

PRFOODS

AS PRFoods

Consolidated Unaudited Interim Report
for 3rd quarter and 9 months of 2016
(translation from Estonian original)

18.11.2016

2016 | Q3 + 9 MONTHS

PRFOODS

Business name	AS PRFoods
Commercial register number	1150713
Address	Viru 19, 10140 Tallinn, Estonia
Phone	+372 603 3800
Fax	+372 603 3801
Website	prfoods.ee
Main activities	Production and sale of fish products Fish farming
Reporting period	1 January 2016– 30 September 2016
Auditor	AS PricewaterhouseCoopers

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Corporate profile

AS PRFoods (hereinafter "Group") is a company engaged in food processing and sales that is listed on the main list of NASDAQ OMX Tallinn Stock Exchange since 5 May 2010.

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. Approximately 1/3 of the Group fish farms are located in Swedish lakes and in Finland in the area of Turku Archipelago, which assures high quality and reliable delivery. The Group is primarily farming rainbow trout and to a lesser extent whitefish.

Residual 2/3 of the raw fish, prevalently salmon, is bought from Finland and from Scandinavian countries, like Denmark, Norway, Sweden. On a smaller scale company also buys in perch, pike, herring, vendace (freshwater whitefish) and Baltic herring.

AS PRFoods

Group holding company

100%

Saaremere Kala AS

Fish group holding company

100%

Heimon Kala Oy

Fish farms, production and sales

100%

Vettel OÜ

Fish production

100%

Gourmethouse OÜ

Sale of fish products

100%

Överumans Fisk AB

Fish farms



The most significant trademarks of PRFoods are "Heimon Gourmet" and "Saaristomeren". The Group's other trademarks include "Gurmé" and "Polar Fish", which are marketed in the Baltic States.



MISSION

We wish for people to enjoy our range of products and healthy food. We try to continually maintain and grow consumer trust. We are a benchmark of care, innovation and quality.

VISION

PRFoods is a well-known environmentally friendly international company engaged in the production and sale of fresh fish and fish products in Scandinavia and the Baltic States.

STRATEGIC OBJECTIVES

The strategy of PRFoods is as follows:

- To be among three leading brands in the fishing industry business segment;
- EBITDA margin at least 7%;
- To distribute up to 30% of the annual net profit as dividends.

STRENGTHS

- Objective-driven organisational development;
- Leading brands in the Scandinavian and Baltic markets;
- We have had established products on the Finnish market for more than 30 years;
- Geographically suitable scope and diversified product portfolio ensure sustainable development;
- Solid financial status of the company.

RISKS

- The high volatility of raw materials prices;
- Significant increase of the proportion of *Private label* products on the Finnish market;
- High dependence on the two large retail chains dominating the Finnish retail market;
- Risks related to biological assets in the fish business segment.

FUTURE PLANS AND INTENTIONS

The objective of PRFoods is to increase production capacity and to boost sales volumes of fish products. The Group is actively involved in developing new products for expanding to new export markets. As a clear leader in its business area, the objective of PRFoods is to increase the Company's profitability and to re-focus on products with higher added value. 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.

Additional information about the Group's various risks and assessments and their possible impact on estimated future events is provided in Chapter "Description of main risks of the group". In addition, it includes risk factors that are related to the price volatility of raw fish, impact of re-valuation of biological assets on the company's financial results, diseases that are putting live fish at risk, risks related to weather conditions, environmental risks, risks involved in trade restrictions, risks related to taxation and accounting, reputation risks and legislation risks as well as the political events that are influencing the whole world.

Legislative risks are related to various provisions and articles of the legislation of the business sector of fish industry, including strict regulations imposed on food safety, and laws, competition and anti-corruption rules targeted at water harvesting production and processing as well as other prescriptions not listed above that must be observed.

In drawing up future plans and intentions, the management of PRFoods is taking into account the information it is aware of at the time, based on available information and its best intentions. Actual results may differ significantly from plans because there are many different factors, variables, risks and insecurity which impact their realization.

THE GEOGRAPHY OF PRODUCTION AND SALES





P R F O O D S

Management Report

Management Report

OVERVIEW OF THE ECONOMIC ACTIVITIES

MANAGEMENT COMMENTARY

3rd quarter and 9 months have been very successful for PRFoods in terms of profitability, caused by very good results from fish farming.

Although the revenues of 3rd quarter and 9 months are lower on year-on-year basis, it follows the revenues forecast. 9 months sales were 30.5 million euros and the total decrease in sales in 9 months was 7.8%. The main reasons behind decrease in sales is discontinuation of certain private label products. At the same time our export has grown by 240%, reaching 1.7 million euros. We believe that 4th quarter and next year will bring further growth in export sales.

Due to the rapid increase in raw material prices, whereby the increase on yearly basis of salmon has been 47.5% and rainbow trout 51.1%, the gross margins of the company have decreased to 6.8% on 9 months basis and 4.7% in 3rd quarter. Usually we witness increase in gross margins during 4th quarter as we process more of own farmed fish in production and rely less on world markets.

Fish farming has set new records this year. The total biomass is 10,59 million euros and 2,386 tons on 9 months basis. The growth of biomass in 9 months was 256 tons and 12%. The average price of fish in farms is 4.40 euros per kilo. In monetary terms the biomass revaluation produced 3.4 million euros profit.

EBITDA from operations on 9 months basis was -0.3 million (2015 year 9 months was 1.5 million euros). The decrease in EBITDA from operations is caused by more expensive raw materials. In 4th quarter PRFoods expects a growth in EBITDA from operations as we start processing own farmed fish, which is cheaper than world market prices.

Consolidated EBITDA together with fish farming in 3rd quarter was 2.6 million euros, increase of 147% and 9 months consolidated EBITDA is 3.1 million euros, growing by 2.1 million euros in comparison period.

Operating costs have remained under control and we decreased the costs by 8% over comparison period, down to 1.7 million euros. The number of employees has decreased from 211 to 199 due to higher efficiencies in productions. Payroll has remained the same as to compensate the existing staff better.

Net profit increased in 3rd quarter to 1.6 million euros, growth of 136% during comparison period. On 9 months basis, the net profit is 1.2 million euros, growing by 173%. The management of the company is very pleased with the results of 9 months and has positive outlook for 4th quarter.



UNAUDITED FINANCIAL RESULTS OF AS PRFOODS, THE 3RD QUARTER OF 2016 COMPARED TO THE 3RD QUARTER OF 2015

- Unaudited consolidated revenue 10.5 million euros, decrease -0.8 million euros, i.e. -7.3%.
- Gross margin 4.7%, decrease -9.7 percentage points.
- Positive impact from revaluation of biological assets 2.9 million euros (3rd quarter 2015: positive impact of 0.3 million euros).
- EBITDA from operations -0.3 million euros, decrease -1.0 million euros.
- EBITDA 2.6 million euros, improvement 1.6 million euros, i.e. 147.3%.
- The 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%.

SUMMARY OF FINANCIAL RESULTS: THE 3RD QUARTER OF 2016 COMPARED TO THE 3RD QUARTER OF 2015

EUR mln	Q3 2016	Q3 2015	Change EUR mln	Q3 16 / Q3 15	Q3
Sales	10.5	11.4	-0.8	-7.3%	▼
Gross profit	0.5	1.6	-1.1	-69.8%	▼
EBITDA from operations	-0.3	0.7	-1.0	-136.7%	▼
EBITDA	2.6	1.1	1.6	147.3%	▲
EBIT	2.3	0.8	1.6	202.2%	▲
Net profit	1.6	0.7	0.9	135.7%	▲



Vettel OÜ

Fish manufacturing production buildings in Saaremaa

UNAUDITED FINANCIAL RESULTS OF AS PRFOODS, THE 9 MONTHS OF 2016 COMPARED TO THE 9 MONTHS OF 2015

- Unaudited consolidated revenue 30.5 million euros, decrease -2.6 million euros, i.e. -7.8%.
- 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 operations -0.3 million euros, decrease -1.8 million euros.
- EBITDA 3.1 million euros, improvement 2.1 million euros.
- The 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 OF FINANCIAL RESULTS: THE 9 MONTHS OF 2016 COMPARED TO THE 9 MONTHS OF 2015

EUR mln	9m 2016	9m 2015	Change EUR mln	9m 16 / 9m 15	9m
Sales	30.5	33.1	-2.6	-7.8%	▼
Gross profit	2.1	4.2	-2.1	-50.1%	▼
EBITDA from operations*	-0.3	1.5	-1.8	-119.7%	▼
EBITDA	3.1	1.0	2.1	204.1%	▲
EBIT	2.1	0.2	2.0	1,287.7%	▲
Net profit (-loss)	1.2	0.4	0.8	173.1%	▲





KEY RATIOS

Income Statement, EUR mln	Q1 2016	Q2 2016	Q3 2016	9m 2016	Q1 2015	Q2 2015	Q3 2015	9m 2015
Sales	10.2	9.8	10.5	30.5	10.3	11.4	11.4	33.1
Gross profit	1.0	0.6	0.5	2.1	1.3	1.3	1.6	4.2
EBITDA from operations	0.2	-0.3	-0.3	-0.30	0.4	0.4	0.7	1.2
EBITDA	-0.2	0.7	2.6	3.1	-0.6	0.6	1.1	0.7
EBIT	-0.5	0.3	2.3	2.1	-0.9	0.3	0.8	0.2
EBT	-0.6	0.2	2.2	1.9	-0.8	0.3	0.8	0.3
Net profit (-loss)	-0.5	0.04	1.6	1.2	-0.5	0.3	0.7	0.4
Gross margin	9.5%	6.3%	4.7%	6.8%	12.2%	11.3%	14.5%	12.6%
Operational EBITDA margin	2.1%	-2.6%	-2.6%	-1.0%	4.1%	3.3%	6.5%	3.8%
EBITDA margin	-2.2%	6.8%	24.9%	10.0%	-5.9%	4.8%	9.4%	2.2%
EBIT margin	-5.2%	3.6%	22.0%	7.0%	-8.6%	2.4%	6.8%	0.5%
EBT margin	-5.5%	2.3%	21.3%	6.2%	-7.4%	2.9%	6.6%	0.9%
Net margin	-4.5%	0.4%	15.5%	4.0%	-5.2%	2.5%	6.1%	1.3%
Operating expense ratio	10.5%	12.7%	11.2%	11.4%	11.3%	11.3%	11.9%	11.5%

EBITDA from operations = before one-offs and fair value adjustment of fish stock

EBITDA = profit (-loss) before interest, tax, depreciation and amortisation

EBIT = operating profit (-loss)

EBT = Profit (-loss) before tax

Gross margin = Gross profit / Net sales

Operational EBITDA margin = EBITDA from operations/Net sales

EBITDA margin = EBITDA / Net sales

EBIT margin = EBIT / Net sales

EBT margin = EBT / Net sales

Net margin = Net earnings / Net sales

Operating expense ratio = Operating expenses / Net sales

KEY RATIOS

Balance Sheet, EUR mln	31.03.2016	30.06.2016	30.09.2016	31.03.2015	30.06.2015	30.09.2015	31.12.2015
Net debt	-3.1	-1.4	1.3	-3.3	-6.5	-5.2	-0.6
Equity	22.7	22.7	24.3	33.1	33.3	34.0	23.2
Working capital	11.0	11.2	13.3	21.6	21.7	21.8	11.4
Assets	28.6	29.3	34.4	39.5	39.4	40.1	29.5
Liquidity ratio	3.7	3.4	2.7	5.5	5.9	5.9	3.7
Equity ratio	79.4%	77.6%	70.7%	83.9%	84.6%	84.7%	78.8%
Gearing ratio	-15.7%	-6.7%	5.2%	-11.0%	-24.1%	-18.2%	-2.5%
Net debt-to-EBITDA	-1.1	-0.7	1.2	-11.2	-8.2	-4.4	-0.2
ROE	4.5%	3.6%	6.7%	-3.2%	-3.9%	-2.3%	4.1%
ROA	3.7%	2.9%	5.2%	-2.1%	-2.6%	-1.6%	3.4%

Net debt = Short and Long term Loans and Borrowings - Cash

Working capital = Current Assets - Current Liabilities

Liquidity ratio = Current Assets / Current Liabilities

Equity ratio = Equity / Total Assets

Gearing ratio = Net Debt / (Equity + Net Debt)

Net debt-to-EBITDA = Net Debt / EBITDA from operations for the trailing 12 months period

ROE = Net Earnings for the trailing 12 months period / Average Equity

ROA = Net Earnings for the trailing 12 months period / Average Assets

CASH POSITION

LIQUIDITY AND SOLVENCY RATIOS

Ratio	31.03.2016	30.06.2016	30.09.2016	31.03.2015	30.06.2015	30.09.2015	31.12.2015
Liquidity ratio	3.7	3.4	2.7	5.5	5.9	5.9	3.7
Net debt-to-EBITDA	-1.1	-0.7	1.2	-11.2	-8.2	-4.4	-0.2
Debt to total assets	0.2	0.2	0.3	0.2	0.2	0.2	0.2
Equity ratio	79.4%	77.6%	70.7%	83.9%	84.6%	84.7%	78.8%
Gearing ratio	-15.7%	-6.7%	5.2%	-11.0%	-24.1%	-18.2%	-2.5%

Liquidity ratio = Current Assets / Current Liabilities

Net debt-to-EBITDA = Net Debt / EBITDA from operations for the trailing 12 months period

Debt to total assets = Debt / Total Assets

Equity ratio = Equity / Total Assets

Gearing ratio = Net Debt / (Equity + Net Debt)

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).

