



# PRESS RELEASE

**NIREUS AQUACULTURE SA**

**NINE MONTHS RESULTS 2017**

Athens, 17 October 2017

**ASE: NHP**

**Bloomberg: NIR:GA / Reuters: NIRr.AT**

## **COMMENTS ON THE NINE MONTHS RESULTS OF 2017**

**INCREASE IN SALES QUANTITIES BY 9,6%**

**NINE MONTHS 2017 SALES AT € 159,1 MIL., INCREASED BY 6,8%**

**NINE-MONTHS 2017 OPERATIONAL EBITDA € 19 MIL., INCREASED BY 21,7%**

The nine-month 2017 results of the Group present a significant increase as compared to the nine-month period of 2016, which is attributed to both the increase in sales volumes of fish as well as to reduction of production costs.

More specifically, sales of the nine-month period 2017 increased by 9,6% in fish sales quantities compared to the corresponding nine-month period of 2016, fully offsetting the already anticipated price reduction, resulting in a final increase in sales value by 6, 8%. At the same time, the implementation of the Strategic Marketing Plan continued with the expansion of the sales network and further penetration in the company's markets of interest.

In addition, the successful implementation of the selected production model is being implemented, which, in conjunction with the application of productivity monitoring and measurement tools, effectively contributed to achieving increased biomass growth and improving key production indicators (K.P.I.s).

More specifically, NIREUS Group sales amounted to €159,1 mil., during the nine-month period of 2017 versus € 149 mil., in the nine-month period of 2016 marking an increase of 6,8%. Sales of the aquaculture segment which accounts for 90,9% of total sales increased by 6,5%. Exports, which correspond to 79% of sales, amounted to € 1257 mil., presenting an increase of € 5,7 mil. or 4,8% as compared to the nine-month period of 2016.

Operational EBITDA of the nine-month period of 2017 (prior to the effect of the valuation of biological assets at fair value) amounted to € 19 mil. versus € 15,6 mil. in the nine-month period of 2016 presenting an increase of € 21,7 mil. EBITDA (after the effect of the valuation of biological assets at fair value) amounted to € 21,2mil., compared to € 6,6 mil., in the nine-month period of 2016 presenting an increase of € 14,6 mil

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At a level of a twelve-month rolling period (Last Twelve Months “LTM” 1/10/2016 - 30/9/17) sales amounted to € 205,9 mil. compared to € 194,2mil. (Last Twelve Months “LTM” 1/10/2015 - 30/9/16), marking an increase of € 11,7mil. or 6%. Furthermore, the operational EBITDA of the rolling twelve-month period (LTM 1/10/2016 - 30/9/17) amounted to € 30,7 mil. compared to € 24,6 mil. (LTM 1/10/2015 - 30/9/16) posting an increase of € 6,1 mil. or 25%.

Total pre-tax results for the nine-month period of 2017 amounted to € 9,9 mil. versus losses of (€ 3,9) mil. in the nine-month period of 2016 presenting an improvement of € 13,8mil.

The total after tax results of the nine-month period amounted to € 8,4 mil. as compared to losses of € (1,6) mil. during the nine-month period of 2016, noting an improvement by an amount of € 10 mil.

Operating cash flows amounted to € 23,8 mil. versus € 10,7 mil. as compared to the corresponding prior year nine-month period making a significant increase of € 13,1 mil.

Investments in fixed assets amounted to € 7,9 mil. as compared to € 4,3 mil. during the corresponding nine-month period of 2016.

Net Debt as at 30/9/2017 amounted to € 156,9 mil., compared to € 171,6 mil., as at 31/12/2016.

Net Debt, after the effect of the valuation of loans at fair value, amounted to € 141,4 mil., versus € 154,7 mil. as at 31/12/2016.

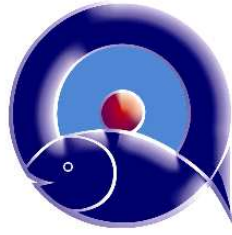
The Company's share capital amounted to € 87.449.210,40 divided into 291.497.368 shares with a nominal value € 0,30 each.

The Group's equity amounted to € 140,5 mil. as at 30/09/2017.

**Mr. ANTONIS CHACHLAKIS, CEO, COMMENTED:**

“We are particularly excited with the Group results that we are announcing today because these clearly prove that our commitment to the implementation of our goals has given significant results and we look forward to the future with optimism, setting new standards at all levels.

