



SALMONES CAMANCHACA S.A. AND SUBSIDIARIES

Quarterly Earnings Report on the Consolidated Financial Statements

For the period ended September 30, 2021

Salmones Camanchaca

Salmones Camanchaca S.A. is a vertically integrated salmon producer engaged in breeding, egg production, recirculating hatcheries for Atlantic salmon and pass-through or lake hatcheries for Coho salmon and trout, fish farming sites in estuary, fjord 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 harvested 53,000 MT WFE of Atlantic salmon in 2020 and 3,700 MT WFE of Coho, totaling 56,700 MT WFE. Production target for 2022 and 2023 is in the range of 50-55,000 MT WFE. Overall Atlantic and Coho production capacity is 65-70,000 MT WFE. The Company also participates in Trout farming through a one third share of a joint venture, which uses Salmones Camanchaca farming sites in coastal-estuarine waters, and currently plans to harvest an average of 9,000 MT WFE per year until 2028.

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 going to emerging markets in a variety of fresh and frozen formats.

Highlights for the third quarter 2021 (Q3 2021)

- **Operating revenue for the quarter recovered to USD 65.9 million, 19.2% higher** than Q3 2020, driven by 47.5% increase in the price of Atlantic salmon, but with a decrease of 18.9% in sales volume.
- **Q3 2021 Atlantic salmon harvest volume was 9,508 MT WFE**, 29% lower than Q3 2020, and higher than the 6,422 MT WFE in Q2 2021. Harvest volume was still affected by lower average harvest weights at 4.2 kg, due to algae and oxygen events in the Reñihué fjord in Region X in previous quarters, which limited feeding. There were no Coho salmon harvests during the quarter.
- **Forecast 2021 Atlantic salmon harvest remains unchanged at 40,000 to 41,000 MT WFE**, 40% of which will be harvested in Q4 2021. Estimated Coho salmon harvest volume maintained at 2,000 MT WFE.
- **Atlantic salmon** ex-cage cost (live weight) in the quarter was USD 4.18/kg, 36% above Q3 2020, due to harvest of two sites in the Reñihué Fjord and one in the Comau Fjord affected by severe feeding limitations and high mortalities due to algae blooms. There was a gradual improvement in costs during the quarter especially after completing harvest of all Reñihué sites in August, reducing ex cage cost with USD 0.74/kg for the quarter versus Q2 2021. Costs are expected to return to normal during Q1 2022.
- **Processing costs were USD 1.04/kg WFE, slightly higher than the long-term target of USD 1/kg**, and 20% higher than Q3 2020, due to 15% lower processing volume.
- **Quarterly EBITDA was USD 3.6 million**, USD 7.4 million higher than in Q3 2020, with increased sales prices. The company's sales prices realization reflects the market price increases in Q3 2021, which exceeded the historical high of the last 10 years for the period. Extraordinary mortalities during the quarter of USD 3.7 million, where USD 2 million was a reclassification from "Other expenses" (below EBITDA) to EBITDA, because mortalities at one site where the company assumed insurance coverage in a previous quarter and therefore classified the loss as "Other Expenses" turned out to be lower than the insurance deductible value, and as such included in EBITDA. Also, there are USD 0.7 million written off insurance claim and USD 1 million from an SRS outbreak at a site in the Comau fjord. This led to a **negative EBIT** in Q3 2021 of USD 0.5 million, which was USD 7.1 million better than in Q3 2020 when it was severely affected by low prices caused by the pandemic.
- **EBIT/kg WFE of Atlantic salmon was negative USD 0.05** during Q3 2021, compared to negative USD 0.66 in Q3 2020, this improvement was driven by higher prices.
- **Net income for Q3 2021 of USD 4.6 million**, which was USD 14.1 million higher than the net loss of USD 9.5 million in Q3 2020. This improvement was mainly driven by higher sales prices, which also generated a positive net Fair Value adjustment of USD 6.3 million compared to negative USD 4.6 million in Q3 2020.
- **Cash balance as of 30 September 2021 was USD 8.8 million** and **net interest-bearing debt was USD 137.9 million**, USD 24 million higher than yearend 2020. The Company has an additional USD 12 million in available credit lines, with total liquidity of USD 21 million. The Company informed its creditor banks that it did not comply with the covenants related to its Net Interest Financial Debt to EBITDA ratio and Equity to Total Assets ratio, which they subsequently authorized.
- The Company reported that an Extraordinary Shareholders' Meeting of Salmones Camanchaca on 18 October 2021 approved a **share capital increase of up to USD 30 million, by issuing 12 million shares**, to support the 2021/2023 investment plan that will allow production in sites with lower risk of algae blooms and lack of oxygen, to recover the biomass lost in the first half of 2021, and to strengthen the financial position. The meeting authorized the Board to set the number of shares, the placement price, and its date, which is expected to be completed by the end of 2021.

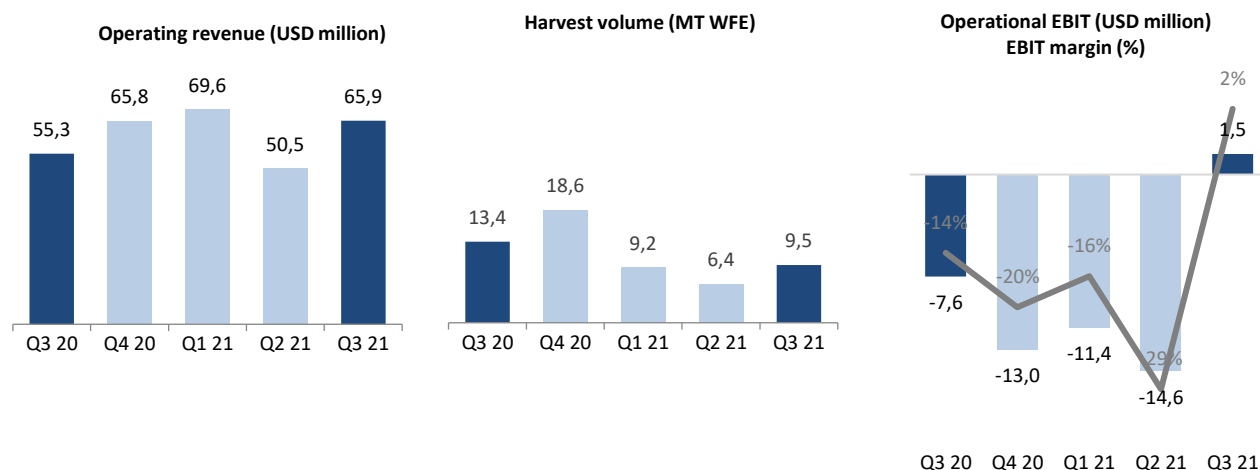
- **There are no active COVID-19 cases at present.** Testing found 0.34% positive results from over 71,000 tests, and no serious cases. However, preventive health and operational measures have continued, to avoid infections, thus preserving the health of employees and operational continuity.

