Company	AS PRFoods
Type	Company Release
Category	Half-yearly financial report
Disclosure time	21 Feb 2021 19:52:29 +0200

Attachments:
- PRF_interim_6m2020_2021.pdf (http://oam.fi.ee/en/download?id=5189)
- PRF_vahearuanne_6k2020_2021.pdf (http://oam.fi.ee/en/download?id=5190)

Currency

Title Consolidated Unaudited Interim Report of AS PRFoods for the 2nd quarter and 6 months of

MANAGEMENT COMMENTARY

Second half of 2020 is characterized by continuation of COVID crisis. Salmon prices are 12-year low and compared to the same period last year, salmon prices are down 38% and rainbow trout is down by 22.5%. Adding to this global decrease in demand due to shutdown of HoReCa and you can call the situation as ?perfect storm". Companies who emerge from this crisis unscathed will be future winners. Arrival of vaccines is giving hope that we can see some normalization during 2nd half of 2021. 2022 will definitely be more profitable year in Fish farming as farmers can plan better the demand. Today's farming volumes were planned before crisis and therefore there is massive oversupply in the market and most Fish farmers operate either at loss or at break-even. John Ross Jr has shown extraordinary resilience in current crisis and is forecasted to end current financial year with similar result as to year before, gross margin of the business has risen over 50%. Estonian operations and cost base has been adjusted to the changed market situation. Unfortunately we cannot say the same about Finland and we plan to carry out significant restructuring of Finnish business during Q1.

The group ended Q4 already in profit, but due to significantly lower sales, our operational EBITDA margin was 3.4% compared to 8.4% year before (consolidated EBITDA margin 4.1% and 5.3% accordingly). Production cost base cannot be adjusted to such drastic market changes without bigger restructuring. Yet we have managed to decrease costs in Finnish unit by 75,000 euros per month from beginning of the year and see further avenues for decreasing costs. At the same time we cannot ignore the fact that sales need to be recovered, particularly in Finland.

The focus in the beginning of the year is to adjust cost base to the market situation, improving liquidity of the business and larger focus in Baltics and

Scandinavia on Fish farming which continues to be the most promising area in business. John Ross Jr has adjusted extremely well to the crisis and despite loss of some sales in first 6 months of current financial year, has increased its profitability due to lower raw material prices.

Thanks to lower cost base, we believe, that we will finish 2020/2021 II half and entire financial year with positive EBITDA.

KEY RATIOS

INCOME STATEMENT

mln EUR	4Q 2020	3Q 2020	2Q 2020	1Q 2020	4Q 2019	3Q 2019	2Q 2019	1Q 2019
Sales	17.0	12.7	15.1	18.5	25.4	19.3	21.5	18.1
Gross profit	2.5	1.2	0.7	2.0	4.3	2.6	2.1	2.1
EBITDA from operations	0.6	-0.3	-0.4	0.0	2.1	0.7	0.3	0.2
EBITDA	0.7	-0.5	-0.4	-0.9	1.4	1.5	0.3	-0.5
EBIT	0.0	-1.1	-1.0	-1.4	0.7	1.0	-0.3	-1.0
EBT	-0.1	-1.4	-1.2	-1.8	0.6	0.8	-0.4	-1.2
Net profit (-loss)	-0.2	-1.4	-1.3	-1.7	0.5	0.6	-0.6	-1.2
Gross margin	14.9%	9.4%	4.6%	10.8%	17.0%	13.4%	9.8%	11.7%
Operational EBITDA margin	3.4%	-2.6%	-2.6%	0.1%	8.4%	3.8%	1.4%	1.1%
EBITDA margin	4.1%	-3.8%	-2.6%	-4.6%	5.3%	7.6%	1.4%	-2.5%
EBIT margin	0.2%	-8.8%	-6.4%	-7.8%	2.9%	5.0%	-1.2%	-5.6%
EBT margin	-0.6%	-11.3%	-8.1%	-9.8%	2.2%	3.9%	-2.0%	-6.5%
Net margin	-1.2%	-11.3%	-8.4%	-9.2%	2.0%	2.9%	-3.0%	-6.6%
Operating expense ratio	15.6%	18.2%	13.9%	14.3%	12.5%	13.4%	11.7%	14.1%

