



SALMONES CAMANCHACA S.A. AND SUBSIDIARIES

Consolidated financial statements

As of December 31, 2020

## CONTENTS

Consolidated statements of financial position  
Consolidated statements of changes in equity  
Consolidated statements of net income  
Consolidated statements of comprehensive income  
Consolidated statements of cash flows - direct method  
Notes to the consolidated financial statements  
Board statements of responsibility

ThUS\$ - Thousands of US dollars

UF - Unidades de fomento (a Chilean peso based inflation indexed currency unit)

ThCh\$ - Thousands of Chilean pesos

## **Independent Auditor's Report**

To the Board of Directors of  
Salmones Camanchaca S.A. and Subsidiaries

Report on the Audit of the Consolidated Financial Statements

### **Opinion**

We have audited the consolidated financial statements of Salmones Camanchaca S.A. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020 and 2019, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020 and 2019 and of its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Chile, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### **Biological assets fair value**

Pursuant to IAS 41, Salmenes Camanchaca S.A. evaluates biological assets (live fish) at fair value. As of 31 December 2020, the biological assets amounted to US\$ 113,756 thousand and represented 30% of the consolidated total assets. The difference between the fair value of the biological assets and the related cost is recognized as a fair value adjustment. In 2020, the recognized fair value adjustment amounted to US\$ 18,991 thousand (loss). The fair value is calculated using a model based on a net present value methodology (applying an interpolation discount factor), the model considers estimated volumes, quality, the size of the biomass and estimated market prices at the harvest dates, adjusted for expenses to produce, harvest and sell the biomass.

The fair value of biological assets was a key audit matter due to the level of judgement related to selection of the valuation model and the assumptions used in the calculation.

We evaluated the valuation and applied model against the requirements in IAS 41, IFRS 13 and industry practice. We identified the routines and tested controls related to the calculation of the fair value adjustment of the biomass and we compared the prices applied against estimated market prices at the expected harvesting dates. In addition, we evaluated expected manufacturing costs, size distribution of the biomass, expected mortality and quality of the live fish, and compared them with budgets and historical data. Furthermore, we evaluated the historical accuracy in prior periods' estimates and the sensitivity analysis of changes in expected prices and biomass. We recalculated the model used to calculate fair value for the relevant weight classes.

We assessed the Salmenes Camanchaca's S.A. disclosures regarding fair value of biological assets, in note 2.9, note 5 and note 10 regarding the Company's accounting policies, significant estimates and assumptions.

## **Measurement of fish biomass**

Biological fish assets are by nature difficult to count, observe and measure due to a lack of sufficiently accurate measurement techniques that do not at the same time affect fish health. As a result, there is a degree of estimation uncertainty related to the number of fish and biomass in sea sites at any point in time. An important part of the biomass measurement is related to the feeding process, which represents most of the cost per kilogram of the fish at sea. To measure fish biomass the Company maintains information on quantity of fish, average weight and biomass by group of biological assets in its biomass information system.

The biomass measurement for fish biological assets was a key audit matter due to the level of estimation and the assumptions used in the calculation.

We tested the measurement of biological assets (quantity and biomass), and specifically the inventory of live fish held for harvesting purposes (in the growing stage), which constitutes the majority of the recorded value of biological assets. We have assessed the Company's processes for recording the quantity of fish and tested the related process relevant controls. We also assessed the harvest deviation for the period comparing the quantity of fish recorded in the Company's systems before harvest and the quantity of fish received by the processing plant. To evaluate the allocation of feeding cost and consumption for the period, we evaluated the Company's controls and tested food invoices throughout the year.

## **Other Information**

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management *and those charged with governance* for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Concepción, February 24, 2021



Francisco Avendaño U.  
EY Audit SpA

## CONTENTS

|  |  |
|--|--|
| CONSOLIDATED STATEMENTS OF FINANCIAL POSITION        |  |
| CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY         |  |
| CONSOLIDATED STATEMENTS OF NET INCOME BY FUNCTION    |  |
| CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME      |  |
| CONSOLIDATED STATEMENTS OF CASH FLOWS, DIRECT METHOD |  |
| NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS       |  |
| BOARD STATEMENTS OF RESPONSABILITY                   |  |

|   |    |
|---|----|
| NOTE 1 - GENERAL INFORMATION .....                            | 1  |
| NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....     | 3  |
| 2.1 Periods.....  | 3  |
| 2.2 Basis of preparation.....                                 | 3  |
| 2.3 New pronouncements .....                                  | 4  |
| 2.4 Basis of consolidation.....                               | 8  |
| 2.5 Investments in Associates .....                           | 10 |
| 2.6 Segment reporting. ....                                   | 10 |
| 2.7 Foreign currency transactions .....                       | 10 |
| 2.8 Property, plant and equipment.....                        | 11 |
| 2.9 Biological assets.....                                    | 12 |
| 2.10 Intangible assets other than goodwill .....              | 13 |
| 2.11 Interest costs.....                                      | 14 |
| 2.12 Impairment losses on non-financial assets.....           | 14 |
| 2.13 Financial assets and liabilities .....                   | 15 |
| 2.14 Inventories .....  | 16 |
| 2.15 Statement of Cash Flow.....                              | 17 |
| 2.16 Classification of Current and Non-Current Balances ..... | 17 |
| 2.17 Earnings per Share .....                                 | 17 |
| 2.18 Trade and other receivables.....                         | 17 |
| 2.19 Cash and cash equivalents .....                          | 18 |
| 2.20 Share capital .....                                      | 18 |
| 2.21 Trade and other payables.....                            | 18 |
| 2.22 Current and deferred income taxes.....                   | 18 |
| 2.23 Employee benefits .....                                  | 19 |
| 2.24 Provisions.....  | 19 |
| 2.25 Revenue recognition.....                                 | 19 |
| 2.26 Leasing .....  | 20 |
| 2.27 Dividend Policy.....                                     | 22 |

|                |  |           |
|----------------|--|-----------|
| 2.28           | The environment .....  | 22        |
| 2.29           | Fair value calculation .....                                       | 22        |
| <b>NOTE 3</b>  | <b>- FINANCIAL RISK MANAGEMENT.....</b>                            | <b>23</b> |
| 3.1.           | Credit risk.....   | 23        |
| 3.2.           | Liquidity risk.....  | 23        |
| 3.3.           | Market risk.....   | 24        |
| <b>NOTE 4</b>  | <b>- FINANCIAL INSTRUMENTS .....</b>                               | <b>25</b> |
| <b>NOTE 5</b>  | <b>- SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS .....</b>      | <b>26</b> |
| <b>NOTE 6</b>  | <b>- CASH AND CASH EQUIVALENTS .....</b>                           | <b>27</b> |
| <b>NOTE 7</b>  | <b>- TRADE AND OTHER RECEIVABLES .....</b>                         | <b>28</b> |
| <b>NOTE 8</b>  | <b>- BALANCES AND TRANSACTIONS WITH RELATED PARTIES .....</b>      | <b>29</b> |
| <b>NOTE 9</b>  | <b>- INVENTORIES .....</b>   | <b>31</b> |
| 9.1            | Information on finished products .....                             | 31        |
| 9.2            | Reconciliation of finished products.....                           | 31        |
| <b>NOTE 10</b> | <b>- BIOLOGICAL ASSETS .....</b>                                   | <b>32</b> |
| <b>NOTE 11</b> | <b>- OTHER CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS.....</b>   | <b>33</b> |
| <b>NOTE 12</b> | <b>- EQUITY METHOD INVESTMENTS .....</b>                           | <b>33</b> |
| <b>NOTE 13</b> | <b>- TAX ASSETS AND RIGHTS RECEIVABLE .....</b>                    | <b>34</b> |
| <b>NOTE 14</b> | <b>- INTANGIBLE ASSETS OTHER THAN GOODWILL.....</b>                | <b>34</b> |
| <b>NOTE 15</b> | <b>- PROPERTY, PLANT AND EQUIPMENT .....</b>                       | <b>38</b> |
| <b>NOTE 16</b> | <b>- INCOME AND DEFERRED TAXES .....</b>                           | <b>40</b> |
| <b>NOTE 17</b> | <b>- OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES .....</b> | <b>41</b> |
| <b>NOTE 18</b> | <b>- LEASE LIABILITIES.....</b>                                    | <b>46</b> |
| <b>NOTE 19</b> | <b>- TRADE AND OTHER PAYABLES .....</b>                            | <b>46</b> |
| <b>NOTE 20</b> | <b>- OTHER PROVISIONS .....</b>                                    | <b>47</b> |
| <b>NOTE 21</b> | <b>- EMPLOYEE BENEFIT PROVISIONS .....</b>                         | <b>48</b> |
| <b>NOTE 22</b> | <b>- EQUITY .....</b>  | <b>48</b> |
| <b>NOTE 23</b> | <b>- EARNINGS PER SHARE.....</b>                                   | <b>50</b> |
| <b>NOTE 24</b> | <b>- OPERATING REVENUE .....</b>                                   | <b>50</b> |
| <b>NOTE 25</b> | <b>- ADMINISTRATIVE EXPENSES .....</b>                             | <b>52</b> |
| <b>NOTE 26</b> | <b>- DISTRIBUTION COSTS .....</b>                                  | <b>52</b> |
| <b>NOTE 27</b> | <b>- FINANCIAL COSTS .....</b>                                     | <b>53</b> |
| <b>NOTE 28</b> | <b>- EXCHANGE DIFFERENCES .....</b>                                | <b>53</b> |
| <b>NOTE 29</b> | <b>- OTHER INCOME (LOSSES) .....</b>                               | <b>54</b> |
| <b>NOTE 30</b> | <b>- ASSETS AND LIABILITIES IN FOREIGN CURRENCIES .....</b>        | <b>55</b> |
| <b>NOTE 31</b> | <b>- GUARANTEES AND CONTINGENCIES .....</b>                        | <b>57</b> |
| <b>NOTE 32</b> | <b>- SANCTIONS.....</b>  | <b>57</b> |
| <b>NOTE 33</b> | <b>- THE ENVIRONMENT .....</b>                                     | <b>58</b> |
| <b>NOTE 34</b> | <b>- SUBSEQUENT EVENTS.....</b>                                    | <b>58</b> |



SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020 AND 2019

| Assets                                  | Note | As of<br>December 31,<br>2020<br><br>ThUS\$ | As of<br>December 31,<br>2019<br><br>ThUS\$ |
|---|------|---|---|
| Current assets                          |      |   |   |
| Cash and cash equivalents               | 6    | 9,038                                       | 13,867                                      |
| Other financial assets, current         |      | 341   | 56  |
| Other non-financial assets, current     | 11   | 7,422                                       | 8,518                                       |
| Trade and other receivables, current    | 7    | 15,386                                      | 39,887                                      |
| Related party receivables, current      | 8    | 35,704                                      | 38,600                                      |
| Inventories                             | 9    | 46,963                                      | 32,875                                      |
| Biological assets                       | 10   | 113,756                                     | 142,615                                     |
| Tax assets, current                     | 13   | 13,691                                      | 4,861                                       |
| Total current assets                    |      | 242,301                                     | 281,279                                     |
| Non-current assets                      |      |   |   |
| Other financial assets, non-current     |      | 27  | 27  |
| Other non-financial assets, non-current | 11   | 112   | 112   |
| Tax assets, non-current                 | 13   | 2,168                                       | 1,252                                       |
| Equity method investments               | 12   | 4,889                                       | 4,805                                       |
| Intangible assets other than goodwill   | 14   | 6,972                                       | 6,948                                       |
| Property, plant and equipment           | 15   | 115,618                                     | 111,888                                     |
| Deferred tax assets                     | 16   | 2,963                                       | 1,419                                       |
| Total non-current assets                |      | 132,749                                     | 126,451                                     |
| Total assets                            |      | 375,050                                     | 407,730                                     |

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020 AND 2019

| Liabilities                              | Note | As of<br>December 31,<br>2020<br>ThUS\$ | As of<br>December 31,<br>2019<br>ThUS\$ |
|--|------|---|---|
| Current liabilities                      |      |   |   |
| Other financial liabilities, current     | 17   | 43,040                                  | 8,391                                   |
| Lease liabilities, current               | 18   | 483                                     | 810                                     |
| Trade and other payables                 | 19   | 58,426                                  | 63,949                                  |
| Related party payables                   | 8    | 11,431                                  | 15,697                                  |
| Other provisions                         | 20   | 5,479                                   | 6,308                                   |
| Employee benefit provisions, current     | 21   | 1,573                                   | 1,379                                   |
| <b>Total current liabilities</b>         |      | <b>120,432</b>                          | <b>96,534</b>                           |
| Non-current liabilities                  |      |   |   |
| Other financial liabilities, non-current | 17   | 79,739                                  | 90,000                                  |
| Lease liabilities, non-current           | 18   | 187                                     | 270                                     |
| Deferred tax liabilities                 | 16   | 6,519                                   | 17,110                                  |
| Employee benefit provisions, non-current | 21   | 158                                     | 101                                     |
| <b>Total non-current liabilities</b>     |      | <b>86,603</b>                           | <b>107,481</b>                          |
| Equity                                   |      |   |   |
| Subscribed and paid share capital        | 22   | 91,786                                  | 91,786                                  |
| Share premium                            | 22   | 27,539                                  | 27,539                                  |
| Retained earnings                        | 22   | 25,704                                  | 61,543                                  |
| Other reserves                           | 22   | 22,986                                  | 22,847                                  |
| <b>Total equity</b>                      |      | <b>168,015</b>                          | <b>203,715</b>                          |
| Non-controlling interests                |      | -                                       | -                                       |
| <b>Total equity and liabilities</b>      |      | <b>375,050</b>                          | <b>407,730</b>                          |

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

|   | Share capital<br>ThUS\$ | Share premium<br>ThUS\$ | Foreign currency translation reserve<br>ThUS\$ | Other reserves<br>ThUS\$ | Total other reserves<br>ThUS\$ | Retained earnings (accumulated losses)<br>ThUS\$ | Equity attributable to owners of the parent company<br>ThUS\$ | Total equity<br>ThUS\$ |
|---|-------------------------|-------------------------|--|--------------------------|--------------------------------|--|---|------------------------|
| Opening balance as of January 1, 2020   | 91,786                  | 27,539                  | (668)  | 23,515                   | 22,847                         | 61,543   | 203,715   | 203,715                |
| Changes in equity                       |                         |                         |  |                          |                                |  |   |                        |
| Dividends accrued                       |                         |                         |  |                          |                                | (4,212)  | (4,212)   | (4,212)                |
| Comprehensive income                    |                         |                         |  |                          |                                |  |   |                        |
| Net loss for the year                   |                         |                         |  |                          |                                | (31,627)   | (31,627)  | (31,627)               |
| Other comprehensive income              |                         |                         | 139  |                          | 139                            |  | 139   | 139                    |
| Closing balance as of December 31, 2020 | 91,786                  | 27,539                  | (529)  | 23,515                   | 22,986                         | 25,704   | 168,015   | 168,015                |

|   | Share capital<br>ThUS\$ | Share premium<br>ThUS\$ | Foreign currency translation reserve<br>ThUS\$ | Other reserves<br>ThUS\$ | Total other reserves<br>ThUS\$ | Retained earnings (accumulated losses)<br>ThUS\$ | Equity attributable to owners of the parent company<br>ThUS\$ | Total equity<br>ThUS\$ |
|---|-------------------------|-------------------------|--|--------------------------|--------------------------------|--|---|------------------------|
| Opening balance as of January 1, 2019   | 91,786                  | 27,539                  | (345)  | 23,471                   | 23,126                         | 41,336   | 183,787   | 183,787                |
| Changes in equity                       |                         |                         |  |                          |                                |  |   |                        |
| Dividends accrued                       |                         |                         |  |                          |                                | (22,145)   | (22,145)  | (22,145)               |
| Comprehensive income                    |                         |                         |  |                          |                                |  |   |                        |
| Net income for the year                 |                         |                         |  |                          |                                | 42,352   | 42,352  | 42,352                 |
| Other comprehensive income              |                         |                         | (323)  | 44                       | (279)                          |  | (279)   | (279)                  |
| Closing balance as of December 31, 2019 | 91,786                  | 27,539                  | (668)  | 23,515                   | 22,847                         | 61,543   | 203,715   | 203,715                |

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF NET INCOME BY FUNCTION  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

|  | Note | For the years ended<br>December 31, |                |
|--|------|-------------------------------------|----------------|
|  |      | 2020<br>ThUS\$                      | 2019<br>ThUS\$ |
| Operating revenue  | 24   | 255,363                             | 338,959        |
| Cost of sales  | 9    | (255,149)                           | (253,463)      |
| <b>Gross margin</b>  |      | <b>214</b>                          | <b>85,496</b>  |
| Net fair value adjustments to biological assets            | 10   | (18,991)                            | 311            |
| Administrative expenses                                    | 25   | (8,992)                             | (9,837)        |
| Distribution costs   | 26   | (9,870)                             | (8,173)        |
| Financial costs  | 27   | (3,982)                             | (4,748)        |
| Share of net income of equity method associates            | 12   | 1,856                               | 1,604          |
| Exchange differences                                       | 28   | (488)                               | (723)          |
| Other income (losses)                                      | 29   | (3,509)                             | (6,739)        |
| Financial income   |      | -                                   | 24             |
| <b>Net income (loss) before tax</b>                        |      | <b>(43,762)</b>                     | <b>57,215</b>  |
| Income tax expense (income)                                | 16   | 12,135                              | (14,863)       |
| <b>Net income (loss) from continuing operations</b>        |      | <b>(31,627)</b>                     | <b>42,352</b>  |
| Net income (loss) from discontinued operations             |      |                                     |                |
| <b>Net income (loss) for the year</b>                      |      | <b>(31,627)</b>                     | <b>42,352</b>  |
| Net Income (loss) attributable to:                         |      |                                     |                |
| Owners of the parent company                               |      | (31,627)                            | 42,352         |
| Non-controlling interests                                  |      | -                                   | -              |
| <b>Net income (loss) for the year</b>                      |      | <b>(31,627)</b>                     | <b>42,352</b>  |
| Earnings per share   |      |                                     |                |
| Basic earnings (loss) per share (US\$/share)               | 23   | (0.4792)                            | 0.6417         |
| Earnings per share on discontinued operations (US\$/share) |      | 0.0000                              | 0.0000         |
| <b>Basic earnings (loss) per share</b>                     |      | <b>(0.4792)</b>                     | <b>0.6417</b>  |

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

|   | For the years ended<br>December 31, |                |
|---|-------------------------------------|----------------|
|   | 2020<br>ThUS\$                      | 2019<br>ThUS\$ |
| Net income (loss) for the year                          | (31,627)                            | 42,352         |
| Gain (loss) from foreign currency translation           | 139                                 | (323)          |
| Other income and expenses charged or credited to equity | -                                   | 44             |
| <b>Total comprehensive income</b>                       | <b>(31,488)</b>                     | <b>42,073</b>  |
| Comprehensive income attributable to:                   |                                     |                |
| Owners of the parent company                            | (31,488)                            | 42,073         |
| Non-controlling interests                               | -                                   | -              |
| <b>Total comprehensive income</b>                       | <b>(31,488)</b>                     | <b>42,073</b>  |

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS, DIRECT METHOD  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

|   | For year<br>ended<br>December<br>31, 2020<br>ThUS\$ | For year<br>ended<br>December<br>31, 2019<br>ThUS\$ |
|---|---|---|
| <b>CASH FLOW FROM (USED BY) OPERATING ACTIVITIES</b>  |   |   |
| Receipts  |   |   |
| Receipts from selling goods and providing services  | 304,566   | 326,877   |
| Payments  |   |   |
| Payments to suppliers for goods and services  | (256,858)   | (274,511)   |
| Payments to and on behalf of employees  | (27,912)  | (26,780)  |
| Dividends received  | 1,856   | 1,203   |
| Interest paid   | (3,639)   | (3,884)   |
| Interest received   | -   | 24  |
| Income taxes refunded (paid)  | (7,825)   | (5,376)   |
| <b>Net cash flow from (used by) operating activities</b>  | <b>10,188</b>                                       | <b>17,553</b>                                       |
| <b>CASH FLOW FROM (USED BY) FINANCING ACTIVITIES</b>  |   |   |
| Proceeds from long-term borrowings  | 29,000  | 53,000  |
| Loan repayments   | (4,000)   | (5,000)   |
| Dividends paid  | (16,850)  | (23,770)  |
| <b>Net cash flow from (used by) financing activities</b>  | <b>8,150</b>  | <b>24,230</b>                                       |
| <b>CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES</b>   |   |   |
| Receipts from sales of property, plant and equipment  | 50  | 254   |
| Purchases of property, plant and equipment  | (22,850)  | (40,666)  |
| Other receipts (payments)   | 5   | -   |
| <b>Cash flows used by investing activities</b>  | <b>(22,795)</b>                                     | <b>(40,412)</b>                                     |
| Net increase (decrease) in cash and cash equivalents,<br>before the effect of changes in exchange rates | (4,457)   | 1,371   |
| Effect of exchange rate changes on cash and cash equivalents  | (372)   | (647)   |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | <b>(4,829)</b>                                      | <b>724</b>  |
| <b>CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR</b>   | <b>13,867</b>                                       | <b>13,143</b>                                       |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>   | <b>9,038</b>  | <b>13,867</b>                                       |

The accompanying notes 1 to 34 are an integral part of these consolidated financial statements.

