



P R F O O D S

REPORT / 3RD QUARTER AND 9 MONTHS OF 2016

18 November 2016

CONTENTS

BRIEF OVERVIEW OF THE GROUP	3 - 5
KEY HIGHLIGHTS	6 - 9
FINANCIAL POSITION	10 - 12
RESULTS SUMMARY FOR 9 MONTHS OF 2016	13 - 20
RESULTS SUMMARY FOR 3 RD QUARTER OF 2016	21 - 22
THE MARKET PRICE OF FISH	23 - 26
BIOLOGICAL ASSETS	27 - 28
EMPLOYEES AND LABOUR COSTS	29 - 32
SHARE AND SHAREHOLDERS	33 - 35



STRUCTURE OF THE PRFOODS GROUP



AS PRFoods key market is Finland, where the company is amongst three largest brands. The Group is the biggest fish manufacturer in Estonia. Last year the Group started substantial export outside of Europe to Japan.

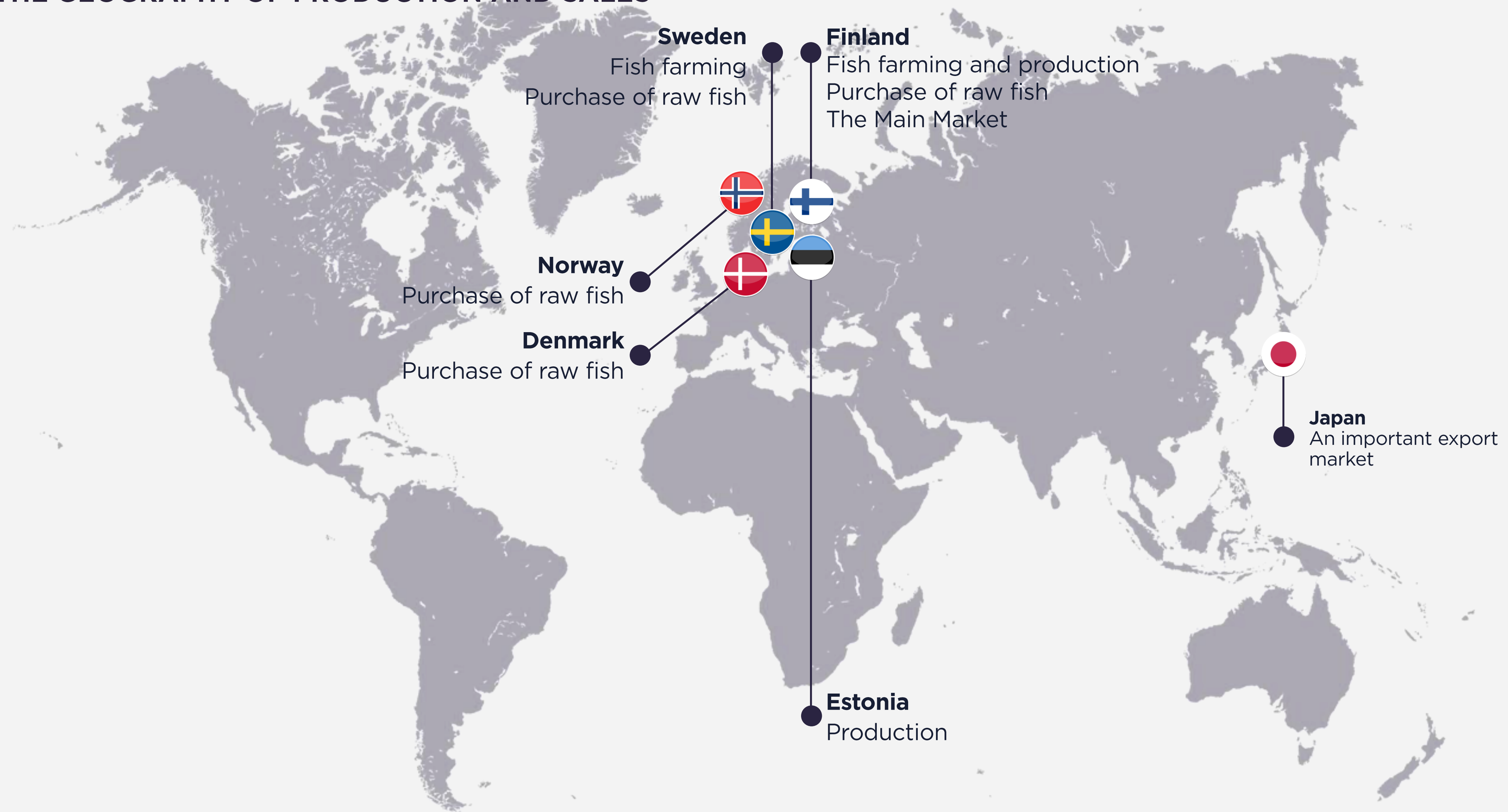
Main activity of the Group is fish manufacturing in contemporary production buildings in Renko (Finland) and in Saaremaa (Estonia). Main products are salmon and rainbow trout goods.

About 1/3 of the Group's fish production is harvested in the company's fish farms in the lakes of Sweden and in the archipelago in Turku area in Finland, ensuring that customers receive fast and high quality deliveries. The Group mainly harvests rainbow trout and, in a smaller degree, whitefish.

The rest 2/3 of the raw fish, prevalently salmon, is purchased from Finland and from Scandinavian countries, like Denmark, Norway, Sweden. To a smaller extent, the Company also purchases perch, pike perch, herring, vendace and Baltic herring.

The Group is actively involved in developing new products for expanding to new export markets. The objective of PRFoods is to increase the Company's profitability and to re-focus on products with higher added value.

THE GEOGRAPHY OF PRODUCTION AND SALES



SUMMARY:

UNAUDITED FINANCIAL RESULTS FOR 9 MONTHS OF 2016

UNAUDITED CONSOLIDATED REVENUE

30.5 million euros, decrease -7.8%, i.e. -2.6 million euros.

GROSS MARGIN

6.8%, decrease -5.8 percentage points.

POSITIVE IMPACT FROM REVALUATION OF BIOLOGICAL ASSETS

3.4 million euros (9 months 2015: negative impact of -0.5 million euros).

EBITDA FROM BUSINESS OPERATIONS

-0.3 million euros, decrease -1.8 million euros.

EBITDA

3.1 million euros, improvement 2.1 million euros.

OPERATING PROFIT

2.1 million euros, improvement 2.0 million euros, i.e. 1,287.7%.

NET PROFIT

1.2 million euros, improvement 0.8 million euros, i.e. 173.1%.



SUMMARY:

UNAUDITED FINANCIAL RESULTS FOR 3RD QUARTER OF 2016

UNAUDITED CONSOLIDATED REVENUE

10.5 million euros, decrease -7.3%, i.e. -0.8 million euros.

GROSS MARGIN

4.7%, decrease -9.7 percentage points.

POSITIVE IMPACT FROM REVALUATION OF BIOLOGICAL ASSETS

2.9 million euros (Q3 2015: positive impact of 0.3 million euros).

EBITDA FROM BUSINESS OPERATIONS

-0.3 million euros, decrease -1.0 million euros.

EBITDA

2.6 million euros, improvement 1.6 million euros, i.e. 147.3%.

OPERATING PROFIT

2.3 million euros, improvement 1.6 million euros, i.e. 202.2%.

NET PROFIT

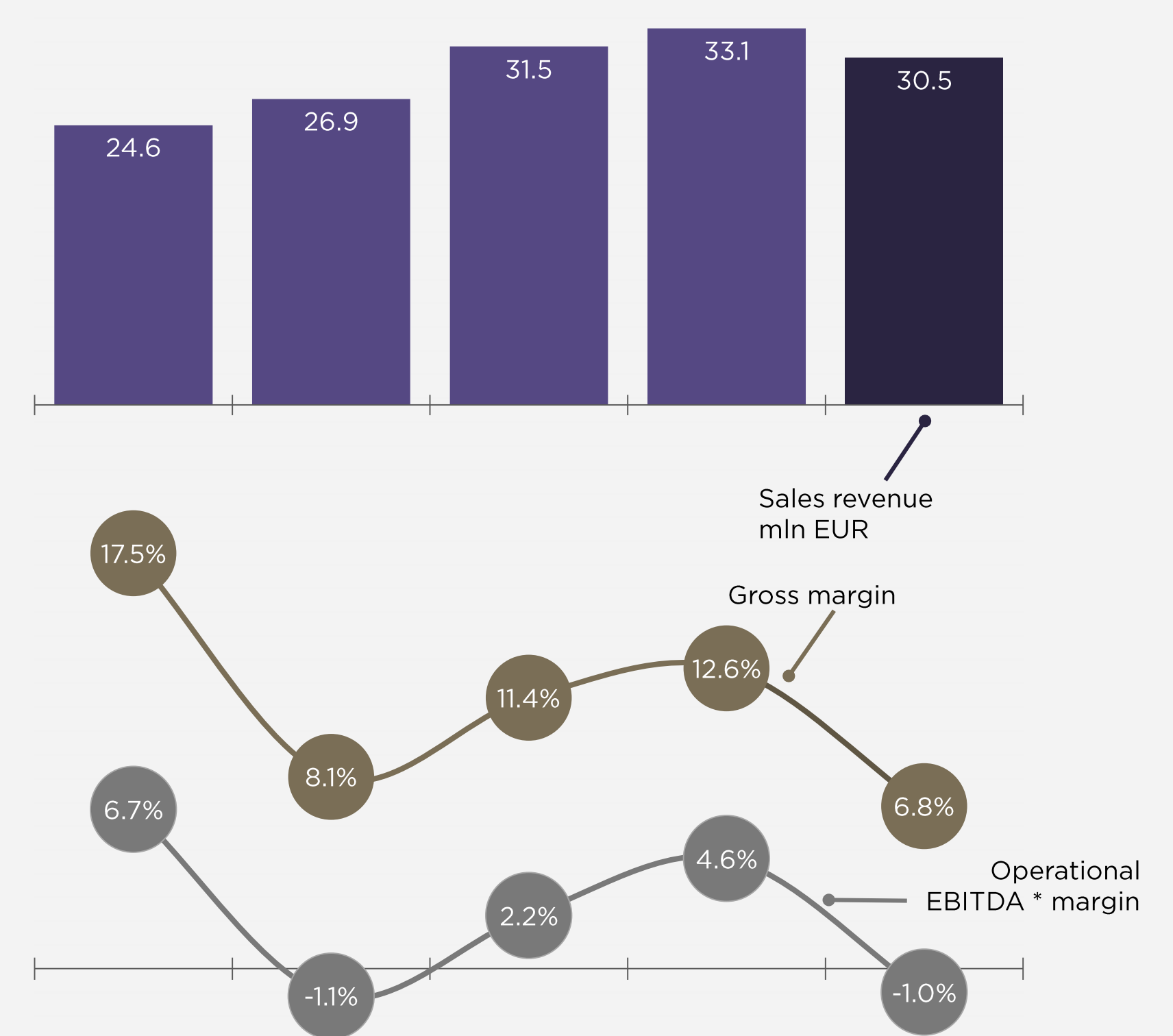
1.6 million euros, improvement 0.9 million euros, i.e. 135.7%.



KEY RATIOS: INCOME STATEMENT 9 MONTHS 2012-2016

	9m 2012	9m 2013	9m 2014	9m 2015	9m 2016	mIn EUR
Sales revenue	24.6	26.9	31.5	33.1	30.5 ▼	
Gross profit	4.3	2.2	3.6	4.2	2.1 ▼	
EBITDA from business operations	1.7	-0.3	0.7	1.5	-0.3 ▼	
EBITDA	0.0	0.6	1.2	1.0	3.1 ▲	
EBIT	-0.8	-0.2	0.3	0.2	2.1 ▲	
EBT	-0.9	-0.9	0.4	0.3	1.9 ▲	
Net (profit) loss	-0.7	-1.2	-0.2	0.4	1.2 ▲	
Gross margin	17.5%	8.1%	11.4%	12.6%	6.8% ▼	
Operational EBITDA* margin	6.7%	-1.1%	2.2%	4.6%	-1.0% ▼	
EBITDA margin	-0.1%	2.2%	3.8%	3.0%	10.0% ▲	
EBIT margin	-3.3%	-0.9%	1.1%	0.5%	7.0% ▲	
EBT margin	-3.8%	-3.2%	1.3%	0.9%	6.2% ▲	
Net margin	-2.7%	-4.4%	-0.7%	1.3%	4.0% ▲	
Operating expense ratio	16.2%	14.5%	12.8%	11.5%	11.4% ▲	

Gross margin and operational EBITDA margin %

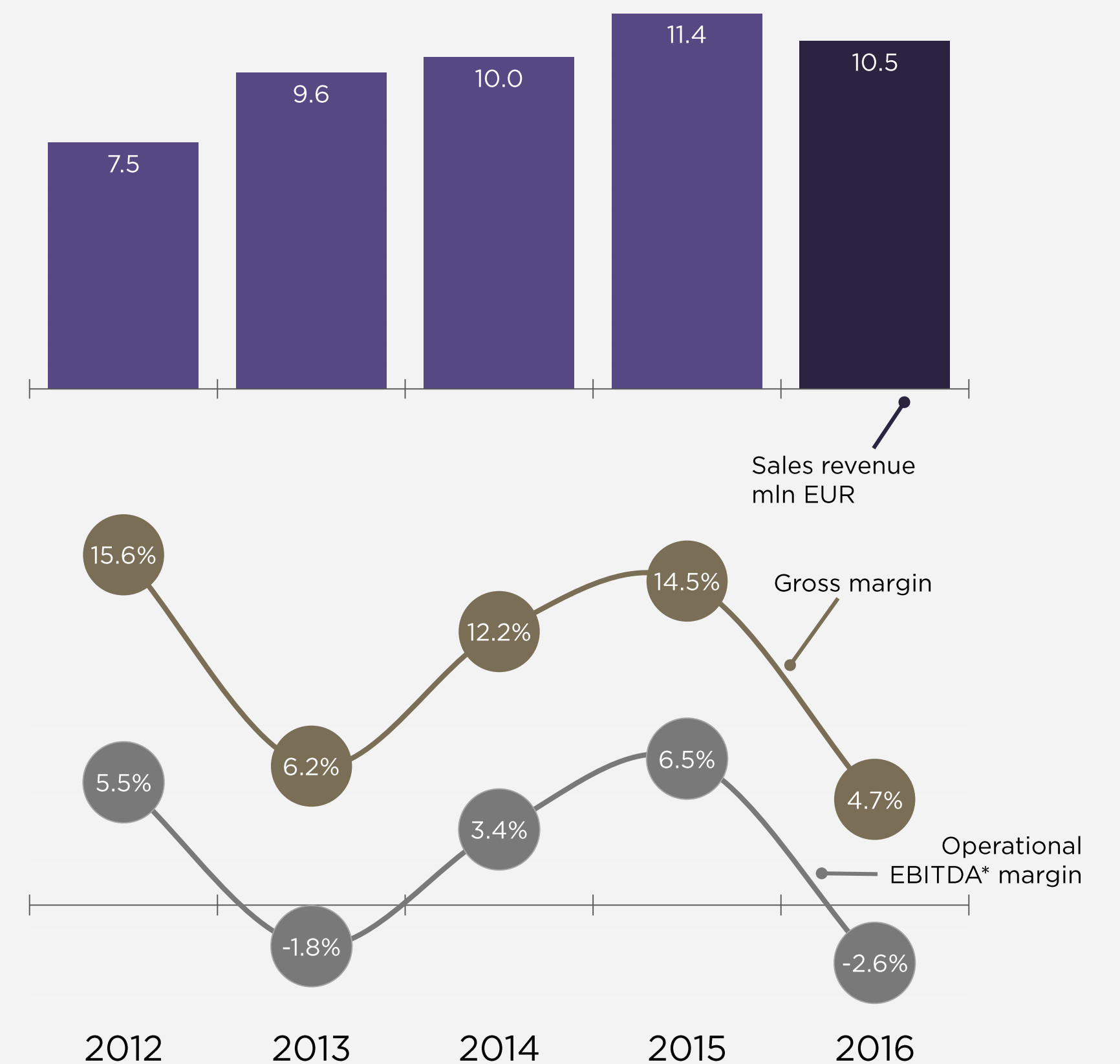


* before one-offs and fair value adjustment of fish stock

KEY RATIOS: INCOME STATEMENT Q3 2012-2016

	Q3 2012	Q3 2013	Q3 2014	Q3 2015	Q3 2016	mIn EUR
Sales revenue	7.5	9.6	10.0	11.4	10.5 ▼	
Gross profit	1.2	0.6	1.2	1.6	0.5 ▼	
EBITDA from business operations	0.4	-0.2	0.3	0.7	-0.3 ▼	
EBITDA	0.2	1.1	0.7	1.1	2.6 ▲	
EBIT	-0.1	0.8	0.4	0.8	2.3 ▲	
EBT	0.0	0.6	0.2	0.8	2.2 ▲	
Net profit	0.0	0.3	0.1	0.7	1.6 ▲	
Gross margin	15.6%	6.2%	12.2%	14.5%	4.7% ▼	
Operational EBITDA* margin	5.5%	-1.8%	3.4%	6.5%	-2.6% ▼	
EBITDA margin	2.6%	11.0%	7.1%	9.4%	24.9% ▲	
EBIT margin	-1.1%	8.1%	4.3%	6.8%	22.0% ▲	
EBT margin	0.2%	6.2%	2.0%	6.6%	21.3% ▲	
Net margin	0.5%	3.2%	1.2%	6.1%	15.5% ▲	
Operating expense ratio	17.1%	14.3%	13.2%	11.9%	11.2% ▲	

Gross margin and operational EBITDA margin %



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

KEY RATIOS: BALANCE SHEET



	30.09.2016 mln EUR	30.09.2015 mln EUR
Net debt	1.3	-5.2
Equity	24.3	34.0
Working Capital	13.3	21.8
Assets	34.4	40.1
Liquidity ratio	2.7	5.9
Equity ratio	70.7%	84.7%
Gearing ratio	5.2%	-18.2%
Net debt-to-EBITDA	1.2	-4.4
ROE	6.7%	-2.3%
ROA	5.2%	-1.6%

At the end of the reporting period, the Group had financial funds 3.6 million euros (10.3% of the balance sheet volume). As at 30.09.2015, the balance of financial funds were 6.1 million euros (15.1% of the balance sheet volume).

The Company's solvency is continuously good and the financial risk is low. The working capital was 13.3 million euros (30.09.2015: 21.8 million euros).

The current ratio showing short-term ability to meet payments was 2.7 as of 30.09.2016 (30.09.2015: 5.9).

Net debt was positive, in total 1.3 million euros as of the closing date (30.09.2015: -5.2 million euros).

Financial gearing showing net debt ratio to gross capital was 5.2% as of 30.09.2016 (30.09.2015: -18.2%).

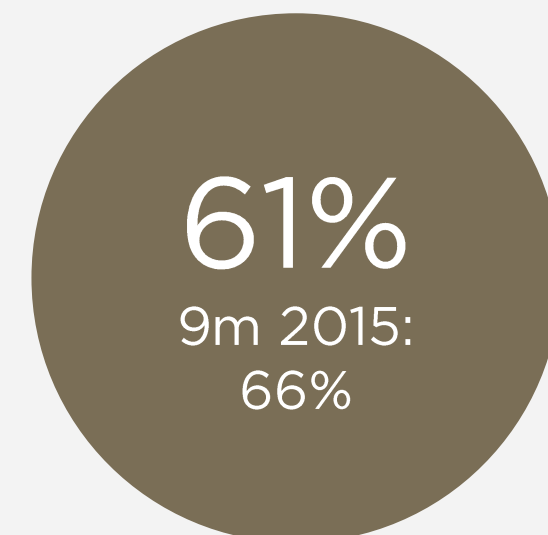
Net debt to EBITDA ratio was 1.2 as of 30.09.2016 (30.09.2015: -4.4).

