




The Chilean opportunity

Capital markets day | August 2019

Ricardo García, Vice Chairman

An aerial photograph of a river with rapids. The water is dark blue and turbulent, with white foam from the rapids. The riverbed is composed of dark, rounded rocks. On the right side, there is a rocky bank with some green vegetation and a fallen log. The text is centered in the middle of the image, enclosed in a white rectangular border.

A sustainable, low-cost
producer with clear growth and
value creation potential

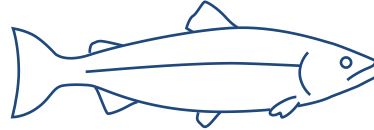


There is a growing need for sustainably farmed seafood

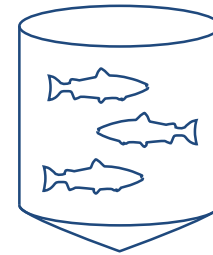
In 10 years ...



+1 billion
more people




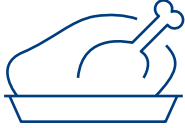


+37 million tons
seafood needed annually



Supplied by aquaculture
0% growth from wild catch

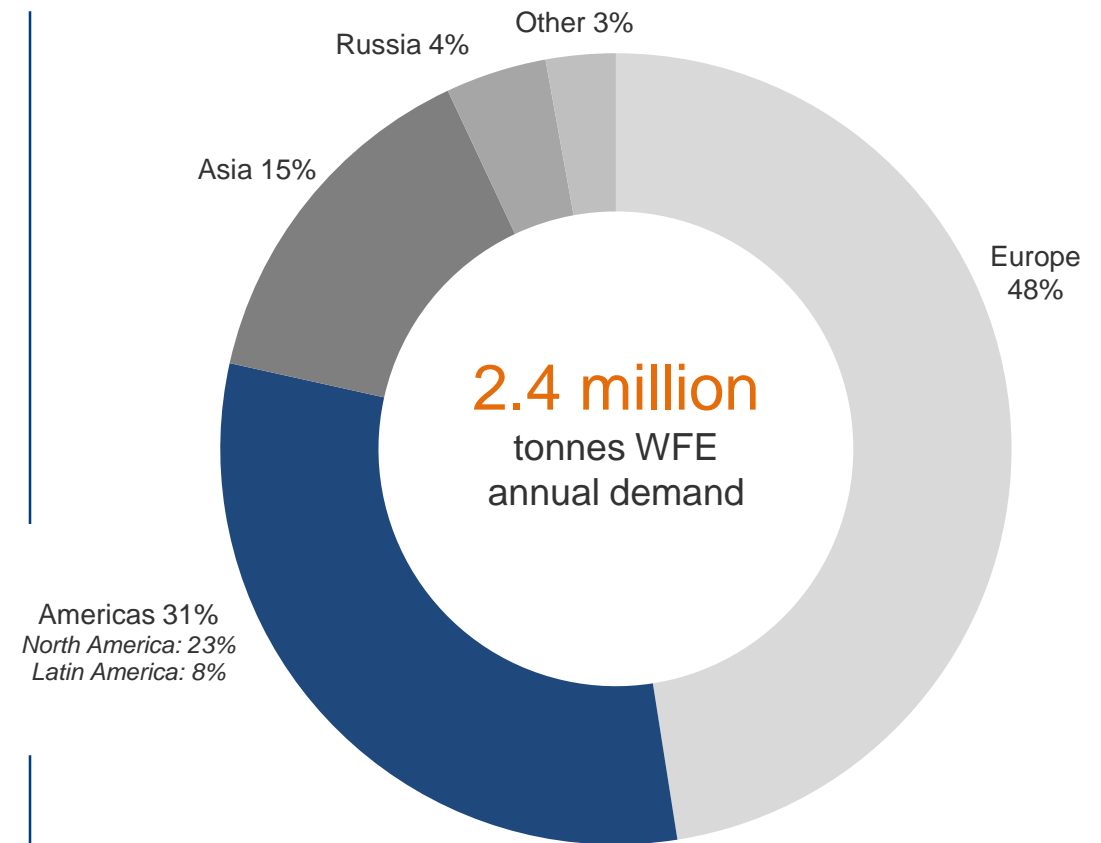
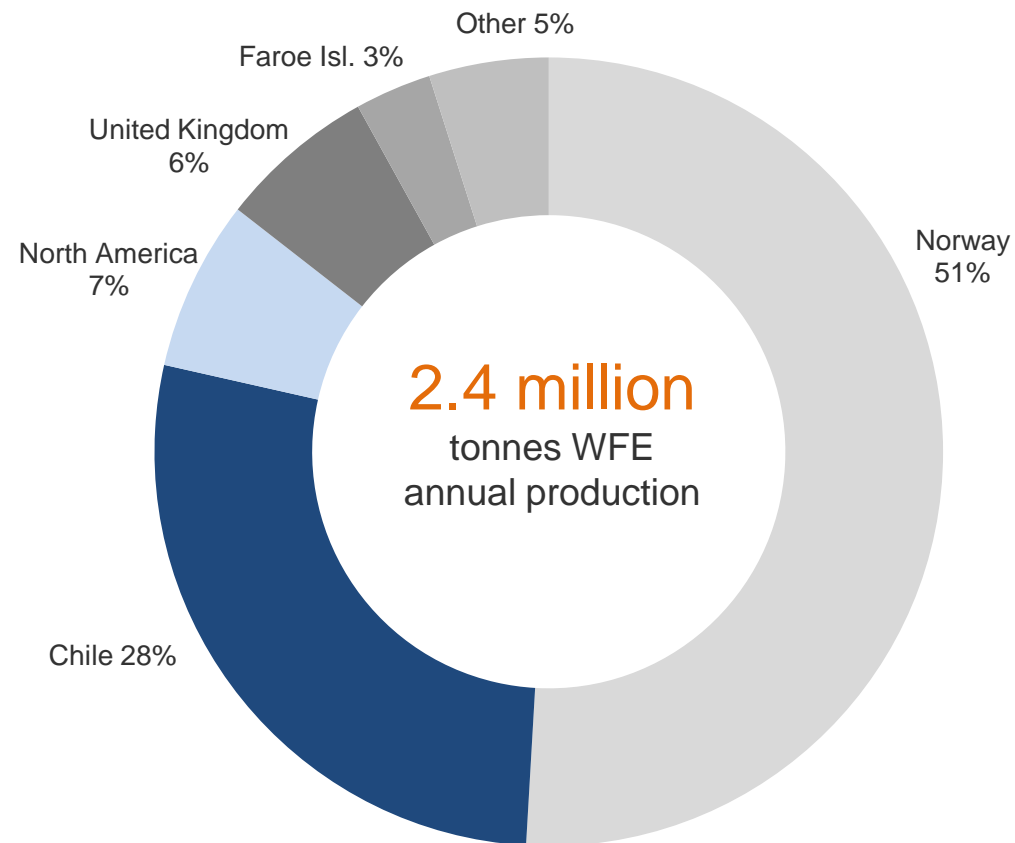


