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| Company | AS PRFoods |
| Type | Company Release |
| Category | Management interim statement or quaterly financial report |
| Disclosure time | 23 May 2021 23:32:53 +0300 |

Attachments:
- PRF_interim_9m2020_2021.pdf (http://oam.fi.ee/en/download?id=5559)
- PRF_vahearuanne_9k2020_2021.pdf (http://oam.fi.ee/en/download?id=5560)

Currency

Title Consolidated Unaudited Interim Report of AS PRFoods for the 3nd quarter and 9 months of

MANAGEMENT COMMENTARY

The most difficult year in PRFoods history is coming to close. Second wave of corona crisis lasted longer than predicted and in reality we have operated under restrictions the entire financial year ending in June. HoReCa has been closed, export logistics has been hindered and Norwegian salmon farmers dumped salmon at record low prices, that led to decrease of entire market. All this is reflected in our financial performance.

Unfortunately we must admit that previous management made mistakes in investments and did not react to changed environment fast enough in Finland, thus amplifying the negatiive effect of corona. UK operations have been consistently profitable and from the beginning of calendar year we have resumed pre-coroan profitability and we see strong growth in sales and profitability for next financial year. Estonian operations are still small, but at the samet ime we doubled our retail sales on y-o-y. Fresh salmon trading, characterised by high sales volatility , but small margins, has been in very substantial decline due to corona and record low prices.

On positive side we managed to end Q3 with same result as last year despite -23% in sales, considering that January-March 2020 were normal months, but January-March 2021, Europe was still thick in corona crisis.

At the same time it has been one of the most positive years for us, as we got much closer in our strategy to become one of the biggest fish farmers in the region. New farming permits in Sweden and potential new permits in Estonia could contribute to 30-50 million euros additional sales in coming years.

We are prepared that there will be new corona-related restrictions in fall 2021.

We also deal actively with deleveraging the company, carrying out new issue of convertible bonds. Ca half of our loans are related to acquisition finance of John Ross Jr. , and their results have not been materially affected by corona, meaning the leverage is acceptable. Fish farming requires long-term financing and we are investigating alternatives. We have reduced the need of working capital in processing, decreasing our inventory levels. Most important is to restore profitability in the environment of decreased sales.

KEY RATIOS

INCOME STATEMENT

| mln EUR | 1Q 2021 | 4Q 2020 | 3Q 2020 | 2Q 2020 | 1Q 2020 | 4Q 2019 | 3Q 2019 | 2Q 2019 |
|---|---|---|---|---|---|---|---|---|
| Sales | 14.2 | 17.0 | 12.7 | 15.1 | 18.5 | 25.4 | 19.3 | 21.5 |
| Gross profit | 0.9 | 2.5 | 1.2 | 0.7 | 2.0 | 4.3 | 2.6 | 2.1 |
| EBITDA from operations | -0.5 | 0.6 | -0.3 | -0.4 | 0.0 | 2.1 | 0.7 | 0.3 |
| EBITDA | -0.7 | 0.7 | -0.5 | -0.4 | -0.9 | 1.4 | 1.5 | 0.3 |
| EBIT | -1.4 | 0.0 | -1.1 | -1.0 | -1.4 | 0.7 | 1.0 | -0.3 |
| EBT | -1.8 | -0.1 | -1.4 | -1.2 | -1.8 | 0.6 | 0.8 | -0.4 |
| Net profit (-loss) | -1.8 | -0.2 | -1.4 | -1.3 | -1.7 | 0.5 | 0.6 | -0.6 |
| Gross margin | 6.6% | 14.9% | 9.4% | 4.6% | 10.8% | 17.0% | 13.4% | 9.8% |
| Operational EBITDA margin | -3.5% | 3.4% | -2.6% | -2.6% | 0.1% | 8.4% | 3.8% | 1.4% |
| EBITDA margin | -5.3% | 4.1% | -3.8% | -2.6% | -4.6% | 5.3% | 7.6% | 1.4% |
| EBIT margin | -9.9% | 0.2% | -8.8% | -6.4% | -7.8% | 2.9% | 5.0% | -1.2% |
| EBT margin | -12.5% | -0.6% | -11.3% | -8.1% | -9.8% | 2.2% | 3.9% | -2.0% |
| Net margin | -12.5% | -1.2% | -11.3% | -8.4% | -9.2% | 2.0% | 2.9% | -3.0% |
| Operating expense ratio | 15.6% | 15.6% | 18.2% | 13.9% | 14.3% | 12.5% | 13.4% | 11.7% |

BALANCE SHEET

| mln EUR | 31.03.2021 | 31.12.2020 | 30.09.2020 | 30.06.2020 | 31.03.2020 | 31.12.2019 | 30.09.2019 |
|---|---|---|---|---|---|---|---|
| Net debt | 21.4 | 21.9 | 21.5 | 20.7 | 17.0 | 17.8 | 19.9 |
| Equity | 17.6 | 18.6 | 18.5 | 19.8 | 21.6 | 23.3 | 22.8 |
| Working capital | -5.0 | -3.9 | -4.4 | -4.0 | -2.5 | -3.5 | -3.0 |
| Assets | 54.5 | 57.5 | 57.4 | 57.1 | 56.9 | 60.5 | 62.4 |
| Liquidity ratio | 0.8x | 0.8x | 0.8x | 0.8x | 0.9x | 0.9x | 0.9x |
| Equity ratio | 32.4% | 32.4% | 32.3% | 34.7% | 37.9% | 38.5% | 36.5% |
| Gearing ratio | 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 | 0.6x | 0.6x | 0.6x |
| Net debt to EBITDA op | -55.3x | 160.0x | 12.8x | 7.5x | 5.3x | 5.3x | 5.4x |
| ROE | -23.8% | -21.9% | -7.0% | -9.1% | -5.7% | -3.2% | -4.5% |
| ROA | -8.4% | -7.8% | -2.4% | -3.2% | -2.1% | -1.2% | -1.6% |

