



## **SALMONES CAMANCHACA S.A. AND SUBSIDIARIES**

### **Earnings Report on the Consolidated Financial Statements**

For the period ended March 31, 2023

#### **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 is 54,000 to 58,000 MT WFE for 2023 and 65,000 to 70,000 MT WFE for 2024, which is aligned with the Company's total Atlantic and Coho salmon production capacity. 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 1,800 employees on average, 60% of whom work in its value-added plant. The main Atlantic salmon sales markets are currently the USA and Mexico.*

## Highlights for the first quarter 2023 (Q1 2023)

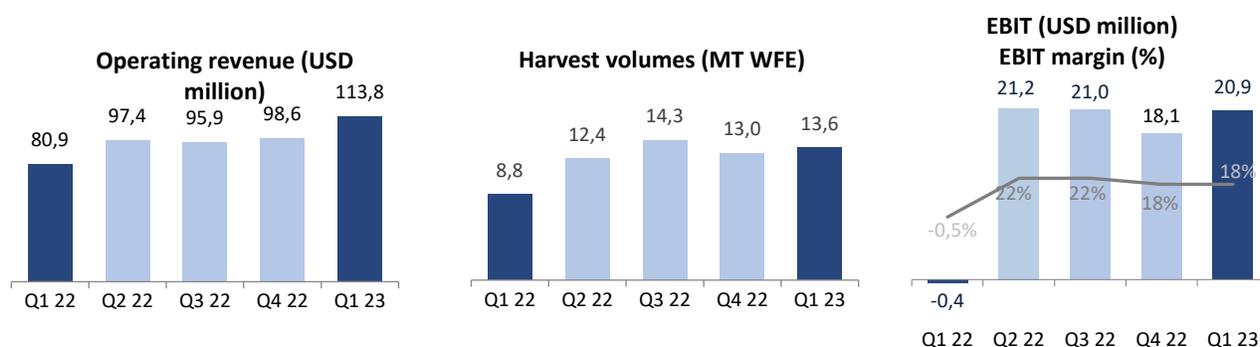
- **The summer months have passed without any oceanographic incidents in the south, and the company can present strong financial performance with EBITDA for Q1 2023 of USD 25.4 million, which is almost 7 times the Q1 2022 results.** This improvement was driven by high salmon prices and a good mix of products and sales markets and a better operational and biological performance. The Atlantic salmon price was USD 7.80/kg WFE, which was 15% higher than in Q1 2022, with a 12% increase in sales volumes to 11,871 MT WFE in Q1 2023.
- **Atlantic salmon harvest volumes were 11,089 MT WFE**, which were 37% higher than in Q1 2022 when they were 8,108 MT WFE with good operational performance. Coho salmon harvest volumes were 2,491 MT WFE, far higher than the 663 MT WFE in Q1 2022, leaving the entire 2022-2023 season with 5,856 MT WFE (2,504 MT WFE in 2021-2022), that is consistent with the Company's Coho salmon growth plan, and which is expected to double again in the 2023-2024 season.
- **Operating revenue was USD 113.8 million for Q1 2023, which was 41% higher** than in Q1 2022, explained by higher Atlantic salmon sales volumes in the quarter (+12%), higher Coho salmon sales volumes (+122%), and higher sales prices (+15%).
- **The quarterly cost of harvested Atlantic salmon (ex-cage live weight) was USD 4.27/kg**, driven by higher feed costs, the cost of environmental risk mitigation measures to counteract HAB and oxygen deficiency risks, and inflationary pressures from other services and consumables. Despite these challenges, the ex-cage cost is 2% lower than in Q1 2022. During Q1 2023 there were no extraordinary mortality events, which was an improvement over the mortality costs of USD 3.7 million in Q1 2022.
- **The total cost of Atlantic salmon processing, including harvesting, was USD 1.24/kg WFE**, which was lower than the USD 1.29/kg WFE of Q1 2022, due to higher production volumes (+17%), which offset inflationary pressures on consumables and services.
- Consequently, the **Gross Margin for Q1 2023 was USD 27 million**, which compares favorably with USD 4.3 million for the same quarter last year.
- **Atlantic salmon EBIT/kg WFE was USD 1.68 for Q1 2023**, an improvement of USD 1.93 compared to the same quarter last year. Coho salmon EBIT/kg WFE was USD 0.36 for the 2,683 MT WFE sold, compared to USD 1.82 the previous year with sales of 1,207 MT WFE. This decrease was due to a higher ex-cage cost for the 2022-2023 season attributable to increases in feed costs, inflationary pressures and particularly by an incident of jaundice and the maladaptation of some fish in seawater.
- **Net Income for Q1 2023 was USD 7.9 million**, almost 5 times the net income for Q1 2022 when it was USD 1.6 million, despite the fact that Q1 2023 included a lower fair value adjustment for biological assets of USD 10.2 million, which was explained by the lower available biomass as of March 31, 2023, lower harvests in Q2 and lower prices at the end of March.
- **Cash at March 31, 2023 was USD 11.1 million, down from USD 20.8 million as of December 31, 2022, and net financial debt increased by 16% to USD 87 million.** The improvement of EBITDA resulted in a Net Financial Debt over EBITDA ratio for the last 12 months at 0.88 (0.97 as of December 31, 2022), which was well below the limit required by lending contracts with banks of 4.
- The Annual General Shareholders' Meeting was held on April 21, 2023 and it agreed to pay a **dividend of USD 24.3 million** or 60% of net distributable income for 2022. This dividend was paid on May 8, 2023.
- Smolt stocking has been completed and normal production parameters are expected. Therefore, **Atlantic salmon harvest volumes for 2023 are still expected to be between 44,000 and 46,000 MT WFE, while Coho salmon harvest volumes are expected to be 10,000 to 12,000 MT WFE.**

## Key Figures

| ThUSD   | Q1 2023 | Q1 2022 | Δ%       |
|---|---------|---------|----------|
| Operating revenue                               | 113,794 | 80,946  | 40.6%    |
| EBITDA* before fair value adjustments           | 25,414  | 3,727   | 581.9%   |
| EBIT** before fair value adjustments            | 20,901  | (425)   | -        |
| EBIT margin %                                   | 18.4%   | -0.5%   | 1,889 bp |
| Net fair value adjustments to biological assets | (7,456) | 2,759   | -        |
| Net income (loss) for the period                | 7,934   | 1,621   | 389.5%   |
| Earnings per share (USD)                        | 0.1069  | 0.0218  | 389.4%   |
| <b>Atlantic salmon</b>                          |         |         |          |
| Harvest volumes (MT WFE)                        | 11,089  | 8,108   | 36.8%    |
| Sales volumes (MT WFE)                          | 11,871  | 10,566  | 12.4%    |
| Ex-cage harvesting costs (USD/kg live weight)   | 4.27    | 4.36    | (2.1%)   |
| Ex-cage harvesting costs (USD/kg WFE)           | 4.59    | 4.68    | (2.1%)   |
| Processing costs (USD/kg WFE)                   | 1.24    | 1.29    | (3.6%)   |
| Price (USD/kg WFE)                              | 7.80    | 6.77    | 15.3%    |
| EBIT/kg WFE (USD)                               | 1.68    | (0.25)  | -        |
| <b>Coho salmon</b>                              |         |         |          |
| Harvest volumes (MT WFE)                        | 2,491   | 663     | 275.5%   |
| Sales volumes (MT WFE)                          | 2,683   | 1,207   | 122.3%   |
| Price (USD/kg WFE)                              | 6.55    | 6.19    | 5.7%     |
| EBIT/kg WFE (USD)                               | 0.36    | 1.82    | (80.3%)  |
| Financial debt                                  | 98,134  | 144,089 | (31.9%)  |
| Net Financial Debt                              | 87,061  | 114,672 | (24.1%)  |
| Equity Ratio                                    | 52.4%   | 44.4%   | 797 bp   |
| Net Financial Debt / LTM EBITDA                 | 0.88    | 8.00    | (89.1%)  |

