









MANAGERIAL ANALYSIS AND DISCUSSION AS AT THE THIRD QUARTER 2017 PESQUERA EXALMAR S.A.A. (hereinafter, "the Company")

1. Indirect Human Consumption (IHC):

- The fishing sector is waiting for the finalization of the IMARPE cruise, which in the coming days could be providing more information regarding the current status of the anchoveta biomass, in order to inform PRODUCE to adopt the best decision regarding the fishing quota for the second fishing season of 2017, for the benefit of the preservation of the resource.

1.1. First Season 2017 in the North-Central Region:

- The first fishing season of 2017 corresponding to the North-Central region ended on July 31st, with an overall effective catch of 2,372 thousand MT out of a quota of 2,800 thousand MT.
- This season began on April 26th and ended on July 31st. The sector reached 85% of the quota, in comparison to the first fishing season of 2016 in which 51% of a quota of 1,800 thousand MT was caught.
- The Company has its own quota of 6.71 % for the North – Central region. At the end of the season it has reached 14.4% of participation in the total processing, which means the third position in the fishing sector in terms of processing of fishmeal and fish oil.

Company	1 st season 2016	1 st season 2017 (*)
 TASA	27.2%	25.3%
 COPEINCA CHINA FISHERY	20.0%	22.1%
 Pesquera EXALMAR	11.1%	14.4%
 PESQUERA DIAMANTE	12.1%	11.5%
 HAYDUK	10.6%	10.7%
 AUSTRAL	8.8%	9.0%
Others	10.3%	7.0%








(*) Source: PRODUCE. Elaboration: own.

1.2. Second Season 2016 in the North-Central Region:

- The second season of 2016 in the North-Central region began on November 15th and ended on January 27th, 2017. The sector caught 100% of the quota of 2,000 thousand MT allocated by PRODUCE in comparison to the second season 2015 in which 98% of the quota of 1,110 thousand MT was caught and the first season 2016 in which 51% of a quota of 1,800 thousand MT was caught.



- By the end of the season, the Company reached 14.0% of participation in the total processing, which meant the third position in the fishing sector in terms of processing of fishmeal and fish oil in the second season.

Company	2 nd Season 2015	2 nd Season 2016
 TASA	23.0%	23.8%
 COPEINCA  CHINA FISHERY	21.6%	21.9%
 Pesquera EXALMAR S.A.A.	12.7%	14.0%
 HAYDUK	11.0%	11.4%
 PESQUERA DIAMANTE	11.9%	10.9%
 AUSTRAL	10.2%	7.9%
Others	9.6%	10.1%

Source: PRODUCE. Elaboration: own.

1.3. South Region:

- By means of Resolution N° 010-2017-PRODUCE published on January 11st, 2017, the beginning of the first fishing season 2017 in the South Region was authorized, with a TMLAC (Total maximum limit of allowance catch) of 515 thousand MT. This season began on January 17th and ended on June 30th, 2017.
- Likewise, by means of Resolution N° 306-2017-PRODUCE published on June 28th, 2017, the beginning of the second fishing season 2017 in the south region was authorized, with a TMLAC (total maximum limit of allowance catch) of 515 thousand MT. This season began on July 4th and will end once reached the TMLAC or, otherwise, it cannot exceed December 31st, 2017.
- As at September 30th, 2017, the sector has reached to catch 182 thousand MT of the South quota, while Exalmar rented 2.44% of otw own quota (total quota of 4.42%).

1.4. Catch and processing:

- By the end of the third quarter 2017, catch and processing volumes shown correspond to January (balance of the second season 2016) and to the period between April and July, 2017 (first season 2017).

Thousand MT	As at 3Q16	As at 3Q17	Variation
Own Catch	79.2	214.9	171%
	54%	51%	
Purchase to Third Parties	66.5	208.5	213%
	46%	49%	
Total processed	145.7	423.4	190%
Fishmeal produced	33.8	98.5	192%
Fish oil produced	4.5	11.7	160%
Fishmeal Factor	4.31	4.30	0%
Fish oil Factor	3.11%	2.75%	-12%



- Considering that generally annual financial statements include sales corresponding to the production of the second quota of the previous year and the first quota of the current year, in 2017 financial statements of the companies from this sector included an effective quota of approximately 4,326 thousand MT; while in 2016, an effective quota of 1,998 thousand MT was included, reaching an increase of 117%.

Thousand MT	2016		
	2 nd Season 2015	1 st Season 2016	Total
C-N Quota	1,110	1,800	2,910
Effective catch of the Sector	1,084	914	1,998
Sector Quota Advance	97.6%	50.8%	
Exalmar processing	141	101	242
Quota allocated to Exalmar	6.61%	6.67%	
Participation of Exalmar	12.7%	11.1%	
Season	17/11-31/01	26/06- 27/07	

Thousand MT	2017		
	2 nd Season 2016	1 st Season 2017	Total
C-N Quota	2,000	2,800	4,800
Effective catch of the Sector	1,954	2,372	4,326
Sector Quota Advance	97.7%	84.7%	
Exalmar Processing	270	345	615
Quota allocated to Exalmar	6.73%	6.71%	
Participation of Exalmar	13.8%	14.4%	
Season	15/11- 27/01	26/04- 31/07	

1.5. Inventories:

- In 2017, there was an initial fishmeal inventory of 45.5 thousand TM, 42% more than the initial inventory of the previous year, due to the allocation of a higher fishing quota in the second fishing season 2016 (2,000 thousand MT), in comparison to the second season of 2015 (1,110 thousand MT).
- By the end of the third quarter of 2017, the initial inventory of the year plus the January-to-July production meant a volume of 144 thousand MT available for sale (66 thousand MT the previous year), from which 143 thousand MT were sold, remaining a final inventory of 2.1 thousand MT including 1,0 thousand MT of reprocessed fishmeal.
- It is worth to mention that 99.3% of the fishmeal volume produced and available for sale was sold; the remaining inventory was totally sold by the end of the year.
- Sales of fish oil as at the end of the third quarter of 2017 were 15.9 thousand MT, with a final inventory of 2.3 thousand MT (1.8 thousand MT in the previous year).