The achievement of these results proves that NIREUS has the infrastructure and human resources necessary to become the focus of the new era of the Mediterranean fish farming industry and its most appropriate lever of growth. ”



**NIREUS AQUACULTURE S.A.**

**CONDENSED INTERIM FINANCIAL REPORT**

**For the period**

**From 1st January to 30th September 2017**

## *CONTENTS*

Statements of Profit or Loss .....	5
Statements of Financial Position .....	7
Statements of Cash Flow .....	8
Calculation of EBITDA versus operational EBITDA .....	9

## Statements of Profit or Loss

(Amounts in Euro)

	<b>GROUP</b>	
	<b>30/9/2017</b>	<b>30/9/2016 (Restated *)</b>
<b>Fair value of biological assets at the beginning of the period</b>	<b>180.624.862</b>	<b>179.598.825</b>
Purchases during the period	-	(1.151.013)
Sales during the period	138.586.506	127.800.630
<b>Fair value of biological assets at 30/09/2017</b>	<b>175.765.545</b>	<b>166.142.449</b>
<b>Gains resulting from changes in fair value of biological assets at the end of the period</b>	<b>133.727.189</b>	<b>113.193.241</b>
Sales of non-biological goods-merchandise and other inventories	20.515.631	21.155.866
Raw Material Consumption	(75.336.299)	(70.929.900)
Salaries & personnel expenses	(22.508.717)	(22.131.128)
Third party fees and benefits	(15.527.618)	(15.794.356)
Finance expenses	(6.802.484)	(7.161.628)
Finance income	81.896	89.556
Gain on measurement from refinancing of financial liabilities	-	750.664
Losses from measurement of financial and fixed assets at fair value	(150.000)	-
Depreciation	(4.349.779)	(4.149.349)
Other expenses	(20.640.456)	(19.962.979)
Other income	938.463	1.039.126
<b>Results for the period before taxes</b>	<b>9.947.826</b>	<b>(3.900.887)</b>
Income tax	(233.911)	(230.606)
Deferred income tax	(1.329.826)	2.510.728
<b>Net Profit/(loss) for the period</b>	<b>8.384.089</b>	<b>(1.620.765)</b>
<b>Attributable to:</b>		
<b>Equity holders of the Parent company</b>	8.384.089	(1.620.765)
<b>Total</b>	<b>8.384.089</b>	<b>(1.620.765)</b>
<b>Profit/(Loss) after taxes per share – basic in €</b>	<b><u>0.0288</u></b>	<b><u>(0.0238)</u></b>
<b>Earnings after taxes per share – diluted in €</b>	<b><u>0.0203</u></b>	<b><u>(0.0040)</u></b>

*\*For the purpose of improved presentation and comparability certain figures of the prior year have been reclassified*

## Statements of Profit or Loss

(Amounts in Euro)

	<b>COMPANY</b>	
	<b>30/9/2017</b>	<b>30/9/2016 (Restated*)</b>
<b>Fair value of biological assets at the beginning of the period</b>	<b>172.405.271</b>	<b>170.808.519</b>
Purchases during the period	-	(1.151.013)
Sales during the period	129.455.501	118.344.755
<b>Fair value of biological assets at 30/09/2017</b>	<b>167.739.300</b>	<b>158.425.398</b>
<b>Gains resulting from changes in fair value of biological assets at the end of the period</b>	<b>124.789.530</b>	<b>104.810.621</b>
Sales of non-biological goods-merchandise and other inventories	13.303.878	13.949.156
Raw material consumption	(65.731.960)	(61.969.978)
Salaries & personnel expenses	(20.822.054)	(20.540.787)
Third party fees and benefits	(12.502.762)	(12.078.556)
Finance expenses	(6.745.384)	(6.986.549)
Finance income	28.755	302.817
Gain on measurement from refinancing of financial liabilities	-	750.664
Losses from measurement of financial and fixed assets at fair value	(150.000)	-
Impairment of investments in subsidiaries	(35.106)	-
Depreciation	(4.302.411)	(4.134.391)
Other expenses	(19.672.145)	(18.978.779)
Other income	576.991	777.769
<b>Results for the period before taxes</b>	<b>8.737.332</b>	<b>(4.098.013)</b>
Deferred income tax	(1.890.844)	2.490.202
<b>Net Profit/(loss) for the period</b>	<b>6.846.488</b>	<b>(1.607.811)</b>

*\* For the purpose of improved presentation and comparability certain figures of the prior year have been reclassified*

