Pesquera Exalmar S.A.A.

Financial statements as of March 31, 2019 and December 31, 2018

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Content

PESQUERA EXALMAR S.A.A.

ESTADO DE SITUACION FINANCIERA
Al 31 de marzo de 2019 y 31 de diciembre de 2018

ACTIVO

	Nota	2019 US$000	2018 US$000
ACTIVO CORRIENTE			
Efectivo y equivalente de efectivo	7	6,978	33,096
Inversiones financieras mantenidas hasta su vencimiento		-	491
Cuentas por cobrar comerciales y diversas, neto	8	68,701	42,108
Inventarios, neto	9	41,665	79,877
Cuentas por cobrar a entidades relacionadas	25 (b)	4,035	3,787
Crédito fiscal por IGV	26 (e)	14,969	11,014
Gastos pagados por anticipado		2,263	1,695
Total activo corriente		138,611	172,068
ACTIVO NO CORRIENTE			
Cuentas por cobrar comerciales y diversas, neto	8	5,133	5,454
Inmuebles, embarcaciones, maquinaria y equipo, neto	10	226,564	226,861
Intangibles, neto	11 (a)	117,835	117,939
Crédito mercantil	11 (c)	113,342	113,342
Otros activos		1,198	1,238
Total activo no corriente		464,072	464,834
Total activo		602,683	636,902

PASIVO Y PATRIMONIO NETO

	Nota	2019 US$000	2018 US$000
PASIVO CORRIENTE			
Préstamos bancarios a corto plazo	12	70,935	70,000
Cuentas por pagar comerciales y diversas	13	42,485	58,001
Cuentas por pagar a entidades relacionadas	25 (b)	29	27
Impuesto a la renta por pagar		3,666	9,593
Obligaciones financieras a largo plazo	14	1,603	5,772
Provisiones para contingencias	15	2,383	2,383
Total pasivo corriente		121,101	145,776
PASIVO NO CORRIENTE			
Obligaciones financieras a largo plazo	14	168,116	183,650
Pasivo neto por impuesto a la renta diferido	16	54,653	54,528
Total pasivo no corriente		222,769	238,178
Total pasivo		343,870	383,954
PATRIMONIO	17		
Capital emitido		89,772	89,772
Prima por emisión de acciones		69,721	69,721
Excedente de revaluación		39,031	39,031
Reserva legal		3,609	3,609
Resultados acumulados		56,680	50,815
Total patrimonio neto		258,813	252,948
Total pasivo y patrimonio neto		602,683	636,902

Las notas que se acompañan de la página 7 a la 62 forman parte de los estados financieros.

PESQUERA EXALMAR S.A.A.

ESTADO DE RESULTADOS INTEGRALES
Por los periodos terminados el 31 de marzo de 2019 y de 2018

	Nota	2019	2018
		US$000	US$000
Ingreso de actvidades ordinarias	18	91,334	36,967
Costo de venta	19	(66,040)	(27,757)
Costos de distribución	20	(5,498)	(1,779)
Utilidad bruta		19,796	7,431
Gastos operacionales			
Gastos administrativos	21	(2,727)	(2,151)
Otros ingresos	23	537	484
Otros gastos	23	(1,289)	(994)
Total gastos operacionales		(3,479)	(2,661)
Utilidad operativa		16,317	4,770
Otros ingresos (gastos)			
Ingresos financieros	24	108	49
Costos financieros	24	(5,585)	(5,750)
Pérdida neta por diferencia en cambio	6	(280)	(104)
Total otros gastos, neto		(5,757)	(5,805)
Utilidad (pérdida) antes de impuesto a las ganancias		10,560	(1,035)
Impuesto a la renta	26	(4,695)	(253)
Utilidad neta		5,865	(1,288)
Utilidad (pérdida) básica y diluida por acción (en dólares estadounidenses)	27	0.020	(0.004)

Las notas que se acompañan de la página 7 a la 62 forman parte de los estados financieros.

PESQUERA EXALMAR S.A.A.

ESTADO DE CAMBIOS EN EL PATRIMONIO NETO
POR LOS PERIODOS TERMINADOS EL 31 DE MARZO DE 2019 Y EL 31 DE DICIEMBRE DE 2018

	Nota	Capital emitido	Prima por emisión de acciones	Otras reservas de capital	Excedente de revaluación	Resultados acumulados	Total
		US$000	US$000	US$000	US$000	US$000	US$000
Saldos al 1 de enero de 2018		89,772	69,721	3,609	32,216	21,485	216,803
Resultados integrales del año		-	-	-	-	(1,288)	(1,288)
Otros resultados integrales:							
- Excedente de revaluación	17	-	-	-	-	-	-
Saldos al 31 de marzo de 2018		89,772	69,721	3,609	32,216	20,197	215,515
Saldos al 1 de enero de 2019		89,772	69,721	3,609	39,031	50,815	252,948
Resultados integrales del año		-	-	-	-	5,865	5,865
Otros resultados integrales:							
- Excedente de revaluación	17	-	-	-	-	-	-
Saldos al 31 de marzo de 2019		89,772	69,721	3,609	39,031	56,680	258,813

Las notas que se acompañan de la página 7 a la 62 forman parte de los estados financieros.

PESQUERA EXALMAR S.A.A.

ESTADO DE FLUJOS DE EFECTIVO
Por los periodos terminados el 31 de marzo de 2019 y el 31 de diciembre de 2018

	2019	2018
	US$000	**US$000**
ACTIVIDADES DE OPERACION		
Cobranza por ventas a clientes	68,860	32,165
Otros cobros de efectivo relativos a la actividad	397	349
Pagos a proveedores	(37,050)	(28,760)
Pago al personal	(11,715)	(5,710)
Pagos de impuestos	(11,742)	(681)
Otros pagos de efectivo relativos a la actividad	(7,155)	(6,630)
Efectivo generado por (aplicado a) las actividades de operación	1,595	(9,267)
ACTIVIDADES DE INVERSION		
Pagos a:		
Compra de inmuebles, maquinaria y equipo	(5,085)	(2,507)
Compra de activos intangibles	-	(36)
Efectivo aplicado a las actividades de inversión	(5,085)	(2,543)
ACTIVIDADES DE FINANCIAMIENTO		
Disminucion (aumento) de obligaciones financieras	181,850	53,500
Pago de obligaciones financieras	(204,478)	(40,812)
Efectivo aplicado a (generado por) las actividades de financiamiento	(22,628)	12,688
Aumento neto de efectivo y equivalente de efectivo	(26,118)	878
Saldo de efectivo y equivalente de efectivo al inicio del año	33,096	2,926
Saldo de efectivo y equivalente de efectivo al final del periodo	6,978	3,804

Las notas que se acompañan de la página 7 a la 62 forman parte de los estados financieros.

1. Identification and economic activity of the Company

(a) Identification –

Pesquera Exalmar S.A.A. (hereinafter "the Company") is a subsidiary of Caleta de Oro Holding S.A. (main controlling entity), located in Panama, which has 60.92 percent of its issued capital. The Company was incorporated in the city of Lima on November 25, 1997.

As of March 31, 2019 and December 31, 2018, the legal domicile is located in Avenida Victor Andres Belaunde 214, San Isidro, Lima, Peru.

(b) Economic activity –

The Company mainly works in the fishing activity, including the extraction of hydro-biological resources and their transformation into fishmeal and fish oil and the direct sale of fresh and frozen fish; as well as the commercialization of these products, both in the domestic market and abroad. For this purpose, as of March 31, 2019 and December 31, 2018, it has a fleet of 23 purse-seine fishing vessels and 5 industrial fishmeal and fish oil plants. The industrial fishmeal and fish oil plants are located in Chicama, Chimbote, Huacho, Callao and Tambo de Mora. On the other hand, for the processing of frozen fish, the Company has two plants located in Paita and Tambo de Mora.

(c) Approval of financial statements –

The financial statements as of March 31, 2019 have been issued with authorization of the Company's Management. The financial statements as of December 31, 2018 were approved by the General Shareholders' Meeting of March 26, 2019.

(d) Regulatory framework –

The activities of the Company are regulated by Decree Law No. 25977, General Fishing Law, and its regulations, Supreme Decree No. 012-2001-PE. The administration and control of the fishing activity at national level is assumed by the Ministry of Production - PRODUCE, an entity that, besides organizing and centralizing the statistical, economic and financial information of the fishing activity in accordance with the aforementioned rules, on the basis of technical reports issued by the Marine Institute of Peru - IMARPE, establishes the biological closed seasons of anchovy and sardine to preserve the resources. The closed seasons which affected the Company as of March 31, 2019 were 74 days (70 days in 2018).

On June 28 and December 12, 2008, the Peruvian Government published the Legislative Decree No. 1084 and Supreme Decrees No. 021-2008-PRODUCE and No. 009-2009-PRODUCE, which set the Law on Maximum Catch Limits per Vessel (LMCE) and its regulation, respectively. Through these regulations, the Peruvian Government changed, since 2009, the fishing model for indirect human consumption, taken through annual maximum catch quotas for individual fishing quotas.

Likewise, in December 2015, the Company signed a guarantee contract for remaining in the LMCE regime with the Ministry of Production for its fishing vessels, which has a validity of 10 years, a term that the Management estimates will be renewed. By virtue of those contracts, the Company must respect the conditions, duties and obligations of the law on LMCE, the General Fishing Law and its regulations, and complementary rules.

The rule states a social contribution equivalent to US $ 1.95 per MT of fish unloaded for a period of 10 years, to a fund for supporting the retirement of workers who are affiliated to the current system of pensions applicable to the industrial fishing crew.

In the opinion of the Management and its legal advisors, as of March 31, 2018 and 2018, the Company has complied with the conditions of the indicated contracts.

The Law on LMCE also sets certain guidelines for the development of fishing activities. Among the main ones, the following can be mentioned:

- The calculation of the LMCE is made for each fishing season, according to the Maximum Percentage of Catch per Vessel (PMCE) assigned to each fishing vessel.

- The amounts not caught in execution of a LMCE assigned for a fishing season may not be transferred to any other season, extinguishing the Company's right over the balances not caught on the expiration date of the corresponding fishing season.

- The fishing license of a non-nominated fishing vessel, that is, a fishing vessel not selected to carry out fishing activities during a fishing season for being docked, will be temporarily suspended during such season. Thus, this vessel will be prevented from carrying out extractive activities during this period, and the quota (LMCE) of such ship will be fished within the (global) quota of the Company.

It is causal for recalculation of the PMCE, when the PMCE assigned to the Company is reduced by virtue of the fact that during four consecutive fishing seasons the unexecuted percentage of the assigned LMCE exceeds by 20 percent in each period. The reduction will correspond to the average percentage not caught during the four consecutive fishing seasons, and must be prorated among the vessels belonging to the Company.

As of March 31, 2019 and 2018, the total PMCE of the fishing vessels of the Company in the north-central and south region was 6.77 and 4.64 percent, respectively, and has not suffered reductions since the beginning of the LMCE validity.

(e) Operations –

According to the information prepared by the Management, the main operational data of the Company are presented below:

(i) Indirect Human Consumption -

	2019	2018
Producción		
Días de producción	16	20
Días de paralización	74	70
Costos incurridos en período de no producción imputados al costo del producto en US$(000)	1,894	4,334
Anchoveta procesada en miles de TM	44	87
Anchoveta procesada con captura propia en miles de TM	35	40
Anchoveta procesada con compra de terceros en miles de TM	9	47
Harina producida en miles de TM	10	20
Aceite producido en miles de TM	2	3
Ventas al exterior en %	96	68
Ventas locales en %	4	32
Zona norte-centro		
Cuota asignada en %	6.77	6.77
Segunda temporada -		
Cuota país en millones de TM	2.100	1.490
Fecha de inicio	15/11/2018	24/11/2017
Fecha de fin	31/01/2019	26/01/2018
Zona sur		
Cuota asignada en %	4.64	4.64
Primera temporada -		
Cuota país en miles de TM	540	535
Fecha de inicio	8/01/2019	5/01/2018
Fecha de fin	30/06/2019	30/06/2018

(ii) Direct Human Consumption -

	2019	2018
Captura propia en miles de TM		
Jurel y caballa en miles de TM	14,723	8
Ventas en %		
Locales	35	45
Exterior	65	55

Environmental regulation –

The General Fishing Law requires an Environmental Impact Study (EIA for its Spanish acronym) to be conducted prior to the beginning of any fishing activity.

