Pesquera Exalmar S.A.A.

Financial statements as of March 31st, 2021, and from December 31st, 2020

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Content

Financial Statements

PESQUERA EXALMAR S.A.A.

STATEMENT OF FINANCIAL POSITION
As of March 31st, 2021 and from December 2020

ASSETS

	Note	2021 US$000	2020 US$000
CURRENT ASSETS			
Cash and cash equivalents	7	4.221	7.046
Trade and miscellaneous receivables, Net	8	86.164	54.727
Inventories, Net	9	57.759	101.075
Related Party Receivables	26 (b)	4.496	4.634
VAT credit	27 (e)	8.846	9.961
Current income tax asset	27 (a)	-	5.039
Prepaid expenses		2.922	899
Total current assets		164.408	183.381
NON-CURRENT ASSETS			
Trade and miscellaneous receivables, Net	8	3.216	3.216
Properties, vessels, machinery and equipment, net	10	216.241	219.069
Intangible assets, net	11 (a)	120.509	120.573
Goodwill	11 (c)	113.342	113.342
Right-of-use assets	12	7.277	7.570
Other assets		887	897
Total non-current assets		461.472	464.667
Total assets		625.880	648.048

LIABILITIES AND NET EQUITY

	Note	2021 US$000	2020 US$000
CURRENT LIABILITIES			
Short-term bank loans	13	85.920	112.213
Trade and miscellaneous payables	14	48.447	56.970
Related Party Payables	26 (b)	20	32
Long-term liabilities	15	19.474	19.541
Provisions for contingencies	16	51	51
Total current liabilities		153.912	188.807
NON-CURRENT LIABILITIES			
Long-term liabilities	15	130.407	135.096
Trade and miscellaneous payables	14	6.699	6.975
Derivative financial instruments	15 (d)	2.618	2.618
Net deferred income tax liabilities	17	60.374	59.674
Total non-current liabilities		200.098	204.363
Total liabilities		354.010	393.170
NET EQUITY	18		
Issued capital		89.772	89.772
Share premium		69.721	69.721
Revaluation surplus		40.638	40.638
Statutory reserve		3.609	3.609
Net unrealized gains on hedging derivatives	15 (d)	(1.846)	(1.846)
Retained earnings		69.976	52.984
Total net equity		271.870	254.878
Total liabilities and net equity		625.880	648.048

The accompanying notes from page 7 to 56 are part of the financial statements.

The accompanying notes are an integral part of this financial statement.

PESQUERA EXALMAR S.A.A.

STATEMENT OF COMPREHENSIVE INCOME
For the periods ended on March 31st, 2021, and from 2020

	Note	2021	2020
		US$000	US$000
Income from ordinary activities	18	134.697	32.690
Cost of sales	19	(93.141)	(30.049)
Distribution costs	20	(8.333)	(2.871)
Gross profit		33.223	(230)
Operating expenses			
Administrative expenses	21	(2.911)	(2.123)
Other income	23	55	199
Other expenses	23	(967)	(1.091)
Total operating expenses		(3.823)	(3.015)
Operating profit		29.400	(3.245)
Other income (expenses)			
Financial income	24	10	588
Financial costs	24	(4.415)	(4.266)
Net foreign exchange loss	6	(990)	(307)
Total other expenses, net		(5.395)	(3.985)
Profit (loss) before income tax		24.005	(7.230)
Income tax	26	(7.013)	4.014
Net profit		16.992	(3.216)
Basic and diluted earnings (loss) per share (in US dollars)	27	0,057	(0,011)

The accompanying notes from page 7 to 56 are part of the financial statements.

PESQUERA EXALMAR S.A.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED ON MARCH 31ST, 2021, AND FROM DECEMBER 2020

	Note	Issued capital	Share premium	Statutory reserve	Revaluation surplus	Net unrealized gains on hedging derivatives	Retained earnings	Total
		US$000	US$000	US$000	US$000	US$000	US$000	US$000
Balances as of January 1st, 2020		89.772	69.721	3.609	38.831	608	37.165	239.706
Comprehensive income for the year		-	-	-	-	-	(3.216)	(3.216)
Other comprehensive income:								
- Other comprehensive income	18	-	-	-	-	-	-	-
Balances as of March 31st, 2020		89.772	69.721	3.609	38.831	608	33.949	236.490
Balances as of January 1st, 2021		89.772	69.721	3.609	40.638	(1.846)	52.984	254.878
Comprehensive income for the year		-	-	-	-	-	16.992	16.992
Other comprehensive income:								
- Other comprehensive income	18	-	-	-	-	-	-	-
Balances as of March 31st, 2021		**89.772**	**69.721**	**3.609**	**40.638**	**(1.846)**	**69.976**	**271.870**

The accompanying notes from page 7 to 56 are part of the financial statements.

The accompanying notes are an integral part of this financial statement.

PESQUERA EXALMAR S.A.A.

CASH FLOW STATEMENT
For the periods ended on March 31st, 2021, and from 2020

		2021	2020
		US$000	**US$000**
OPERATING ACTIVITIES			
Cash collection from customers		108.034	27.758
Other cash collections related to the activity		203	923
Cash paid to suppliers		(57.336)	(24.030)
Cash paid to employees		(11.611)	(15.296)
Other tax payments		(3.313)	(1.829)
Other cash payments related to the activity		(4.642)	(5.664)
Cash from (applied to) operating activities		31.335	(18.138)
INVESTING ACTIVITIES			
Payments to:			
Purchase of property, machinery and equipment	10 (b)	(3.066)	(1.105)
Purchase of intangible assets	11 (a)	(45)	-
Cash from investing activities		(3.111)	(1.105)
FINANCING ACTIVITIES			
Obtaining bank loans and financial liabilities	30	81.217	87.984
Payment of bank loans and financial liabilities	30	(112.266)	(59.519)
Cash from (applied to) financing activities		(31.049)	28.465
Net increase in cash and cash equivalents		(2.825)	9.222
Balance in cash and cash equivalents at the beginning of the year		7.046	3.017
Balance in cash and cash equivalents at the end of the period		4.221	12.239

The accompanying notes from page 7 to 56 are part of the financial statements.

Pesquera Exalmar S.A.A.

Financial statement notes

As of March 31st, 2021 and from December 31st, 2020

1. **Identification and economic activity of the Company**

(a) Identification -

Pesquera Exalmar S.A.A. (hereinafter referred to as "the Company") is a subsidiary of Caleta de Oro Holding S.A. (main controlling entity), holding 66.58% of shares from its issued capital. The Company was incorporated in the city of Lima on November 25th, 1997.

As of March 31st, 2021 and December 31st, 2020, the Company's registered office address is at Avenida Victor Andrés Belaunde 214, San Isidro, Lima, Peru.

(b) Economic activity -

The Company is dedicated to fishing activities, which include the extraction of hydrobiological resources and their transformation into fishmeal and fish oil, and direct sales of fresh and frozen fish. Likewise, it is dedicated to the commercialization of these products in both domestic and foreign markets, and to the storage of frozen products. For this purpose, as of March 31st, 2021 and from December 31st, 2020, it has a fleet of 23 purse seine fishing vessels and 5 fishmeal and fish oil plants (24 purse seine fishing vessels and 5 fishmeal and fish oil plants as of December 31st, 2020). The fishmeal and fish oil plants are located in Chicama, Chimbote, Huacho, Callao and Tambo de Mora. On the other hand, the Company has two plants located in Paita and Tambo de Mora for frozen fish production.

(c) Approval of financial statements -

As of March 31st, 2021, the financial statements have been issued with the authorization of the Company's management. As of December 31st, 2020, the financial statements were approved by the Mandatory Annual Shareholders' Meeting held remotely on March 30th, 2021.

(d) Regulatory framework –

The Company's activities 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, entity that, besides supervising and overseeing fishing activities and their processing, organizes and centralizes economic and statistical information related to the fishing activity in accordance with the aforementioned regulations, based on technical reports issued by the Instituto del Mar del Peru (Marine Institute of Peru) - IMARPE, establishing biological rest periods for anchovy and sardine to preserve the resources. As of March 31st, 2021, the closed season affecting the Company was about 65 days (88 days in 2020).

On June 28th and December 12th, 2008, the Peruvian Government published the Legislative Decree N°1084 and the Supreme Decrees N°021-2008-PRODUCE and N°009-2009-PRODUCE, establishing the Law on Maximum Catch Limits per Vessel (LMCE, by its Spanish acronym) and its regulations, respectively. Starting in 2009, by means of these legislations, the Peruvian Government changed the fishing model for indirect human consumption, taken through annual maximum catch quotas to individual fishing quotas.

Likewise, in December 2015, the Company signed a warranty contract with the Ministry of Production for its fishing vessels to remain under the LMCE regime, which is valid for 10 years, a term that Management estimates will be renewed.

In accordance with these contracts, the Company shall respect the conditions, duties and obligations of the Law on LMCE, the General Fishing Law and its Regulations, and complementary standards.

From December 2020 to March 2021, according to Management and its legal advisors, the Company has complied with the conditions of the stated contracts

The standard establishes a social contribution equivalent to USD 1.95 per MT of fish unloaded for a period of 10 years, to a fund for supporting the retirement of employees who are affiliated with the current retirement system applicable to industrial fishing crews.

The LMCE also establishes certain guidelines for the development of fishing activities. The main ones are listed below:

- The Vessel Catch Limit is estimated for each fishing season, based on the Maximum Percentage of Catch per Vessel (PMCE, by its Spanish acronym) assigned to each fishing vessel.

- Fish not caught in execution of a LMCE allocated for a fishing season may not be transferred to any other season, extinguishing the Company's right regarding balances of fish not caught on the closing date of the corresponding fishing season.

- The fishing license of a non-nominated fishing vessel, which means a fishing vessel not selected to carry out fishing activities during a fishing season as it is docked, will be temporarily suspended during that season, and the vessel will be prevented from carrying out extractive activities during that period, and the fishing quota (LMCE) of that vessel will be taken from the (global) stock exchange of the Company.

- The PMCE is recalculated 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 20 percent in each period. The reduction shall correspond to the average percentage not caught during the four consecutive fishing seasons, and shall be prorated among the vessels belonging to the Company.

