIAN SALMON



Source: Nasdaq Salmon price



EXPORT PRICE OF NORWEGIAN RAINBOW TROUT



Source: akvafakta.no

AVERAGE MARKET PRICE OF FISH

EUR/kg	3m 2021/2022	3m 2020/2021	2021/2022 vs 2020/2021	3m 2019/2020	2021/2022 vs 2019/2020	3m 2018/2019	2021/2022 vs 2018/2019
Salmon	5.28	4.47	18.0%	4.94	6.9%	5.72	-7.7%
Rainbow trout	5.46	4.05	34.8%	5.15	6.0%	5.97	-8.5%

As at the end of the reporting period the average market prices of salmon and rainbow trout have decreased by 18.0% and 34.8%, 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 6.9% and 6.0%, respectively. The average fish prices have decreased compared to the prices three years ago: salmon by 7.7% and rainbow trout by 8.5%.

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.

CHANGE IN BIOLOGICAL ASSETS, TONNES

	3m 21/22	3m 20/21	Change, tonnes 3m 21/22 vs 3m 20/21	Change, % 3m 21/22 vs 3m 20/21
Biomass at the beginning of the period	846	945	-99	-10.5%
Biomass at the end of the period	1.778	1.657	121	7.3%
Harvested fish (in live weight)	0	421	-421	-99.9%

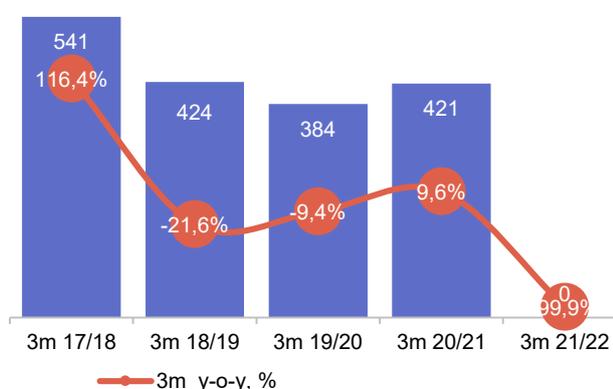
Biological assets totalled 846 tonnes as at 30.09.2021, a decrease by 99 tonnes, i.e. 10.5% compared to the same period last year. Due to the restructuring of Swedish fish farms and the introduction of new permits, the sale of fish was postponed, so production has not been recorded in the first quarter.

BIOMASS VOLUME AND AVERAGE PRICE, EUR/KG

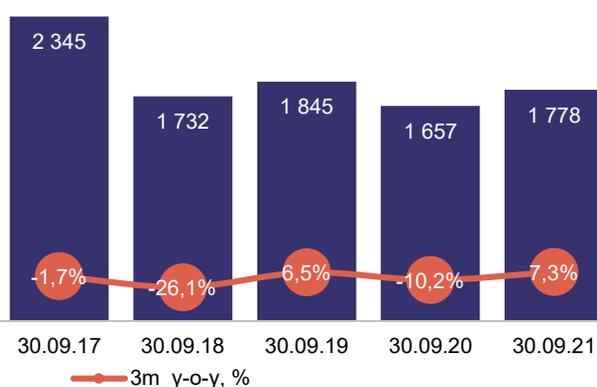
	3m 21/22	3m 20/21	Change, tonnes 3m 21/22 vs 3m 20/21	Change, % 3m 21/22 vs 3m 20/21
Biological assets at the end of period, mln EUR	7.7	5.42	2.32	42.8%
Biomass volume at the end of period, tonnes	1.778	1.657	121	7.3%
Average price, EUR/kg	4.36	3.27	1.08	33.1%
Fair value adjustment of biological assets, mln EUR	0.82	-0.09	0.91	-968.6%

The fair value of biological assets was 7.7 million euros compared to 5.4 million euros a year ago. Average price of biomass was 4.4 euros per kg compared to 3.3 euros per kg during the comparable period a year ago.

Harvested volume, tonnes



Biomass volume, tonnes



MANAGEMENT AND SUPERVISORY BOARDS

The Management Board of AS PRFoods is comprised of one member – Indrek Kasela – who as per the supervisory board's decision serves as the sole member of the management board since 2 February 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 an LL.M (Master of Laws) degree from New York University (1996) and a BA degree in law from the University of Tartu (1994).

In addition to the management position in PRFoods, he is a member of management boards in almost all the Group entities and in several non-Group entities (Lindermann. Birnbaum & Kasela OÜ. ManageTrade OÜ. NBLJK OÜ. etc). He chairs or is a member of supervisory boards among others of the following companies: 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. He serves also as a board member in several companies and NPOs 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 30.09.2021:

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.