Key Figures

(USD'000)	Q3 2021	Q3 2020	Δ%	YTD Sep 2021	YTD Sep 2020	Δ%
Operating revenue	65,883	55,280	19.2%	186,052	189,516	(1.8%)
EBITDA* before fair value adjustments	3,639	(3,719)	-	(14,387)	5,582	-
EBIT** before fair value adjustments	(462)	(7,598)	(93.9%)	(26,469)	(5,606)	372.2%
EBIT margin %	-0.7%	-13.7%	1,304 bp	-14.2%	-3.0%	(1,127 pb)
Net income (loss) for the period	4,572	(9,529)	-	(19,027)	(24,079)	(21.0%)
Earnings (loss) per share (USD)	0.0693	(0.1444)	-	(0.2883)	(0.3648)	(21.0%)
Atlantic salmon						
Harvest volume (MT WFE)	9,508	13,369	(28.9%)	25,093	37,181	(32.5%)
Sales volume (MT WFE)	9,471	11,673	(18.9%)	30,112	34,485	(12.7%)
% of fillets and portion sales	90.4%	86.6%	381 bp	88.8%	82.9%	596 bp
Atlantic salmon ex-cage harvesting costs (USD/kg live weight)	4.18	3.06	36.4%	4.27	3.17	34.8%
Atlantic salmon ex-cage harvesting costs (USD/kg WFE)	4.49	3.29	36.4%	4.59	3.41	34.8%
Processing costs (USD/kg WFE)	1.04	0.86	20.4%	1.19	0.96	24.5%
Price (USD/kg WFE)	6.56	4.44	47.5%	5.59	5.01	11.6%
EBIT/kg WFE (USD)	(0.05)	(0.66)	(92.4%)	(0.92)	(0.03)	2842.9%
Coho salmon						
Harvest volume (MT WFE)	0	35	-	0	795	-
Sales volume (MT WFE)	33	226	(85.2%)	1,766	2,499	(29.3%)
EBIT/kg WFE (USD)	0.49	0.46	7.0%	0.65	(1.81)	-
Financial Debt				146,744	113,083	29.8%
Net Financial Debt				137,912	105,493	30.7%
Equity Ratio				38.3%	46.4%	(808 pb)
Net Financial Debt / LTM EBITDA				-	2.45	-

* 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

Results for the third quarter of 2021

Salmones Camanchaca harvested 9,508 MT WFE of Atlantic salmon in Q3 2021. This was 29% less than the harvest volume in Q3 2020 at 13,369 MT WFE. The average harvest weight was 4.2 kg compared to 5.9 kg in Q3 2020. Sales volume was 9,471 MT WFE, 19% lower than the same period last year.

The average selling price of Atlantic salmon was 48% higher than in Q3 2020, an increase of USD 2.11/kg WFE. Thus, the Company captured a large proportion of these price increases in the spot market, which resulted in a favorable revenue impact of USD 25 million during the quarter. The improvement in selling prices was partially offset by the effect of lower sales volume at USD 14 million. Accordingly, operating revenue increased by USD 10.6 million to total USD 65.9 million, 19% higher than in Q3 2020.

Ex cage costs for the quarter were USD 4.18/kg live weight, 36% higher than the same period last year, due to harvesting sites in the Reñihué fjord that were affected by an algae bloom in previous quarters. However, costs were lower than the immediately preceding quarter when they were USD 4.92/kg live weight, which indicates that these costs are beginning to return to normal. The lower harvest volume was partially offset by raw material purchases from third parties totaling 1,750 MT WFE, which increased processing volume and improved processing costs, that decreased by USD 0.40 compared to Q2 2021. The higher proportion of value-added products drove process costs USD 0.04 higher than the long-term target of USD 1/kg.

The cost of sales was also affected by USD 3.7 million of extraordinary mortalities where the company assumed insurance coverage in a previous quarter for a Reñihué site and therefore classified the loss as “Other Expenses” (not EBITDA). However, total expenses turned out to be lower than the insurance deductible value, so these mortalities were recorded within the gross margin, together with mortalities caused by SRS at another Comau site. Expenses on fallowed sites with no biomass, or only the minimum required to avoid the concession lapsing, were USD 2.7 million in the quarter, which was 44% lower than in Q3 2020. Consequently, the gross margin was positive USD 3.5 million, which was USD 7 million higher than in Q3 2020.

The Company's administrative and selling expenses decreased by 3.2% or USD 0.1 million, compared to Q3 2020 and totaled USD 4 million, so decreased from 7.5% to 6.1% of operating revenue in Q3 2021.

Accordingly, Q3 2021 EBIT before FV adjustments was negative USD 0.5 million, which was USD 7.1 million better than the negative USD 7.6 million in Q3 2020 and resulted in a negative EBIT/kg WFE of USD 0.05, but this was USD 0.61 better than the negative USD 0.66 in Q3 2020. The EBIT/kg WFE for Coho salmon was positive USD 0.49, which was higher than the same period last year, as a result of higher sales prices.

The resulting net Fair Value adjustment for Q3 2021 was positive USD 6.3 million, compared to negative USD 4.6 million in Q3 2020, giving a favorable variation of USD 10.9 million, attributable to higher market prices.

Financial expenses were USD 1 million in Q3 2021, slightly higher than USD 0.9 million in Q3 2020, due to the increase in financial debt, which reached USD 146.7 million as of September 30, 2021, and was USD 33.4 million higher than as of September 30, 2020.

Other gains/losses were positive USD 1.7 million, due to the reclassification of a USD 2 million loss described above in the explanation for cost of sales. This resulted in an improvement of USD 2.6 million over Q3 2020.

Consequently, the Company recorded net income after tax of USD 4.6 million for Q3 2021, a favorable result compared to the net loss of USD 9.5 million for Q3 2020, mainly attributable to higher prices for Atlantic salmon.

Cash flow in Q3 2021

Net cash flow in Q3 2021 was negative USD 1.7 million compared to negative cash flow of USD 4.4 million in Q3 2020, which was explained by:

- Positive operating cash flow of USD 1.6 million, compared to negative USD 4.5 million in Q3 2020, which reflects rising prices.
- Negative investing cash flow of USD 2.8 million in Q3 2021, down from USD 5.1 million in Q3 2020, which reflects the reduction in investment plans approved in 2020.
- No movement in financing cash flow during the quarter, which compares to positive USD 5 million in Q3 2020.

Salmones Camanchaca had net cash of USD 8.8 million as of 30 September 2021 and unused lines of credit of USD 12 million as of that date, which provided it with USD 21 million of available liquidity.

Cumulative results for the nine months to 09/30/2021

Salmones Camanchaca harvested 25,093 MT WFE of Atlantic salmon during the first 9 months of 2021, which was 32.5% lower than the harvest for the same period in 2020 when it was 37,181 MT WFE. This decrease is due to the algae bloom and oxygen deficiency events that occurred during summer 2021 in the Reñihué fjord, which limited feeding and consequently growth. These sites produced most of the harvest volume for the first three quarters of 2021.

