

PRFOODS

AS PRFoods

Consolidated Unaudited Interim Report
2nd quarter and 6 months of 2023/2024
(translation from the Estonian original)

2023/2024

2nd QUARTER & 6 MONTHS

PRFOODS

Business name	AS PRFoods
Commercial registry code	11560713
Address	Kärsa, Suure-Rootsi, Saaremaa, Saare county, 94129, Estonia
Phone	+372 452 1470
Website	prfoods.ee
Main activities	Production and sale of fish products
Reporting period	1 October 2023 – 31 December 2023
Auditor	KPMG Baltics OÜ

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CORPORATE PROFILE

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

On 30.11.2023 AS PRFoods subsidiary Saaremere Kala AS signed an agreement for the sale of its 51% stake in Redstorm OÜ to Saare Fishexport OÜ. The transaction has been completed. During the same transaction, the construction permit issued by the Consumer Protection and Technical Regulatory Authority on 19.09.2003 was also transferred to OÜ Energy Port, which has been 100% owned by OÜ Saare Fishexport since 28.11.2003.

Saare Kala Tootmine OÜ, a 100% subsidiary of Saaremere Kala AS, has signed a long-term cooperation agreement with Redstorm OÜ, for the resale and processing of fish grown by the latter, to ensure the supply of local fish to Saare Kala Tootmine.

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 manufacturing and sale of fish products. The main products are salmon and rainbow trout products. The raw fish is purchased mainly from Estonia, Norway and Denmark. Fish products are manufactured in two modern factories in Saaremaa (Estonia) and in Aberdeen (Great Britain).

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

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, that is why we smoke it with alder chips in the traditional way. As our product range is quite wide, a favourite product can be found for the whole family – lightly salted trout slices that have won the title of the Best Fish Product in Estonia, children's favourite trout cutlets or trout roe for a more festive occasion.

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

THE GEOGRAPHY OF PRODUCTION AND SALES

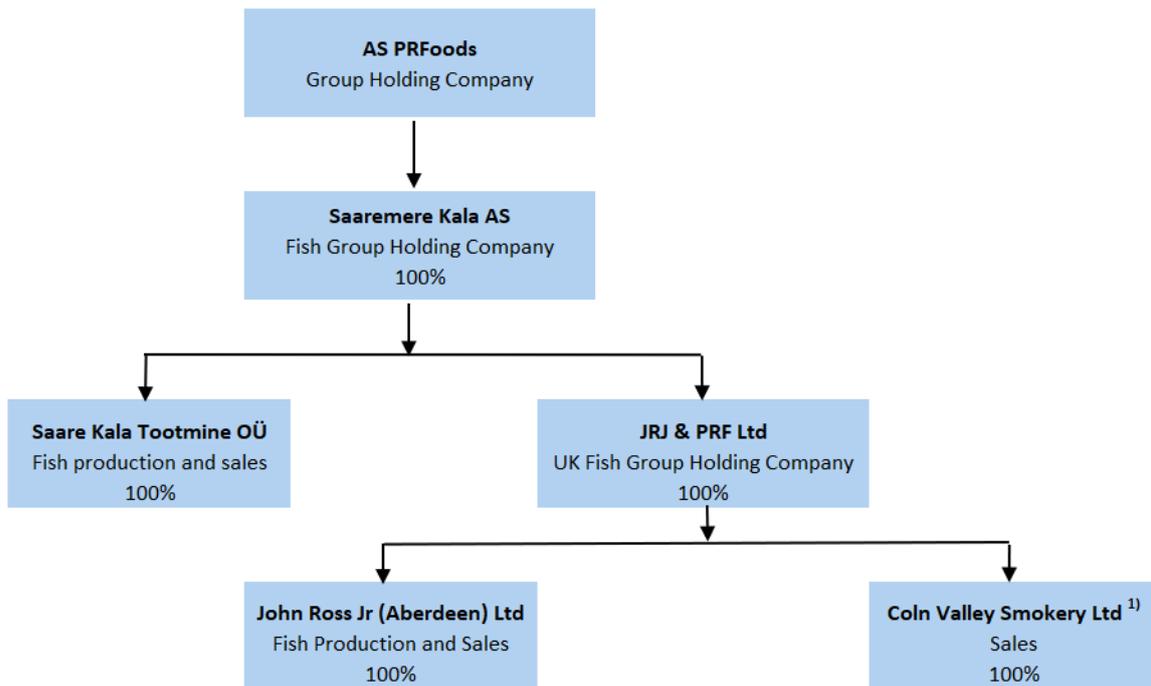
Purchase of raw fish Norway
Denmark

Production Estonia
Great Britain

Sales Great Britain
Estonia



GROUP STRUCTURE AS AT 31.12.2023



1) 64% of Colin 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”, “Saare Kala” and “John Ross Aberdeen”.

MANAGEMENT REPORT

MANAGEMENT REPORT

OVERVIEW OF ECONOMIC ACTIVITIES

MANAGEMENT COMMENTARY

First half-year of PRFoods has ended. The major changes are related to the sale of its subsidiary Redstorm OÜ. Additionally, one fish farming license was sold for 2,5 million euros to the same buyer in November. The sale of Redstorm and the fish farming license resulted in a one-time loss for the Group totalling 0,3 million euros, while the transaction's impact, excluding goodwill, resulted in a one-time profit of 1,9 million euros. Due to the sale of Redstorm, the turnover decreased by over 25% in the second quarter and in the first half-year, totalling 5,4 million euros and 8,9 million euros respectively. The gross profit for the second quarter remained the same as the previous year at 1,6 million euros, despite lower turnover. EBITDA from operations in the second quarter decreased by 37,5% to 0,5 million euros. The decline in EBITDA compared to the previous year is due to higher sales and marketing expenses at the John Ross Jr unit and seasonally higher inventory purchases of fish for subsequent quarters.

The gross profit for the first half-year was 1,7 million euros, 19% less than the same period last year, directly attributable to the decrease in turnover due to the sale of the subsidiary Redstorm OÜ. EBITDA from operations for the first half-year was -0,2 million euros, influenced by the significant loss in Estonia in the first quarter. The loss in Estonia was affected by a non-compete clause in Finland, which has since expired, and its positive impact will be seen in the turnover and results for the third quarter ending on March 31st.

The net loss for the second quarter was 0,7 million euros, compared to a net loss of 0,1 million euros in the same period last year. This was influenced by one-time financial costs totaling 0,5 million euros, of which 0,3 million euros are related to the one-time non cash loss from the sale of Redstorm. At the beginning of 2024, the company completed a partial redemption of bonds amounting to 1,4 million euros.

The net loss for the first half-year was -1,4 million euros. The net profit for the first half-year of the previous year was 0,7 million euros, influenced by a one-time profit of 1,4 million euros from the sale of a subsidiary in Sweden.

The company's liquidity position has improved due to the sale of the subsidiary Redstorm OÜ, resulting in a reduction in both the volume of bonds and the repayment of the MES loan. The company's liquidity ratio was 1,5 at the end of the year.

John Ross Jr. continues to operate profitably (the company has never incurred an annual loss during its operations), but the results of Saare Kala Tootmine OÜ were below expectations, directly influenced by the non-compete clause and the discontinuation of our products' intermediation by our former Finnish partner. By now, we have resumed direct sales with our old customers, for whom the non-compete clause regarding direct sales expired at the end of 2023.

