



P R F O O D S

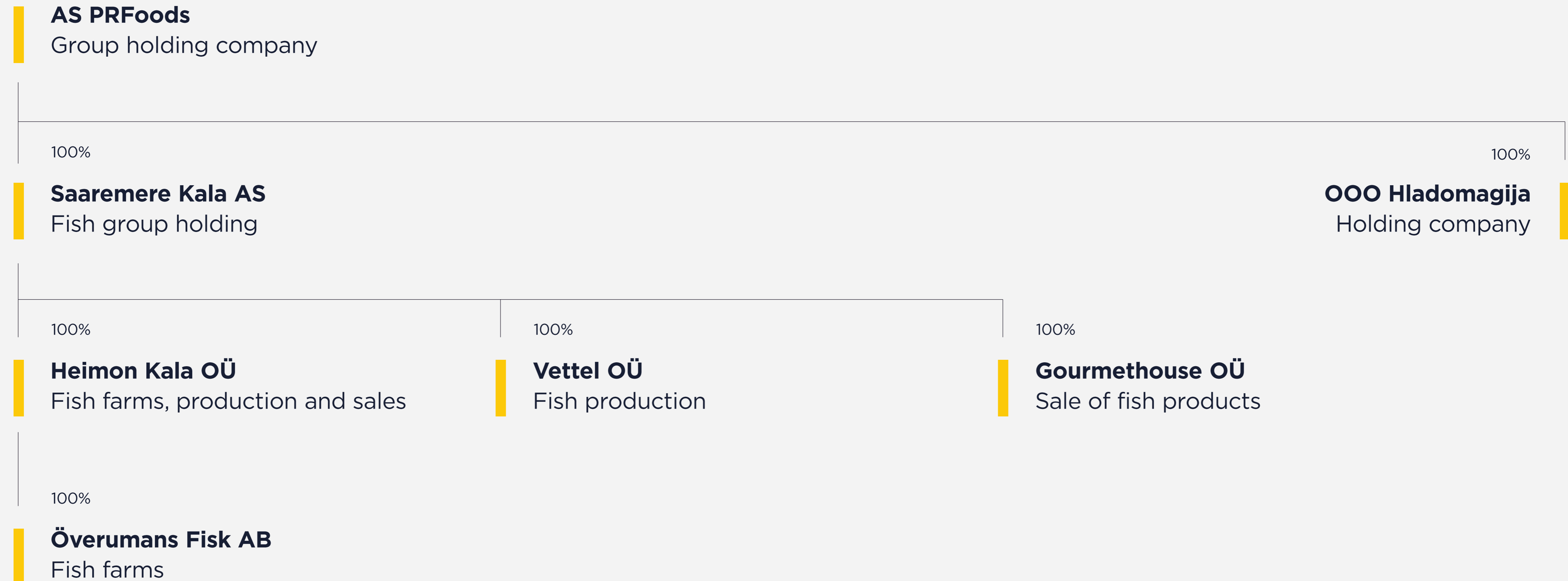
REPORT / 3RD QUARTER AND 9 MONTHS OF 2015

13/11/2015

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Structure of AS PRFoods



Summary: 3rd quarter 2015 continuing operations

UNAUDITED CONSOLIDATED REVENUE

11.4 million euros, increase 13.1%, i.e. 1.3 million euros.

GROSS MARGIN

14.5%, increase 2.3 percentage points.

THE POSITIVE EFFECT OF REVALUATION OF BIOLOGICAL ASSETS

0.3 million euros (Q3 2014: 0.4 million euros).

EBITDA FROM BUSINESS OPERATIONS

0.7 million euros, increase 0.4 million euros, i.e. 118.8%.

EBITDA

EBITDA 1.1 million euros, increase 0.3 million euros, i.e. 48.7%.

OPERATING PROFIT

0.8 million euros, increase 0.3 million euros, i.e. 79.4%.

NET PROFIT

0.7 million euros, increase 0.6 million euros, i.e. 466.4%.

Summary: 9 months 2015 continuing operations

UNAUDITED

CONSOLIDATED REVENUE

33.1 million euros, increase 5.0%, i.e. 1.6 million euros.

GROSS MARGIN

12.6%, increase 1.2 percentage points.

THE NEGATIVE EFFECT OF REVALUATION OF BIOLOGICAL ASSETS

0.5 million euros (9 months 2014: 0.2 million euros).

EBITDA FROM BUSINESS OPERATIONS

1.5 million euros, increase 0.8 million euros, i.e. 116.8%.

EBITDA

1.0 million euros, decrease -0.2 million euros, i.e. -14.8%*.

*Without of one-off effects in 2014 EBITDA improvement of 0.6 million euros, i.e. 133.6%.

OPERATING PROFIT

0.2 million euros, decrease -0.2 million euros, i.e. -53.8%.

* Without of one-off effects in 2014 operating profit improvement of 0.6 million euros.

NET PROFIT

0.4 million euros, improvement 0.7 million euros, i.e. 297.3%.

*Without of one-off effects in 2014 net profit improvement of 1.4 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 Q3 2014 on line "Other business incomes/costs".

Key ratios of continuing operations: income statement

	Q3 2015	Q3 2014	mIn EUR	9m 2015	9m 2014	mIn EUR
Sales	11.4 ▲	10.0		33.1 ▲	31.5	
Gross profit	1.6 ▲	1.2		4.2 ▲	3.6	
EBITDA from business operations	0.7 ▲	0.3		1.5 ▲	0.7	
EBITDA	1.1 ▲	0.7		1.0 ▼	1.2	
EBIT	0.8 ▲	0.4		0.2 ▼	0.3	
EBT	0.8 ▲	0.2		0.3 ▲	-0.2	
Net profit (-loss)	0.7 ▲	0.1		0.4 ▲	-0.2	
Gross margin	14.5% ▲	12.2%		12.6% ▲	11.4%	
Operational EBITDA margin	6.5% ▲	3.4%		4.6% ▲	2.2%	
EBITDA margin	9.4% ▲	7.1%		3.0% ▼	3.8%	
EBIT margin	6.8% ▲	4.3%		0.5% ▼	1.1%	
EBT margin	6.6% ▲	2.0%		0.9% ▲	-0.6%	
Net margin	6.1% ▲	1.2%		1.3% ▲	-0.7%	
Operating expense ratio	11.9% ▲	13.2%		11.5% ▲	12.8%	

Key ratios: balance sheet

	30/09/2015 mln EUR	30/09/2014 mln EUR
Net debt	-5.2	9.7
Equity	34.0	40.5
Working capital	22.0	8.1
Assets	40.1	65.6
Liquidity ratio	6.2	2.1
Equity ratio	84.7%	61.6%
Gearing ratio	-18.2%	19.3%
Net debt-to-EBITDA	-4.4	7.1
ROE	-2.3%	0.3%
ROA	-1.6%	0.2%






As of closing date the net debt constituted of -5.2 million euros (30/09/2014: 9.7 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 start of 2016 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 -18.2% (30/09/2014: 19.3%).