\* 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

## First quarter 2023 results

Salmones Camanchaca harvested 11,089 MT WFE of Atlantic salmon in Q1 2023, which was higher than the harvest volume in Q1 2022 of 8,108 MT WFE, as that quarter was affected by oxygen deficiencies at a farming site that resulted in harvests being brought forward at lower average weights. Sales volumes were 11,871 MT WFE, and 12% higher than the same period in 2022. Coho salmon harvest volumes during Q1 2023 were 2,491 MT WFE, which compares to 663 MT WFE in Q1 2022, while sales volumes in Q1 2023 were 2,683 MT WFE compared to 1,207 MT WFE in Q1 2022. Total Coho salmon harvest volumes for the 2022-2023 season were 5,856 MT WFE compared to 2,504 MT WFE in the previous season. This was an increase of 134%, which is expected to double again in the 2023-2024 season.

The average sales price of Atlantic salmon was USD 7.80/kg WFE, which was 15% or USD 1.03/kg WFE higher than Q1 2022, caused by limited global supply and better achieved price from the Company's main markets. Salmones Camanchaca's ability to quickly change formats and markets helped to capture higher prices and improve the commercial performance. Operating revenue was USD 113.8 million, which was 41% higher than in Q1 2022, due to higher sales volumes at higher prices.

Atlantic salmon ex-cage live weight costs were USD 4.27/kg for the quarter, a decrease of 2% compared to Q1 2022, despite costs reaching record levels driven by an increase in feed costs, additional environmental risk mitigation measures to counteract oxygen/algae bloom risks, and inflation on services and other consumables. Total processing costs of USD 1.24/kg WFE were positively influenced by higher harvest volumes during the quarter, offset by inflationary pressures on consumables. The processing cost were higher than long-term targets, but USD 0.05/kg WFE less than the cost in Q1 2022 of USD 1.29/kg WFE.

There were no extraordinary mortalities in Q1 2023 compared to USD 3.7 million in Q1 2022. This was the result of benign oceanographic conditions in southern Chile, good performance from the Company's geographical risk diversification strategy and the HAB impact mitigation technologies implemented in exposed farming sites. These technologies were installed in 6 farming sites during Q1 2023.

Expenses on fallow sites with no biomass, or only the minimum required to avoid the concession lapsing, were USD 3 million for the quarter, which were similar to Q1 2022.

Gross margin was USD 27 million, which is more than 6 times Q1 2022 margin of USD 4.3 million.

The Company's selling, general and administrative (SG&A) expenses increased by 31% compared to Q1 2022. This was attributable to inflationary pressures, logistics costs in warehousing, loading and freight, and the local currency revaluation. However, SG&A expenses decreased from 5.8% to 5.4% as a proportion of operating revenue.

EBIT before fair value adjustments for Q1 2023 was USD 20.9 million, compared to negative USD 0.4 million in Q1 2022, which was due to higher sales volumes and prices for Atlantic salmon. Thus, EBIT/kg WFE for Atlantic salmon was USD 1.68 during Q1 2023, a substantial improvement over Q1 2022 when it was negative USD 0.25. The good production performance of Coho salmon at the end of 2022 resulted in extended harvest until January 2023, which resulted in sales in Q1 2023 of 2,683 MT WFE, which were more than double sales for Q1 2022. EBIT/kg WFE was USD 0.36, which was lower than the USD 1.82 in Q1 2022, due to higher ex-cage costs attributable to increases in the cost of feed, inflationary pressures and an incident of jaundice and maladaptation.

The net fair value adjustment for Q1 2023 was negative USD 7.5 million, compared to positive USD 2.8 million for Q1 2022. This difference of USD 10 million was explained by the reversal of previously estimated margins for sales during this quarter, by the smaller biomass available for harvest in Q2 2023, and the reduced market prices during the last few weeks of the quarter.

Although net financial debt fell by USD 46 million to USD 98.1 million as of March 2023, financial expenses increased from USD 1.5 million in Q1 2022 to USD 2.3 million in Q1 2023, which was explained by an increase in the Libor reference interest rate for bank loans.

Other gains and losses were negative USD 0.4 million compared to positive USD 0.6 million in Q1 2022. This was entirely explained by the trout joint venture business, which generated a loss for the Company of USD 0.4 million in the quarter, compared to net income of USD 0.8 million in Q1 2022, mainly due to higher costs, lower sales and high inventory volumes by the end of March.

Consequently, the Company achieved net income after tax of USD 7.9 million for Q1 2023, which was far higher than net income of USD 1.6 million for Q1 2022.

### Cash flow in Q1 2023

Net cash flow in Q1 2023 was negative USD 9.7 million compared to negative USD 2.8 million in Q1 2022, which was explained by:

- Negative operating cash flow of USD 4.4 million, compared to a positive operating cash flow of USD 21.0 million in Q1 2022, due to relatively lower sales in Q4 2022 collected in Q1 2023 and extended Coho salmon harvest and sales.
- Negative investing cash flow of USD 5.9 million in Q1 2023, compared to negative cash flow of USD 14.2 million in Q1 2022. These investments relate to the Company's plan to geographically diversify the oceanographic risks, and for asset maintenance.
- Zero financing cash flow in Q1 2023, which compares to a negative cash flow of USD 10 million in Q1 2022, as credit lines were not used.

Salmones Camanchaca had net cash of USD 11 million as of March 31, 2023 and unused credit lines of USD 58 million as of that date, which provided it with USD 69 million of available liquidity compared to USD 39 million at the end of March 2022.

### Financial position

#### Assets

The Company's total assets decreased by 0.1% during Q1 2023 to USD 422 million.

Current assets decreased by USD 1.9 million due to decreases in cash of USD 9.7 million, biological assets of USD 6.2 million following higher harvest volumes and a lower biomass for the beginning of Q2 2023, and inventories of USD 6.0 million following higher sales. These were offset by increases in receivables of USD 15.3 million, and non-financial assets of USD 4.8 million related to expenses for farming sites being prepared for operation.

Finished product inventories decreased by 563 MT, which reflects the strategy of bringing forward harvests in Q3 2022 to capture the higher prices expected towards the end of 2022 and during Q1 2023, as a result of falling Chilean supply expectations for the first half of this year.

Non-current assets increased by USD 1.6 million, mainly driven by a net increase in property, plant and equipment of USD 1.1 million associated with the investment plan net of depreciation for the period.

