



P R F O O D S

REPORT / 2015 Q1

2015.05.15

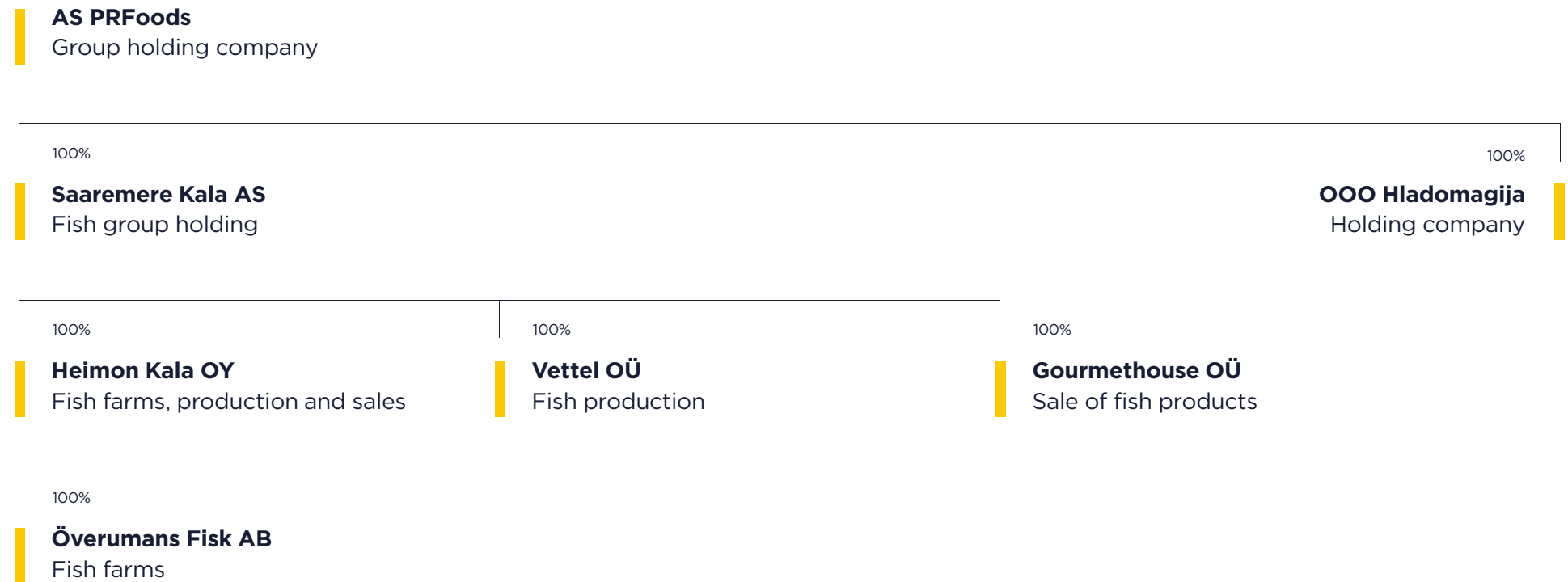
P R F O O D S

Premium fish products and fish farming

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Structure of AS PRFoods



Summary: 1st quarter and 3 months continuing operations

UNAUDITED CONSOLIDATED REVENUE

10.3 million euros (2014 Q1: 10.2),
increase 1.2% or 0.1 million euros.

GROSS MARGIN

12.2% (2014 Q1: 13.8%), decrease of 1.6
percentage points due to seasonal effects
of trading.

NEGATIVE IMPACT FROM REVALUATION OF BIOLOGICAL ASSETS

-1.0 million euros (2014 Q1. quarter
negative impact -1.1 million euros).

EBITDA

-0.6 million euros (2014 Q1: -0.7),
improvement of 0.1 million euros.

EBITDA FROM OPERATIONS

0.4 million euros (2014 Q1: 0.5),
decrease by 0.1 million euros.

OPERATING LOSS

-0.9 million euros (2014 Q1: -0.9)
approximately same level compared to the
same period of previous year.






NET LOSS

-0.5 million euros (2014 Q1: -0.9),
improvement of 0.4 million euros or 42.3%.