However, it should be noted that due to the economic downturn in Estonia and general consumer behavior, demand for fish products in Estonia has significantly decreased overall. Despite the decreased market conditions, Saare Kala Tootmine has managed to increase its market share at the expense of competitors. We predict that the consumption downturn will continue in Estonia and Finland in 2024.

Regarding John Ross Jr, we anticipate EBITDA growth compared to last year since their sales area is much broader and less dependent on a single market. However, we do not expect significant revenue growth for John Ross Jr. this year. Saare Kala Tootmine aims to end the second half-year with marginal profit, due to the return to the Finnish market since the beginning of the year.

The restructuring of management of PRFoods has also ended and as of March 31, PRFoods will continue with existing board members of Kristjan Kotkas and Timo Pärn. Timo has demonstrated in short time that despite the challenges in Estonia, he has accomplished in short period necessary changes in sales and production. Since the sale of fish farming business, the need of administration on group level has diminished and this allows also cost savings on group level. Indrek Kasela will transfer from board position to supervisory board after such decision is taken by PRFoods shareholders meeting.



A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke.

Sincerely,
Indrek Kasela

UNAUDITED FINANCIAL RESULTS OF AS PRFOODS, THE 2ND QUARTER OF THE FINANCIAL YEAR 2023/2024 COMPARED TO THE 2ND QUARTER OF FINANCIAL YEAR 2022/2023

- Unaudited consolidated revenue 5,4 million euros (2Q 2022/2023: 7,3 million euros), a decrease by 26%.
- EBITDA from operations 0,5 million euros (2Q 2022/2023: 0,8 million euros)
- EBITDA 0,5 million euros (2Q 2022/2023: 0,8 million euros)
- Operating loss 0,03 million euros (2Q 2022/2023: operating profit 0,2 million euros)
- Net loss 0,7 million euros (2Q 2022/2023: net loss 0,1 million euros)

SUMMARY OF FINANCIAL RESULTS: 2ND QUARTER OF 2023/2024 COMPARED TO 2ND QUARTER OF 2022/2023

mln EUR	2Q 2023/2024	2Q 2022/2023	Change, mln EUR	Change, %	Impact
Sales	5,4	7,3	-1,9	-26,0%	▼
Gross profit	1,6	1,6	0	0%	
EBITDA from operations*	0,5	0,8	-0,3	-37,5%	▼
EBITDA	0,5	0,8	-0,3	-37,5%	▼
Depreciation and amortisation	-0,3	-0,4	0,1	-25%	▲
Operating profit (loss)	-0,03	0,2	-0,23	-115%	▼
Financial income/expense	-0,5	-0,2	-0,3	150%	▼
Net profit (loss)	-0,7	-0,1	-0,6	600%	▼

* before one-offs and fair value adjustment of bioassets



UNAUDITED FINANCIAL RESULTS OF AS PRFOODS, FIRST 6 MONTHS OF THE FINANCIAL YEAR 2023/2024 COMPARED TO THE FIRST 6 MONTHS OF FINANCIAL YEAR 2022/2023

- Unaudited consolidated revenue 8,9 million euros (6m 2022/2023: 11,9 million euros), a decrease by 25,21%.
- Impact from revaluation of fair value of biological assets positive impact 0,4 million euros (6m 2022/2023: negative impact 0,2 million euros).
- EBITDA from operations -0,2 million euros (6m 2022/2023: 0,2 million euros)
- EBITDA 0,2 million euros (6m 2022/2023: 0,0 million euros)
- Operating loss 0,4 million euros (6m 2022/2023: operating loss 0,6 million euros)
- Net loss 1,4 million euros (6m 2022/2023: net profit 0,7 million euros)

SUMMARY OF FINANCIAL RESULTS: 6 MONTHS OF 2023/2024 COMPARED TO 6 MONTHS OF 2022/2023

mIn EUR	6m 2023/2024	6m 2022/2023	Change, mln EUR	Change, %	Impact
Sales	8,9	11,9	-3	-25,21%	▼
Gross profit	1,7	2,1	0,4	-19%	▼
EBITDA from operations*	-0,2	0,2	-0,4	-200%	▼
Revaluation of bioassets	0,4	-0,2	0,6	300%	▲
EBITDA	0,2	0,0	0,2	n/a	▲
Depreciation and amortisation	-0,58	-0,62	0,04	-6,45%	▲
Operating profit (loss)	-0,4	-0,6	0,2	-33,33%	▲
Financial income/expense	-0,8	1,4	-2,2	-157,14%	▼
Net profit (loss)	-1,4	0,7	-2,1	-300%	▼

* before one-offs and fair value adjustment of bioassets

KEY RATIOS – INCOME STATEMENT

mIn EUR unless indicated otherwise	2Q 2022/2023	2022/2023	2Q 2022/2023	2021/2022
Sales	5,4	19,6	7,3	42,1
Gross profit	1,6	3,6	1,6	3,1
EBITDA from operations	0,5	0,3	0,8	-1,7
EBITDA	0,5	0,3	0,8	-2,1
EBIT	-0,03	-1,0	0,2	-4,2
EBT	-0,6	0,4	-0,0	-8,2
Net profit (loss)	-0,7	0,3	-0,1	-8,2
Gross margin	29,7%	18,3%	22,1%	7,4%
Operational EBITDA margin	10,1%	1,5%	11,3%	-4,6%
EBITDA margin	10,1%	1,5%	11,3%	-5,1%
EBIT margin	-0,6%	-5,1%	2,9%	-9,9%
EBT margin	-10,4%	2,0%	-0,5%	-19,5%
Net margin	-12,2%	1,5%	-1,8%	-19,4%
Operating expense ratio	-30,1%	24,0%	-18,9%	17,1%

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

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

EBIT = Operating profit (loss)

EBT = Profit (Loss) before tax

Gross margin = Gross profit / Net sales

Operational EBITDA margin = EBITDA from operations / Net sales

EBITDA margin = EBITDA / Net sales

EBIT margin = EBIT / Net sales

EBT margin = EBT / Net sales

Net margin = Net earnings / Net sales

Operating expense ratio = Operating expenses / Net sales

KEY RATIOS – BALANCE SHEET

mIn EUR unless indicated otherwise	31.12.2023	30.06.2023	31.12.2022	30.06.2022
Net debt	15,9	16,7	17,7	24,7
Equity	6,4	8,3	7,5	8,1
Working capital	2,9	0,0	0,0	-3,2
Assets	28,6	30,2	32,2	38,9
Liquidity ratio	1,5x	1,0x	1,0x	0,7x
Equity ratio	22,4%	27,4%	23,3%	20,7%
Gearing ratio	71,3%	66,9%	70,2%	75,4%
Debt to total assets	0,8x	0,7x	0,8x	0,8x
Net debt to operating EBITDA	21,4x	55,8x	21,4x	-14,5x
ROE	-9,1%	4,1%	-1,7%	-68,5%
ROA	-2,3%	1,0%	-0,4%	-17,3%

