

Salmones Camanchaca – Q1 2022 results

Highlights:

- Harvest volume of Atlantic salmon in Q1 2022 was 8,108 MT WFE, down 11.5% from Q1 2021, as one sites with low oxygen levels forced early harvesting resulting in total average harvest weight of 4.2 kg
- Atlantic market prices at record high levels during the quarter, up 34% year-over-year. Sales volume fell 12.4% to 10,566 MT WFE
- The cost of Atlantic salmon harvested was up 11% to USD 4.36/ kg, driven by early harvests due to low oxygen level events, and harvest from fish exposed to 2021 Comau algae bloom
- Processing costs including harvesting were USD 1.29/kg WFE, above long-term target of USD 1/kg, due to lower processing volumes and lower average harvest weight
- Quarterly EBITDA at USD 3.7 million, compared to negative USD 7.4 million Q1 2021
- Cash balance of USD 29.4 million and net interest-bearing debt at USD 114.7 million at quarter end. The Company has total liquidity including available credit facilities of USD 39 million.
- Estimated harvest volumes for 2022 remain between 51,000 and 54,000 MT WFE, comprising 45,000-47,000 MT WFE of Atlantic salmon and 6,000-7,000 MT WFE of Coho salmon

Operating revenue amounted to USD 80.9 million during the quarter, up 16% from USD 69.6 million in the corresponding period in 2021. Lower sales volumes and reduced average weight, was offset by a 34% increase in prices.

Total cost ended at USD 5.97/kg during the quarter, compared with USD 5.40 in the corresponding period last year and USD 5.13/kg in Q4 2021. The higher ex-cage cost is due to early harvest of fish exposed to incidents of low oxygen levels, in addition to overall cost inflationary pressure, including feed, logistics and other input factors. Processing costs are impacted by lower volumes. Going forward, operational costs are expected to improve as volumes increase and carried cost from earlier biological incidents come down.

EBITDA for the quarter was USD 3.7 million, compared with negative USD 7.4 million in Q1 2021. Operational EBIT before fair value adjustments ended at negative USD 0.4 million, up from negative USD 11.4 million in Q1 2021. The improvement is attributable to higher prices.

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

“Salmon demand in the world remains strong and consumers have added more salmon to their weekly diet, which has favored their prices and offset important increases that we have seen in product cost components. In these months, we have met the world's great buyers, at the Boston and Barcelona fairs, confirming the great interest that exists in Chilean salmon, due to its high nutritional value, its quality, and because it is more sustainable than the vast majority of other proteins.

Farming conditions this year have been better than in 2021, and as of March the weather has been more benign for salmon farming, which was reflected in lower mortalities and better feed conversions. However, we detected low oxygen levels in several places, especially in the Los Lagos region, which reduced the fish growth, lowered their average harvest weight and made final product more expensive. This is a situation we are closely monitoring.

At the end of the quarter, we left behind the unfavorable algae events of the first part of 2021, and recovered results, but still far from what the next two quarters should be”.

Salmones Camanchaca will present the quarterly results on Thursday, 12 May 2022 at 15:00 Central European Summer Time (CEST).

The presentation will be held on-line by Vice Chairman Ricardo García and CEO Manuel Arrigada.

To join the webcast, use the following link:

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

The presentation and subsequent Q&A session will be held in English. It will be possible to ask questions online.

For more information please contact:

Marta Rojo, Head of IR, marta.rojo@camanchaca.cl

Álvaro Marín, IR Assistant Manager, alvaro.marin@camanchaca.cl

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 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 65,000-70,000 MT WFE, which the Company expects to reach within three years. Salmones Camanchaca 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 value-added plant. Atlantic salmon target markets are led by the USA, Mexico and Japan.

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, IR Assistant Manager, Salmones Camanchaca on 11 May 2022 at 23:00 CEST.