

PRFOODS

AS PRFoods

Consolidated Unaudited Interim Report

for 1st quarter of 2018 and 15 months of 2017-2018

(translation from Estonian original)

20.05.2018

2017-2018 | Q1 2018 + 15 MONTHS

P R F O O D S

Business name	AS PRFoods
Commercial register number	1150713
Address	Pärnu mnt 141, Tallinn, Estonia
Phone	+372 452 1470
Website	prfoods.ee
Main activities	Production and sale of fish products Fish farming
Reporting period	1 January 2017 – 31 March 2018
Auditor	AS PricewaterhouseCoopers

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Corporate profile

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

AS PRFoods' key market was Finland, where the company is amongst three largest brands, until the acquisition of John Ross Jr. and Coln Valley Smokery in summer 2017. Since acquisition the company has expanded sales to 37 countries in Europe, North and South America and Asia.

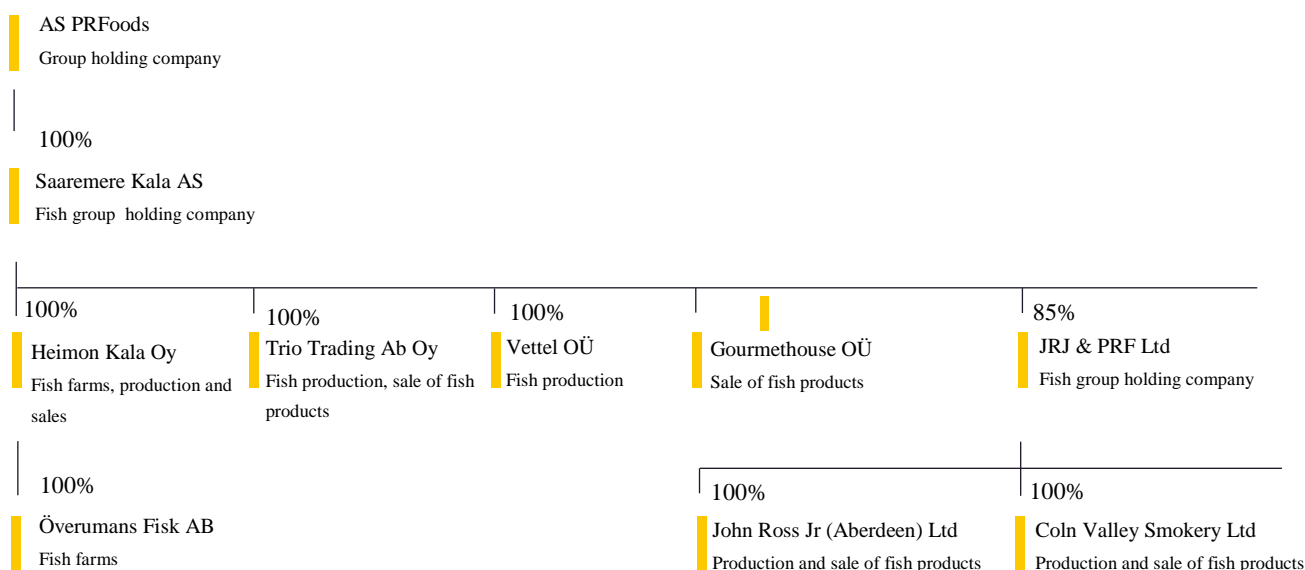
Main activity of the Group is fish manufacturing in five contemporary production buildings in Renko and Kokkola (Finland), Saaremaa (Estonia), Aberdeen and Coln Valley (UK). Main products are salmon and rainbow trout products. Approximately 60% of the rainbow trout used in Group's production is harvested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

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

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

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

Structure from 30.08.2017



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.

Brands of the new acquired companies are „John Ross Aberdeen“ and „Coln Valley Smokery“ as well “Fishk”.



MISSION

Our goal is to provide our customers with healthy and high-quality choice of seafood. We try to continually maintain and grow consumer trust. We are a benchmark of care, innovation and quality.

VISION

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

STRATEGIC OBJECTIVES

The strategy of PRFoods is as follows:

- To be among three leading brands in our operating markets and to be recognized premium seafood brand globally;
- Our financial target is to achieve minimum operating 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, Baltic markets and in UK;
- We have had established products on the Finnish and UK market for more than 30 years;
- Geographically suitable scope and diversified product portfolio ensure sustainable development;
- Solid financial stability 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

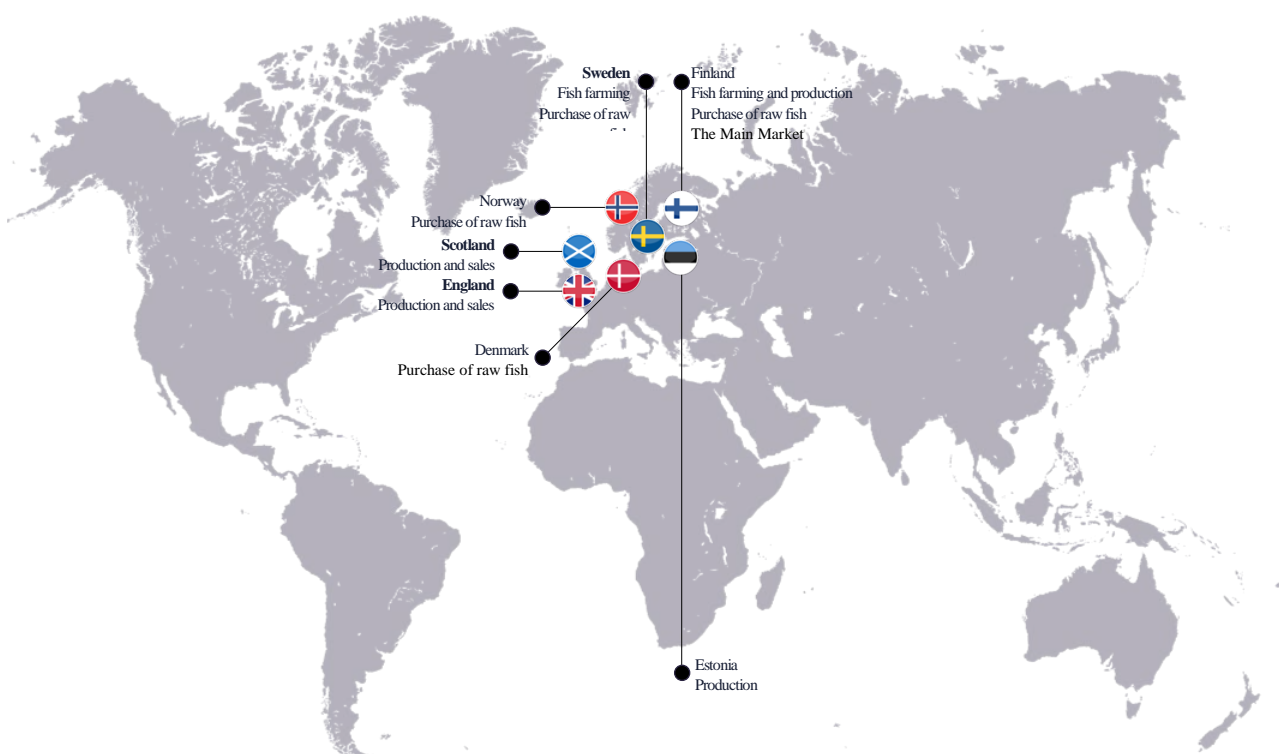
The objective of PRFoods is to increase production capacity and to boost sales volumes of fish products. The Group is actively involved in developing new products to expand into new export markets. As a clear leader in its business area, the objective of PRFoods companies is to increase the Company's 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

PRFoods Q1 performance reflects improved business environment and continued efficiencies achieved through acquisitions in 2017. Q1 and 15 months results show positive trend which management believes to continue well into end of current financial year. Outlook for H1 2018 remains also positive.

PRFoods Q1 revenues were 22.7 million euros, increase of 115.3% year-on-year. EBITDA from operations 0.7 million euros and EBITDA 0.6 million euros, improvement respectively of 341.5% and 203.0% on yearly basis.

2017/2018 financial year was extended until 30.06.2018, to reflect financial year of acquired businesses, PRFoods 15 months figures were as follows: revenues 132.5 million euros, EBITDA from operations 7.6 million euros, EBITDA 5.6 million euros and net profit 1.7 million euros.

These numbers are in line with management expectations and prove that the strategy undertaken and executed by PRFoods is right.

First time since 2016 our Q1 EBITDA from operations is also positive, improving by 1.0 million euros compared to Q1 2017.

All our core markets performed well and we hope to increase in near future our exports to existing export markets. Similarly, all product and client groups all posted positive growth.

Fish farming Q1 biomass revaluation effect was similar to Q1 2017, despite the fact that rainbow trout prices had fallen by 17.9% on year-on-year. Salmon prices actually increased by 16.6% compared to last year. Salmon had an uptick end of Q1 due to colder winters and lower stock from other regions. Overall due to significant growth in fish consumption globally, we do not expect salmon or rainbow trout prices to fall. Compared to end of 2016 and Q1 2017 abnormal price fluctuations, we believe we are entering less volatile period at least in mid-term. PRFoods is looking to increase its current fish farming capacity and is actively looking for new sites around Baltic Sea and Scotland.

At the end of Q1 biomass value was 4.6 million euros compared to 6.5 million euros year ago, while in tons decrease has been 7.7%, revaluation effect was -24.5%.

Cost efficiency of the business as percentage of sales has decreased across the board, with slight increase in staff costs. Employment costs increase was planned and in future we look more at automation and efficiencies as we are quite competitive in labour market and can attract best employees.

The average number of employees in Q1 2018 was 362.

Capital structure of PRFoods is optimal at the moment, net debt is 16.7 million euros and equity is 24.5 million euros, equity level is 37.8%.

Debt to EBITDA has decreased to 2.7, in long term PRFoods would like to keep debt to EBITDA at 3-3.5 level.

PRFoods share continue to be one of the best performing shares on year on year comparison, outperforming both OMX Tallinn and Baltic Benchmark indexes significantly (respectively 13.1%, 19.7%) having annualized return of 93.4%.

Management of PRFoods maintains positive outlook for the remaining 2017/2018 financial year. We are restructuring our sales in Finland after departure of one of Trio's main customers, but we are positive that we replace these sales directly to the same end consumers at higher margins.

Main risks related to volatility of fish prices, Brexit, weak sterling remain, but management is taking active measures to counteract these risks.

We thank our employees for doing an excellent job, our customers for buying our products and our shareholders for their continued support.

Consolidated key financials on 15 months basis of all Group companies:

Pro forma 15m 2017 EUR '000	Sales revenue	EBITDA	EBITDA from operations*	Net Profit
Saaremere Kala AS	0	-32	11	-761
Vettel OÜ	9,205	1,025	1,025	488
GourmetHouse OÜ	5,795	71	71	95
Heimon Kala Oy	40,825	2,712	2,665	1,851
Överumans Fisk Ab	16	-360	1,310	-751
Trio Trading Ab Oy	53,059	1,068	1,068	248
JRJ & PRF Ltd	0	0	0	-52
John Ross Jr. (Aberdeen Ltd)	18,310	1,895	1,956	1,170
Coln Valley Smokery Ltd	5,258	-65	-65	-146
Saaremere Kala Group	132,468	6,314	8,041	2,142
PRFoods AS	0	-675	-462	-425
PRFoods Group	132,468	5,639	7,579	1,717

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

Sincerely,

Indrek Kasela

UNAUDITED FINANCIAL RESULTS OF AS PRFOODS, THE 1ST QUARTER OF 2018 COMPARED TO THE 1ST QUARTER OF 2017

- Unaudited consolidated revenue 22.74 million euros, increase +12.18 million euros, i.e. +115.3%.
- Gross margin 10.7%, increase +5.8 percentage points, i.e. +115.5%.
- Negative impact from revaluation of biological assets -0.12 million euros (Q1 2017: negative effect -0.27 million euros).
- EBITDA from operations +0.70 million euros, increase +0.99 million euros.
- EBITDA +0.58 million euros, increase +1.14 million euros.
- The operating profit +0.12 million euros, increase +1.00 million euros.
- Net loss -0.30 million euros, decrease -0.54 million.

