



SALMONES CAMANCHACA S.A. AND SUBSIDIARIES

Earnings Report on the Consolidated Financial Statements

For the period ended September 30, 2022

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 sales offices in its main markets.

The production target for both 2022 and 2023 is in the range of 50-60,000 MT WFE. The total production capacity for both Atlantic and Coho salmon is 65-70,000 MT WFE, which the Company expects to reach within three years. Salmones Camanchaca 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 value-added plant. The main Atlantic salmon sales markets are currently the USA, Mexico and Latin America.

Highlights for the third quarter 2022

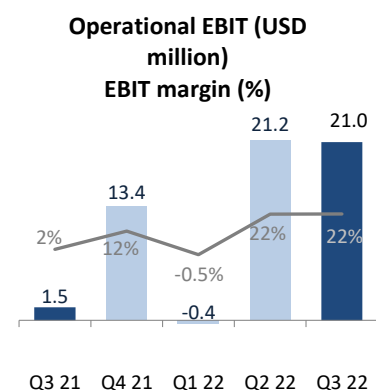
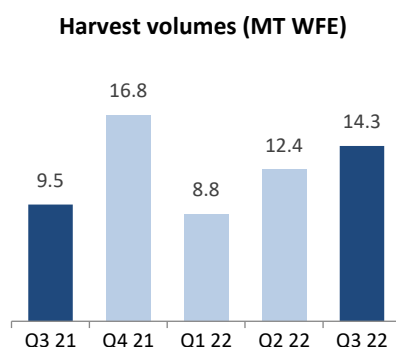
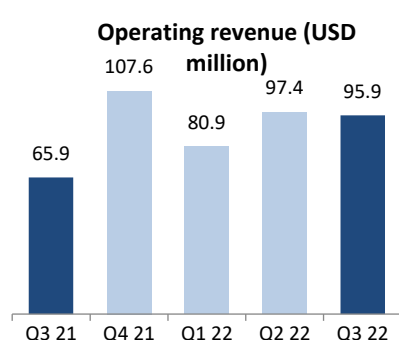
- **Earnings recovery continues: EBITDA increased from USD 3.6 million in Q3 2021 to USD 25.6 million**, driven by better prices, higher sales volumes and a product and market mix that optimized raw material returns and captured sales opportunities. EBITDA for the last twelve months (LTM) was USD 72.6 million, higher than the negative EBITDA of USD 23.1 million for LTM Q3 2021.
- **Atlantic salmon harvest volumes in Q3 2022 were 14,326 MT WFE, which were 51% higher** than Q3 2021 harvest volumes of 9,508 MT WFE, which had been affected by the algae bloom in the Reñihue and Comau fjords in March and April 2021. There were no Coho salmon harvests during the third quarter.
- **Operating revenue was USD 95.9 million, 45.6% higher** than Q3 2021, **driven** by a 20% increase in Atlantic salmon sales prices and a 23.7% increase in sales volumes at 11,713 MT WFE.
- Ex-cage live weight costs for Atlantic salmon harvested during the quarter were **USD 4.17/kg**, pressured by higher feed costs and inflation on other services and supplies, although very much in line with Q3 2021, which were USD 4.18/kg when they were impacted by algae blooms and oxygen deficiencies.
- **Total processing costs including harvesting costs were USD 1.03/kg WFE, slightly above the long-term target of USD 1/kg WFE**, but in line with costs of USD 1.04/kg WFE for Q3 2021. Costs were higher due to inflation and using third-party plants to increase the production of frozen products.
- **EBIT/kg WFE of Atlantic salmon was USD 1.78 during Q3 2022**, compared to negative USD 0.05/kg WFE in Q3 2021, due to better salmon prices resulting from high market prices and also high price achievement due to a product and market strategy based on frozen products.
- Consequently, **net income for Q3 2022 was USD 18.5 million**, which was USD 14.0 million higher than net income of USD 4.6 million for Q3 2021.
- **Cash balances as of September 30, 2022 were USD 26.7 million** and **net interest-bearing debt** significantly reduced by **USD 62.9 million** compared to September 30, 2021, and fell to **USD 75 million**. Thus, the Net Debt over EBITDA ratio for the last 12 months was 1.03, well below the figure required by lending contracts with financial institutions of 4.
- The estimated **Atlantic salmon harvest volumes for 2022 remain at 45-46,000 MT** and a similar volume is expected in **2023**. The **2022 Coho salmon season is estimated at no more than 6,000 MT this year, and over 10,000 MT in 2023**.

Key Figures

Th USD	Q3 2022	Q3 2021	Δ%	9m 2022	9m 2021	Δ%
Operating revenue	95,940	65,883	45.6%	274,332	186,052	47.4%
EBITDA* before fair value adjustments	25,558	3,639	602.4%	54,977	(14,387)	-
EBIT** before fair value adjustments	21,027	(462)	-	41,839	(26,469)	-
EBIT margin %	21.9%	-0.7%	2,262 bp	15.3%	-14.2%	2,948 bp
Net fair value adjustments to biological assets	5,111	6,285	(18.7%)	13,239	7,102	86.4%
Net income (loss) for the period	18,549	4,572	305.7%	37,031	(19,027)	-
Earnings per share (USD)	0.2500	0.0693	260.9%	0.4991	(0.2883)	-
Atlantic salmon						
Harvest volumes (MT WFE)	14,326	9,508	50.7%	34,881	25,093	39.0%
Sales volumes (MT WFE)	11,713	9,471	23.7%	33,956	30,112	12.8%
Atlantic salmon ex-cage harvesting costs (USD/kg live weight)	4.17	4.18	(0.2%)	4.17	4.27	(2.3%)
Atlantic salmon ex-cage harvesting costs (USD/kg WFE)	4.49	4.49	(0.2%)	4.49	4.59	(2.3%)
Processing costs (USD/kg WFE)	1.03	1.04	(1.0%)	1.08	1.19	(9.4%)
Price (USD/kg WFE)	7.87	6.56	20.0%	7.51	5.59	34.3%
Price (USD/kg GWE)	8.74	7.28	20.0%	8.34	6.21	34.3%
EBIT/kg WFE (USD)	1.78	(0.05)	-	1.14	(0.92)	-
Coho salmon						
Harvest volumes (MT WFE)	0	0	-	663	0	-
Sales volumes (MT WFE)	108	33	222.4%	1,821	1,766	3.1%
EBIT/kg WFE (USD)	1.16	0.49	137.5%	1.71	0.65	162.0%
Financial Debt				101,682	146,744	(30.7%)
Net Financial Debt				74,970	137,912	(45.6%)
Equity Ratio				52.8%	38.3%	1,444 bp
Net Financial Debt / LTM EBITDA				1.03	(5.96)	-

* EBITDA: Gross margin 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 2022

Salmones Camanchaca harvested 14,326 MT WFE of Atlantic salmon in Q3 2022, which was 50.7% greater than harvest volumes in Q3 2021 of 9,508 MT WFE, which was affected by the algae bloom and oxygen deficiency events in the Reñihue and Comau fjords during 2021. Consequently, the volume of Atlantic salmon sold this quarter also grew to 11,713 MT WFE, which was 23.7% higher than the same period in 2021. During the third quarter of 2022 there were no Coho salmon harvests, but sales were 108 MT WFE.