From December 2020 to March 2021, the total PMCE of the Company's fishing vessels in the north-central and southern zones was 6.77 and 4.64 percent, respectively, and has not been reduced since the effective date of the LMCE

(e) COVID 19 -

Covid-19 is an infectious disease caused by a new virus. On March 11th, 2020, it was declared a global pandemic by the World Health Organization. Measures to slow the spread of Covid-19 had a significant impact on the global economy.
On March 15th, 2020, the Peruvian Government declared a nationwide state of emergency, closing all non-essential businesses (except food production and commercialization, pharmaceuticals, health and financial services). Even though the state of emergency remains in effect until April 30th, 2021, the Peruvian Government has allowed the early resumption of economic activities of certain industries

The Company has taken several measures to preserve the health of its employees and to prevent contagion in the administrative and operational areas, such as remote work, strict cleaning of work environments, distribution of personal protective equipment, testing of suspected cases and measurement of body temperature.

(f) **Operations –**

Based on the information prepared by Management, the Company's main operating data are presented below:

i) Indirect human consumption -

	2021	2020
Production		
Production days	25	3
Stoppage days	65	88
Costs incurred in non-production period allocated to product cost in US$(000)	3.376	4.421
Anchovy processed in thousand MT	114	2
Anchovy processed with own catch in thousand MT	59	0
Anchovy processed with third-party purchase in thousand MT	55	2
Fishmeal produced in thousand MT	27	0
Fish oil produced in thousand MT	5	0
Foreign sales %	92	97
Local sales %	8	3
North-central zone		
% of allocated quota	6,77	6,77
First season -		
Country quota in thousand MT		
Opening date		
Closing date		
Second season -		
Country quota in thousand MT	2.780	2.786
Opening date	12/11/2020	06/11/2019
Closing date	25/01/2021	14/01/2020

(*) In January 2020, the Ministry of Production - PRODUCE suspended the second fishing season due to the presence of juvenile fish and as a consequence the sector only reached 997,000 MT of anchoveta catch.

	2021	2020
Southern Zone		
% of allocated quota	4,64	4,64
First season -		
Country quota in thousand MT	409	
Opening date	19/02/2021	
Closing date	30/06/2021	

(i) **Direct Human Consumption -**

	2021	2019
Own catch in thousand MT		
Horse mackerel and mackerel in thousand MT	17.301	17.654
% of Sales		
Local	16	10
Foreign	84	90

(g) Environmental regulation –

The General Fishing Law requires that an Environmental Impact Assessment (EIA) must be conducted prior to the opening of any fishing activity.

In accordance with Decree Law No. 25977 - General Fishing Law and its Regulations, and Supreme Decree No. 01-94-PE, fishing entities must adopt the necessary measures for the environmental protection and preservation in order to prevent and reduce pollution damage and terrestrial, marine and atmospheric environments risks.

The Company's operations are conducted safeguarding public health and the environment, and comply with all applicable regulations.

As of March 2021, the Company has executed works at its multiple locations, related to environmental protection for an amount of USD 139,000 (USD 491,000 in 2020), such as the installation of a natural gas network system, a water treatment and solids recovery system, rooms for the physical treatment of pumped water, acquisition of boilers, pumps and steam dryers. These disbursements are recognized as part of the items Property, Vessels, Machinery and Equipment, Net, since they are necessary to meet the operational and production objectives, as well as the standards required for environmental protection. As of March 31st, 2021 and December 31st, 2020, 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 31st, 2021 and December 31st, 2020, respectively.

Measurement basis -

The financial statements have been prepared using the historical cost principle, based on the accounting records kept by the Company, except for land and derivative financial instruments which are measured at fair value. The accompanying financial statements are presented in U.S. dollars (functional and presentation currency), and all amounts have been rounded off to the nearest thousands, except where otherwise indicated.

The accounting policies adopted are consistent with those applied in prior years, except for the new IFRS and reviewed IAS, which are mandatory for periods beginning on or after January 1st, 2020. The nature and effect of these changes are indicated below:

- Amendments to IFRS 3: Definition of a Business.
- Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Reform.
- Amendments to IAS 1 and IAS 8: Definition of Material.
- Conceptual Framework for Financial Reporting issued on March 29th, 2018.
- Amendments to IFRS 16: COVID-19 Related Rent Concessions.

These amendments had no impact on the Company's financial statements.

The Company has not adopted in advance other standards, interpretations or amendments that 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 statement of financial position comprise balances in current accounts and term deposits with original maturities of three months or less.

(b) Financial instruments: initial recognition and subsequent measurement -

(b.1) Financial Assets -

Initial recognition and measurement –

Financial assets are classified according to the business model and the characteristics of the 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 initial recognition.

All financial assets are initially recognized at fair value and, in the case of financial assets that are not measured at fair value through profit and loss, directly attributable costs.

Purchases or sales of financial assets that require delivery of assets within a period of time established by a standard or market condition (conventional buying and selling) are recognized on the buy/sell date, i.e., the date on which the Company commits to buy or sell the asset.

As of March 31st, 2021 and from December 31st, the Company maintains within this category: Cash and Cash Equivalents, Trade, Miscellaneous and Related Party Receivables.

Subsequent measurement -

As of March 31st, 2021 and December 31st, 2020, the Company only holds assets measured at amortized cost.

The Company measures cash and cash equivalents, and trade, miscellaneous and related party receivables at amortized cost if both of the following conditions are met:

- Financial assets are held within a business model whose objective is to hold financial assets to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Derecognition -

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

(i) The contractual rights to receive the cash flows from the asset have expired; or

(ii) The contractual rights to the cash flows from the asset have been transferred, or an obligation has been assumed to pay all such cash flows to a third party without significant delay, under a *pass-through arrangement*, and (all risks and rewards of the asset have been substantially transferred; or (b) all risks and rewards of the asset have not been substantially transferred or retained, but control of the asset has been transferred.

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

(b.2) Impairment of financial assets –

The Company evaluates expected credit losses (ECL) associated with its debt instruments measured at amortized cost and at fair value through other comprehensive income, taking into account prospective financial information.

The allocation of the expected loss is based on the credit losses that are expected to arise during the asset's useful life, unless there has been no significant increase in credit risk since the initial date of the financial instrument, in which case the provision is based on the 12-month expected credit loss.

12-month expected credit losses are the portion of expected credit losses during the asset's useful life resulting from default events on a financial instrument that are possible within 12 months after the reporting date.

During the asset's useful life, both the 12-month expected credit losses and the expected credit losses are calculated individually or collectively, according to the portfolio nature.

(b.3) Financial liabilities -

Initial recognition and measurement –

Financial liabilities are classified as financial liabilities at fair value through income changes, loans and accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as applicable. The Company determines the classification of financial liabilities upon initial recognition.

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

As of March 31st, 2021 and December 31st, 2020, the Company holds within this category short-term loans, long-term financial obligations, trade, miscellaneous and related party payables, and derivative financial instruments

Subsequent measurement –
The subsequent measurement of financial liabilities depends on their classification. As of March 31st, 2021 and December 31st, 2020, the Company only held mainly loans and accounts payable, which are recorded as follows:

After initial recognition, financial obligations, loans and accounts payable are measured at amortized cost, under the effective interest rate method. Profits and losses are recognized in the income statement when liabilities are derecognized, as well as through the amortization process under the effective interest rate method.

The amortized cost is calculated by taking into account any acquisition discount or premium and any fees or costs that are an integral part of the effective interest rate. Amortization according to 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 cancelled, 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 between the respective carrying amounts is recognized in the income statement.

(b.4) Offsetting of financial instruments -
Financial assets and financial liabilities are offset by reporting the net amount in the statement of financial position only if a legally enforceable right exists to set off the recognized amounts, and there is an intention to settle them 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 an orderly transaction between market participants at the measurement date.

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

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

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

(i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
(ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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 different levels within the hierarchy by reviewing the classification at the end of each reporting period.

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

(c) Derivative financial instruments and hedge accounting -

Initial recognition and subsequent measurement -

The Company uses derivative financial instruments (interest rate swaps) to manage its exposure to risk associated with interest rate movements. These derivative financial instruments are initially recognized at fair value and at the date of each statement of financial position. Derivatives are presented as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any profit or loss arising from changes in fair value is recorded directly in the income statement, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income.

At the inception of the hedge, the Company formally designates and documents the hedging relationship, as well as the risk management objective and strategy for undertaking the hedge. Documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. These hedges are expected to be highly effective in offsetting changes in cash flows and are assessed on an ongoing basis to determine whether they have been highly effective throughout the reporting periods.

The Company uses hedging transactions that fully qualify as cash flow hedges.

In cash flow hedges the effective portion of the profit or loss on the hedging instrument is recognized directly in other comprehensive income, while the ineffective portion is recognized immediately in the income statement as financing costs.

Amounts recognized as other comprehensive income are transferred to the income statement when the hedged transaction affects income, for example, when financial income or cost is recognized.

Current and non-current classification -

Derivatives designated as effective hedging instruments are separated into a current and non-current portion based on the classification of the underlying hedged item.

(d) 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 sells fresh and frozen fish.

No operating segments have been added to determine the segments described above.

The Deputy General Management is the Company's highest operational decision maker and separately oversees the operating income of its business units for decision-making purposes regarding resource allocation and performance assessment. Segment performance is assessed on the basis of operating income and valued consistently with operating income presented in the financial statements. However, the Company's financing (including financial expenses and income) and income taxes are managed by the Company and are not allocated to the operating segments.

The main items in the Company's statement of financial position and the income statement for each operating segment are presented below:

Consolidated statement of changes in equity (continued)

As of March 31st, 2021	Indirect Human Consumption US$000	Direct Human Consumption US$000	Total US$000
Total assets	584.043	41.837	625.880
Property, vessels, machinery and equipment, net	176.900	39.341	216.241
Intangibles, net	120.509		120.509
Commercial credit	113.342		113.342
Right-of-use asset	7.240	37	7.277
Inventories, net	55.300	2.459	57.759
Total liabilities	354.010		354.010
Short-term bank loans	85.920		85.920
Long-term financial obligations	149.881	-	149.881

As of March 31st, 2021			
Local sales	10.341	2.005	12.346
Foreign sales	112.142	10.209	122.351
Total sales	122.483	12.214	134.697
Cost of sale	(87.918)	(5.223)	(93.141)
Distribution costs	(6.768)	(1.565)	(8.333)
Gross profit	27.797	5.426	33.223
Administrative expenses	(2.736)	(175)	(2.911)
Other income	55	-	55
Other expenses	(967)	-	(967)
Operating profit (loss)	24.149	5.251	29.400

As of March 31st, 2020	Indirect Human Consumption US$000	Direct Human Consumption US$000	Total US$000
Total assets	606.069	41.979	648.048
Property, vessels, machinery and equipment, net	179.120	39.949	219.069
Intangibles, net	120.573		120.573
Commercial credit	113.342		113.342
Right-of-use asset	7.512	58	7.570
Inventories, net	99.331	1.744	101.075
Total liabilities	393.056	114	393.170
Short-term bank loans	112.213		112.213
Long-term financial obligations	154.523	114	154.637

As of March 31st, 2020			
Local sales	666	915	1.581
Foreign sales	23.243	7.866	31.109
Total sales	**23.909**	**8.781**	**32.690**
Cost of sale	(25.355)	(4.694)	(30.049)
Distribution costs	(1.502)	(1.369)	(2.871)
Gross profit	**(2.948)**	**2.718**	**(230)**
Administrative expenses	(1.997)	(126)	(2.123)
Other income	199	-	199
Other expenses	(1.091)	-	(1.091)
Operating profit (loss)	(5.837)	2.592	(3.245)

Segments by geographical area –

Consolidated statement of changes in equity (continued)

	2021		2020	
	Indirect Human Consumption US$000	Direct Human Consumption US$000	Indirect Human Consumption US$000	Direct Human Consumption US$000
Income:				
Asia	95.240	-	17.032	41
Europe	13.680	50	2.433	2.336
America	12.433	2.005	3.367	1.363
Oceania	1.130	-	1.077	-
Africa	-	10.159	-	5.041
	122.483	12.214	23.909	8.781

(e) Foreign currency transactions -

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

Transactions and balances -

Foreign currency transactions (non-US dollar currency) are initially recorded by the Company at the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate on the settlement date of the statement of financial position and the resulting exchange differences are recorded in the income statement.