SALMONES CAMANCHACA S.A. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2020

NOTE 1 - GENERAL INFORMATION

Salmones Camanchaca S.A. was formed when Camanchaca S.A. split on January 1, 2009. It was constituted as a private limited company in a public deed dated June 26, 2009 legalized before the Public Notary Mr. Félix Jara Cadot. The purpose of the Company is breeding, producing, marketing and farming salmon and other species or organisms whose normal and most frequent environment is water, including research and development of salmonidae genetics, farming, cultivating, processing, producing and marketing sea-food. An Extraordinary General Shareholders' Meeting held on October 23, 2009 agreed that Salmones Camanchaca S.A. should become a direct subsidiary of Camanchaca S.A. following a reorganization of the salmon business within the Group.

The Company is controlled by Camanchaca S.A.

The Company's registered office and principal offices are at Diego Portales 2000, Floor 13, Puerto Montt and its Chilean identification number (Rut) is 76,065,596-1.

A reorganization was agreed on December 14, 2017 where the Company acquired all the shares of Fiordo Blanco S.A. and Surproceso S.A., which were owned by the parent company Camanchaca S.A., and consolidated them with Fiordo Blanco S.A., in which it owns a 99.99% interest.

On February 2, 2018, 19,800,000 shares, which represent 30% of the Company, were placed through the Santiago Stock Exchange, using a mechanism known as an order book auction at a price of Ch\$ 3,268 per share, and these are now traded on the Santiago, Chile and the Oslo, Norway Stock Exchanges. Consequently, Salmones Camanchaca is now a publically listed company registered on the Securities Registry of the Financial Market Commission (FMC) (formerly the Superintendence of Securities and Insurance (SVS)), under registration number 11150. Camanchaca S.A. still owns 70% of Salmones Camanchaca and the remaining 30% are held by third parties.

The subsidiary Fiordo Azul S.A. was created on January 31, 2019. Its business purpose is aquaculture in general, especially breeding, producing and farming salmon, trout and other species. Salmones Camanchaca S.A. directly and indirectly owns a 100 % interest in the company.

The Company participates in the salmon business. Salmones Camanchaca is fully integrated within its value chain, which includes the genetic development of breeders and all the facilities required to produce fry, smolts and marine grow-out sites; primary and value-added processing plants; and sales and marketing using its own own sales channels abroad or those belonging to its parent company, Camanchaca S.A., in the USA, Japan and Mexico, and agents in China and Europe.

The main formats for selling frozen and fresh salmon are Trim C, D, and E, HG and Hon fillets, in 4, 5, 6, and 8 oz. portions. The company prepares its products in plants located in the Chilean Eighth and Tenth regions. They are mainly sold into the North American, Japanese and Brazilian markets.

Since 2016 Salmones Camanchaca S.A. has participated in a joint venture partnership to produce and market trout. It has contributed maritime concessions to this partnership. The "Manager" of this joint venture partnership is Caleta Bay S.A. and the other partner is Kabsa S.A. The partnership earnings are divided equally between these three companies and are reflected in Other income (losses) in the statement of income by function.

Salmones Camanchaca produces Pacific salmon, in order to take advantage of the estuary farming sites in the Tenth Region and complement the trout joint venture in this neighborhood. This initiative will give the

Company specific experience producing and selling this species, as Chile generally has the best biological conditions compared to other species.

Salmones Camanchaca continues to reinforce the measures adopted to address the global pandemic in Chile since it arrived, and thus reduce the risks of infection and mitigate the potential human, operational and financial consequences. These measures aim to achieve two main objectives:

1. To protect the health of our employees and their families, and everyone who works at the facilities operated by Salmones Camanchaca.
2. To protect the company's operational continuity, which is an indispensable requirement in order to protect employment at Salmones Camanchaca, and conserve the company's own health.

Multidisciplinary operational measures implemented during the quarter to reduce infection risks included fewer people on more shifts, eliminating physical contact between shifts, implementing even stricter hygiene protocols, introducing preventive Covid-19 PCR testing for shifts at remote marine sites, introducing remote working for everyone with non-essential duties, granting temporary home leave for vulnerable employees, such as those aged over 65, reducing passenger density in Company vehicles, and other measures. These measures limited the secondary processing plant's capacity to produce value added products, by approximately 30% during the second quarter, but this capacity has progressively recovered during the second half of the year and the harvest plan was successfully achieved.

As of the date of this report, the measures adopted by the company have enabled it to operate continuously and market its products with a production and marketing focus on products with the highest added-value to meet retail demand, which has been growing within the food services sector. However, many restaurants and hotels around the world have closed, which has particularly affected some markets such as Brazil, China and Mexico, where weak demand has led to significant falls in selling prices in all markets, though they have been recovering as this segment gradually reopened.

The Company has sought a conservative liquidity position during the pandemic, by reducing investments, postponing non-essential expenses, lowering the proposed dividend, and increasing its credit lines. Furthermore, Pacific salmon smolt stocking has been reduced by half in 2020, which will result in estimated harvest volumes of less than 3,000 tons in the new season.

The medium-term impact of COVID-19 is still uncertain, and Salmones Camanchaca continues to monitor it and adapt mitigation measures as productive conditions and target markets evolve.

The consolidated financial statements of Salmones Camanchaca S.A. for the year ended December 31, 2020 were approved by the Board of Directors at a meeting held on February 24, 2020.



## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used to prepare the consolidated financial statements of Salmones Camanchaca S.A. have been applied in a uniform manner, and are described as follows.

### 2.1 Periods

These consolidated financial statements cover the following periods:

- Consolidated statements of financial position as of December 31, 2020 and December 31, 2019.
- Consolidated statements of net income by function for the years ended December 31, 2020 and 2019.
- Consolidated statements of comprehensive income for the years ended December 31, 2020 and 2019.
- Consolidated statements of cash flow, direct method for the years ended December 31, 2020 and 2019.
- Consolidated statements of changes in equity for the years ended December 31, 2020 and 2019.
- Notes to the consolidated financial statements

### 2.2 Basis of preparation

The consolidated financial statements of Salmones Camanchaca S.A., as of December 31, 2020, the consolidated statements of comprehensive income for the years ended December 31, 2020 and 2019 and the consolidated statement of changes in equity and cash flows for the years then ended have been prepared in accordance with International Financial Reporting Standards (IFRS).

The consolidated financial statements present comparative information for the previous year, and the group will present an additional statement of financial position referring to the beginning of the previous year, when there is a retroactive application of an accounting policy, a retroactive restatement or a reclassification of items within the financial statements.

Presenting the consolidated financial statements requires the use of specific accounting estimates and also requires management to exercise its judgment when implementing the Company's accounting policies. Note 5 of these consolidated financial statements discloses the areas which involve a higher degree of judgment and complexity, where the assumptions and estimates have a significant effect on the financial statements.

These consolidated financial statements for Salmones Camanchaca S.A. have been prepared from accounting records held by the Company. The figures in these consolidated financial statements are expressed in thousands of US dollars, which is the Company's functional currency.

There are no significant uncertainties regarding events or conditions as of the reporting date that may cast doubt on the Company's ability to continue functioning normally as a going concern.

The consolidated financial statements have been prepared on a historical cost basis, except for items recognized at fair value in accordance with International Financial Reporting Standards. The carrying amounts of assets and liabilities hedged with transactions that qualify for hedge accounting are adjusted to reflect changes in the fair value in relation to the hedged risks.

## 2.3 New pronouncements

### a) New standards, interpretations and amendments

The Company applied certain standards, interpretations and amendments for the first time, which are effective for periods beginning on or after January 1, 2020.

The standards, interpretations and amendments to IFRS that became effective at the date of the financial statements, their nature and impacts are as follows:

| Standards and Interpretations                       | Mandatory Effective Date |
|---|--------------------------|
| Conceptual Framework Conceptual Framework (revised) | January 1, 2020          |

#### Conceptual Framework (revised)

The IASB issued the revised Conceptual Framework in March 2018. It includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event. The revised Conceptual Framework is effective for annual periods beginning on or after January 1, 2020.

|                           | Amendments                                       | Mandatory effective date |
|---------------------------|--|--------------------------|
| IFRS 3                    | Definition of a business                         | January 1, 2020          |
| IAS 1 and IAS 8           | Definition of material                           | January 1, 2020          |
| IFRS 9, IAS 39 and IFRS 7 | Reference interest rate reform                   | January 1, 2020          |
| IFRS 16                   | Rent reductions related to the Covid-19 pandemic | January 1, 2020          |

#### IFRS 3 Business Combinations - Definition of a Business

The IASB issued amendments in terms of the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. The IASB clarified the minimum requirements for a business, removed the assessment of whether market participants are capable of replacing any missing elements, added guidance to help entities assess whether an acquired process is substantive, narrowed the definitions of a business and of outputs, and introduced an optional fair value concentration test.

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, most entities will likely not be affected by these amendments on transition. However, entities considering the acquisition of activities and assets after first applying the amendments should promptly update their accounting policies.

The amendments could be relevant in other areas of IFRS. For example, the definition of a business may also be relevant where a parent loses control of a subsidiary and has early adopted Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

The amendment is applicable for the first time in 2020. However, it does not affect the Company's consolidated financial statements.

## IAS 1 Financial Statement Presentation and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

In October 2018, the IASB issued IAS 1 *Financial Statement Presentation* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to align the definition of "material" across all standards and to clarify certain aspects of the definition. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments must be applied prospectively. Earlier application is permitted and must be disclosed.

Although the amendments to the definition of material are not expected to have a significant impact on an entity's financial statements, the introduction of the term 'obscuring information' in the definition could potentially impact how materiality judgments are made in practice, by elevating the importance of how the information is communicated and organized in the financial statements.

The amendment is applicable for the first time in 2020. However, it does not affect the Company's consolidated financial statements.

## IFRS 9, IAS 39 and IFRS 7 Reference Interest Rate Reform

The IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 in September 2019, completing the first phase of its response to the effect of interbank offering rates (IBOR) reform on financial reporting. The amendments provide temporary exceptions that allow hedge accounting to continue during the period of uncertainty, prior to the replacement of current benchmark interest rates with nearly risk-free alternative interest rates.

The amendments must be applied retrospectively. However, any hedging relationship that has previously been discontinued cannot be reinstated with the application of these amendments, nor can a hedging relationship be assigned using the benefit of retrospective reasoning. Earlier application is permitted and must be disclosed.

The amendment is applicable for the first time in 2020. However, it does not affect the Company's consolidated financial statements.

## IFRS 16 Rent reductions related to the Covid-19 pandemic

The IASB issued an amendment to IFRS 16 Leases in May 2020 that provides relief to lessees when applying IFRS 16 guidance related to lease amendments for rent reductions as a direct result of the Covid-19 pandemic. The amendment does not apply to lessors.

A lessee may choose not to assess whether a Covid-19-related rent reduction granted by a lessor is a lease amendment, as a practical solution. A lessee that so chooses shall recognize changes in lease payments arising from rent reductions relating to the Covid-19 pandemic just as it would recognize that change under IFRS 16 as if it were not an amendment of the lease.

A lessee shall apply this practical solution retrospectively, recognizing the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings, or other component of equity, as appropriate, at the start of the annual reporting period in which the lessee first applies the amendment.

A lessee can apply this amendment in annual periods beginning on or after June 1, 2020. Early application is permitted, including in financial statements not authorized for publication as of May 28, 2020.

The amendment is applicable for the first time in 2020. However, it does not materially affect the Company's consolidated financial statements.

- b) New accounting pronouncements covering standards, interpretations and amendments that must be applied to annual periods beginning on or after January 1, 2021.

The new standards, interpretations, improvements and amendments to IFRS that have been issued but have not yet taken effect as of the date of these financial statements are detailed below. The Company has not adopted these standards early:

|         | Standards and Interpretations | Mandatory Effective Date |
|---------|-------------------------------|--------------------------|
| IFRS 17 | Insurance contracts           | January 1, 2023          |

#### IFRS 17 Insurance Contracts

The IASB issued IFRS 17 Insurance Contracts in May 2017, which is a specific accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. When effective, IFRS 17 will replace IFRS 4 Insurance Contracts issued in 2005. It applies to all types of insurance contracts, regardless of the entity issuing them, and to certain guarantees and financial instruments with discretionary participation.

Some exceptions to the scope may apply.

IFRS 17 is effective for annual periods beginning on or after January 1, 2023 and comparative figures are required. Earlier application is permitted, provided that the entity applies IFRS 9 Financial Instruments on or before the date when IFRS 17 is first applied.

The amendment is applicable for the first time in 2020. However, it does not affect the Company's consolidated financial statements.

|  | Amendments  | Mandatory effective date |
|--|---|--------------------------|
| IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 | Reference interest rate reform - phase 2  | January 1, 2021          |
| IFRS 3                                     | Reference to the Conceptual Framework   | January 1, 2022          |
| IAS 16                                     | Property, plant and equipment: proceeds before intended use   | January 1, 2022          |
| IAS 37                                     | Onerous contracts - cost of contract compliance   | January 1, 2022          |
| IAS 1                                      | Classification between current and non-current balances   | January 1, 2023          |
| IFRS 10 and IAS 28                         | Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture | To be determined         |

#### IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Reference Interest Rate Reform - Phase 2

The IASB published the second phase of the Benchmark Interest Rate Reform comprising amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in August 2020. This publication completes the IASB's response to the effects of the Interbank Offered Rate (IBOR) Reform on financial reporting.

The amendments provide temporary exceptions that address the effects on financial reporting when a reference interest rate rate (IBOR) is replaced by an alternative near-risk-free interest rate.

Amendments are required and early application is permitted. A hedging relationship must be resumed if the hedging relationship was discontinued solely due to changes required by the reference interest rate reform and would not have been discontinued if the second phase of amendments had been applied at that time. Although its application is retrospective, an entity is not required to restate prior periods.

The amendment is applicable for the first time in 2020. However, it does not affect the Company's consolidated financial statements.

### IFRS 3 Reference to the Conceptual Framework

The IASB issued amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework in May 2020. These amendments replace the reference to an earlier version of the IASB's Conceptual Framework (1989 Framework) with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments are effective for periods beginning on or after January 1, 2022, and should be retrospectively applied. Early application is permitted if at the same time or earlier an entity also applies all the amended References to the Conceptual Framework in IFRS issued in March 2018.

The amendments will provide consistency in financial reporting and avoid potential confusion, due to there being more than one version of the Conceptual Framework.

The amendment is applicable for the first time in 2020. However, it does not affect the Company's consolidated financial statements.

### IAS 16 Property, Plant and Equipment: Proceeds Before Intended Use

The amendment prohibits entities deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be operated in the manner intended by management. Instead, an entity shall recognize the proceeds from selling such items, and the cost of producing those items, in net income.

The amendment is effective for periods beginning on or after January 1, 2022. The amendment should be applied retrospectively only to items of property, plant and equipment available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The amendment is applicable for the first time in 2020. However, it does not affect the Company's consolidated financial statements.

### IAS 37 Onerous Contracts - Cost of Fulfilling a Contract

The IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets in May 2020, which specify the costs that an entity needs to include when assessing whether a contract is onerous.

The amendment is effective for periods beginning on or after January 1, 2022. The amendment should be applied retrospectively to contracts at the beginning of the annual reporting period in which the entity first applies the amendment (date of initial application). Earlier application is permitted and must be disclosed.

The amendments provide clarity and ensure that the standard is consistently applied. Entities that previously applied the incremental cost approach will see an increase in provisions to reflect the inclusion of costs directly related to contracts, while entities that previously recognized provisions for contract losses using guidance in the previous standard, IAS 11 Construction Contracts, should exclude allocated indirect costs from their provisions.

The amendment is applicable for the first time in 2020. However, it does not affect the Company's consolidated financial statements.

## IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

The IASB issued amendments to paragraphs 69 to 76 of IAS 1 in June 2020, which specify the requirements for classifying liabilities as current or non-current.

The amendments are effective for periods beginning on or after January 1, 2023. Entities should carefully consider whether there are any aspects of the amendments that suggest that the terms of their current loan agreements should be renegotiated. The amendments must be applied retrospectively.

The amendment is applicable for the first time in 2020. However, it does not affect the Company's consolidated financial statements.

## IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - sale or contribution of assets between an investor and its associate or joint venture

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address an inconsistency between the requirements of IFRS 10 and IAS 28 (2011) in the treatment of a sale or contribution of assets between an investor and its associate or joint venture. The amendments were issued in September 2014 and recognize a full gain or a loss when the transaction involves a business (whether or not in a subsidiary). They recognize a partial gain or loss when the transaction involves assets that do not constitute a business, even if these assets are in a subsidiary. The date of mandatory application of these amendments is to be determined since IASB is waiting for the results of its research project on accounting using the equity method. These amendments must be applied retrospectively, and early adoption is permitted, which must be disclosed.

The amendment is applicable for the first time in 2020. However, it does not affect the Company's consolidated financial statements.

The Company's management believes that the adoption of these standards, amendments and interpretations will have no significant impact on the Company's consolidated financial statements when they are first applied.

## 2.4 Basis of consolidation

The consolidated financial statements of Salmenes Camanchaca S.A. comprise the financial statements of the parent company and its subsidiaries and associates as of December 31, 2020 and 2019. They include assets and liabilities, results and cash flows as of December 31, 2020 and 2019, and have been prepared using consistent accounting policies.

Balances, income, expenses and unrealized gains and losses involving related companies have been eliminated, and the participation of minority investors has been recognized under "Non-controlling interests"

### Subsidiaries

Subsidiaries are all entities over which an investor can exercise the right to receive variable returns through this investment and can make decisions regarding those returns through their control over the investee. The Group controls a subsidiary if it has:

- Authority over the subsidiary (rights that give it the power to direct the subsidiary's business)
- Exposure or rights to variable returns from its involvement with the investee
- It can influence these returns by exercising its authority over the subsidiary

Generally, control is assumed to mean the majority of the voting rights. When the group does not hold a majority of the voting rights, or similar rights, in the subsidiary, the group considers all relevant facts and circumstances to assess whether it has control over the subsidiary, including:

- Contractual agreements with other shareholders regarding the subsidiary's voting rights.
- Rights from other contractual agreements.
- Potential group voting rights.

The group evaluates whether it retains control in an investee, if facts and circumstances indicate that there have been changes in one or more of the control criteria described above. Subsidiaries are consolidated from the moment the group obtains control over the subsidiary and consolidation ceases when the group loses control over the subsidiary. The assets, liabilities, income and expenses of a subsidiary that has been acquired or disposed of during the year are included in the consolidated financial statements from the date on which the group obtains control or until the date on which the group loses control.

The net income, losses and each component of other comprehensive income are attributed to the owners of the group's parent company and to external shareholders, even if this means that the external shareholders have a debit balance. When deemed necessary, adjustments are made to the financial statements of subsidiaries so that their accounting policies are consistent with group policies. All assets, liabilities, equity, income, expenses and cash flows arising from transactions between group companies are fully eliminated on consolidation.

The acquisition method is used to account for the acquisition of subsidiaries by the Company. The acquisition cost is the fair value of the assets delivered, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets, liabilities and contingencies acquired in a business combination are initially valued at their fair value on the acquisition date, regardless of the extent of minority interests. At each acquisition, the Group recognizes any minority interest at its fair value, or the proportional value of the minority interest over the fair value of the acquired net assets.

The surplus acquisition cost over the fair value of the Company's share of the acquired net identifiable assets is recognized as purchased goodwill. If the purchase price is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly in the statement of net income.

Intercompany transactions, balances and unrealized gains on transactions between Group entities are eliminated during consolidation. Unrealized losses are also eliminated, unless that transaction provides evidence that the transferred asset is impaired. The accounting policies at subsidiaries are amended as necessary, to ensure that group policies have been consistently adopted.

Salmones Camanchaca S.A. consolidates Fiordo Blanco S.A. as it owns a 99.99% interest.

The subsidiary Fiordo Azul S.A. was created on January 31, 2019. Its business purpose is aquaculture in general, especially breeding, producing and farming salmon, trout and other species. Salmones Camanchaca S.A. directly and indirectly owns 100 % of the company and therefore consolidates it.

The following subsidiaries are included in these consolidated financial statements, together with their functional currency:

| Consolidated company | Country Source | Functional Currency Functional | Ownership interest |            | 12-31-2020 | 12-31-2019 |
|----------------------|----------------|--------------------------------|--------------------|------------|------------|------------|
|                      |                |                                | Direct %           | Indirect % | Total %    | Total %    |
| Fiordo Blanco S.A.   | Chile          | US dollars                     | 99.99              | -          | 99.99      | 99.99      |
| Fiordo Azul S.A.     | Chile          | US dollars                     | 99.99              | 0.01       | 100.00     | -          |

## 2.5 Investments in Associates

Associates are defined as entities over which the Company exercises significant influence but does not control the financial and operational policies. It generally has an interest in the voting rights of between 20% and 50%. Investments in associates are accounted for using the equity method and are initially recognized at cost.

The Salmones Camanchaca S.A. share of net income or losses in associates subsequent to acquiring them are recognized in net income, and its share of equity movements (that are not due to net income) subsequent to their acquisition are recognized in reserves, and reflected as appropriate in the statement of comprehensive income. When the Company's share of an associate's losses is equal to or greater than its interest in that company, including any other unsecured receivables, the Company does not recognize further losses unless it has incurred obligations or made payments on behalf of that associate.

Unrealized gains on transactions between Salmones Camanchaca S.A. and its associates are eliminated according to the Company's percentage interest in them. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the transferred asset.

