



SALMONES CAMANCHACA S.A. AND SUBSIDIARIES

Quarterly Earnings Report on the Consolidated Financial Statements

For the period ended June 30, 2021

Salmones Camanchaca

Salmones Camanchaca S.A. is a vertically integrated salmon producer engaged in breeder development, egg production, recirculating hatcheries for Atlantic salmon and pass-through or lake hatcheries for Coho salmon and trout, fish farming sites in estuary and oceanic waters used mainly for Atlantic salmon, primary and secondary processing, and marketing and sales of Atlantic and Coho salmon through five offices in its main markets. The Company participates in trout farming in its own coastal-estuary farming sites through a one third interest in a joint venture with average annual harvests of 12,000 MT WFE until 2028. The Company harvested 53,000 MT WFE from its Atlantic salmon farming business in 2020 and expects to harvest between 50,000 and 55,000 MT WFE in 2023. Moreover, Coho salmon harvest volumes fluctuate between 5,000 and 8,000 MT WFE. Overall production of all salmonid species at its own farming sites is expected to reach between 55,000 and 60,000 MT WFE in 2023. Salmones Camanchaca has 1,900 employees on average, 60% of whom work in its secondary processing and value-added plant. Markets for Atlantic salmon are led by the USA, Mexico and Japan, with approximately 20% of sales destined for emerging markets in a variety of fresh and frozen formats.

Highlights for the second quarter 2021 (Q2 2021)

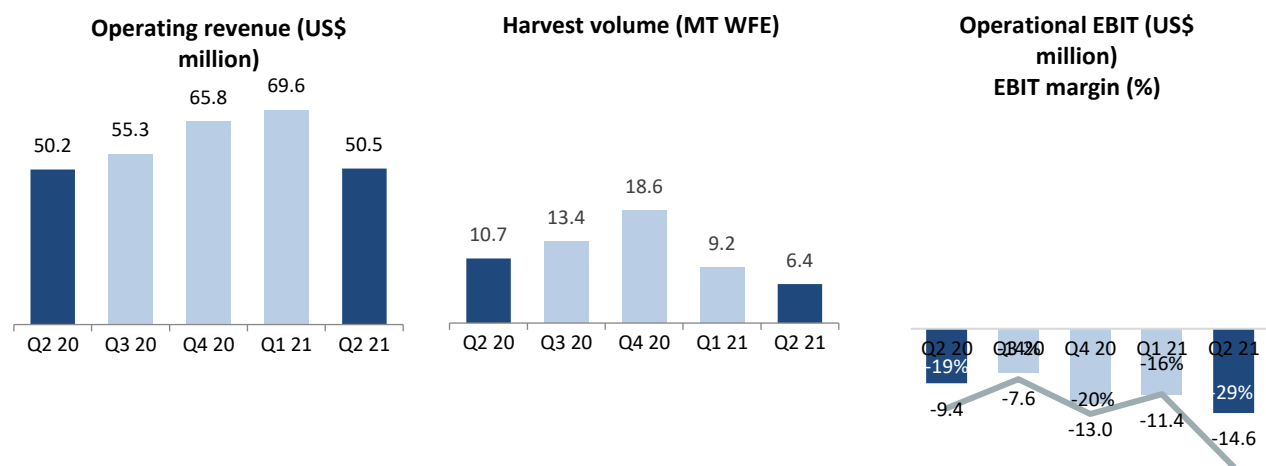
- **Operating revenue for the quarter was US\$ 50.5 million**, which was similar to Q2 2020, as sales volumes of Atlantic salmon fell by 6.8%, while prices rose by 11.6%.
- **Q2 2021 Atlantic salmon harvest volumes reached 6,422 MT WFE**, which were 40% lower than Q2 2020, due to lower average harvest weights at 3.9 kg from algae blooms and oxygen deficiency in the Reñihue Fjord, which limited feeding. There were no Coho salmon harvests during the quarter.
- **Atlantic salmon harvest volumes for 2021 are expected to be 40,000 to 41,000 MT WFE, two-thirds of which will be in H2 2021.** Coho salmon harvest volumes are expected to be 2,000 MT WFE.
- **The cost of Atlantic salmon at harvest (ex-cage live fish) for the quarter was US\$ 4.92/kg**, which was 48% higher than in Q2 2020, due to harvesting three sites in the Reñihue fjord containing fish that had suffered from severe feeding limitations and high mortalities due to environmental conditions. From Q3 2021, a gradual improvement in costs is expected reaching normalized cost from 2022.
- **Total processing costs were US\$ 1.44/kg WFE, which were higher than the long-term target of US\$ 1/kg** and 27% higher than Q2 2020, due to 35% lower processing volumes and a higher proportion of added value products.
- **Quarterly EBITDA was negative US\$ 10.6 million**, US\$ 4.8 million lower than Q2 2020, with sales price increases still insufficient to offset unusually higher costs. Achieved sales prices did not capture the market increase, which have reached historical highs from the last 10 years in Q2 2021, due to contracts closed during the last 9 months. There was an additional loss of US\$ 3.1 million during the quarter, due to extraordinary mortalities and expenses associated with the algae bloom (AB) and Harmful Algae Bloom (HAB) events that occurred during the summer. This led to a **negative EBIT** in Q2 2021 of US\$ 14.6 million, which was US\$ 5.2 million lower than in Q2 2020.
- **EBIT/kg WFE for Atlantic salmon was negative US\$ 1.78** for Q2 2021, compared to a negative US\$ 0.72 in Q2 2020, due to the higher costs and extraordinary mortalities mentioned above.
- **Net income for Q2 2021 was a loss of US\$ 8.4 million**, which is an improvement of US\$ 7.9 million over the loss of US\$ 16.4 million for Q2 2020. This favorable variation was mainly due to the positive net Fair Value adjustment of US\$ 4.2 million, compared to negative US\$ 10.3 million in Q2 2020, which reflects increases in market prices during the quarter.
- **Cash balances were US\$ 10.5 million** and **net interest-bearing debt was US\$ 135.7 million** as of June 30, 2021, US\$ 22 million higher than as of December 31, 2020. The Company has an additional US\$ 12 million in available lines of credit, and therefore a total liquidity reserve of US\$ 23 million. The company received a waiver from its lenders for breaching the NIBD/EBITDA covenant.
- **COVID-19 under control.** As of the date of this report, about 83% of employees have received at least one dose of the COVID-19 vaccine and 75% are fully vaccinated. There are no active cases at present. PCR testing found 0.37% positive results from over 63,000 tests, and no serious cases have been recorded. However, preventive health and operational measures have continued to avoid COVID-19 infections, thus preserving the health of employees and operational continuity.

Key Figures

(USD'000).	Q2 2021	Q2 2020	Δ%	H1 2021	1S 2020	Δ%
Operating revenue	50,549	50,248	0.6%	120,169	134,236	(10.5%)
EBITDA* before fair value adjustments	(10,635)	(5,816)	82.9%	(18,026)	9,301	-
EBIT** before fair value adjustments	(14,630)	(9,439)	55.0%	(26,007)	1,992	-
EBIT margin %	-28.9%	-18.8%	(1,016 pb)	-21.6%	1.5%	(2,313 pb)
Net income (loss) for the period	(8,440)	(16,373)	(48.5%)	(23,599)	(14,550)	62.2%
Earnings (loss) per share	(0.1279)	(0.2481)	(0.4845)	(0.3576)	(0.2205)	62.2%
Atlantic salmon						
Harvest volumes (MT WFE)	6,422	10,670	(39.8%)	15,585	23,812	(34.6%)
Sales volumes (MT WFE)	8,577	9,199	(6.8%)	20,641	22,812	(9.5%)
% sales of fillets and portions	89.1%	85.5%	354 bp	88.2%	81.0%	729 bp
Atlantic salmon ex-cage harvesting costs (US\$/kg live fish)	4.92	3.32	48.2%	4.33	3.23	34.1%
Atlantic salmon ex-cage harvesting costs (US\$/kg WFE)	5.29	3.57	48.2%	4.65	3.47	34.1%
Processing costs (US\$/kg WFE)	1.44	1.13	26.8%	1.30	1.01	28.4%
Price (US\$/kg WFE)	5.27	4.72	11.6%	5.14	5.30	(2.9%)
EBIT/kg WFE (US\$)	(1.78)	(0.72)	148.4%	(1.32)	0.29	-
Coho salmon						
Harvest volumes (MT WFE)	0	0	-	0	760	-
Sales volumes (MT WFE)	358	1,412	(74.6%)	1,733	2,273	(23.8%)
EBIT/kg WFE (US\$)	1.76	(2.07)	-	0.66	(2.04)	-
Financial Debt				146,200	107,328	36.2%
Net Financial Debt				135,709	95,303	42.4%
Equity Ratio				41.0%	49.7%	(870 pb)
Net Financial Debt / LTM EBITDA				-	1.42	-

* EBITDA: Gross profit before fair value adjustments + depreciation - administrative expenses - distribution costs

** EBIT: Gross margin before fair value adjustment - administrative expenses - distribution costs



Financial Performance

Second quarter results to June 30, 2021

Salmones Camanchaca harvested 6,422 MT WFE of Atlantic salmon in Q2 2021 at an average harvest weight of 3.9 kg. This was 40% less than the harvest volume in Q2 2020 at 10,670 MT WFE. However, Atlantic salmon sales volumes were 8,577 MT WFE, only 6.8% lower than the same period for the previous year, due to sales of inventory to take advantage of price increases during the quarter. Coho salmon sales volumes were 358 MT WFE as a result of Q4 2020 harvest volumes, which were 75% lower than sales volumes in Q2 2020 but at higher prices.

