

## 1. OUR COMPANY

Newsan is Argentina's leading economic group in the manufacturing, importation, and distribution of consumer electronics and household appliances. It is recognized as the local partner of choice by the world's top technology companies. The company has four business units:

- Consumer electronics and home appliances
- Urban mobility
- Mass consumption
- Food (Newsan Food)

With more than 34 years of experience and leadership, the company operates 8 industrial plants, 3 logistics centers, and an integrated network of production, logistics, distribution, and after-sales technologies. This structure allows it to supply both domestic and international markets with products that meet the highest quality standards.

Through Newsan Food, the group has positioned itself as one of the country's main exporters of seafood products, reaching over 70 countries, including the most demanding international markets.

Newsan Food participates in the entire value chain of Argentina's fishing industry: capture, processing, freezing, storage, marketing, and sales. The export portfolio includes several species such as shrimp, hubbsi hake, Patagonian toothfish, squid, and others.

Newsan Food promotes the development of aquaculture in harmony with the environment and local communities, leading the industry in Argentina. The company currently has two ongoing projects aimed at supplying the domestic market and with significant export potential to the world's most demanding markets:

- Rainbow Trout farming in the Limay River Basin (provinces of Neuquén and Río Negro), integrating genetic development, fry rearing, and grow-out stages.
- Mussel farming in Almanza, Tierra del Fuego. This project marks a milestone in diversifying the productive matrix of Tierra del Fuego, being the first product cultivated, processed, and exported from the region.

### 1.1. Newsan in Numbers

- 34 years of professional experience
- **USD 300 million** invested over the last 10 years
- **9,000 employees**

#### *2024 Sales*

- **USD 1.085 billion** in consumer electronics, home appliances, and urban mobility

- **USD 391 million** in seafood, aquaculture, and agro-industrial products
- **USD 111 million** in mass consumption (July–December)

#### *2024 Exports*

- **43,500 tons** of seafood products: shrimp, hubbsi hake, toothfish, squid, fishmeal
- **12,000 tons** of agro-industrial products: honey, olive oil, peanuts, peanut oil, peanut expeller

#### **1.2. Certifications and Regulations (own and throughout our value chain)**

- Food regulations and authorizations in the European Union, Japan, Russia, China, and the U.S.
- FDA (U.S. Food and Drug Administration)
- HACCP (Hazard Analysis and Critical Control Points)
- MSC (Marine Stewardship Council)
- SASO (Saudi Arabia Standards Organization)
- True Source
- Kosher
- CTPAT (Customs Trade Partnership Against Terrorism)
- SENASA (Argentina's National Food Safety and Quality Service)
- Argentina National Certification of Legal Fishing
- BAP (Best Aquaculture Practices)

## **2. OUR PROJECT**

Argentina has enormous potential to develop large-scale aquaculture aimed at supplying both local and international markets.

The country offers several comparative advantages, including the quality and availability of natural resources, excellent temperature conditions, an abundant supply of freshwater and marine farming areas, and a privileged access to raw materials for aquafeed such as corn, wheat, and soy. Aquaculture has been identified as a strategic sector by the national government, which has established a new regulatory framework to promote it. Leading organizations and universities are also involved in the industry's development.

According to the Argentine Secretariat of Agriculture, Livestock and Fisheries, most of Argentina's commercial aquaculture (6,022 tons in 2022) is concentrated in trout, representing 74% of total production. It is farmed in modified natural environments in Patagonia, enabling exports to the U.S., Brazil, Canada, Japan, and Chile.

However, salmonid aquaculture remains underdeveloped, well below its potential due to a lack of know-how. Only 30% of the 27,000-ton capacity is currently utilized in the two most active reservoirs—Alicurá and Piedra del Águila—in Neuquén and Río Negro provinces. There is significant untapped potential in

other parts of Patagonia. There is no salmon farming in the country, as it is banned in Tierra del Fuego (Law No. 1,355, 2021), the most suitable area for it.