- Surproceso S.A is a company that provides aquaculture services. It has a commercial relationship with Salmones Camanchaca S.A. providing it with slaughtering and gutting services, who also owns a 33.3% interest.
- New Worlds Currents Ltd. was incorporated in Hong Kong to establish, process and operate businesses associated with marketing salmon in China. Salmones Camanchaca S.A. offered New Worlds Currents Ltd. and its shareholders all the shares of this company that it held in May 2020. This offer was accepted as of that month, and as a consequence it no longer participates in New World Currents Ltd.

## 2.6 Segment reporting.

IFRS 8 requires entities to adopt "Management's approach" when disclosing information about the outcome of their operating segments. In general, this is the information that Management uses internally to evaluate segment performance and to allocate resources to segments.

Salmones Camanchaca S.A. has only one operating segment, according to this standard.

## 2.7 Foreign currency transactions

### a) Presentation currency

The Company's financial statements are presented in US dollars, which is the functional currency of the parent company and the group's presentation currency.

### b) Functional currency

Functional currency is the currency of the entity's primary economic environment, according to IAS 21.

Therefore, the Company has established that the conditions that support the functional currency are as follows.



| Factors   | Currency                                |
|---|---|
| The currency that primarily influences the selling prices of goods and services; normally the price used to describe and pay for them.  | US dollar <sup>1</sup>                  |
| The currency that principally affects the costs of labor, materials and other costs to produce goods or provide services, normally the price used to describe and pay for such costs. | US dollar and Chilean peso <sup>2</sup> |
| The currency used to collect receipts for billed operational activities.  | US dollars                              |

The following aspects were also considered when selecting the Company's functional currency.

- The currency used by the Company's financing activities, such as bank obligations and equity, is the US dollar.
- The currency primarily used to invest the receipts from the Company's billed operational activities is the US dollar.

Therefore, the Company considers that under the current circumstances the functional currency of Salmones Camanchaca S.A. is the US dollar.

#### c) Transactions and balances

Transactions in foreign currencies other than the functional currency are translated to the functional currency using the exchange rate in effect as of the transaction date. Gains and losses on foreign currencies resulting from settling these transactions, and the conversion at closing rates of those monetary assets and liabilities denominated in foreign currency, are recognized in the statement of net income under "Exchange differences".

The assets and liabilities of a subsidiary or associate, whose functional currency is different from that of the group but is not that of a hyperinflationary economy, are translated on consolidation into US dollars at the exchange rate in effect on the closing date and the statements of net income are translated at the average monthly exchange rate. Exchange differences arising on translation are recognized in other comprehensive income. When a foreign investment is disposed of, the component of other comprehensive income relating to that investment is reclassified to the statement of net income.

#### d) Exchange rates

The exchange rates of foreign currencies and the Unidad de Fomento (an inflation-indexed, Chilean monetary unit) compared to the Chilean peso as of December 31, 2020 and 2019 were as follows:

| Date       | Ch\$ / US\$ | UF / US\$ | Euro / US\$ | Yen / US\$ | Nok / US\$ |
|------------|-------------|-----------|-------------|------------|------------|
| 12-31-2020 | 710.95      | 0.0245    | 0.8141      | 103.3000   | 8.5564     |
| 12-31-2019 | 748.74      | 0.0264    | 0.8918      | 108.9000   | 8.7907     |

## 2.8 Property, plant and equipment

The Company's property, plant and equipment is made up of land, building, infrastructure, machinery, equipment and other fixed assets. The main types of property, plant and equipment are: Production plants, marine equipment (pontoons), hatcheries and grow-out sites.

Land, buildings, plants, equipment and machinery are recognized at their historical cost less depreciation. Historical cost includes the fair value considered to be attributed cost according to IFRS 1. This historical cost includes expenditure that is directly attributed to acquiring the asset.

<sup>1</sup> US dollar

<sup>2</sup> Chilean peso

Subsequent costs are included in the initial value of the asset, or recognized as a separate asset, only when it is likely that the future financial benefits associated with these components will flow to the Company and the cost of these components can be determined reliably. The value of the replaced component is expensed.

Replacement or overhaul of whole components that increase the asset's useful life, or its economic capacity, are recorded as an increase in value for the respective assets, while derecognizing the replaced or overhauled components.

Depreciation of other items of property, plant and equipment is calculated using the straight-line method, in order to allocate their cost over their estimated technical useful lives.

|                     | Years   |
|---------------------|---------|
| Buildings           | 10 - 50 |
| Plant and equipment | 3 - 20  |
| Vessels             | 50      |
| Vehicles            | 7 - 10  |
| Other fixed assets  | 3 - 10  |
| Right-of-use assets | 3       |

The residual value and useful life of these assets are reviewed and adjusted when necessary at each reporting date.

When the book value of an asset is greater than its estimated recoverable value, its book value is immediately reduced to its recoverable value.

Losses and gains on sales of assets are calculated by comparing the proceeds with the book value, and presented in the statement of net income.

Right-of-use assets includes assets for service contracts that qualify as financial leases under the parameters established by IFRS 16, as of December 31, 2020.

## 2.9 Biological assets

Biological assets include the following.

Biological assets include groups of breeders, eggs, smolts and fish at marine grow-out sites. They are evaluated at initial recognition and subsequently.

Live fish inventories at all their freshwater stages, which are breeders, eggs, fry and smolts. These are valued at accumulated cost at the reporting date.

The fair value valuation criteria for fish at marine grow-out sites includes the value of the concession as a component of the farming risk, in accordance with the definition in IAS 41. Therefore, a valuation model has been adopted that calculates the Fair Value Adjustment (FVA) by applying a risk factor to the expected biomass margin at each marine grow-out site. An exponential model is used and the risk factor discounts the expected biomass margin.

The estimated fair value of fish biomass is based on the volume of fish biomass, average biomass weights, cumulative biomass costs for each site, estimated remaining costs and estimated sales prices.

Volume of fish biomass

The volume of fish biomass is an estimate based on the number of smolts in the sea, an estimate of their growth, identified mortality in the period, average weights, and other factors. Uncertainty with respect to the volume of biomass is normally lower in the absence of bulk mortality events during the cycle, or if the fish catch acute diseases.

The biomass is the weight when it is calculated for each farming site. The target harvest weight depends on each site.

## Cumulative Costs

Cumulative costs for farming sites at the date of the fair value calculation are obtained from the company's accounts.

## Remaining Costs

Estimated remaining costs are based on the forecast direct and indirect costs that will affect the biomass at each site through to final harvest.

This estimate is refined at each calculation, and uncertainty reduces as the harvest approaches.

## Operating revenue

Revenue is calculated using several sales prices forecast by the company for each month based on future price information from public sources, adjusted to historical price behavior from the main destination market for our fish. This is reduced by the costs of harvesting, processing, packaging, distribution and sale.

A Fair Value Adjustment is applied to all fish at marine grow-out sites, under the current model. Changes in the fair value of biological assets are recorded in the statement of net income for the period.

All biological assets are classified as current biological assets, as they form part of the normal farming cycle that concludes with harvesting the fish.

The gain or loss on the sale of these assets may vary in comparison to their calculated fair value at the reporting date.

The Company uses the following method.

| Stage       | Asset                          | Valuation  |
|-------------|--------------------------------|--|
| Fresh water | Eggs, fry, smolts and breeders | Direct and indirect cumulative costs at their various stages.                    |
| Sea water   | Salmon                         | Fair value includes prices, costs and volumes that are estimated by the company. |

## Hierarchy

Fair value hierarchy is determined according to the data source, according to the IFRS 13. The Company's valuation model uses hierarchy level III. The most significant unobserved variables are the sales price and the average weight.

### 2.10 Intangible assets other than goodwill

Individually acquired intangible assets are initially measured at cost. The cost of intangible assets acquired in a business combination is their fair value as of the date of acquisition. After initial recognition, intangible assets are recorded at cost less any accumulated amortization and any accumulated impairment loss. Internally generated intangible assets, excluding capitalized development expenditure, are not capitalized and the related expense is recognized in the statement of net income for that period.

#### a) Aquaculture concessions

Aquaculture concessions have an indefinite useful life, because they have no expiry date nor a measurable useful life. Therefore, they are not amortized. This status of indefinite useful life is reviewed at each reporting date, in order to assess whether events and circumstances continue to support an indefinite useful life for that asset. These assets undergo impairment testing on a yearly basis.

#### b) Water Rights

The Company analyzed the useful lives of these intangible assets and concluded that there is no foreseeable limit to the period over which they will generate net cash flow. Therefore, these intangible assets have indefinite useful lives.

#### c) Computer software

Licenses for purchased software are capitalized on the basis of the costs incurred to purchase and prepare them for use. These costs are amortized over their estimated useful lives. Expenditure on developing or maintaining software is expensed as it is incurred. Costs directly associated with producing unique and identifiable computer software controlled by the Company that are likely to generate financial benefits that exceed their costs for more than a year, are recorded as intangible assets.

Direct costs include expenses for employees that develop the software and an appropriate percentage of general expenses.

#### d) Research and development expenses

Research expenses are expensed when incurred. The directly attributable costs of development projects relate to the design and testing of new or improved products. These are recognized as intangible assets when the following criteria are met.

- It is technically feasible to fully produce the intangible asset, to the point where it can be used or sold.
- Management intends to complete the intangible asset, and to use or sell it.
- The Company has the ability to use or sell it.
- The Company can demonstrate how the intangible asset is likely to generate financial benefits in the future.
- The Company has sufficient technical, financial or other resources, to complete development and to use or sell the intangible asset.
- The expenditure attributable to developing it can be reliably measured.

### 2.11 Interest costs

Interest costs incurred in the construction of any qualified asset are capitalized over the period of time needed to complete and prepare the asset for its intended use. Other interest costs are expensed.

### 2.12 Impairment losses on non-financial assets

Assets with indefinite useful lives are not amortized and are tested yearly for impairment losses. Amortized assets are tested for impairment whenever an event or change in circumstances indicates that their book value may not be recoverable. An impairment loss is recognized for the amount by which the asset's book value exceeds its recoverable value. The recoverable value is the greater of the fair value of an asset less selling costs, or its value in use. Impairment is assessed by grouping assets at the lowest levels at which they generate separately identifiable cash flows (cash-generating units).

Salmones Camanchaca S.A. uses value in use to calculate the recoverable value. Value in use is based on estimated future cash flows that are discounted to present value using a before-tax discount rate that reflects current market assessments of the time value of money and any asset specific risks.

All non-financial assets are evaluated at each closing date to determine whether there is any indication that the impairment loss recorded in previous years no longer exists or has decreased. If such an indication is found, the Company estimates the recoverable value of the asset or the cash-generating units. A previously recorded impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable value since the last impairment loss was recorded. The reversal is limited to ensuring that the book value of the asset does not exceed its recoverable value, nor does it exceed its original book value net of depreciation had no impairment loss been recognized in prior years. This reversal is recorded in the statement

of net income unless the asset is carried at a revalued value, in which case the reversal is recorded as an increase in the revaluation.

Intangible assets with an indefinite useful life at December 31 are tested annually for impairment. This applies to both individual assets and cash-generating units, as appropriate, and when circumstances indicate that the book value may be impaired.

## 2.13 Financial assets and liabilities

### Financial Assets

Financial assets within the scope of IFRS 9 are classified according to the business model used by the Group to manage its financial instruments and contractually established cash flows.

Financial investments not classified at fair value through profit and loss are initially recognized at fair value plus directly attributable transaction costs.

The Company evaluates whether embedded derivatives exist in contracts or financial instruments, to determine whether their characteristics and risk are closely related to the principal contract provided that in aggregate they are not being accounted for at fair value. If they are not closely related, they are recorded separately and changes in value are accounted for directly in the statement of comprehensive income.

The Company and its subsidiaries classify their financial assets after initial recognition and, when permitted and appropriate, reassess this classification as of each year end. All regular purchases and sales of financial assets are recognized on the trade date, which is the date on which the company becomes committed to the trade. Regular purchases and sales of financial assets require the delivery of assets within the time frame established generally by market regulation or convention. The following investment classifications are used:

- a) Financial assets at fair value through profit and loss - Financial assets at fair value through profit and loss include financial assets held for sale and financial assets initially recognized at fair value through profit and loss.

Financial assets are classified as held for sale if they are acquired for the purpose of selling them in the short term.

Derivatives, including any separate embedded derivatives, are also classified as held for sale, unless designated as effective hedging instruments or as financial guarantee contracts. Gains or losses on held-for-sale instruments are recognized in the statement of net income.

When a contract contains one or more embedded derivatives, the entire hybrid contract can be designated as a financial asset at fair value through profit and loss except when the embedded derivative does not significantly change cash flow, or it is clear that separation of the embedded derivative is prohibited.

- b) Financial assets measured at amortized cost - The entity measures assets at amortized cost when the asset complies with the following two conditions: i. The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- c) Financial assets at fair value with changes in other comprehensive income - Financial assets are measured at fair value with changes in other comprehensive income if they meet the following two conditions: (i) They are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- d) Derivative and hedge financial instruments - Derivative financial instruments to hedge risks associated with fluctuations in interest rates and exchange rates are initially recognized at fair value at the date the derivative contract is signed and are subsequently valued at fair value. Derivatives are recorded as assets (other financial assets) when their fair value is positive and as liabilities (other financial liabilities) when their fair value is negative.

## Financial liabilities

Debt and equity instruments are classified as either financial liabilities or equity, based on the substance of the contractual agreement.

Equity instruments - An equity instrument is any contract that evidences a residual interest in the assets of a company after deducting all of its liabilities. Equity instruments are recorded at the value of the consideration received, net of direct issuance costs.

Financial liabilities – Financial liabilities are classified either as financial liabilities “at fair value through profit and loss”, or as “other financial liabilities”.

a) Financial liabilities are classified at fair value through profit and loss when these are held for sale or are designated as such.

b) Other financial liabilities, including loans, are valued initially at the amount of cash received, net of transaction costs. Other financial liabilities are subsequently valued at amortized cost using the effective interest rate method, recognizing interest expense on an effective rate basis.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense throughout the corresponding period. The effective interest rate is the rate that exactly discounts the estimated cash flows payable over the expected life of the financial liability, or when appropriate, a shorter period when the associated liability has a prepayment option that it expects to exercise.

## 2.14 Inventories

Inventory is valued at its cost or net realizable value, whichever is lower. Cost is calculated using the average cost method.

The cost of finished and in-process products includes the costs of raw materials, direct labor, other direct costs and general manufacturing expenses, based on normal operating capacity, but excluding interest.

The net realizable value is the estimated sales price during the normal course of business, less applicable variable sales costs.

Obsolete or slow-moving products are recognized at their recoverable value.

Subsequent storage costs or costs incurred in delivering products to customers are not included in inventory costs.

Commercial discounts, rebates and other similar adjustments are deducted to arrive at the purchase cost.

Net realizable value is the estimated sales price less all estimated finishing costs and sales and marketing costs.

The Company evaluates the net realizable value of inventories at the end of each period and adjusts their book value if necessary.

### Inventory valuation policy

a) The Company values its inventories as follows.

i) The production cost of manufactured inventory includes all costs related to the units produced such as labor and fixed and variable costs required to transform raw materials into finished products.

The production cost of fresh and frozen salmon is based on the last fair value of biological asset when harvested, plus direct and indirect production costs.

ii) The acquisition cost of purchased inventory includes its purchase cost, customs fees, transport, storage and other costs attributable to its acquisition.

## b) Inventory cost calculation formula

Inventories of finished products are valued using the weighted average cost, ie. the cost of each product unit is based on the weighted average cost at the beginning of the period, and the cost of items purchased or produced during the period.

Inventories of raw materials, packaging materials are valued at weighted average cost.

## 2.15 Statement of Cash Flow

The Company has defined the following policies in order to prepare the statement of cash flow:

Cash and cash equivalents include cash on hand, at banks, term deposits with financial institutions, mutual funds and other short-term, highly liquid investments that are readily realizable, with a low risk of changes in value and an original maturity of up to three months. Bank overdrafts are classified as third-party resources within current liabilities in the statement of financial position.

- i. Operating Activities: These are the group's principal source of operating revenue as well as other activities that cannot be classified as investing or financing.
- ii. Investing Activities: These involve acquiring, selling or otherwise disposing of long-term assets and other investments not included in cash and cash equivalents.
- iii. Financing Activities: These bring about changes in the size and composition of equity and financial liabilities.

## 2.16 Classification of Current and Non-Current Balances

Balances in the consolidated statement of financial position are classified by maturity with current balances maturing in less than 12 months and non-current balances in more than 12 months. However, balances associated with the normal operating cycle and mature in over one year are presented as current. Should the company have any obligations that mature in less than twelve months, but can be refinanced over the long term at management's discretion, using unconditionally available credit agreements with long-term maturities, such obligations may be classified as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## 2.17 Earnings per Share

Basic earnings per share is calculated as the ratio between net income for the period divided by the weighted average number of ordinary shares in circulation during that period.

## 2.18 Trade and other receivables

Trade receivables are initially recognized at fair value (nominal value including implicit interest), and they are subsequently recognized at their amortized cost according to the effective interest rate method, less provisions for impairment losses.

Implicit interest must be disaggregated and recognized as financial income to the extent that such interest has accrued.

The provision is the difference between the asset's book value and the present value of its estimated future cash flows, discounted using the effective interest rate.

However, if the difference between the nominal value and the fair value is not significant, the nominal value is used.

The Group applies the simplified approach in IFRS 9 to measure expected credit losses, using an expected loss provision over the life of the instrument for all receivables.

Expected credit losses are measured by grouping receivables by their shared credit risk characteristics and days overdue. Historical loss rates are adjusted to reflect current and expected information regarding macroeconomic factors that affect the ability of customers to meet their commitments.

## 2.19 Cash and cash equivalents

Cash and cash equivalents include cash on hand, term deposits with financial institutions, other highly liquid short-term investments that can be readily converted into known amounts of cash that are subject to a negligible risk of changes in value and have a maturity of three months or less on their acquisition date.

Bank overdrafts are included in current financial liabilities in the consolidated statements of financial position, when appropriate.

## 2.20 Share capital

Share capital is represented by ordinary shares.

Incremental costs directly attributable to new share issues or options are presented in net equity as a deduction from their proceeds.

Legal minimum dividends on ordinary shares are recognized as a reduction in equity when they are accrued.

## 2.21 Trade and other payables

Trade payables are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method.

However, similarly to trade receivables, if the difference between the nominal value and the fair value is not significant, the nominal value is used.

## 2.22 Current and deferred income taxes

The tax expense on net income for the period includes current income tax and deferred tax.

Current income taxes are based on the tax laws at the reporting date.

Deferred taxes are calculated using the liability method on temporary differences that arise between the tax value of assets and liabilities and their book values. However, if deferred taxes arise from the initial recognition of a liability or an asset in a transaction other than a business combination, which at the time of the transaction do not affect accounting net income nor taxable profit, then they are not accounted for.

Deferred tax is calculated using the current tax rates and laws, or those about to be approved at the reporting date, which are likely to be applicable when the corresponding deferred tax asset is collected or deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is likely that future tax benefits are available to offset such temporary differences.

An entity must offset deferred tax assets with deferred tax liabilities only if the tax authority recognizes that it has the legal right to offset the amounts recognized in those items; and the deferred tax assets and liabilities arise from income taxes levied by the same tax authority on the same entity or taxpayer, or on different entities or taxpayers that intend either to settle current tax assets and liabilities on a net basis or to simultaneously recover the assets and pay the liabilities in each of the future periods in which significant amounts of deferred tax assets or liabilities are expected to be paid or recovered.



Current and deferred income taxes are recognized in the statement of net income, except for taxes arising on items recognized in other comprehensive income, directly in equity, or on a business combination. In which case, the corresponding tax is also recognized in other comprehensive income, directly in the statement of net income, or in commercial goodwill, respectively.

## 2.23 Employee benefits

### a) Employee vacations

The Company recognizes the expense for staff vacations using the accrual method, which is recorded at its nominal value. The staff vacation benefit does not represent a significant amount in the statement of comprehensive income.

### b) Severance indemnities

This liability is the present value of defined benefit obligations at the reporting date. It is calculated annually using actuarial assumptions and by discounting the corresponding estimated cash flows. Gains and losses arising from adjustments due to changes in trends of actuarial assumptions are recognized immediately in the statement of financial position with a charge or credit, as appropriate, to reserves through other comprehensive income in the period in which they occur. These changes are not reclassified to the statement of net income in subsequent periods.

The parameters used in the actuarial valuation model are as follows: mortality and invalidity rates, discount rates, salary growth rates and staff turnover rates due to resignations.

## 2.24 Provisions

Provisions are recognized when:

- i) The Company has a legal or implicit obligation, as a result of past events.
- ii) It is likely that a disbursement will be necessary to settle the obligation.
- iii) The amount can be reliably estimated.
- iv) Provisions are measured at the present value of Management's best estimate of the expenditures required to settle the obligation. The discount rate used to calculate the present value reflects current market assessments at the reporting date of the time value of money, as well as any specific risks related to the particular liability.
- v) Legal provisions arise from a contract, legislation or other legal cause.
- vi) Site closure provisions are reliable estimates of the expenditure required to make sites operational for the next harvest cycle.

## 2.25 Revenue recognition

Revenue is recorded at the fair value of the consideration received or receivable derived from that revenue. The Company takes into consideration all the relevant facts and circumstances when applying each step of the model established by IFRS 15 regarding customer contracts: (i) identify the contract, (ii) identify the performance obligations, (iii) determine the transaction price, (iv) assign the transaction price to the performance obligations, and (v) revenue recognition. The Company also assesses any incremental costs that arise from winning a contract and any costs directly related to fulfilling a contract. The Company recognizes revenue when the steps set out in this IFRS have been successfully completed.