Salmon will be an important part of the solution

				
Carbon footprint (g CO ² /40g edible meat)	0.60	0.88	1.30	5.92
Feed conversion ratio	1.2	2.0	3.5	8.0
Water consumption (litres/kg)	2,000	4,300	6,000	15,400



Chile the world's second largest farmed salmon provider...



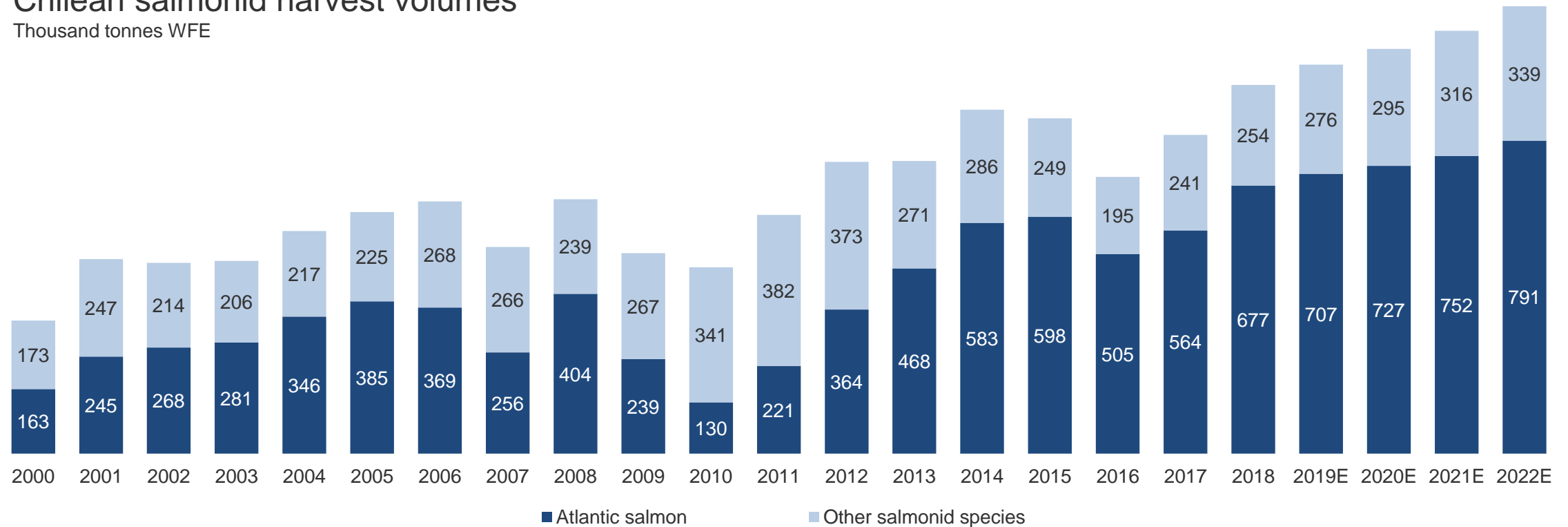
...serving demand across the globe



Continued growth expected

Chilean salmonid harvest volumes

Thousand tonnes WFE



Source: Kontali analyse, equity analyst consensus and company estimation



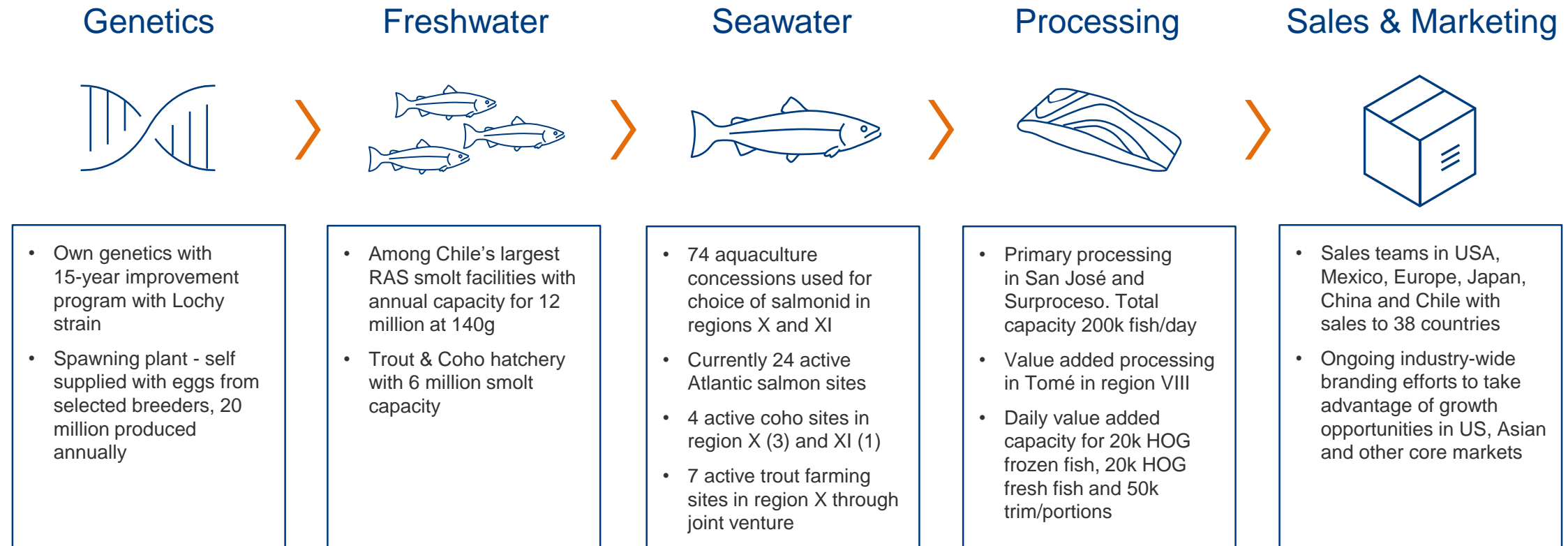


Favorable Chilean salmon farming conditions

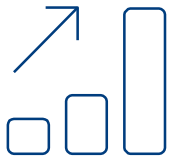
1. Favorable environmental and oceanic conditions, promoting faster growth due to the Humboldt current – fully diversified from largest producer
2. A progressive regulatory system, improving fish welfare and strong biosecurity leads to expanding fallow periods
3. Global reach with close proximity to large American “emerging” markets
4. Value added advocacy servicing the US, the world’s largest “emerging” market
5. Newer industry with relatively low equity valuation



Our fully integrated value chain enhances operational control towards longer term targets



Our value creation plan



Resource efficient growth

Reach 75-80,000 tons by 2023
using existing sites and improve
operational efficiency