The average selling price for Atlantic salmon was USD 7.87/kg WFE, which was 20% or USD 1.31/kg WFE higher than Q3 2021. This increase was explained by limited supply and robust demand, and opportunities were captured to optimize the product/market mix that were provided by the company's production and commercial capabilities. Thus, operating revenue increased by USD 30.1 million, an increase of 46% over Q3 2021 to reach USD 95.9 million for the quarter.

Ex-cage costs for the quarter were similar to costs a year ago at USD 4.17/kg live weight. This year, costs were impacted by an increase in feed costs and inflation affecting services and other supplies, whereas in 2021 they were affected by algae blooms. Meanwhile, processing costs including harvesting costs were USD 1.03/kg WFE, slightly above the long-term target of USD 1/kg WFE, and 1 cent below Q3 2021. Processing costs were negatively impacted by inflation and the use of third party processing plants for frozen products.

Extraordinary mortalities in Q3 2022 were caused by sea lion attacks and algae blooms at one site and their impact on results were USD 1 million. This figure is significantly lower than the USD 3.7 million impact in Q3 2021. Expenses on fallowed sites with no biomass, or only the minimum required to avoid the concession lapsing, were USD 2.9 million for the quarter, which were USD 0.2 million lower than in Q3 2021.

Consequently, gross margin was positive USD 25.6 million, which was USD 22.1 million higher than in Q3 2021.

The Company's Distribution and Administrative expenses (SG&A) remained flat, with a slight increase in distribution costs compared to Q3 2021 due to higher logistics costs. The combined Sales and Administrative expenses dropped significantly from 6.1% to 4.8% of operating revenue, due to higher sales.

EBIT before fair value adjustments for Q3 2022 considerably increased by USD 21.5 million compared to Q3 2021 and totaled USD 21 million. This increase was explained by higher prices and greater sales volumes. Thus, EBIT/kg WFE for Atlantic salmon was USD 1.78/kg WFE during Q3 2022, a substantial improvement over the negative figure for Q3 2021. The limited sales of Coho salmon resulted in an EBIT/kg WFE of USD 1.16 for this species.

The net fair value adjustment for Q3 2022 was positive USD 5.1 million, which was USD 1.2 million lower than in Q3 2021, due to the reversal of previously estimated margins, recorded as sales during the quarter, but partially offset by higher market prices.

Although gross interest bearing debt was reduced by 30.7% and reached USD 102 million as of September 30, 2022, financial expenses rose from USD 1.0 million to USD 1.6 million in Q3 2022, mainly due to an increase in the reference rate and an increase in the margin linked to past financial performance, which was affected by the financial results for 2021.

The Other gains/losses account was USD 0.1 million, mainly due to the poor performance of the trout joint venture where Salmones Camanchaca has a one third interest, which earned USD 0.2 million in the quarter, similarly to Q3 2021.

Consequently, the Company recorded net income after tax of USD 18.5 million for Q3 2022, which was four times its net income for Q3 2021 of USD 4.6 million.

Cash flow in Q3 2022

Net cash flow in Q3 2022 was negative USD 6.5 million compared to negative USD 1.7 million in Q3 2021, which was explained by:

- Positive operating cash flow of USD 19.7 million, compared to USD 1.6 million in Q3 2021, due to higher operating revenue collected during the quarter as a result of higher prices and sales volumes.
- The net use of investing cash flow was USD 2.8 million in Q3 2022, similar to Q3 2021.
- Negative financing cash flow of USD 23.0 million, due to repaying financial debt as a result of earnings and higher operating cash flow.

Salmones Camanchaca had a cash position of USD 26.7 million as of September 30, 2022 and unused lines of credit of USD 53 million as of that date, which provided it with around USD 80 million of available liquidity.

Cumulative results for the nine months to 09/30/2022

Salmones Camanchaca harvested 34,881 MT WFE of Atlantic salmon during the first nine months of 2022, which was 39% higher than harvest volumes for the same period in 2021 of 25,093 MT WFE, which were severely affected by algae blooms and oxygen deficiencies. Coho salmon harvests were 663 MT WFE during 9m 2022, arising from the final part of the 2021 season.

Operating revenue for 9m 2022 was USD 274 million, which was 47.4% or USD 88 million higher than the same period last year, when it was USD 186 million. Atlantic salmon sales volumes were 12.8% greater during 9m 2022 at 33,956 MT WFE, and the average sales price was USD 7.51/kg WFE, which was 34.3% or USD 1.92 /kg WFE higher than 9m 2021.

Atlantic salmon sales costs, although lower than a year ago, were impacted by harvesting the last surviving fish from the HAB in the Comau fjord at the beginning of the year, as well as oxygen deficiencies and algae blooms at harvested sites, mainly the Contao site, and by cost pressures from feed and other supplies and services. Thus, ex-cage costs for 9m 2022 were USD 4.17/kg live weight (USD 4.49 /kg WFE), compared to USD 4.27/kg live weight (USD 4.59 /kg WFE) for 9m 2021.

Extraordinary mortalities and associated mitigation expenses for 9m 2022 were caused by algae blooms, oxygen deficiencies and sea lion attacks. These totaled USD 5.2 million, which was USD 8.9 million lower than the same period last year.

Processing costs including harvesting costs were USD 1.08/kg WFE, still above the long-term target of USD 1/kg, due to smaller harvest volumes in Q1 2022, but well below the USD 1.19/kg WFE for 9m 2021.

Accordingly, gross margin for the first nine months of 2022 was positive USD 55.5 million, an increase of USD 69.1 million compared to 9m 2021.

Administrative expenses increased by 7.7% or USD 0.5 million during the first nine months of 2022, but decreased from 3.5% to 2.6% as a percentage of operating revenue. Distribution and selling costs increased by USD 0.3 million, due to higher volumes frozen and sold. Thus, the Company's Selling and Administrative expenses increased in absolute terms but decreased as a percentage of operating revenue from 6.9% to 5.0% in the period.

Operating EBIT before FV adjustments was positive USD 41.8 million for 9m 2022, which was USD 68.3 million higher than for the same period last year when it was negative USD 26.5 million.

Atlantic salmon sales for the first nine months generated an EBIT/kg WFE of positive USD 1.14/kg WFE, due to higher sales prices and volumes, a significant recovery from the negative USD 0.92/kg WFE for 9m 2021. Coho salmon sales generated an EBIT/kg WFE of USD 1.71 for 9m 2022, a substantial improvement compared to 9m 2021 when it was USD 0.66/kg WFE, mainly due to higher sales prices and market diversification.

The net fair value adjustment for 9m 2022 was positive USD 13.2 million, compared to positive USD 7.1 million for 9m 2021, giving a favorable difference of USD 6.1 million, mainly due to improved annual price expectations for the biomass.