Under Decree Law No. 25977 - General Fishing Law and its Regulation, according to Supreme Decree No. 01-94-PE, fishing entities should adopt the necessary measures for the protection and preservation of the environment in order to prevent and minimize pollution damage and risks in marine, land and atmospheric environments.

The operations of the Company are carried out protecting public health and the environment, and comply with all applicable regulations.

As of March 31, 2019, the Company has executed works in its different locations related to the protection of the environment for an amount of US $ 661,000 (US $ 3,954,000 in 2018), such as the installation of a natural gas network system, a system of water treatment and solid recovery, rooms for the physical treatment of pumped water, acquisition of ovens, pumps and steam dryers. These disbursements are recognized as part of Property, vessels, machinery and equipment, net, since they are necessary to comply with the operational and production objectives, as well as the standards required for the protection of the environment

As of March 31, 2019 and December 31, 2018, there are no liabilities or environmental obligations.

2. Basis of preparation and presentation

Compliance statement –

The financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS"), issued by the International Accounting Standards Board (hereinafter "IASB") and effective as of March 31, 2019 and December 31, 2018, respectively.

Measurement basis -

The financial statements have been prepared based on historical cost basis from the accounting records kept by the Company. The accompanying financial statements are presented in US dollars (functional and presentation currency), and all values are rounded to thousands, except when otherwise indicated.

The accounting policies adopted are consistent with those applied in previous years, except for the new IFRS and IASs revised which are mandatory for periods beginning on or after January 1, 2018.

IFRS 9 "Financial Instruments"

In July 2014, the IASB issued the final version of IFRS 9 "Financial Instruments" which reflects all phases of the project of financial instruments and that will replace IAS 39 "Financial Instruments: Recognition and Measurement" and all previous versions of IFRS 9. The regulation introduces new requirements for classification and measurement, impairment and hedge accounting. This regulation had no effect on the Company, see note 3 (q).

IFRS 15 "Incomes from contracts with customers"

IFRS 15 was issued in May 2014 and establishes a new five-step model that will be applied to incomes from contracts with customers. Under IFRS 15, incomes are recognized by an amount which reflects the consideration the entity expects to be entitled to receive in exchange for the transfer of goods or services to a customer. The principles of IFRS 15 provide a more structured approach for income measurement and recognition. The new standard for recognizing incomes is applicable to all entities and will replace all current requirements for recognition of incomes under IFRS. The effect of these changes is explained in note 3 (q).

IFRIC 22 "Transactions in foreign currency and anticipated remunerations"
The interpretation clarifies that, when determining the exchange rate to be used in the initial recognition of the asset, expense or income related (or the corresponding part thereof), in the derecognition of a non-monetary asset or non-monetary liability that arises from the payment or collection of the anticipated remuneration in foreign currency. The date of the transaction is the date when an entity initially recognizes the non-monetary asset or the non-monetary liability derived from the anticipated remuneration. If there are multiple payments or collections received in advance, the entity should determine the date of the transaction for each payment or collection received from the anticipated remuneration. The entities may apply the modification retrospectively.

Alternatively, an entity may prospectively apply the interpretation to all assets, expenses and incomes in its scope which are initially recognized at or after:

(i) the beginning of the period reported in which the entity applies the interpretation for the first time; or
(ii) the beginning of an earlier period reported, showed as comparative information in the financial statements of the presentation period in which an entity applies the interpretation for the first time.

This regulation had no effect on the Company, see note 3 (q).

The Company has not adopted in advance other regulations, interpretations or modifications which have been issued but are not effective.

3. Summary of significant accounting policies

(a) Cash and cash equivalents–
Cash and cash equivalents presented in the statements of financial position include balances in current accounts and fixed-terms deposits with maturity of less than three months.

(b) Financial instruments: initial recognition and subsequent measurement–
(b.1) Financial assets–

Initial recognition and subsequent measurement–

Before January 1, 2018, the Company classified financial assets in the following categories defined by IAS 39:

- Financial assets at fair value through profit or loss.
- Loans and receivables (amortized cost).
- Held-to-maturity financial investments (amortized cost).
- Available-for-sale financial assets.

As of January 1, 2018, financial assets within the scope of IFRS 9 are classified according to the business model and the characteristics of contractual cash flows, measured at:

- Amortized cost.
- Fair value through other comprehensive income (FVOCI).
- Fair value through profit or loss (FVPL).

The Company determines the classification of financial assets at the time of their initial recognition.

All financial assets are initially recognized at their fair value plus, in the case of financial assets that are not recorded at fair value through profit or loss, directly attributable costs.

Purchases or sales of financial assets which require the delivery of assets within a period of time established by a regulation or condition of the market (conventional trade) are recognized on the date of the trade; that is, the date when the Company agrees to buy or sell the asset.

As of March 31, 2019 and 2018, the Company held within this category cash and cash equivalents and trade receivables, diverse and from related entities.

Subsequent measurement–
As of March 31, 2019 and 2018, the Company just holds assets measured at amortized cost, whose record is as follows:

Before January 1, 2018, the Company classified such instruments as "Loans and receivables", which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After the initial recognition, these financial assets are measured at amortized cost by using the effective interest rate method (EIR), less any allowance for impairment. The amortized cost is calculated taking into account any discount or premium on the acquisition and commissions or costs that are an integral part of the EIR. The amortization of the EIR is included in the caption "Financial incomes" and the losses from impairment are recognized in "Other expenses" in the statements of income.

As of January 1, 2018, the Company measures cash and cash equivalents and trade receivables, diverse and from related parties, at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective of holding financial assets in order to get contractual cash flows.
- The contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest (SPPI) on the amount outstanding.

Derecognition –

A financial asset (or, where applicable, part of a financial asset or a group of similar financial assets) is written off when:

(i) The rights to receive cash flows generated by the asset have expired; or

(ii) The contractual rights to the cash flows generated by the asset have been transferred, or an obligation to pay a third party all of those cash flows without a significant delay, through a transfer agreement (pass-through arrangement) has been assumed, and (a) all risks and rewards of the asset have been substantially transferred; or (b) all the risks and rewards of the asset have neither been substantially transferred nor retained, but the control over it has been transferred.

The Company will continue to recognize the asset when it has transferred its rights to receive cash flows generated by the asset, or has entered an agreement on mediation, but has neither substantially transferred nor retained all the risks and rewards of the asset, nor transferred control over it. In this case, the Company will recognize the transferred asset based on its continuing involvement in the asset and will also recognize the related liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations retained by the Company.

(b.2) Impairment of financial assets –

Until January 1, 2018, with IAS 39, the Company evaluated at each reporting date, whether there was any objective evidence that a financial asset or a group of financial assets are impaired. A financial asset or a group of financial assets was considered impaired, if and only if, there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an "event causing the loss", among which we have, the assessment of the time of accounts receivable, credit risk assessment and evaluation of the trade relationship with the customer) and that event causing the loss has an impact on the estimated future cash flows of the financial asset or the group of financial assets, which can be reliably estimated. The evidence of impairment could include indications of significant financial difficulties of the borrowers or group of borrowers, default or delays in interests or principal payments, probability of restructuring or bankruptcy of the company or other legal financial reorganization process in which it is demonstrated there will be a reduction in the estimated future flows, such as changes in circumstances or economic conditions which have correlation in payment defaults.

As of January 1, 2018, with the adoption of IFRS 9, the method for calculating the loss from impairment has substantially changed; replacing the approach of incurred losses of IAS 39 by an approach of expected losses. However, as indicated in note 3 (q), as of December 31, 2018, the adoption of IFRS 9 has not had an impact on the Company.

The allocation of the expected loss is based on the credit losses which are expected to arise during the life of the asset, unless there has not been a significant increase in credit risk since the initial date of the financial instrument, in which case, the provision is based on the credit loss expected by 12 months.

The credit losses expected by 12 months are the part of the credit losses expected during the life of the asset resulting from non-compliance events on a financial instrument which are possible within 12 months after the presentation date.

Both the credit losses expected by 12 months and the credit losses expected during the life of the asset are individually or collectively calculated, according to the portfolio nature.

(b.3) Financial liabilities –

Initial recognition and measurement–

Financial liabilities (within the scope of IAS 39 and IFRS 9) are classified as financial liabilities at fair value through profit or loss, loans and accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of financial liabilities at the time of their initial recognition.

All financial liabilities are initially recognized at fair value plus, in the case of loans and payables recorded at amortized cost, directly attributable transaction costs.

As of March 31, 2019 and 2018, the Company maintains within this category short-term bank loans, long-term financial liabilities and trade payables, diverse and to related parties.

Subsequent measurement –

The subsequent measurement of financial liabilities depends on their classification. As of December 31, 2018 and 2017, the Company only maintains loans and payables, whose recording is as follows:

After the initial recognition, financial liabilities, loans and accounts payable are measured at amortized cost, by using the effective interest rate method. Gains and losses are recognized in the statement of income when the liabilities are derecognized, as well as through the amortization process according to the effective interest rate method.

The amortized cost is calculated taking into account any discount or premium on the acquisition and commissions or costs that are an integral part of the effective interest rate. Amortization in accordance with the effective interest rate method is recognized as financial cost in the statement of income.

Derecognition –

A financial liability is derecognized when the obligation specified in the corresponding contract has been paid or canceled, or has expired.

When an existing financial liability is replaced by another liability from the same lender under substantially different conditions, or if the conditions of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and recognition of a new liability, and the difference among the respective carrying amounts is recognized in the statement of income.

(b.4) Offsetting of financial instruments–

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if there is a currently enforceable legal right to offset the recognized amounts, and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(b.5) Fair value of financial instruments –

Fair value is the price that would be received to sell an asset or paid to transfer a liability in a transaction ordered between market participants at the measurement date.

The fair value of an asset or liability is measured by using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which it has sufficient information available to measure at fair value, maximizing the use of relevant observable data and minimizing the use of unobservable data.

All assets and liabilities for which fair values are determined or disclosed in the financial statements are categorized within the fair value hierarchy described below, based on the lowest level of the data used which are significant to the fair value measurement as a whole:

(i) Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities.

(ii) Level 2 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable.

(iii) Level 3 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is not observable.

For assets and liabilities that are recognized at fair value in the financial statements on a recurring basis, the Company determines whether transfers have occurred among the different levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For purposes of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of their nature, characteristics and risks and the level of the fair value hierarchy as explained before.

(c) Segment reporting –

For management purposes, the Company is organized into business units based on its products and has two operating segments on which it reports, which are:

- The segment of indirect human consumption that produces and sells fishmeal and fish oil.
- The segment of direct human consumption that processes and sells frozen fish.

No operating segment has been added to determine the segments described above.

The Deputy General Management is the highest instance of operational decision making of the Company and supervises the operating results of its business units separately with the purpose of making decisions on the allocation of resources and the evaluation of performance. The performance of the segments is evaluated based on the operating result and is consistently valued with the operating result of the financial statements. However, the Company's financing (including financial expenses and incomes) and income taxes are managed at the Company level and are not allocated to operating segments.