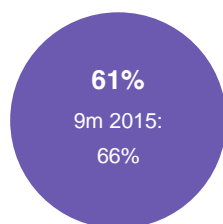
Financial gearing showing net debt ratio to gross capital was 5.2% as of 30.09.2016 (30.09.2015: -18.2%). Net debt to EBITDA ratio was 1.2 as of 30.09.2016 (30.09.2015: -4.4). The Group has been able to retain its strong financial position that ensures sustainability and helps adjust to complex market conditions more flexibly.

BALANCE SHEET ANALYSIS

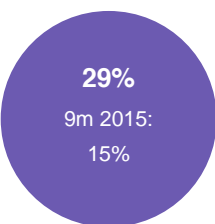
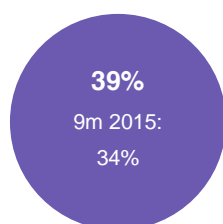


AS OF THE END OF THE 9 MONTHS:

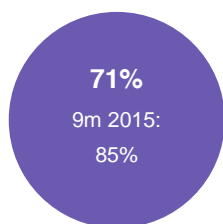
CURRENT ASSETS



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.

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.

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).

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). Increase in short term debt liabilities was 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.

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).

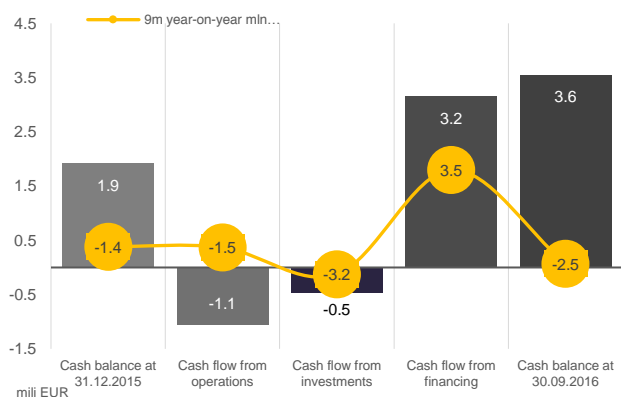
As at 30.09.2016, the Company's registered share capital was 7.7 million euros (30.09.2015: 19.3 million euros). The reduction of share capital of AS PRFoods and related changes were entered into the Commercial Register on 2 October 2015.

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

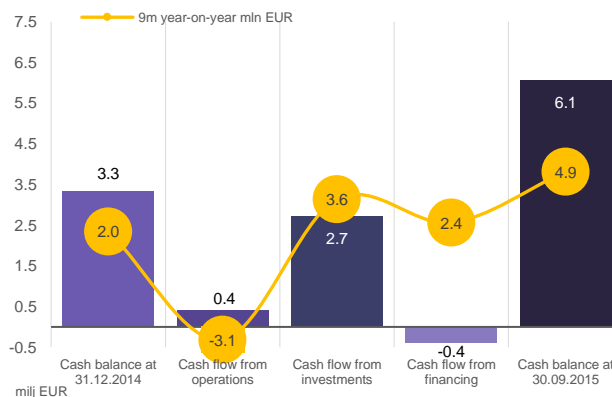
distribute the rest of the profit. The loss was covered with 7 thousand euros from the capital reserve and 2,019 thousand euros respectively from the share premium.

CASH FLOWS

CHANGE IN CASH AND CASH EQUIVALENTS 9 MONTHS 2016



CHANGE IN CASH AND CASH EQUIVALENTS 9 MONTHS 2015



The change in the Group's financial resources within the first 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).

Cash flow from financing activities was 3.1 million euros (9 months in 2015: -0.4 million euros). Cash flow from financing activities 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.

INVESTMENTS

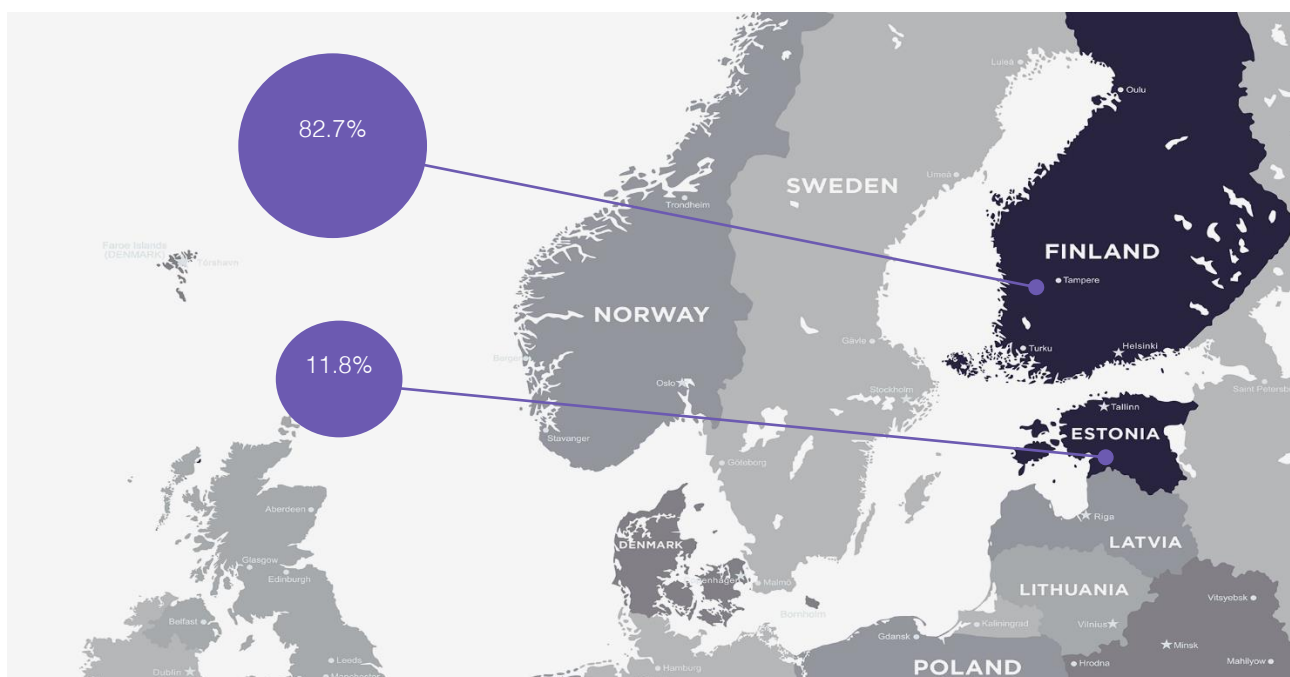
Investments into tangible and intangible assets were in the first 9 months of 2016 smaller than usual, in total 0.7 million euros (9 months in 2015: 1.7 million euros). Aquaculture equipment and a small van were obtained for the fish farming subsidiary located in Sweden. The construction belonging to the production premises was improved and production equipment purchased in Renko, Finland.

REVENUE

The main products of the Group are salmon and rainbow trout goods. The Company is mainly known as a seller of fresh fish in Estonia and also the biggest supplier of fish roe in Estonian stores. Last year the Group started marketing fish roe to Japan, where sales volumes are expected to increase in current year.

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.



THE SHARE OF TURNOVER IN KEY GEOGRAPHIC AREAS 9 MONTHS 2016

GEOGRAPHIC SEGMENTS							
EUR mln	9m 2016	Proportion %	9m 2015	Proportion %	Change EUR mln	9m 16 / 9m 15	9m
Finland	25.3	82.7%	29.5	89.1%	-4.24	-14.4%	▼
Estonia	3.6	11.8%	3.1	9.4%	0.49	15.6%	▲
Other	1.7	5.5%	0.5	1.5%	1.18	240.7%	▲
Total	30.5	100.0%	33.1	100.0%	-2.57	-7.8%	▼

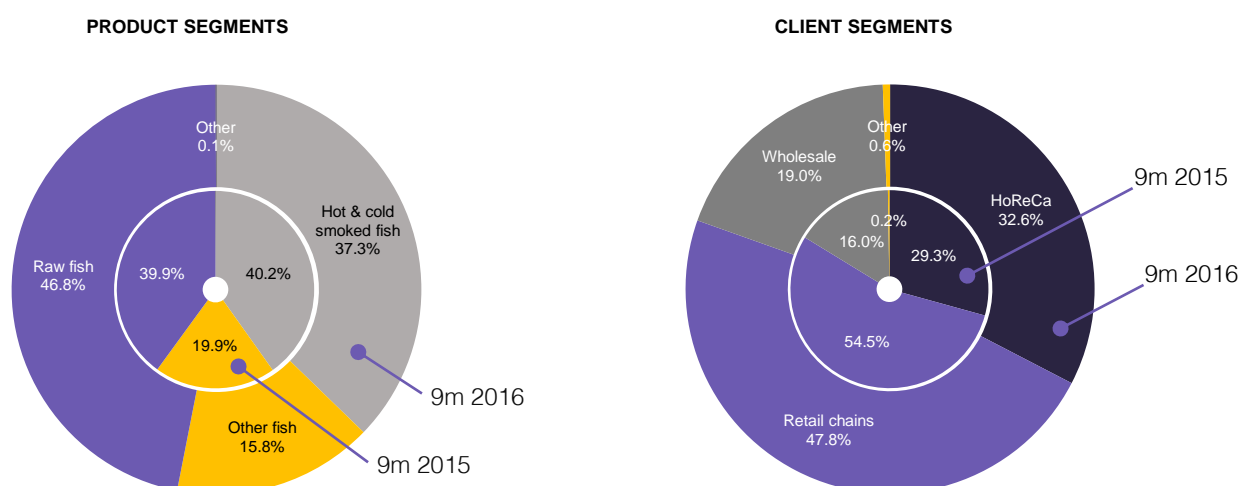
In summary of 9 months of 2016, the proportion of the revenue from the Estonian market grew by +2.4 percentage points, i.e. 0.5 million euros in comparison with the same period last year and as well as in other countries, mostly in Latvia, by +4.0 percentage points i.e. 1.2 million euros. The increase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

PR FOODS

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.