Focused market development

Ensure processing capacity
and flexibility to target
core markets



Progressive sustainability

Become carbon neutral by
2025 and ASC certify
majority of production
by 2021

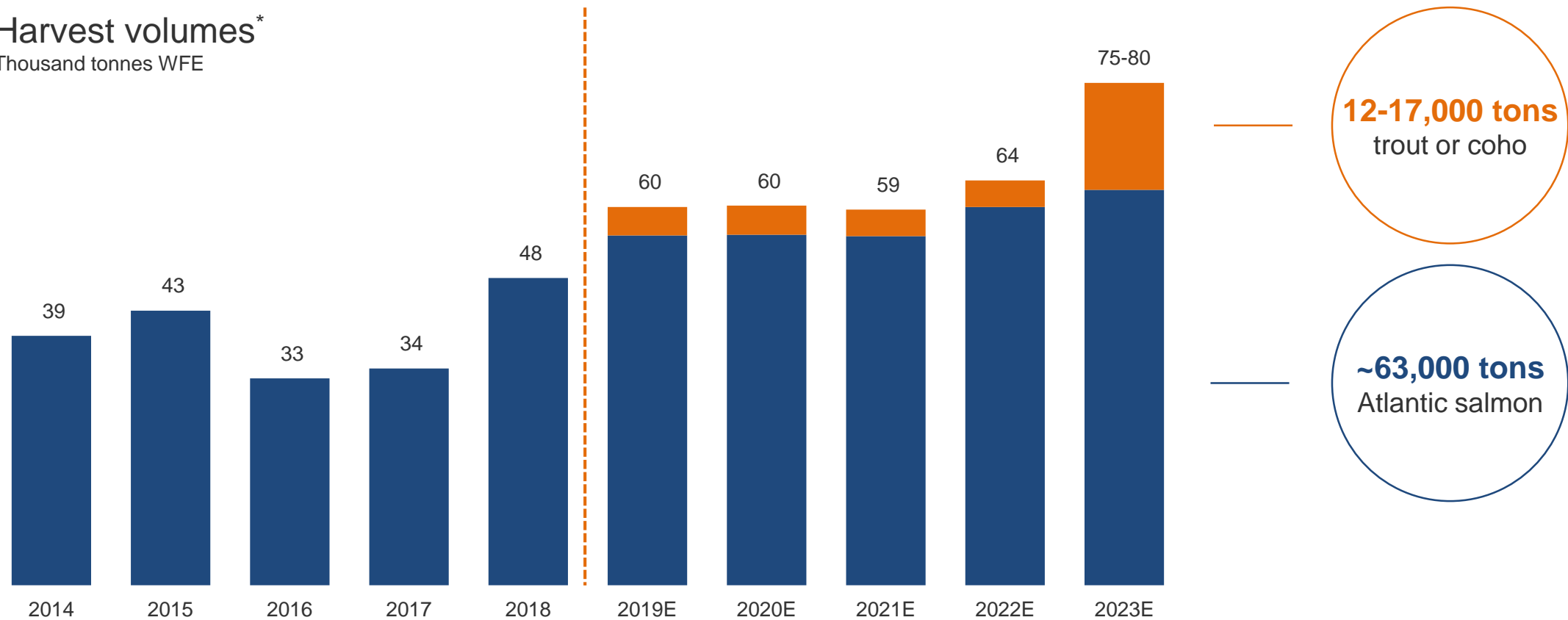




Resource efficient growth

Ambitious targets within Atlantic salmon and coho

Harvest volumes*
Thousand tonnes WFE



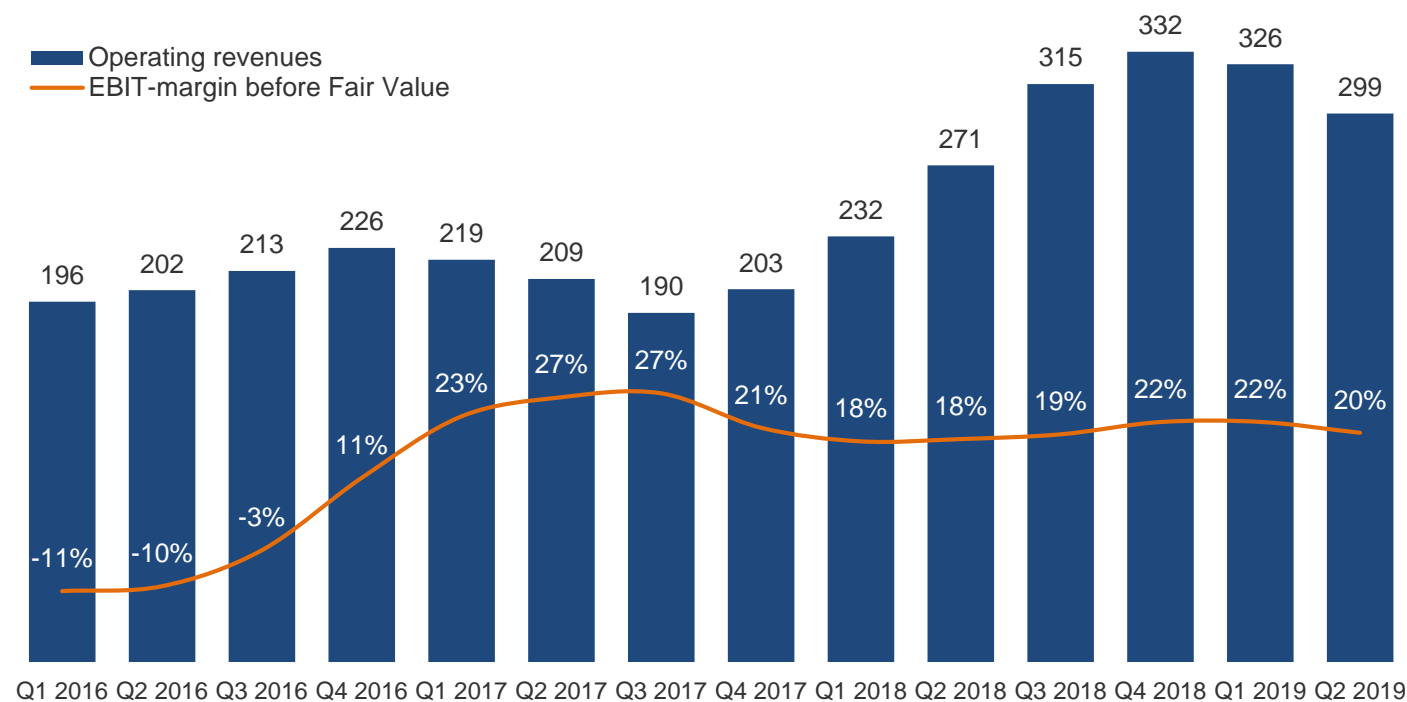
*Figures do not include trout joint venture volumes from 2016-2022. The JV has an estimated average annual capacity for 12,000 tons WFE and expires in 2022, after which Salmones Camanchaca will retain all stocking rights