(i) Operating revenue recognition from the sale of goods

Operating revenue from the sale of goods is recognized when the Company has transferred control over the goods sold to the buyer; when revenue can be reliably measured; when the Company cannot influence how the goods sold are managed; when the Company is likely to receive the financial benefits of the transaction; and when the transaction costs can be reliably measured.

Operating revenue is based on the price established in the sale agreement, net of volume discounts as of the sale date. There is no significant funding component, as sales proceeds are collected within a reduced average period, which is in line with market practice.

Revenue from export sales is based on Incoterms 2010, which are official regulations for interpreting trade terms, and they are issued by the International Chamber of Commerce.

The principal Incoterms used by the Company are as follows:

"CFR (Cost and Freight)", where the Company is responsible for all costs, including principal transport costs, until the goods arrive at the destination port. Risk is transferred to the buyer when the goods are loaded onto the ship, in the country of origin.

"CIF (Cost, Insurance and Freight)", where the Company arranges and pays the foreign transportation costs and other costs. The Company ceases to be responsible for the goods once they have been delivered to the maritime or air carrier. The sale is complete when the goods are delivered to the carrier by the seller.

FOB (Free on Board) and similar, where the buyer arranges and pays the transport costs. Therefore, the sale is complete when the goods are delivered to the carrier arranged by the buyer.

(ii) Operating revenue recognition for providing services

Operating revenue from services is recognized when the performance obligation has been satisfied. Revenue is accounted for considering the degree of service completion as of the closing date, and whether the Company has an enforceable right to payment for providing those services.

## 2.26 Leasing

When a contract begins, the Company assesses whether the contract contains a lease, defined as whether the contract gives the right to control the use of an identified asset for a period of time in exchange for consideration. A contract gives Salmenes Camanchaca S.A. the right to control the use of an identified asset if:

- i) The contract involves the explicit or implicit use of an identified asset. If the supplier has a substantial right of substitution, then the asset is not identified;
- ii) It has the right to receive substantially all the financial benefits from using the asset during the period; and
- iii) It has the right to direct the use of the asset. This right is exercised when significant decisions are taken, for example how and why the asset is used. In exceptional cases, the decision on how and why the asset is used is predetermined. It has the right to direct the use of the asset if it has the right to operate the asset, or if it designed the asset in a manner that predetermines how and why it will be used.

At the beginning or revaluation of a contract containing a lease component, the Company assigns the consideration in the contract to each lease component on the basis of its independent relative prices, by separately allocating the associated cost of capital.

b) Lessee

Salmones Camanchaca S.A. recognizes a right-of-use asset and a lease liability when the lease begins. The right-of-use asset is initially valued at cost, which comprises the initial lease liability adjusted for any lease payments made on or before the start date, plus any initial direct costs and an estimate of the costs to dismantle and eliminate the underlying asset or to restore the underlying asset or the site where it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of its estimated useful life according to the contract term. The estimated useful lives of right-of-use assets are determined by considering future renewals according to the contract term. The value of a right-of-use asset is regularly evaluated and reduced by any impairment losses, and adjusted for specific new valuations of the lease liability.

The lease liability is initially valued at the present value of future payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's borrowing rate, incorporating additional adjustments considering the risk of the country and each of the subsidiaries.

Lease payments included in valuing the lease liability comprise the following:

- Fixed payments, included in the contract.
- The exercise price under a purchase option that the Company may reasonably exercise.
- Lease payments on an optional renewal period if the Company is reasonably certain to exercise the renewal option.
- Penalties for early termination of a lease, unless the Company is reasonably certain that it will not terminate the lease early.

The lease liability is valued at amortized cost using the effective interest method. It is revalued when there is a change in future lease payments due to a change in an index or rate.

When the lease liability is accordingly revalued, the book value of the right-of-use asset is adjusted, unless this reaches zero, in which case the adjustment is recognized in the statement of net income.

The Company presents right-of-use assets in "Property, plant and equipment" and the associated obligations in "Operating lease liabilities, current and non-current" within the consolidated statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for contracts with a term of 12 months or less, and for contracts whose assets have a value under US\$5,000. The Company recognizes the lease payments associated with these transactions as a straight-line expense over the contract term.

The lease incentives received were recognized as an integral part of the total lease expense during the contract term.

c) Lessor

The Company as a lessor determined whether each contract was a finance lease or an operating lease when the lease contract began.

The Company's accounting policies as lessor in the comparative period are as stipulated by IFRS 16.

## 2.27 Dividend Policy

The Company has defined the following dividend policy, in accordance with its by-laws.

Financial statements shall be prepared as of December thirty-one each year. Net distributable income for the year will be distributed as follows.

- a) No less than thirty percent to be distributed as a dividend in cash to shareholders, in proportion to their shares.
- b) The balance to be used to form reserves, as agreed by an Annual General Shareholders' Meeting.

Distributions of dividends to shareholders are recognized as a liability as of each reporting date, in accordance with the dividend policy agreed upon by shareholders at the ordinary general shareholders' meeting.

## 2.28 The environment

The disbursements associated with improvements and investments in productive processes that improve environmental conditions are recorded as an expense or investment in the period in which they arise. When these disbursements are part of investment projects, they are recorded as increases to property, plant and equipment.

The Company has established the following disbursements for environmental protection projects.

- a) Disbursements relating to improvements and investments in productive processes that improve environmental conditions.
- b) Disbursements relating to verifying and monitoring regulations and laws covering industrial processes and facilities.
- c) Other disbursements that affect the environment.

## 2.29 Fair value calculation

The Group values financial instruments, such as derivatives, and non-financial assets, such as biological assets, at fair value as of the reporting date.

Fair value is the price that would be received if an asset is sold or paid to transfer a liability in an orderly transaction between market participants as of the transaction date. Fair value is based on the assumption that the transaction to sell the asset or to transfer the liability takes place:

- In the principal market for that asset or liability, or
- In the absence of a principal market, in the most advantageous market for a transaction involving those assets or liabilities

The Group must have access to this principal or most advantageous market.

The fair value of an asset or liability is calculated using the assumptions that market participants would use when making an offer for that asset or liability, assuming that those market participants are acting in their own financial interest.

The fair value calculation of a non-financial asset takes into consideration the ability of market participants to generate financial benefits from the best use of the asset or through its sale to another market participant that could make the best use of the asset.

The Group uses valuation techniques that are appropriate in the circumstances and uses sufficient information to calculate fair value, by maximizing its use of important observable variables and minimizing its use of unobservable variables.

All assets and liabilities whose fair value is calculated or disclosed in the financial statements are categorized within the fair value hierarchy described below, based on the smallest variable that is significant to the fair value calculation as a whole:

- Level 1 - Unadjusted quoted prices in an active markets for identical assets and liabilities.
- Level 2 - Valuation techniques where the lowest level variable that is significant to the calculation is directly or indirectly observable.
- Level 3 - Valuation techniques where the lowest level variable that is significant to the calculation is not observable.

The Group determines whether there have been transfers between the hierarchy levels of assets and liabilities that are recorded at fair value in the financial statements on a recurring basis by reviewing their categorization, based on the lowest level variable that is significant to the fair value calculation as a whole, at the end of each reporting period.

### NOTE 3 - FINANCIAL RISK MANAGEMENT

The Company's business is exposed to a variety of financial risks, including credit risk, liquidity risk and market risk.

#### 3.1. Credit risk

Credit risk is the risk that a counterparty fails to meet its obligations arising from a financial instrument or purchase contract and this results in a financial loss. The Group's operating activities are exposed to credit risk, mainly its trade receivables, which are disclosed in Note 7 - Trade and other receivables.

##### a) Customer portfolio risk

The Company has no customers in arrears but not impaired as of the reporting date.

##### b) Sales risk

The Company uses the usual tools operating in the industry to market its products. These are contracted with recognized and qualified insurance companies and financial institutions. These agreements are insurance policies covering credit, transport and cargo, confirmation of letters of credit, etc. Where collection is directly performed by the Company, this is substantiated by a long-term business relationship, a full record of payment behavior and recognized financial solvency.

The Company has established policies to ensure that product sales on credit are made to customers with an appropriate credit history. The Company mostly sells into the wholesale market, and export sales are supported by letters of credit. Domestic sales are preferably to customers with an appropriate credit history.

#### 3.2. Liquidity risk

The Company's liquidity risks arise from a shortfall of funds for operating costs, financial costs, investments, debt repayments and dividends, compared to its sources. This risk is mitigated through prudent liquidity management, which involves holding sufficient cash and marketable securities, together with balanced bank financing.

Capital and interest commitments over the terms of bank loans and other commitments are as follows.

a) As of December 31, 2020

| Description                     | 1 to 3 months<br>ThUS\$ | 3 to 12 months<br>ThUS\$ | 1 to 5 years<br>ThUS\$ | Total<br>ThUS\$ |
|---------------------------------|-------------------------|--------------------------|------------------------|-----------------|
| Interest-bearing loans          | 9,116                   | 36,422                   | 82,292                 | 127,830         |
| Trade and other payables        | 48,907                  | 9,519                    | -                      | 58,426          |
| Related party payables, current | 11,431                  | -                        | -                      | 11,431          |
| Total                           | 69,454                  | 45,941                   | 82,292                 | 197,687         |

b) As of December 31, 2019

| Description                     | 1 to 3 months<br>ThUS\$ | 3 to 12 months<br>ThUS\$ | 1 to 5 years<br>ThUS\$ | Total<br>ThUS\$ |
|---------------------------------|-------------------------|--------------------------|------------------------|-----------------|
| Interest-bearing loans          | -                       | 11,976                   | 97,506                 | 109,482         |
| Trade and other payables        | 53,974                  | 9,975                    | -                      | 63,949          |
| Related party payables, current | 15,697                  | -                        | -                      | 15,697          |
| Total                           | 69,671                  | 21,951                   | 97,506                 | 189,128         |

### 3.3. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market prices. Market risk comprises exchange rate risk and interest rate risk,

a) Exchange rate risk

Exchange rate risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in exchange rates.

The Company has defined the US dollar as its functional currency, therefore, it is exposed to exchange rate risk on transactions in Chilean pesos. The exchange rate risk arises on planned commercial transactions, and on assets and liabilities held in Chilean pesos.

The Company has a net asset balance in Chilean pesos as of December 31, 2020 totaling ThUS\$ 3,203 (net liability of ThUS\$ 9,509 as of December 31, 2019). Therefore, an increase of 5% in the exchange rate results in an exchange loss of ThUS\$ 160 (ThUS\$ 475 as of December 31, 2019), while a decrease of 5% in the exchange rate results in an exchange gain of the same amount.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risks, since its long-term financing is at a variable interest rate, which is amended every six months.

The Company has a total of ThUS\$ 122,709 (ThUS\$ 98,391 as of December 31, 2019) in bank liabilities denominated in US dollars as of December 31, 2020. Sensitivity analysis on the interest rates for bank loans reveal that a 1% pa movement in interest rates at the reporting date would result in additional or lower interest costs of ThUS\$ 1,228 (ThUS\$ 984 as of December 31, 2019), as appropriate.

#### NOTE 4 - FINANCIAL INSTRUMENTS

The Company has financial instruments as of December 31, 2020 and December 31, 2019 valued at their fair value as shown in the following table, and there are no differences between their fair value and book value.

| Item   | 12-31-2020           |                      | 12-31-2019           |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | Book value<br>ThUS\$ | Fair value<br>ThUS\$ | Book value<br>ThUS\$ | Fair value<br>ThUS\$ |
| Financial assets at fair value through profit and loss |                      |                      |                      |                      |
| Cash and cash equivalents                              |                      |                      |                      |                      |
| Cash balances  | 170                  | 170                  | 106                  | 106                  |
| Bank balances  | 8,868                | 8,868                | 13,761               | 13,761               |
| Other financial assets                                 | 341                  | 341                  | 56                   | 56                   |
| Financial assets at amortized cost                     |                      |                      |                      |                      |
| Trade and other receivables                            | 15,386               | 15,386               | 39,887               | 39,887               |
| Related party receivables                              | 35,704               | 35,704               | 38,600               | 38,600               |
| Financial liabilities at amortized cost                |                      |                      |                      |                      |
| Other financial liabilities                            | 43,040               | 43,040               | 8,391                | 8,391                |
| Lease liabilities, current                             | 483                  | 483                  | 810                  | 810                  |
| Trade and other payables, current                      | 58,426               | 58,426               | 63,949               | 63,949               |
| Related party payables                                 | 11,431               | 11,431               | 15,697               | 15,697               |
| Other financial liabilities, non-current               | 79,739               | 79,739               | 90,000               | 90,000               |
| Lease liabilities, non-current                         | 187                  | 187                  | 270                  | 270                  |

##### (i) Trade and other receivables

Trade and other receivables are amounts owed by customers for goods sold or services rendered in the ordinary course of business. They are usually settled within a period of 30 days, so are classified as current. Trade and other receivables are initially recognized at the value of the unconditional commitment, unless they contain significant financing components, in which case they are recognized at fair value. The Group accepts trade and other receivables with the objective of collecting the corresponding contractual cash flows and subsequently values them at amortized cost using the effective interest method. The details of Group impairment policies and calculations of impairment loss provisions are included in Note 7 (Trade and other receivables).

The book values of trade and other receivables are treated as equal to their fair values, due to their short-term nature.

Information about the impairment of trade and other receivables and the group's exposure to credit risk, exchange rate risk and interest rate risk can be found in Note 3 (b) Financial Risk Management.

##### (ii) Other financial assets at amortized cost

The group classifies its financial assets at amortized cost provided they meet the following two criteria:

- The asset is held within a business model that aims to receive contractual cash flows.
- The contractual terms give rise to cash flows that are solely receipts of principal and interest.

These amounts generally come from transactions outside the normal course of business for the group.

##### (iii) Trade and other payables

Trade and other payables are not guaranteed and are generally paid within 60 days of recognition.

The book values of trade and other payables are treated as equal to their fair values, due to their short-term nature.

(iv) Loans

Secured liabilities and encumbered assets.

Loans are guaranteed using significant and representative Company assets, which are detailed in Note 30 (Guarantees and contingencies). The Group does not provide any other guarantee using its assets, and ensures that it complies with the financial ratios described in Note 17 (Other current and non-current financial liabilities).

The book values of financial and non-financial assets encumbered in order secure current and non-current loans are disclosed in Note 30 (Guarantees and contingencies).

## NOTE 5 - SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The estimates and judgments used are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable based on the circumstances.

The Company's main accounting estimates as follows.

a) Biomass of biological assets

The fish biomass estimate will always be based on assumptions, even though the Company has ample experience with these factors. The estimates take into account the following components: volume of fish biomass, average biomass weights, distribution of fish weights and market prices.

The volume of fish biomass estimate is based on the number of smolts in the sea, their estimated growth and their mortality during the period, etc. Uncertainty with respect to the volume of biomass is normally lower in the absence of mass mortality events or acute diseases during the cycle.

Fish grow at various rates and even though average weights can be accurately estimated, there is always a wide variation in the quality and size of the fish.

The value of fish biomass is based on a normal weight distribution.

b) Asset impairment

The recoverable amount of property, plant and equipment is revalued annually according to IAS 36, as the company has intangible assets with indefinite lives. Factors that are considered an indication of impairment are declining market values, significant changes in the technological environment, obsolescence or physical deterioration, changes in the way the item is used or expected to be used, including ceasing to use it, etc. The Company evaluates whether there is evidence of impairment at each reporting date, which is whether the book value of an item of property, plant and equipment or an intangible asset is greater than its value in use.

It evaluates each Cash Generating Unit (CGU).

CGUs are identified for impairment testing. IAS 36 defines a CGU as "the smallest identifiable group of assets that generates receipts for the Company, which are largely independent of the receipts generated by other assets or groups of assets."

Therefore, given the Company as a whole, the characteristics of its assets and its productive and marketing processes, the Company's policy is that the CGU value to compare with future cash flows, is based on all the non-current assets at the reporting date in the consolidated financial statements, less those assets that are not: Property plant and equipment and intangible assets other than goodwill.



The Company has used a cash flow forecasting model to calculate the value in use of its assets, based on the following assumptions.

1. Ten year evaluation horizon. Investments in the industry are long-term, as are the cycles and risks that affect the biomass. Therefore, a horizon of less than 10 years does not reflect the Company's long term situation.
2. Residual value. The residual value at the end of the horizon.

Forecast cash flows. Cash flows used in the methodology are based on budget data, best estimates and reasonable and substantiated assumptions that represent Management's best estimates, taking into account the prevailing economic conditions during the remaining useful life of the evaluated assets. The most important assumptions are:

- 2.1. Sales and production volumes.
- 2.2. Estimated annual inflation of 3% and its impact on prices, sales and administration costs, and other costs.
3. Cash flow forecasts are brought to present value using a discount rate that reflects the time value of money and the risks specific to the asset. The Weighted Average Cost of Capital (WACC) rate is used, calculated on the basis of the following variables: The Company or industry beta; the risk-free rate of return; the market rate of return; the cost of the Company's financial debt; and the long-term target debt / equity ratio.

This evaluation resulted in no indications of asset impairment.

Except for the estimated biomass of the biological assets, Management believes that these consolidated financial statements do not contain any assumptions about the future or other uncertain estimates that risk causing significant adjustments to this accounting period and the next.

#### NOTE 6 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows.

|                                 | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|---------------------------------|----------------------|----------------------|
| Cash balances                   | 170                  | 106                  |
| Bank balances                   | 8,868                | 13,761               |
| Total cash and cash equivalents | 9,038                | 13,867               |

## NOTE 7 - TRADE AND OTHER RECEIVABLES

Trade and other receivables are as follows.

|                       | 12-31-2020        |                         |                       | 12-31-2019        |                         |                       |
|-----------------------|-------------------|-------------------------|-----------------------|-------------------|-------------------------|-----------------------|
|                       | Trade receivables | Doubtful debt provision | Net trade receivables | Trade receivables | Doubtful debt provision | Net trade receivables |
| Customers             | 9,664             | (703)                   | 8,961                 | 38,027            | (160)                   | 37,867                |
| Insurance receivables | 4,090             | -                       | 4,090                 | -                 | -                       | -                     |
| Other receivables     | 2,335             | -                       | 2,335                 | 2,020             | -                       | 2,020                 |
| Staff receivables     | -                 | -                       | -                     | -                 | -                       | -                     |
| <b>Total</b>          | <b>16,089</b>     | <b>(703)</b>            | <b>15,386</b>         | <b>40,047</b>     | <b>(160)</b>            | <b>39,887</b>         |

Salmones Camanchaca S.A. does not have any receivables that are guaranteed or renegotiated or any payments that have been rejected and have entered a judicial collection process. It has not factored any of its receivables during 2020 and 2019.

The Company has no financial assets at the reporting date that are in arrears and not impaired.

The insurance receivable is the estimated compensation for the incident that occurred at the Islotes site associated with the loss of biomass after the deductibles and limits that apply to the respective insurance policies.

Classification of receivables by due date.

| Overdue ranges | 12-31-2020                                     |   |                                |                              | 12-31-2019                                     |   |                                |                              |
|----------------|--|---|--------------------------------|------------------------------|--|---|--------------------------------|------------------------------|
|                | Number of customers non-renegotiated portfolio | Gross non-renegotiated portfolio ThUS\$ | Doubtful debt provision ThUS\$ | Net trade receivables ThUS\$ | Number of customers non-renegotiated portfolio | Gross non-renegotiated portfolio ThUS\$ | Doubtful debt provision ThUS\$ | Net trade receivables ThUS\$ |
| Not yet due    | 45   | 3,949                                   | -                              | 3,949                        | 120  | 4,219                                   | -                              | 4,219                        |
| 1- 30 days     | 47   | 4,470                                   | -                              | 4,470                        | 561  | 22,433                                  | -                              | 22,433                       |
| 31- 60 days    | 9  | 3,724                                   | -                              | 3,724                        | 47   | 8,268                                   | -                              | 8,268                        |
| 61- 90 days    | 11   | 1,244                                   | -                              | 1,244                        | 8  | 1,477                                   | -                              | 1,477                        |
| 90- 120 days   | 2  | 991                                     | -                              | 991                          | 57   | 2,369                                   | -                              | 2,369                        |
| 121- 150 days  | 1  | 181                                     | -                              | 181                          | 15   | 581                                     | -                              | 581                          |
| 151- 180 days  | 2  | 827                                     | -                              | 827                          | 6  | 540                                     | -                              | 540                          |
| 181- 210 days  | 4  | 40                                      | (40)                           | -                            | 13   | 6                                       | (6)                            | -                            |
| 211- 250 days  | 4  | 400                                     | (400)                          | -                            | 13   | 96                                      | (96)                           | -                            |
| >250 days      | 28   | 263                                     | (263)                          | -                            | 99   | 58                                      | (58)                           | -                            |
| <b>Total</b>   | <b>153</b>                                     | <b>16,089</b>                           | <b>(703)</b>                   | <b>15,386</b>                | <b>939</b>                                     | <b>40,047</b>                           | <b>(160)</b>                   | <b>39,887</b>                |

Movements in the non-collectable portfolio were as follows:

|                                | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|--------------------------------|----------------------|----------------------|
| Opening balance                | (160)                | (450)                |
| Reversal for payments received | 167                  | 523                  |
| Increases                      | (710)                | (233)                |
| <b>Total</b>                   | <b>(703)</b>         | <b>(160)</b>         |

## NOTE 8 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties include the following entities and individuals.

- Shareholders that can exercise control
- Subsidiaries and their members
- Parties with sufficient interest to give them significant influence
- Parties with joint control
- Associates
- Interests in joint ventures
- Senior management of the entity or of its parent company
- Close relatives of individuals described in the previous points
- An entity that controls, or jointly controls, and is significantly influenced by any of the individuals described in the two previous points.