The achieved Atlantic salmon sales price was 11.6% or US\$ 0.55/kg higher than in Q2 2020 and contributed to an increased operating revenue for the quarter of US\$ 5.0 million. The Company did not fully capture the spot market price increase in Q2 2021, as a significant portion of the available volumes were committed to meeting value-added contracts closed at the end of 2020. Sales of non-premium products produced from raw materials affected by the algal bloom (AB) and oxygen deficiency events in the Reñihue Fjord influenced the Company's ability to capture these higher prices.

Accordingly, total operating revenue for Q2 2021 was US\$ 50.5 million, which was similar to Q2 2020.

Harvest costs for the quarter reached US\$ 4.92 /kg live fish, 48% higher than in the same period for the previous year. These were severely affected by harvests from farms with low average weights, due to low biomass growth caused by algal bloom, oxygen deficiency events and high mortalities, mainly at sites in the Reñihue fjord. Lower processing volumes and a higher proportion of added value products affected processing costs, which were US\$ 1.44/kg and higher than the long-term target of US\$ 1/kg.

Selling costs were also affected by US\$ 3.1 million of extraordinary mortalities not covered by insurance, and salvage, mitigation and remediation expenses associated with the Comau Fjord HAB event, as well as extraordinary mortalities at some sites due to sea lion attacks. Expenses on fallow sites with no biomass, or only the minimum required to avoid the concession lapsing, were US\$ 2.6 million for the quarter, which were US\$ 0.9 million lower than in Q2 2020. Consequently, the gross margin was negative US\$ 10.3 million.

The Company's selling and administrative expenses remained in line with the same period for the previous year at US\$ 4.3 million and decreased as a percentage of Q2 2021 operating revenue from 8.6% to 8.5%.

Therefore, EBIT before FVA was negative US\$ 14.6 million in Q2 2021, US\$ 5.2 million lower than the negative US\$ 9.4 million achieved in Q2 2020. Sales of Atlantic salmon generated negative EBIT/kg WFE of US\$ 1.78 in Q2 2021, which was US\$ 1.06 lower than the negative US\$ 0.72/kg WFE for Q2 2020. The EBIT/kg WFE for Coho salmon was positive US\$ 1.76, which was higher than in the same period for the previous year, as a result of higher sales prices.

The resulting net Fair Value adjustment for Q2 2021 was positive US\$ 4.2 million, compared to negative US\$ 10.3 million in Q2 2020, which is a favorable difference of US\$ 14.5 million, mainly due to higher prices at the close of Q2 2021.

The positive impact of the decrease in the benchmark interest rate (Libor) was partially offset by the increase in gross financial debt, which reached US\$ 146.2 million as of June 30, 2021, higher than the US\$ 107.3 million as of June 30, 2020. This reflects lower cash flows from operating activities over the last twelve months. Thus, financial expenses remained in line with Q2 2020, totaling US\$ 1.1 million in Q2 2021.

Other gains/losses reflect a positive result of US\$ 0.1 million in gains for the quarter and the same amount was earned by the trout joint venture. Other gains/losses showed an improvement of US\$ 3.4 million compared to same period last year that was affected by the Islotes site incident in May 2020 that resulted in a US\$ 4.1 million loss, offset by net income of US\$ 1.3 million from the trout joint venture in Q2 2020.

Consequently, the Company recorded a net loss after tax of US\$ 8.4 million for Q2 2021, which was favorable compared to the net loss of US\$ 16.4 million for Q2 2020. Effectively, the positive impact of the Fair Value adjustment offset the higher operating losses from higher costs associated with the Reñihue and Comau algal blooms.

Cash flow in Q2 2021

Net cash flow in Q2 2021 was negative US\$ 2.8 million compared to negative cash flow of US\$ 12.3 million in Q2 2020, which was explained by:

- Negative operating cash flow of US\$ 3.8 million, compared to positive US\$ 4.1 million in Q2 2020, mainly due to lower sales collections in the quarter, higher production costs and extraordinary expenses associated with the algal bloom events.
- Negative investing cash flow of US\$ 3.9 million in Q2 2021, down from US\$ 4.6 million in Q2 2020, which reflected the reduction in investment initiatives in 2020 as a result of the pandemic.
- Positive financing cash flow of US\$ 5 million, due to drawing down loans to finance operating activities, compared to negative US\$ 11.9 million for Q2 2020, which included dividend payments based on earnings for 2019.

Salmones Camanchaca had net cash of US\$ 10.5 million as of June 30, 2021 and unused lines of credit of US\$ 12 million as of that date, which provided it with US\$ 23 million of available liquidity.

Half year results to June 30, 2021

Salmones Camanchaca harvested 15,585 MT WFE of Atlantic salmon during the first half of 2021, which was 34.6% lower than harvest volumes for the same period in 2020 of 23,812 MT WFE. This decrease is due to the algal bloom and oxygen deficiency events that occurred during summer 2021 in the Reñihue fjord, which limited feeding and negatively impacting partly the Q1 harvest volumes and all the Q2 harvest volumes. There have been no Coho salmon harvests so far in 2021.

Operating revenue for H1 2021 was US\$ 120 million, which was 10% or US\$ 14 million lower than same period for the previous year, when it was US\$ 134 million. Atlantic salmon sales volumes were 9.5% lower at 20,641 MT WFE, and the average sales price was US\$ 5.14, which was 2.9% or US\$ 0.15 lower than in H1 2020. Although prices in the reference market have been increasing during the year, the lower volume harvested and the strategy of negotiating contracts for value-added products have only gradually led to the Company capturing the higher prices within the spot market.

The Company believes that market fundamentals in terms of both supply and demand will maintain current prices above historical averages during the second half of the year. Kontali expects Chilean supplies to reduce by 15% this year, and the success of vaccination campaigns has led to restaurant channels opening in the Company's main markets and to demand recovering.

The cost of sales for Atlantic salmon was strongly affected by high ex-cage costs, which reached US\$ 4.33/kg live fish (US\$ 4.65/kg WFE) during the first half of the year, due to low average harvest weights at three sites in the Reñihue fjord, which had been affected by algal bloom and oxygen deficiency events since the end of 2020. This was compounded by an extraordinary harmful algal bloom event in March and April in the Comau Fjord, which resulted in mortalities not covered by insurance, and added to costs for the period. All these reasons explain why the H1 2021 cost moved away from the Company's long-term target of US\$ 3.00 /kg live fish, or US\$ 3.23/kg WFE. Processing costs were also adversely affected by the lower processing volumes caused by lower average weights, and reached US\$ 1.30 /kg WFE, which is 30% higher than the Company's long-term target.

Extraordinary costs that were charged to products sold in H1 2021 as a result of the algae mortalities amounted to US\$ 10.4 million and included mortalities not covered by insurance, salvage and rescue costs for transferred fish, two-way transfer costs, and mitigation and remediation costs associated with the removal of mortalities from the Reñihué and Comau sites.

Expenses on fallow sites with no biomass, or only the minimum required to avoid the concession lapsing, were US\$ 4.8 million for H1 2021, which was US\$ 1.1 million lower than for H1 2020. These expenses may significantly reduce in subsequent periods as this year salmon farmers have been given the regulatory option to cultivate algae at fallow concessions that are required for farming in the future.

The Company expects that harvesting at the three Reñihue sites will be complete in August 2021 and the Comau incident will soon be concluded, so harvesting costs and volumes will return to normal levels during the second half of the year.

Accordingly, gross margin was negative US\$ 17.2 million, which was US\$ 28.7 million lower than for H1 2020.

Administrative expenses decreased by US\$ 0.3 million or 6.5% during H1 2021. Distribution and selling costs decreased by US\$ 0.4 million, due to lower sales volumes and lower freight and storage costs. Thus, the Company's combined sales and administrative expenses decreased in absolute terms but increased from 7.1% to 7.3% of H1 2021 operating revenue.

Consequently, operating EBIT before FV adjustments was negative US\$ 26 million for H1 2021, which is US\$ 28 million lower than in the same period for the previous year when it was positive US\$ 2 million.

Atlantic salmon sales generated an EBIT/kg WFE of negative US\$ 1.32 in H1 2021, which was US\$ 1.61 lower than the positive US\$ 0.29/kg WFE achieved in H1 2020, mainly from increased farming and processing cost due to the impact of algal bloom events during the final months of 2020 and initial months of 2021. Coho salmon sales generated an EBIT/kg WFE of positive US\$ 0.66 in H1 2021, due to substantial improvements in both prices and costs compared to H1 2020.