Fishmeal (thousand MT)	As at 3Q16	As at 3Q17	Variation
First inventory	32.1	45.5	42%
Production	33.8	98.5	
Sales	62.8	143.0	128%
Reprocessing	0.4	1.4	
Final inventory	3.6	2.1	-41%

Fish oil (thousand MT)	As at 3Q16	As at 3Q17	Variation
First inventory	2.1	6.6	211%
Production	4.5	11.7	
Sales	4.8	15.9	230%
Reprocessing	0.1	-0.1	
Final inventory	1.8	2.3	30%

2. Direct Human Consumption (DHC):

- On January 13th, 2017, the catch limit for jack mackerel resource was set at 100,000 MT applicable to extractive activities for Direct Human Consumption for the period corresponding to 2017. Afterwards, on January 19th, 2017, the catch limit for mackerel was set at 110,000 TM, totaling 210,000 TM of jack mackerel and mackerel.
- By the end of the third quarter of 2017, mackerel catch in the sector decreased by 31% regarding the previous year, while the catch of Exalmar decreased by 16%, reaching a participation of 11.3%.

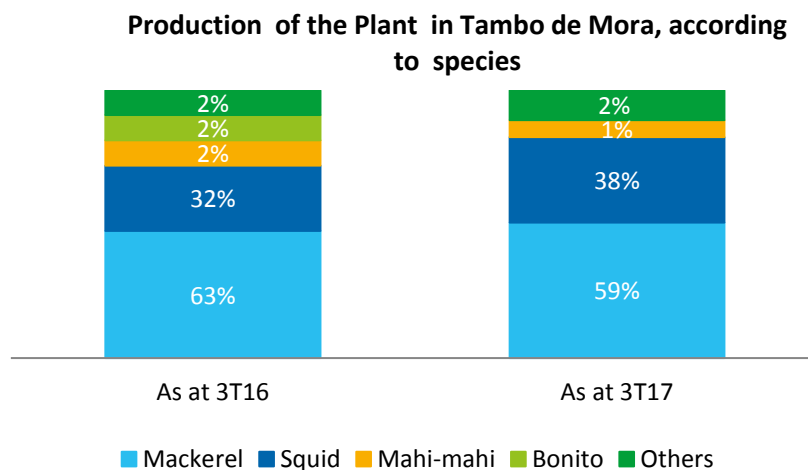
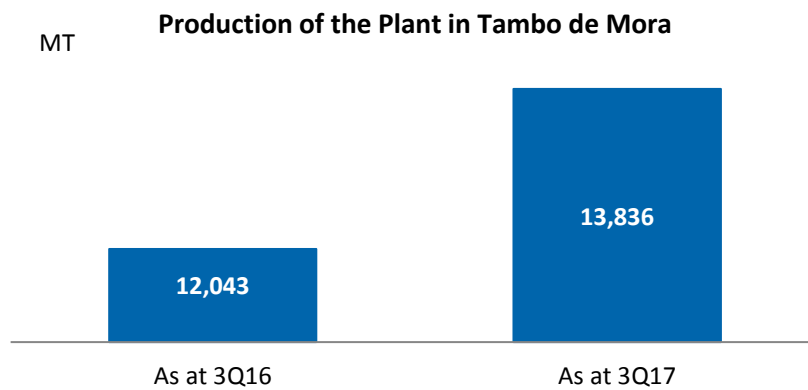
MT	Jack Mackerel and Mackerel			As at 3Q17 (**)
	2014	2015	2016 (**)	
Quota	152,000	140,000	239,000	210,000
Effective Catch of the Sector	89,700	1,080	110,814	76,790
Sector Quota Advance	59.0%	0.8%	46.4%	36.6%
Exalmar Catch	7,792	133	10,310	8,646
Participation of Exalmar	8.7%	12.3%	9.3%	11.3%

Elaboration: own.

(*) The effective catch of 2016 and 2017 corresponds basically to mackerel species.



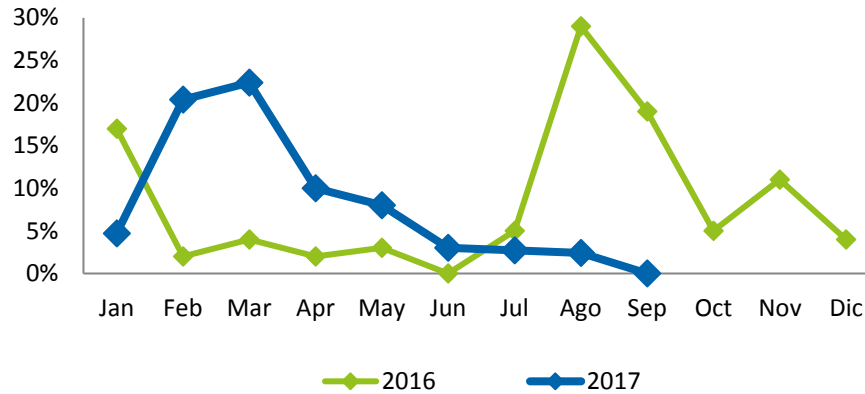
- The production of the plant in Tambo de Mora reached 13,836 MT by the end of the third quarter of 2017, increasing by 15% regarding the previous year, due to the availability of mackerel at the beginning of the year (in 2016, mackerel was available from the third quarter).