Non-monetary items are translated using the exchange rates in effect at the date of the original transactions.

(f) Inventories -

Inventories are valued at the lower of 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 in bringing the inventories to their present location and condition are accounted for as follows:

Finished goods -

It includes cost of raw materials, supplies, direct labor, other direct costs, manufacturing overhead costs and a portion of fixed and variable manufacturing costs based on normal operating capacity, excluding financing costs. Subsequently, the weighted average daily cost method is followed.

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

The process of allocating fixed indirect costs to transformation costs will be based on normal operating capacity and taking into account the expected loss of operating capacity during the closed season. Unallocated indirect costs will be recognized as an expense for the period in which they are incurred.

Raw materials and miscellaneous supplies -

At acquisition cost, following the weighted average daily cost method.

The impairment allowance is determined based on an analysis of the conditions and the inventory turnover. The allowance is charged against the results of the year in which it is determined.

(g) Property, vessels, machinery and equipment -

The item "Property, vessels, machinery and equipment", except for lands, is presented at acquisition cost, net of accumulated depreciation and or accumulated impairment losses, if any. The original cost of an asset comprises its purchase price or manufacturing cost, including import duties and non-refundable purchase taxes, and any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation and the financing costs for long-term construction projects, to the extent that 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. Similarly, when a major inspection is performed, the inspection cost is recognized as a replacement to the extent that the requirements for recognition are met. All other routine repairs and maintenance costs are recognized as expenses in the income statement as they are incurred.

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

Any increase due to revaluation is recognized in other comprehensive income and is accumulated in shareholders' 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 such increase is recognized in the income statement, except to the extent that such decrease offsets a revaluation increase of the same asset previously recognized in the asset revaluation reserve.

An item of property, vessel, machinery and equipment or a significant component is removed at the time of its disposal or when no economic benefit is expected from its use or subsequent disposal. Any profit or loss arising from the retirement of property, vessels, machinery and equipment (calculated as the difference between the sales revenues and the asset's carrying value) is included in the income statement within the year in which the asset is retired.

The residual value, useful life and depreciation methods are periodically reviewed and adjusted if appropriate.

Work in progress includes disbursements for the construction of assets, financing costs, and other directly attributable costs incurred during the construction phase. Work in progress is capitalized when it is completed and its depreciation is calculated from the moment it is available for use.

Depreciation is calculated under the straight-line depreciation method taking into consideration the following useful lives:

Description	**Years**
Buildings and constructions	33
Fishing vessels	Between 2 and 29
Machinery and equipment	Between 2 and 35
Transport units	5
Furniture and fixtures	Between 2 and 10
Miscellaneous and computer equipment	Between 2 and 10

(h) Leases -

As a lessee -

At the beginning of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset, which may be specified explicitly or implicitly, and must be physically distinct or substantially represent the overall capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

(ii) the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and

(iii) the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where all decisions about how and for what purpose the asset is used are predetermined, the Company has the right to direct the use of the asset if:
- the Company has the right to operate the asset; or
- the Company has designed the asset in a way that predetermines how and for what purpose the asset will be used.

In its role as lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease.

The Company leases assets such as property (buildings) and equipment and machinery, for periods ranging from 1 to 10 years. The lease terms are negotiated individually and contain different terms and conditions.

Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus initial direct costs incurred and estimated costs for dismantling or restoring the underlying asset or the site on which it is located, less any lease incentives received. Subsequently, it is depreciated on a straight-line basis over the life of the contract.

The right-of-use asset is subsequently depreciated using the straight-line depreciation method from the commencement date to the end of the useful life of the right-of-use asset or to the end of the lease term, whichever is shorter, considering that if a call option exists, the estimated useful life of the underlying assets will always be chosen.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for new measurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be easily determined, the incremental borrowing rate will be applied. The Company uses the incremental borrowing rate as the discount rate.

Lease payments comprise: fixed lease payments or, in essence, fixed, variable lease payments depending on an index or rate, initially measured using the index or rate at the commencement date, among other concepts. Likewise, non-lease components can be identified in the contracts referring to disbursements related to other concepts. In this context, IFRS 16 allows to adopt as an accounting policy the non-separation of the lease and non-lease components of this type of contracts which, as a consequence, will be part of the measurement of the lease liability.
The lease liability is measured at amortized cost using the effective interest method. Subsequent measurement of the liability is made when there is a change in future lease payments resulting from a change in an index or rate, if there is a change in the estimate of expected value to be paid for a residual value guarantee of the Company, or if the Company changes its assessment of whether it will exercise a call, extension, or termination option. When the lease liability is remitted, an adjustment is recognized in the carrying value of the right-of-use asset, or in income if the right-of-use asset has no book balance.

Financial costs are charged to the income for the period based on the lease term at the constant periodic interest rate for the financial liability remaining in each period.

Termination and extension options are included in right-of-use liabilities. When determining the lease term, management considers all factors and circumstances that result in the assessment of economic and operating incentives to exercise an extension option or not to exercise a termination option.

Exceptions to recognition
The Company does not recognize right-of-use assets and lease liabilities for short-term leases that have a term of twelve months or less and leases of low value assets, including computer equipment and 1 sq. meter of data center space.
The Company recognizes lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Regarding the exception for low value indicated by the standard, the Company has adopted as its accounting policy that the reference amount to be considered is USD 9,000.
As a lessor -
When the Company acts as lessor, it determines, at the lease commencement date, whether each lease is a financial or an operating lease.

To classify each lease, the Company makes an assessment of whether lease transfers to the lessee are substantially all of the risks and benefits inherent to ownership of the underlying asset. In this instance, the lease is a finance lease, otherwise it is an operating lease. As part of this assessment, the Company considers certain indicators, such as whether the lease covers the major part of the economic life of the asset.

When the Company subleases an asset, it presents its role in the master lease and sublease separately. The sublease is classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If a master lease is a short-term lease, for the Company to apply the exemption described above, then the sublease is classified as an operating lease.

If a contract contains both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract among the different components.

(i) Intangible assets -

Separately acquired intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value at the acquisition date. After initial recognition, intangible assets are maintained at cost less accumulated amortization and/or accumulated impairment losses, if any.

The useful life of intangible assets is considered to be either limited or indefinite.

Intangible assets with limited useful lives are amortized over their economic useful life and impairment is assessed when there is evidence that the intangible asset has become impaired. The amortization period for an intangible asset with a limited useful life is reviewed at least once at the end of each reporting period.

Changes in the expected life or in the expected pattern of consumption of future economic benefits associated with the asset are accounted for as changes in the amortization period or method, as appropriate, and are treated as changes in accounting estimates. Amortization expense for intangible assets with limited useful lives is recognized in the income statement under the expense category consistent with the intangible asset's function.

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

The indefinite useful life assessment is reviewed annually to determine whether indefinite useful life continues to be sustainable. Otherwise, the change in the useful life from indefinite to limited is made prospectively.

Profits or losses arising from the retirement of an intangible asset are measured as the difference between the net disposal income and the carrying value of the asset and are recognized in the income statement when the asset is retired.

Fishing permits and production license -

Fishing permits and production licenses represent the right to fish on the Peruvian coast for each of the fishing vessels and to process fishmeal and fish oil for each of the fish plants. These assets do not have any maturity date, and consequently they are considered intangible assets with an indefinite useful life and are not amortized. However, they are assessed annually for 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 its fair value at the acquisition date.

Goodwill -

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

After initial recognition, goodwill is measured at cost less any accumulated impairment loss. For purposes of impairment testing, goodwill acquired in a business combination is allocated, as of the acquisition date, to each of the Company's cash-generating units expected to be benefited with the combination.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss. For purposes of impairment testing, goodwill acquired in a business combination is allocated, as of the acquisition date, to each of the Company's cash-generating units expected to be benefited with the combination.

When goodwill is part of a cash-generating unit and part of the operation of a unit is authorized, the associated goodwill in the authorized operation is included in the carrying value when determining the profit 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 acquisition cost and are amortized over ten years.

(j) Impairment of non-financial assets -

At each reporting period end, the Company assesses whether there is any evidence that an asset may be impaired in its value. The Company estimates the recoverable amount of an asset when such evidence exists or when an annual impairment test is required. The recoverable amount of an asset is the higher value between the fair value less costs to sell of either an asset or a cash-generating unit and its value in use, and is determined for an individual asset, unless the asset does not generate cash flows that are substantially independent of other assets or groups of assets.

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

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

Impairment losses corresponding to continuing 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 performed at least every year (as of December 31st). For other assets in general, at each reporting period end, an assessment is made regarding if there is any evidence that previously recognized impairment losses no longer exist or have decreased. If such evidence exists, 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 was a change in the assumptions used to determine the recoverable amount of an asset since the last time an impairment loss was recognized for that asset. The reversal is limited in such a way that the carrying amount of the asset does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined, net of accumulated depreciation, if no impairment loss had been recognized for that asset in prior years. This reversal is recognized in the income statement.

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

(k) Provisions –

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

If the effect of the value of money over time is significant, provisions are discounted using a current pre-tax market rate that reflects, where appropriate, the specific risks of the liability. When the discount is recognized, the increase in the provision over time is recognized as a financing cost in the income statement.