The resulting net Fair Value adjustment for H1 2021 was positive US\$ 0.8 million, compared to negative US\$ 16.3 million in H1 2020, giving an favorable difference of US\$ 17.2 million, mainly attributable to falling prices in 2020 compared to rising prices in 2021.

Other gains/(losses) were negative US\$ 5.1 million, mainly due to the estimated costs not covered by insurance for the events at the Reñihue and Comau fjords, which resulted in a loss of US\$ 4.9 million. This was compounded by the loss from the trout joint venture of US\$ 0.1 million, compared to the gain of US\$ 1.4 million for H1 2020.

The depreciation of the Chilean peso against the US dollar generated an unrealized exchange loss of US\$ 0.3 million, attributable to the US dollar devaluation of recoverable tax assets in Chilean pesos.

Accordingly, the net loss after taxes for H1 2021 was US\$ 23.6 million, which is higher than H1 2020 when it was US\$ 14.6 million. Most of this increased loss is explained by the impact on costs of the algal bloom and oxygen deficiency events in the Tenth region fjords.

Half year cash flow to June 30, 2021

Net cash flow in H1 2021 was positive US\$ 1.5 million compared to negative cash flow of US\$ 1.8 million in H1 2020, which was explained by:

Negative operating cash flow of US\$ 14.6 million, lower than the positive US\$ 18.4 million in H1 2020, generated by lower sales volumes and collections in H1 2021, and the costs associated with algal bloom events in the first months of the year.

Negative investing cash flow of US\$ 6.7 million in H1 2021, a reduction of 42% from negative US\$ 11.5 million in H1 2020. Capital expenditure has fallen this year to strengthen the cash position, and the full year estimate of between US\$ 25 to 30 million remains unchanged.

Positive financing cash flow of US\$ 23 million in H1 2021, due to drawing down additional loans to finance the business, which compares to negative financing cash flow of US\$ 7.9 million in H1 2020 when dividends of US\$ 16.8 million were paid based on earnings for 2019.

Salmones Camanchaca continues to have a strong financial and liquidity position, with net cash of US\$ 10.5 million as of June 30, 2021, and short-term unused lines of credit of US\$ 12 million available as of the date of this report. This totals US\$ 23 million of available liquidity.

Financial position

Assets

As of June 30, 2021 the Company's total assets were US\$ 351.9 million, a decrease of 6.2% or US\$ 23.1 million compared to December 31, 2020. This is explained by a US\$ 24.8 million reduction in current assets, while non-current assets increased by US\$ 1.7 million.

Current assets were US\$ 217.5 million, which is US\$ 24.8 million or 10.2% lower than as of December 31, 2020. Inventories fell by US\$ 20.3 million as the result of a strategy to build up year-end inventories to be sold during first half of this year at better commercial terms. Inventories valued at cost as of June 30, 2021 decreased to US\$ 26.7 million, equivalent to 2,204 MT of finished product, which compares to 6,076 MT as of year-end 2020. Furthermore, trade receivables decreased by US\$ 7.3 million due to lower sales and collections.

Non-current assets slightly increased by US\$ 1.7 million or 1.3% compared to year-end 2020, mainly driven by an increase in deferred taxes.

Liabilities and Equity

The Company's total liabilities increased by US\$ 0.6 million or 0.3% compared to year-end 2020, to reach US\$ 207.6 million by the close of Q2 2021.

Current liabilities were US\$ 104.7 million, a decrease of US\$ 15.8 million or 13.1% compared to year-end 2020, mainly due to a decrease of US\$ 17.1 million in trade payables for lower feed consumption associated with the events in the Tenth region fjords.

Non-current liabilities increased by US\$ 16.4 million or 18.9% to US\$ 103 million, due to a US\$ 23.1 million increase in long-term financial liabilities, which was slightly offset by a US\$ 6.5 million decrease in deferred taxes.

Financial debt increased by US\$ 23.4 million during H1 2021, to US\$ 146.2 million.

Thus, the Company's equity was US\$ 144.3 million, a decrease of US\$ 23.7 million compared to December 31, 2020, due to losses for the period, resulting in an equity over total asset ratio of 41.0%.

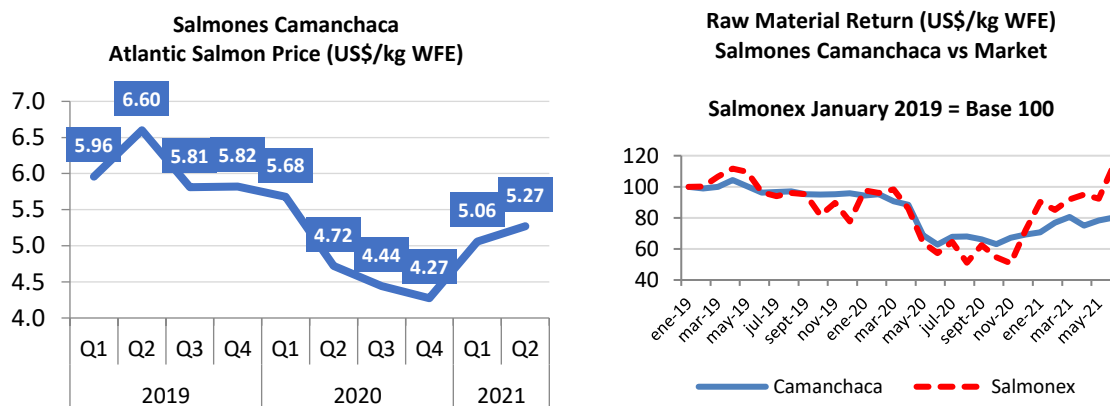
Operating Performance

Salmones Camanchaca's performance is driven by three key factors:

1. **The price of Atlantic salmon**, which is sensitive to Norwegian and Chilean supply conditions and demand from the main markets for its products.
2. **Farming practice and sanitary conditions for Atlantic salmon**, which affect conversion factors, the use of pharmaceutical and mechanical means to improve fish health and welfare and the surviving biomass that absorbs the total farming costs.
3. **The cost of feed**, which represents approximately half of the live fish unit cost at harvest.

I. Product Prices

The average price of Atlantic salmon sold by Salmones Camanchaca during Q2 2021 was US\$ 5.27 /kg WFE, which was 12% or US\$ 0.55 higher than Q2 2020. This increase is explained by recovering market prices as a consequence of increased consumption from first steps of recovery from the pandemic, compared to the more severe situation in Q2 2020. The Company's value-added strategy reduced price volatility and resulted in a higher average raw material return (RMR) ¹for Atlantic salmon than its benchmark market index, Salmonex² in 2020. The recovery of Company's sales prices lagged behind those of the spot market during Q2 2021, due to the rapid rise in spot prices during this quarter, the Company's fixed price contracts and low harvest volumes in Q2 2021, which resulted in its sales prices being US\$ 0.66 lower than the Salmonex index for the first half of the year. The restrictions imposed on the Russian market in February 2020 were lifted in June, which opened up new opportunities.



Volume

¹ Raw Material Return is the final product price less distribution and specific secondary processing costs. It is a price measurement before selecting the final destination for harvested fish and provides a homogeneous aggregate indicator for the Company's products.

²The market Index or "Salmonex" is based on the price of fresh fillet trim D exported by Chilean firms, net of Salmones Camanchaca's processing and distribution costs, in order to eliminate cost differences and isolate marketing differences.

Atlantic salmon		Q2 2021	Q2 2020	Δ	Δ %	H1 2021	1S 2020	Δ	Δ %
Harvest volumes	MT WFE	6,422	10,670	-4,248	-39.8%	15,585	23,812	-8,228	-34.55%
Production	MT WFE	6,838	10,584	-3,746	-35.4%	16,340	23,463	-7,123	-30.36%
Sales	MT WFE	8,577	9,199	-622	-6.8%	20,641	22,812	-2,171	-9.52%
Sales	ThUS\$	45,172	43,427	1,745	4.0%	106,185	120,846	-14,661	-12.13%
Average sales price	US\$/kg WFE	5.27	4.72	0.55	11.6%	5.14	5.30	-0.15	-2.85%
Coho salmon		Q2 2021	Q2 2020	Δ	Δ %	H1 2021	1S 2020	Δ	Δ %
Harvest volumes	MT WFE	0	0	0	-	0	760	-760	-100.00%
Sales	MT WFE	358	1,412	-1,054	-74.6%	1,733	2,273	-540	-23.76%
Sales	ThUS\$	2,220	5,317	-3,097	-58.2%	7,187	8,807	-1,619	-18.39%
Average sales price	US\$/kg WFE	6.20	3.77	2.43	64.6%	3.67	4.58	-0.91	-19.87%

Salmones Camanchaca harvested 6,422 MT WFE of Atlantic salmon during H1 2021, with an average harvest weight of 3.9 kg WFE (open cycle), which was 40% lower than the harvest volumes for H1 2020. The Company's estimated Atlantic salmon harvest volumes for 2021 are 40,000 to 41,000 MT WFE, with about 60-65% of the harvest during the second half of the year. Coho salmon harvest volumes remain at 2,000 MT WFE.