PRODUCT SEGMENTS							
EUR mln	9m 2016	Proportion %	9m 2015	Proportion %	Change EUR mln	9m 16 / 9m 15	9m
Hot & cold smoked fish	11.4	37.3%	13.3	40.2%	-1.92	-14.4%	▼
Other fish	4.8	15.8%	6.6	19.9%	-1.74	-26.5%	▼
Raw fish	14.3	46.8%	13.2	39.9%	1.09	8.3%	▲
Other	0.02	0.1%	0.02	0.1%	0.00	0.0%	
Total	30.5	100.0%	33.1	100.0%	-2.57	-7.8%	▼

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							
EUR mln	9m 2016	Proportion %	9m 2015	Proportion %	Change EUR mln	9m 16 / 9m 15	9m
HoReCa	10.0	32.6%	9.7	29.29%	0.26	2.7%	▲
Retail chains	14.6	47.8%	18.0	54.45%	-3.42	-19.0%	▼
Wholesale	5.8	19.0%	5.3	16.01%	0.50	9.4%	▲
Other retail	0.2	0.6%	0.1	0.25%	0.09	113.4%	▲
Total	30.5	100.0%	33.1	100.00%	-2.57	-7.8%	▼

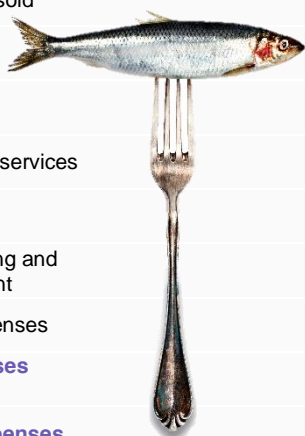
The decrease in the retail chains sector over the past 9 months of 2016 can mostly be attributed to the loss of several Private Label products from our product portfolio. Regarding the extreme price volatility of raw materials this year, it is unprofitable for the company to be actively involved in manufacturing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

COST ANALYSIS

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. 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.

	9m 2016	9m 2015	change		9m 2016	9m 2015	change	
	EUR mln	EUR mln	EUR mln	9m	as % of sales	as % of sales	as % of sales	9m
Sales	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 & 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%	▼



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.

TEAM

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.

The average number of employees employed by PRFoods in the first 9 months of 2016 was 199 people (9 months in 2015: 211 people).

PERSONNEL ANALYSIS 2016

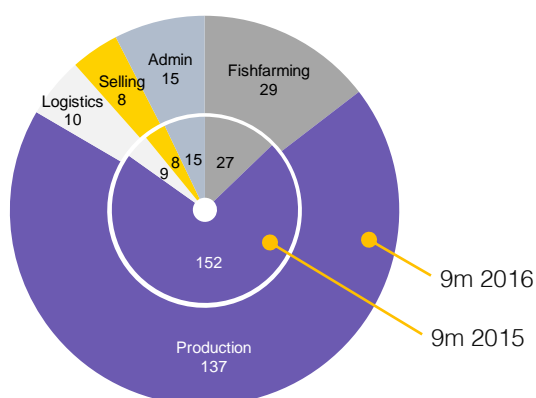
	Q1 2016	Q2 2016	Q3 2016	9m 2016	9m 16 / 9m 15	9m
Average number of employees	205	200	192	199	-5.7%	▼
Finland	38	40	35	38	0.0%	
Estonia	146	138	134	139	-8.6%	▼
Sweden	21	22	23	22	4.8%	▲
Payroll expenses (th EUR)	1,153	1,249	1,057	3,459	1.8%	▲
Monthly average payroll expenses per employee (EUR '000)	1.87	2.08	1.84	1.93	7.9%	▲

PERSONNEL ANALYSIS 2015

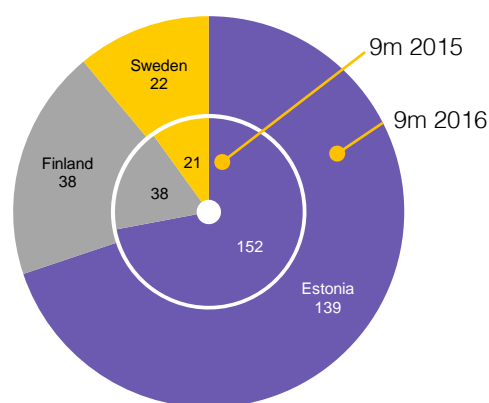
	Q1 2015	Q2 2015	Q3 2015	9m 2015	Q3 16 / Q3 15	Q3
Average number of employees	217	209	208	211	-7.7%	▼
Finland	37	39	39	38	-10.3%	▼
Estonia	159	147	149	152	-10.1%	▼
Sweden	21	23	20	21	15.0%	▲
Payroll expenses (th EUR)	1,138	1,111	1,150	3,399	-8.1%	▼
Monthly average payroll expenses per employee (EUR '000)	1.75	1.77	1.84	1.79	-0.4%	▼

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 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. 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).

EMPLOYEES ACCORDING TO AREA OF ACTIVITY



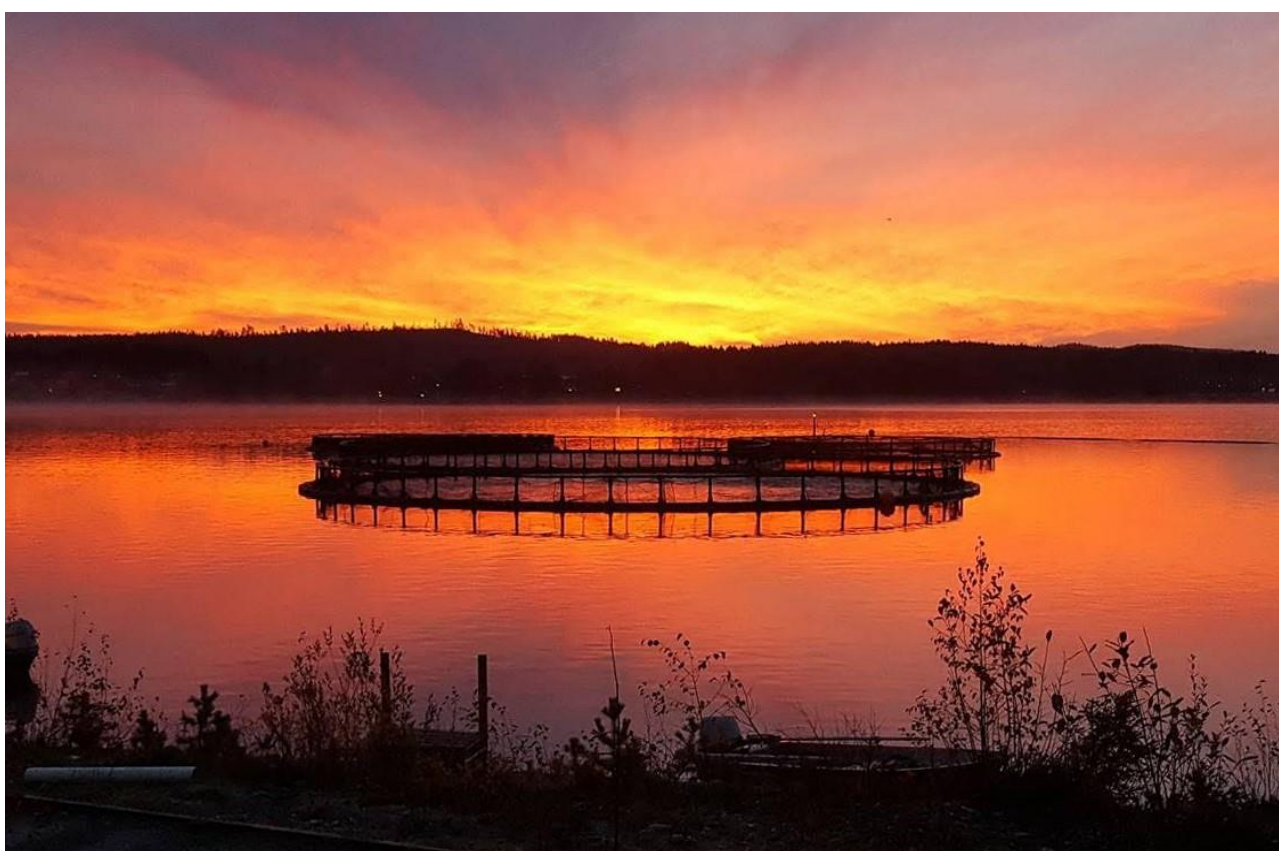
EMPLOYEES BY COUNTRY



FISH FARMING

The competitive advantage of the Group is its vertical integration – fish farming, production and sales. 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 (*Coregonus lavaretus*).

Vertical integration means integration towards upstream or downstream of the technological chain which in turn enables the Company to reduce costs in implementing certain phases in fish harvesting. Vertical integration in the value chain of fish business means, in addition to fish harvesting, also having control especially over fish processing and marketing functions. In the fish business, one has to take into account that fish are livestock and quality assurance in technology requires a focus on the whole product lifecycle. In addition to cutting costs, vertical integration enables to reduce risks in fish farming, for instance due to poor quality of feed or base materials and to ensure the volume of raw material required for processing as well as price stability.



Överumans Fisk Ab
Fish farm in Sweden

THE MARKET PRICE OF FISH

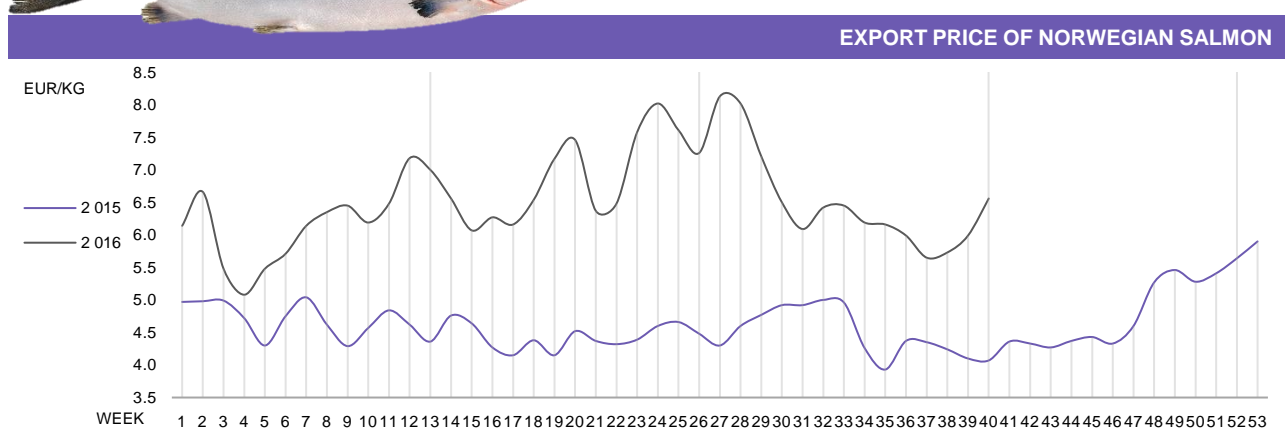
Large producers establish their production plans for three years in advance since it is difficult and more expensive to use a shorter production cycle in fish farms dependent of market needs. Therefore, the supply of fish in the world market is extremely rigid in the short-term, while market demand is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

MARKET PRICE	Change				Change		
	30.09.2016	30.09.2015	30.09.16 / 30.09.15	31.12.2015	31.09.16 / 31.12.15	31.12.2014	30.09.15 / 31.12.14
Salmon	5.99	4.06	47.5%	5.90	1.5%	4.80	-15.4%
Rainbow trout	5.94	3.93	51.1%	4.44	33.8%	5.39	-27.1%

PRFOODS

As at 30.09.2016, the market price of salmon and trout had risen compared to the price the year before by 47.5% and 51.1%, respectively, and compared to the respective prices as at 31.12.2015, the price of salmon has increased by 1.5% and the price of trout has increased by 33.8%.

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 and because of that it is critically important for the Group to have its own fish farming.