(l) Contingencies -

Contingent liabilities are not recognized in the financial statements. They are disclosed in financial statement notes, unless the possibility of a capital outflow is remote.

A contingent asset is not recognized in the financial statements, but is disclosed when its degree of contingency is probable.

(m) Revenue recognition -

The Company's revenues correspond mainly to:

Sale of goods -

Revenue is recognized to the extent that a performance obligation is satisfied by transferring goods and services committed to the customer. An asset is transferred when the customer obtains control of that asset.

Revenue will be recognized based on the transaction price assigned to that performance obligation, to which the Company expects to be entitled in exchange for the transfer of goods and services committed to the customer, excluding amounts collected on behalf of third parties.

Interest income -

This income is recognized when interest is accrued using the effective interest rate method. Interest income is included in financial income as part of the income statement.

The Company concludes that it is the title holder in its sales agreements because it controls the goods or services before they are transferred to the customer.
IFRS 15 "Revenue from contracts with customers" establishes a five-step model that will be applied to those revenues from ordinary activities coming from contracts with customers and which include:

- Identify the contract with the customer
- Identify performance obligations in the contract
- Determine the transaction price
- Allocating the transaction price to performance obligations in the contract.
- Revenue recognition from ordinary activities when (or as) the entity meets performance obligations.

The accounting principles set out in IFRS 15 provide a more structured approach to measuring and recognizing income.

(n) Financing costs -

Financing costs directly attributable to the acquisition, construction or production of an asset that necessarily requires a substantial period of time before it is ready for its intended use or sale are capitalized as part of the respective cost of assets. All other financing costs are accounted for in the period in which they occur. Financing costs include interest and other costs incurred by the entity in relation to the loans obtained.

(o) Taxes -

Current income tax -

Current income tax assets and liabilities are measured at the values expected to be recovered or paid to the Tax Authority. The tax rates and tax regulations used to calculate these amounts are those in effect at the end of the reporting period in Peru.

Current income tax that relates to items that are recognized directly in equity is also recognized in equity and not in the income statement. Management periodically assesses the positions taken in tax returns with respect to situations in which the applicable tax rules are subject to interpretation, and makes provisions when appropriate.

Deferred income tax -

Deferred income tax is recognized using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end 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 for 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 the future offsetting of tax credits and unused tax loss carryforwards, to the extent that it is probable that future taxable income will be available against which these temporary differences can be offset.

The carrying amount of deferred income tax assets is reviewed at each reporting period end date and reduced to the extent that it is no longer probable that sufficient future taxable income exists to allow those deferred income tax assets to be fully or partially used. Unrecognized deferred income tax assets are reviewed at each reporting date and are recognized to the extent that it becomes probable that future taxable income will be available to recover any previously unrecognized deferred income tax assets.
Deferred income tax assets and liabilities are measured at the tax rates, which are expected to be effective in the year that the asset is realized or the liability is settled, based on tax rates and tax regulations that were enacted as of the end of the reporting period.

Deferred income tax is recognized in relation to the originating item, either in income or directly in equity.

Deferred income tax assets are recognized for all deductible temporary differences, and for the future offsetting of tax credits and unused tax loss carryforwards, to the extent that it is probable that future taxable income will be available against which these temporary differences can be offset.

General sales tax -
Income from ordinary activities, expenses and assets are recognized excluding the amount of general sales tax, except for:

(i) When the general sales tax incurred in an asset acquisition or in a service delivery is not recoverable from the Tax Authority, in which case such tax is recognized as part of the acquisition cost of an asset or as part of the expense, as appropriate;
(ii) Accounts receivable and payable that are already expressed including the amount of general sales tax.

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

(p) Employees' profit sharing -
In accordance with legal standards, employee's profit sharing is calculated on the same basis used for calculating current income tax and is presented in the income statement under the items "Production cost", "Administrative expenses" and "Distribution cost", as part of personnel expenses. In March 2021, the employee profit sharing amounted to USD 2,372,000.

(q) Employee Benefits -
The Company has short-term obligations for employee benefits that include salaries, social contributions, statutory bonuses, performance bonuses and profit sharing. These obligations are recorded monthly in the income statement as they accrue.

4. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of income, expense, assets and liabilities, and disclosure of contingent liabilities.

However, the uncertainties and professional judgment surrounding these assumptions and estimates could result in amounts requiring a material adjustment to the carrying value of assets and liabilities.
The most significant estimates considered by Management in connection with the financial statements relate to:

- Estimate for inventory depreciation.
- Estimate for impairment of non-financial assets.
- Useful life and recoverable value of non-financial assets
- Provision for contingencies.
- Income taxes.
- Revaluation of land.

Management believes that the estimates included in the financial statements were made in the best knowledge of the relevant facts and circumstances on the date of preparation of these statements; however, the final results may differ from the estimates included in the financial statements.

5. Financial Reporting Standards (IFRS) issued, but not yet in force

The Company decided not to early adopt the following standards and interpretations that were issued by the IASB and apply to the Company's operations, but are not effective as of March 31st, 2021:

- Amendment to IAS 1: Classifying Liabilities as Current or Non-current
- Reference to the Conceptual Framework: Amendment to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use - Amendment to IAS 16
- Onerous Contracts: Costs of Fulfilling a Contract - Amendment to IAS 37
- IFRS 9: Financial Instruments - Fees in the 10% Test for Derecognition of Financial Liabilities

These standards and amendments are not expected to have a material impact on the Company.

6. Foreign currency transactions

Foreign currency transactions are recorded at the free-market exchange rates published by the Superintendency of Banking, Insurance and Pension Funds. As of March 31st, 2021, the free-market exchange rates for transactions in soles, published by this institution, were USD 0.2660 for purchases and USD 0.2657 for sales (USD 0.2764 for purchases and USD 0.2759 for sales as of December 31st, 2020).
As of March 31st, 2021 and December 31st, 2020, the Company had the following assets and liabilities in soles:

	2021 S/.000	2020 S/.000
Assets:		
Cash and cash equivalents	3.934	4.084
Trade and miscellaneous receivables	54.042	36.924
Related Party Receivables	14.266	14.245
VAT credit	33.260	36.040
Income Tax	-	14.496
	105.502	105.789
Liabilities:		
Short-term bank loans	-	10.000
Trade and miscellaneous payables	74.062	100.538
Related Party payables	74	115
Contingency provisions	6.871	185
	81.007	110.838
Asset position, net	24.495	(5.049)

In March 2021, the Company recorded a net foreign exchange loss of approximately USD 990,000 (USD 307,000 in March 2020), which is presented in the income statement.

Management does not believe that foreign exchange risk will significantly impact the Company's incomes. As of March 31st, 2021 and December 31st, 2020, the Company does not have financial instruments that cover the foreign exchange risk of its operations in soles.

7. Cash and cash equivalents

(a) The breakdown of the sector is presented below:

	2021 US$000	2020 US$000
Current accounts (b)	4.211	7.036
Imprest Funds	10	10
Total	4.221	7.046

(b) Current accounts are held at local banks, are denominated mainly in US dollars, and are unrestricted and non-interest bearing.

8. Trade and miscellaneous receivables, net

(a) The breakdown of the item is presented below:

	2021 US$000	2020 US$000
Advances and loans to fishing vessel owners (b)	29.981	28.182
Advances and loans of toll facilities (c)	9.217	7.978
Trade receivables (d)	38.421	11.760
Receivable from Shareholders	3.889	3.560
Employee receivables	974	1.131
Third-party claims	4.919	3.166
Others	2.358	2.547
	89.759	58.324
Less: Allowance for doubtful accounts (e)	(379)	(381)
Total	89.380	57.943
By maturity:		
Current	86.164	54.727
Non-current	3.216	3.216
Total	89.380	57.943

(b) As of March 31st, 2021 and December 31st, 2020, corresponds mainly to the advance granted to fishing vessel owners for the unloading of fish in the Company's plants. These balances are denominated in soles and US. Dollars, do not bear interest and are backed by bills of exchange, and in many cases, security has been granted in the form of mortgages or vessel trusts in favor of the Company. According to Management, the balance will be recovered in the short term.

(c) As of March 31st, 2021 and December 31st, 2020, it corresponds mainly to the advances and loans granted by the fishmeal and oil fish processing services. These balances are denominated in U.S. dollars, do not bear interest and have current maturities. According to Management, the balance will be recovered in the short term.

(d) Trade receivables are comprised of local and foreign sales, most of which are collected through letters of credit. These trade receivables are mainly denominated in U.S. dollars, have current maturities and do not generate interest.

(e) The changes in the allowance for doubtful accounts as of March 31st, 2021 and December 31st, 2020 were as follows

	2021 US$000	2020 US$000
Opening Balance	381	384
Estimate of the year	-	-
Recovery	(2)	(3)
Closing Balance	379	381

(f) As of March 31st, 2021 and December 31st, 2020, the aging of trade receivables was as follows:

	2021 US$000	2020 US$000
Not matured or impaired	37.973	11.226
Up to 60 days	64	64
From 61 and 180 days	148	232
Impaired	236	238
Total	38.421	11.760

9. Inventories, net

(a) The breakdown of the sector is presented below:

	2021 US$000	2020 US$000
Finished products:		
- Fishmeal	27.529	58.348
- Fish oil	11.628	24.939
- Frozen fish	2.083	300
- Others	376	300
	41.616	83.887
Supplies	6.803	6.529
Deferred costs (c)	8.965	9.994
Containers and packaging	966	1.026
Goods in transit	-	166
Raw Material	-	64
	58.350	101.666
Less: Allowance for inventory write-down (d)	(591)	(591)
Total	57.759	101.075

(b) As of March 31st, 2020, the Company held 7,775 MT, 470 MT and 1,000 MT in fishmeal, fish oil and frozen fish as security for short-term bank loans (as of December 31st, 2020, 42,106 MT in fishmeal, as security for short-term bank loans), see note 13(b).

(c) Deferred costs correspond to those incurred during the days when plants and vessels are closed. These costs are allocated to the cost of subsequent production and based on the normal production capacity of these plants and vessels. As of March 31st, 2021, these costs correspond to the balance of the fixed costs accumulated from the end of the second season of each year and are assigned to the production cost of the first fishing season of the corresponding period.

(d) The allowance for inventory write-down is determined in accordance with the assessment made by the Company's operating areas, identifying those supplies and materials that are obsolete.

Accordingly, the Company's Management considers that no additional provisions are required to the allowance for inventory write-down as of March 31st, 2021 and December 31st, 2020.