Atlantic and Coho salmon sales were 8,935 MT WFE during Q2 2021, which were 16% lower than in Q2 2020. Sales of salmonids for H1 2021 were 22,374 MT WFE, which is 10.8% less than in H1 2020, comprising 92% Atlantic salmon and 8% Coho salmon.

Operating revenue

The Company's marketing and sales strategy is to build its capacity and flexibility in order to diversify its products and target markets and focus on the most attractive markets for its raw material, based on medium-term conditions, and preferring stable customer relationships.

Sales by Market Segment as of June 2021

Product or Species	USA	Europe and Russia	Asia, except Japan	Japan	LATAM, except Chile	Chile	Others	TOTAL
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Atlantic salmon	45,451	4,122	7,832	7,272	31,927	9,034	547	106,185
Coho salmon	1,613	154	1,741	2,480	1,101	97	0	7,187
Others	0	0	0	0	0	6,797	0	6,797
TOTAL	47,063	4,277	9,573	9,752	33,028	15,928	547	120,169

Sales by Market Segment as of June 2020

Product or Species	USA	Europe + Eurasia	Asia, except Japan	Japan	LATAM, except Chile	Chile	Others	TOTAL
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Atlantic salmon	58,632	12,778	11,535	10,187	21,648	4,580	1,486	120,846
Coho salmon	1,046	1,245	1,557	3,434	1,457	69	0	8,807
Others	0	0	0	0	0	4,583	0	4,583
TOTAL	59,678	14,023	13,092	13,621	23,105	9,232	1,486	134,236

The Company defines its value-added products as those containing some degree of secondary processing (excluding frozen whole salmon), which represented 88.2% of Atlantic salmon sales for H1 2021 and was higher than for H1 2020 at 81.0%. The remaining sales are head-on gutted whole salmon for the South American and Chinese markets.

North American's share of sales fell from 44.5% to 39.2% for H1 2021, while European and Russian sales decreased from 10.4% during 2020 to 3.6% for H1 2021. The ban imposed by Russia in February 2020 that applied to some Chilean plants, including Salmones Camanchaca, was lifted during June. Sales to Asia excluding Japan decreased from 9.8% to 8.0%, while sales to Japan fell from 10.1% to 8.1%. Latin America sales grew strongly from 17.2% to 27.5%, mainly due to a significant increase in the Mexican market, where the parent company Camanchaca S.A. opened a commercial office during 2020. Accordingly, current conditions in certain markets have led to sales being redirected to traditional markets for Salmones Camanchaca, such as the USA, Japan and Mexico, who require predominantly value-added products.

The Company's other businesses, such as processing services for third parties, leasing farming sites and sales of smolts and byproducts, resulted in an operating margin of US\$ 1.8 million for the period ended June 30, 2021.

Other Businesses

Salmones Camanchaca has six sea farming concessions that are leased for trout farming in the Reloncaví Estuary in the Tenth Region. These leases are the Company's contribution to the trout joint venture. The neighborhood where these concessions are located has a mandatory fallow period in the first quarter of odd-numbered years when harvest volumes are smaller, such as in Q2 2021 when no harvesting took place, compared to harvest volumes of 2,343 MT WFE in Q2 2020. Sales by the joint venture in Q2 2021 were 2,067 MT WFE, 49% lower than in Q2 2020, and with similar prices, but with finished product costs 15% higher than in Q2 2020. Therefore, one third of the joint venture's result gave Salmones Camanchaca a gain of US\$ 0.1 million for the quarter, which did not offset the loss for the first quarter. Accordingly, the result for H1 2021 was a loss of US\$ 0.1 million, which compares unfavorably with the gain of US\$ 1.4 million for H1 2020, which was recorded in other gains (losses).

The development expectations for this joint venture business have not yet changed, and the operator Caleta Bay continues to expect an average annual harvest of 12,000 MT until the end of 2022, when the initial agreement ends. This was extended for 6 years from January 2023, with only 4 concessions and smolt stocking reduced by one third, resulting in approximately 6 million fish for each 2 years cycle from 2023 to 2028. The remaining approximately 3 million fish and 2 sites will be used by Salmones Camanchaca for its own Atlantic or Coho salmon farming from 2023 onwards.

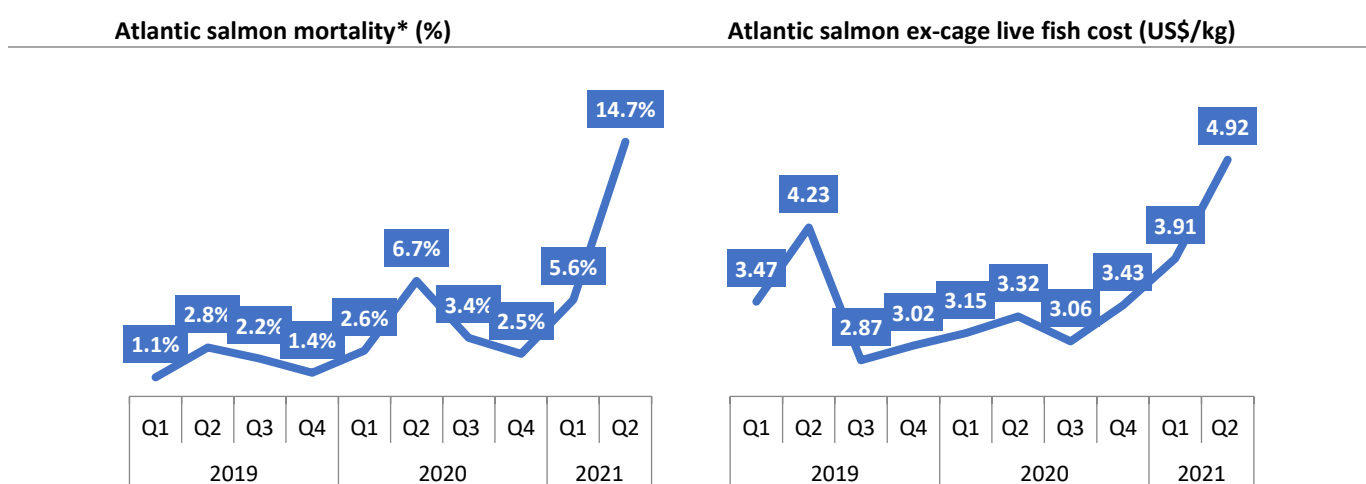
Salmones Camanchaca began farming Coho salmon in 2019, to improve the use of its estuarine concessions in the Tenth region and complement the trout joint venture. This initiative will give the Company specific experience in producing and marketing this species, which the Company considers beneficial as it will make better use of its

concessions in the Tenth region and enable it to diversify into a species with lower biological and environmental risks. Salmones Camanchaca expected negative margins during the first 2 productive years in 2019 and 2020, due to the reduced smolt stocking density required by regulations. But from 2021 onwards, smolt stocking can be at optimum densities with an estimated cost improvement of US\$ 1/kg and increased prices.

II. Sanitary and Productive Conditions

The total open cycle biomass mortality of the Atlantic salmon population during Q2 2021 was 14.7%, much higher than mortality for the same quarter in the previous cycle in 2019, which was 2.8%. This mortality recognizes 88% of total mortalities in the Comau fjord, which remained unrecognized from the previous quarter.

Mortalities at the two sites that closed their cycles in Q2 2021 was 30.8%, which is far higher than the historical average, as one of these sites was located in the Reñihué fjord, and significantly affected by a harmful algal bloom (HAB) during the summer this year.



* Total quarterly mortality (number of fish) including both closed and open sites. Closed sites affected by the HAB are included.

The following table shows the trends in the principal closed cycle Atlantic salmon production and sanitary variables for the last twelve months (LTM).