Source: NASDAQ Salmon Index

See comparable data on average market prices below:

AVERAGE MARKET PRICE Q3			Change		Change		Change
EUR/KG	Q3 2016	Q3 2015	Q3 16 / Q3 15	12m 2015	Q3 16 / 12m 15	12m 2014	Q3 15 / 12m 14
Salmon	6.40	4.44	44.1%	4.63	38.2%	4.85	-8.5%
Rainbow trout	6.15	4.27	44.0%	4.49	37.0%	5.26	-18.8%

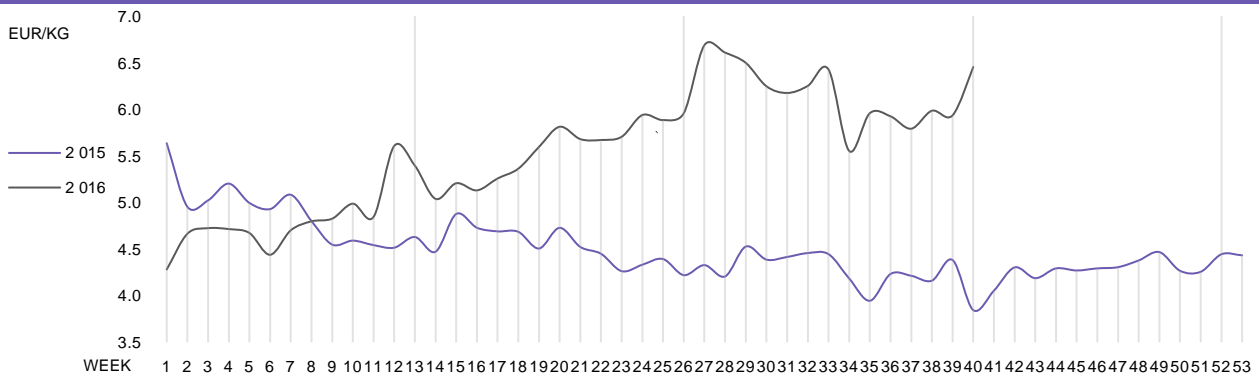
The average market price of salmon has increased by 44.1% in the 3rd quarter of 2016 compared to the 3rd quarter of 2015 and during the named period the average market price of rainbow trout has increased by 44.0%.

AVERAGE MARKET PRICE 9 MONTHS			Change		Change		Change
EUR/KG	9m 2016	9m 2015	9m 16 / 9m 15	12m 2015	9m 16 / 12m 15	12m 2014	9m 15 / 12m 14
Salmon	6.45	4.51	43.0%	4.63	39.3%	4.85	-7.0%
Rainbow trout	5.47	4.48	22.1%	4.49	21.8%	5.26	-14.8%

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%.



EXPORT PRICE OF NORWEGIAN RAINBOW TROUT



Source: akvafakta.no

BIOLOGICAL ASSETS

Biological assets include fish stock accounted in fish farms in live weight, including the following species:

- rainbow trout (*Oncorhynchus mykiss*)
- whitefish (*Coregonus lavaretus*)

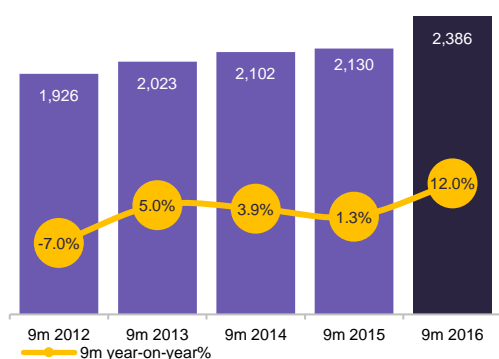
The Group uses the Norwegian export statistics for evaluation of the fish stock of rainbow trout (Source: akvafakta.no). For evaluation of the fish stock of whitefish, the monthly market price survey of the Finnish Fish Farmers' Association is used. When the market price of raw fish increases or decreases, 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. The high price of salmon had 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.

CHANGE IN BIOLOGICAL ASSETS IN TONNES				Change in tonnes	Change
	9m 2016	9m 2015	12m 2015	9m 16/ 9m 15	%
Biomass at beginning of the period	1,215	1,563	1,563	-348	-22.2%
Biomass at end of the period	2,386	2,130	1,215	256	12.0%
Harvested (in live weight)	-942	-930	-2,185	12	1.3%

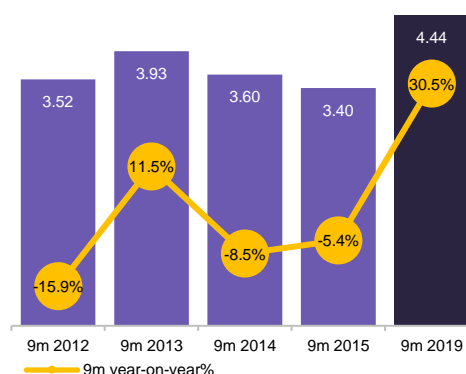
The amount of biological assets has grown by 256 tonnes, i.e. 12.0% compared to the same period in previous year and in monetary terms has increased by 3.34 million euros, i.e. +46.1%. This is caused by the higher market price of rainbow trout, which is 51.1% higher as at 30.09.2016 compared to the market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

BIOMASS VOLUME AND AVERAGE PRICE PER KG (EUR)				Change	Change
	9m 2016	9m 2015	12m 2015	9m 16/ 9m 15	%
Biological assets (mln EUR)	10.59	7.25	4.42	3.34	46.1%
Biomass volume in tonnes	2,386	2,130	1,215	256	12.0%
Average price per kg (EUR)	4.44	3.40	3.64	1.04	30.5%
Fair value adjustment on biological assets (mln EUR)	3.36	-0.53	-0.89	3.89	-735.9%

Biomass volume in tonnes



Biomass average price per kg (EUR)

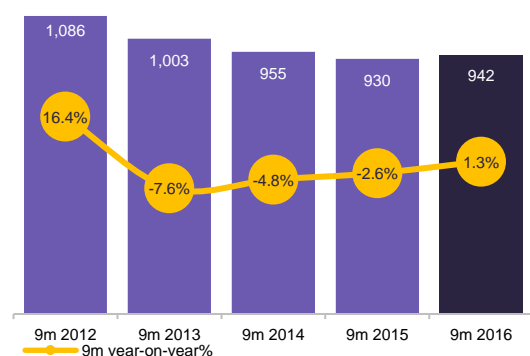


Fish is processed in production buildings that belong to Heimon Kala Oy and Vettel OÜ. The Group's own distribution network in Finland and Estonia enables us to ensure rapid and quality supplies to our customers. During the reporting period agricultural produce in the amount of 942 tonnes was harvested, 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.

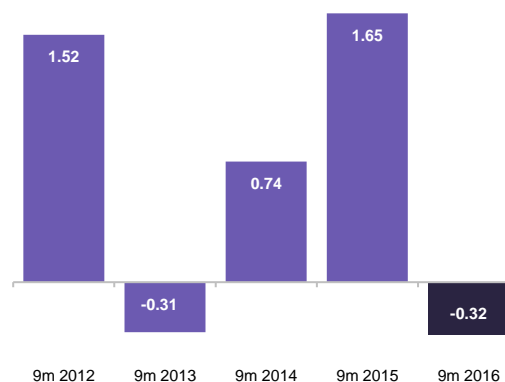
HARVESTED VOLUME				Change	Change
	9m 2016	9m 2015	12m 2015	9m 16/ 9m 15	%
Revenue (mln EUR)	30.53	33.10	50.3	-2.57	-7.8%
EBITDA from operations (mln EUR)	-0.30	1.54	2.9	-1.84	-119.7%
Harvested volume (tonnes)	942	930	2,185	12	1.3%
EBITDA / kg* (EUR)	-0.32	1.65	1.34	-1.97	-119.4%

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

Harvested volume in tonnes



EBITDA* / kg EUR



SEASONALITY OF THE BUSINESS

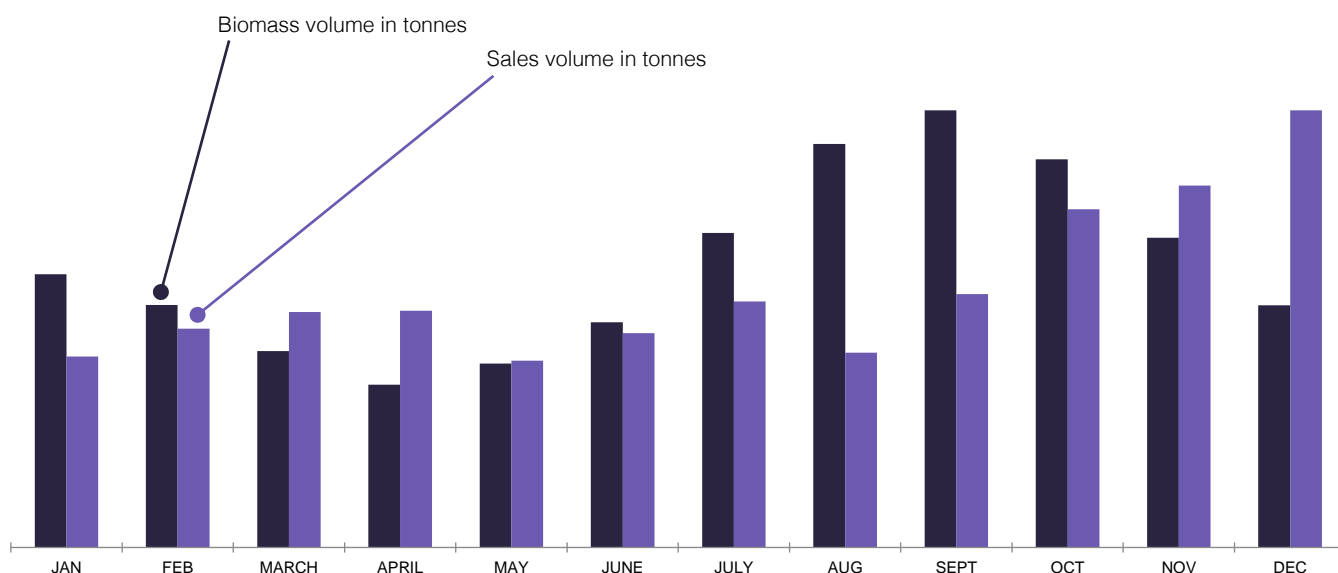
Due to the growth of biomass, the low season in fish farming lasts from November until May, while the high season lasts from June to September. Biomass growth is being influenced by the temperature in seas and lakes. Trout, for instance, grows faster from summer until autumn when the water is warmer. 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.

In the period when cash flow from operations is negative, the Group pays special attention to cash conversion cycle by optimising the use of current assets. For balancing the cash circulation, the Company uses factoring and, if necessary, borrows in the form of overdraft. The volatility level of current assets depends on the specific financial year due to the specific features of seasonal business and is influenced by various factors including high dependence on weather conditions.

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.



DESCRIPTION OF MAIN RISKS OF THE GROUP



The Group's risk management policy is based on the requirements established by regulatory bodies, generally accepted practices and the Group's internal rules. The Group is guided by the principle to manage risks in a manner that ensures an optimal risk to reward ratio. As part of the Group's risk management, all potential risks, their measurement and control are defined, and an action plan is prepared to reduce risks while ensuring the attainment of the Company's financial and other strategic objectives.

The Management Board of the Parent Company has the main role in management of risks. The Supervisory Board of the Parent Company exercises supervision over the measures taken by the Management Board to manage risks. The Group assesses and limits risks through systematic risk management. For managing financial risks, the Group has involved its financial unit that finances the Parent Company as well as its subsidiaries and, directly as a result of that, also manages liquidity risk and interest rate risk.

Management of financial risks is a significant and integral part in managing the Group's business processes. The ability of the management to identify, measure and control different risks have a significant effect on the Group's profitability. Risk is defined by the Group's management as a possible negative deviation from the expected financial result.

The activities of the Group are accompanied by several financial risks, of which the credit risk, liquidity risk and market risk, including currency risk and interest rate risk, have the most significant influence.

