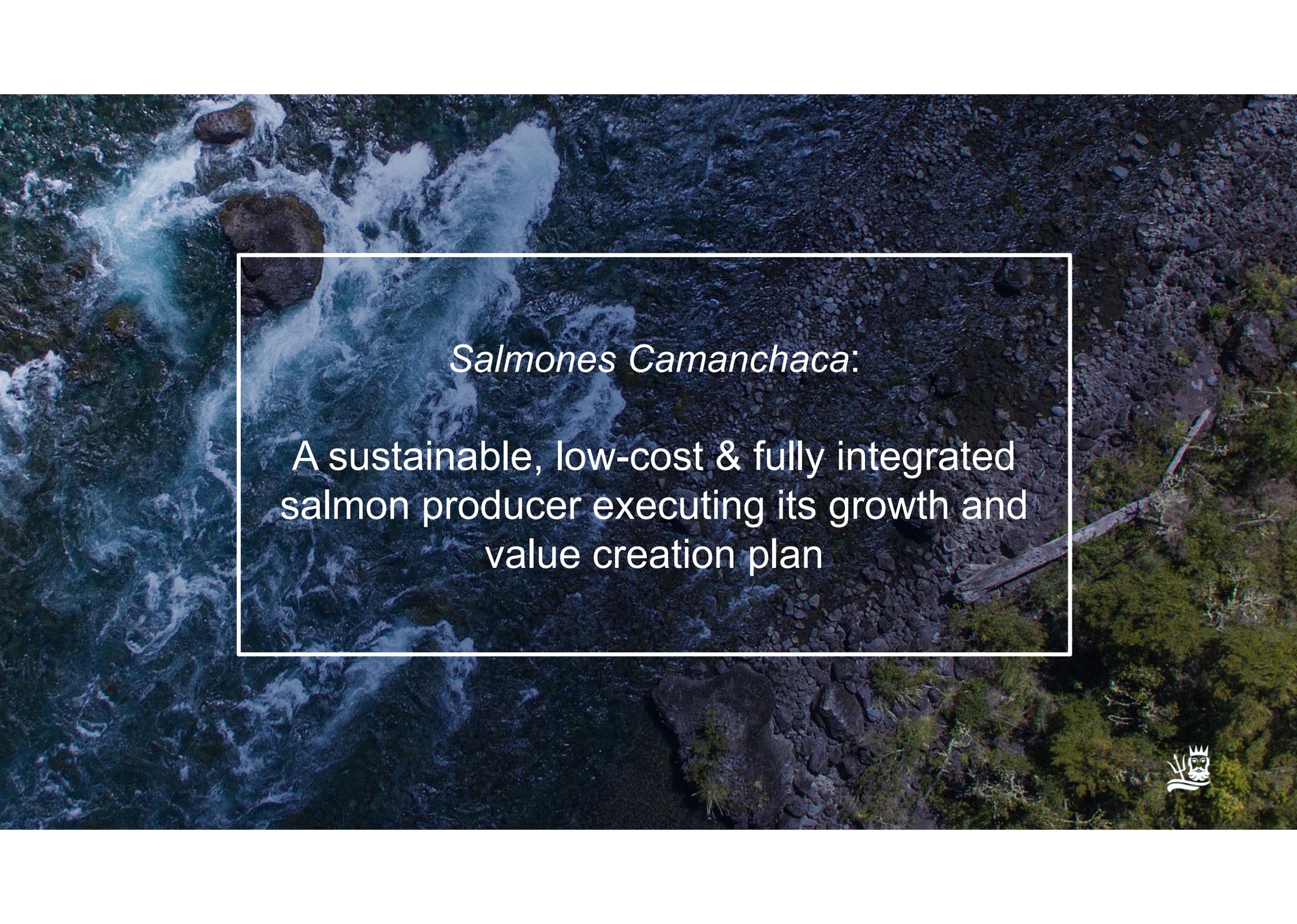




# Salmones Camanchaca Navigating the waves post-IPO

Ricardo García, Vice Chairman

NASF | Bergen, 5 March 2020