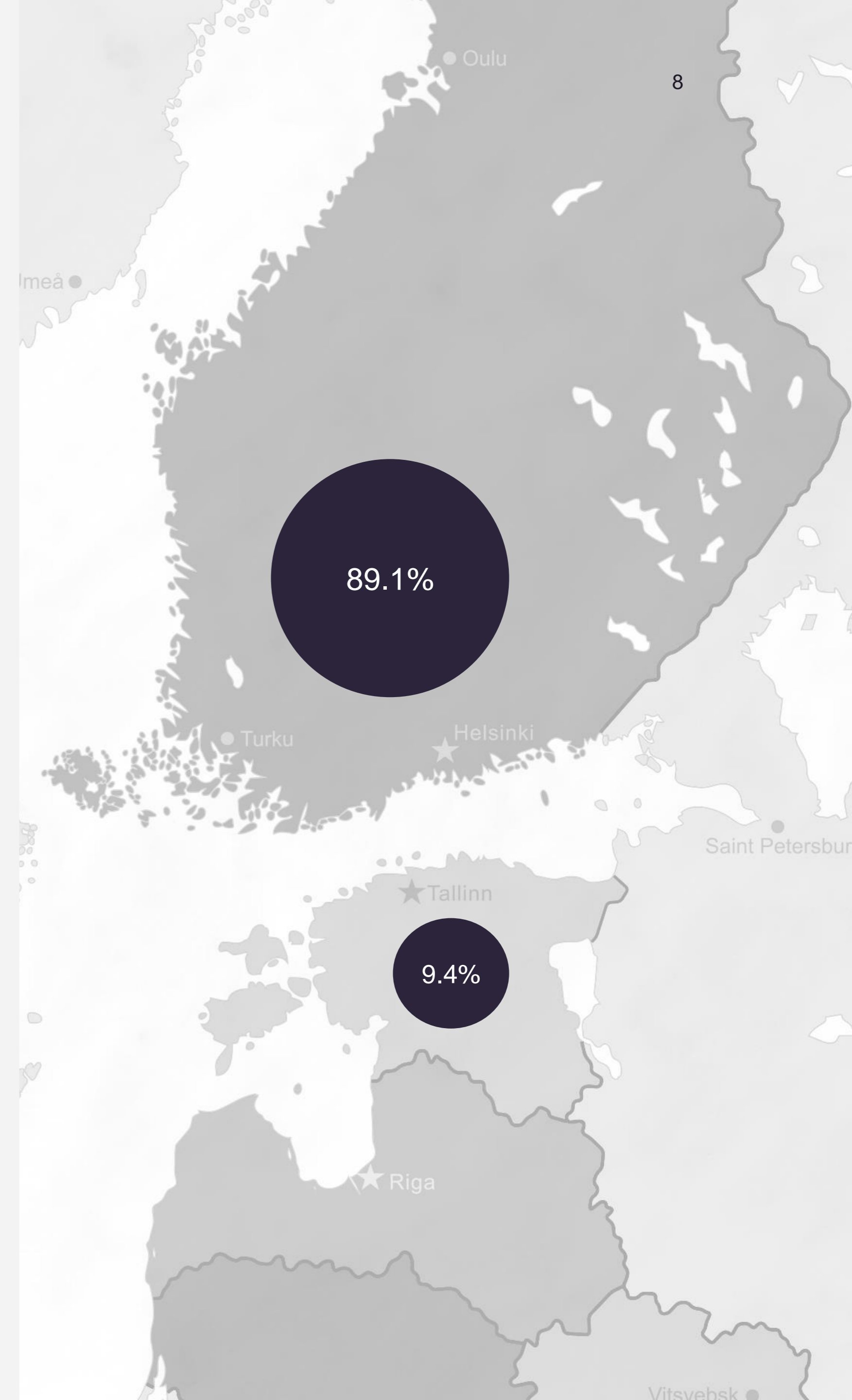
Net debt to EBITDA ratio was as of 30/06/2015 -4.4 (30/09/2014 EBITDA from continuing operations: 7.1). Liquidity ratio, showing short time paying capacity, was as of 30/09/2015 6.2 (30/09/2014: 2.1). Share capital aggregated to 84.7% of total assets (30/09/2014: 61.6%) and the working capital of the company was 22.0 million euros (30/09/2014: 8.1 million euros).

PRFoods AS consolidated balance was as of 30/09/2015 40.1 million euros. Compared with 30/09/2014 the balance has decreased by -25.5 million euros, i.e. -38.9%. The decrease is caused by the aforementioned deal.

Sales by countries 9 months 2015

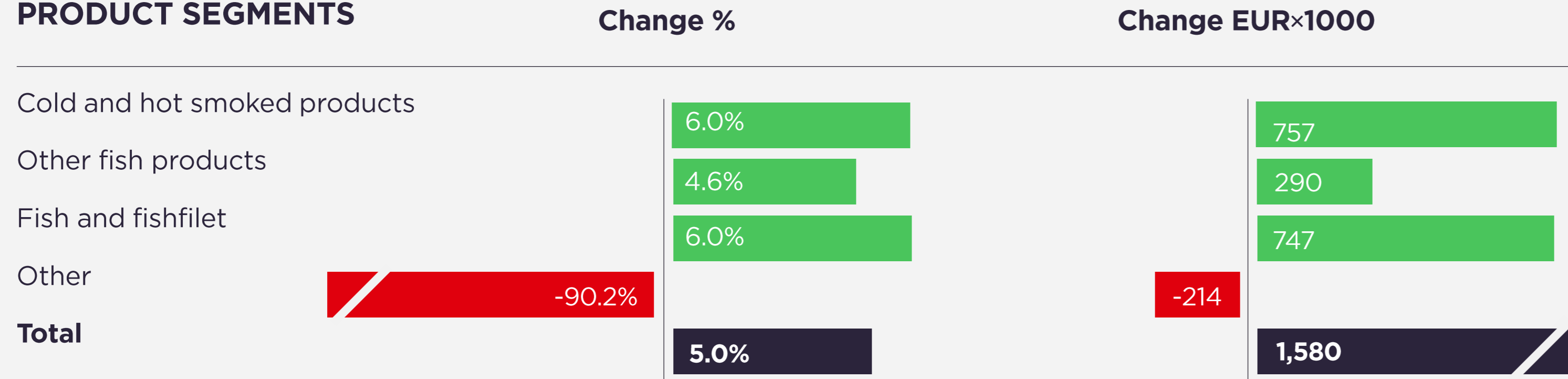
		Sales <small>mIn EUR</small>	Change	Structure
Finland		29.5	+2.1% ▲	89.1% 
Estonia		3.1	-1.2% ▼	9.4% 
Other		0.5	-0.9% ▼	1.5% 
Total		33.1	+5.0% ▲	

In 9 months 2015 the revenue in Finnish market increased +7.6% i.e. 2,078 thousand euros. The proportion of Finnish revenue in total turnover of AS PRFoods 9 months revenue in 2015 accounted for 89.1%, increasing +2.1% compared with the same period in 2014.



