

Salmones Camanchaca – Q3 2021 results

Highlights:

- Atlantic salmon harvest volumes down 29% from Q3 2020, due to lower average harvest weights from algae blooms and oxygen events in the Reñihue Fjord. Compare to previous quarter harvest volume is up 48%.
- Atlantic salmon price were up 48% year-over-year, capturing market price increase with value added product strategy, partly offset by high contract share.
- The ex-cage cost of Atlantic salmon increased 36% year-over-year, due to continued harvesting of fish from sites in Reñihue affected by severe feeding limitations and high mortalities due to algae blooms in previous quarters.
- Quarterly EBITDA at USD 3.6 million, USD 7.4 million higher than Q3 2020, driven by increased prices.
- Cash balance of USD 8.8 million and net interest-bearing debt at USD 137.9 million at quarter end. The Company has an additional USD 12 million in available credit lines, with total liquidity of USD 21 million.
- Approved USD 30 million capital increase to de-risking farming operations, finance biomass growth and strengthen financial position.
- 2021 harvest estimate for Atlantic salmon unchanged at 40,000-41,000 MT WFE and 2022 at 46,000-48,000 MT WFE.

Santiago, Thursday November 10, 2021: Salmones Camanchaca reports a 19% decrease in the harvest volume in the third quarter 2021 compared to the corresponding period of 2020, reaching a total volume of 9,508 tons WFE with an average weight of 4.2 kg.

Prices in the quarter were up 48% year-over-year. The company experienced good price realization during the period, capturing market price increase with value added product strategy. This increase was offset by high contract share limiting volumes available for spot exposure.

Operating revenue amounted to USD 66 million during the quarter, up 19% from the corresponding period in 2020.

Harvest costs for the quarter ended at USD 4.18 /kg live weight, 36% above Q3 2020. This is mainly due to continued harvest from sites in the Reñihue affected by severe feeding limitations and high mortalities due to algae blooms. However, there was a gradual improvement in costs during the period especially after completing harvest of all Reñihue sites in August. Compared to previous quarter, costs were down USD 0.74/kg. Processing costs ended at USD 1.04 /kg during the quarter, slightly above long-term target

of USD 1/kg. The company sees continued cost reductions going forward and expects costs to return to normal during Q1 2022.

EBITDA for the quarter ended at USD 3.6 million, compared with negative USD 3.7 million in Q3 2020. Operational EBIT before fair value adjustments in Q3 2021 was negative at USD 0.5 million, compared with negative USD 7.6 million in Q3 2020. The improvement is mainly attributable to higher prices.

On October 18, an extraordinary general meeting approved a share capital increase of up to USD 30 million, to support the 2021/2023 investment plan allowing production in sites with lower risk of algae blooms and lack of oxygen, to recover the biomass lost during H1 2021, and to strengthen the overall financial position of the company. The placement is expected to be completed by the end of 2021.

Salmones Camanchaca's Atlantic harvest estimate for the full year 2021 is unchanged at 40,000-41,000 MT WFE while in 2022 at 46,000-48,000 MT.

Commenting on the performance of Salmones Camanchaca, vice chairman Ricardo García, said:

“The reactivation of the demand seen this year, and the actions taken to better face the risks associated with environmental incidents such as blooms, confirm the benefits and attractiveness of our activity whose roots are the advantages that the south of Chile has. But we are not only working on recovery, but also on having a more sustainable salmon farming of which we are all proud, which makes us look to the future with optimism”.

Mr. García also highlighted that “this third quarter shows that we are leaving behind the very weak results we had as a result of the fall in demand due to the pandemic and the impacts of algae blooms from a very dry and sunny summer, and that we should see margins normalize in the months to come. This is especially pertinent in light of the capital increase that Salmones Camanchaca is preparing, and who's controlling shareholder has declared that it will subscribe and pay”.

Q3 2021 results presentation

Salmones Camanchaca will present the quarterly results on Thursday, 11 November 2021 at 13:00 Central European Time (CET).

The presentation will be held on-line by Vice Chairman Ricardo García and CEO Manuel Arriagada, subsequent Q&A session will be held in English and it will be possible to ask questions online.

Webcast link <https://ubiqq.com/camanchaca/live>

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Salmones Camanchaca

Salmones Camanchaca S.A. is a vertically integrated salmon producer engaged in breeding, egg production, recirculating hatcheries for Atlantic salmon and pass-through or lake hatcheries for Coho salmon and trout, fish farming sites in estuary, fjord and oceanic waters used mainly for Atlantic salmon, primary and secondary processing, and marketing and sales of Atlantic and Coho salmon through five offices in its main markets.

The Company harvested 53,000 MT WFE of Atlantic salmon in 2020 and 3,700 MT WFE of Coho, totaling 56,700 MT WFE. Production target for 2022 and 2023 is in the range of 50-55,000 MT WFE. Overall Atlantic and Coho production capacity is 65-70,000 MT WFE. The Company also participates in Trout farming through a one third share of a joint venture, which uses Salmones Camanchaca farming sites in coastal-estuarine waters, and currently plans to harvest an average of 9,000 MT WFE per year until 2028.

Salmones Camanchaca has 1,900 employees on average, 60% of whom work in its secondary processing and value-added plant. Markets for Atlantic salmon are led by the USA, Mexico and Japan, with approximately 20% of sales going to emerging markets in a variety of fresh and frozen formats.

This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act. This stock exchange release was published by Álvaro Marín, Corporate Controlling & IR Assistant Manager, Salmones Camanchaca on 10 November 2021 at 21:00 CET.