Key ratios of continuing operations: income statement

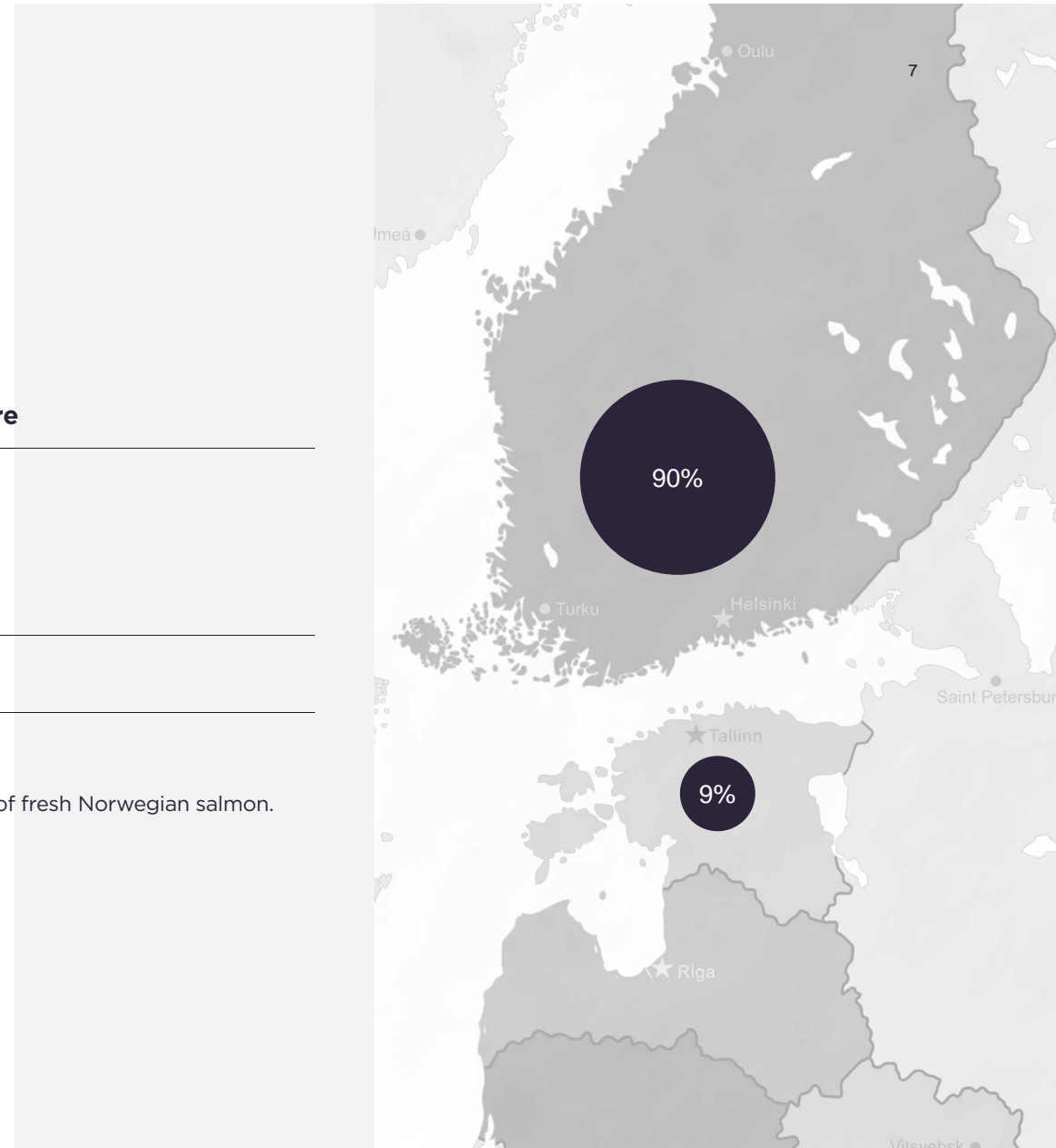
	2015 Q1 mln EUR	2014 Q1 mln EUR	
SALES	10.3	10.2	▲
GROSS PROFIT	1.3	1.4	▼
EBITDA FROM OPERATIONS	0.4	0.5	▼
EBITDA	-0.6	-0.7	▲
EBIT	-0.9	-0.9	▲
NET PROFIT	-0.5	-0.9	▲
GROSS MARGIN	12.2%	13.8%	▼
OPERATIONAL EBITDA MARGIN	4.1%	4.9%	▼
EBIT MARGIN	-8.6%	-9.2%	▲
NET MARGIN	-5.2%	-9.2%	▲
OPERATING EXPENSE RATIO	11.3%	12.6%	▲