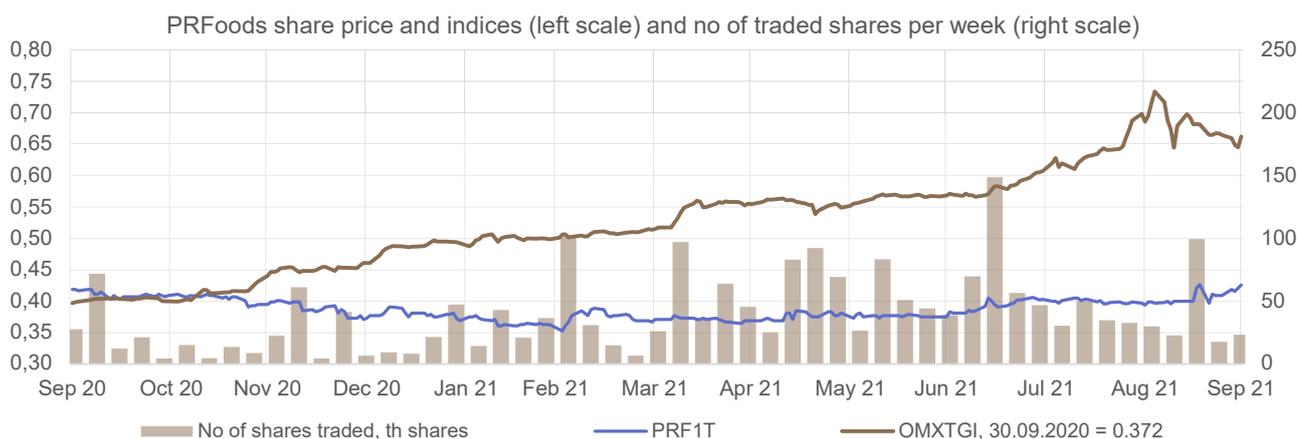
PRFoods shares are listed in the main list of Nasdaq Tallinn Stock Exchange since 5 May 2010. PRFoods shares do not have an official market maker. PRFoods share is a component in OMX Tallinn General Index.

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 increased by 67.04% and PRFoods share price increased 1.08%.

	Index / Share	Ticker / index	30.09.2021	30.09.2020	Change
●	PRFoods share	PRF1T	0.376	0.372	1.08%
●	OMX Tallinn GI	OMXTGI	1.932.45	1.156.86	67.04%



Source: Nasdaq Tallinn, PRFoods

TRADING STATISTICS

Price (EUR)	3Q 2021	2Q 2021	1Q 2021	4Q 2020	3Q 2020	2Q 2020	1Q 2020	4Q 2019	3Q 2019
Open	0.425	0.380	0.370	0.374	0.418	0.398	0.461	0.430	0.502
High	0.428	0.428	0.388	0.390	0.420	0.458	0.530	0.470	0.534
Low	0.360	0.380	0.362	0.344	0.370	0.380	0.361	0.410	0.430
Last	0.376	0.425	0.382	0.370	0.372	0.418	0.382	0.460	0.430
Traded volume. mln	0.67	0.66	0.74	0.38	0.30	0.33	0.53	0.19	0.29
Number of trades	2.443	1.935	2.098	1.573	1.131	941	886	251	235
Average trade volume	274	340	355	244	267	348	597	750	1 250
Turnover. mln	0.26	0.26	0.28	0.14	0.12	0.14	0.23	0.08	0.14
Market capitalisation. mln	14.54	16.44	14.78	14.31	14.39	16.17	14.78	17.79	16.63

A total of 2.443 trades were conducted with PRFoods' shares during the third quarter of 2021. A total of 669.713 shares changed hands forming 1.7% of the company's shares. The average trade volume was 274 shares.

Turnover of share trading amounted to 0.26 million euros in 3Q 2021 and the highest share price in 3Q 2021 was 0.428 euros and the lowest was 0.360 euros.

The closing price of the share was 0.376 euro as at 30.09.2021 and the company's market capitalisation was 14.54 million euros.

