

Salmones Camanchaca – Q2 2022 results

Highlights:

- Harvest volume of Atlantic salmon at 12,446 MT WFE, almost a doubling from Q2 2021
- Market prices at record high levels during the quarter, with prices on Atlantic salmon up 48% year-over-year. Sales volume increased 36%
- Operating revenue was USD 97.4 million, an increase of 93% from Q2 2021, due to higher prices and increased sales volume
- The cost of harvested Atlantic salmon (ex-cage live weight) decreased to USD 4.05/kg (USD 4.92/kg). Processing costs at USD 0.99/kg WFE, in line with the long-term target of USD 1/kg WFE, and well below the USD 1.44/kg WFE of Q2 2021, but impacted by general inflationary pressure, particularly on feed prices
- Significant earnings recovery with quarterly EBITDA at USD 25.7 million, up from negative USD 10.6 million in Q2 2021
- Cash balance as of June 30, 2022, was USD 33.2 million. Net interest-bearing debt was USD 90.3 million, down USD 45.4 million from 12 months earlier
- Estimated harvest volumes for 2022 between 50,000 and 53,000 MT WFE, comprising 45,000-47,000 MT WFE of Atlantic salmon and 5,000-6,000 MT WFE of Coho salmon

Santiago, 17 August, 2021: Salmones Camanchaca's average sales price of Atlantic salmon was USD 7.81/kg WFE, up 48% from Q2 2021, translating into USD 22 million additional net income compared to Q2 2021. The higher prices achieved are mainly explained by higher spot prices, combined with good product- and market mix. Thus, operating revenue ended at USD 97.4 million, almost doubling from Q2 2021.

Ex-cage harvest costs for the quarter were USD 4.05/kg live weight, which were 17.6% lower than the same period last year, when operations were severely impacted by algae blooms and oxygen deficiencies. These events have to some extent also impacted costs for this quarter, as the last fish impacted by the algae bloom were harvested in April 2022. Costs are also impacted by inflationary pressure, particularly on feed.

Meanwhile, processing costs ended at USD 0.99/kg WFE, down from USD 1.44/kg WFE in Q1 2021, in line with the company's long-term target of USD 1/kg. The cost reduction is a result of higher processing volumes and positive results from implemented efficiency projects in the company's processing plants.

EBIT/kg WFE for Atlantic salmon was positive USD 1.74 during the quarter (vs USD -1.78 in Q2 2021), mainly explained by high salmon prices driven by robust demand, higher sales volumes and falling costs. EBIT/kg

WFE for Coho salmon was positive USD 1.62 in Q2 2022 with sales volumes of 506 MT WFE, compared to USD 1.75 in Q2 2021, following good productive performance and market diversification.

Group EBITDA for the quarter was positive USD 25.7 million, compared with negative USD 10.6 million in Q2 2021. Operational EBIT before fair value adjustments ended at USD 21.2 million, up from negative USD 14.6 million in Q2 2021.

Biological performance continues to improve. During the quarter, biomass mortality for Atlantic salmon was 1.7%, reflecting that mortality is returning to normalized levels after a very challenging 2021. Feed conversion ratio for the last 12 months was 1.13, the lowest level ever for Salmones Camanchaca.

Commenting on the performance of Salmones Camanchaca, vice chairman Ricardo García, said: “During this second quarter, the profitability of the business returned to normal as a result of the Atlantic salmon price increase, due to a high demand and a decrease in world supply. Added to the foregoing was the improvement in costs and the recovery of harvest volume, both affected in 2021 by algae blooms and oxygen challenges. Inflationary and feed cost pressures continue and will be reflected in higher costs compare to our long-term trends estimates”.

Salmones Camanchaca will present the quarterly results on Thursday, 18 August 2022 at 15:00 Central European Summer Time (CEST).

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

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.

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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 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 50-60,000 MT WFE. The total production capacity for both Atlantic and Coho salmon is 65-70,000 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. The main Atlantic salmon sales markets are currently the USA, Mexico and Latam.

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 Fernanda Peñailillo, IR, Salmones Camanchaca on 17 August 2022 at 23:00 CEST.