#### Liabilities and equity

The Company's total liabilities decreased by USD 8.4 million or 4%, compared to December 2022 to reach USD 201 million as of March 2023. Current liabilities decreased by USD 11.6 million to USD 82.8 million, mainly due to a reduction in payables of USD 14.5 million, offset by an increase in current financial debt of USD 2 million associated with accrued interest. Non-current liabilities increased by USD 3.1 million to USD 118 million, mainly due to a USD 2.8 million increase in deferred taxes in US dollars, and the effect of IFRS 9 on financial debt of USD 0.3 million as a result of debt rescheduling.

Consequently, financial debt increased by USD 2.2 million in Q1 2023 compared to end of 2022, although net financial debt increased by USD 12 million to USD 87 million compared to USD 75 million as of December 2022, due to the decrease in cash of USD 11 million.

Accordingly, the Company's equity increased by USD 8.2 million to USD 221 million as of March 31, 2023 and the ratio of equity to total assets was 52%, which was higher than its 50% as of December 31, 2022.

# Operating Performance

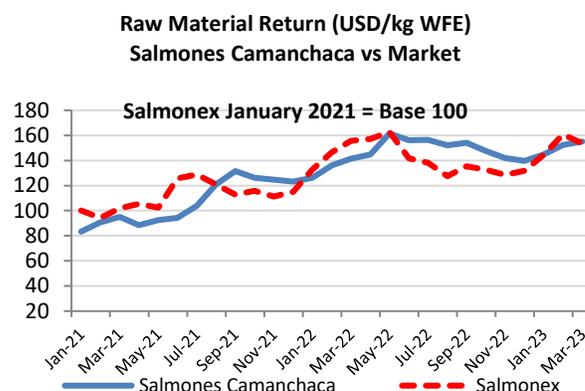
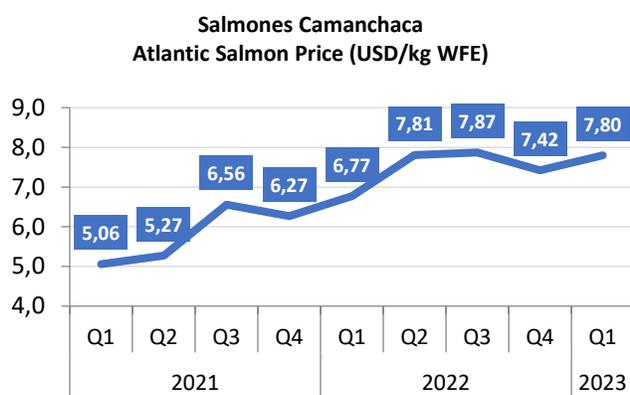
Salmones Camanchaca's performance is mainly driven by three key factors:

1. **The price of Atlantic salmon**, which is sensitive to Norwegian and Chilean supply conditions and North American demand.
2. **Practices and performance of growing-out at sea and its environmental-sanitary conditions**, which affect fish survival, feed conversion ratios, growth rates and the medicines required to improve fish health, as these determine most of the ex-cage 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 Q1 2023 was USD 7.80/kg WFE, which was 15% or USD 1.03/kg WFE higher than in Q1 2022. This increase was explained by higher demand and lower worldwide supply, which led to record prices during this quarter. The Company also benefited from available finished products, so could capture these favorable prices in its target markets. The Company's flexibility to switch between formats and markets and take advantage of the best opportunities was significant in capturing these prices.

Salmones Camanchaca achieved greater price stability by its value-added strategy of selling products under longer-term agreements. Prices steadily increased in January and February 2023, so the raw material return (RMR) on products sold lagged USD 0.1/kg behind the Salmonex market reference used by the Company, but exceeded it by USD 0.07/kg in March when the reference price fell.



Raw Material Return is the final product price less distribution and specific secondary processing costs. It is a price measurement before selecting the final use 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            |                   | Q1 2023     | Q1 2022     | Δ           | Δ %          |
|----------------------------|-------------------|-------------|-------------|-------------|--------------|
| Harvest volumes            | MT WFE            | 11,089      | 8,108       | 2,981       | 36.8%        |
| Production volumes         | MT WFE            | 11,024      | 9,414       | 1,610       | 17.1%        |
| Sales                      | MT WFE            | 11,871      | 10,566      | 1,305       | 12.4%        |
| Sales                      | ThUSD             | 92,641      | 71,533      | 21,108      | 29.5%        |
| <b>Average sales price</b> | <b>USD/kg WFE</b> | <b>7.80</b> | <b>6.77</b> | <b>1.03</b> | <b>15.3%</b> |

| Coho salmon                |                   | Q1 2023     | Q1 2022     | Δ           | Δ %         |
|----------------------------|-------------------|-------------|-------------|-------------|-------------|
| Harvest volumes            | MT WFE            | 2,491       | 663         | 1,828       | 275.5%      |
| Sales                      | MT WFE            | 2,683       | 1,207       | 1,476       | 122.3%      |
| Sales                      | ThUSD             | 17,567      | 7,475       | 10,092      | 135.0%      |
| <b>Average sales price</b> | <b>USD/kg WFE</b> | <b>6.55</b> | <b>6.19</b> | <b>0.35</b> | <b>5.7%</b> |

Salmones Camanchaca harvested 11,089 MT WFE of Atlantic salmon during Q1 2023, with an average harvest weight of 5.0 kg WFE (open cycle), which was 37% higher than in Q1 2022. The Coho salmon harvest volumes added another 2,491 MT WFE to the total volume during the quarter, nearly 4 times the harvest volumes in Q1 2022.

Atlantic and Coho salmon sales in Q1 2023 were 14,555 MT WFE, which were 24% higher than Q1 2022. These totaled USD 110.2 million, which were 39% higher than Q1 2022, where 84% were Atlantic salmon products and 16% were Coho salmon products. Other revenues were USD 3.6 million resulting in total revenues for Q1 2023 of USD 113.8 million.

## Operating revenue

The Company's marketing and sales strategy is to diversify, to flex the target markets and formats for its products and adapt them to meet the requirements and opportunities of its markets. The objective is to focus on the markets and formats that offer the best return on its raw materials over the medium term, while preserving stable relationships with customers in these markets.

## Sales by market segment for Q1 2023

| Product               | USA           | Europe       | Eurasia      | Asia,<br>except<br>Japan | Japan        | Mexico        | LATAM<br>except<br>Mexico/Chile | Chile        | Others      | TOTAL          |
|-----------------------|---------------|--------------|--------------|--------------------------|--------------|---------------|---------------------------------|--------------|-------------|----------------|
|                       | ThUSD         | ThUSD        | ThUSD        | ThUSD                    | ThUSD        | ThUSD         | ThUSD                           | ThUSD        | ThUSD       | ThUSD          |
| Atlantic salmon       | 36,184        | 2,066        | 3,309        | 7,588                    | 2,280        | 20,487        | 15,168                          | 5,560        | 0           | 92,641         |
| Coho salmon           | 7,163         | 1,777        | 0            | 0                        | 0            | 8,099         | 0                               | 528          | 0           | 17,567         |
| Others                | 0             | 0            | 0            | 0                        | 0            | 0             | 0                               | 3,586        | 0           | 3,586          |
| <b>Total</b>          | <b>43,346</b> | <b>3,843</b> | <b>3,309</b> | <b>7,588</b>             | <b>2,280</b> | <b>28,586</b> | <b>15,168</b>                   | <b>9,674</b> | <b>0</b>    | <b>113,794</b> |
| <i>Distribution %</i> | <i>38.1%</i>  | <i>3.4%</i>  | <i>2.9%</i>  | <i>6.7%</i>              | <i>2.0%</i>  | <i>25.1%</i>  | <i>13.3%</i>                    | <i>8.5%</i>  | <i>0.0%</i> | <i>100.0%</i>  |

