



P R F O O D S

Acquisition of John Ross Jr. (Aberdeen) and Coln Valley Smokery

19 JULY 2017

ABOUT JOHN ROSS JR. (ABERDEEN) AND COLN VALLEY SMOKERY

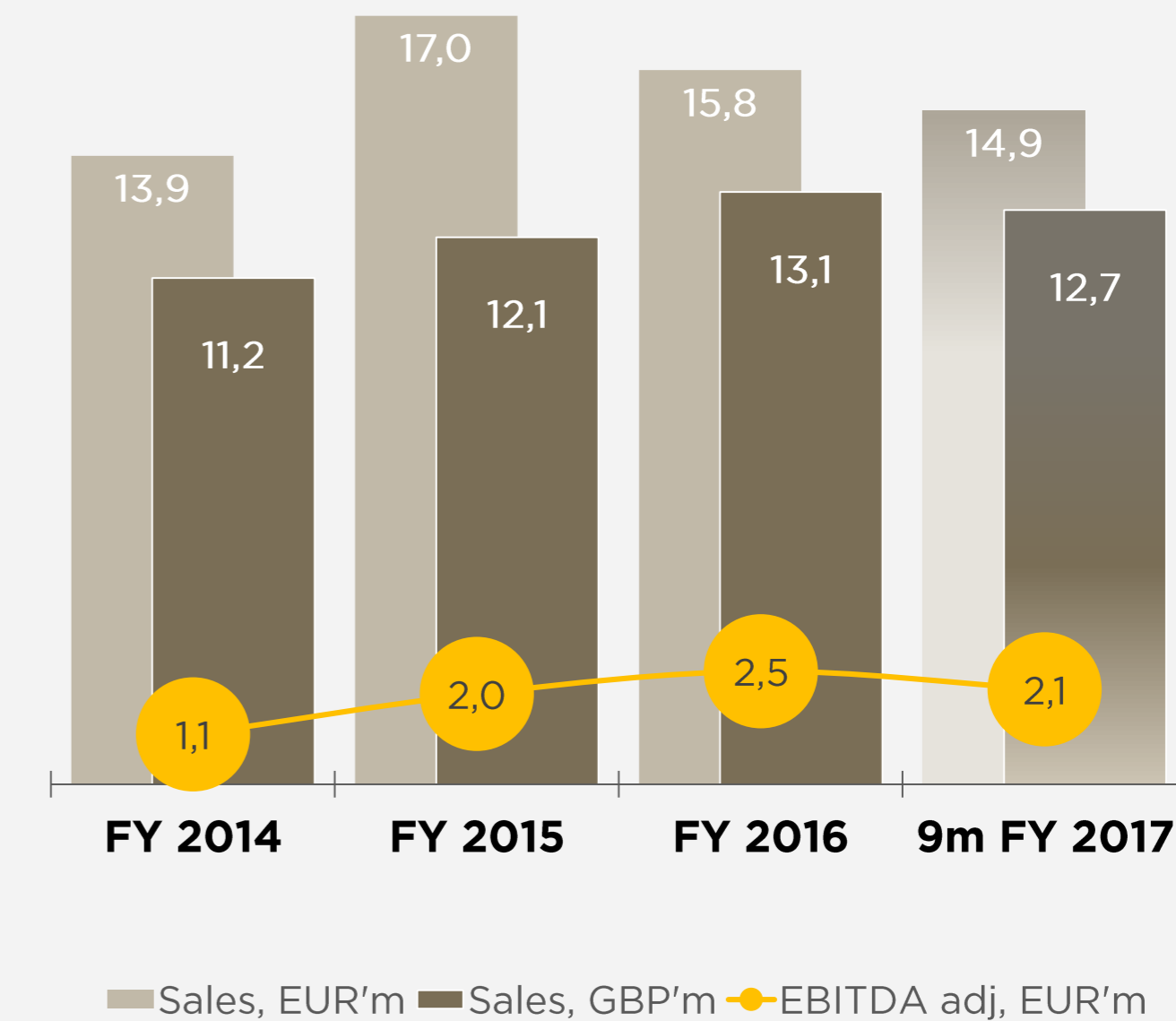
JOHN ROSS JR. (ABERDEEN)

- Leading Scottish processed salmon company
- Producer of premium traditional smoked salmon, with sales in UK and globally in over 30 countries
- Holder of the Royal Warrant recognition
- Based in Aberdeen, employing together with Coln Valley c. 105 people
- Family owned
- FY 2016 turnover of EUR 13.7 million*

COLN VALLEY SMOKERY

- Premium salmon brand based in England
- Acquired by JRJ shareholders in 2009
- Supplier to many of a leading restaurants, hotels, premium retailers and sporting events (e.g. Wimbledon)
- FY 2016 turnover of EUR 4.9 million*