SUMMARY OF FINANCIAL RESULTS: THE 1ST QUARTER OF 2018 COMPARED TO THE 1ST QUARTER OF 2017

EUR mln	Q1 2018	Q1 2017	Change EUR mln	Q1 18 / Q1 17	Q1
Sales	22.74	10.56	12.18	115.3%	▲
Gross profit	2.44	0.53	1.92	364.1%	▲
EBITDA from operations*	0.70	-0.29	0.99	341.5%	▲
EBITDA	0.58	-0.56	1.14	203.0%	▲
EBIT	0.12	-0.87	1.00	114.2%	▲
Net profit (-loss)	-0.30	-0.84	0.54	64.6%	▲

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



Fish manufacturing production buildings in Saaremaa

UNAUDITED FINANCIAL RESULTS OF AS PRFOODS, THE 15 MONTHS OF 2017-2018 COMPARED TO THE 12 MONTHS OF 2016

- Unaudited consolidated revenue 96.35 million euros, increase +48.92 million euros, i.e. +103.1%.
- Gross margin 13.5%, increase +5.0 percentage points.
- Negative impact from revaluation of biological assets -1.62 million euros (12 months 2016: positive impact of +2.26 million euros).
- Effect of one-offs to the result -0.31 million euros (12 month 2016: negative influence -0.40 million euros).
- EBITDA from operations +6.02 million euros, increase +5.26 million euros.
- EBITDA +4.08 million euros, increase +1.47 million euros.
- The operating profit +2.13 million euros, increase +0.75 million euros.
- Net profit +1.12 million euros, increase +0.40 million euros.

SUMMARY OF FINANCIAL RESULTS: THE 15 MONTHS OF 2017-2018 COMPARED TO THE 12 MONTHS OF 2016

EUR mln	15m 2017	12m 2016	Change EUR mln	15m 17 / 12m 16	15m
Sales	96.35	47.43	48.92	103.1%	▲
Gross profit	13.02	4.02	9.00	223.9%	▲
EBITDA from operations*	6.02	0.75	5.26	699.9%	▲
EBITDA	4.08	2.61	1.47	56.1%	▲
EBIT	2.13	1.38	0.75	54.4%	▲
Net profit (-loss)	1.12	0.72	0.40	56.4%	▲

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





KEY RATIOS												
Income Statement, EUR mln	Q1 2018	15m 2017	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12m 2017	Q1 2016	Q2 2016	Q3 2016	Q4 2016	12m 2016
Sales	22.7	96.4	10.6	13.1	18.0	32.0	73.6	10.2	9.8	10.5	16.9	47.4
Gross profit	2.4	13.0	0.5	1.0	2.5	6.6	10.6	1.0	0.6	0.5	1.9	4.0
EBITDA from operations	0.7	6.0	-0.3	0.1	1.2	4.3	5.4	0.2	-0.3	-0.3	1.1	0.8
EBITDA	0.6	4.1	-0.6	0.3	2.2	1.6	3.6	-0.2	0.7	2.6	-0.4	2.6
EBIT	0.1	2.1	-0.9	0.03	1.8	1.1	2.0	-0.5	0.3	2.3	-0.8	1.4
EBT	-0.3	0.9	-0.9	-0.1	1.4	0.8	1.2	-0.6	0.2	2.2	-0.8	1.1
Net profit (-loss)	-0.3	1.1	-0.8	-0.1	1.2	1.2	1.4	-0.5	0.04	1.6	-0.5	0.7
Gross margin	10.7%	13.5%	5.0%	7.5%	13.7%	20.6%	14.4%	9.5%	6.3%	4.7%	11.4%	8.5%
Operational EBITDA margin	3.1%	6.2%	-2.7%	1.0%	6.9%	13.4%	7.3%	2.1%	-2.6%	-2.6%	6.2%	1.6%
EBITDA margin	2.5%	4.2%	-5.3%	2.6%	12.3%	4.9%	4.8%	-2.2%	6.8%	24.9%	-2.7%	5.5%
EBIT margin	0.5%	2.2%	-8.3%	0.2%	9.9%	3.3%	2.7%	-5.2%	3.6%	22.0%	-4.5%	2.9%
EBT margin	-1.2%	1.0%	-8.5%	-0.4%	7.6%	2.5%	1.6%	-5.5%	2.3%	21.3%	-4.5%	2.4%
Net margin	-1.3%	1.2%	-7.9%	-1.0%	6.4%	3.9%	1.9%	-4.5%	0.4%	15.5%	-2.9%	1.5%
Operating expense ratio	10.3%	10.0%	11.2%	9.5%	10.9%	9.2%	9.9%	10.5%	12.7%	11.2%	7.7%	10.1%

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	31.03.2018	31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2016	30.06.2016	30.09.2016	31.12.2016
Net debt	16.7	1.6	1.0	16.7	16.6	-3.1	-1.4	1.3	0.3
Equity	24.5	22.8	22.7	23.4	24.8	22.7	22.7	24.3	23.8
Working capital	4.6	11.5	11.5	5.1	5.3	11.0	11.2	13.3	12.4
Assets	64.8	33.3	33.5	66.3	67.0	28.6	29.3	34.4	35.1
Liquidity ratio	1.2	2.4	2.3	1.2	1.2	3.7	3.4	2.7	2.4
Equity ratio	37.8%	68.5%	67.8%	35.9%	37.1%	79.4%	77.6%	70.7%	67.9%
Gearing ratio	40.6%	6.4%	4.1%	41.3%	40.0%	-15.7%	-6.7%	5.2%	1.2%
Net debt-to-EBITDA	2.7	6.4	1.6	7.9	3.1	-1.1	-0.7	1.2	0.4
ROE	8.3%	1.5%	0.7%	-1.3%	5.8%	4.5%	3.6%	6.7%	3.0%
ROA	4.0%	1.1%	0.5%	-0.6%	2.8%	3.7%	2.9%	5.2%	2.2%

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	31.03.2018	31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2016	30.06.2016	30.09.2016	31.12.2016
Liquidity ratio	1.2	2.4	2.3	1.2	1.2	3.7	3.4	2.7	2.4
Net debt-to-EBITDA	2.7	6.4	1.6	7.9	3.1	-1.1	-0.7	1.2	0.4
Debt to total assets	0.6	0.3	0.3	0.6	0.6	0.2	0.2	0.3	0.3
Equity ratio	37.8%	68.5%	67.8%	35.9%	37.1%	79.4%	77.6%	70.7%	67.9%
Gearing ratio	40.6%	6.4%	4.1%	41.3%	40.0%	-15.7%	-6.7%	5.2%	1.2%

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 7.1 million euros (11.0% of the balance sheet volume). As at 31.03.2017, the balance of financial funds were 3.6 million euros (10.7% of the balance sheet volume). The working capital was 4.6 million euros (31.03.2017: 11.5 million euros). The decrease in working capital includes short term liabilities provisions to non-

PROFITS

controlling interests' buyout in amount 2.7 million euros and deferred payables for shares of John Ross Jr. (Aberdeen) in amount 2.2 million euros.

The current ratio showing short-term ability to meet payments was 1.2 as of 31.03.2018 (31.03.2017: 2.4). Net debt was positive, in total 16.7 million euros as of the closing date (31.03.2017: 1.6 million euros). Increase in net debt is caused by investment loans for acquiring new subsidiaries.

Financial gearing showing net debt ratio to gross capital was 40.6% as of 31.03.2018 (31.03.2017: 6.4%). Net debt to EBITDA ratio was 2.7 as of 31.03.2018 (31.03.2017: 6.4). The Group has been able to retain its good financial position that ensures sustainability and helps adjust to complex market conditions more flexibly.

BALANCE SHEET ANALYSIS

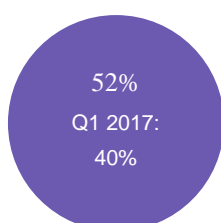


AS OF THE END OF THE 1ST QUARTER 2018:

CURRENT ASSETS

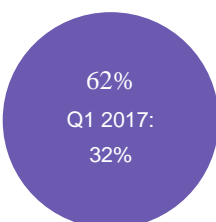


FIXED ASSETS

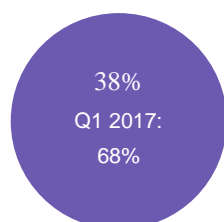


As of 31.03.2018 consolidated total assets of PRFoods stood at 64.8 million euros, increase of 31.5 million euros, i.e. +94.4%, within a year. The increase in assets came mostly from acquiring new subsidiaries.

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



FOREIGN CAPITAL



EQUITY

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

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

Accounts payable and prepayments were 14.5 million euros as at 31.03.2018 (31.03.2017: 4.0 million euros), showing a year-on-year increase by 10.6 million euros. Trade payables increased by 4.0 million euros. Short term payables include deferred payments to shareholders for John Ross Jr. (Aberdeen) shares in amount of 2.2 million euros and provision for non-controlling shareholders buyout in amount 2.7 million euros. Management considers realization of the buyout very unlikely.

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

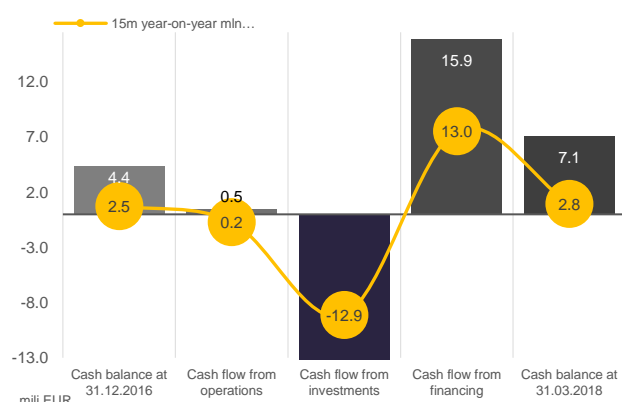
Non-current liabilities were 13.9 million euros as at 31.03.2018, increased by 11.8 million euros. Long term liability of investment loans totalled 11.0 million euros as at 31.03.2018.

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

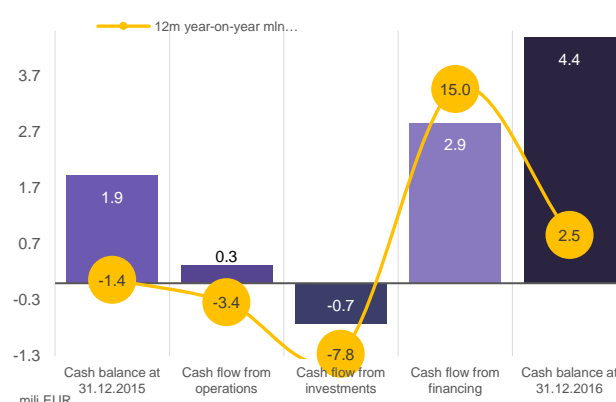
As at 31.03.2018, the Company's registered share capital was 7.7 million euros (31.03.2017: 7.7 million euros). The shareholders adopted a resolution at the general meeting of shareholders held on 30 May 2017 to transfer 36 thousand euros from the net profit earned in 2016 to the reserve, and not to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

CASH FLOWS

CHANGE IN CASH AND CASH EQUIVALENTS 15 MONTHS 2017



CHANGE IN CASH AND CASH EQUIVALENTS 12 MONTHS 2016



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

Cash flow from operating activities in the 15 months of 2017-2018 was +0.5 million euros (12 months 2016: +0.3 million euros), increasing compared to 31.12.2016 by +0.2 million euros, i.e. +61.9%. Cash flow from operating activities was negatively influenced by the increase in inventories (effect on cash flow -8.1 million euros) and increase in receivables and prepayments (effect on cash flow -1.7 million euros). Cash flow from operating activities was positively influenced by increase in payables and prepayments (effect on cash flow +9.5 million euros) and decrease in biological assets (effect on cash flow +3.0 million euros).

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

Cash flow from financing activities was +15.9 million euros (12 months 2016: +2.9 million euros). Cash flow was influenced by receiving investment loans in amount 14.0 million euros and increase of overdraft usage in the amount +3.7 million euros. During the reporting period, repayments of the principal of investment loans were 0.6 million euros, interests of investment loans were 0.5 million euros and financial lease were in 0.5 million euros (12 months 2016: no payments for investment loans and finance lease repayments 0.3 million euros). The rest of financing activities include buy-back transactions of own shares and interest payments and dividends paid to JRJ&PRF Ltd minority shareholders.