## Sales by market segment for Q1 2022

| Product               | USA           | Europe       | Eurasia      | Asia,<br>except<br>Japan | Japan        | Mexico        | LATAM<br>except<br>Mexico/Chile | Chile        | Others      | TOTAL         |
|-----------------------|---------------|--------------|--------------|--------------------------|--------------|---------------|---------------------------------|--------------|-------------|---------------|
|                       | ThUSD         | ThUSD        | ThUSD        | ThUSD                    | ThUSD        | ThUSD         | ThUSD                           | ThUSD        | ThUSD       | ThUSD         |
| Atlantic salmon       | 36,667        | 1,261        | 2,618        | 3,839                    | 3,646        | 11,076        | 6,576                           | 5,850        | 0           | 71,533        |
| Coho salmon           | 1,803         | 0            | 0            | 1,890                    | 865          | 2,381         | 159                             | 377          | 0           | 7,475         |
| Others                | 0             | 0            | 0            | 0                        | 0            | 0             | 0                               | 1,938        | 0           | 1,938         |
| <b>Total</b>          | <b>38,470</b> | <b>1,261</b> | <b>2,618</b> | <b>5,729</b>             | <b>4,511</b> | <b>13,457</b> | <b>6,735</b>                    | <b>8,165</b> | <b>0</b>    | <b>80,946</b> |
| <i>Distribution %</i> | <i>47.5%</i>  | <i>1.6%</i>  | <i>3.2%</i>  | <i>7.1%</i>              | <i>5.6%</i>  | <i>16.6%</i>  | <i>8.3%</i>                     | <i>10.1%</i> | <i>0.0%</i> | <i>100.0%</i> |

The Company defines its value-added products as those that process whole salmon. They represented 73% of Atlantic salmon sales for Q1 2023, which was lower than 84% in Q1 2022. This proportion for the Coho salmon sales increased from 60% to 98% in Q1 2023, which reflects the strategy of penetrating value-added markets. The remaining sales are head-on gutted whole salmon principally for the South American, Eurasian, Japanese and Chinese markets in fresh and frozen formats.

The USA is the main market and its share of total sales was lower in Q1 2023 at 38% compared to 48% in Q1 2022. Latin America excluding Chile's share increased from 25% to 38%, mainly influenced by Mexico and 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 3.6 million and operating margins of USD 2.1 million for Q1 2023. Comparable amounts for Q1 2022 were USD 1.9 million and USD 0.8 million, respectively.

### Other businesses

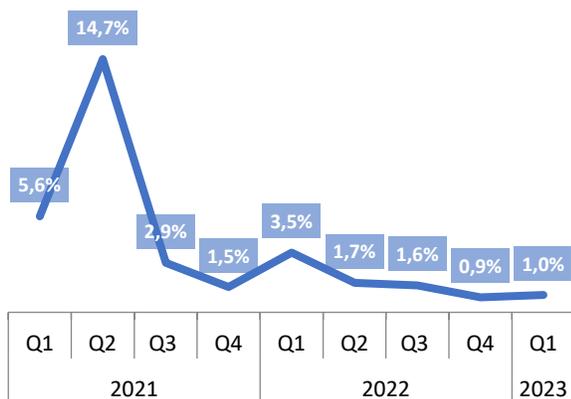
Salmones Camanchaca leases out four sea farming concessions in estuaries for trout farming as of March 2023, some of which are in lower salinity water. These leases are the Company's contribution to the trout joint venture. Some of these concessions have a mandatory fallow period in the first quarter of odd-numbered years when harvest volumes are smaller, as smolt stocking begins in April. This joint venture harvested 1,229 MT WFE in Q1 2023, compared to 10,486 MT WFE in Q1 2022. The joint venture sold 1,088 MT WFE, compared to 3,644 MT WFE in Q1 2022, although at 12% higher prices. However, finished product processing costs rose by 20% compared to Q1 2022 and as a result Salmones Camanchaca's one third interest was a net loss of USD 0.4 million for the quarter, which compares with net income of USD 0.8 million in Q1 2022. The joint venture had 6,637 MT WFE of products in inventory as of March 31, 2023. This result is presented within Other gains (losses). We expect that annual trout harvest volumes will decline to between 8,000 and 9,000 MT WFE with effect from 2023. The agreement can be extended until 2028.

The joint venture reduced its farming concessions by two in 2023. This capacity of around 3 million fish has now returned to Salmones Camanchaca to farm the species it requires and provides the growth capacity for its medium-term business plan. The concessions will be used to increase Coho salmon production in 2023.

## II. Sanitary and Productive Conditions

Atlantic salmon marine biomass mortality in Q1 2023 performed well at 1.0%, compared to 3.5% in Q1 2022 and 5.6% in Q1 2021, during the same cycle at comparative 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. Includes closed sites affected by the HAB.

The Atlantic salmon ex-cage cost was USD 4.59/kg WFE for Q1 2023, equivalent to USD 4.27/kg live weight. This was 2% lower than in Q1 2022, although 9% higher than in Q1 2021 at similar sites during the previous cycle. This cost was influenced by higher salmon feed prices, which have risen by 14% compared to Q1 2022, and the costs associated with mitigation measures to counteract algae bloom and oxygen deficiency risks.

The seasonally adjusted trends over the last 12 months (LTM) ended March 31, 2023 in the main production and sanitary variables for closed cycle Atlantic salmon are as follows with improvements as (+) and deteriorations as (-) with respect to the previous cycle.

| Atlantic salmon (harvests) | Biological Indicators |                    |                           |                               |                      | Sustainability Indicators      |                                 |                              |                   |                                 |
|----------------------------|-----------------------|--------------------|---------------------------|-------------------------------|----------------------|--------------------------------|---------------------------------|------------------------------|-------------------|---------------------------------|
|                            | Q1 LTM                | 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) | Number of escapes | Cycle duration / Fallow periods |
| <b>2019</b>                | 1.16                  | 4.8                | 5.3                       | 513.5                         | 6.3                  | 2.5                            | 6.3                             | 0                            | 17/7              | 0.59                            |
| <b>2020</b>                | 1.19                  | 4.8                | 5.2                       | 532.7                         | 12.3                 | 1.8                            | 12.2                            | 0                            | 16/8              | 0.57                            |
| <b>2021</b>                | 1.15                  | 4.7                | 5.5                       | 539.9                         | 7.0                  | 2.5                            | 7.0                             | 37,150                       | 16/8              | 0.60                            |
| <b>2022</b>                | 1.14                  | 3.2                | 4.1                       | 725.4                         | 10.4                 | 3.0                            | 10.4                            | 0                            | 16/8              | 0.57                            |
| <b>2023</b>                | 1.08                  | 4.6                | 5.1                       | 375.9                         | 3.6                  | 2.0                            | 3.6                             | 0                            | 14/10             | 0.45                            |
| <b>23/22</b>               | +                     | +                  | +                         | +                             | +                    | +                              | +                               | =                            | +                 | +                               |
| <b>23/21</b>               | +                     | -                  | -                         | +                             | +                    | +                              | +                               | +                            | +                 | +                               |

All these variables improved with respect to 2022. The time in marine grow-out sites was extended by 2 to 3 months to 10 months in 2023 from 7-8 months.

