



# P R F O O D S

**REPORT** / 1<sup>ST</sup> QUARTER OF 2018 AND 15 MONTHS OF 2017/2018

01 June 2018

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# STRUCTURE OF THE PRFOODS GROUP

PRFoods Group 2017. – 2018. financial year was extended until 30.06.2018, to reflect financial year of acquired businesses



\*Consolidated from 01.09.2017

\*\* Consolidated from 01.07.2017

**AS PRFoods' key market was Finland, where the company is amongst three largest brands, until the acquisition of John Ross Jr. and Coln Valley Smokery. Since acquisition the company has expanded sales to 37 countries in Europe, North and South America and Asia.**

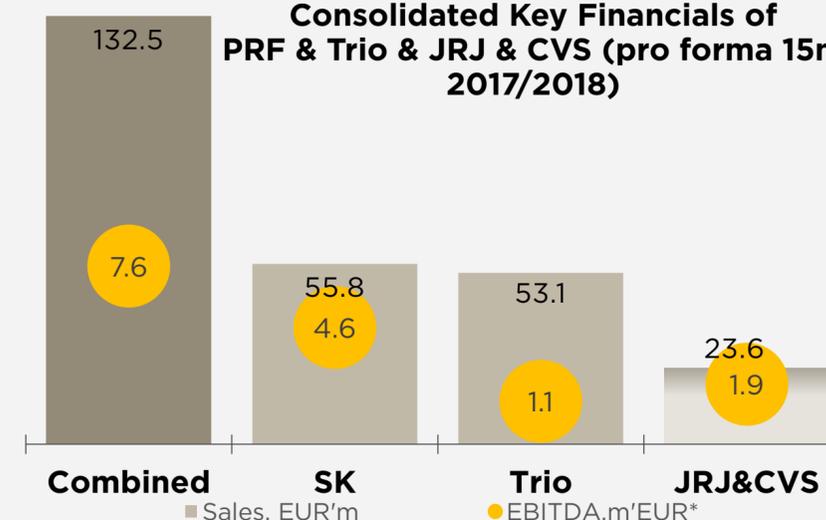
Main activity of the Group is fish manufacturing in five contemporary production buildings in Renko and Kokkola (Finland), Saaremaa (Estonia), Aberdeen and Coln Valley (UK). Main products are salmon and rainbow trout products. Approximately 60% of the rainbow trout used in Group's production is harvested in company's fish farms in Swedish lakes and in Turku Archipelago area in Finland, assuring highest quality and reliable delivery.

Salmon is purchased from Finland and other Scandinavian countries, like Denmark, Norway, Sweden and from Scotland. On a smaller scale company also buys in perch, pike, herring, vendace (freshwater whitefish) and Baltic herring.

PRFoods companies are leading brands in their respective operating markets and are primarily focusing on higher value premium products.

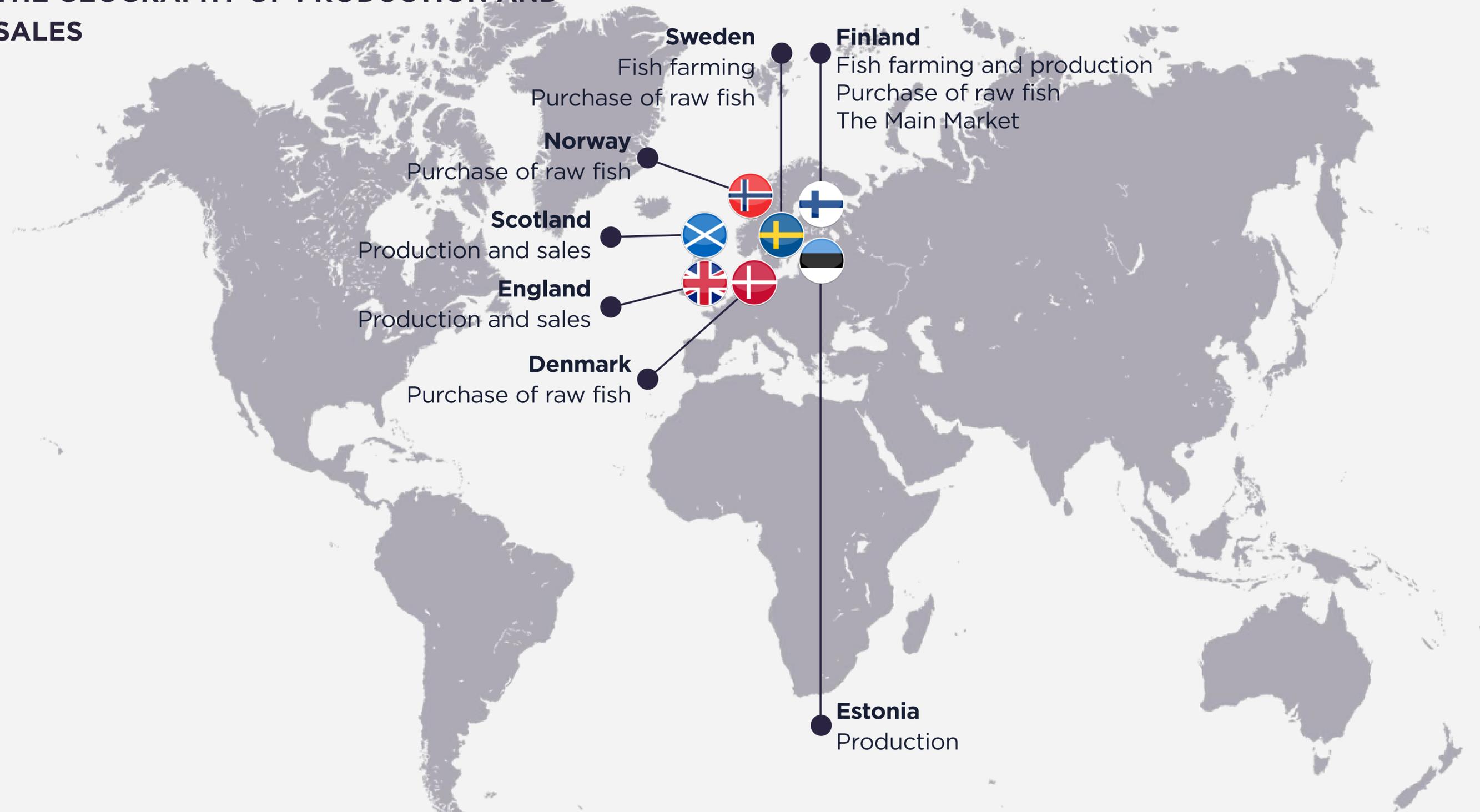
Shareholders approved purchase of John Ross Jr (Aberdeen) and Coln Valley Smokery on EGM held on 19.07.2017. Shareholders approved purchase of Trio Trading Ab Oy on EGM held on 28.08.2017.

**Consolidated Key Financials of PRF & Trio & JRJ & CVS (pro forma 15m 2017/2018)**



\* before one-offs and fair value adjustment of fish stock

## THE GEOGRAPHY OF PRODUCTION AND SALES



Acquiring John Ross Jr (Aberdeen) and Coln Valley Smokery increased the number of markets of PRFoods by 37 countries.

# SUMMARY:

## UNAUDITED FINANCIAL RESULTS FOR 1<sup>ST</sup> QUARTER OF 2018

### UNAUDITED CONSOLIDATED REVENUE

22.74 million euros, increase +115.3%, i.e. +12.18 million euros.

### GROSS MARGIN

10.7% (Q1 2017: 5.0%), increase +5.75 percentage points, i.e. +115.5%.

### NEGATIVE IMPACT FROM REVALUATION OF BIOLOGICAL ASSETS

-0.12 million euros (Q1 2017: -0.27 million euros).

### EBITDA FROM BUSINESS OPERATIONS

+0.70 million euros (Q1 2017: -0.29 million euros), increase +0.99 million euros.

### EBITDA

+0.58 million euros (Q1 2017: -0.56 million euros), increase +1.14 million euros.

### OPERATING PROFIT

+0.12 million euros (Q1 2017: -0.87 million euros), increase +1.00 million euros.

### NET LOSS

-0.30 million euros (Q1 2017: -0.84 million euros), decrease -0.54 million euros.



# SUMMARY:

## UNAUDITED FINANCIAL RESULTS FOR 15 MONTHS OF 2017/2018

### UNAUDITED CONSOLIDATED REVENUE

96.35 million euros, increase +103.1%, i.e. +48.92 million euros.

### GROSS MARGIN

13.5% (12m 2016: 8.5%), increase +5.0 percentage points.

### NEGATIVE IMPACT FROM REVALUATION OF BIOLOGICAL ASSETS

-1.62 million euros (12m 2016: +2.26 million euros).

### NEGATIVE IMPACT FROM ONE-OFFS

-0.31 million euros (12m 2016: -0.40 million euros).

### EBITDA FROM BUSINESS OPERATIONS

+6.02 million euros (12m 2016: +0.75 million euros), increase +5.26 million euros.

### EBITDA

+4.08 million euros (12m 2016: +2.61 million euros), increase by +1.47 million euros.

### OPERATING PROFIT

+2.13 million euros (12m 2016: +1.38 million euros), increase +0.75 million euros.

### NET PROFIT

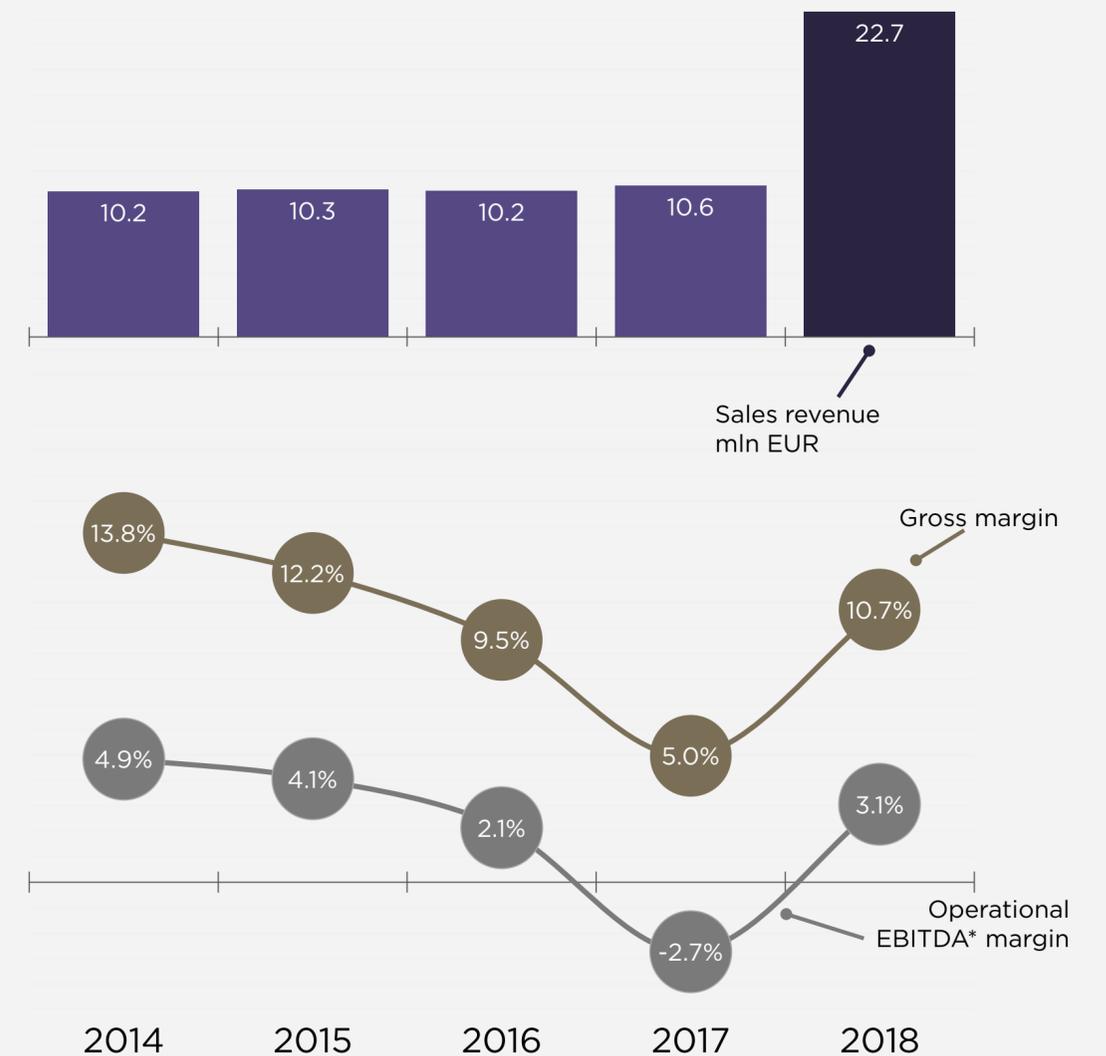
+1.12 million euros (12m 2016: +0.72 million euros), increase +0.40 million euros.