In contrast, Chile, the region's top salmon producer, has recently faced expansion challenges.

In this context, Newsan Food proposes an aquaculture project to:

- Scale up current trout production
- Expand mussel production
- Evaluate the feasibility of salmon farming in the Argentine Sea

## 2.1. Rainbow Trout Farming

Since 2021, we have been working on farming and developing the market for Patagonian or salmon-like trout. The rainbow trout project is governed by National Aquaculture Law No. 27.231 and Neuquén Provincial Aquaculture Law No. 3.073, which promote the use of hydroelectric dams and reservoirs for farming, as the species thrives in cold, clear lake waters.

Argentina's natural conditions and the species' characteristics offer a promising opportunity to position the country as a regional aquaculture leader, exporting high-quality products globally.

The project is a sustainable initiative certified by SENASA, prioritizing water quality, animal welfare, and responsible farming. Fish are grown in floating cages and go through five production stages, with engineering teams applying a preventive approach at each stage.

### *Key highlights*

- **Initial investment: USD 10 million** in high-tech cages, nets, feeders, and infrastructure from international suppliers
- **Cage volume: +138,000 m<sup>3</sup>** across Paso Chacabuco, Confluencia I, and II in the Limay River Basin
- **New production center:** 345,600 m<sup>3</sup> across two modules with 16 cages
- **1,736 tons harvested in 2024**, serving local and export markets (U.S., Brazil, Japan, Israel)
- **Installed capacity:** 4,000 tons annually
- **Projected production: 10,000 tons annually within 5 years.**
- **Feed Conversion Ratio (FCR): 1.27**

## 2.2. Mussel Farming in Tierra del Fuego

The development of mussel farming (mytiliculture) presents a significant business opportunity for Argentina, as the activity is still in its early stages.

Newsan's project in Puerto Almanza, Tierra del Fuego, aims to position Fuegian mussels as a premium-quality product for both national and international markets.

In 2024, infrastructure advances included the purchase of specialized vessels, installation of harvesting and seeding platforms, anchoring systems, construction of a working shed, and housing for staff in a remote area located over 70 km from the nearest city.

In 2025, the first 10 tons of cultivated and processed product from Tierra del Fuego will be exported to markets across the continent.

### *Key highlights*

- **47 active production lines**
- **Longline methodology**, which helps preserve the environment and marine resources
- **+30 new lines** compared to 2022, with projections of 35 to 60 additional lines by 2025
- **40+ people** employed in the initial stages

## 3. BUSINESS MODEL

### 3.1. Rainbow Trout Farming

Newsan Food plans to increase trout farming from 4,000 tons to over 10,000 tons annually, using 100% sustainable methods in Alicurá Reservoir, and expand to Piedra del Águila.

### *Sustainable farming cycle and process*



The farming process prioritizes water quality, animal welfare, and responsible husbandry. Fish are grown in floating cages through a five-stage system. Site selection and infrastructure are carefully planned by engineering teams using a preventive management approach.

#### 1) Five production stages:

Incubation and fry rearing in hatchery

2) Juvenile rearing (3 to 400 grams)

3) Grow-out (400 grams to 3 kg)

4) Harvest

5) Processing at origin-based plants

In 2024, we reduced mortality rates to 5%, enhancing fish welfare and transfer success rates to grow-out centers.

### *Adaptation and efficiency*



We take a holistic approach to ensure optimal environments for healthy trout growth, monitoring environmental conditions across all stages. This includes environments suitable for egg fertilization and incubation, and careful feeding assessments during grow-out.

As the trout grow, we implement animal welfare protocols, maintain clean and spacious cages, and ensure regular cleaning and disinfection of all equipment to prevent disease and support healthy development.

#### *Water quality conservation*

We monitor physical and chemical parameters of reservoir water (e.g., temperature, Secchi disk visibility, dissolved oxygen) to ensure production has no harmful environmental impact.