CREDIT RISK

Credit risk expresses a potential loss that arises in the event of clients failing to perform their contractual obligations. To reduce credit risk, the payment discipline of clients is consistently monitored.

To minimize credit risk, solvency of a potential future contractual partner is assessed based on the information received from the Commercial Register, Tax Board or other public sources. Contracts for purchase and sale of products are concluded with all contractual partners, and a payment term is granted only to reliable partners. If possible, the Group uses factoring without recourse as an additional measure to manage credit risk.

LIQUIDITY RISK

Liquidity risk represents a threat to solvency of the company. Liquidity risk means that the Group might not have available resources to settle its financial liabilities in a timely manner.

The Group aims at keeping the financing need and financing possibilities of the Group in balance. Cash flow planning is used as a tool to manage liquidity risks. For efficient management of the Group's cash flows, the bank accounts of the Parent Company and Estonian subsidiaries make up a cash pool account that enables the members of the cash pool account to use the Group's financial resources within the limit established by the Parent Company.

To manage liquidity risks, the Group uses different financing sources, including bank loans, overdraft facilities, continuous monitoring of trade receivables and delivery contracts.

Overdraft facilities are used to finance working capital, long-term bank loans or finance lease agreements are used to purchase non-current assets.

As at 30 September 2016, the Group's working capital was 13.3 million euros (as at 30 September 2015 21.8 million euros). As at 31 December 2015, the Group's working capital was 11.4 million euros.

The management considers it important to monitor liquidity risks; the additional need for capital can be covered by overdraft facilities or by refinancing the loan portfolio. The overdraft facility was taken into use in amount of 3.5 million euros in subsidiaries (30.09.2015 overdraft was not drawn down as at the balance sheet date).

CURRENCY RISK

Currency risk arises when business transactions, assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group is operating in Estonia (currency EUR), Finland (currency EUR) and Sweden (currency SEK). For hedging the currency risk, all substantial agreements with foreign parties are signed in EUR. The Group has no substantial receivables and liabilities in foreign currency, which is not bound with EUR. Majority of existing long-term capital rent contracts are signed in EUR, therefore they are treated as liabilities free from currency risk.

INTEREST RATE RISK

In case of short- and long-term loans, the Group uses interest rates based on EURIBOR base interest. In managing interest rate risks, possible losses arising from changes in interest rates are regularly compared to the expenses incurred for hedging them.

CAPITAL MANAGEMENT

The Group's capital consists of borrowings and total equity. As at 30.09.2016 the equity totalled 24.3 million euros (30.09.2015: 34.0 million euros). The Group's principle is to maintain strong equity base with the purpose of maintaining credibility for shareholders, creditors and the market as well as for ensuring sustainable development of the Company. In the long term, the Company's objective is to increase shareholder income and to ensure the capacity to pay dividends.

For preserving or improving the capital structure, the Group may regulate the amount of dividends payable to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the debt.

The Group considers it important to ensure that its equity structure is at the optimum level. Therefore, it is monitored that the Group's equity-to-assets ratio is at least 35% (30.09.2016: 70.7%, 30.09.2015: 84.7%) and that the ratio of interest-bearing liabilities to assets does not exceed 25% (30.09.2016: 14.2%, 30.09.2015: 2.1%). According to the overdraft contract signed with AS SEB Pank, the Company's working capital financing rate cannot fall below 70% and the Group has met this requirement.

According to the practice prevailing in the industry, the Group uses the debt to equity ratio to monitor capital. That ratio is arrived at by dividing net debt by total capital. Net debt equals total debt (total amount of short-term and long-term borrowings recognised in the consolidated statement of financial position) less cash and cash equivalents.

EUR '000	30.09.2016	30.09.2015	31.12.2015
Total borrowings	4,879	826	1,349
Less: Cash and cash equivalents	3,551	6,054	1,921
Net debt	1,328	-5,228	-572
Total equity	24,322	33,974	23,221
Total capital (net debt + equity)	25,650	28,746	22,649
Debt to equity ratio	5%	-18%	-3%

The net debt of Group at 30.09.2016 was positive 1.3 million euros (30.09.2015: negative -5.2 million euros).

MANAGEMENT AND SUPERVISORY BOARD

The Management Board of AS PRFoods is comprised of one member. Indrek Kasela serves as the sole member of Management Board since 02.02.2015 pursuant to the Supervisory Board's decision. The Management Board of the company is independent in its day-to-day management of the business, protects the best interests of all shareholders and thereby ensures the company's sustainable development in accordance with set objectives and strategy. The Management Board of the company is also responsible for the functioning of internal control and risk management processes in the company.

The Supervisory Board of AS PRFoods elects Management Board members for a three-year term. The Management Board must be comprised of one to four members pursuant to the articles of association of the company.

Indrek Kasela (born 1971), who holds LL.M (master of laws) degree from New York University (1996), BA degree in law from the University of Tartu (1994) and serves as a member of Supervisory Board of several group entities, such as Saaremere Kala AS and Vettel OÜ. He serves as Supervisory Board member of AS Toode, ELKE Grupi AS, EPhaG AS, Salva Kindlustuse AS, AS Ridge Capital, AS Premia Tallinna Külmoone, Ekspress Grupi AS and a Management Board member of OÜ Transtech Service, OÜ Fine, Wood and Company OÜ, Lindermann, Birnbaum & Kasela OÜ, Managetrade OÜ, Noblessneri Jahtklubi OÜ and Gridio OÜ as well as board member of several companies and NGOs domiciled in the Baltic States and Russian Federation.

The Supervisory Board of AS PRFoods is currently comprised of six members. The Supervisory Board is chaired by the Chairman of the Supervisory Board **Lauri Kustaa Äimä**, members of the Supervisory Board are **Aavo Kokk, Harvey Sawikin, Vesa Jaakko Karo, Arko Kadajane** and **Kuldar Leis**.

The highest governing body of a public limited company is the General Meeting of shareholders. According to law, the General Meetings of shareholders are either ordinary or extraordinary.

Pursuant to law, a Supervisory Board of a public limited company is a supervisory body responsible for planning the activities of a company, organising its management and supervising the activities of Management Board. According to the Articles of Association of AS PRFoods, the Supervisory Board has three to seven members elected by the General Meeting of shareholders for the term of five years.

Information about the education and career of the members of the Supervisory Board as well as their membership in the management bodies of companies have been published on AS PRFoods website at www.prfoods.ee.

As at 30.09.2016, the members of Management and Supervisory Board and persons/companies related to them hold the shares in the company as indicated below:

Shareholder	number of shares	ownership interest
Chairman of the Supervisory Board until 02.02.2015, Member of the Management Board from 02.02.2015 – Indrek Kasela	1,041,823	2.69%
Member of the Supervisory Board – Kuldar Leis	1,302,166	3.37%
Member of the Supervisory Board, Chairman of the Supervisory Board from 02.02.2015 – Lauri Kustaa Äimä	125,000	0.32%
Member of the Supervisory Board – Vesa Jaakko Karo	90,000	0.23%
Member of the Supervisory Board – Arko Kadajane	8,928	0.02%
Member of the Supervisory Board – Harvey Sawikin	no shares	
Member of the Supervisory Board – Aavo Kokk	no shares	
Total number of shares owned by the members of the Supervisory and Management Board	2,567,917	6.64%

SHARE AND SHAREHOLDERS

AS PRFoods shares are listed in the main list of NASDAQ OMX Tallinn Stock Exchange since 5 May 2010. The company has issued 38.7 million ordinary shares with the calculated value of 0.20 euro (nominal value was 10 EEK until 13 April 2011, 0.60 euro until 3 September 2012 and 0.50 euro until 2 October 2015).

On 30 June 2016, shares without nominal value of AS PRFoods were registered in the Commercial Register based on the resolutions adopted by the General Meeting of Shareholders of the Company held on 26 May 2016. The amount of the registered share capital of the Company is 7,736,572 euros, which is divided into 38,682,860 ordinary shares without nominal value and with the calculated value of 0.20 euros per share. All shares have equal voting and dividend rights. PRFoods shares do not have an official market maker.




ISIN	EE3100101031	Number of securities	38,682,860
Symbol of share	PRF1T	Listed shares	38,682,860
Market	BALTIC MAIN LIST	Listing date	05.05.2010
Calculated value	0.20 EUR	Minimum quantity of tradable securities	1 share

THE PRFOODS SHARE WAS PART OF THE FOLLOWING INDICES:

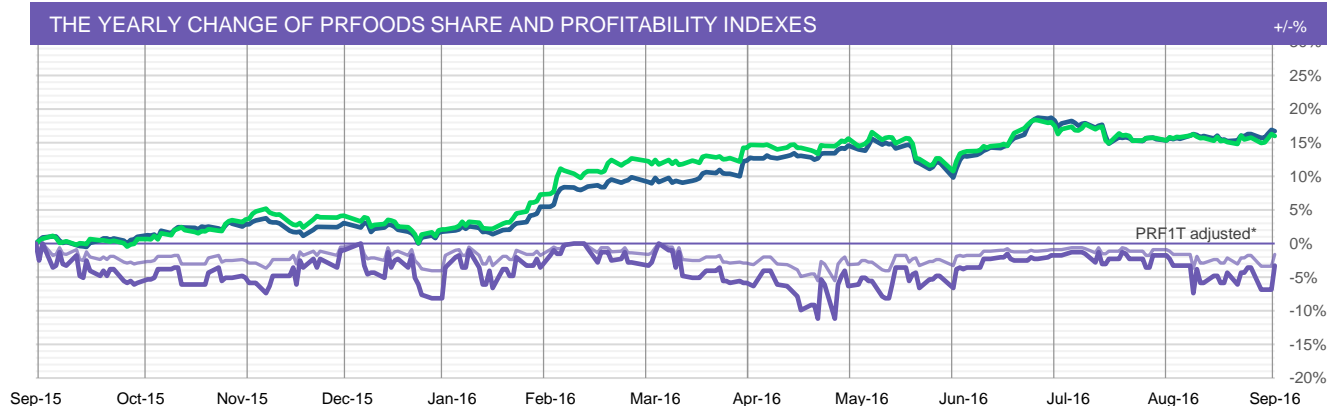
Index	Description	Type	Short name
OMX Tallinn GI	OMX Tallinn All-Share index	Gross index	OMXT
OMX Baltic Benchmark GI	OMX Baltic All-Share index	Gross index	OMXBGI

OMX uses a common classification of indices for the Nordic and Baltic markets. The OMX Baltic index family includes all share, tradable, benchmark and sector indices. The indices are calculated in euros and gross (GI) indices. All indices are chain-linked, meaning that they are calculated based on the price level of the previous trading day. All OMX Baltic indices, except sector indices have base values of 100 and the base date is 31.12.1999. The base date of the OMX Tallinn All-Share index is 03.06.1996. The composition of the tradable and benchmark indices is revised twice a year based on the trading activity of the shares.

THE YEARLY CHANGE OF PRFOODS SHARE AND PROFITABILITY INDEXES BETWEEN 30.09.2015 AND 30.09.2016:

Index / Equity	30.09.2015	30.09.2016	change %
 OMX Baltic Benchmark GI	629.27 EUR	734.28 EUR	16.69%
 OMX Tallinn	863.21 EUR	1,001.34 EUR	16.00%
 PRF1T	0.394 EUR	0.381 EUR	-3.3%

THE YEARLY CHANGE OF PRFOODS SHARE AND PROFITABILITY INDEXES



Baltic comparison index increased 16.69% during the given period, Tallinn Stock Exchange All-Share index increased 16.00% and PRFoods share price decreased -3.3%. *The decrease of PRFoods's share, adjusted by the capital reduction payments during the named period was -1.64%.

