



P R F O O D S

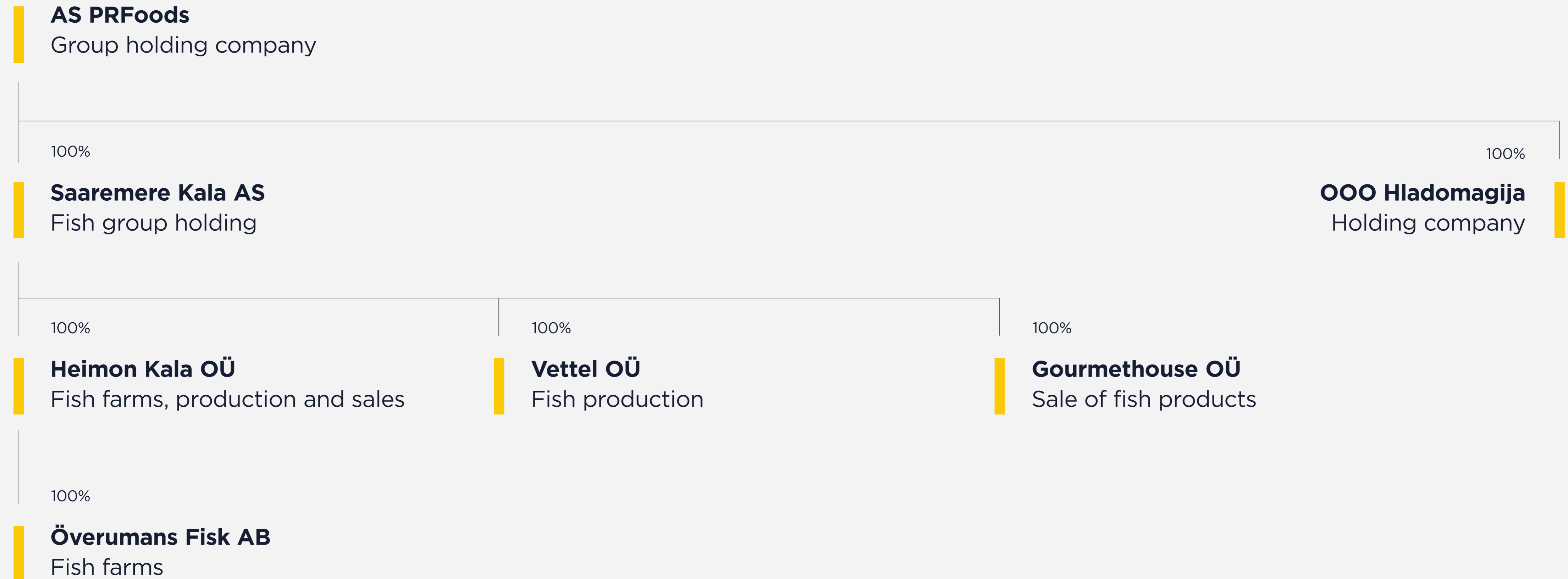
REPORT / 2ND QUARTER AND 6 MONTHS OF 2015

13/08/2015

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Structure of AS PRFoods



Summary: 2nd quarter 2015 continuing operations

UNAUDITED

CONSOLIDATED REVENUE

11.4 million euros. Increase was 1.2%, i.e. 0.1 million euros

GROSS MARGIN

11.3%, increase compared with the same period in 2014 was 2.7%

THE POSITIVE EFFECT OF REVALUATION OF BIOLOGICAL ASSETS

0.2 million euros (Q2 2014: 0.5 million euros)

EBITDA

EBITDA 0.6 million euros; decrease 0.5 million euros*

* Without of one-off effects in 2014 EBITDA improvement of 0.2 million euros.

EBITDA FROM BUSINESS OPERATIONS

0.4 million euros; increase 0.5 million euros.

OPERATING PROFIT

0.3 million euros; decrease 0.5 million euros

* Without of one-off effects in 2014 operating profit improvement of 0.2 million euros.

NET PROFIT

0.3 million euros; decrease 0.3 million euros, i.e. 50.7%.

* Without of one-off effects in 2014 net profit improvement of 0.5 million euros.

*Negative effect for the comparison data of EBITDA, EBIT and net profit is caused by the reimbursement of a claim in the amount of 751 thousand euros received in June 2014 from the Swedish Board of Agriculture, recorded in the income statement of Q2 2014 on line "Other business incomes/costs".

Summary: 6 months 2015 continuing operations

UNAUDITED

CONSOLIDATED REVENUE

21.7 million euros. Increase 1.2%, i.e. 0.3 million euros.

GROSS MARGIN

11.7%, increase 0.7 percentage points.

THE NEGATIVE EFFECT OF REVALUATION OF BIOLOGICAL ASSETS

0.8 million euros (6 months 2014: 0.6 million euros).

EBITDA

-0.1 million euros; decrease 0.6 million euros*.

*Without of one-off effects in 2014 EBITDA improvement of 0.2 million euros.

EBITDA FROM BUSINESS OPERATIONS

0.8 million euros; increase 0.4 million euros.

OPERATING LOSS

-0.6 million euros; decrease 0.5 million euros.

* Without of one-off effects in 2014 operating profit improvement of 0.2 million euros.

NET LOSS

-0.2 million euros; decrease 0.1 million euros, i.e. 28.0%.

*Without of one-off effects in 2014 net loss decrease of 0.9 million euros , i.e. 77.3%.

*Negative effect for the comparison data of EBITDA, EBIT and net profit is caused by the reimbursement of a claim in the amount of 751 thousand euros received in June 2014 from the Swedish Board of Agriculture, recorded in the income statement of Q2 2014 on line "Other business incomes/costs".

Key ratios of continuing operations: income statement

	Q2 2015	Q2 2014	mIn EUR	6m 2015	6m 2014	mIn EUR
Sales	11.4 ▲	11.3		21.7 ▲	21.5	
Gross profit	1.3 ▲	1.0		2.5 ▲	2.4	
EBITDA from business operations	0.4 ▲	-0.1		0.8 ▲	0.4	
EBITDA	0.6 ▼	1.1		-0.1 ▼	0.5	
EBIT	0.3 ▼	0.8		-0.6 ▼	-0.1	
EBT	0.3 ▼	0.8		-0.4 ▲	-0.4	
Net profit (-loss)	0.3 ▼	0.6		-0.2 ▲	-0.3	
Gross margin	11.3% ▲	8.6%		11.7% ▲	11.0%	
Operational EBITDA margin	3.3% ▲	-1.1%		3.7% ▲	1.7%	
EBITDA margin	4.8% ▼	10.0%		-0.3% ▼	2.2%	
EBIT margin	2.4% ▼	7.5%		-2.8% ▼	-0.4%	
EBT margin	2.9% ▼	7.0%		-2.0% ▼	-1.8%	
Net margin	2.5% ▼	5.2%		-1.1% ▲	-1.6%	
Operating expense ratio	11.3% ▲	12.7%		11.3% ▲	12.7%	

Key ratios: balance sheet

	30/06/2015 mln EUR	30/06/2014 mln EUR
Net debt	-6.5	13.7
Equity	33.3	37.9
Working capital	21.8	9.9
Assets	39.4	68.5
Liquidity ratio	6.20	1.48
Equity ratio	85%	55%
Gearing ratio	-24%	27%
Net debt-to-EBITDA	-8.14	37.10
ROE	-1%	-1%
ROA	0%	-1%






As of closing date the net debt constituted of -6.5 million euros (30.06.2014: 13.7 million euros). Negative net debt and increase in share capital are conditioned by the fact that at the end of 2015 the Group sold its ice cream and frozen products segment and the monetary instruments received from the deal are been held on bank account in cash. According to the shareholders meeting decision at the end of 2015 the share capital will be decreased by 11.6 million euros by making disbursement to the shareholders from the amounts that have been received from the deal.