Other gains (losses) reflect a net loss of USD 0.5 million, mainly due to reductions in property, plant and equipment. This was better than the net loss of USD 3.4 million for 9m 2021, that was affected by the biomass insurance deductibles for the algae blooms in 2021. However, the earnings by the trout joint venture were weak at USD 0.5 million, where Salmones Camanchaca has a one third share.

Accordingly, net income after taxes for 9m 2022 was USD 37.0 million, much higher than the net loss for 9m 2021 of USD 19.0 million.

Cash flow for the nine months to 09/30/2022

Net cash flow in the first nine months of 2022 was negative USD 5.5 million compared to negative cash flow of USD 0.2 million in Q3 2021, which was explained by:

- Positive operating cash flow totaled USD 74.9 million, compared to negative USD 13.0 million in 9m 2021, mainly due to higher prices and operating revenue.
- The net use of investing cash flow was USD 26.0 million, much higher than the net USD 9.5 million used in 9m 2021, reflecting the plan to geographically diversify farming towards the Aysén region and incorporate new algae and oxygen deficiency mitigation technologies.
- Negative financing cash flow of USD 53 million, due to the voluntary repayment of loans, compared to 9m 2021 when positive USD 23 million of available loans were used to finance the effects of low sales prices and algae blooms that year.

Financial position

Assets

The Company's total assets decreased by 3.3% to USD 412 million as of September 2022, when compared to December 2021.

The decrease in current assets of USD 21.5 million was mainly due to the reduction in receivables of USD 33.5 million, which includes the recovery of USD 10 million in 2022 from the insurance indemnity associated with the algae bloom of 2021; tax repayment of USD 11.5 million; and the cash reduction of USD 5.5 million as previously commented. Biological assets increased by USD 21.1 million, consistent with the biomass recovery under the smolt stocking and salmon harvesting plan. Finally, inventories increased by USD 13.9 million, due to more than 1,000 MT higher level of finished products.

Non-current assets increased by USD 7.4 million or 5.6%, driven by increases in property, plant and equipment of USD 5.7 million associated with the investment plan described above, less depreciation for the period.

Liabilities and equity

The company's total liabilities decreased by USD 50.7 million or 20.7%, compared to December 2021 to reach USD 194 million as of September 2022. Current liabilities decreased by USD 30.1 million to USD 82.4 million, mainly due to a reduction in current financial debt associated with voluntary debt repayments of USD 18.2 million and a reduction in payables of USD 14.0 million. Non-current liabilities decreased by USD 20.6 million to USD 112 million, similarly due to the reduction in long-term debt associated with voluntary debt repayments of USD 34.2 million, offset by an increase in deferred tax liabilities of USD 13.5 million.

Net financial debt decreased by USD 47 million during 9m 2022 to USD 75 million, compared to USD 122 million as of December 31, 2021.

The Company's equity increased by USD 36.6 million to USD 217 million as of September 30, 2022 compared to December 31, 2021, explained by earnings for the 9 month period. As a result, the equity to total assets ratio rose to 53%, up from 42% as of December 31, 2021.

Operating Performance

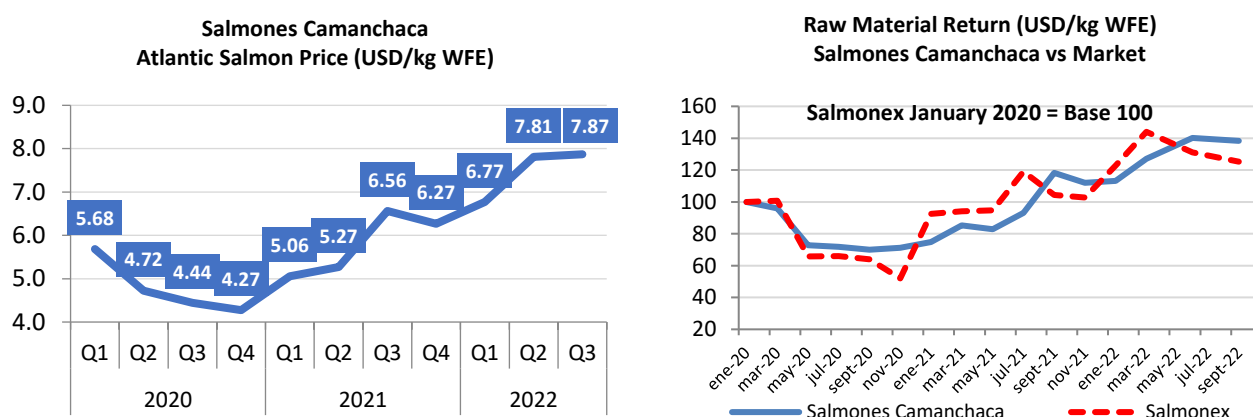
Salmones Camanchaca's performance is driven by three key factors:

1. **The price of Atlantic salmon**, which is sensitive to Norwegian and Chilean supply conditions and North American demand.
2. **Farming practice and sanitary conditions for Atlantic salmon**, which affect survival ratios, conversion ratios, the use of pharmaceuticals to improve fish health, all of which affect 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 price of Atlantic salmon sold by Salmones Camanchaca during Q3 2022 was USD 7.87/kg WFE, which was 20.0% or USD 1.31/kg higher than in Q3 2021. This increase was explained by higher price achievement due to the product and market strategy and higher global demand and lower supply during 2022. Prices made records during this period, but growth moderated in the third quarter due to higher world production during the season. The higher sales volume from Salmones Camanchaca also helped to capture these high prices in the spot market.

The greater price stability achieved by Salmones Camanchaca is explained by the Company's value-added strategy associated with medium-term commercial agreements that mitigate sharp price drops and escalations. During Q3 2022, the raw material return (RMR) from Salmones Camanchaca's Atlantic salmon, that lagged behind the market benchmark (Salmonex) during the first quarters increased and surpassed it in June 2022, has remained close to USD 1/kg above it throughout the third quarter. This positive result is also helped by the product/market diversification during the quarter, with high price realization in frozen formats.



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.

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.

Harvest Volumes

Atlantic salmon		Q3 2022	Q3 2021	Δ	Δ %	9m 2022	9m 2021	Δ	Δ %
Harvest volumes	MT WFE	14,326	9,508	4,818	50.7%	34,881	25,093	9,788	39.0%
Production volumes	MT WFE	14,445	11,023	3,422	31.0%	36,170	27,362	8,808	32.2%
Sales	MT WFE	11,713	9,471	2,242	23.7%	33,956	30,112	3,844	12.8%
Sales	Th USD	92,144	62,096	30,048	48.4%	254,855	168,280	86,574	51.4%
Average sales price	USD/kg WFE	7.87	6.56	1.31	20.0%	7.51	5.59	1.92	34.3%

Coho salmon		Q3 2022	Q3 2021	Δ	Δ %	9m 2022	9m 2021	Δ	Δ %
Harvest volumes	MT WFE	0	0	0	-	663	0	663	-
Sales	MT WFE	108	33	74	222.4%	1,821	1,766	55	3.1%
Sales	Th USD	682	432	250	57.9%	11,407	7,619	3,788	49.7%
Average sales price	USD/kg WFE	6.34	12.95	-6.61	-51.0%	6.26	4.31	1.95	45.2%

Salmones Camanchaca harvested 34,881 MT WFE of Atlantic salmon during the first nine months of 2022, with an average harvest weight of 4.83 kg WFE (open cycle), which was 39% higher than the harvests for the same period in 2021. Additionally, 1,506 MT WFE of raw material was purchased from other producers in a previous quarter of 2022, which were processed at the Company's plants, resulting in total production of 36,170 MT WFE. Coho salmon harvest volumes were 663 MT WFE during January 2022, and that concluded the 2021 cycle.