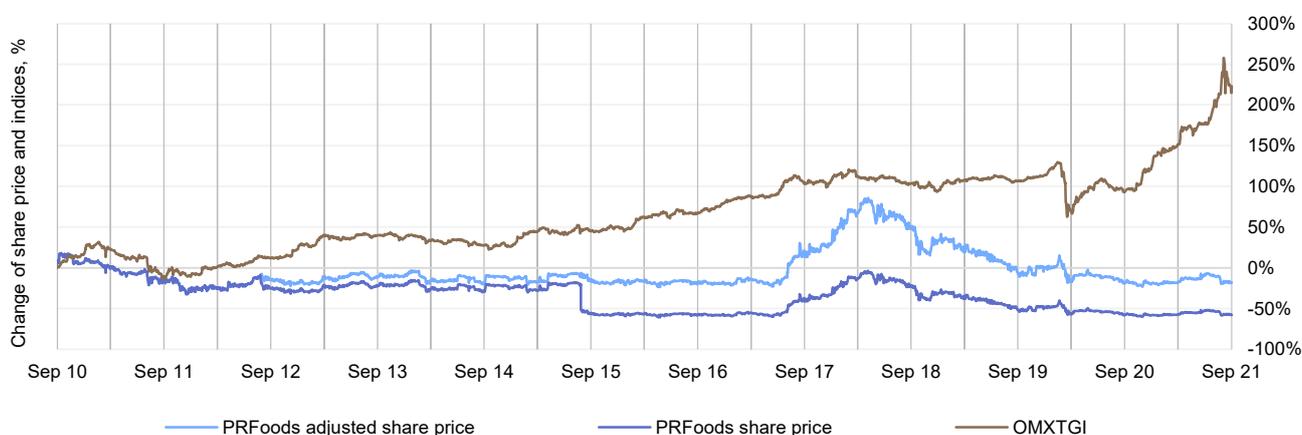
MARKET RATIOS

Ratios	Formula	30.09.2021	30.09.2020	30.09.2019
EV/Sales	(Market Cap + Net Debt) / Sales	2.73	2.82	1.89
EV/EBITDA from operations	(Market Cap + Net Debt) / EBITDA from operations	neg	neg	49.81
EV/EBITDA	(Market Cap + Net Debt) / EBITDA	neg	neg	24.92
Price/EBITDA from operations	Market Cap / EBITDA from operations	neg	neg	22.69
Price/EBITDA	Market Cap / EBITDA	neg	neg	11.35
Price-to-Earnings	Market Cap / Net Profit	neg	neg	29.18
Price-to-Book	Market Cap / Equity	0.97	0.78	0.73

Market capitalisation (market cap). net debt and equity as at 30.09.2021; sales. EBITDA and net profit/loss for the trailing 12 months

THE DYNAMICS OF THE SHARE PRICE AND INDICES FROM 5TH MAY 2010 TO 30ST OF SEPTEMBER 2021

	Index / Share	Ticker / index	30.09.2021	05.05.2010	Change
●	PRFoods share. EUR	PRF1T	0.376	0.890	-57.75%
●	PRFoods adjusted share price. EUR		0.727	0.890	-18.32%
●	OMX Tallinn GI	OMXTGI	1.932.45	594.56	225.02%



The decrease of PRFoods' share price since its listing in 2010, adjusted with the capital reduction payments is 7.7%. The Tallinn Stock Exchange index has increased during the period by 225.02%. PRFoods' share price unadjusted with the reductions of the share's nominal value in August of 2012 and 2015 by 40-euro-cents in total has decreased by 57.8%. PRFoods has since the listing of its shares on the stock exchange paid to shareholders a total of 17.3 million euros in the form of dividends and in connection with share capital reductions.

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 30.09.2021, the number of bonds owned by PRFoods is 535 with a nominal value of 53.5 thousand euros.

07.05.2021 PRFoods announced its plan to issue of subordinated convertible notes for the purpose of improving its capital structure, to ensuring a smoother and faster recovery from the negative impacts caused by COVID-19 in the upcoming 2021/2022 financial year. The terms of issue was confirmed: PRFoods issue up to 350 subordinated convertible notes, with the maximum aggregate nominal value of up to 3.5 million euros, the nominal value of 10,000 euros per subordinated convertible bonds, interest rate of 7% per calendar year and maturity date of 1 October 2025.

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 part of the targeted placement, Amber Trust II S.C.A subscribed for all 10,000 bonds. The issue price of the bond was set by the management board of PRFoods at 100.25 euro per bond, which Amber Trust II SC.A will pay in full prior to the issuance of the secured bonds, off-setting the outstanding issue of the 1.5 million euro investment loan agreement with PRFoods on 14.07.2017. Additional information on set-off in Note 14.

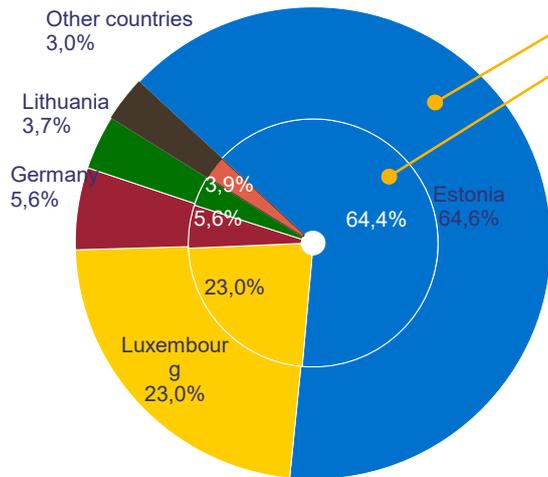
As of 30.09.2021, PRFoods has issued 110,237 bonds, of which 110,000 are secured bonds with a nominal value of 100 euro per secured bond, with a total value of 11.0 million euros, and 237 are subordinated convertible bonds with a nominal value of 10,000 euro per subordinated convertible bond, with a total value of 2.37 million euros.