Revenue by product and client segments

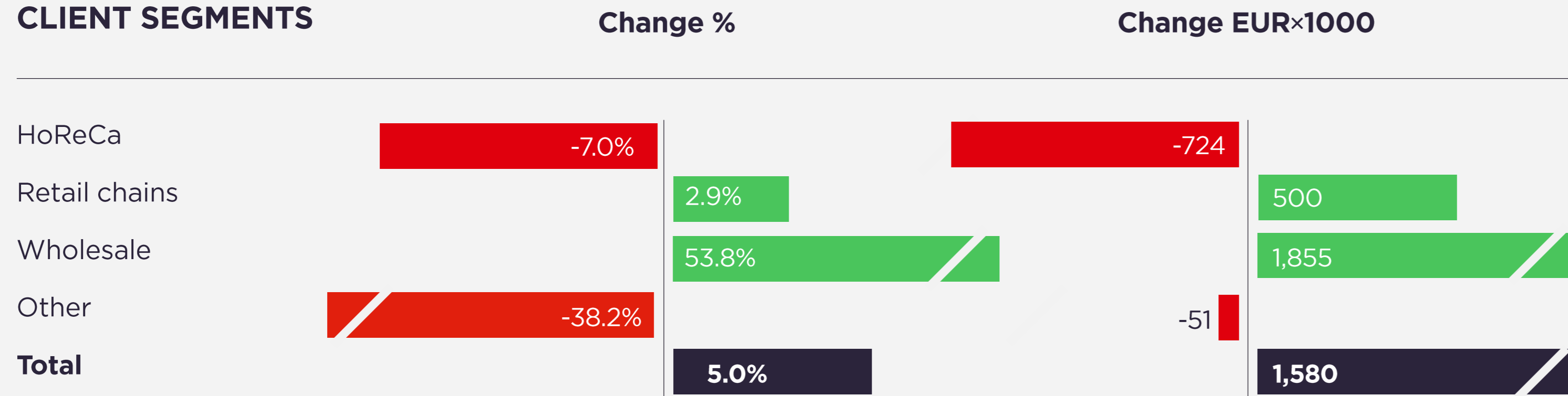
PRODUCT SEGMENTS



Product Segments

The biggest increase in revenue came from smoked products and raw fish and fillets product groups, increasing 757 thousand euros i.e. +6.0% and 747 thousand euros i.e. +6.0% respectively. The revenue from other product groups increased 290 thousand euros i.e. +4.6%. Other sales in 2014, 0.2 million euros, were related to income from discontinued operations.

CLIENT SEGMENTS



Client Segments

According to the client segments the revenue in wholesale sector increased 1,855 thousand euros and 500 thousand euros in retail sector. The increase in wholesale sector was +53.8% and +2.9% in retail sector. In HoReCa sector the revenue decreased 724 thousand euros i.e. -7.0%.

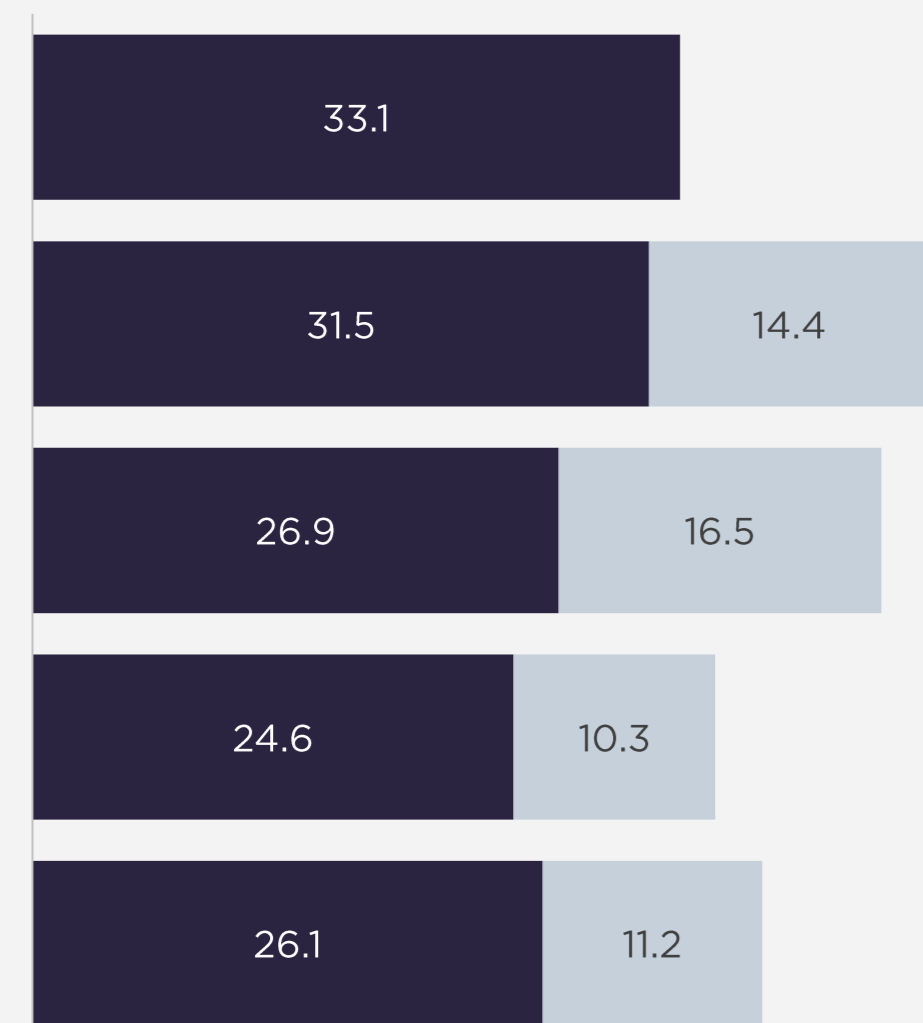
Revenue and profitability

Group total in 2011–2015 continuing operations

Negative impact on Company’s EBITDA from revaluation of biological assets was -0.5 million euros in 9 months of 2015, -0.2 million euros in 9 months of 2014.