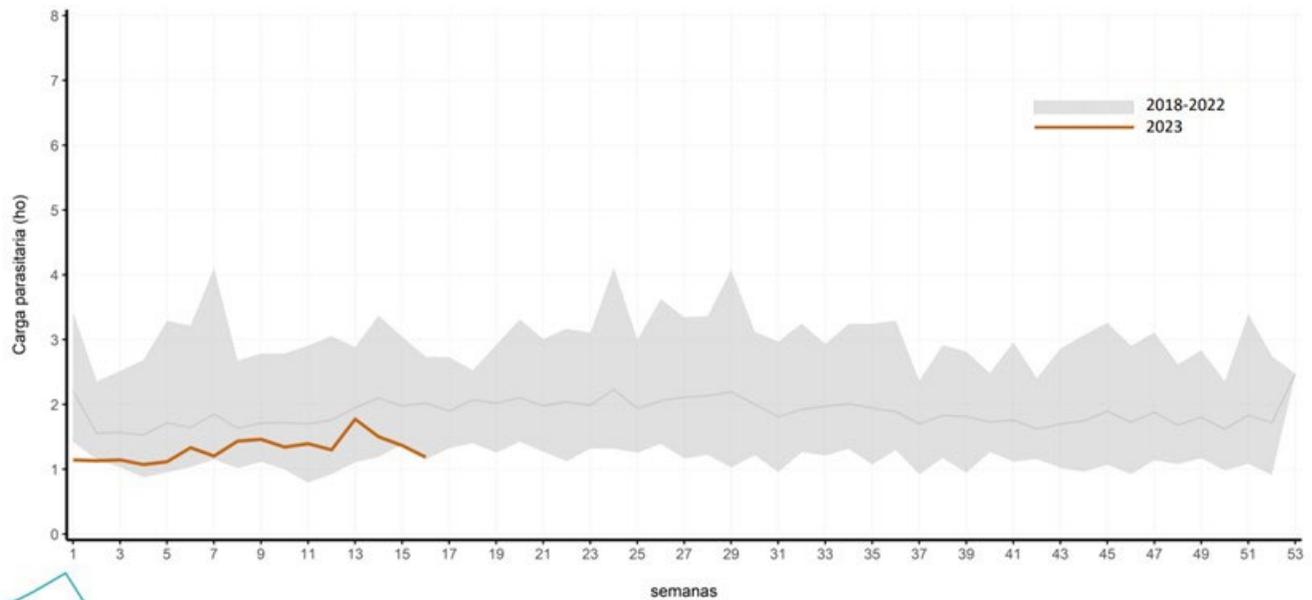
The biological conversion ratio continued to improve and reached 1.08 for 2023, its lowest ever. As did the FIFO indicator, which was lower than its long-term target. Smolt productivity is measured as biomass harvested/number of smolts stocked and it improved to 4.6 kg WFE/smolt in 2023, which was 42% higher than in 2022, but 2% lower than in 2021. Average closed-cycle harvest weight was 5.1 kg WFE, which was 25% higher than in 2022, but 8% lower than the previous cycle in 2021.

Antibiotic use fell by 48% in 2023 compared to 2022 and by 30% compared to 2021, due to improved environmental conditions and the antibiotics reduction plan.

Sustainability indicators improved in 2023 compared to 2022 and to the previous cycle in 2021.

As of the date of this report, Salmones Camanchaca had one farming site classified as a sea lice High Propagation Site (HPS), where more than 3 breeding females on average are present. This site started harvests in April.

### Weekly abundance for breeding females



Source: Aquabench

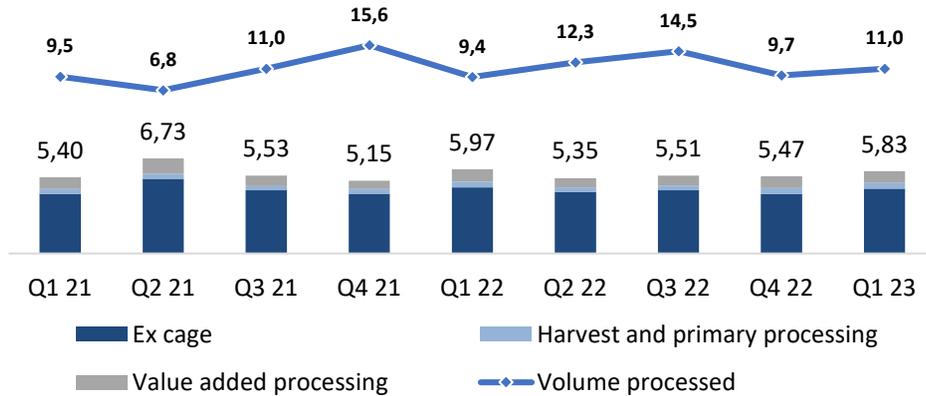
Accordingly, Atlantic salmon costs in Q1 2023 were as follows.

| Costs (USD/kg WFE)                          | Q1 2021     | Q1 2022     | Q1 2023     |
|---|-------------|-------------|-------------|
| Ex cage (WFE)                               | 4.20        | 4.68        | 4.59        |
| Harvest and primary processing (WFE)        | 0.36        | 0.42        | 0.41        |
| Value-added processing (WFE)                | 0.84        | 0.87        | 0.83        |
| Processing cost (WFE)                       | 1.20        | 1.29        | 1.24        |
| <b>Total cost of finished product (WFE)</b> | <b>5.40</b> | <b>5.97</b> | <b>5.83</b> |

Primary and secondary processing costs totaled USD 1.24/kg WFE, which were lower than in Q1 2022 when they were USD 1.29/kg WFE, mainly due to higher production volumes despite inflationary pressures.

As a result, the total cost of finished products was USD 5.83/kg WFE, which was USD 0.14/kg WFE lower than Q1 2022 and USD 0.43/kg WFE higher than the previous cycle in Q1 2021, due to inflationary pressures.

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



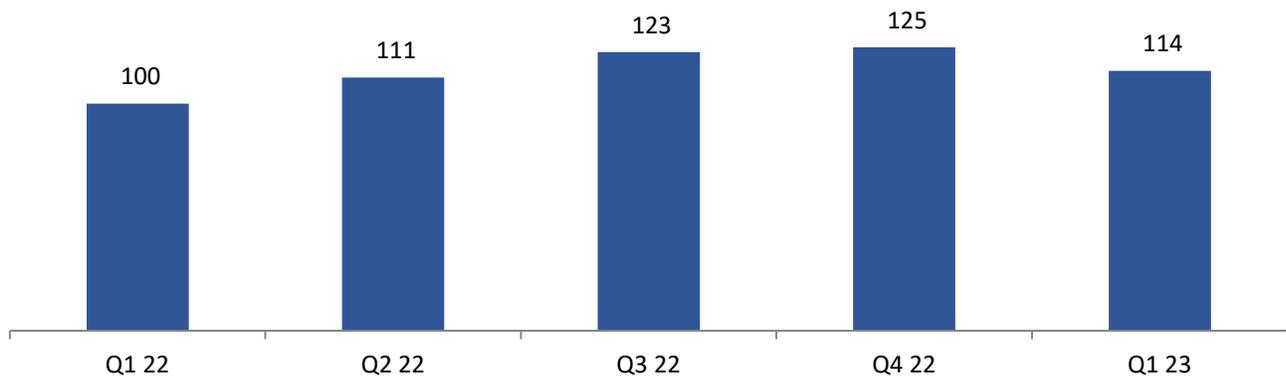
\* Q3 2021 and Q1 2022 include raw materials purchased from third parties.