BONDHOLDER STRUCTURE

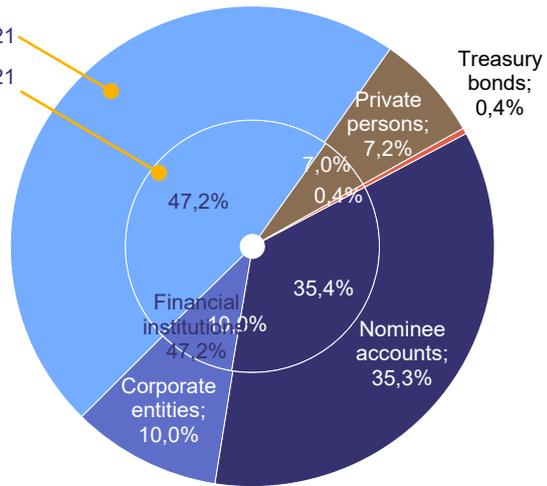
SEVEN LARGEST BONDHOLDERS OF AS PRFOODS

	Value of bonds 30.09.2021	% of total 30.09.2021	Value of bonds 30.06.2021	% of total 30.06.2021	Change
Swedbank Pensionifond K60	3,940,000	29.5%	3,940,000	29.5%	-
ING Luxembourg S.A. AIF (Nominee account)	3,070,000	23.0%	3,070,000	23.0%	-
Swedbank Pensionifond K30	800,000	6.0%	800,000	6.0%	-
Rietumu Bankas JSC	750,000	5.6%	750,000	5.6%	-
Spring Capital Growth Fund 1	505,300	3.8%	505,300	3.8%	-
SEB Banks AS	457,600	3.7%	489,100	3.7%	-31.500
Compensa Life Vienna Insurance Group SE	475,800	3.6%	475,800	3.6%	-
Suurimad võlakirjaomanikud kokku	9,998,700	75.0%	10,030,200	75.0%	-31.500
Ülejäänud võlakirjaomanikud	3,317,800	24.6%	3,286,300	24.6%	-31.500
Oma võlakirjad	53,500	0.4%	53,500	0.4%	-

BONDHOLDERS BY RESIDENCE



BONDHOLDERS BY INVESTOR TYPE



BONDHOLDERS BY VALUE OF BONDS. 30.09.2021

Value of bonds	Number of bondholders	% of bondholders	Value of bonds	% of bond value
1 ... 1 000	100	35.6%	61.700	0.5%
1 001 ... 10 000	100	35.6%	427.800	3.2%
10 001 ... 50 000	60	21.4%	1.321.800	9.9%
50 001 ... 100 000	9	3.2%	646.500	4.8%
100 001 ...	12	4.3%	10.912.200	81.6%
Total	281	100.0%	13.370.000	100.0%

CONDENSED INTERIM ACCOUNTING REPORT

CONDENSED INTERIM ACCOUNTING REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR '000	Note	30.09.2021	30.09.2020	30.06.2021
ASSETS				
Cash and cash equivalents	2	748	1.091	2.500
Receivables and prepayments	3	3.231	3.232	3.512
Inventories	4	5.638	8.746	5.691
Biological assets	5	7.746	5.423	4.795
Total current assets		17.363	18.492	16.498
Deferred tax assets		38	54	38
Long-term financial investments		305	232	302
Tangible assets	6	14.897	16.006	15.300
Intangible assets	7	23.368	22.606	23.460
Total non-current assets		38.608	38.898	39.100
TOTAL ASSETS		55.971	57.390	55.598
EQUITY AND LIABILITIES				
Interest-bearing liabilities	8. 9	6.521	10.322	7.325
Payables and prepayments	9	13.219	12.385	12.124
Government grants		207	212	207
Total current liabilities		19.947	22.919	19.656
Interest-bearing liabilities	8. 9	18.411	12.261	17.561
Payables and prepayments	9	0	900	0
Deferred tax liabilities		1.996	1.934	1.861
Government grants		695	833	746
Total non-current liabilities		21.102	15.928	20.168
TOTAL LIABILITIES		41.049	38.847	39.824
Share capital		7.737	7.737	7.737
Share premium		14.007	14.198	14.007
Treasury shares		-390	-390	-390
Statutory capital reserve		51	51	51
Currency translation differences		447	-397	559
Retained profit (loss)		-7.641	-3.056	-6.723
Equity attributable to parent		14.211	18.143	15.241
Non-controlling interest		711	400	533
TOTAL EQUITY	10	14.922	18.543	15.774
TOTAL EQUITY AND LIABILITIES		55.971	57.390	55.598