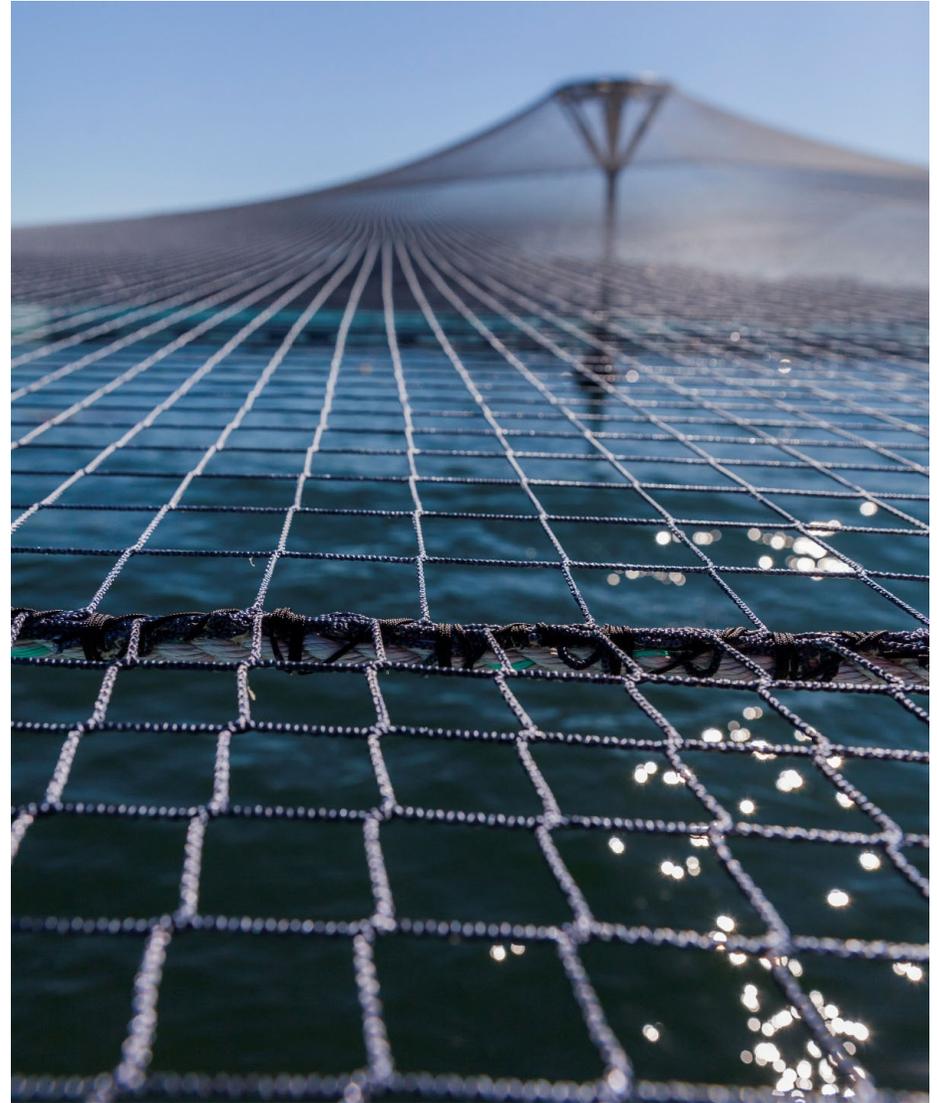
*Salmones Camanchaca:*

A sustainable, low-cost & fully integrated  
salmon producer executing its growth and  
value creation plan