**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 14% compared to Q1 2022, mainly due to price increases for the oils in their diet. These costs have been subject to upward pressure from the Russian invasion of Ukraine and rising inflation, although there were some signs of moderation during Q1 2023. These increases have a delayed impact on the Company's performance, as fish must be harvested and sold before being taken to the net income statement.

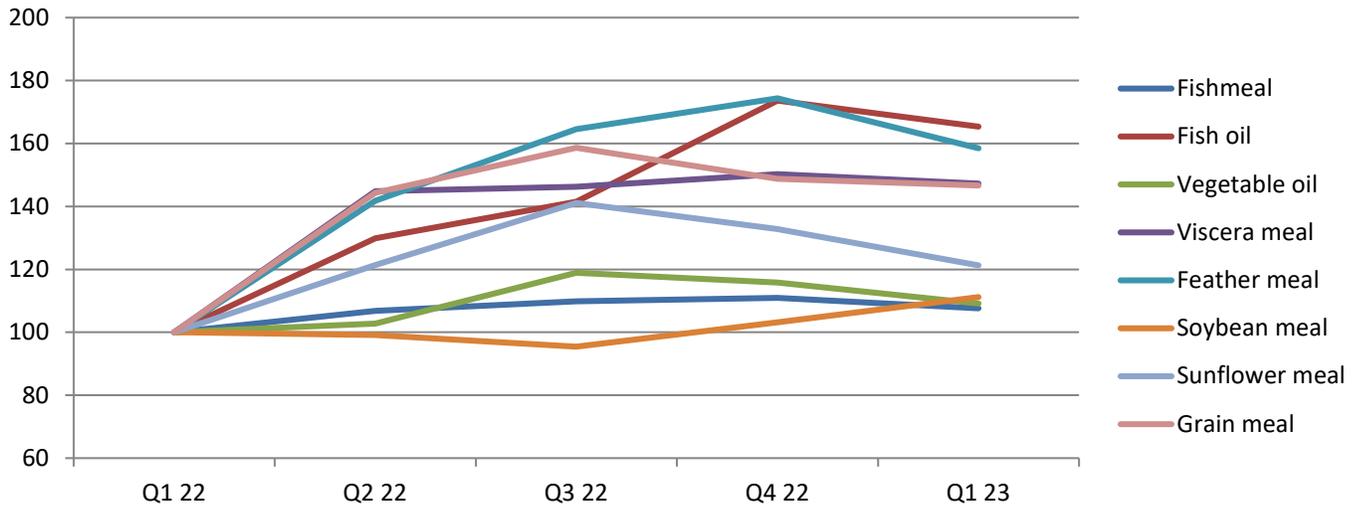
**Fish feed prices for the marine grow-out stage (Salmones Camanchaca) USD/kg**

Base 100 Q1 2022



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

Price of main ingredients USD/MT (Base 100: Q1 2022)



Source: Internal data, Salmones Camanchaca

## Subsequent Events

An Annual General Shareholders' Meeting was held on April 21, 2023 that agreed to pay a dividend of USD 24.3 million, payable from net distributable income for the year ended December 31, 2022 of USD 40.5 million, which is equivalent to a dividend of USD 0.32763110 per share. This dividend is equivalent to approximately 60% of net distributable income for the year ended December 31, 2022. It was paid as of May 8, 2023, in Chilean pesos, at the "Official" exchange rate published in the Official Gazette on May 2, 2023, at CLP 263.1860626263 per share.

No other subsequent events occurred after March 31, 2023, that materially affect Salmones Camanchaca's business or its financial results.

## Company's Outlook

### **The Russian invasion of Ukraine**

The geopolitical situation in Eastern Europe changed on February 24, 2022 when Russia invaded Ukraine. This war has forced several countries to apply sanctions to the aggressor that restricted trade and the payment chain. However, these limitations are not affecting the medicines and food trades, so the Company hopes to sell food to Russia where possible, without involving expressly sanctioned counterparties and without breaking the law. This situation is also affecting raw material markets, including vegetable feed and energy costs and indirectly marine feed costs, which principally puts pressure on farmed salmon costs.

Historically, the Russian market has not represented a significant proportion of Salmones Camanchaca's sales. The duration and impact of these events is difficult to forecast, so the Company is paying special attention to this situation, optimizing its production and commercial decisions accordingly and reducing its associated commercial risks.

### **Industry forecasts**

As of the date of this report, the world supply of Atlantic salmon may grow by 1% in 2023 compared to 2022, according to forecasts from Kontali. It forecasts a slight 1% decrease in production in Chile during 2023, composed of an increase in Q1 of 3%, a decrease in Q2 of 5% and in Q3 of 4%, followed by an increase in Q4 of 2%.

Salmones Camanchaca estimates its 2023 harvest volumes based on the fish currently growing out at sea. Current estimates are between 44,000 and 46,000 MT WFE for Atlantic salmon and 10,000 to 12,000 MT. Therefore, the total harvest volume is estimated to be between 54,000 and 58,000 MT WFE for both species.

## 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 deficiency events 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. Fire Risks

Salmenes Camanchaca's industrial facilities, processing plants and hatcheries are exposed to the risk of fires caused internally, for example working with heat, handling flammable products, short circuits, etc. or caused by nature, for example earthquakes, volcanic eruptions, tsunamis or adjacent forest fires. Salmenes Camanchaca has introduced preventive measures to protect itself from this risk, which include teams of experts responsible for these risks at each location, updated maintenance plans for equipment and facilities that keep incandescent sources of heat near

its plants under control, a water network with water storage tanks where the risk is greater and other measures. The Company has insurance policies to cover these risks, together with additional coverage for compensation due to stoppages at the locations where it is possible.

The value-added plant operated by Salmones Camanchaca in Tomé, Bio Bio region, was exposed to an imminent fire during the first few days of February 2023, due to multiple catastrophic fires in the Maule, Bio Bio and Araucanía regions. No-one was harmed, there was no damage to the plant and it is currently operating normally, due to the preventive measures taken by the Company. These included its significant investment in 2022 in water networks constructed to NFPA (National Fire Protection Association) standards, together with a responsible response from the risk managers.

#### **d. 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. Salmones 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.

#### **e. Purchase Price Risks**

The Company is exposed to changes in the price of salmon feed, which represents about half its farming costs. Salmones 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.

#### **f. 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 55,000 to 60,000 MT WFE at its own farming sites, plus another 15,000 to 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 the authorities.

**g. Social and Political Risks**

Specific social or political situations, such as riots or violence, may result in the Company's facilities being attacked and temporary operational and logistical interruptions, which may affect operational or commercial continuity. This may affect farming sites, processing plants, logistics using roads or ports, access to public services such as customs or health authorities, labor availability, or security at onshore facilities if there are strikes or protests. These situations can affect and delay harvests and export shipments. For example, the social unrest during the second half of 2019 and sabotage at the Maqui beach farming site in 2020.