INVESTMENTS

In 15 months of 2017-2018 investments into tangible and intangible assets were 1.0 million euros (12 months 2016: 1.1 million euros).

REVENUE

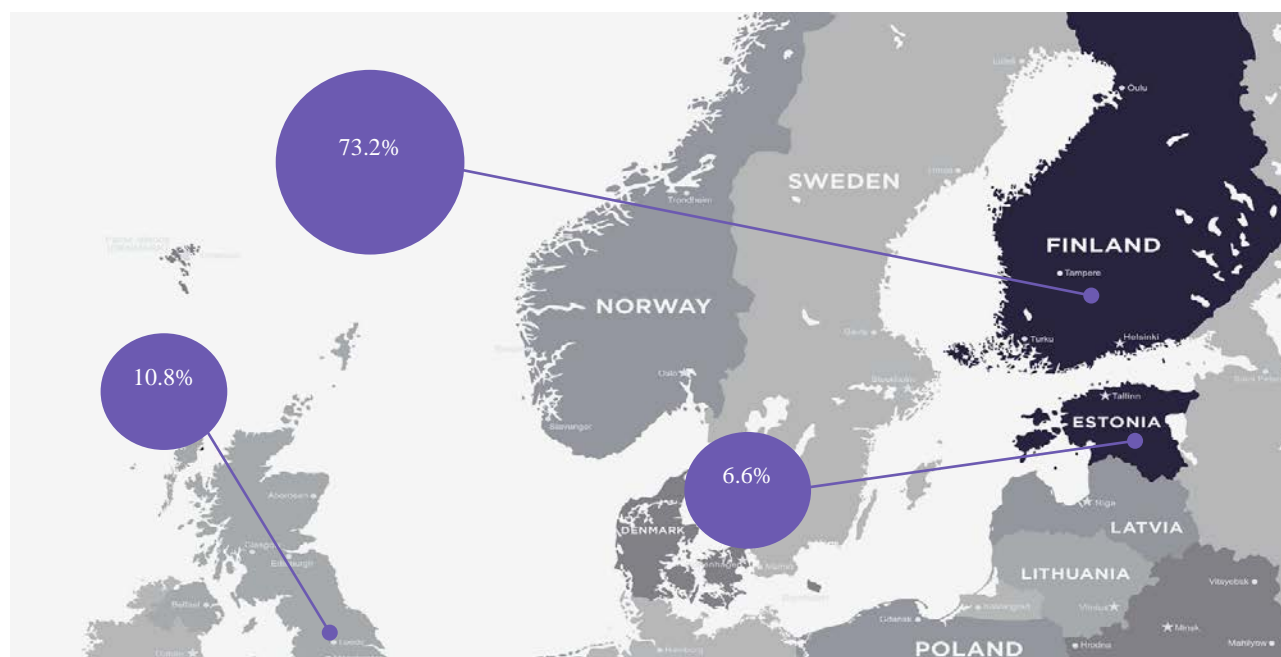
The main products of the Group are salmon and rainbow trout goods. The Company is mainly known as a seller of fresh fish and fish products in Finland, seller of quality smoked fish products in UK and seller of raw fish in Estonia as well as the biggest supplier of fish roe in Estonian stores. Acquiring new subsidiaries has opened new markets and Group is selling fish products to 37 countries.

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

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

Sales revenue in 1st quarter 2018 decreased by -0.8 million euros, i.e. -3.3% compared to pro forma revenue in 1st quarter of 2017. Pro forma revenues were negatively affected mostly by termination of fish supply contract to Escamar Seafood Oy (formerly Apetit Kala Oy), and in total Trio Trading Oy revenues decreased by -0.9 million euros. PRFoods continues to review of its client and product portfolio, undertaken already in last year, to exit for lower margin product groups.

Pro forma revenue is divided by largest target markets in 15 months 2017-2018 as following: Finland 93.3 million euros, UK 17.1 million euros, Estonia 7.6 million euros, Latvia 7.0 million euros, France 3.6 million euros, Greece 1.1 million euros and Sweden 0.5 million euros. Remaining revenue 2.3 million euros consists of export to various countries, including Italy 0.4 million euros and Belgium 0.3 million euros, Hong Kong 0.3 million euros. By sales revenue, next larger markets are Japan and Kuwait.



THE SHARE OF TURNOVER IN KEY GEOGRAPHIC AREAS 15 MONTHS 2017-2018

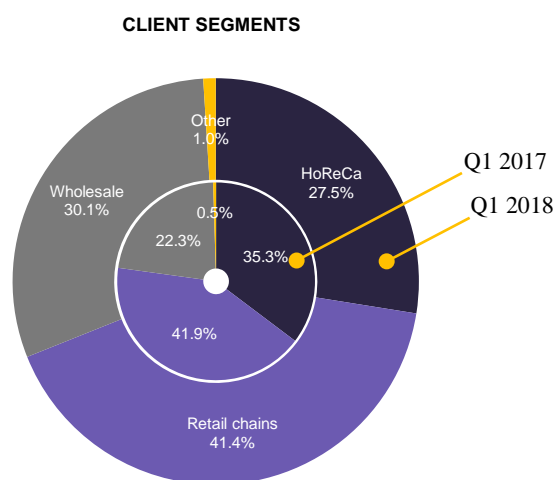
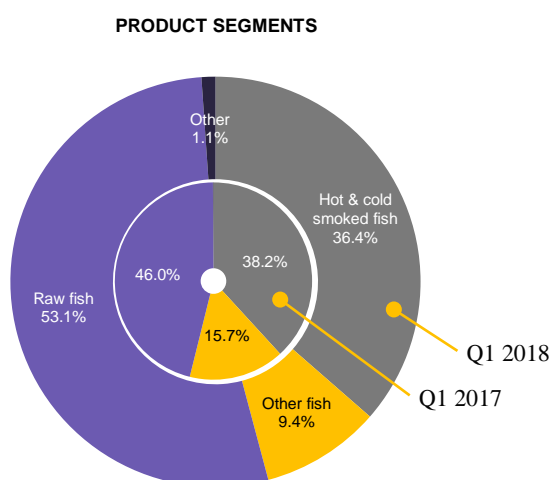
GEOGRAPHIC SEGMENTS							
EUR mln	Q1 2018	Proportion %	Q1 2017	Proportion %	Change EUR mln	Q1 18 / Q1 17	Q1
Finland	15.9	69.7%	9.0	85.2%	6.9	76.2%	▲
United Kingdom	2.9	12.8%	0.0	0.0%	2.9		
Estonia	1.3	5.5%	1.0	9.0%	0.3	31.6%	▲
Other	2.7	12.0%	0.6	5.8%	2.1	346.3%	▲
Total	22.7	100.0%	10.6	100.0%	12.2	115.3%	▲

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

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

PRODUCT SEGMENTS							
EUR mln	Q1 2018	Proportion %	Q1 2017	Proportion %	Change EUR mln	Q1 18 / Q1 17	Q1
Hot & cold smoked fish	8.3	36.4%	4.0	38.2%	4.2	105.3%	▲
Raw fish	12.1	53.1%	1.7	15.7%	7.2	148.1%	▲
Other fish	2.1	9.4%	4.9	46.0%	0.5	29.5%	▲
Other	0.2	1.1%	0.01	0.1%	0.2	2,390.0%	▲
Total	22.7	100.0%	10.6	100.0%	12.2	115.3%	▲

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



CLIENT SEGMENTS							
EUR mln	Q1 2018	Proportion %	Q1 2017	Proportion %	Change EUR mln	Q1 18 / Q1 17	Q1
HoReCa	4.5	19.8%	3.7	35.3%	0.8	21.1%	▲
Retail chains	8.4	36.9%	4.4	41.9%	4.0	89.6%	▲
Wholesale	9.5	41.8%	2.4	22.3%	7.1	303.0%	▲
Other retail	0.3	1.5%	0.1	0.5%	0.3	551.0%	▲
Total	22.7	100.0%	10.6	100.0%	12.2	115.3%	▲

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

COST ANALYSIS

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

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

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

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

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

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

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 1st quarter 2018 was 362 people (1st quarter 2017: 191 people). In 15 months of 2017-2018 average 300 people worked in Group.

PERSONNEL ANALYSIS 2017-2017

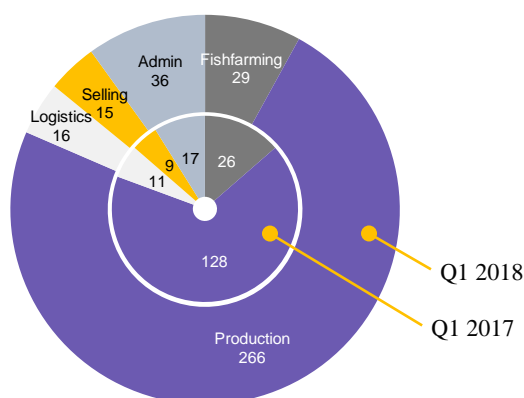
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12m 2017	Q1 2018	15m 2017	15m 17 / 12m 16	15m
Average number of employees	191	198	337	408	284	362	300	50.0%	▲
Finland	35	37	61	114	62	96	69	68.3%	▲
Estonia	134	138	131	141	136	136	137	-0.7%	▼
UK	0	0	117	127	61	107	70		
Sweden	22	23	28	26	25	23	24	14.3%	▲
Payroll expenses (th EUR)	1,176	1,149	2,286	2,950	7,561	2,517	10,077	109.3%	▲
Monthly average payroll expenses per employee (EUR '000)	2.05	1.93	2.26	2.41	2.22	2,32	2,24	11.6%	▲

PERSONNEL ANALYSIS 2016

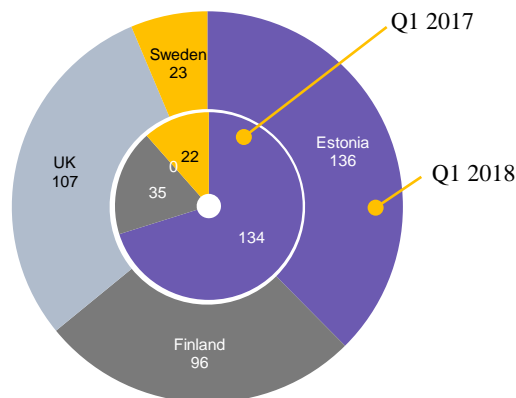
	Q1 2016	Q2 2016	Q3 2016	Q4 2016	12m 2016	Q1 18 / Q1 17	Q1
Average number of employees	205	200	192	202	200	89.5%	▲
Finland	38	40	35	50	41	174.3%	▲
Estonia	146	138	134	133	138	1.5%	▲
UK	0	0	0	0	0		
Sweden	21	22	23	19	21	4.5%	▲
Payroll expenses (th EUR)	1,153	1,249	1,057	1,356	4,815	114.0%	▲
Monthly average payroll expenses per employee (EUR '000)	1.87	2.08	1.84	2.24	2.01	12.9%	▲

Labour costs in production were 1.7 million euros in the 1st quarter of 2018, increasing by +124.1% compared to same period previous year. Labour costs of supportive personnel were 0.8 million euros in the reporting period, increasing by +95.7% compared to the same period in the previous year. The Group's labour costs were 2.5 million euros in 1st quarter of 2018, increasing year-on-year by +114.0%, i.e. +1.3 million euros. The percentage of labour costs in the sales revenue was 11.1% (1st quarter 2018: 11.1%).