Financial gearing, i.e. net debt percentage from total capital was -24% (30.06.2014: 27%).

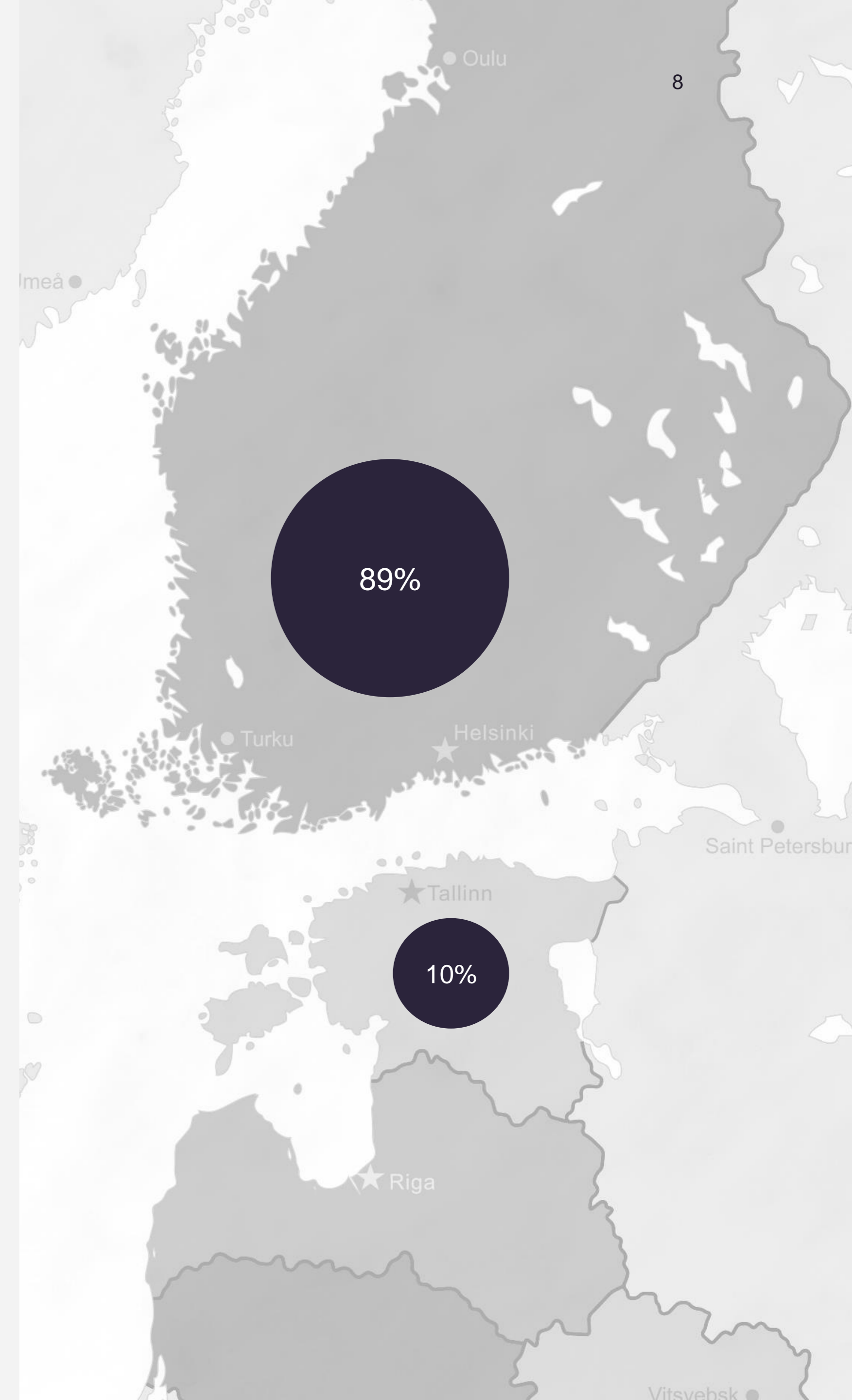
Net debt to EBITDA ratio was as of 30.06.2015 -8.14 (30.06.2014 EBITDA from continuing operations: 37.10). Liquidity ratio, showing short time paying capacity, was as of 30.06.2015 6.20 (30.06.2014: 1.48). Share capital aggregated to 85% of total assets (30.06.2014: 55%) and the working capital of the company was 21.8 million euros (30.06.2014: 9.9 million euros).

PRFoods AS consolidated balance was as of 30.06.2015 39.4 million euros. Compared with 30.06.2014 the balance has decreased by 29.1 million euros, i.e. 42.4%. The decrease is caused by the aforementioned deal.

Sales by countries 6 months 2015

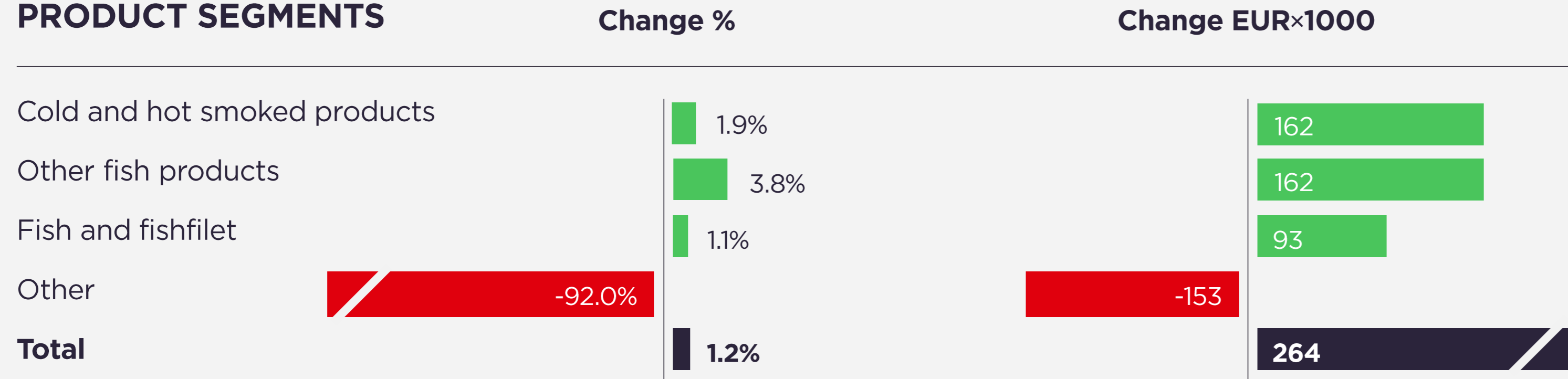
		Sales mln EUR	Change	Structure
Finland		19.3	+3.8 ▲	89% 
Estonia		2.1	-8.6 ▼	10% 
Other		0.3		1% 
Total		21.7	+1.2% ▲	

During the first half year of 2015 the revenue in Finnish market increased 0.7 million euros. The percentage of Finnish revenue aggregated 88.7% from PRFoods group total revenue which is 2.2% higher than during the same period of previous year. The result meets the expectations and is in accordance with AS PRFoods strategy to focus on markets with higher buying power.