- By the end of the third quarter of 2017, there is a final DHC inventory of 1,002 MT of different species, in comparison to 9,234 MT as at September 30th, 2016.
- In Direct Human Consumption, the year 2017 has been affected by the following:
 - o Absence of jack mackerel and low presence of mackerel.
 - o Low availability of giant squid and other species.



Use of Installed Capacity in DHC Plant of Tambo de Mora



- Due to the low availability of raw materials for Direct Human Consumption, the decision of the Board of Directors of the Company to suspend temporarily the operations of the plant of Tambo de Mora CHD for the processing of giant squid and other species, as well as any activity related to these processes, keeping the plant working on the processing of jack mackerel and mackerel, was announced on September 20th.

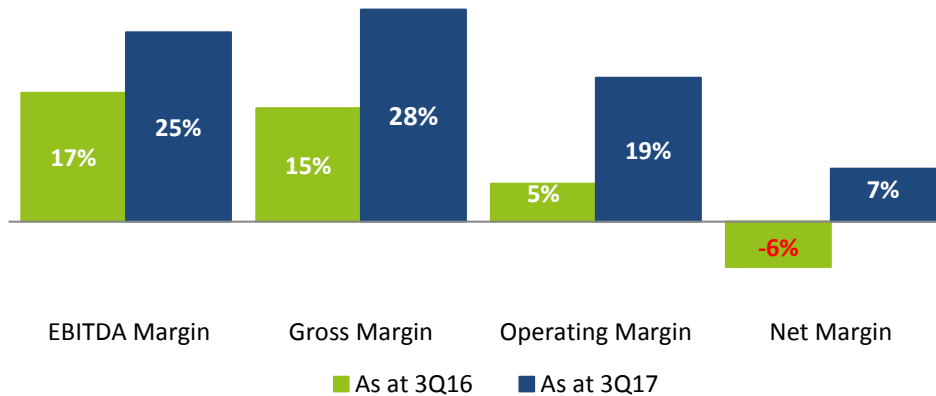
3. Financial Information:

- As at September 30th, 2017, the financial statements show an increase in sales (+ 104%) against the same period in the previous year, due to a higher initial inventory, as a consequence of a greater effective catch in the second season of 2016 (1,954 thousand MT against 1,084 thousand MT in the second season of 2015), as well as a greater effective catch in the first season of 2017 (2,372 thousand MT as at July 31st, 2017, in comparison to 914 in the first season of 2016).

US\$ Million	3Q16	3Q17	As at 3Q16	As at 3Q17	Variation
Sales	41.2	88.3	121.2	247.6	104%
Gross Profit	1.3	21.4	18.6	68.4	268%
Operating Profit (*)	-3.0	13.7	6.3	47.0	651%
Profit before Tax	-6.8	7.7	-6.8	32.5	
Net Profit	-3.7	6.3	-7.4	18.0	
EBITDA (**)	1.9	18.5	21.0	61.3	192%

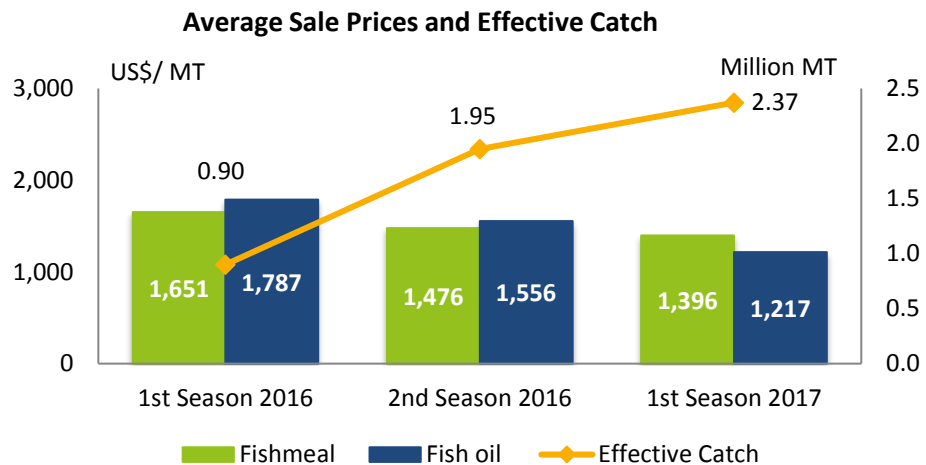
(*) Operating profit does not consider the other incomes / expenses.

(**) Estimated EBITDA does not consider the other incomes/expenses because they are non-recurrent items, nor sharing to workers.



3.1 Sales:

- By the end of the third quarter of 2017, total sales increased by 104% in comparison to the previous year. IHC Sales increased by 107%, which was explained by higher initial inventories, as a result of a greater effective catch in the second season 2016 and the first season 2017.
- Because of the higher quota allocated in the first season 2017 (2,800 thousand MT) and the effective catch of 84.7%, the average sale prices of fishmeal were reduced by 5% in comparison to the second season 2016 (effective quota of 1,954 thousand MT) and by 15% in comparison to the first season 2016 (effective quota of 914 thousand MT).