TRADING HISTORY

rice (EUR)	Q1 2016	Q2 2016	Q3 2016	9m 2016	Q1 2015	Q2 2015	Q3 2015	9m 2015	9m 2015
Open	0.390	0.389	0.380	0.390	0.670	0.638	0.692	0.670	0.670
High	0.397	0.394	0.390	0.397	0.700	0.740	0.731	0.740	0.740
Low	0.362	0.349	0.365	0.349	0.620	0.634	0.382	0.382	0.363
Last	0.389	0.379	0.381	0.381	0.640	0.691	0.394	0.394	0.390
Traded volume, thousand	308	1,400	159	1,867	221	853	585	1,658	1,896
Turnover, million	0.12	0.52	0.06	0.70	0.15	0.60	0.33	1.08	1.17
Market capitalization, million	15.05	14.66	14.74	14.74	24.76	26.73	15.24	15.24	15.09

774 transactions were made with PRFoods shares in the first 9 months of 2016. The volume of the transactions was 1.87 million, i.e. 4.8% of all shares, and the monetary value was 0.70 million euros. Comparable data during the first 9 months of 2015: 1,220 transactions with a volume of 1.66 million shares, i.e. 4.3% of all shares, and the monetary value was 1.08 million euros. The highest trading price was 0.397 euros per share and the lowest trading price was 0.349 euros per share (the trading price in the first 9 months of 2015 was 0.740 and 0.382 euros per share, respectively).

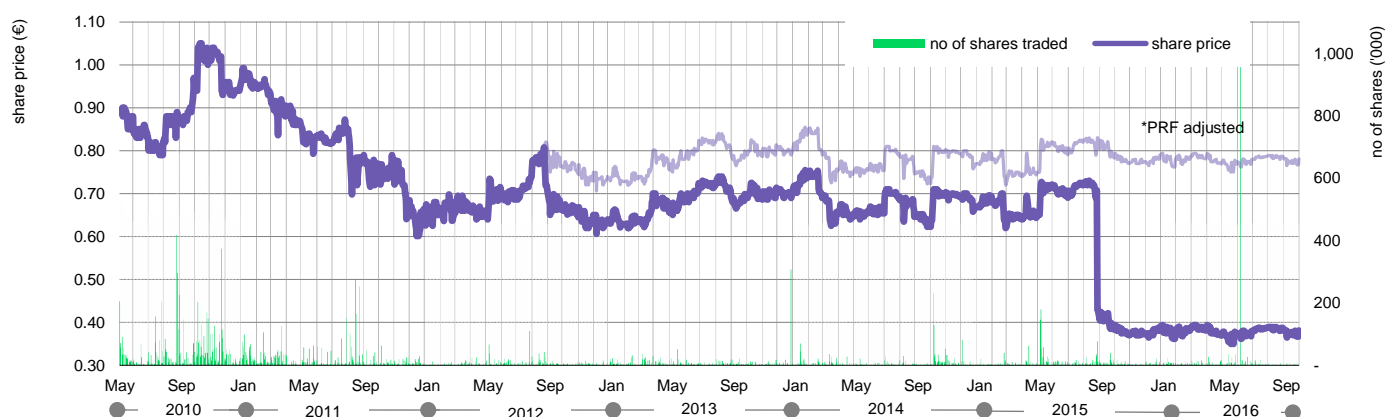
The closing price of the share was 0.367 euros per share as at 30.09.2016 (30.09.2015: 0.383 euro per share and 31.12.2015: 0.390 euro per share). The market value of AS PRFoods was 14.74 million euros as at 30.09.2016, decreasing year-on-year by -3.3% and compared to 31.12.2015 the market value decreased by -2.31% (market value 30.09.2015: 15.24 million euros and 31.12.2015: 15.09 million euros).

MARKET RATIOS

Ratios	formula	30.09.2016	30.09.2015	31.12.2015
EV/Sales	(Market Cap + Net Debt) / Sales	0.337	0.211	0.289
EV/EBITDA from operations	(Market Cap + Net Debt) / EBITDA from operations	14.849	8.371	4.971
EV/EBITDA	(Market Cap + Net Debt) / EBITDA	3.931	29.108	7.143
Price/EBITDA from operations	Market Cap / EBITDA from operations	13.621	12.742	5.167
Price/EBITDA	Market Cap / EBITDA	3.606	44.305	7.424
Price-to-Earnings	Market Cap / Net Earnings	7.581	neg	12.796
Price-to-Book	Market Cap / Equity	0.606	0.449	0.650
Market Cap, Net Debt and Equity as of 30.09.2016				
Sales, EBITDA and Net Profit (-Loss) for the trailing 12 months period				

THE DYNAMICS OF THE SHARE PRICE OF PRFOODS (EUR) AND THE VOLUME OF TRANSACTIONS (NUMBER OF SHARES TRADED) DURING THE PERIOD FROM 5 MAY 2010 UP TO 30 SEPTEMBER 2016:

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

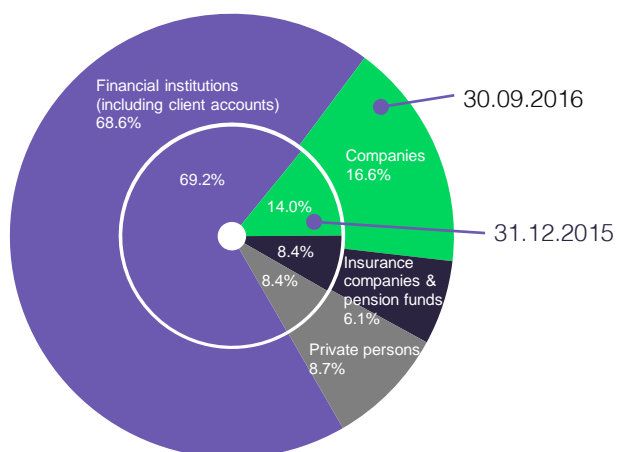


The nominal value of the PRFoods share was decreased by 10 euro cents on 29 August 2012 and by 30 euro cents on 28 August 2015. The calculated value of PRFoods share is currently 20 euro cents. PRFoods has distributed to its shareholders a total amount of 16.9 million euros in dividends and share capital reduction since its shares were publicly listed.

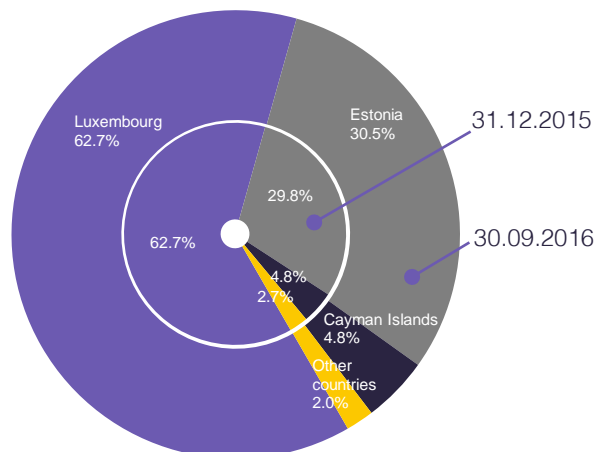
SHAREHOLDERS STRUCTURE

SHAREHOLDERS AS AT 30.09.2016		1,235 SHAREHOLDERS -4.2% FROM 30.09.2016		
	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 Avroora Fund. Ltd.	648,220	1.68%	1.68%	-
OÜ Footsteps Management	503,701	1.30%	1.30%	-
LHV Pensionifond XL	368,511	0.96%	1.52%	- 220,100
Suurimad aktsionärid kokku	32,334,043	83.59%	83.05%	+ 206,900
Ülejäänud väikeaktsionärid	5,772,795	14.92%	15.84%	- 353,367
Oma aktsiad	576,022	1.49%	1.11%	+ 146,467
Kokku	38,682,860	100.00%	100.00%	-

STRUCTURE OF SHAREHOLDERS ACCORDING TO HOLDER CATEGORIES



STRUCTURE OF SHAREHOLDERS ACCORDING TO RESIDENCE



THE DIVISION OF SHAREHOLDERS ACCORDING TO NUMBER OF ACQUIRED SHARES

number of shares	number of shareholders	% of shareholders	total number of shares	% of share
1 ... 1,000	567	45.9%	278,564	0.7%
1,001 ... 10,000	565	45.7%	1,860,362	4.8%
10,001 ... 50,000	70	5.7%	1,381,161	3.6%
50,001 ... 100,000	7	0.6%	444,237	1.1%
More than 100,000	26	2.1%	34,718,536	89.8%
Total	1,235	100.0%	38,683,860	100.0%

P R F O O D S

Interim Accounting Report

Consolidated interim financial statements

Consolidated statement of financial position

EUR '000	Note	30.09.2016	30.09.2015	31.12.2015
ASSETS				
Cash and cash equivalents	(Note 2)	3,551	6,054	1,921
Receivables and prepayments	(Note 3)	2,543	7,050	3,653
Inventories	(Note 4)	4,205	5,940	5,616
Biological assets	(Note 5)	10,591	7,247	4,421
Total current assets		20,890	26,291	15,611
Deferred income tax		134	103	138
Long-term financial investments		103	161	161
Tangible fixed assets	(Note 6)	7,242	7,401	7,427
Intangible assets	(Note 7)	6,047	6,148	6,128
Total non-current assets		13,526	13,813	13,854
TOTAL ASSETS		34,416	40,104	29,465
EQUITY AND LIABILITIES				
Loans and borrowings	(Note 8, 9)	3,863	216	286
Payables	(Note 10)	3,509	4,057	3,760
Government grants	(Note 11)	244	180	177
Total current liabilities		7,616	4,453	4,223
Loans and borrowings	(Note 8, 9)	1,016	610	1,063
Deferred tax liabilities		953	328	252
Government grants	(Note 11)	509	739	706
Total non-current liabilities		2,478	1,677	2,021
TOTAL LIABILITIES		10,094	6,130	6,244
Share capital		7,737	19,342	7,737
Share premium		14,007	16,026	16,026
Treasury shares		-227	-255	-172
Statutory capital reserve		12	6	6
Currency translation reserve		420	439	471
Retained profit (-loss)		2,373	-1,584	-847
Equity attributable to parent		24,322	33,974	23,221
TOTAL EQUITY	(Note 12)	24,322	33,974	23,221
TOTAL EQUITY AND LIABILITIES		34,416	40,104	29,465

Consolidated statement of profit or loss and other comprehensive income

EUR '000	Note	Q3 2016	Q3 2015	9m 2016	9m 2015	12m 2015
Sales	(Note 13)	10,530	11,358	30,526	33,095	50,273
Cost of goods sold	(Note 14)	-10,034	-9,716	-28,438	-28,910	-43,509
Gross profit		496	1,642	2,088	4,185	6,764
Operating expenses		-1,175	-1,353	-3,488	-3,812	-5,411
Selling and distribution expenses		-827	-992	-2,382	-2,784	-4,033
Administrative expenses		-348	-361	-1,106	-1,028	-1,378
Other income/expenses		102	159	173	310	406
Fair value adjustment on biological assets	(Note 5)	2,898	320	3,364	-529	-888
Operating profit (-loss)		2,321	768	2,137	154	871
Financial income		0	9	1	238	303
Financial expenses		-76	-24	-231	-80	-105
Profit (-loss) before tax		2,245	753	1,907	312	1,069
Income tax		-616	-62	-700	130	110
Net profit (-loss) for the period		1,629	691	1,207	442	1,179
Other comprehensive income (-loss) that may subsequently be classified to profit or loss:						
Foreign currency translation differences		-21	-27	-51	-2	30
Total comprehensive income (-expense)		1,608	664	1,156	440	1,209
Total comprehensive income (-expense) attributable to:						
Owners of the Company		1,608	664	1,156	440	1,209
Total comprehensive income (-expense) for the period		1,608	664	1,156	440	1,209
Profit (-loss) per share (EUR)	(Note 12)	0.04	0.02	0.03	0.01	0.03
Diluted profit (-loss) per share (EUR)	(Note 12)	0.04	0.02	0.03	0.01	0.03

