

Salmones Camanchaca – Q2 2020 results

Highlights:

- Atlantic harvest volumes up 50% from Q2 2019, to 10,670 tons WFE
- A sharp decline in market prices in the quarter due to Covid-19 impacted total revenues which increased by 3.6%
- 30% loss of Islotes site's biomass in the quarter due to extreme weather, impacted bottom line by an estimate of USD4.1 million net of insurance
- The company estimates harvest volumes of 51,000-53,000 tons for Atlantic salmon and 3,000 tons of Coho in 2020
- A limited number of Covid-19 cases within Salmones Camanchaca, allowed the company to have continuity of operations throughout the worst part of the pandemic
- Despite cost contain pressures, Salmones Camanchaca reinforces its sustainable salmon farming by publishing its sixth version of the Sustainability Report

Santiago, Thursday August 20, 2020: Salmones Camanchaca reports a 49.5% increase in harvest volumes during the second quarter of 2020, compared to same period 2019, reaching a total volume of 10,670 tons WFE in the quarter.

Substantially higher sales volume was though offset by lower prices in the quarter due to the weaker food service demand in the Covid-19 situation, leaving revenues 3.6% higher.

Atlantic salmon live fish (ex-cage) costs were USD 3.32/kg in Q2 2020, 21.5% lower than Q2 2019, but 11% higher than the long-term target of USD 3/kg.

Total processing costs fell to USD 1.13/kg WFE, 17.5% lower than Q2 2019, but was 13% higher than the long-term goal of USD 1/kg WFE due to lower processing volumes, direct costs of employee health protection measures caused by the pandemic, and larger fraction of value-added products.

EBITDA was negative USD 5.8 million, USD 10.5 million lower than Q2 2019, due to 189 US cents lower prices than a year ago. Also and to a lesser extent, Coho sales contributed with a negative USD 2.8 million, due to low prices and the higher cost of production in its first cycle. The EBITDA for the first half of the year is USD 9.3 million but 58.9% lower than same period 2019.

Consequently, operational EBIT in Q2 2020 was negative USD 9.4 million, or USD 11.2 million lower than in Q2 2019.

Commenting on the performance of Salmones Camanchaca in these pandemic times, vice chairman Ricardo García, said:

"Covid-19 is still around us, and therefore our people's safety remains a high priority. With that, Salmones Camanchaca will preserve its business continuity and deliver high achievements soon. I am pleased to report that all sanitary and protection measures across the organization are proven effective and consequently, there are so far only 1.5% Covid-19 cases in Salmones Camanchaca, and operation has been running throughout these pandemic times".

"The sharp fall in market prices has of course affected our sales and profitability in the short term, but we remain confident about the position of Salmones Camanchaca and on the beauty of salmon as a highly nutrient and exquisite food. As a leading supplier of Chilean high-quality salmon, we are ready to serve the growing market for Atlantic salmon for many years to come. In the meantime, Salmones Camanchaca is financially healthier than ever before to navigate through Covid-19."

Despite sanitary and economic crisis, the Company continues with its business strategy, prioritizing value added products that allows to adapt to a shifting demand, and promoting sustainable salmon farming thru all the value chain, in line with its sustainability model launched a year ago, and reinforced in its 6th Sustainability Report, published as of this date.

Garcia finalized:

"When uncertainty prevails everywhere, and organizations face unprecedented pressures on markets, costs and investment spending, Salmones Camanchaca reiterates its commitment and respect for the environment, the wellbeing of communities, and its low costs goals both at seawater and in processing. Despite the higher turbulence of today's waters, the horizon has not change, and the ship has not lost its course. Short term lack of profitability serves us a purpose: to become as effective and efficient as ever before, and in everything we do." said in concluding the executive.

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About Salmones Camanchaca

Salmones Camanchaca S.A. is a vertically and fully integrated salmon producer with operations in farming, processing, marketing and sale of salmonids. The company is also involved in farming of trout through a joint venture (1/3 share) and has an estimate harvest of 55-60,000 tons WFE of Atlantic salmon for 2019-2021. Therefore, including trout production in the Company's farming sites, the total existing production capacity reaches 70-75,000 harvested tons WFE. The company has approximately 1,500 employees.

This information is subject to the disclosure requirements pursuant to section 5 -12 of the Norwegian Securities Trading Act.