Revenue by product and client segments

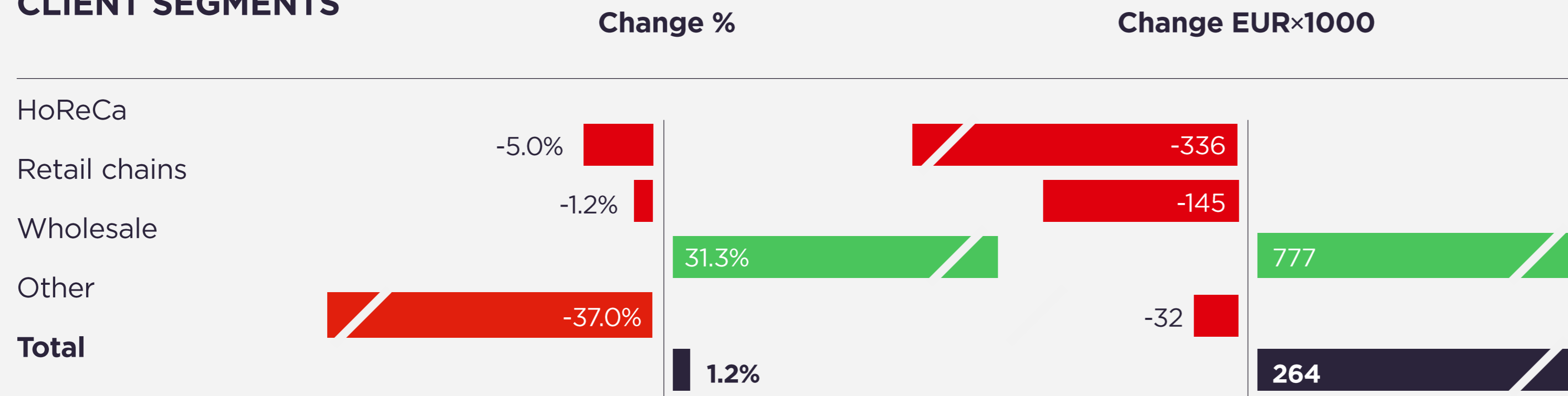
PRODUCT SEGMENTS



Product Segments

The main increase in revenue came from cold and hot smoked fish product and from other fish product categories, increasing all together 0.3 million euros. Other revenue (0.2 million euros) in 2014 is related to discontinued operations and therefore the decrease is expected compared with 2015

CLIENT SEGMENTS



Client Segments

The revenue in wholesale sector increased 0.8 million euros. i.e. 31.3% and decreased in both HoReCa and retail chain sector altogether -0.5 million euros. The decrease in HoReCa sector was -5.0% and in retail chains sector -1.2%. The reason behind the decrease in revenue in HoReCa sector is the stop of sales to one of the former clients. In addition the general economic situation in Finland and Estonia also affects the sales in HoReCa sector.

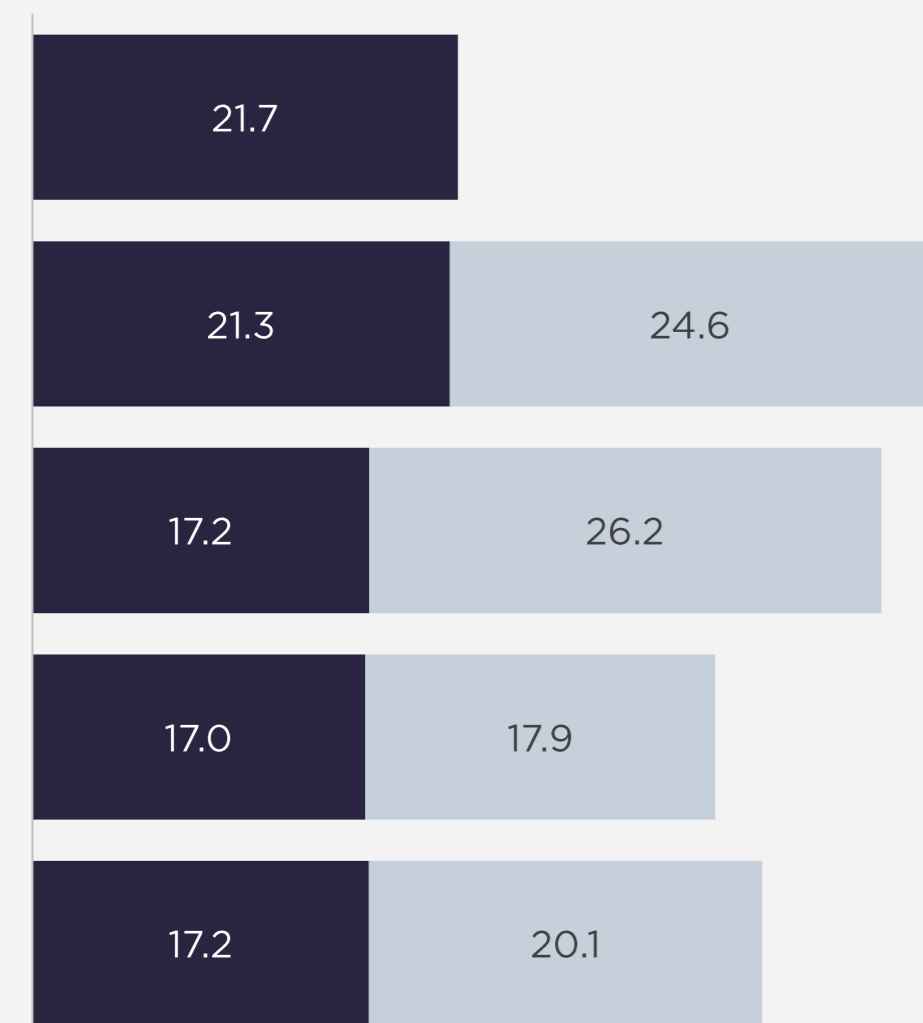
Revenue and profitability

Group total in 2011–2015 continuing operations

Negative impact on Company’s EBITDA from revaluation of biological assets was -8.0 million euros in 6 months of 2015, -0.6 million euros in 6 months of 2014.

