

Salmones Camanchaca – Q4 2021 results

Highlights:

- Harvest volume of Atlantic salmon in Q4 2021 was 15,002 MT WFE, 5.1% lower than Q4 2020, still affected by lower average harvest weights of 4.5 kg compared to 5.6 kg in Q4 2020
- Inventory levels allowed for higher sales volume reaching 16,273 MT WFE, 18% higher than for the same period last year
- Market prices of Atlantic salmon were up 47% year-over-year. Good price realization, capturing market price increase with value added product strategy
- The cost of Atlantic salmon increased 15% year-over-year, due to continued harvesting of fish from sites in the Comau Fjords affected by high mortalities due to algae blooms. Compared to previous quarter ex-cage live weight costs decreased by 5.5%
- Quarterly EBITDA at USD 17.6 million, compared to negative USD 8.8 million Q4 2020, driven by increased prices and higher volume
- Successfully raised USD 23 million in new equity to strengthen financial position, finance biomass growth and de-risking farming operations
- Restructured the long-term banking facility by signing a "Sustainable Linked Loan", the first of its kind in Chile for the sector, for USD 135 million
- Cash balance of USD 32.2 million and net interest-bearing debt at USD 121.9 million at quarter end
- 2022 estimated harvest volume at 51,000 to 55,000 MT WFE, of which 45-48,000 MT WFE of Atlantic salmon and 6,000-7,000 MT WFE of Coho

Operating revenue amounted to USD 107.6 million during the quarter, up 63% from USD 65.4 million in the corresponding period in 2020. The improvement is mainly attributable to higher prices and volume.

While harvest costs remained higher than the same period last year, there was a gradual improvement in costs during the period. Compared to previous quarter, costs were down USD 0.23/kg, with effects of the algae blooms of Q1 and Q2 2021 now reduced. Harvest and processing costs ended at USD 0.89 /kg WFE during the quarter, slightly below long-term target of USD 1/kg WFE. The company see continued cost reductions going forward and expects costs to return to normal in 2022.

Operational EBIT before fair value adjustments in Q4 2021 was USD 13.4 million, compared with negative USD 13.0 million in Q4 2020. The improvement is mainly attributable to higher prices and volume.

On December 29, the company successfully concluded a capital increase, raising USD 23 million and increasing equity ratio by 15%. The capital increase will be used 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 the algae bloom of 2021, and to strengthen the overall financial position of the company.

Improving the balance sheet further, the company restructured its long-term banking facility by signing a "Sustainable Linked Loan ", the first of its kind in Chile for the sector for USD 135 million, which requires linking interest margins to delivering in five specific sustainability indicators agreed with the banks. This loan has a 3-year grace period and 80% repayment at maturity, which provides significant financial leeway for the next 5 years

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

“We are pleased with the volume recovery and results obtained in this fourth quarter, which shows once again the capabilities of our company, leaving behind the episodes of algae blooms from the beginning of 2021. This year we also showed that sustainability not only covers efforts in production areas, but we have taken it to the financial field with a Sustainability Linked Loan genuinely related to our progress in the matter. This is also reflected in our outstanding ranking in the Dow Jones Sustainability Index (DJSI). Additionally, we are proud that our company was recognized in the 2022 Sustainability Yearbook of Standard & Poor (S&P) as an Industry Mover, which identifies companies that had outstanding growth in their sustainability management assessment, and where only 50 firms worldwide hold this distinction”.

Mr. García also highlighted that “the global context is favorable for salmon farming, as alternative proteins are under pressure due to their effects on greenhouse gases, and due to the growth on demand for healthy and nutritious proteins with low emissions and little use of water. Farmed salmon is a sustainable response to the challenges of feeding the world, using a tiny part of the sea surface, leaving much less carbon footprint, and almost without using fresh water, which are the great challenges of the planet”.

Salmones Camanchaca will present the quarterly results on Thursday, 24 February 2022 at 13:00 Central European Time (CET).

The presentation will be held on-line by Vice Chairman Ricardo García. 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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About 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 Pacific salmon (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 sales offices in its main markets.

The production target for both 2022 and 2023 is in the range of 50-55,000 MT WFE. The total production capacity for both Atlantic and Coho salmon is 65-70,000 MT WFE. The Company 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 30% 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 23 February 2022 at 22:00 CET.