- By the end of the third quarter of 2017, 99.3% of the fishmeal volume available for sale was sold.



Net Sales- Indirect Human Consumption					
	3Q16	3Q17	As at 3Q16	As at 3Q17	Variation
Fishmeal					
MT	21,030	52,258	62,767	142,969	128%
US\$/MT	1,636	1,388	1,578	1,427	-10%
Total Fishmeal Sales (thousand US\$)	34,395	72,555	99,019	203,956	106%
% Total sales	83%	82%	82%	82%	
Fish Oil					
MT	1,456	7,157	4,810	15,856	230%
US\$/MT	1,923	1,318	2,168	1,332	-39%
Total Fish Oil Sales (thousand US\$)	2,800	9,432	10,429	21,113	102%
% Total Sales	7%	11%	9%	9%	
Anchovy					
MT	397	0	397	2,554	543%
US\$/MT	257	0	257	256	-0.25%
Total Anchovy (thousand US\$)	102	0	102	655	542%
% Total Sales	0%	0%	0%	0%	
Quota rent (thousand US\$) (*)		210		656	
% Total Sales		0%		0%	
TOTAL INDIRECT HUMAN CONSUMPTION	37,297	82,197	109,550	226,380	107%
% Total Sales	90%	93%	90%	91%	

Net Sales – Direct Human Consumption					
	3Q16	3Q17	As at 3Q16	As at 3Q17	Variation
Fresh fish					
Total Fresh fish (thousand US\$)	156	5	175	144	-18%
% Total sales	0%	0%	0%	0%	
Frozen Products					
MT	2,038	4,108	5,308	17,326	226%
US\$/MT	1,801	1,475	2,030	1,211	-40%
Total Sales of Frozen Products (thousand US\$) (**)	3,671	6,060	10,774	20,986	95%
% Total Sales	9%	7%	9%	8%	
Others (thousand US\$) (***)	125	5	753	53	-93%
% Total Sales	0%	0%	1%	0%	
TOTAL DIRECT HUMAN CONSUMPTION	3,953	6,069	11,701	21,183	81%
% Total Sales	10%	7%	10%	9%	

TOTAL	41,250	88,266	121,251	247,563	104%
--------------	---------------	---------------	----------------	----------------	-------------

(*) Quota rent corresponds to the south region.

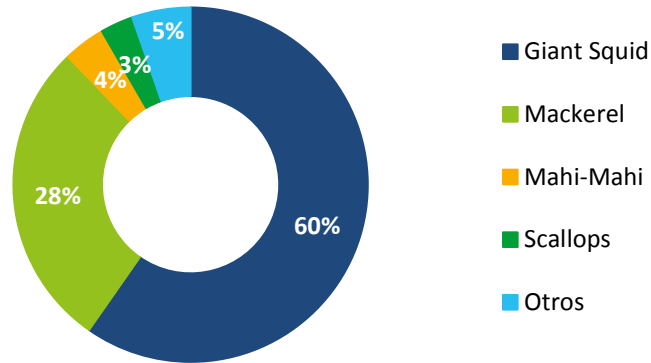
(**) It includes jack mackerel, mackerel, sea scallops, mahi-mahi, squid, and giant squid in various forms, among others.

(***) It includes residual fishmeal and different services.



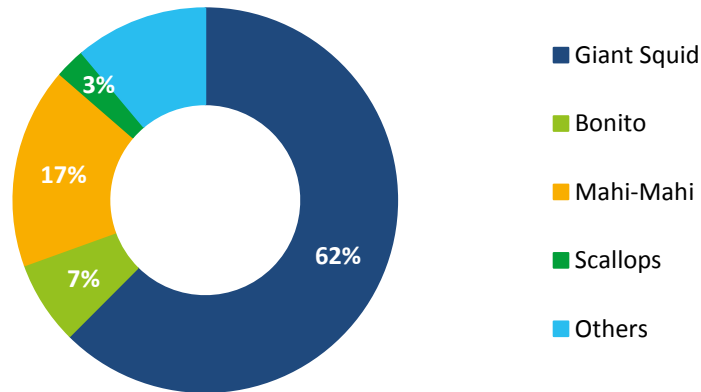
- DHC business sales increased by 81% regarding the same period in the previous year, due to the higher presence of mackerel in the first months of the year. DHC sales represented 9% out of total sales, slightly lower than the previous year (10%), due to the increase of Indirect Human Consumption sales.

DHC: Sale of Frozen Products 2017 (*)



(*) Information in US\$ and as at the third quarter of 2017.

DHC: Sale of Frozen Products 2016 (*)



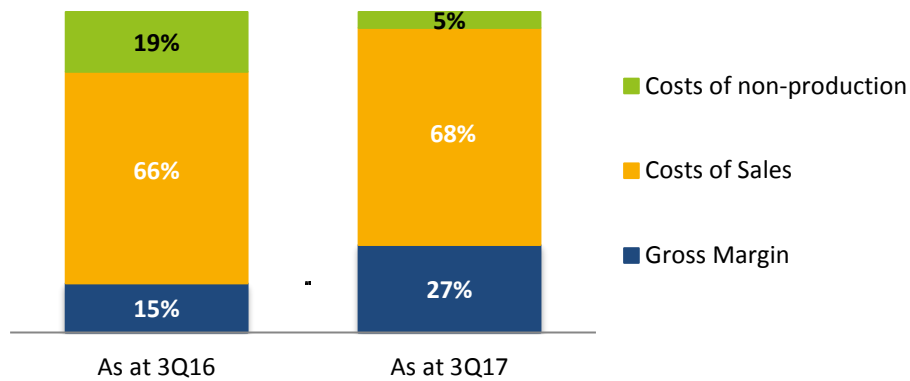
(*) Information in US\$ and as at September 30th, 2016.