Consolidated Key Financials of JRJ & CVS



* FY ending 30 June; GBP-EUR exchange rates by Bank of Estonia as at 30 June of the financial years, respectively <https://www.eestipank.ee/en/exchange-rates>

ACQUISITION OF MAJORITY SHAREHOLDINGS IN JRJ AND CVS

SUMMARY OF PAYMENT TERMS AND DEAL STRUCTURE

- Saaremere Kala AS subsidiary JRJ & PRF Ltd acquires 100% in JRJ and CVS, total transaction value: 15 486 223 GBP (18 101 955 EUR, €:£ 31.03.2017)
- The existing management (C. Leigh and V. Leigh-Pearson) obtain 15% stake in JRJ & PRF Ltd against their shares in JRJ and CVS with the value of 2 322 933 GBP (2 715 293 EUR), 85% stake in JRJ & PRF Ltd will remain with Saaremere Kala AS
- 13 163 290 GBP (15 386 662 EUR i.e. 85% of the transaction value) paid as follows:
 - 10 358 163 GBP + 167 469 GBP (12 107 729 EUR + 195 756 EUR) paid at completion
 - Two deferred payments: 752 991 GBP (880 176 EUR) after 6 months and 1 884 667 GBP (2 203 001 EUR) after 12 months
- JRJ and CVS become part of PRFoods consolidation group
- Transaction to be financed by a combination of:
 - 11,000,000 EUR acquisition loan from AS SEB Pank
 - 1,500,000 EUR from Saaremere Kala AS

TRANSACTION RATIONALE

- Increase the assortment of fish products offered
- Expand geographic area of operations
- Cross-selling opportunities to enlarged customer base
- Know-how in markets, business and new products development



OVERVIEW OF PRODUCTS

CLASSIC COLD SMOKED SALMON



SPECIALTY SMOKED SALMON



KILN ROASTED SMOKED SALMON



RETAIL PACK Traditional Smoked Salmon



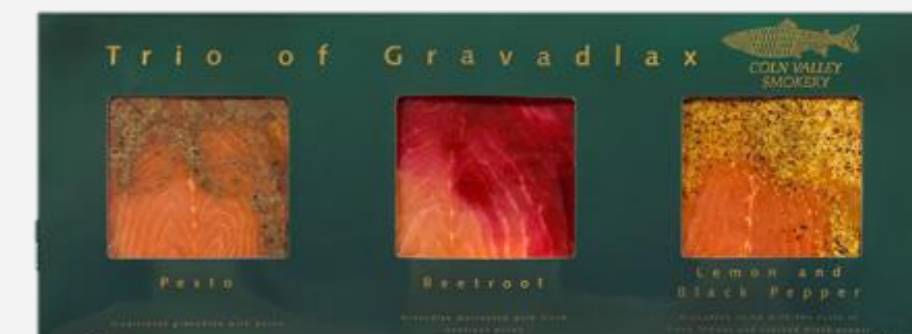
WHISKEY & TEA SMOKED SALMON



DELI & OTHER



BALMORAL FILLET Winner of Great British Food award in 2016



KEY CUSTOMERS

RETAIL & WHOLESALE



FOODSERVICE



AWARDS & RECOGNITION

ROYAL WARRANT since 1987



BY APPOINTMENT TO
HER MAJESTY THE QUEEN
FISH MERCHANTS AND CURERS

THE QUEEN'S AWARD FOR ENTERPRISE



THE QUEEN'S AWARDS
FOR ENTERPRISE:
INTERNATIONAL TRADE
2016

**WINNER OF THE 2017
FAMILY BUSINESS OF THE YEAR AWARD**

A NUMBER OF TRADE AND CUSTOMER AWARDS



KEY FINANCIALS:

PROFIT & LOSS ACCOUNTS FY 2014 – 9m FY 2017

JOHN ROSS JR. (ABERDEEN)

in '000	FY 2014		FY 2015		FY 2016		9m FY 2017	
	GBP	EUR	GBP	EUR	GBP	EUR	GBP	EUR
Turnover	8,325	10,386	9,511	13,369	11,284	13,653	11,262	13,165
Gross profit	2,176	2,715	2,762	3,882	3,329	4,028	2,832	3,311
EBIT	471	588	829	1,165	1,259	1,523	990	1,157
Net profit	361	450	633	890	1,012	1,224	784	917
Gross margin	26.1%		29.0%		29.5%		25.1%	
EBIT margin	5.7%		8.7%		11.2%		8.8%	
Net margin	4.3%		6.7%		9.0%		7.0%	