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.

**h. Criminal Liability of Legal Entities, Law 20,393**

Since the enactment of Law 20,393 and its subsequent amendments, the Company is liable for specific crimes committed by people working for it. A conviction could damage its reputation, result in fines, or in extreme cases the legal entity could be terminated. The Company has mitigated these risks by implementing a Crime Prevention Model under Law 20,393 ("CPM"), which describes the organization, administration and supervision required to prevent these crimes, such as the crime of water pollution. This model has been certified uninterruptedly since 2015 and it has gradually incorporated the amendments to Law 20,393, which attest to its diligence in fulfilling its management and supervisory duties.

**i. 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.

**j. 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 worldwide and increased borrowing, although borrowing has been reduced in 2022.

**k. 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.

**l. 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, 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.

**m. 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.

**n. 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

| ThUSD  | Q1 2023        | Q1 2022        |
|--|----------------|----------------|
| Operating revenue  | 113,794        | 80,946         |
| Cost of sales  | (86,770)       | (76,696)       |
| <b>Gross profit</b>  | <b>27,024</b>  | <b>4,250</b>   |
| Administration expenses  | (2,715)        | (2,299)        |
| Distribution costs   | (3,408)        | (2,376)        |
| <b>Sales and administrative expenses</b>   | <b>(6,123)</b> | <b>(4,675)</b> |
| <b>EBIT* before fair value adjustments</b>   | <b>20,901</b>  | <b>(425)</b>   |
| <b>EBITDA** before fair value adjustments</b>  | <b>25,414</b>  | <b>3,727</b>   |
| Net fair value adjustments to biological assets                                      | (7,456)        | 2,759          |
| <b>EBIT after fair value</b>   | <b>13,445</b>  | <b>2,334</b>   |
| <b>EBITDA after fair value adjustments</b>   | <b>17,958</b>  | <b>6,486</b>   |
| Finance costs  | (2,281)        | (1,518)        |
| Share of net income of equity method associates                                      | 280            | 110            |
| Exchange differences   | (289)          | 587            |
| Other gains (losses)   | (380)          | 575            |
| Financial income   | 15             | 90             |
| <b>Total non-operating expenses</b>  | <b>(2,655)</b> | <b>(156)</b>   |
| <b>Net income (loss) before taxes</b>  | <b>10,790</b>  | <b>2,178</b>   |
| Income tax (expense) income  | (2,856)        | (557)          |
| <b>Net income (loss) for the period attributable to owners of the parent company</b> | <b>7,934</b>   | <b>1,621</b>   |

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

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

## Statement of Financial Position

| ThUSD                                    | 03/31/2023     | 12/31/2022     | 03/31/2022     |
|--|----------------|----------------|----------------|
| Cash and cash equivalents                | 11,073         | 20,791         | 29,417         |
| Other financial assets, current          | 58             | 54             | 56             |
| Other non-financial assets, current      | 14,027         | 9,240          | 12,980         |
| Trade and other receivables, current     | 16,607         | 14,684         | 14,117         |
| Related party receivables, current       | 56,738         | 43,374         | 37,515         |
| Inventories                              | 51,942         | 57,985         | 36,829         |
| Biological assets, current               | 129,828        | 136,071        | 126,443        |
| Current tax assets                       | 1,825          | 1,777          | 13,231         |
| <b>Total current assets</b>              | <b>282,098</b> | <b>283,976</b> | <b>270,588</b> |
| Other financial assets, non-current      | 27             | 27             | 27             |
| Other non-financial assets, non-current  | 112            | 112            | 112            |
| Recoverable rights, non-current          | 5,069          | 4,978          | 2,587          |
| Equity method investments                | 3,370          | 2,854          | 4,464          |
| Intangible assets other than goodwill    | 6,972          | 6,972          | 6,972          |
| Property, plant, and equipment           | 122,689        | 121,592        | 124,058        |
| Long-term deferred taxes                 | 1,980          | 2,065          | 2,234          |
| <b>Total non-current assets</b>          | <b>140,219</b> | <b>138,600</b> | <b>140,454</b> |
| <b>Total assets</b>                      | <b>422,317</b> | <b>422,576</b> | <b>411,042</b> |
| Other financial liabilities, current     | 2,895          | 909            | 23,850         |
| Operating lease liabilities, current     | 316            | 370            | 105            |
| Trade and other payables, current        | 57,740         | 71,872         | 70,169         |
| Related party payables, current          | 9,607          | 9,971          | 1,375          |
| Current tax liabilities                  | 18             | 0              | 0              |
| Employee benefit provisions, current     | 1,553          | 1,740          | 1,368          |
| Other provisions, current                | 10,693         | 9,541          | 8,418          |
| <b>Total current liabilities</b>         | <b>82,822</b>  | <b>94,403</b>  | <b>105,285</b> |
| Other financial liabilities, non-current | 95,239         | 94,956         | 120,239        |
| Operating lease liabilities, non-current | 414            | 405            | 0              |
| Deferred tax liabilities                 | 21,417         | 18,658         | 2,928          |
| Employee benefit provisions, non-current | 1,073          | 945            | 38             |
| <b>Total non-current liabilities</b>     | <b>118,258</b> | <b>115,121</b> | <b>123,205</b> |
| <b>Total Liabilities</b>                 | <b>201,080</b> | <b>209,524</b> | <b>228,490</b> |
| Share capital                            | 139,814        | 139,814        | 139,810        |
| Share premium                            | 2,286          | 2,286          | 2,284          |
| Retained earnings                        | 56,823         | 48,889         | 17,961         |
| Other reserves                           | 22,314         | 22,063         | 22,497         |
| <b>Total equity</b>                      | <b>221,237</b> | <b>213,052</b> | <b>182,552</b> |
| <b>Total net equity and liabilities</b>  | <b>422,317</b> | <b>422,576</b> | <b>411,042</b> |

## Statement of Cash Flows

| ThUSD   | Q1 2023        | Q1 2022         |
|---|----------------|-----------------|
| <b>CASH FLOW FROM (USED BY) OPERATING ACTIVITIES</b>          |                |                 |
| <b>Proceeds</b>   |                |                 |
| Proceeds from sales of goods and services                     | 104,867        | 124,998         |
| <b>Payments</b>   |                |                 |
| Payments to suppliers for goods and services                  | (98,686)       | (95,214)        |
| Payments to and on behalf of employees                        | (10,546)       | (7,445)         |
| Interest paid   | 0              | (1,346)         |
| Interest received   | 15             | 0               |
| <b>Net cash flows from (used by) operating activities</b>     | <b>(4,350)</b> | <b>20,993</b>   |
| <b>CASH FLOW FROM (USED BY) INVESTING ACTIVITIES</b>          |                |                 |
| Proceeds from sales of property, plant and equipment          | 6              | 14              |
| Purchases of property, plant and equipment                    | (5,859)        | (14,177)        |
| <b>Net cash flows from (used by) investing activities</b>     | <b>(5,853)</b> | <b>(14,163)</b> |
| <b>CASH FLOW FROM (USED BY) FINANCING ACTIVITIES</b>          |                |                 |
| Loan repayments   | 0              | (10,000)        |
| <b>Net cash flows from (used by) financing activities</b>     | <b>0</b>       | <b>(10,000)</b> |
| Effects of exchange rate changes on cash and cash equivalents | 485            | 418             |
| NET INCREASE IN CASH AND CASH EQUIVALENTS                     | (9,718)        | (2,752)         |
| CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD          | 20,791         | 32,169          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>     | <b>11,073</b>  | <b>29,417</b>   |