EMPLOYEES ACCORDING TO AREA OF ACTIVITY



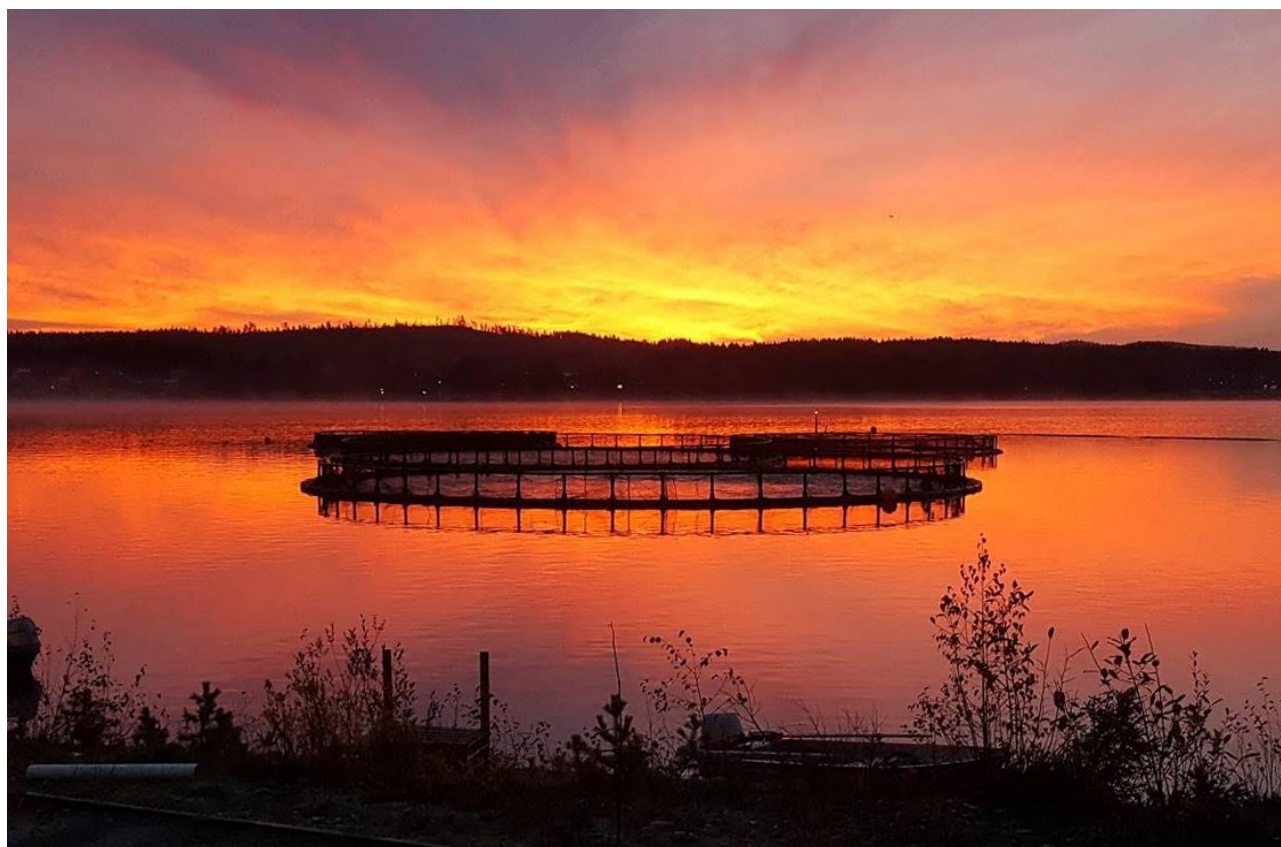
EMPLOYEES BY COUNTRY



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

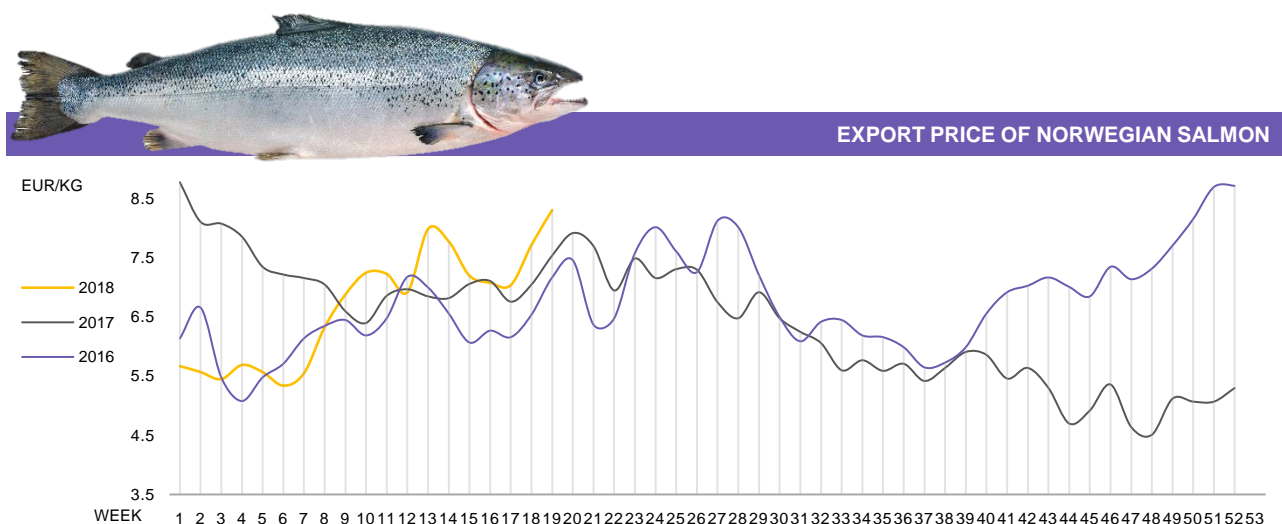
THE MARKET PRICE OF FISH

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.

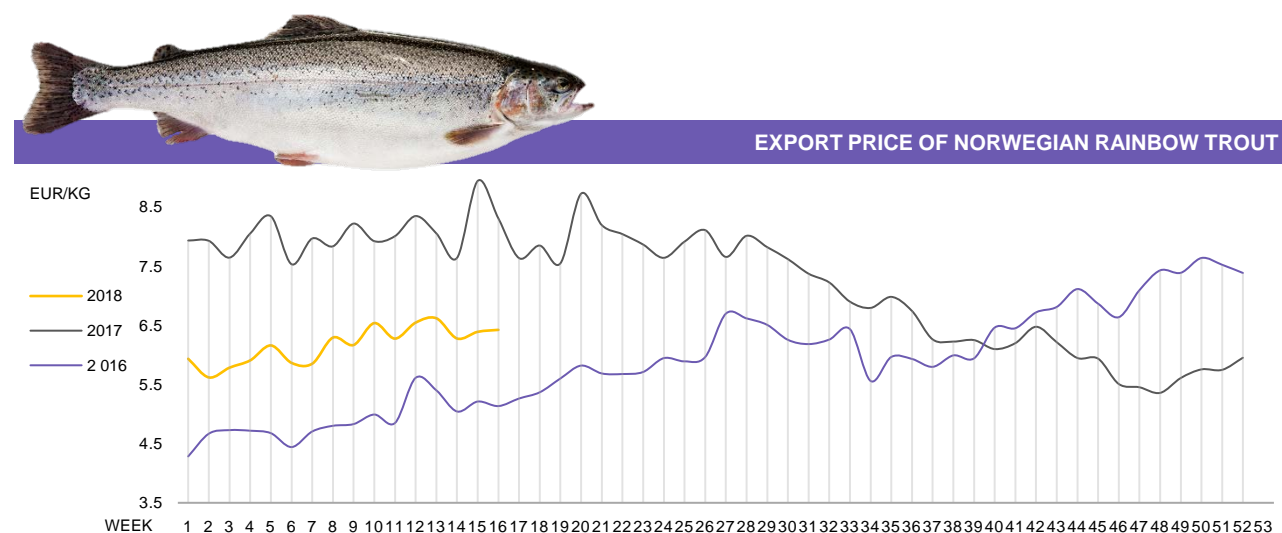
MARKET PRICE			Change		Change		Change
EUR/KG	31.03.2018	31.03.2017	31.03.18 / 31.03.17	31.12.2017	31.03.18 / 31.12.17	31.12.2016	31.03.18 / 31.12.16
Salmon	7.99	6.85	16.6%	5.30	50.8%	8.72	-8.4%
Rainbow trout	6.62	8.06	-17.9%	5.95	11.3%	7.39	-10.4%

As at 31.03.2018, the market price of salmon has increased by +16.6% and the price of rainbow trout decreased by -17.9% compared to the prices the year before. Compared to 31.12.2016, the price of salmon has decreased by -8.4% and the price of trout has decreased by -10.4%.

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 has historically been 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](#)



Source: [akvafakta.no](#)

See comparable data on average market prices below:

AVERAGE MARKET PRICE Q1			Change		Change		Change
EUR/KG	Q1 2018	Q1 2017	Q1 18 / Q1 17	12m 2017	Q1 18 / 12m 17	12m 2016	Q1 18 / 12m 16
Salmon	6.19	7.25	-14.6%	6.27	-1.3%	6.68	-7.3%
Rainbow trout	6.13	8.00	-23.4%	6.94	-11.7%	5.73	7.0%

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

AVERAGE MARKET PRICE 15 MONTHS			Change		Change
EUR/KG	15m 2017	12m 2017	15m 17 / 12m 17	12m 2016	15m 17 / 12m 16
Salmon	6.26	6.27	-0.2%	8.72	-6.3%
Rainbow trout	6.78	6.94	-2.3%	7.39	18.3%

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

BIOLOGICAL ASSETS

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 rainbow trout had a direct impact on the Company's financial results. Although the price of Norwegian trout has decreased during second half of 2017 and in the beginning of 2018, it remained on very high level compared to historical prices.

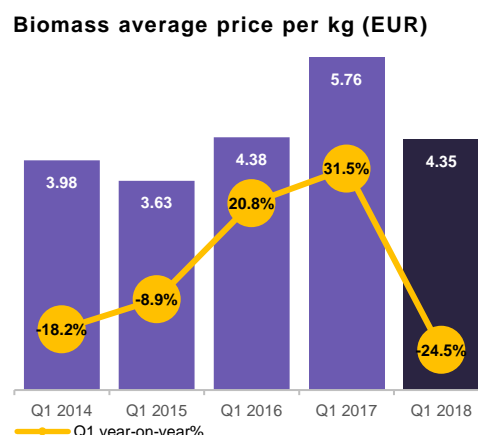
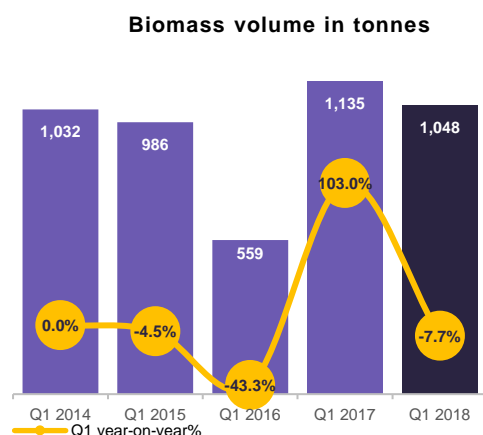
CHANGE IN BIOLOGICAL ASSETS IN TONNES						Change in tonnes	Change
	Q1 2018	Q1 2017	15m 2017	12m 2017	12m 2016	Q1 18 / Q1 17	%
Biomass at beginning of the period	1,438	1,418	1,418	1,418	1,215	20	1.4%
Biomass at end of the period	1,048	1,135	1,048	1,438	1,418	-87	-7.7%
Harvested (in live weight)	-395	-413	-2,738	-2,343	-2,045	18	-4.6%

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

The aggregate growth of biological assets was positive during the 15 months of 2017-2018, amounting to 4.4 million euros (12 months in 2016: +7.9 million euros). The spring and summer of 2017 have been extraordinarily cold in Finland and Sweden, thus the aggregate growth of fish is much lower than norm. Also, the price of rainbow trout decreased by -10.4% as at 31.03.2018 compared to 31.12.2016.

As at 31.03.2018, the fair value of biological assets was 4.6 million euros (31.12.2016: 7.6 million euros).