The following are the main captions of the statement of financial position of the Company and the statement of income by operating segments:

Al 31 de marzo, 2019	Consumo Humano Indirecto US$000	Consumo Humano Directo US$000	Total US$000
Total activos	561,229	41,454	602,683
Inmueble, embarcaciones, maquinaria y equipo, neto	187,798	38,766	226,564
Intangibles, neto	117,835		117,835
Credito mercantil, neto	113,342		113,342
Inventarios, neto	38,977	2,688	41,665
Total pasivos	343,870		343,870
Préstamos bancarios a corto plazo	70,935		70,935
Obligaciones financieras a largo plazo	169,719		169,719

Al 31 de marzo, 2019			
Ventas locales	668	2,673	3,341
Ventas al exterior	82,963	5,030	87,993
Total ventas	83,631	7,703	91,334
Costo de venta	(62,083)	(3,957)	(66,040)
Costos de distribución	(4,442)	(1,056)	(5,498)
Utilidad bruta	17,106	2,690	19,796
Gastos de administración	(2,563)	(164)	(2,727)
Otros ingresos	537	-	537
Otros gastos	(1,289)	-	(1,289)
Utilidad (pérdida) de operaciones	13,791	2,526	16,317

Al 31 de marzo, 2018	Consumo Humano Indirecto US$000	Consumo Humano Directo US$000	Total US$000
Total activos	593,566	43,336	636,902
Inmueble, embarcaciones, maquinaria y equipo, neto	184,153	42,708	226,861
Intangibles, neto	117,939		117,939
Credito mercantil, neto	113,342		113,342
Inventarios, neto	79,249	628	79,877
Total pasivos	383,954		383,954
Préstamos bancarios a corto plazo	70,000		70,000
Obligaciones financieras a largo plazo	189,422		189,422

Al 31 de diciembre de 2018			
Ventas locales	11,947	279	12,225
Ventas del exterior	24,571	170	24,742
Total ventas	**36,518**	**449**	**36,967**
Costo de ventas	(25,231)	(2,526)	(27,757)
Costos de distribución	(1,513)	(266)	(1,779)
Utilidad bruta	**9,774**	**(2,343)**	**7,431**
Gastos administrativos	(2,086)	(65)	(2,151)
Otros ingresos	484	-	484
Otros gastos	(994)	-	(994)
Utilidad (pérdida) operativa	7,178	(2,408)	4,770

Segmentos por área geográfica

	2019		2018	
	Consumo Humano Indirecto US$000	Consumo Humano Directo US$000	Consumo Humano Indirecto US$000	Consumo Humano Directo US$000
Ingresos:				
Asia	64,094	-	16,297	-
Europa	7,300	2,465	1,573	-
América	11,973	3,317	18,236	279
Oceanía	157	-	413	170
Africa	107	1,921	-	-
	83,631	7,703	36,518	449

(d) Foreign currency transactions –

The Company's financial statements are presented in US dollars, which is its functional and presentation currency.

Transactions and balances –

Transactions in foreign currency (currencies other than US dollar) are initially recorded by the Company at the exchange rates in force on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in force on the date of their settlement in the statement of financial position and the resulting exchange differences are recorded in the income statement.

Non-monetary items are translated by using the exchange rates in force on the date of the original transactions.

(e) Inventories –

Inventories are valued at the lowest, either cost or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs incurred to bring inventories to their current location and conditions are accounted for as follows:

Finished products –

At the cost of raw materials, supplies, direct workforce, other direct costs, general manufacturing expenses and an amount of fixed and variable manufacturing costs based on the normal operating capacity, excluding financing costs. Subsequently, the method of daily weighted average cost is applied.

Normal capacity is defined as the extraction and production capacity in each of the two fishing seasons defined in the year, based on the anchovy fishing quota assigned to the Company by the regulator (PRODUCE).

Raw materials and supplies –

They are recorded at acquisition cost, following the method of daily weighted average cost.

The allowance for impairment is determined according to an analysis performed on the conditions and inventories' rotation. The estimate is recognized through the statements of income.

(f) Property, vessels, machinery and equipment –

"Property, vessels, machinery and equipment", except land, is presented at their acquisition cost, net of accumulated depreciation and /or accumulated impairment losses, if any. The initial cost of an asset includes the purchase price or its manufacturing cost, including duties and non-refundable purchase taxes and any necessary costs to put such asset in operation, the initial estimate of the costs of restoring and financing costs for long-term building projects, to the extent the requirements for recognition are met.

When significant components of property, vessels, machinery and equipment require replacement, the Company derecognizes the replaced component and recognizes the new component with its corresponding useful life and depreciation. Likewise, when a larger inspection is performed, its cost is recognized as a replacement as long as the requirements for its recognition are met. All other routine repair and maintenance costs are recognized as an expense in the statements of income as incurred.

Land is measured under the revaluation method, that is, at fair value less impairment losses recognized after the revaluation date. Revaluations are carried out at the end of each year to ensure that the fair value of a revalued asset does not significantly differ from its carrying amount.

Any revaluation increase is recognized in other comprehensive income and accumulated in net equity under "Revaluation surplus", except to the extent that such increase reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case this increase is recognized in the income statement, except to the extent that such decrease compensates a revaluation increase of the same asset previously recognized in the reserve due to the revaluation of assets.

An item of property, vessels, machinery and equipment or a significant component is retired at the moment of its disposal or when it is not expected to obtain economic benefits through its use or subsequent disposal. Any profit or loss from the disposal of property, vessels, machinery and equipment (calculated as the difference between revenues for sale and the asset's carrying amount) is included in the statements of income when it occurs.

Residual value, useful life and depreciation methods are periodically reviewed and adjusted, if case.

Works in progress include payments for asset construction, financing costs, and other direct expenses attributable to such work, accrued during the construction phase. Works in progress are capitalized when completed and their depreciation is calculated since the moment they are available for use.
Depreciation is calculated by using the straight-line method over the following useful lives:

Descripción	Años
Edificios y construcciones	33
Embarcaciones pesqueras	Entre 2 y 29
Maquinaria y equipo	Entre 2 y 35
Unidades de transporte	5
Muebles y enseres	Entre 2 y 10
Equipos diversos y de cómputo	Entre 2 y 10

(g) Leases –

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the time of its execution, either the compliance with the agreement depends on the use of a specific asset or the agreement grants the right to use the asset, even if that right is not explicitly in the agreement.

Finance leases that substantially transfer all the risks and rewards of the ownership of the leased asset to the Company are capitalized at the beginning date of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statements of income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the asset is depreciated either over the estimated useful life of the asset or in the lease term, the shorter one.

Leases in which the Company does not obtain substantially all the risks and rewards inherent to the ownership of the asset are classified as operating leases.

Operating lease payments are recognized as operating expenses in the statement of income on a straight-line basis over the lease period.

(h) Intangible assets –

Intangible assets acquired separately are measured on the initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following their initial recognition, intangible assets are carried at cost less the accumulated amortization and /or accumulated impairment losses, if any.

The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with finite useful lives are amortized over their economic useful life and the impairment is assessed whenever there is an indication that the intangible asset may be impaired. The amortization period for an intangible asset with finite useful life is reviewed at least once by the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits related to the asset are considered as changes in the amortization period or method, as appropriate, and are treated as changes in the accounting estimates. The amortization expense of intangible assets with finite useful lives is recognized in the statements of income in the expense category that is consistent with the function of intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are annually tested for impairment at the cash-generating unit level.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between net disposal proceeds and carrying amount of the asset and are recognized in the statement of income when the asset is derecognized.

Fishing permits and production licenses –

Fishing permits and production licenses represent the right to fish in the Peruvian littoral for each of the fishing vessels and to process fishmeal and fish oil for each of the fishing plants. These assets do not have maturity. Thus, they are considered intangible assets with indefinite useful life and are not amortized, but every year it is evaluated if there is impairment. See paragraph (i) below.

Fishing permits and production licenses are initially measured at cost. The cost of fishing permits and production licenses acquired in a business combination is their fair value at the date of acquisition.

Goodwill –

Goodwill is initially measured at cost, being the excess of the amount of the remuneration transferred and the amount recognized for non-controlling interest, over the acquired identifiable assets and liabilities assumed in a business combination.

After the initial recognition, goodwill is measured at cost less any accumulated impairment loss. For the purpose of impairment test, goodwill acquired in a business combination is, since the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the combination.

When goodwill is part of a cash-generating unit and part of the operation of a unit is ordered, the goodwill associated with the operation ordered is included in the carrying amount when determining the gain or loss of the operation.

Software –

They correspond to licenses and costs directly related to the implementation of an information processing system. These assets are presented at the acquisition cost and amortized over ten years.

(i) Impairment of non-financial assets –

The Company assesses at each reporting date if there is any indication that an asset may be impairment. If any indication exists, or when an annual impairment test for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher value between the fair value less the sale cost, either of an asset or a cash-generating unit, and its value in use, and it is determined for an individual asset, unless the asset does not generate cash inflows which are largely independent from the other assets or groups of assets.

When the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, the asset is considered impaired and its value is reduced to its recoverable amount.

When assessing the value in use of an asset, the estimated cash flows are discounted to their present value by using a pre-tax discount rate that reflects current market assessments on the time value of money and the specific risks to the asset. For determining the fair value less sale costs, recent market transactions are taken into account, if any. If such transactions do not exist, an appropriate valuation model is used.

Impairment losses corresponding to continuous operations, including the impairment of inventories, are recognized in the income statement in those expense categories that correspond to the function of the impaired asset.

For fishing permits, production licenses and goodwill, an impairment test is carried out at least every year (as of December 31). For other assets in general, at each closing date of the reporting period, an assessment of whether there is any indicator that previously recognized impairment losses no longer exist or have decreased is made. If there is such an indicator, the Company makes an estimate of the recoverable amount of the asset or the cash generating unit.

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last time an impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of the accumulated depreciation, if no impairment loss has been recognized for that asset in prior years. Such reversal is recognized in the statements of income.

Impairment losses related to fishing permits, production licenses and goodwill cannot be reversed in future periods.

(j) Provisions –

Provisions are recognized when the Company has a present obligation (legal or implicit) as a result of a past event. It is probable that an outflow of resources to settle the obligation will be required and a reliable estimate of the amount of the obligation can be made. When the Company expects the provisions to be reimbursed in whole or in part, for example under an insurance contract, the reimbursement is recognized as an asset but only when such reimbursement is virtually certain. The expense related to any provision is presented in the statement of income, net of any related refund.

If the effect of the time value of money is significant, provisions are discounted by using a current market rate before taxes that reflects, where appropriate, the risks specific to the liability. When the discount is recognized, the increase in the provision by the passage of time is recognized as a finance cost in the statements of income.

(k) Contingencies –

Contingent liabilities are not recognized in financial statements. These are disclosed in notes to the financial statements, unless there is a possibility of disbursing an economic flow.

A contingent asset is not recognized in financial statements, but it is disclosed when its contingency level is probable.

(l) Revenue recognition –

Revenues are recognized to the extent the economic benefits are likely to flow to the Company and can be reliably measured, regardless of when the payment is made. Revenues are measured at the fair value of the remuneration collected or receivable, taking into account the payment terms defined by contract and not including taxes or expenses. The Company reviews its income agreements in order to determine whether it acts as the owner or agent. The Company concluded that it acts as the owner of all its income agreements.

The following specific recognition criteria must also be met before the recognition of an income:

Sale of goods –

Revenues from the sale of goods are recognized when the significant risks and benefits inherent to the property of the good have been substantially transferred to the buyer, which occurs, in general, at the time of delivering the goods (once rendered the distribution service); for exports, at the time of shipment.

Interest income –

These revenues are recognized when the interests are accrued by using the effective interest rate method. Interest incomes are included in financial incomes in the income statement.

As a result of the adoption of IFRS 15, no significant impacts have been presented, in relation to the time when the Company recognizes the incomes. See note 3 (q).

(m) Financing costs –

Financing costs that are directly attributable to acquisition, building or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are included in the cost of that asset. All other finance costs are recognized when occurred. Financing costs are interest costs and other costs the Company incurs in connection with the borrowings received.

(n) Taxes –

Current income tax –

Assets and liabilities for the current income tax are measured at the amounts expected to be recovered from or paid to the Taxation Authorities. The tax rates and tax laws used to compute such amounts are those that are in force at the reporting date in Peru.

Current income tax related to items directly recognized in net equity is also recognized in net equity and not in the statements of income. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and establishes provisions when appropriate.

Deferred income tax –

Deferred income tax is recognized by using the liability method over temporary differences between the tax bases of assets and liabilities and their carrying amounts at the closing date of the reporting period.

Deferred income tax liabilities are recognized for all taxable temporary differences, except for taxable temporary differences related to investments in subsidiaries, when the opportunity of their reversal can be controlled, and it is probable that they will not be reversed in the near future.

Deferred income tax assets are recognized for all deductible temporary differences, and for future offset of unused tax credits and tax losses, to the extent that it is likely the existence of future available taxable profits against which such temporary differences can be offset.

The carrying amount of the assets for deferred income tax is reviewed on each closing date of the reporting period and is reduced to the extent that the existence of sufficient future taxable income is no longer probable to allow these deferred income tax assets are used in whole or in part. Unrecognized deferred income tax assets are reviewed on each closing date of the reporting period and are recognized to the extent that it is likely the existence of future taxable profits that allow the recovery of such assets due to deferred income tax not previously recognized.

Assets and liabilities for deferred income tax are measured at the tax rates expected to be applicable in the year when the asset is realized or the liability is canceled, based on the tax rates and tax rules that were approved as at the closing date of the reporting period.

Deferred income tax is recognized in relation to the item that originates it, either in income or directly in net equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset assets and liabilities for income tax, and if deferred income taxes are related to the same tax authority and the same tax jurisdiction.