Operating revenue for the year totaled USD 186.1 million, slightly lower than the USD 189.5 million of same period 2020. Atlantic salmon sales volume was 12.7% lower at 30,112 MT WFE, and the average sales price was USD 5.59, which was 11.6% or USD 0.58 higher than in 2020.

The Company believes that the fundamentals for market supply and demand will maintain the current prices levels during the last quarter of the year. Kontali's estimates point to a 15% reduction in Chilean supply this year and a 25% reduction in Q4 2021, and the success of the vaccination campaigns has opened restaurants in our main markets, thus generating a robust demand for salmon.

Atlantic salmon cost of sales was severely affected by high ex-cage costs from the Reñihué sites, reaching USD 4.27/kg live weight or USD 4.59/kg WFE year to date September 2021, which was USD 1.1/kg higher than the previous year in which they were close to the long-term target. Processing costs were also adversely affected by lower processing volume caused by the lower biomass harvested from the Reñihué sites, and reached USD 1.19/kg WFE in 2021, which was 19% higher than the Company's long-term target.

Extraordinary mortality costs for the year were caused by blooms and amounted to USD 14.1 million, mainly comprised of: (i) mortalities not covered by insurance, (ii) salvage and rescue costs of fish transferred to other sites, (iii) mortality transfer costs, (iv) mitigation and remediation costs associated with events at Comau and to a lesser extent at Reñihué.

Expenses on fallow sites with no biomass, or only the minimum required to avoid the concession lapsing, were USD 8.4 million in 2021, which was USD 2.3 million lower than the same period last year. These expenses do not relate to salmon farming, processing, and selling during the year. As stated in previous reports, these costs could be

reduced if plans to farm seaweed are successful in sites that are not in the Company production plan, but by Chilean Law must be used periodically to avoid concessions to be lapsed.

Therefore, gross margin year to date September 2021 was negative USD 13.7 million, which was USD 21.7 million lower than 2020.

Administrative expenses in 2021 decreased by 2.9% or USD 0.2 million, and distribution and selling expenses decreased by USD 0.7 million, due to lower sales volume and lower freight and warehousing expenses, despite the sharp increase in costs charged by the shipping industry. Thus, the Company's combined sales and administrative expenses decreased from 7.2% to 6.9% of operating revenue for 9m 2021.

Consequently, operating EBIT before FV adjustments was negative USD 26.5 million for 9m 2021, which was USD 20.9 million lower than in the same period last year, mainly attributable to the higher cost of sales and extraordinary mortalities.

Atlantic salmon sales generated a negative EBIT/kg WFE of USD 0.92 during the first nine months of 2021, which was USD 0.89 lower than the negative USD 0.03/kg WFE of 2020, mainly due to the impact of algae bloom events in 2021 on farming and processing costs. Coho salmon sales generated a positive EBIT/kg WFE of USD 0.65 in 2021, a substantial improvement compared to the same period last year, mainly due to the improvement in prices.

The resulting net Fair Value adjustment year to date September 2021 was a positive USD 7.1 million, compared to a negative USD 20.9 million in 2020, giving a favorable difference of USD 28 million, mainly attributable to different market price trends from one year to the next, as prices were falling in 2020, and this year they have recovered and have now stabilized at high levels.

Other gains/(losses) were negative USD 3.4 million, mainly due to the insurance thresholds that applied to the events at the Reñihué and Comau fjords, which resulted in a loss of USD 2.9 million. The Trout farming joint venture was break even, compared to a gain of USD 1.5 million for the first 9 months of 2020. This is normal for an odd numbered year, as the trout farming neighborhood has a mandatory fallow period during the first three months.

The depreciation of the Chilean peso against the US dollar generated an unrealized exchange loss of USD 1 million, attributable to the US dollar devaluation on recoverable tax assets in Chilean pesos, which was greater than the loss of USD 0.6 million in 2020.

Accordingly, the net loss after taxes for 2021 was USD 19 million, which was better than in same period 2020 when the result decreased to a net loss of USD 24.1 million from lower prices. This year's loss was due to the impact of algae blooms in the Tenth region fjords, partially offset by a positive Fair value adjustment of USD 7.1 million, compared to negative USD 20.9 million for 2020.

Cash flow year to date September 2021

Net cash flow was negative USD 0.2 million during the first 9 months of the year, compared to negative USD 6.3 million in same period 2020. This was explained by:

Negative operating cash flow of USD 13.0 million during the first 9 months of 2021, compared to positive USD 13.9 million in same period prior year, due to lower sales volume and collections in 2021, partially offset by higher prices.

Negative investing cash flow of USD 9.5 million, a reduction of 43% from negative USD 16.6 million during the first 9 months of 2020. Investments have fallen this year to strengthen the cash position, and the forecast of approximately USD 25 million for 2021 remains unchanged.

Positive financing cash flow of USD 23.0 million in 2021, due to drawing down additional loans to finance the business, which compares to negative financing cash flow of USD 2.9 million in the same period 2020 when dividends of USD 16.9 million were paid based on earnings for 2019 and net financing of USD 14 million was received.

Salmones Camanchaca has net cash of USD 8.8 million as of September 30, 2021. An Extraordinary Shareholders' Meeting held on October 18 approved a capital increase of up to USD 30 million, to finance the investment plan, recover lost biomass and strengthen the financial position.

Financial position

Assets

During the first 9 months of 2021, the Company's total assets increased by 3.3% or USD 12.3 million, to reach USD 387.3 million. This increase was explained by USD 15.2 million in additional current assets, which totaled USD 257.5 million, due to the increase in biological assets of USD 16.3 million. Other non-financial assets also contributed with an increase of USD 6.8 million, due to the capitalization of insurance contracts, and prepaid expenses at sites that will be transferred to net income as when biomass is harvested and recognized as cost of sales. This was partially offset by a decrease in inventory of USD 8.7 million, which reached 3,277 MT of finished product as of September 30, 2021, down from 6,076 MT as of year-end 2020.

Non-current assets decreased slightly by 2.2% compared to year-end 2020, mainly due to a USD 2.5 million decrease in property, plant and equipment, with investments for the year lower than depreciation.

Liabilities and Equity

The Company's total liabilities increased by USD 31.8 million or 15.4% compared to year-end 2020, to reach USD 238.9 million as of September 30, 2021.

Current liabilities increased by USD 38.4 million or 31.9% compared to year-end 2020, reaching USD 158.8 million, mainly due to increased borrowing to finance the business, which is reflected in an increase of USD 23.8 million in current financial liabilities. Furthermore, there was a USD 14.7 million increase in payables driven by the higher biomass from increased feed consumption.

Non-current liabilities decreased by USD 6.6 million or 7.6% to USD 80 million, mainly due to a USD 6.5 million decrease in deferred taxes driven by net losses for the period.