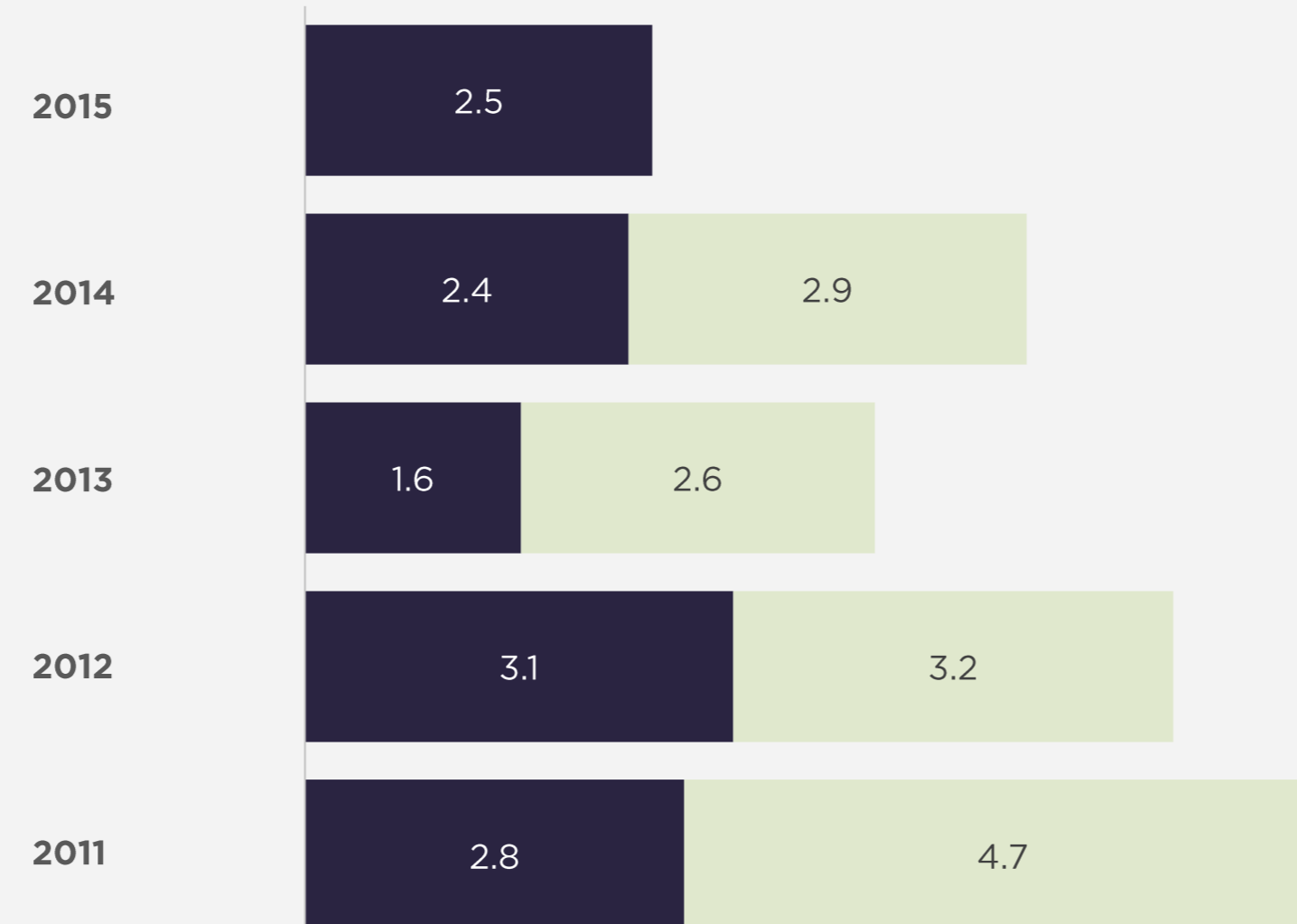
Revenue in 2011–2015
mln EUR

■ Q1-Q2 ■ Q3-Q4



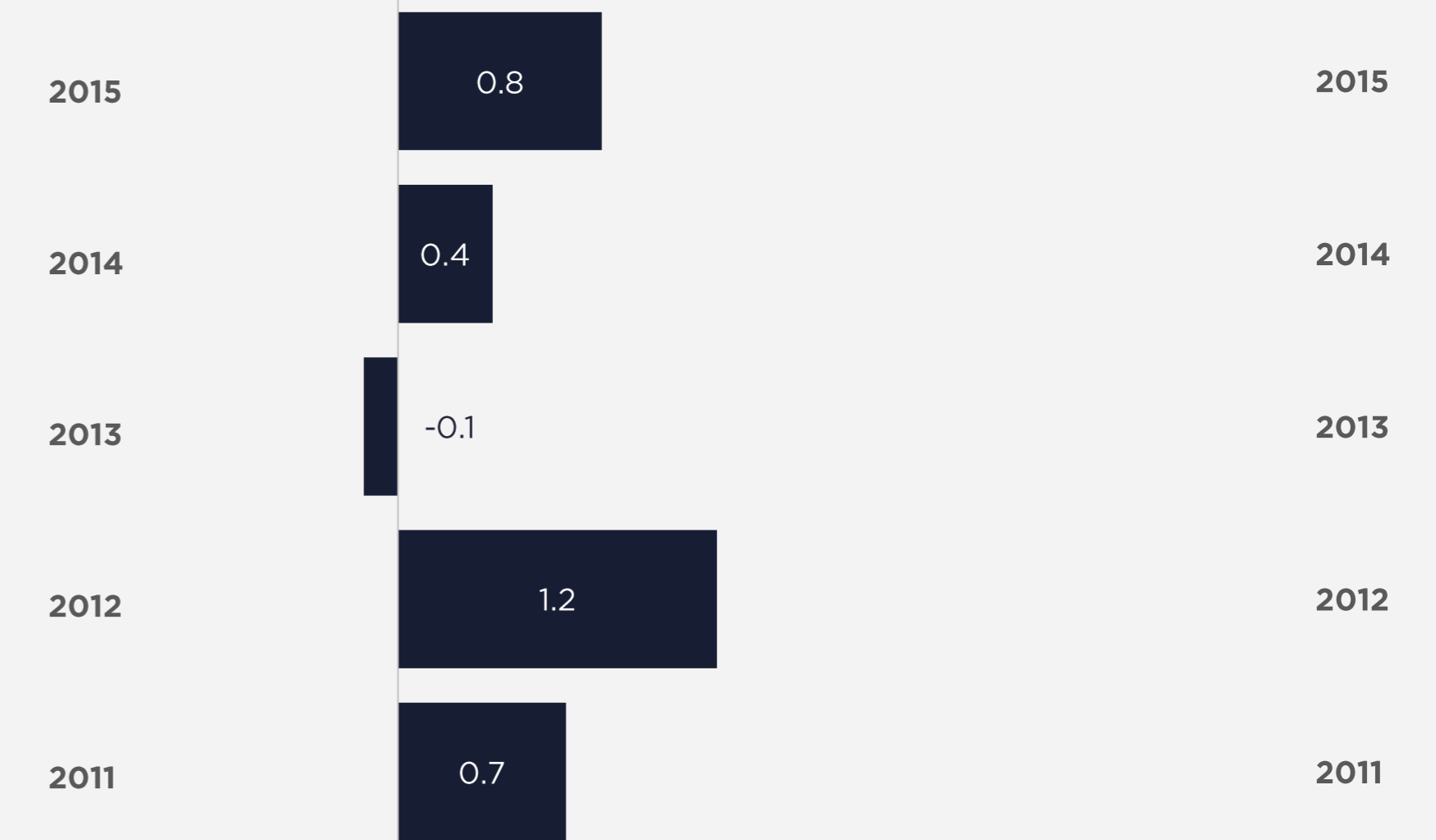
Gross profit in 2011-2015
mln EUR

■ Q1-Q2 ■ Q3-Q4



EBITDA from business operations in 2011-2015
mln EUR

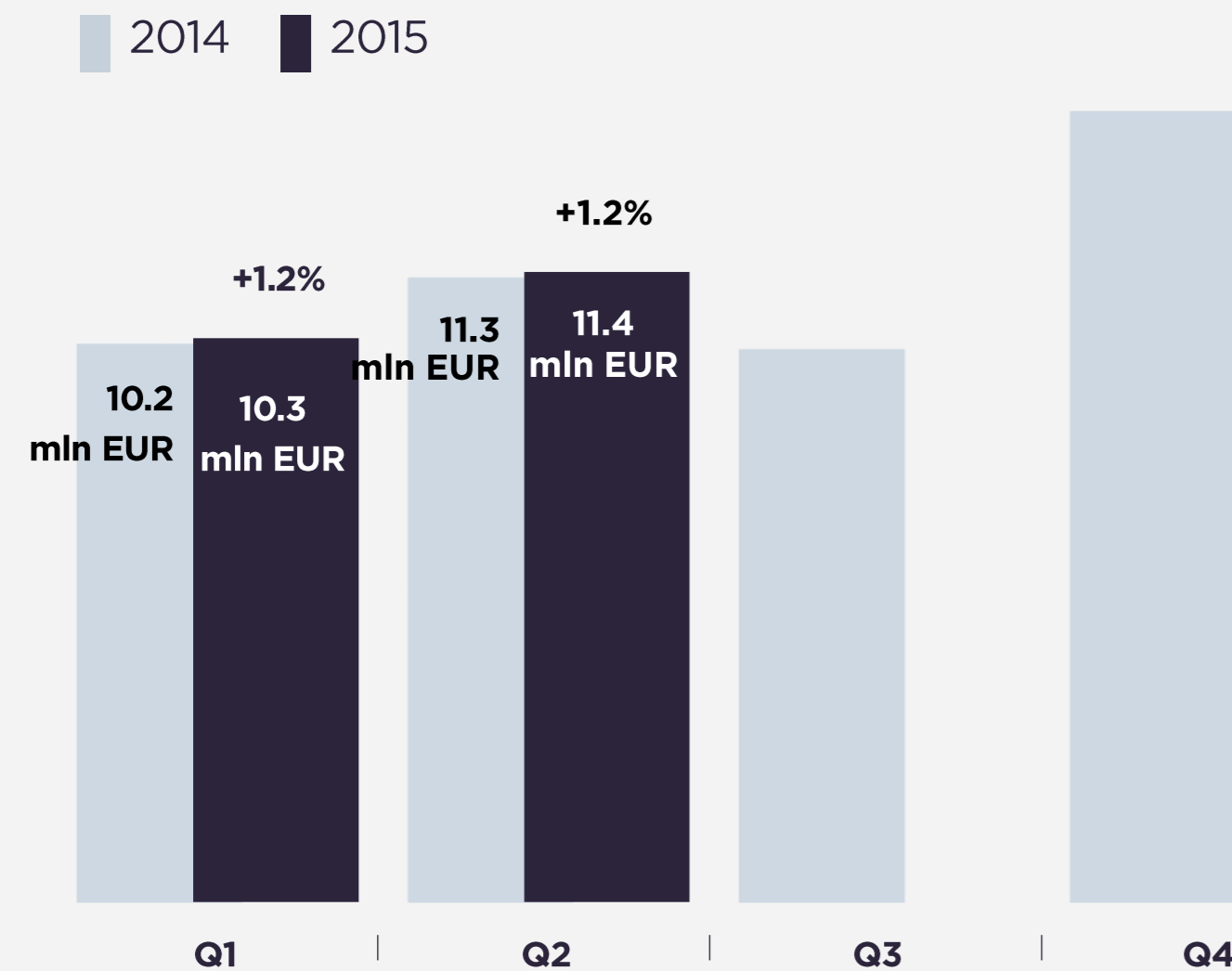
■ 6 months



Fish and fish products