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

EUR '000	Note	3m 2021/2022	3m 2020/2021
Revenue	11	14.207	12.737
Cost of goods sold	12	-13.433	-11.537
Gross profit		774	1.200
Operating expenses		-2.309	-2.322
Selling and distribution expenses		-1.581	-1.558
Administrative expenses		-728	-764
Other income / expense		51	91
Fair value adjustment on biological assets	5	820	-94
Operating profit (loss)		-664	-1.125
Financial income / expenses		16	-309
Profit (Loss) before tax		-648	-1.434
Income tax		-92	-4
Net profit (loss) for the period		-740	-1.438
Net profit (loss) attributable to:			
Owners of the Parent Company		-918	-1.402
Non-controlling interests		178	-36
Total net profit (loss) for the period		-740	-1.438
Other comprehensive income (loss) that may subsequently be classified to profit or loss:			
Foreign currency translation differences		-112	-31
Total comprehensive income (expense)		-852	-1.469
Total comprehensive income (expense) attributable to:			
Owners of the Parent Company		-842	-1.433
Non-controlling interests		-10	-36
Total comprehensive income (expense) for the period		-852	-1.469
Profit (Loss) per share (EUR)	10	-0.02	-0.04
Diluted profit (loss) per share (EUR)	10	-0.02	-0.04

CONSOLIDATED CASH FLOW STATEMENT

EUR '000	Note	13m 2021/2022	3m 2020/2021
Cash flow from operating activities			
Net profit (loss)		-740	-1.438
Adjustments:			
Depreciation	6.7	-655	644
Profit from sale and write-offs of fixed assets		0	7
Other non-cash items		426	156
Changes in receivables and prepayments		281	346
Changes in inventories	4	53	-862
Changes in biological assets	5	-2.951	-1.174
Changes in payables and prepayments		3.371	2.325
Corporate income tax paid		0	-19
Net cash inflow (outflow) from operating activities		-215	-15
Cash flow from investing activities			
Sale of tangible and intangible fixed assets	6.7	-45	22
Purchase of tangible and intangible fixed assets	6.7	-160	-420
Interests received		119	0
Net cash inflow (outflow) from investing activities		-86	-398
Cash flow from financing activities			
Change in overdraft		-1.035	-177
Repayments of loans received		-274	-80
Change in factored receivables		656	0
Repayments of lease liabilities		-165	-162
Interests paid		-633	-353
Net cash inflow (outflow) from financing activities		-1.451	-772
Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the period	2	2.500	2.276
Change in cash and cash equivalents		-1.752	-1.185
Cash and cash equivalents at the end of the period	2	748	1.091

Additional information in Note 10.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR '000	Share capital	Share premium	Treasury shares	Statutory capital reserve	Unrealised currency differ.	Retained earnings (-loss)	Total	Non-contr. interests	Total equity
Balance at 30.06.2019	7.737	14.007	-390	51	-214	64	21.255	611	21.866
Net profit (loss) for the year	0	0	0	0	0	-1.718	-1.718	-177	-1.895
Other comprehensive income (expense)	0	0	0	0	-152	0	-152	0	-152
Total comprehensive income (expense) for the period	0	0	0	0	-152	-1.718	-1.870	-177	-2.047
Balance at 30.06.2020	7.737	14.007	-390	51	-366	-1.654	19.385	434	19.819
Net profit (loss) for the year	0	0	0	0	0	-5.069	-5.069	-92	-5.161
Other comprehensive income (expense)	0	0	0	0	925	0	925	0	925
Total comprehensive income (expense) for the period	0	0	0	0	925	-5.069	-4.144	-92	-4.236
Increase of subsidiary's share capital	0	0	0	0	0	0	0	191	191
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	-918	-918	178	-740
Other comprehensive income (expense)	0	0	0	0	-112	0	-112	0	-112
Total comprehensive income (expense) for the period	0	0	0	0	-112	-918	-1.030	178	-852
Balance at 30.09.2021	7.737	14.007	-390	51	447	-7.641	14.211	711	14.922

Additional information in Note 10.

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 30.09.2021 incorporate results of AS PRFoods (hereinafter Parent Company) and companies directly and indirectly held by it: Saaremere Kala AS, Redstorm OÜ and Heimon Kala OÜ in Estonia, Heimon Kala Oy in Finland, Överumans Fisk AB in Sweden 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 2021 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 30.06.2021 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 30.06.2021 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 2021/2022 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	30.09.2021	30.06.2021
Cash on hand	24	14
Bank accounts	724	2.486
Total cash and cash equivalents	748	2.500

NOTE 3. RECEIVABLES AND PREPAYMENTS

EUR '000	30.09.2021	30.06.2021
Trade.receivables	2.167	2.161
Allowance.for.doubtful.receivables	0	0
Factoring.receivables.with.regress	586	823
Other.receivables	55	73
Prepaid.expenses	284	211
Prepaid.taxes	138	241
Other.prepayments	1	3
Total.receivables.and.prepayments	3.231	3.512

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

NOTE 4. INVENTORIES

EUR '000	30.09.2021	30.06.2021
Raw materials and materials	2.207	2.211
Work-in-progress	2.096	2.094
Finished goods	1.250	1.310
Goods purchased for sale	85	76
Total inventories	5.638	5.691

Inventories were written off during the accounting period in the amount of 18 thousand euros.