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

Working capital = Current assets – Current liabilities

Liquidity ratio = Current assets / Current liabilities

Equity ratio = Equity / Total assets

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

Debt to total assets = Debt / Total assets

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

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

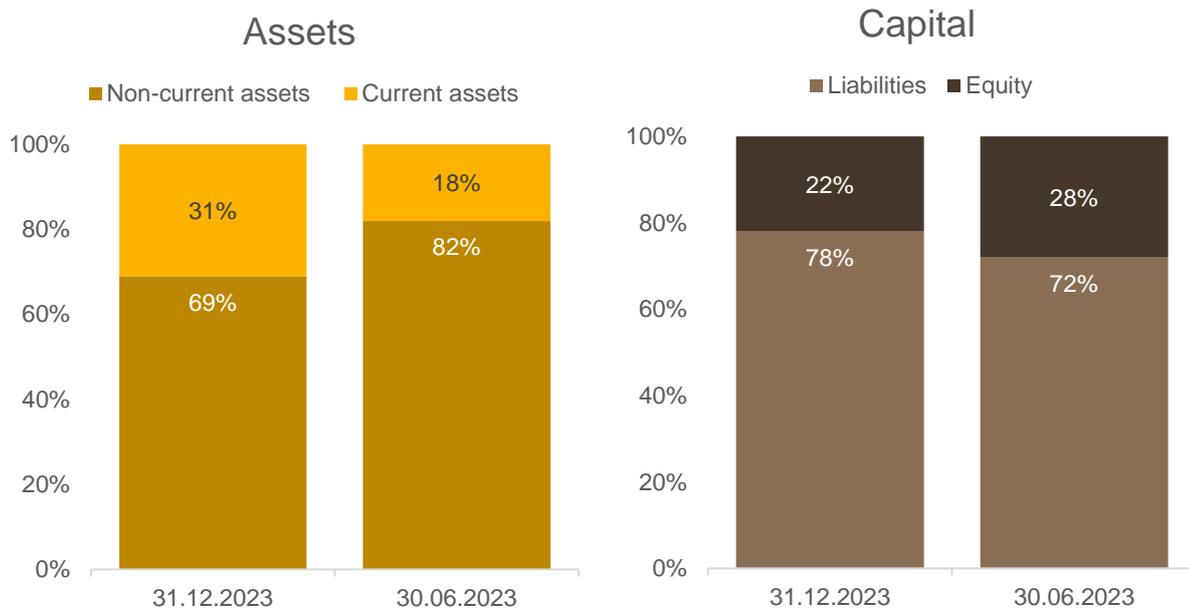
ROA = Net earnings for the trailing 12 months / Average assets

BALANCE SHEET

As at 31.12.2023 consolidated total assets of PRFoods stood at 28,6 million euros. As at 30.06.2023 the balance sheet totalled 30,2 million euros.

The Group's current assets stood at 8,8 million euros as at 31.12.2023 (30.06.2023: 5,1 million euros). Non-current assets totalled 19,8 million euros (30.06.2023: 25,1 million euros).

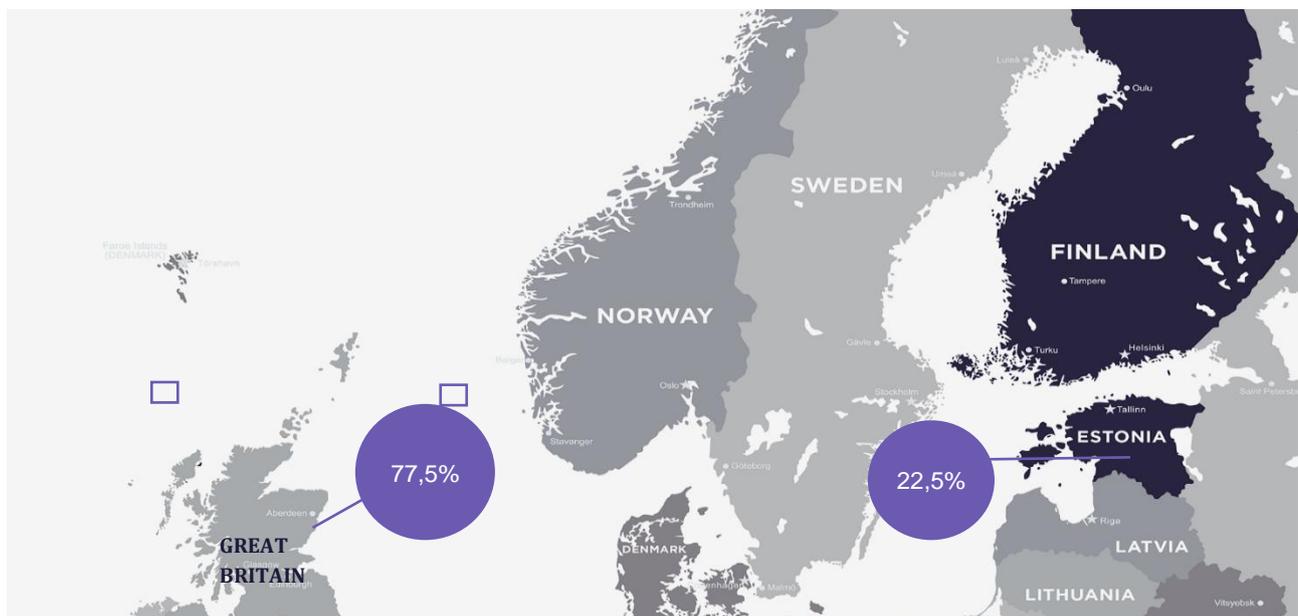
Current liabilities totalled 5,9 million euros as at 31.12.2023 (30.06.2023: 5,1 million euros). Non-current liabilities totalled 16,3 million euros (30.06.2023: 16,8 million euros). Equity of PRFoods was 6,4 million euros (30.06.2023: 8,3 million euros).



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 6 months of the financial year 2023/2024 was 8,9 million euros, less by 3 million euros compared to the same period of the previous financial year, when the sales amounted to 11,9 million euros.



GEOGRAPHICAL SEGMENTS

mIn EUR	6m 23/24	Share, %	6m 22/23	Share, %	Change, mIn EUR	Change, %	Imp.
United Kingdom	6,9	77,5%	7,2	60,5%	-0,3	-4,2%	▼
Estonia	2,0	22,5%	4,7	39,5%	-2,7	-57,45%	▼
Total	8,9	100%	11,9	100,0%	-3,0	-25,21%	▼

The United Kingdom with sales revenue of 6,9 million euros and 77,5% of total sales is the largest market of the Group. Estonian market totalled 2,0 million euros. i.e. 22,5% of the total.