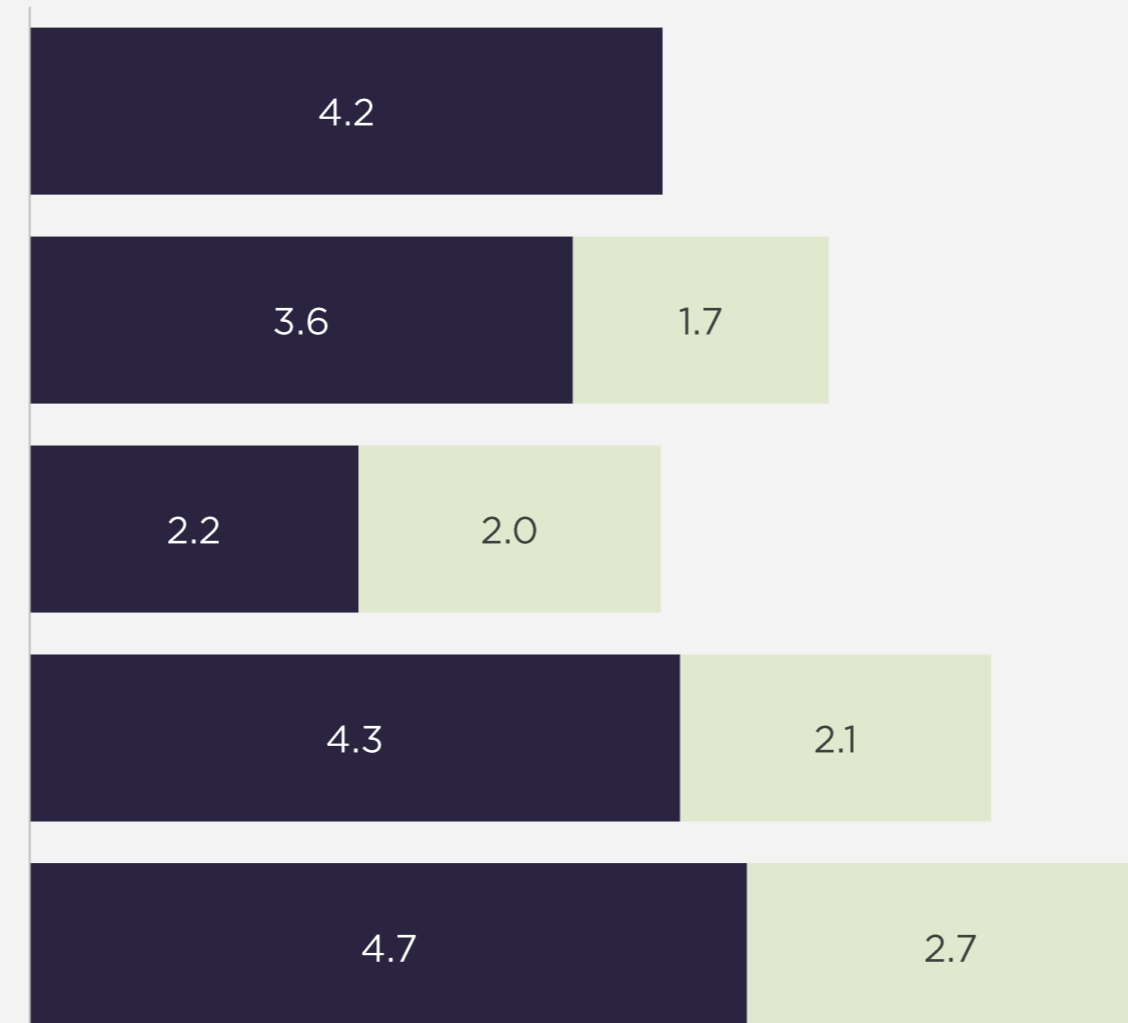
Revenue in 2011–2015
mln EUR

■ Q1-Q3 ■ Q4



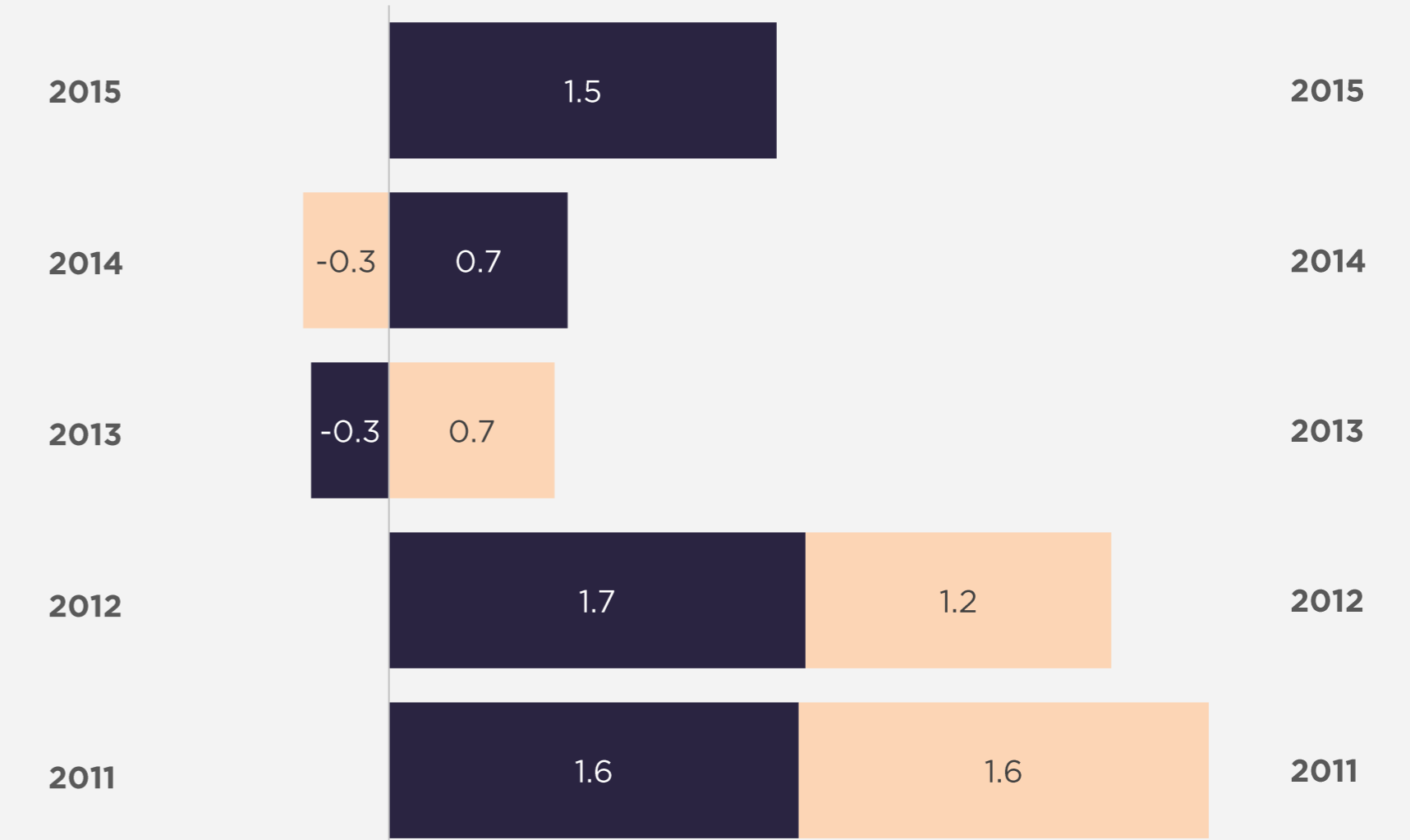
Gross profit in 2011-2015
mln EUR

■ Q1-Q3 ■ Q4



EBITDA from business operations in 2011-2015
mln EUR

■ Q1-Q3 ■ Q4

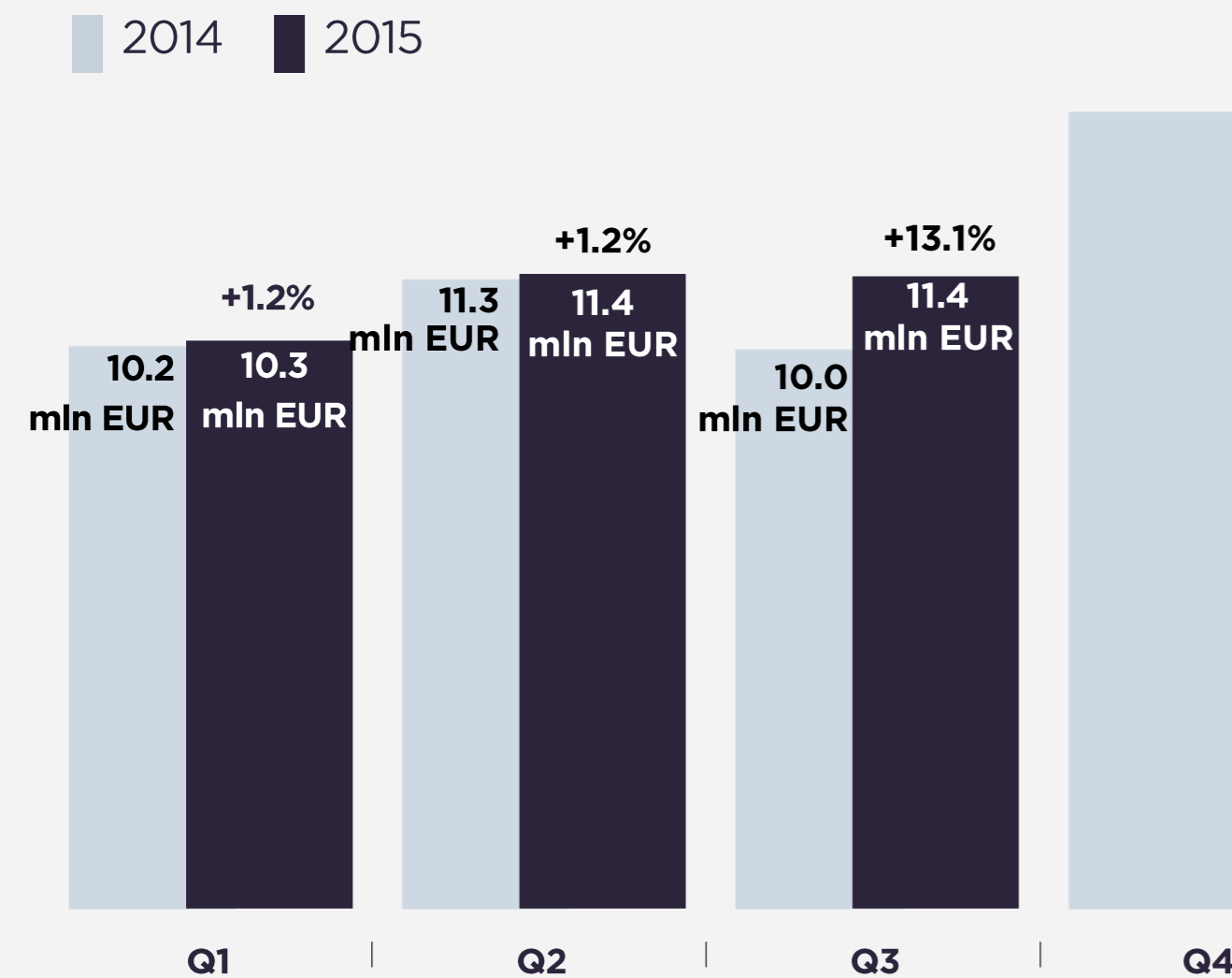


Fish and fish products