The main increase in revenue came from cold and hot smoked fish product and from other fish product categories, increasing all together 0.3 million euros.. Revenue by customer segment grew in the wholesale sector by a total of 0.8 million euros.

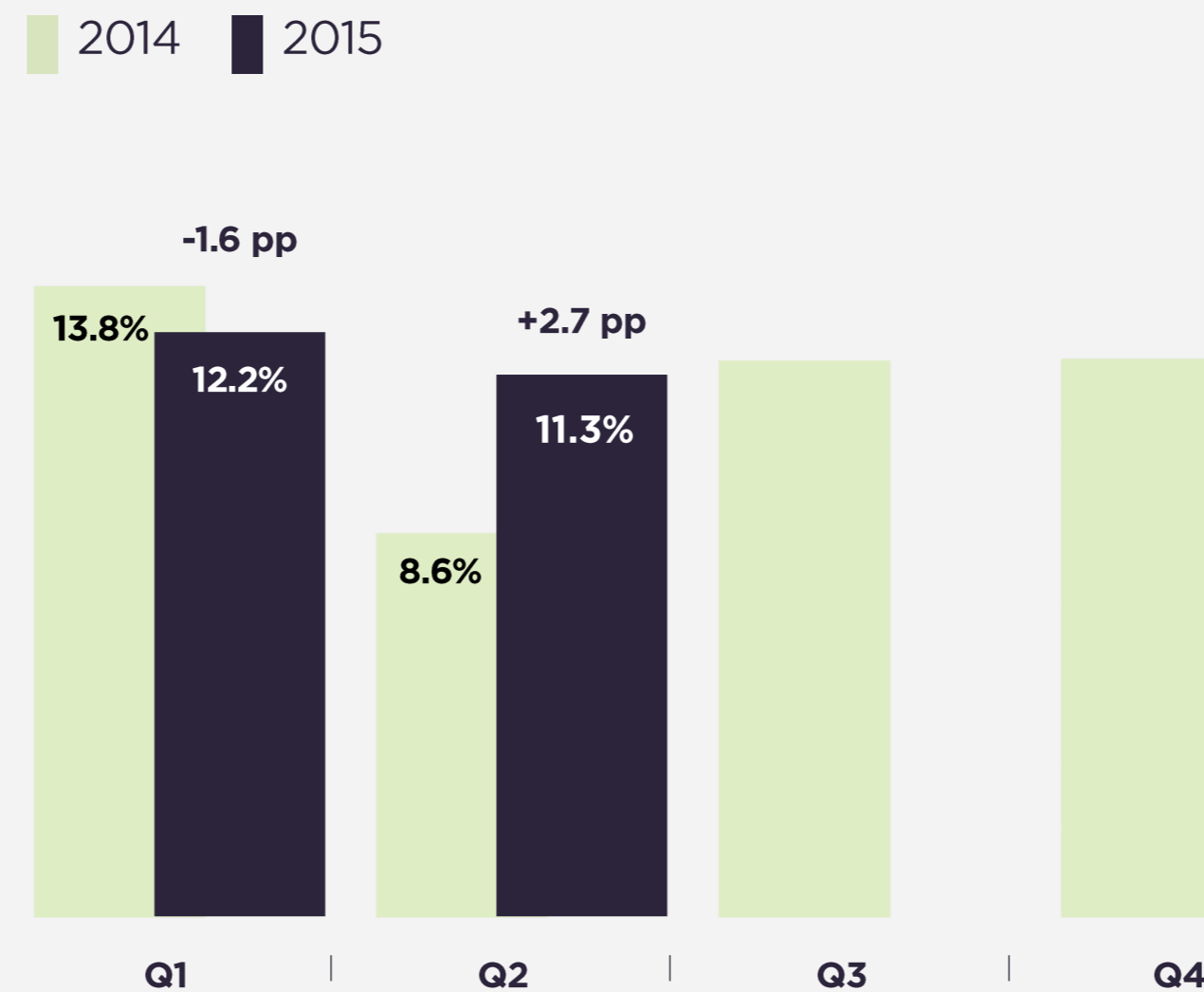
Revenue by quarters (mln EUR) and yearly growth Q2: +0.1 mln EUR



