Company	AS PRFoods
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Category	Half-yearly financial report
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Attachments:
- PRF_interim_6m 2023_2024.pdf (http://oam.fi.ee/en/download?id=8114)
- PRF_vahearuanne_2kv2023_2024.pdf (http://oam.fi.ee/en/download?id=8115)

Currency

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

Consolidated Unaudited Interim Report of AS PRFoods for the 2nd quarter and 6 months of 2023/2024 financial year

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.

KEY RATIOS

INCOME STATEMENT

mln EUR unless indicated otherwise	2Q 2023/2024	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%

BALANCE SHEET

mln 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%

Consolidated statement of Financial Position

EUR '000	31.12.2023	31.12.2022	30.06.2023
VARAD			
Cash and cash equivalents	580	386	394
Receivables and prepayments	5 790	5 016	2 118
Inventories	2 420	2 089	1 861
Biological assets	0	0	772
Total current assets	8 790	7 491	5 145
Long-term financial assets	372	304	381
Tangible assets	4 429	6 944	6 563
Intangible assets	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	1 805	2 777	2 111

Payables and prepayments	4 047	4 672	3 035
Total current liabilities	5 852	7 449	5 146
Interest-bearing liabilities	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	6 388	7 491	8 292
TOTAL EQUITY AND LIABILITIES	28 574	32 182	30 246

Consolidated Statement of Profit or Loss and Other Comprehensive Income

EUR '000	2Q 2023/2024	2Q 2022/2023	6m 2023/2024	6m 2022/2023
Revenue	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	-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	-21	-20	-68
Fair value adjustment on biological assets	0	0	358	-170
Operating profit (-loss)	-35	212	-432	-606
Financial income / expenses	-535	-245	-842	1 447
Profit (-loss) before tax	-569	-33	-1 274	841
Income tax	-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 subsequently be classified to profit or loss:				
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 period	-709	-135	-1 625	288
Profit (-loss) per share (EUR)	-0,02	-0,01	-0,04	0,02
Diluted profit (-loss) per share (EUR)	-0,02	-0,00	-0,03	0,01

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(https://www.globenewswire.com/Tracker?data=Gvxqmoe6EFI5CBADHEIz2TzReb3NK87sQc1NapuTNiH9Nqy5gJzxOJ7aT0YLBArB6iLMkw_0uyh1iYhPgrjXfQ==)