# KEY RATIOS: INCOME STATEMENT 1<sup>ST</sup> QUARTER 2014-2018

	Q1 2014	Q1 2015	Q1 2016	Q1 2017	Q1 2018	mIn EUR
<b>Sales revenue</b>	10.2	10.3	10.2	10.6	<b>22.7</b> ▲	
<b>Gross profit</b>	1.4	1.3	1.0	0.5	<b>2.4</b> ▲	
<b>EBITDA from business operations*</b>	0.5	0.4	0.2	-0.3	<b>0.7</b> ▲	
<b>EBITDA</b>	-0.7	-0.6	-0.2	-0.6	<b>0.6</b> ▲	
<b>EBIT</b>	-0.9	-0.9	-0.5	-0.9	<b>0.1</b> ▲	
<b>EBT</b>	-1.2	-0.8	-0.6	-0.9	<b>-0.3</b> ▲	
<b>Net profit</b>	-0.9	-0.5	-0.5	-0.8	<b>-0.3</b> ▲	
<b>Gross margin</b>	13.8%	12.2%	9.5%	5.0%	<b>10.7%</b> ▲	
<b>Operational EBITDA* margin</b>	4.9%	4.1%	2.1%	-2.7%	<b>3.1%</b> ▲	
<b>EBITDA margin</b>	-6.5%	-5.9%	-2.2%	-5.3%	<b>2.5%</b> ▲	
<b>EBIT margin</b>	-9.2%	-8.6%	-5.2%	-8.3%	<b>0.5%</b> ▲	
<b>EBT margin</b>	-11.7%	-7.4%	-5.5%	-8.5%	<b>-1.2%</b> ▲	
<b>Net margin</b>	-9.2%	-5.2%	-4.5%	-7.9%	<b>-1.3%</b> ▲	
<b>Operating expense ratio</b>	12.6%	11.3%	10.5%	11.2%	<b>10.3%</b> ▼	

**Gross margin and operational EBITDA margin % of sales revenue**

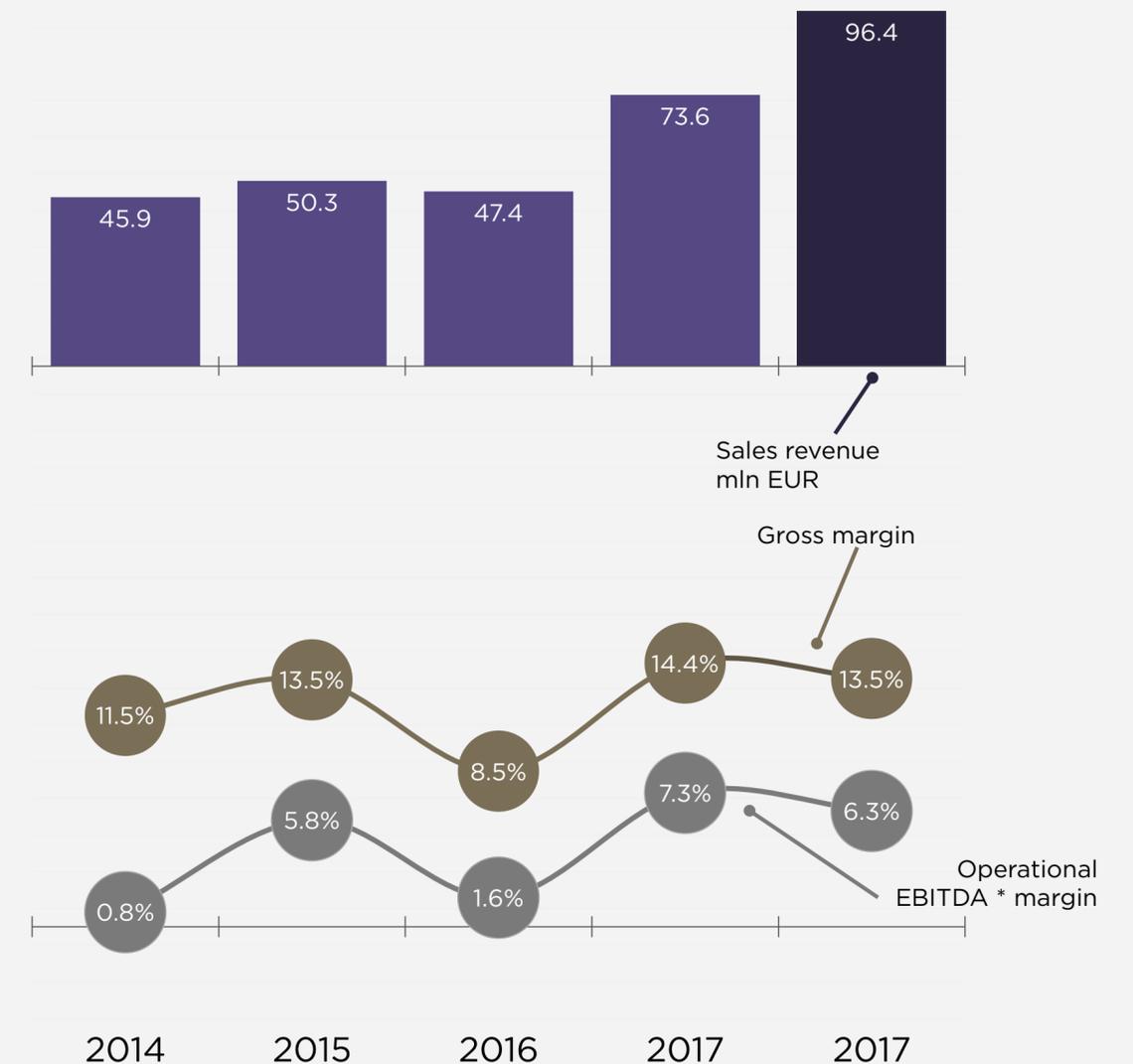


\* before one-offs and fair value adjustment of fish stock

# KEY RATIOS: INCOME STATEMENT 15 MONTHS OF 2017/2018

	12m 2014	12m 2015	12m 2016	12m 2017	15m 2017	mIn EUR
<b>Sales revenue</b>	45.9	50.3	47.4	73.6	<b>96.4</b> ▲	
<b>Gross profit</b>	5.3	6.8	4.0	10.6	<b>13.0</b> ▲	
<b>EBITDA from business operations*</b>	0.4	2.9	0.8	5.4	<b>6.0</b> ▲	
<b>EBITDA</b>	0.5	2.0	2.6	3.6	<b>4.1</b> ▲	
<b>EBIT</b>	-0.6	0.9	1.4	2.0	<b>2.1</b> ▲	
<b>EBT</b>	-1.4	1.1	1.1	1.2	<b>0.9</b> ▼	
<b>Net (profit) loss</b>	-1.5	1.2	0.7	1.4	<b>1.1</b> ▼	
<b>Gross margin</b>	11.5%	13.5%	8.5%	14.4%	<b>13.5%</b> ▼	
<b>Operational EBITDA* margin</b>	0.8%	5.8%	1.6%	7.3%	<b>6.3%</b> ▼	
<b>EBITDA margin</b>	1.1%	4.0%	5.5%	4.8%	<b>4.2%</b> ▼	
<b>EBIT margin</b>	-1.3%	1.7%	2.9%	2.7%	<b>2.2%</b> ▼	
<b>EBT margin</b>	-3.0%	2.1%	2.4%	1.6%	<b>1.0%</b> ▼	
<b>Net margin</b>	-3.3%	2.3%	1.5%	1.9%	<b>1.2%</b> ▼	
<b>Operating expense ratio</b>	13.4%	10.8%	10.1%	9.9%	<b>10.0%</b> ▼	

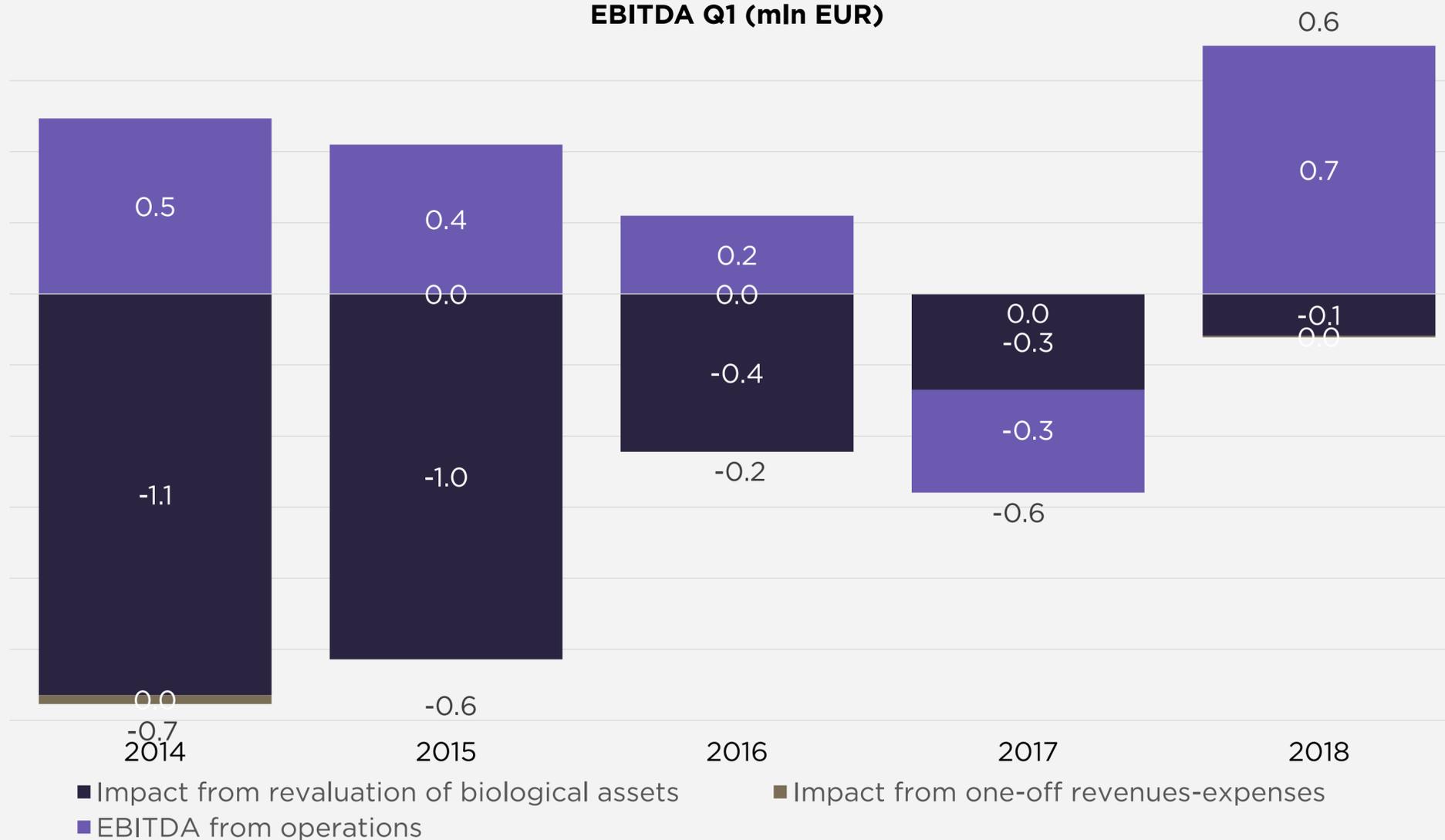
**Gross margin and operational EBITDA margin % of sales revenue**



\* before one-offs and fair value adjustment of fish stock

# EFFECT OF BIOLOGICAL ASSET REVALUATION AND ONE-OFFS ON EBITDA 1<sup>ST</sup> QUARTER 2014-2018

EBITDA Q1 (mln EUR)



**EBITDA increased by +1.14 million euros compared to the same period in 2017, reaching the level of +0.58 million euros.**

Change in fair value of biological assets had negative effect on EBITDA in amount of -0.12 millions. In 2016 revaluation of biological assets had negative impact on EBITDA in amount of -0.27 million euros.

## KEY RATIOS: BALANCE SHEET

	31.03.2018 mIn EUR	31.03.2017 mIn EUR
<b>Net debt</b>	<b>16.7</b>	1.6
<b>Equity</b>	<b>24.5</b>	22.8
<b>Working Capital</b>	<b>4.6</b>	11.5
<b>Assets</b>	<b>64.8</b>	33.3
<b>Liquidity ratio</b>	<b>1.2</b>	2.4
<b>Equity ratio</b>	<b>37.8%</b>	68.5%
<b>Gearing ratio</b>	<b>40.6%</b>	6.4%
<b>Net debt-to-EBITDA</b>	<b>2.7</b>	6.4
<b>ROE</b>	<b>8.3%</b>	1.5%
<b>ROA</b>	<b>4.0%</b>	1.1%



**At the end of the reporting period, the Group had financial funds 7.1 million euros (11.0% of the balance sheet volume). As at 31.03.2017, the balance of financial funds were 3.6 million euros (10.7% of the balance sheet volume).**

The working capital was 4.6 million euros (31.03.2017: 11.5 million euros).

The current ratio showing short-term ability to meet payments was 1.2 as of 31.03.2018 (31.03.2017: 2.4).

Net debt was positive, in total 16.7 million euros as of the closing date (31.03.2017: 1.6 million euros). Increase in net debt is caused by investment loans for acquiring new subsidiaries.

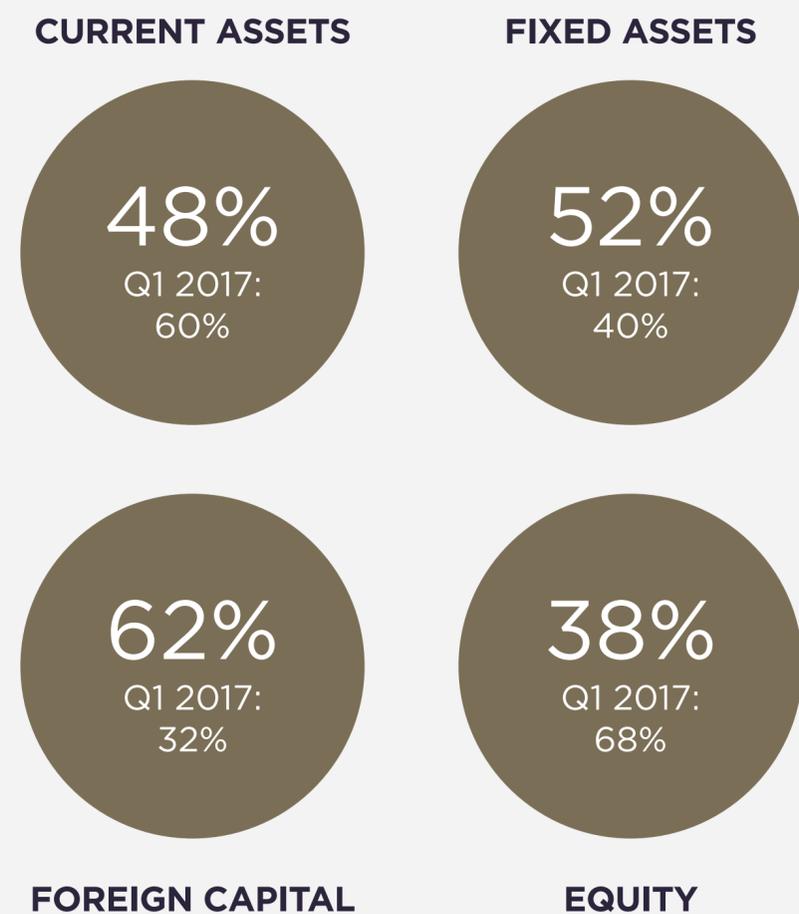
Financial gearing showing net debt ratio to gross capital was 40.6% as of 31.03.2018 (31.03.2017: 6.4%).