3.2 Gross Profit:

US\$ Million	3Q16	3Q17	As at 3Q16	As at 3Q17	Variation
Sales	41.3	88.3	121.3	247.6	104%
Cost of Sales	25.1	62.5	80.0	166.8	108%
Costs of non-production (*)	14.9	4.4	22.6	12.4	-45%
Gross Profit	1.3	21.4	18.6	68.4	268%
% on Sales					
Gross margin	3%	24%	15%	28%	80%
Costs of Sales	61%	71%	66%	67%	2%
Costs of non-production (*)	36%	5%	19%	5%	-73%

- By the end of the third quarter of 2017, gross profit increased by 264% in comparison to the same period in the previous year, as a result of higher volumes caught in the second season 2016 and the first season 2017.





US\$ Million	3Q16	3Q17	As at 3Q16	As at 3Q17	Variation
Sales	41.3	88.3	121.3	247.6	104%
IHC	37.3	82.2	109.5	226.4	107%
DHC	4.0	6.1	11.7	21.2	81%
Cost of Sales	25.1	62.5	80.0	166.8	108%
IHC	21.6	57.9	69.6	151.7	118%
DHC	3.5	4.5	10.4	15.2	45%
Costs of non-production (*)	14.9	4.4	22.6	12.4	-45%
IHC	13.1	2.4	16.5	6.7	-59%
DHC	1.9	2.0	6.2	5.6	-9%
Gross Profit	1.3	21.4	18.6	68.4	268%
IHC	2.6	21.8	23.5	68.0	190%
DHC	-1.4	-0.4	-4.9	-0.4	-108%

% On Sales	3Q16	3Q17	As at 3Q16	As at 3Q17	Variation
Cost of Sales	61%	71%	66%	67%	2%
IHC	58%	70%	64%	67%	5%
DHC	87%	75%	89%	72%	-20%
Costs of non-production (*)	36%	5%	19%	5%	-73%
IHC	35%	3%	15%	3%	-80%
DHC	47%	32%	53%	27%	-49%
Gross Margin	3%	24%	15%	28%	80%
IHC	7%	27%	21%	30%	40%
DHC	-34%	-7%	-42%	2%	-104%

(*) By the end of the third quarter of 2017, closed season expenses are registered as deferred assets (US\$ 6.5 million), which will be charged to inventory values of the second season 2017. Since the presentation of the audited annual financial statements for 2015, they are no longer considered as closed season expenses; there are only costs of non-production.

3.3 Cost of Sales:

- By the end of the third quarter of 2017, the cost of IHC sales represented 67% of IHC sales, similar to the 64% registered in the same period of 2016.
- By the end of the third quarter of 2017, there were 148 closed days, against to 211 days in the same period of the previous year. Unit sale costs were reduced to US \$ 955 per MT¹, against to US \$ 1,030 per MT in the previous year, due to higher production volumes.
- As at September 30th, 2017, the cost of anchovy catch per MT was reduced by 5%, mainly due to dilution of fixed costs for higher catch volumes.

¹ Considering MT of fishmeal and fish oil sold.



	Costs of own catch		
	As at 3Q16	As at 3Q17	Variation
Own catch (MT)	79,242	214,912	171%
Cost of own catch (thousand US\$)	10,531	26,321	150%
US\$/MT	132.9	122.5	-8%
Depreciation	1,833	3,873	
Dep/ MT	23.1	18.0	-22%
US\$/MT (without depreciation)	109.8	104.5	-5%
Detail:			
Personnel	3,631	9,868	
Personnel /MT	45.8	45.9	0%
Maintenance	1,219	3,896	
Maintenance /MT	15.4	18.1	18%
Fuel	2,634	4,600	
Fuel/MT	33.2	21.4	-36%
Others	1,213	4,084	
Others /MT	15.3	19.0	24%

(*) By the end of the third quarter of 2017, costs of own catch corresponding to the first fishing season 2017 include a part of the deferred assets considered as at July 31st, 2017 (previously considered as expenses of closed season).

- By the end of the third quarter of 2017, the purchase to third parties explained the 49% of the total processed volume, higher than the 46% registered in the same period of the previous year. The cost per MT of purchase to third parties decreased by 3%, due to the reduction of fishmeal prices in this season.

	Costs of Purchase to Third Parties		
	As at 3Q16	As at 3Q17	Variation
Purchase to third parties (MT)	66,507	208,487	213%
Cost of purchase to third parties (thousand US\$)	16,544	50,351	204%
US\$/MT	248.8	241.5	-3%

- The processing cost per MT by the end of the third quarter of 2017 (excluding raw material) decreased by 1% regarding the previous year, as a consequence of: (i) lower variable costs, such as fuel and maintenance; (ii) better dilution of fixed costs for higher volumes processed (+187%).



	Processing Costs		
	As at 3Q16	As at 3Q17	Variation
Fishmeal and Fish Oil Processing MT	38,323	110,162	187%
Processing Cost (Thousand US\$)	9,102	23,984	164%
US\$/MT	237.5	217.7	-8%
Depreciation	2,135	4,165	95%
Dep/ MT	55.7	37.8	-32%
US\$/MT (without depreciation)	181.8	179.9	-1%
Others:			
Personnel	1,387	4,154	
Personnel/MT	36.2	37.7	4%
Maintenance	649	1,046	
Maintenance/MT	16.9	9.5	-44%
Fuel	2,369	6,009	
Fuel/MT	61.8	54.5	-12%
Inspections and analysis	365	1,163	
Inspections and analysis /MT	9.5	10.6	11%
Others	2,198	7,449	
Others/MT	57.3	67.6	18%

(*)By the end of the third quarter of 2017, processing costs corresponding to the first fishing season 2017 include a part of the deferred assets considered as at July 31st, 2017 (previously considered as expenses of closed season).