Generally transactions with related companies are not subject to special conditions. These transactions are in accordance with Law 18,046 governing Corporations and with IAS 24.

Transactions with related companies are performed under conditions identical to other transactions regularly carried out by the Company.

Transferring current and non-current funds between related companies, which do not relate to the collection or payment of services, are structured using commercial current accounts.

- Related party receivables are as follows:

- Current

|                                  | Chilean ID Number | Country | Payment terms | Currency | 12-31-2020 Current ThUS\$ | 12-31-2019 Current ThUS\$ |
|----------------------------------|-------------------|---------|---------------|----------|---------------------------|---------------------------|
| Camanchaca Inc.                  | Foreign           | USA     | Under 30 days | US\$     | 19,000                    | 30,506                    |
| Kabushiki Kaisha Camanchaca Ltd. | Foreign           | Japan   | Under 30 days | US\$     | 13,433                    | 6,485                     |
| Camanchaca México S.A. de C.V.   | Foreign           | Mexico  | Under 30 days | US\$     | 2,570                     | -                         |
| Camanchaca S.A.                  | 93,711,000-6      | Chile   | Under 30 days | Ch\$     | 413                       | 888                       |
| Camanchaca Cultivos Sur S.A.     | 96.633.150-K      | Chile   | Under 30 days | Ch\$     | 16                        | 306                       |
| Camanchaca Pesca Sur S.A.        | 76,143,821-2      | Chile   | Under 30 days | Ch\$     | 53                        | 78                        |
| Transportes Interpolar Ltda.     | 77,970,900-0      | Chile   | Under 30 days | Ch\$     | 219                       | 337                       |
| <b>Total</b>                     |                   |         |               |          | <b>35,704</b>             | <b>38,600</b>             |

- Related party payables are as follows:

- Current

|                                  | Chilean ID Number | Country   | Payment terms | Currency | 12-31-2020 Current ThUS\$ | 12-31-2019 Current ThUS\$ |
|----------------------------------|-------------------|-----------|---------------|----------|---------------------------|---------------------------|
| Camanchaca S.A.                  | 93,711,000-6      | Chile     | Under 30 days | Ch\$     | 7,888                     | 9,748                     |
| Transportes Interpolar Ltda.     | 77,970,900-0      | Chile     | Under 30 days | Ch\$     | 1,180                     | 2,734                     |
| Camanchaca Mexico S.A. de C.V.   | Foreign           | Mexico    | Under 30 days | US\$     | 82                        | -                         |
| Kabushiki Kaisha Camanchaca Ltd. | Foreign           | Japan     | Under 30 days | US\$     | 20                        | 62                        |
| Inmobiliaria Camanchaca S.A. *   | 96,786,700-4      | Chile     | Under 30 days | Ch\$     | -                         | 2,453                     |
| Camanchaca Pesca Sur S.A.        | 76,143,821-2      | Chile     | Under 30 days | Ch\$     | 1,151                     | 493                       |
| Camanchaca Cultivos Sur S.A.     | 96.633.150-K      | Chile     | Under 30 days | Ch\$     | 27                        | -                         |
| Frigorífico Pacífico S.A.        | 77,858,550-2      | Chile     | Under 30 days | Ch\$     | 631                       | 138                       |
| Surproceso S.A.                  | 76,346,370-2      | Chile     | Under 30 days | Ch\$     | 433                       | -                         |
| Codepack S.A.                    | 96974100-8        | Chile     | Under 30 days | Ch\$     | 19                        | 14                        |
| New World Currents Ltd. **       | Foreign           | Hong Kong | Under 30 days | US\$     | -                         | 55                        |
| <b>Total</b>                     |                   |           |               |          | <b>11,431</b>             | <b>15,697</b>             |

\* As of December 2020, Inmobiliaria Camanchaca S.A. was absorbed by Camanchaca S.A. as it holds all the shares.

\* As of May 2020, New World Currents Ltd. was no longer related to Salmenes Camanchaca S.A.

- c) Transactions with related companies for over ThUS\$20 and their effects on the statement of net income for the years ended December 31, 2020 and 2019 are as follows.

| Company                          | Chilean ID Number | Country   | Relationship                        | Description                            | Currency | 12-31-2020       |  | 12-31-2019       |  |
|----------------------------------|-------------------|-----------|-------------------------------------|--|----------|------------------|--|------------------|--|
|                                  |                   |           |                                     |  |          | Amount<br>ThUS\$ | Effect on<br>net income<br>(Charge)/<br>Credit<br>ThUS\$ | Amount<br>ThUS\$ | Effect on<br>net income<br>(Charge)/<br>Credit<br>ThUS\$ |
| Camanchaca Inc.                  | Foreign           | USA       | Common shareholder                  | Product sales                          | US\$     | 131,284          | 26,144   | 133,012          | 19,633   |
| Kabushiki Kaisha Camanchaca Ltd. | Foreign           | Japan     | Common shareholder                  | Product sales                          | US\$     | 32,480           | 8,737  | 21,868           | 3,003  |
| Camanchaca Mexico S.A. de C.V.   | Foreign           | Mexico    | Common shareholder                  | Product sales                          | US\$     | 3,642            | 214  | -                | -  |
| Camanchaca S.A.                  | 93,711,000-6      | Chile     | Parent company                      | Administrative services                | US\$     | 6,258            | (6,258)  | 6,443            | (6,443)  |
| Camanchaca S.A.                  | 93,711,000-6      | Chile     | Parent company                      | Product sales                          | US\$     | 556              | 23   | 307              | 13   |
| Camanchaca S.A.                  | 93,711,000-6      | Chile     | Parent company                      | Office leases                          | US\$     | 225              | 189  | 156              | 131  |
| Camanchaca Pesca Sur S.A.        | 76,143,821-2      | Chile     | Common shareholder                  | Product sales                          | Ch\$     | 167              | 7  | 424              | 18   |
| Camanchaca Pesca Sur S.A.        | 76,143,821-2      | Chile     | Common shareholder                  | Services                               | Ch\$     | 431              | 363  | 284              | 239  |
| Camanchaca Pesca Sur S.A.        | 76,143,821-2      | Chile     | Common shareholder                  | Plant Lease                            | US\$     | 308              | -  | 493              | -  |
| Camanchaca Pesca Sur S.A.        | 76,143,821-2      | Chile     | Common shareholder                  | Product purchases                      | US\$     | 31               | -  | 40               | -  |
| Camanchaca Cultivos Sur S.A.     | 96.633.150-K      | Chile     | Common shareholder                  | Product sales                          | Ch\$     | 34               | 1  | 54               | 2  |
| Camanchaca Cultivos Sur S.A.     | 96.633.150-K      | Chile     | Common shareholder                  | Product purchases                      | Ch\$     | 27               | -  | 18               | -  |
| Camanchaca Cultivos Sur S.A.     | 96.633.150-K      | Chile     | Common shareholder                  | Sales of property, plant and equipment | Ch\$     | -                | -  | 42               | -  |
| Transportes Interpolar Ltda.     | 77,970,900-0      | Chile     | Common shareholder                  | Transport services                     | Ch\$     | 6,745            | (5,668)  | 5,689            | (4,781)  |
| Transportes Interpolar Ltda.     | 77,970,900-0      | Chile     | Common shareholder                  | Sale (Claims)                          | Ch\$     | 54               | (45)   | -                | -  |
| Inmobiliaria Camanchaca S.A.*    | 96,786,700-4      | Chile     | Common shareholder                  | Rental services                        | US\$     | 1,408            | (1,184)  | 1,379            | (1,159)  |
| Surproceso S.A.                  | 76,346,370-2      | Chile     | Associate                           | Salmon processing                      | Ch\$     | 3,932            | -  | 2,488            | -  |
| Frigorífico Pacifico S.A.        | 77,858,550-2      | Chile     | Director and subsidiary shareholder | Leased refrigerators                   | Ch\$     | 2,086            | (1,753)  | 155              | (131)  |
| Codepack S.A.                    | 96,974,100-8      | Chile     | Related Director                    | Packaging                              | Ch\$     | 119              | (100)  | 116              | (98)   |
| New World Currents Inc.**        | Extranjera        | Hong Kong | Associate                           | Comisiones                             | US\$     | 45               | (45)   | 98               | (98)   |

\*The transactions of Inmobiliaria Camanchaca S.A. were included until November 2020, subsequently it was absorbed by Camanchaca S.A.

\*\*The transactions of New World Currents Inc. are those corresponding to May 2020, the month where their participation was sold.

- d) Remuneration and benefits received by the Board and Senior Management.

The Company is managed by a Board of Directors, whose members received fees totaling ThUS\$382 during 2020 (ThUS\$358 in 2019).

The remuneration of Senior Management during 2020 amounted to ThUS\$795 (ThUS\$931 in 2019).

## NOTE 9 - INVENTORIES

Inventories as of each reporting date are as follows.

|   | Unit of Measure | 12-31-2020 |         | 12-31-2019 |         |
|---|-----------------|------------|---------|------------|---------|
|   |                 | Quantity   | ThUS\$  | Quantity   | ThUS\$  |
| Finished products*                                      | Kilo            | 6,076,345  | 47,280  | 3,894,549  | 25,690  |
| Fair value of biological assets harvested but not sold* | N/A             | -          | (388)   | -          | 2,639   |
| Production supplies                                     | N/A             | -          | 7,568   | -          | 6,213   |
| Net realizable value provision*                         | N/A             | -          | (7,345) | -          | (1,195) |
| Decrease in provisions                                  | N/A             | -          | (152)   | -          | (472)   |
| Total   |                 |            | 46,963  |            | 32,875  |

\* Total finished product inventory at net realizable value plus fair value.

Quantities are for finished products and differences in processes, qualities or value added are not distinguished.

Group inventories are valued at the lower of cost or net realizable value.

### 9.1 Information on finished products

The Company has not written off any finished products at the reporting dates.

The Company has not pledged inventories of finished products in guarantee as of December 31, 2020 and December 31, 2019.

The Company has insurance covering its inventories of finished products (Stock Throughput), which includes raw materials (at agreed value or cost), consumables (cost value) and work-in-process and finished products (agreed value).

### 9.2 Reconciliation of finished products

Movements in finished products are as follows.

|  | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|--|----------------------|----------------------|
| Opening balance  | 27,134               | 17,668               |
| Increases for production costs                         | 56,143               | 47,926               |
| Increases for harvested biological assets              | 201,334              | 204,740              |
| Cost of sales  | (234,693)            | (240,346)            |
| Fair value of harvested biological assets in inventory | 23,270               | 79,520               |
| Fair value of harvested biological assets sold         | (26,296)             | (81,179)             |
| Net realizable value provision                         | (7,345)              | (1,195)              |
| Closing balance  | 39,547               | 27,134               |

Cost of sales is composed as follows.

|                        | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|------------------------|----------------------|----------------------|
| Cost of products sold  | 234,693              | 240,346              |
| Cost of services       | 3,957                | 2,046                |
| Cost of smolts sold    | 1,369                | 2,157                |
| Cost of fallow periods | 9,026                | 6,531                |
| Sovereignty expenses   | 4,865                | 1,067                |
| Mortality costs        | 1,239                | 1,316                |
| Total                  | 255,149              | 253,463              |

## NOTE 10 - BIOLOGICAL ASSETS

Biological assets are composed of Atlantic and Pacific salmon, which are valued at fair value.

|                         | 12-31-2020 | 12-31-2019 |
|-------------------------|------------|------------|
| Item                    | ThUS\$     | ThUS\$     |
| Total Biological Assets | 113,756    | 142,615    |

Movements in biological assets are as follows.

|   | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|---|----------------------|----------------------|
| Opening balance as of January 1                                       | 142,615              | 131,687              |
| Increases from growing-out and production                             | 196,405              | 219,775              |
| Decreases from harvests (measured at cost)                            | (201,334)            | (204,740)            |
| Smolt selling costs   | (1,369)              | (2,157)              |
| Fair value adjustment for the period                                  | 7,306                | 81,490               |
| Fair value of harvested biological assets, transferred to inventories | (23,270)             | (79,520)             |
| Mortality losses  | (1,239)              | (3,920)              |
| Fish casualty losses  | (5,358)              | -                    |
| Closing balance   | 113,756              | 142,615              |

Biological assets are as follows:

| Biomass as of 12/31/2020 | Thousand<br>units | Final<br>biomass<br>Ton. | Production<br>costs<br>ThUS\$ | Fair value<br>adjustments<br>ThUS\$ | Total<br>cost<br>ThUS\$ |
|--------------------------|-------------------|--------------------------|-------------------------------|-------------------------------------|-------------------------|
| Fish in sea water        | 12,029            | 23,428                   | 102,415                       | (334)                               | 102,081                 |
| Fish in fresh water      | 18,990            | 587                      | 11,675                        | -                                   | 11,675                  |
|                          |                   | Total                    | 114,090                       | (334)                               | 113,756                 |

| Biomass as of 12/31/2019 | Thousand<br>units | Final<br>biomass<br>Ton. | Production<br>costs<br>ThUS\$ | Fair value<br>adjustments<br>ThUS\$ | Total<br>cost<br>ThUS\$ |
|--------------------------|-------------------|--------------------------|-------------------------------|-------------------------------------|-------------------------|
| Fish in sea water        | 12,337            | 32,368                   | 113,385                       | 15,631                              | 129,016                 |
| Fish in fresh water      | 21,276            | 643                      | 13,599                        | -                                   | 13,599                  |
|                          |                   | Total                    | 126,984                       | 15,631                              | 142,615                 |

Movements in the fair value adjustment of biological assets are as follows.

|  | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|--|----------------------|----------------------|
| Opening fair value                                   | 18,270               | 17,959               |
| Biological increase adjustment in the year           | 7,306                | 81,490               |
| Less: Fair value adjustment for sales of inventories | (26,296)             | (81,179)             |
| Closing fair value                                   | (720)                | 18,270               |

The effect on the fair value adjustment is as follows.

| Fair Value  | For the years ended<br>December 31, |                |
|---|-------------------------------------|----------------|
|   | 2020<br>ThUS\$                      | 2019<br>ThUS\$ |
| Gain (loss) on fair value of biological assets        | 7,305                               | 81,490         |
| Total net fair value adjustments to biological assets | (26,296)                            | (81,179)       |
| Net fair value adjustments to biological assets       | (18,991)                            | 311            |

Sensitivity analysis on the effect on fair value, due to an increase or decrease in price at the reporting date is as follows.

| Species         | Change in ThUS\$    |                     |                     |                     |
|-----------------|---------------------|---------------------|---------------------|---------------------|
|                 | Increase<br>US\$0.1 | Decrease<br>US\$0.1 | Increase<br>US\$0.2 | Decrease<br>US\$0.2 |
| Atlantic salmon | 1,052               | (1,683)             | 2,466               | (2,984)             |

#### NOTE 11 - OTHER CURRENT AND NON-CURRENT NON-FINANCIAL ASSETS

Other current and non-current non-financial assets are as follows.

|                              | 12-31-2020        |                       | 12-31-2019        |                       |
|------------------------------|-------------------|-----------------------|-------------------|-----------------------|
|                              | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Current<br>ThUS\$ | Non-current<br>ThUS\$ |
| Insurance policies           | 830               | -                     | 1,038             | -                     |
| Recoverable taxes            | 6,206             | -                     | 5,834             | -                     |
| Prepaid expenditure at sites | 386               | -                     | 854               | -                     |
| Other prepaid expenditure    | -                 | 112                   | 792               | 112                   |
| Total                        | 7,422             | 112                   | 8,518             | 112                   |

#### NOTE 12 - EQUITY METHOD INVESTMENTS

Investments in associates as of December 31, 2020 are as follows.

| Chilean ID<br>number | Name            | Country | Investments in<br>associates<br>ThUS\$ | Interest<br>% |
|----------------------|-----------------|---------|--|---------------|
| 77,970,900-0         | Surproceso S.A. | Chile   | 4,889                                  | 33.33         |
|                      | Total           |         | 4,889                                  |               |

\* As of May 2020, Salmenes Camanchaca S.A. has ceased to invest in New World Currents Ltd., this disposal generated a loss of ThUS\$ 50 in the statement of net income.

Investments in associates as of December 31, 2019 are as follows.

| Chilean ID<br>number | Name                    | Country   | Investments in<br>associates<br>ThUS\$ | Interest<br>% |
|----------------------|-------------------------|-----------|--|---------------|
| 77,970,900-0         | Surproceso S.A.         | Chile     | 4,750                                  | 33.33         |
| Foreign              | New World Currents Inc. | Hong Kong | 55                                     | 25.00         |
|                      | Total                   |           | 4,805                                  |               |

A summary of these associate's assets and liabilities are as follows.

|              | 12-31-2020       |                       | 12-31-2019       |                       |
|--------------|------------------|-----------------------|------------------|-----------------------|
|              | Assets<br>ThUS\$ | Liabilities<br>ThUS\$ | Assets<br>ThUS\$ | Liabilities<br>ThUS\$ |
| Current      | 7,695            | 2,270                 | 7,370            | 2,282                 |
| Non-current  | 9,242            | 14,666                | 9,382            | 14,470                |
| <b>Total</b> | <b>16,937</b>    | <b>16,936</b>         | <b>16,752</b>    | <b>16,752</b>         |

Operating revenue and net income for the year for these associates are as follows.

|                         | 2020<br>ThUS\$ | 2019<br>ThUS\$ |
|-------------------------|----------------|----------------|
| Operating revenue       | 22,929         | 21,586         |
| Net income for the year | 5,568          | 4,823          |

#### NOTE 13 - TAX ASSETS AND RIGHTS RECEIVABLE

Current tax assets are as follows.

|  | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|--|----------------------|----------------------|
| Monthly provisional tax payments         | 4,972                | 3,808                |
| Recoverable taxes                        | 7,748                | -                    |
| Provisional payment for absorbed profits | 694                  | 737                  |
| Training expenses, Sence                 | 274                  | 218                  |
| Other recoverable taxes                  | 3                    | 98                   |
| <b>Total</b>                             | <b>13,691</b>        | <b>4,861</b>         |

Non-current tax assets are as follows.

|                                  | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|----------------------------------|----------------------|----------------------|
| Tax incentive for investment (1) | 2,168                | 1,252                |

(1) The tax incentive is for investments in the Aysen Region, in accordance with Law 19,606 (Ley Austral). The deadline to recover this incentive is 2045, by discounting it from corporate income tax.