## Recent “waves”

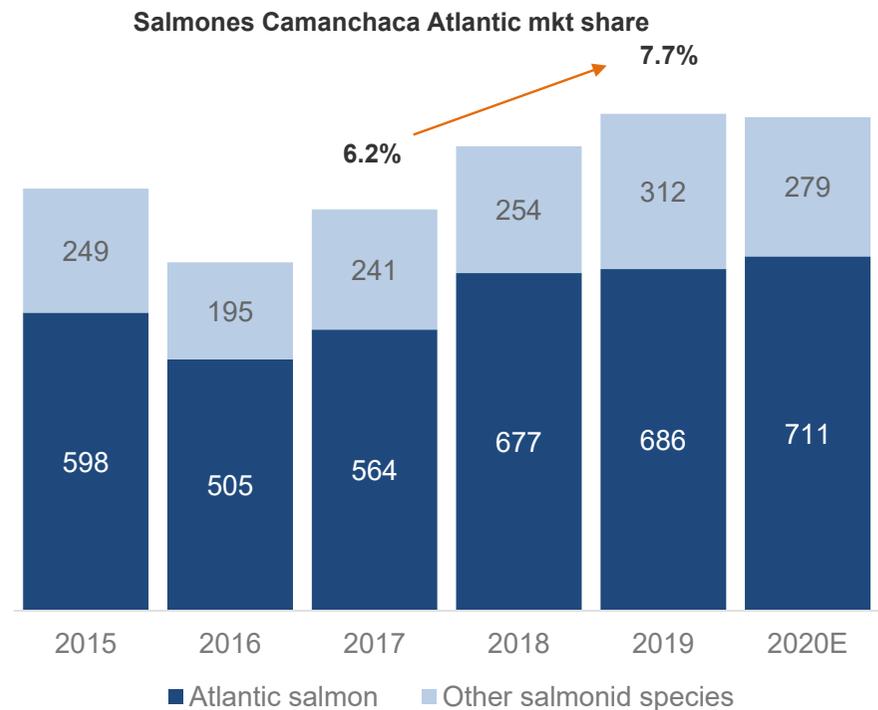
- New regulations
- Ocean conditions
- Access to markets
- Sustainability
- Emerging social demands



## Wave #1

# New regulations playing a role in moderating growth

- New regulations introduced 2016-2019
  - fish health
  - growth plans
  - environmental indicators
- CAGR of 3.5% last 5 years