Atlantic and Coho salmon sales volumes were 11,820 MT WFE during Q3 2022, which was 24.4% greater than in Q3 2021, and at higher prices, so sales were USD 92.8 million, 48.5% higher than sales for Q3 2021. Sales for 9m 2022 were 35,777 MT WFE, which were 12.2% higher than in 9m 2021, of which 95% were Atlantic salmon sales and 5% were Coho, resulting in product sales of USD 266.3 million, up 51.4% compared to 9m 2021.

Operating revenue

The Company's marketing and sales strategy is to diversify and be sufficiently flexible to change its target markets, in order to focus on the most attractive markets for its raw materials over the medium-term, while preserving stable relationships with important customers in its principal markets.

Sales by market segment for 9m 2022

Product or Species	USA	Europe	Eurasia	Asia, except Japan	Japan	Mexico	LATAM except Chile	Chile	Others	TOTAL
	Th USD	Th USD	Th USD	Th USD	Th USD	Th USD	Th USD	Th USD	Th USD	Th USD
Atlantic salmon	103,354	5,667	21,691	14,626	11,322	46,879	24,797	26,080	438	254,855
Coho salmon	3,459	166	0	2,828	1,169	3,141	157	488	0	11,407
Others	0	0	0	0	0	0	0	8,070	0	8,070
TOTAL	106,812	5,833	21,691	17,454	12,491	50,020	24,953	34,638	438	274,332

Sales by market segment for 9m 2021

Product or Species	USA	Europe	Eurasia	Asia, except Japan	Japan	Mexico	LATAM except Chile	Chile	Others	TOTAL
	Th USD	Th USD	Th USD	Th USD	Th USD	Th USD	Th USD	Th USD	Th USD	Th USD
Atlantic salmon	75,515	4,624	3,993	11,163	12,414	35,690	12,088	12,248	546	168,280
Coho salmon	1,731	154	0	1,739	2,763	1,100	0	132	0	7,619
Others	0	0	0	0	0	0	0	10,152	0	10,152
TOTAL	77,246	4,778	3,993	12,902	15,177	36,790	12,088	22,532	546	186,052

The Company defines its value-added products as those that process whole salmon, which represented 77.9% of Atlantic salmon sales for 9m 2021, lower than the 88.8% in 9m 2021. The remaining sales are head-on gutted whole salmon principally for the South American, Eurasian and Chinese markets.

The US market share remained stable at around 40% (39% versus 42% for the same period in 2021). Latin America excluding Chile increased from 26.3% to 27.3%, mainly influenced by Brazil.

The Company's other businesses, such as processing services for third parties, leasing farming sites and sales of smolts and byproducts, resulted in sales of USD 8.1 million and operating margins of USD 4.5 million for the first nine months of the year.

Other businesses

Salmones Camanchaca has six sea farming concessions that are leased for trout farming in estuaries. These leases are the Company's contribution to a trout joint venture. These concessions have a mandatory fallow period in the first quarter of odd-numbered years when harvest volumes are smaller. The trout joint venture had no harvests in Q3 2022, as in the same period last year. It had sales volumes of 2,861 MT WFE in the quarter, which were 71% higher than Q3 2021, and at 25% higher prices. However, processing costs rose by 16% compared to Q3 2021 and as a result Salmones Camanchaca's one third interest was net income of USD 68 thousand for Q3 2022, compared with net income of USD 103 thousand in Q3 2021. This result is presented within Other gains (losses). Salmones Camanchaca's interest in the joint venture for 9m 2022 was net income of only USD 153 thousand, compared to a net loss of USD 44 thousand in 9m 2021.

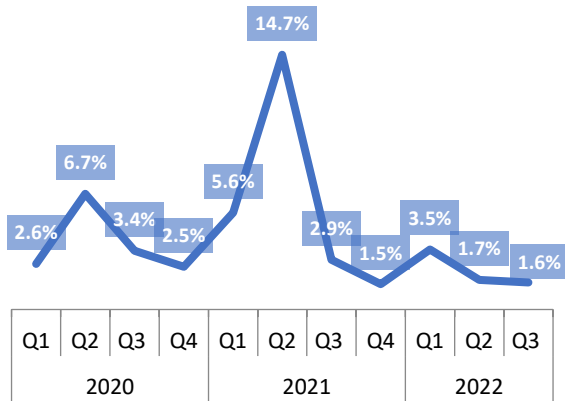
We estimate that harvest volumes at the joint venture will fall to 8-9,000 MT in 2023, due to renewing the contract with fewer concessions until 2028. However, Salmones Camanchaca may terminate the agreement prematurely if the joint venture does not meet specific EBIT/kg margin targets for 2023-2024.

Consequently, the two concessions not used by the joint venture that can farm approximately 3 million fish could be used by Salmones Camanchaca to farm the species it prefers from 2023 onwards.

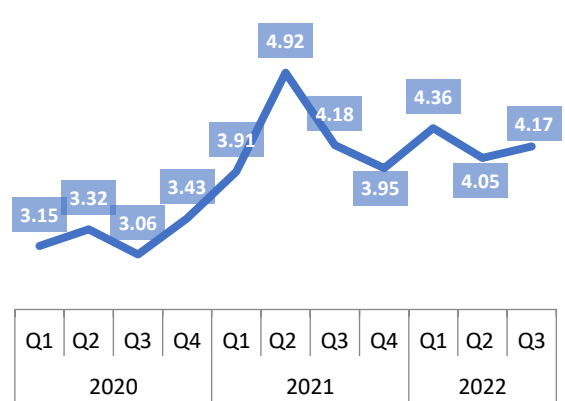
II. Sanitary and Productive Conditions

Atlantic salmon marine biomass mortality in Q3 2022 performed well at 1.6%, compared to 2.9% in Q3 2021 and lower than 3.4% in Q3 2020, during the previous cycle at the same sites.

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.

The Atlantic salmon ex-cage cost was USD 4.49/kg WFE for Q3 2022, equivalent to USD 4.17/kg live weight. This was 0.2% lower than in Q3 2021, although 36% higher than in Q3 2020 at similar sites during the previous cycle. This is due to price increases for the ingredients of salmon feed, which have risen by 34% compared to Q3 2021, and higher operating expenses for technologies to mitigate oxygen deficiency and algae bloom events.