10. Property, vessels, machinery and equipment, net

(a) The movement and breakdown of the item is presented below:

	Land	Buildings and constructions	Fishing vessels	Machinery and equipment	Transport units	Furniture and fixtures	Miscellaneous and computer equipment	Work in progress	Total
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Cost -									
As of January 1st, 2020	64.408	37.493	154.262	195.375	2.525	879	4.326	1.908	461.176
Additions (b)	-	-	-	-	-	-	-	11.497	11.497
Revaluations	2.563	-	-	-	-	-	-	-	2.563
Transfers	-	387	6.160	4.918	35	59	418	(11.977)	-
Withdrawals	-	-	(7.658)	(381)	-	(1)	(51)		(8.091)
As of December 31st, 2020	66.971	37.880	152.764	199.912	2.560	937	4.693	1.428	467.145
Additions (b)	-	-	-	-	-	-	-	3.066	3.066
Transfers	-	-	-	-	-	-	-	-	-
Withdrawals	-	-	-	-	-	-	-	-	-
As of March 31st, 2021	66.971	37.880	152.764	199.912	2.560	937	4.693	4.494	470.211
Accumulated depreciation -									
As of January 1st, 2020	-	12.350	106.573	107.321	1.652	535	3.203	-	231.634
Additions (d)	-	1.402	8.674	12.135	224	117	388	-	22.940
Withdrawals	-	-	(6.114)	(332)	-	(1)	(51)	-	(6.498)
As of December 31st, 2020	-	13.752	109.133	119.124	1.876	651	3.540	-	248.076
Additions (d)	-	346	2.144	3.221	59	27	97	-	5.894
Withdrawals	-	-	-	-	-	-	-	-	-
As of March 31st, 2021	-	14.098	111.277	122.345	1.935	678	3.637	-	253.970
Net book value -									
As of March 31st, 2021	66.971	23.782	41.487	77.567	625	259	1.056	4.494	216.241
As of December 31st, 2020	66.971	24.128	43.631	80.788	684	286	1.153	1.428	219.069

(b) Additions of the year -

During 2021 and 2020, the Company has made additions mainly in vessels and machinery 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 land. For this purpose, the Company engages an independent appraiser, experienced in the valuation of similar assets, to determine the fair value.

Fair values were determined using the market-based valuation technique, meaning that the valuations performed by the independent appraiser were based on quoted prices in active markets due to the nature, location and condition of each piece of land. The date of the last revaluation was in November 2020.

If the land had been measured using the cost model, as of March 31st, 2021 and December 31st, 2020, the carrying amount would have been the historical cost of USD 5,569,000. The attributed cost from first-time adoption of IFRS amounts to USD 9,329,000.

(d) Allocation of depreciation of the year-

As of March 31st, 2021 and 2020, depreciation has been allocated as follows:

	2021 US$000	2020 US$000
Deferred costs	1.268	4.231
Cost of sales, note 20	2.848	408
Costs incurred in non-production periods	1.484	876
Distribution costs, note 21	131	138
Administrative costs note 22	163	163
Total	5.894	5.816

(e) Work in progress -

As of March 31st, 2021 and 2020, it corresponds mainly to improvements in their indirect human consumption processing plants and fishing vessels. According to Management, all of the work in progress will be completed during 2021.

(f) Assets under finance lease -

As of March 31st, 2021 and 2020, the Company maintains a fishing vessel, buildings and constructions, transportation units, machinery and equipment through financial lease agreements. As of March 31st, 2021, cost and accumulated depreciation amount to approximately USD 54,391,000 and USD 39,461,000, respectively. (As of December 31st, 2020, cost and accumulated depreciation amount to approximately USD 54,391,000 and USD 39,066,000, respectively).

(g) Securities given -

As of March 31st, 2021, the Company has provided securities on plants and vessels for approximately USD 82,853,000. These securities support the syndicated loans, see note 15.

(h) The Company maintains insurance policies to safeguard its major property, plant, and equipment against fire and other hazards, as well as potential claims arising from its business activities. According to Management, its insurance policies are consistent with international practice applicable to the industry and the risk of possible losses from claims considered in the insurance policy.

11. Intangible assets, net and goodwill

(a) The movement and breakdown of the item is presented below:

	Fishing permits (b) US$(000)	Software US$(000)	Total US$(000)
Cost -			
Balances as of January 1st, 2020	117.223	6.748	123.971
Additions	-	149	149
As of December 31st, 2020	117.223	6.897	124.120
Additions	-	45	45
As of March 31st, 2021	117.223	6.942	124.165
Accumulated amortization -			
Balances as of January 1st, 2020	-	3.110	3.110
Additions	-	437	437
As of December 31st, 2020	-	3.547	3.547
Additions	-	109	109
As of March 31st, 2021	-	3.656	3.656
Net book value -			
As of March 31st, 2021	117.223	3.286	120.509
As of December 31st, 2020	117.223	3.350	120.573

(b) It corresponds to the fishing permits that the Company maintains for the development of its activities. Given their nature, fishing permits are considered intangible assets with an indefinite useful life, and therefore are not subject to amortization.

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

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

As of March 31st, 2021 and December 31st, 2020, goodwill has been generated by the acquisition of the following companies:

Company	Year of purchase	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 Assessment -

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 Plants (DHC)

The recoverable amount of the cash-generating unit for the extraction and production of fishmeal and fish oil has been determined on the basis of a value in use calculation, using cash flow projections derived from financial budgets approved by Management and covering a ten-year period.

The following are the main assumptions on which Management has based the above-mentioned projections:

(i) Price of fishmeal and fish oil: For its own fleet and third-party acquisitions, the model assumes as raw material cost the18 percent of the total value of the fishmeal. For plants, the model uses average fishmeal and fish oil prices of USD 1,464 and USD 2,049 per MT, respectively. Management expects prices to be stable and to increase consistently according to market expectations and demand.

(ii) Fishing quota: The Company has an anchovy extraction quota of 7.05 percent of the total biomass determined by the Instituto del Mar Peruano (IMARPE) under the Law and Regulation on the Total Allowable Catch (TAC). To this quota is added the third-party share of 9.50 percent, reaching a total share of 16.55 percent. The Company's total quota for 2020 (first and second fishing season) amounted to 5,193,000 MT (4,890,000 MT in 2019).

(iii) Discount rate: The pre-income tax discount rate applicable to cash flow projections was 8.12 percent, which is consistent with other rates used in the fishing industry.

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

Sensitivity to changes in assumptions –

As of December 31st, 2020, in order for an impairment to be generated, the following assumptions would have to vary as follows, all others remaining constant:

- The discount rate may have been greater than 12.45 percent for the Fleet CGU, 17.55 percent for the IHC CGU; and 17.15 percent for the DHC CGU.
- The total quota allocated may be 3,250,000 MT for the Fleet CGU and 2,625,000 MT for the IHC of CGU.
- The minimum price may be USD 1,165 per MT for fishmeal and USD 2,049 per MT for fish oil for the Fleet CGU; USD 830 per MT for fishmeal and USD 2,049 per MT for fish oil for the IHC of CGU.

Taking into account market conditions, Management believes that the assumptions used as a basis for the analysis are reasonable and that the variations that would be required in these assumptions to generate impairment are not expected to occur. Accordingly, it is not necessary to record impairment estimates as of March 31st, 2021 and December 31st, 2020.

12. Right-of-use assets and lease liabilities

(a) The changes in the item "Right-of-use assets" are presented below:

	US$(000)
Cost -	
As of January 1st, 2020	10,044
Adjustments	-12
As of December 31st, 2020	10,032
Additions	-
As of March 31st, 2021	10,032

Accumulated amortization -	
Balances as of January 1st, 2020	1,225
Additions (d)	1,237

As of December 31st, 2020	2,462
Additions (d)	293
As of March 31st, 2021	2,755
Net book value -	
As of March 31st, 2021	7,277
As of December 31st, 2020	7,570

(b) The changes in the balance of lease liabilities presented as part of "Trade and miscellaneous payables" are detailed below:

	2021 US$(000)	**2020** US$(000)
Opening balance	7,957	8,892
Additions	0	0
Interest expense, note 25	102	443
Lease payments	(381)	(1,528)
Others	3	150
Closing balance	7,681	7,957
By maturity:		
Current	982	982
Non-current	6,699	6,975
	7,681	7,957

(c) The following amounts have been recognized in the statement of income:

	2021 US$(000)	**2020** US$(000)
Amortization expense of right-of-use assets (d)	293	311
Interest expense on lease liabilities, note 25	102	116
Expenses related to implicit lease payments	0	0
Total recognized income	395	427

(d) Amortization for 2021 and 2020 has been allocated as follows:

	2021 US$(000)	**2020** US$(000)

Administrative expenses, note 22	126	126
Distribution cost, note 21	34	34
Cost of production, note 20	14	9
Deferred expenses	69	113
Costs incurred during non-production periods	50	29
	293	311

13. Short-term bank loans

(a) The breakdown of this item is presented below:

	2021 US$000	2020 US$000
Banco de Crédito del Perú S.A.A.	39,582	20,580
Banco internacional del Perú S.A.A. - Interbank	20,682	27,090
Banco Interamericano de Finanzas S.A.	8,281	16,923
BBVA Banco Continental S.A.	7,705	14,000
Banco Pichincha	6,000	-
Banco Santander del Perú S.A.	-	22,000
Scotiabank Perú S.A.A.	3,670	11,620
Total	85,920	112,213

(b) Bank loans correspond to short-term financing for working capital, are denominated in U.S. dollars, bear interest at annual market rates and, in most cases, are secured by warrants, see note 9 (b).

(c) As of March 31st, 2021, interest expense generated by short-term bank loans amounted to USD 1,533,000 (USD 1,049,000 in March 2020) and is presented in the item "Financial costs" of the income statement, see note 25.

14. Trade and miscellaneous payables

(a) The breakdown of the item is presented below:

	2021 US$000	2020 US$000
Trade payables (b)	26.807	38.992
Lease liability, note 12 (b)	7.681	7.957
Accrued expenses (c)	5.955	6.677
Customer Advances	4.228	130
Taxes	2.961	946
Employee's profit sharing	2.372	1.621
Interest payable	1.446	3.312
Vacation pay payable	1.399	1.454
Social contributions	759	509
Accounts payable to the Department of Production PRODUCE note 16 (b)	616	656
Remuneration payable	161	682
Compensation for time of service	394	374
Others	367	635
	55.146	63.945
By maturity:		
Current	48.447	56.970
Non-current	6.699	6.975
	55.146	63.945

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

(c) The accrued expenses correspond to the services received at the end of each period for which the Company has not received invoices at that date. These expenses are mainly related to natural gas, surveillance, electric power, insurance, customs expenses and certifications.