Sales by countries 2015 Q1

	Sales mIn EUR	Change	Structure
Finland 	9.3	+6.3%	 90%
Estonia 	0.9	-21.2%	 9%
Other	0.1		 1%
TOTAL	10.3	+1.2%	

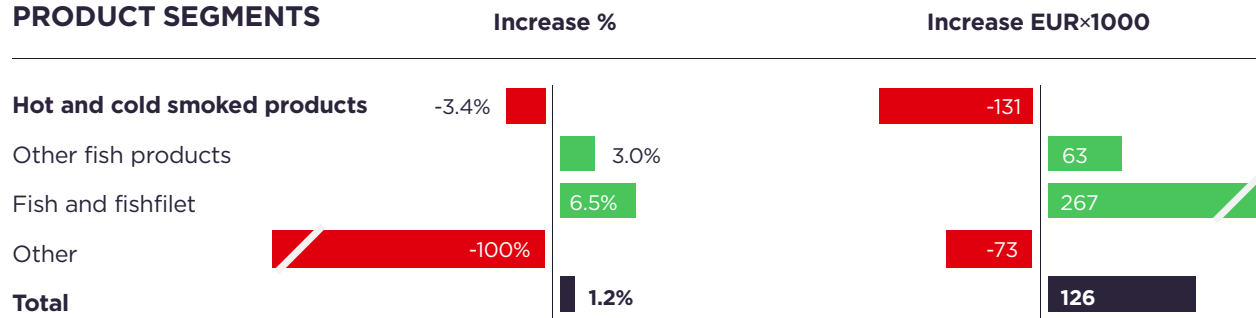
Wholesale volumes were higher than usual in the 1st quarter of 2015 in Finland.

Sales revenue in Estonia decreased due to lower focus on low-margin wholesale of fresh Norwegian salmon.



Revenue by product and client segments

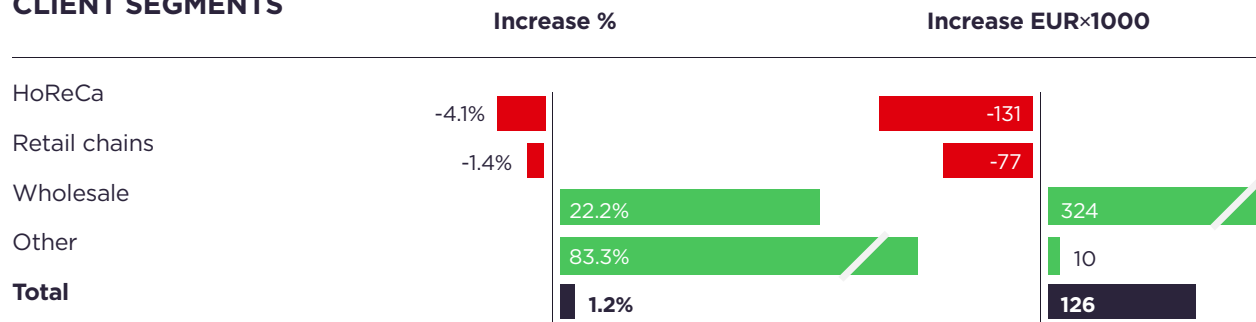
PRODUCT SEGMENTS



The biggest contribution to revenue growth was from the fish and fish fillet product category, totalling 0.3 million euros or 6.5%.

Revenue decreased in the retail sector in the hot and cold smoked product categories by -0.1 million euros or -3.4%. This included a total revenue decrease in the hot smoked product category of -0.2 million euros or -9.6% and sales in the cold smoked product category increased by 0.1 million euros or 8.5%.