NOTE 5. BIOLOGICAL ASSETS

EUR '000	30.09.2021	30.06.2021
Fry	178	737
Juveniles	1.642	1.673
Fish suitable for harvesting	5.926	2.385
Total biological assets	7.746	4.795

The Group farms in its fish farms located in Estonia, Finland and Sweden rainbow trout (*Oncorhynchus mykiss*).

CHANGE IN BIOLOGICAL ASSETS

EUR '000	3m 2021/2022	3m 2020/2021
Biological assets at beginning of the period	4.795	4.249
Purchased	42	84
Additions	2.102	2.424
Fair value adjustments	820	-94
Harvested	-1	-1.222
Written off	0	-
Fry and live fish sold	-12	-18
Exchange rate differences	7.746	5.423
Biological assets at end of the period	4.795	4.249

In "Additions" the Group has capitalised expenditures incurred on development of immature biological assets, therefore in the income statement only the gain/loss from "Fair value adjustments" is presented as a separate line. Group measures biological assets in fair value and at acquisition cost. Detailed information on measuring principles is available in the 2020/2021 annual report.

NOTE 6. TANGIBLE ASSETS

EUR '000	Land and buildings	Machinery and equipment	Other tangible assets	Construction in progress. prepayments	Total
Cost at 30.06.2020	14.840	17.745	818	1.102	34.505
Acquired during the period	15	579	21	680	1.295
Reclassification	6	1.352	2	-1.360	0
Assets sold and written off	0	-881	-13	0	-894
Unrealised currency effect	182	229	6	0	417
Cost at 30.06.2021	15.043	19.024	834	422	35.323
Acquired during the period	4	46	0	64	114
Reclassification	0	9	0	-9	0
Assets sold and written off	0	-13	0	0	-13
Unrealised currency effect	-12	-26	-1	0	-39
Cost at 30.09.2021	15.035	19.040	833	477	35.385
Accumulated depreciation at 30.06.2020	-6.253	-11.492	-581	0	-18.326
Depreciation of the period	-855	-1.361	-48	0	-2.264
Assets sold and written off	0	726	12	0	738
Unrealised currency effect	-8	-161	-2	0	-171
Accumulated depreciation at 30.06.2021	-7.116	-12.288	-619	0	-20.023
Depreciation of the period	-213	-322	-13	0	-548
Assets sold and written off	0	13	0	0	13
Unrealised currency effect	51	19	0	0	70
Accumulated depreciation at 30.09.2021	-7.278	-12.578	-632	0	-20.488
Carrying amount at 30.06.2020	8.587	6.253	237	1.102	16.179
Carrying amount at 30.06.2021	7.927	6.736	215	422	15.300
Carrying amount at 30.09.2021	7.757	6.462	201	477	14.897

NOTE 7. INTANGIBLE ASSETS

EUR '000	Goodwill	Trademarks and patents	Immaterial rights	Software licences	Pre-payments	Total
Cost at 30.06.2020	14.037	8.337	1.330	485	450	24.639
Acquired during the period	0	0	9	15	193	217
Re-classification	0	0	470	0	-470	0
Unrealised currency effect	481	460	20	0	8	969
Cost at 30.06.2021	14.518	8.567	1.829	500	181	25.825
Acquired during the period	0	0	8	0	53	61
Re-classification	0	0	0	0	0	0
Unrealised currency effect	-22	-23	-3	0	-1	-49
Cost at 30.09.2021	14.496	8.544	1.834	500	233	25.837
Accumulated depreciation at 30.06.2020	0	-1.157	-450	-360	0	-1.967
Depreciation of the period	0	-211	-91	-50	0	-352
Unrealised currency effect	0	-33	-13	0	0	-46
Accumulated depreciation at 30.06.2021	0	-1.401	-554	-410	0	-2.365
Depreciation of the period	0	-53	-32	-12	0	-97
Unrealised currency effect	0	-7	0	0	0	-7
Accumulated depreciation at 30.09.2021	0	-1.461	-586	-422	0	-2.469
Carrying amount at 30.06.2020	14.037	7.180	880	125	450	22.672
Carrying amount at 30.06.2021	14.518	7.166	1.275	90	181	23.460
Carrying amount at 30.09.2021	14.496	7.083	1.248	78	233	23.368