The seasonally adjusted trends for the last 12 months of the main production and healthcare variables in closed cycle Atlantic salmon are as follows.

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 escapes Fish	Cycle duration / Fallow periods	FIFO Ratio
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
LTM 2022	1.12	3.9	4.6	717.1	7.6	3.2	7.6	0	15/9	0.50

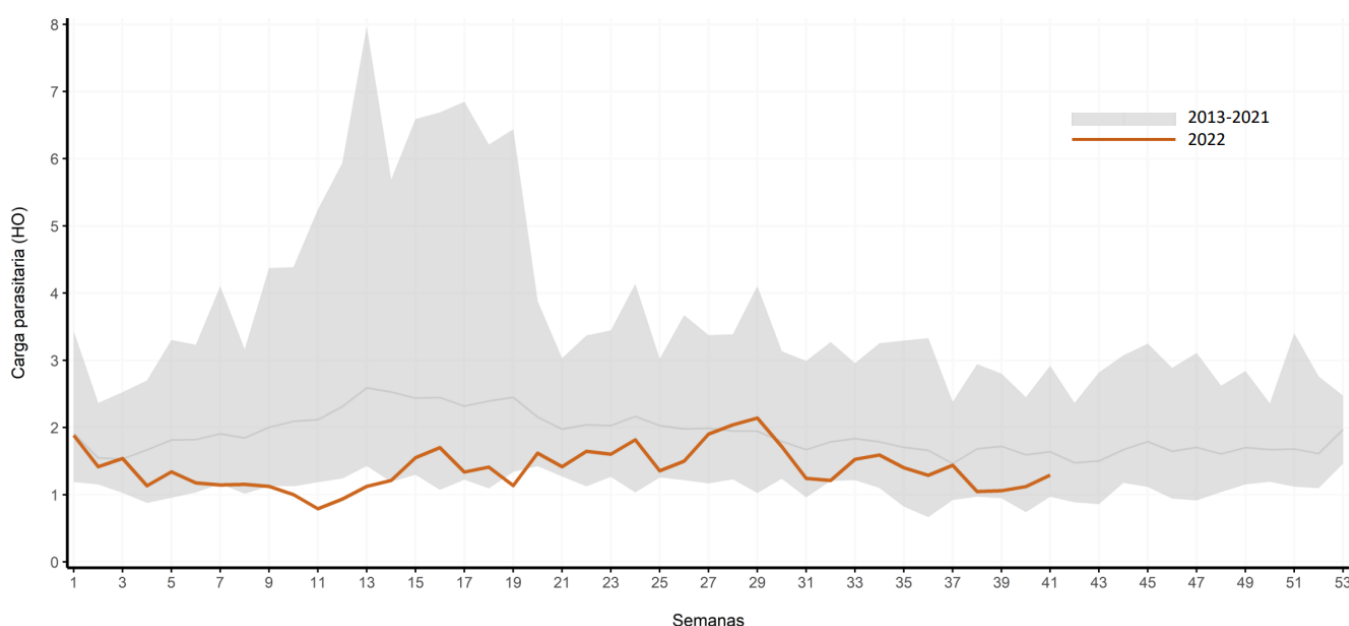
The biological conversion ratio continued to improve and reached 1.12 for LTM to Q3 2022, its lowest ever. As was the FIFO indicator, which was lower than its long-term target.

However, given that this data covers the last twelve months for closed cycles, several indicators have been adversely affected by the algae blooms in summer 2021 that affects sites that closed since Q3 2021 and premature harvesting at some sites due to oxygen deficiencies in 2022. These included smolt productivity measured as weight of biomass harvested/number of smolts, which dropped slightly to 3.9 kg WFE/smolt in 2022, and the average closed cycle harvest weight was 4.6 kg WFE, which was 9% lower than in 2021 and 15% lower than the previous cycle in 2020.

Antibiotic use for LTM to Q3 2022 increased by 24% with respect to 2021 due to the lower biomass caused by the algae blooms, and to using more antibiotics on the surviving fish from these sites as the associated stress increased the incidence of SRS.

As of the date of this report, Salmones Camanchaca had no farming sites classified as sea lice High Propagation Sites (HPS), where more than 3 incubating females on average have been spotted.

Figure 1: Weekly abundance comparison for breeding females



Source: Aquabench

Accordingly, Atlantic salmon costs in Q3 2022 were as follows.

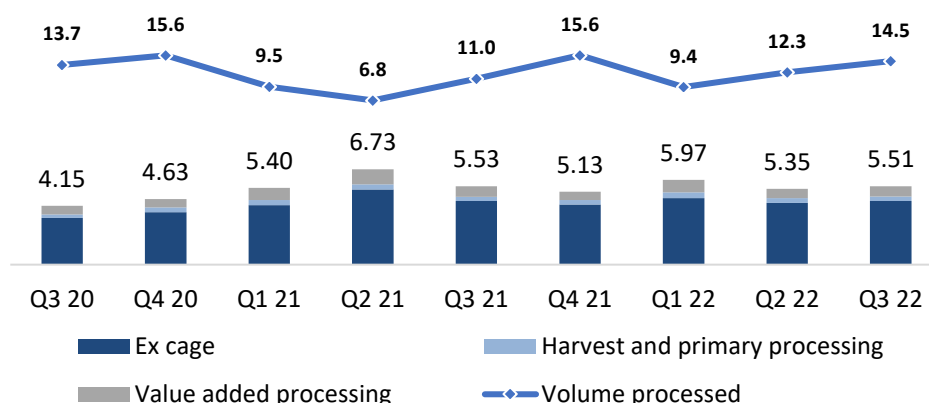
Costs (USD/kg WFE)	Q3 2020	Q3 2021	Q3 2022
Ex cage (WFE)	3.29	4.49	4.49
Harvest and primary processing (WFE)	0.25	0.29	0.32
Value-added processing (WFE)	0.61	0.75	0.71
Processing cost (WFE)	0.86	1.04	1.03
Total cost of finished product (WFE)	4.16	5.53	5.51

The ex-cage cost in Q3 2022 was USD 4.49/kg WFE, in line with that recorded in Q3 2021, although 36% higher than in Q3 2020 at the same harvested sites, mainly due to higher supplies and services costs, inflationary pressures and the events that occurred in Contao site, mentioned above.

Primary and secondary processing costs totaled USD 1.03/kg WFE, slightly above the long-term target of USD 1/kg, and in line with the USD 1.04/kg WFE for Q3 2021, associated with the higher costs due to inflation and using a third-party secondary processing plant.

As a result, the total cost of finished products was USD 5.51/kg WFE, which was 2 cents lower than Q3 2021 and USD 1.36 higher than the previous cycle in Q3 2020.