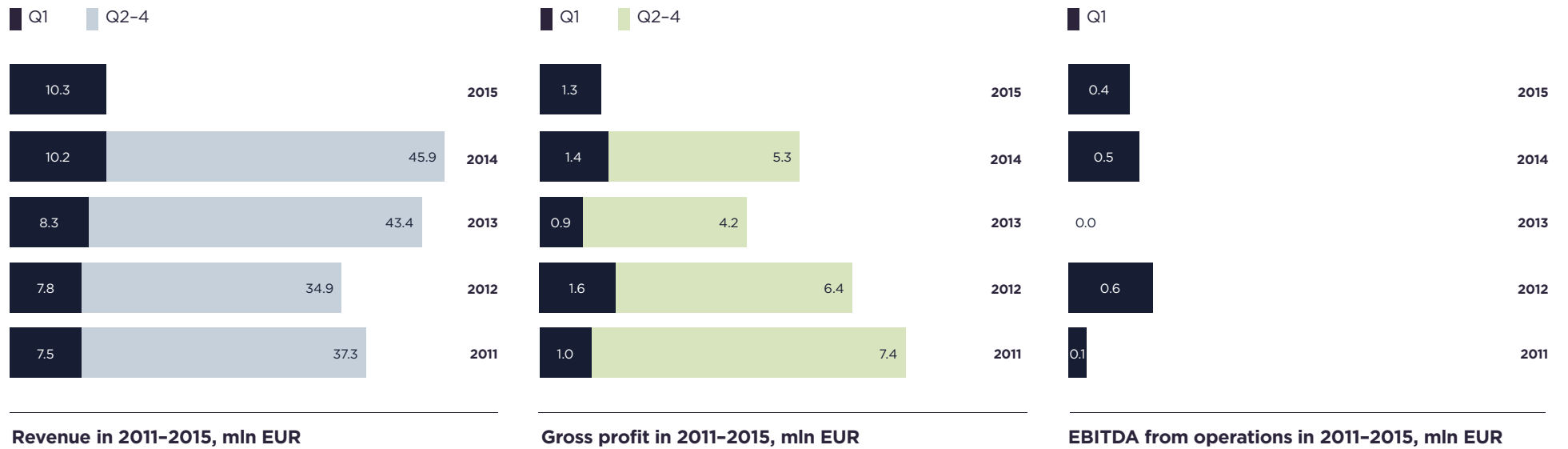
CLIENT SEGMENTS



Revenue by customer segment grew in the wholesale sector by a total of 0.3 million euros or 22.2% and fell in both the HoReCa and the retail sector by -0.1 million euros. The decrease in the HoReCa sector amounted to -4.1% and sales in the retail sector decreased by -1.4%.

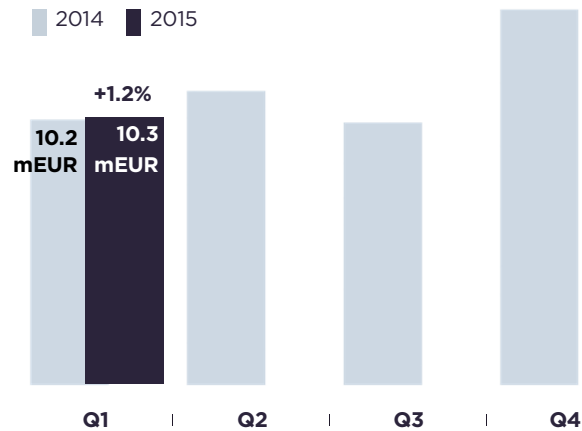
Revenue and profitability. Group total in 2011–2015 continuing operations

Negative impact on Company's EBITDA from revaluation of biological assets was -1.0 million euros in 1st quarter of 2015, -1.1 million euros in 1st quarter of 2014.