COSTS

	6m 23/24	6m 22/23	Change	Impact	6m 23/24	6m 22/23	Change	Impact
	mIn EUR	mIn EUR	mIn EUR		as % of sales	as % of sales	%-point	
Sales	8,86	11,9	-3,04	▼	100,00%	100,00%		
Cost of goods sold	-7,12	-9,79	2,67	▲	80,4%	82,27%	-1,87	▲
materials in production & cost of goods purchased for resale	-5,05	-8,27	3,22	▲	57,0%	69,50%	-12,5	▲
labour costs	-1,21	-0,53	-0,68	▼	13,7%	4,45%	9,25	▼
depreciation	-0,41	-0,51	0,1	▲	4,6%	4,29%	0,31	▼
other cost of goods sold	-0,45	-0,48	0,03	▲	5,1%	4,03%	1,07	▼
Operating expenses	-2,51	-2,49	-0,02	▼	28,3%	20,92%	7,38	▼
labour costs	-0,90	-0,48	-0,42	▼	10,2%	4,03%	6,17	▼
transport & logistics services	-0,54	-0,78	0,24	▲	6,1%	6,55%	-0,45	▲
depreciation	-0,18	-0,10	-0,08	▼	2,0%	0,84%	1,16	▼
advertising, marketing and product development	-0,12	-0,01	-0,11	▼	1,4%	0,08%	1,32	▼
other operating expenses	-0,77	-1,12	0,35	▲	8,7%	9,42%	-0,72	▲
Other income/expenses	-0,02	-0,24	0,22	▲	0,2%	2,02%	-1,82	▲
Financial income / expense	-0,84	1,45	-2,29	▼	9,5%	12,18%	n/a	

COST OF GOODS SOLD (COGS)

COGS was 7,12 million euros and it accounted for 80,4% of the total sales of the first 6 months of the 2023/2024 financial year, (6m 2022/2023: -9,79 million euros, 82,27% 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 5,05 million euros (6m 2022/2023: 8,27 million euros).

Labour cost of personnel employed in production and fish farms totalled 1,21 million euros and formed 13,7% of total sales (6m 2022/2023: 0,53 million euros, 4,45% of sales).

Other cost of goods sold amounted to 0,45 million euros and formed 5,1% of total sales (6m 2022/2023: 0,48 million euros, 4,03% of sales). The cost item includes costs on heating, electricity, rent and utilities.

OPERATING EXPENSES

Operating expenses amounted to 2,51 million euros and accounted for 28,3% of the total sales (6m 2022/2023: 2,49 million euros, 20,92% of sales).

FISH FARMING

Fish farming was part of the Group's activities until 30.11.2023, when approximately 2/3 of the Group's rainbow trout raw materials came from the group's fish farms in the coastal waters of Saaremaa in Estonia, which ensured fast and reliable 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

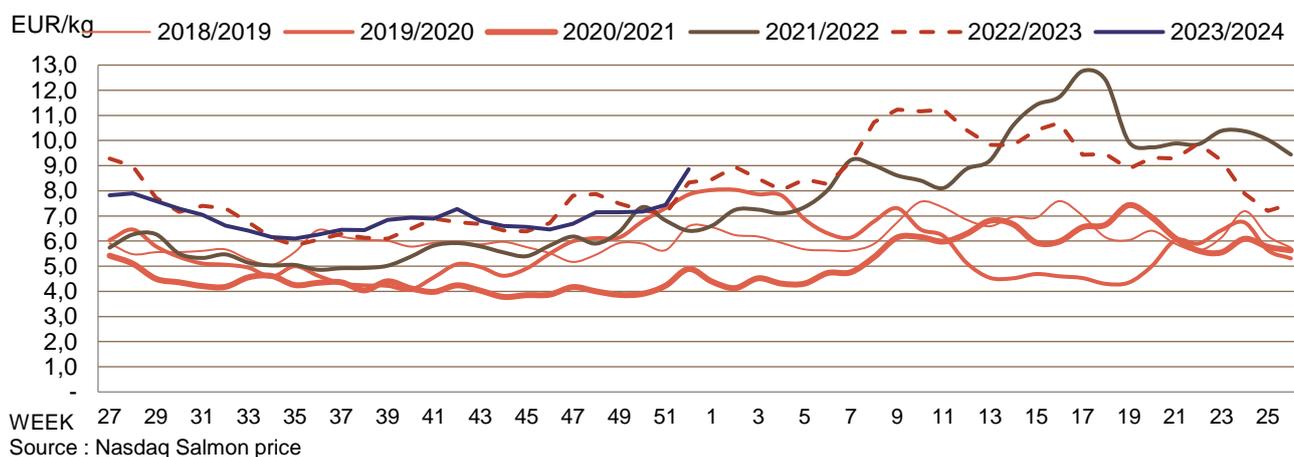
EUR/kg	31.12.2023	31.12.2022	31.12.23 vs 31.12.22	31.12.2021	31.12.23 vs 31.12.21	31.12.2020	31.12.23 vs 31.12.20
Salmon	8,86	8,33	6,36%	6,41	38,22%	4,89	81,18%
Rainbow trout	7,63	8,31	-8,18%	6,96	9,62%	4,63	64,79%

As at the end of the reporting period the price of salmon has increased by 6,36% and the price of rainbow trout has decreased by 8,18% compared to the prices a year ago. Over the two-year period the price of salmon has increased by 38,22% and the trout by 9,62%. The price of salmon has increased by 81,18% and of rainbow trout by 64,79% compared to the prices three years ago.

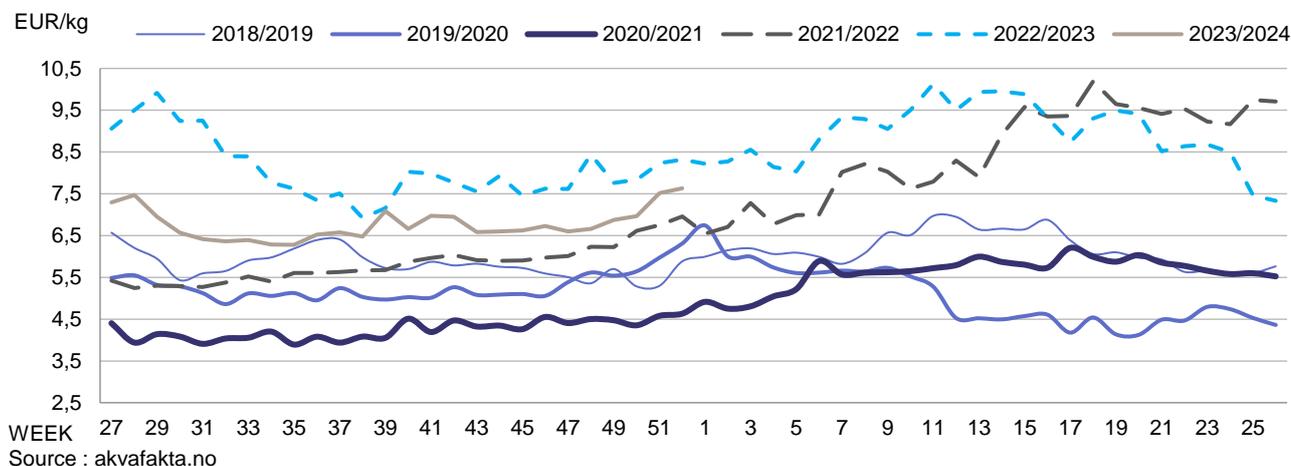
The graphs below illustrate weekly average prices of salmon and rainbow trout since the financial year 2018/2019.



EXPORT PRICE OF NORWEGIAN SALMON



EXPORT PRICE OF NORWEGIAN RAINBOW TROUT



AVERAGE MARKET PRICE OF FISH

EUR/kg	6m 2023/2024	6m 2022/2023	2022/2023 vs 2021/2022	6m 2021/2022	2022/2023 vs 2020/2021	6m 2020/2021	2022/2023 vs 2019/2020
Salmon	6,85	6,87	-0,03%	5,65	21,23%	4,24	61,56%
Rainbow trout	6,74	8,09	-16,69%	6,14	9,77%	4,43	52,14%

As at the end of the reporting period the average market prices of salmon and rainbow trout have decreased by 0,03% and 16,69%, 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 21,23% and 9,77%, respectively. The average fish prices have increased compared to the prices three years ago: salmon by 61,56% and rainbow trout by 52,14%.