BIOMASS VOLUME AND AVERAGE PRICE PER KG (EUR)						Change	Change
	Q1 2018	Q1 2017	15m 2017	12m 2017	12m 2016	Q1 18 / Q1 17	%
Biological assets (mln EUR)	4.56	6.54	4.56	5.57	7.58	-1.98	-30.3%
Biomass volume in tonnes	1,048	1,135	1,048	1,438	1,418	-87	-7.7%
Average price per kg (EUR)	4.35	5.76	4.35	3.87	5.35	-1.41	-24.5%
Fair value adjustment on biological assets (mln EUR)	-0.12	-0.27	-1.62	-1.51	2.26	0.15	-56.3%

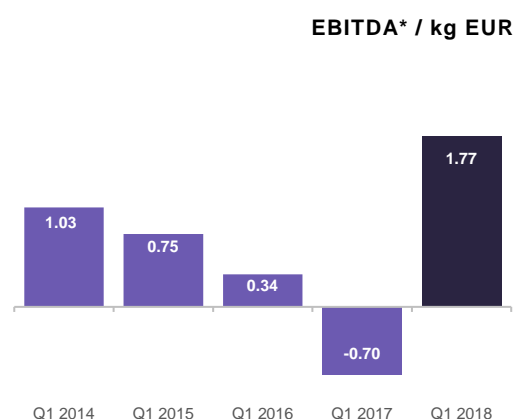
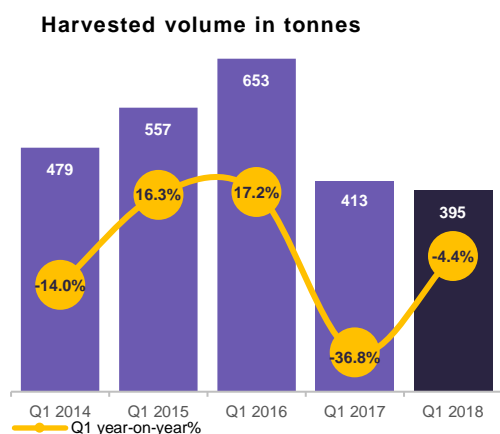


Fish is processed in production buildings that belong to Heimon Kala Oy and Vettel OÜ. The Group's own distribution network in Finland and Estonia enables us to ensure rapid and quality supplies to our customers.

In 1st quarter of 2018 aquaculture produce in the amount of 395 tonnes was harvested, which has decreased by -4.4% compared to the same period in previous year. During the 15 months of 2017-2018 aquaculture produce in the amount of 2,738 tonnes was harvested. Produce in the amount of 2,045 tonnes was recorded in 2016.

HARVESTED VOLUME						Change	Change
	Q1 2018	Q1 2017	15m 2017	12m 2017	12m 2016	12m 17 / 12m 16	%
Revenue (mln EUR)	22.7	10.6	96.4	73.6	47.4	12.2	115.3%
EBITDA from operations (mln EUR)*	0.7	-0.3	6.02	5.32	0.8	1.0	-341.5%
Harvested volume (tonnes)	395	413	2,738	2,343	2,045	-18	-4.4%
EBITDA / kg* (EUR)	1.77	-0.70	2.20	2.27	0.37	2.47	-352.5%

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



SEASONALITY OF THE BUSINESS

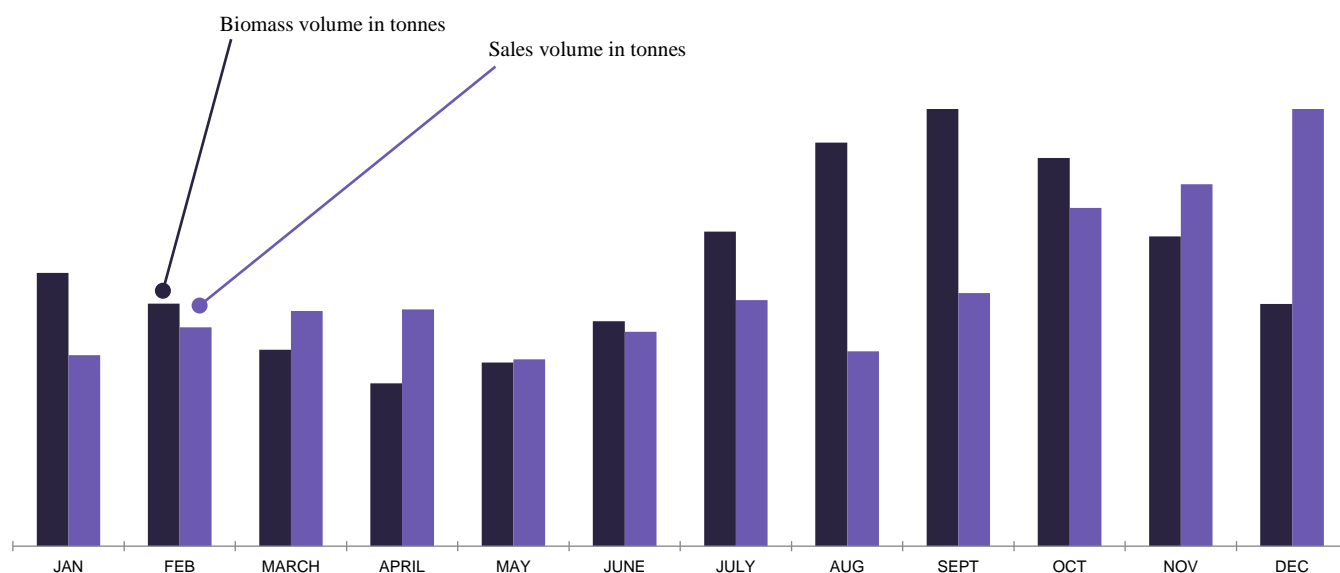
Due to the growth of biomass, the low season in fish farming lasts from November until May, while the high season lasts from June to September. Biomass growth is being influenced by the temperature in seas and lakes. Trout, for instance, grows faster from summer until autumn when the water is warmer. 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 31 March 2018, the Group's working capital was 4.6 million euros (31.03.2017: 11.5 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 7.1 million euros in subsidiaries (31.03.2017: 3.4 million euros).

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), Sweden (currency SEK) and UK (currency GBP). For hedging the currency risk, all substantial agreements with foreign parties are signed in EUR. The Group has majority of substantial receivables and liabilities in euros. Majority of existing long-term capital rent contracts are signed in EUR, therefore they are treated as liabilities free from currency risk. The Group is monitoring currency risk related to GBP and taking measures to control the 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 31.03.2018 the equity totalled 24.5 million euros (31.03.2017: 22.8 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% (31.03.2018: 37.8%, 31.03.2017: 68.5%) and that the ratio of interest-bearing liabilities to assets does not exceed 25% (31.03.2018: 36.8%, 31.03.2017: 15.4%). Interest-bearing liabilities to assets ratio is temporarily exceeded due to acquiring subsidiaries as purchase analysis are not yet completed. According to the overdraft contract signed with AS SEB Pank, the Company's working capital financing rate cannot fall below 60% 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	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Total borrowings	23,844	5,133	23,062	4,656
Less: Cash and cash equivalents	7,128	3,570	6,491	4,374
Net debt	16,716	1,563	16,571	282
Total equity	24,477	22,836	24,835	23,809
Total capital (net debt + equity)	41,193	22,399	41,406	24,091
Debt to equity ratio	41%	6%	40%	1%

The net debt of Group at 31.03.2018 was positive 16.7 million euros (31.03.2017: positive 1.6 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. On meeting held on 15th November 2017 Supervisory Board decided to extend current management board member Indrek Kasela's term of office by 3 years, until 15th November 2020.

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, Ekspress Grupi AS, Elering AS, Tulundusühistu Tuleva 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. On extraordinary shareholders meeting held on 11th of December 2017, the shareholders decided to extend the term of office of current members of the Supervisory Board by 5 years. Articles of association was also amended and the term of office of Supervisory Board will be 3 years in future instead of current 5 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 31.03.2018, 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	1,547,378	4.00%
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	3,073,472	7.95%

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

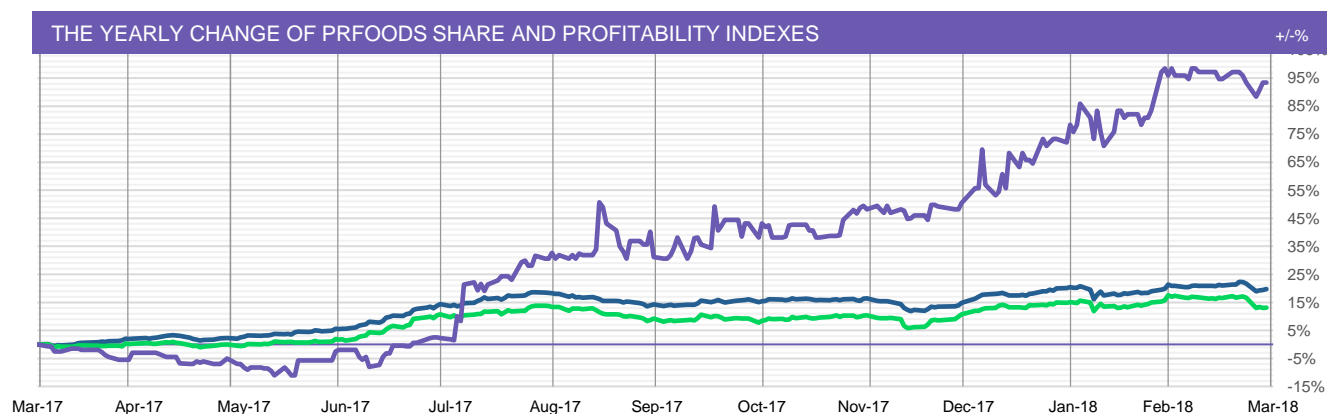
THE PRFOODS SHARE WAS PART OF THE FOLLOWING INDICES:

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 31.03.2017 AND 31.03.2018:

Index / Equity	31.03.2017	31.03.2018	change %
OMX Baltic Benchmark GI	822.47 EUR	984.48 EUR	19.70%
OMX Tallinn	1,122.20 EUR	1,269.20 EUR	13.10%
PRF1T	0.398 EUR	0.770 EUR	93.47%



Baltic comparison index increased 19.70% during the given period, Tallinn Stock Exchange All-Share index increased 13.10% and PRFoods share price increased 93.47%.

TRADING HISTORY

Price (EUR)	Q1 2018	15m 2017	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12m 2017	Q1 2016	Q2 2016	Q3 2016	Q4 2016	12m 2016
Open	0.600	0.372	0.372	0.398	0.390	0.530	0.372	0.390	0.389	0.380	0.380	0.390
High	0.795	0.795	0.412	0.398	0.600	0.600	0.600	0.397	0.394	0.390	0.387	0.397
Low	0.600	0.354	0.360	0.354	0.366	0.520	0.354	0.362	0.349	0.365	0.363	0.349
Last	0.770	0.770	0.398	0.390	0.522	0.599	0.599	0.389	0.379	0.381	0.367	0.36
Traded volume, thousand	821	5,216	1,659	236	1 766	734	4,395	308	1,400	159	561	2,429
Turnover, million	0.57	2.55	0.63	0.09	0.84	0.42	1.98	0.12	0.52	0.06	0.21	0.91
Market capitalization, million	29.79	29.79	15.40	15.09	20.19	23.17	23.17	15.05	14.66	14.74	14.20	14.20

2,594 transactions were made with PRFoods shares in the 15 months of 2018. The volume of the transactions was 5.2 million, i.e. 13.5% of all shares, and the monetary value was 2.5 million euros. Comparable data during the 12 months of 2016: 1,135 transactions with a volume of 2.43 million shares, i.e. 6.3% of all shares, and the monetary value was 0.91 million euros. The highest trading price was 0.795 euros per share and the lowest trading price was 0.354 euros per share (the trading prices in the 12 months of 2016 were 0.397 and 0.349 euros per share, respectively).

