

Salmones Camanchaca – Q3 2020 results

Highlights:

- Financial performance impacted by lowest price in several years, affected by pandemic on markets.
- Strong operational performance, with ex cage live fish cost down from previous quarters and total processing cost well below long-term goal. Total cost of product at USD 4.15 /Kg WFE, 2% below long-term target.
- Atlantic harvest volumes down 17% from Q3 2019 to 13,368 tons WFE.
- Operating revenues were down 29% due to an 8% reduction in sales volumes and a 24% drop in prices.

Santiago, Thursday November 12, 2020: Salmones Camanchaca reports a 17% decrease in the harvest volume in the third quarter of 2020 compared to the corresponding period of 2019, reaching a total volume of 13,368 tons WFE during the period.

Operating revenue amounted to USD 55 million during the quarter, down 28% from USD 76.5 million in Q3 2019. The decrease is due to an 8% lower sales volume, combined with a 24 drop in prices for Atlantic salmon.

Atlantic salmon live fish (ex-cage) costs were USD 3.06 during the quarter, down from USD 3.32/kg in Q2 2020, and in line with the long-term target of USD 3/kg. Total processing costs was USD 0.86/kg during the quarter, significantly below the long-term goal of USD 1/kg WFE. This favorable cost condition was possible despite a 17% reduction in processed volume, and a higher proportion of value-added products.

EBITDA of the quarter ended at negative USD 3.7 million, a reduction of USD 24.1 from Q3 2019, mainly due to the combination of lower prices and sales volume. In addition, costs related to operating inactive farms to avoid expiration and following period, added USD 4.7 million to operational costs during this quarter.

Operational EBIT before fair value adjustments in Q3 2020 was negative at USD 7.6 million, compared with positive USD 16.4 million lower in Q3 2019.

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

“While our operational performance was good and better than our long term targets, and marketing strategies were as we planned, our financial performance was poor but attributed almost entirely to the pandemic effect on demand and consequently on prices. More supply to key markets such as the US and Brazil, in line with continued exclusion

from Russia of several producers, and significant demand depression in China, limited our market access.

These market restrictions and dynamics forced Chilean producers to sell in fewer markets. For Salmenes Camanchaca, 80% of our Q3 sales stems from the US, Mexico and Japan, in value added formats. A weakened demand and an increase in supply in these fewer markets severely impacted prices."

García added:

"Despite the weak market conditions, our underlying operational performance is good. With both farming and processing costs in line or below our long term targets, and the continuous utilization of our processing flexibility to optimize product offerings, we are in good condition to pursue our ambition of resource efficient growth, and benefit as soon as markets recover in what I expect to be early 2021."

For more information please contact:

Ricardo García, Vice chairman, +56 2 2873 2992 / rgarcia@camanchaca.cl

Marta Rojo, Head of IR, +56 2 2873 2987 / marta.rojo@camanchaca.cl

About Salmenes Camanchaca

Salmenes 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 estimated harvest of around 55,000 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 1,800 employees.

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