Fish and fish products

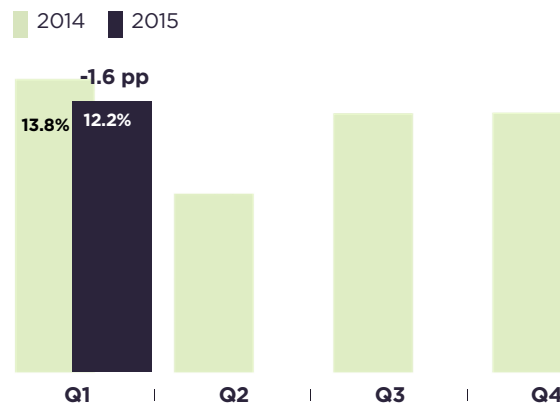
The biggest contribution to revenue growth was from the fish and fish fillet product category, totalling 0.3 million euros or 6.5%. Revenue by customer segment grew in the wholesale sector by a total of 0.3 million euros.



Q1: +0.1 mEUR
Revenue by quarters (mEUR) and yearly growth

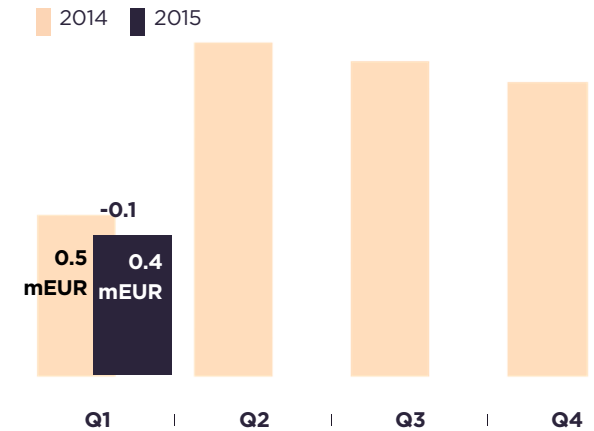
In the 1st quarter the market price of salmon and rainbow trout were respectively -15.4% and -14.9% lower compared to the 1st quarter of 2014.

Compared to the 4th quarter of 2014, the price of salmon increased by 3.6% and the price level of rainbow trout declined by - 2.1%.



Q1: gross profit -0.1 mEUR
Gross margin and yearly change

Negative impact on Company's EBITDA from revaluation of biological assets was -1.0 million euros in 1st quarter of 2015 (-1.1 million euros in 1st quarter of 2014).



Q1: -0.1 mEUR
EBITDA from operations and yearly change (mEUR)

Cost analysis

	Q1 2015 mln EUR	Q1 2014 mln EUR	change mln EUR	Q1 2015 % of sales	Q1 2014 % of sales	change % of sales
Sales	10.30	10.17	0.13	100.00%	100.00%	
Cost of goods sold	- 9.04	- 8.77	0.27	87.81%	86.24%	1.57%
incl one-off expenses	0.00	- 0.02	- 0.02	0.00%	0.24%	-0.24%
materials in production and cost of goods purchased for resale	- 7.23	- 7.07	0.16	70.18%	69.51%	0.67%
labour costs	- 0.76	- 0.74	0.02	7.41%	7.25%	0.16%
depreciation	- 0.23	- 0.23	- 0.00	2.24%	2.28%	-0.04%
other cost of goods sold	- 0.82	- 0.73	0.09	7.98%	7.20%	0.78%
Operating expenses	- 1.17	- 1.29	- 0.12	11.34%	12.63%	-1.29%
incl one-off expenses	- 0.38	- 0.37	0.01	3.64%	3.66%	-0.02%
labour costs	- 0.38	- 0.40	- 0.02	3.72%	3.88%	-0.16%
transport and logistics services	- 0.05	- 0.05	- 0.00	0.46%	0.48%	-0.02%
depreciation	- 0.16	- 0.20	- 0.04	1.52%	1.98%	-0.46%
advertising, merchandising, marketing and product development	- 0.21	- 0.27	- 0.06	2.00%	2.63%	-0.63%
other operating expenses	0.06	0.07	- 0.01	0.53%	-0.72%	1.25

Proforma balance sheet structure after the registration of the capital reduction

The nominal value of PRFoods share at the moment is 50 euro cents. The Supervisory Board proposes to the annual general meeting of shareholders held on 28 May 2015 to reduce the share capital by reduction in the nominal value of the share by 30 euro cents, as a result the new nominal value of the share will be 20 euro cents. The share capital reduction will be carried out by way of distribution to shareholders.