#### NOTE 14 - INTANGIBLE ASSETS OTHER THAN GOODWILL

Non-internally created intangible assets are as follows.

|  | Useful life | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|--|-------------|----------------------|----------------------|
| Aquaculture concessions and water rights | Indefinite  | 6,972                | 6,948                |
| <b>Total</b>                             |             | <b>6,972</b>         | <b>6,948</b>         |



Movements of intangible assets as of December 31, 2020 and December 31, 2019, are as follows:

|                                 | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|---------------------------------|----------------------|----------------------|
| Opening balance as of January 1 | 6,948                | 6,948                |
| Additions                       | 24                   | -                    |
| Closing balance                 | 6,972                | 6,948                |

#### Water rights

| Number | DGA<br>Resolution<br>No | Water source             | Location     | Owner                    | Status    |
|--------|-------------------------|--------------------------|--------------|--------------------------|-----------|
| 1      | 494/1990                | Superficial and Current  | Puerto Varas | Salmones Camanchaca S.A. | Granted   |
| 2      | 046/2011                | Underground              | Puerto Varas | Salmones Camanchaca S.A. | Granted   |
| 3      | 200/1998                | Superficial and Current  | Purranque    | Salmones Camanchaca S.A. | Granted   |
| 4      | 154/2008                | Superficial and Current  | Puerto Varas | Salmones Camanchaca S.A. | Granted   |
| 5      | 184/2001                | Underground              | Puerto Varas | Salmones Camanchaca S.A. | Granted   |
| 6      | 318/2003                | Underground              | Puerto Varas | Salmones Camanchaca S.A. | Granted   |
| 7      | 235/2009                | Underground              | Puerto Varas | Salmones Camanchaca S.A. | Granted   |
| 8      | 931/2013                | Underground              | Puerto Varas | Salmones Camanchaca S.A. | Granted   |
| 9      | 263/2008                | Superficial and Detained | Frutillar    | Salmones Camanchaca S.A. | Granted   |
| 10     | 356/1998                | Superficial and Current  | Frutillar    | Salmones Camanchaca S.A. | Granted   |
| 11     | 468/2004                | Superficial and Current  | Cochamó      | Salmones Camanchaca S.A. | Granted   |
| 12     | 468/2004                | Superficial and Current  | Puerto Montt | Salmones Camanchaca S.A. | Granted   |
| 13     | 468/2004                | Superficial and Current  | Puerto Montt | Salmones Camanchaca S.A. | Granted   |
| 14     | 468/2004                | Superficial and Current  | Puerto Montt | Salmones Camanchaca S.A. | Granted   |
| 15     | 468/2004                | Superficial and Current  | Cochamó      | Salmones Camanchaca S.A. | Granted   |
| 16     | 134/2006                | Superficial and Current  | Cochamó      | Salmones Camanchaca S.A. | Granted   |
| 17     | N/A                     | Superficial and Current  | Antuco       | Salmones Camanchaca S.A. | Granted   |
| 18     | N/A                     | Superficial and Current  | Antuco       | Salmones Camanchaca S.A. | Granted   |
| 19     | In process              | Underground              | Antuco       | Salmones Camanchaca S.A. | Requested |
| 20     | 390/2007                | Underground              | Calbuco      | Salmones Camanchaca S.A. | Granted   |
| 21     | 150/2015                | Superficial and Current  | Chaitén      | Salmones Camanchaca S.A. | Granted   |
| 22     | 109/2015                | Superficial and Current  | Chaitén      | Salmones Camanchaca S.A. | Granted   |
| 23     | 149/2015                | Superficial and Current  | Chaitén      | Salmones Camanchaca S.A. | Granted   |
| 24     | In process              | Superficial and Current  | Puerto Varas | Salmones Camanchaca S.A. | Requested |
| 25     | 656/2017                | Superficial and Current  | Purranque    | Salmones Camanchaca S.A. | Granted   |
| 26     | 012/1998                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 27     | 183/1998                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 28     | 126/1999                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 29     | 360/1998                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 30     | 1239/1998               | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 31     | 124/1999                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 32     | 429/1998                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 33     | 269/1998                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 34     | 692/2000                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 35     | 137/1998                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 36     | 161/2001                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 37     | 356/1997                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 38     | 685/1997                | Superficial and Current  | Purranque    | Fiordo Blanco S.A        | Granted   |
| 39     | 246/2006                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 40     | 397/2004                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 41     | 496/2004                | Superficial and Current  | Chaitén      | Fiordo Blanco S.A        | Granted   |
| 42     | In process              | Superficial and Current  | Puerto Varas | Fiordo Blanco S.A        | Requested |
| 43     | 494/2017                | Superficial and Current  | Cochamó      | Salmones Camanchaca S.A. | Granted   |

## Salmon concessions

| Name                         | Region | Macro zone | Number of concessions (District) | Municipality | Sea water or fresh water | Surface area | Status (Use, Fallow, Other) |
|------------------------------|--------|------------|----------------------------------|--------------|--------------------------|--------------|-----------------------------|
| Playa Maqui (Center of Lake) | X      | 6          | 1                                | Frutillar    | Fresh Water              | 7.5          | Fallow                      |
| Chaiquen                     | X      | 1          | 1                                | Puerto Varas | Sea Water                | 3.74         | Use                         |
| Pucheguin                    | X      | 1          | 1                                | Cochamo      | Sea Water                | 3            | Use                         |
| Pucheguin coast              | X      | 1          | 1                                | Cochamo      | Sea Water                | 9            | Use                         |
| Farellones                   | X      | 1          | 1                                | Cochamo      | Sea Water                | 21.06        | Use                         |
| Marimelli                    | X      | 1          | 1                                | Cochamo      | Sea Water                | 24.98        | Use                         |
| Chilco River 1               | X      | 1          | 1                                | Cochamo      | Sea Water                | 6            | Fallow                      |
| Chilco River 2               | X      | 1          | 1                                | Cochamo      | Sea Water                | 6.75         | Fallow                      |
| Cascajal                     | X      | 1          | 1                                | Cochamo      | Sea Water                | 9            | Use                         |
| Factoría                     | X      | 1          | 1                                | Cochamo      | Sea Water                | 9            | Use                         |
| Puelche                      | X      | 1          | 2                                | Hualaihue    | Sea Water                | 7.54         | Fallow                      |
| Manihueico                   | X      | 1          | 2                                | Hualaihue    | Sea Water                | 15           | Fallow                      |
| Contao                       | X      | 1          | 2                                | Hualaihue    | Sea Water                | 15           | Fallow                      |
| Chagual River                | X      | 1          | 2                                | Hualaihue    | Sea Water                | 7.2          | Fallow                      |
| Aulen                        | X      | 1          | 2                                | Hualaihue    | Sea Water                | 3.25         | Fallow                      |
| San José                     | X      | 1          | 3b                               | Calbuco      | Sea Water                | 3.75         | Fallow                      |
| Penasmo                      | X      | 1          | 3b                               | Calbuco      | Sea Water                | 28.56        | Fallow                      |
| Pilpilehue                   | X      | 3          | 10b                              | Chonchi      | Sea Water                | 32           | Use                         |
| Ahoni                        | X      | 3          | 10b                              | Queilen      | Sea Water                | 33.45        | Use                         |
| Pumalín                      | X      | 5          | 14                               | Chaitén      | Sea Water                | 5.58         | Use                         |
| Islotes                      | X      | 5          | 14                               | Chaitén      | Sea Water                | 36           | Use                         |
| Edwards                      | X      | O          | 15                               | Chaitén      | Sea Water                | 9.04         | Fallow                      |
| Yelcho                       | X      | 5          | 16                               | Chaitén      | Sea Water                | 4.5          | Fallow                      |
| Chilco                       | X      | 5          | 16                               | Chaitén      | Sea Water                | 6.5          | Use                         |
| Fiordo Largo                 | X      | 5          | 16                               | Chaitén      | Sea Water                | 6            | Fallow                      |
| Cabudahue                    | X      | 5          | 16                               | Chaitén      | Sea Water                | 6            | Use                         |
| Pillán                       | X      | 5          | 16                               | Chaitén      | Sea Water                | 19.63        | Fallow                      |
| Isla Nieves                  | X      | 5          | 16                               | Chaitén      | Sea Water                | 6.5          | Use                         |
| Puerto Argentino             | X      | 5          | 16                               | Chaitén      | Sea Water                | 6.5          | Use                         |
| Reñihue 3                    | X      | 5          | 16                               | Chaitén      | Sea Water                | 6.32         | Fallow                      |
| Loncochalgua                 | X      | 5          | 17a                              | Hualaihue    | Sea Water                | 8            | Use                         |
| Porcelana                    | X      | 5          | 17a                              | Chaitén      | Sea Water                | 18.54        | Use                         |
| Leptepu                      | X      | 5          | 17a                              | Chaitén      | Sea Water                | 24.5         | Fallow                      |
| Cahuelmó                     | X      | 5          | 17a                              | Hualaihue    | Sea Water                | 8            | Fallow                      |
| Piedra Blanca                | X      | 5          | 17a                              | Hualaihue    | Sea Water                | 2            | Fallow                      |
| Marilmó                      | X      | 5          | 17a                              | Chaitén      | Sea Water                | 3            | Use                         |
| Arbolito                     | XI     | 6          | 18b                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| Lamalec                      | XI     | 6          | 18b                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| Northeast Garrao 1           | XI     | 6          | 18b                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| Piure Stream                 | XI     | 6          | 18b                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| Filomena 2                   | XI     | 6          | 18b                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |

| Name                  | Region | Macro zone | Number of concessions (District) | Municipality | Sea water or fresh water | Surface area | Status (Use, Fallow, Other) |
|-----------------------|--------|------------|----------------------------------|--------------|--------------------------|--------------|-----------------------------|
| East Lamalec          | XI     | 6          | 18b                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| East Filomena         | XI     | 6          | 18b                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| Chonos                | XI     | 6          | 18c                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| Licha                 | XI     | 6          | 18c                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| Garrao                | XI     | 6          | 18c                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| Gallo Stream          | XI     | 6          | 18c                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| Southwest Leucayec    | XI     | 6          | 18c                              | Guaitecas    | Sea Water                | 11.08        | Fallow                      |
| Piure Channel         | XI     | 6          | 18c                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| Northeast Francisco   | XI     | 6          | 18d                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| East Jechica          | XI     | 6          | 18d                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| South Garrao          | XI     | 6          | 18d                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| South Jechica         | XI     | 6          | 18d                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| West Filomena         | XI     | 6          | 18d                              | Cisnes       | Sea Water                | 12.5         | Use                         |
| SWest Filomena        | XI     | 6          | 18d                              | Cisnes       | Sea Water                | 12.5         | Fallow                      |
| Carmencita            | XI     | 6          | 18d                              | Cisnes       | Sea Water                | 6.06         | Fallow                      |
| Forsyth               | XI     | 6          | 19a                              | Cisnes       | Sea Water                | 8.45         | Fallow                      |
| Johnson 1             | XI     | 6          | 19a                              | Cisnes       | Sea Water                | 10.6         | Fallow                      |
| Johnson 2             | XI     | 6          | 19a                              | Cisnes       | Sea Water                | 6.35         | Fallow                      |
| Midhurst              | XI     | 6          | 19a                              | Cisnes       | Sea Water                | N/A          | Fallow                      |
| Tahuenahuec           | XI     | 6          | 20                               | Cisnes       | Sea Water                | 5.52         | Fallow                      |
| Benjamin              | XI     | 6          | 20                               | Cisnes       | Sea Water                | 50.88        | Fallow                      |
| King                  | XI     | 6          | 20                               | Cisnes       | Sea Water                | 29.38        | Fallow                      |
| Punta Alta            | XI     | 6          | 20                               | Cisnes       | Sea Water                | 26.56        | Fallow                      |
| No Name               | XI     | 6          | 20                               | Cisnes       | Sea Water                | 17.84        | Fallow                      |
| South Izaza           | XI     | 6          | 20                               | Cisnes       | Sea Water                | 8.96         | Use                         |
| Martita               | XI     | 6          | 20                               | Cisnes       | Sea Water                | 17.57        | Fallow                      |
| Paso Lautaro          | XI     | 6          | 20                               | Cisnes       | Sea Water                | 9.8          | Use                         |
| Southwest Tahuenahuec | XI     | 6          | 20                               | Cisnes       | Sea Water                | 14.64        | Fallow                      |
| Southeast Izaza       | XI     | 6          | 20                               | Cisnes       | Sea Water                | 6.62         | Fallow                      |
| Port Róbaló           | XI     | 6          | 20                               | Cisnes       | Sea Water                | 14.07        | Fallow                      |
| Williams 1            | XI     | 6          | 21d                              | Cisnes       | Sea Water                | 11.95        | Use                         |
| Williams 2            | XI     | 6          | 21d                              | Cisnes       | Sea Water                | 10.28        | Fallow                      |
| Williams Sector 2     | XI     | 6          | 21d                              | Cisnes       | Sea Water                | N/A          | Fallow                      |

# NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment and its movements are as follows.

|                                   | Land<br>ThUS\$ | Buildings<br>ThUS\$ | Plant and<br>equipment<br>ThUS\$ | Vessels<br>ThUS\$ | Motor<br>vehicles<br>ThUS\$ | Other<br>property,<br>plant and<br>equipment<br>ThUS\$ | Total<br>property,<br>plant and<br>equipment<br>ThUS\$ |
|-----------------------------------|----------------|---------------------|----------------------------------|-------------------|-----------------------------|--|--|
| Balance as of January 1, 2020     |                |                     |                                  |                   |                             |  |  |
| Cost or valuation                 | 5,307          | 45,561              | 175,756                          | 2,773             | 893                         | 4,506  | 234,796  |
| Accumulated depreciation          | -              | (18,930)            | (97,613)                         | (2,542)           | (450)                       | (3,373)  | (122,908)  |
| Net balance as of January 1, 2020 | 5,307          | 26,631              | 78,143                           | 231               | 443                         | 1,133  | 111,888  |

|                                  |       |         |          |      |       |       |          |
|----------------------------------|-------|---------|----------|------|-------|-------|----------|
| Additions *                      | 235   | 1,027   | 18,748   | 8    | 645   | 409   | 21,072   |
| Disposals                        | (5)   | (8)     | (1,824)  | -    | -     | (27)  | (1,864)  |
| Transfers                        | -     | 3,411   | (3,617)  | 23   | -     | 183   | -        |
| Depreciation                     | -     | (1,875) | (12,200) | (41) | (613) | (749) | (15,478) |
| Balances as of December 31, 2020 | 5,537 | 29,186  | 79,250   | 221  | 475   | 949   | 115,618  |

|                                   | Land<br>ThUS\$ | Buildings<br>ThUS\$ | Plant and<br>equipment<br>ThUS\$ | Vessels<br>ThUS\$ | Motor<br>vehicles<br>ThUS\$ | Other<br>property,<br>plant and<br>equipment<br>ThUS\$ | Total<br>property,<br>plant and<br>equipment<br>ThUS\$ |
|-----------------------------------|----------------|---------------------|----------------------------------|-------------------|-----------------------------|--|--|
| Balance as of January 1, 2019     |                |                     |                                  |                   |                             |  |  |
| Cost or valuation                 | 5,307          | 41,335              | 148,272                          | 2,773             | 138                         | 4,318  | 202,143  |
| Accumulated depreciation          | -              | (17,594)            | (86,990)                         | (2,502)           | (101)                       | (2,687)  | (109,874)  |
| Net balance as of January 1, 2019 | 5,307          | 23,741              | 61,282                           | 271               | 37                          | 1,631  | 92,269   |

|                                  |       |         |          |      |       |       |          |
|----------------------------------|-------|---------|----------|------|-------|-------|----------|
| Additions *                      | -     | 1,417   | 32,412   | -    | 783   | -     | 34,612   |
| Disposals                        | -     | (63)    | (1,878)  | -    | (28)  | 10    | (1,959)  |
| Transfers                        | -     | 2,872   | (3,050)  | -    | -     | 178   | -        |
| Depreciation                     | -     | (1,336) | (10,623) | (40) | (349) | (686) | (13,034) |
| Balances as of December 31, 2019 | 5,307 | 26,631  | 78,143   | 231  | 443   | 1,133 | 111,888  |

\* Contains Austral law credit reductions of ThUS\$850 in 2020 and ThUS\$4,288 in 2019.

Property, plant and equipment as of December 31, 2020 is as follows.

|                                     | Gross value<br>ThUS\$ | Accumulated<br>depreciation<br>ThUS\$ | Net value<br>ThUS\$ |
|-------------------------------------|-----------------------|---------------------------------------|---------------------|
| Land                                | 5,537                 | -                                     | 5,537               |
| Buildings                           | 50,003                | (20,817)                              | 29,186              |
| Plant and equipment                 | 187,885               | (108,815)                             | 79,070              |
| Vessels                             | 2,804                 | (2,583)                               | 221                 |
| Motor vehicles                      | 86                    | (77)                                  | 9                   |
| Other property, plant and equipment | 5,071                 | (4,122)                               | 949                 |
| Right-to-use assets*                | 2,618                 | (1,972)                               | 646                 |
| <b>Total</b>                        | <b>254,004</b>        | <b>(138,386)</b>                      | <b>115,618</b>      |

\* Right-to-use leased assets are mainly site equipment and transport vehicles for the business, according to IFRS 16. These leasing contracts are normally for a 3 year period.

Property, plant and equipment as of December 31, 2019 is as follows.

|                                     | Gross value<br>ThUS\$ | Accumulated<br>depreciation<br>ThUS\$ | Net value<br>ThUS\$ |
|-------------------------------------|-----------------------|---------------------------------------|---------------------|
| Land                                | 5,307                 | -                                     | 5,307               |
| Buildings                           | 45,561                | (18,930)                              | 26,631              |
| Plant and equipment                 | 175,098               | (97,613)                              | 77,485              |
| Vessels                             | 2,774                 | (2,543)                               | 231                 |
| Motor vehicles                      | 457                   | (450)                                 | 7                   |
| Other property, plant and equipment | 4,506                 | (3,373)                               | 1,133               |
| Right-to-use assets*                | 1,966                 | (872)                                 | 1,094               |
| <b>Total</b>                        | <b>235,669</b>        | <b>(123,781)</b>                      | <b>111,888</b>      |

a) Valuation

Management has chosen the cost model as its accounting policy, and has applied this policy to all items in property, plant and equipment.

b) Depreciation method

The depreciation method applied to all items of property, plant and equipment (excluding land) is the straight line method, which produces a constant expense over their useful life.

The depreciation expense was distributed as follows.

|                   | Administrative<br>expense<br>ThUS\$ | Distribution<br>expense<br>ThUS\$ | Production<br>ThUS\$ | Total<br>ThUS\$ |
|-------------------|-------------------------------------|-----------------------------------|----------------------|-----------------|
| December 31, 2020 | 91                                  | 96                                | 15,291               | 15,478          |
| December 31, 2019 | 84                                  | 92                                | 12,858               | 13,034          |

c) Property, plant and equipment subject to guarantees or restrictions

The Company has mortgaged and pledged property, plant and equipment to guarantee the syndicated loan, and the details are disclosed in Note 31.

d) Insurance

The Company has insurance policies to cover the risks to items of property, plant and equipment, including in some cases loss of profit or loss due to strikes. The Company constantly analyzes its insurance cover to ensure that it is reasonable when compared to the risks inherent to its business.

e) The gross value of properties, plant and equipment items that are fully depreciated and still in use are as follows.

|                     | 12-31-2020<br>Gross value<br>ThUS\$ | 12-31-2019<br>Gross value<br>ThUS\$ |
|---------------------|-------------------------------------|-------------------------------------|
| Buildings           | 7,383                               | 7,458                               |
| Plant and equipment | 36,481                              | 36,120                              |
| Vessels             | 2,170                               | 2,214                               |
| Motor vehicles      | 84                                  | 86                                  |
| <b>Total</b>        | <b>46,118</b>                       | <b>45,878</b>                       |

f) There are no items of property, plant and equipment that are no longer actively used, but not classified as held for sale, in accordance with IFRS 5.

g) Management believes that all items of property, plant and equipment have fair values that are not significantly different from their book values.

## NOTE 16 - INCOME AND DEFERRED TAXES

Deferred taxes are as follows.

|   | 12-31-2020                       |  | 12-31-2019                       |  |
|---|----------------------------------|--|----------------------------------|--|
|   | Deferred<br>tax assets<br>ThUS\$ | Deferred<br>tax<br>liabilities<br>ThUS\$ | Deferred<br>tax assets<br>ThUS\$ | Deferred<br>tax<br>liabilities<br>ThUS\$ |
| Tax losses                                | 7,728                            | -  | 1,939                            | -  |
| Inventory provisions                      | 1,983                            | -  | 323                              | -  |
| Vacation provision                        | 425                              | -  | 363                              | -  |
| Staff severance indemnity provision       | 43                               | -  | 37                               | -  |
| Doubtful debt provisions                  | 190                              | -  | 43                               | -  |
| Prepaid income                            | 2,527                            | -  | 2,363                            | -  |
| Lease liabilities                         | 181                              | -  | 292                              | -  |
| Property, plant, and equipment            | -                                | (1,934)                                  | -                                | (681)                                    |
| Finished products and work-in-progress    | -                                | (14,025)                                 | -                                | (14,208)                                 |
| Concessions                               | -                                | (747)                                    | -                                | (796)                                    |
| Biological assets                         | 194                              | -  | -                                | (5,182)                                  |
| Other provisions                          | 38                               | -  | 30                               | -  |
| Other property, plant and equipment       | -                                | (159)                                    | -                                | (214)                                    |
| <b>Total</b>                              | <b>13,309</b>                    | <b>(16,865)</b>                          | <b>5,390</b>                     | <b>(21,081)</b>                          |
| <b>Total net deferred tax liabilities</b> |                                  | <b>(3,556)</b>                           |                                  | <b>(15,691)</b>                          |

The net presentation in the consolidated financial statements of deferred tax assets and liabilities as of December 31, 2020 and 2019 is as follows:

|   | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|---|----------------------|----------------------|
| Deferred tax assets                       | 2,963                | 1,419                |
| Deferred tax liabilities                  | (6,519)              | (17,110)             |
| <b>Total net deferred tax liabilities</b> | <b>(3,556)</b>       | <b>(15,691)</b>      |

Income taxes are as follows.

|                                     | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|-------------------------------------|----------------------|----------------------|
| Current tax expense                 | (20)                 | (12,666)             |
| Prior period tax adjustment         | 20                   | 1,177                |
| Deferred tax expense for the period | 12,135               | (3,374)              |
| <b>Total</b>                        | <b>12,135</b>        | <b>(14,863)</b>      |

Reconciliation of tax expense using statutory rate to tax expense using effective rate.

|   | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|---|----------------------|----------------------|
| Income tax expense using the statutory rate | 11,816               | (15,448)             |
| Income tax on salaries and wages            | (20)                 | (25)                 |
| Tax effect of non-taxable revenue           | 501                  | 1,184                |
| Tax effect of non-deductible expenses       | (162)                | (574)                |
| <b>Total</b>                                | <b>12,135</b>        | <b>(14,863)</b>      |
| <b>Effective rate</b>                       | <b>27.73%</b>        | <b>25.98%</b>        |

#### NOTE 17 - OTHER CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Other financial liabilities are as follows.

Current

|                        | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|------------------------|----------------------|----------------------|
| Interest-bearing loans | 43,040               | 8,391                |
| <b>Total current</b>   | <b>43,040</b>        | <b>8,391</b>         |

Non-current

|                          | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|--------------------------|----------------------|----------------------|
| Interest-bearing loans   | 79,739               | 90,000               |
| <b>Total non-current</b> | <b>79,739</b>        | <b>90,000</b>        |

On November 27, 2017, Salmenes Camanchaca S.A. and its parent company Camanchaca S.A. signed a debt rescheduling, financing commitment and joint and several guarantee contract with DNB Bank ASA,

Cooperative Rabobank U.A. and Banco Santander Chile S.A., as legalized in a public deed. It rescheduled these company's liabilities as of that date totaling US\$165 million.