Net financial debt increased by USD 24 million during 2021 to reach USD 146.7 million.

The Company's equity was USD 148.5 million, a decrease of USD 20 million compared to year-end 2020. This decrease was due to net losses for the period, resulting in an Equity to Total Assets ratio of 38%, slightly below the 40% required by the covenants in the syndicated loan agreement. This situation was reported to the creditors and authorized by the banks as of this date.

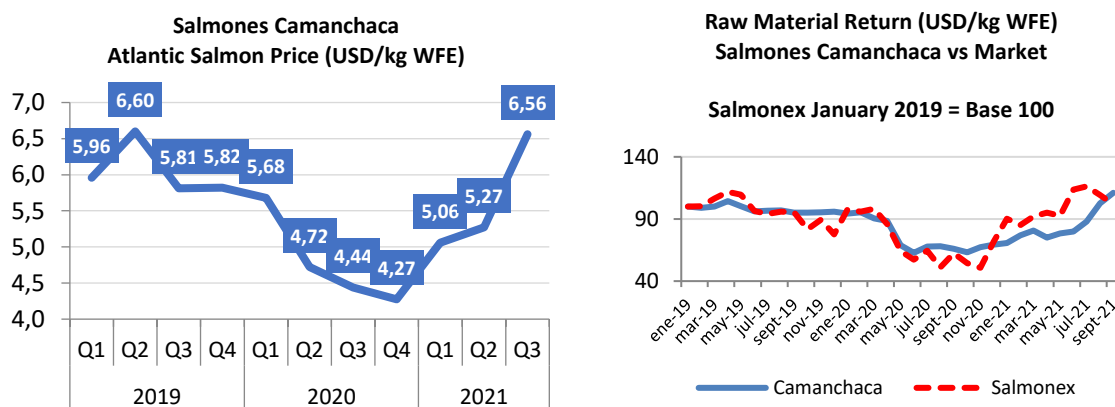
Operating Performance

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 ratios, 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 weight unit cost at harvest.

I. Product Prices

The average sales price of Atlantic salmon by Salmones Camanchaca during Q3 2021 was USD 6.56/kg WFE, 48% or USD 2.11/kg higher than in Q3 2020. This significant price recovery is a consequence of the economies affected by the pandemic in Q3 2020 with key markets reactivating and opening once again. The Company's value-added strategy cushioned price volatility in 2020 and achieved a higher average raw material return (RMR) ¹for Atlantic salmon than its benchmark market index, Salmonex². However, during the first six months of 2021 when prices recovered strongly, the Company's response lagged, which was a normal consequence of the commercial agreements signed at the end of 2020. After the Company's prices were below the Salmonex index for 8 months, in September 2021 they exceeded by USD 0.86/kg the index. This is a positive situation, since as of the date of this report the Urner Barry benchmark is also above historical prices. Furthermore, sales to the Russian market resumed after restrictions were lifted in June.



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.

² The 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.

Volume

Atlantic salmon		Q3 2021	Q3 2020	Δ	Δ %	YTD Sep 2021	YTD Sep 2020	Δ	Δ %
Harvest volume	MT WFE	9,508	13,369	-3,861	-28.9%	25,093	37,181	-12,088	-32.51%
Production (*)	MT WFE	11,126	13,087	-1,961	-15.0%	27,466	36,550	-9,084	-24.85%
Sales	MT WFE	9,471	11,673	-2,202	-18.9%	30,112	34,485	-4,373	-12.68%
Sales	ThUSD	62,096	51,878	10,218	19.7%	168,280	172,724	-4,444	-2.57%
Average sales price	USD/kg WFE	6.56	4.44	2.11	47.5%	5.60	5.01	0.59	11.75%

* Includes processing raw material from third-parties

Coho salmon		Q3 2021	Q3 2020	Δ	Δ %	YTD Sep 2021	YTD Sep 2020	Δ	Δ %
Harvest volume	MT WFE	0	35	-35	-100.0%	0	795	-795	-100.00%
Sales	MT WFE	33	226	-192	-85.2%	1,766	2,499	-732	-29.31%
Sales	ThUSD	432	976	-543	-55.7%	7,619	9,782	-2,163	-22.11%
Average sales price	USD/kg WFE	12.95	4.32	8.63	199.8%	3.67	4.58	-0.91	-19.87%

Salmones Camanchaca harvested 25,093 MT WFE of Atlantic salmon during first nine months of 2021, with an average harvest weight of 4.4 kg WFE (open cycle), which was 33% lower than the harvest volume same period last year. The Company expects its Atlantic salmon harvest volume for 2021 to be 40,000 to 41,000 MT WFE, and to harvest about 40% of this figure during Q4. Estimated Coho salmon harvest volume remains at 2,000 MT WFE.

Atlantic and Coho salmon sales were 9,504 MT WFE during Q3 2021, which were 20% lower than in Q3 2020. Sales of salmonids for 9m 2021 were 31,879 MT WFE, which is 14% less than in 9m 2020, comprising 94% Atlantic salmon and 6% Coho salmon.

Processed volume exceeds harvest volume due to raw material purchases from third parties totaling 1,750 MT WFE, to reduce the impact of biomass lost as result of the algae blooms.

Sales volume reduced by 4,373 MT WFE in 2021, which is less than the 12,088 MT WFE reduction in harvest volume and reflects: (i) significant sales of inventory at better prices than when it was produced towards the end of 2020, (ii) sales of raw materials farmed by third parties, which has contributed to containing processing costs and increased margins.

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 year to date September 2021

Product or Species	USA	Europe and Russia	Asia, except Japan	Japan	LATAM, except Chile	Chile	Other	TOTAL
	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD
Atlantic salmon	75,515	8,617	11,163	12,414	47,778	12,248	546	168,280
Coho salmon	1,731	154	1,739	2,763	1,100	132	0	7,619
Other	0	0	0	0	0	10,152	0	10,152
TOTAL	77,246	8,771	12,902	15,177	48,878	22,532	546	186,052

Sales by market segment year to that September 2020

Product or Species	USA	Europe + Eurasia	Asia, except Japan	Japan	LATAM, except Chile	Chile	Other	TOTAL
	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD
Atlantic salmon	85,090	16,135	10,382	20,960	33,115	5,909	1,133	172,724
Coho salmon	1,180	1,290	1,223	4,134	1,844	110	0	9,782
Other	0	0	0	0	0	7,010	0	7,010
TOTAL	86,269	17,425	11,606	25,094	34,959	13,029	1,133	189,516

The Company defines its value-added products as those that process whole salmon, which represented 89% of Atlantic salmon sales in 2021, up from 83% in 2020. The remaining sales are fresh head-on gutted whole salmon for the South American and Chinese markets.