COLN VALLEY SMOKERY

in '000	FY 2014		FY 2015		FY 2016		9m FY 2017	
	GBP	EUR	GBP	EUR	GBP	EUR	GBP	EUR
Turnover	3,761	4,693	4,068	5,718	4,016	4,859	3,621	4,232
Gross profit	1,074	1,340	1,272	1,788	1,335	1,615	1,250	1,462
EBIT	71	88	113	159	223	270	276	322
Net profit	20	24	58	82	152	184	204	239
Gross margin	28.5%		31.3%		33.2%		34.5%	
EBIT margin	1.9%		2.8%		5.5%		7.6%	
net margin	0.5%		1.4%		3.8%		5.6%	

KEY FINANCIALS: BALANCE SHEET ITEMS

JOHN ROSS JR. (ABERDEEN)

in '000	30 June 2016		31 March 2017	
	GBP	EUR	GBP	EUR
Net debt	-424	-514	-486	-568
Shareholder funds	1,973	2,388	2,721	3,181
Net current assets	839	1,016	731	855
Total assets	4,123	4,988	5,087	5,946

COLN VALLEY SMOKERY

in '000	30 June 2016		31 March 2017	
	GBP	EUR	GBP	EUR
Net debt	329	398	2	3
Shareholder funds	376	455	581	679
Net current assets	199	241	369	431
Total assets	1,138	1,377	1,078	1,260

ILLUSTRATIVE COMBINED FINANCIALS: PRFOODS AND JRJ, CVS

KEY PROFIT & LOSS ACCOUNTS

ITEMS	PRFoods	JRJ, CVS	Combined
EUR'm	2016	FY 2016	2016 + FY 2016
Turnover	47.4	15.8	63.2
Gross profit⁽¹⁾	5.0	6.0	11.0
EBITDA⁽²⁾	2.6	2.5	5.1
EBIT	1.4	1.8	3.2
Gross margin	10.6%	38.1%	17.5%
EBITDA margin	5.5%	15.7%	8.0%
EBIT margin	3.0%	11.3%	5.0%
EPS⁽³⁾	0.02	0.03	0.04

1) PRFoods gross profit excluding factory depreciation

2) JRJ, CV EBITDA adjusted

3) EPS attributable to PRF 85% shareholding and combined EPS adjusted for assumed acquisition financing cost

EXTRAORDINARY GENERAL MEETING 19 JULY 2017

Nordic Hotel Forum conference room 'Arcturus', Viru väljak 3, Tallinn

Introduction and organizational matters

Indrek Kasela

Member of the Management Board of AS PRFoods

Kerttu-Kaarina Tombak

Chairman of the Meeting

Advokaadibüroo Eversheds Sutherland Ots&Co, Legal Counsel

Maivi Ots

Taking the minutes of the meeting

Advokaadibüroo Eversheds Sutherland Ots&Co, Attorney at Law

Hannele Pook

Organising broadcast and voting

ARS Corporate Services OÜ

EXTRAORDINARY GENERAL MEETING 19 JULY 2017

Nordic Hotel Forum conference room 'Arcturus', Viru väljak 3, Tallinn

Agenda:

1. Approval of acquisition of majority shareholding in companies John Ross Jr. (Aberdeen) Limited (JRJ) and Coln Valley Smokery Limited (CVS).

Proposal by Supervisory Board:

to vote in favour to the approval of the acquisition of majority shareholding in JRJ and CVS by AS PRFoods Group company JRJ & PRF Limited in accordance with the terms and conditions of the contemplated transaction as made available to the shareholders at the website of Nasdaq Tallinn and at the web site of AS PRFoods www.prfoods.ee simultaneously with convening the extraordinary general meeting of shareholders, and as presented to the shareholders in the course of the extraordinary general meeting of shareholders.

Draft Resolution:

To acquire majority shareholding in John Ross Jr. (Aberdeen) Limited (JRJ) and Coln Valley Smokery Limited (CVS) in accordance with the terms and conditions of the contemplated transaction as made available to the shareholders at the website of Nasdaq Tallinn and at the web site of AS PRFoods www.prfoods.ee simultaneously with convening the extraordinary general meeting of shareholders, and as presented to the shareholders in the course of the extraordinary general meeting of shareholders.