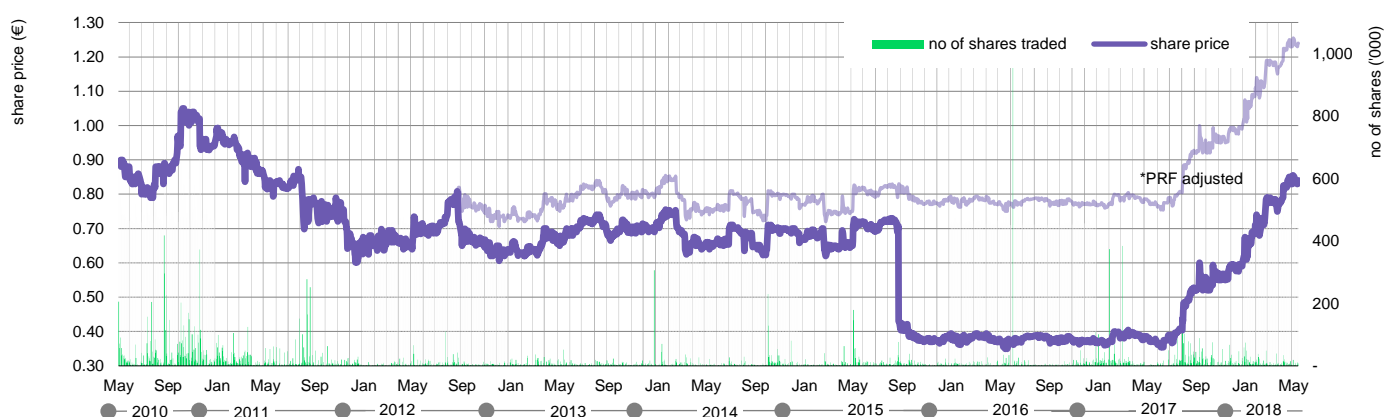
In 1st quarter of 2018 740 transactions were made with PRFoods shares. The volume of the transactions was 0.8 million, i.e. 2.1% of all shares, and the monetary value was 0.6 million euros. Comparable data during the 1st quarter of 2017: 388 transactions with a volume of 1.7 million shares, i.e. 4.3% of all shares, and the monetary value was 0.6 million euros. The highest trading price was 0.795 euros per share and the lowest trading price was 0.600 euros per share (the trading prices in the 1st quarter of 2017 were 0.412 and 0.360 euros per share, respectively).

The closing price of the share was 0.770 euros per share as at 31.03.2018 (31.03.2017: 0.398 euro per share). The market value of AS PRFoods was 29.79 million euros as at 31.03.2018, increasing year-on-year by +93.5% (market value 31.03.2017: 15.40 million euros).

Ratios	formula	31.03.2018	31.12.2017	31.12.2016
EV/Sales	(Market Cap + Net Debt) / Sales	0.542	0.540	0.305
EV/EBITDA from operations	(Market Cap + Net Debt) / EBITDA from operations	7.377	7.395	19.253
EV/EBITDA	(Market Cap + Net Debt) / EBITDA	10.028	11.167	5.541
Price/EBITDA from operations	Market Cap / EBITDA from operations	4.725	4.312	18.878
Price/EBITDA	Market Cap / EBITDA	6.424	6.512	5.433
Price-to-Earnings	Market Cap / Net Earnings	15.220	16.375	19.855
Price-to-Book	Market Cap / Equity	1.217	0.933	0.596

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 31 MARCH 2018:



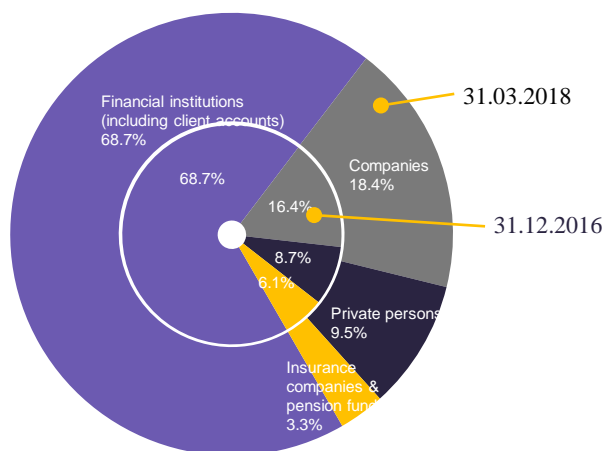
*Dynamics of PRFoods's share price adjusted by the capital reduction payments.

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.

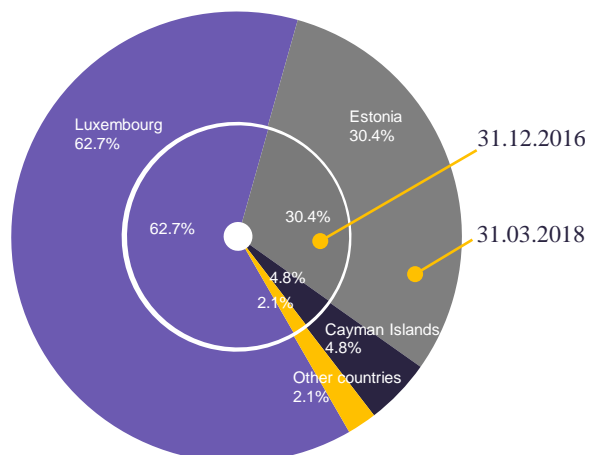
SHAREHOLDERS STRUCTURE

SHAREHOLDERS AS AT 31.03.2018		1,447 SHAREHOLDERS +18.3% FROM 31.12.2016		
	Number of shares	% of total 31.03.2017	% of total 31.12.2016	Change
ING Luxembourg S.A. (Nominee account)	24,258,366	62.71%	62.71%	-
Lindermann, Birnbaum & Kasela OÜ	1,547,378	4.00%	2.69%	+ 505,555
OÜ Rododendron	1,298,705	3.36%	3.36%	-
Ambient Sound Investments OÜ	1,239,116	3.20%	3.20%	-
Firebird Republics Fund Ltd.	1,195,270	3.09%	3.09%	-
Compensa Life Vienna Insurance Group SE	801,058	2.07%	1.92%	+ 58,000
Firebird Avrora Fund, Ltd.	648,220	1.68%	1.68%	-
OÜ Iskra Investeeringud	386,874	1.00%	0.05%	+ 369,155
LHV Pensionifond L	314,303	0.81%	2.73%	- 741,560
Total largest shareholders	31,689,290	81.92%	81.43%	191,150
Other minority shareholders	5,993,570	15.49%	16.88%	- 537,968
Treasury shares	1,000,000	2.59%	1.69%	+ 346,818
Total	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	697	48.2%	333,016	0.9%
1,001 ... 10,000	624	43.1%	2,017,944	5.2%
10,001 ... 50,000	96	6.6%	2,079,451	5.4%
50,001 ... 100,000	9	0.6%	622,896	1.7%
More than 100,000	21	1.5%	33,589,553	86.8%
Total	1,447	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	31.03.2018	31.03.2017	31.12.2017	31.12.2016
ASSETS					
Cash and cash equivalents	(Note 2)	7,128	3,570	6,491	4,374
Receivables and prepayments	(Note 3)	5,773	2,557	8,982	4,056
Inventories	(Note 4)	13,495	7,225	11,747	5,393
Biological assets	(Note 5)	4,560	6,543	5,566	7,584
Total current assets		30,956	19,895	32,786	21,407
Deferred income tax		214	228	222	230
Long-term financial investments		102	102	102	103
Tangible fixed assets	(Note 6)	11,129	7,112	11,425	7,285
Intangible assets	(Note 7)	22,425	6,007	22,450	6,031
Total non-current assets		33,870	13,449	34,199	13,649
TOTAL ASSETS		64,826	33,344	66,985	35,056
EQUITY AND LIABILITIES					
Loans and borrowings	(Note 8, 9)	11,615	4,271	10,105	3,716
Payables	(Note 10)	14,521	3,950	17,115	5,131
Government grants	(Note 11)	265	176	306	162
Total current liabilities		26,401	8,397	27,526	9,009
Loans and borrowings	(Note 8, 9)	12,229	862	12,957	940
Deferred tax liabilities		503	685	523	747
Government grants	(Note 11)	1,216	564	1,144	551
Total non-current liabilities		13,948	2,111	14,624	2,238
TOTAL LIABILITIES		40,349	10,508	42,150	11,247
Share capital		7,737	7,737	7,737	7,737
Share premium		14,007	14,007	14,007	14,007
Treasury shares		-390	-390	-390	-256
Statutory capital reserve		48	12	48	12
Currency translation reserve		112	428	173	428
Retained profit (-loss)		2,875	1,042	3,185	1,881
Equity attributable to parent		24,389	22,836	24,760	23,809
Non-controlling interest		88	0	75	0
TOTAL EQUITY	(Note 12)	24,477	22,836	24,835	23,809
TOTAL EQUITY AND LIABILITIES		64,826	33,344	66,985	35,056

Consolidated statement of profit or loss and other comprehensive income

EUR '000	Note	Q1 2018	Q1 2017	15m 2017	12m 2017	12m 2016
Sales	(Note 13)	22,740	10,562	96,350	73,610	47,429
Cost of goods sold	(Note 14)	-20,299	-10,036	-83,333	-63,034	-43,410
Gross profit		2,441	526	13,017	10,576	4,019
Operating expenses		-2,351	-1,179	-9,657	-7,306	-4,785
Selling and distribution expenses		-1,659	-837	-6,809	-5,150	-3,346
Administrative expenses		-692	-342	-2,848	-2,156	-1,439
Other income/expenses		152	50	392	240	-118
Fair value adjustment on biological assets	(Note 5)	-118	-270	-1,623	-1,505	2,263
Operating profit (-loss)		124	-873	2,129	2,005	1,379
Financial income		2	6	6	4	2
Financial expenses		-391	-34	-1,193	-802	-240
Profit (-loss) before tax		-265	-901	942	1,207	1,141
Income tax		-32	62	176	208	-426
Net profit (-loss) for the period		-297	-839	1,118	1,415	715
Net profit (-loss) attributable to:						
Owners of the company		-310	-839	1,030	1,340	715
Non-controlling interests		13	0	88	75	0
Total net profit (-loss)		-297	-839	1,118	1,415	715
Other comprehensive income (-loss) that may subsequently be classified to profit or loss:						
Foreign currency translation differences		-61	0	-316	-255	-43
Total comprehensive income (-expense)		-358	-839	802	1,160	672
Total comprehensive income (-expense) attributable to:						
Owners of the Company		-371	-839	714	1,085	672
Non-controlling interests		13	0	88	75	0
Total comprehensive income (-expense) for the period		-358	-839	802	1,160	672
Profit (-loss) per share (EUR)	(Note 12)	-0.01	-0.02	0.02	0.03	0.02
Diluted profit (-loss) per share (EUR)	(Note 12)	-0.01	-0.02	0.02	0.03	0.02

Consolidated cash flow statement

EUR '000	Note	Q1 2018	Q1 2017	15m 2017	12m 2017	12m 2016
Total cash flow from operations						
Net profit (-loss)		-297	-839	1,118	1,415	715
Adjustments:						
Depreciation	(Note 6, 7)	452	314	2,005	1,553	1,234
Profit from sale and write off of fixed assets		0	-1	-3	-3	-6
Other non-cash items		197	58	-5,241	-5,363	20
Changes in receivables and prepayments		3,217	1,501	-1,701	-4,918	-495
Changes in inventories	(Note 4)	-1,748	-1,832	-8,102	-6,354	223
Changes in biological assets	(Note 5)	1,006	1,041	3,024	2,018	-3,163
Changes in payables and prepayments		-1,589	-1,137	9,479	11,068	1,975
Corporate income tax paid		-45	-39	-69	-24	-188
Total cash flow from / (used in) operating activities		1,193	-934	510	-683	315
Total cash flow from investments						
Sale of tangible and intangible fixed assets	(Note 6, 7)	1	5	86	85	9
Purchase of tangible and intangible fixed assets	(Note 6, 7)	-214	-184	-986	-772	-732
Government grants for acquisition of assets	(Note 7)	109	0	293	184	0
Acquisition of subsidiaries, net cash received	(Note 16)	-847	0	-13,086	-12,239	0
Repayments of loans granted		51	0	51	0	0
Interest received		2	0	5	3	0
Profit from long-term investments		0	1	1	1	4
Total cash flow used in investing activities		-898	-178	-13,636	-12,738	-719
Total cash flow from financing						
Own shares buy-back	(Note 12)	0	-134	-134	-134	-84
Change in overdraft		1,480	548	3,714	2,234	3,367
Repayments of loans		-516	0	-626	-110	0
Loans raised	(Note 9)	0	0	14,000	14,000	0
Change in factored receivables	(Note 9)	-332	13	78	410	21
Capital lease repayments	(Note 8)	-112	-84	-472	-360	-343
Dividends paid		-1	0	-135	-134	0
Interest paid		-177	-35	-545	-368	-104
Total cash flow (used in)/from financing activities		342	308	15,880	15,538	2,857
Total cash flow		637	-804	2,754	2,117	2,453
Cash and cash equivalents at beginning of year	(Note 2)	6,491	4,374	4,374	4,374	1,921
Change in cash and cash equivalents		637	-804	2,754	2,117	2,453
Cash and cash equivalents at the end of the period	(Note 2)	7,128	3,570	7,128	6,491	4,374