The biggest increase in revenue came from smoked products and raw fish and fillets product groups, increasing all together 1.5 million euros.

Revenue by customer segment grew in the wholesale sector by a total of 1.9 million euros.

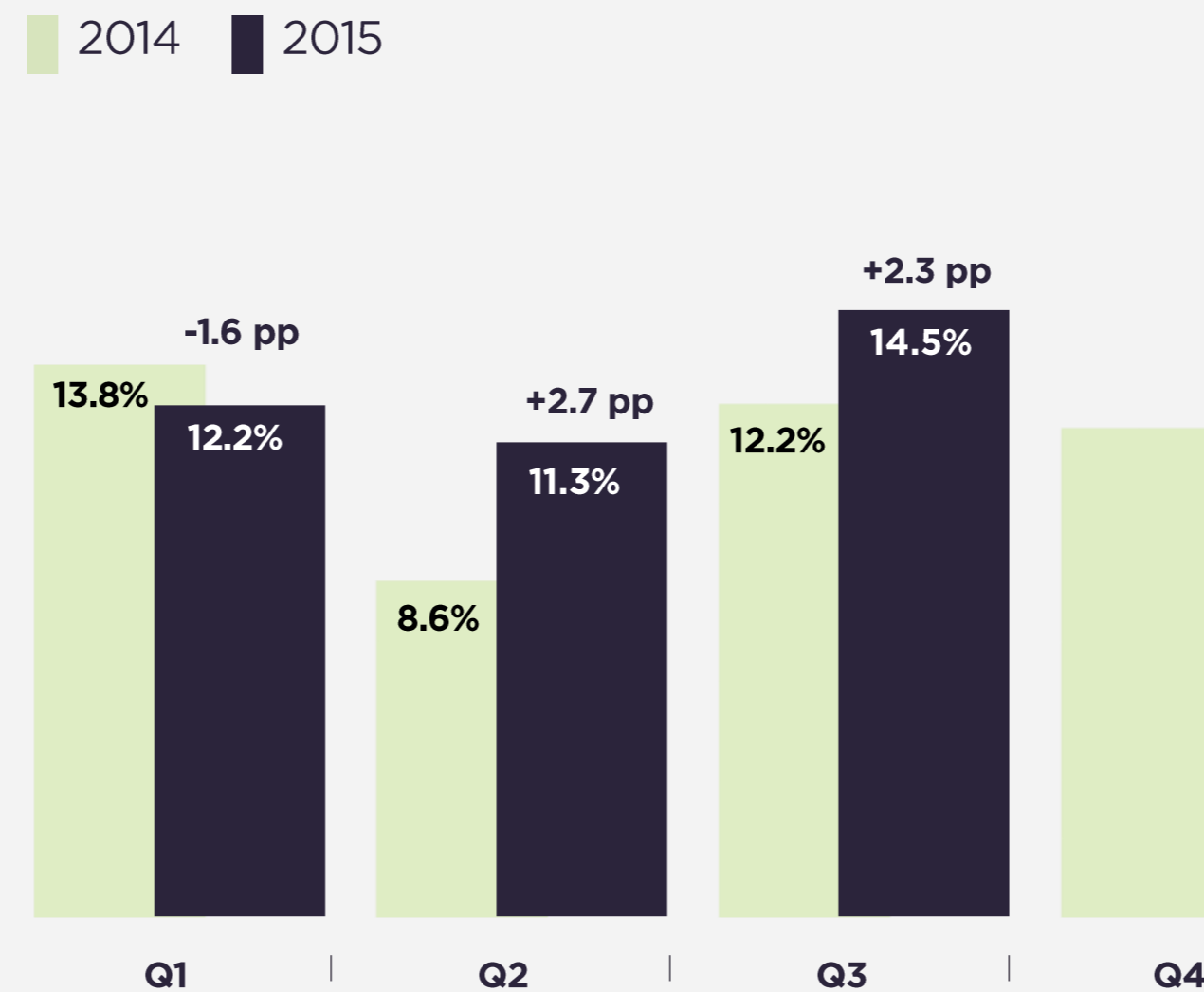
Revenue by quarters (mln EUR) and yearly growth Q3: +1.3 mln EUR