MANAGEMENT AND SUPERVISORY BOARDS

The Management Board of AS PRFoods has three members as per the supervisory board's decision until 07.12.2026: **Indrek Kasela**, **Kristjan Kotkas** and **Timo Pärn**. The management board is independent in its day-to-day management of the business, protects the best interests of all shareholders and thereby ensures the company's sustainable development in accordance with the set objectives and strategy. It is also responsible for the internal control and risk management processes in the company.

The Supervisory Board of AS PRFoods appoints management board members for a three-year term. The articles of association prescribe the management board to consist of one to four members.

Indrek Kasela (born 1971), holds LL.M (Master of Laws) degree from the New York University (1996), BA degree in law from the University of Tartu (1994). In addition to the management board member position of AS PRFoods, Mr Kasela serves as a member of management board in almost all the Group entities and also in non-Group entities (such as Lindermann, Birnbaum & Kasela OÜ, ManageTrade OÜ ja NBLJK OÜ, etc). He serves as a supervisory board member of AS Toode, ELKE Grupi AS, EPhaG AS, Salva Kindlustuse AS, Ridge Capital AS, AS Ekspress Grupp, Elering AS, SA Avatud Eesti Fond, Tulundusühistu Tuleva, Eesti Avamere Vesiviljelejate Ühistu. Furthermore, he is involved in companies and NPOs, incl. domiciled abroad.

Kristjan Kotkas is an adviser in KJK private equity fund and serves as a member of management or supervisory board in several entities (AS Baltika, Cederberg Invest OÜ, Protea Invest OÜ, Rondebosch OÜ, Zegul Kayaks OÜ, Tahe Outdoors OÜ, KJK Participations III Sarl, KJK BALKAN HOLDING S.a.r.l., KJK Discovery Holding S.à r.l., KJK Sports Lithuania UAB, Stala OY, SHC Invest OÜ, Alwark UAB, Baltik Vairas UAB, KJK III AcquiCo d.o.o., KJK EE Investments 1 OÜ). He is also a member of the supervisory board of PRFoods AS subsidiary Saaremaa Kala AS.

Timo Pärn has worked as a business manager at STÜ Tootmine OÜ, been an hotel manager and a strategic marketing consultant. He is also a member of management board of PRFood AS subsidiary Saare Kala Tootmine OÜ. In addition to that, he is also a member of management board of Linden & Free OÜ, Saaremaa Eco OÜ and Food & Beverage Consult OÜ.

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

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

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

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

PRFOODS' SHARES HELD BY THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS AND THE PERSONS/COMPANIES RELATED TO THEM AS AT 31.12.2023:

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

SHARE AND SHAREHOLDERS

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

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

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

PRFOODS SHARE PRICE. INDICES AND TRADING ACTIVITY

Tallinn Stock Exchange All-Share index increased by 0,1% and PRFoods share price decreased by 37,85%.

	Index / Share	Ticker / index	31.12.2023	31.12.2022	Change
●	PRFoods share	PRF1T	0,179	0,288	-37,85%
●	OMX Tallinn GI	OMXTGI	1768,56	1 766,73	0,1%

TRADING STATISTICS

Price (EUR)	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022	3Q 2022	2Q 2022	1Q 2022	4Q 2021
Open	0,22	0,22	0,24	0,30	0,307	0,348	0,340	0,359	0,376
High	0,222	0,231	0,253	0,304	0,318	0,350	0,370	0,435	0,385
Low	0,176	0,205	0,217	0,235	0,280	0,301	0,340	0,300	0,310
Last	0,179	0,222	0,224	0,248	0,290	0,31	0,348	0,349	0,360
Traded volume. mln	0,22	0,44	0,21	0,49	0,12	0,14	0,11	0,52	0,640
Number of trades	1 468	1 760	1 348	1 860	1172	1065	1077	1994	2614
Average trade volume	148	248	156	261	102	129	98	263	245
Turnover. mln	0,04	0,09	0,05	0,13	0,03	0,05	0,04	0,19	0,23
Market capitalization. Mln	6,92	8,59	8,66	9,59	11,22	11,99	13,46	13,50	13,93

A total of 1 468 trades were conducted with PRFoods' shares during the fourth quarter of 2023. A total of 216 828 shares changed hands forming 0,6% of the company's shares. The average trade volume was 148 shares.

Turnover of share trading amounted to 0,04 million euros in 4Q 2023 and the highest share price in 4Q 2023 was 0,222 euros and the lowest was 0,176 euros.

The closing price of the share was 0,179 euro as at 31.12.2023 and the company's market capitalisation was 6,92 million euros.

MARKET RATIOS

Ratios	Formula	31.12.2023
EV/Sales	(Market Cap + Net Debt) / Sales	1,38
EV/EBITDA from operations	(Market Cap + Net Debt) / EBITDA from operations	83,9
EV/EBITDA	(Market Cap + Net Debt) / EBITDA	Neg
Price/EBITDA from operations	Market Cap / EBITDA from operations	25,4
Price/EBITDA	Market Cap / EBITDA	Neg
Price-to-Earnings	Market Cap / Net Profit	Neg
Price-to-Book	Market Cap / Equity	1,1

Market capitalisation (market cap), net debt and equity as at 31.12.2023; sales, EBITDA and net profit/loss for the trailing 12 months

BOND AND BONDHOLDERS

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

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

As of 31.12.2023, the number of bonds owned by PRFoods is 535 with a nominal value of 53,5 thousand euros.

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

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

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

As of 31.12.2023, 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 31.12.2023	% of total 31.12.2023	Value of bonds 30.06.2023	% of total 30.06.2023	Change
Swedbank Pensionifond K60	3 940 000	29,5%	3 940 000	29,5%	-
ING Luxembourg S.A. AIF esindajakonto	3 070 000	23,0%	3 070 000	23,0%	-
Swedbank Pensionifond K30	800 000	6,0%	800 000	6,0%	-
Clearstream Banking AG	750 000	5,6%	750 000	5,6%	-
Compensa Life Vienna Insurance Group SE	672 400	5%	671 500	5%	900
Spring Capital Growth Fund 1	504 300	3,8%	504 300	3,8%	-
AS SEB Bankas	358 200	2,7%	479 900	3,6%	-121 700
Total biggest Bondholders	10 094 900	75,6%	10 215 700	75,0%	-120 800
Remaining Bondholders	3 221 600	24,0%	3 100 800	24,6%	120 800
Bonds owned by PRFoods	53 500	0,4%	53 500	0,4%	-

BONDHOLDERS BY VALUE OF BONDS. 31.12.2023

Value of bonds	Number of bondholders	% of bondholders	Value of bonds	% of bond value
1 ... 1 000	226	51%	95 100	0,7%
1 001 ... 10 000	134	30,2%	567 300	4,2%
10 001 ... 50 000	62	14%	1 394 900	10,4%
50 001 ... 100 000	11	2,5%	790 700	5,9%
100 001 ...	10	2,3%	10 522 000	78,8%
Total	443	100,0%	13 370 000	100,0%