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

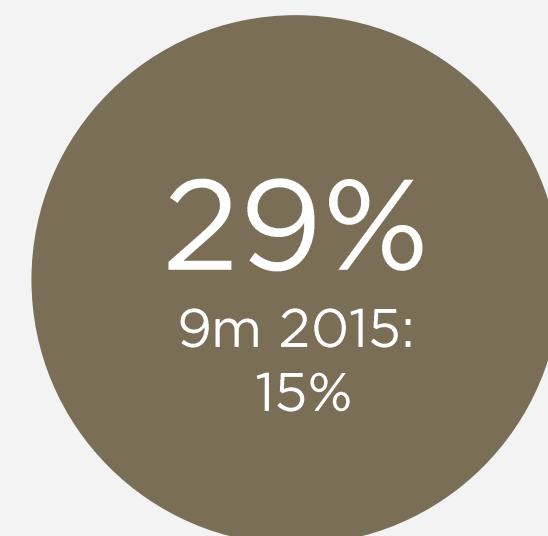
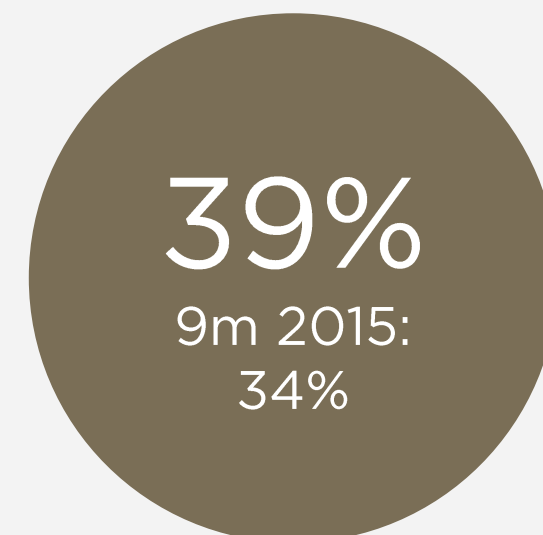
BALANCE SHEET ANALYSIS

BALANCE SHEET STRUCTURE AT THE END OF THE 9 MONTHS 2016:

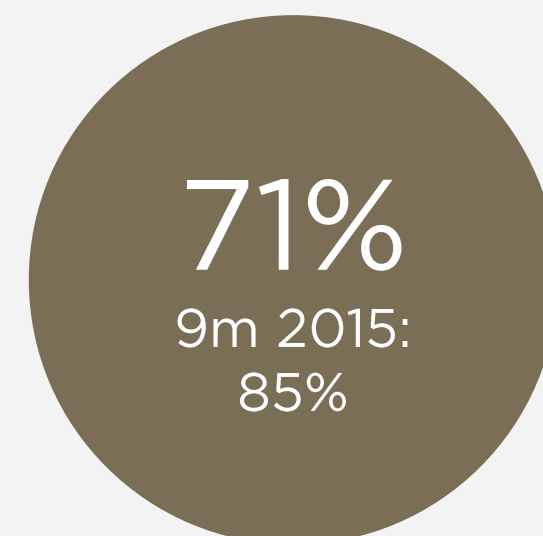
CURRENT ASSETS



FIXED ASSETS



FOREIGN CAPITAL



EQUITY

The consolidated balance sheet total of PRFoods was 34.4 million euros as at 30.09.2016, declining within a year by -5.7 million euro, i.e. -14.2%. Decrease in the balance sheet total is caused by the reduction of share capital by 11.6 million euros that took place in the end of the previous year.

CURRENT ASSETS

The Company`s current assets were 20.9 million euros as at 30.09.2016, and the balance of cash and bank accounts was 3.6 million euros.

Accounts receivable and prepayments declined by -4.5 million euros within a year, of which the largest portion includes outstanding instalments from a sales transaction in ice cream and frozen goods business segments. The balance of the outstanding instalment was in all 4.0 million euros as at 30.09.2015.

Inventories have decreased year-on-year by -1.7 million euros, which is the result of the Company`s decision that it is unreasonable to purchase raw fish in the same volume because of the changed market situation.

Biological assets grew altogether +3.3 million euros compared with the same period in previous year, which is mainly due to the positive impact of the higher market price of rainbow trout.

FIXED ASSETS

The total volume of fixed assets remained the same within a year. Investments into fixed assets in the first 9 months of 2016 were 0.7 million euros (9 months in 2015: 1.7 million euros).

FOREIGN CAPITAL

Accounts payable and prepayments were 3.5 million euros as at 30.09.2016 (30.09.2015: 4.1 million euros), showing a year-on-year decrease by -0.5 million euros, i.e. -13.5%. Short term loans and borrowings increased by 3.6 million euros compared to last year, reaching 3.9 million euros as at 30.09.2016 (30.09.2015: 0.2 million euros).

EQUITY

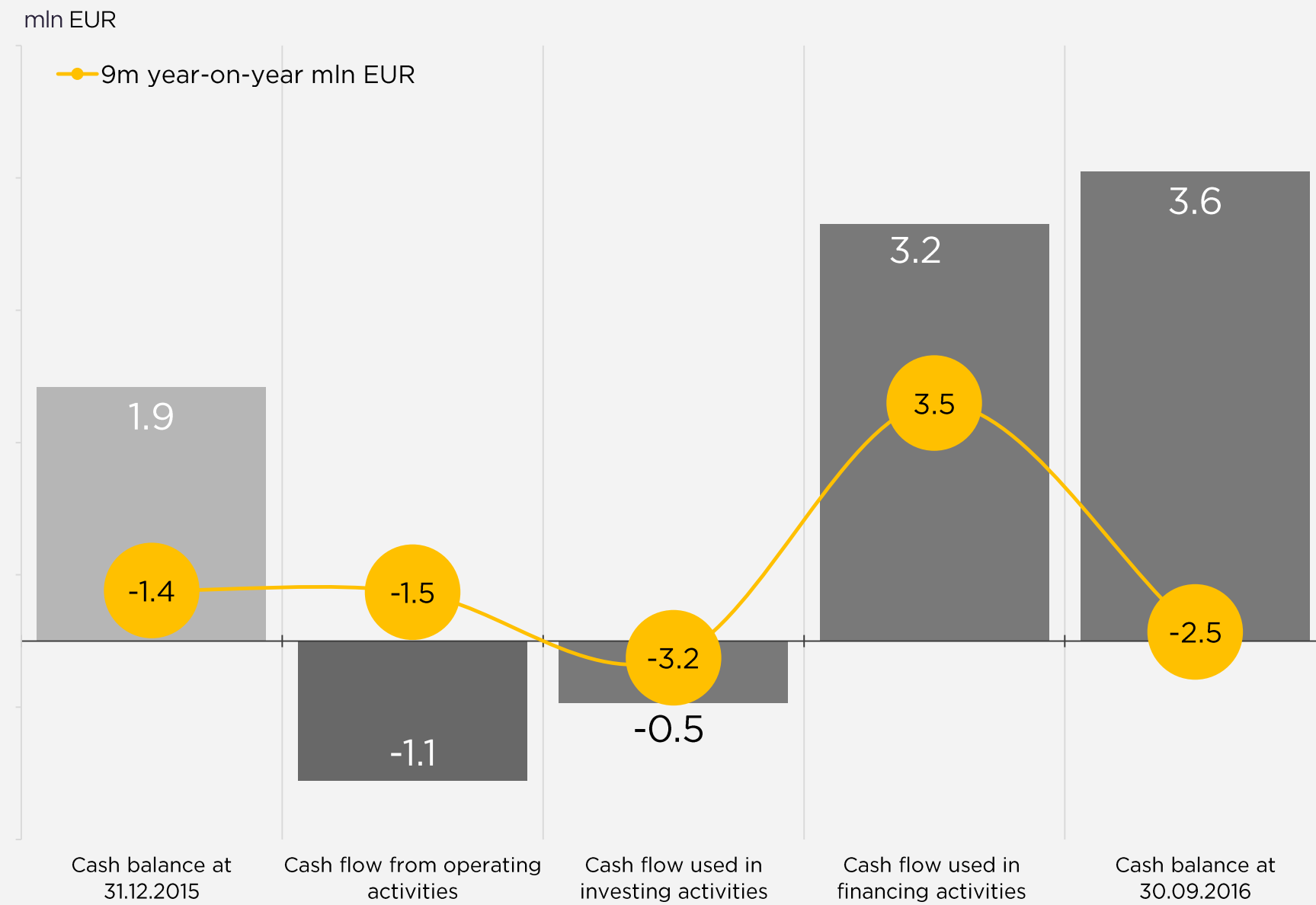
The equity of PRFoods was 24.3 million euros as at 30.09.2016 (70.7% of the balance sheet total). Comparative data as at 30.09.2015 were 34.0 million euros (84.7% of the balance sheet total).

As at 30.09.2016, the Company`s registered share capital was 7.7 million euros (30.09.2015: 19.3 million euros). The reduction of share capital of AS PRFoods and related changes were entered into the Commercial Register on 2 October 2015.

The shareholders adopted a resolution at the general meeting of shareholders held on 26 May to cover the retained loss from previous periods of AS PRFoods from the capital reserve and share premium in the amount of 2,026 thousand euros and transfer 12 thousand euros from the net profit of the parent company earned in 2015 to the reserve, and not to distribute the rest of the profit. The loss was covered with 7 thousand euros from the capital reserve and 2,019 thousand euros respectively from the share premium.

CASH FLOWS

CHANGE IN CASH AND CASH EQUIVALENTS 9 MONTHS 2016



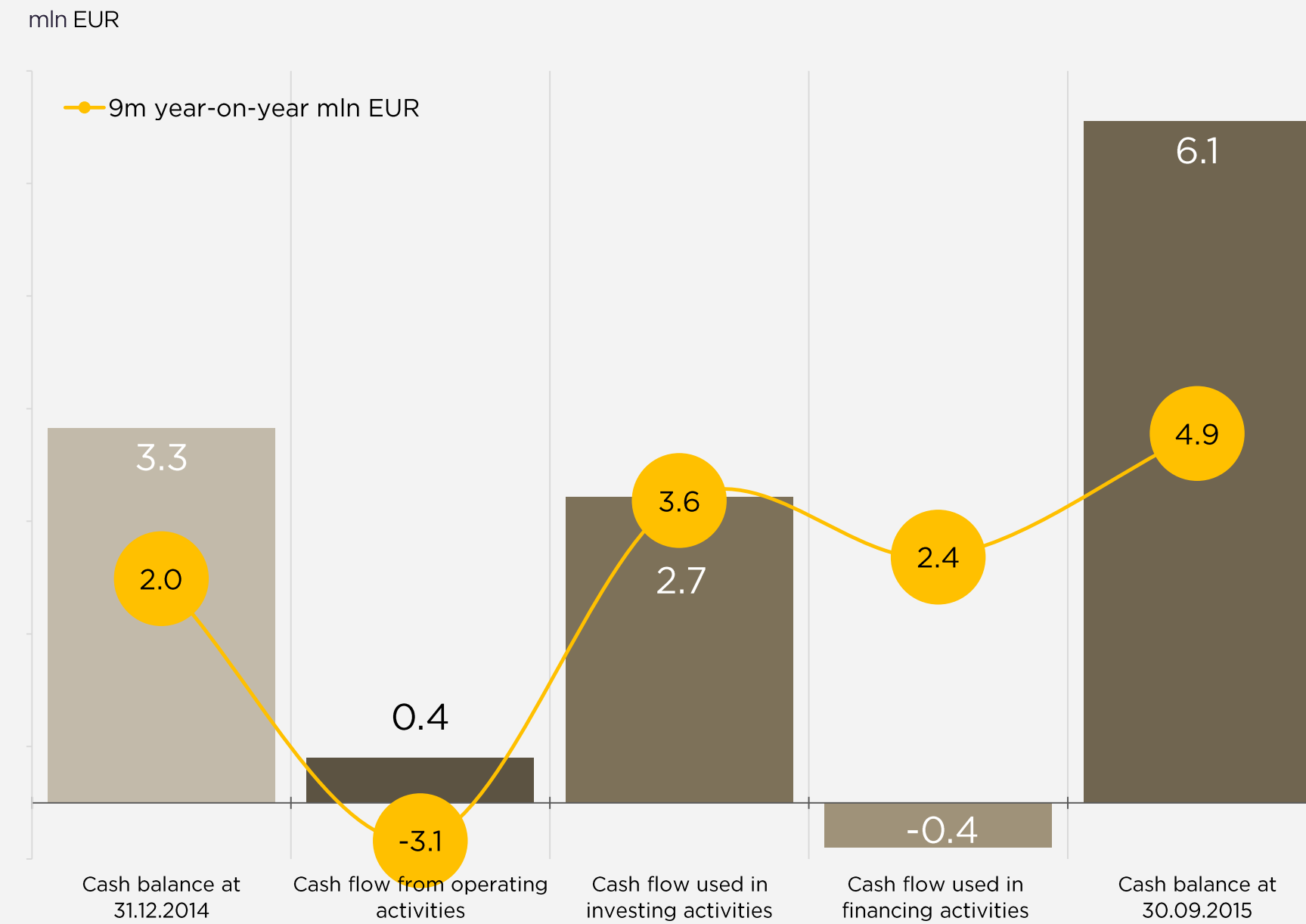
The change in the Group`s financial resources within the 9 months of 2016 was 1.6 million euros (9 months 2015: 2.7 million euros).

Cash flow from operating activities in the first 9 months of 2016 was -1.1 million euros (9 months in 2015: 0.4 million euros), decreasing year-on-year by -1.5 million euros, i.e. -361.9%. Cash flow from operating activities was most influenced by the increase in biological assets, showing a total change of -4.5 million euros, a change in the decrease of inventories and receivables +0.8 and +0.2 million euros,

respectively, and a change caused by an increase in payables, altogether +1.2 million euros.

Cash flow from investing activities was -0.5 million euros (9 months in 2015: 2.7 million euros). In the first half-year of the previous year, the second instalment of 4.0 million euros from the sales transaction of ice cream and frozen goods business segments was received from investing activities. In the reporting period, monetary payments for fixed assets accounted for 0.5 million euros (9 months in 2015: 1.4 million euros).

CHANGE IN CASH AND CASH EQUIVALENTS 9 MONTHS 2015



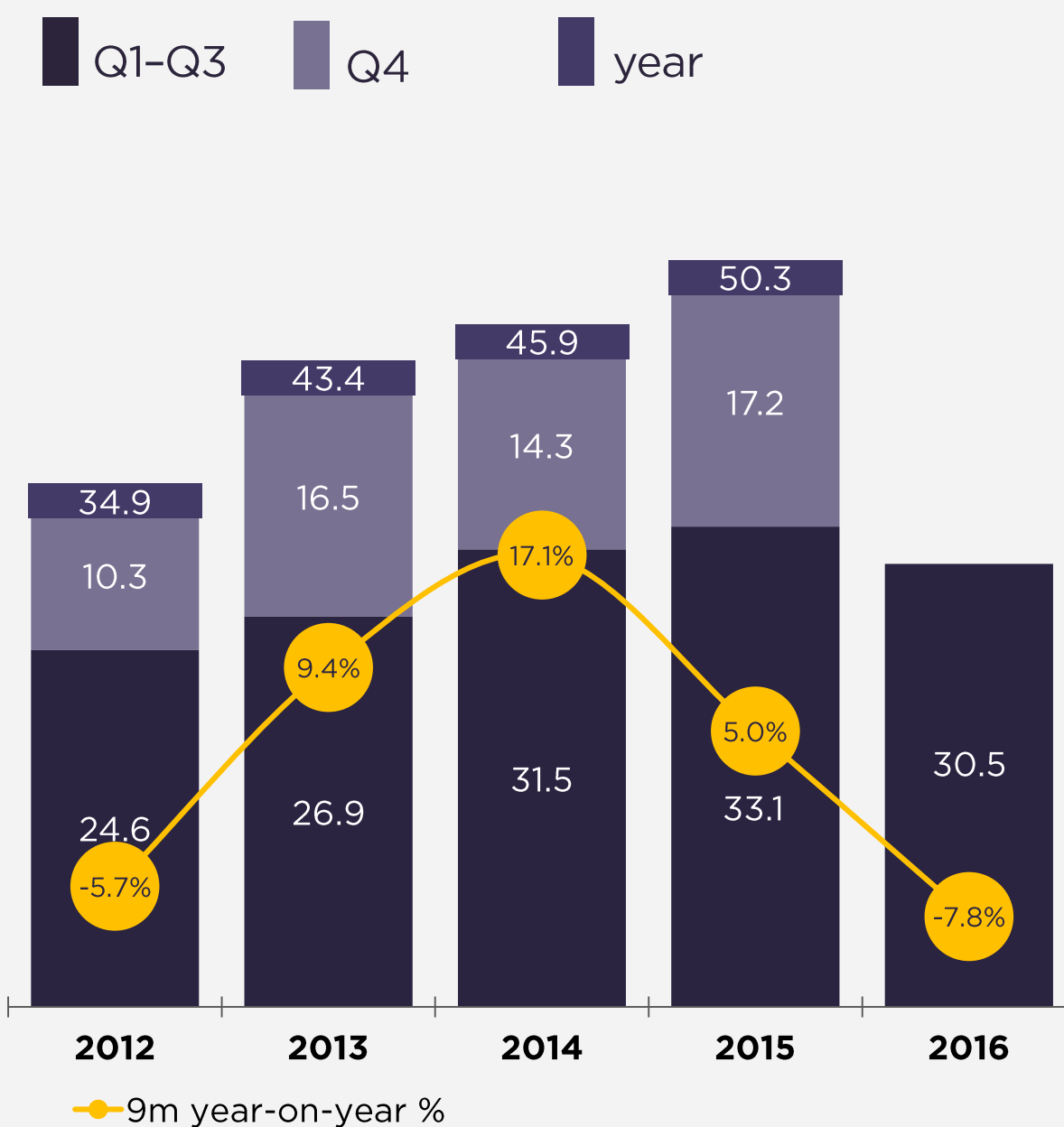
Cash flow from financing activities was 3.1 million euros (9 months in 2015: -0.4 million euros). Cash flow was mainly influenced by transfer of overdraft and group account to fish group holding company and taking it into use in the amount of 3.5 million euros. During the reporting period, repayments of the principal of a financial lease were in total 0.3 million euros (9 months in 2015: 0.2 million euros). The rest of financing activities include buy-back transactions of own shares and interest payments.

OVERVIEW: REVENUE AND PROFITABILITY 9 MONTHS 2012-2016

Positive impact on Company's EBITDA from revaluation of biological assets was 3.4 million euros in 9 months of 2016, negative impact of -0.5 million euros in 9 months of 2015.