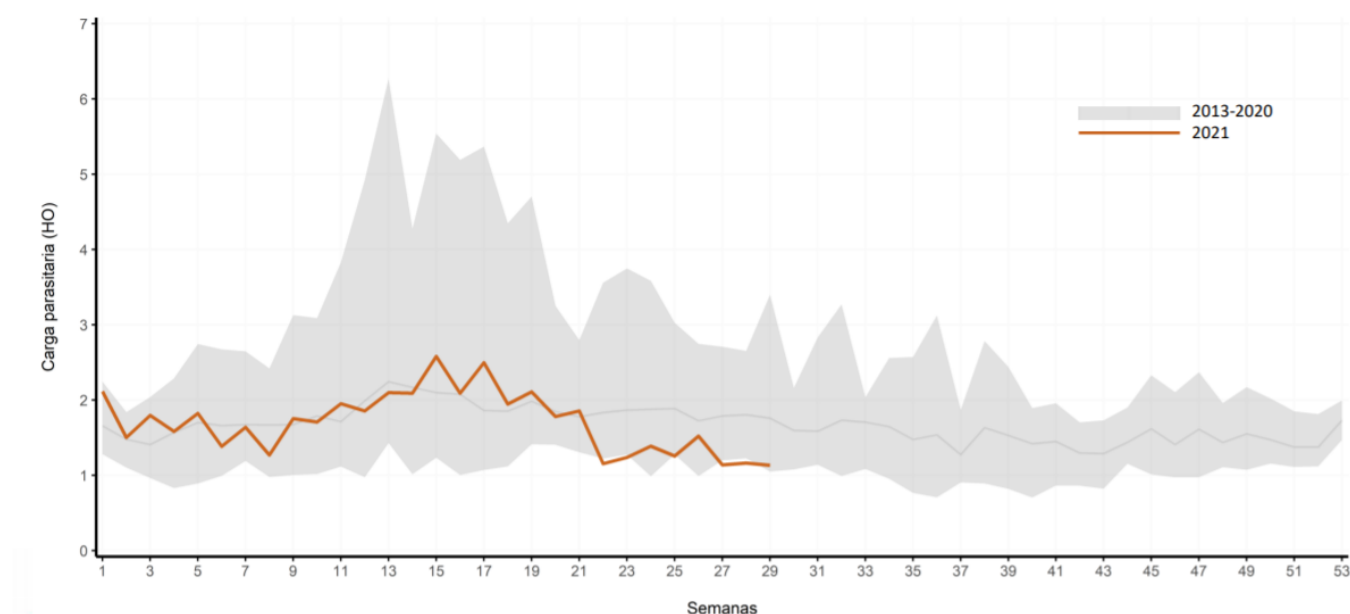
Atlantic salmon	Biological Indicators					Sustainability Indicators				
	FCRb (Live fish)	Productivity kg WFE/smolt	Average harvest weight kg WFE	Antibiotic use Gr/MT	Antiparasitic treatments Gr/MT	Number of antibiotic treatments	Medicinal treatments (baths) Gr/MT	Number of escapes Fish	Cycle duration / Fallow periods	FIFO Ratio
LTM 2017	1.21	5.2	5.5	437.8	6.2	2.4	5.8	0	18/6	0.73
LTM 2018	1.21	4.7	5.1	551.7	8.5	2.5	8.5	0	17/7	0.64
LTM 2019	1.19	4.7	5.1	516.2	8.3	2.1	8.3	0	17/7	0.61
LTM 2020	1.17	4.9	5.4	568.4	12.0	2.0	11.9	37,150	16/8	0.56
LTM 2021	1.15	4.4	5.4	519.1	4.2	2.4	4.2	0	16/8	0.61

Smolt productivity is measured as the harvested biomass weight in kg / number of smolts. It reached 4.4 kg WFE/smolt in Q2 2021 (LTM), which is 11% lower than the average for Q2 2020 (LTM). The average harvest weight

was 5.4 kg WFE, which was similar to Q2 2020 (LTM) but 6% higher than the previous cycle in 2019 (Q2 2019 LTM). Escapes in Q2 2020 (LTM) were the result of the incident at the Islotes site in May 2020 due to extreme weather conditions in its vicinity that resulted in the loss of approximately 520,000 fish, and about 37,000 fish escaped, of which 27% were recovered.

As of the date of this report, Salmones Camanchaca had one farming site classified as a sea lice High Propagation Site (HPS), where more than 3 incubating females on average have been spotted.

Figure 1: Weekly abundance comparison for breeding females



Source: Aquabench

Antibiotic use during the Q2 2021 (LTM) fell by 9% compared to the same period for the previous year, but 1% higher than the previous production cycle (2019 LTM). The number of parasitic treatment baths decreased by 65% compared to Q2 2020 (LTM) and decreased by 49% compared to the previous production cycle (Q2 2019 LTM), as a result of the use of alternative treatments (hydroperoxide) for the control of sealice.

The biological conversion factor also improved to reach 1.15 in Q2 2021 (LTM), which was 2% lower than in Q2 2020 (LTM) and 3% lower than the previous production cycle in Q2 2019 (LTM).

Accordingly, Atlantic salmon costs in Q2 2021 were as follows.

Costs (US\$/kg WFE)	Q2 2019	Q2 2020	Q2 2021
Ex cage (WFE)	4.55	3.57	5.29
Harvest and primary processing (WFE)	0.43	0.40	0.37
Value-added processing (WFE)	0.94	0.73	1.06
Processing cost (WFE)	1.37	1.13	1.44
Total cost of finished product (WFE)	5.92	4.70	6.73

The ex-cage WFE cost in Q2 2021 was US\$ 5.29/kg WFE (equivalent to US\$ 4.92/kg live weight), which was 48% higher than in Q2 2020 and 16.4% higher than in Q2 2019, being the same production cycle at the same sites. This

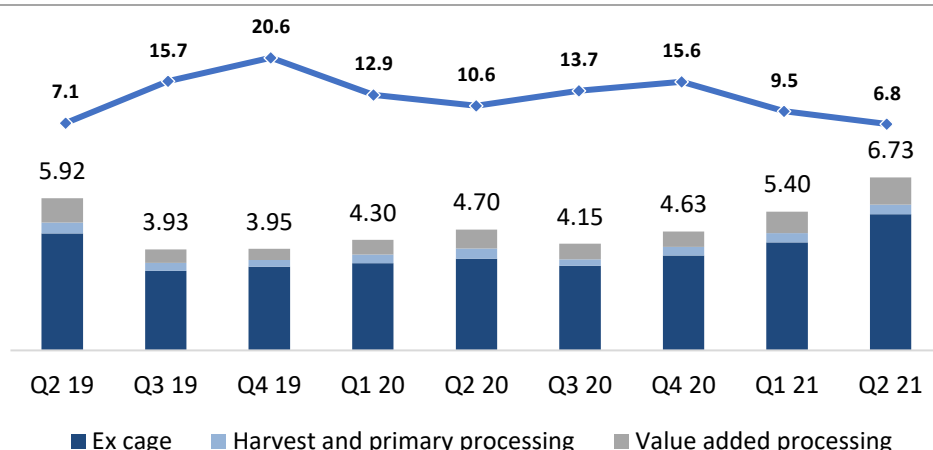
increase is due to algal bloom and oxygen deficiency events in the Reñihue fjord, the consequent lower average harvest weights, and to a lesser extent, mortalities caused by sea lions at some sites.

Primary and secondary processing costs were US\$ 1.44/kg WFE, which was US\$ 0.30 or 26.8% higher than Q2 2020, and US\$ 0.07 or 4.8% higher than Q2 2019, which was affected by the smaller scale of production as a consequence of the smaller harvest, and a significant increase in the proportion of added value products.

Consequently, the total cost of finished products was US\$ 6.73/kg WFE, which was US\$ 2.00 higher than in Q2 2020, and US\$ 0.81 higher than the previous cycle in 2019 for the same neighborhoods and harvested sites. It was US\$ 2.50 higher than the long-term target of US\$ 4.23/kg WFE.

The extraordinary costs at the sites harvested in H1 2021 should return to normal in H2 2021 with sites in the Chiloé area being harvested. They are expected to yield about 60-65% of the annual harvest, which will recover the Company's scale of production and reduce its processing costs.

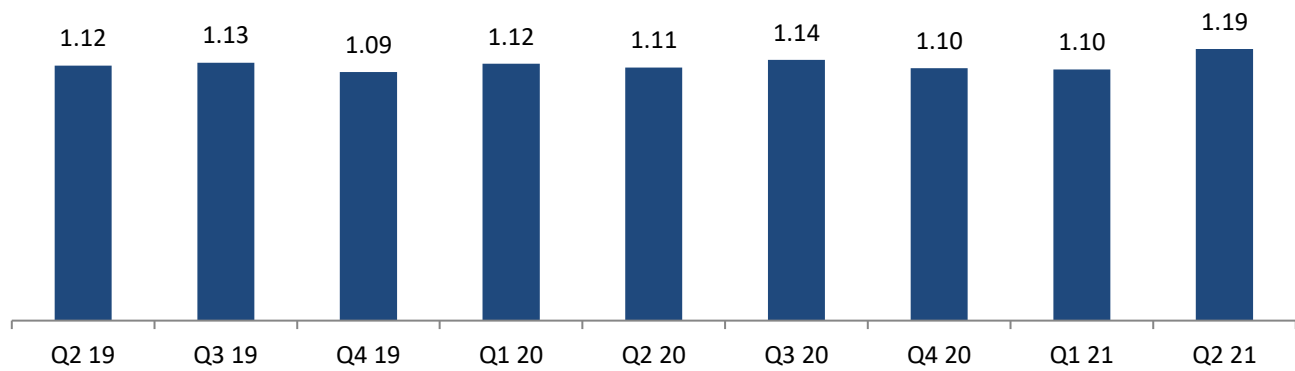
Total cost of Atlantic salmon finished products (US\$/kg WFE) and processed volume (MT WFE) by quarter