	The balance sheet structure after the registration of the reduction of share capital mIn EUR	31.03.15 mIn EUR
Cash and cash equivalents	0.4	4.0
Receivables and prepayments	3.4	11.4
Biological assets	3.6	3.6
Inventories	7.4	7.4
Total current assets	14.8	26.4
Financial assets	0.3	0.3
Tangible and intangible assets	12.9	12.9
Total non-current assets	13.1	13.1
ASSETS	27.9	39.5

The impact of the expected share capital reduction on the Group's statement of financial position is provided below based on data from the 1st quarter of 2015 if the general meeting of shareholders approves the proposal by the Supervisory Board of PRFoods concerning the reduction of share capital on 28 May 2015.

	The balance sheet structure after the registration of the reduction of share capital mIn EUR	31.03.15 mIn EUR
Short term loans and borrowings	0.2	0.2
Payables and prepayments	4.4	4.4
Total current liabilities	4.6	4.6
Long term loans and borrowings	0.5	0.5
Total non-current liabilities	0.7	0.7
Government grants	1.0	1.0
Equity	21.5	33.1
TOTAL EQUITY AND LIABILITIES	27.9	39.5

Proforma balance sheet structure after the registration of the capital reduction

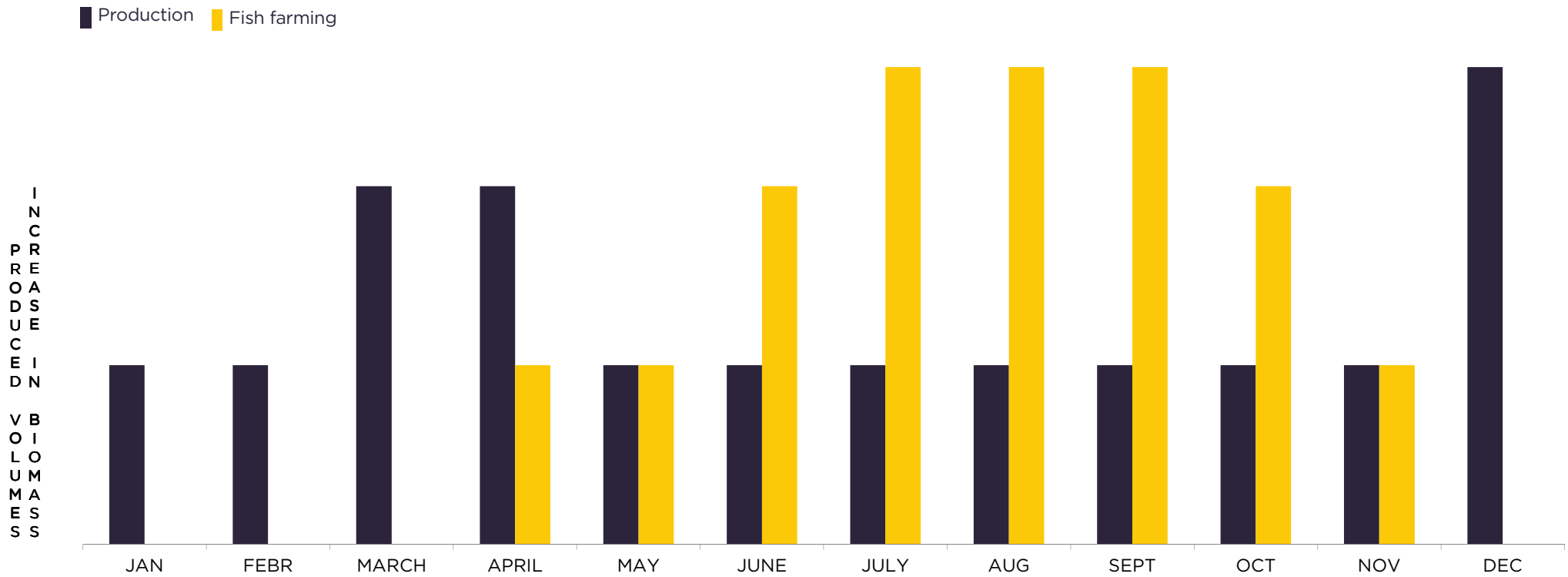
AS PRFoods and AS SEB Bank have entered into a bank overdraft facility agreement, according to which a credit limit of 5,000 thousand euros is available for the Group. As at 31.03.2015, the Group has not drawn down its overdraft facility.