## Statement of Changes in Equity

| ThUSD  | Share capital  | Share premium | Foreign currency translation reserve | Actuarial gains and losses on defined benefit plans reserve | Other reserves | Total other reserves | Retained earnings (accumulated losses) | Total equity   |
|--|----------------|---------------|--------------------------------------|---|----------------|----------------------|--|----------------|
| Opening balance as of January 1, 2022          | 139,810        | 2,284         | -1,310                               |   | 23,515         | 22,205               | 16,340                                 | 180,639        |
| <b>Changes in equity</b>                       |                |               |                                      |   |                |                      |  |                |
| Comprehensive income                           |                |               |                                      |   |                |                      |  |                |
| Net income for the period                      |                |               |                                      |   |                |                      | 1,621                                  | 1,621          |
| Other comprehensive income                     |                |               | 292                                  |   |                | 292                  |  | 292            |
| <b>Closing balance as of March 31, 2022</b>    | <b>139,810</b> | <b>2,284</b>  | <b>-1,018</b>                        |   | <b>23,515</b>  | <b>22,497</b>        | <b>17,961</b>                          | <b>182,552</b> |
| Opening balance as of January 1, 2022          | 139,810        | 2,284         | -1,310                               |   | 23,515         | 22,205               | 16,340                                 | 180,639        |
| Capital increase                               | 4              | 2             |                                      |   |                |                      |  | 6              |
| <b>Changes in equity</b>                       |                |               |                                      |   |                |                      |  |                |
| Dividends accrued                              |                |               |                                      |   |                |                      | -12,155                                | -12,155        |
| Total comprehensive income                     |                |               |                                      |   |                |                      |  |                |
| Net income for the period                      |                |               |                                      |   |                |                      | 44,704                                 | 44,704         |
| Other comprehensive income                     |                |               | -145                                 | 3   |                | -142                 |  | -142           |
| <b>Closing balance as of December 31, 2022</b> | <b>139,814</b> | <b>2,286</b>  | <b>-1,455</b>                        | <b>3</b>  | <b>23,515</b>  | <b>22,063</b>        | <b>48,889</b>                          | <b>213,052</b> |
| Opening balance as of January 1, 2023          | 139,814        | 2,286         | -1,455                               | 3   | 23,515         | 22,063               | 48,889                                 | 213,052        |
| <b>Changes in equity</b>                       |                |               |                                      |   |                |                      |  |                |
| Comprehensive income                           |                |               |                                      |   |                |                      |  |                |
| Net income for the period                      |                |               |                                      |   |                |                      | 7,934                                  | 7,934          |
| Other comprehensive income                     |                |               | 237                                  | 14  |                | 251                  |  | 251            |
| <b>Closing balance as of March 31, 2023</b>    | <b>139,814</b> | <b>2,286</b>  | <b>-1,218</b>                        | <b>17</b>   | <b>23,515</b>  | <b>22,314</b>        | <b>56,823</b>                          | <b>221,237</b> |

## Additional Information

### Analysis of Key Financial Indicators

This section compares the Company's key financial indicators based on its consolidated financial statements as of March 31, 2023, compared to December 31, 2022.

|  | 03/31/2023 | 12/31/2022  |
|--|------------|-------------|
| <b>Liquidity Indicators</b>                    |            |             |
| 1) Current Liquidity                           | 3.41       | 3.01        |
| 2) Acid Ratio                                  | 1.21       | 0.95        |
| 3) Working Capital (USD million)               | 199.3      | 189.6       |
| <b>Debt Indicators</b>                         |            |             |
| 4) Net debt ratio                              | 0.86       | 0.89        |
| 5) Current Liabilities / Total Liabilities     | 0.41       | 0.45        |
| 6) Non-Current Liabilities / Total Liabilities | 0.59       | 0.55        |
| <b>Profitability Indicators</b>                |            |             |
|  | (3 months) | (12 months) |
| 7) Return on Equity                            | 3.59%      | 20.98%      |
| 8) Return on Assets                            | 6.40%      | 18.66%      |

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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

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The current liquidity ratio increased by 13%, mainly due to a smaller decrease in current assets (-0.7%) compared to the decrease in current liabilities (-12.3%). These changes have already been explained in the financial position analysis. Consequently, working capital increased by 5% or USD 9.7 million.

The acid ratio increased by 27% compared to December 2022, mainly due to the decrease in current liabilities. These changes have already been explained in the financial position analysis.

The net debt ratio decreased to 0.86 from 0.89 as of December 2022, mainly due to an increase in equity of USD 8.2 million or 4%. These changes have already been explained in the financial position analysis. The long-term liabilities ratio increased to 0.59 from 0.55. These changes have already been explained in the financial position analysis.

Return on equity was 3.59% as of March 2023, mainly due to good financial performance for the period.

## Cumulative Indicators

|   | 03/31/2023 | 03/31/2022 |
|---|------------|------------|
| a. Atlantic salmon sites harvested during the period            | 3          | 5          |
| b. Atlantic salmon harvested during the period (MT WFE) / Site  | 3,696      | 1,622      |
| c. Atlantic Salmon farming density (kg/m3)                      | 8.8        | 7.8        |
| d. Atlantic Salmon group survival rate in sea water at harvest  | 96.1%      | 76.3%      |
| e. Coho salmon sites harvested during the period                | 1          | 1          |
| f. Coho salmon harvested during the period (MT WFE) / Site      | 2,491      | 663        |
| g. Coho Salmon farming density (kg/m3)                          | 6.17       | 6.56       |
| h. Coho Salmon group survival rate in sea water at harvest      | 89.8%      | 92.8%      |
| i. Operational EBIT before fair value adjustments (USD million) | 20.9       | -0.4       |
| j. Atlantic salmon EBIT/kg WFE                                  | 1.68       | -0.25      |
| k. Coho salmon EBIT/kg WFE                                      | 0.36       | 1.82       |

### 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 March 31, 2023 (ThUSD)

|           | Gain (loss) on fair value of biological assets |                  | Cost of biological assets harvested and sold |                  |
|-----------|--|------------------|--|------------------|
|           | As of<br>03/31/2023                            | As of 03/31/2022 | As of 03/31/2023                             | As of 03/31/2022 |
| Salmonids | 6,822  | 5,740            | -14,278                                      | -2,981           |

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 6.8 million was recorded for the fair value adjustment of the live and harvested biomass as of March 31, 2023, compared to 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 March 31, 2023 was a negative margin of USD 14.3 million, after reversing the positive margin forecast in prior periods, in contrast to a negative margin of USD 3.0 million as of March 31, 2022.

The net effect of the fair value adjustments for the salmon biomass for the period ended March 31, 2023 is negative USD 7.5 million, as opposed to positive USD 2.8 million for the same period ended March 31, 2022.

### 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. |