CONDENSED INTERIM ACCOUNTING REPORT

CONDENSED INTERIM ACCOUNTING REPORT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR '000	Note	31.12.2023	31.12.2022	30.06.2023
ASSETS				
Cash and cash equivalents	2	580	386	394
Receivables and prepayments	3	5 790	5 016	2 118
Inventories	4	2 420	2 089	1 861
Biological assets		0	0	772
Total current assets		8 790	7 491	5 145
Long-term financial investments		372	304	381
Tangible assets	10	4 429	6 944	6 563
Intangible assets	10	14 983	17 443	18 157
Total non-current assets		19 784	24 691	25 101
TOTAL ASSETS		28 574	32 182	30 246
EQUITY AND LIABILITIES				
Interest-bearing liabilities	5	1 805	2 777	2 111
Payables and prepayments	6	4 047	4 672	3 035
Total current liabilities		5 852	7 449	5 146
Interest-bearing liabilities	5	14 666	15 270	15 024
Deferred tax liabilities		1 434	1 644	1 466
Government grants		233	327	318
Total non-current liabilities		16 334	17 241	16 807
TOTAL LIABILITIES		22 186	24 690	21 953
Share capital		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		369	394	608
Retained profit (loss)		-15 386	-14 605	-13 981
Equity attributable to parent		6 388	7 194	8 032
Non-controlling interest		0	297	259
TOTAL EQUITY	7	6 388	7 491	8 292
TOTAL EQUITY AND LIABILITIES		28 574	32 182	30 246

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

EUR '000	Note	2Q 2023/2023	2Q 2022/2023	6m 2023/2024	6m 2022/2023
Revenue	11	5 445	7 300	8 856	11 910
Cost of goods sold		-3 827	-5 688	-7 117	-9 785
Gross profit		1 618	1 612	1 739	2 125
Operating expenses	11	-1 642	-1 379	-2 509	-2 493
Selling and distribution expenses		-910	-671	-1 348	-1 314
Administrative expenses		-732	-708	-1 161	-1 179
Other income / expense	11	-11	-21	-20	-68
Fair value adjustment on biological assets	11	0	0	358	-170
Operating profit (loss)		-35	212	-432	-606
Financial income / expenses	11	-535	-245	-842	1 447
Profit (Loss) before tax		-569	-33	-1 274	841
Income tax	11	-97	-102	-110	-108
Net profit (loss) for the period		-666	-135	-1 385	733
Net profit (loss) attributable to:					
Owners of the Parent Company		-708	-210	-1 382	668
Non-controlling interests		42	75	-4	66
Total net profit (loss) for the period		-666	-135	-1 386	733
Other comprehensive income (loss) that may					
Foreign currency translation differences		-43	0	-239	-445
Total comprehensive income (expense)		-709	-135	-1 625	288
Total comprehensive income (expense) attributable to:					
Owners of the Parent Company		-751	-210	-1 621	223
Non-controlling interests		42	75	-4	66
Total comprehensive income (expense) for the		-709	-135	-1 625	288
Profit (Loss) per share (EUR)	7	-0,02	-0,01	-0,04	0,02
Diluted profit (loss) per share (EUR)	7	-0,02	-0,00	-0,03	0,01

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 30.06.2022	7 737	14 007	-390	51	839	-14 391	7853	199	8 052
Net profit (loss) for the year	0	0	0	0	0	668	668	66	734
Other comprehensive income (expense)	0	0	0	0	-445	0	-445	0	-445
Total comprehensive income (expense) for the period	0	0	0	0	-445	668	223	66	289
Other movement	0	0	0	0	0	-881	-881	32	-849
Balance at 31.12.2022	7 737	14 007	-390	51	394	14 604	7 195	297	7 492
Balance at 30.06.2023	7 737	14 007	-390	51	608	-13 981	8 032	260	8 292
Net profit (loss) for the year	0	0	0	0	0	-1 382	-1 382	-4	-1 386
Other comprehensive income (expense)	0	0	0	0	-239	0	-239	0	-239
Total comprehensive income (expense) for the period	0	0	0	0	-239	-1 382	-1 621	-4	-1 625
Other movement	0	0	0	0	0	-23	-23	-256	-279
Balance at 31.12.2023	7 737	14 007	-390	51	369	-15 386	6 388	0	6 388

Additional information in Note 7.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR '000	Note	6m 2023/2024	6m 2022/2023
Cash flow from operating activities			
Net profit (loss)		-1 382	733
Adjustments:			
Depreciation		584	615
Loss from sale and write-offs of subsidiary	10	272	0
Other non-cash items		269	0
Changes in receivables and prepayments		-2 475	-3 392
Changes in inventories		-600	-235
Changes in biological assets		447	-303
Changes in payables and prepayments		2 424	2 758
Net cash inflow (outflow) from operating activities		-461	176
Cash flow from investing activities			
Purchase of tangible and intangible fixed assets		-33	-190
Government grants		0	62
Acquisition of subsidiaries, net cash received	10	313	6 310
Interests received		0	6
Net cash inflow (outflow) from investing activities		280	6 188
Cash flow from financing activities			
Change in overdraft		0	-4 537
Repayments of loans received		-309	-571
Change in factoring liability		0	484
Proceeds from borrowings		1 225	279
Repayments of lease liabilities		-71	-928
Interests paid		-465	-614
Net cash inflow (outflow) from financing activities		380	-5 887
Net increase (decrease) in cash and cash equivalents		199	477
Cash and cash equivalents at beginning of the period	2	394	110
Change in cash and cash equivalents		199	477
Effect of sale of subsidiary		-13	-201
Cash and cash equivalents at the end of the period	2	580	386

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 31.12.2023 incorporate results of AS PRFoods (hereinafter Parent Company) and companies directly and indirectly held by it: Saaremere Kala AS, Redstorm OÜ (until 30.11.2023) and Saare Kala Tootmine OÜ in Estonia and JRJ & PRF Ltd, John Ross Jr (Aberdeen) Ltd, Coln Valley Smokery Ltd in the United Kingdom (hereinafter also referred to as the Group). The Group has a stake in associate company - Competence Center of Food and Fermentation Technologies AS. 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 until 30.11.2023. AS PRFoods' shares are listed on Nasdaq Tallinn Stock Exchange since 5 May 2010 and the bonds since 6 April 2020.

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

CONFIRMATION OF COMPLIANCE

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

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

In the opinion of the management, this interim report for the 6 months of the financial year 2023/2024 of AS PRFoods presents correctly and fairly the financial results of the Group as a going concern. The current interim report is neither audited nor reviewed by auditors in any other way and contains only the consolidated reports of the Group.

BASIS OF PREPARATION

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

SIGNIFICANT MANAGEMENT DECISIONS AND ASSESSMENTS

In preparing this interim report, the management has made decisions and assessments that affect the application of the Group's accounting principles and the amounts reflected in assets and liabilities, revenues, and expenses. Actual results may differ from these estimates. The significant decisions made by the management in applying the Group's accounting principles and the key sources of estimation uncertainty were the same as those described in the latest consolidated financial statements for the fiscal year.

FINANCIAL RISK MANAGEMENT

In its daily operations, the Group encounters various risks, and managing these risks is essential and an integral part of the company's business activities. The company's ability to identify, measure, and control various risks is a significant input into the overall profitability of the Group. Risk, as defined by the management, is a potential negative deviation from expected financial results. The main risk factors include market risk (including currency risk, interest rate risk, and price risk), credit risk, liquidity risk, and operational risk.