Data presented in the financial position is indicative, based on the data from 1st quarter of 2015, final structure depends on the actual results of the Company in 2015.

Ratio	Formula	The balance sheet structure after the registration of the reduction of share capital	31.03.15
Net debt	Short term loans and borrowings + Long term loans and borrowings - Cash	0.3	-3.3
Liquidity ratio	Liabilities / Total assets	3.2	5.72
Equity ratio	Equity / Total Assets	77%	84%
Debt to equity	Interest bearing liabilities/ Total assets	3.2%	2.1%
Debt to total assets	Debt / Total assets	23%	16%
Gearing ratio	Net debt / (Equity+Net debt)	1%	-11%

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 revaluation of biological assets in 1st quarter

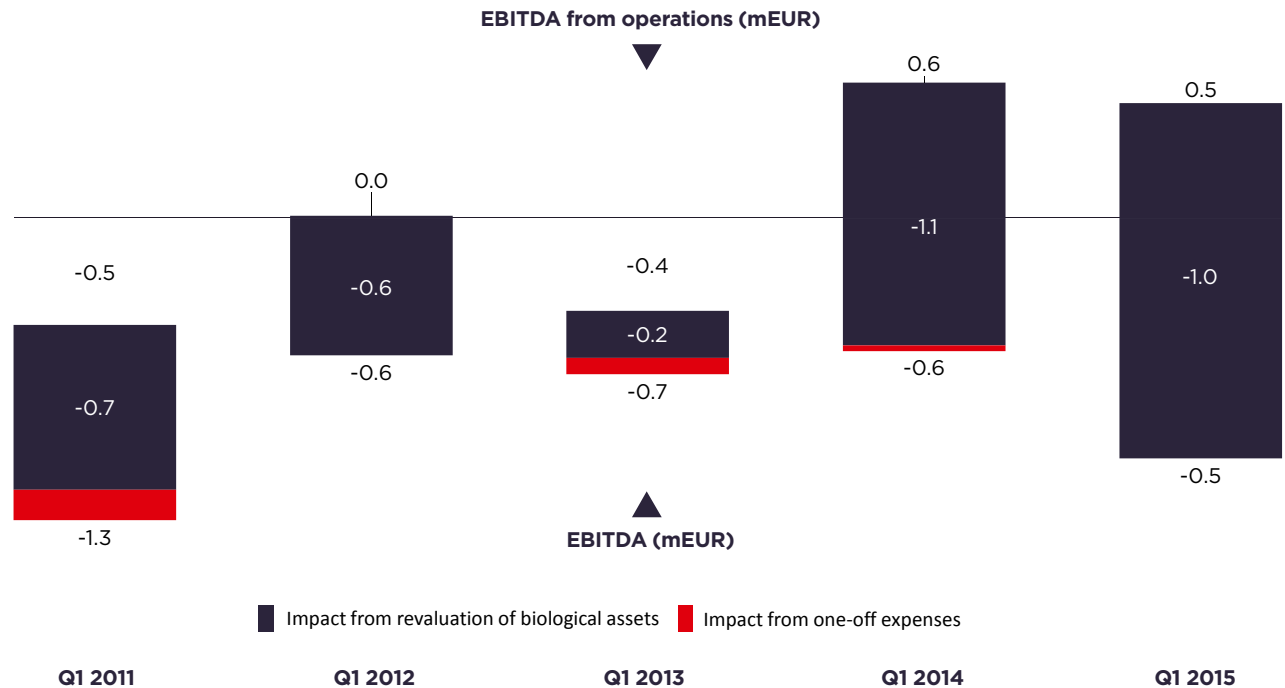
Regular to the 1st quarter, the impact from the revaluation of biological assets in negative as during winter period there is no active feeding of the fish and no increase in biomass.