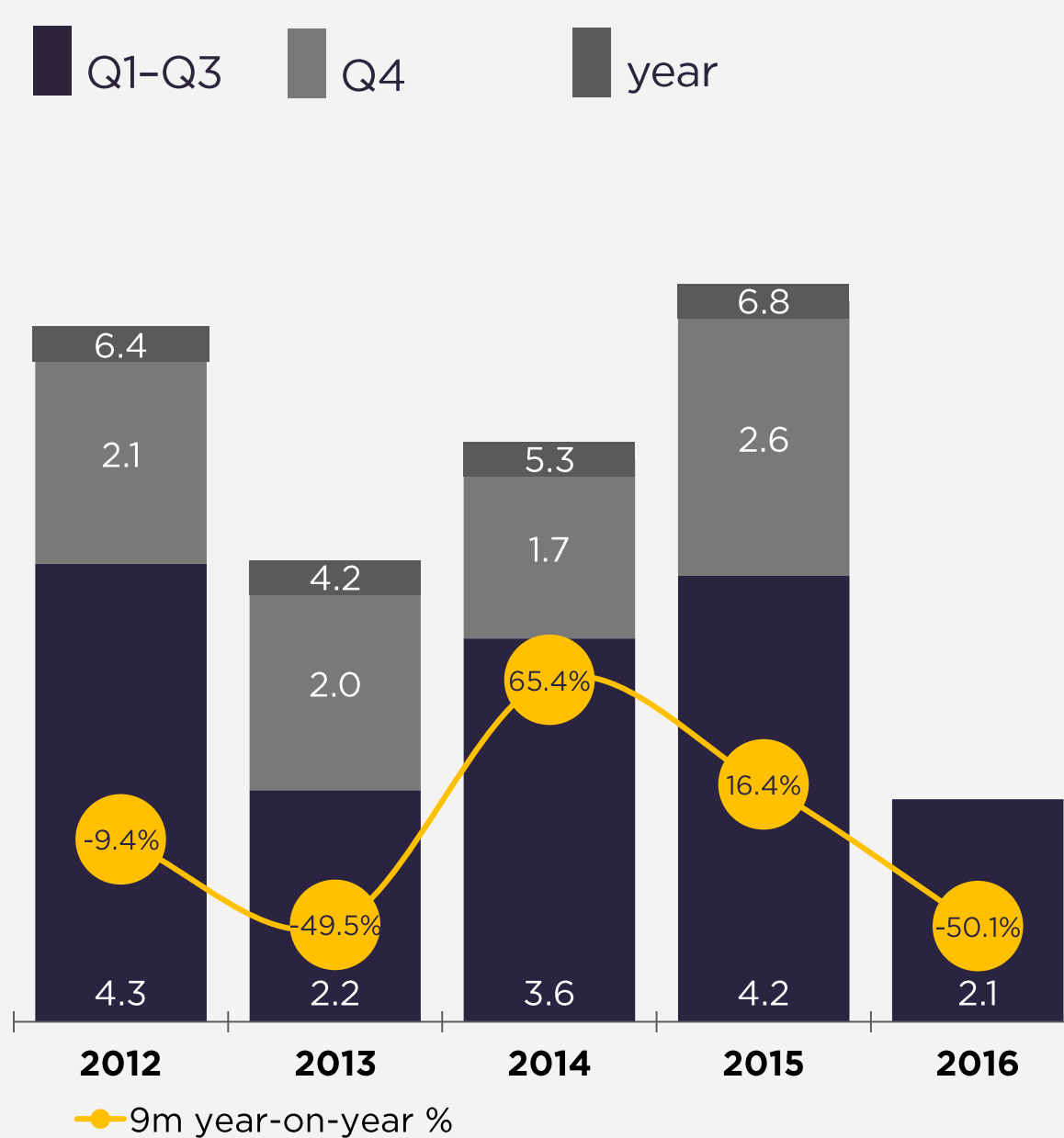
Sales revenue in 2012-2016, mln EUR

9m: -2.6 mln EUR, i.e. -7.8%



Gross profit in 2012-2016, mln EUR

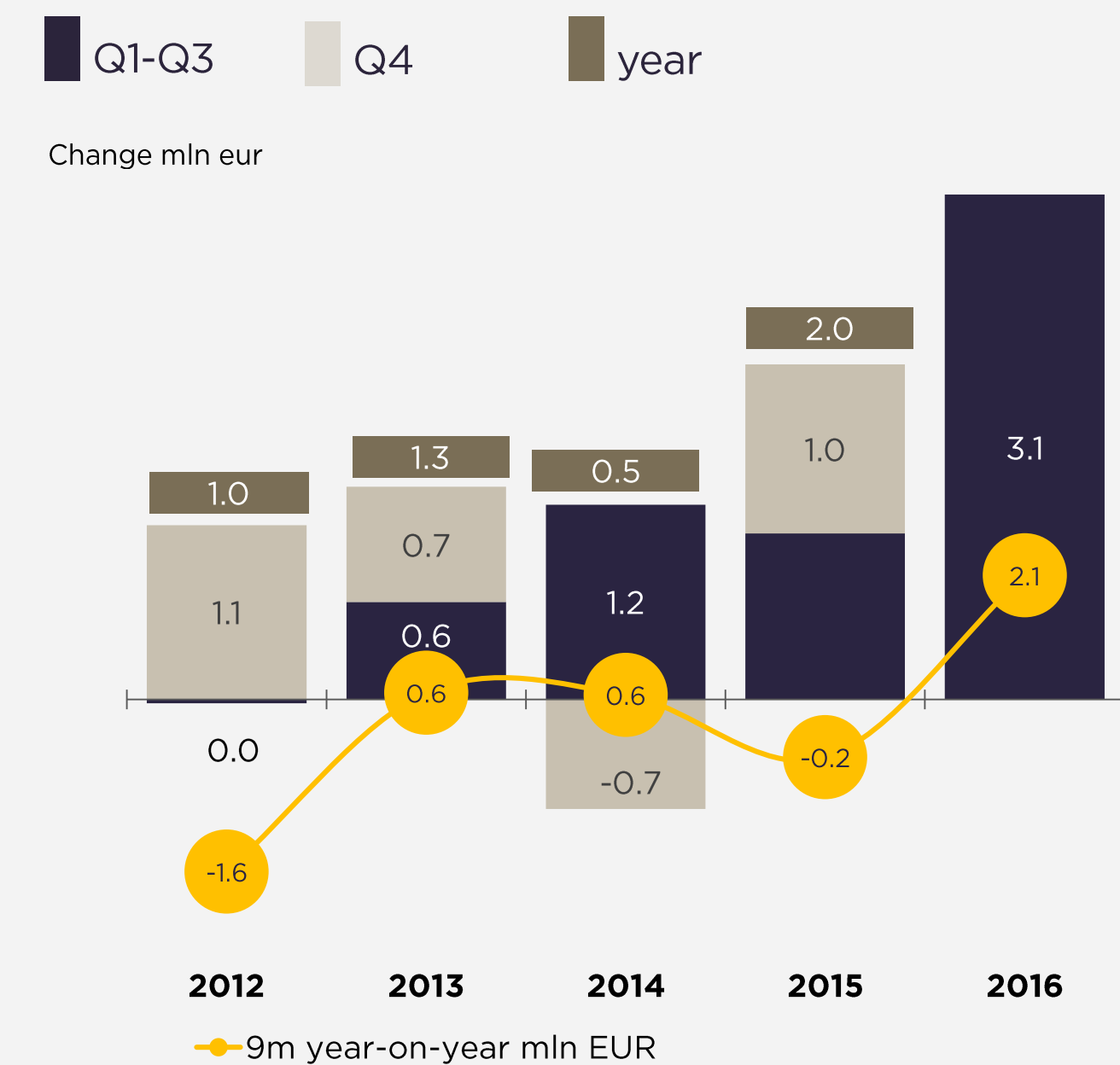
9m: -2.1 mln EUR, i.e. -50.1%



EBITDA 2012-2016, mln EUR

9m: 3.1 mln EUR, i.e. +2.1 mln EUR

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



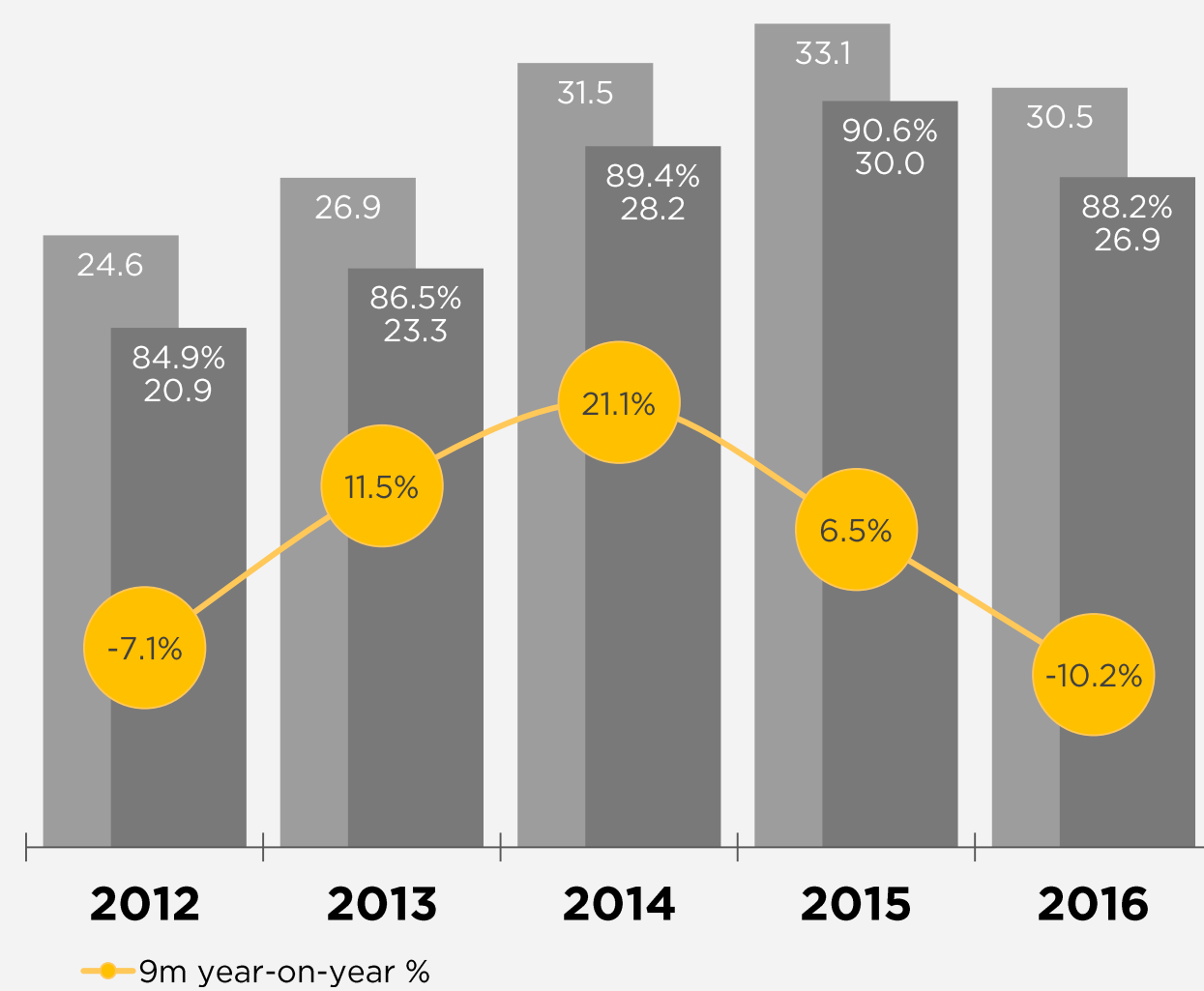
SALES BY GEOGRAPHIC AREA

9 MONTHS 2012-2016

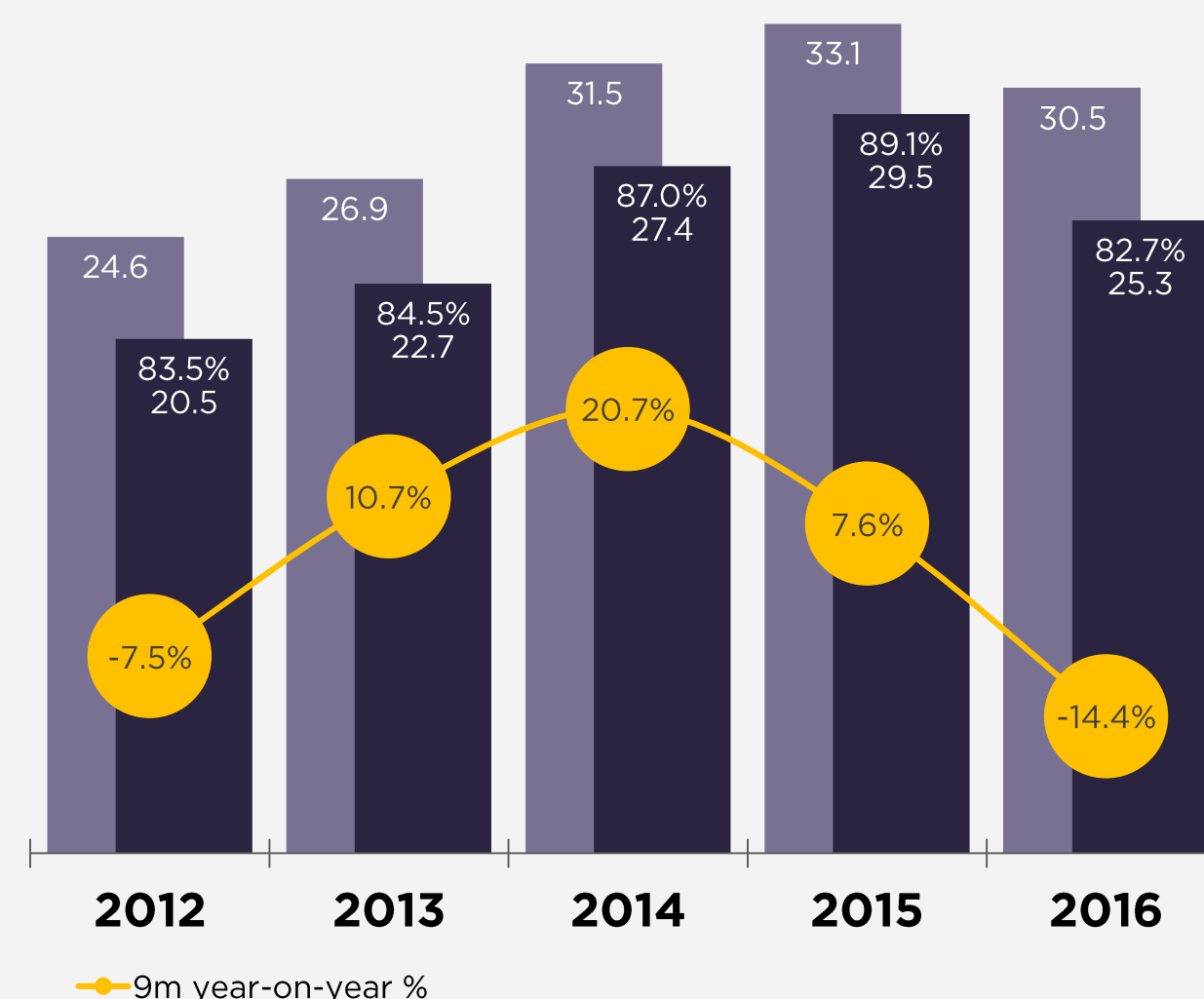
As designing Company's own brand is in its early stage in Scandinavia and elsewhere in the world, the management expects the Company's growth period is yet to come.



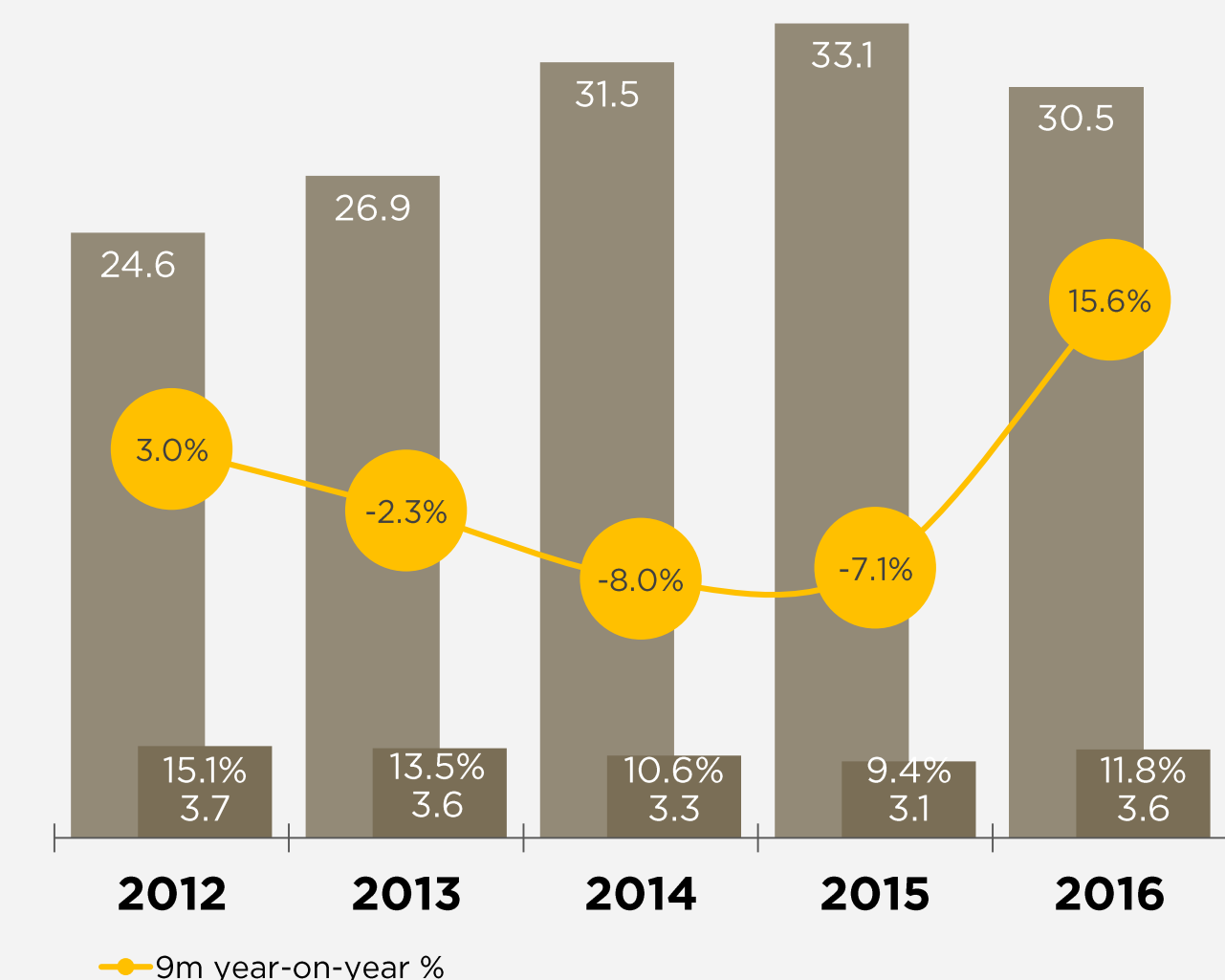
Share of exports revenue mln EUR








Share of Finnish revenue mln EUR



Share of Estonian revenue mln EUR

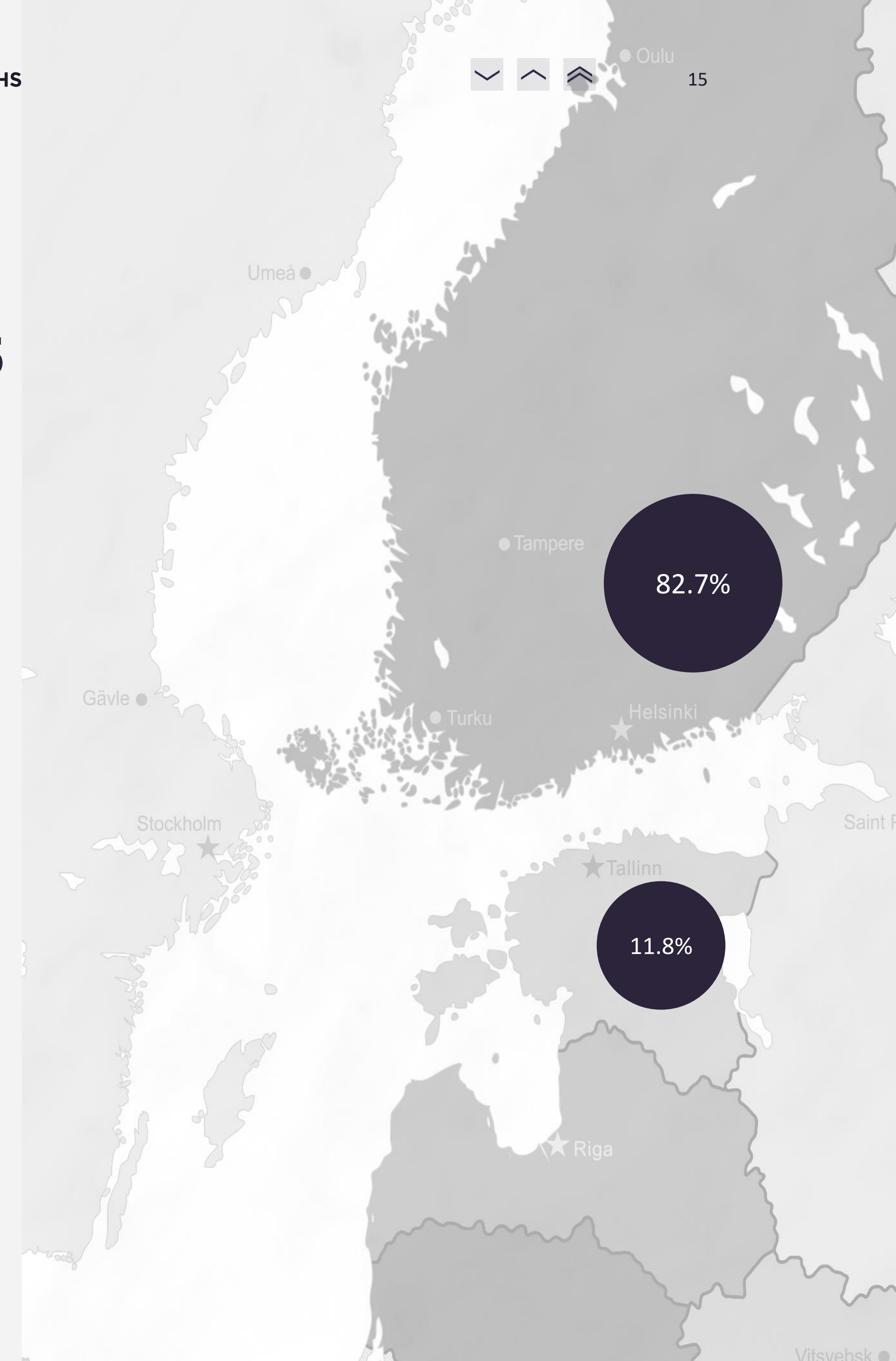


SALES REVENUE BY COUNTRIES 9 MONTHS 2016 COMPARED TO 9 MONTHS 2015

		Sales mln EUR	Change	Structure
Finland		25.3	-14.4% ▼	82.7% 
Estonia		3.6	+15.6% ▲	11.8% 
Other		1.7	+240.7% ▲	5.5% 
Total		30.5	-7.8% ▼	

In summary of 9 months of 2016, the proportion of the revenue from the Estonian market grew by +2.4 percentage points, i.e. 0.5 million euros in comparison with the same period last year and as well as in other countries, mostly in Latvia, by +4.0 percentage points i.e. 1.2 million euros. The increase in the Estonian and Latvian markets' revenue is mostly obtained via successful sales campaigns of fresh fish and fish fillets.

The Finnish revenue decreased in total by -4.2 million euros, i.e. -14.4%, on the year-on-year basis during 9 month of 2016. The revenue from the Finnish market formed 82.7% of the total revenue, having decreased by -6.4 percentage points compared to the same period last year.