NOTE 8. INTEREST-BEARING LIABILITIES

EUR '000	30.09.2021	30.06.2021
Lease liabilities	615	614
Overdraft	4.439	5.474
Investment loans	858	514
Other loan	609	723
Total short-term interest-bearing liabilities	6.521	7.325
Finance lease liabilities	1.963	2.079
Listed bonds	12.875	12.852
Investment loans	858	1.942
Other loan	609	688
Total long-term interest-bearing liabilities	18.411	17.561
incl. payable within 1-5 years	17.220	16.370
incl. payable in more than 5 years	1.191	1.191

Investment loans as at 30.09.2021 carry term dates until 31.08 2027. Investment loans are in euros and pounds with interest rates tied to 6-months' EURIBOR or to the Bank Base rate of UK, loan interests range from 2.0% to 7.0%. Additional information on investment loan terms is available in the Group's 2020/2021 annual report.

On July 1, 2021, John Ross Jr. (Aberdeen) entered into a loan agreement with Santander UK Plc for GBP 1.5 million (1.7 million euros), with a maturity of 4 years and an interest rate of 3,5% + UK Bank Base rate. This loan refinances the 3 investment loans taken from Bank of Scotland Plc with a final balance of GBP 0.35 million (0.4 million euros). The loan is secured by a mortgage from John Ross Jr. (Aberdeen) assets.

NOTE 9. PAYABLES AND PREPAYMENTS

EUR '000	30.09.2021	30.06.2021
Trade payables	11.180	7.049
Payables to employees	684	903
Other short-term liabilities	0	2.707
Interest payables	147	344
Other payables	138	258
Tax liabilities. incl.:	1.070	863
Social security tax	171	158
VAT	552	366
Personal income tax	142	101
Corporate income tax	73	98
Other taxes	132	140
Total short-term payables and prepayments	13.219	12.124

Saaremere Kala AS realized an option to acquire a non-controlling interest in the forward holding agreement from the British holding company JRJ & PRF Limited. The liability arising from the forward contract was recognized at fair value, which was GBP 2,322,933 at the time of the contract. The final price of the transaction was GBP 1,927,286, where the change in the fair value of the liability is recognized as a revaluation gain of GBP 395.647

NOTE 10. EQUITY

SHARE CAPITAL

As at 30.09.2021 the Group had 38,682,860 shares (30.06.2021: 38,682,860), including 1 000 000 treasury shares (30.06.2021: 1,000,000 treasury shares).

Based on the decisions of the general meeting of shareholders held on 26.05.2016 the introduction of shares without par value instead of nominal value shares of AS PRFoods was entered in the Commercial Register on 30.06.2016. The registered share capital of the company is 7,736,572 euros divided into 38,682,860 ordinary shares without a nominal value of 0.20 euros each. In addition, a new version of the Articles of Association of the company came into force, according to which the minimum share capital is 7,000,000 euros and the maximum share capital is 28,000,000 euros.

24.05.2021 the resolution of the shareholders amended the clause of the articles of association where the supervisory board has the right to increase the share capital of the public limited company on 14.05.2021 within three years from the entry into force of the amendment to the articles of association. to the extent necessary for the conversion of convertible bonds issued pursuant to this Decision. The supervisory board may not increase the share capital by more than 3,500,000 euros. The supervisory board may decide to increase the share capital by contributions in kind. The Articles of Association are available on the homepage of AS PRFoods www.prfoods.ee.

SHARE PREMIUM

The Company's share premium comprises mainly of the amount received above the nominal value upon an issue of shares less costs associated with the issue. According to the Commercial Code, a premium may be used to cover a loss of a

company if such loss cannot be covered from retained profit of previous periods or from the capital reserve prescribed in the Articles of Association or from other reserves prescribed by the Articles of Association. The premium may also be used to increase share capital via a bonus issue. The share premium may not be distributed to shareholders.

In August 2020 the shareholders of OÜ Redstorm – Saaremere Kala AS and OÜ Fodiator – decided to increase the share capital of the company by 20 euros to 4.020 euros as a result of which the nominal value of Saaremere Kala AS share increased to 2.050 euros and the nominal value of OÜ Fodiator share to 1.970 euros.

Saaremere Kala AS paid 387.597 euros in kind for the increase of the nominal value of the share of which 387.587 euros was share premium. Saaremere Kala AS paid for the increase in the nominal value by offsetting the claim acquired by Saaremere Kala AS from OÜ Serenest against OÜ Redstorm in the amount of 387.597 euros.

As a result of the above transaction, the Group's consolidated share premium increased by 189.923 euros.

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 2021/2022	3m 2020/2021
Net profit (loss) attributable to equity holders of the company. EUR '000	-918	-1.402
Average number of shares. thousand	38.683	38.683
Earnings (Loss) per share. EUR	-0.02	-0.04
Basic earnings (loss) per share. EUR	-0.02	-0.04
Diluted earnings (loss) per share. EUR	-0.02	-0.04

NOTE 11. SEGMENT REPORTING

The Group's segments are based on the reports monitored and analysed by the management board of the Parent Company. The management of the Parent Company monitors financial performance by business and geographical areas.

