

Company AS PRFoods
Type Company Release
Category Annual financial report
Disclosure time 31 Oct 2022 23:49:51 +0200

Attachments:

- PRF annual report 2021_2022 FINAL audited.pdf (<http://oam.fi.ee/en/download?id=6864>)
- PRFoods_AS-2022-06-30-et.zip (<http://oam.fi.ee/en/download?id=6865>)
- PRF aastaaruanne 2021_2022 FINAL auditeeritud.pdf (<http://oam.fi.ee/en/download?id=6866>)

Currency

Title PRFoods Consolidated Audited Annual Report 2021/2022

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Management Commentary

The 2021/2022 financial year led to major changes in the corporate structure. The persistently loss-making Finnish unit, Heimon Kala Oy, was disposed of. In this regard, PRFoods incurred extraordinary losses of EUR 2.3 million (Heimon Kala Oy operational loss from last year until sale of business was EUR -2.4 million. In addition Saare Kala Tootmine OÜ incurred EUR -1.1 million loss from sale to Finland of Heimon Kala products. Saaremere Kala OÜ additional losses mostly related to Finland were EUR -0.5 million).

Överumans Fisk AB was also disposed after the end of the financial year. Following the disposal of these business units, the Group's structure is as follows: fully owned subsidiaries of 100% Saaremere Kala AS (100% Saare Kala Tootmine OÜ (formerly Heimon Kala Eesti OÜ), JRJ & PRF UK Ltd (holding company of John Ross Jr. and Coln Valley)), daughter company Redstorm OÜ.

In addition, Saaremere Kala AS has applied for fish farming licences in Saaremaa and Hiiumaa, and once these licences have been granted, a new company will be established for their use.

The disposal of Heimon Kala Oy also changed the Group's sales structure, with sales in Finland continuing to be outsourced through Kalaneuvos Oy.

The company's debt burden has decreased significantly since the sale of the business units. The remaining debt obligations are related to two loans from the Rural Development Foundation (Maaelu Edendamise Sihtasutus) and bonds. All other bank loans or major leasing arrangements have been repaid.

The company's sustainability is ensured by improved economic performance. In the current financial year, both the UK unit and the fish farming unit are already profitable. The results of the fish processing activities in Estonia have not changed compared to the same time last year, but owing to the significantly



reduced cost base we also expect a return to profitability in Saare Kala Tootmine OÜ.

PRFoods may dispose of additional significant assets in order to ensure the fulfilment of its debt obligations in relation to the changed economic activities.

The development of fish farming activities in Estonia is expected to ensure the Group's long-term profitability, which will also enable it to service debts under the existing structure.

The Group is also well protected against inflationary pressures. To a large extent, it has been able to pass cost increases on to the prices of the final products. In addition, the company uses to some extent renewable energy, which allows the Estonian unit to be partially independent of the prices of energy carriers. Moreover, fish farming is highly energy efficient, as there is no need for external energy carriers to be used in the handling of sea cages.

In terms of labour costs, there has been a significant reduction in overheads, in accordance with actual needs, and we will continue with cost savings into the future. Another high priority, however, is to restore the increase in the sales of products from the Estonian factory in particular as, due to the elevated prices, the demand for final products has decreased to a very significant extent in Estonia and Finland. At the same time, we can see better results in regard to exports. In 2022/2023, we will develop joint portfolios and consolidated sales offers for the UK and Estonian products, which had not materialised up until now, as Finland and Estonia focused on private label products in previous years. PRFoods is the only offshore fish farming company in Estonia today. The establishment of marine fish farms in Estonia is essential for the country's food security and environmental sustainability. This is also foreseen in Estonia's national agriculture strategy. The blue economy contributes significantly to reducing the environmental burden of food production and consumption, and it ensures food security from the point of view of the country as a whole. It also has a sizable impact on the creation of high-paid and skilled jobs at regional level.

Enclosed is link to the audited annual report :

PRF annual report 2021_2022 FINAL audited (<http://ml-eu.globenewswire.com/Resource/Download/fb6f56f4-2d2d-4b78-9f7d-f61f8e30a032>)

KEY RATIOS OF THE GROUP

INCOME STATEMENT									
mln EUR Formula /									
(unless Comment									
stated									
otherwise)									
	2021/	2022	2020/	2021	2019/	2020	2018/	2019	2017/2018
Sales		42,1		58,7		78,3		85,7	94,9



Gross profit	Net sales - Cost of goods sold	3,1	5,0	9,6	11,9	13,2
EBITDA from operations	Profit before one-offs and fair value adjustment on biological assets	-1,7	-1,2	2,8	4,0	6,0
EBITDA	Profit (Loss) before financial income and costs, tax, depreciation and amortisation	-2,1	-1,3	1,9	1,7	4,4
EBIT	Operating profit (loss)	-4,2	-3,9	-0,7	-0,5	2,3
EBT	Profit (loss) before tax	-7,7	-5,0	-1,8	-1,2	1,4
Net profit (-loss)		-7,7	-5,2	-1,9	-1,5	1,0
Gross margin	Gross profit / Net sales	7,4%	8,5%	12,2%	13,9%	13,9%
Operational EBITDA margin	EBITDA from operations/Net sales	-4,1%	-2,1%	3,5%	4,7%	6,3%
EBITDA margin	EBITDA /Net sales	-5,1%	-2,1%	2,4%	2,0%	4,7%
EBIT margin	EBIT / Net sales	-9,9%	-6,6%	-0,9%	-0,5%	2,5%
EBT margin	EBT / Net sales	-18,3%	-8,5%	-2,2%	-1,4%	1,5%
Net margin	Net profit (loss) / Net sales	-18,2%	-8,8%	-2,4%	-1,7%	1,1%



Operating expense ratio	Operating expenses / Net sales	17,1%	16,1%	13,4%	12,5%	10,5%
BALANCE SHEET mln EUR (unless stated otherwise)	Formula / Comment	30.06.2022	30.06.2021	30.06.2020	30.06.2019	30.06.2018
Net debt	Short- and long-term loans and borrowings - Cash	24,7	22,4	20,7	20,5	18,1
Equity		8,6	15,8	19,8	21,9	23,3
Working capital	Current assets - Current liabilities	-2,7	-3,2	-4,0	-3,1	2,8
Assets		39,4	55,6	57,1	62,5	65,5
Liquidity ratio	Current assets / Current liabilities	0,8x	0,8x	0,8x	0,9x	1,1x
Equity ratio	Equity / Total assets	21,7%	28,4%	34,7%	35,0%	35,6%
Gearing ratio	Net debt / (Equity + Net debt)	74,3%	58,7%	51,1%	48,3%	43,7%
Debt to Asset	Total debt/Total assets	0,8x	0,7x	0,7x	0,7x	0,6x
Net debt- to-EBITDA from operations	Net debt / EBITDA from operations	-14,5x	-17,9x	7,5x	5,1x	3,0x
ROE	Net profit (loss) / Average equity	-63,0%	-29,0%	-9,1%	-6,5%	4,3%



ROA	Net profit					
	(loss) /					
	Average assets	-16.1%	-9,2%	-3,2%	-2,3%	2,0%

* consolidating unit is a holding company and forms insignificant part of operations of the Group, thus the consolidating unit's ratios are not presented

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

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