III. Feed Costs

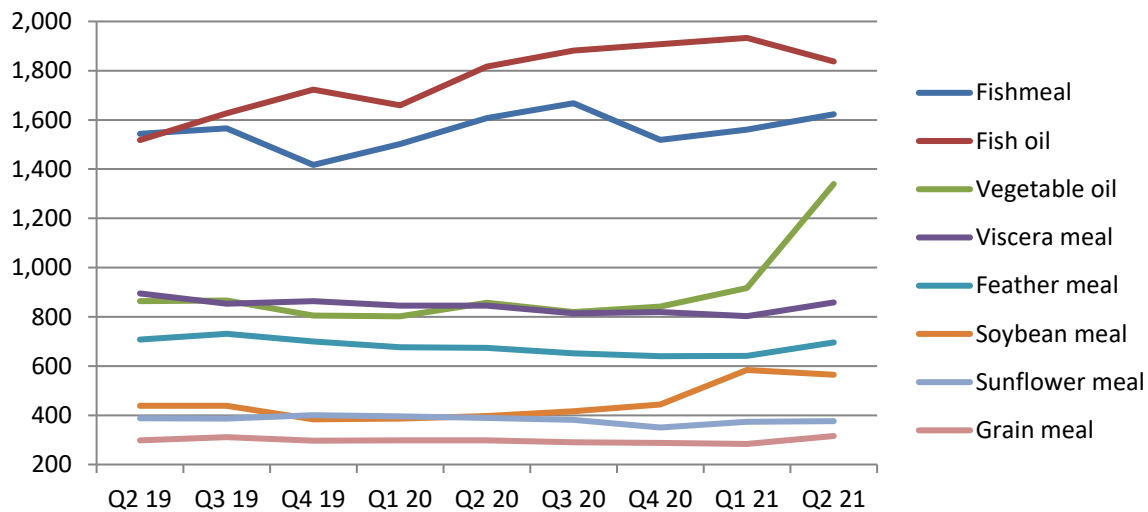
The price of feed for fish weighing more than 2.5 kg, which represents approximately 40% of the Company's total feed cost, increased by US\$ 0.09 or 8.2% to US\$ 1.19/kg during Q2 2021, due to the increase in the prices of fishmeal, vegetable oil and other dietary inputs during the period.

Price for 2500 caliber (Salmones Camanchaca) US\$/kg



Source: Internal data, Salmones Camanchaca price including pigment. Excludes medicated feed, feed additives and supplements

Price of main ingredients US\$/MT



Source: Internal data, Salmones Camanchaca

Subsequent Events

No subsequent events occurred after June 30, 2021, that materially affect Salmones Camanchaca's operations or its financial results.

The COVID-19 Situation and the Outlook for the Company

Salmones Camanchaca continues to strengthen the measures adopted to address the COVID-19 pandemic in Chile since it arrived, and thus reduce the risks of infection and mitigate the potential human, operational and financial consequences. These measures aimed 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.

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 a higher degree of added value to meet retail demand, which has required a greater proportion of production. As restaurants and hotels are progressively opened around the world, demand from the "Food Services" segment has increased as the vaccination process advances, leading to a significant recovery in selling prices in the principal markets during the first half of 2021 compared to prices since the pandemic began in mid-March 2020.

The Company implemented a conservative liquidity position during the pandemic, by reducing investments, postponing non-essential expenses and increasing its credit facilities.

The medium-term impact of COVID-19 has improved during Q2 2021 with mass vaccinations taking place in Chile and more than 80% of the target population currently been vaccinated in the country, which is essential for production. In the main market North America mass vaccination is also in progress, which is essential for price setting. Post-pandemic demand appears to be more robust than before the pandemic, as consumption in restaurants has been complimented by increased household consumption. Nevertheless, Salmones Camanchaca continues to monitor its mitigating measures and will adapt as production conditions and its target markets evolve.

The world supply of Atlantic salmon for 2021 will grow minimally according to Kontali, and will only be driven by increases in Norway, as a reduction of up to 15% in Chile's production is expected, with consequent effects on its main markets. The decrease will be concentrated in the second half of 2021 with an estimated reduction of approximately 25% compared to same period in 2020. Furthermore, Canadian production is not expected to grow, so the availability of salmon will be restricted, which adds to the higher demand that began to appear at the end of Q2 2021.

Atlantic harvest volume for 2022 is estimated at 45,000 - 48,000 MT WFE and around 5,000 MT WFE of Coho.

Main Risks and Uncertainties

External variables might materially impact the Company's annual performance. The main variable affecting revenue is the price of Atlantic salmon, while the main variables affecting costs are the environmental conditions at farming sites, and the sanitary status of the salmon biomass, including the biological conversion of feed.

Individually and in aggregate, aquaculture businesses are exposed to various risks. Consequently, Salmenes Camanchaca uses a risk matrix that guides the Company in order to: i) review and update the critical risk inventory and generate a map that helps manage risks; ii) assess these risks on the basis of impact and probability parameters that helps with prioritizing; iii) implement an internal audit and control plan based on the risk map that focuses resources on the most vulnerable areas; iv) generate a set of strategies to reduce the probability and impact, including insurance wherever this is feasible and financially attractive. These risk maps guide management to continuously manage and mitigate each risk and establish the corresponding responsibilities, as well as review the frequency and severity of internal controls to validate the effectiveness of mitigating measures.

The factors used to detect critical risks are the Company's mission, vision and values; short and long-term strategic planning; known risks inherent to the business; the knowledge and experience of key personnel; and other factors.

a. Phytosanitary Risks

The Company is exposed to risk of disease or parasites that can affect the biomass, increasing mortality or reducing the growth of specific species, and thereby, affecting production and sales volume. Examples of these risks are increases in parasitic concentrations, outbreaks of SRS or even ISA in 2008. Salmenes Camanchaca has adopted strict control standards to minimize those risks and comply with regulatory requirements with respect to coordinated fallow periods for the concessions in each neighborhood. These standards cover the maximum fish density in cages, constant monitoring and reporting of the biomass and its biological status and health, total fish vaccination against ISA and SRS, smolt production in closed recirculating sites fed by groundwater, transport of breeders and fish for harvest in wellboats, coordinated anti-parasitic washing by neighborhood, identifying new parasitic treatments, frequent net cleaning, oxygen plants to supplement pronounced shortfalls in the water, vaccinations at the freshwater stage, and other standards. The risks associated with increased concentrations of parasites can result in early harvests, under certain circumstances, with the consequent lower harvest weights. In the extreme, they can result in unusable products. The Company is mitigating these risks by rigorously applying current treatments, diversifying the anti-parasitic treatments it applies to sites affected by higher concentrations.

b. Natural Risks

The Company is exposed to natural hazards that may affect its business, such as pronounced oxygen depletion or harmful algae blooms, such as those seen in the Reñihue and Comau fjords between the end of Q1 2021 and the beginning of Q2 2021. It is also exposed to volcanic eruptions such as the Calbuco volcano in 2015, storm surges, tsunamis, earthquakes, natural predators, water pollution and other factors that can threaten the biomass and production infrastructure, such as the severe currents produced by heavy rains in 2020 that affected the Islotes site. Furthermore, it is exposed to non-aquaculture risks that affect people working in this industry, such as highly contagious diseases that limit normal production, intermediate or final logistic chains that can limit production and sales, such those imposed by the COVID-19 pandemic during 2020 and 2021. The Company is constantly monitoring these variables using the latest risk prevention technologies and tools available in Chile, in addition to having appropriate insurance coverage for these risks, where available.

c. Product Sale Price Risks

The Company mainly exports its products to numerous markets and evaluates the prices it obtains, for which it has a wide commercial network. The Company adjusts the speed of its sales in accordance with production and market

conditions, which are constantly in flux. However, it does not accumulate inventory in order to speculate on better sale prices in the future.

Prices are highly dependent on the supply from Norway and Chile and on fluctuations in exchange rates used by the Company's major trading partners, which affects demand conditions in these markets. Furthermore, demand may fall due as consumption patterns weaken, for example in the restaurant and hotel segment in 2020 as a result of the COVID-19 pandemic, which could continue well into 2021. Salmenes Camanchaca has sought to safeguard against this risk through diversifying its commercial network and flexing its range of products to enable its raw material to be sent to any market.