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

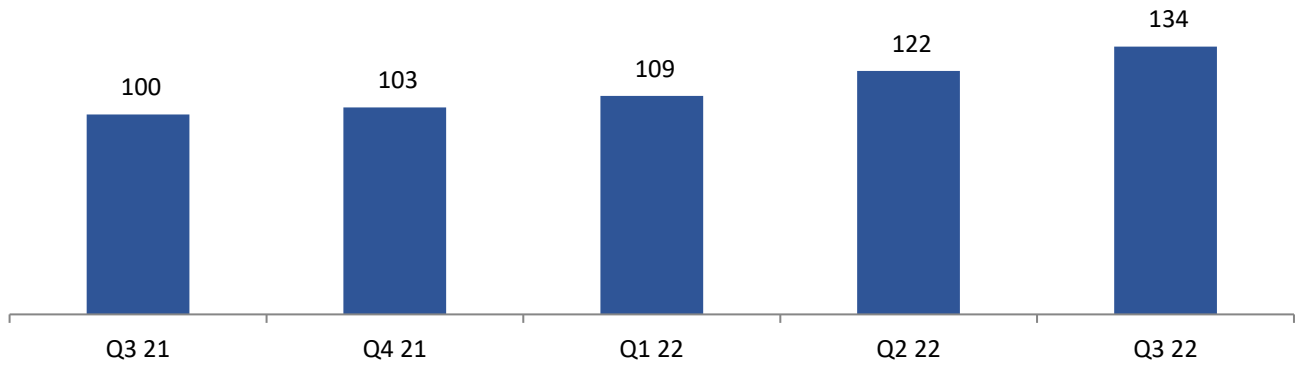


* Q3 2021 and Q1 2022 include raw materials purchased from third parties.

III. Feed Costs

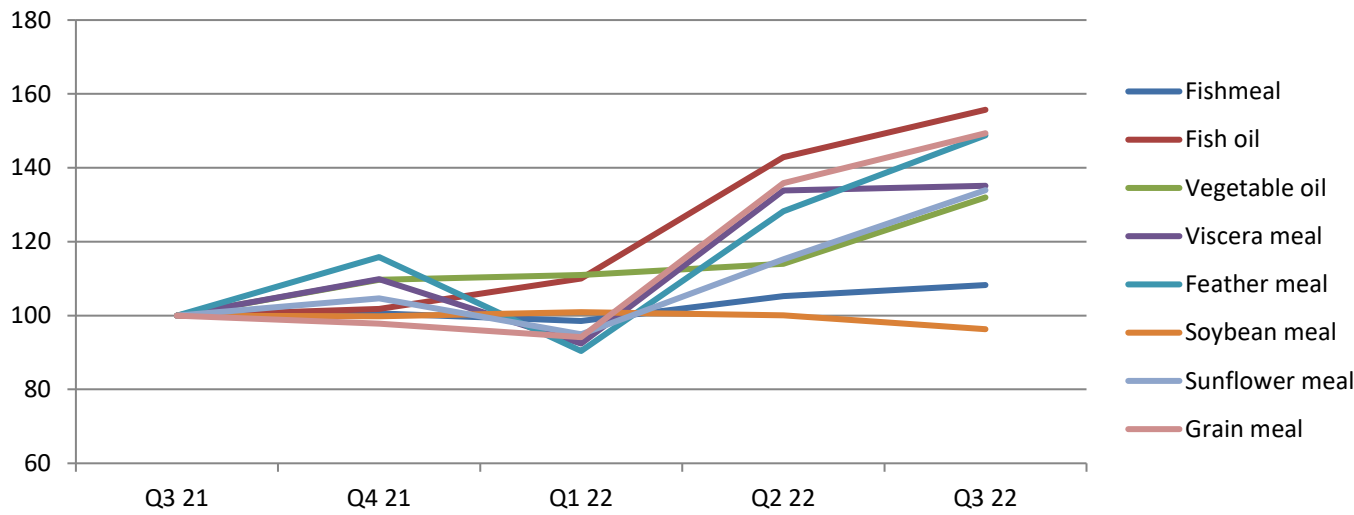
The price of feed for fish weighing more than 2.5 kg, which represents approximately 40% of the Company's total feed cost, increased by 34% during the quarter compared to Q3 2021, mainly due to price increases for vegetable and marine oils. Global conditions and rising inflation have put upward pressure on these costs, although there were some signs of moderation at the completion of this report.

Fish feed prices for the marine grow-out stage (Salmones Camanchaca) USD/kg
 Base 100 Q3 2021



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

Price of main ingredients USD/MT (Base 100: Q3 2021)



Source: Internal data, Salmones Camanchaca

Subsequent Events

No subsequent events occurred after September 30, 2022, that materially affect Salmenes Camanchaca's business or its financial results.

Company's Outlook

COVID-19 status

Salmenes Camanchaca remains attentive to the public health crisis. It aims to reduce the risk of infection at its facilities and mitigate the impact on employees, in order to protect their health and secure the company's operational continuity. The Company has operated without interruptions. The recent handling of the pandemic in China continues to disrupt global container shipping, which has put pressure on exporters' logistics costs. However, these issues have reduced significantly in recent weeks.

The Russian invasion of Ukraine

The geopolitical situation in Eastern Europe changed on February 24, 2022 when Russia invaded Ukraine. This invasion is also affecting raw material markets, vegetable raw materials and energy costs, which puts pressure on farmed salmon costs.

Historically, the Russian market has not been significant for Salmenes Camanchaca as it has represented less than 10% of sales. The duration and impact of these events is difficult to forecast, and the Company is paying special attention to this situation and optimizing its production and commercial decisions accordingly.

Industry forecasts

As of the date of this report, the world supply of Atlantic salmon will not grow in 2022 compared to 2021, according to forecasts from Kontali. It also forecast 3% growth in this year's production for Chile, compared to 2021, with a drop in the fourth quarter of 2022 (-10%). Kontali forecasts global growth for 2023 of 1% and a 2% fall for Chile, compared to 2022.

Salmenes Camanchaca estimates 2022 harvests between 45,000 and 47,000 MT WFE of Atlantic salmon and 5,000 to 6,000 MT for 2022 Coho stockings (season 2022). A similar Atlantic volume is estimated for 2023 and the Coho season is estimated to be over 10,000 MT WFE.

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 variable affecting costs is the sanitary and environmental status of farming sites and fish feed prices.

Salmon farming is exposed to various risks that Salmenes Camanchaca manages using 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 indicate priorities; iii) implement an internal control plan based on the risk map that focuses resources on the most vulnerable areas; iv) generate strategies to reduce their probability and impact, including insurance wherever this is feasible and financially attractive. These risk maps guide management to continuously mitigate each risk and establish the corresponding responsibilities, as well as review the frequency and severity of internal controls to validate the effectiveness of its mitigating measures.

a. Phytosanitary Risks

The Company is exposed to the risk that disease or parasites can affect the biomass, increase mortality or reduce growth, and thereby affect costs, production volumes and sales. Examples of these risks are increases in parasitic concentrations, outbreaks of SRS or ISA in 2008-2009. Salmenes Camanchaca has adopted standards to reduce these risks and comply with the requirements of the authority, such as fallow periods, fish density in cages, monitoring and reporting the biomass and its biological condition, vaccinations against ISA and SRS, smolt production in closed hatcheries, harvests in wellboats, coordinated anti-parasite baths, net cleaning, and supplemental oxygen for fish farms.