On November 27, 2020, Salmones Camanchaca S.A. signed an amendment to the debt rescheduling, financing commitment and joint and several guarantee contract, which postponed the 10% tranche C reduction maturing in 2020 to November 27, 2021. This postponement is in addition to another 10% of this committed facility that matures on the same date, as reflected in the updated tranche C conditions.

The rescheduling covers three financing tranches.

- Tranche A conditions
  - Debtor: Camanchaca S.A.
  - Quantity: US\$ 25 million.
  - Maturity: November 2019, fully prepaid on February 12, 2018 when the Salmones Camanchaca S.A. IPO took place.
  - Six-monthly repayments in four equal installments from May 27, 2018 to November 27, 2019, unless the IPO for Salmones Camanchaca S.A. is approved, in which case the loan will be fully repaid from these funds.
  - Rate: Applicable Margin + Libor for the defined period
- Tranche B conditions (renegotiated in February 2020)
  - Debtor: Camanchaca S.A.
  - Quantity: US\$ 40 million.
  - Maturity: November 2024.
  - Six-monthly repayments from May 27, 2022 to November 27, 2024, which will depend on the amount drawn down on the payment date.
  - Rate: Applicable Margin + Libor for the defined period
- Tranche C conditions
  - Debtor: Salmones Camanchaca S.A.
  - Quantity: US\$ 100 million.
  - Maturity: November 2022.
  - Six-monthly repayments in two equal installments of 20% of the debt from November 27, 2021, plus a final installment for the remaining 80% of the debt on November 27, 2022.
  - Rate: Applicable Margin + Libor for the defined period

The costs of tranches A, B and C are represented by a margin over LIBOR, which depends on the extent of borrowing measured every six months as the ratio between the previous twelve months EBITDA and Net Borrowing, and this margin will fluctuate between 2.25% and 3.25%.

The Company's most representative and significant assets are pledged in guarantee.

The current loan has the following financial covenants:

- a) Debt ratio must not exceed 4 times, defined as the ratio of Net Financial Debt to EBITDA for the last 12 calendar months.
- b) Equity ratio must be at least 40%, defined as the ratio of Total Equity to Total Assets.

These ratios must be measured every quarter, and they have both been met. However, the debt ratio covenant will not be met for this quarter. The creditor banks allow the aforementioned default, which, consequently, does not constitute an event of default under the Refinancing Agreement.

Salmones Camanchaca S.A. has fully drawn down Tranche C (US\$ 100 million). Additionally, it has short-term loans from BCI, BCI Miami, Banco Estado and Santander banks that total US\$ 23 million.



Interest-bearing loans

Obligations that mature in under 12 months

|                                 | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|---------------------------------|----------------------|----------------------|
| DNB Bank ASA                    | 6,769                | 1,486                |
| Rabobank Cooperate U.A.         | 9,158                | 2,010                |
| Banco Santander                 | 8,996                | 874                  |
| Banco Crédito e Inversiones     | 4,023                | 4,021                |
| Banco Estado                    | 10,056               | -                    |
| Banco Crédito Inversiones Miami | 4,038                | -                    |
| <b>Total</b>                    | <b>43,040</b>        | <b>8,391</b>         |

Obligations that mature in over 12 months

|                         | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|-------------------------|----------------------|----------------------|
| DNB Bank ASA            | 27,111               | 30,600               |
| Rabobank Cooperate U.A. | 36,680               | 41,400               |
| Banco Santander         | 15,948               | 18,000               |
| <b>Total</b>            | <b>79,739</b>        | <b>90,000</b>        |

The Company's loans are as follows.

a) As of December 31, 2020

| Debtor ID Number | Debtor                   | Country | Creditor ID Number | Creditor                       | Country | Currency | Repayments                   | Nominal rate | Effective rate | Guarantees  | Current       |                   |               | Non-Current  |              |              |                   |
|------------------|--------------------------|---------|--------------------|--------------------------------|---------|----------|------------------------------|--------------|----------------|-------------|---------------|-------------------|---------------|--------------|--------------|--------------|-------------------|
|                  |                          |         |                    |                                |         |          |                              |              |                |             | Maturity      |                   | Total current | Maturity     |              |              | Total non-current |
|                  |                          |         |                    |                                |         |          |                              |              |                |             | Under 90 days | 90 days to 1 year |               | 1 to 3 years | 3 to 5 years | Over 5 years |                   |
| 76-065.596-1     | Salmones Camanchaca S.A. | Chile   | 0-E                | DNB Bank ASA                   | Noruega | US\$     | Semiannually and at maturity | 2,51         | 2,51           | % of assets | 81            | 6.688             | 6.769         | 27.111       | -            | -            | 27.111            |
| 76.065.596-1     | Salmones Camanchaca S.A. | Chile   | 97.036.000-k       | Banco Santander                | Chile   | US\$     | Semiannually and at maturity | 2,51         | 2,51           | % of assets | 47            | 3.934             | 3.981         | 15.948       | -            | -            | 15.948            |
| 76-065.596-1     | Salmones Camanchaca S.A. | Chile   | 0-E                | Rabobank Cooperate U.A.        | Holanda | US\$     | Semiannually and at maturity | 2,51         | 2,51           | % of assets | 109           | 9.049             | 9.158         | 36.680       | -            | -            | 36.680            |
| 76-065.596-1     | Salmones Camanchaca S.A. | Chile   | 97.006.000-6       | Banco de Crédito e inversiones | Chile   | US\$     | Semiannually and at maturity | 2,80         | 2,80           | % of assets | -             | 4.023             | 4.023         | -            | -            | -            | -                 |
| 76-065.596-1     | Salmones Camanchaca S.A. | Chile   | 0-E                | Banco de Crédito e inversiones | EEUU    | US\$     | Semiannually and at maturity | 3,00         | 3,00           | % of assets | 4.038         | -                 | 4.038         | -            | -            | -            | -                 |
| 76-065.596-1     | Salmones Camanchaca S.A. | Chile   | 97.036.000-k       | Banco Santander                | Chile   | US\$     | Semiannually and at maturity | 2,20         | 2,20           | % of assets | -             | 5.015             | 5.015         | -            | -            | -            | -                 |
| 76-065.596-1     | Salmones Camanchaca S.A. | Chile   | 97.030.000-7       | Banco Estado                   | Chile   | US\$     | Semiannually and at maturity | 2,21         | 2,21           | % of assets | 5.049         | -                 | 5.049         | -            | -            | -            | -                 |
| 76-065.596-1     | Salmones Camanchaca S.A. | Chile   | 97.030.000-7       | Banco Estado                   | Chile   | US\$     | Semiannually and at maturity | 0,90         | 0,90           | % of assets | -             | 5.007             | 5.007         | -            | -            | -            | -                 |
|                  |                          |         |                    |                                |         |          |                              |              |                |             | 9.324         | 33.716            | 43.040        | 79.739       | -            | -            | 79.739            |

b) As of December 31, 2019

| Debtor ID Number | Debtor                   | Country | Creditor ID Number | Creditor                       | Country | Currency | Repayments                   | Nominal rate | Effective rate | Guarantees  | Current       |                   |               | Non-Current  |              |              |                   |
|------------------|--------------------------|---------|--------------------|--------------------------------|---------|----------|------------------------------|--------------|----------------|-------------|---------------|-------------------|---------------|--------------|--------------|--------------|-------------------|
|                  |                          |         |                    |                                |         |          |                              |              |                |             | Maturity      |                   | Total current | Maturity     |              |              | Total non-current |
|                  |                          |         |                    |                                |         |          |                              |              |                |             | Under 90 days | 90 days to 1 year |               | 1 to 3 years | 3 to 5 years | Over 5 years |                   |
| 76-065.596-1     | Salmones Camanchaca S.A. | Chile   | 0-E                | DNB Bank ASA                   | Noruega | US\$     | Semiannually and at maturity | 4,17         | 4,17           | % of assets | -             | 1.486             | 1.486         | 30.600       | -            | -            | 30.600            |
| 76.065.596-1     | Salmones Camanchaca S.A. | Chile   | 97.036.000-k       | Banco Santander                | Chile   | US\$     | Semiannually and at maturity | 4,17         | 4,17           | % of assets | -             | 874               | 874           | 18.000       | -            | -            | 18.000            |
| 76-065.596-1     | Salmones Camanchaca S.A. | Chile   | 0-E                | Rabobank Cooperate U.A.        | Holanda | US\$     | Semiannually and at maturity | 4,17         | 4,17           | % of assets | -             | 2.010             | 2.010         | 41.400       | -            | -            | 41.400            |
| 76-065.596-1     | Salmones Camanchaca S.A. | Chile   | 97.006.000-6       | Banco de Crédito e inversiones | Chile   | US\$     | Semiannually and at maturity | 2,81         | 2,81           | % of assets | -             | 4.021             | 4.021         | -            | -            | -            | -                 |
|                  |                          |         |                    |                                |         |          |                              |              |                |             | -             | 8.391             | 8.391         | 90.000       | -            | -            | 90.000            |

Reconciliation of financial obligations for the statement of cash flows:

a) As of December 31, 2020

| Other financial liabilities                    | Balance as of<br>January 1,<br>2020<br>ThUS\$ | Cash Flows        |                    |                        | Accrual<br><br>ThUS\$ | Others<br><br>ThUS\$ | Balance as<br>of<br>December<br>31, 2020<br>ThUS\$ |
|--|---|-------------------|--------------------|------------------------|-----------------------|----------------------|--|
|  |   | Payments          |                    | Acquisitions<br>ThUS\$ |                       |                      |  |
|  |   | Capital<br>ThUS\$ | Interest<br>ThUS\$ |                        |                       |                      |  |
| Current  |   |                   |                    |                        |                       |                      |  |
| Bank loans                                     | 8,391   | (4,000)           | (3,639)            | 29,000                 | 3,616                 | 9,672                | 43,040   |
| Total other financial liabilities, current     | 8,391   | (4,000)           | (3,639)            | 29,000                 | 3,616                 | 9,672                | 43,040   |
| Non-current                                    |   |                   |                    |                        |                       |                      |  |
| Bank loans                                     | 90,000  | -                 | -                  | -                      | -                     | (10,261)             | 79,739   |
| Total other financial liabilities, non-current | 90,000  | -                 | -                  | -                      | -                     | (10,261)             | 79,739   |
| Total other financial liabilities              | 98,391  | (4,000)           | (3,639)            | 29,000                 | 3,616                 | (589)                | 122,779  |

b) As of December 31, 2019

| Other financial liabilities                    | Balance as of<br>January 1,<br>2019<br>ThUS\$ | Cash Flows        |                    |                            | Accrual<br><br>ThUS\$ | Others<br><br>ThUS\$ | Balance as<br>of<br>December<br>31, 2019<br>ThUS\$ |
|--|---|-------------------|--------------------|----------------------------|-----------------------|----------------------|--|
|  |   | Payments          |                    | Acquisitions<br><br>ThUS\$ |                       |                      |  |
|  |   | Capital<br>ThUS\$ | Interest<br>ThUS\$ |                            |                       |                      |  |
| Current  |   |                   |                    |                            |                       |                      |  |
| Bank loans                                     | 243   | (5,000)           | (3,884)            | 9,000                      | 4,032                 | 4,000                | 8,391  |
| Total other financial liabilities, current     | 243   | (5,000)           | (3,884)            | 9,000                      | 4,032                 | 4,000                | 8,391  |
| Non-current                                    |   |                   |                    |                            |                       |                      |  |
| Bank loans                                     | 50,000  | -                 | -                  | 44,000                     | -                     | (4,000)              | 90,000   |
| Total other financial liabilities, non-current | 50,000  | -                 | -                  | 44,000                     | -                     | (4,000)              | 90,000   |
| Total other financial liabilities              | 50,243  | (5,000)           | (3,884)            | 53,000                     | 4,032                 | -                    | 98,391   |

## NOTE 18 - LEASE LIABILITIES

These include obligations arising from commercial operating leases with third parties, which were signed in the normal course of business.

As of December 31, 2020 and December 31, 2019, operating lease liabilities are as follows:

|                                | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|--------------------------------|----------------------|----------------------|
| Lease liabilities, current     | 483                  | 810                  |
| Lease liabilities, non-current | 187                  | 270                  |
| <b>Total</b>                   | <b>670</b>           | <b>1,080</b>         |

These liabilities by maturity are as follows.

|                         | Under 90 days<br>ThUS\$ | 91 days to 1<br>year<br>ThUS\$ | 1 to 3<br>years<br>ThUS\$ | 3 to 5<br>years<br>ThUS\$ | Over 5<br>years<br>ThUS\$ |
|-------------------------|-------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|
| As of December 31, 2020 | 162                     | 321                            | 187                       | -                         | -                         |
| As of December 31, 2019 | 125                     | 685                            | 270                       | -                         | -                         |

The effects on the statement of net income of operating lease contracts are as follows:

|                               | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|-------------------------------|----------------------|----------------------|
| Lease expense                 | 1,077                | 909                  |
| Interest                      | (56)                 | (73)                 |
| Depreciation                  | (1,100)              | (873)                |
| Gain (loss) on deferred taxes | 29                   | 10                   |
| <b>Net income (loss)</b>      | <b>(50)</b>          | <b>(27)</b>          |

## NOTE 19 - TRADE AND OTHER PAYABLES

Trade and other payables are as follows:

|                   | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|-------------------|----------------------|----------------------|
| Trade payables    | 55,044               | 56,004               |
| Documents payable | 143                  | 798                  |
| Retentions        | 841                  | 738                  |
| Dividends payable | -                    | 3,791                |
| Other             | 2,398                | 2,618                |
| <b>Total</b>      | <b>58,426</b>        | <b>63,949</b>        |

Trade payables as of December 31, 2020 and 2019 by suppliers are as follows.

- Suppliers with payments not overdue

| Supplier    | Amount by payment terms in days |        |       |        |         | Total<br>ThUS\$ | Average<br>payment<br>period<br>(days) |
|-------------|---------------------------------|--------|-------|--------|---------|-----------------|--|
|             | Under 30                        | 31-60  | 61-90 | 91-120 | 121-365 |                 |  |
| Products    | 11,651                          | 10,706 | 6,931 | 6,965  | 2,427   | 38,680          | 43                                     |
| Services    | 6,000                           | 9,056  | 209   | -      | 127     | 15,392          | 37                                     |
| Grand Total | 17,651                          | 19,762 | 7,140 | 6,965  | 2,554   | 54,072          |  |

- Suppliers with payments overdue

| Supplier    | Amount by overdue range in days |       |       |        |         |          | Total<br>ThUS\$ |
|-------------|---------------------------------|-------|-------|--------|---------|----------|-----------------|
|             | Under 30                        | 31-60 | 61-90 | 91-120 | 121-180 | Over 181 |                 |
| Products    | 70                              | 442   | -     | 32     | 308     | -        | 852             |
| Services    | 21                              | -     | -     | 3      | 3       | 93       | 120             |
| Grand Total | 91                              | 442   | -     | 35     | 311     | 93       | 972             |

Trade payables as of December 31, 2019 by suppliers are as follows.

- Suppliers with payments not overdue

| Supplier    | Amount by payment terms in days |        |       |        |         | Total<br>ThUS\$ | Average<br>payment<br>period<br>(days) |
|-------------|---------------------------------|--------|-------|--------|---------|-----------------|--|
|             | Under 30                        | 31-60  | 61-90 | 91-120 | 121-365 |                 |  |
| Products    | 4,470                           | 14,502 | 9,236 | 8,458  | 1,385   | 38,051          | 57                                     |
| Services    | 4,823                           | 9,643  | 2     | -      | 132     | 14,600          | 39                                     |
| Grand Total | 9,293                           | 24,145 | 9,238 | 8,458  | 1,517   | 52,651          |  |

- Suppliers with payments overdue

| Supplier    | Amount by overdue range in days |       |       |        |         |          | Total<br>ThUS\$ |
|-------------|---------------------------------|-------|-------|--------|---------|----------|-----------------|
|             | Under 30                        | 31-60 | 61-90 | 91-120 | 121-180 | Over 181 |                 |
| Products    | 529                             | 1,176 | 1,038 | 23     | -       | -        | 2,766           |
| Services    | 313                             | 46    | -     | 11     | -       | 217      | 587             |
| Grand Total | 842                             | 1,222 | 1,038 | 34     | -       | 217      | 3,353           |

The Company has no confirming transactions.

## NOTE 20 - OTHER PROVISIONS

The items that comprise Other provisions at the reporting date are as follows:

|                               | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|-------------------------------|----------------------|----------------------|
| Legal proceedings provisions* | 142                  | 111                  |
| Site closure costs provisions | 5,337                | 6,197                |
| Total                         | 5,479                | 6,308                |

\* Legal proceedings are described in Note 31 d) on contingencies

Movements in provisions are as follows:

|                       | Legal proceedings provisions |                      | Site closure costs provisions |                      |
|-----------------------|------------------------------|----------------------|-------------------------------|----------------------|
|                       | 12-31-2020<br>ThUS\$         | 12-31-2019<br>ThUS\$ | 12-31-2020<br>ThUS\$          | 12-31-2019<br>ThUS\$ |
| Opening balance       | 111                          | 63                   | 6,197                         | 6,608                |
| Increases             | 101                          | 48                   | 11,334                        | 6,197                |
| Decreases or payments | (70)                         | -                    | (12,194)                      | (6,608)              |
| Closing balance       | 142                          | 111                  | 5,337                         | 6,197                |

## NOTE 21 - EMPLOYEE BENEFIT PROVISIONS

As of December 31, 2020 and December 31, 2019, these are detailed as follows.

|                                | Current              |                      | Non-current          |                      |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
| Vacation provision             | 1,573                | 1,342                | -                    | -                    |
| Employee severance indemnities | -                    | 37                   | 158                  | 101                  |
| Total                          | 1,573                | 1,379                | 158                  | 101                  |

The Company has registered a provision for severance indemnities for years of service, which is based on collective and individual agreements with specific groups of employees. This obligation is calculated as described in Note 2.23.

## NOTE 22 - EQUITY

### a) Capital Management

Capital management aims to safeguard its ability to continue as a going concern, to generate returns for its shareholders, to generate benefits for other stakeholders, and to maintain an optimal structure that reduces its cost of capital.

It forms part of the Company's Investment and Financing Policy, which establishes that investments must have appropriate project-specific financing, to maintain its productive assets in optimal operating conditions as well as those that increase its productive capacity to comply with the Company's strategic development plan, and other matters. Therefore, financing should provide the funds required for its existing assets to operate well, and for new investments, in accordance with the investment policy. Financing includes using its own resources and external resources up to a limit that does not compromise the company's equity position or limit its growth. The company will maintain several financing options open, such as short and long-term bank loans, supplier credit and other sources.

Salmones Camanchaca S.A. reports compliance with its commitments to financial institutions every quarter. There are covenants related its capacity to generate profits and equity, which are presented in note 17. As of December 31, 2020 and December 31, 2019, the Company has complied with the financial indicator limits required by those commitments.

b) Capital

The Company's share capital is as follows.

|                                   | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|-----------------------------------|----------------------|----------------------|
| Share capital                     |                      |                      |
| Subscribed and paid share capital | 91,786               | 91,786               |
| Total                             | 91,786               | 91,786               |

| Common Shares   | Total number of shares |            |
|---|------------------------|------------|
| Balance as of December 31, 2020 and December 31, 2019 | 66,000,000             | 66,000,000 |

c) Share premium

|               | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|---------------|----------------------|----------------------|
| Share premium | 27,539               | 27,539               |
| Total         | 27,539               | 27,539               |

Share premium is the difference between the IPO proceeds from placing 9,181,992 shares on February 2, 2018 (approx. US\$5 per share) and the book value of those shares (US\$2 per share).

d) Dividend provision

As of December 31, 2019, the Company had a minimum dividend provision of ThUS\$12,637, equivalent to 30% of distributable net earnings. The Company's Annual General Shareholders' Meeting held on April 30, 2020 agreed to distribute 40% of the distributable net earnings equivalent to ThUS\$ 16,850, which were paid on May 12, 2020.

As the Company's produced losses in 2020, there are no distributable net earnings and no dividend provisions.

The calculations of minimum legal dividends and final dividends paid from 2019 earnings, in accordance with the resolution of the shareholders' meeting are as follows.

| Description                           | As of<br>December<br>31, 2019<br>30%<br>ThUS\$ | As of<br>December<br>31, 2019<br>40%<br>ThUS\$ |
|---------------------------------------|--|--|
| Net income for the year               | 42,352   | 42,352   |
| Reduction in net distributable income |  |  |
| Fair value adjustment for the year    | (311)  | (311)  |
| Deferred tax (27%)                    | 83   | 83   |
| Net fair value adjustment             | (228)  | (228)  |
| Net distributable income              | 42,124   | 42,124   |
| Equivalent dividends                  | 12,637   | 16,850   |
| DIVIDENDS                             | ThUS\$   | ThUS\$   |
| Controller Camanchaca                 | 8,846  | 11,795   |
| Non-controlling shareholders          | 3,791  | 5,055  |
| Total Dividends                       | 12,637   | 16,850   |

e) Other reserves

Other reserves are as follows.

|   | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|---|----------------------|----------------------|
| Translation in other companies reserves | (529)                | (668)                |
| Corporate reorganization reserves (*)   | 23,515               | 23,515               |
| <b>Total</b>                            | <b>22,986</b>        | <b>22,847</b>        |

(\*) These reserves include the difference between the book value and the proceeds from the capital increase in Fiordo Blanco S.A. and Surproceso S.A. shares, as this transaction was carried out between companies under common control.

f) Movements in retained earnings are as follows.

|   | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|---|----------------------|----------------------|
| Opening balance                               | 61,543               | 41,336               |
| Legal minimum interim dividends               | -                    | (12,637)             |
| Final dividends that exceed the legal minimum | (4,212)              | (9,508)              |
| Retained income for the year                  | (31,627)             | 42,352               |
| <b>Closing balance</b>                        | <b>25,704</b>        | <b>61,543</b>        |

#### NOTE 23 - EARNINGS PER SHARE

Earnings per share are as follows.

| Detail                                  | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|---|----------------------|----------------------|
| Net income (loss) for the year (ThUS\$) | (31,627)             | 42,352               |
| Weighted average number of shares       | 66,000,000           | 66,000,000           |
| Basic earnings per share (US\$/share)   | (0.4792)             | 0.6417               |

Basic earnings (loss) per share takes the net income (loss) for the year and divides it by the number of single series shares.