Net debt to EBITDA ratio was 2.7 as of 31.03.2018 (31.03.2017: 6.4).

The Group has been able to retain its strong financial position that ensures sustainability and helps adjust to complex market conditions more flexibly.

# BALANCE SHEET ANALYSIS

## BALANCE SHEET STRUCTURE AT THE END OF THE 1<sup>ST</sup> QUARTER 2018:



As of 31.03.2018 consolidated total assets of PRFoods stood at 64.8 million euros, increase of 31.5 million euros, i.e. +94.4%, within a year. The increase in assets came mostly from acquiring new subsidiaries. The full purchase analysis are not completed yet and therefore not all immaterial assets recognised as well as assets and liabilities re-evaluated. Purchase analysis will be completed for annual report.

### CURRENT ASSETS

The Company`s current assets were 31.0 million euros as at 31.03.2018, and the balance of cash and bank accounts was 7.1 million euros. Accounts receivable and prepayments increased by 3.2 million euros within a year, reaching 5.8 million euros (31.03.2017: 2.6 million euros).

Inventories were 13.5 million euros, increase 6.3 million euros within a year. Biological assets were 4.6 million euros, decreasing by 2.0 million euros compared with the same period in previous year. Biomass as at 31.03.2018 was 1,048 tonnes, which was 87 tonnes less compared to last year. The decrease in biological assets was caused by decrease in market price of rainbow trout. The price of rainbow trout decreased by -17.9% as at 31.03.2018 compared to 31.03.2017.

### FIXED ASSETS

Total fixed assets were 33.9 million euros as at 31.03.2018, increased by 20.4 million euros. Investments into fixed assets in the 15 months of 2017-2018 were 1.0 million euros (12 months 2016: 1.1 million euros).

### FOREIGN CAPITAL

Accounts payable and prepayments were 14.5 million euros as at 31.03.2018 (31.03.2017: 4.0 million euros), showing a year-on-year increase by 10.6 million euros. Trade payables increased by 4.0 million euros. Short term payables include deferred payments to shareholders for John Ross Jr.

(Aberdeen) shares in amount of 2.2 million euros and provision for non-controlling shareholders buyout in amount 2.7 million euros. Management considers realization of the buyout very unlikely.

Short term loans and borrowings increased by 7.3 million euros compared to last year, reaching 11.6 million euros as at 31.03.2018 (31.03.2017: 4.3 million euros). Increase in short term debt liabilities was influenced by increase in overdraft usage by 3.7 million euros and short-term payables for investment loans in amount 4.1 million euros.

Non-current liabilities were 13.9 million euros as at 31.03.2018, increased by 11.8 million euros. Long term liability of investment loans totalled 11.0 million euros as at 31.03.2018.

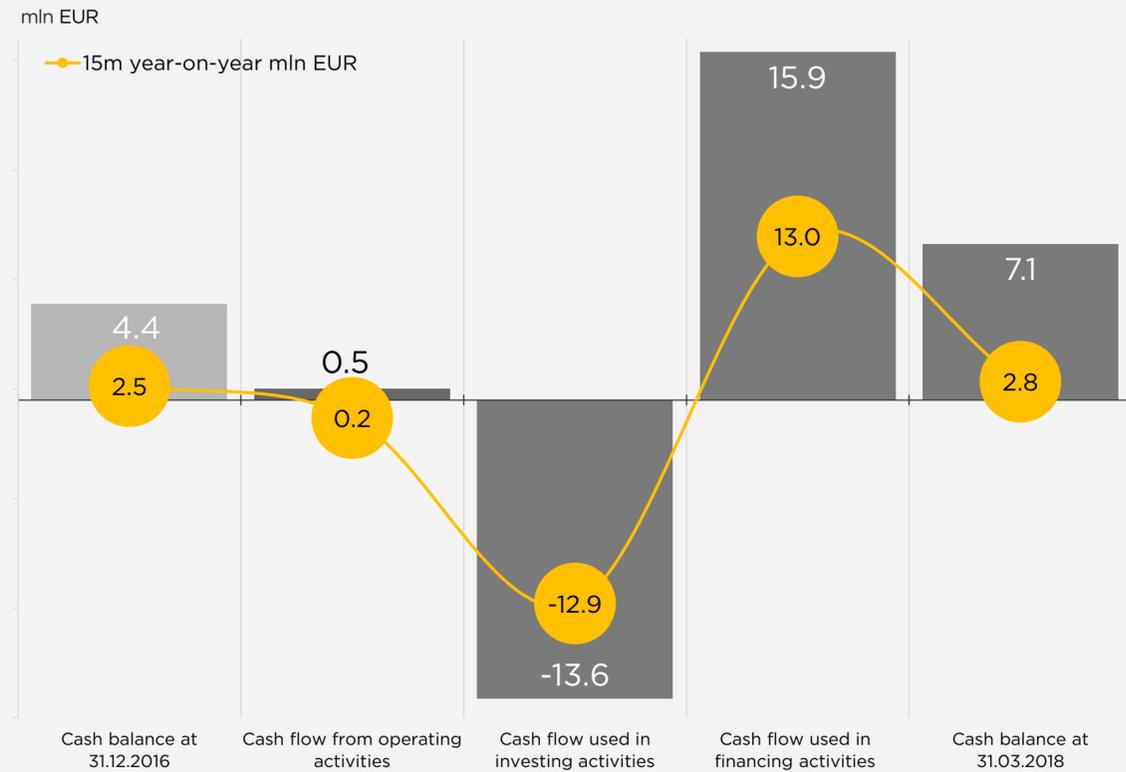
### EQUITY

Equity of PRFoods was 24.5 million euros as at 31.03.2018 (37.8% of the balance sheet total). Comparative data as at 31.03.2017 were 22.8 million euros (68.5% of the balance sheet total).

As at 31.03.2018, the Company`s registered share capital was 7.7 million euros (31.03.2017: 7.7 million euros). The shareholders adopted a resolution at the general meeting of shareholders held on 30 May 2017 to transfer 36 thousand euros from the net profit earned in 2016 to the reserve, and not to distribute the rest of the profit.

# CASH FLOWS

## CHANGE IN CASH AND CASH EQUIVALENTS 15 MONTHS 2017/2018



**The change in the Group`s financial resources within the 15 months of 2017-2018 was +2.8 million euros (12 months 2016: +2.5 million euros).**

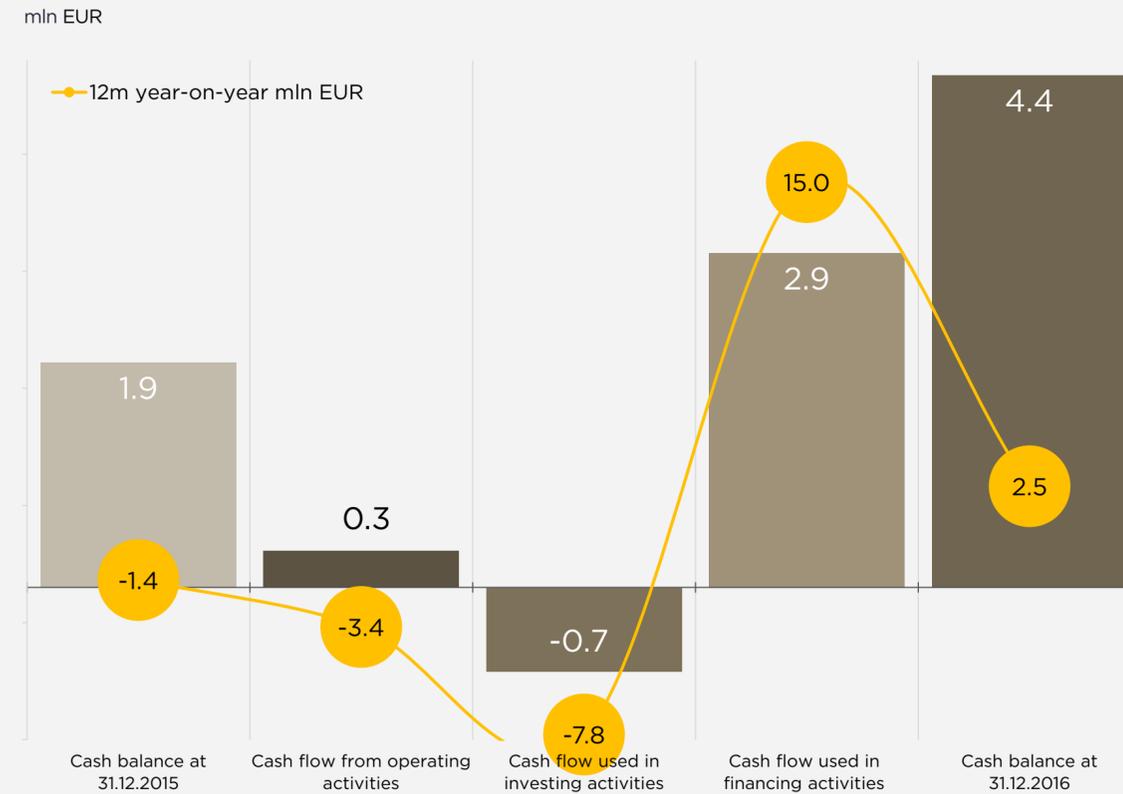
Cash flow from operating activities in the 15 months of 2017-2018 was +0.5 million euros (12 months 2016: +0.3 million euros), increasing compared to 31.12.2016 by +0.2 million euros, i.e. +61.9%. Cash flow from operating activities was negatively influenced by the increase in inventories (effect on cash flow -8.1 million euros) and increase in receivables and prepayments (effect on cash flow -1.7 million euros). Cash flow from operating activities

was positively influenced by increase in payables and prepayments (effect on cash flow +9.5 million euros) and decrease in biological assets (effect on cash flow +3.0 million euros).

Cash flow from investing activities was -13.6 million euros (12 months 2016: -0.7 million euros). Investments, net of cash received to subsidiaries were 13.1 million euros. Monetary payments for fixed assets were 1.0 million euros. In year 2017 total 293 thousand euros was received as government grants for various projects.

Cash flow from financing activities was +15.9 million euros

## CHANGE IN CASH AND CASH EQUIVALENTS 12 MONTHS 2016



(12 months 2016: +2.9 million euros). Cash flow was influenced by receiving investment loans in amount 14.0 million euros and increase of overdraft usage in the amount +3.7 million euros. During the reporting period, repayments of the principal of investment loans were 0.6 million euros, interests of investment loans were 0.5 million euros and financial lease were in 0.5 million euros (12 months 2016: no payments for investment loans and finance lease repayments 0.3 million euros). The rest of financing activities include buy-back transactions of own shares and interest payments and dividends paid to JRJ&PRF Ltd minority shareholders.

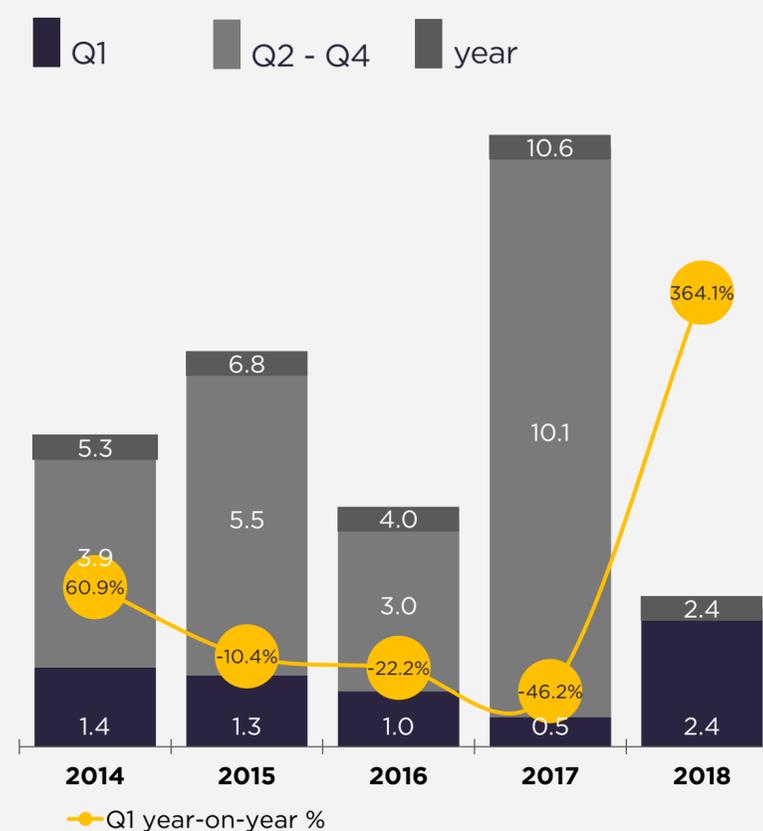
# OVERVIEW: REVENUE AND PROFITABILITY 1<sup>ST</sup> QUARTER 2013-2017

Negative impact on Company's EBITDA from revaluation of biological assets was -0.12 million euros in 1<sup>st</sup> quarter of 2018, negative impact of -0.27 million euros in 1<sup>st</sup> quarter of 2017.