Compared with the position as of 30.06.2014, the market price for rainbow trout has decreased -11.9% and for salmon increased 15.2%.

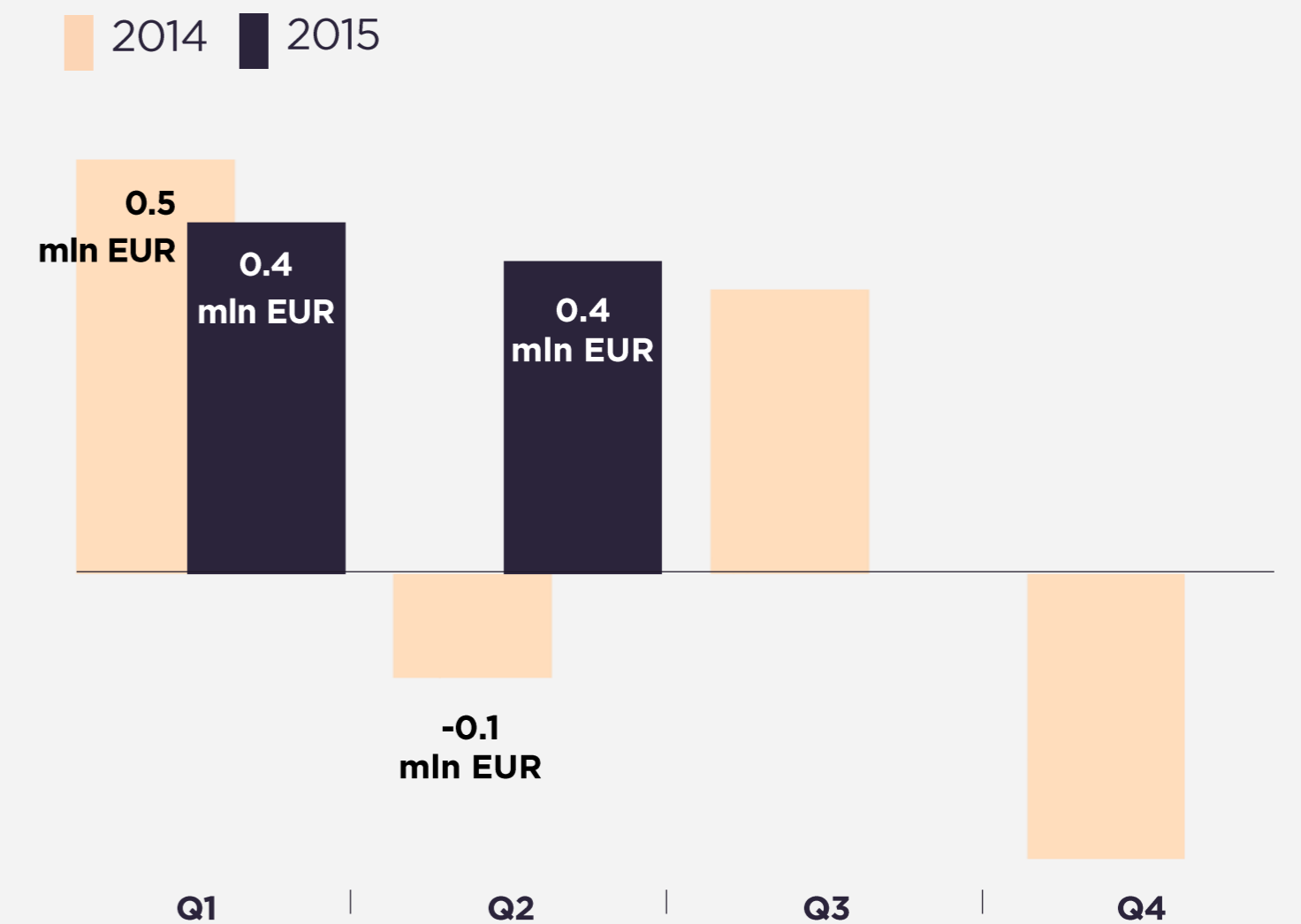
As of 31.12.2014 both rainbow trout and salmon market prices have decreased -7.1% and -22.3% respectively.

Gross margin and yearly change Q2: +0.3 mln EUR



Positive impact on Company's EBITDA from revaluation of biological assets was 0.2 million euros in 2nd quarter of 2015 (0.5 million euros in 2nd quarter of 2014).