Consolidated cash flow statement

EUR '000	Note	9m 2016	9m 2015	12m 2015
Total cash flow from operations				
Net profit (-loss)		1,207	442	1,179
Adjustments:				
Depreciation	(Note 6, 7)	925	853	1,161
Profit from sale and write off of fixed assets		0	-67	-65
Other non-cash items		28	-92	-242
Changes in receivables and prepayments		1,114	961	544
Changes in inventories	(Note 4)	1,411	623	947
Changes in biological assets	(Note 5)	-6,170	-1,664	1,162
Changes in payables and prepayments		615	-591	-966
Corporate income tax paid		-183	-63	-55
Total cash flow from/(used in) operating activities		-1,053	402	3,665
Total cash flow from investments				
Sale of tangible and intangible fixed assets	(Note 6, 7)	0	93	95
Purchase of tangible and intangible fixed assets	(Note 6, 7)	-474	-1,380	-1,042
Sales of subsidiaries		0	4,000	8,000
Repayments of loans granted		0	3	4
Interests received		0	0	5
Profit from long-term investments		4	1	1
Total cash flow used in investing activities		-470	2,717	7,063
Total cash flow from financing				
Reduction of share capital	(Note 12)	0	0	-11,504
Own shares buy-back	(Note 12)	-55	-138	-156
Change in overdraft	(Note 9)	3,539	0	0
Capital lease repayments	(Note 8)	-263	-186	-381
Interests paid		-68	-71	-96
Total cash flow (used in)/from financing activities		3,153	-395	-12,137
Total cash flow		1,630	2,724	-1,409
Cash and cash equivalents at beginning of year	(Note 2)	1,921	3,330	3,330
Change in cash and cash equivalents		1,630	2,724	-1,409
Cash and cash equivalents at the end of the period	(Note 2)	3,551	6,054	1,921

Consolidated statement of changes in equity

EUR '000	Share capital	Share premium	Own shares	Statutory capital reserve	Translation reserve	Retained earnings (-loss)	Total equity
Balance at 31.12.2014	19,342	16,026	-117	6	441	-2,026	33,672
The own shares repurchase program	0	0	-138	0	0	0	-138
Transactions with equity holders of the company	0	0	-138	0	0	0	-138
Net loss for the period	0	0	0	0	0	442	442
Other comprehensive income	0	0	0	0	-2	0	-2
Total comprehensive income (expense) for the period	0	0	0	0	-2	442	440
Balance at 30.09.2015	19,342	16,026	-255	6	439	-1,584	33,974
Balance at 31.12.2015	7,737	16,026	-172	6	471	-847	23,221
Covering the loss from previous year	0	-2,019	0	-6	0	2,025	0
Formation of statutory reserve capital	0	0	0	12	0	-12	0
The own shares repurchase program	0	0	-55	0	0	0	-55
Transactions with equity holders of the company	0	-2,019	-55	6	0	2,013	-55
Net loss for the year	0	0	0	0	0	1,207	1,207
Other comprehensive expense	0	0	0	0	-51	0	-51
Total comprehensive expense for the period	0	0	0	0	-51	1,207	1,156
Balance at 30.09.2016	7,737	14,007	-227	12	420	2,373	24,322

Additional information about equity is disclosed in Note 12.

Notes to the Interim Report

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

AS PRFoods is a company incorporated in Estonia. The interim financial statements dated 30.09.2016 encompass AS PRFoods (hereinafter Parent Company) together with its subsidiaries Saaremere Kala AS in Estonia and the group companies OÜ Vettel, OÜ Gourmet House in Estonia and Heimon Kala Oy in Finland and Överumans Fisk Ab in Sweden (hereinafter also referred to as Group). The Group has a stake in an associate, the Competence Center of Food and Fermentation Technologies (CCFFT). AS PRFoods shares are listed on NASDAQ OMX Tallinn Stock Exchange since 5 May 2010.

The Group's consolidated audited annual report for the financial year that ended on 31 December 2015 is available at the Parent Company's location at Viru 19, Tallinn and on the Parent Company's website www.prfoods.ee.

CONFIRMATION OF COMPLIANCE

The current unaudited consolidated interim report complies with the requirements of international accounting standards IAS 34 "Interim Financial Reporting" on condensed interim financial statements.

While preparing the interim report at hand, the same accounting principles as in the annual report for the financial year ended on 31.12.2015 have been applied. The report does not hold all the information that must be presented in a complete annual report so it should be read together with the Parent Company's audited consolidated annual report for the financial year that ended on 31 December 2015, which is in compliance with international finance reporting standards (IFRS) as adopted by the European Union.

The Management Board approved the publication of this condensed unaudited consolidated interim report on 18 November 2016.

In the opinion of the management, this interim report for 3rd quarter and 9 months of 2016 of AS PRFoods presents correctly and fairly the financial results of the Group as a going concern. Current interim report is neither audited nor reviewed by auditors in any other way and contains only the consolidated reports of the Group.

BASIS OF PREPARATION

The functional currency is euro. The consolidated interim report is presented in thousands of euro and all numerical indicators have been rounded to thousand, if not indicated otherwise. In the report, thousand euro is indicated as an abbreviation EUR '000.

NOTE 2. CASH AND CASH EQUIVALENTS

EUR '000	30.09.2016	30.09.2015	31.12.2015
Cash on hand	20	11	13
Bank accounts	3,531	6,043	1,908
Total cash and cash equivalents	3,551	6,054	1,921

NOTE 3. RECEIVABLES AND PREPAYMENTS

EUR '000	30.09.2016	30.09.2015	31.12.2015
Trade receivables	2,033	2,544	3,197
Allowance for doubtful receivables	-12	-4	-15
Other receivables	3	3,988	7
Prepaid expenses	204	268	134
Prepaid taxes	315	254	180
Other prepayments	0	0	150
Total receivables and prepayments	2,543	7,050	3,653

No write-downs on receivables have been recognised.

A commercial pledge set as collateral for loans also covers receivables (see Note 9).

NOTE 4. INVENTORIES

EUR '000	30.09.2016	30.09.2015	31.12.2015
Raw materials and materials	1,509	3,005	2,488
Work-in-progress	917	1,020	1,158
Finished goods	1,305	1,230	1,302
Goods purchased for sale	463	663	648
Prepayments for inventories and goods in transit	11	22	20
Total inventories	4,205	5,940	5,616

The Group earned a loss from write-off of inventories in the first 9 months of 2016 in total 2 thousand euros (9 months in 2015: 30 thousand euros). In 2015, the Group earned a loss of 195 thousand euros from write-off of inventories.

A commercial pledge set as collateral for loans also covers inventories (see Note 9).

NOTE 5. BIOLOGICAL ASSETS

EUR '000	30.09.2016	30.09.2015	31.12.2015
Fry	508	85	244
Juveniles	1,359	1,467	1,742
Fish suitable for harvesting	8,724	5,695	2,435
Total biological assets	10,591	7,247	4,421

As at 30.09.2016, biological assets totalled 2,386 tonnes (30.09.2015: 1,215 tonnes). As at 31.12.2015, biological assets totalled 1,215 tonnes. In the reporting period, agricultural produce was harvested in the amount of 942 tonnes (in the 9 months of 2015: 930 tonnes). In the 2015 agricultural produce was harvested in the amount of 2,185 tonnes.

The Group produces in its fish farms located in Finland and Sweden mainly rainbow trout (*Oncorhynchus mykiss*), and, in a lesser degree, also whitefish (*Coregonus lavaretus*).

CHANGE IN BIOLOGICAL ASSETS			
EUR '000	9m 2016	9m 2015	12m 2015
Biological assets at beginning of the period	4,421	5,583	5,583
Purchased	1,350	746	860
Additions	4,574	3,979	5,035
Fair value adjustments	3,364	-529	-888
Harvested	-2,824	-2,448	-6,156
Written off	-121	-78	-89
Exchange rate differences	-173	-6	76
Biological assets at end of the period	10,591	7,247	4,421

The aggregate gain attributable to the growth of biological assets and the changes in fair value less costs to sell of biological assets amounted to 7,938 thousand euros (in the 9 months of 2015: 3,450 thousand euros), comprising of amounts presented under "Additions" and "Fair value adjustments" above. In the 2015 the growth of biological assets was total 4,147 thousand euros.

In the amount of "additions", the Group has capitalised subsequent expenditures incurred on development of immature biological assets, therefore in the income statement, only the gain/loss from "fair value adjustments" is presented as a separate line.

Group measures biological assets in fair value or acquisition cost.

The Group classifies such assets measured at fair value as Level 3.

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

EUR '000	30.09.2016	30.09.2015	31.12.2015
Land and buildings			
Cost	5,656	5,373	5,497
Accumulated depreciation	-2,942	-2,664	-2,739
Land and buildings at carrying amount	2,714	2,709	2,758
Machinery and equipment			
Cost	9,020	8,612	8,762
Accumulated depreciation	-5,134	-4,311	-4,520
Machinery and equipment at carrying amount	3,886	4,301	4,242
Other tangible assets			
Cost	595	535	574
Accumulated depreciation	-330	-269	-283
Other tangible assets at carrying amount	265	266	291
Construction in progress, prepayments			
	377	125	136
Total property, plant and equipment	7,242	7,401	7,427

Property, plant and equipment acquired under the finance lease terms are disclosed in Note 8. Additional information about collateral for loans is disclosed in Note 9.

NOTE 7. INTANGIBLE ASSETS

EUR '000	30.09.2016	30.09.2015	31.12.2015
Goodwill	4,730	4,730	4,730
Trademarks and patents			
Cost	1,085	1,092	1,085
Accumulated amortisation	-528	-474	-487
Trademarks and patents at carrying amount	557	618	598
Immaterial rights			
Cost	859	860	859
Accumulated amortisation	-316	-295	-300
Immaterial rights at carrying amount	543	565	559
Software licenses			
Cost	286	286	286
Accumulated amortisation	-231	-206	-212
Software licenses at carrying amount	55	80	74
Prepayments for intangible assets	162	155	167
Total intangible assets	6,047	6,148	6,128

NOTE 8. FINANCE LEASE

FIXED ASSETS ACQUIRED UNDER FINANCE LEASE			
EUR '000	30.09.2016	30.09.2015	31.12.2015
Machinery and equipment			
Cost	1,783	989	1,708
Accumulated depreciation	-234	-83	-298
Machinery and equipment at carrying amount	1,549	906	1,410
Means of transport			
Cost	488	389	388
Accumulated depreciation	-121	-79	-90
Means of transport at carrying amount	367	310	298
Total property, plant and equipment	1,916	1,216	1,708

The Group is leasing under financial lease terms fish industry production equipment, fish harvesting equipment, a workboat, a tractor, passenger cars and computers. During the reporting period, fixed assets were leased as financial lease in the total amount of 254 thousand euros (during the 9 months of 2015: 259 thousand euros). During the 2015, fixed assets were leased as financial lease in the total amount of 977 thousand euros.

FINANCE LEASE PAYABLES			
EUR '000	30.09.2016	30.09.2015	31.12.2015
Present value of finance lease liability			
Due in less than 1 year	324	216	286
Due between 1-5 years	1,016	610	1,063
Present value of lease payments	1,340	826	1,349
Principal payments in the financial year			
Principal payments in the financial year	263	186	381
Interest expenses in the financial year			
Interest expenses in the financial year	19	14	22
Average interest rate	2.22%	2.13%	2.51%

See also Note 6 and 9.

NOTE 9. BORROWINGS

EUR '000	30.09.2016	30.09.2015	31.12.2015
Finance lease liabilities (Note 8)	324	216	286
Overdraft	3,539	0	0
Total short-term loans	3,863	216	286
Finance lease liabilities (Note 8)	1,016	610	1,063
Total long-term loans	1,016	610	1,063
incl. payable within 1-5 years	1,016	610	1,063

On 06.09.2016, AS PRFoods and AS SEB Pank closed the limit of the existing overdraft contract and closed group account agreement between AS PRFoods and its subsidiaries. On 06.09.2016, AS Saaremere Kala and AS SEB Pank signed overdraft contract to open for AS Saaremere 5 million euro credit limit. The term of the overdraft facility is 30.04.2017 and the interest rate is 6 month EURIBOR + 1.7%. The bank overdraft is secured by a mortgage of 10.1 million euros, a commercial pledge of 4.0 million euros and AS PRFoods guarantee in amount of 5.0 million euros. AS Saaremere Kala and subsidiaries OÜ Vettel and OÜ Gourmethouse have signed new group account agreement with AS SEB Pank.