General Sales Tax –

Revenues from ordinary activities, expenses and assets are recognized excluding the amount of the general sales tax, except:

(i) When the general sales tax incurred in an acquisition of assets or in the provision of services is not recoverable by the Tax Authority, in which case this tax is recognized as part of the acquisition cost of the asset or as part of the expenses, as appropriate.

(ii) The accounts receivable and payable that are already expressed including the amount of general sales tax.

The net amount of the general sales tax expected to be recovered from, or corresponding to be paid to, the Tax Authority, is presented as an account receivable or an account payable in the statement of financial position, as appropriate.

(o) Employees’ profit sharing –

In accordance with the legal standards, employees’ profit sharing is calculated on the same basis used for calculating the current income tax, and is presented in the income statement within the captions "Production cost", "Administrative expenses” and "Cost of distribution", as part of personnel expenses.

(p) Employee benefits -

The Company has short-term obligations for employee benefits that include salaries, social contributions, bonuses, performance bonuses and profit sharing. These obligations are recorded every month, charged to the income statement, as they accrue.

(q) Changes in accounting policies and disclosures–

In these financial statements, the Company has applied for the first time IFRS 9 and IFRS 15, effective for periods beginning on or after January 1, 2018, which have not had a significant impact on its financial statements.

NIIF 9 "Financial Instruments" –

IFRS 9 replaces IAS 39 for annual periods beginning on or after January 1, 2018:

i. Changes in classification and measurement –

To determine the classification and measurement category, IFRS 9 requires that all financial assets, except equity and derivative instruments, be evaluated based on the test of business model and the test of contract flow characteristics.

Measurement categories of financial assets of IAS 39 (fair value through profit or loss, available for sale, held-to-maturity and loans and accounts receivable) have been replaced by:

- Debt instruments at amortized cost.
- Debt instruments at fair value through profit or loss.
- Equity instruments at fair value through profit or loss.
- Financial assets at fair profits or loss.

The accounting for financial liabilities remains to a large extent the same as that required by IAS 39, except for the treatment of profits or losses arising from an entity's own credit risk of those liabilities allocated at fair value through profits and loss. These movements must be presented in the income statement. As of March 31, 2019 and December 31, 2018, the Company does not present defined liabilities at fair value through profit or loss, for which there was no effect on its financial statements at those dates.

ii. Changes in the calculation of impairment –

The adoption of IFRS 9 has substantially changed the accounting for impairment of financial assets, going from a loss model incurred under IAS 39 to an expected loss model under IFRS 9. IFRS 9 requires the Company to record a provision for expected loss for all loans and other financial debt assets that are not measured at fair value through profit or loss. The allocation is based on the expected losses associated with the probability of default in the next twelve months, unless there is a significant increase in credit risk since the initial date. If the financial asset meets the definition of purchased or originated credit (POCI) that has credit impairment, the allocation is based on the change of expected losses (ECL) throughout the life of the asset.

This change has had no impact on the Company's financial statements, mainly due to the fact that, because of the Company's business, most of its financial assets are of very short term, and its main customers are foreign companies of recognized prestige and solvency that do not have problems of payment capacity and grant letters of credit in favor of the Company. Therefore, they have almost no probability of default.

iii. Disclosures in accordance with IFRS 7 –

To reflect the differences between IFRS 9 and IAS 39, IFRS 7 "Financial instruments: Information to disclose" has been updated for the year beginning on January 1, 2018. Changes include transition disclosures, qualitative and quantitative information detailed on the calculations of the expected loss, such as the assumptions and data used, compensations of expected loss from the date of transition to the closing date of the financial statements of the assets to which it applies.

Changes in disclosures of IFRS 7 have not had an effect on the Company because of the implementation of IFRS 9 had no effects on the financial statements as detailed in previous paragraphs.

IFRS 15 "Revenue from contracts with customers" –

IFRS 15, which replaced IAS 18 "Revenue" and IAS 11 "Construction contracts", was applied by the Company as of January 1, 2018 to all contracts with customers, except for lease agreements.

The regulation establishes a more systematic approach to the measurement and recognition of incomes through the introduction of a five-step model that governs the recognition of incomes. This model requires that the Company: (i) identifies the contract with the customer; (ii) identifies each of the performance obligations included in the contract; (iii) determines the amount of the contract remuneration; (iv) assigns the remuneration for each of the performance obligations identified; and, (v) recognizes the incomes as each performance obligation is met.

As a result of the adoption of IFRS 15, there have been no significant impacts in relation to the moment when the Company recognizes the incomes or when the incomes must be recognized as gross principal or as net agent, because there is only a contractual obligation that is the sale of goods and their distribution.

In addition to the adoption of IFRS 15, some concepts have been reclassified to have a coherence in the presentation of incomes and expenses, being the main concept all costs associated with the distribution of goods from the Company's warehouses to the port of shipment (exports), which go from the caption "Cost of sales" to the caption "Cost of distribution" in the income statement.

IFRIC 22 "Transactions in foreign currency and anticipated remunerations" –

The interpretation clarifies that in determining the exchange rate to be used in the initial recognition of the asset, expense or income (or part thereof), related to the derecognition of a non-monetary asset or liability related to an anticipated remuneration, the date of transaction is the date when the entity initially recognizes the non-monetary asset or liability resulting from the anticipated remuneration. If there are several payments or receipts in advance, the entity must determine a transaction date for each payment or receipt of the anticipated remuneration. The Management of the Company concluded that this interpretation had no effects on its financial statements.

IFRS 16 “Leases”

IFRS 16 establishes the principles for recognition, measurement, presentation and disclosures for leases and requires all leases to be accounted for under a model similar to the accounting of financial leases according to IAS 17 "Leases". The regulation includes two exceptions to recognition for lessees: short-term leases and those in which the underlying asset has low value.

At the starting date of a contract, the lessee will recognize a liability for the present value of the lease payments which have not been paid on that date and an asset for the right to use the asset during the term of the lease. Lessees must recognize the interest expense on the liability for the lease and the depreciation expense for the right to use the asset.

Lessees will also be required to revaluate the lease liability when certain events occur (for example, a change in lease term, a change in future lease payments resulting from a change in the index or the rate used to determine those payments). The lessee will recognize the amount of this valuation of the liability as an adjustment in the corresponding right to use the asset.

The accounting for lessors under IFRS 16 is not substantially modified with respect to the current accounting under IAS 17. Lessors will continue to classify all leases by using the same classification principle indicated in IAS 17 and to distinguish two types of leases: operating and financial.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than those required by IAS 17.

IFRS 16 is effective for annual periods beginning on January 1, 2019. The early adoption is permitted, but not before the entity applies IFRS 15. The lessee may choose to apply the standard by using a full or modified retrospective approach. The transitory provisions of the standard allow certain facilities.

4. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires the Management to use judgments, estimates and assumptions that affect the reported amounts of incomes, expenses, assets and liabilities, and disclosures of contingent liabilities.

However, the uncertainties and professional judgment of these assumptions and estimates could result in amounts that require a material adjustment at the carrying value of the assets and liabilities.

The most significant estimates considered by the Management in connection with the financial statements refer to:

- Estimate of inventory devaluation.
- Estimate of impairment of non-financial assets.
- Useful life and recoverable value of non-financial assets.
- Provision for contingencies.
- Income tax.
- Land revaluation.

The Management considers that the estimates included in the financial statements were made on the basis of its better knowledge of the relevant events and circumstances at the date of preparation thereof. However, the final results may differ from the estimates included in the financial statements.

5. International standards not yet in force

The Company decided not to adopt in advance the following regulations and interpretations that were issued by the IASB and apply to the operations carried out by the Company, but not yet effective as of March 31, 2019:

IFRS 17 Insurance Contract –

IFRS 17 Insurance Contracts establishes the principles for recognition, measurement, presentation and disclosures of insurance contracts that are under the Regulation. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information provides a basis for users of financial statements to evaluate the effect that insurance contracts have on the financial position, financial performance and cash flows of the entity. This rule applies since January 1, 2021.

6. Foreign Currency Transactions

Foreign currency transactions are recorded into the exchange rates of the free market published by the Superintendency of Banking, Insurance and Private Pension Fund Managers (Superintendencia de Banca y Seguros y AFP). As of March 31, 2019, the free market exchange rates for transactions in soles, published by this institution, were US$0.3016 for purchase and US$0.3011 for sale (US$0.2968 for purchase and US$0.2959 for sale as of December 31, 2018).

As of March 31, 2019 and December 31, 2018, the Company had the following assets and liabilities in soles:

	2019 S/.000	2018 S/.000
Activos:		
Efectivo y equivalente al efectivo	1,550	1,334
Cuentas por cobrar comerciales y diversas	15,484	54,719
Cuentas por cobrar a entidades relacionadas	12,367	11,787
Crédito fiscal por IGV	49,640	37,109
	79,041	104,949
Pasivos:		
Obligaciones financieras a largo plazo	33	-
Cuentas por pagar comerciales y diversas	44,609	22,486
Cuentas por pagar a entidades relacionadas	95	90
Impuesto a la renta por pagar	12,175	32,419
Provisiones para contingencias	9,369	8,052
	66,281	63,047
Posicion activa, neta	12,760	41,902

As of March 31, 2019, the Company had a net exchange loss of US$280 approximately (US$253 in 2018), which is presented in the statements of income.

The Management does not consider that the exchange rate risk could significantly impact on the profit and loss of the Company. As of March 31, 2019 and December 31, 2018, the Company does not have financial instruments covering the exchange risk of its operations in soles.

7. Cash and cash equivalents

(a) This item is made up by:

	2019 US$000	2018 US$000
Depósito a plazo (b)	-	32,000
Cuentas corrientes (c)	6,978	1,096
Total	6,978	33,096

(b) As of December 31, 2018, the term deposits are denominated in soles and U.S. dollars, have original maturities in less than three months and may be renewed when due. These deposits are held in local banks, which are remunerated at current market rates.

(c) Current accounts are held in local banks, are mainly denominated in U.S. Dollars, are freely available and do not accrue interests.

8. Trade and other receivables, net

(a) This item is made up by:

	2019 US$000	2018 US$000
Armadores pesqueros (b)	35,898	31,844
Cuentas por cobrar comerciales (c)	32,575	10,101
Cuentas por cobrar a accionistas	3,610	3,599
Cuentas por cobrar al personal	1,172	1,374
Reclamos a terceros	428	558
Otros	471	406
	74,154	47,882
Menos: Estimación para cuentas de cobranza dudosa (d)	(320)	(320)
Total	73,834	47,562

Por vencimiento:		
Corriente	68,701	42,108
No corriente	5,133	5,454
Total	73,834	47,562

(b) As of March 31, 2019, it mainly corresponds to the advance granted to ship owners for unloading fish in the Company's plants. These balances are denominated in soles and U.S. dollars, do not accrue interests and are supported by bills of exchange, and, in many cases, movable guarantees consisting of mortgages or trusts of vessels in favor of the Company have been granted. In opinion of the Management, the balance will be recovered in the short term.

(c) Trade accounts receivable mainly consist of domestic and foreign sales, whose collections are mostly made by credit letters. These accounts receivable are mainly denominated in U.S. dollars, have current maturities and do not accrue interests.

(d) The movement of the estimate of doubtful accounts for the periods as of March 31, 2019 and 2018 was as follows:

	2019 US$000	2018 US$000
Saldo Inicial	320	328
Estimación del año		-
Recupero	-	(8)
Saldo Final	320	320

(e) As of March 31, 2019, the aging analysis of trade receivables was as follows:

	2019 US$000	2018 US$000
No vencidas ni deterioradas	29,827	9,047
Hasta 60 dias	2,152	427
De 61 y 180 días	417	448
Deterioradas	179	179
Total	32,575	10,101

9. Inventories, net

(a) This item is made up by:

	2019 US$000	2018 US$000
Productos terminados:		
- Harina de pescado	17,076	57,162
- Aceite de pescado	7,077	12,498
- Pescado congelado	2,688	628
	26,841	70,288
Suministros	6,151	6,135
Costos diferidos (c)	8,421	3,017
Envases y embalajes	842	1,027
	42,255	80,467
Menos : Estimación por desvalorización de inventarios (d)	(590)	(590)
Total	41,665	79,877

(b) As of March 31, 2019, the Company kept 11,400 MT and 3,480 MT in fishmeal and fish oil as guarantee for short-term bank loans (as of December 31, 2018, the Company kept 33,570 MT in fishmeal). See note 12(b).