Consolidated statement of changes in equity

EUR '000	Share capital	Share premium	Own shares	Statutory capital reserve	Translation reserve	Retained earnings (-loss)	Total	Non-controlling interests	Total equity
Balance at 31.12.2015	7,737	16,026	-172	6	471	-847	23,221	0	23,221
Covering the loss from previous year	0	-2,019	0	-6	0	2,025	0	0	0
Formation of statutory reserve capital	0	0	0	12	0	-12	0	0	0
The own shares repurchase program	0	0	-84	0	0	0	-84	0	-84
Transactions with equity holders of the company	0	-2,019	-84	6	0	2,013	-84	0	-84
Net loss for the year	0	0	0	0	0	715	715	0	715
Other comprehensive expense	0	0	0	0	-43	0	-43	0	-43
Total comprehensive expense for the period	0	0	0	0	-43	715	672	0	672
Balance at 31.12.2016	7,737	14,007	-256	12	428	1,881	23,809	0	23,809
Balance at 31.12.2016	7,737	14,007	-256	12	428	1,881	23,809	0	23,809
The own shares repurchase program	0	0	-134	0	0	0	-134	0	-134
Transactions with equity holders of the company	0	0	-134	0	0	0	-134	0	-134
Net loss for the year	0	0	0	0	0	-839	-839	0	-839
Other comprehensive expense	0	0	0	0	0	0	0	0	0
Total comprehensive expense for the period	0	0	0	0	0	-839	-839	0	-839
Balance at 31.03.2017	7,737	14,007	-390	12	428	1,042	22,836	0	22,836
Balance at 31.12.2016	7,737	14,007	-256	12	428	1,881	23,809	0	23,809
Formation of statutory reserve capital	0	0	0	36	0	-36	0	0	36
The own shares repurchase program	0	0	-134	0	0	0	-134	0	-134
Transactions with equity holders of the company	0	0	-134	36	0	-36	-134	0	-134
Net loss for the year	0	0	0	0	0	1,340	1,340	75	1,415
Other comprehensive expense	0	0	0	0	-255	0	-255	0	-255
Total comprehensive expense for the period	0	0	0	0	-255	1,340	1,085	75	1,160
Balance at 31.12.2017	7,737	14,007	-390	48	173	3,185	24,760	75	24,835
Balance at 31.12.2017	7,737	14,007	-390	48	173	3,185	24,760	75	24,835
Net loss for the year	0	0	0	0	0	-310	-310	13	-297
Other comprehensive expense	0	0	0	0	-61	0	-61	0	-61
Total comprehensive expense for the period	0	0	0	0	-61	-310	-371	13	-358
Balance at 31.03.2018	7,737	14,007	-390	48	112	2,875	24,389	88	24,477

Additional information about equity is disclosed in Note 12.

PROFITS

Consolidated Unaudited Interim Report for 1st quarter 2018 and 15 months of 2017-2018

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 31.03.2018 encompass AS PRFoods (hereinafter Parent Company) together with its subsidiaries Saaremere Kala AS in Estonia and the group companies OÜ Vettel, OÜ GourmetHouse in Estonia and Heimon Kala Oy, Trio Trading Ab Oy in Finland, Överumans Fisk Ab in Sweden, JRJ & PRF Ltd, John Ross Jr (Aberdeen) Ltd, Coln Valley Smokery Ltd in United Kingdom (hereinafter also referred to as Group). The Group has a stake in an associate, the Competence Center of Food and Fermentation Technologies (CCFFT). JRJ & PRF Ltd, John Ross Jr (Aberdeen) Ltd, Coln Valley Smokery Ltd are consolidated from 01.07.2017 and Trio Trading Ab Oy is consolidated from 01.09.2017. 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 2016 is available at the Parent Company's location at Pärnu mnt 141, Tallinn and on the Parent Company's website www.prfoods.ee.

On extraordinary shareholders meeting held on 11th December 2017 financial year of the Group was changed. Current financial year will be extended until 30.06.2018 and in future PRFoods financial year will run from 1st July to 30th June.

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 31.12.2016 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 2016, 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 18th May 2018.

In the opinion of the management, this interim report for 1st quarter of 2018 and 15 months of 2017-2018 financial year 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	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Cash on hand	9	4	11	9
Short-term deposits	3,151	0	3,139	0
Bank accounts	3,968	3,566	3,341	4,365
Total cash and cash equivalents	7,128	4,378	6,491	4,374

NOTE 3. RECEIVABLES AND PREPAYMENTS

EUR '000	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Trade receivables	4,500	1,956	7,387	3,558
Allowance for doubtful receivables	-30	0	-27	-12
Other receivables	200	53	623	7
Prepaid expenses	578	210	523	133
Prepaid taxes	525	264	476	290
Other prepayments	0	74	0	80
Total receivables and prepayments	5,773	2,557	8,982	4,056

Write-down on receivables in amount of 3 thousand euros was recognised. Doubtful receivables were written off from balance sheet during reporting period in amount of 12 thousand euros.

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

NOTE 4. INVENTORIES

EUR '000	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Raw materials and materials	7,661	4,078	7,545	2,703
Work-in-progress	1,178	1,112	2,345	903
Finished goods	3,499	1,317	851	1,281
Goods purchased for sale	1,074	579	730	484
Prepayments for inventories and goods in transit	83	139	276	22
Total inventories	13,495	7,225	11,747	5,393

The Group earned a loss from write-off of inventories in the 15 months of 2017-2018 in total 128 thousand euros (12 months 2016: 10 thousand euros).

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

NOTE 5. BIOLOGICAL ASSETS

EUR '000	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Fry	458	654	399	629
Juveniles	1,646	1,563	1,639	1,347
Fish suitable for harvesting	2,456	4,326	3,528	5,608
Total biological assets	4,560	6,543	5,566	7,584

As at 31.03.2018, biological assets totalled 1,048 tonnes (31.03.2017: 1,135 tonnes). As at 31.12.2016, biological assets totalled 1,418 tonnes. In the reporting period, agricultural produce was harvested in the amount of 2,738 tonnes (12 months 2016: 2,045 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	Q1 2018	Q1 2017	15m 2017	12m 2017	12m 2016
Biological assets at beginning of the period	5,566	7,584	7,584	7,584	4,421
Purchased	-1	0	758	759	1,431
Additions	446	563	5,973	5,527	5,617
Fair value adjustments	-118	-270	-1,623	-1,505	2,263
Harvested	-1,168	-1,301	-7,781	-6,613	-5,748
Written off	-53	-44	-124	-71	-251
Exchange rate differences	-112	11	-227	-115	-149
Biological assets at end of the period	4,560	6,543	4,560	5,566	7,584

The aggregate gain attributable to the growth of biological assets and the changes in fair value less costs to sell of biological assets in 15 months amounted to 4.4 million euros (12 months 2016: 7.9 million euros), comprising of amounts presented under “Additions” and “Fair value adjustments” above.

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	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Land and buildings				
Cost	9,537	5,791	9,718	5,783
Accumulated depreciation	-4,460	-3,056	-4,412	-2,986
Land and buildings at carrying amount	5,077	2,735	5,306	2,797
Machinery and equipment				
Cost	15,005	9,453	14,614	9,361
Accumulated depreciation	-9,477	-5,411	-8,892	-5,205
Machinery and equipment at carrying amount	5,528	4,042	5,722	4,156
Other tangible assets				
Cost	1,110	646	1,072	642
Accumulated depreciation	-739	-360	-693	-344
Other tangible assets at carrying amount	371	286	379	298
Construction in progress, prepayments	153	49	18	34
Total property, plant and equipment	11,129	7,112	11,425	7,285

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	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Goodwill	21,251	4,730	21,251	4,730
Trademarks and patents				
Cost	1,315	1,085	1,312	1,085
Accumulated amortisation	-840	-556	-832	-542
Trademarks and patents at carrying amount	475	529	489	543
Immaterial rights				
Cost	901	859	891	859
Accumulated amortisation	-371	-327	-357	-322
Immaterial rights at carrying amount	530	532	534	537
Software licenses				
Cost	523	294	528	294
Accumulated amortisation	-480	-241	-479	-236
Software licenses at carrying amount	43	53	49	58
Prepayments for intangible assets	126	163	127	163
Total intangible assets	22,425	6,007	22,450	6,031

NOTE 8. FINANCE LEASE

FIXED ASSETS ACQUIRED UNDER FINANCE LEASE				
EUR '000	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Machinery and equipment				
Cost	1,902	1,576	1,819	1,791
Accumulated depreciation	-542	-306	-484	-215
Machinery and equipment at carrying amount	1,360	1,270	1,335	1,576
Means of transport				
Cost	620	471	617	488
Accumulated depreciation	-250	-144	-227	-49
Means of transport at carrying amount	370	327	390	439
Total property, plant and equipment	1,730	1,597	1,725	2,015

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 passenger car in value of 30 thousand euros and renovation project in Renko was leased to fixed asset. During the 2016, fixed assets were leased as financial lease in the total amount of 262 thousand euros.

FINANCE LEASE PAYABLES				
EUR '000	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Present value of finance lease liability				
Due in less than 1 year	368	322	379	328
Due between 1-5 years	763	862	782	940
Present value of lease payments	1,131	1,184	1,161	1,268
Principal payments in the financial year	472	84	360	343
Interest expenses in the financial year	37	6	26	24
Average interest rate	1.94%	1.83%	1.90%	1.78%

See also Note 6 and 9.

NOTE 9. BORROWINGS

EUR '000	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Finance lease liabilities (Note 8)	368	322	379	328
Overdraft	7,081	3,915	5,601	3,367
Factoring	70	34	236	21
Investment loans	4,096	0	3,889	0
Total short-term loans	11,615	4,271	10,105	3,716
Finance lease liabilities (Note 8)	763	862	782	940
Loan notes to shareholders	453	0	446	0
Investment loans	11,013	0	11,729	0
Total long-term loans	12,229	862	12,957	940
incl. payable within 1-5 years	12,229	862	12,957	940

Overdraft

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 5.0 million euros credit limit. The term of the overdraft facility was 30.04.2017 and the interest rate is 6-month EURIBOR + 1.7%.

28.04.2017 overdraft renewal and increasing contract was signed, which gave group right to use overdraft in amount of 7,000,000 euros. Overdraft was increased as group needs flexibility in cash flows to be able to increase raw fish stock when prices of raw fish are lower. 22.08.2017 overdraft was increased to amount of 8,000,000 euros. The term of overdraft is 30.04.2018 and interest rate 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. Overdraft was extended until 31.05.2018 with current conditions.

The overdraft was used in the amount of 7.1 million euros as at 31.03.2018 (31.03.2017: 3.4 million euros). As at 31.12.2016 the overdraft was used in amount of 3.4 million euros.

Investment loans

Investment loan to finance purchase of John Ross Jr. (Aberdeen) Ltd and Coln Valley Smokery Ltd was signed 19.07.2017 in amount of 11,000,000 euros with an interest rate 6-month EURIBOR + 3.25% and on 22.08.2017 additional 1,500,000 euros was borrowed to acquire Trio Trading Ab Oy shares. Total investment loan was 12,500,000 euros and the balance of investment loan is 12,120,000 euros as at 31.03.2018. The term of investment loan is 19.07.2022. First payment was scheduled 19.02.2018, interest is paid monthly from the signing of the contract. Interest margin is lowered to 2.75% on the condition that loan covenants are in compliance based on 18 months 2017-2018 financial year audited results. The loan is secured with existing mortgages in amount of 13.1 million euros on properties of Vettel and Heimon Kala; a commercial pledge of 4.0 million euros on Vettel's movable assets; pledge on 100% of shares of Saaremere Kala AS, Heimon Kala Oy, Överumans Fisk Ab, Trio Trading Ab Oy; floating charge and pledge of 85% shares of JRJ & PRF Ltd; guarantee from PRFoods AS in amount of 16.5 million euros.

Short time investment loan was received from Amber Trust II S.C.A. in amount of 1,500,00 euros at 14.07.2017 to finance purchase of subsidiaries. The term of the loan is 1st of September 2018 latest. Interest rate is 5% and accrued interest shall be paid at the same time with the repayment of the loan.