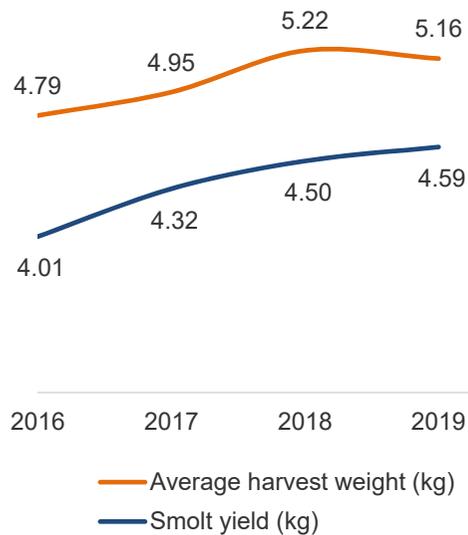


Source: Kontali analyse, equity analyst consensus and company estimation

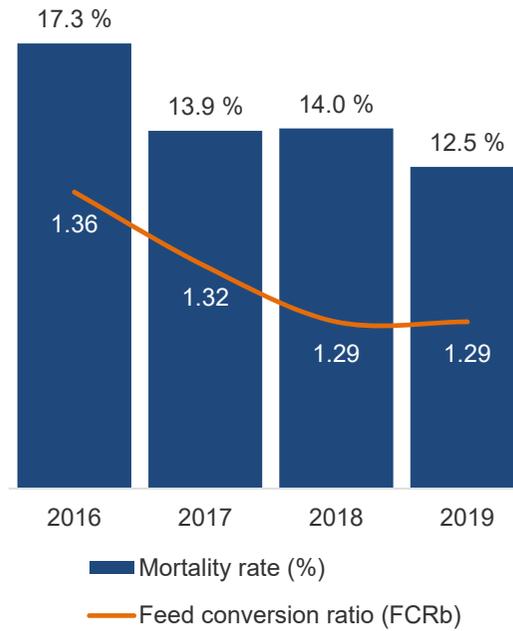


# Chilean industry: Improving fish health and productivity

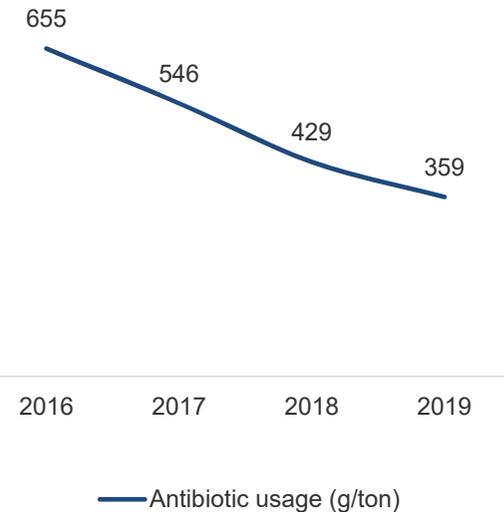
## Harvest weight and smolt yield



## Mortality and feed conversion ratio



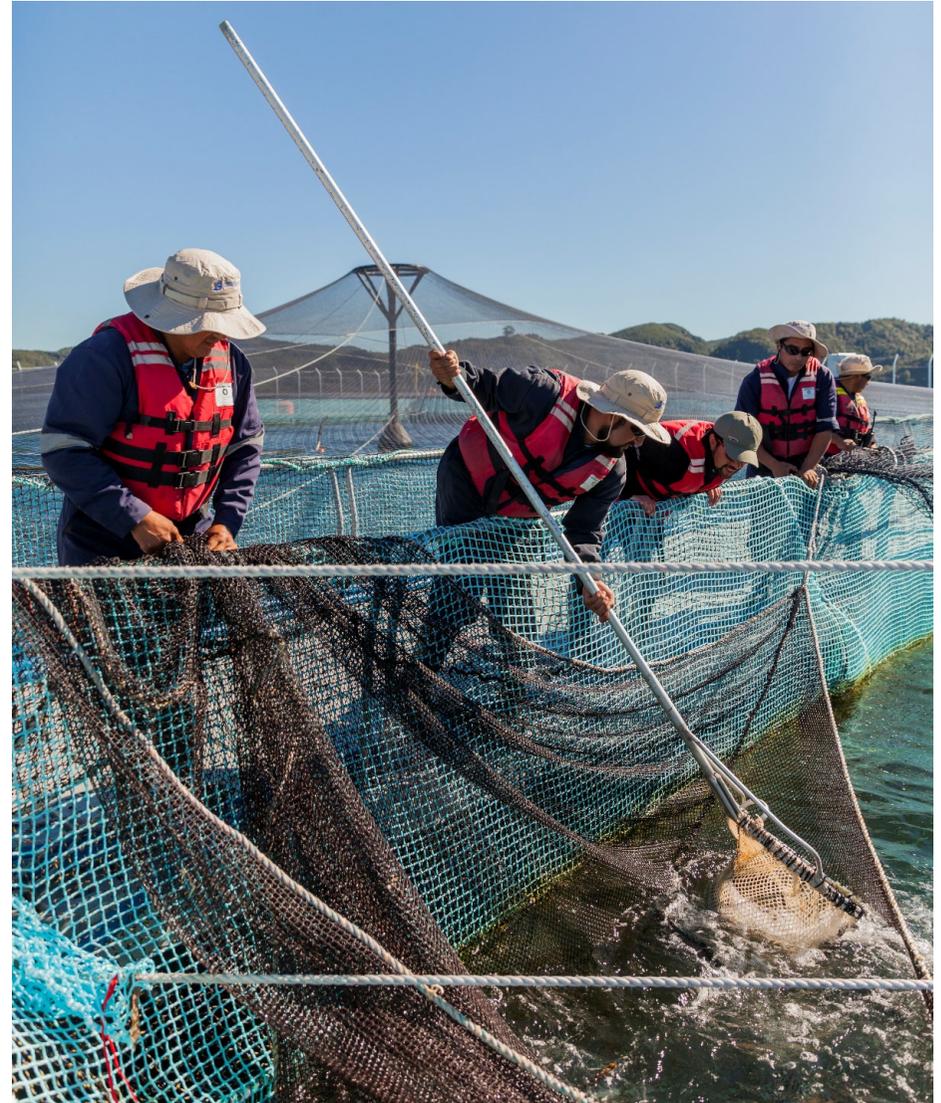
## Antibiotic usage



## Wave #2

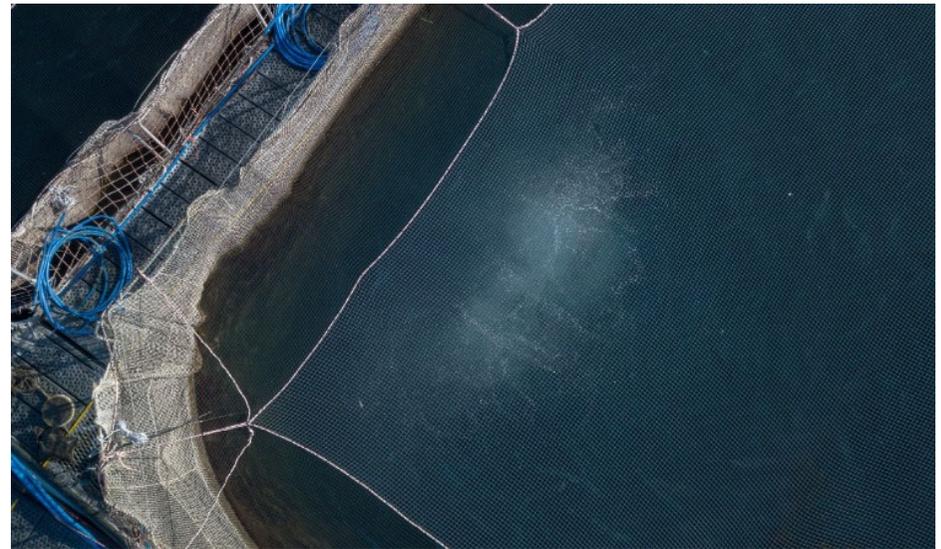
# Challenging ocean conditions

- More frequent algae incidents
- More frequent episodes of reduced oxygens levels
- Sea lice: old solution losing efficacy



# Acting and preventing

- 2/3 of seawater sites have now state of the art platforms supplying additional oxygen
- All Atlantic sites have upwelling systems mitigating algae effects
- All fish with sea lice protection (Lufenuron and Alfaflux) for up to 3 Kg
- Transitioning from one tool (AZM) to a toolkit of tools
- Introducing new non-pharma solutions
  - Optilicer
  - FLS
  - Salmoclinic
- So far so good: 6Kg Live Weight in Q4