North American's share of sales is reduced from 45.5% to 41.5% in 2021, while European and Russian sales decreased from 9.2% during 2020 to 4.7% this year. Russia reopened its markets during June to Salmenes Camanchaca, as these had been closed since February 2020 for some Chilean plants. Sales to Asia excluding Japan increased from 6% to 7%, while sales to Japan went from 13% to 8%. Latin American sales grew strongly from 18.4% to 26.3% led by Mexico, where the parent company, Camanchaca S.A., opened a distribution subsidiary.

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 USD 3.6 million for the year 2021.

Other Businesses

Salmenes 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 a 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 volume is smaller, such as in 2021. Harvest volume year to date September 2021 were 4,000 MT WFE, compared to the previous even year when harvest volume was 12,800 MT WFE year to that September 2020. Trout sales in Q3 2021 were 1,678 MT WFE, which were 28% lower than in Q3 2020, but at 5% higher prices. Costs were 16% higher, so the one third share of net income from this joint venture produced net income of USD 0.1 million in Q3 2021 for Salmenes Camanchaca, totaling a net loss of USD 0.04 million for year-to-date September 2021, which compares with a net gain of USD 1.5 million for the same period 2020 and is presented within 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 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 biannual cycle from 2023 to 2028. The remaining approximately 3 million fish and 2 sites will be used by Salmenes Camanchaca to farm the species it prefers from 2023 onwards.

Salmenes 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. Salmenes 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 improved costs and increased prices.

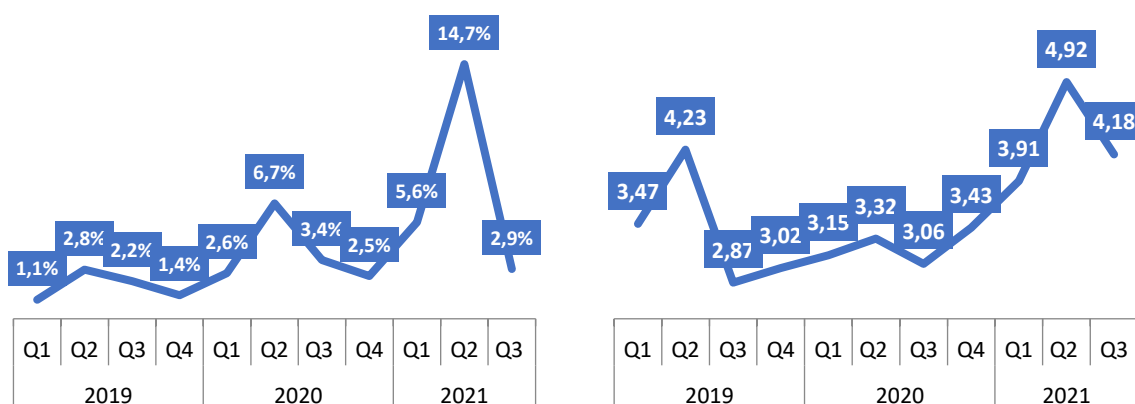
II. Sanitary and Productive Conditions

The total open cycle biomass mortality of the Atlantic salmon population during Q3 2021 was 2.9%, slightly higher than the mortality for the same quarter in the previous cycle in 2019, but a return to normal mortalities prior to the algae bloom events in the summer.

Mortality at the two Reñihué sites that closed their cycle in Q3 2021 was 23.4%, which is higher than the historical average and explained by the algae bloom events.

Atlantic salmon mortality* (%)

Atlantic salmon ex-cage live weight cost (USD/kg)



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

Because of the algae bloom events, the ex-cage cost in Q3 2021 was USD 4.49/kg WFE, equivalent to USD 4.18/kg in live weight. This was 33% higher than in Q3 2020, and 41% higher than in Q3 2019 for the same production cycle at the same sites. There were harvests from two sites in the Reñihué fjord and one in the Comau fjord, both with lower average harvested weights. Another Comau fjord site was affected by an outbreak of SRS.

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

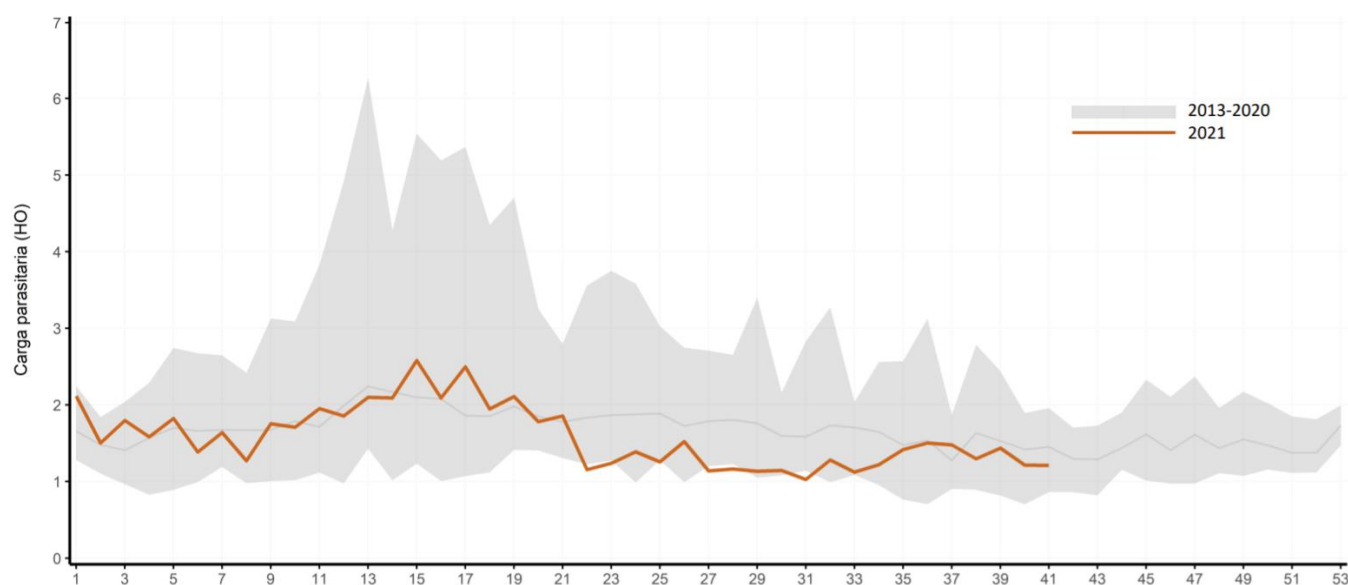
Atlantic salmon	Biological Indicators					Sustainability Indicators				
	FCRb (Live weight)	Productivity kg WFE/smolt	Average harvest weight kg WFE	Antibiotic use Gr/MT	Antiparasitic treatments Gr/MT	Number of antibiotic treatments	Medicinal treatments (baths) Gr/MT	Number of escaped fish	Cycle duration / Fallow periods	FIFO Ratio
LTM 2017	1.23	5.1	5.3	552.3	5.6	2.8	5.4	0	17/7	0.70
LTM 2018	1.20	4.8	5.3	559.6	7.3	2.6	7.3	0	17/7	0.61
LTM 2019	1.18	4.5	4.9	503.7	9.1	1.8	9.1	0	16/8	0.60
LTM 2020	1.17	5.3	5.4	492.5	10.8	1.8	10.8	37,150	17/7	0.59
LTM 2021	1.16	4.0	5.0	611.9	6.8	2.8	6.8	0	16/8	0.59

There were consistent improvements in the biological feed conversion ratio, which reached 1.16 in Q3 2021. This was lower than in Q3 2020 and in previous production cycle in 2019.