The Company has not issued convertible debt or other equity securities. Consequently, there are no potentially diluting effects on earnings per share.

#### NOTE 24 - OPERATING REVENUE

Operating revenue is as follows.

|                     | For the years ended December 31, |                |
|---------------------|----------------------------------|----------------|
|                     | 2020<br>ThUS\$                   | 2019<br>ThUS\$ |
| Fresh salmon sales  | 90,288                           | 121,532        |
| Frozen salmon sales | 154,605                          | 205,158        |
| Services            | 4,550                            | 7,041          |
| Other products      | 5,920                            | 5,228          |
| <b>Total</b>        | <b>255,363</b>                   | <b>338,959</b> |



Operating revenue by destination market is as follows:

| DESTINATION  | 12-31-2020<br>% | 12-31-2019<br>% |
|--------------|-----------------|-----------------|
| Exports      | 91.92           | 92.00           |
| Domestic     | 8.08            | 8.00            |
| <b>TOTAL</b> | <b>100.00</b>   | <b>100.00</b>   |

| DESTINATION         | 12-31-2020<br>% | 12-31-2019<br>% |
|---------------------|-----------------|-----------------|
| USA                 | 45.27           | 34.02           |
| Europe + Eurasia    | 6.97            | 18.15           |
| Asia, except Japan  | 6.12            | 7.21            |
| Japan               | 12.64           | 11.00           |
| LATAM, except Chile | 19.68           | 20.26           |
| Chile               | 8.08            | 8.00            |
| Others              | 1.24            | 1.36            |
| <b>TOTAL</b>        | <b>100.00</b>   | <b>100.00</b>   |

The Company has no final customers that represent more than 10% of sales. The related company Camanchaca Inc. distributes in the US market and is owned by the parent company. It represents more than 10% of sales abroad. The company has no assets abroad.

Revenue in ThUS\$ by the Company's markets are as follows:

a) As of December 31, 2020

| Species         | USA<br>ThUS\$  | Europe +<br>Eurasia<br>ThUS\$ | Asia, except<br>Japan<br>ThUS\$ | Japan<br>ThUS\$ | LATAM,<br>except<br>Chile<br>ThUS\$ | Chile<br>ThUS\$ | Others<br>ThUS\$ | TOTAL<br>ThUS\$ |
|-----------------|----------------|-------------------------------|---------------------------------|-----------------|-------------------------------------|-----------------|------------------|-----------------|
| Atlantic salmon | 114,478        | 16,441                        | 13,599                          | 25,793          | 48,172                              | 10,040          | 3,207            | 231,730         |
| Pacific salmon  | 1,136          | 1,349                         | 2,017                           | 6,474           | 2,072                               | 115             | -                | 13,163          |
| Others          | -              | -                             | -                               | -               | -                                   | 10,470          | -                | 10,470          |
| <b>TOTAL</b>    | <b>115,614</b> | <b>17,790</b>                 | <b>15,616</b>                   | <b>32,267</b>   | <b>50,244</b>                       | <b>20,625</b>   | <b>1,364</b>     | <b>255,363</b>  |

b) As of December 31, 2019

| Species         | USA<br>ThUS\$  | Europe +<br>Eurasia<br>ThUS\$ | Asia,<br>except<br>Japan<br>ThUS\$ | Japan<br>ThUS\$ | LATAM,<br>except<br>Chile<br>ThUS\$ | Chile<br>ThUS\$ | Others<br>ThUS\$ | TOTAL<br>ThUS\$ |
|-----------------|----------------|-------------------------------|------------------------------------|-----------------|-------------------------------------|-----------------|------------------|-----------------|
| Atlantic salmon | 114,175        | 59,587                        | 24,313                             | 29,368          | 68,330                              | 14,839          | 4,612            | 315,224         |
| Pacific salmon  | 1,147          | 1,949                         | 115                                | 7,911           | 344                                 | -               | -                | 11,466          |
| Others          | -              | -                             | -                                  | -               | -                                   | 12,269          | -                | 12,269          |
| <b>TOTAL</b>    | <b>115,322</b> | <b>61,536</b>                 | <b>24,428</b>                      | <b>37,279</b>   | <b>68,674</b>                       | <b>27,108</b>   | <b>4,612</b>     | <b>338,959</b>  |

## NOTE 25 - ADMINISTRATIVE EXPENSES

Administrative expenses are as follows.

|                                 | For the years ended<br>December 31, |                |
|---------------------------------|-------------------------------------|----------------|
|                                 | 2020<br>ThUS\$                      | 2019<br>ThUS\$ |
| Corporate support services      | 4,380                               | 4,485          |
| Remuneration                    | 1,853                               | 1,781          |
| Communications                  | 258                                 | 430            |
| Leases                          | 530                                 | 536            |
| Depreciation                    | 91                                  | 84             |
| Audit and consultancy           | 131                                 | 218            |
| Travel and traveling allowances | 32                                  | 155            |
| Legal expenses                  | 192                                 | 212            |
| Overhead expenses               | 468                                 | 704            |
| Stock market expenses           | 299                                 | 406            |
| Membership fees                 | 392                                 | 266            |
| Other administrative expenses   | 366                                 | 560            |
| <b>Total</b>                    | <b>8,992</b>                        | <b>9,837</b>   |

## NOTE 26 - DISTRIBUTION COSTS

Distribution costs are as follows.

|                                 | For the years ended<br>December 31, |                |
|---------------------------------|-------------------------------------|----------------|
|                                 | 2020<br>ThUS\$                      | 2019<br>ThUS\$ |
| Distribution services           | 1,749                               | 1,756          |
| Remuneration                    | 1,106                               | 1,124          |
| Storage expenses                | 2,301                               | 833            |
| Commissions                     | 359                                 | 322            |
| Haulage costs                   | 1,920                               | 1,426          |
| Maritime freight                | 1,050                               | 906            |
| Insurance                       | 259                                 | 202            |
| Shipment costs                  | 167                                 | 261            |
| Travel and traveling allowances | 52                                  | 70             |
| Samples and analysis            | -                                   | 5              |
| Export certificates             | 229                                 | 474            |
| Sales and marketing expenses    | 237                                 | 385            |
| Other expenses                  | 441                                 | 409            |
| <b>Total</b>                    | <b>9,870</b>                        | <b>8,173</b>   |

## NOTE 27 - FINANCIAL COSTS

Financial costs are as follows:

|                              | For the years ended<br>December 31, |                |
|------------------------------|-------------------------------------|----------------|
|                              | 2020<br>ThUS\$                      | 2019<br>ThUS\$ |
| Financial interest           | 3,616                               | 4,060          |
| Financial commissions        | 249                                 | 475            |
| Interest on leases - IFRS 16 | 56                                  | 73             |
| Other expenses               | 61                                  | 140            |
| <b>Total</b>                 | <b>3,982</b>                        | <b>4,748</b>   |

## NOTE 28 - EXCHANGE DIFFERENCES

Exchange differences are as follows.

|  |          | For the years ended<br>December 31, |                |
|--|----------|-------------------------------------|----------------|
| Description                            | Currency | 2020<br>ThUS\$                      | 2019<br>ThUS\$ |
| Assets (charge) / credit               |          |                                     |                |
| Banks                                  | CLP      | (363)                               | (636)          |
| Banks                                  | EUR      | (9)                                 | (11)           |
| Domestic customers                     | CLP      | 66                                  | (104)          |
| Foreign customers                      | EUR      | 29                                  | (14)           |
| Miscellaneous receivables              | CLP      | 9                                   | (6)            |
| Recoverable taxes                      | CLP      | 964                                 | (1,084)        |
| Prepaid expenses                       | CLP      | -                                   | (2)            |
| Other non-current non-financial assets | CLP      | 7                                   | -              |
| Other non-current non-financial assets | UF       | 9                                   | -              |
| Others                                 | CLP      | 67                                  | 73             |
| Total                                  |          | 779                                 | (1,784)        |
| Liabilities (charge) / credit          |          |                                     |                |
| Loans from banks                       | JPY      |                                     |                |
| Trade payables                         | CLP      | (989)                               | 1,243          |
| Trade payables                         | EUR      | (37)                                | (27)           |
| Trade payables                         | JPY      | -                                   | (1)            |
| Documents payable                      | CLP      | (12)                                | (8)            |
| Documents payable                      | EUR      | (3)                                 | (3)            |
| Provisions and withholdings            | CLP      | (237)                               | (193)          |
| Provisions and withholdings            | UF       | -                                   | 50             |
| Provisions and withholdings            | EUR      | (21)                                | -              |
| Operating Leases                       | CLP      | 26                                  | -              |
| Operating Leases                       | UF       | 6                                   | -              |
| Total                                  |          | (1,267)                             | 1,061          |
| Gain (loss) on exchange differences    |          | (488)                               | (723)          |

## NOTE 29 - OTHER INCOME (LOSSES)

Other income for the year is as follows.

|   | For the years ended<br>December 31, |                |
|---|-------------------------------------|----------------|
|   | 2020<br>ThUS\$                      | 2019<br>ThUS\$ |
| Net gain (loss) on selling assets                         | (69)                                | (190)          |
| Provision not covered by insurance                        | (5,051)                             | (2,607)        |
| Costs of disposing of property, plant and equipment       | (614)                               | (1,439)        |
| Loss on disposal of investment in New World Currents Ltd. | (49)                                | -              |
| Earnings from the trout joint venture                     | 2,274                               | (2,536)        |
| Others  | -                                   | 33             |
| <b>Total</b>  | <b>(3,509)</b>                      | <b>(6,739)</b> |

Salmones Camanchaca (the Company) had a one third interest in a trout joint venture. However, as this is not a separate legal entity from the joint venture Manager, Caleta Bay, the Company does not exercise joint control or significant influence over the key decisions of this business. The Manager is fully responsible for the entire value chain, it operates this business in its own name and its own risk, and is liable to the aquaculture, sanitary, environmental or other authorities. The only assets that Salmones Camanchaca contribute to this trout joint venture are the concessions where the fish are farmed, and it receives variable compensation associated with this contribution. Therefore, it does not comply with the definition of a joint venture for accounting purposes, nor can it be measured at fair value as a financial asset under IFRS 9, since the Company's accounting policy is to value concessions at cost. As the concessions contributed by Salmones Camanchaca to the trout joint venture have never been legally transferred to the Manager, these concessions cannot be valued at fair value, according to IAS 8.10. Therefore, the Company's accounting policy is to recognize one third of the trout joint venture earnings in Other income and losses within the statement of net income by function and not within operating income, which is recycled annually.

The provision not covered by insurance is associated with biomass and physical assets as of December 31, 2020 and totals ThUS\$ 5,051. It relates to the event in May at the Islotes farming site. Similarly, the loss of ThUS\$ 2,607 as of the same date last year is for consequences caused by oxygen deprivation.

## NOTE 30 - ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are as follows:

| Description                          | Currency | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|--------------------------------------|----------|----------------------|----------------------|
| Current assets                       |          |                      |                      |
| Cash and cash equivalents            | USD      | 6,522                | 6,530                |
| Cash and cash equivalents            | CLP      | 2,295                | 6,226                |
| Cash and cash equivalents            | EUR      | 221                  | 1,111                |
| Other financial assets, current      | USD      | -                    | 23                   |
| Other financial assets, current      | CLP      | 36                   | 33                   |
| Other financial assets, current      | EUR      | 305                  | -                    |
| Other non-financial assets, current  | USD      | 1,216                | 3,751                |
| Other non-financial assets, current  | CLP      | 6,206                | 4,767                |
| Trade and other receivables, current | USD      | 12,940               | 37,059               |
| Trade and other receivables, current | CLP      | 1,683                | 2,236                |
| Trade and other receivables, current | EUR      | 763                  | 592                  |
| Related party receivables, current   | USD      | 35,704               | 38,600               |
| Inventories                          | USD      | 46,963               | 32,875               |
| Biological assets, current           | USD      | 113,756              | 142,615              |
| Tax assets, current                  | CLP      | 13,691               | 4,861                |
| <b>Total</b>                         |          | <b>242,301</b>       | <b>281,279</b>       |

| Description                             | Currency | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|---|----------|----------------------|----------------------|
| Non-current assets                      | USD      |                      |                      |
| Other financial assets, non-current     | USD      | 27                   | 27                   |
| Other non-financial assets, non-current | USD      | 112                  | 112                  |
| Rights receivable, non-current          | USD      | 2,168                | 1,252                |
| Equity method investments               | USD      | 4,889                | 4,805                |
| Intangible assets other than goodwill   | USD      | 6,972                | 6,948                |
| Property, plant and equipment           | USD      | 115,618              | 111,888              |
| Deferred tax assets                     | USD      | 2,963                | 1,419                |
| <b>Total</b>                            |          | <b>132,749</b>       | <b>126,451</b>       |

| Description                          | Currency | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|--------------------------------------|----------|----------------------|----------------------|
| Current liabilities                  |          |                      |                      |
| Other financial liabilities, current | USD      | 43,040               | 8,391                |
| Lease liabilities, current           | USD      | 79                   | 72                   |
| Lease liabilities, current           | CLP      | 45                   | 411                  |
| Lease liabilities, current           | UF       | 359                  | 327                  |
| Trade and other payables, current    | USD      | 36,733               | 43,461               |
| Trade and other payables, current    | CLP      | 18,932               | 19,255               |
| Trade and other payables, current    | UF       | 1,519                | 1,224                |
| Trade and other payables, current    | NOK      | 3                    | 5                    |
| Trade and other payables, current    | DKK      | -                    | 4                    |
| Trade and other payables, current    | EUR      | 1,239                | -                    |
| Related party payables, current      | USD      | 11,431               | 15,697               |
| Other provisions, current            | USD      | 5,338                | 6,196                |
| Other provisions, current            | CLP      | 141                  | 112                  |
| Employee benefit provisions, current | CLP      | 1,573                | 1,379                |
| <b>Total</b>                         |          | <b>120,432</b>       | <b>96,534</b>        |

| Description                              | Currency | 12-31-2020<br>ThUS\$ | 12-31-2019<br>ThUS\$ |
|--|----------|----------------------|----------------------|
| Non-current liabilities                  |          |                      |                      |
| Other financial liabilities, non-current | USD      | 79,739               | 90,000               |
| Lease liabilities, non-current           | USD      | -                    | 81                   |
| Lease liabilities, non-current           | CLP      | -                    | 178                  |
| Lease liabilities, non-current           | UF       | 187                  | 11                   |
| Deferred tax liabilities                 | USD      | 6,519                | 17,110               |
| Employee benefit provisions, non-current | CLP      | 158                  | 101                  |
| <b>Total</b>                             |          | <b>86,603</b>        | <b>107,481</b>       |

## NOTE 31 - GUARANTEES AND CONTINGENCIES

### a) Bank loan conditions

Salmones Camanchaca S.A. provided guarantees for its main assets on November 27, 2017, under the debt rescheduling, financing commitment and joint and several guarantee contract with DNB, Rabobank and Banco Santander, as follows.

- i. Mortgage on six plots including everything built on them, four in Tome, one in Puerto Varas and one in Calbuco.
- ii. Maritime mortgage on fishing vessels and four naval crafts.
- iii. Pledge
  - a. Non-possessory pledge over the salmon processing plant in Tome, Calbuco and the Fish Farm in Petrohue.
  - b. Salmones Camanchaca S.A. and subsidiary mortgaged to the Banks all the aquaculture concessions that it owns for salmon and trout.

### b) Direct guarantees

| Debtor                   |              | Guarantee         | Property                   | Book value<br>ThUS\$ |
|--------------------------|--------------|-------------------|----------------------------|----------------------|
| Name                     | Relationship |                   |                            |                      |
| Salmones Camanchaca S.A. | Commercial   | Property mortgage | Tome real estate           | 3,876                |
| Salmones Camanchaca S.A. | Commercial   | Property mortgage | Puerto Varas real estate   | 2,215                |
| Salmones Camanchaca S.A. | Commercial   | Property mortgage | Calbuco real estate        | 214                  |
| Salmones Camanchaca S.A. | Commercial   | Property mortgage | Salmon vessels             | 1,665                |
| Salmones Camanchaca S.A. | Commercial   | Pledge            | Machinery and equipment    | 10,737               |
| Salmones Camanchaca S.A. | Commercial   | Pledge            | Buildings and construction | 13,511               |

### d) Contingencies

The Company regularly evaluates the likelihood of loss on its litigation and contingencies, in accordance with estimates provided by its legal advisers. Detailed information relating to these processes is available, provided it does not compromise the company's interests. Salmones Camanchaca S.A. has litigation or administrative proceedings before the Courts of Justice or administrative bodies at the reporting date. Therefore, it had created the following provisions as of December 31, 2020.

| Nature<br>Lawsuits | 12-31-2020         |                                   | 12-31-2019         |                                   |
|--------------------|--------------------|-----------------------------------|--------------------|-----------------------------------|
|                    | Number<br>of cases | Accounting<br>provision<br>ThUS\$ | Number<br>of cases | Accounting<br>provision<br>ThUS\$ |
| Civil              | 4                  | 90                                | 4                  | 90                                |
| Employment         | 9                  | 52                                | 6                  | 21                                |
| Criminal           | 1                  | -                                 | 1                  | -                                 |
| Total              | 14                 | 142                               | 11                 | 111                               |

## NOTE 32 - SANCTIONS

The Company, its Directors and Managers have not been subject to sanctions of any kind by the Financial Market Commission or other administrative authorities as of the date these consolidated financial statements were issued.

## NOTE 33 - THE ENVIRONMENT

Salmones Camanchaca S.A. continuously renews its commitment to the environment, by implementing new processes and technologies at its production plants. This has enabled it to achieve a sustainable business, and to further cultivate species in an efficient manner, while minimizing its impact on the environment.

The Company invested in the following environmental mitigation projects during the year from January 1 to December 31, 2020.

| Project                | 12-31-2020<br>Investment<br>ThUS\$ |
|------------------------|------------------------------------|
|                        |                                    |
| Waste management       | 1,076                              |
| Environmental services | 270                                |
| Total                  | 1,346                              |

The Company invested in the following projects during the year from January 1 to December 31, 2019.

| Project                | 12-31-2019<br>Investment<br>ThUS\$ |
|------------------------|------------------------------------|
|                        |                                    |
| Waste management       | 994                                |
| Environmental services | 301                                |
| Total                  | 1,295                              |

The Company is committed to complying with all environmental regulations. In particular it will continue to actively participate in discussions regarding projects that involve amendments and improvements to environmental and health regulations, to ensure that these can be implemented from a technical, financial, social and environmental perspective. It is dedicated to supporting the best proposal for the environment and developing the industry.

## NOTE 34 - SUBSEQUENT EVENTS

On February 9, 2021, Salmones Camanchaca signed a 1.5-year committed financing facility for US\$ 35 million with DNB and Santander banks. This loan forms part of the rescheduling and current financing commitment contract, constituting a new Tranche D. These resources will be used to strengthen the Company's cash position and replace uncommitted short-term lines of credit with local banks.

Between the reporting date and the date these consolidated financial statements were issued, Management was not aware of any other subsequent events that could significantly impact their interpretation.



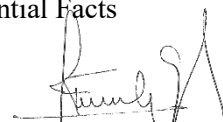


### **Board Statement of Responsibility**

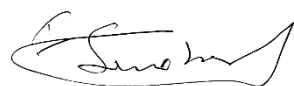
Company: Salmones Camanchaca S.A.  
RUT: 76.065.596-1

On February 24, 2021, at the board meeting, the persons indicated below take knowledge and are held responsible for the veracity of the information included in this Report of the Consolidated Financial Statements as of December 31, 2020, in accordance with the International Financial Reporting Standards.

Consolidated Classified statements of financial position  
Consolidated Statements of comprehensive income  
Consolidated Statements of cash flows  
Consolidated Statements of changes in equity  
Consolidated Notes to the financial statements  
Earnings Report  
Essential Facts




Jorge Fernández García  
RUT: 6.377.734-K  
Chairman




Felipe Sandoval Precht  
RUT: 7.673.035-0  
Board Member


Francisco Cifuentes Correa  
RUT: 4.333.851-K  
Board Member



Tore Valderhaug  
R.U.T. 26.622.508-3  
Board Member



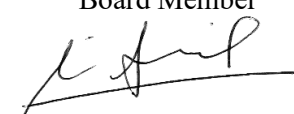
Joaquín Villarino Herrera  
RUT: 9.669.100-9  
Board Member



Rodrigo Errázuriz Ruiz-Tagle  
RUT: 5.618.098-2  
Board Member



Ricardo García Holtz  
RUT: 6.999.716-3  
Board Member



Manuel Arriagada Ossa  
RUT: 12.149.818-9  
CEO

Santiago, February 24, 2021.