Trio Trading Ab Oy has signed an investment loan in amount of 1,600,000 euros at 29.10.2015. The remaining amount for the loan is 1,050,000 euros as at 31.03.2018. The interest rate is 12-month EURIBOR + 2.00% and the term of the loan is 31.08.2022. The loan is secured with floating charges and security rights to leaseholds in Kokkola.

John Ross Jr (Aberdeen) Ltd has 3 long term investment loans to finance factory in Scotland in total amount of 439,000 euros as at 31.03.2018 which are due in 3-13 years and with interest rates 1.50%, 2.85% and 3.20% + UK Bank Base rate. UK Bank Base rate was 0.25% until 01.11.2017 and will be 0.50 from 02.11.2017 based on decision of Bank of England.

NOTE 10. PAYABLES AND PREPAYMENTS

EUR '000	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Trade payables	7,009	3,001	7,965	3,969
Payables to employees	942	584	975	623
Payables to shareholders	4,851	0	5,614	0
Interest payables	86	4	62	4
Other payables	265	19	278	10
Tax liabilities, incl.:	1,368	342	2,221	525
Social security tax	137	139	248	167
VAT	844	88	1,339	266
Personal income tax	139	109	139	77
Corporate income tax	179	0	470	0
Other taxes	69	6	25	15
Total payables and prepayments	14,521	3,950	17,115	5,131

Payables to shareholders include payment for option shares to Jennifer Leigh in amount of 1,885 thousand GBP (2,154 thousand euros as at 31.03.2018 rate) scheduled in July 2018.

NOTE 11. GOVERNMENT GRANTS

EUR '000	Q1 2018	Q1 2017	15m 2017	12m 2017	12m 2016
Deferred income from government grants at the beginning of period	1,450	713	713	713	883
Government grants received during the period	94	70	293	199	0
Change in value due to the exchange rates	-5	1	-8	-3	-8
Acquired through business combination	0	0	768	768	0
Recognition as income during the period	-58	-44	-285	-227	-162
Deferred income from government grants at the end of period	1,481	740	1,481	1,450	713
incl. income within 1 year	265	176	265	306	162
incl. income within 2-17 years	1,216	564	1,216	1,144	551

NOTE 12. EQUITY

EUR '000	31.03.2018	31.03.2017	31.12.2017	31.12.2016
Share capital	7,737	7,737	7,737	7,737
Share premium	14,007	14,007	14,007	14,007
Treasury shares	-390	-390	-390	-256
Statutory capital reserve	48	12	48	12
Currency translation reserve	112	428	173	428
Retained profit (-loss)	2,875	1,042	3,185	1,881
Equity attributable to parent	24,389	22,836	24,760	23,809
Non-controlling interest	88	0	75	0
TOTAL EQUITY	24,477	22,836	24,835	23,809

Share capital

As at 31.03.2018, the Company's registered share capital was 7,736,572 euros. As at 31.12.2016, the Company had registered share capital in the amount of 7,736,572 euros.

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 27.03.2017 the expanded own shares buy-back programme was completed. Between 14.06.2016 and 27.03.2017 the Company purchased 500,000 own shares with average price 0.3834 euro per share. As at 31.03.2018, AS SEB Pank has acquired a total of 1,000,000 own shares with average price 0.4915 euro per share in the name and on behalf of AS PRFoods. As at 31.12.2016, the Company had bought back 519,048 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 30 May to transfer 35,750 euros from the profit of 2016 of the group to the capital reserve, and not to distribute the remaining profit. 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.

	Q1 2018	Q1 2017	15m 2017	12m 2017	12m 2016
Net profit (loss) attributable to equity holders of the company EUR '000	-310	-839	1,030	1,340	715
Average number of shares (in thousand)	38,683	38,683	38,683	38,683	38,683
Earnings (-loss) per share (EUR)	-0.01	-0.02	0.03	0.03	0.02
Earnings (-loss) per share (EUR)	-0.01	-0.02	0.03	0.03	0.02
Diluted earnings (-loss) per share (EUR)	-0.01	-0.02	0.03	0.03	0.02

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 0.81% in reporting period and 0.07% in 2016.

SALES BY GEOGRAPHIC REGIONS

EUR '000	Q1 2018	Q1 2017	15m 2017	12m 2017	12m 2016
Finland	15,851	8,987	70,517	54,666	38,956
United Kingdom	2,904	0	10,449	7,545	0
Estonia	1,258	956	6,333	5,075	4,974
Other	2,727	609	9,051	6,324	3,499
Total	22,740	10,552	96,350	73,610	47,429

NOTE 14. COST OF GOODS SOLD

EUR '000	Q1 2018	Q1 2017	15m 2017	12m 2017	12m 2016
Cost of goods purchased for sale	-1,941	-626	-6,124	-4,183	-3,891
Materials used in production	-14,885	-7,510	-62,226	-47,341	-31,809
Staff costs	-1,703	-760	-6,957	-5,254	-3,217
Depreciation and amortisation	-355	-262	-1,569	-1,214	-1,020
Other costs of goods sold ¹	-1,415	-878	-6,457	-5,042	-3,473
Total cost of goods sold	-20,299	-10,036	-83,333	-63,034	-43,410

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
		31.03.2018	31.03.2017	31.12.2017	31.12.2016		
Saaremere Kala AS	Estonia	100%	100%	100%	100%	Holding company of fish segment	PRFoods AS
Vettel OÜ	Estonia	100%	100%	100%	100%	Production of fish products	Saaremere Kala AS
GourmetHouse OÜ	Estonia	100%	100%	100%	100%	Sale of fish and fish products	Saaremere Kala AS
Heimon Kala Oy	Finland	100%	100%	100%	100%	Fishfarming, processing and sale of fish and fish products	Saaremere Kala AS
Överumans Fisk Ab	Sweden	100%	100%	100%	100%	Fishfarming and sales	Heimon Kala Oy
Trio Trading Ab Oy	Finland	100%	0%	100%	0%	Production and sale of fish products	Saaremere Kala AS
JRJ & PRF Ltd	Scotland	85%	0%	85%	0%	Holding company of fish segment	Saaremere Kala AS
John Ross Jr. (Aberdeen) Ltd	Scotland	100%	0%	100%	0%	Production and sale of fish products	JRJ & PRF Ltd
Coln Valley Smokery Ltd	UK	100%	0%	100%	0%	Production and sale of fish products	JRJ & PRF Ltd

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).

Party	Creditor	Payables and prepayments	Payable as at 31.03.2018 EUR '000	Payable as at 31.03.2017 EUR '000	Payable as at 31.12.2017 EUR '000	Payable as at 31.12.2016 EUR '000
PRFoods AS	Companies related to members of the Management and Supervisory Boards	Trade payables	0	2	0	0
Vettel OÜ	Companies related to members of the Management and Supervisory Boards	Trade payables	0	1	0	0
Amber Trust II S.C.A.	Shareholder AS PRFoods	Short term loan and interest	1,554	0	1,535	0
Christopher Leigh	Shareholder of JRJ & PRF Ltd	Loan note	290	0	286	0
Victoria Leigh-Pearson	Shareholder of JRJ & PRF Ltd	Loan note	162	0	160	0
Jennifer Leigh	Shareholder of John Ross Jr. (Aberdeen) Ltd	Payable for shares	2,154	0	2,124	0
Christopher Leigh	Contingent consideration	Payable for non-controlling interests	1,699	0	1,676	0
Victoria Leigh-Pearson	Contingent consideration	Payable for non-controlling interests	956	0	942	0
	Total		6,815	3	6,723	0

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

Party EUR '000	Type of transaction	Q1 2018 Sale	Q1 2017 Sale	15m 2017 Sale	12m 2017 Sale	12m 2016 Sale
Companies related to members of the Management and Supervisory Boards	services	0	0	1	1	2
	Total	0	0	1	1	2

Party EUR '000	Type of transaction	Q1 2018 Purchase	Q1 2017 Purchase	15m 2017 Purchase	12m 2017 Purchase	12m 2016 Purchase
Companies related to members of the Management and Supervisory Boards	services	249	4	829	580	13
	Total	249	4	829	580	13

Related party purchases include purchases of transport services from Norway to Kokkola in amount of 824 thousand euros by company related to management team of Trio Trading Ab Oy. 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	Q1 2018	Q1 2017	15m 2017	12m 2017	12m 2016
Short-term benefits	278	123	1,008	730	512
Total	278	123	1,008	730	512

Management benefits increased year-on-year bases by 155 thousand euros in 1st quarter of 2018.

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 (31.12.2016: 205 thousand euros).

NOTE 16. BUSINESS COMBINATION

Acquisition of John Ross Jr (Aberdeen) Limited, Coln Valley Smokery Limited and Trio Trading Ab Oy

On 19.07.2017 extraordinary general meeting of AS PRFoods shareholders was held, where shareholders approved acquisition of majority shareholding of John Ross Jr (Aberdeen) Limited (JRJ) and Coln Valley Smokery Limited (CVS). Additional information about the transaction can be found on PRFoods web site www.prfoods.ee.

The purpose of the transaction is to increase the assortment of fish products offered by PRF group companies, expand the geographical area of operations and raise the professional know-how and clientele. JRJ is leading Scottish processed salmon company and producer of premium traditional smoked salmon. JRJ is holder of the Royal Warrant and is selling its products in UK as well as in 30 countries globally. CVS has premium salmon brand based in England and is supplier to many of a leading restaurants, hotels, premium retailers and sporting events. Saaremere Kala AS subsidiary JRJ & PRF Ltd acquired 100% in John Ross Jr. (Aberdeen) Ltd and 100% in Coln Valley Smokery Ltd. 15% of the shares of JRJ&PRF Ltd will remain to sellers C. Leigh and V. Leigh-Pearson. AS Saaremere Kala will hold majority shareholding of 85% in JRJ & PRF Ltd. Saaremere Kala AS and minority shareholders have option to buy out and sell non-controlling.

On 29.08.2017 AS extraordinary general meeting of AS PRFoods shareholders was held, where shareholders approved acquisition of Trio Trading Ab Oy (Trio). Additional information about the transaction can be found on PRFoods web site www.prfoods.ee. Trio Trading Ab Oy is leading processor and importer of Nordic fish in Finland. Company's customers are mainly Finnish wholesales,

seafood traders and retail companies. The purpose of the transaction is to acquire the entire shareholding in Trio, hence all the business operations of Trio. A successful closing of the transaction will increase the assortment of fish products offered by PRF group companies and raise the professional know-how and clientele.

Purchase analyses is based on balance sheet values of acquired subsidiaries. Full purchase analysis with re-evaluation of assets and liabilities will be completed by annual report.

Purchase consideration:

EUR '000	John Ross Jr. (Aberdeen) Ltd	Coln Valley Smokery Ltd	Trio Trading Ab Oy	Total
Cash paid	7,259	4,563	3,078	14,900
Payable for shares	2,943	0	0	2,943
Contingent consideration	2,592	0	0	2,592
Total purchase consideration	12,794	4,563	3,078	20,435

The assets and liabilities recognised as a result of the acquisition are as follows:

EUR '000	John Ross Jr. (Aberdeen) Ltd	Coln Valley Smokery Ltd	Trio Trading Ab Oy	Total
Cash	1,347	38	1,276	2,661
Receivables and prepayments	1,998	525	1,394	3,917
Loans issued	0	0	51	51
Inventories	860	444	1,747	3,050
Fixed assets	1,826	239	2,447	4,512
Short term loans and finance lease	-76	-15	-244	-335
Payables and prepayments	-2,572	-520	-4,764	-7,856
Deferred tax assets	-79	-40	0	-119
Long term loans and finance lease	-453	-27	-1,061	-1,541
Other long term payables	0	-17	0	-17
Net identifiable assets acquired	2,851	627	845	4,323
Goodwill	9,943	3,936	2,233	16,112
Net assets acquired	12,974	4,563	3,078	20,435

NOTE 17. 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 liquate the pledged asset.

MANAGEMENT BOARD'S CONFIRMATION TO THE CONSOLIDATED INTERIM REPORT FOR THE 1ST QUARTER OF 2018 AND 15 MONTHS OF 2017-2018

The Management Board confirms the correctness and completeness of the consolidated interim report for the 1st quarter of 2018 and 15 months of 2017-2018 financial year of AS PRFoods and its subsidiaries (together the Group) presented in the pages 8 – 49 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

20. May 2018