Positive long-term financial development

12m rolling revenues and EBIT-margin before Fair Value

US\$ million

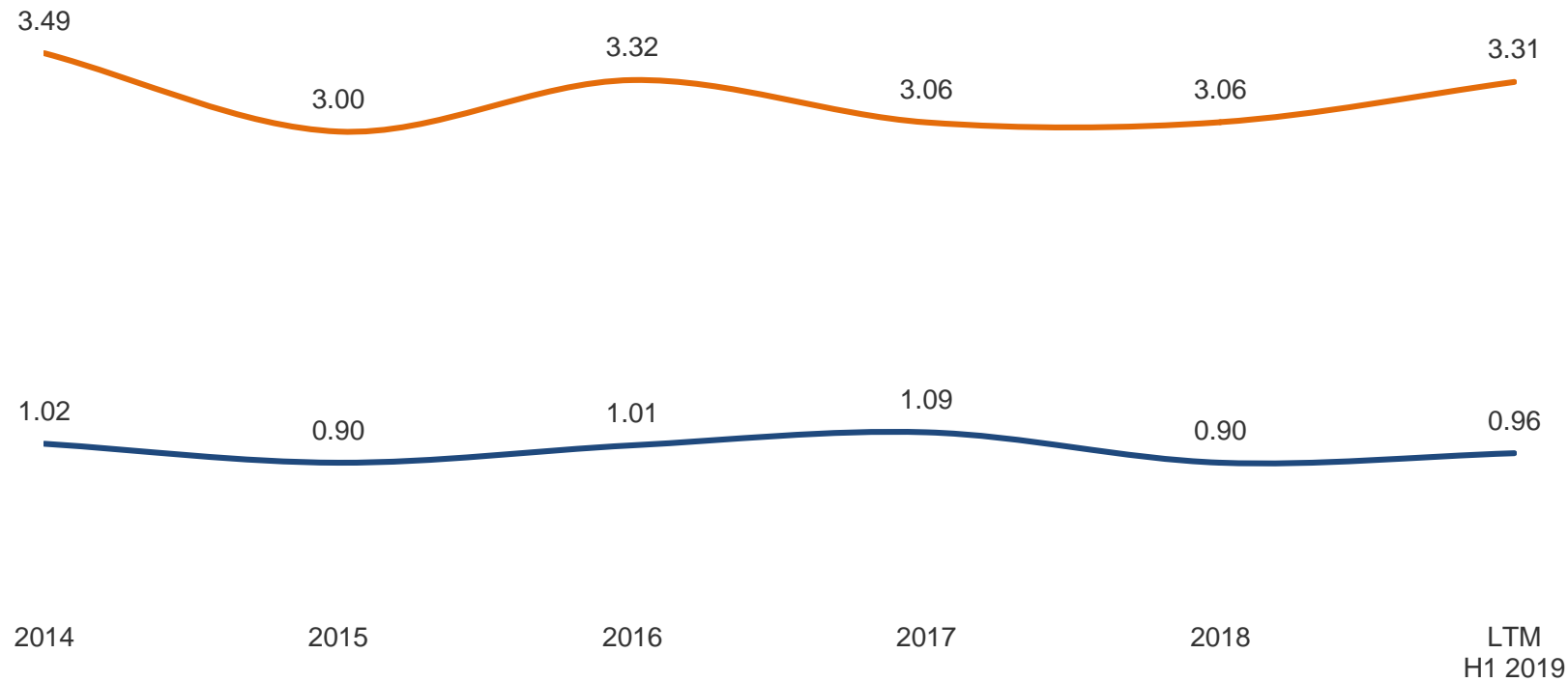


- 2019 earnings impacted by environmental challenges
 - Harvest from sites with algae blooms and low density stocking
 - Systems in place to mitigate issues
 - Projected H2 cost levels in line with long term targets



Maintaining costs at low levels

Cost per kg
US\$



Long-term targets

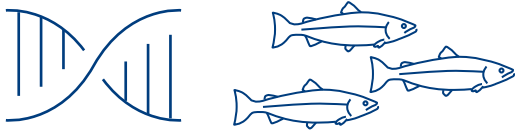
~ **\$3.0/kg**
Ex-cage cost
(LW)

< **\$1.0/kg**
Processing
cost (WFE)



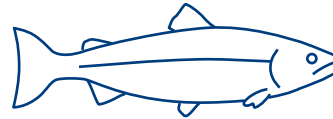
Improvements throughout the value chain ensure cost-efficient growth

Freshwater



- Expand freshwater RAS capacity for both Atlantic and coho
- Develop post-smolt capacity

Seawater



- Improve capacity utilization by investing in site development
- Take over production at expired leases
- Acquire new sites
- Resume production at inactive sites
- Invest in equipment related to biosecurity
- Utilize trout JV stocking rights from expiry

Processing



- Increase processing capacity and flexibility
- Increase VAP productivity and capacity





Focused market development

Strategic focus areas to improve flexibility and strengthen market position

Improving capacity to exploit market opportunities

- Improve efficiencies of fresh HOG lines
- Expand freezing and portioning capacity
- Improve logistics, increasing market flexibility and speed
- Building processing expertise for coho