- Regarding Direct Human Consumption, the availability of mackerel stood out in the first months of the year (around 8,646 MT of catch). However, the expected volumes were not reached and the absence of jack mackerel and the limited availability of giant squid persist.

DHC (US\$ million)	As at 3Q17		
Sales	21.2		21.2
Variable cost of sales	-15.3		-15.3
Contribution Margin	5.9		5.9
Sale Expenses	-3.3		-3.3
	Cost	Deprec.	Total
Non-production Costs	-2.9	-2.7	-5.6
Fixed Cost of Sales	-0.1	0.1	0.1
Administrative Expenses	-1.4	-0.4	-1.8
Fixed Costs	-4.3	-3.0	-7.3
EBITDA	-1.7		
Operating Profit			-4.6



3.4 Non-production Costs:

- In order to standardize the accounting criteria to the current tax regulations, as of the presentation of the audited annual financial information for 2015, expenses incurred during closed seasons are considered as necessary expenses for the production of the following season, so they will be activated as a part of production cost at inventory value in the period of production.
- “Non-production costs” correspond to expenses during non-production days in the plants and to non-operating vessels during fishing seasons.
- Non-production costs decreased by 45% in comparison to the previous year, due to: (i) lower fixed costs in plants as a result of higher fishing concentration, especially during the first season of 2017, as well as longer days of production (125 days) in comparison to the same period of the previous year (63 days); and (ii) lower non-production costs of DHC due to more capacity of use of the plants of this business unit.
- By the end of the third quarter of 2017, there were 148 days of closed season, in comparison to 211 days in the same period of the previous year. Unit sale costs were reduced to US \$ 955 per MT², in comparison to US \$ 1,030 per MT in the previous year, due to higher production volumes.

US\$ million	As at 3Q16	As at 3Q17	Variation
Fleet non-production cost (*)	7.0	1.6	-77%
Plant non-production cost (*)	9.4	5.3	-44%
Costs of DHC Non-production	6.1	5.5	-11%
Non-production Costs	22.6	12.4	-45%

(*) As of the presentation of the 2015 audited annual financial statements, they are no longer considered as closed season expenses; there are only non-production costs. By the end of the third quarter of 2017, closed season expenses are recorded as deferred assets (US\$ 6.5 million), which will be charged to the inventory value in the second season 2017.

3.5 Operating Expenses:

- By the end of the third quarter of 2017, administrative expenses increased by 23% regarding the previous year, mainly due to higher personnel expenses for extraordinary payments of settlements (+ US \$ 0.3 million) and third party services (+ US \$ 0.2 million). Additionally, temporary expenses for workers’ sharing amount to US\$ 0.5 million.
- By the end of the quarter, sale expenses increased from 5% of sales in 2016 to 6% in 2017, mainly explained by the 21.6% increase in the cost of shipping service for exports.

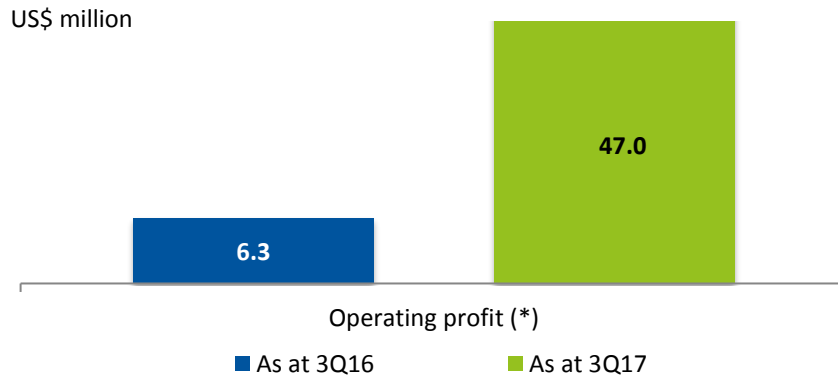
US\$ million	3Q16	3Q17	As at 3Q16	As at 3Q17	Variation
Sale expenses	2.5	5.3	6.6	15.0	128%
% on Sales	6%	6%	5%	6%	12%
Administrative Expenses	1.8	2.7	5.7	7.0	23%

² Considering MT of fishmeal and fish oil sold.



3.6 Operating Profit (*):

- By the end of the third quarter of 2017, the operating profit showed an increase of 651% regarding the same period of the previous year, with an operating margin of 19% (5% as at September 30th, 2016), as a result of higher volumes processed.



(*): Operating profit does not consider the other incomes/expenses.

3.7 Financial Expenses:

- Net financial expenses had a decrease of 21%, passing from US\$ 16.9 million in 2016 to US\$ 13.3 million by the end of the third quarter of 2017, representing 5% on sales (14% in the same period of 2016). By the end of the third quarter of 2016, a Tender Offer was made with expenses related to the operation, amounting to US \$ 3.4 million.