The risks associated with increased concentrations of parasites can result in early harvests, under certain circumstances, with consequent lower harvest weights that may limit their usability. The Company rigorously applies anti-parasitic treatments and diversifies its treatment options to mitigate these risks.

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 Q4 2020 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 May 2020 that affected the Punta Islotes site. Furthermore, it is exposed to external risks that affect people working in aquaculture, 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.

The Company is constantly monitoring these variables and seeking the best available sites, the latest risk prevention technologies and tools available in Chile, developing contingency plans, and negotiating appropriate insurance coverage for these risks, where available.

c. Product Sale Price Risks

The Company exports its products to numerous markets and evaluates the prices it obtains using a broad 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 gain from sale prices fluctuations in the future.

Prices are highly dependent on supplies from Norway and Chile and on fluctuations in exchange rates used by the Company's major trading partners, which affects demand in these markets. Demand may also fall for external reasons, such as in the restaurant and hotel segment in 2020 due to the COVID-19 pandemic. 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 may be limited as a result of tariff, para-tariff, war or sanitary measures, such as limited access to the Russian or Chinese markets. 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 (the fish in-fish out ratio) to less than 1:1. The Company has feed contracts with prices adjusted quarterly, on an ingredient cost plus defined margin basis. During the last few years, the prices of the main consumables used in production have remained stable, but raw material prices and global inflation began to rise during the second half of 2021.

e. Regulatory Risks

Aquaculture is strictly regulated by laws and regulations, so significant changes could have an impact on the Company's results. 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 Q4 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, enabling the Company to increase its smolt stocking and harvesting as it recovers farming sites leased to third parties, without affecting optimum density or smolt stocking in these areas. Therefore, as leased concession contracts expire, the Company expects Atlantic salmon harvests to grow to potentially 55-60,000 MT WFE at its own farming sites, plus another 15-20,000 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 to avoid their expiry. This has led the Company to operate some of its sites under risk of expiration at minimum capacity, which results in unproductive expenditure and generates a contradiction between the regulations requiring concessions to be used and regulations that restrict smolt stocking growth to retain favorable sanitary conditions.

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.

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 and logistical 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 or protests. These situations can affect and delay harvests and export shipments. For example, the social unrest during the second half of 2019.

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 that meet the expected conditions and maintain sufficient liquidity with access to third-party financing facilities, while carefully ensuring that it complies with all its financial obligations. Accordingly, it restructured its debt in 2013, 2017, 2020 and 2021.

h. Interest Rate Risks

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 and aligned with market conditions. The Company evaluates its hedging options, but has not used them during recent years. Exposure to this risk has increased as a result of increased rates and increased borrowing, although borrowing has been reduced in 2022.

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 close to 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. The Company does not habitually hedge against local currency appreciation to cover Chilean peso expenses paid from export proceeds.

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. Its policy has been to reduce the use of credit when it has cash surpluses.

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 a long history of good payment performance.

Operational stoppages at ports or by customs or other facilities, as well as protests, marches or road blockages, may delay shipments of our products to the markets where they are sold. Therefore, the Company maintains surplus liquidity to cover these circumstances.

k. Business Continuity Risks

The Company operates an ERP platform called SAP version HANA, which produces the financial statements and is fed by specific peripheral systems, such as Mercatus, BUK, Innova, etc. These databases contain cloud security systems and protocols, firewalls, continual monitoring systems, the latest antivirus software that prevents and detects attacks in a timely manner, and other security measures. The Company continually tests this security by conducting Ethical Hacking and Ethical Phishing to identify any vulnerabilities. However, despite these precautions, the Company is subject to attacks that may affect its data security leading to the potential risk of operational interruption, which could have financial consequences.

l. Products for Human Consumption Risks

Salmones Camanchaca operates its farming, harvesting, processing and logistics processes to high quality standards that exceed regulatory requirements, to ensure that its entire value chain guarantees that its products for human consumption are safe.

However, accidental or unintentional contamination, such as an interruption in the cold chain, or malicious sabotage, which is not promptly detected by our quality protocols, could potentially cause health problems for some consumers, resulting in liability claims and associated costs.

Financial Statements

Net Income Statement

Income Statement (USD 1 000)	Q3 2022	Q3 2021	9m 2022	9m 2021
Operating revenue	95,940	65,883	274,332	186,052
Cost of sales	(70,339)	(62,344)	(218,879)	(199,712)
Gross profit	25,601	3,539	55,453	(13,660)
Administrative expenses	(2,247)	(2,247)	(6,999)	(6,498)
Distribution costs	(2,327)	(1,754)	(6,615)	(6,311)
Sales and administrative expenses	(4,574)	(4,001)	(13,614)	(12,809)
EBIT* before fair value	21,027	(462)	41,839	(26,469)
EBITDA** before fair value	25,558	3,639	54,977	(14,387)
Net fair value adjustment	5,111	6,285	13,239	7,102
EBIT after fair value	26,138	5,823	55,078	(19,367)
EBITDA after fair value	30,669	9,924	68,216	(7,285)
Financial costs	(1,566)	(987)	(4,901)	(3,193)
Share of net income of equity method associates	538	102	914	725
Exchange differences	(72)	(666)	(192)	(986)
Other income (losses)	100	1,701	(456)	(3,393)
Financial income	112	0	291	0
Total non-operating expenses	(888)	150	(4,344)	(6,847)
Net profit (loss) before taxes	25,250	5,973	50,734	(26,214)
Income taxes (expenses)	(6,701)	(1,401)	(13,703)	7,187
Net profit (loss) for the period	18,549	4,572	37,031	(19,027)

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

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

Statement of Financial Position

Th USD	09/30/2022	12/31/2021	09/30/2021
Cash and cash equivalents	26,712	32,169	8,832
Other financial assets, current	47	12	15
Other non-financial assets, current	7,827	13,526	14,217
Trade and other receivables, current	11,848	29,305	23,701
Related party receivables, current	34,044	50,119	29,684
Inventories	53,648	39,745	38,249
Biological assets, current	136,630	115,561	130,009
Tax assets, current	900	12,702	12,773
Total current assets	271,656	293,139	257,480
Other financial assets, non-current	27	27	27
Other non-financial assets, non-current	112	112	112
Recoverable rights, non-current	4,806	2,507	2,552
Equity method investments	3,654	4,061	3,651
Intangible assets other than goodwill	6,972	6,972	6,972
Property, plant, and equipment	122,218	116,506	113,075
Long-term deferred taxes	2,250	2,462	3,456
Total non-current assets	140,039	132,647	129,845
Total assets	411,695	425,786	387,325
Other financial liabilities, current	5,877	24,118	66,791
Operating lease liabilities, current	266	179	250
Trade and other payables, current	63,978	75,956	76,768
Related party payables, current	1,204	3,262	7,831
Tax liabilities, current	18	0	0
Employee benefit provisions, current	1,545	1,489	1,251
Other provisions, current	9,522	7,546	5,936
Total current liabilities	82,410	112,550	158,827
Other financial liabilities, non-current	95,805	129,956	79,953
Operating lease liabilities, non-current	40	7	18
Deferred tax liabilities	16,074	2,602	0
Employee benefit provisions, non-current	103	32	67
Total non-current liabilities	112,022	132,597	80,038
Total Liabilities	194,432	245,147	238,865
Share capital	139,814	139,810	91,786
Share premium	2,286	2,284	27,539
Retained earnings (losses)	53,371	16,340	6,677
Other reserves	21,792	22,205	22,458
Total equity	217,263	180,639	148,460
Total equity and liabilities	411,695	425,786	387,325