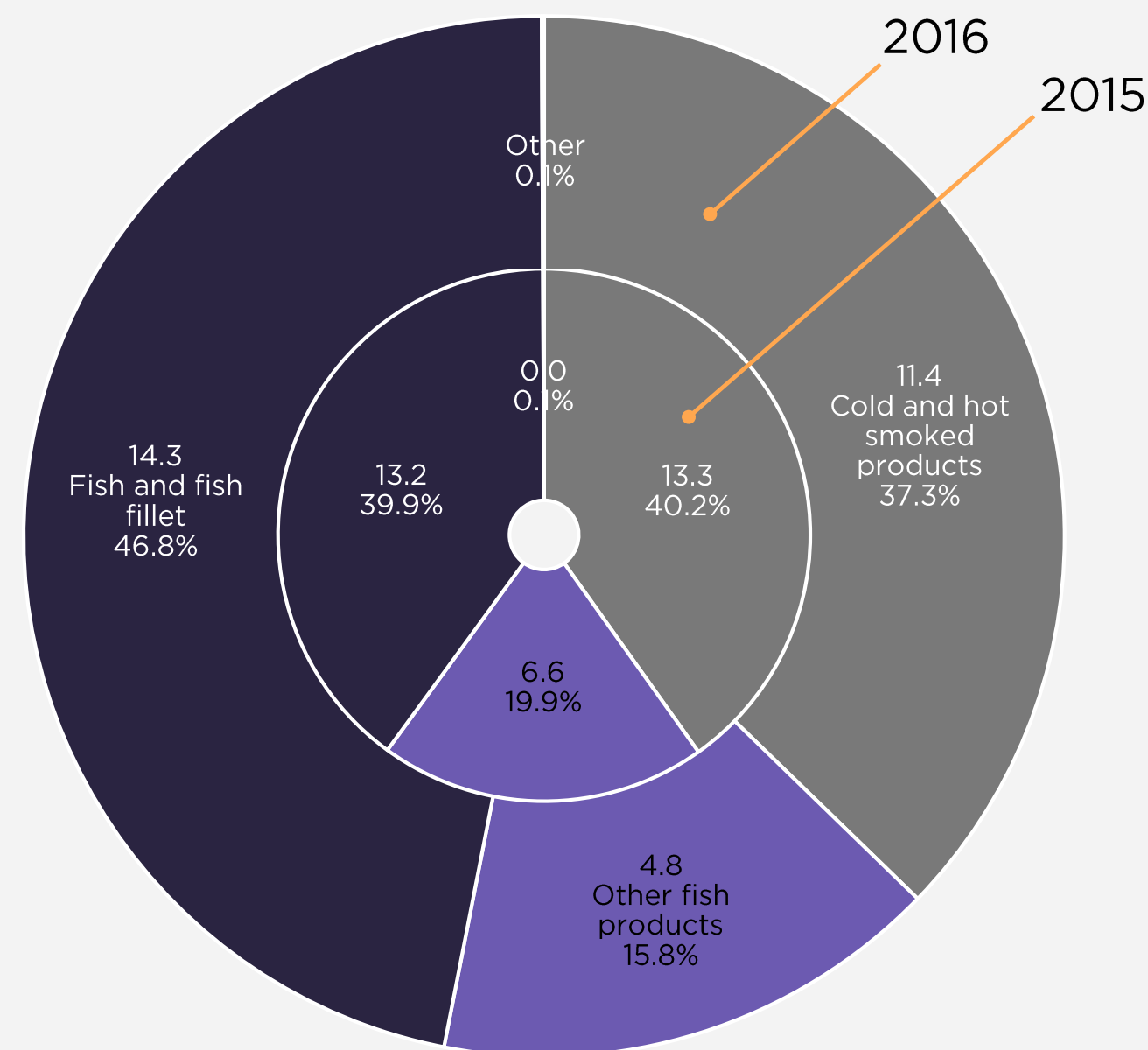


SALES BY PRODUCT AND CLIENT SEGMENTS

9 MONTHS 2016 AND 9 MONTHS 2015

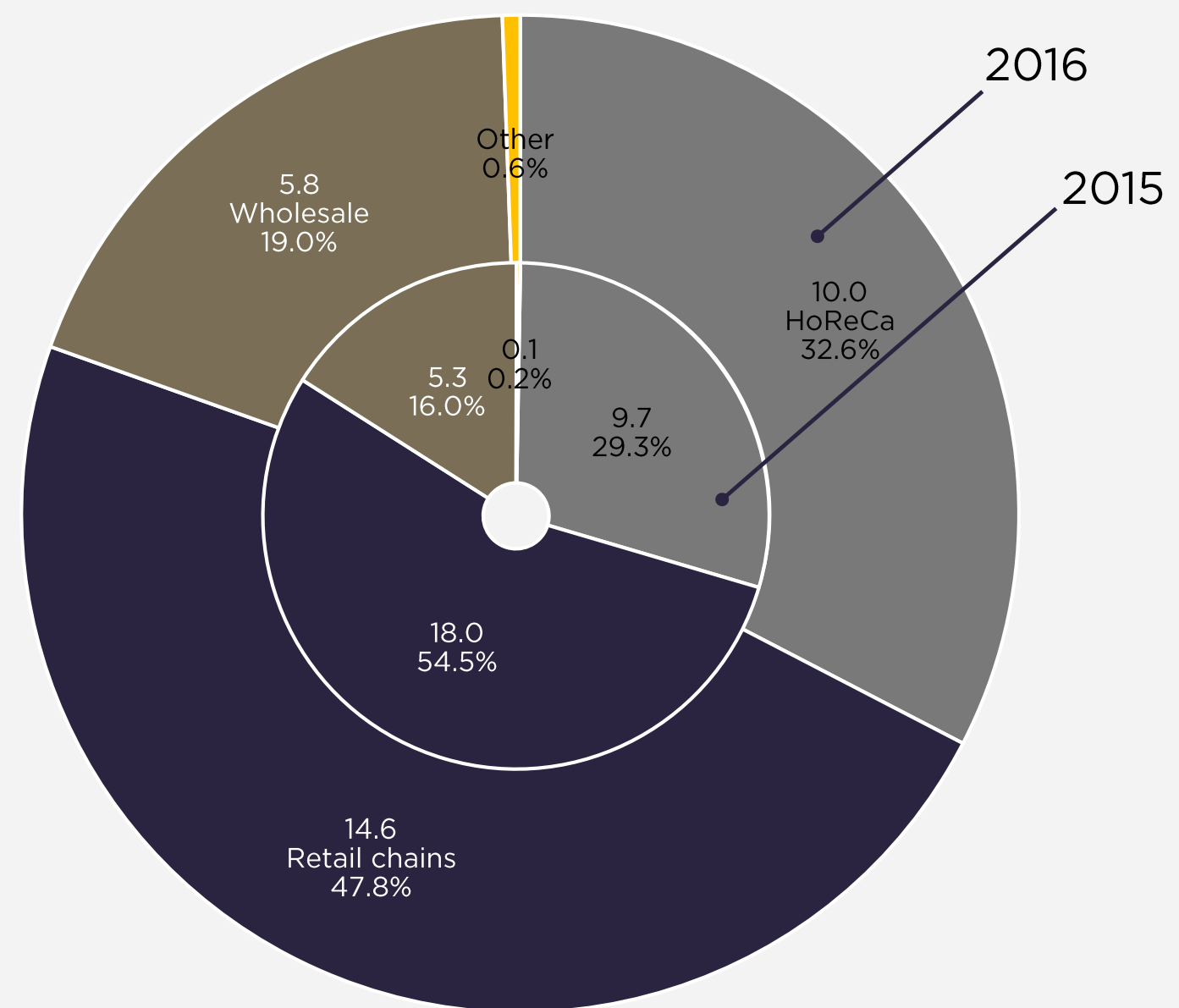
Product segments

The largest increase in revenue came from the raw fish and fillets product group, which increased by +1.1 million euros in total i.e. +8.3%. The revenue from the smoked products group decreased by -1.9 million euros, i.e. -14.4%. The revenue from the other fish products group decreased by -1.7 million euros i.e. -26.5%.



Client segments

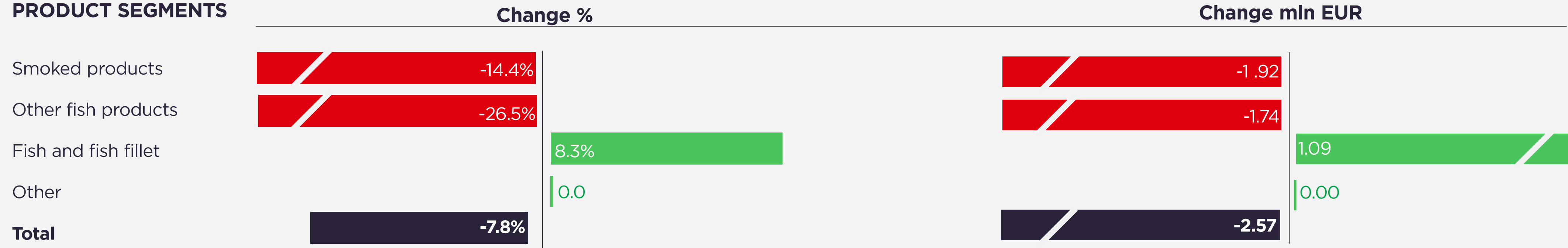
The decrease in the retail chains sector over the past 9 months of 2016 can mostly be attributed to the loss of several Private Label products from our product portfolio. Regarding the extreme price volatility of raw materials this year, it is unprofitable for the company to be actively involved in manufacturing Private Label goods for retail chains because of their lower margins.



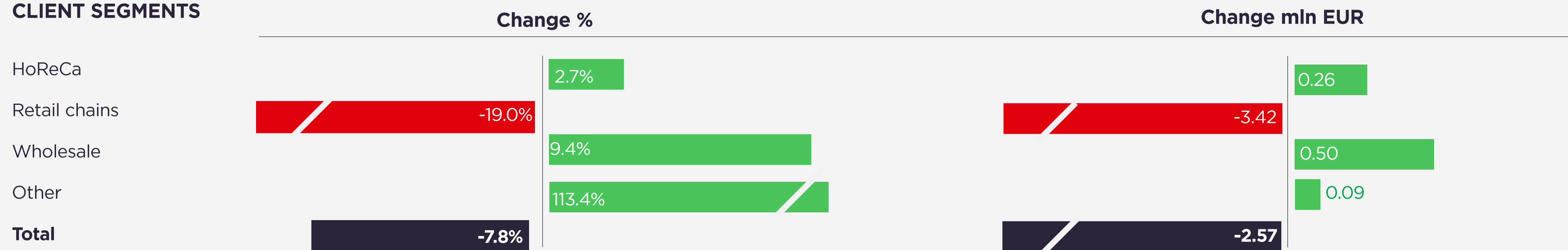
CHANGE IN SALES REVENUE

9 MONTHS 2016 COMPARED TO 9 MONTHS 2015

PRODUCT SEGMENTS

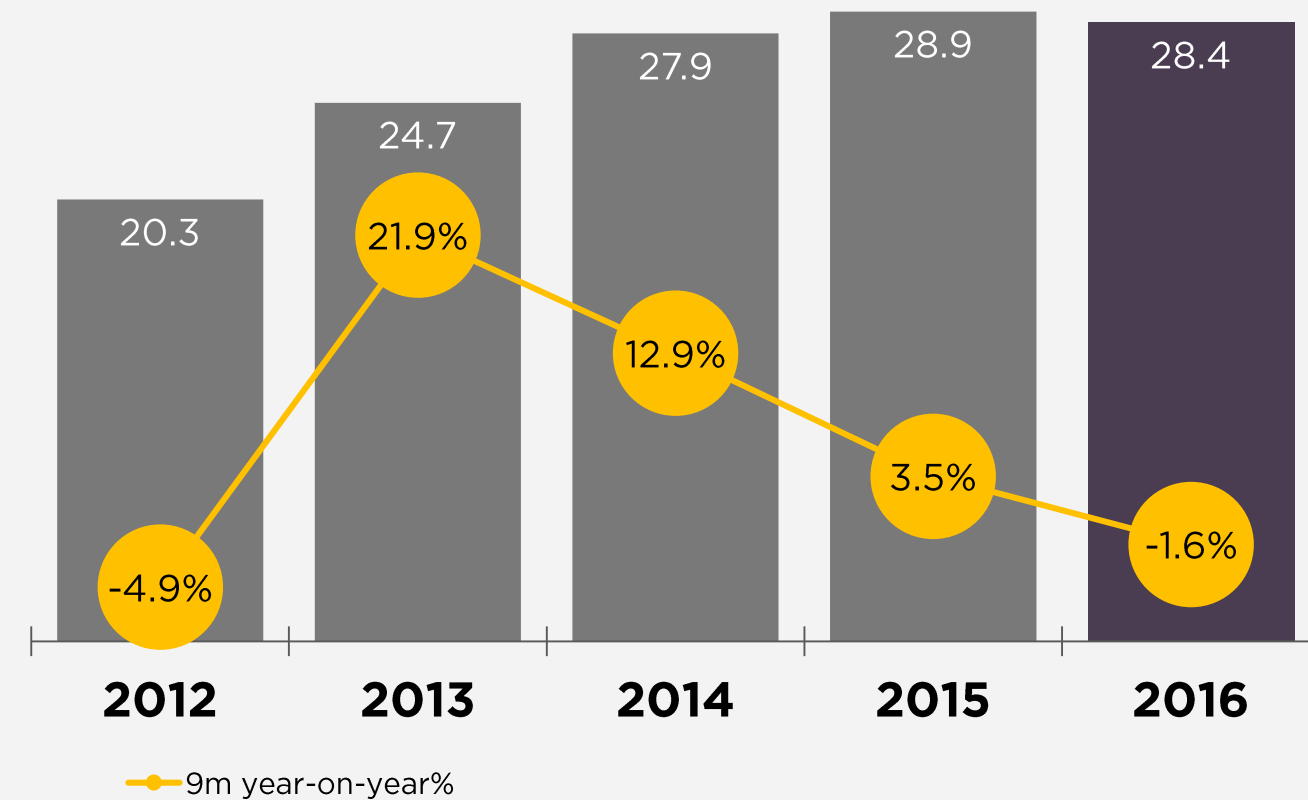


CLIENT SEGMENTS

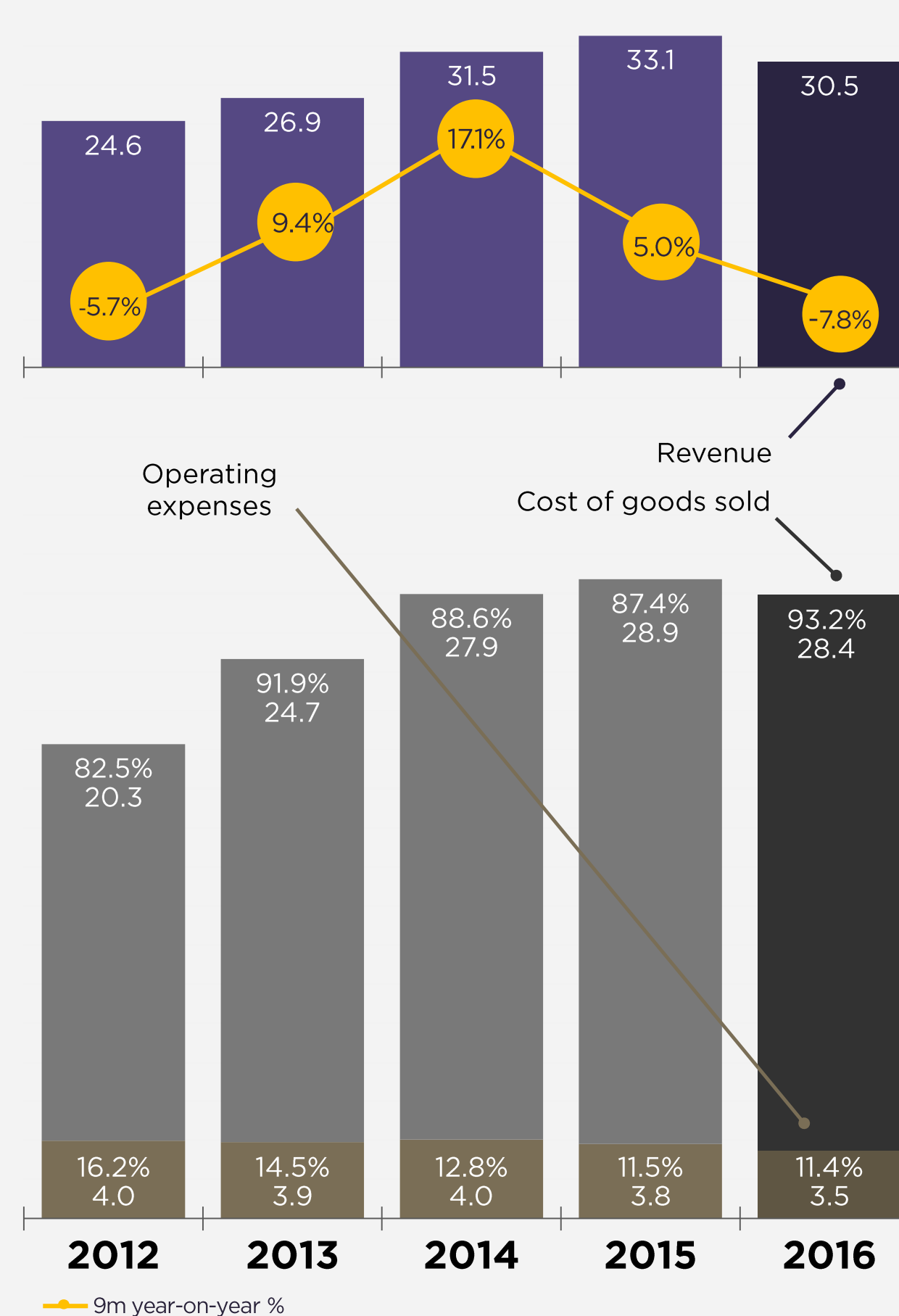


COST 9 MONTHS 2012-2016

Cost of goods sold mln EUR



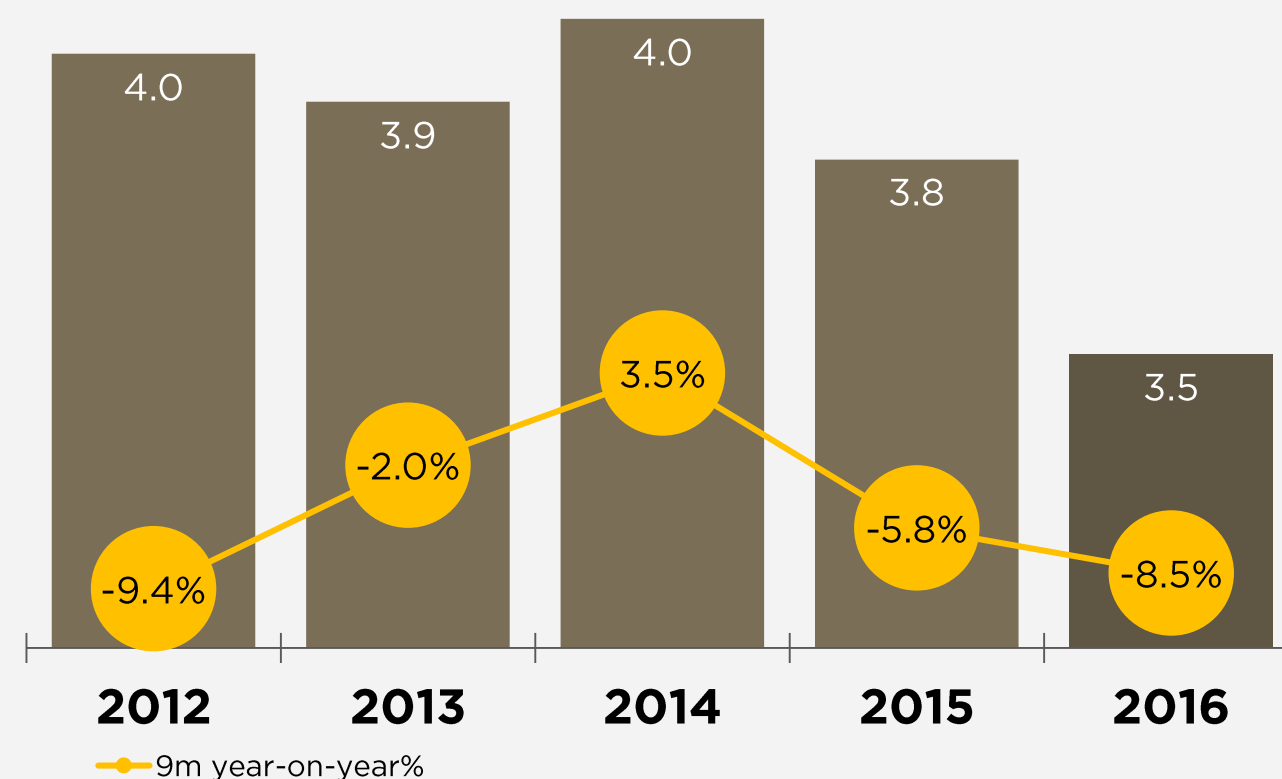
Cost structure and as % of sales



Sales revenue decreased by -2.6 million euros, i.e. -7.8%, in the first 9 months of 2016. Concurrently, cost of goods sold decreased by -0.5 million euros, i.e. -1.6%, and the percentage of cost of goods from the revenue increased 5.8 percentage points compared to the same period in 2015.

The increased percentage of cost of goods from the revenue is caused by the higher market price of raw fish. The average market price of salmon grew by 43.0% and the average market price of trout by 22.1% in the first 9 months of 2016 compared to the same period in 2015.