US\$ million	3Q16	3Q17	As at 3Q16	As at 3Q17	Variation
Financial incomes	0.0	0.0	0.0	0.0	58%
Financial expenses	8.8	4.5	16.9	13.4	-21%
Net Financial Expenses	-8.8	-4.5	-16.9	-13.3	-21%
% On Sales	21%	5%	14%	5%	-61%

3.8 Net Profit:

- By the end of the third quarter of 2017, the net profit was US\$ 18.0 million, higher than the same period of the previous year (US\$ -7.4 million), due to an increase in the effective catch and processing.

3.9 Indebtedness:

- By the end of the third quarter of 2017, the total net debt amounted to US\$ 189.2 million, 18.8% lower than the same period of 2016. The long-term debt (current and non-current part) was US\$ 197.5 million, from which US\$ 4.7 million correspond to leasing operations. The short-term debt related to working capital was US\$ 0.1 million.



US\$ million	Debt Position		
	As at 3Q16	As at 3Q17	%
Short-term Debt	40.0	0.1	-100%
	17%	0%	
Long-term Debt	199.9	197.5	-1%
Current part	2.3	1.8	-23%
Non-current part	197.6	195.7	-1%
	83%	100%	
Total Debt	239.9	197.6	-18%
Cash	7.0	8.5	21%
NET DEBT	232.9	189.1	-19%

- The cash was of US \$ 8.5 million, higher than the same period of the previous year (US \$ 7.0 million). Regarding the short-term debt, it decreased by 99.8%, due to 62 more days of production against the same period of 2016, which allowed selling, shipping and carrying out forfaiting operations that improved company's liquidity. As at September 30th, the short-term debt was US \$ 0.1 million, in comparison to US \$ 40.0 million in the same period of 2016.

US\$ million	As at 3Q16	As at 3Q17	%
Short-term Debt (Working Capital)	40.0	0.1	-100%
Net Trade Accounts Receivable	16.2	20.6	27%
Valued Inventory (US\$)	20.7	16.1	-22%
Fishmeal stock (thousand MT)	3.6	2.1	-41%
Fish Oil stock (thousand MT)	1.8	2.3	30%
DHC stock (thousand MT)	14.4	1.0	-93%
Fishmeal Valued Inv. (*)	3.8	2.9	-45%
Oil Fish Valued Inv. (*)	3.5	2.8	-3%
DHC Inv (**)	13.4	4.3	-21%
Receivables + Valued Inventory + Cash	44.0	45.2	3%
Short-term Debt Hedge	110%		

(*) Valued at average sale prices. (**) Valued at inventory costs.

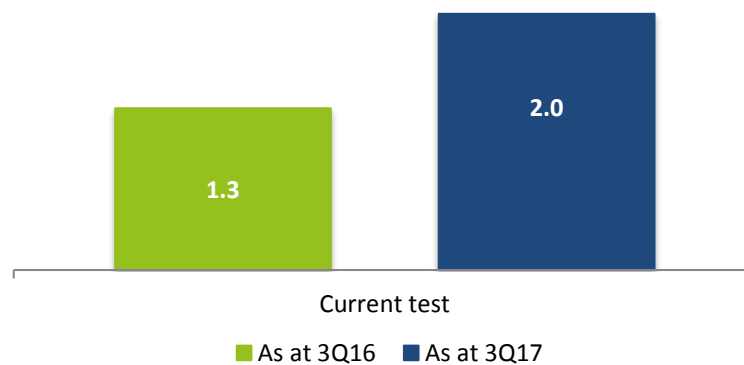
- By the end of the third quarter of 2017, we have current assets to register of approximately US \$ 69.7 million, from which 30% correspond to trade accounts receivable. These assets will allow us to cover our working capital requirements until the beginning of the next fishing season.



3.10 Financial Indicators:

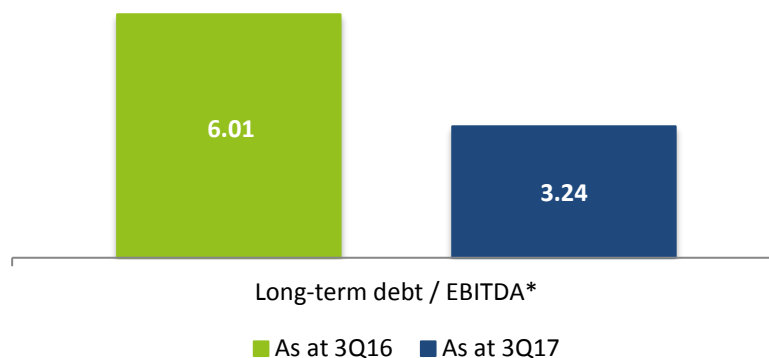
- Liquidity:**

The current test (current assets / current liabilities) increased to 2.02x in the third quarter of 2017, in comparison to 1.26x in the same period of the previous year. This is due to the reduction of current liabilities by 55%, mainly explained by the decrease in the short-term debt.



- Solvency:**

The solvency ratio was reduced in comparison to the third quarter of 2016, as a consequence of a lower long-term debt and an EBITDA higher by 83% against the same period of the previous year.



(*EBITDA for the last twelve months is considered.



- **Profitability:**

Profitability ratios increased, due to the beginning of the first fishing season 2017, in comparison to the previous year. As a result of a better management in processing and a higher fishing quota, the Net profit of the last twelve months by the end of the third quarter of 2017 increased by 170%, in comparison to the same period of 2016. Regarding the equity and fixed assets, the variations are -5% and -2%, respectively.