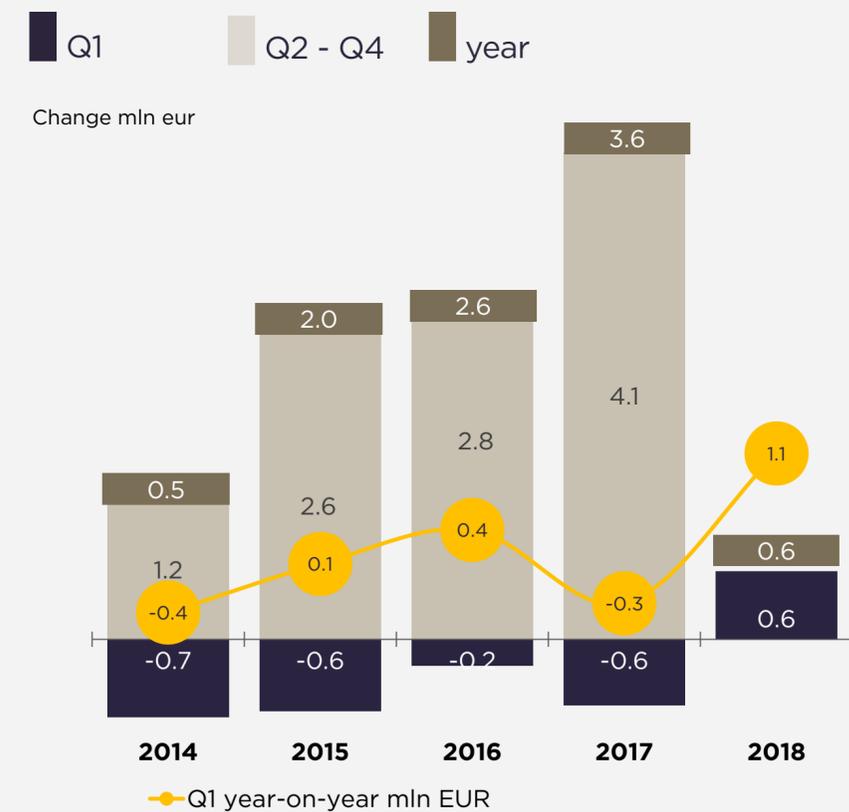
**Sales revenue in 2014-2018, mln EUR**  
**Q1 2018: +12.2 mln EUR, i.e. +115.3%**



**Gross profit in 2014-2018, mln EUR**  
**Q1 2018: +1.9 mln EUR, i.e. +364.1%**



**EBITDA 2014-2018, mln EUR**  
**Q1 2018: 0.58 mln EUR, change +1.14 mln EUR**



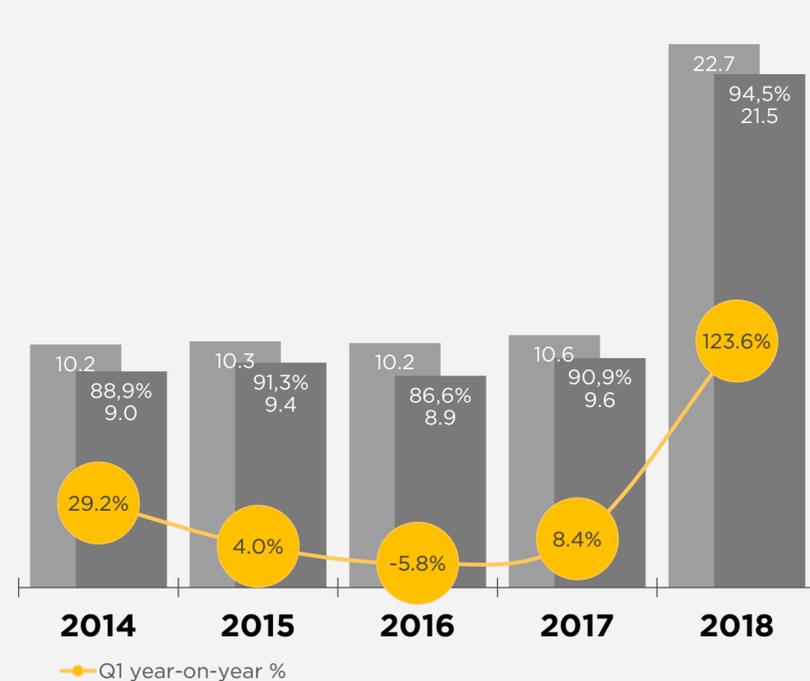
# SALES BY GEOGRAPHIC AREA 1<sup>ST</sup> QUARTER 2014-2017

Revenue increased by +12.2 million euros, i.e. +115.3% in 1<sup>st</sup> quarter of 2018. Acquired subsidiaries contributed to sales increase by 12.7 million euros in 1<sup>st</sup> quarter of 2018. The sales volume increased by +171.7%, i.e. +2,275 tonnes in 1<sup>st</sup> quarter of 2018 compared previous year.

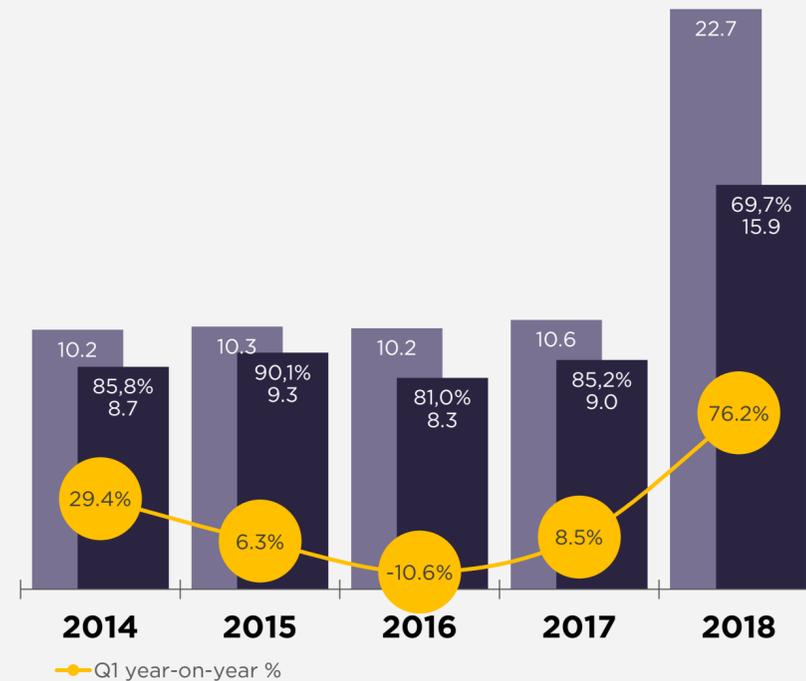
In 1<sup>st</sup> quarter of 2018 revenue in Finnish target market grew +6.9 million euros, i.e. +76.3%. The share of Finnish market from total sales decreased by -15.5 percentage points. The increase in revenues in Finnish target market is caused by price increase of salmon and rainbow trout as well as sales volume of Trio Trading Ab.

Revenue from Estonian market increased by +0.3 million euros i.e. +31.6%. The share of Estonia's target market decreased by -3.5 percentage points. Revenue from new target market UK increased to 2.9 million euros. The share of UK's market was 12.8% of total revenue. Export revenue in other markets increased by +0.6 million euros, i.e. +346,3%.

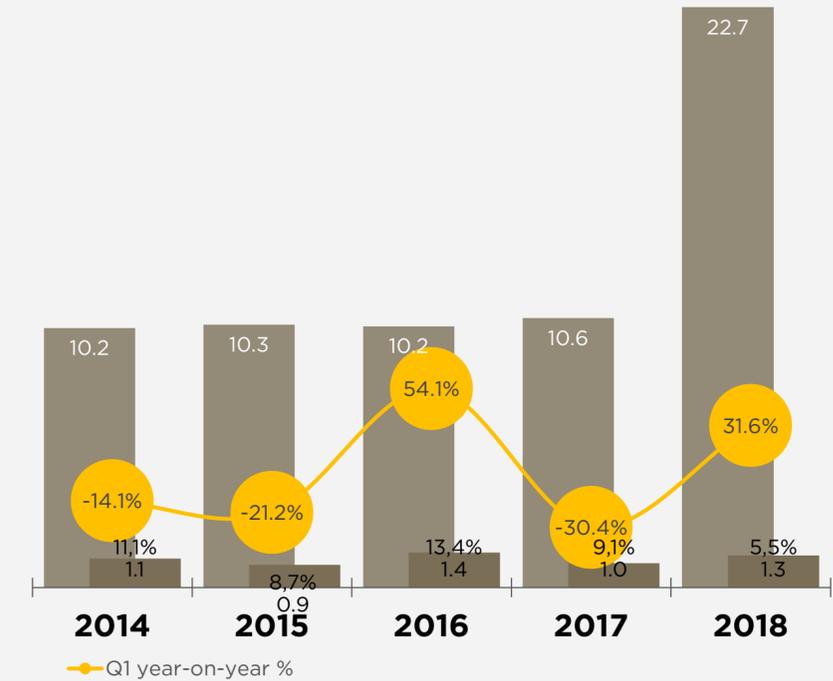
Share of exports revenue mln EUR



Share of Finnish revenue mln EUR



Share of Estonian revenue mln EUR



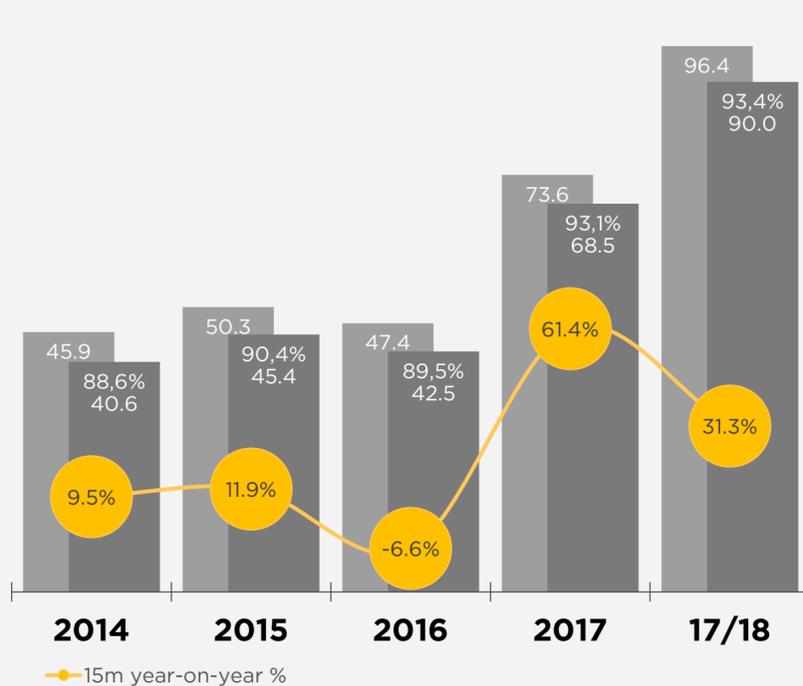
# SALES BY GEOGRAPHIC AREA 15 MONTHS OF 2017/2018

In 15 months of 2017-2018 the revenue was 96.4 million euros. PRFoods pro forma sales revenue in 15 months would have been 132.5 million euros if all companies would have been consolidated into the Group since beginning of the year.

Pro forma revenue is divided by largest target markets in 15 months 2017-2018 as following: Finland 93.3 million euros, UK 17.1 million euros, Estonia 7.6 million euros, Latvia 7.0 million euros, France 3.6 million euros, Greece 1.1 million euros and Sweden 0.5 million euros. Remaining revenue 2.3 million euros consists of export to various countries,

including Italy 0.4 million euros and Belgium 0.3 million euros, Hong Kong 0.3 million euros. By sales revenue, next larger markets are Japan and Kuwait.