Operating expenses mln EUR

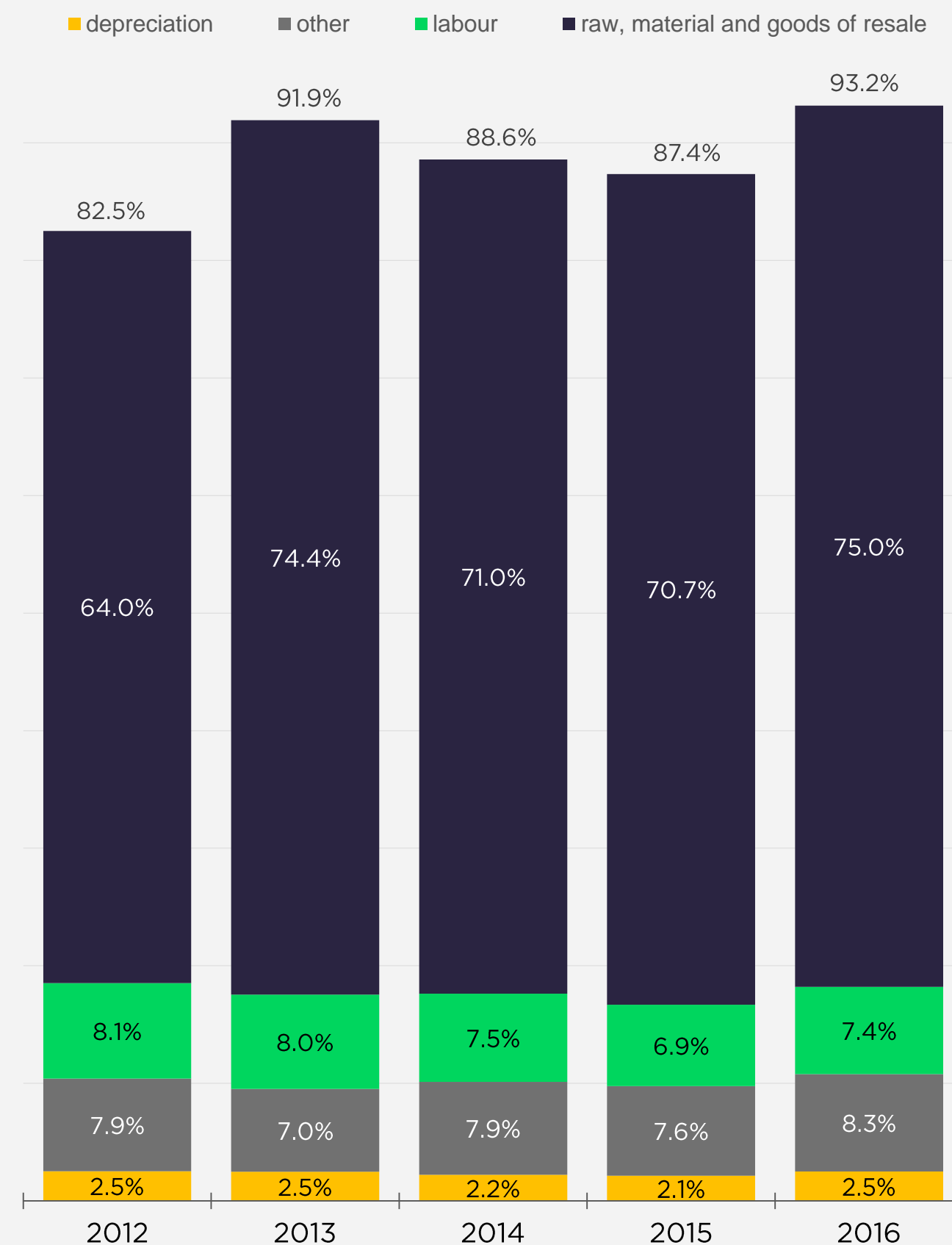


As the price of raw material has been very volatile this year, the Company is focused on leaving low margin product groups.

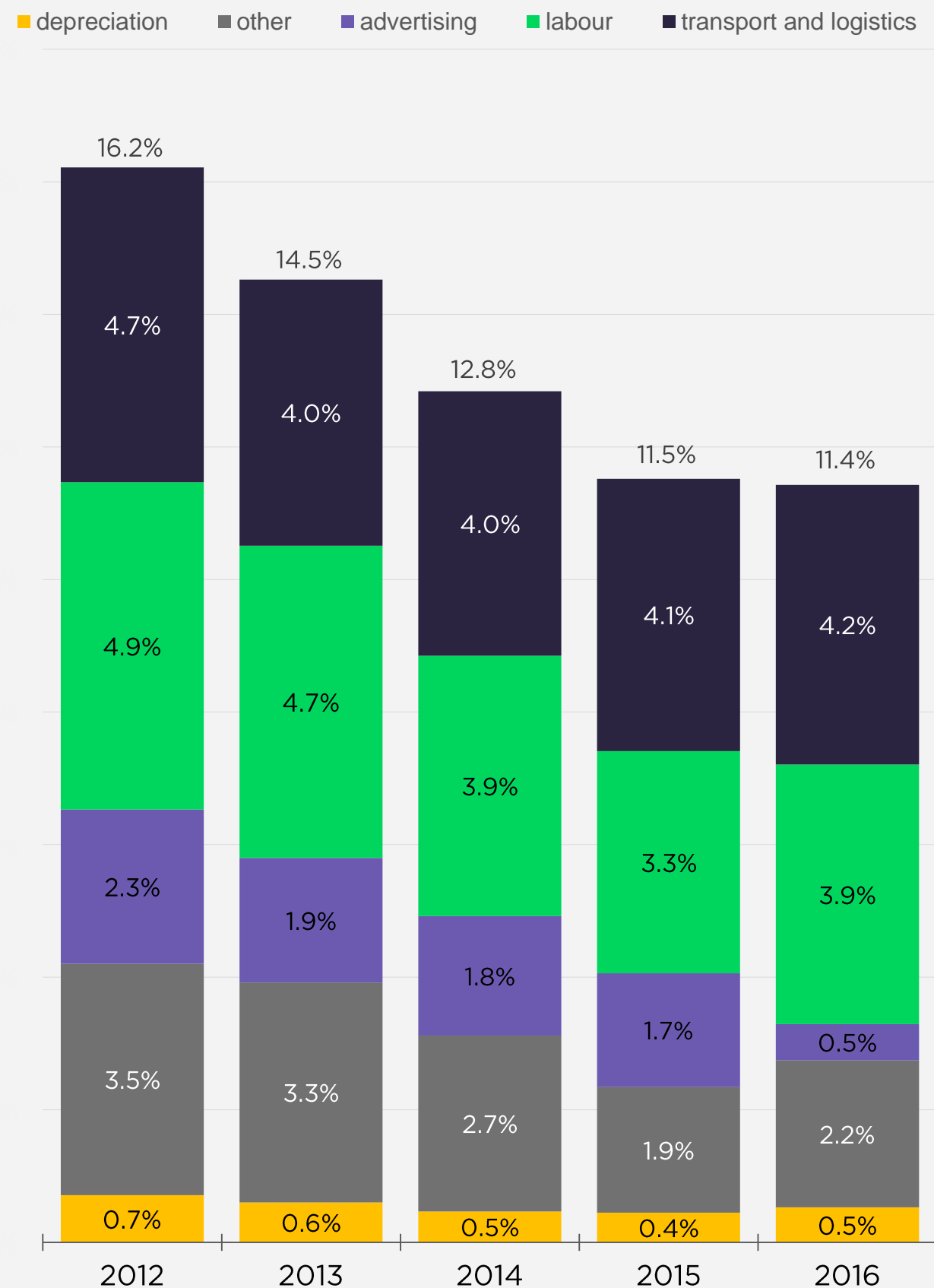
Main proportion, more than 80%, of costs of goods sold constitutes of raw material (raw fish). The rest is mainly packaging and fish feed costs.

COST STRUCTURE OVERVIEW 9 MONTHS 2012-2016

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 **93.2%** (9 months in 2015: 87.4%) and the **percentage of operating costs was 11.4%** (9 months in 2015: 11.5%) in the reporting period.


The ratio of other cost of goods sold to the sales revenue was 8.3% in the first 9 months of 2016 (9 months in 2015: 7.6%), showing an increase of 0.7 percentage points, while costs remained on the same level. 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 7.4% of the revenue, which has grown year-on-year by 0.5 percentage points, while decreasing by 27 thousand euros in total.

The operating costs of the first 9 months of 2016 decreased year-on-year by -324 thousand euros in total, i.e. -8.5%. Depreciation cost of fixed assets increased by 72 thousand euros, i.e. 8.4%.

The objective of the Company is to reduce consistently the portion of operating costs in the revenue year after year.

COST ANALYSIS

THE 9 MONTHS OF 2016 COMPARED TO THE 9 MONTHS OF 2015



	9m 2016 mln eur	9m 2015 mln eur	change mln eur	9m	9m 2016 % of sales	9m 2015 % of sales	change % of sales	9m
Sales revenue	30.53	33.10	- 2.57	↓	100.00%	100.00%		
Cost of goods sold	- 28.44	- 28.91	0.47	↑	93.16%	87.35%	-5.81%	↓
materials in production and cost of goods purchased for resale	- 22.88	- 23.39	0.51	↑	74.96%	70.67%	-4.29%	↓
labour costs	- 2.26	- 2.29	0.03	↑	7.42%	6.92%	-0.50%	↓
depreciation	- 0.76	- 0.71	- 0.06	↓	2.50%	2.13%	-0.37%	↓
other cost of goods sold	- 2.53	- 2.53	0.00		8.28%	7.63%	-0.65%	↓
Operating expenses	- 3.49	- 3.81	0.32	↑	11.43%	11.53%	0.10%	↑
labour costs	- 1.20	- 1.11	- 0.08	↓	3.91%	3.35%	-0.56%	↓
transport and logistics services	- 1.29	- 1.36	0.07	↑	4.22%	4.11%	-0.11%	↓
depreciation	- 0.16	- 0.15	- 0.01	↓	0.53%	0.45%	-0.08%	↓
advertising, marketing and product development	- 0.17	- 0.57	0.40	↑	0.55%	1.72%	1.17%	↑
other operating expenses	- 0.68	- 0.63	- 0.05	↓	2.22%	1.89%	-0.33%	↓
Other income/-expenses	0.17	0.31	- 0.14	↓	0.57%	0.94%	-0.37%	↓
Financial income/-expenses	- 0.23	0.16	- 0.38	↓	-0.75%	0.48%	-1.23%	↓

SALES BY GEOGRAPHIC AREA Q3 2012-2016

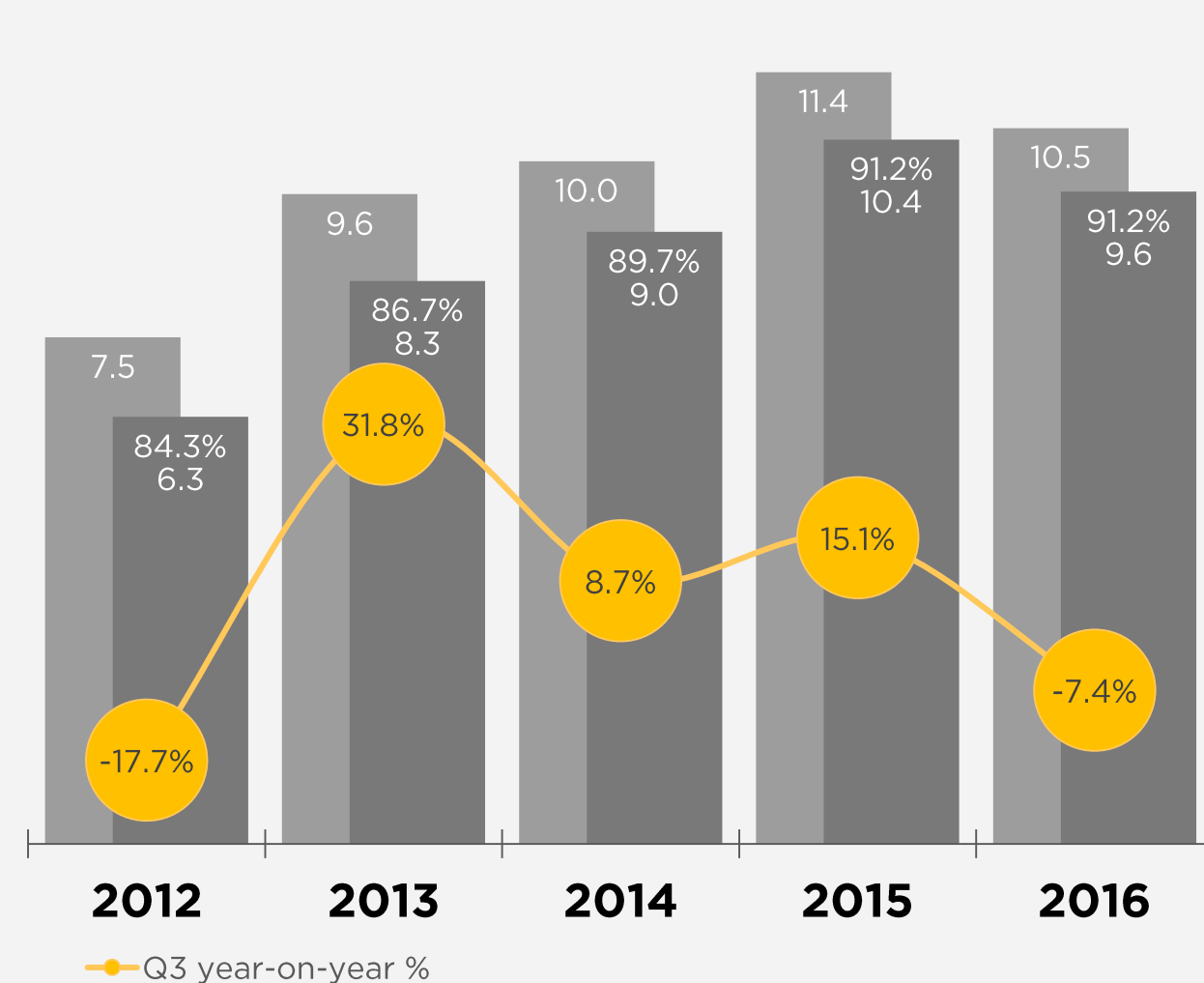
Export revenue decreased year-on-year by -0.8 million euros, i.e. -7.4% in 3rd quarter of 2016, reaching the level of 9.6 million euros. Export share of total turnover decreased compared to the same period in previous year in total of -0.07 percentage points. The reason for decrease is the shrinkage of turnover in Finland target market in total amount of -1.2 million euros, i.e. -4.3 percentage points.

Although the company is planning a drop in sales this year, it is in line with our budget, as well as our strategy to focus primarily on profitability and on exiting product groups with low margins.

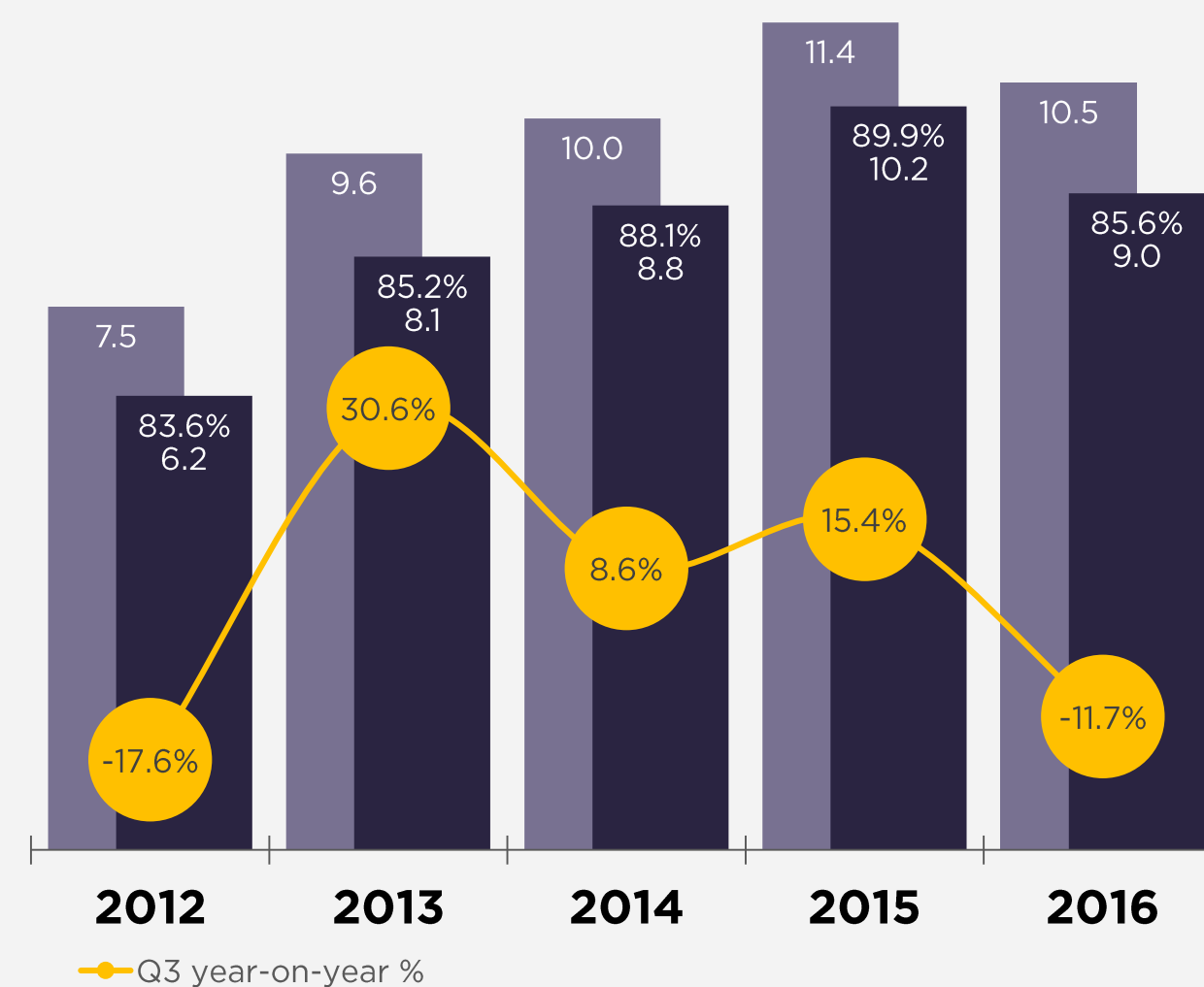
The share of revenues of Estonia target market remained on the same level.

The shrinkage of Finnish market was compensated by increase in share of other target markets. Sales grew in Latvia in the 3rd quarter of 2016, which is a positive sign because it is an indication that the Group was able to diversify its sales geographically.