The Company complies with production standards and protocols applied by the country with the strictest requirements in the world, in order to take advantage of all available commercial opportunities. However, there is a risk that occasionally some markets will be limited as a result of tariff, para-tariff or sanitary measures, such as the limitations imposed by Russian and Chinese markets during 2020. Should this occur, the Company believes that it is sufficiently diversified across various markets to divert trade elsewhere, although this may result in price decreases in the short-term depending on market conditions.

d. Purchase Price Risks

The Company is exposed to changes in the price of salmon feed, which represents about half the cultivation cost. Salmenes Camanchaca ensures its diets achieve a balance between feed cost and nutritional quality at each fish development stage. The Company aims to produce a final product that contains the same amount of Omega 3 as wild salmon, as well as keeping the marine sourced feed compared to farmed fish feed (the fish in-fish out ratio) to no more than 1:1. The Company has feed contracts with prices adjusted quarterly, on a cost-plus basis. During the last few years, the prices of the main consumables used in production have remained stable.

e. Regulatory Risks

Aquaculture is strictly regulated in Chile by laws, standards and regulations issued by the corresponding authorities. Significant changes in these could impact the Company's performance. These regulations are mainly established by the General Law on Fisheries and Aquaculture, and its associated regulations that assign concessions, manage the biomass and set preventive sanitary standards. The Company is constantly monitoring changes in regulations in order to anticipate and mitigate any potential impact.

The regulations governing salmon farming densities were changed with effect from Q3 2016, and a smolt stocking reduction program was introduced (SRP) as an alternative to the general density regime. This program requires stocking and farming densities to be reduced when sanitary performance has fallen, or when smolt stockings are expected to grow in the area. The SRP mechanism gives producers the option to replace a reduction in density, when appropriate, with a smolt stocking plan that considers growth containment with respect to the previous cycle, so maintaining densities at maximum permitted levels.

Since the Company's policy has been to use its assets to provide services to third parties/producers, it has routinely leased out several farming sites. Regulations attribute the history of concession use to the concession owner, allowing the Company to use the history of smolt stocking at farming sites leased to third parties in its smolt stocking plans, without affecting the growth of smolt stocking in the areas involved. Therefore, as lease contracts expire, the Company expects Atlantic salmon harvests of 60,000 MT WFE at its own farming sites, plus another 15,000 to 16,000 MT WFE of other species.

Most of the concessions held by Salmenes Camanchaca for farming fish are of indefinite duration. However, in order to retain the concession, the current regulation requires a minimum amount of use. If minimum use is not achieved, the concession may be revoked. This has led the Company to operate some of its farming sites at

minimum capacity where they are at risk of revocation, which results in additional expenses. This situation generates a regulatory contradiction between an obligation to use the concession, and legislation that prefers smolt stocking growth containment, in order to preserve a healthy sanitary situation.

Examples of these risks are limitations on smolt stocking due to anaerobic marine conditions in the concessions, the obligatory use of concessions to avoid them lapsing, and changes in anchoring requirements, all of which can materially impact costs. Congress is discussing the introduction of regulations to mitigate the impacts of marine farming. However, these discussions are still at an early stage, so their impact cannot be estimated.

The financial statements could be affected by changes in economic policies, specific regulations and other standards introduced by authorities.

f. Social and Political Risks

Specific social conditions and/or political situations, such as riots, violence or protests, can generate temporary operational interruptions that affect the continuity of processing plants, primary and/or secondary logistics at export ports, access to specific public services, such as customs or health authorities, availability of labor or security of onshore facilities when faced with strikes, protests, etc. These situations can affect and delay harvests, production or shipments of products to target markets. For example, the social unrest in Chile during the second half of 2019, which interrupted logistics chains. The Company continuously monitors these situations to ensure that its staff, facilities and products are safe, and regularly evaluates mitigating measures, including whether insurance policies are cost-effective.

g. Liquidity Risks

Liquidity risk is the risk of potential mismatches between the funds needed for investments in assets, operating expenses, finance costs, repayment of debt as it matures and dividend payments, and funding sources such as product sales revenue, collections from customers, disposal of financial investments and access to financing.

Salmones Camanchaca conservatively and prudently manages this risk by preparing cash flow forecasts for at least the next 12 months and by maintaining sufficient liquidity and access to third-party financing facilities, while carefully ensuring that it complies with all its financial obligations. These were the reasons for restructuring its debt in 2013, 2017 and 2020.

h. Interest rate risk

The Company is exposed to interest rate risk since its long-term financing includes a variable interest rate component, which is adjusted every six months. The Company continually evaluates its hedging opportunities, which depend on market conditions. However, it has not used them in the last five years given the interest rate trends and the expansive monetary policies adopted by the main economies since 2008. Exposure to this risk has increased as a result of its increased borrowing.

i. Foreign Exchange Risks

A substantial proportion of Salmones Camanchaca's revenue arises from contracts and commercial agreements in US dollars. However, given the diversity and importance of markets other than the North American market, which have historically represented approximately 50% of total exports, any devaluation of the US dollar against these markets' currencies and/or the Chilean Peso, could have an impact on market demand and consequently on prices, which would affect the financial performance of the Company.

Corporate policy is to agree income, cost and expenses in US dollars whenever possible. When that is not possible, expenses in Chilean pesos are converted to US dollars, which may appear higher if the Chilean peso appreciates. The Company occasionally evaluates exchange rate hedging instruments for its Chilean peso-denominated

expenses, based on market conditions, which results in a non-operating income or loss, respectively, for an operational loss or income.

The Company borrows from financial institutions in U.S. dollars.

j. Credit Risks

1. Surplus cash investment risk

The Company has a highly conservative policy for investing its cash surpluses. This policy covers the quality of both financial institutions and their financial products.

2. Sales Risks

The Company has credit insurance policies covering most sales that do not require immediate payment. The remaining sales are backed by letters of credit, advance payments, or are sales to customers with good payment performance.

Operational stoppages at ports or by customs or other institutions, as well as protests, marches or road blockages, may affect and delay shipments of our products to the markets where they are sold. Therefore, the Company continuously monitors these variables in order to anticipate any issues and identify alternatives to minimize the impact.

Financial Statements

Statement of Net Income

Consolidated (USD'000)	Q2 2021	Q2 2020	H1 2021	1S 2020
Operating revenue	50,549	50,248	120,169	134,236
Cost of sales	(60,868)	(55,380)	(137,368)	(122,697)
Gross margin	(10,319)	(5,132)	(17,199)	11,539
Administrative expenses	(2,198)	(2,104)	(4,251)	(4,547)
Distribution costs	(2,113)	(2,203)	(4,557)	(5,000)
Sales and administrative expenses	(4,311)	(4,307)	(8,808)	(9,547)
EBIT* before fair value adjustments	(14,630)	(9,439)	(26,007)	1,992
EBITDA** before fair value adjustments	(10,635)	(5,816)	(18,026)	9,301
Net fair value adjustments to biological assets	4,217	(10,250)	817	(16,340)
EBIT after fair value	(10,413)	(19,689)	(25,190)	(14,348)
EBITDA after fair value adjustments	(6,418)	(16,066)	(17,209)	(7,039)
Financial costs	(1,138)	(1,118)	(2,206)	(2,217)
Share of net income (losses) of equity method associates	287	285	623	829
Exchange differences	(96)	1,142	(320)	(1,289)
Other income (losses)	136	(3,278)	(5,094)	(3,316)
Financial income	0	0	0	0
Total non-operating expenses	(811)	(2,969)	(6,997)	(5,993)
Net income (loss) before taxes	(11,224)	(22,658)	(32,187)	(20,341)
Taxation income (expense)	2,784	6,285	8,588	5,791
Net income (loss) for the period	(8,440)	(16,373)	(23,599)	(14,550)
Non-controlling interest	0	0	0	0
Net income (loss) for the period attributable to the parent company	(8,440)	(16,373)	(23,599)	(14,550)

* EBIT: Gross margin before fair value adjustment - administrative expenses - distribution costs

** EBITDA: Gross profit before fair value adjustments + depreciation - administrative expenses - distribution costs

Statement of Financial Position

ThUS\$	06/30/2021	12/31/2020	06/30/2020
Cash and cash equivalents	10,491	9,038	12,025
Other financial assets, current	36	341	31
Other non-financial assets, current	8,180	7,422	7,720
Trade and other receivables, current	21,775	15,386	19,708
Related party receivables, current	22,049	35,704	32,565
Inventories	26,654	46,963	28,372
Biological assets, current	114,654	113,756	130,642
Tax assets, current	13,630	13,691	10,314
Total current assets	217,469	242,301	241,377
Other financial assets, non-current	27	27	27
Other non-financial assets, non-current	112	112	112
Rights receivable, non-current	2,685	2,168	1,964
Related party receivables, non-current	0	0	0
Equity method investments	5,400	4,889	4,551
Intangible assets other than goodwill	6,972	6,972	6,972
Property, plant, and equipment	114,414	115,618	113,412
Long-term deferred taxes	4,855	2,963	2,780
Total non-current assets	134,465	132,749	129,818
Total assets	351,934	375,050	371,195
Other financial liabilities, current	43,330	43,040	17,328
Operating lease liabilities, current	364	483	484
Trade and other payables, current	47,268	58,426	51,044
Related party payables, current	5,468	11,431	7,639
Current tax liabilities	0	0	0
Employee benefits provisions, current	1,167	1,573	1,103
Other provisions	7,056	5,479	5,635
Total current liabilities	104,653	120,432	83,233
Other financial liabilities, non-current	102,870	79,739	90,000
Operating lease liabilities, non-current	35	187	88
Deferred tax liabilities	0	6,519	13,234
Employee benefit provisions, non-current	73	158	127
Total non-current liabilities	102,978	86,603	103,449
Total liabilities	207,631	207,035	186,682
Share capital	91,786	91,786	91,786
Share premium	27,539	27,539	27,539
Retained earnings	2,105	25,704	42,780
Other reserves	22,873	22,986	22,408
Total equity	144,303	168,015	184,513
Total equity and liabilities	351,934	375,050	371,195