The foundation of the Group's risk management is based on the requirements set by Nasdaq Tallinn Stock Exchange, Financial Inspection and other regulatory bodies, compliance with generally accepted accounting standards and best practices, as well as the company's internal regulations and risk policies. Risk management at a general level involves defining, measuring, and controlling risks. The primary responsibility for risk management and approval of risk procedures

lies with the parent company's board. The parent company's board oversees the measures taken by the management to mitigate risks.

The condensed interim financial report does not contain all the information about the Group's financial risk management that should be disclosed in the annual financial statements. Therefore, this interim report should be read in conjunction with the financial statements for the fiscal year ended June 30, 2023. There have been no significant changes in the Group's risk management principles compared to the end of the previous fiscal year.

NOTE 2. CASH AND CASH EQUIVALENTS

EUR '000	31.12.2023	30.06.2023
Cash on hand	2	1
Bank accounts	578	393
Total cash and cash equivalents	580	394

NOTE 3. RECEIVABLES AND PREPAYMENTS

EUR '000	31.12.2023	30.06.2023
Trade.receivables	2 894	1 392
Other.receivables	2 525	423
Prepaid.expenses	239	260
Prepaid.taxes	131	43
Total.receivables.and.prepayments	5 790	2 118

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

NOTE 4. INVENTORIES

EUR '000	31.12.2023	30.06.2023
Raw materials and materials	628	575
Work-in-progress	1 067	417
Finished goods	509	532
Goods purchased for sale	216	336
Total inventories	2 420	1 860

NOTE 5. INTEREST-BEARING LIABILITIES

EUR '000	31.12.2023	30.06.2023
Interest-bearing liabilities at the beginning of the period	17 135	24 819
Loans received	622	1 975
Change in overdraft	0	-4 544
Listed bonds	56	113
Lease liabilities	-17	-28
Change in factoring liabilities	547	-60
Foreign currency translation differences	15	-8
Repayments of interest-bearing liabilities	-387	-2 219
Reclassifications	0	-41
Change in liabilities related to the sale of subsidiary	-1 500	-2 872
Interest-bearing liabilities at the end of the period	16 471	17 135
Interest liability at the beginning of the period	594	596
Interest accrued	570	1 211
Change in liabilities related to the sale of subsidiary	-54	0
Interest paid	-465	-1 213
Interest liability at the end of the period	645	594
EUR '000	31.12.2023	30.06.2023
Lease liabilities	27	100
Investment loans	1 476	1 090
Other loan	302	921
Total short-term interest-bearing liabilities	1 805	2 111
Finance lease liabilities	244	259
Listed bonds	13 129	13 073
Investment loans	1 293	1 692
Total long-term interest-bearing liabilities	14 666	15 024
incl. payable within 1-5 years	14 66	15 024

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

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

NOTE 6. PAYABLES AND PREPAYMENTS

EUR '000	31.12.2023	30.06.2023
Trade payables	2 193	1 389
Payables to employees	60	150
Prepayments	0	0
Other short-term liabilities	0	87
Interest payables	645	594
Other payables	590	398
Tax liabilities	559	417
Total short-term payables and prepayments	4 047	3 035

NOTE 7. EQUITY

SHARE CAPITAL

As at 31.12.2023 the Group had 38 682 860 shares (30.06.2023: 38 682 860), including 1 000 000 treasury shares (30.06.2023: 1 000 000 treasury shares).

Treasury shares

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

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

CAPITAL RESERVE AND RETAINED EARNINGS

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

EARNINGS PER SHARE

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

	6m 2023/2024	6m 2022/2023
Net profit (loss) attributable to equity holders of the company. EUR '000	-1 382	668
Average number of shares. Thousand	38 683	38 683
Earnings (Loss) per share. EUR	-0,04	0,02
Basic earnings (loss) per share. EUR	-0,04	0,02
Diluted earnings (loss) per share. EUR	-0,03	0,01

NOTE 8. RELATED PARTY TRANSACTIONS

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

Related parties include:

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

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

Party	Creditor	Payables and prepayments	Payables as at	Payables as at
			31.12.2023	30.06.2023
			EUR '000	EUR '000
Lindermann, Birnbaum & Kasela OÜ	Shareholder AS PRFoods	Investment loan	465	465
Amber Trust II S.C.A.	Shareholder AS PRFoods	Investment loan	150	0
Amber Trust II S.C.A.	Shareholder AS PRFoods	Bond and interest of bond	3 423	3 351
Lindermann, Birnbaum & Kasela OÜ	Shareholder AS PRFoods	Bond and interest of bond	116	112
Lindermann, Birnbaum & Kasela OÜ	Shareholder AS PRFoods	Payable	0	90
Fodiator OÜ	Related party	Payable	0	23
Rebane Consulting	Related party	Payable	0	3
Total			4 154	4 044

NOTE 9. ASSOCIATE COMPANIES

AS TOIDU- JA FERMENTATSIOONITEHNOLOGIA 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 31.12.2023	Ownership interest 30.06.2023	Area of activity	Owner
Saaremere Kala AS	Estonia	100%	100%	Fish group holding company	AS PRFoods
Saare Kala Tootmine OÜ	Estonia	100%	100%	Production of fish products	Saaremere Kala AS
JRJ & PRF Limited	Scotland	100%	85%	Fish group holding company	Saaremere Kala AS
John Ross Jr. (Aberdeen) Limited	Scotland	100%	100%	Production and sale of fish products	JRJ & PRF Limited
Coln Valley Smokery Limited	Great Britain	100%	100%	Production and sale of fish products	64% JRJ & PRF Limited 36% John Ross Jr. (Aberdeen) Limited
Redstorm OÜ ¹⁾	Estonia	0%	51%	Fish farming	Saaremere Kala AS

¹ Ownership was sold in November 2023

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

SALE OF REDSTORM OÜ

On 01.12.2023, AS PRFoods entered into a sales agreement with its subsidiary Saaremere Kala AS, and on 06.12.2023, an addendum to it, according to which Saaremere Kala AS sold:

- The entire stake it owned in OÜ Redstorm, constituting 51% of the total capital, with a nominal value of 2050 euros, to OÜ Saare Fishexport;
- The building permit issued by the Consumer Protection and Technical Regulatory Authority on 19.09.2023, for OÜ Energy Port. OÜ Energy Port is a wholly-owned subsidiary of OÜ Saare Fishexport.

The purpose of the transactions is to reduce the Group's debt obligations.

OÜ Redstorm's main activity is sea trout farming. Saare Kala Tootmine OÜ, a wholly-owned subsidiary of Saaremere Kala AS, has entered into a long-term cooperation agreement with Redstorm OÜ for the resale and processing of the fish grown by the latter, ensuring local fish supplies to Saare Kala Tootmine OÜ.

The selling price and payment terms

The total sales price for the share of OÜ Redstorm and the building permit amounted to 2 813 thousand euros.

Of the transaction's sales price, an amount of 313 thousand euros was immediately payable. The remaining portion of the sales price is to be paid according to the following schedule:

- 2,000 thousand euros is due after the issuance of the administrative act amending the building permit holder. As of the date of the interim report, the buyer has paid the corresponding amount to Saaremere Kala AS.
- 250 thousand euros is due no later than 10.01.2025.
- 250 thousand euros is due no later than 10.01.2025.