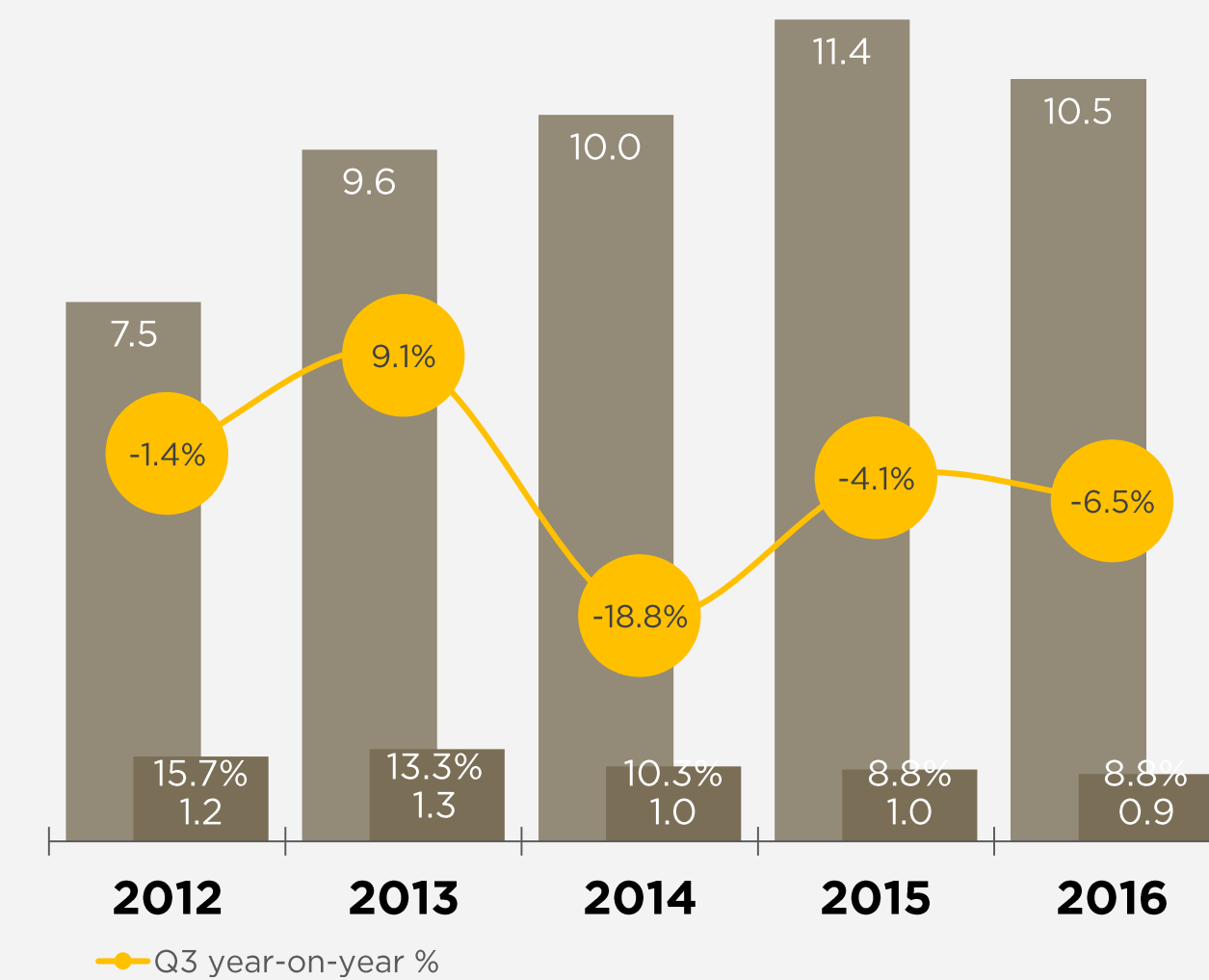
Share of exports revenue mln EUR



Share of Finnish revenue mln EUR

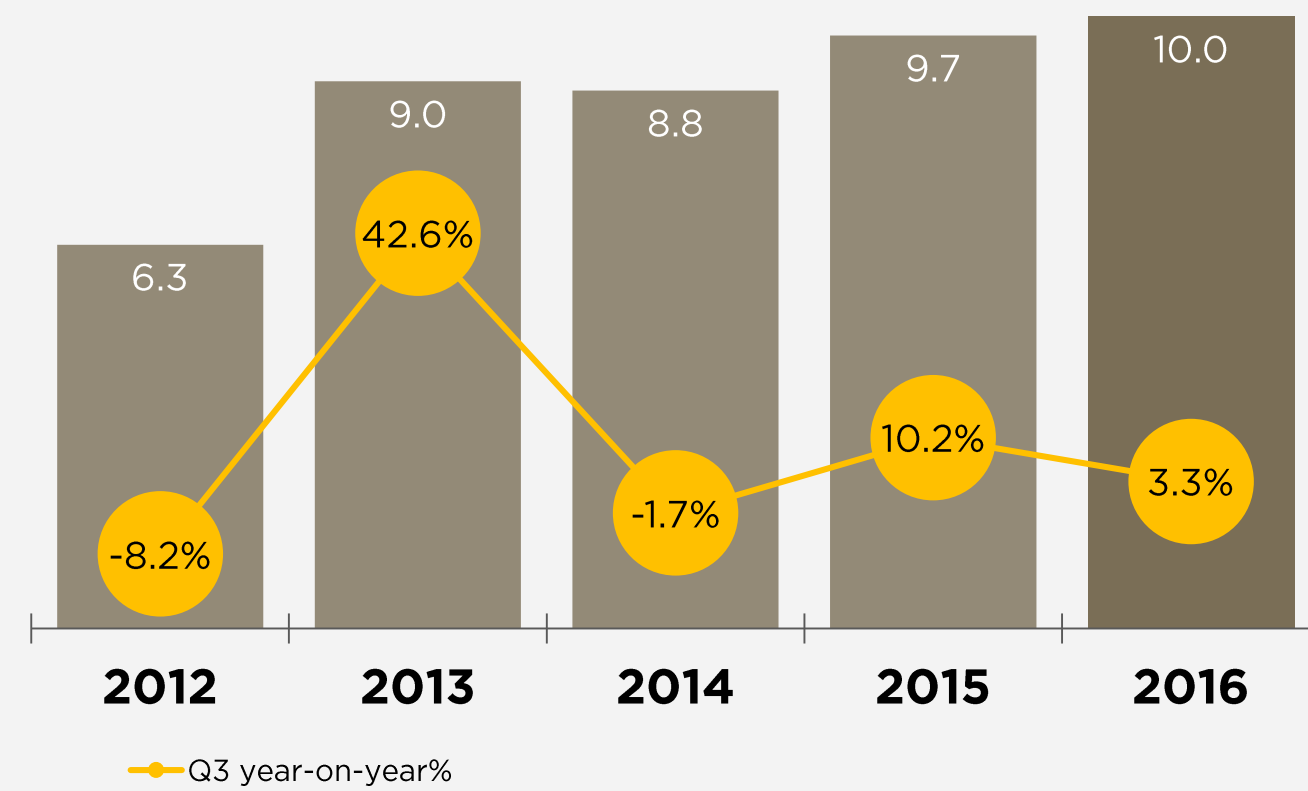


Share of Estonian revenue mln EUR

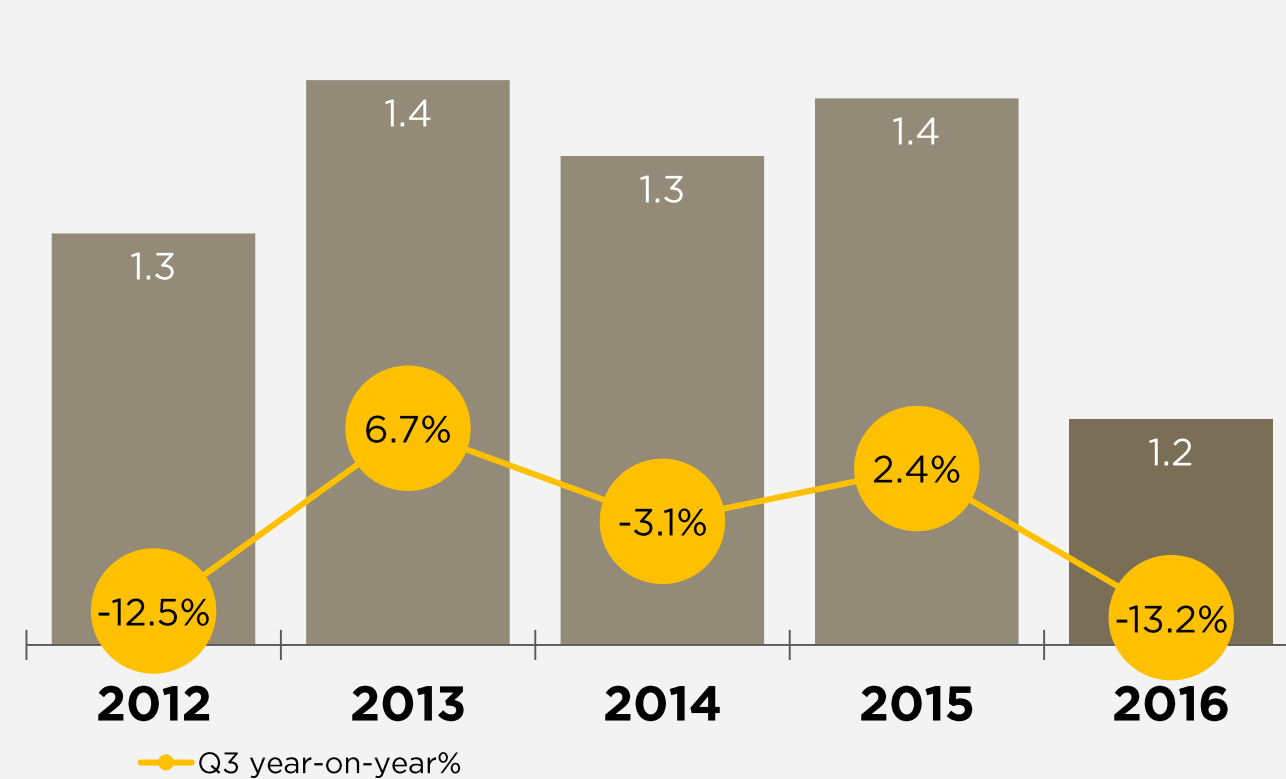


COST Q3 2012-2016

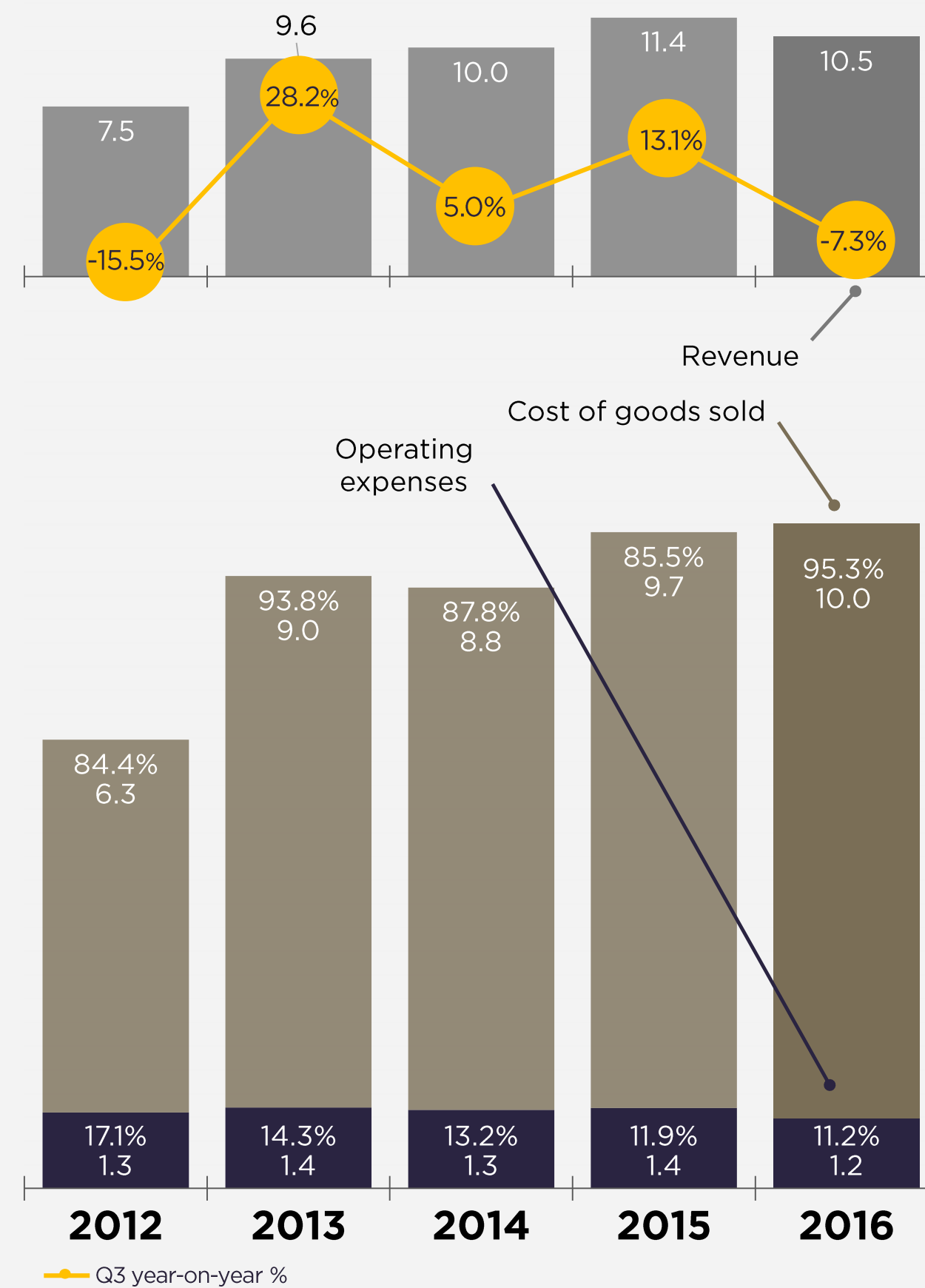
Cost of goods sold mln EUR



Operating expenses mln EUR



Cost structure and as % of sales



Sales revenue decreased by -0.8 million euros i.e. -7.3% in Q3 2016. During the same period cost of goods sold increased by 0.3 million euros, i.e. 3.3% and its percentage from the revenue increased 9.7 percentage points compared to the same period in 2015.

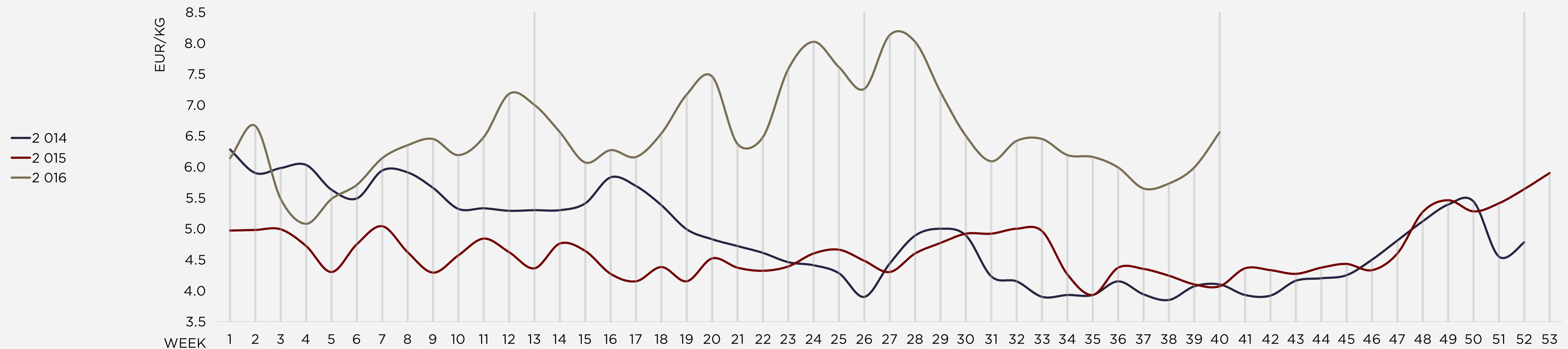
The increase in costs of goods sold is due to the rapid increase of raw fish market price. The average market price of salmon increased by 44.1% in Q3 2016 and the average market price of trout increased by 44.0% compared to the same period in 2015.

The operating costs of the 3rd quarter of 2016 decreased year-on-year by -178 thousand euros in total, i.e. -13.2%. The percentage of operating costs from revenue was 11.2%, decreasing in total by 0.8% percentage points.

THE MARKET PRICE OF FISH: SALMON



EXPORT PRICE OF NORWEGIAN SALMON



Source:
NASDAQ Salmon Index

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

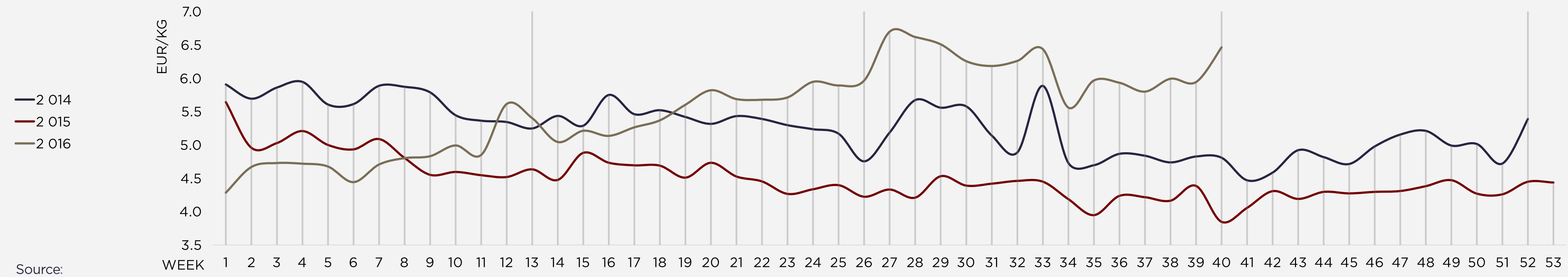
the world market which is why the market price of raw fish is always fluctuating. Fish market is extremely dependent on availability and market price of raw fish. The Group compensates the impact of external environment and volatility of salmon price through the changes of Company's production and sales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

The Group's main product is rainbow trout, which is 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.

THE MARKET PRICE OF FISH: RAINBOW TROUT



EXPORT PRICE OF NORWEGIAN RAINBOW TROUT



Source: akvafakta.no

Market price EUR/KG	30.09.2016	31.12.2015	30.09.2015	31.12.2014
Salmon	5.99	5.90	4.06	4.80
Rainbow trout	5.94	4.44	3.93	5.39
Market price change %	30.09.16/30.09.15	30.09.16/31.12.15	31.12.15/31.12.14	30.09.15/31.12.14
Salmon	47.5%	1.5%	22.9%	-15.4%
Rainbow trout	51.1%	33.8%	-17.6%	-27.1%

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 has 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, the increase has not yet been translated into end prices.

The high prices of salmon and rainbow trout have a direct impact on the Company`s financial results of Q3 2016. The positive effect of the market price on the Company`s EBITDA and operating profit in the mentioned period was estimated to amount to 60-

70 thousand euros. In November, at the time of preparing this report, the price of Norwegian trout has further increased. The prices of Finnish and Danish markets are also significantly higher compared to same period last year.

Average market price EUR/KG	Q3 2016	9m 2016	12m 2015	Q3 2015	9m 2015	12m 2014
Salmon	6.40	6.45	4.63	4.44	4.51	4.85
Rainbow trout	6.15	5.47	4.49	4.27	4.48	5.26

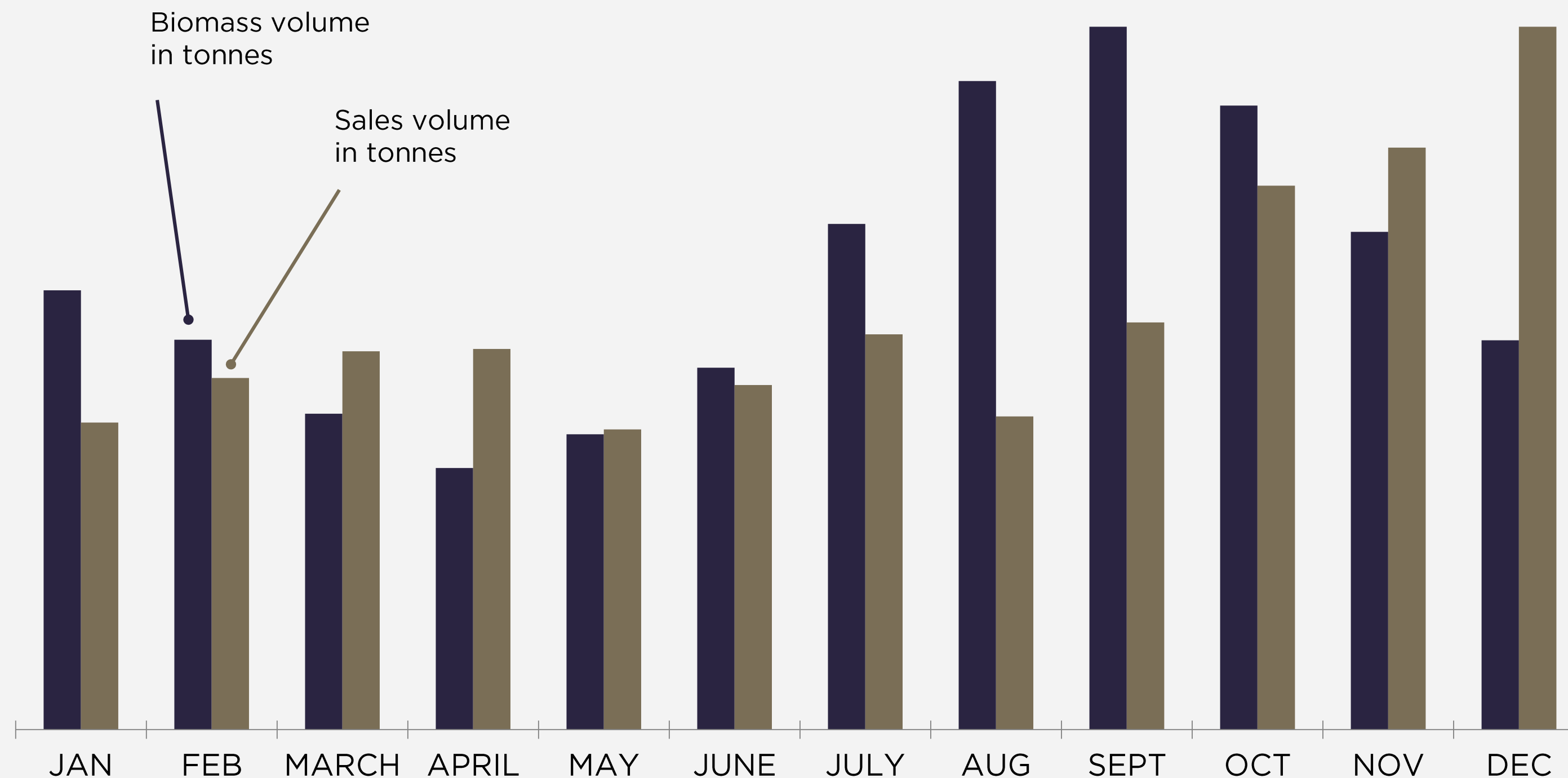
Average market price change %	Q3 16/Q3 15	9m 16/9m 15	Q3 16/12m 15	9m 16/12m 15	Q3 15/12m 14	9m 15/12m 14	12m 15/12m 14
Salmon	44.1%	43.0%	38.2%	39.3%	-8.5%	-7.0%	-4.5%
Rainbow trout	44.0%	22.1%	37.0%	21.8%	-18.8%	-14.8%	-14.6%

The average market price of salmon has increased by 44.1% in the 3rd quarter of 2016 compared to the 3rd quarter of 2015 and during the named period the average market price of rainbow trout has increased by 44.0%.

The average market price of salmon has increased by 43.0% in the first 9 months of 2016 compared to the same period from the previous year and the average market price of rainbow trout has increased by 22.1%.

SEASONALITY OF THE BUSINESS

The graph shows the seasonal character of business by month, reflecting the growth of biomass volume in fish farming and sales volume in production.



Due to the growth of biomass, the low season in fish farming lasts from November until May, while the high season lasts from June to September. Biomass growth is being influenced by the temperature in seas and lakes. Trout, for instance, grows faster from summer until autumn when the water is warmer. Between winter and spring, i.e. the cold period, fish practically stop growing. In fish processing facilities production volumes increase between September and Christmas and between March and May.