Smolt productivity is defined as the weight of harvested biomass / initial number of smolts. As expected, the algae bloom events caused this to decline to 4 kg WFE/smolt in Q3 2021 (LTM), which was 25% lower than in Q3 2020 (LTM), due to the high mortality rate. The average harvest weight was 5.0 kg WFE, a decrease of 7% compared to Q3 2020 (LTM), but 3% higher than the previous cycle in Q3 2019 (LTM).

As of the date of this report, Salmenes Camanchaca had three farming sites classified as sea lice High Propagation Sites (HPS), where more than 3 incubating females on average have been spotted. The Company has one HPS due to SRS. All affected sites are being harvested.

Figure 1: Weekly abundance comparison for breeding females



Source: Aquabench

Antibiotic use at Salmenes Camanchaca increased by 24% during Q3 2021 (LTM) compared to the same period last year and was 21% higher than the previous production cycle in Q3 2019 (LTM). This was caused by high mortalities in Reñihué, where the antibiotic consumptions in grams were similar to previous cycles, but the total harvested tonnes decreased significantly. The number of parasitic treatment baths decreased by 37% compared to Q3 2020 (LTM), and decreased by 25% compared to the previous production cycle in Q3 2019 (LTM), as a result of using alternative treatments to combat sea lice, such as peroxide.

Accordingly, Atlantic salmon costs in Q3 2021 were as follows.

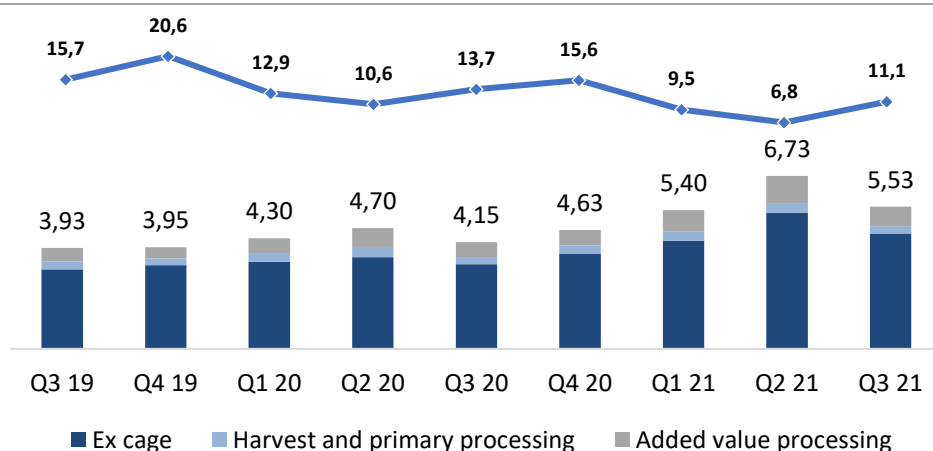
Costs (USD/kg WFE)	Q3 2019	Q3 2020	Q3 2021
Ex cage (WFE)	3.09	3.29	4.49
Harvest and primary processing (WFE)	0.32	0.25	0.29
Value-added processing (WFE)	0.52	0.61	0.75
Processing cost (WFE)	0.84	0.86	1.04
Total cost of finished product (WFE)	3.93	4.16	5.53

Primary and secondary processing costs were USD 1.04/kg WFE, which were USD 0.18 or 20% higher than in Q3 2020, and USD 0.20 or 24% higher than in Q3 2019. This was the result of the smaller scale of production because of the smaller harvest following the algae bloom events at Reñihué, and a significant increase in the proportion of added value products.

Consequently, the total cost of finished products rose to USD 5.53/kg WFE, which was USD 1.37 higher than in Q3 2020, and USD 0.16 higher than the previous cycle in Q3 2019 for the same neighborhoods and harvested sites. It was USD 1.30 higher than the long-term target of USD 4.23/kg WFE.

The cost improvement trend that started in September should continue in Q4 2021, even when sites affected by the algae bloom in the Comau fjord are harvested. Therefore, the Company expects costs to return to normal in 2022.

Total cost of Atlantic salmon finished products (USD/kg WFE) and processed volume* (MT WFE) by quarter

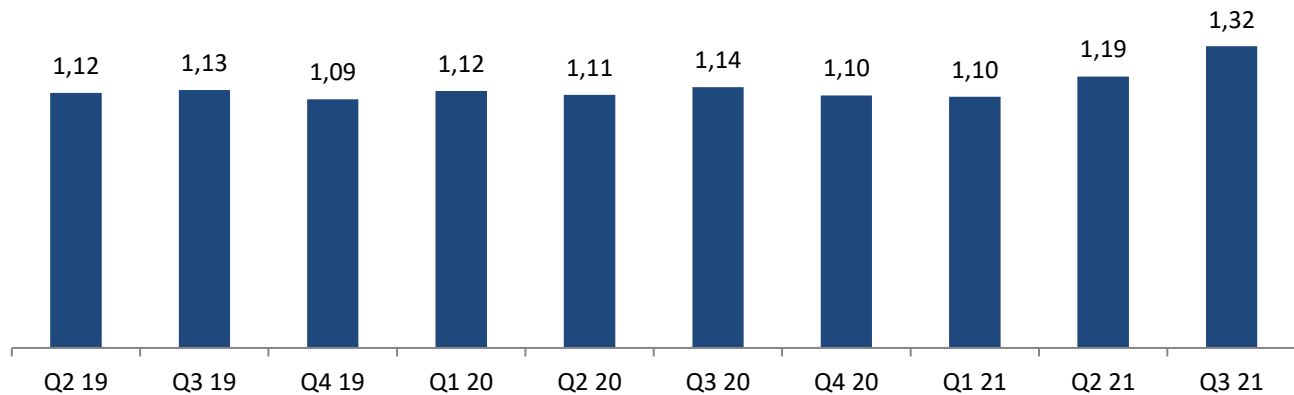


* Q3 2021 includes raw materials from third parties.