(c) The deferred costs correspond to those incurred during the closed season in plants and vessels. These costs are allocated to the cost of the next production and based on the normal production capacity of plants and vessels. As of March 31, 2019 and 2018, they correspond to the balance of the accumulated fixed costs after the first season of each year and, in the opinion of the Management, it is estimated that these ones will be allocated to the production cost of the second fishing season finishing in January of the following year.

(d) The estimate of inventory devaluation is determined based on the assessment performed by the Company's operating areas, identifying obsolete materials and supplies.
As a result, the Company's Management considers that no additional provisions are required for the estimate of inventory devaluation as of March 31, 2019.

10. Property, vessels, machinery and equipment, net

(a) The movement and composition of this item is as follows:

	Terrenos	Edificios y construcciones	Embarcaciones pesqueras	Maquinaria y equipo	Unidades de transporte	Muebles y enseres	Equipos diversos y de cómputo	Trabajos en curso	Total
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Costo -									
Al 1 de enero de 2018	55,026	34,801	145,445	174,152	1,948	1,005	3,758	1,282	417,417
Adiciones (b)	-	-	-	-	-	-	-	22,560	22,560
Revaluaciones (c)	9,666	-	-	-	-	-	-	-	9,666
Transferencias	-	1,546	8,354	12,081	309	46	301	(22,637)	-
Retiros	-	(2)	(3,972)	(1,529)	(243)	(1)	(53)	-	(5,800)
Al 31 de diciembre de 2018	64,692	36,345	149,827	184,704	2,014	1,050	4,006	1,205	443,843
Adiciones (b)	-	-	-	-	-	-	-	5,084	5,084
Revaluaciones (c)	-	-	-	-	-	-	-	-	-
Transferencias	-	-	-	-	-	-	-	-	-
Retiros	-	-	-	-	(20)	-	-	-	(20)
Al 31 de marzo de 2019	64,692	36,345	149,827	184,704	1,994	1,050	4,006	6,289	448,907
Depreciación acumulada -									
Al 1 de enero de 2018	-	9,800	99,344	87,783	1,626	612	2,513	-	201,678
Adiciones (d)	-	1,336	7,801	10,527	119	86	438	-	20,307
Retiros	-	-	(3,513)	(1,200)	(241)	(1)	(48)	-	(5,003)
Al 31 de diciembre de 2018	-	11,136	103,632	97,110	1,504	697	2,903	-	216,982
Adiciones (d)	-	346	2,087	2,799	29	23	98	-	5,382
Retiros	-	-	-	-	(20)	-	(1)	-	(21)
Al 31 de marzo de 2019	-	11,482	105,719	99,909	1,513	720	3,000	-	222,343
Valor neto en libros -									
Al 31 de marzo de 2019	64,692	24,863	44,108	84,795	481	330	1,006	6,289	226,564
Al 31 de diciembre de 2018	64,692	25,209	46,195	87,594	510	353	1,103	1,205	226,861

(b) Additions –

As of March 31, 2019 and December 31, 2018, the Company has made additions, mainly in vessels and machineries, for improvements in fishing vessels and in the production of fishmeal and fish oil.

(c) Revaluations –

The Company uses the revaluation model to value its lands. For this purpose, the Company hires an independent appraiser, with experience in the valuation of similar assets to determine the fair value.

Fair values were determined by using the valuation technique based on the market approach. This means that valuations performed by the independent appraiser were based on quoted prices in active markets by the nature, location and condition of each land. The date of the last revaluation was in December 2018.

If the lands had been measured by using the cost model, as of March 31, 2019 and December 31, 2018, the carrying amount would have been the historic rising cost of US$ US$5,569,000. The cost attributed from the adoption of IFRS for the first time amounts to US$9,329,000.

(d) Distribution of the year depreciation –

The depreciation allocation as of March 31, 2019 and March 31, 2018 is as follows:

	2019 US$000	2018 US$000
Gastos diferidos	3,090	2,578
Costo de venta, nota 19	1,377	976
Costos incurridos en periodos de no producción	658	1,241
Costos de distribucion, nota 20	106	126
Gastos de administración, nota 21	151	153
Total	5,382	5,074

(e) Works in progress –

As of March 31, 2019 and December 31, 2018, it mainly corresponds to improvements in its processing plants for indirect human consumption and in its fishing vessels. In opinion of the Management, all the works in progress will be completed during 2019.

(f) Assets in financial leasing –

As of March 31, 2019 and December 31, 2018, the Company keeps fishing vessels, vehicles, and machinery and equipment through financial leasing contracts. As of March 31, 2019, the cost and accumulated depreciation amount to approximately US$53,462,000 and US$37,384,000 respectively (as of December 31, 2017, cost and accumulated depreciation amount to approximately US$53,482,000 and US$36,964,000, respectively).

(g) The Company keeps insurance policies to safeguard its main fixed assets against fire and all risks, as well as the possible claims that may arise due to its activity. In Management´s opinion, its insurance policies are consistent with the international practice applicable to the industry and the risk of eventual losses due to accidents considered in the insurance policy.

11. Intangible assets, net and goodwill

(a) The movement and composition of this item is as follows:

	Permisos de pesca (b) US$(000)	**Software** US$(000)	**Total** US$(000)
Costo -			
Saldos al 1 de enero de 2018	114,105	5,005	119,110
Adiciones	-	1,510	1,510
Al 31 de diciembre de 2018	114,105	6,515	120,620
Adiciones	-	-	-
Al 31 de marzo de 2019	114,105	6,515	120,620
Amortización acumulada -			
Saldos al 1 de enero de 2018	-	2,291	2,291
Adiciones	-	390	390
Al 31 de diciembre de 2018	-	2,681	2,681
Adiciones	-	104	104
Al 31 de marzo de 2019	-	2,785	2,785
Valor neto en libros -			
Al 31 de marzo de 2019	114,105	3,730	117,835
Al 31 de diciembre de 2018	114,105	3,834	117,939

(b) It corresponds to the fishing permits that the Company holds for the development of its activities. By virtue of its nature, fishing permits are considered intangible with indefinite useful lives, so they are not subject to amortization.

Fishing permits have been acquired along with purse-seine fishing vessels, through purchase processes and mergers with other companies, and have been determined on the basis of their estimated market values obtained from independent appraisers at the date of each transaction.

(c) Between 2007 and 2012, the Company made effective the acquisition of 100 percent of the shares representing the capital issued of multiples companies. The acquisitions of these companies were recorded following the purchase method, so adjustments were incorporated in their financial statements to reflect the acquired assets and liabilities at their fair values on the acquisition date. As a result of these acquisitions, the Company recognized a goodwill of US$113,342,000.

As of March 31, 2019, goodwill has been generated by the acquisition of the following companies:

Empresa	**Año de adquisición**	**US$ (000)**
Corporación del Mar S.A.A.	2009	39,396
Walda S.A.C.	2012	15,190
Inversiones Poas S.A.C.	2012	13,586
Pesquera del Sur S.C.R.LTDA	2012	10,366
Grupo Arrieta	2007	7,114
Grupo Queirolo	2007	6,533
Pesquera Ollanta S.A.C.	2011	4,656
Grupo Tassara	2007	3,292
Inversiones Pesquera Valentina S.A.C.	2012	3,252
Pesquera San Martin de Porras S.A.C.	2011	3,224
Empresas varias	2007	3,043
Pesquera Mar Adentro	2011	2,946
Grupo Cabo Peñas	2007	744
Total		113,342

(d) Impairment test –

Intangible assets with indefinite useful lives are analyzed for impairment by assigning them to three cash-generating units (hereinafter "CGU"), which include the following assets:

- Vessels (Fleet)
- Plants of Indirect Human Consumption (IHC)
- Plants of Direct Human Consumption (DHC)

The recoverable amount of the cash generating unit for the extraction and production of fishmeal and fish oil has been determined based on a calculation of the value in use, by using projections of cash flows derived from the financial budgets approved by the Management, and that cover a period of ten years.

Below, the main assumptions on which the Management has based the projections indicated before:

(i) Price of fishmeal and fish oil: For its own fleet and third-party acquisitions, the model assumes 18 percent of the total value of fishmeal as raw material cost. For the plants, the model uses the average prices of fishmeal and fish oil of US$1,513 and US$1,918 per MT, respectively. The Management expects the prices to be stable and to increase consistently according to the market expectations and demand.

(ii) Fishing quota: The Company has an anchovy fishing quota of 6.77 percent of the total biomass determined by the Peruvian Marine Institute based on the Law and Regulation on Maximum Catch Limits per Vessel. To this quota it is added the participation of third parties of 7.50 percent, reaching a total of 14.27 percent of participation. The Company's total quota for 2018 (first and second fishing season) amounted to 3,716,700 MT (4,290,000 MT in 2017).

(iii) Discount rate: The discount rate before income tax applicable to cash flow projections was 7.97 percent, which is consistent with other rates used in the fishing sector.

(iv) Costs: For vessels, extraction costs are considered, such as operating and maintenance costs. The costs incurred in periods of non-production are stable over time, updated only by inflation. Extraction costs are based on budgeted costs prepared by the Management. For plants, production costs are considered, where the model assumes that the total raw material comprises what the Company's vessels fished and is sold to the plants at market prices.

Sensitivity to changes of assumptions –

As of December 31, 2018, in order to generate impairment, the following assumptions should vary in the following way, keeping the rest constant:

- The discount rate should have been higher than 9.71 percent for the CGU of Fleet, 21 percent for CGU of IHC; and 20 percent for the CGU of DHC.
- The total quota allocated should be 3,830,000 MT for the CGU of Fleet and 2,290,000 MT for the CGU of IHC. For the CGU of DHC, there should be a minimum quota for each type of product (jack mackerel, mackerel, giant squid, bonito, small and large mahi mahi) for a total of 39,800 MT.
- The minimum price should be US$1,356 per MT for fishmeal and US$1,719 per MT for fish oil for the CGU of Fleet; US$1,000 per MT for fishmeal and US$1,268 per MT for fish oil for the CGU of IHC. For the CGU of DHC, a minimum price has been calculated for each type of product: horse mackerel and mackerel for US$343 per MT, giant squid for US$687 per MT, bonito for US$1,144 per MT and small and large mahi mahi for US$2,280 per MT.

Taking into account the market conditions, the Management considers that the assumptions used as a basis for the analysis are reasonable and that the variations that would be required to generate impairment are not expected to happen. As a result, it is not necessary to record impairment estimates as of December 31, 2018 and 2017.

12. Short-term bank loans

(a) This item is made up by:

	2019 US$000	2018 US$000
Banco de Crédito del Perú S.A.A.	18,686	35,000
Banco internacional del Perú S.A.A. - Interbank	15,609	-
Banco Santander del Perú S.A.	12,000	-
BBVA Banco Continental S.A.	11,956	15,000
Scotiabank Perú S.A.A.	4,910	17,000
Banco Interamericano de Finanzas S.A.	7,774	3,000
Total	70,935	70,000

(b) Bank loans correspond to short-term financing for working capital. They are denominated in U.S. dollars, accrue interest at annual market rates and are guaranteed by warrants. See note 9(b).

(c) As of March 31, 2019, accrued interest expense related to short-term bank loans amounts to US$1,701,000 (US$2,061,000 in 2018) and is presented in the "Financial expenses" caption of the statements of income. See note 24.

13. Trade and other payables

(a) This item is made up by:

	2019 US$000	2018 US$000
Cuentas por pagar comerciales (b)	25,092	37,757
Anticipos de clientes	6,656	71
Gastos devengados (c)	3,653	4,203
Intereses por pagar	1,840	5,700
Participaciones de los trabajadores	1,759	5,076
Vacaciones por pagar	1,412	1,434
Tributos	572	1,074
Remuneraciones por pagar	430	933
Compensación por tiempo de servicios	404	388
Contribuciones sociales	153	516
Otros	514	849
	42,485	58,001

(b) Trade payables arise from liabilities generated by services received from local suppliers, for production processes, the export of finished products and the maintenance of equipment. These liabilities are denominated in U.S. dollars and soles, do not accrue interests and no guarantees have been provided for them.

(c) Accrued expenses correspond to services received as of March 31, 2019, whose billings were not received at the annual closing date. These expenses are mainly related to surveillance, insurance, customs duty expenses, certificates and electric power.