EBITDA from business operations and yearly change (mln EUR) Q2: +0.5 mln EUR



Cost analysis

	6m 2015	6m 2014	change	6m 2015	6m 2014	change
	mIn EUR	mIn EUR	mIn EUR	% of sales	% of sales	% of sales
Sales	21.74	21.47	0.27	100.00%	100.00%	
Cost of goods sold	-19.19	-19.10	0.09	88.30%	88.97%	-0.67%
incl one-off expenses	0.00	-0.03	-0.03	0.00%	0.13%	-0.13%
materials in production and cost of goods purchased for resale	-15.49	-15.46	0.03	71.27%	71.99%	-0.72%
labour costs	-1.55	-1.55	0.00	7.14%	7.21%	-0.07%
depreciation	-0.46	-0.47	-0.01	2.13%	2.17%	-0.04%
other cost of goods sold	-1.69	-1.63	0.06	7.76%	7.59%	0.17%
Operating expenses	-2.46	-2.73	-0.27	11.31%	12.69%	-1.38%
labour costs	-0.70	-0.89	-0.19	3.21%	4.13%	-0.92%
transport and logistics services	-0.88	-0.87	0.01	4.05%	4.05%	0.00%
depreciation	-0.10	-0.10	-0.00	0.44%	0.45%	-0.01%
advertising, merchandising, marketing and product development	-0.35	-0.39	-0.04	1.63%	1.83%	-0.20%
other operating expenses	-0.43	-0.48	-0.05	1.99%	2.24%	-0.25%
Other income/expenses	0.15	0.89	-0.74	0.69%	-4.13%	4.82%

Example balance sheet structure after the reduction of share capital

The nominal value of PRFoods share is currently 50 euro cents. According to the shareholders meeting's decision, held on 28 May 2015, company's share capital will be reduced by disbursements made to shareholders. Share's nominal value will be reduced by 30 euro cents and as a result the new nominal value per share will be 20 euro cents.

The list of shareholders participating in the reduction of share capital will be fixed as of 28 August 2015 at 23.59 and disbursements to the shareholders 0.30 euros per share will be made to the shareholders not sooner than between 15.12.2015 and 31.12.2015.

The expected impact from the reduction of share capital to the Group financial statements based on the data for 6 months 2015 is presented below.

	The balance sheet structure after the reduction of share capital	30/06/15
	mIn EUR	mIn EUR
Cash and cash equivalents	1.0	7.3
Receivables and prepayments	2.8	6.8
Biological assets	4.9	4.9
Inventories	7.0	7.0
Total current assets	15.7	26.0
Financial assets	0.3	0.3
Tangible and intangible assets	13.1	13.1
Total non-current assets	13.4	13.4
ASSETS	29.1	39.4

	The balance sheet structure after the reduction of share capital	30/06/15
	mIn EUR	mIn EUR
Short term loans and borrowings	1.5	0.2
Payables and prepayments	4.0	4.0
Total current liabilities	5.5	4.2
Long term loans and borrowings	0.6	0.6
Deferred tax liabilities	0.3	0.3
Total non-current liabilities	0.9	0.9
Government grants	1.0	1.0
Equity	21.7	33.3
TOTAL EQUITY AND LIABILITIES	29.1	39.4

Example balance sheet structure after the reduction of share capital

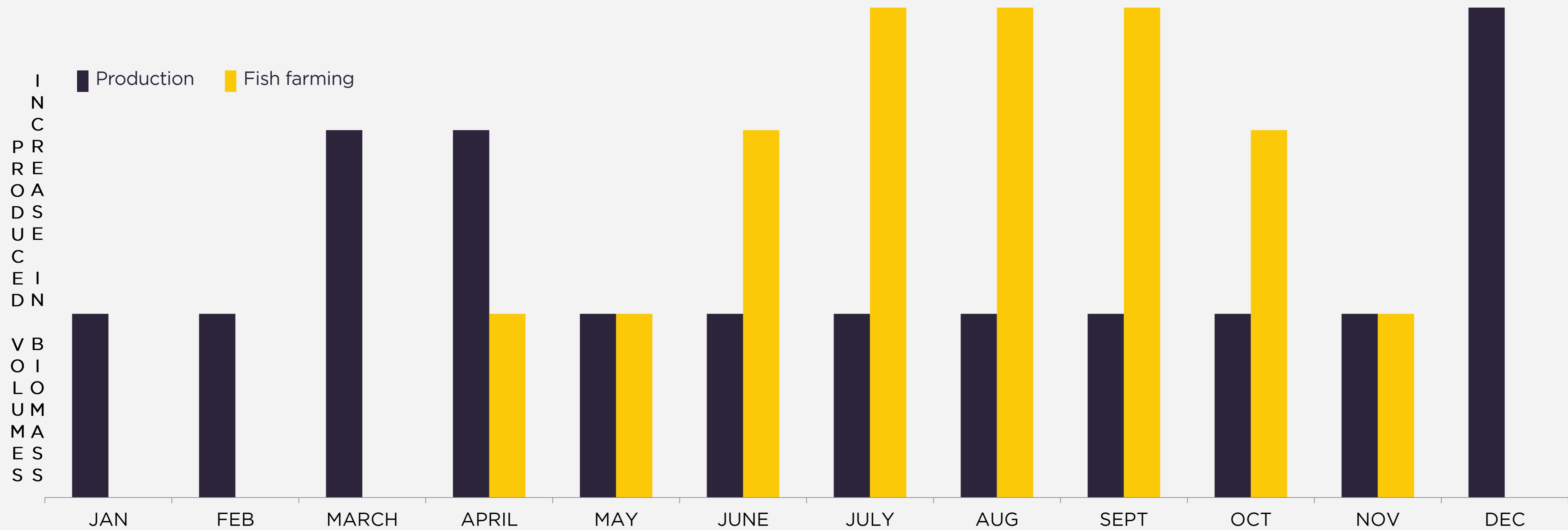
PRFoods has taken overdraft from SEB Bank, with accredit limit been opened to the Group in the amount of 5 million euros. As of 30.06.2015 overdraft has not been used.

Data presented in the financial position is indicative, based on the data from 6 months of 2015, final structure depends on the actual results of the Company in 2015.

Ratio	Formula	The balance sheet structure after the reduction of share capital	
		30/06/15	
Net debt	Short term loans and borrowings + Long term loans and borrowings - Cash	1.1 mln EUR	-6.5 mln EUR
Liquidity ratio	Current Assets / Current Liabilities	2.87	6.2
Equity ratio	Equity / Total Assets	75%	85%
Debt to equity	Interest bearing liabilities/ Total assets	7.3%	2.2%
Debt to total assets	Debt / Total assets	25%	15%
Gearing ratio	Net debt / (Equity + Net debt)	5%	-24%

Seasonality of the business

The graph below illustrates the seasonality of the business operations by presenting the increase in biomass in fish farming and production volumes in the fish production.