III. Feed Cost

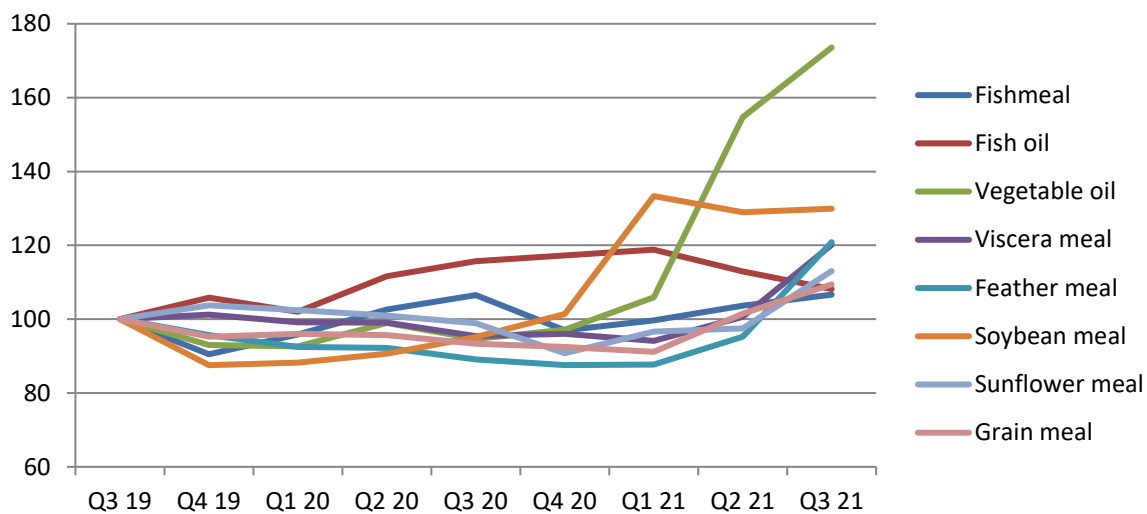
The price of feed for fish weighing more than 2.5 kg, which represents approximately 40% of the Company's total feed cost, increased by 15.8% during Q3 2021 compared to Q3 2020, due to the increase in the prices of fishmeal, vegetable oil and other ingredients during the period. Global commodity prices for raw materials are influencing these price increases.

Price for 2500 caliber (Salmones Camanchaca) USD/kg



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

Price of main ingredients USD/MT (Base 100: Q3 2019)



Source: Internal data, Salmones Camanchaca

Subsequent Events

An Extraordinary Shareholders' Meeting of Salmones Camanchaca on October 18, 2021 approved a capital increase of up to USD 30 million, by issuing 12 million new shares that will represent 15.38% of total shares after the increase. It authorized the Board to set the share placement price, the date and other placement conditions, which it expects to conclude during December.

The purpose of the capital increase is to finance Salmones Camanchaca's investment plan over the coming years, which aims to stabilize its financial performance by reducing its inherent business risks. It specifically aims to diversify its marine farming risks by stocking sites in the Aysén Region or Eleventh Region, which entails opening farming sites that require special preparation to secure greater local water and energy renewal. These farming sites and others in the Los Lagos Region or Tenth Region will be equipped with technology, equipment and structures that mitigate the risks inherent to farming sites, which include potential algae blooms or oxygen deficiencies that affect fish welfare, and this will improve their sustainability. This capital increase will also finance biomass recovery and strengthen the Company's financial position.

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. The fundamental objectives of these measures are to protect the health of our employees and to secure the company's operational continuity, which are indispensable requirements to protect employment at Salmones Camanchaca and conserve the Company's own health.

As of the date of this report, the Company has operated these measures without interruption with no fatalities during production.

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 fall of up to 15% in Chile's production is expected, with consequent effects on its main markets. The decrease will be concentrated on the second half of 2021, when a reduction in volume of approximately 25% compared to 2020 is expected. Furthermore, Canadian production is not expected to grow, so the availability of salmon will be restricted, adding good market conditions to the higher demand that appeared in Q2 2021 and Q3 2021.

Total harvest for Salmones Camanchaca in 2022 is estimated at 45,000 to 48,000 MT WFE of Atlantic salmon and approximately 5,000 MT WFE of Coho salmon.

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 Reñihué 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 and seeking the best available locations, the latest risk prevention technologies, and tools available in Chile, and 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, to take advantage of all available commercial opportunities. However, there is a risk that occasionally some markets will be limited because 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 but began to rise during the second half of 2021.

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 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, 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 the company's 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 peso-denominated expenses, based

on market conditions, which results in non-operating income or loss, respectively, for any operational loss or income produced.

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 to anticipate any issues and identify alternatives to minimize the impact.

Financial Statements

Statement of Net Income

Consolidated (USD'000)	Q3 2021	Q3 2020	YTD Sep 2021	YTD Sep 2020
Operating revenue	65,883	55,280	186,052	189,516
Cost of sales	(62,344)	(58,746)	(199,712)	(181,443)
Gross margin	3,539	(3,466)	(13,660)	8,073
Administrative expenses	(2,247)	(2,145)	(6,498)	(6,692)
Distribution costs	(1,754)	(1,987)	(6,311)	(6,987)
Sales and administrative expenses	(4,001)	(4,132)	(12,809)	(13,679)
EBIT* before fair value adjustments	(462)	(7,598)	(26,469)	(5,606)
EBITDA** before fair value adjustments	3,639	(3,719)	(14,387)	5,582
Net fair value adjustments to biological assets	6,285	(4,599)	7,102	(20,939)
EBIT after fair value	5,823	(12,197)	(19,367)	(26,545)
EBITDA after fair value adjustments	9,924	(8,318)	(7,285)	(15,357)
Financial costs	(987)	(877)	(3,193)	(3,094)
Share of net income (losses) of equity method associates	102	287	725	1,116
Exchange differences	(666)	642	(986)	(647)
Other income (losses)	1,701	(880)	(3,393)	(4,196)
Total non-operating expenses	150	(828)	(6,847)	(6,821)
Net income (loss) before taxes	5,973	(13,025)	(26,214)	(33,366)
Taxation income (expense)	(1,401)	3,496	7,187	9,287
Net income (loss) for the period	4,572	(9,529)	(19,027)	(24,079)
Net income (loss) for the period attributable to the parent company	4,572	(9,529)	(19,027)	(24,079)