BALANCE SHEET

mln EUR	31.12.2020	30.09.2020	30.06.2020	31.03.2020	31.12.2019	30.09.2019	30.06.2019
Net debt	21.9	21.5	20.7	17.0	17.8	19.9	20.5
Equity	18.6	18.5	19.8	21.6	23.3	22.8	21.9
Working capital	-3.9	-4.4	-4.0	-2.5	-3.5	-3.0	-3.1
Assets	57.5	57.4	57.1	56.9	60.5	62.4	62.5
Liquidity ratio	0.8x	0.8x	0.8x	0.9x	0.9x	0.9x	0.9x
Equity ratio	32.4%	32.3%	34.7%	37.9%	38.5%	36.5%	35.0%
Gearing ratio	54.0%	53.7%	51.1%	44.0%	43.3%	46.6%	48.3%
Debt to total assets	0.7x	0.7x	0.7x	0.6x	0.6x	0.6x	0.7x
Net debt to EBITDA op	160.0x	12.8x	7.5x	5.3x	5.3x	5.4x	5.1x
ROE	-21.9%	-7.0%	-9.1%	-5.7%	-3.2%	-4.5%	-6.5%
ROA	-7.8%	-2.4%	-3.2%	-2.1%	-1.2%	-1.6%	-2.3%

Consolidated Statement of Financial Position

Thousand euros	31.12.2020	31.12.2019	30.06.2020
ASSETS			
Cash and cash equivalents	962	2 680	2 276
Receivables and prepayments	4,153	6,342	3,578

Inventories	9,627	9,104	7,884
Biological assets	3,702	4,354	4,249
Total current assets	18,444	22,480	17,987
Deferred income tax	21	66	54
Long-term financial investments	232	217	232
Tangible fixed assets	15,968	14,444	16,179
Intangible assets	22,841	23,286	22,672
Total non-current assets	39,062	38,013	39,137
TOTAL ASSETS	57,506	60,493	57,124
EQUITY AND LIABILITIES			
Loans and borrowings	9,634	12,505	10,611
Payables	12,469	13,301	11,132
Government grants	212	188	211
Total current liabilities	22,315	25,994	21,954
Loans and borrowings	13,254	7,945	12,368
Payables	596	190	190
Deferred tax liabilities	1,912	2,070	1,920
Government grants	785	981	873
Total non-current liabilities	16,547	11,186	15,351
TOTAL LIABILITIES	38,862	37,180	37,305

Share capital	7,737	7,737	7,737
Share premium	14,197	14,007	14,007
Treasury shares	-390	-390	-390
Statutory capital reserve	51	51	51
Currency translation reserve	-98	167	-366
Retained profit (-loss)	-3,246	1,108	-1,654
Equity attributable to parent	18,252	22,680	19,385
Non-controlling interest	392	633	434
TOTAL EQUITY	18,644	23,313	19,819
TOTAL EQUITY AND LIABILITIES	57,506	60,493	57,124

Consolidated Statement of Profit or Loss And Other Comprehensive Income

Thousand euros	2Q 2020/2021	2Q 2019/2020	6 months 2020/2021	6 months 2019/2020
Sales	17,029	25,374	29,766	44,703
Cost of goods sold	-14,496	-21,049	-26,033	-37,796
Gross profit	2,533	4,325	3,733	6,907
Operating expenses	-2,663	-3,169	-4,985	-5,767
Selling and distribution expenses	-1,809	-2,146	-3,367	-3,938
Administrative expenses	-854	-1,023	-1,618	-1,829
Other income / expense	46	206	137	334

Fair value adjustment on biological assets	118	-622	24	224
Operating profit (loss)	34	740	-1,091	1,698
Financial income/- expenses	-129	-190	-438	-393
Profit (loss) before tax	-95	550	-1,529	1,305
Income tax	-101	-54	-105	-239
Net profit (loss) for the period	-196	496	-1,634	1,066
Net profit (loss) attributable to:				
Owners of the company	-190	529	-1,592	1,042
Non-controlling interests	-6	-33	-42	24
Total net profit (loss)	-196	496	-1,634	1,066
Other omprehensive income (loss) that may subsequently be classified to profit or loss:				
Foreign currency translation differences	169	66	268	381
Total comprehensive income (expense)	-27	562	-1,366	1,447

Total comprehensive income (expense) attributable to:				
Owners of the Company	-21	595	-1,324	1,423
Non-controlling interests	-6	-33	-42	24
Total comprehensive income (expense) for the period	-27	562	-1,366	1,447
Profit (loss) per share (EUR)	0.00	0.01	-0.04	0.03
Diluted profit (loss) per share (EUR)	0.00	0.01	-0.04	0.03

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