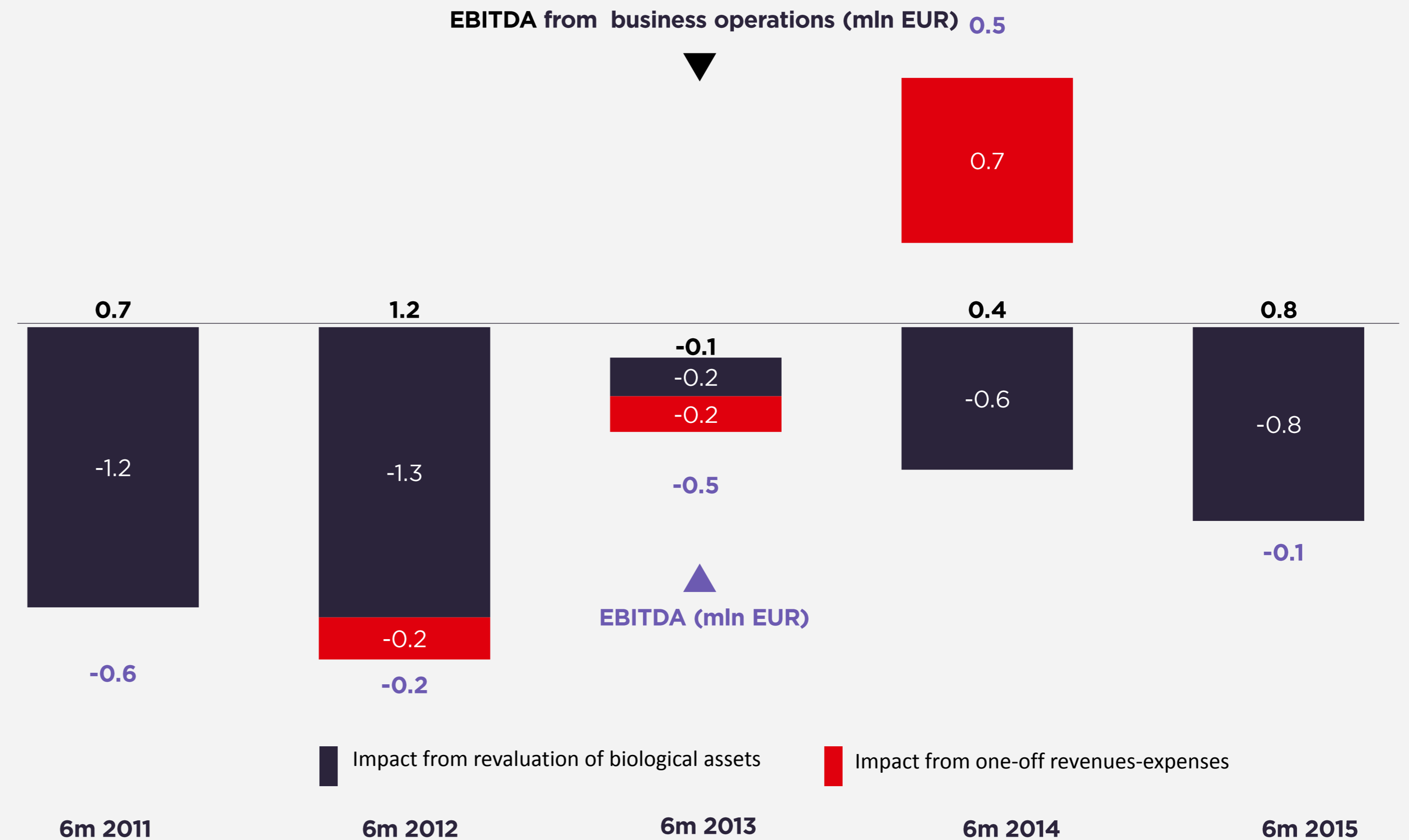
Impact from one-off income and expenses in 6 months 2011-2015

Negative effect for the comparison data of EBITDA, EBIT and net profit is caused by the reimbursement of a claim in the amount of 751 thousand euros received in June 2014 from the Swedish Board of Agriculture, recorded in the income statement of Q2 2014 on line "Other business incomes/costs".

Although during the first half year of 2015 27 tons more fish was realized in the fish farming, as of 30.06.2015 biological assets decreased 0.4 million euros compared with the same period in 2014. It is driven by the fact that the market price which was effective as of 30.06.2015 was 11.9% lower than as of 30.06.2014.

Compared with the same period in 2014, biological assets decreased 12 tons, i.e. -1.0 % in quantity and 354 thousand euros in monetary value, i.e. -6.8 %. Biological assets in fair value as of 30.06.2015 constituted 4 850 thousand euros (30.06.2014: 5 204 thousand euros).

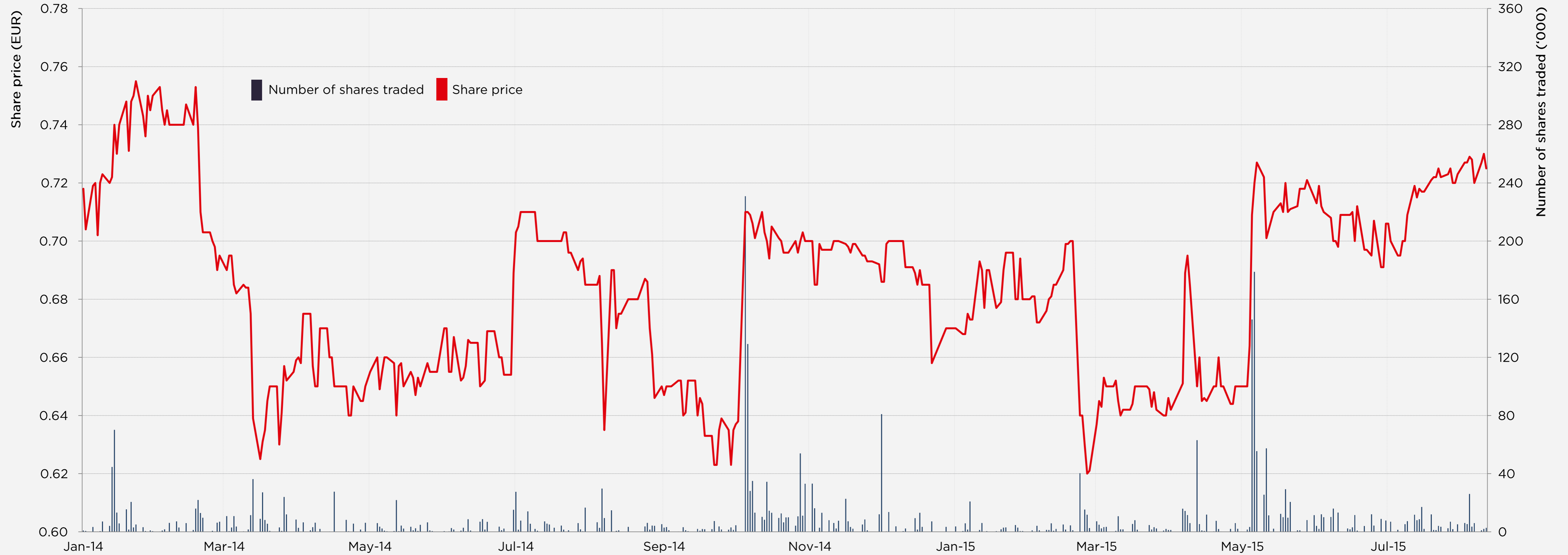
During the reporting period 770 tons of product were taken stock (6 months 2014: 743 tons).



Dynamics of share price and shareholders

MAJOR SHAREHOLDERS AS AT 30 JUNE 2015:

ING Luxembourg S.A.	62.71%	Firebird Avrora Fund Ltd	1.68%
LHV Pensionifond L	4.56%	LHV Pensionifond XL	1.52%
OÜ Rododendron	3.36%	Compensa Life Vienna Insurance Group SE	1.42%
Firebird Republics Fund Ltd	3.09%	OÜ Footsteps Management	1.31%
Ambient Sound Investments OÜ	2.82%	OÜ Freespirit	0.94%



P R F O O D S

Premium fish products and fish farming

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