Statement of Cash Flows

Th USD	Q3 2022	Q3 2021	9m 2022	9m 2021
CASH FLOW FROM (USED BY) OPERATING ACTIVITIES				
Receipts				
Receipts from selling goods and providing services	117,879	71,245	360,649	216,660
Payments				
Payments to suppliers for goods and services	(90,971)	(64,527)	(261,724)	(209,101)
Payments to and on behalf of employees	(6,954)	(6,097)	(21,097)	(19,932)
Dividends received	0	1,435	908	1,435
Interest paid	(279)	(427)	(3,847)	(2,012)
Interest received	22	0	22	0
Income taxes refunded (paid)	0	0	(2)	(38)
Net cash flow from (used by) operating activities	19,697	1,629	74,909	(12,988)
CASH FLOW FROM (USED BY) INVESTING ACTIVITIES				
Receipts from disposals of property, plant and equipment	176	71	196	79
Purchases of property, plant and equipment	(2,949)	(2,880)	(26,148)	(9,553)
Net cash flow from (used by) investing activities	(2,773)	(2,809)	(25,952)	(9,474)
CASH FLOW FROM (USED BY) FINANCING ACTIVITIES				
Receipts from issuing shares	0	0	6	0
Receipts from loans	0	0	0	27,000
Loan repayments	(23,000)	0	(53,000)	(4,000)
Net cash flow from (used by) financing activities	(23,000)	0	(52,994)	23,000
Effects of exchange rate changes on cash and cash equivalents	(391)	(479)	(1,420)	(744)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,467)	(1,659)	(5,457)	(206)
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	33,179	10,491	32,169	9,038
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	26,712	8,832	26,712	8,832

Statement of Changes in Equity

Th USD	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, 2021	91,786	27,539	-529	23,515	22,986	25,704	168,015	168,015
Changes in equity								
Dividends accrued								
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
Opening balance as of January 1, 2021	91,786	27,539	-529	23,515	22,986	25,704	168,015	168,015
Capitalized share premium	27,539	-27,539						
Capital increase	20,485	2,284					22,769	22,769
Changes in equity								
Dividends accrued								
Comprehensive income								
Net income for the period						-9,364	-9,364	-9,364
Gain on change in fair value								
Other comprehensive income			-781		-781		-781	-781
Closing balance as of December 31, 2021	139,810	2,284	-1,310	23,515	22,205	16,340	180,639	180,639
Opening balance as of January 1, 2022	139,810	2,284	-1,310	23,515	22,205	16,340	180,639	180,639
Capital increase	4	2					6	6
Changes in equity								
Dividends								
Comprehensive income								
Net income for the period						37,031	37,031	37,031
Other comprehensive income			-413		-413		-413	-413
Closing balance as of September 30, 2022	139,814	2,286	-1,723	23,515	21,792	53,371	217,263	217,263

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, 2022, compared to December 31, 2021.

	09/30/2022	12/31/2021
Liquidity Indicators		
1) Current Liquidity	3.30	2.60
2) Acid Ratio	0.99	1.22
3) Working Capital (USD million)	189.2	180.6
Debt Indicators		
4) Net debt ratio	0.77	1.18
5) Current Liabilities / Total Liabilities	0.42	0.46
6) Non-Current Liabilities / Total Liabilities	0.58	0.54
Profitability Indicators	(9 months)	(12 months)
7) Return on Equity	17.04%	-5.18%
8) Return on Assets	13.47%	1.03%

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 current liquidity ratio increased by 27%, mainly due to a smaller decrease in current assets (-7.3%) compared to the decrease in liabilities (-26.8%). These changes have already been explained in the financial position analysis. Consequently, working capital decreased by 4.8% or USD 8.7 million.

The acid ratio decreased by 19.4% compared to year-end 2021 mainly due to the decrease in current assets net of inventory and biological assets of USD 56.5 million. These changes have already been explained in the financial position analysis.

The net debt ratio decreased to 0.77 from 1.18 as of December 2021, mainly due to a decrease in liabilities net of cash of USD 45.3 million or 21.3%. Furthermore, equity increased by USD 36.6 million or 20.3%. These changes have already been explained in the financial position analysis. The ratio of long-term liabilities increased to 0.58 from 0.54 due to renegotiating the syndicated loan during the last quarter of 2021 and the subsequent repayments. These changes have already been explained in the financial position analysis.

Return on equity was 17.04% as of September 2022, mainly due to good earnings.

Indicators for 9m 2022

	09/30/2022	09/30/2021
a. Atlantic salmon sites harvested during the period	8	7
b. Atlantic salmon harvested during the period (MT WFE) / Site	3,171	3,136
c. Atlantic Salmon farming density (kg/m3)	8.4	8.5
d. Atlantic Salmon group survival rate in sea water at harvest	82.5%	66.2%
e. Coho salmon sites harvested during the period	1	0
f. Coho salmon harvested during the period (MT WFE) / Site	663	-
g. Coho Salmon farming density (kg/m3)	6.56	-
h. Coho Salmon group survival rate in sea water at harvest	92.8%	-
i. Operational EBIT before fair value adjustments (USD million)	41.8	-26.5
j. Atlantic salmon EBIT/kg WFE	1.14	-0.92
k. Coho salmon EBIT/kg WFE	1.71	0.65

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 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, 2022 (Th USD)

	Gain (loss) on fair value of biological assets		Cost of biological assets harvested and sold	
	As of 09-30-2022	As of 09-30-2021	As of 09-30-2022	As of 09-30-2021
Salmonids	45,576	-5,666	-32,337	12,768

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. A gain of USD 45.6 million was recorded for the fair value adjustment of the live and harvested biomass as of September 30, 2022, compared to a loss of USD 5.7 million as of the same date last year.
- “Cost 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 September 30, 2022 was a negative margin of USD 32.3 million, after reversing the positive margin forecast in prior periods, in contrast to a positive margin of USD 12.8 million as of September 30, 2021.

The net effect of the fair value adjustments on the salmon biomass as of September 30, 2022 was positive USD 13.2 million, as opposed to the USD 7.1 million as of September 30, 2021.

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 as of 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.