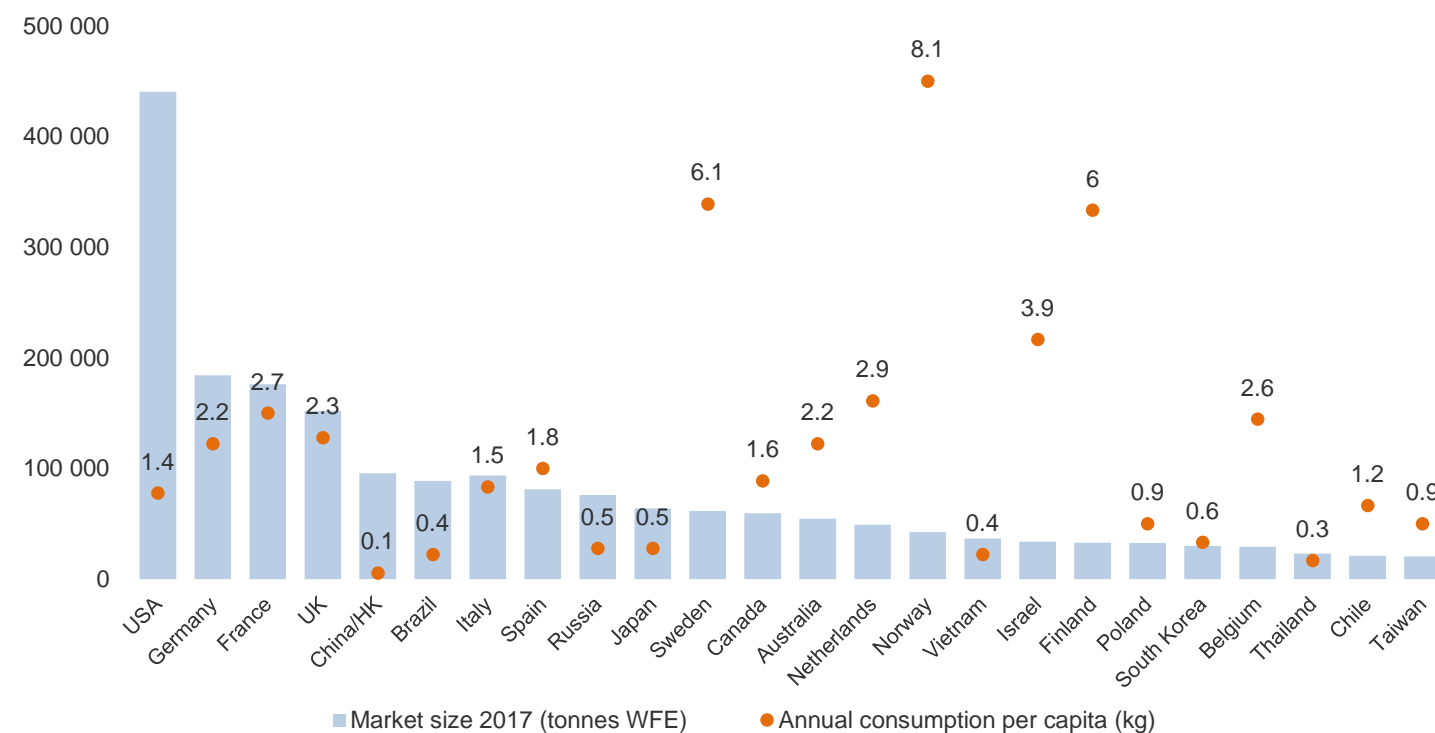
Focused efforts to enhance reputation and position in core markets

- Ensure sustainable processes and strong biosecurity
- CSMC: Increasing reputational initiatives in the US, Brazil and other core markets
- Reduce US price differential to 30-40 US cents from 80-90 US cents



Targeting the world's largest “emerging” market

Atlantic salmon market size and per capita consumption



Exploiting US growth potential

- 56% of salmon consumption sourced from Chile in 2018
- 21% market growth over the last 5 years
- Low per capita consumption of salmon
- Increasing demand for healthy protein choices
- New distribution channels
- New value-added product forms



CSMC campaign: Strategic efforts to enhance reputation and market position of Chilean salmon in the US

Produce a nutritious product
Raise salmon sustainably
Ensure salmon wellness
Follow responsible processing practices
Deliver consistent quality and availability



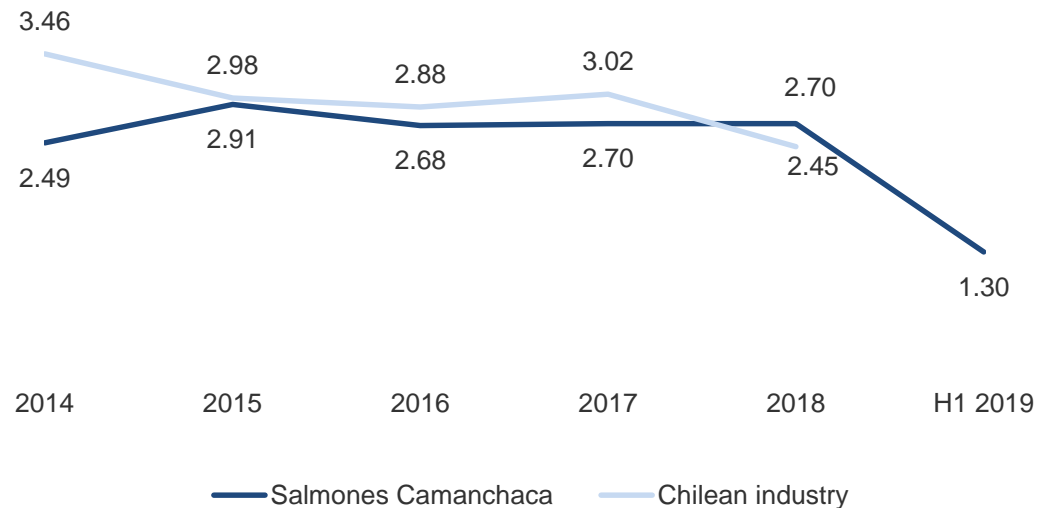
Positioning Chilean salmon as a premium product and preferred option, farmed in the pristine waters of the Chilean Patagonia



Sustainability ranks high on the agenda

Antibiotic treatments

treatments throughout cycle



- 1st Chilean salmon farmer to measure carbon footprint
- 1st seafood company to set carbon neutral production target
- 3rd sustainability report published August 2019
- Member of Chilean Salmon Antibiotic Reduction Program (“CSARP”), agreed with MBA: 50% cut by 2025
- 100% of our fish vaccinated to control of SRS and reduction in antibiotics
- Reduction of FIFO ratio (dependency on marine ingredients)
- Development of circular economy and engagement with local community
- Transparency through KPIs and reports
- Founding member of GSI



Introducing our newly refined sustainability framework...