## Statements of Financial Position

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/9/2017</b>	<b>31/12/2016</b>	<b>30/9/2017</b>	<b>31/12/2016</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	74.579.836	72.839.021	73.319.815	71.499.376
Investment property	3.948.906	3.948.906	3.948.906	3.948.906
Goodwill	30.298.997	30.298.997	29.968.825	29.968.825
Intangible assets	15.353.515	15.078.691	13.148.505	12.873.622
Investments in subsidiaries	-	-	13.732.214	13.732.214
Deferred income tax assets	461.938	527.875	-	-
Available-for-sale financial assets	125.455	125.455	112.340	112.340
Other long-term receivables	448.692	427.048	425.990	402.387
Biological assets	74.860.171	65.870.495	72.159.187	63.760.470
	<b>200.077.510</b>	<b>189.116.488</b>	<b>206.815.782</b>	<b>196.298.140</b>
<b>Current assets</b>				
Biological assets	100.905.374	114.754.367		108.644.801
Inventories	11.810.752	10.459.431	95.580.113	7.941.754
Trade and other receivables	40.456.342	37.165.355	9.364.096	33.289.804
Other receivables	12.028.973	9.147.369	34.469.253	8.976.473
Other current assets	1.013.833	740.160	15.905.420	724.335
Restricted cash	4.540.943	4.236.567	4.540.943	4.236.567
Cash and cash equivalents	25.539.933	8.754.791	19.855.790	6.993.008
	<b>196.296.150</b>	<b>185.258.040</b>	<b>180.721.485</b>	<b>170.806.742</b>
<b>Total Assets</b>	<b>396.373.660</b>	<b>374.374.528</b>	<b>387.537.267</b>	<b>367.104.882</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Issued Share capital	87.449.210	87.449.210	87.449.210	87.449.210
Less: Treasury shares	(47.271)	(47.271)	(47.271)	(47.271)
Share premium	36.769.486	36.769.486	36.769.486	36.769.486
Fair value reserves	37.096.234	37.098.494	36.753.548	36.755.808
Other capital reserves	74.825.133	75.281.788	75.132.475	75.517.776
Retained earnings	(95.586.565)	(104.429.570)	(95.093.147)	(102.427.196)
<b>Total Equity</b>	<b>140.506.227</b>	<b>132.122.137</b>	<b>140.964.302</b>	<b>134.017.813</b>
<b>Non-current liabilities</b>				
Long-term interest bearing loan borrowings	146.404.982	149.504.830	146.283.129	149.323.781
Deferred income tax liabilities	9.896.580	8.637.067	9.500.367	7.609.525
Net Employee defined Benefit obligations	2.904.045	2.771.065	2.788.798	2.662.257
Government grants	6.084.949	6.628.938	5.818.879	6.314.723
Other non-current liabilities	1.290.364	982.383	1.290.364	982.383
Provisions	566.594	989.796	446.840	855.711
<b>Total non-current liabilities</b>	<b>167.147.514</b>	<b>169.514.079</b>	<b>166.128.377</b>	<b>167.748.380</b>
<b>Current liabilities</b>				
Trade & other payables	53.005.095	45.874.750	45.976.496	39.449.532
Short-term interest bearing loan borrowings	5.079.264	1.627.158	4.942.789	1.491.828
Current portion of long-term financial liabilities	20.009.879	16.572.919	19.931.197	16.495.669
Other current liabilities	10.625.681	8.663.485	9.594.107	7.901.660
<b>Total current liabilities</b>	<b>88.719.919</b>	<b>72.738.312</b>	<b>80.444.588</b>	<b>65.338.689</b>
<b>Total Liabilities</b>	<b>255.867.433</b>	<b>242.252.391</b>	<b>246.572.965</b>	<b>233.087.069</b>
<b>Total Equity and Liabilities</b>	<b>396.373.660</b>	<b>374.374.528</b>	<b>387.537.267</b>	<b>367.104.882</b>

## Statements of Cash Flow

(Amounts in Euro)