Consolidated Statement of Financial Position

| Thousand euros | 31.03.2021 | 31.03.2020 | 30.06.2020 |
|---|---|---|---|
| ASSETS | | | |
| Cash and cash equivalents | 1,485 | 3,023 | 2,276 |
| Receivables and prepayments | 3,536 | 4,095 | 3,578 |

| | | | |
|---|---|---|---|
| Inventories | 7,645 | 9,656 | 7,884 |
| Biological assets | 2,366 | 2,590 | 4,249 |
| Total current assets | 15,032 | 19,364 | 17,987 |
| | | | |
| Deferred income tax | 21 | 18 | 54 |
| Long-term financial investments | 232 | 215 | 232 |
| Tangible fixed assets | 15,541 | 14,135 | 16,179 |
| Intangible assets | 23,626 | 23,208 | 22,672 |
| Total non-current assets | 39,420 | 37,576 | 39,137 |
| TOTAL ASSETS | 54,452 | 56,940 | 57,124 |
| | | | |
| EQUITY AND LIABILITIES | | | |
| Loans and borrowings | 8,984 | 9,518 | 10,611 |
| Payables | 10,833 | 12,142 | 11,132 |
| Government grants | 208 | 187 | 211 |
| Total current liabilities | 20,025 | 21,847 | 21,954 |
| | | | |
| Loans and borrowings | 13,944 | 10,489 | 12,368 |
| Payables | 298 | 190 | 190 |
| Deferred tax liabilities | 1,787 | 1,854 | 1,920 |
| Government grants | 752 | 962 | 873 |
| Total non-current liabilities | 16,781 | 13,495 | 15,351 |
| TOTAL LIABILITIES | 36,806 | 35,342 | 37,305 |
| | | | |
| Share capital | 7,737 | 7,737 | 7,737 |

| | | | |
|---|---|---|---|
| Share premium | 14,198 | 14,007 | 14,007 |
| Treasury shares | -390 | -390 | -390 |
| Statutory capital reserve | 51 | 51 | 51 |
| Currency translation reserve | 683 | 147 | -366 |
| Retained profit (-loss) | -4,985 | -550 | -1,654 |
| Equity attributable to parent | 17,294 | 21,002 | 19,385 |
| Non-controlling interest | 352 | 596 | 434 |
| TOTAL EQUITY | 17,646 | 21,598 | 19,819 |
| TOTAL EQUITY AND LIABILITIES | 54,452 | 56,940 | 57,124 |

Consolidated Statement of Profit or Loss And Other Comprehensive Income

| Thousand euros | 3Q 2020/2021 | 3Q 2019/2020 | 9 months 2020/2021 | 9 months 2019/2020 |
|---|---|---|---|---|
| Sales | 14,186 | 18,488 | 43,952 | 63,191 |
| Cost of goods sold | -13,247 | -16,497 | -39,280 | -54,293 |
| Gross profit | 939 | 1,991 | 4,672 | 8,898 |
| | | | | |
| Operating expenses | -2,219 | -2,635 | -7,204 | -8,402 |
| Selling and distribution expenses | -1,523 | -1,735 | -4,890 | -5,673 |
| Administrative expenses | -696 | -900 | -2,314 | -2,729 |
| Other income / expense | 26 | -35 | 163 | 299 |
| Fair value adjustment on | | | | |

| | | | | |
|---|---|---|---|---|
| biological assets | -154 | -754 | -130 | -530 |
| Operating profit (loss) | -1,408 | -1,433 | -2,499 | 265 |
| Financial income/-expenses | -370 | -384 | -808 | -777 |
| Profit (loss) before tax | -1,778 | -1,817 | -3,307 | -512 |
| Income tax | -1 | 120 | -106 | -119 |
| Net profit (loss) for the period | -1,779 | -1,697 | -3,413 | -631 |
| | | | | |
| Net profit (loss) attributable to: | | | | |
| Owners of the company | -1,739 | -1,658 | -3,331 | -616 |
| Non-controlling interests | -40 | -39 | -82 | -15 |
| Total net profit (loss) | -1,779 | -1,697 | -3,413 | -631 |
| | | | | |
| Other omprehensive income (loss) that may subsequently be classified to profit or loss: | | | | |
| Foreign currency translation differences | 781 | -20 | 1,049 | 361 |
| Total comprehensive income (expense) | -998 | -1,717 | -2,364 | -270 |
| | | | | |
| Total comprehensive income (expense) | | | | |

| | | | | |
|---|---|---|---|---|
| attributable to: | | | | |
| Owners of the Company | -958 | -1,678 | -2,282 | -255 |
| Non-controlling interests | -40 | -39 | -82 | -15 |
| Total comprehensive income (expense) for the period | -998 | -1,717 | -2,364 | -270 |
| | | | | |
| Profit (loss) per share (EUR) | -0,04 | -0,04 | -0,09 | -0,02 |
| | | | | |
| Diluted profit (loss) per share (EUR) | -0,04 | -0,04 | -0,09 | -0,02 |

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