

Salmones Camanchaca – Q1 2021 results

Highlights:

- Financial performance during the quarter was significantly impacted by Harmful Algae Blooms (HAB) in the Reñihué and Comau fjords, with direct financial impact of USD 12.1m and a biomass loss of ~ 3,700 MT
- Operational performance impacted by high ex- cage cost from remaining fish from Islotes and low growth at Reñihué. Ex-cage cost of Atlantic salmon (live weight) was up 24% y-o-y to USD 3.91/kg
- Processing cost above long-term goal and previous quarters due to lower processed volume, down 26% from Q1 2020
- EBITDA for the quarter was negative USD 7.4 million (at breakeven point excluding extraordinary mortalities) compared with positive USD 15.1 million in Q1 2020
- Estimated 2021 harvest volume for Atlantic salmon reduced to between 41,000 and 44,000 MT WFE from 53,000 MT WFE
- Salmones Camanchaca entered a 1.5-year financing facility of USD 35 million, replacing uncommitted short-term credit lines and strengthening the Company's cash position

Santiago, Wednesday May 12, 2021: Salmones Camanchaca reports a 30% decrease in the harvest volume in the first quarter of 2021 compared to the corresponding period of 2020, reaching a total volume of 9,163 tons WFE with an average weight of 4.7 kg.

Operating revenue amounted to USD 70 million during the quarter, down 17% from USD 84 million in Q1 2020. The decrease is due to a 11% decrease in both sales volume, and prices.

Farming costs for the quarter were USD 3.91/kg live weight, 24.1% higher than the same period previous year, due the 25% biomass loss at the Islotes site in May 2020, which affected harvest volumes in Q1 2021; and low biomass growth, caused by the algae blooms and oxygen depletion. Lower volumes harvested and processed affected processing costs, which were USD 1.20 /kg and higher than the long-term target of USD 1 /kg.

Cost of sales were also affected by USD 7.3 million of extraordinary mortalities, not covered by insurance, and the mitigation and remediation expenses associated with the blooms in the Reñihue and Comau fjords. Consequently, the gross margin was negative USD 6.9 million.

Total processing costs was USD 1.20/kg during the quarter. This is up from USD 0.95/kg in the previous quarter and above long-term target of USD 1.00/kg. The increase in processing costs is due to lower processed volume, higher proportion of value-added products and increased costs related to pandemic protection measures.

EBITDA or the quarter ended at negative USD 7.4 million (break even excluding extraordinary mortalities), compared with positive USD 15 million in Q1 2020, mainly



attributable to harmful algae blooms, lower prices, and reduced sales volumes, and high carrying cost on fish harvested from the Islotes site. Operational EBIT before fair value adjustments in Q1 2021 was negative at USD 11 million, compared with positive USD 11 million in Q1 2020.

Due to major losses following the harmful algae blooms, Salmones Camanchaca's Atlantic harvest estimate for the full year 2021 is expected in the 41,000-44,000 MT WFE range, down from previous guiding at 53,000 MT WFE.

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

"The incidents of harmful algae blooms in the Reñihue and Comau fjords had severe implications for operations during the quarter and combined with the repercussion of the Islotes incident last year and overall weak market conditions due to the Covid-19 pandemic, earnings were heavily impacted during the quarter. Losses from the incidents will also have implications on harvest volumes going forward. However, the market conditions are favorable with a solid recovery of demand and a double-digit decline in Chilean supply by 2021.

With the pandemic still being the dominant force for market development, Salmones Camanchaca continues to reinforce and improve the measures adopted to address the global pandemic. During the quarter preventive measures to avoid Covid-19 continued, thus preserving the health of employees and operational continuity. As of the date of this report, more than 75% of employees have been vaccinated with at least the first dose, and of the more than 47,000 tests conducted, only 0.44% produced positive results.

As proven by the handling of the pandemic, Salmones Camanchaca has the necessary willpower and ability to address challenges when arising. Combined with high operational and financial flexibility we are determined to bring our operations back on track towards our long-term goals of being a sustainable, low-cost producer with clear growth and value creation potential."

Webcast information:

Salmones Camanchaca will present the quarterly results on Friday, 14 May 2021 at 15:00 Central European Summer Time (CEST).

Given the Covid-19 contingency, the quarterly presentation will be held on-line by Vice Chairman Ricardo García and CEO Manuel Arriagada.

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

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

The quarterly report and presentation will be made available at <http://www.salmonescamanchaca.cl/en> and at www.newsweb.no

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 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 harvested 53,000 tons WFE from its core business of Atlantic salmon farming in 2020. It also began Pacific salmon farming in 2019 and it harvested approximately 4,000 tons WFE in 2019. Overall production of all salmonid species at its own farming sites is expected to reach around 60,000 to 65,000 tons WFE in 2023. The company has approximately 1,900 employees.

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 Joaquin Contente, Investor Relations, Salmones Camanchaca on 12 May 2021 at 23:00 CET.”