	GROUP		COMPANY	
	30/9/2017	30/9/2016	30/9/2017	30/9/2016
<b>Cash flows from operating activities</b>				
Profit/(Loss) before tax from continuing operations	9.947.826	(3.900.887)	8.837.332	(4.098.013)
Plus/less adjustments for:				
Depreciation charge of property plant and equipment	4.898.145	4.578.771	4.798.255	4.557.252
Provisions	(1.831.024)	(1.665.035)	(1.646.284)	(1.545.379)
Government Grants	(548.366)	(429.422)	(495.844)	(422.861)
Provisions for retirement benefit obligations	132.981	135.174	126.541	128.907
Dividends	-	-	-	(230.633)
Finance income	(81.896)	(89.556)	(28.755)	(72.184)
Gain on measurement from refinancing of financial liabilities	-	(750.664)	-	(750.664)
Change in the fair value of biological assets	(2.272.782)	9.063.701	(2.248.131)	8.809.923
Other non-cash items	(9.110)	(358)	35.110	(358)
Gains/(loss) from sale of property, plant and equipment-investments	1.092	(10.213)	1.193	(10.213)
Finance costs	6.802.484	7.161.628	6.745.384	6.986.549
<b>Plus/less adjustments of working capital to net cash or related to operating activities:</b>				
Decrease of inventories (change in the fair value of biological assets)	5.780.780	2.387.452	5.491.760	1.551.129
Decrease/(Increase) of receivables	564.444	(6.515.887)	(3.336.229)	(5.422.738)
Increase/(Decrease) of payable accounts (except Banks)	4.566.179	5.132.545	9.507.142	1.896.347
Less:				
Interest expense and similar charges paid	(4.106.284)	(4.333.248)	(4.049.849)	(4.158.169)
Income tax paid	(35.246)	(83.870)	-	-
<b>Cash flows from operating activities (a)</b>	<b>23.809.223</b>	<b>10.680.132</b>	<b>23.737.625</b>	<b>7.218.895</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries and other investments	-	-	(3.875.000)	-
Proceeds from sale of subsidiaries	-	14.000	-	14.000
Proceeds from sale of other investments	-	-	-	-
Purchases of property, plant and equipment (PPE) and of intangible assets	(7.895.863)	(4.422.713)	(7.875.668)	(4.412.109)
Proceeds from disposition of PPE and intangible assets	1.244	35.941	1.144	35.941
Proceeds from Government grants	-	1.457.510	-	1.457.510
Interest received	81.896	89.556	28.755	72.184
<b>Cash flows/(used in) investing activities (b)</b>	<b>(7.812.723)</b>	<b>(2.825.706)</b>	<b>(11.720.769)</b>	<b>(2.832.474)</b>
<b>Cash flows from financing activities</b>				
Proceeds from share capital increase / Conversion of bonds	-	207.432	-	207.432
Expenses related to the issue of shares	-	(75.383)	-	(75.383)
Proceeds from the refinancing of bank loans	-	20.888.465	-	20.888.465
Proceeds from other issued/raised short-term loans	6.779.528	11.832.042	6.779.031	11.832.000
Repayments due to the refinancing of loans	-	(21.080.688)	-	(21.080.688)
Repayments of other short-term loans	(5.686.510)	(12.749.995)	(5.628.729)	(10.021.846)
Restricted cash	(304.376)	2.757.958	(304.376)	2.757.958
<b>Cash flows from/(used in) financing activities (c)</b>	<b>788.642</b>	<b>1.779.831</b>	<b>845.926</b>	<b>4.507.938</b>
<b>Net increase in cash and cash equivalents for the period (a) + (b) + (c)</b>	<b>16.785.142</b>	<b>9.634.257</b>	<b>12.862.782</b>	<b>8.894.359</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>8.754.791</b>	<b>8.777.477</b>	<b>6.993.008</b>	<b>7.242.741</b>
<b>Cash and cash equivalents at end of the period</b>	<b>25.539.933</b>	<b>18.411.734</b>	<b>19.855.790</b>	<b>16.137.100</b>



## Calculation of EBITDA versus operational EBITDA

The Group's and Company's policy is to calculate EBITDA according to the profit before tax plus/minus the financial and investment results plus the depreciation and amortisation expenses. Investment results include gains/(losses) from the revaluation of fixed assets, grants, impairment of goodwill and intangibles assets in addition to profit/(losses) of subsidiary companies held for sale.

Operational EBITDA is defined as EBITDA prior to the effect of biological assets at fair value versus cost:

	<b>GROUP</b>	
	<b>30/9/2017</b>	<b>30/9/2016</b>
<b>Results for the period before taxes</b>	<b>9.947.826</b>	<b>(3.900.887)</b>
Finance expenses	(6.802.484)	(7.161.628)
Finance income	81.896	89.556
Gain on measurement from refinancing of financial liabilities	-	750.664
Losses from measurement of financial and fixed assets at fair value	(150.000)	-
Depreciation	(4.349.779)	(4.149.349)
<b>Profit before taxes, financing and investing results and depreciation (EBITDA)</b>	<b>21.168.193</b>	<b>6.569.870</b>
Less: Effect from the change in biological assets at fair value	2.137.402	(9.063.701)
<b>Profit before taxes, financing and investing results and depreciation (EBITDA) - before the effect of biological assets</b>	<b>19.030.791</b>	<b>15.633.571</b>

	<b>COMPANY</b>	
	<b>30/9/2017</b>	<b>30/9/2016</b>
<b>Results for the period before taxes</b>	<b>8.737.332</b>	<b>(4.098.013)</b>
Finance expenses	(6.745.384)	(6.986.549)
Finance income	28.755	302.817
Gain on measurement from refinancing of financial liabilities	-	750.664
Losses from measurement of financial assets at fair value	(150.000)	-
Depreciation	(4.302.411)	(4.134.391)
Impairment of investments in subsidiaries	(35.106)	-
<b>Profit before taxes, financing and investing results and depreciation (EBITDA)</b>	<b>19.941.478</b>	<b>5.969.446</b>
Less: Effect from the change in biological assets at fair value	2.248.131	(8.809.923)
<b>Profit before taxes, financing and investing results and depreciation (EBITDA) - before the effect of biological assets</b>	<b>17.693.347</b>	<b>14.779.369</b>



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