Compared with 30/09/2014, the market price for salmon has decreased -1.5% and the market price for rainbow trout has decreased -18.3%.

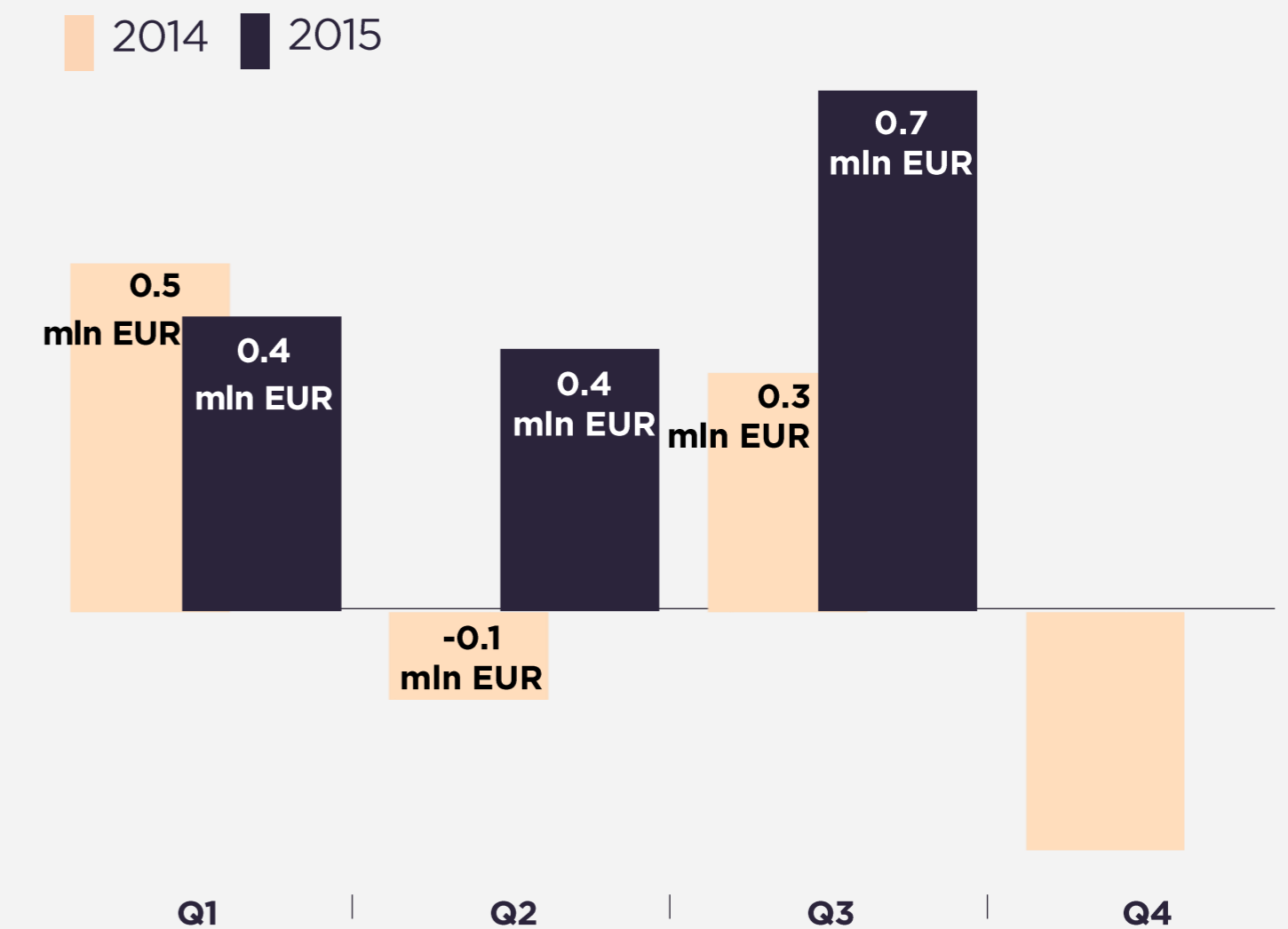
Compared with 31/12/2014, both salmon and rainbow trout market prices have decreased notably, -15.4% and -27.1%, respectively.

Gross margin and yearly change Q3: +0.4 mln EUR



Positive impact on Company's EBITDA from revaluation of biological assets was 0.3 million euros in 3rd quarter of 2015 (0.4 million euros in 3rd quarter of 2014).