* 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

(USD'000)	09/30/2021	12/31/2020	09/30/2020
Cash and cash equivalents	8,832	9,038	7,590
Other financial assets, current	15	341	33
Other non-financial assets, current	14,217	7,422	9,113
Trade and other receivables, current	23,701	15,386	18,097
Related party receivables, current	29,684	35,704	34,086
Inventories	38,249	46,963	32,490
Biological assets, current	130,009	113,756	131,356
Tax assets, current	12,773	13,691	12,730
Total current assets	257,480	242,301	245,495
Other financial assets, non-current	27	27	27
Other non-financial assets, non-current	112	112	112
Rights receivable, non-current	2,552	2,168	2,011
Equity method investments	3,651	4,889	4,994
Intangible assets other than goodwill	6,972	6,972	6,972
Property, plant, and equipment	113,075	115,618	114,572
Long-term deferred taxes	3,456	2,963	3,173
Total non-current assets	129,845	132,749	131,861
Total assets	387,325	375,050	377,356
Other financial liabilities, current	66,791	43,040	23,083
Operating lease liabilities, current	250	483	354
Trade and other payables, current	76,768	58,426	60,726
Related party payables, current	7,831	11,431	10,098
Employee benefits provisions, current	1,251	1,573	1,250
Other provisions	5,936	5,479	6,374
Total current liabilities	158,827	120,432	101,885
Other financial liabilities, non-current	79,953	79,739	90,000
Operating lease liabilities, non-current	18	187	63
Deferred tax liabilities	0	6,519	10,126
Employee benefit provisions, non-current	67	158	141
Total non-current liabilities	80,038	86,603	100,330
Total liabilities	238,865	207,035	202,215
Share capital	91,786	91,786	91,786
Share premium	27,539	27,539	27,539
Retained earnings	6,677	25,704	33,252
Other reserves	22,458	22,986	22,564
Total equity	148,460	168,015	175,141
Total equity and liabilities	387,325	375,050	377,356

Statement of Cash Flows

(USD'000)	Q3 2021	Q3 2020	YTD Sep 2021	YTD Sep 2020
CASH FLOW FROM (USED BY) OPERATING ACTIVITIES				
Receipts				
Receipts from selling goods and providing services	71,245	66,062	216,660	243,845
Payments				
Payments to suppliers for goods and services	(64,527)	(63,809)	(209,101)	(200,218)
Payments to and on behalf of employees	(6,097)	(6,667)	(19,932)	(20,298)
Dividends received	1,435	0	1,435	589
Interest paid	(427)	(46)	(2,012)	(2,171)
Interest received	0	0	0	0
Income taxes received (paid)	0	0	(38)	(7,825)
Other receipts (payments)	0	0	0	0
Net cash flow from (used by) operating activities	1,629	(4,460)	(12,988)	13,922
CASH FLOW FROM (USED BY) INVESTING ACTIVITIES				
Receipts from disposals of property, plant and equipment	71	0	79	21
Purchases of property, plant and equipment	(2,880)	(5,075)	(9,553)	(16,645)
Other receipts (payments)	0	0	0	0
Net cash flows used in investing activities	(2,809)	(5,075)	(9,474)	(16,624)
CASH FLOW FROM (USED BY) FINANCING ACTIVITIES				
Receipts from issuing shares	0	0	0	0
Receipts from loans	0	9,000	27,000	18,000
Loan repayments	0	(4,000)	(4,000)	(4,000)
Payments to related parties	0	0	0	0
Dividends paid	0	0	0	(16,850)
Net cash flow from (used by) financing activities	0	5,000	23,000	(2,850)
Effects of changes in exchange rates on cash and cash equivalents	(479)	100	(744)	(725)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,659)	(4,435)	(206)	(6,277)
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	10,491	12,025	9,038	13,867
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8,832	7,590	8,832	7,590

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						-4,212	-4,212	-4,212
Comprehensive income								
Net income for the period						-24,079	-24,079	-24,079
Other comprehensive income			-283		-283		-283	-283
Closing balance as of September 30, 2020	91,786	27,539	-951	23,515	22,564	33,252	175,141	175,141
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 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 for the period						-19,027	-19,027	-19,027
Other comprehensive income			-528		-528		-528	-528
Closing balance as of September 30, 2021	91,786	27,539	-1,057	23,515	22,458	6,677	148,460	148,460

Additional information

Analysis of Key Financial Indicators

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

	09/30/2021	12/31/2020
Liquidity Indicators		
1) Current Liquidity	1.62	2.01
2) Acid Ratio	0.56	0.68
3) Working Capital (USD million)	98.7	121.9
Debt Indicators		
4) Net debt ratio	1.55	1.18
5) Current Liabilities / Total Liabilities	0.66	0.58
6) Non-Current Liabilities / Total Liabilities	0.34	0.42
Profitability Indicators		
	(9 months)	(12 months)
7) Return on Equity	-12.82%	-18.82%
8) Return on Assets	-3.53%	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

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

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

The decrease of 19.4% in the current liquidity ratio is mainly caused by a USD 38.4 million increase in current liabilities, which was not offset by a USD 15.2 million increase in current assets, as explained in the financial position analysis. Consequently, working capital decreased by 19.0% or USD 23.2 million.

The acid ratio decreased by 17.1% compared to year-end 2020, mainly due to a USD 38.4 million increase in current liabilities, which was not offset by a USD 7.6 million increase 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 1.55 is due to the combined effect of the USD 19.6 million decrease in equity and the USD 32.0 million increase in liabilities net of cash. These changes have already been explained in the financial position analysis. The decrease in the proportion of long-term liabilities from 0.42 to 0.34 is due to an

increase in current financial liabilities of USD 23.8 million. 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 fall in prices and volume in 2020, the extra-ordinary mortalities and other effects that affected our financial performance.

Cumulative Indicators

	09/30/2021	09/30/2020
a. Atlantic salmon sites harvested during the period	8	10
b. Atlantic salmon harvested during the period (MT WFE) / Site	3,137	3,718
c. Atlantic Salmon farming density (kg/m3)	8.5	10.7
d. Atlantic Salmon group survival rate in sea water at harvest	66.24%	90.11%
e. Coho salmon sites harvested during the period	0	2
f. Coho salmon harvested during the period (MT WFE) / Site	0	397
g. Coho Salmon farming density (kg/m3)	0	2.8
h. Coho Salmon group survival rate in sea water at harvest	0	94.58%
i. Operational EBIT before fair value adjustments (USD million)	-26.5	-5.6
j. Atlantic salmon EBIT/kg WFE before fair value adjustments	-0.92	-0.03
k. Coho salmon EBIT/kg WFE before fair value adjustments	0.65	-1.81

Notes:

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

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

c and g. Average farming density, expressed in kg per cubic meter for sites harvested during the corresponding 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

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

Biomass Fair Value

For the period ended September 30, 2021 (ThUSD)

	Gain (loss) on fair value of biological assets		Cost of biological assets harvested and sold	
	As of 09/30/2021	As of 09/30/2020	As of 09/30/2021	As of 09/30/2020
Salmonids	-5,666	8,841	12,768	-29,420

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

- “Gain (loss) on fair value 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. The fair value adjustment to the live and harvested biomass as of 30 September 2021 was a loss of USD 5.7 million, compared to a gain of USD 8.8 million as of the same date last year. This can be explained mainly by higher costs and lower biomass volume 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 30 September 2021 was a positive margin of USD 12.8 million, which reversed a negative margin estimated in prior periods, in contrast to a negative effect of USD 29.4 million as of 30 September 2020.

The net effect of the fair value adjustments on the salmon biomass as of 30 September 2021 was positive USD 7.1 million, as opposed to negative USD 20.9 million as of September 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 volume that are estimated by the Company.