Due to the limitations set by the Swedish Board of Agriculture the revaluation from the 1st quarter of previous year do not reflect regular situation in the business segment.

The 2-3 year production cycle is recovering from the limitations set, therefore in the 1st quarter of 2014 the portfolio consisted mostly of juveniles measures at cost.

Biological assets decreased by a total of 0.5 million euros compared to the 1st quarter of last year even though the volume of fish harvested in the fish farms in the 1st quarter of 2015 was higher by 78 tonnes. The reason was the prevailing market price on 31.03.2015, which was 14.9% lower compared to the price at the end of the 1st quarter of the previous year.

Considering this fact, the decrease of the loss by 0.1 million euros attributable to change in fair value is a very good achievement.



Revaluation of fish in 1st quarter

	Impact of change EUR×1000	
Revaluation of fish ready for harvesting (price adjustment)	31.03.2015	
Negative impact from change in fair value	-296	<p>On initial recognition (on acquisition or reclassification from juveniles) and at each balance sheet date thereafter, the fish ready for harvesting are measured at their fair value less estimated costs to sell. The basis for determination of fair value is the estimated biomass of fish ready for harvesting, less the weight loss occurring at disposal, and the weighted average market price at the balance sheet date, which is the most recent market price for similar assets sold by independent parties, adjusted for the effect of existing differences, assuming no major changes have occurred in the economic environment between the transaction date and the balance sheet date. In areas where external market prices are unavailable, the estimate is based on domestic market prices. The quality class (higher or regular) is also considered in the determination of prices.</p> <p>Gains and losses arising from fair value adjustments of biological assets are recognised in the separate line "Revaluation of biological assets" in the statement of comprehensive income. Produce from biological assets is recognised at fair value less estimated costs to sell.</p>
Negative impact from cost increase	-57	
Difference between the selling price and the market price	-381	
Adjustment to the statement of comprehensive income (loss)	-294	
Total loss from change in fair value	-1,028	

Key ratios: balance sheet

	31.03.2015 mln EUR	31.03.2014 mln EUR
Net debt	-3.3	13.6
Equity	33.1	36.1
Working capital	21.8	8.5
Assets	39.5	63.8
Liquidity ratio	5.72	1.47
Equity ratio	84%	56%
Gearing ratio	-11%	27%
Net debt-to-EBITDA	-7.85	27.5
ROE	-2%	-3%
ROA	-1%	-2%

Net debt as at the balance sheet date was -3.3 million euros (31/03/2014 13.6 million euros). Financial leverage or the ratio of net debt in the entire capitalisation was -11% (31/03/2014 corresponding ratio was 27%).

The ratio of net debt to EBITDA as at 31/03/2015 was -7.85 (31/03/2014: 27.52). The liquidity ratio demonstrating short-term solvency as at 31/03/2015 was 5.72 (31/03/2014: 1.47). The proportion of equity to the total assets was 84% (31/03/2014: 56%) and the company had working capital in the amount of 21.8 million euros (31/03/2014: 8.5 million euros).

The negative net debt and increase in equity are attributable to the fact that the Group sold its ice cream and frozen goods segment at the end of 2014 and the proceeds from the transaction are held in cash. The Group is proposing to its general meeting of shareholders to distribute 11.6 million euros of the proceeds from the transaction to shareholders through a reduction of share capital.

The consolidated balance sheet total of PRFoods as at 31.03.2015 was 39.5 million euros, having decreased by 24.4 million euros or 38.1% within a year. The decrease in the balance sheet total is attributable to the aforementioned transaction.

Dynamics of share price and shareholders

MAJOR SHAREHOLDERS AS AT 31 MARCH 2015 :

ING Luxembourg S.A.	62.71%	Firebird Aurora Fund Ltd	1.68%
LHV Pension Fund L	4.53%	Compensa Life Vienna Insurance Group SE	1.66%
OÜ Rododendron	3.36%	LHV Pension Fund XL	1.51%
Ambient Sound Investments OÜ	3.20%	OÜ Footsteps Management	1.31%
Firebird Republics Fund Ltd	3.09%	OÜ Freespirit	0.94%



PRFOODS

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