EBITDA from business operations and yearly change (mln EUR) Q3: +0.4 mln EUR



Cost analysis

	9m 2015	9m 2014	change	9m	9m 2015	9m 2014	change
	mIn EUR	mIn EUR	mIn EUR		% of sales	% of sales	% of sales
Sales	33.10	31.52	1.58	▲	100.00%	100.00%	
Cost of goods sold	-28.91	-27.92	0.99	▼	87.35%	88.59%	-1.24%
including one-off expenses	0.00	-0.03	-0.03	▲	0.00%	0.09%	-0.09%
materials in production and cost of goods purchased for resale	-23.39	-22.37	1.02	▼	70.67%	70.97%	-0.30%
labour costs	-2.29	-2.36	-0.07	▲	6.92%	7.50%	-0.58%
depreciation	-0.70	-0.70	0.00	▼	2.13%	2.23%	-0.10%
other cost of goods sold	-2.53	-2.49	0.04	▼	7.64%	7.89%	-0.25%
Operating expenses	-3.81	-4.05	-0.24	▲	11.52%	12.84%	-1.32%
labour costs	-1.11	-1.30	-0.19	▲	3.35%	4.12%	-0.77%
transport and logistics services	-1.36	-1.26	0.10	▼	4.11%	3.99%	0.12%
depreciation	-0.15	-0.16	-0.01	▲	0.45%	0.50%	-0.05%
advertising, merchandising, marketing and product development	-0.57	-0.57	0.00	▼	1.72%	1.80%	-0.08%
other operating expenses	-0.63	-0.77	-0.14	▲	1.89%	2.43%	-0.54%
Other income/expenses	0.31	1.03	-0.72	▼	0.94%	-3.27%	4.21%

Example balance sheet structure after the reduction of share capital

The nominal value of PRFoods share is currently 20 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 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 at the start of 2016.

The expected impact from the reduction of share capital to the Group financial statements based on the data for 9 months 2015 is presented below.

	The balance sheet structure after the reduction of share capital	30/09/15
	mln EUR	mln EUR
Cash and cash equivalents	0.4	6.1
Receivables and prepayments	3.1	7.1
Biological assets	7.2	7.2
Inventories	5.9	5.9
Total current assets	16.6	26.3
Financial assets	0.3	0.3
Tangible and intangible assets	13.5	13.5
Total non-current assets	13.8	13.8
ASSETS	30.4	40.1

	The balance sheet structure after the reduction of share capital	30/09/15
	mln EUR	mln EUR
Short term loans and borrowings	2.1	0.2
Payables and prepayments	4.1	4.1
Total current liabilities	6.2	4.3
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	0.9	0.9
Equity	22.4	34.0
TOTAL EQUITY AND LIABILITIES	30.4	40.1

Example balance sheet structure after the reduction of share capital

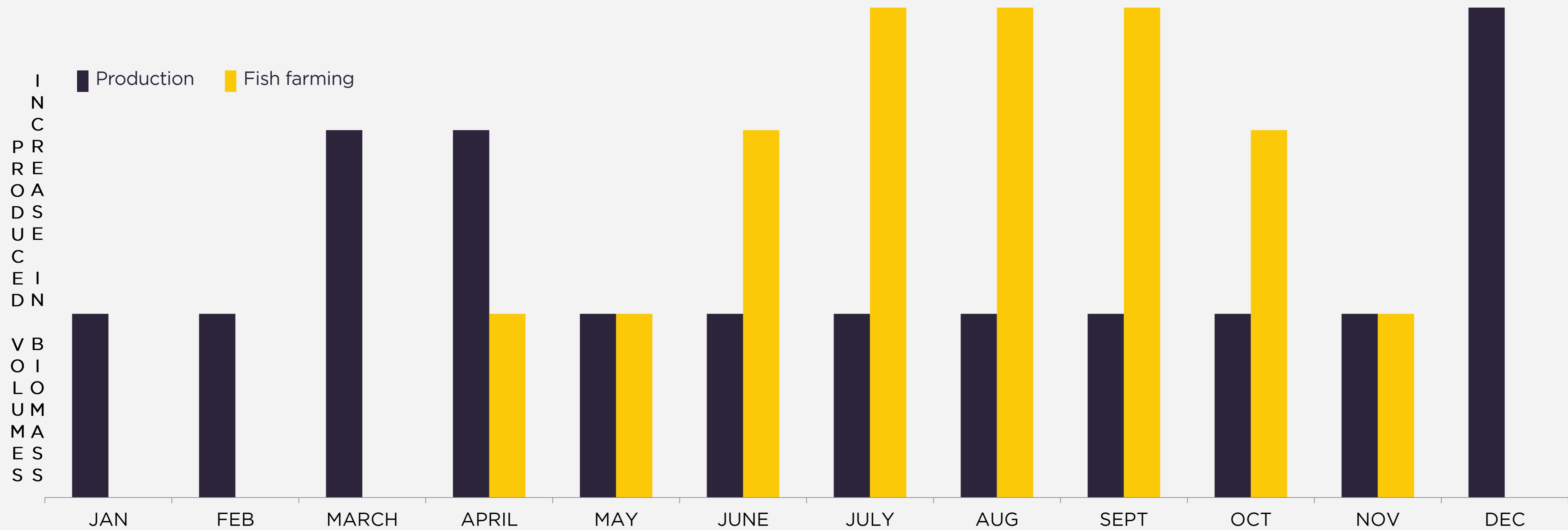
PRFoods has taken overdraft from SEB Bank, with accredit limit been opened to the Group in the amount of 5 million euros. As of 30/09/2015 overdraft has not been used.

Data presented in the financial position is indicative, based on the data from 9 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	
		30/09/15	
Net debt	Short term loans and borrowings + Long term loans and borrowings - Cash	2.4 mln EUR	-5.2 mln EUR
Liquidity ratio	Current Assets / Current Liabilities	2.7	6.2
Debt to total assets	Debt / Total assets	0.3	0.2
Equity ratio	Equity / Total Assets	74%	85%
Debt to equity	Interest bearing liabilities/ Equity	12%	2%
Gearing ratio	Net debt / (Equity + Net debt)	10%	-18%

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.