The long production cycle and the need to balance the volatility of market prices of raw materials require notably bigger investments in net working capital as compared to some other food industry businesses. In the high season of harvesting, there is a considerable need for working capital for purchasing feed and livestock. In addition, day-to-day production operations require sufficient stocks. For instance, in the autumn period when the supply of raw fish exceeds the market demand and the price level is the lowest during the year, companies consider purchasing large quantities of favourably priced raw materials (mainly trout) that are used in the ongoing production process. In the final third of the year, in the autumn-winter period when producers are selling fish harvested in their fish farms, the cash flow from operating activities is positive. In other words, notable fluctuation of net working capital is an entirely normal phenomenon in the fish business during the year.



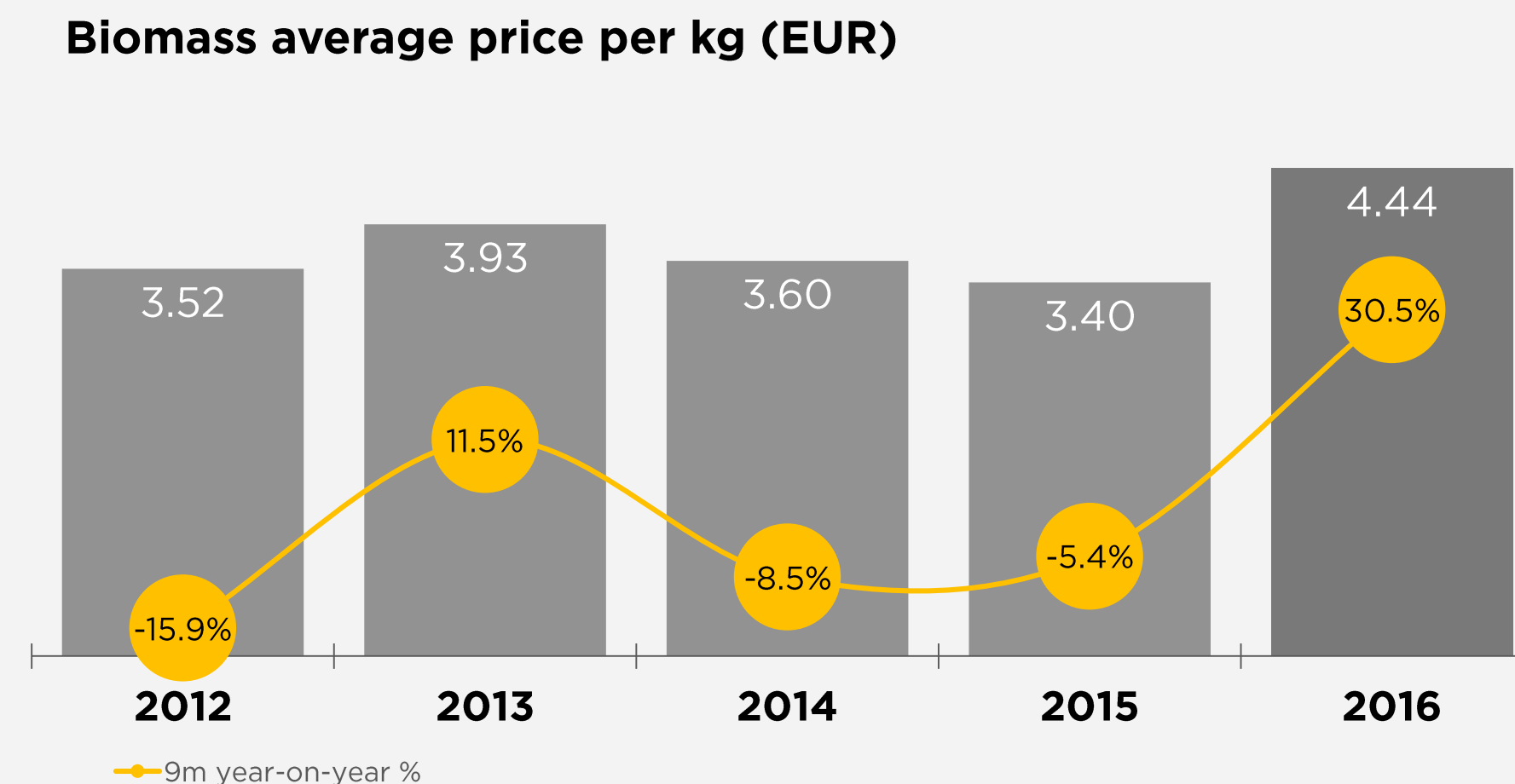
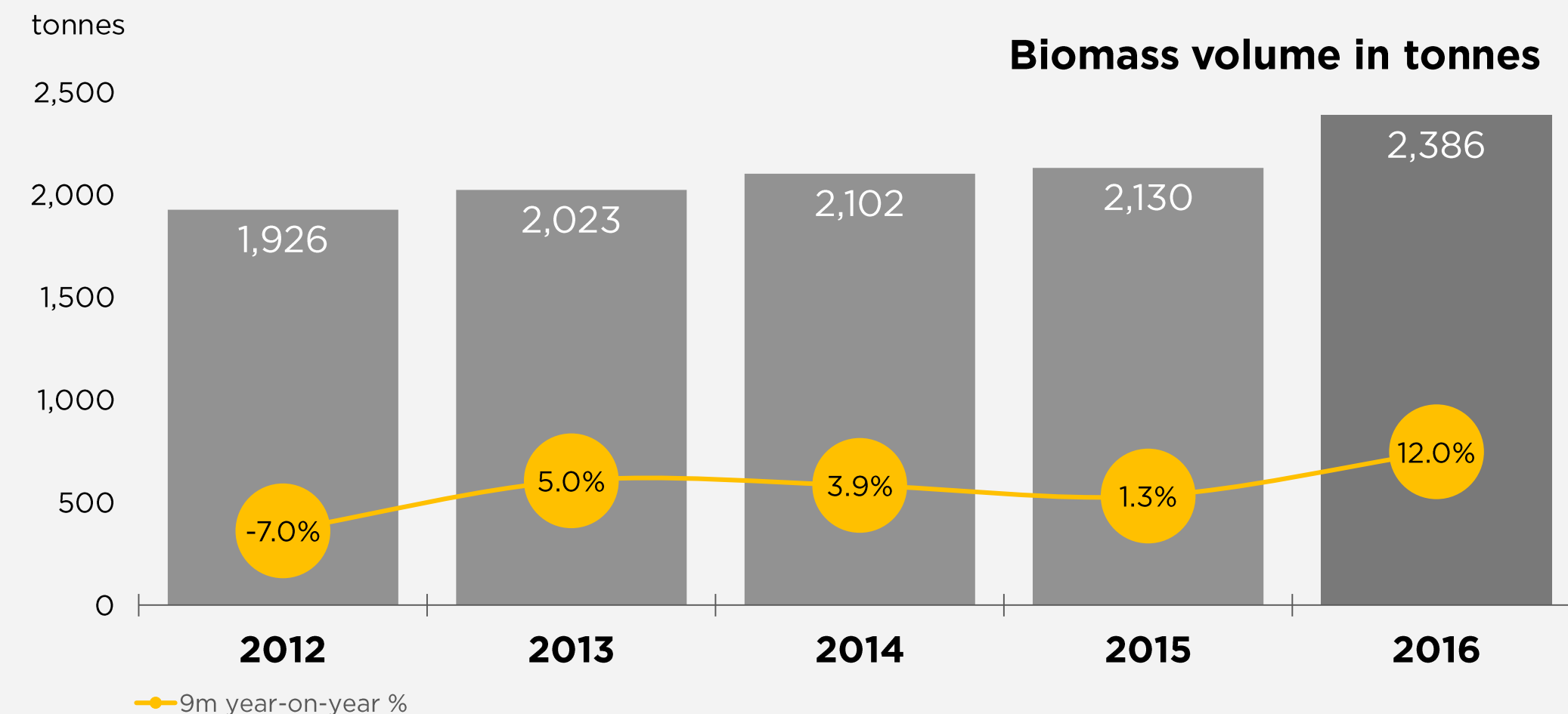
BIOLOGICAL ASSETS: BIOMASS VOLUME AND AVERAGE PRICE PER KG 9 MONTHS 2012-2016

	9m 2012	9m 2013	9m 2014	9m 2015	9m 2016
Biological assets (milj EUR)	6.79	7.95	7.56	7.25	10.59
Biomass volume in tonnes	1,926	2,023	2,102	2,130	2,386
Average price per kg (EUR)	3.52	3.93	3.60	3.40	4.44
Fair value adjustment on biological assets (milj EUR)	-1.33	1.12	-0.25	-0.53	3.36

The amount of biological assets has grown by 256 tonnes, i.e. 12.0% compared to the same period in previous year and in monetary terms has increased by 3.34 million euros, i.e. +46.1%. This is caused by the higher market price of rainbow trout, which is 51.1% higher as at 30.09.2016 compared to the market price of 30.09.2015.

The aggregate growth of biological assets was positive during the reporting period, amounting to 7.9 million euros (9 months in 2015: 3.5 million euros).

As at 30.09.2016, the fair value of biological assets was 10.6 million euros (30.09.2015: 7.3 million euros).



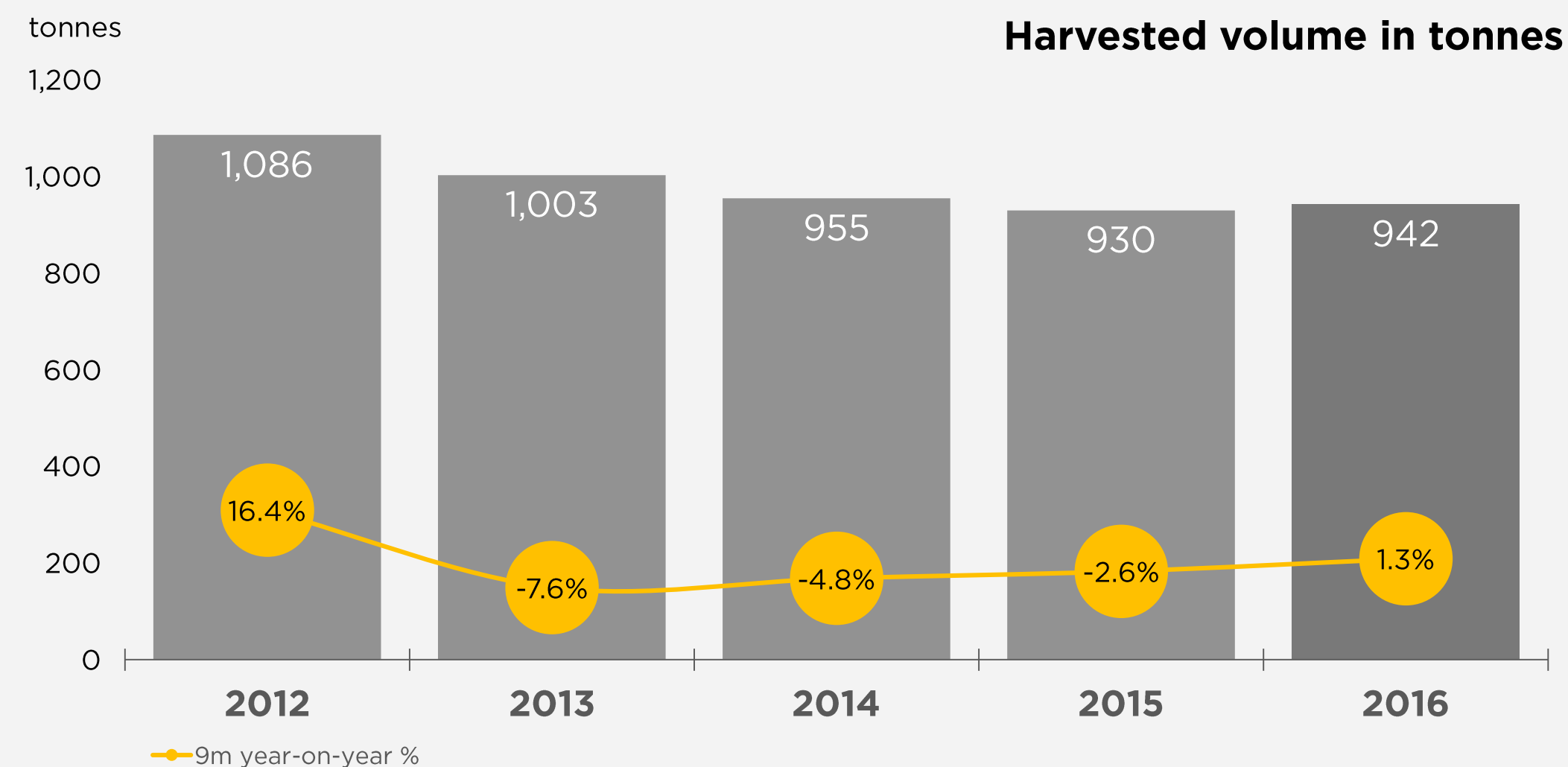
BIOLOGICAL ASSETS: HARVESTED VOLUME 9 MONTHS 2012-2016



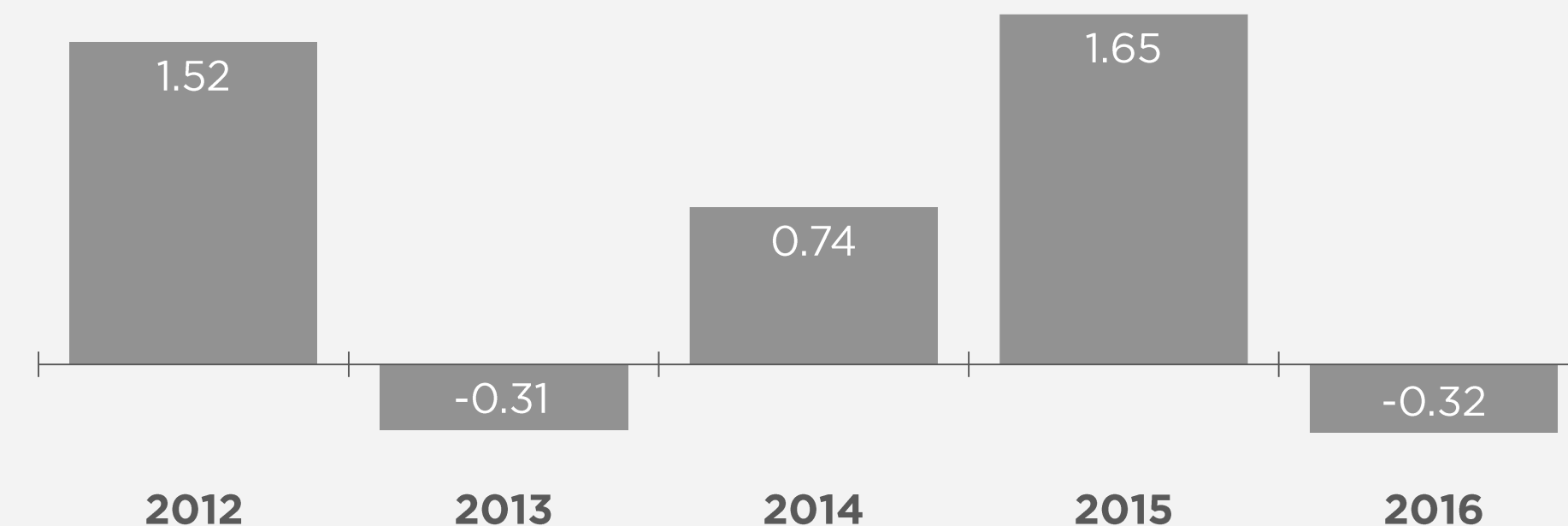
	9m 2012	9m 2013	9m 2014	9m 2015	9m 2016
Sales revenue (milj EUR)	24.59	26.90	31.52	33.10	30.53
EBITDA from operations* (milj EUR)	1.65	-0.31	0.71	1.54	-0.30
Harvested volume (tonnes)	1,086	1,003	955	930	942
EBITDA / kg* (EUR)	1.52	-0.31	0.74	1.65	-0.32

During the reporting period agricultural produce in the amount of 942 tonnes was harvested, which has increased 1.3% compared to the same period in previous year. Produce in the amount of 930 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.



EBITDA from operations* / kg EUR * before one-offs and fair value adjustment of fish stock



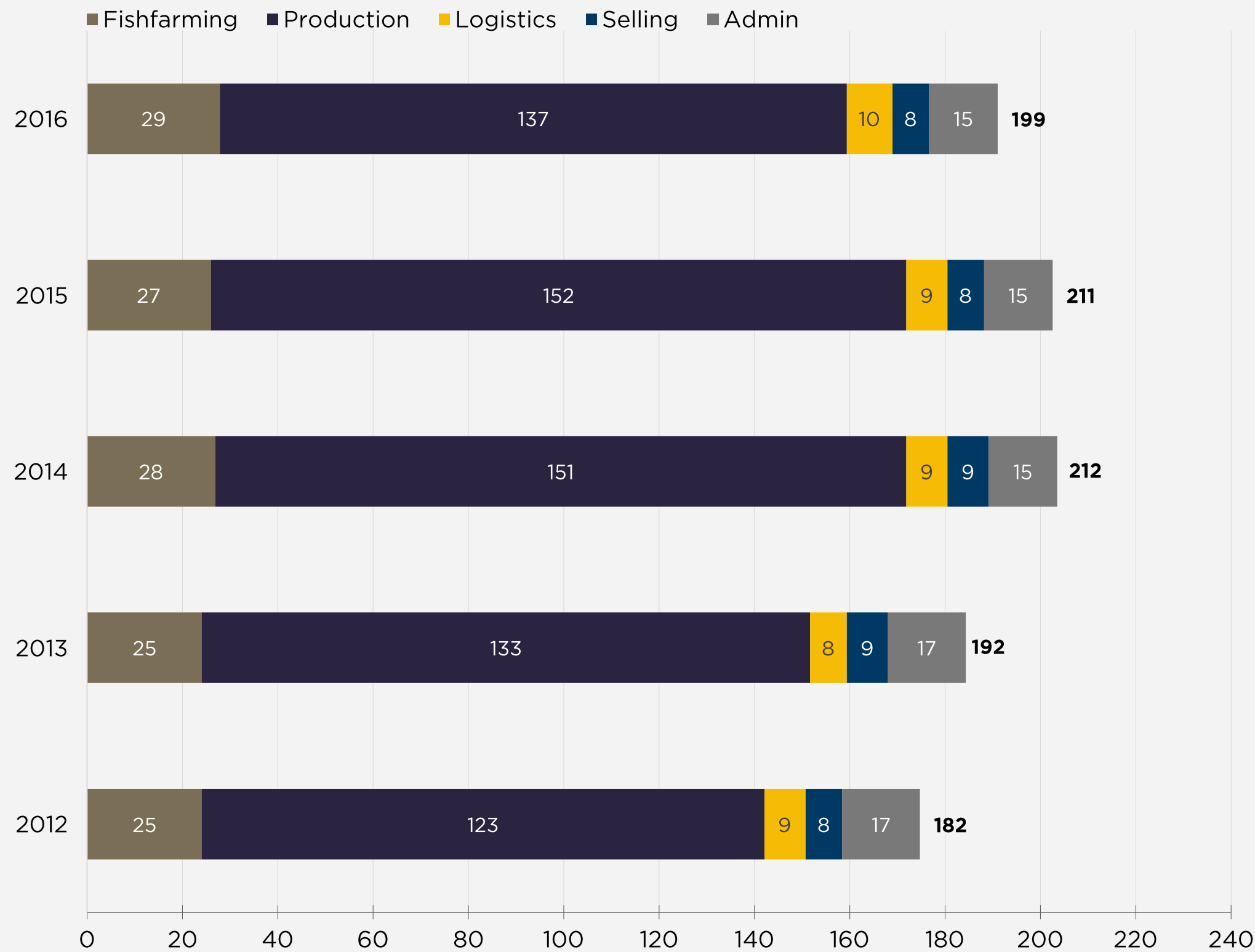
TEAM

FOR US, EVERY EMPLOYEE IS IMPORTANT
The average number of employees employed by PRFoods in the first 9 months of 2016 was **199** people.