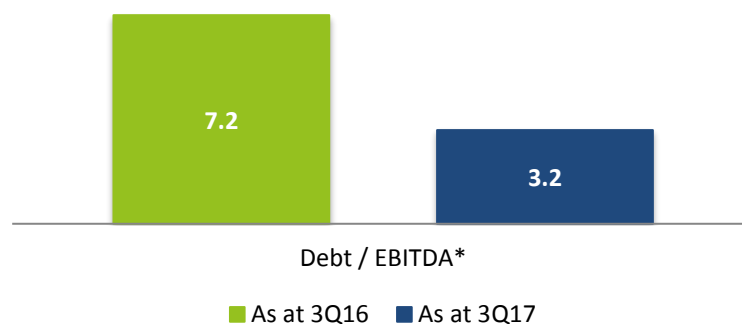
Profitability Position		
	As at 3Q16	As at 3Q17
ROE	-1.7%	0.3%
ROA	-0.9%	0.2%
Net Margin	-6.1%	7.3%

- **Covenants:**

In the international bond issuance for US\$ 200 million, incurrence covenants were agreed into the issuance agreement.

- **Total Debt / LTM EBITDA:**

It shows the relation between funds obtained through third parties and operating results. In case this relation is greater than 3.5, we shall not assume more debt, except for the authorized by the baskets made for that purpose, and which are indicated in the corresponding prospectus.



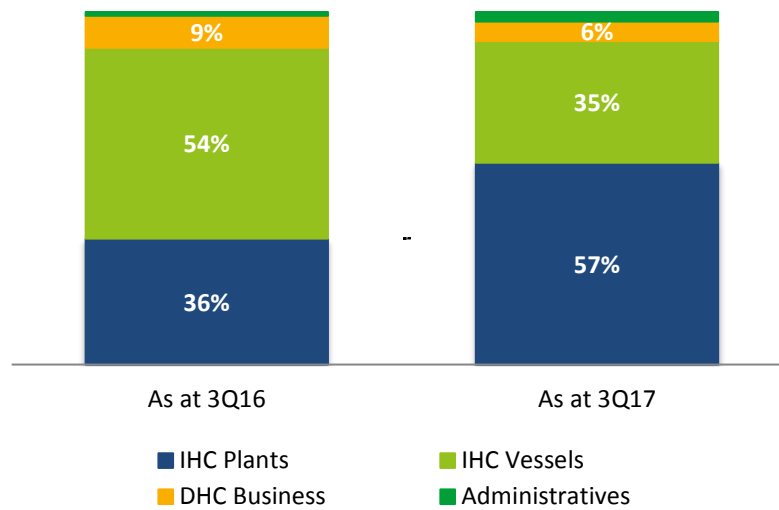
(*)EBITDA for the last twelve months is considered.

- By the end of the third quarter of 2017, the indicator decreased from 7.22x to 3.24x in comparison to the same period of 2016, as a result of higher EBITDA levels and the decrease in short-term debt, in comparison to higher levels of effective catch in the second season of 2016 and the first season of 2017.



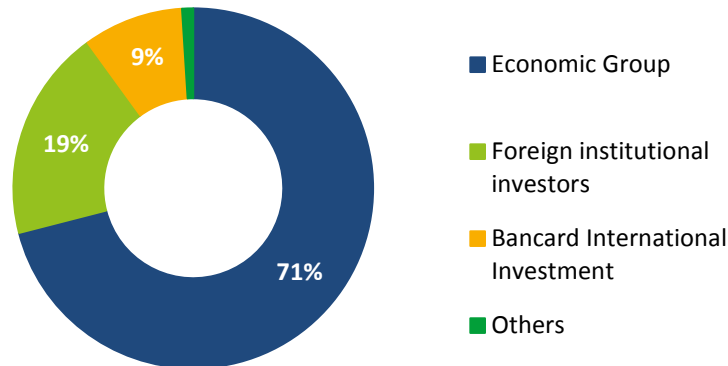
3.11 CAPEX:

- Regarding CAPEX, by the end of the third quarter of 2017 there were investments for US\$ 10.5 million (US\$ 14.9 million as at September 30th, 2016), mainly aimed to IHC vessels.



4. Share capital, shareholders and share evolution:

- As at September 30th, 2017, the fully subscribed and paid-in capital of the Company amounted to S/. 295'536,144, divided into 295'536,144 common shares with voting rights and a nominal value of S/. 1.00 each one. All shares provide their holders the same rights and liabilities.
- The company's shares are quoted on the Lima Stock Exchange. As at September 30th, 2017, the market value of the 295'536,144 shares was S/. 1.05 per share, while as at September 30th, 2016, it was S/. 1.20.



5. Other Relevant Facts:

- On August 9th, a conference call was held with the investors of the Company, with information on the financial results for the second quarter of 2017.
- On September 20th, a Significant Fact was reported: due to the low availability of raw material for Direct Human Consumption, the Board of Directors of the Company agreed to temporarily suspend the operations of the DHC plant of Tambo de Mora for the processing of giant squid and other species, as well as any activity related to these processes, keeping the plant in operation for jack mackerel and mackerel processing.
- On September 20th, the report issued by the risk rating agency Moody's Investors Service, which kept the rating of corporate bonds of Pesquera Exalmar S.A.A. in grade B3 and improved the perspective from negative to stable, was published as a Significant Fact. This report is on the company's website.
- On September 27th and 28th, we participated in the "XV Capital Market Event", organized by Credicorp Capital in Lima.
- On October 2nd, the report issued by the risk rating agency Standard & Poor's, which keeps the rating of corporate bonds of Pesquera Exalmar S.A.A. in grade B- with a negative perspective, was published as a Significant Fact.