Statement of Cash Flows

ThUS\$	Q2 2021	Q2 2020	H1 2021	1S 2020
CASH FLOW FROM (USED BY) OPERATING ACTIVITIES				
Receipts				
Receipts from selling goods and providing services	67,239	83,961	145,415	177,783
Payments				
Payments to suppliers for goods and services	(62,905)	(64,088)	(144,574)	(136,409)
Payments to and on behalf of employees	(6,674)	(6,421)	(13,835)	(13,631)
Dividends received	0	589	0	589
Interest paid	(1,434)	(2,125)	(1,585)	(2,125)
Interest received	0	0	0	0
Income taxes received (paid)	(38)	(7,825)	(38)	(7,825)
Other receipts (payments)	0	0	0	0
Net cash flows from (used by) operating activities	(3,812)	4,091	(14,617)	18,382
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES				
Receipts from sales of property, plant and equipment	0	21	8	21
Purchases of property, plant and equipment	(3,928)	(4,626)	(6,673)	(11,570)
Other receipts (payments)	0	0	0	0
Net cash flows used by investing activities	(3,928)	(4,605)	(6,665)	(11,549)
CASH FLOW FROM (USED BY) FINANCING ACTIVITIES				
Receipts from issuing shares	0	0	0	0
Receipts from loans	5,000	5,000	27,000	9,000
Loan repayments	0	0	(4,000)	0
Payments to related parties	0	0	0	0
Dividends paid	0	(16,850)	0	(16,850)
Net cash flow from (used by) financing activities	5,000	(11,850)	23,000	(7,850)
Effects of changes in exchange rates on cash and cash equivalents	(79)	95	(265)	(825)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,819)	(12,269)	1,453	(1,842)
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	13,310	24,294	9,038	13,867
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	10,491	12,025	10,491	12,025

Statement of Changes in Equity

	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Total other reserves	Retained earnings (accumulated losses)	Equity attributable to owners of the parent company	Total equity
Opening balance as of January 1, 2020	91,786	27,539	-668	23,515	22,847	61,543	203,715	203,715
Capital increase								
Changes in equity								
Dividends accrued						-4,213	-4,213	-4,213
Comprehensive income								
Net income (loss) for the period						-14,550	-14,550	-14,550
Other comprehensive income			-439		-439		-439	-439
Closing balance as of June 30, 2020	91,786	27,539	-1,107	23,515	22,408	42,780	184,513	184,513
Opening balance as of January 1, 2020	91,786	27,539	-668	23,515	22,847	61,543	203,715	203,715
Capital increase								
Changes in equity								
Dividends accrued						-4,212	-4,212	-4,212
Comprehensive income								
Net income (loss) for the period						-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
Opening balance as of January 1, 2021	91,786	27,539	-529	23,515	22,986	25,704	168,015	168,015
Capital increase								
Changes in equity								
Dividends						0	0	0
Comprehensive income								
Net income (loss) for the period						-23,599	-23,599	-23,599
Other comprehensive income			-113		-113		-113	-113
Closing balance as of June 30, 2021	91,786	27,539	-642	23,515	22,873	2,105	144,303	144,303

Additional information

Analysis of Key Financial Indicators

This section compares the Company's key financial indicators based on its consolidated financial statements as of June 30, 2021, compared to December 31, 2020.

	06/30/2021	12/31/2020
Liquidity Indicators		
1) Current Liquidity	2.08	2.01
2) Acid Ratio	0.73	0.68
3) Working Capital (US\$ million)	112.816	121.869
Debt Indicators		
4) Net debt ratio	1.37	1.18
5) Current Liabilities / Total Liabilities	0.50	0.58
6) Non-Current Liabilities / Total Liabilities	0.50	0.42
Profitability Indicators		
	(6 months)	(12 months)
7) Return on Equity	-16.35%	-18.82%
8) Return on Assets	-4.89%	0.06%

Notes:

1) Current Liquidity: Current Assets / Current Liabilities

2) Acid Ratio: Current Assets Net of Inventory and Biological Assets / Current Liabilities

3) Working Capital: Current Assets - Current Liabilities

4) Net Debt Ratio: Total Liabilities - Available Cash / Total Equity

5) Return on Equity: Net income (loss) attributable to owners of the parent company / Total equity

6) Return on Assets: Gross margin before fair value adjustment / Total assets

The increase of 3% in the current liquidity ratio is mainly caused by a US\$ 15.8 million decrease in current liabilities, which was not offset by a US\$ 24.8 million decrease in current assets, as explained in the financial position analysis. Consequently, working capital decreased by 7% or US\$ 9.1 million.

The acid ratio increased by 7.4% compared to year-end 2020 mainly due to a US\$ 15.8 million decrease in current liabilities, which was not offset by a US\$ 5.4 million decrease in current assets net of inventory and biological assets. These changes have already been explained in the financial position analysis.

The increase in the net debt ratio from 1.18 to 1.37 is mainly due to equity decreasing by close to US\$ 23.7 million. These changes have already been explained in the financial position analysis. The increase in the proportion of long-term liabilities from 0.42 to 0.5 is due to drawing down a US\$ 35 million 1.5-year committed financing facility with DNB and Santander banks. These changes have already been explained in the financial position analysis.

The decrease in the return on equity and on assets is mainly explained by the drop in prices and volumes, the extraordinary mortalities and other effects that affected the results.

Cumulative Indicators

	06/30/2021	06/30/2020
a. Atlantic salmon sites harvested during the period	7	7
b. Atlantic salmon harvested during the period (MT WFE) / Site	2,226	3,402
c. Atlantic Salmon farming density (kg/m3)	5.6	11.05
d. Atlantic Salmon group survival rate in sea water at harvest	75.8%	89.70%
e. Coho salmon sites harvested during the period	0	1
f. Coho salmon harvested during the period (MT WFE) / Site	n.a	760
g. Coho Salmon farming density (kg/m3)	n.a	1.62
h. Coho Salmon group survival rate in sea water at harvest	n.a	92.80%
i. Operational EBIT before fair value adjustments (US\$ million)	-26.0	2.0
j. Atlantic salmon EBIT/kg WFE before fair value adjustments	-1.32	0.29
k. Coho salmon EBIT/kg WFE before fair value adjustments	0.66	-2.04

Notes:

a and e. Atlantic and Coho salmon sites harvested during the period

b and f. Harvest volumes during the period (MT WFE) / Number of harvested sites, expressed in MT WFE / Site.

c & f Average farming density, expressed in kg per cubic meter, for sites harvested during the period.

d and h. Survival rate for harvested fish groups compared to smolt stocking. A harvest group is fish of a similar origin and strain.

i. Gross margin before fair value adjustment - administrative expenses - distribution costs for the salmon farming division

k and k. (Gross margin before fair value adjustment - administrative expenses - distribution costs) / kg WFE of own salmon sold

Biomass Fair Value

For the period ended June 30, 2021 (Thousands of USD)

	Gain (loss) on fair value of biological assets		Cost of biological assets harvested and sold	
	As of 06/30/2021	As of 06/30/2020	As of 06/30/2021	As of 06/30/2020
Salmonids	-9,962	8,543	10,779	-24,883

The net effect of the fair value adjustment of the salmon biomass is reflected in two accounts:

- “Gain (loss) on FVA of biological assets” records the estimated gain or loss for the period from valuing the biomass of live and harvested fish at the end of each month that will be sold in future periods. It can be positive or negative based on changes in the biomass, its cost, the quality of concessions and the market price. A loss of US\$ 10.0 million was recorded for the fair value adjustment of the live and harvested biomass as of June 30, 2021, compared to a gain of US\$ 8.5 million as of the same date in 2020. This can be explained mainly by higher costs and lower biomass volumes between the two periods and the characteristics of these farming sites.
- “Fair value adjustment of biological assets harvested and sold” records the realized gain or loss on the live biomass, and the biomass harvested in current and prior periods that was sold in the current period. This account reverses the estimated gain or loss for the current and prior periods and the result of the transaction is recorded in operating revenue and cost of sales. The net effect on the biomass sold as of June 30, 2021 was a positive margin of US\$ 10.8 million, which reversed a negative margin estimated in prior periods, in contrast to a negative effect of US\$ 24.9 million as of June 30, 2020.

The net effect of the fair value adjustments on the salmon biomass as of June 30, 2021 is positive US\$ 0.8 million, as opposed to the negative US\$ 16.3 million as of June 30, 2020.

Differences between the market and book values of principal 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 through-out their growth.

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.

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

Operating 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.