OÜ Saare Fishexport has provided a guarantee to ensure that OÜ Energy Port fulfills its obligation to pay a portion of the building permit's purchase price.

Upon signing the contract, an obligation was undertaken to repay a loan from Saaremere Kala AS to OÜ Redstorm in the amount of 547 thousand euros (including interest), to pay an invoice from Saaremere Kala AS in the amount of 3 thousand euros, and to pay an invoice from AS PRFoods in the amount of 10 thousand euros. These obligations were fulfilled on 04.12.2023.

The impact of the transaction on the group's financial position

On the date of the sale, the net asset values of Redstorm OÜ in the balance sheet were as follows:

EUR'000	30.11.2023
Subsidiary's net value at the date of sale	520
Minority stake	-255
Net value owned by the owners of the Parent Company	-265
Disposal of tangible and intangible fixed assets in consolidated financial statements of the Parent Company.	-2 820
Selling price	2 813
Gain (-loss) from the sale of the subsidiary	-272

A significant portion of the assets sold by Redstorm OÜ consisted of tangible fixed assets (land, buildings, machinery, and equipment) totalling 1 704 thousand euros. As a result of the sales transaction, the Group ceased to recognize intangible assets in amount 2 820 thousand euros, of which 2 154 thousand euros were goodwill and 666 thousand euros were fishing permits.

The loss from the sale of the subsidiary is reflected in the consolidated comprehensive income statement under financial income/costs.

NOTE 11. SEGMENT REPORTING

The Group's segments are defined based on reports monitored and analysed by the parent company's management. The management of the parent company monitors financial results both by business areas and geographical regions. For the Group's management, the most significant information for monitoring financial results and allocating resources is the reports broken down by geographical regions; therefore, this distribution serves as the basis for defining business segments. The Group's business segments are as follows:

- Estonia
- United Kingdom
- Group

The **Estonian** business segment encompasses the production of trout-based fish products (**Saare Kala Tootmine OÜ**) and until 30.11.2023, also trout farming (**Redstorm OÜ**). Trout farming was part of the Group's operations until 30.11.2023, when approximately 2/3 of the Group's trout raw material came from the Group's trout farms in the coastal waters of Saaremaa, Estonia. Since 1.12.2023, only fish product manufacturing in the factory located in Saaremaa is included in this business segment.

The **United Kingdom** includes the production of salmon products in the factory located in Aberdeen. This business segment comprises the Group's companies **John Ross Jr (Aberdeen) Ltd** and **Coln Valley Smokery Ltd**.

The **Group** segment is presented separately and does not constitute a separate business area. It includes the Group's parent company **AS PRfoods** and the holding company of the Group's fish companies, **Saaremere Kala AS**. Central activities mainly involve activities supporting the Group's financial operations.

EUR '000	2Q 2023/2024				6 months 2023/2024			
	Estonia	UK	Group	Total	Estonia	UK	Group	Total
Revenue	1 406	4 039	0	5 445	1 923	6 933	0	8 856
Cost of goods sold	-1 272	-2 555	0	-3 827	-2 373	-4 744	0	-7 117
Gross profit	134	1 484	0	1 618	-450	2 189	0	1 739
Operating expenses	-322	-956	-364	-1 642	-578	-1 482	-449	-2 509
Selling and distribution expenses	-187	-723	0	-910	-335	-1 013	0	-1 348
Administrative expenses	-135	-233	-364	-732	-243	-469	-449	-1 161
Other income / expense	-3	0	-8	-11	-1	0	-19	-20
Fair value adjustment on biological assets	0	0	0	0	358	0	0	358
Operating profit (loss)	-190	528	-372	-34	-671	707	-468	-432
Financial income / expenses	-22	-35	-477	-535	-58	-98	-686	-842
Profit (Loss) before tax	-213	493	-849	-569	-729	609	-1 154	-1 274
Income tax	0	-96	0	-97	0	-110	0	-110
Net profit (loss) for the period	-213	396	-849	-666	-729	498	-1 154	-1 385

EUR '000	2Q 2022/2023				6 months 2022/2023			
	Estonia	UK	Group	Total	Estonia	UK	Group	Total
Revenue	3 254	4 046	0	7 300	4 447	7 207	156	11 910
Cost of goods sold	-2 827	-2 862	0	-5 689	-4 256	-5 354	-175	-9 785
Gross profit	427	1 184	0	1 611	291	1 853	-19	2 125
Operating expenses	-372	-633	-374	-1 379	-618	-1 251	-624	-2 493
Selling and distribution expenses	-197	-473	-1	-671	-362	-950	-2	-1 314
Administrative expenses	-175	-160	-373	-708	-256	-301	-622	-1 179
Other income / expense	-7	0	-14	-21	33	0	-101	-68
Fair value adjustment on biological assets	0	0	0	0	-170	0	0	-170
Operating profit (loss)	48	551	-388	211	-464	602	-744	-606
Financial income / expenses	-5	-29	-211	-245	-25	-90	1 562	1 447
Profit (Loss) before tax	44	522	-599	-33	-489	512	818	841
Income tax	0	-102	0	-102	0	-108	0	-108
Net profit (loss) for the period	44	420	-599	-135	-489	404	818	733

SALES REVENUE BY GEOGRAPHICAL SEGMENT

EUR '000	2Q 2023/2024	2Q 2022/2023	6m 23/24	6m 22/23
Great Britain	4 039	4 046	6 933	7 207
Estonia	1 406	3 254	1 923	4 703
Total	5 445	7 300	8 856	11 910

NON-CURRENT ASSETS BY LOCATION

EUR '000	31.12.2023	30.06.2023
Great Britain	15 475	16 491
Estonia	278	4 870
Group	3 659	3 359
Total	19 412	24 720

NOTE 12. EVENTS AFTER THE BALANCE SHEET DATE

Extraordinary general meeting

AS PRFoods extraordinary general meeting was held on 10.01.2024. The shareholders' general meeting approved the sale of the construction permit (1-7/23-317) issued by the Consumer Protection and Technical Regulatory Authority to OÜ Energy Port.

AS PRFoods' partial redemption settlement of secured bonds

On 14.01.2024 AS PRFoods carried out a partial buyback of the secured bonds issued, amounting to up to 15% of the total nominal value of all issued bonds. In total, AS PRFoods repurchased 14 235 bonds with a total nominal value of 1 423 500 euros from the holders who submitted buyback offers. This represents approximately 13% of the total nominal value of all issued bonds.

Trade with related parties

Saaremere Kala AS and shareholder of PRFoods AS, Amber Trust II S.C.A., SICAR, entered into an assignment of receivable and loan agreement as of 31.01.2024. According to the agreement Amber Trust II S.C.A., SICAR assigns its loan claim against Redstorm OÜ, in the principal amount of 250 000 euros nominal value, and the corresponding payment obligation is treated as a loan with an annual interest rate of 8,0% and maturity date 31.12.2024. This is an unsecured loan. The purpose of the transaction is to offset the corresponding claim against the liability of Saare Kala Tootmine OÜ to Redstorm OÜ.

MANAGEMENT BOARD'S CONFIRMATION TO THE INTERIM REPORT

The Management Board confirms the correctness and completeness of the consolidated condensed interim report for the 2nd quarter and 6 months of the financial year 2023/2024 of AS PRFoods and its subsidiaries (together the Group) presented in the pages 7-35 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

29.02.2024