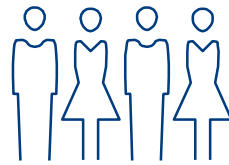
Healthy and
Nutritious food



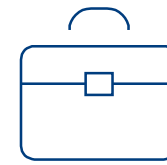
Healthy
Ecosystems



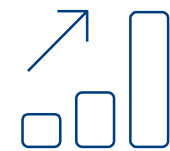
Prosperous
communities



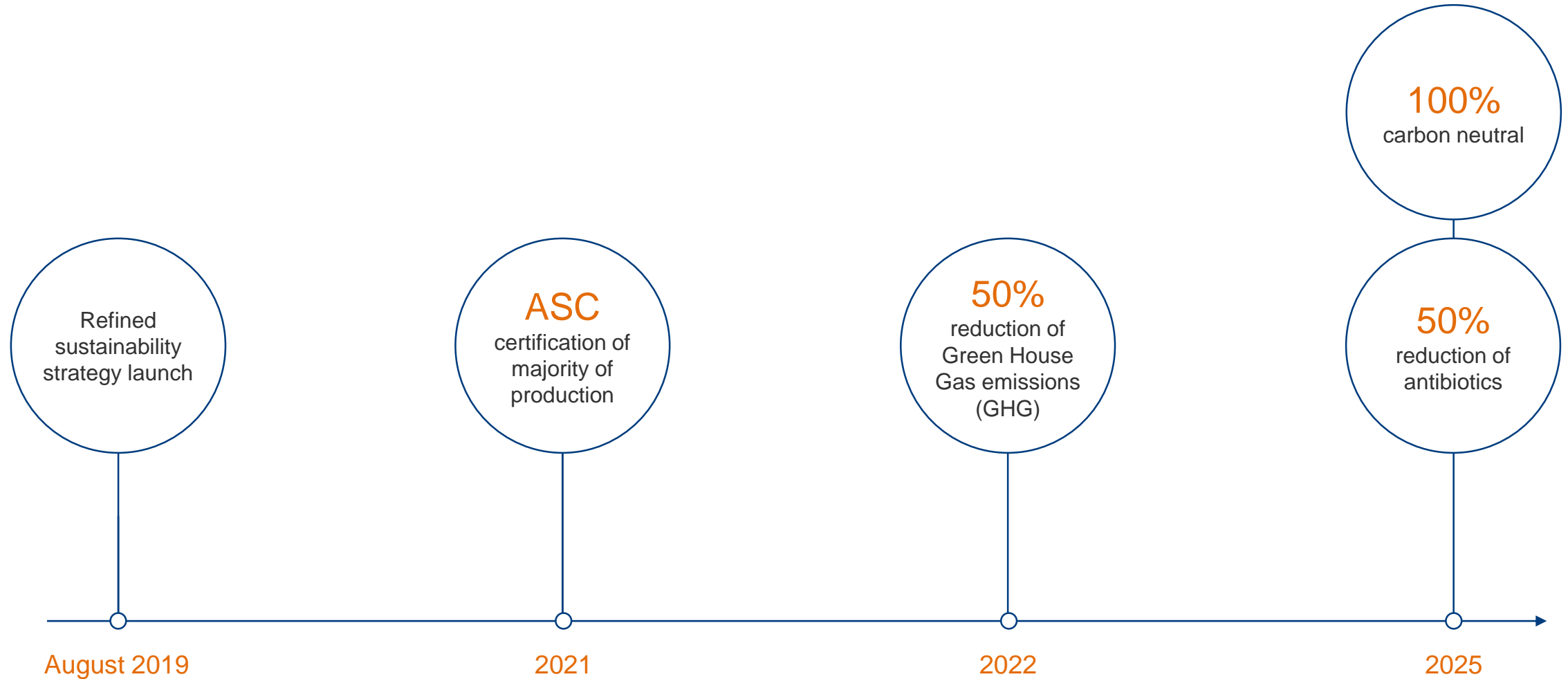
Meaningful
jobs



Profitable and
responsible
business

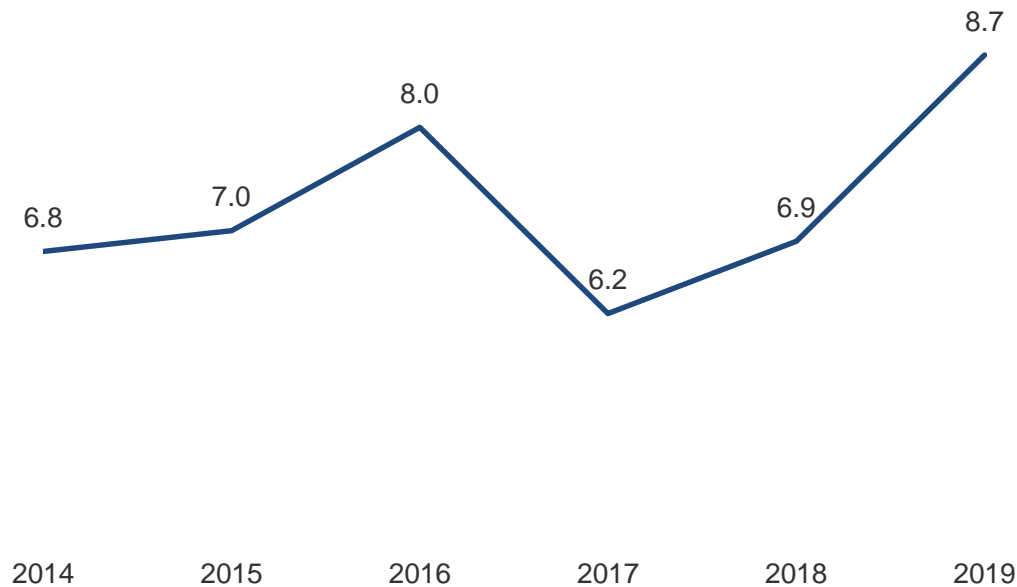


...supporting ambitious goals



Supported by progressive regulatory framework promoting sustainability and safeguarding the environment