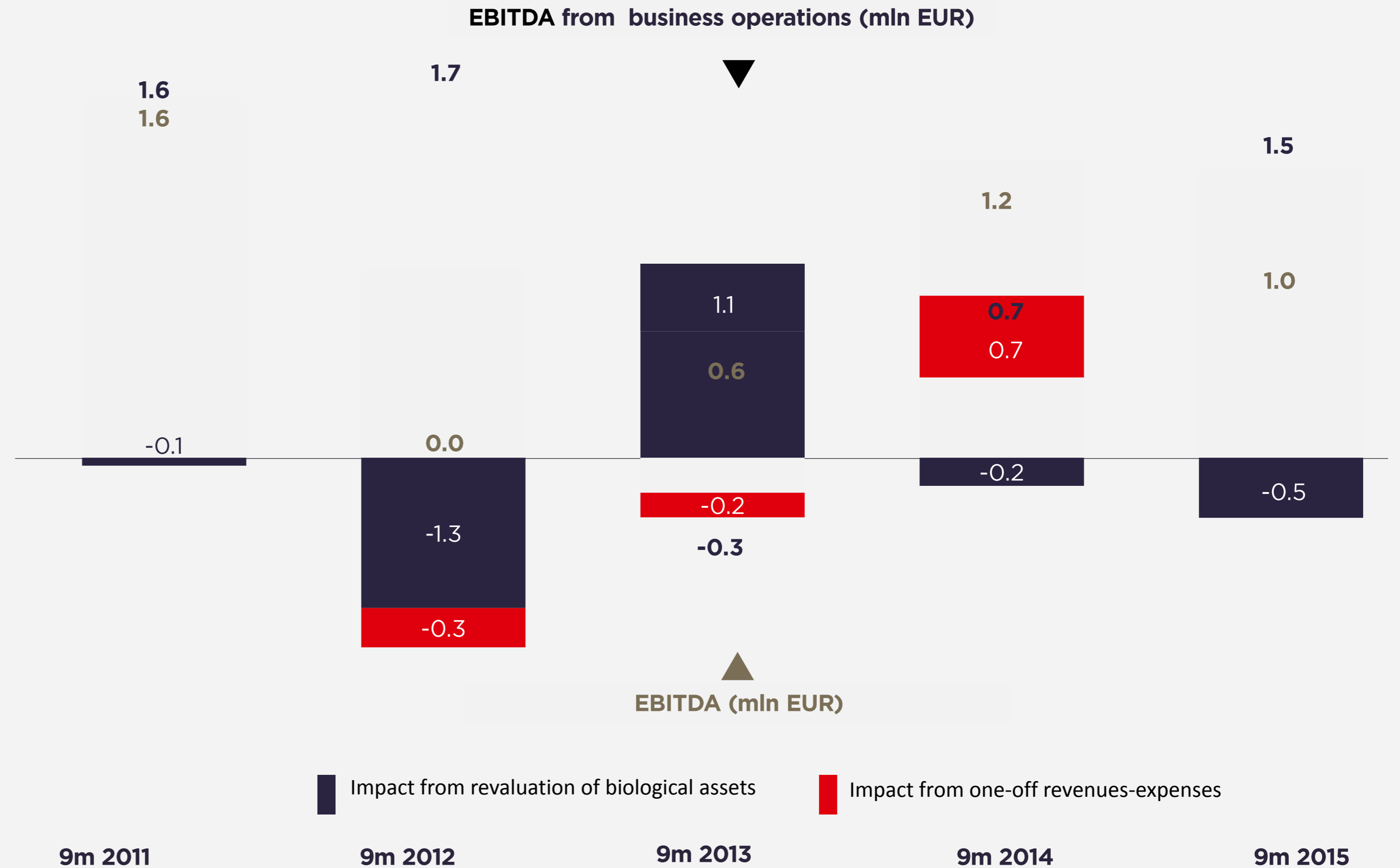
Impact from one-off income and expenses in 9 months 2011-2015

Negative effect for the comparison 9 months 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 9 months 2014 on line "Other business incomes/costs".

Compared with the same period in 2014, biological assets increased 28 tons, i.e. 1.3 % in quantity and decreased 316 thousand euros in monetary value, i.e. -4.2 %. It is driven by the fact that the market price which was effective as of 30/09/2015 was -18.2% lower than as of 30/09/2014.

During the reporting period 930 tons of product were taken stock (9 months 2014: 955 tons).

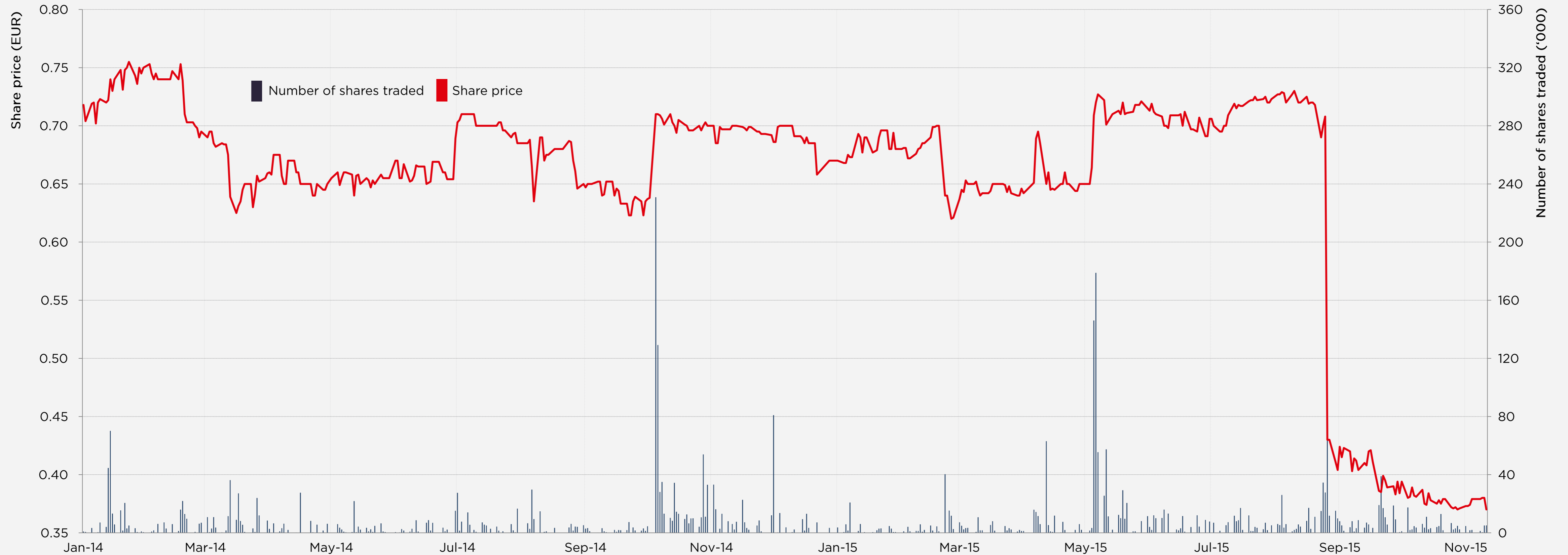
Biological assets in fair value as of 30/09/2015 constituted 7,247 thousand euros (30/09/2014: 7,563 thousand euros).



Dynamics of share price and shareholders

MAJOR SHAREHOLDERS AS AT 30 SEPTEMBER 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	1.43%
Firebird Republics Fund Ltd	3.09%	OÜ Footsteps Management	1.30%
Ambient Sound Investments OÜ	2.82%	OÜ Freespirit	0.94%



According to the shareholders meeting's decision held on 28 May 2015, company's share capital will be reduced by disbursements made to shareholders. As a result, the nominal value of PRFoods share as of 28 August 2015 at 23.59 was decreased by 30 euro cents, from the earlier 50 euro cents to 20 euro cents. The nominal value of PRFoods share is currently 20 euro cents..

P R F O O D S

Premium fish products and fish farming

prfoods.ee