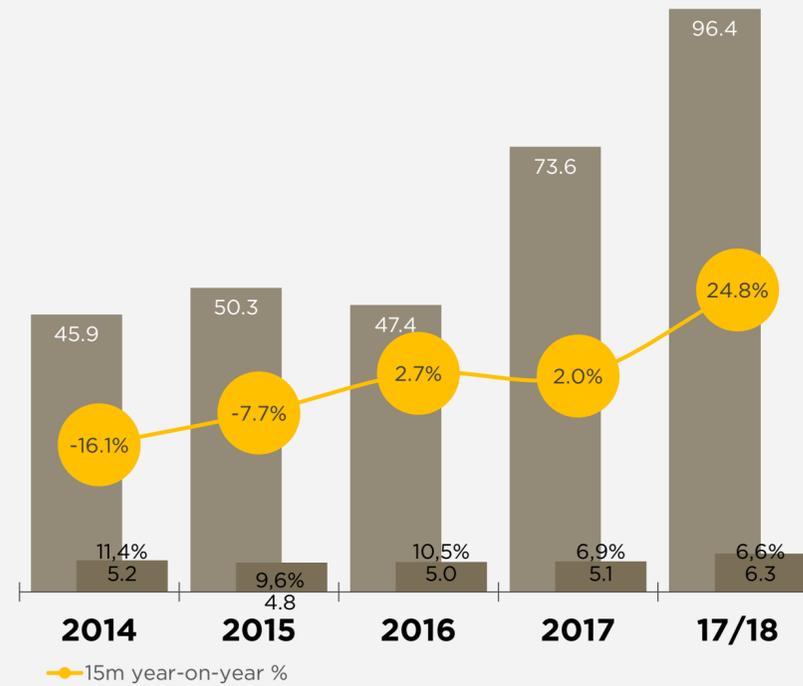
Share of exports revenue mln EUR



Share of Finnish revenue mln EUR



Share of Estonian revenue mln EUR



# SALES BY PRODUCT AND CLIENT SEGMENTS

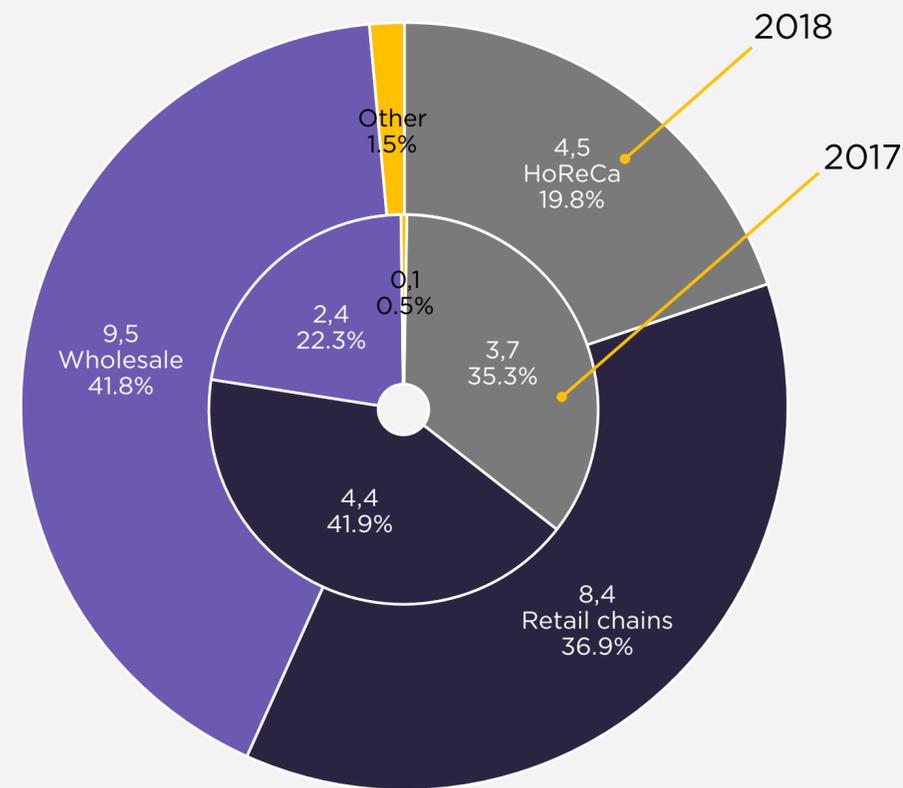
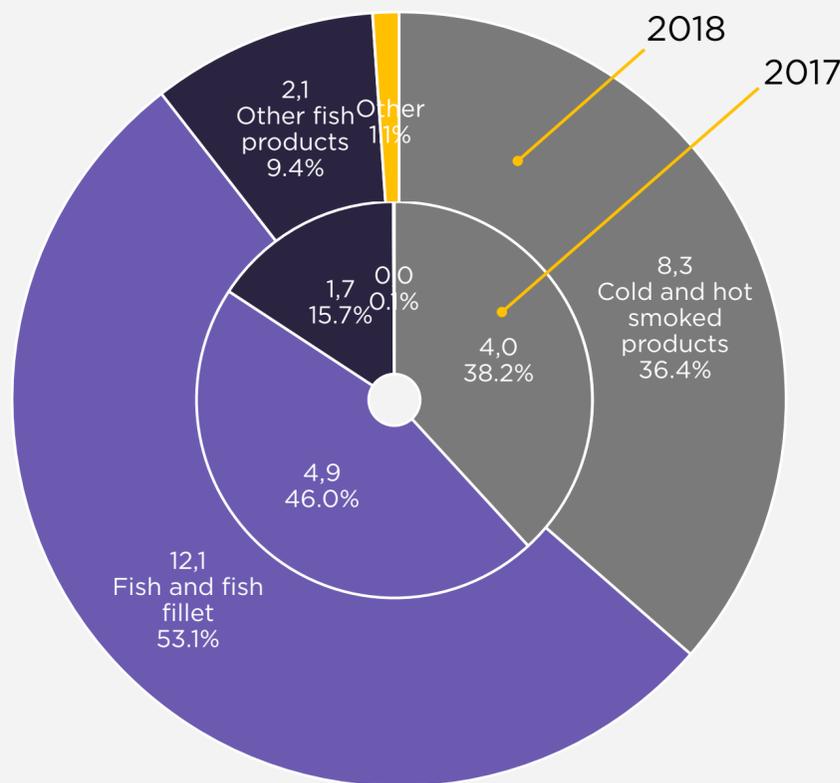
## 1<sup>ST</sup> QUARTER 2018 AND 1<sup>ST</sup> QUARTER 2017

### Product segments

The largest increase in revenue in 1<sup>st</sup> quarter of 2018 came from the raw fish and fillets product group, which increased by +7.2 million euros in total i.e. +148.1%. The revenue from the smoked products group increased by +4.2 million euros, i.e. +105.3%. The revenue from the other fish products group increased by +0.5 million euros i.e. +29.5%.

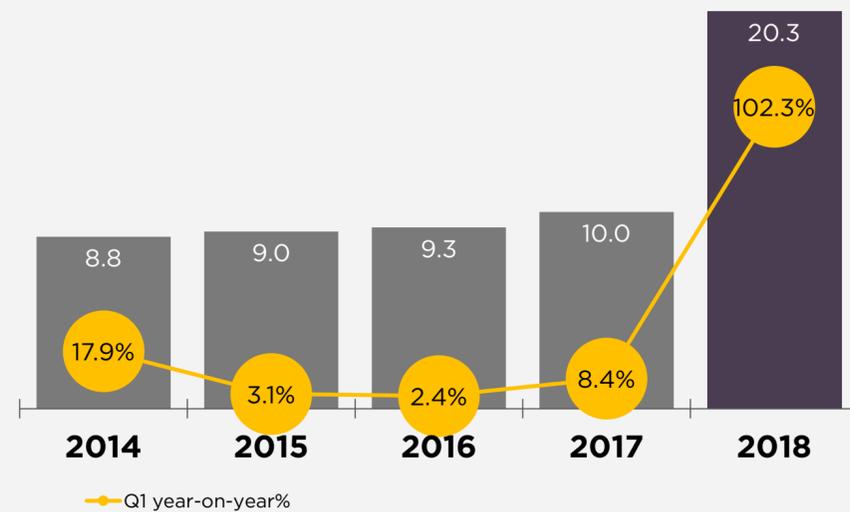
### Client segments

Revenue increased in HoReCa sector by +0.8 million euros, i.e. +21.1% in 1<sup>st</sup> quarter of 2018. In retail sector the revenue increased by +4.0 million euros, i.e. +89.6%. In wholesale sector the revenue increased by +7.1 million euros, i.e. +303.0%.

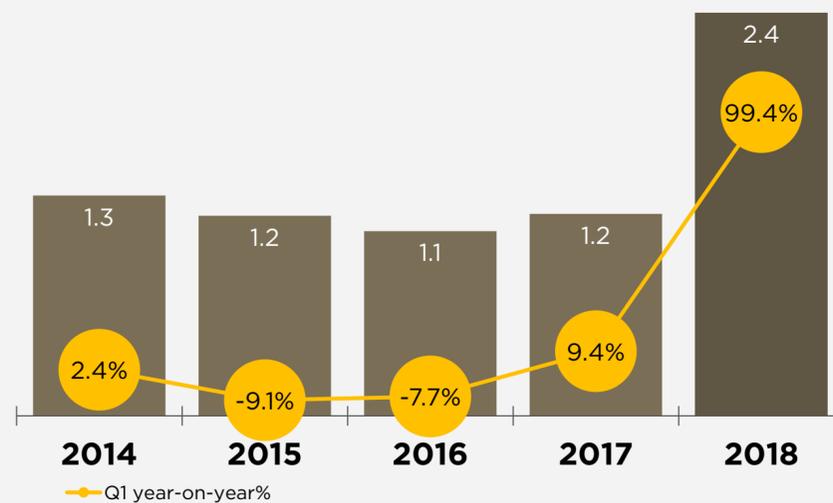


# COST 1<sup>ST</sup> QUARTER 2014-2018

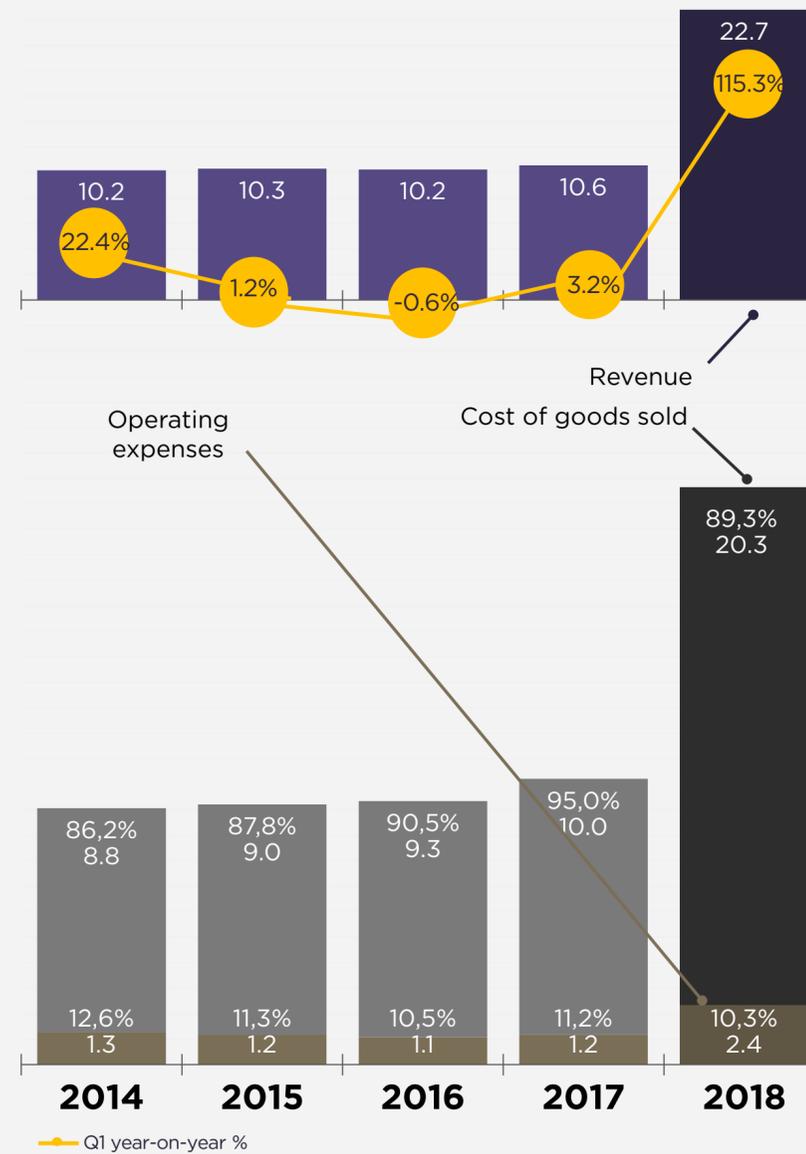
Cost of goods sold mln EUR



Operating expenses mln EUR



Cost structure and as % of sales



Sales revenue increased by +12.2 million euros, i.e. +115.2%, in the 1<sup>st</sup> quarter of 2018. Cost of goods sold increased by +10.3 million euros, i.e. +102.3%, and the percentage of cost of goods from the revenue decreased -5.3 percentage points compared to the same period in 2017.

As the price of raw material has been very volatile this year, the Company is focused on abandoning low margin product groups.

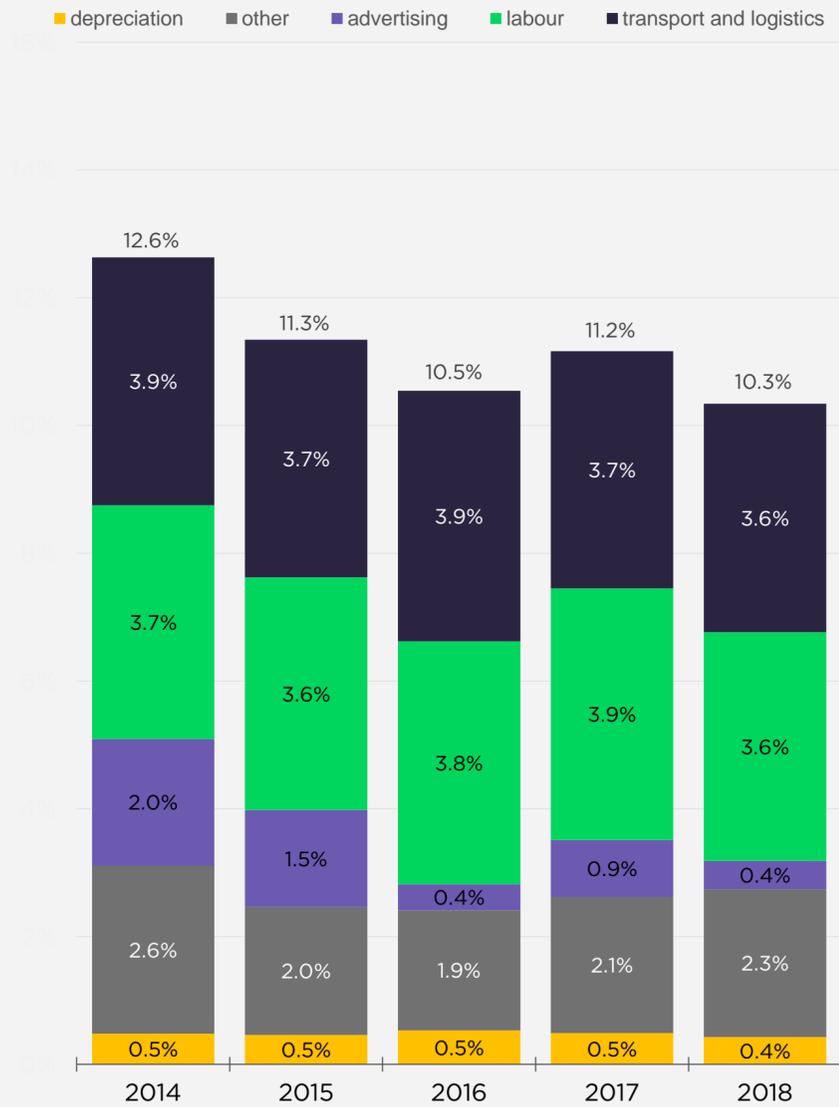
Main proportion, more than 80%, of costs of goods sold constitutes to be raw material cost (raw fish). The rest is mainly packaging and fish feed costs.