15. Long-term financial obligations

(a) The breakdown of the item is presented below:

	2021 US$000	2020 US$000
Corporate bonds (b)	60.242	60.186
Syndicated loan (c)		
Cooperatieve Rabobank U.A.	28.862	30.289
DNB Bank ASA	21.640	22.700
Banco Santander del Perú S.A.	18.228	19.115
Banco de Crédito del Perú S.A.A.	9.971	10.478
Banco internacional del Perú S.A.A. - Interbank	7.885	8.279
	86.586	90.861
Financial leases (e)		
BBVA Banco Continental S.A.	1.497	1.825
Banco de Crédito del Perú S.A.A.	1.556	1.765
	3.053	3.590
	149.881	154.637
By maturity:		
Current	19.474	19.541
Non-current	130.407	135.096
	149.881	154.637

(b) Bonds -

In January 2013, the Company made an international placement of Corporate Bonds under the 144A REGS format in the amount of USD 200,000,000 as principal, for a 7-year term, to be paid at maturity and with a fixed annual interest rate of 7.375 percent. The agreed interest payment period was semiannual, with a maturity date in 2020.

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

On February 6th, 2018, it was agreed to extend the USD 60,900,000 financing term of the outstanding bonds to 2025 and with an increase in the fixed annual interest rate to 8 percent.

On February 15th, 2019, the bonds were repurchased for an amount of USD 109,078,000, with the funds obtained through the acquisition of the syndicated loan for USD 110,000,000, see letter (c).

As of March 31st, 2021, the bond principal is presented net of directly related costs of USD 694,000 (USD 733,000 as of December 31st, 2020).

During the term of the placement agreement in which (i) Bonds are Investment Grade rated by two recognized risk rating agencies and (ii) no default or Event of Default has occurred that has not been cured, the Company will not be subject to the following provisions (collectively the "Suspended Covenants") of the placement agreement:

- Limitation on indebtedness and disqualified actions; limitation on restricted payments;
- Limitation on restrictions on dividends and other payments affecting restricted subsidiaries;
- Limitation on transactions with affiliates;
- Limitation on asset sales;
- Limitation on business activities;

- Limitation on consolidation, merger and sale of assets.

In the event that the Company is rated below Investment Grade, it will be subject to a number of restrictions included in the "Borrowing Limitation" section. All debt incurred by the Company in this situation will be subject to a Debt Coverage ratio (Total Debt/EBITDA) for the last twelve months not exceeding 3.5x.

If Debt Coverage is greater than 3.5x, the Company may incur "Allowable Debt" which contains a number of debt authorizations including Debt to cover its Working Capital needs in excess of USD 70,000,000 or 14.5 percent of total assets and debt through leasing operations in excess of USD 20,000,000 or 4 percent of total assets.

As of March 31st, 2021 and December 31st, 2020, the Company has not incurred any events of default and expects to comply with such requirements within the next months.

(c) Syndicated loan -

On January 15th, 2019, the Company entered into a syndicated loan agreement in the amount of USD 110,000,000, which was primarily used to repurchase bonds in the amount of USD 109,078,000 and to repay the prior syndicated loan in the amount of USD 19,000,000, effective as of December 31st, 2018. The loan was disbursed in two tranches: one for USD 91,000,000 and the other for USD 19,000,000, for a term of 5 years at a 3-month Libor interest rate plus an applicable margin calculated as follows:

- Financial Debt/EBITDA ratio >= 3.0 and <3.5; interest rate: Libor 3 months + 4.35%
- Financial Debt/EBITDA ratio >= 2.25 and <3.0; interest rate: Libor 3 months + 3.85%
- Financial Debt/EBITDA ratio < 2.25; interest rate: Libor 3 months + 3.70%

The loan has a quarterly repayment period and a five-year term, with a maturity date on January 15th, 2024 and is secured by the Company's plants and vessels, see note 10(g).

As of March 31st, 2021, the principal of the syndicated loan is presented net of directly related costs of USD 1,414,000 (USD 1,539,000 as of December 31st, 2020).

Financial guarantees -

In accordance with the terms of the syndicated loan, the Company must comply with commitments related to financial management during the entire term of the contracts of such financial obligation, which are supervised by the Company's Management. These commitments correspond to financial guarantees that are monitored quarterly, semiannually and annually and must be calculated on the basis of the Company's financial information. As of March 31st, 2021 and December 31st, 2020, the Company is in compliance with these guarantees.

(d) Cash flow hedges -

As of March 31st, 2021, the Company has three interest rate swaps designated as cash flow hedges and recorded at fair value, which are intended to eliminate the Company's exposure to variable interest rate risk. Each derivative financial instrument is associated with one-third of the syndicated loan, which bears interest at a variable rate equivalent to the 3-month Libor rate.

The Company pays or receives quarterly (on each interest payment date of the loan) the difference between the market Libor rate applicable to the loan in that period and the fixed rate agreed in the hedge contracts. The cash flow effectively received or paid by the Company is recognized as a financial cost adjustment for the period due to the hedged loan. In March 2021, the Company has recognized a financial expense for these derivative financial instruments amounting to approximately USD 282,000 and is presented in the " Financial costs" item of the statement of income, see note 25.

The effective portion of changes in the fair value of derivative financial instruments that qualify as hedges are recognized as assets or liabilities, with a balancing entry in the statement of comprehensive income. As of March 31st, 2021, a negative effect from changes in the fair value of hedging derivative financial instruments of approximately USD -1,846,000, which is presented net of the effect on deferred income tax, has been recognized in the item "Net unrealized results from hedging derivative financial instruments" of other comprehensive income.

(e) Future minimum lease payments and the present value of the net minimum payments are as follows:

	2021		2020	
	Minimum Payments US$000	Current value of payments US$000	Minimum payments US$000	Current value of payments US$000
Within one year	1.963	1.498	2.054	1.962
After one year but not more than five years	1.200	1.559	1.682	1.661
Total minimum payments	3.163	3.057	3.736	3.623
Less - Interests	(110)	-	(146)	-
Current value of minimum payments	3.053	3.057	3.590	3.623

(f) As of March 31st, 2021 and December 31st, 2020, the non-current portion of the long-term financial obligations has the following maturity year:

Maturity year	2021 US$000	2020 US$000
2022		18.877
2023	17.953	17.953
2024	39.600	39.600
2025 onwards	72.854	58.666
Total	130.407	135.096

(g) As of March 31st, 2021, interest expense generated by the bonds, syndicated loan, and financial leases amounted to USD 1,310,000, USD 1,152,000, and USD 36,000, respectively (USD 1,185,000, USD 1,868,000, and USD 48,000 in March 2020, respectively) and is presented in the item "Interest expense" in the income statement, see note 25.

16. Provisions for contingencies

(a) The movement and breakdown of the item is presented below:

	Working processes US$000	Administrative processes US$000	Total US$000
As of January 1st, 2020	96	-	96
Payments	(45)	-	(45)
Reclassifications	-	-	-
As of December 31st, 2020	51	-	51
Additions	-	-	-
As of March 31st, 2021	**51**	**-**	**51**

17. Net deferred income tax liability

(a) The movement and breakdown of the item, according to the headings that originated it, is presented below:

	Opening Balance US$000	... Adittions (deductions)... Income Statement US$000	Other changes US$000	Closing Balance US$000
As of March 31st, 2021:				
Asset:				
Valuation of derivative hedging financial instruments	772	-		772
Provision for vacations pay payable	429	(23)		406
Impairment of fixed assets	489	(30)	-	459
Impairment of investment	496	(25)	-	471
Others	481	(180)	-	301
	2.667	(258)	-	2.409
Liability:				
Land revaluation	(17.004)	-	-	(17.004)
Higher value by deemed cost and differences in depreciation rates and translation effect	(17.696)	606	-	(17.090)
Other assets mainly intangible assets and translation effect	(26.195)	(347)	-	(26.542)
Effect of inventory translations	(355)	(354)	-	(709)
Bond issue cost	(1.091)	402		(689)
Others	-	(749)	-	(749)
	(62.341)	(442)	-	(62.783)
Deferred liability, net	(59.674)	(700)	-	(60.374)
As of December 31st, 2020:				
Asset:				
Valuation of derivative hedging financial instruments	(255)		1.027	772
Provision for vacations pay payable	402	27		429
Impairment of fixed assets	485	4	-	489
Impairment of investment	535	(39)	-	496
Others	1.474	(993)	-	481
	2.641	(1.001)	-	2.667
Liability:				
Land revaluation	(16.248)	-	(756)	(17.004)
Higher value by deemed cost and differences in depreciation rates and translation effect	(11.943)	(5.753)	-	(17.696)
Other assets mainly intangible assets and translation effect	(25.365)	(830)	-	(26.195)
Effect of inventory translations	245	(600)	-	(355)
Bond issue cost	(3.923)	2.832	-	(1.091)
	(57.234)	(4.351)	(756)	(62.341)
Deferred liability,net	(54.593)	(5.352)	(756)	(59.674)

(b) The income tax expense shown in the income statement for the periods ended on March 31st, 2021 and 2020 is as follows:

	2021 US$000	2020 US$000
Income tax:		
Current	6.313	(3.926)
Deferred	700	(88)
Total	7.013	(4.014)

(c) The reconciliation of the effective income tax rate for the years 2020 and 2019 is presented below:

	2021 US$000	%	2020 US$000
Profit (loss) before income tax	24.005	100,00	(7.230)
Theoretical Income Tax	(7.081)	(29,50)	2.133
Tax impact of permanent items	(208)	(0,87)	(222)
Translation effect	276	1,15	2.103
Income tax benefit	**(7.013)**	**(29,21)**	**4.014**

18. Equity

(a) Issued capital -

As of March 31st, 2021, and December 31st, 2020, the issued capital is represented by 295,536,144 common shares with a face value of S/1.00 each, duly authorized, subscribed and paid; these shares belong to legal entities domiciled or not domiciled in Peru.

As of March 31st, 2021, and December 31st, 2020, the Company's shareholding structure is as follows:

	2021		2020	
Shareholders	Shares	Percentage	Shares	Percentage
Caleta de Oro Holding S.A.	196.775	66,58%	196.775	66,58%
Inversiones Odisea Limitada	27.156	9,19%	27.156	9,19%
Caleta de Oro Holding del Perú S.A.C.	25.000	8,46%	25.000	8,46%
Others	46.605	15,77%	46.605	15,77%
	295.536	100,00%	**295.536**	100,00%

(b) Shares Issued at Premium -

On October 4th, 2010, at the General Shareholders' Meeting, the Company's capital increase was approved by the local and international offering of up to 57,500,000 class "A" shares with a face value of S/1 each.