14. Long-term financial liabilities

Por vencimiento:		
Corriente	1,603	5,772
No corriente	168,116	183,650
	169,719	189,422

(a)

	2019 US$000	2018 US$000
Corporate Bonds (b)	59,712	167,667
Syndicated loan (c)		
Banco de Crédito del Perú S.A.A.	107,769	6,909
Banco Santander del Perú S.A.	-	6,909
Banco internacional del Perú S.A.A. - Interbank	-	5,182
	107,769	19,000
Financial leasings (d)		
Banco internacional del Perú S.A.A. - Interbank	1,194	1,292
Banco de Crédito del Perú S.A.A.	495	745
BBVA Banco Continental S.A.	529	676
Banco Santander del Perú S.A.	20	42
	2,238	2,755
	169,719	189,422
By expiration:		
Current	1,603	5,772
Non current	168,116	183,650
	169,719	189,422

(b) Bonds –

In January 2013, the Company made an international placement of Corporate Bonds under the 144A REGS format for a principal amount of US$200,000,000, for a period of 7 years, payable at maturity and with an annual fixed interest rate of 7.375 percent. The interest is paid every semester, maturing in 2020.

On August 31, 2016, the repurchase of US$30,000,000 was made by paying 76.5 percent of its nominal value and generating a net profit of US$3,000,000, which was presented in the Company's income statement.

On February 6, 2018, an exchange of bonds was carried out, substituting the US $ 60,900,000 of the bonds with maturity in 2020 by a new one for the same amount maturing in 2025 and with an increase of the fixed annual interest rate of 8 percent.

As of March 31, 2019, the principal of bonds is shown net of the costs directly associated for US$1,210,000 (US$2,270,000 in 2018).

During the effective period of the contract in which (i) the Bonds have Investment Grade Rating from two well-known risk-rating agencies; and, (ii) no payment default or event of default have occurred that have not been corrected, the Company will not be subject to the following provisions ("Suspended Covenants" together) of the placement contract:

- Limitations on indebtedness and unqualified shares; limitations on restricted payments;
- Limitations on dividend restrictions and other payments affecting restricted subsidiaries;
- Limitations on transactions with affiliates;
- Limitations on sales of assets;
- Limitations on business activities;
- Limitations on consolidation, merger and sale of assets.

In the event that the Company has a grade below the Investment Grade, it will be subject to a number of restrictions included in the "Limitation of Indebtedness" section. All the debt that the Company incurs under this situation will be subject to a Debt Hedge Ratio (Total Debt/ EBITDA) of the last twelve months not higher than 3.5x.

If the Debt Hedge is above 3.5x, the Company may incur in "Allowed Indebtedness", which contains a number of debt authorizations among which we have: Debt to cover the working capital needs for the higher value between US$70,000,000 or 14.5 percent of total assets and debt through finance lease operations for a higher value between US$20,000,000 or 4 percent of total assets.

As of March 31, 2019 and December 31, 2018, the Company has not breached any covenant and expects to comply with such requirements in the following 12 months.

(c) Syndicated loan –

During 2016, the Company obtained a syndicated loan for a total of US$25,000,000, disbursed in two tranches: one for US$9,091,000 and another for US$15,909,000, for a term of 6 years, at a variable interest rate of 4.95 percent + Libor 3 months for Tranche A and a fixed rate of 6.5 percent for Tranche B, interest payments are quarterly and capital payments are semiannual, with maturity date in September 2022.

Likewise, at the date of the agreement, guarantees with fishing vessels were granted, valued at approximately 0.9 percent of the national fishing quota for the North-Centre zone.

During the effective period of the syndicated loan, the Company has to comply with the following financial safeguards:

- Financial leverage ratio less than 1.50
- Financial debt ratio / EBITDA less than 3.50
- Debt Service Hedge ratio less than 1.20
- Liquidity Ratio less than 1.00

As of December 31, 2018, the Company did not comply with the financial indicator "leverage ratio" required in the syndicated loan agreement. However, as at the date of this report, the Administrative Agent has already waived the compliance with such safeguards by the Company. In addition, this loan was already totally paid in February 2019.

On January 15, 2019, the Company entered into a syndicated loan agreement for an amount of US$110,000,000, which was disbursed in February 2019. This credit was destined for the repurchase of bonds that expired in 2020 and the payment of the syndicated loan, effective as of December 31, 2018. This loan will be paid quarterly and have a year grace period, a balloon quota of 36% and a term of five years, with expiration date on January 15, 2024.

(d) The minimum future payments for financial leasings and the present value of net minimum installments are as follows:

	2019		2018	
	Pagos mínimos US$000	**Valor actual de los pagos US$000**	**Pagos mínimos US$000**	**Valor actual de los pagos US$000**
Dentro de un año	1,665	1,665	1,853	1,853
Después de un año pero no más de cinco años	645	573	1,002	902
Total de pagos mínimos	2,310	2,238	2,855	2,755
Menos - Intereses	(72)	-	(100)	-
Valor actual de los pagos mínimos	2,238	2,238	2,755	2,755

(e) As of March 31, 2019 and December 31, 2018, the non-current portion of long- term financial obligations has the following maturities:

Año de vencimiento	**2019 US$000**	**2018 US$000**
2020	-	113,510
2021	110,000	4,069
2022	635	7,060
2023 en adelante	57,481	59,011
Total	168,116	183,650

(f) As of March 31, 2019, interest expense accrued by bonds, syndicated loan and finance leasings amounts to US$2,286,000, US$1,570,000 and US$28,000, respectively (US$3,252,000, US$392,000 and US$45,000 as of March 31, 2018, respectively) and is presented in the "Financial expenses" caption of the statement of income. See note 24.

15. Provisions for contingencies

The movement and composition of this item is as follows:

	Procesos laborales US$000	Procesos administrativos US$000	Total US$000
Al 1 de enero de 2018	396	2,505	2,901
Extornos	-	(178)	(178)
Pagos	(340)	-	(340)
Al 31 de diciembre de 2018	56	2,327	2,383
Pagos	-	-	-
Al 31 de marzo de 2019	**56**	**2,327**	**2,383**

16. Net deferred income tax liability

(a) The movement and composition of the caption, according to the items that originated it, is as follows:

	Saldo inicial US$000	... Adiciones (deducciones)... Resultado del Ejercicio US$000	Otros cambios US$000	Saldo final US$000
Al 31 de marzo de 2019:				
Activo:				
Provisión para vacaciones por pagar	423	(7)		416
Deterioro de activo fijo	496	-	-	496
Desvalorización de inversiones	525	9	-	534
Otras provisiones	573	45	-	618
	2,017	47	-	2,064
Pasivo:				
Revaluación de terrenos	(16,332)	-	-	(16,332)
Mayor valor por costo atribuido y diferencias en tasas de depreciación y ajuste por traslacion	(14,026)	(117)	-	(14,143)
Desvalorización de suministros	(187)	187	-	-
Otros activos principalmente intangible y ajuste por traslacion	(25,515)	130	-	(25,385)
Costo de contratación del Bono	(485)	(372)	-	(857)
	(56,545)	(172)	-	(56,717)
Pasivo diferido, neto	(54,528)	(125)	-	(54,653)
Al 31 de diciembre de 2018:				
Activo:				
Provisión para vacaciones por pagar	48	375		423
Deterioro de activo fijo	496	-	-	496
Desvalorización de inversiones	547	(22)	-	525
Otros	1,653	(1,080)	-	573
	2,744	(727)	-	2,017
Pasivo:				
Revaluación de terrenos	(13,481)	-	(2,851)	(16,332)
Mayor valor por costo atribuido y diferencias en tasas de depreciación y ajuste por traducción	(14,839)	813	-	(14,026)
Desvalorización de suministros	(226)	39	-	(187)
Otros activos principalmente intangible y ajuste por traslacion	(25,076)	(439)	-	(25,515)
Costo de contratación del Bono	(432)	(53)	-	(485)
	(54,054)	360	(2,851)	(56,545)
Pasivo diferido, neto	(51,310)	(367)	(2,851)	(54,528)

(b) The benefit (expense) for income tax shown in the income statement for the periods as of March 31, 2019 and 2018 is composed as follows:

	2019 US$000	2018 US$000
Impuesto a la renta:		
Corriente	4,570	181
Diferidos	125	72
Total	4,695	253

(c) The reconciliation of the effective income tax rate as of March 31, 2019 and 2018 is as follows:

	2019 US$000	%	2018 US$000	%
Utilidad (pérdida) antes de impuesto a la renta	10,560	100.00	(1,035)	100.00
Impuesto a la renta teórico	(3,115)	(29.50)	305	(29.50)
Impacto tributario de las partidas permanentes	(268)	(2.54)	(523)	50.53
Efecto por traslación	(1,312)	(12.42)	(35)	3.38
Beneficio por impuesto a la renta	**(4,695)**	**(44.46)**	**(253)**	**24.41**

17. Net Equity

(a) Issued capital –

As of March 31, 2019 and December 31, 2018, the issued capital is represented by 295,536,144 common shares of S/1.00 par value each one, duly authorized, issued and paid. These belong to both legal entities domiciled and not domiciled in Peru.

The share structure of the Company, as of March 31, 2019 and December 31, 2018, is as follows:

Accionistas	2019 Acciones	Porcentaje
Caleta de Oro Holding S.A.	180,041	60.92%
Caleta de Oro Holding del Perú S.A.C.	25,002	8.46%
Diversos	90,494	30.62%
	295,536	100.00%

(b) Share premium –

In General Shareholders' Meeting held on October 4, 2010, it was approved the increase of the Company's capital through the local and international offer of up to 57,500,000 class "A" shares of S/1.00 par value.

The placement of 57,500,000 shares in the local and international market were incorporated in the Company's equity at a market value of S/4.75 each one, which represented an increase in the issued capital of US$20,584,000 and the recognition of a share premium of US$69,721,000, net of costs related to the issuance for US$7,467,000.

(c) Legal reserve –

In accordance with the Corporations Act, the legal reserve is incorporated by transferring at least 10 percent of net income each year, after deducting accumulated losses, until it reaches an amount equivalent to one fifth of the capital. In the absence of earnings or freely available reserves, the legal reserve must be applied to offset losses, but must be replaced. The legal reserve may be capitalized, but must also be replaced.

(d) Revaluation surplus –

It includes the revaluation of lands at amounts that have been determined by technical valuations performed by independent appraisers. The revaluation surplus, recorded net of its effect on the deferred income tax, is transferred to accumulated earnings when the underlying asset is withdrawn or sold.

18. Net sales

(a) This item is made up by:

	2019 US$000	2018 US$000
Harina de pescado	73,573	31,917
Aceite de pescado	10,025	4,394
Pescado congelado	5,957	409
Otros	1,779	247
	91,334	36,967

(b) As of March 31, 2019, approximately 50,937 MT and 5,320 MT of fishmeal and fish oil, respectively, were sold (18,466 MT and 1,879 MT of fishmeal and fish oil, respectively, during 2017).

(c) As of March 31, 2019, 96 percent out of the total sales of the Company went abroad (67 percent in 2018). See note 3(c).

19. Cost of sales

This item is made up by:

	2019 US$000	2018 US$000
Saldo inicial de productos terminados, nota 9	70,288	3,178
Costo de producción:		
- Materías primas, insumos y suministros utilizados	9,197	14,708
- Gastos de personal, nota 22 (b)	4,751	3,103
- Gastos de fabricación	4,022	6,308
- Depreciación, nota 10 (d)	1,377	976
Saldo final de productos terminados, nota 9	(26,841)	(6,349)
	62,794	21,924
Costos incurridos en periodos de no producción	3,246	5,833
	66,040	27,757

20. Cost of distribution

This item is made up by:

	2019	2018
	US$000	US$000
Servicios de exportación	1,994	465
Transporte de productos terminados	1,414	405
Gastos de personal, nota 22 (b)	367	235
Inspección y análisis	338	146
Seguridad y vigilancia	296	111
Comisiones por venta de productos terminados	199	58
Almacenamiento de productos terminados	166	3
Depreciación, nota 10 (d)	106	126
Estiba y embalaje	72	68
Gasto por alquiler	4	3
Otros	542	159
	5,498	1,779

21. Administrative expenses

This item is made up by:

	2019	2018
	US$000	US$000
Gastos de personal, nota 22 (b)	1,400	1,042
Honorarios profesionales	245	103
Gastos de alquiler	165	166
Depreciación, nota 10 (d)	151	153
Seguridad y vigilancia	135	121
Comunicaciones	69	69
Mantenimiento y reparaciones	10	9
Tributos	5	5
Gastos de seguros	5	6
Otros	542	477
	2,727	2,151

22. Personnel expenses

(a) The composition of personnel expenses is as follows:

	2019 US$000	2018 US$000
Participación de pesca	1,541	1,139
Remuneración de empleados	1,477	1,444
Participación de trabajadores	1,721	68
Remuneración de obreros	928	765
Gratificaciones	705	606
Seguridad, previsión social y otros	639	524
Bonificaciones	369	327
Compensación por tiempo de servicios	389	329
Vacaciones	387	341
Otros	275	238
	8,431	5,781

As of March 31, the Company had an average of 1,132 workers (1,232 in 2018).