The Group's two business segments – the fish segment and other segments – are presented together since the proportion of other segments in business operations is marginal amounting to 0.1% of the total turnover of the Group.

Starting from two financial years ago the Group monitors two geographical segments: i) Finland, Sweden and Estonia and ii) Great Britain.

EUR '000	3m 2021/2022			3m 2020/2021		
	Finland. Sweden. Estonia	Great Britain	Total	Finland. Sweden. Estonia	Great Britain	Total
External revenue	10.679	3.528	14.207	9.753	2.984	12.737
Inter-segment revenue	0	0	0	0	0	0
Total revenue	10.679	3.528	14.207	9.753	2.984	12.737
Fair value adjustment of biological assets	820	0	820	-94	0	-94
EBITDA*	-221	212	-9	-625	144	-481
EBITDA from business operations**	-1.041	256	-785	-531	194	-337
Depreciation and amortisation	-540	-115	-655	-523	-121	-644
Operating profit / loss	-761	97	-664	-1.148	23	-1.125
Financial income and expenses	43	-27	16	-269	-40	-309
Income tax	-83	-9	-92	14	-18	-4
Net profit (loss)	-801	61	-740	-1.403	-35	-1.438
Segment assets	35.963	20.008	55.971	38.311	19.079	57.390
incl. current assets	14.536	2.827	17.363	16.028	2.464	18.492
incl. biological assets	7.746	0	7.746	5.423	0	5.423
incl. non-current assets	21.427	17.181	38.608	22.283	16.615	38.898
Segment liabilities	34.109	6.943	41.052	34.014	4.833	38.847
Segment investments in tangible and intangible assets	175	0	175	413	26	439

* EBITDA – operating profit adjusted with depreciation and impairment cost

** before fair value adjustment of bioassets and one-offs

SALES BY GEOGRAPHIC REGIONS

EUR '000	3m 2021/2022	3m 2020/2021
Finland	9.250	7.828
Great Britain	2.621	2.014
Estonia	1.235	1.406
Other regions	1.101	1.488
Total	14.207	12.737

NOTE 12. COST OF GOODS SOLD

EUR '000	3m 2021/2022	3m 2020/2021
Materials in production & cost of goods purchased for resale	-10.241	-8.151
Staff costs	-1.453	-1.470
Depreciation and amortisation	-539	-534
Other costs of goods sold*	-1.200	-1.382
Total cost of goods sold	-13.433	-11.537

* Other costs of goods sold includes expenses related to production and fish farming assets (rent, maintenance, insurance, utilities, etc.), staff-related costs and other expenses and subcontracted services.

NOTE 13. 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.

As at the balance sheet date there were no receivables from the related parties liabilities are found in the table below:

Party	Payables and prepayments	Payables as at 30.09.2021 EUR '000	Payables as at 30.06.2021 EUR '000
Amber Trust II S.C.A.	Note and interest	2.662	2.680
Christopher Leigh	Note and interest	98	0
Christopher Leigh	Payable for non-controlling interests	0	1.732
Victoria Leigh-Pearson	Payable for non-controlling interests	0	975
Total		2.760	5.387

Saaremere Kala AS realizes an option agreement between Saaremere Kala AS and the British holding company JRJ & PRF Limited as a result, Saaremere Kala AS acquired 15% of the shares of the holding company JRJ & PRF Limited.

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 2021/2022	3m 2020/2021
Short-term benefits	186	248
Total	186	248

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

NOTE 14. 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 15. CONTINGENT LIABILITIES

Contingent liabilities in connection with setting a mortgage for the benefit of the Customs Board of Finland

A mortgage was set for the benefit of the Finnish Customs Board in the amount of 84 thousand euros. The purpose of the transaction was a more streamlined organisation of the day-to-day operations by reducing persistent prepayments to the Customs Board.

The management estimated that it is improbable that the Finnish Customs Board will liquate the pledged asset.

Contingent liabilities relating to tax boards

The tax authorities may at any time inspect the books and records of the Group within 5 years subsequent to the reported tax year in Estonia and Finland, within 6 years in United Kingdom and within 7 years in Sweden, and may as a result of their inspection impose additional tax assessments, interests and penalties. During the first three months of the financial year and in the previous financial years the tax authorities have not conducted tax audits. The management of the Group is not aware of any circumstances which may give rise to a potential material liability in this respect.

AS PRFoods

PRFoods has hire Oaklins Baltics to carry out the pricing and potential sale process of PRFoods subsidiaries.

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 2021/2022 of AS PRFoods and its subsidiaries (together the Group) presented in the pages 7 – 36 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

26 November 2021