Chilean industry fallow period length
average # months



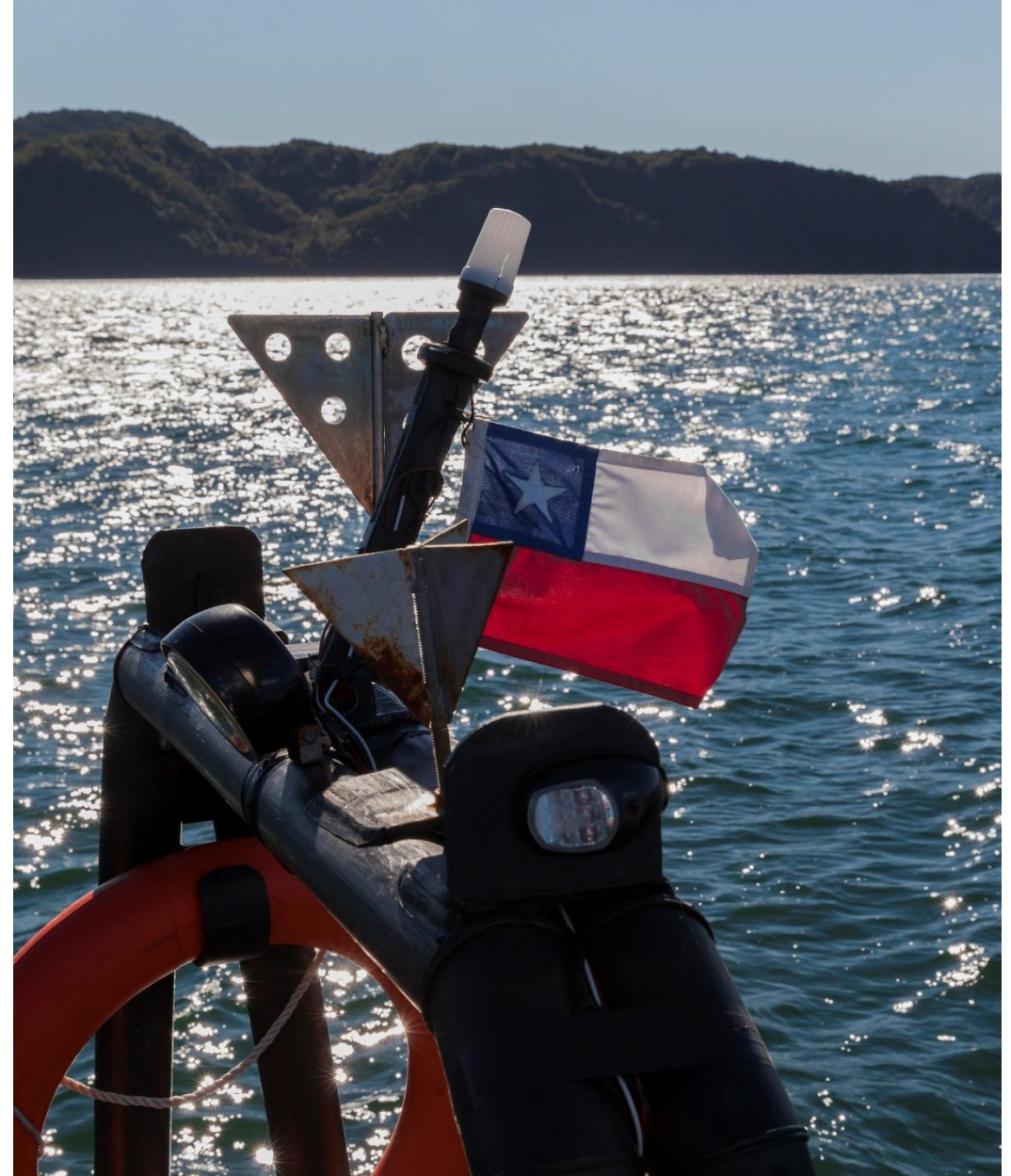
Regulatory framework principles

- Industry operates within sustainable stocking limits
- Farmers try to have bigger and healthier fish
- Diseases are density-dependant, so poor performance and/or aggressive growth, drives lower density, reducing profitability
- Sanitary and environmental indicators determine next cycle stocking limits per location
- Model promotes longer fallow periods, and seabed care
- Promote alternate use of farming sites



Key takeaways

- Salmones Camanchaca is exposed to growing need for sustainably produced “superfood”
- High ambition for resource efficient growth, targeting 75,000-80,000 tons by 2023, doubling pre-IPO levels
- Focused on market development, investing in processing flexibility and in developing a strong position in the US market
- Progressive sustainability strategy aimed at ensuring a positive contribution to our environment. Carbon neutral and 50% AB reduction by 2025
- Low earnings YTD but expect substantially more scale in H2 2019. The pilot does matter





Feeding the world from the ***ocean***