57,500,000 shares allotment in the local and international market was incorporated into the Company's equity for a market value of S/4.75 each, representing an increase in issued capital of USD 20,584,000 and a capital premium recognition of USD 69,721,000, net of the costs associated with the issuance of USD 7,467,000.

(c) Legal reserve -

According to the General Corporations Act, the legal reserve is formed by transferring at least 10 percent of the distributable profit of each year, after deducting accumulated losses, until it reaches an equivalent amount to one fifth of the capital. In the absence of undistributed profits or unrestricted reserves, the legal reserve may be applied to compensate for losses, but when profits are obtained it shall be replaced. The legal reserve may be capitalized, but shall still be replaced.

(d) Revaluation surplus -

It includes the revaluation of the land in amounts that have been determined by technical valuations made by independent appraisers. The revaluation surplus, registered net of its deferred income tax effect, is transferred to retained profits when the underlying asset is removed or sold.

(e) Distribution of dividends -

On March 30th, 2021, at the Mandatory Annual Shareholders' Meeting (virtual), the Company approved the distribution of dividends of USD 15,000,000 on the results of fiscal year 2011. On July 31st, 2020, at the Mandatory Annual Shareholders' Meeting (virtual), it was approved not to distribute dividends on the results of 2019.

19. Net Sales

(a) The breakdown of the item is presented below:

	2021 US$000	2020 US$000
Fishmeal	94.794	20.789
Fish oil	24.108	3.120
Frozen fish	11.155	8.140
Others	4.640	641
	134.697	32.690

(b) As of March 31st, 2021, approximately 65,564 MT and 11,291 MT of fishmeal and fish oil, respectively, were sold (15,376 MT and 1,424 MT of fishmeal and fish oil, respectively, during 2020).

(c) As of March 31st, 2021, from the Company's total sales, 91 percent were sold abroad (95 percent in 2020), see note 3(d).

20. Cost of sales

The cost of sales equation is presented below:

	2021 US$000	2020 US$000
Opening balance of finished products, note 9	83.886	54.134
Production cost:		
- Raw materials, inputs and supplies used	24.241	2.759
- Personnel expenses, note 23 (b)	8.047	1.309
- Manufacturing expenses	10.692	1.407
- Depreciation, note 10 (d)	2.848	408
- Amortization of right-of-use assets, note 12 (d)	14	9
Closing balance of finished products, note 9	(41.616)	(35.644)
	88.112	24.382
Costs incurred in non-production periods	5.029	5.667
	93.141	30.049

21. Distribution cost

The breakdown of the item is presented below:

	2021 US$000	2020 US$000
Export Services	2.638	741
Transport of finished products	2.009	461
Personnel expenses, note 23 (b)	492	250
Inspection and analysis	547	130
Security and surveillance	385	127
Comissions for sale of finished products	270	470
Storage of finished products	362	231
Depreciation, note 10 (d)	131	138
Amortization of right-of-use assets, note 12 (d)	34	34
Stowage and packaging	411	4
Renting expenses	427	13
Others	627	272
	8.333	2.871

22. Administrative expenses

The breakdown of the item is presented below:

	2021 US$000	2020 US$000
Personnel expenses, note 23 (b)	1.556	1.023
Depreciation, note 10 (d)	163	163
Security and surveillance	145	135
Professional fees	131	292
Amortization of right-of-use assets, note 12 (d)	126	126
Services provided by third parties	117	85
Media	104	43
Renting expenses	8	6
Maintenance and repairs	8	15
Insurance expenses	6	6
Taxes	3	57
Others	544	172
	2.911	2.123

23. Personnel expenses

(a) A breakdown of personnel expenses is presented below:

	2021 US$000	2020 US$000
Fishing quota share	2.209	606
Employees' remuneration	1.496	1.470
Employees' profit sharing	2.372	49
Workers' remuneration	1.103	893
Rewards	2.290	517
Security, Employee benefits and others	857	485
Bonuses	525	286
Compensation for Time of Services	445	291
Vacations	510	62
Others	467	149
	12.274	4.808

In March 2021, the Company had an average of 1,268 employees (1,191 in 2020).

(b) Personnel expenses for March 2021 and 2020 have been distributed as follows:

	2021 US$000	2020 US$000
Production cost, note 20	8.047	1.309
Administrative expenses, note 22	1.556	1.023
Distribution costs, note 21	492	250
Costs incurred in non-production periods	1.455	570
Deferred costs	724	1.656
	12.274	4.808

24. Other income and expenses

The breakdown of the items is presented below:

	2021 US$000	2020 US$000
Income:		
Reversal of provisions from previous years	11	29
Insurance compensation	-	120
Others	44	50
	55	199

	2021 US$000	2020 US$000
Expenses:		
Penalties of PRODUCE and others	142	198
COVID-19 expenses	152	-
Losses, Waste - Incineration	163	-
Others	510	893
	967	1.091

25. Financing costs

The breakdown of this item is presented below:

	2021 US$000	2020 US$000
Financial income:		
Interest on short-term deposits	10	588
	10	588
Financing costs:		
Bonus interest, note 15 (g)	1.310	1.185
Interests on short-term bank loans, note 13 (c)	1.533	1.049
Interest on syndicated loan, note 15 (g)	1.152	1.868
Loss on derivative financial instruments, note 15 (d)	282	-
Interest on financial leases, note 15 (g)	36	48
Interest on lease liabilities, note 12 (b) and (c)	102	116
	4.415	4.266

26. Transactions with related entities

(a) During 2021 and 2020, the Company has entered into the following transactions with related entities:

	2021 US$(000)	2020 US$(000)
Loans granted	23	33
Expenses for renting offices and others	-1	-2

(b) As of March 31st, 2021 and December 31st, 2020, resulting from these and other minor transactions, the Company had the following balances with related entities:

	2021		2020	
	Accounts receivable US$000	Accounts payable US$000	Accounts receivable US$000	Accounts payable US$000
Accounts receivable:				
Comercializadora Global S.A.	2.009	-	2.085	-
Compañía Hotelera El Sausal S.A.	637	2	661	2
Complejo Agroindustrial Beta S.A.	576	15	590	16
Corporación del Mar S.A.	353	-	358	-
Caleta de Oro Holding del Peru	337	-	332	-
Corporación Exalmar S.A.	232	-	240	-
Caleta de Oro Holding SAC	229	-	232	-
C.M.V. Servicios Ejecutivos S.A.	73	3	85	14
Inmobiliaria Seville S.A.	37	-	39	-
Torres del Rio SAC	9	-	8	-
Silk Holding Mangement ltd.	4	-	4	-
	4.496	20	4.634	32

(c) Transactions with related entities have been perform under normal market conditions. The taxes generated by these transactions, as well as the calculation bases for their determination, are the usual ones in the industry and are settled in accordance with current tax regulations. These balances do not generate interest, nor do they have any security.

(d) As of March 31st, 2021 and 2020, expenses for shares, compensations, and other items granted to members of the Board of Directors and the key Management of the Company amounted to USD 571,000 and USD 631,000, respectively, and are included in the "Administrative expenses" item of the income statement.

27. Tax situation

(a) The Company is subject to the Peruvian tax system. As of March 31st, 2021 and December 31st, 2020, the income tax rate is 29.50 percent on taxable profit after deduction of worker's share which is calculated at a rate of 10 percent on taxable profit.

Legal entities not domiciled in Peru and individuals are subject to an additional tax withholding on dividends received. In this regard, in view of the aforementioned Legislative Decree No. 1261, the additional tax on dividends for profits generated shall be 5 percent.

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

The periods opened to audit for income tax include years 2017 to 2021 and for general sales tax include years 2017 to 2021.

(c) Due to the possible interpretations that the Tax Authority may give to the legal regulations in force, it is not possible to determine if as a result of the revisions to make, it will or will not result in additional liabilities for the Company, therefore any greater tax, moratorium interest and penalties that may result from possible tax revisions would be applied to the results of the year in which these are determined. However, according to the Management and its legal advisors, any eventual additional tax settlement would not be material to the Company's financial statements as of March 31st, 2021 and December 31st, 2020.

For determining income tax and general sales tax, transfer prices of transactions with their related entities and with resident companies 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, Management and its legal advisors deem that, as a result of the application of these standards, it will not arise any contingency of relevance to the Company as of March 31st, 2021 and December 31st, 2020.

(d) In 2018, the Tax Authority audited the income tax for the year 2015, without significant observations. Likewise, the years 2017 to 2021 are being audited. Management deems 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 its exports. In this regard, the balance in favor of this benefit resulting from the payments of the referred tax in the purchase operations of the Company, can be compensated against the tax resulting from its sales in the country, income tax or other taxes or request its refund through non-negotiable checks.

As of March 31st, 2021 and December 31st, 2020, the balances of General Sales Taxes to be recovered amount to approximately USD 8,846,000 and USD 9,961,000, respectively, and are presented as part of the "Tax credit for VAT" in the statement of financial situation.

During March 2021, the Company has recovered approximately USD 10,904,000 for this item (USD 21,826,000 during 2020); which was registered under the item "Cash and cash equivalents" and credited to the item "Tax credit for VAT" of the statement of financial position.

The Company pays customs duties on its imports and is therefore entitled to request drawback recovery in relation with its canned and frozen exports. The recoveries related to this operation are registered as income for the period in which they are incurred under the item "Other income" in the Company's statement of income.

28. Basic and diluted profit per share

(a) Basic -

Basic profit per share is calculated by dividing net income attributable to the Company's shareholders by the weighted average number of common shares on the market and issuable during the year:

	2021	2020
Profit (loss) attributable to shareholders of the company (in thousand)	16.992	(3.216)
Weighted average of common shares on the market (in thousand)	295.536	295.536
Basic profit (loss) per share (S/ per share)	0,057	(0,011)

(b) Diluted -

Diluted profit per share is equivalent to the basic loss per share. For the periods of March 2021 and 2020, the diluted profit per common share has not been calculated because there are no potential dilutive shares; that is, financial instruments or other agreements that entitle to obtain common shares.

29. Commitments and contingencies

(a) Securities granted –

As of March 31st, 2021 and December 31st, 2020, the Company has bank comfort letters in favor of third parties issued by first level banking entities for approximately S/ 484,000 and USD 662,000, which mainly guarantee commercial and financial obligations.

(b) Contingency for legal demands –

In the normal course of business, the Company has been subject to various regulatory, legal (labor and administrative) and tax assessments, which are registered and disclosed in accordance with International Financial Reporting Regulations.

As of March 31st, 2021, and December 31st, 2020, the Company has registered the necessary provisions required by IFRS. Likewise, possible contingencies amount to approximately USD 1,787,000.