The overdraft was used in the amount of 3.5 million euros as at 30.09.2016. The overdraft was not used as at 30.09.2015 and 31.12.2015.

NOTE 10. PAYABLES AND PREPAYMENTS

EUR '000	30.09.2016	30.09.2015	31.12.2015
Trade payables	2,760	3,137	2,322
Payables to employees	468	472	664
Interest payables	4	0	0
Other payables	8	24	2
Tax liabilities, incl.:	269	424	772
Social security tax	141	130	161
VAT	28	174	430
Personal income tax	93	103	82
Corporate income tax	0	10	84
Other taxes	7	7	15
Total payables and prepayments	3,509	4,057	3,760

NOTE 11. GOVERNMENT GRANTS

EUR '000	9m 2016	9m 2015	12m 2015
Deferred income from government grants at the beginning of period	883	1,054	1,054
Change in value due to the exchange rates	-8	0	6
Recognition as income during the period	-122	-135	-177
Deferred income from government grants at the end of period	753	919	883
incl. income within 1 year	244	180	177
incl. income within 2-17 years	509	739	706

NOTE 12. EQUITY

EUR '000	30.09.2016	30.09.2015	31.12.2015
Share capital	7,737	19,342	7,737
Share premium	14,007	16,026	16,026
Treasury shares	-227	-255	-172
Statutory capital reserve	12	6	6
Currency translation reserve	420	439	471
Retained profit (-loss)	2,373	-1,584	-847
Equity attributable to parent	24,322	33,974	23,221
TOTAL EQUITY	24,322	33,974	23,221

Share capital

As at 30.09.2016, the Company's registered share capital was 7,736,572 euros. As at 30.09.2015, the Company had registered share capital in the amount of 19,341,430 euros. On 2 October 2015, the reduction of share capital of AS PRFoods and related changes were entered into the Commercial Register. Share capital was reduced in accordance with the resolution adopted by the general meeting of shareholders held on 28 May 2015 by way of reducing the nominal value of a share by 0.3 euro (30 cents), which resulted in a new nominal value of a share at 0.2 euro (20 cents). The reason for the reduction of share capital was to adjust the Group's capital structure with the aim of bringing the return on equity and ratios to a more acceptable level.

On 30 June 2016, shares of AS PRFoods without nominal value were registered in the Commercial Register instead of shares with nominal value, based on the resolutions adopted by the Company's general meeting of shareholders held on 26 May 2016. The registered share capital of the Company is 7,736,572 euros, divided into 38,682,860 ordinary shares without nominal value having a book value of 0.20 euro per share. A new version of the Company's Articles of Association also came into force, stating that the minimal share capital is 7,000,000 euros and the maximum share capital is 28,000,000 euros. The Articles of Association are available on AS PRFoods website at www.prfoods.ee.

Share premium

The Company's share premium comprises mainly of the amount received over the nominal value upon issue of shares, less costs associated with the issue of shares. According to the Commercial Code, a premium may be used to cover a loss of a company if such loss cannot be covered by retained profit from previous periods or the capital reserve prescribed in the Articles of Association and other reserves prescribed by the Articles of Association. The premium may also be used to increase share capital by a bonus issue. No payments to shareholders are allowed to be made from the share premium funds.

The ordinary general meeting of shareholders held on 26 May 2016 decided to cover the retained loss in the previous periods of AS PRFoods from reserves and share premium in the total amount of 2,026,000 euros, where the share premium was used to cover 2,019,500 euros and the reserve was used to cover 6,500 euros.

Own shares

As of 01.07.2014, the Company initiated its own shares buy-back programme in accordance with the resolution of the general meeting of shareholders held on 29.05.2014, according to which up to 500,000 own shares will be bought back before 31 May 2017. The initial own shares buy-back programme was completed on 18.05.2016. The ordinary general meeting of shareholders held on 26 May this year adopted a resolution to expand the existing buy-back programme,

according to which up to 500,000 additional own shares will be bought back before 29.05.2019. On 14 June 2016, the Management Board of AS PRFoods entered into a service agreement with AS SEB Pank to continue the implementation of the own shares buy-back programme.

The buy-back programme is implemented in compliance with the resolutions of the general meetings of shareholders held on 29.05.2014 and 26.05.2016, and Commission Regulation (EU) No. 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures.

As at 30.09.2016, AS SEB Pank has acquired a total of 576,022 own shares with average price 0.3949 euro per share in the name and on behalf of AS PRFoods. As at 30.09.2015, the Company had bought back 383,728 own shares.

Capital reserve

The Estonian Commercial Code requires companies to create a capital reserve. Each year at least 1/20 of profit for the year has to be transferred to the capital reserve until the reserve amounts to 1/10 of share capital. The capital reserve may be used for covering losses and increasing share capital but not for making distributions to shareholders. The shareholders adopted a resolution at the general meeting held on 26 May to cover the retained loss from previous periods of AS PRFoods from reserve and share premium in the amount of 2,026,000 euros and transfer 12,400 euros from the profit of 2015 of the parent company to the reserve, and not to distribute the remaining profit. The loss covered from the reserve was in the amount of 6,500 euros.

EARNINGS PER SHARE

Earnings per share have been calculated by dividing the net profit attributable to the shareholders of the Parent Company by the average number of shares for the period.

	Q3 2016	Q3 2015	9m 2016	9m 2015	12m 2015
Net profit (loss) attributable to equity holders of the company EUR '000	1,629	691	1,207	442	1,179
Average number of shares (in thousand)	38,683	38,683	38,683	38,683	38,683
Earnings (-loss) per share (EUR)	0.04	0.02	0.03	0.01	0.03
Earnings (-loss) per share (EUR)	0.04	0.02	0.03	0.01	0.03
Diluted earnings (-loss) per share (EUR)	0.04	0.02	0.03	0.01	0.03

NOTE 13. SEGMENT REPORTING

The Group's segments are determined based on the reports monitored and analysed by the Management Board of the Parent Company. The Management Board of the Parent Company monitors financial performance by business areas and geographic areas. Reports by business areas include information of more significant importance for the management of the Group for monitoring financial performance and allocating resources. Therefore, this division is used to define business segments.

Two business segments – the fish segment and other segments - are presented together since the proportion of other segments in business operations is marginal. The proportion of other segments was 0.08% in reporting period and 0.07% in 2015.

SALES BY GEOGRAPHIC REGIONS

EUR '000	Q3 2016	Q3 2015	9m 2016	9m 2015	12m 2015
Finland	9,013	10,208	25,256	29,495	44,198
Estonia	929	994	3,594	3,109	4,841
Other	588	156	1,676	491	1,234
Total	10,530	11,358	30,526	33,095	50,273

NOTE 14. COST OF GOODS SOLD

EUR '000	Q3 2016	Q3 2015	9m 2016	9m 2015	12m 2015
Cost of goods purchased for sale	-703	-851	-2,805	-2,636	-4,074
Materials used in production	-7,505	-7,045	-20,076	-20,752	-31,366
Staff costs	-696	-740	-2,264	-2,291	-3,376
Depreciation and amortisation	-254	-241	-764	-705	-960
Other costs of goods sold ¹	-876	-839	-2,529	-2,526	-3,733
Total cost of goods sold	-10,034	-9,716	-28,438	-28,910	-43,509

¹ Other costs of goods sold includes expenses related to production and fish farming assets (rent, maintenance, insurance, utilities, etc.), staff-related costs and other expenses and subcontracted services.

NOTE 15. RELATED PARTY TRANSACTIONS

The Company considers parties to be related when one party has control over the other party or has significant influence over the business decision of the other party.

Related parties include:

- shareholders with significant influence (the largest shareholder of PRFoods is the international investment fund Amber Trust II S.C.A.)
- members of the Supervisory Board and members of all management board of group entities
- close family members of the persons mentioned above and the companies related to them

GROUP COMPANIES						
Subsidiary	Domicile	Ownership and voting rights %			Area of activity	Owner
		30.09.2016	30.09.2015	31.12.2015		
Saaremere Kala AS	Estonia	100%	100%	100%	Holding company of fish segment	PRFoods AS
Vettel OÜ	Estonia	100%	100%	100%	Production of fish products	Saaremere Kala AS
GourmetHouse OÜ	Estonia	100%	100%	100%	Sale of fish and fish products	Saaremere Kala AS
Heimon Kala Oy	Finland	100%	100%	100%	Fishfarming, processing and sale of fish and fish products	Saaremere Kala AS
Överumans Fisk Ab	Sweden	100%	100%	100%	Fishfarming and sales	Heimon Kala Oy
OOO Hladomagija	Russia	0%	100%	0%	Holding company	PRFoods AS

The ownership percentage of subsidiaries' equity represents their voting rights. The shares of subsidiaries are not listed on a stock exchange.

The group has also a 20% shareholding in AS Toidu- ja Fermentatsioonitehnoloogia Arenduskeskus (Competence Center of Food and Fermentation Technology).

At the balance sheet date, there were no receivables from nor payables to related parties. No write-downs on receivables from related parties have been recognised.

During the reporting period group entities have performed purchase and sales transactions with related parties as follows:

Party EUR '000	Type of transaction	9m 2016	9m 2016	9m 2015	9m 2015	12m 2015	12m 2015
		Purchase	Sale	Purchase	Sale	Purchase	Sale
Companies related to members of the Management and Supervisory Boards	services	9	1	44	1	49	2
	Total	9	1	44	1	49	2

Management estimates that all related party transactions have been concluded at market prices and at market condition.

Benefits including employment taxes to members of the Management Boards and Supervisory Boards of AS PRFoods and its subsidiaries and other key members of management were as follows:

EUR '000	9m 2016	9m 2015	12m 2015
Short-term benefits	452	404	512
Total	452	404	512

Management benefits increased year-on-year bases by 48 thousand euros, which was mainly influenced by the annual management bonuses paid to the management of subsidiaries in 2nd quarter for the results of the 2015 financial year.

The members of the Management and Supervisory Boards are not entitled to any pension-related rights from the company. The members of the Management Boards are entitled to termination benefits. The maximum expense related to payment of termination benefits including taxes totals 205 thousand euros (30.09.2015: 167 thousand euros).

NOTE 16. CONTINGENT LIABILITIES

Contingent liabilities in connection with setting a mortgage for the benefit of the Customs Board of Finland

A mortgage was set for the benefit of the Finnish Customs Board in the amount of 84 thousand euros. The purpose of the transaction was a more streamlined organisation of the day-to-day operations by reducing persistent prepayments to the Customs Board.

The management estimated that it is improbable that the Finnish Customs Board will liquidate the pledged asset.

MANAGEMENT BOARD'S CONFIRMATION TO THE CONSOLIDATED INTERIM REPORT FOR THE 3RD QUARTER AND 9 MONTHS OF 2016

The Management Board confirms the correctness and completeness of the consolidated interim report for the 3RD quarter and 9 months of 2016 of AS PRFoods and its subsidiaries (together the Group) presented in the pages 8 – 46 hereof and confirms to the best of its knowledge that:

- the activities report of the consolidated interim report presents adequate and fair overview of the development and results of business activities of the Group and the financial position thereof and includes the description of the main risk factors and uncertainties;
- the accounting principles applied in the preparation of the consolidated interim report are in compliance with the International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as adopted by the European Union;
- the consolidated interim report provides a true and fair overview of the assets, liabilities and financial position of the Group and of the results of its operations and its cash flows.

Member of the Management Board

Indrek Kasela

digitally signed

18 November 2016