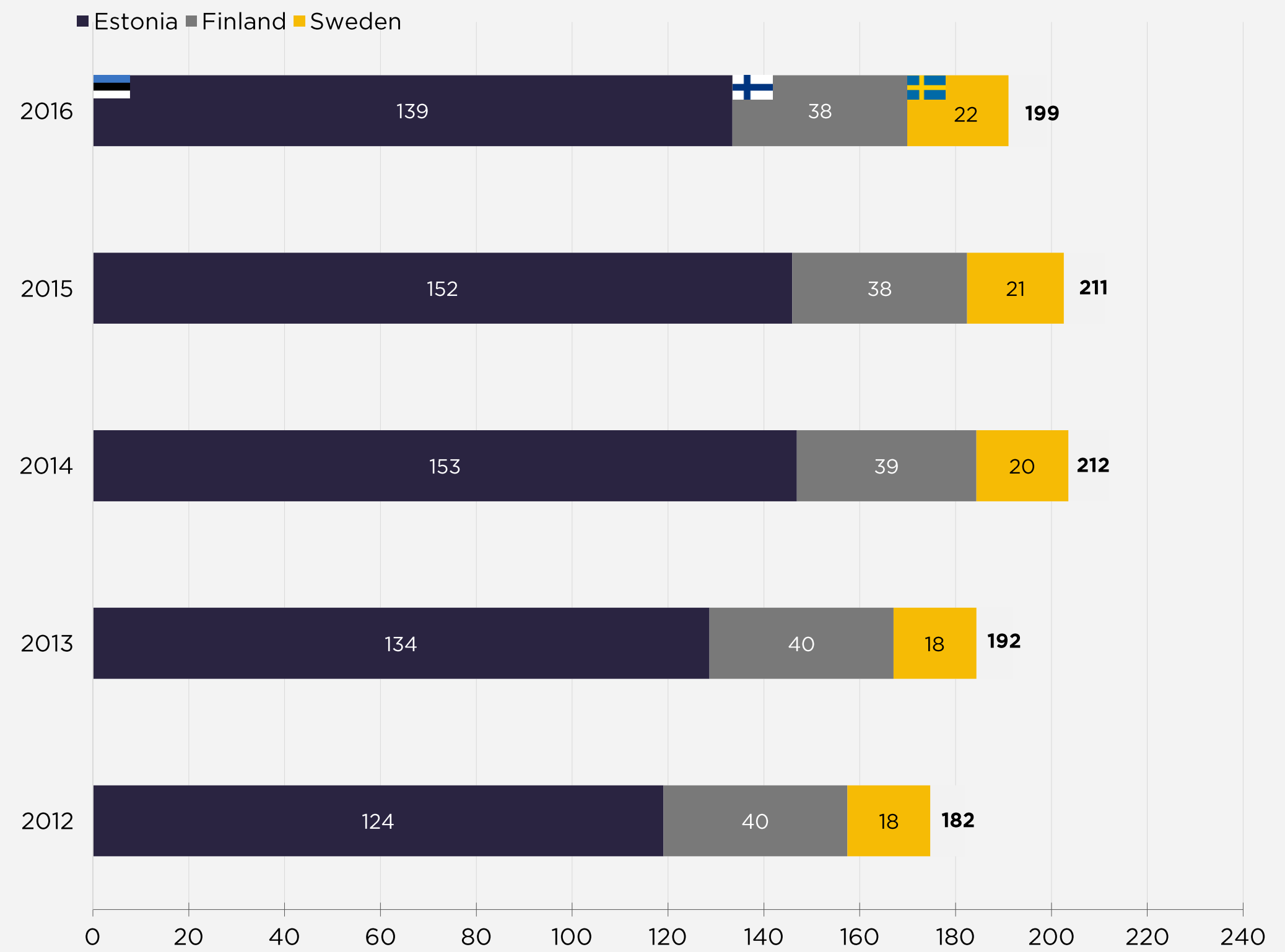


STAFF STRUCTURE 9 MONTHS 2012-2016

Employees according to area of activity



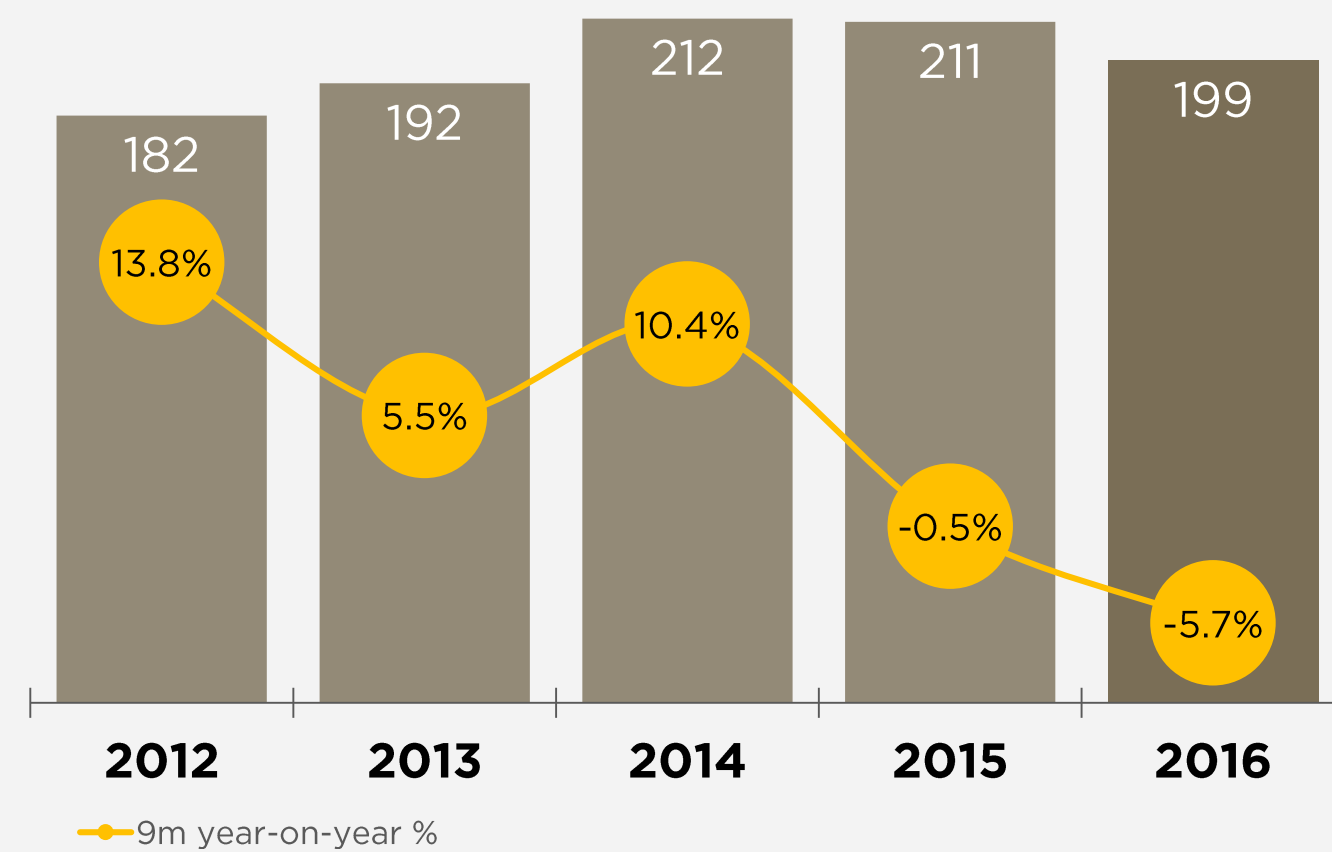
Employees by country



LABOUR COST 9 MONTHS 2012-2016

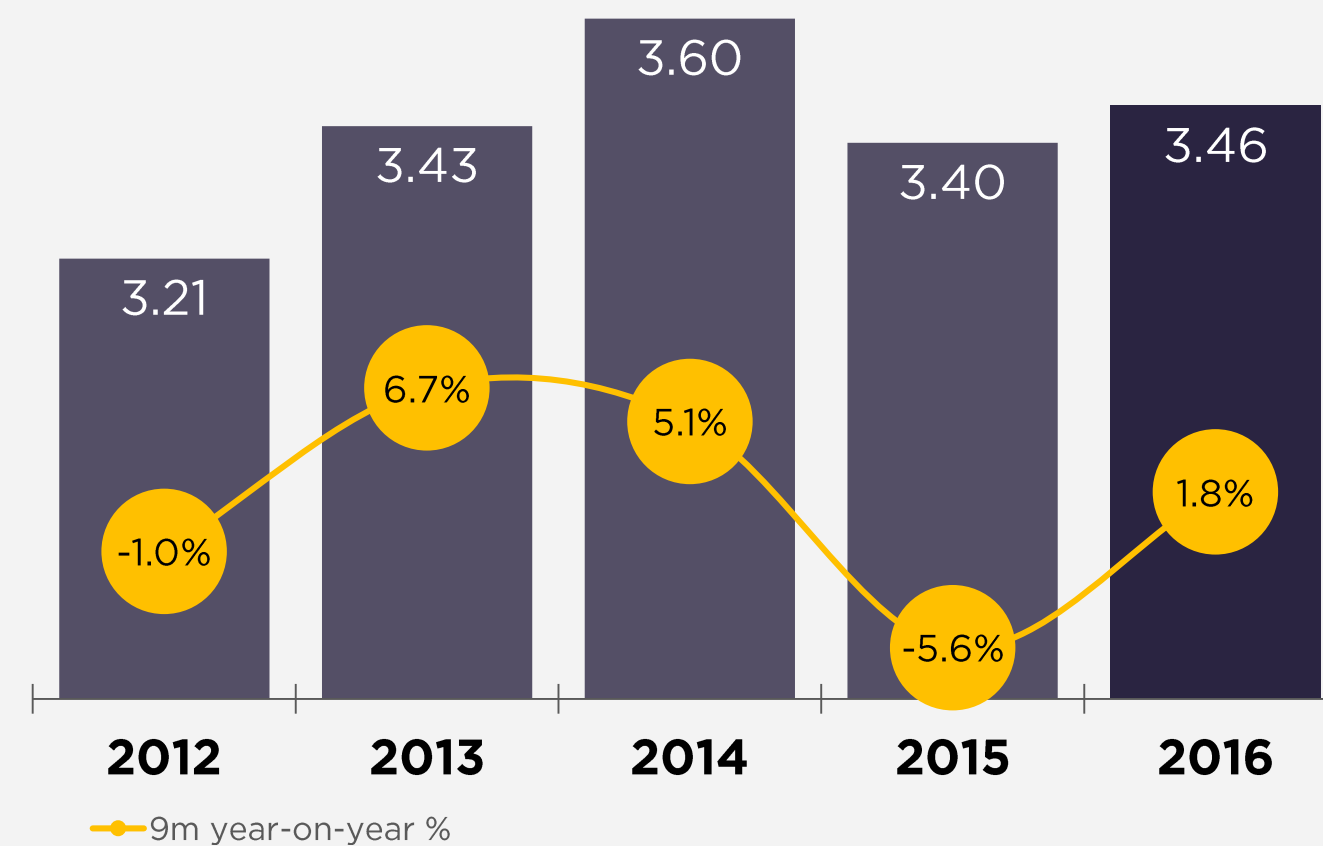
We are determined and passionate about what we do. It is our objective to serve our customers through quality and delicious products, offering only the best, most innovative and healthiest choice of food. Being close to consumers, we understand their needs and, by constantly developing our product range, focus on offering products of higher added value. We are competitive in the joint European economic area, we are able to feed the local population with our healthy domestic food and be successful in foreign markets.

Number of employees



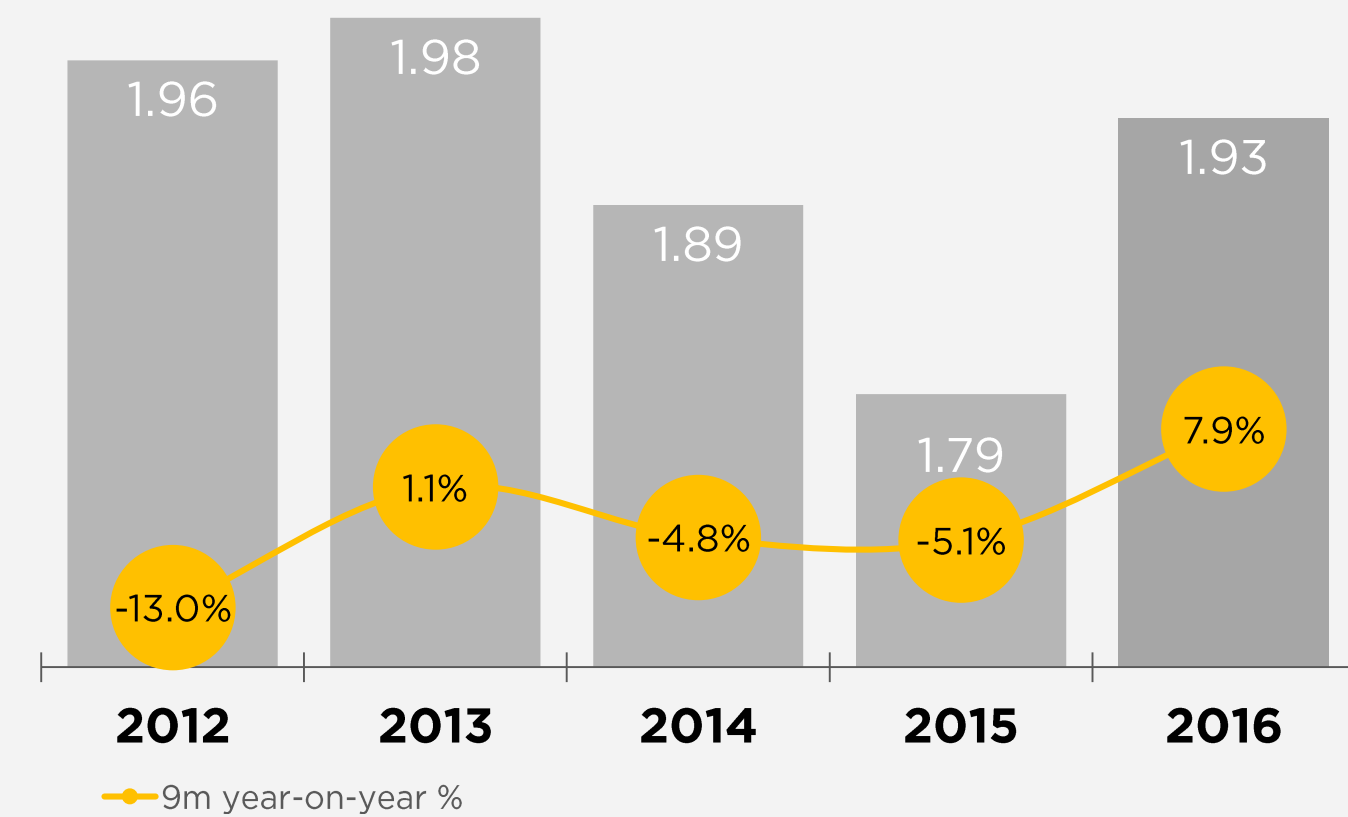
Labour costs in production were 2.26 million euros in the first 9 months of 2016, which remained on the same level year-on-year.

Labour cost mln EUR



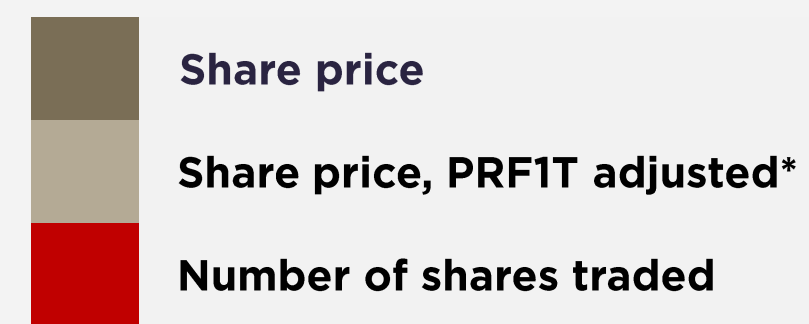
Labour costs of supportive personnel were 1.20 million euros in the reporting period, increasing by 7.9% compared to the same period in the previous year.

Monthly average payroll expenses per employee (thousand EUR)



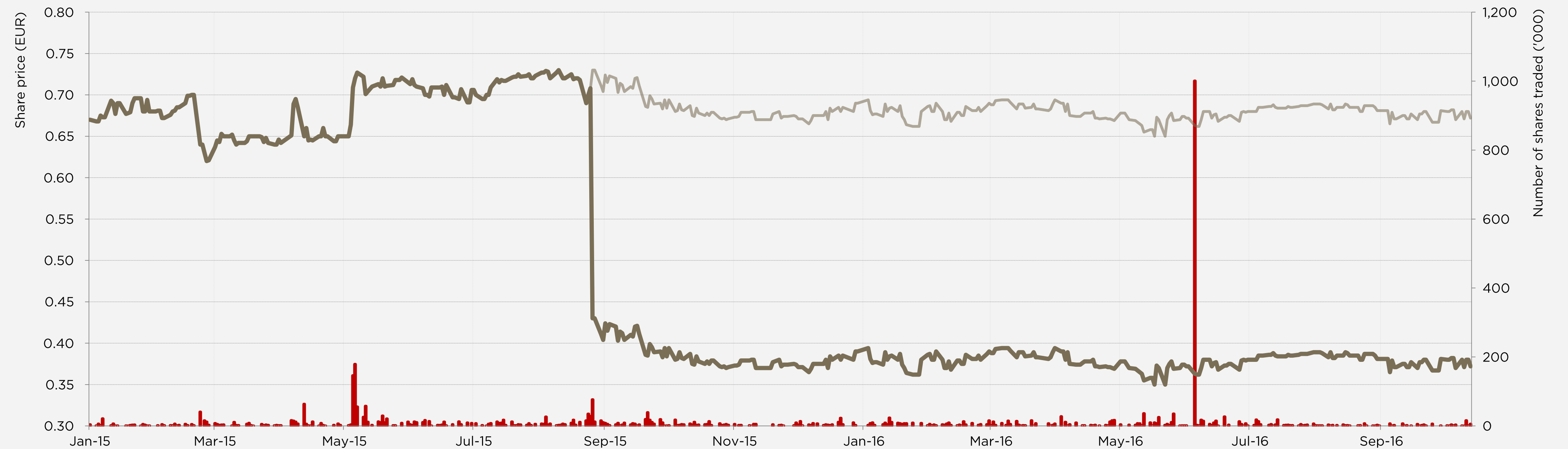
The Group`s labour costs were 3.46 million euros in the first 9 months of 2016, growing year-on-year by 1.8%, i.e. 60 thousand euros. The percentage of labour costs in the sales revenue was 11.3% (the percentage was 10.3% in the first 9 months of 2015).

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 30.09.2016

Shareholder	Number of shares	% of total 30.09.2016	% of total 31.12.2015	Change
ING Luxembourg S.A. (Nominee account)	24,258,366	62.71%	62.71%	-
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%	-
LHV Pensionifond L	1,087,346	2.81%	4.56%	- 678,000
Lindermann, Birnbaum & Kasela OÜ	1,018,750	2.63%	0.05%	+ 1,000,000
Compensa Life Vienna Insurance Group SE	716,058	1.85%	1.58%	+ 105,000
Firebird Avrora Fund Ltd	648,220	1.68%	1.68%	-
OÜ Footsteps Management	503,701	1.30%	1.30%	-
LHV Pensionifond XL	370,611	0.96%	1.52%	- 218,000
Total largest shareholders	32,334,043	83.59%	83.05%	+ 206,900
Other minority shareholders	5,772,795	14.92%	15.84%	- 353,367
Treasury shares	576,022	1.49%	1,11%	+ 146,467
Total	38,682,860	100.0%	100.0%	-

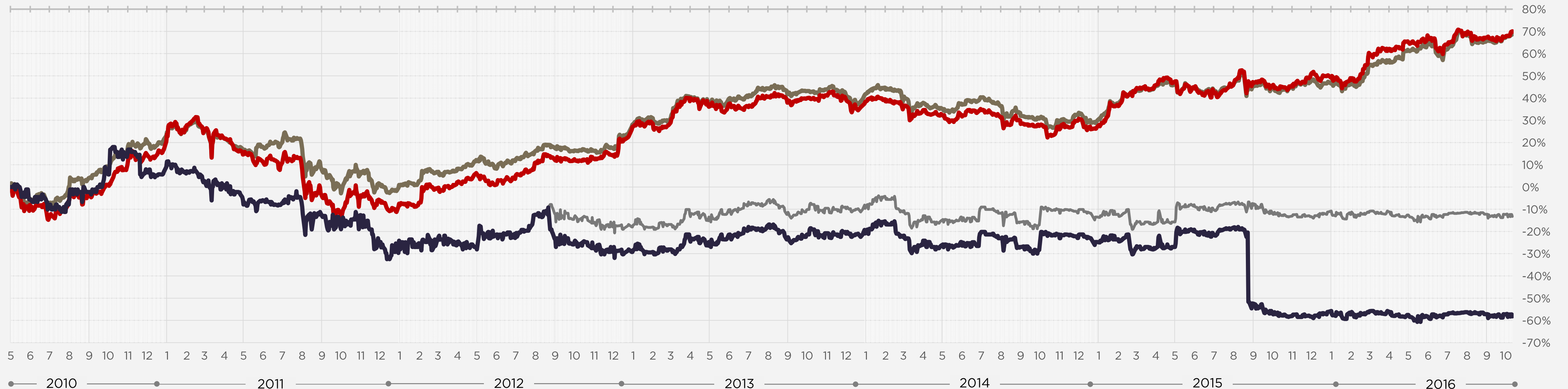


CHANGE OF PRFOODS SHARE AND PROFITABILITY INDEXES FROM DATE OF LISTING

Indeks/share	5.05.2010	30.09.2016	change %
 OMX Baltic Benchmark GI	439.91	734.28	+66.92%
 OMX Tallinn	598.34	1,001.34	+67.35%
 PRFoods share	0.890	0.381	-57.19%
 PRFoods share price adjusted*	0.890	0.781	-12.25%

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 +66.92% during the given period, Tallinn Stock Exchange All-Share index increased +67.35% and PRFoods share price decreased -57.19%, due to the decrease of the share nominal value in August of 2012 and 2015 in the total amount of 40 euro cents.

*The decrease of PRFoods's share, adjusted by the capital reduction payments during the named period was -12.25%.





PRFOODS

PREMIUM FISH PRODUCTS AND FISH FARMING

prfoods.ee

Vettel OÜ

Fish manufacturing production buildings in Saaremaal