# COST STRUCTURE OVERVIEW 1<sup>ST</sup> QUARTER 2014-2018

**The portion of operating cost of goods sold in the revenue**



**The portion of operating costs in the revenue**



The percentage of cost of goods sold in the sales revenue was 89.3% (1<sup>st</sup> quarter 2017: 95.0%) and the percentage of operating costs was 10.3% (1<sup>st</sup> quarter 2017: 11.2%) in the reporting period.

The ratio of other cost of goods sold to the sales revenue was 6.3% in the 1<sup>st</sup> quarter of 2018 (1<sup>st</sup> quarter 2017: 8.3%), showing a decrease of -2.0 percentage points. The composition of other cost of goods sold include heating, electricity, rent and utilities costs, and costs incurred in relation to fish farming and auxiliary activities in production. Salary costs of production and fish farms' personnel accounted for 7.5% of the revenue, which has increased year-on-year by +0.9 million euros, i.e. +0.3 percentage points.

The operating costs of the 1<sup>st</sup> quarter of 2018 increased year-on-year by +1.2 million euros in total, i.e. +99.4%. The objective of the Company is to reduce consistently the portion of operating costs in the revenue year after year. The ratio of operating costs to sales decreased by -0.8 percentage points.

# COST ANALYSIS

## THE 1<sup>ST</sup> QUARTER OF 2018 COMPARED TO THE 1<sup>ST</sup> QUARTER OF 2017

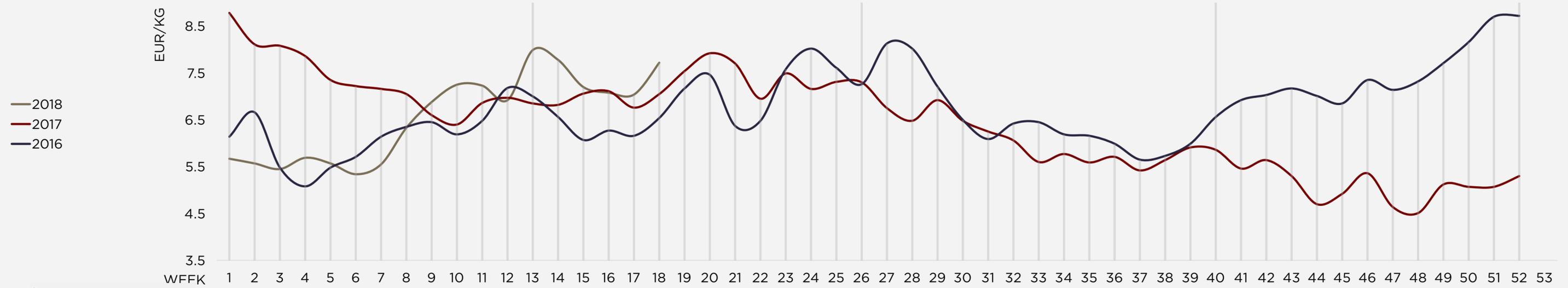


	Q1 2018 mln eur	Q1 2017 mln eur	change mln eur	Q1	Q1 2018 % of sales	Q1 2017 % of sales	change % of sales	Q1
<b>Sales revenue</b>	<b>22.74</b>	<b>10.56</b>	<b>12.18</b>	↑	<b>100.00%</b>	<b>100.00%</b>		
<b>Cost of goods sold</b>	<b>- 20.30</b>	<b>- 10.04</b>	<b>- 10.26</b>	↓	<b>89.27%</b>	<b>95.02%</b>	<b>5.75%</b>	↑
materials in production and cost of goods purchased for resale	- 16.83	- 8.14	- 8.69	↓	73.99%	77.03%	3.04%	↑
labour costs	- 1.70	- 0.76	- 0.94	↓	7.49%	7.20%	-0.29%	↓
depreciation	- 0.36	- 0.26	- 0.09	↓	1.56%	2.48%	0.92%	↑
other cost of goods sold	- 1.43	- 0.88	- 0.55	↓	6.27%	8.31%	2.04%	↑
<b>Operating expenses</b>	<b>- 2.35</b>	<b>- 1.18</b>	<b>- 1.17</b>	↓	<b>10.34%</b>	<b>11.16%</b>	<b>0.82%</b>	↑
labour costs	- 0.81	- 0.42	- 0.40	↓	3.58%	3.94%	0.36%	↑
transport and logistics services	- 0.81	- 0.39	- 0.42	↓	3.58%	3.71%	0.13%	↑
depreciation	- 0.10	- 0.05	- 0.05	↓	0.43%	0.49%	0.06%	↑
advertising, marketing and product development	- 0.10	- 0.09	- 0.01	↓	0.44%	0.89%	0.45%	↑
other operating expenses	- 0.53	- 0.23	- 0.30	↓	2.31%	2.13%	-0.18%	↓
<b>Other income/-expenses</b>	<b>0.15</b>	<b>0.05</b>	<b>0.10</b>	↑	<b>0.67%</b>	<b>0.47%</b>	<b>-0.20%</b>	↑
incl one-offs	- 0.00	0.00	- 0.00	↓	0.02%	0.00%	-0.02%	↓
<b>Financial income/-expenses</b>	<b>- 0.39</b>	<b>- 0.03</b>	<b>- 0.36</b>	↓	<b>1.71%</b>	<b>-0.27%</b>	<b>-1.44%</b>	↓

# THE MARKET PRICE OF FISH: SALMON AND RAINBOW TROUT



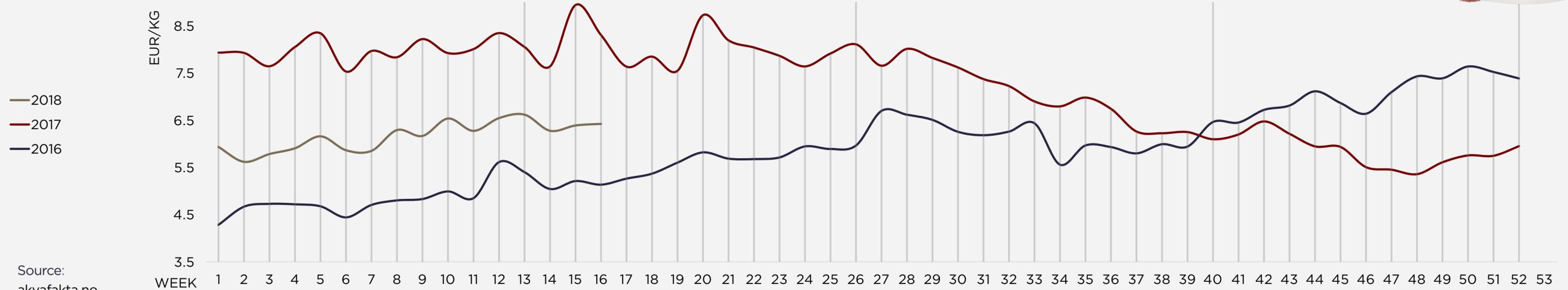
EXPORT PRICE OF NORWEGIAN SALMON



Source: NASDAQ Salmon Index



EXPORT PRICE OF NORWEGIAN RAINBOW TROUT



Source: akvafakta.no

## THE MARKET PRICE OF FISH: SALMON AND RAINBOW TROUT

Large producers establish their production plans for three years in advance since it is difficult and more expensive to use a shorter production cycle in fish farms dependent of market needs. Therefore, the supply of fish in the world market is extremely rigid in the short-term, while market demand is shifting depending on the season. This is causing an imbalance in the supply and demand of fish on

the world market which is why the market price of raw fish is always fluctuating. Fish market is extremely dependent on availability and market price of raw fish. The Group compensates the impact of external environment and volatility of salmon price through the changes of Company's production and sales strategy.

The Group's main product is rainbow trout, which is traditionally cheaper than salmon. Consumers start to buy cheaper salmon species, including rainbow trout, when the market price of salmon increases. In addition, high quality fish which is produced in its own fish farming helps to mitigate the increase of market price of salmon.

Market price EUR/KG	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Salmon	7.99	6.85	5.30	8.72
Rainbow trout	6.62	8.06	5.95	7.39
Market price change %	31.03.18 / 31.03.17		31.03.18 / 31.12.17	
Salmon	16.6%		50.8%	
Rainbow trout	-17.9%		11.3%	

The Group uses the Norwegian export statistics for evaluation of the fish stock of rainbow trout (Source: akvafakta.no).

For evaluation of the fish stock of whitefish, the monthly market price survey of the Finnish Fish Farmers' Association is used.

# THE AVERAGE MARKET PRICE OF FISH



This year, as in previous year, we have seen a very rapid increase in the price of salmon and rainbow trout in the world market, which on the one hand positively affects our fish farming operations, but at the same time, not all of the increase has not yet been translated into end prices. The price of trout

has historically been lower than salmon, but in 2017 we can see that the price of trout has become higher than the price of salmon.

The high price of salmon and rainbow trout had a direct impact on the Company`s financial results of

the year 2017. Although the price of Norwegian trout has decreased during second half of 2017 and in the beginning of 2018, it remained on very high level compared to historical prices.

Average market price EUR/KG	Q1 2018	15m 2017	Q1 2017	12m 2017	12m 2016
Salmon	6.19	6.26	7.25	6.27	8.72
Rainbow trout	6.13	6.78	8.00	6.94	7.39

Average market price change %	Q1 18 / Q1 17	15m 17 / 12m 17	Q1 18 / 12m 17	Q1 18 / 12m 16	15m 17 / 12m 16
Salmon	-14.6%	-0.2%	-1.3%	-7.3%	-6.3%
Rainbow trout	-23.4%	-2.3%	-11.7%	7.0%	18.3%

The average market price of salmon has decreased by -14.6% in the 1<sup>st</sup> quarter of 2018 compared to the 1<sup>st</sup> quarter of 2017 and the average market price of rainbow trout has decreased by -23.4%.

The average market price of salmon has decreased by -0.2% in the 15 months of 2017-2018 compared to the 12 months of 2017 and the average market price of rainbow trout has decreased by -2.3%.

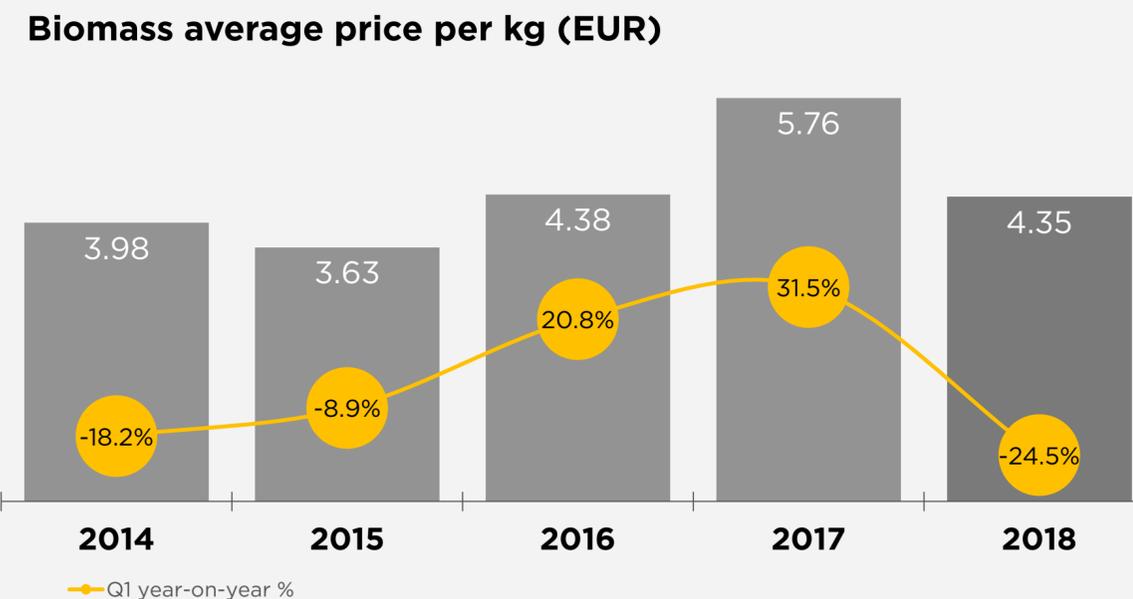
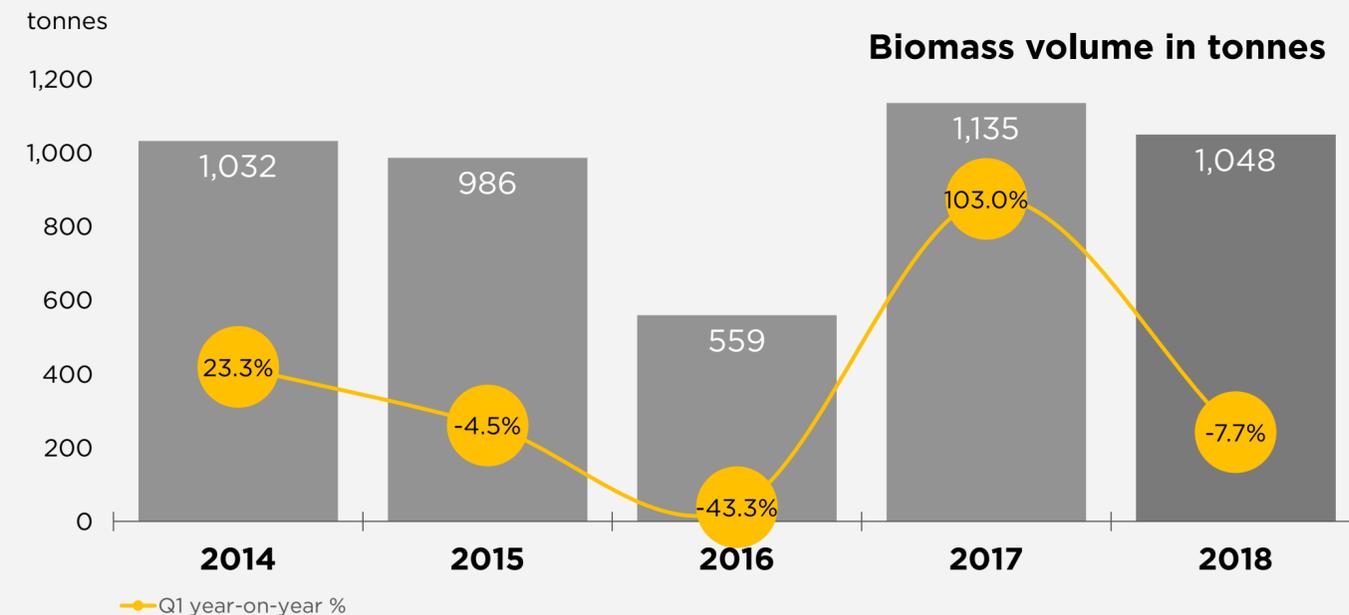
# BIOLOGICAL ASSETS: BIOMASS VOLUME AND AVERAGE PRICE PER KG 1<sup>ST</sup> QUARTER 2014-2018

	Q1 2014	Q1 2015	Q1 2016	Q1 2017	Q1 2018
Biological assets (milj EUR)	4.11	3.58	2.45	6.54	4.56
Biomass volume in tonnes	1,032	986	559	1,135	1,048
Average price per kg (EUR)	3.98	3.63	4.38	5.76	4.35
Fair value adjustment on biological assets (milj EUR)	-1.13	-1.03	-0.44	-0.27	-1.12

The amount of biological assets has decreased by -87 tonnes, i.e. -7.7% compared to the same period in previous year and in monetary terms has decreased by -2.0 million euros, i.e. -30.3%.