#### *Feeding*

We are certified Raised Without Antibiotics (RWA), guaranteeing trout are fed 100% antibiotic-free, balanced feed. Our nutritional strategy is tailored to meet the fish's essential requirements, ensuring efficient feeding practices and high-quality outcomes.

We also work with Bariloche's Recycling Association (ARB) to repurpose feed bags through circular economy initiatives.

#### *Traceability*

Our dual traceability system monitors every stage—from egg to finished product—including feed types and nutritional strategies for each batch. We log environmental conditions (temperature, oxygen, turbidity) daily.

#### *Animal welfare*

Our productive efficiency is grounded in animal welfare and replicating natural biological conditions.

Our Animal Health Management Plan identifies potential diseases, outlines preventive and control measures, and ensures embankment quality. As per SENASA Resolution 375/2013, the upper Limay River basin, including Alicurá Reservoir, is officially free of salmonid diseases.

#### *Biosecurity*

Our biosecurity protocols aim to prevent pathogen introduction and disease spread within and across farms. We conduct regular water sampling to ensure reservoir health.

Our infrastructure is designed to minimize the risk of fish escapes into the wild. Staff follow a Fish Containment Plan, which includes inspection schedules and contingency procedures.

In 2024, we installed a specialized mortality treatment silo, improving waste management, biosecurity, and opening doors to circular economy practices, such as converting the material into fish feed or organic fertilizer.



### *BAP Certification - Best Aquaculture Practices*

In collaboration with our Sustainability, Quality, and Newsan Food teams, we earned BAP (Best Aquaculture Practices) certification for the Represa Center Farm, our largest production site. This globally recognized certification ensures responsible and sustainable aquaculture through high standards in food safety, social accountability, environmental responsibility, and animal health and welfare.

We are the first Argentine company to receive this certification and are working to expand it to other production levels. This endorsement reinforces our commitment to sustainability and quality, and opens new opportunities in the global market.

### **3.2. Mussel Farming in Tierra del Fuego**

This project promotes a sustainable development model for the region. Its scalability and replicability lay the groundwork for more sustainable marine resource management across Argentina.

#### *Conservation and biodiversity*

The species cultivated—*Mytilus chilensis*—is native and feeds by filtering and recirculating seawater, requiring no external feed. This helps preserve Beagle Channel's marine biodiversity, which is primarily nourished by Antarctic waters. The longline farming method (instead of rafts) is more environmentally friendly.

#### *Socioeconomic development*

Training local labor in farming and processing techniques creates high-value employment opportunities with strong medium- and long-term growth prospects. It also strengthens local supplier networks and enhances the value of provincial resources, including the future need for a processing plant.

To improve processing infrastructure and train local workers, we are fostering strategic alliances and investments to enhance production, efficiency, and generate a positive economic impact. The initiative included water recertification, seeking a strategic partner, and defining zones for artisanal and industrial mussel farming.

### **3.3. Salmon Farming in the Argentine Sea**

Argentina's extensive marine territory offers strategic opportunities for aquaculture development. Newsan intends to evaluate the feasibility of offshore aquaculture in the Argentine Sea, considering both business opportunities and geographical challenges.

Importantly, Newsan is not seeking a financial backer to take on all risk. The primary goal is to find a strategic partner who, like Newsan, is willing to co-invest efforts in project evaluation. In other



words, Newsan does not seek funding, but rather a technically experienced aquaculture partner interested in jointly developing the project.

#### 4. FINANCING

In line with the above, financing of both the feasibility studies and project execution would be carried out jointly by both parties.

#### 5. INVESTOR PROFILE

The target investor profile includes companies specialized in salmonid aquaculture, interested in contributing knowledge, guidance, and farming know-how for the selected species.

We are not seeking a technical assistance agreement or the purchase of specific equipment, but rather a joint venture to tap into Argentina's aquaculture potential, both in the mentioned reservoirs and other parts of Patagonia.