Questions and Answers (if any)

EXTRAORDINARY GENERAL MEETING 19 JULY 2017

Nordic Hotel Forum conference room 'Arcturus', Viru väljak 3, Tallinn

Voting on agenda item 1 and results of the voting:

Number of votes present at the Meeting: 26,073,268

In favour: 26,060,868 votes i.e. 99.95 % of votes present

Against: 0 votes i.e. 0.00 % of votes present

Impartial: 12,400 votes i.e. 0.05 % votes present

Did not vote: 0 votes i.e. 0.00 % votes present

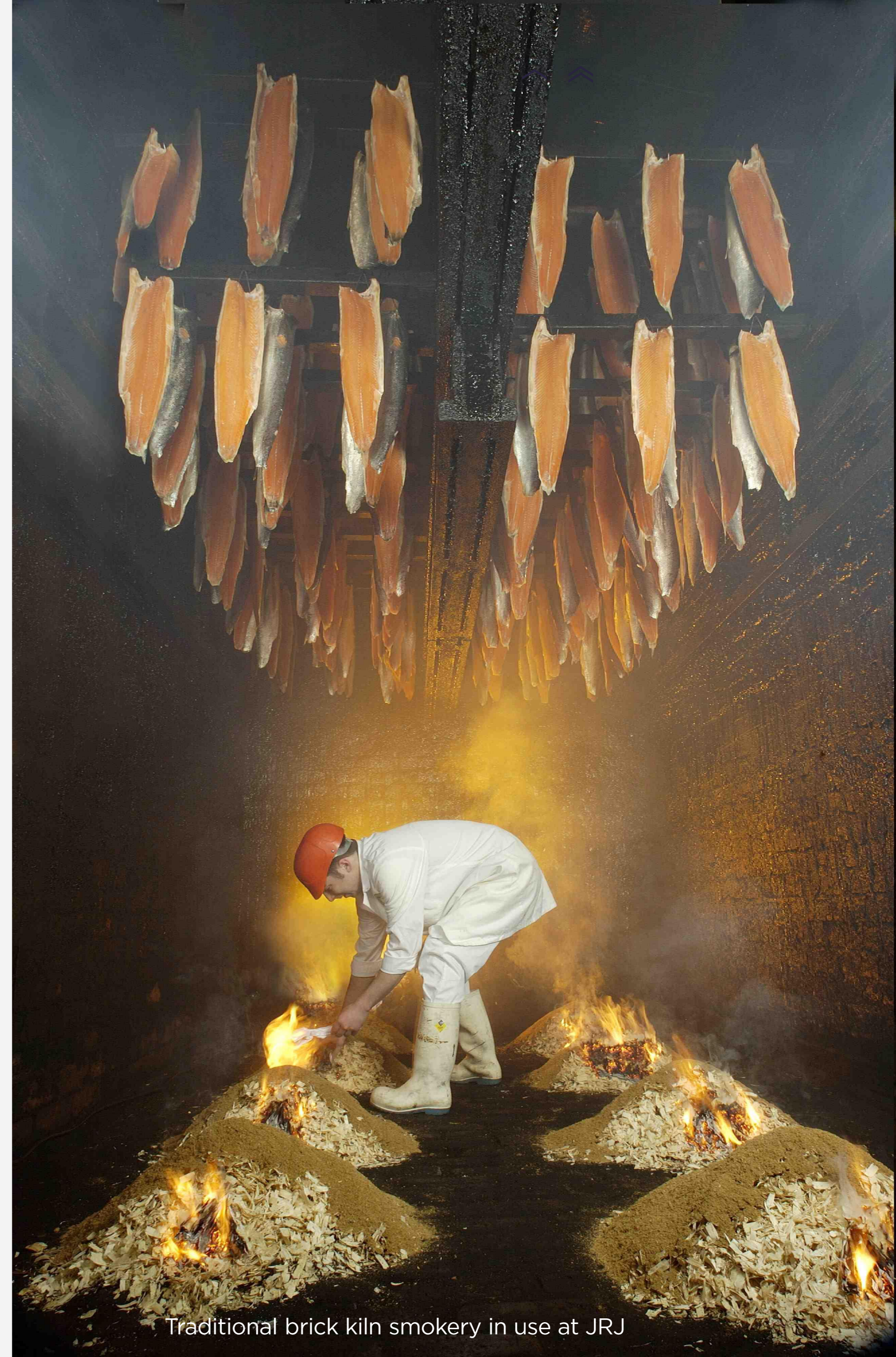
The shareholders resolved to approve the acquisition of majority shareholding in John Ross Jr. (berdeen) Limited (JRJ) and Coln Valley Smokery Limited (CVS) in accordance with the terms and conditions of the contemplated transaction as made available to the shareholders at the website of Nasdaq Tallinn and at the web site of AS PRFoods www.prfoods.ee simultaneously with convening the extraordinary general meeting of shareholders, and as presented to the shareholders in the course of the extraordinary general meeting of shareholders.

Closing of the meeting

PRFOODS

Acquisition of John Ross Jr. (Aberdeen) and Coln Valley Smokery

prfoods.ee



Traditional brick kiln smokery in use at JRJ