(b) As of March 31, personal expenses have been recorded as follows:

	2019 US$000	2018 US$000
Costo de producción, nota 19	4,751	3,103
Gastos administrativos, nota 21	1,400	1,042
Costos de distribución, nota 20	367	235
Costos incurridos en periodos de no producción	927	733
Costos diferidos	986	668
	8,431	5,781

23. Other incomes and expenses

(a) This item is made up by:

	2019 US$000	2018 US$000
Ingresos:		
Reversión de provisiones de ejercicios anteriores	89	153
Ingreso por venta de combustibles y materiales	-	129
Indemnización de seguros	322	-
Otros	126	202
	537	484

	2019 US$000	2018 US$000
Gastos:		
Costo neto por retiro de activos fijos	-	218
Multas de PRODUCE y otros	322	85
Mermas, Desmedros - Inceneracion	149	119
Otros	818	572
	1,289	994

24. Incomes and financial expenses

This item is made up by:

	2019 US$000	2018 US$000
Ingresos financieros:		
Intereses de depósitos a corto plazo	108	49
	108	49
Costos financieros:		
Intereses de bonos, nota 14 (f)	2,286	3,252
Intereses de préstamos bancarios a corto plazo, nota 12 (c)	1,701	2,061
Intereses de préstamo sindicado, nota 14 (f)	1,570	392
Intereses de arrendamientos financieros, nota 14 (f)	28	45
	5,585	5,750

25. Transactions with related entities

(a) As of March 31, 2019 and March 31, 2018, the Company has made the following transactions with related parties:

	2019 US$(000)	2018 US$(000)
Préstamos otorgados	122	188
Refacturación de servicios de red y otros	61	1
Gasto por alquiler de oficinas y otros	-2	-1

(b) As a result of these and other minor transactions, as of March 31, 2019 and December 31, 2018, the Company maintained the following balances with related entities:

	2019		2018	
	Cuentas por cobrar US$000	Cuentas por pagar US$000	Cuentas por cobrar US$000	Cuentas por pagar US$000
Cuentas por cobrar:				
Comercializadora Global S.A.	2,245	-	2,089	-
Compañía Hotelera El Sausal S.A.	719	2	708	2
Complejo Agroindustrial Beta S.A.	606	17	588	17
Corporación Exalmar S.A.	202	-	199	-
Corporación del Mar S.A.	190	-	131	-
Inmobiliaria Seville S.A.	40	-	40	-
C.M.V. Servicios Ejecutivos S.A.	33	10	32	8
	4,035	29	3,787	27

(c) Transactions carried out with related parties have been carried out under normal market conditions. Taxes that these transactions generated, as well as the calculation bases for the determination of these ones, are the usual ones in the industry and are settled according to current tax regulations. These balances do not accrue interests and have no specific guarantees.

(d) Expenses for participations, remunerations, and other items granted to the members of the Board of Directors and the Company's key Management as of March 31, 2019 and December 31, 2018 amounted to US$631,000 and US$2,236,000, respectively, and are included in the “Administrative expenses” caption of the income statement.

26. Tax situation

(a) The Company is subject to Peruvian taxation. As of March 31, 2019 and December 31, 2018, the income tax rate is 29.5 percent on the taxable income, after deducting the employees’ profit sharing, which is calculated with a 10 percent rate on the taxable income.

Legal entities not domiciled in Peru and natural persons are subject to the withholding of an additional tax on the dividends received. According to Legislative Decree No. 1261, the additional tax on dividends for the profits generated will be 5 percent.

(b) The Tax Authority is entitled to audit and, if applicable, to amend the income tax determined by the Company during the four years following the year of filing the tax return.

The periods to audit for the income tax include the years 2016 to 2018 and for the general sales tax include the years 2015 to 2018.

(c) Due to the interpretations likely to be given by the Taxation Authority on current legal regulations, it is not possible to determine whether the reviews to be conducted will result or not in additional liabilities for the Company. Therefore, any other tax, default interest and penalties that might result from these audits will be charged to the profit and loss in the year when they are settled. However, in opinion of the Management and its legal advisors, any tax settlement would not be significant to the financial statements of the Company as of March 31, 2019 and December 31, 2018.

For determining the income tax and General Sales Tax, transfer prices of transactions with their related parties and with companies resident in territories or countries with low or no taxation must be supported with documentation and information on the valuation methods used and the criteria considered for their determination. Based on the analysis of the Company's operations, the Management and its legal advisors believe that, as a consequence of the application of these standards, no significant contingencies will arise for the Company as of March 31, 2019 and December 31, 2018.

(d) In 2018, the Tax Authority audited the income tax of 2015, without significant observations. Likewise, the years 2016 to 2018 are being subject to inspection. The Management estimates that no significant liabilities will arise as a result of these reviews.

(e) The Company has the benefit to exporters of the General Sales Tax related to the exports. In this sense, the balance in favor of this benefit that results from the payments of the aforementioned tax in purchase operations of the Company can be offset against the tax resulting from its sales in the country, income tax or other taxes, or their return through non-negotiable checks can be requested.

The balances of General Sales Taxes to be recovered as of March 31, 2019, and December 31, 2018 amount to approximately US$14,969,000 and US$11,014,000, respectively, and are presented as part of the "Tax credit for IGV" caption in the statement of financial position.

As of March, 2019, the Company has recovered approximately US$1,498,000 for this concept (US$18,547,000 during 2018), which was recorded with charge on the “Cash and cash equivalents" caption and installment to the "Tax credit for IGV" caption of the statement of financial position.

The Company pays customs duties on its imports, for which it is entitled to request the recovery of the drawback in relation to the exports of canned and frozen products. The recoveries related to this operation are recorded as income for the period in which it is carried out under "Other income" caption in the Company's income statement.

(f) The main tax regulations issued as of March 31, 2019, are as follows:

(i) Since January 1, 2019, the treatment applicable to the royalties and fees for services provided by non-domiciled ones was modified, eliminating the obligation to pay an amount equivalent to the withholding when costs or expenses are booked, and must now withhold the corresponding income tax at the time of the payment or retribution accreditation. For that cost or expense to be deductible to the local business, retribution must be paid or accredited until the presentation date of the annual income tax return (Legislative Decree N°1369).

(ii) The rules governing the obligation of legal persons and/or legal entities to report the identification of their final beneficiaries (Legislative Decree N ° 1372) were established. These rules are applicable to legal persons domiciled in the country, pursuant to article 7 of the Income Tax Law, and to legal entities in the country. The obligation is applicable for non-domiciled legal entities and legal entities constituted abroad while: a) they have a branch, agency or another permanent establishment in the country; b) the person (natural or legal entity) who manages the autonomous patrimony or foreign investment funds, or the natural or legal person who has quality of guard or administrator, is domiciled in the country; and, c) any part of a consortium is domiciled in the country. This obligation will be fulfilled by submitting a Sworn Statement to the Tax Authority, which should contain the final beneficiary information and should be submitted, in compliance with the regulations and in the deadlines established through Resolution of the Superintendence of Peruvian Tax Administration (SUNAT).

(iii) The Tax Code was modified in the implementation of the General Avoidance Prevention Rule (Article XVI of the Preliminary Title of the Tax Code) (Legislative Decree No. 1422).

As part of this modification, a new assumption of joint and several responsibility is envisaged, when the tax debtor is subject to the application of the measures provided by Rule XVI in the event that tax evasion cases are detected. In that case, the joint and several responsibility shall be attributed to the legal representatives provided that they have collaborated with the design or approval or execution of acts or situations or economic relations foreseen as elusive in Rule XVI. In the case of companies that have a Board of Directors, it corresponds to this corporate body to define the tax strategy of the entity, having to decide on the approval or not of acts, situations or economic relations to be carried out within the framework of tax planning, being this a non-delegable power. The acts, situations and economic relations carried out within the framework of fiscal planning and implemented on the date of entry into force of Legislative Decree No. 1422 (September 14, 2018), and which continue to have effects, must be evaluated by the Board of Directors of the legal entity for the purpose of ratification or modification until March 29, 2019, without prejudice to the fact that the management or other administrators of the company have approved before the aforementioned acts, situations and economic relations.

Likewise, it has been established that the application of Rule XVI, as regards the re-characterization of tax evasion cases, will take place in the final inspection procedures in which acts, events or situations produced since July 19, 2012, are reviewed.

(iv) Amendments to the Income Tax Law were included, effective since January 1, 2019, to improve the tax treatment applicable to (Legislative Decree No. 1424):

- The regime of credits against Income Tax for taxes paid abroad, including the indirect credit (corporate tax paid by foreign subsidiaries) as credit applicable against the Income Tax of domiciled legal entities, in order to avoid double taxation.

- The deduction of interest expenses for the determination of the corporate Income Tax. In the years 2019 and 2020, the debt limit set at three times the net equity as of December 31 of the previous year will be applicable, both to loans with related parties and to loans with third parties incurred as of September 14, 2018. As of 2021, the limit for the deduction of financial expenses will be equivalent to 30 percent of the EBITDA of the entity.
- Rules have been established for the accrual of income and expenses for tax purposes as of January 1, 2019 (Legislative Decree No. 1425). Until 2018 there was no normative definition of this concept, so in many cases accounting rules were used for its interpretation. In general, with the new criterion, for determining the Income Tax, it will now be considered if the substantial facts for the generation of income or expense agreed by the parties have occurred, which are not subject to a suspensive condition, in which case the recognition will be given when this is fulfilled. The opportunity for collection or payment established will not be taken into account; and, if the determination of the remuneration depends on a future fact or event, the total or part of the corresponding income or expense will be deferred until that fact or event occurs."

27. Basic and diluted earnings per share

(a) Basic –

Basic earnings per share are calculated by dividing the net income attributable to the shareholders of the Company by the weighted average number of outstanding common shares and those to be issued during the period:

	2019	2018
Utilidad (pérdida) atribuible a los accionistas de la compañía (expresado en miles)	5,865	(1,288)
Promedio ponderado de acciones comunes en circulación (expresado en miles)	295,536	295,536
Utilidad (pérdida) básica por acción (S/. por acción)	0.020	(0.004)

(b) Diluted –

The diluted earnings per share are equivalent to the basic loss per share. In 2019 and 2018, diluted earnings per common share have not been calculated because there are no potentially dilutive shares; that is, financial instruments or other contracts that give the right to obtain common shares.

28. Commitments and contingencies

(a) Financial commitments –

As of March 31, 2019 and December 31, 2018, the Company holds commitments on operating leases for US$3,096,000 (2,095,000 as of December 31, 2018) where the Company is the lessee, and the validity is between 1 and 2 years.

The total of future minimum payments of operating leases for rental contracts is as follows:

	2019 US$000	2018 US$000
No más de 1 año	2,111	1,740
Más de un año y no más de 2 años	985	355
	3,096	2,095

These agreements are reviewed at the end of the contractual term in accordance with the market conditions.

(b) Guarantees granted –

As of March 31, 2019, the Company has letters of guarantee in favor of third parties, banking institutions, for approximately S/344,000 and US$826,000 (S/1,234,000 and US$826,000 as of December 31, 2018), which mainly guarantee requests for balance return in favor of Sunat.

(c) Contingency for legal demands –

In the normal course of its operations, the Company has been subject to various regulatory, legal (labor and administrative) and tax measures, which are recorded and disclosed in accordance with the International Financial Reporting Standards.

As of March 31, 2019 and December 31, 2018, the Company has recorded the necessary provisions. In addition, the possible contingencies amount to approximately US$2,383,000 as of March 31, 2019 (approximately US$2,592,000 as of December 31, 2018).