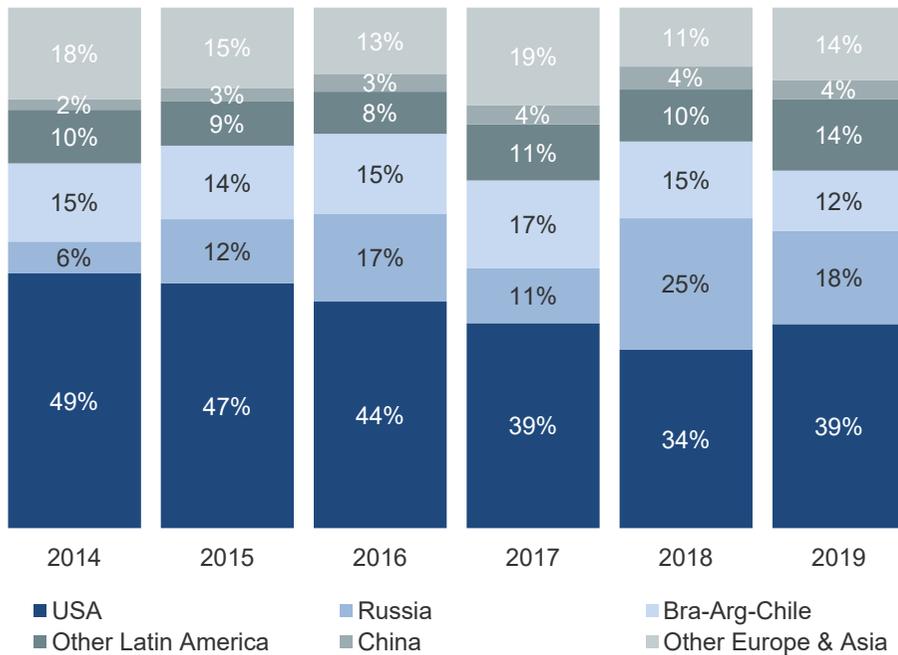
*Oxzo upwelling system*



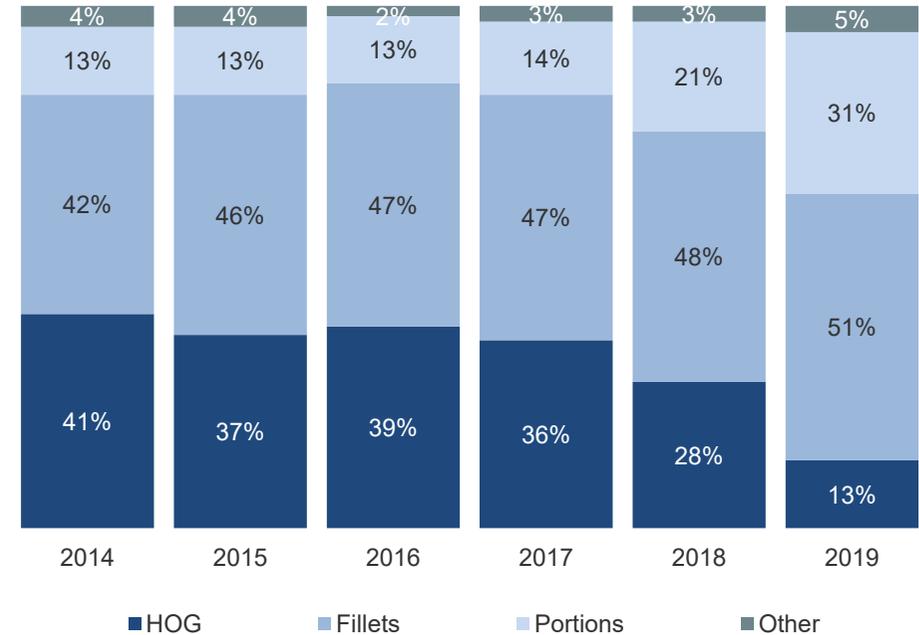
## Wave #3

# Adapting access by market and product flexibility

Sales distribution by market (%\*)



Sales distribution by product (%\*)