The aggregate growth of biological assets was positive during the 1<sup>st</sup> quarter 2018, amounting to 0.33 million euros (1<sup>st</sup> quarter 2017: +0.28 million euros). Also, the price of rainbow trout decreased by -10.4% as at 31.03.2018 compared to 31.12.2016.

As at 31.03.2018, the fair value of biological assets was 4.6 million euros (31.03.2017: 6.5 million euros). Biocigal assets value is also influenced by the decreased in the price of rainbow trout by -17.9% as at 31.03.2018 compared to 31.03.2017.



# BIOLOGICAL ASSETS: HARVESTED VOLUME 1<sup>ST</sup> QUARTER 2014-2018

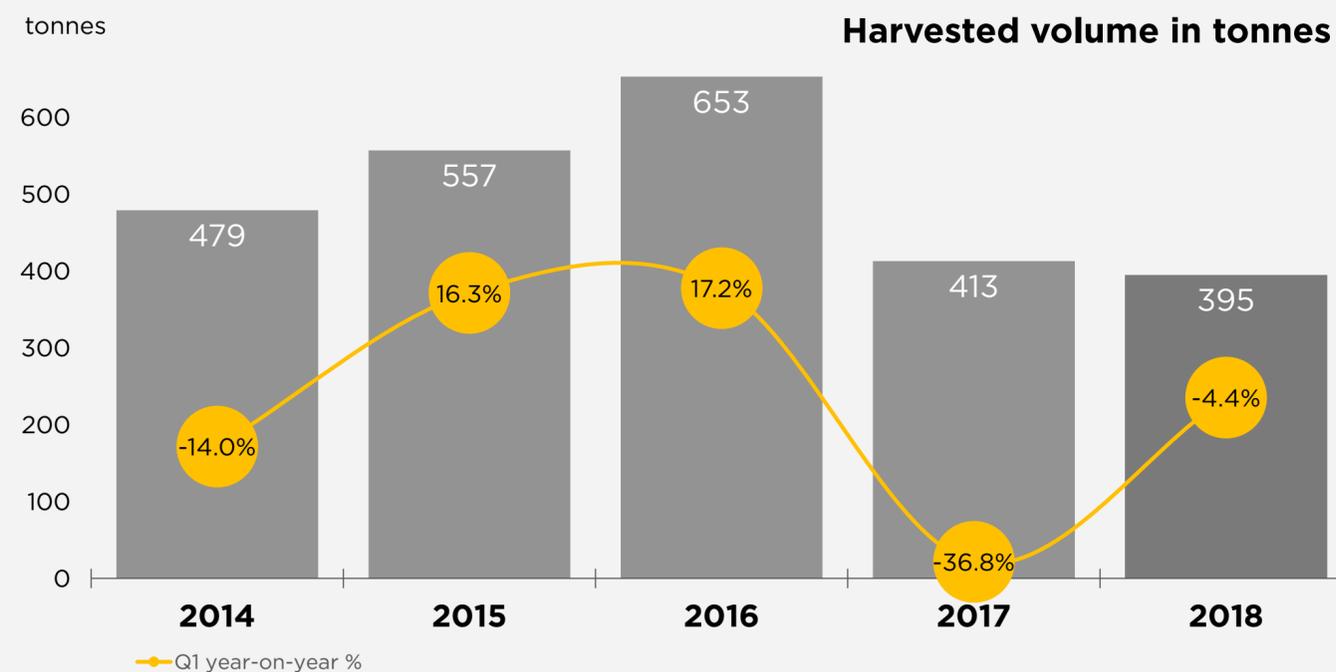


	Q1 2014	Q1 2015	Q1 2016	Q1 2017	Q1 2018
Sales revenue (milj EUR)	10.17	10.30	10.24	10.56	22.74
EBITDA from operations* (milj EUR)	0.49	0.42	0.22	-0.29	0.70
Harvested volume (tonnes)	479	557	653	413	395
EBITDA / kg* (EUR)	1.03	0.75	0.34	-0.70	1.77

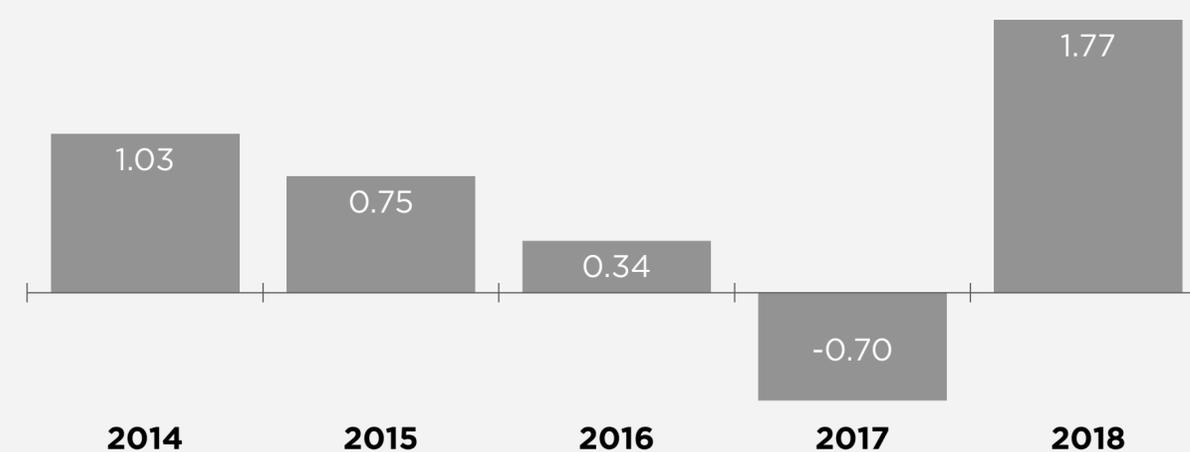
**During the reporting period agricultural produce in the amount of 395 tonnes was harvested, which has decreased by -4.4% compared to the same period in previous year. Produce in the amount of 413 tonnes was recorded at the same period in the previous year.**

When the market price of raw fish increases or decreases, so does the value of fish harvested in fish farms of PRFoods, which has a positive or negative impact on the company's financial results.

\* before one-offs and fair value adjustment of fish stock



**EBITDA from operations\* / kg EUR**



\* before one-offs and fair value adjustment of fish stock

## TEAM

FOR US, EVERY EMPLOYEE IS IMPORTANT

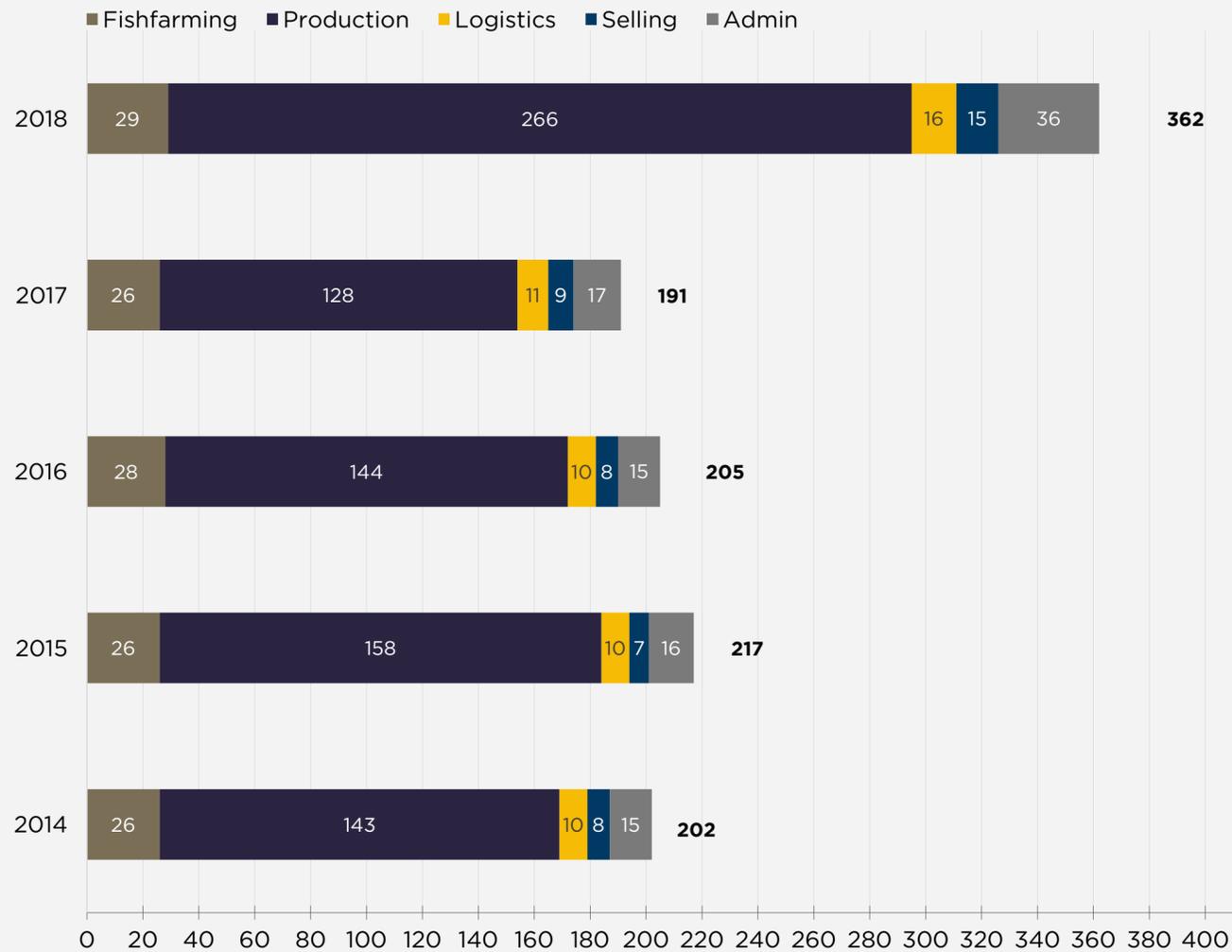
The average number of employees employed by PRFoods in the 1<sup>st</sup> quarter of 2018 was **362** people.

The average number of employees employed by PRFoods in the 15 months of 2017/2018 was **300** people.