29. Financial risk management objectives and policies

The main financial liabilities of the Company include loans and trade payables, other payables and payables to related parties. The Company has cash and trade receivables, other receivables and receivables from related parties, which arise directly from its operations.

The Company is exposed to credit risks, market risk, and liquidity risk.

The independent process of risk control does not include business risks, such as changes in the environment, technology and industry. These are monitored through the Company's strategic planning process.

Risk management structure –

The risk management structure is based on the Board of Directors and the Company Management, which are responsible for identifying and controlling risks in coordination with other areas as explained below:

(i) Board of Directors -

The Board of Directors is responsible for the general approach of risk management. The Board of Directors provides the principles for risk management, as well as the policies developed for specific areas, such as exchange rate risk, interest rate risk and credit risk.

(ii) Finance Management -

The Finance Management is responsible for continuously evaluating and identifying exposures to the risks faced by the Company. In addition, it is responsible for preparing and proposing policies and procedures to improve risk management.

Through the treasury area, the Finance Management is responsible for daily managing the flow of funds of the Company, taking into account the policies, procedures and limits established by the Board and the Management of the Company. It also manages the obtaining of lines of credit with financial entities when necessary.

Credit risk –

Credit risk is the risk that the counterparty does not comply with its obligations stated in a financial instrument or contract, causing loss. The Management considers that the Company does not have significant credit risk on the trade receivables from third parties, trade receivables from ship owners and related parties since no significant difficulties of collection have arisen. With respect to the other receivables from grants to ship owners, the Management evaluates their condition, case by case, and obtains guarantees over vessels, properties and other assets, if necessary, to secure receivables.

The Company places its excess of liquidity in prestigious financial institutions, establishes conservative credit policies, and constantly evaluates the existing conditions in the market in which it operates. Consequently, the Management does not expect the Company to have significant material losses due to the performance of its counterparties.

Market risk –

Market risk is the risk of loss in balance sheet positions arising from movements in market prices. These prices include three types of risk: (i) exchange rate, (ii) interest rates, and (iii) prices and others. The Company's financial instruments are affected by exchange rate and interest rate risks.

The sensitivity analyzes included in the following sections are related to the financial situation of the Company as of March 31, 2019 and December 31, 2018.

The sensitivity analyzes included in the following sections are related to the financial situation of the Company as of December 31, 2018 and 2017. These sensitivity analyzes were prepared on the assumption that the amount of net debt, the proportion of fixed interest to the floating and the debt, remain constant as of March 31, 2019 and December 31, 2018.

(i) Exchange Rate Risk -

The exchange rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuate due to changes in the exchange rates of currencies allocated to the functional currency.

The Company's exposure to exchange rate risk is mainly related to the Company's operating activities (when income or expenses are denominated in a currency other than the functional currency).

(ii) Risk of interest rate -

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuate due to changes in market interest rates. The Company is exposed to the risk of changes in the market interest rates mainly related to its financial obligations at variable rates.

The Company manages its interest rate risk based on the experience of the Management, balancing the active and passive interest rates. In addition, when necessary, the Company enters into contracts of interest rate swaps to exchange variable interest rates by fixed rates. These contracts of interest rate swap are designated as hedges of the related debts. As of March 31, 2019 and December 31, 2018, the Company does not have financial instruments that cover the interest rate risk.

Information about financial instruments with fixed and variable interest rates is presented below:

	2,019			
	Tasa variable US$(000)	Tasa fija US$(000)	Sin interés US$(000)	Total US$(000)
Activos financieros				
Efectivo y equivalentes de efectivo	-	-	6,978	6,978
Cuentas por cobrar comerciales y diversas, neto	-	-	73,834	73,834
Cuentas por cobrar a entidades relacionadas	-	-	4,035	4,035
Pasivos financieros				
Préstamos bancarios a corto plazo	-	70,935	-	70,935
Cuentas por pagar comerciales y diversas	-	-	41,073	41,073
Obligaciones financieras a largo plazo	-	169,719		169,719
Cuentas por pagar a entidades relacionadas	-	-	29	29

	2,018			
	Tasa variable US$(000)	Tasa fija US$(000)	Sin interés US$(000)	Total US$(000)
Activos financieros				
Efectivo y equivalentes de efectivo	-	-	33,096	33,096
Cuentas por cobrar comerciales y diversas, neto	-	-	47,562	47,562
Cuentas por cobrar a entidades relacionadas	-	-	3,787	3,787
Pasivos financieros				
Préstamos bancarios a corto plazo	-	70,000	-	70,000
Cuentas por pagar comerciales y diversas (*)	-	-	56,567	56,567
Obligaciones financieras a largo plazo	6,909	182,513		189,422
Cuentas por pagar a entidades relacionadas	-	-	27	27

(*) It does not include taxes payable. See note 13.

(iii) Price risks-

The Company is exposed to price risks because there is not a futures market for fishmeal and fish oil that covers fluctuations in market prices.

Capital risk management –

The objectives of the Company in managing capital are to safeguard its ability to continue as a running business in order to generate returns to shareholders, benefits for other stakeholders and to maintain an optimal capital structure. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the debt.

The Company monitors its capital based on the leverage ratio. This ratio is calculated by dividing net debt by total capital. Net debt is the total of indebtedness (including 'current and non-current debts' as shown in the statement of financial position) less cash and cash equivalents. The total capital corresponds to 'Equity' as shown in the statement of financial position plus net debt.

The Finance Management considers that the capital cost and the risk related to each type of capital are adequate as of March 31, 2019 and December 31, 2018. The leverage ratios as of December 31, 2018 and 2017 were as follows:

	2019 US$000	2018 US$000
Total obligaciones financieras, nota 12 y 14	240,654	259,422
Menos: Efectivo y equivalente al efectivo, nota 7	(6,978)	(33,096)
Deuda neta (A)	233,676	226,326
Total patrimonio neto	258,813	252,948
Total capital (B)	492,489	479,274
Ratio apalancamiento (%) : (A) / (B)	0.47	0.47

Liquidity risk –

Liquidity is controlled by matching the maturities of its assets and liabilities, the obtaining of credit lines and/or maintaining liquidity surplus as investments, which allows the Company to carry out its activities normally.

The management of liquidity risk implies maintaining sufficient cash and availability of financing, through an adequate amount of credit sources and the ability to settle transactions of indebtedness mainly. In this regard, the Company's Management focuses its efforts on maintaining sources of financing through the availability of lines of credit. However, such lines may be unilaterally canceled by the bank. According to the information of banks, the Management has estimated that, as of March 31, 2019 and 2018, unused credit lines amount to US$193,000,000.

The following table shows the maturity of obligations assumed by the Company at the date of the statement of financial position and the amounts to be disbursed at maturity, based on the undiscounted payments that will be made:

	As of March 31, 2019				
	1 year	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 6 years**	**Total**
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Short – term bank loans	70,935	-	-	-	70,935
Trade and other payables (*)	73,834	-	-	-	73,834
Payables to related entities	29	-	-	-	29
Long – term financial liabilities:					
Capital amortization	1,603	18,235	17,600	132,281	169,719
Flow for interest payment	10,584	11,557	10,419	22,939	55,499
	156,985	29,792	28,019	155,220	370,016

	As of December 31, 2018				
	1 year	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 6 years**	**Total**
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Short – term bank loans	70,000	-	-	-	70,000
Trade and other payables (*)	56,927	-	-	-	56,927
Payables to related entities	27	-	-	-	27
Long – term financial liabilities:					
Capital amortization	5,772	113,989	4,066	65,595	189,422
Flow for interest payment	14,065	9,694	5,406	17,310	46,475
	146,791	**123,683**	**9,472**	**82,905**	**362,851**

(*) It does not include taxes payable. See note 13.

Changes in liabilities coming from financing activities for the periods as of March 31, 2019 and 2018:

	Saldo al 1 de enero de 2019	Obtención	Pagos	Saldo al 31 de diciembre de 2019
	US$(000)	US$(000)	US$(000)	US$(000)
Préstamos bancarios a corto plazo	70,000	71,850	-70,915	70,935
Obligaciones financieras a largo plazo	189,422	110,000	-129,703	169,719
	259,422	181,850	-200,618	240,654

	Saldo al 1 de enero de 2018	Obtención	Pagos	Saldo al 31 de diciembre de 2018
	US$(000)	US$(000)	US$(000)	US$(000)
Préstamos bancarios a corto plazo	3,000	261,600	-194,600	70,000
Obligaciones financieras a largo plazo	195,319	61,297	-67,194	189,422
	198,319	322,897	-261,794	259,422

30. Financial instruments by category

(a) Category of financial instruments –

The financial assets and liabilities of the Company are composed of:

	2019 US$000	2018 US$000
Activos financieros:		
Al costo amortizado:		
Efectivo y equivalente al efectivo	6,978	33,096
Cuentas por cobrar comerciales y diversas, neto	73,834	47,562
Cuentas por cobrar a entidades relacionadas	4,035	3,787
Total	84,847	84,445
Pasivos financieros:		
Al costo amortizado:		
Préstamos bancarios a corto plazo	70,935	70,000
Obligaciones financieras a largo plazo	169,719	189,422
Cuentas por pagar comerciales y diversas (*)	41,913	56,927
Cuentas por pagar a entidades relacionadas	29	27
	282,596	316,376

(*) It does not include taxes payable. See note 13.

(b) Credit quality of financial assets –

The credit quality of financial assets that are not expired or impaired can be evaluated on the external risk indexes (if available) or the historical information that reflects compliance rates.

The credit quality of financial assets is as follows:

	2019 US$000	2018 US$000
Efectivo y equivalente al efectivo (*)		
Banco de Crédito del Perú (A+)	5,429	545
Banco Continental (A+)	539	186
Banco Interbank (A)	385	142
Banco Santander - Perú (A+)	7	22,007
Banco Financiero (A+)	14	10,014
Banco Scotiabank (A+)	18	18
Otros	586	184
	6,978	33,096

The rates in table "A and AAA" represent the high quality credit indexes. For banks located in Peru, the ratings were derived from the risk rating agencies authorized by the banking regulator, “The Superintendency of Banking, Insurance and Private Pension Fund Administrators (SBS)”.

The credit quality of customers is evaluated in two categories (internal classification):

A

:

	2019 US$000	2018 US$000
Trade receivables (Note 8)		
Counterparties without external risk classification		
A	32,311	9,837
B	85	85
	32,396	9,922
Trade receivables from related parties (Note 25)		
B	4,035	3,787
	4,035	3,787
Other receivables (Note 8) (*)		
A	35,898	31,844
	35,898	31,844

Existing cus

(*) It only corresponds to receivables from fishing vessels

A: Existing customers / related parties (with more than 6 months of business relationship) with no history of prior default; and

B: Existing customers / related parties (with more than 6 months of business relationship) with previous history of default.

31. Fair value of financial instruments

Financial instruments are carried at amortized cost and their estimated fair value for disclosure in this note, as well as the level in the fair value hierarchy, is described below:

Land is measured at the revalued value resulting from the technical valuations carried out by independent appraisers, which are based on current values in the market at the date of the financial statements (Level 2). For technical valuations, independent appraisers used the price per meter square. The prices were obtained from the lands observed in similar locations to measure the fair value of the land.

Level 1 –

- Cash and cash equivalents do not represent a significant credit risk or interest rate. Therefore, their carrying amounts approximate their fair value.

- Because trade receivables, other receivables and receivables from related parties are net of the estimate for uncollectible debts and, mainly, have maturities of less than three months, the Management has considered that the fair value is not significantly different from the carrying amount.

- Trade payables, other payables and payables to related parties have current maturity. The Management estimates that their carrying amounts approximate their fair values.

Level 2 –

- For other financial liabilities, fair values were determined by comparing the market interest rates at the time of initial recognition with current market rates for similar financial instruments. Below, there is a comparison between the carrying amounts and fair values of these financial instruments:

	2019		2018	
	Valor en libros US$000	Valor razonable US$000	Valor en libros US$000	Valor razonable US$000
Bonos	57,481	57,505	167,667	173,206
Préstamos bancarios a largo Plazo	110,000	103,342	19,000	23,108
Arrendamientos financieros	2,238	2,199	2,755	2,727
Total	169,719	163,046	189,422	199,041

32. Subsequent events

On April 15, 2019, the Board of Directors approved to set May 13 as the date of registration for the payment of dividends amounting to US $ 20 million, and May 15, 2019 as delivery date thereof.