30. Financial risk management purposes and policies

Due to the nature of its activities, the Company is exposed to market, credit, liquidity and capital management risks, which are managed by Senior Management through a process of continuous identification, measurement and monitoring, subject to risk limits and other controls.

This risk management process is critical to the Company's continued profitability and each person within the Company is responsible for the risk exposures related to his/her responsibilities. The independent risk management process does not include business risks such as changes in the environment, technology, and industry, which are monitored through the Company's strategic planning process.

Credit risk -

Credit risk is the risk that a counterparty will not comply its obligations under a financial instrument or agreement, resulting in a loss. Management deems that the Company does not have significant credit risk on trade receivables to third-parties, accounts receivable from fishing vessel owners and related entities because no significant uncollectible problems have occurred. With respect to the other accounts receivable from fishing vessel owners, Management evaluates their status on a case-by-case basis and, if deemed necessary, obtains security over vessels, property, and other assets to secure the accounts receivable.

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

Market risk –

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

The sensitivity analyses included in the following sections relate to the Company's financial condition as of March 31st, 2021 and December 31st, 2020.

The sensitivity analyses included in the following sections relate to the Company's financial condition as of March 31st, 2021 and December 31st, 2020. These sensitivity analyses were prepared on the assumption that the amount of net debt, fixed-to-floating interest ratio and debt remain constant as of March 31st, 2021 and December 31st, 2020.

(i) Exchange rate risk -

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the exchange rates of currencies denominated in the functional currency.

The Company's exposure to foreign exchange risk relates primarily to the Company's operating activities (when revenues or expenses are denominated in a currency other than the functional currency).

(ii) Interest rate risk -

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the risk of changes in market interest rates primarily related to financial obligations arranged at floating interest rates.

The Company manages its interest rate risk based on Management's experience by balancing lending and borrowing rates. In addition, when necessary, the Company enters into interest rate swap agreements to exchange floating for fixed interest rates. Such interest rate swap agreements are designated as hedges of the related debt.

Information on financial instruments with fixed and floating interest rates is presented below:

	2021			
	Floating interest rate	**Fixed rate**	**Interest-free**	**Total**
	US$(000)	US$(000)	US$(000)	US$(000)
Financial Assets				
Cash and cash equivalents	-	-	4.221	4.221
Trade and miscellaneous receivables, net	-	-	89.380	89.380
Related party receivables	-	-	4.496	4.496
Financial Liabilities				
Short-term bank loans	-	85.920	-	85.920
Trade and miscellaneous payables	-	-	52.185	52.185
Long-term financial obligations	88.000	61.881		149.881
Related party payables	-	-	20	20

	2020			
	Floating interest rate	**Fixed rate**	**Interest-free**	**Total**
	US$(000)	US$(000)	US$(000)	US$(000)
Financial Assets				
Cash and cash equivalents	-	-	7.046	7.046
Trade and miscellaneous receivables, net	-	-	57.943	57.943
Related party receivables	-	-	4.634	4.634
Financial Liabilities				
Short-term bank loans	-	112.213	-	112.213
Trade and miscellaneous payables (*)	-	-	62.999	62.999
Long-term financial obligations	90.861	63.776		154.637
Related party payables	-	-	32	32

(*) Does not include taxes payable, see note 14.

As of March 31st, 2021 and December 31st, 2020, the only debt with a floating interest rate corresponds to the syndicated loan in effect at that date, entered into with local and foreign banks. As of March 31st, 2021 and December 31st, 2020, the debt of the syndicated loan is hedged by interest rate swaps entered into by the Company in 2019, see note 15(d).

As indicated in the preceding paragraph, as of March 31st, 2021 and December 31st, 2020, the Company is not exposed to significant risk related to fluctuations in interest rates.

(iii) Price risks -

The Company is exposed to price risk because it does not hold any financial instruments that may fluctuate as a result of changes in market price.

Capital management –

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to generate returns to its shareholders, benefits to other stakeholders and maintain an optimal capital structure. To maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Finance Management believes that the cost of capital and risk associated with each class of capital is appropriate as of March 31st, 2021 and December 31st, 2020.

Liquidity risk -

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

Liquidity risk management involves maintaining sufficient cash and availability of funding, through an adequate number of credit sources and the ability to settle transactions primarily of indebtedness. In this regard, the Company's management focuses its efforts on maintaining sources of financing through the availability of credit lines; however, such lines may be cancelled by the bank unilaterally. Based on information from the banks, Management has estimated that, as of March 31st, 2021 and December 31, 2020, unused lines of credit amount to USD 80,787,000.

As of March 31st, 2021, the Company has a positive working capital of USD 10,496,000 (as of December 31st, 2020 it had negative working capital of USD 5,426,000). However, according to Management, this situation does not represent a risk in its operations because it has mechanisms for negotiating with creditors and, if necessary, with the financial entities they work with.

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

As of March 31st, 2021

	1 year US$(000)	Between 1 - 2 years US$(000)	Between 2 - 3 years US$(000)	Between 3 - 6 years US$(000)	Total US$(000)
Short-term bank loans	85.920	-	-	-	85.920
Trade and miscellaneous payables (*)	45.486	1.285	985	4.429	52.185
Related party payables	20	-	-	-	20
Long-term financial obligations:					
Capital amortization	19.474	18.620	17.780	94.007	149.881
Interest paid for cash flow	9.617	8.610	7.359	4.874	30.460
	160.517	28.515	26.124	103.310	318.466

As of December 31st, 2020

	1 year US$(000)	Between 1 - 2 years US$(000)	Between 2 - 3 years US$(000)	Between 3 - 6 years US$(000)	Total US$(000)
Short-term bank loans	112.213	-	-	-	112.213
Trade and miscellaneous payables (*)	56.024	1.285	985	4.705	62.999
Related party payables	32	-	-	-	32
Long-term financial obligations:					
Capital amortization	19.541	18.877	17.953	98.266	154.637
Interest paid for cash flow	11.445	8.116	7.230	7.615	34.406
	199.255	28.278	26.168	110.586	364.287

(*) Does not include taxes payable, see note 14.

Changes to liabilities arising from financing activities for the periods ended on March 31st, 2021 and December 31st, 2020 are presented below:

	Balance as of January 1st, 2020 US$(000)	Income US$(000)	Finance Lease US$(000)	Dividends US$(000)	Payments US$(000)	Others US$(000)	Balance as of March 31st, 2021 US$(000)
Short-term bank loans	112.213	81.217	0	0	-107.510	0	85.920
Long-term financial obligations	154.637	0	0	0	-4.756	0	149.881
Payment of lease liabilities	7.957				-573	297	7.681
	274.807	81.217	0	0	-112.839	297	243.482

	Balance as of January 1st, 2020 US$(000)	Income US$(000)	Finance Lease US$(000)	Dividends US$(000)	Payments US$(000)	Income US$(000)	Balance as of December 31st, 2020 US$(000)
Short-term bank loans	81.811	337.197	0	0	-306.795	0	112.213
Long-term financial obligations	173.898	0	0	0	-19.261	0	154.637
Payment of lease liabilities	8.892				-1528	593	7.957
	264.601	337.197	0	0	-327.584	593	274.807

31. Financial instruments by category

(a) Financial instrument category -

The Company's financial assets and liabilities consist of:

	2021 US$(000)	2020 US$(000)
Financial assets -		
At amortized cost:		
Cash and cash equivalents	4,221	7,046
Trade and miscellaneous receivables, net	89,380	57,943
Related party receivables	4,496	4,634
	98,097	69,623
Financial liabilities -		
At amortized cost:		
Short-term bank loans	85,920	112,213
Trade and miscellaneous payables (*)	52,185	62,999
Related party payables	20	32
Long-term financial obligations	149,881	154,637
	288,006	329,881

(*) Does not include taxes payable, see note 14.

(b) Credit quality of financial assets -

The credit quality of financial assets that are not expired or damaged may be assessed on external risk rates (if available) or historical information reflecting compliance rates.

The credit quality of financial assets is as follows:

	2021 US$000	2020 US$000
Cash and cash equivalents:		
Banco de Crédito del Perú (A+)	1.197	4.548
Banco Interamericano de Finanzas (A+)	638	642
Banco Internacional del Perú - Interbank (A+)	328	347
Banco BBVA Perú (A+)	227	510
Banco Santander - Perú (A)	217	34
Banco Scotiabank (A+)	154	94
Banco Pichincha (A-)	-	9
Others	1.460	862
	4.221	7.046

Ratings in the "A and AAA" table represent high quality credit ratings. For banks located in Peru, ratings were derived from the risk rating agencies authorized by the banking regulator "Superintendencia de Banca, Seguros y AFP" (SBS, by its Spanish acronym).

Credit quality of the clients is assessed in two categories (internal classification):

A: Existing customers / related parties (with more than 6 months of business relationship) with no history of previous non-compliance; and

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

	2021 US$000	2020 US$000
Trade receivables (Note 8)		
Counterparts without external risk rating		
A	37.949	11.284
B	236	238
	38.185	11.522
Trade and Related Party Receivables (Note 26)		
B	4.496	4.634
	4.496	4.634
Other accounts receivable (Note 8) (*)		
A	29.981	28.182
	29.981	28.182

(*) Only corresponds to the accounts receivable of the shipowners.

32. Fair value of financial instruments

The Company carries at fair value only derivative financial instruments as explained in note 15(d). Therefore, they are considered in Level 2 of the fair value hierarchy.

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

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

Level 1 –

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

- Trade, miscellaneous and related party receivables. Management has considered that their fair value is not significantly different from their carrying value, since they are net of their allowance for uncollectible accounts and, mainly, have maturities of less than three months.

- Trade, miscellaneous, and related party payables have current maturities, and Management estimates that their carrying values approximate its fair value.

Level 2 –

- For other financial liabilities, fair values have been determined by comparing market interest rates at initial recognition with current market rates for similar financial instruments. A comparison between the carrying amounts and the fair values of these financial instruments is presented below:

	2021		2020	
	Carrying value US$000	Fair value US$000	Carrying value US$000	Fair value US$000
Bonds	60.242	60.702	60.186	60.140
Long-term bank loans	86.586	85.298	90.861	90.017
Financial leases	3.053	3.057	3.590	3.623
Total	149.881	149.057	154.637	153.780

33. Subsequent events

The Company continues to monitor the evolving situation and guidance from national and international authorities, as events beyond Management's control may arise, requiring the business plan to be adjusted. A new outbreak or further spread of COVID-19 and the consequent measures taken to limit the spread of the disease could affect the Company's capability to conduct business as usual and, therefore, affect its financial condition and operating results.