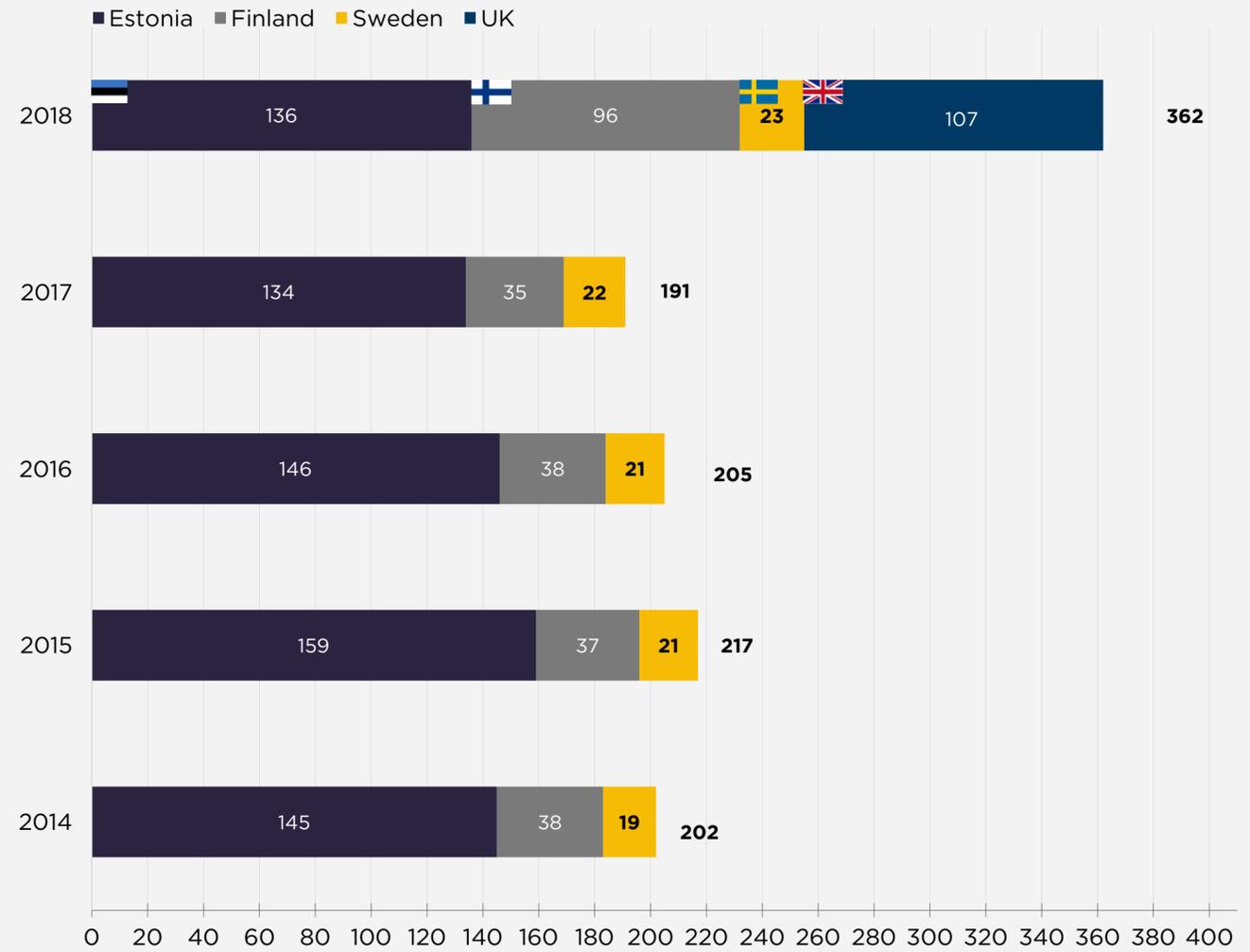


# STAFF STRUCTURE 1<sup>ST</sup> QUARTER 2014-2018

Employees according to area of activity



Employees by country



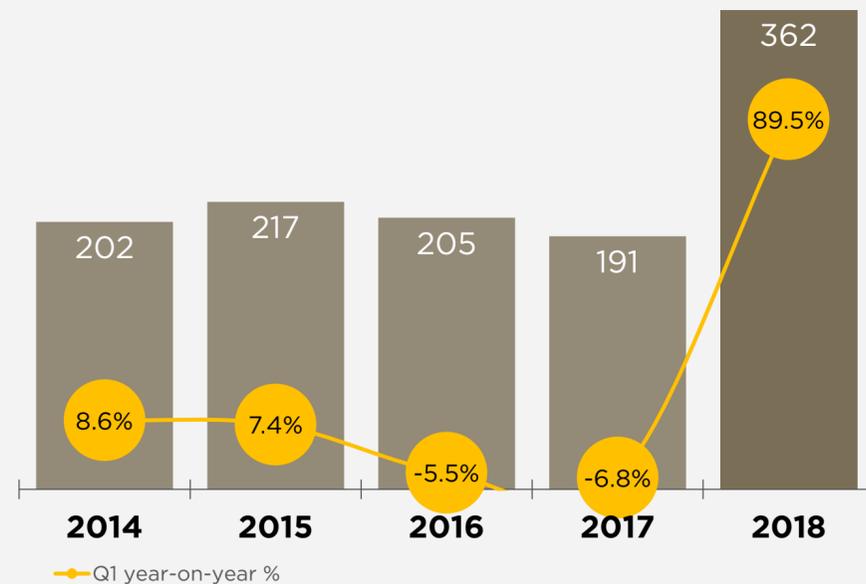
# LABOUR COST 1<sup>ST</sup> QUARTER 2014-2018

Labour costs in production were 1.7 million euros in the 1<sup>st</sup> quarter of 2018, increasing by +124.1% compared to same period previous year.

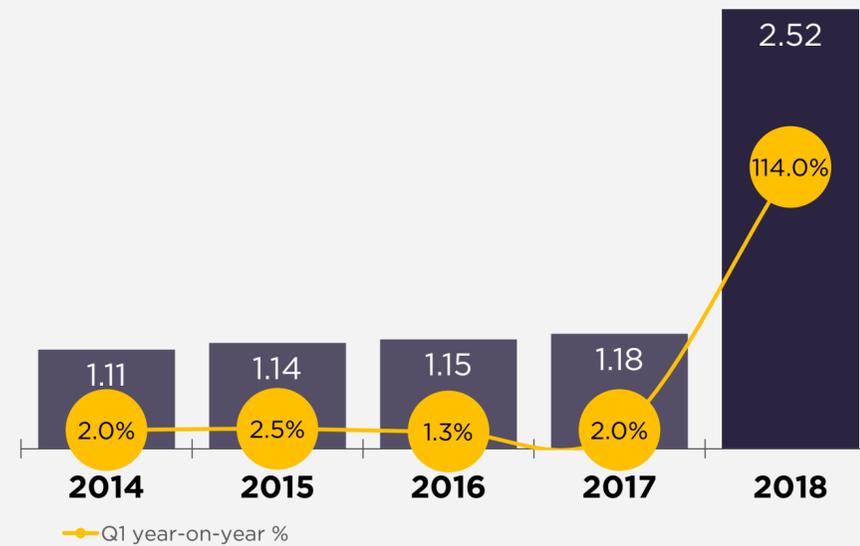
Labour costs of supportive personnel were 0.8 million euros in the reporting period, increasing by +95.7% compared to the same period in the previous year. The Group's labour costs were 2.5 million euros in 1<sup>st</sup> quarter of 2018, increasing year-on-year by +114.0%, i.e. +1.3 million euros.

The percentage of labour costs in the sales revenue was 11.1% (1<sup>st</sup> quarter 2018: 11.1%). Labour costs in production were 5.3 million euros in the 12 months of 2017, increasing by +63.3% compared to same period previous year.

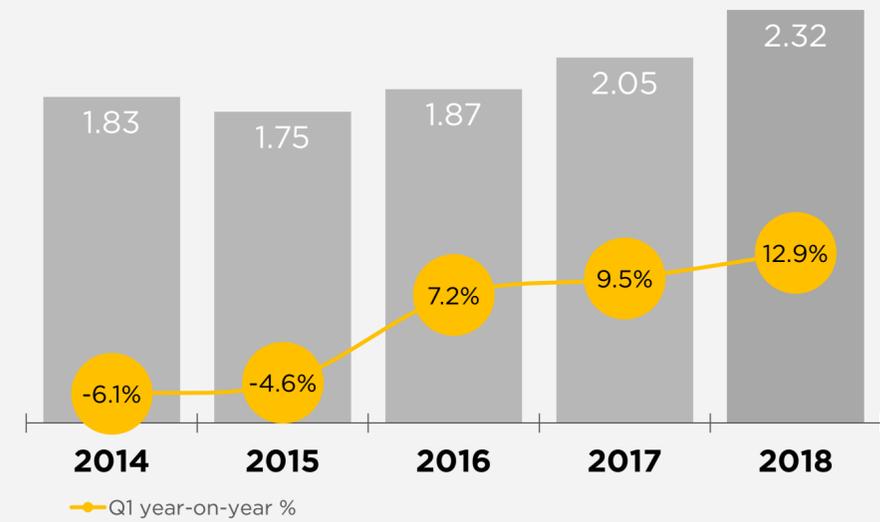
**Number of employees**



**Labour cost mln EUR**



**Monthly average payroll expenses per employee (thousand EUR)**

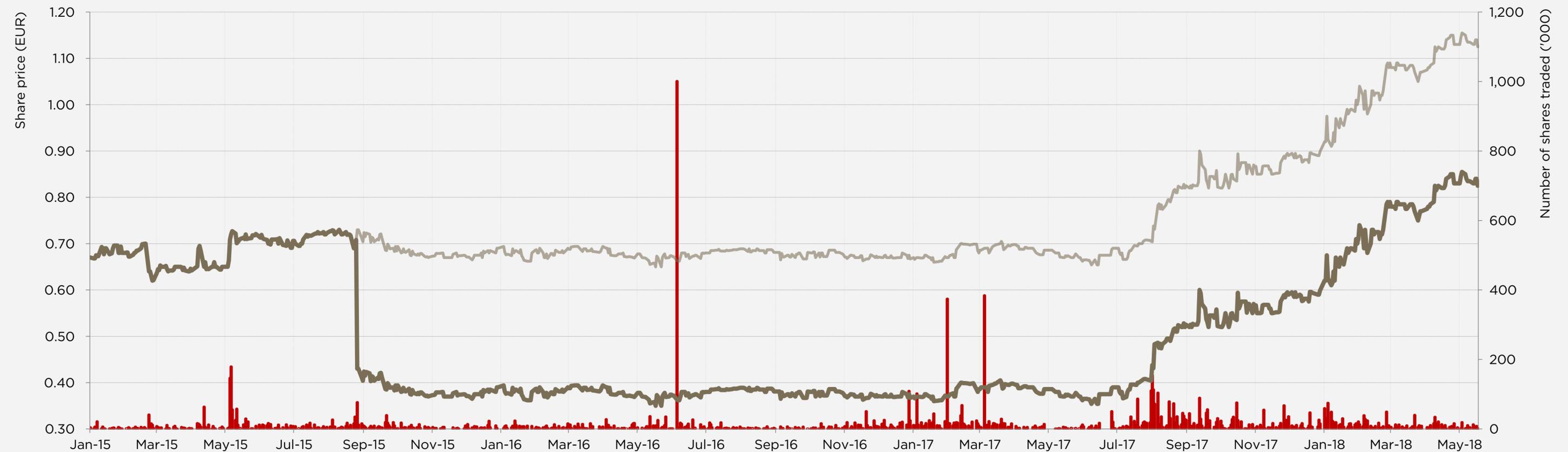


# DYNAMICS OF SHARE PRICE



According to decision of the shareholders meeting held on 28 May 2015, company's share capital was decreased by decreasing the nominal value of the share with making payments to the 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 calculated value of PRFoods share is currently 20 euro cents.

\*Dynamics of PRFoods's share price adjusted by the capital reduction payments.



## SHAREHOLDERS OF PRFOODS AS AT 31.03.2018

Shareholder	Number of shares	% of total 31.03.2018	% of total 31.12.2016	Change
ING Luxembourg S.A. (Nominee account)	24,258,366	62.71%	62.71%	-
Lindermann, Birnbaum & Kasela OÜ	1,547,378	4.00%	2.69%	+ 505,555
OÜ Rododendron	1,298,705	3.36%	3.36%	-
Ambient Sound Investments OÜ	1,239,116	3.20%	3.20%	-
Firebird Republics Fund Ltd.	1,195,270	3.09%	3.09%	-
Compensa Life Vienna Insurance Group SE	801,058	2.07%	1.92%	+ 58,000
Firebird Avrora Fund, Ltd.	648,220	1.68%	1.68%	-
OÜ Iskra Investeeringud	386,874	1.00%	0.05%	+ 369,155
LHV Pensionifond L	314,303	0.81%	2.73%	- 741,560
<b>Total largest shareholders</b>	<b>31,689,290</b>	<b>81.92%</b>	<b>81.43%</b>	<b>191,150</b>
Other minority shareholders	5,993,570	15.49%	16.88%	- 537,968
Treasury shares	1,000,000	2.59%	1.69%	+ 346,818
<b>Total</b>	<b>38,682,860</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-</b>

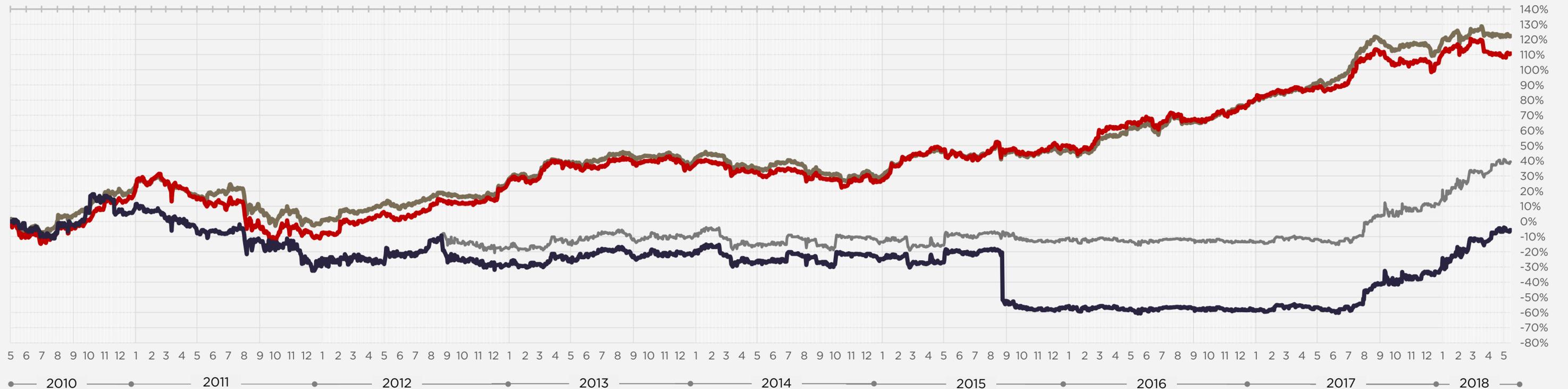


# CHANGE OF PRFOODS SHARE AND PROFITABILITY INDEXES FROM DATE OF LISTING

Indeks/share	5.05.2010	31.03.2018	change %
 <b>OMX Baltic Benchmark GI</b>	439.91	984.48	<b>+123.79%</b>
 <b>OMX Tallinn</b>	598.34	1,269.20	<b>+112.12%</b>
 <b>PRFoods share</b>	0.890	0.770	<b>-13.48%</b>
 <b>PRFoods share price adjusted*</b>	0.890	1.170	<b>+31.46%</b>

**PRFoods has distributed to its shareholders a total amount of 16.9 million euros in dividends and share capital reduction since its shares were publicly listed.** Baltic comparison index increased +123.79% during the given period, Tallinn Stock Exchange All-Share index increased +112.12% and PRFoods share price decreased 13.48%, due to the decrease of the share nominal value in August of 2012 and 2015 in the total amount of 40 euro cents.

\*The increase of PRFoods's share, adjusted by the capital reduction payments during the named period was +31.46%.





# PRFOODS

PREMIUM FISH PRODUCTS AND FISH FARMING

[prfoods.ee](http://prfoods.ee)

Vettel OÜ

Fish manufacturing production buildings in Saaremaal