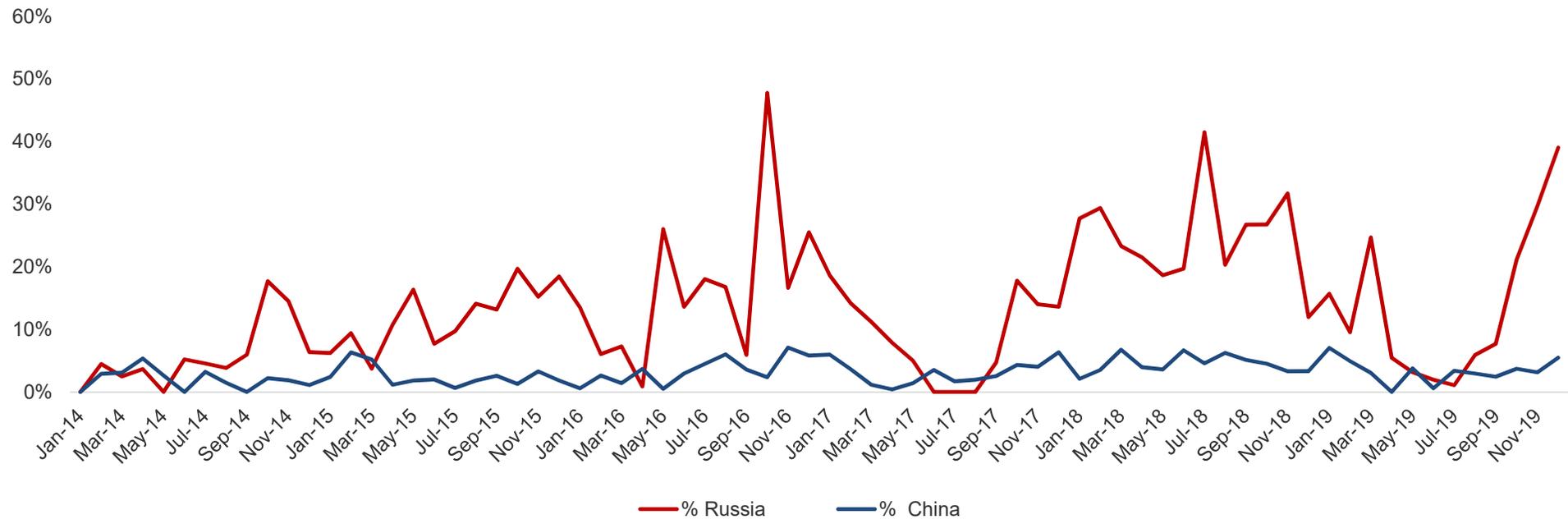
## USA: A core and high-value market



# Russia: An opportunistic market approach

## China: An emerging opportunity

Salmones Camanchaca monthly sales to Russia and China  
% of total sales



## Wave #4

# Sustainability: A new cornerstone for salmon farming



Social tsunami



Human rights



Crisis of trust



Digital transformation



Climate change



Care for oceans and ecosystems in general



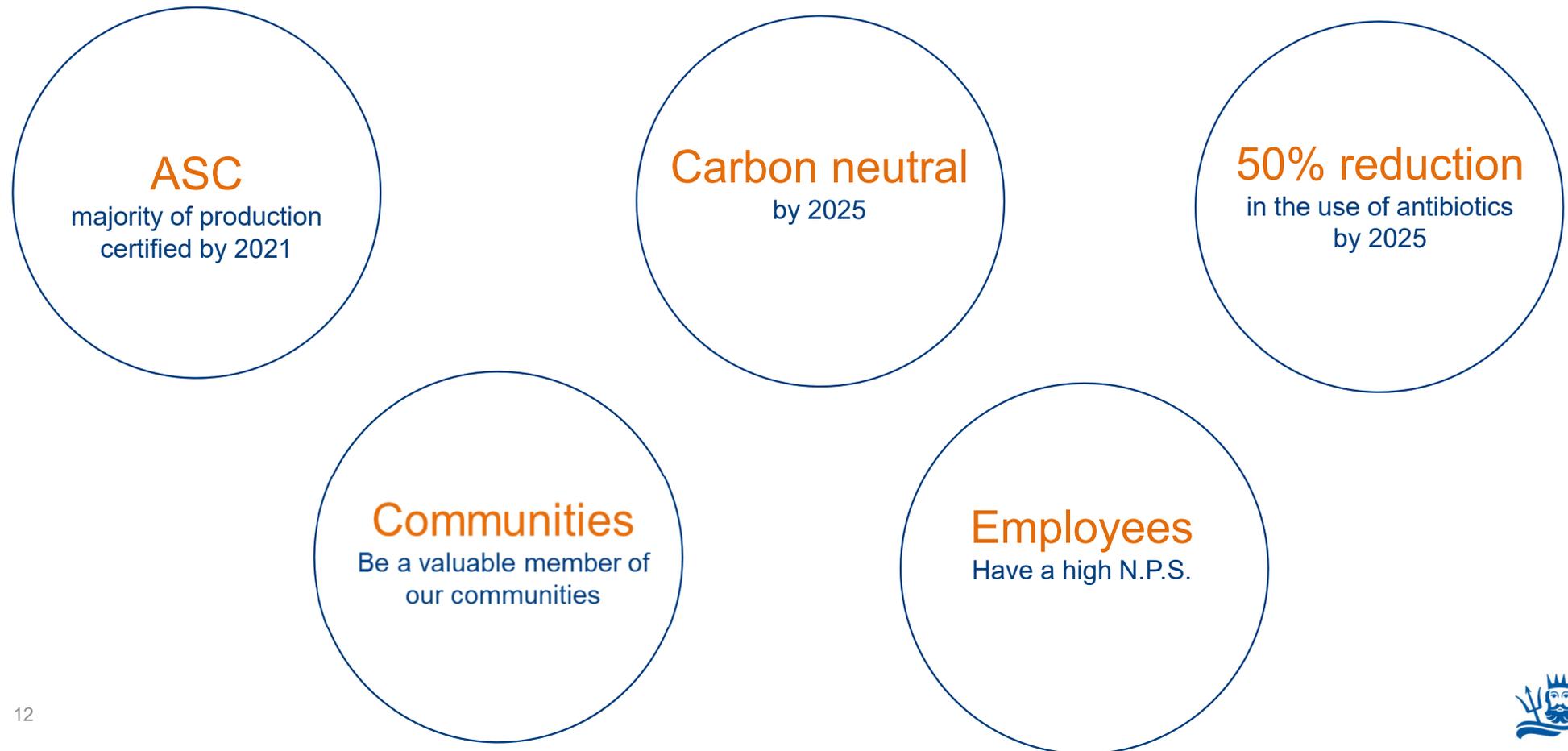
Healthy and conscious eating habits



Natural resource scarcity



# Our new sustainability model sets high ambitions

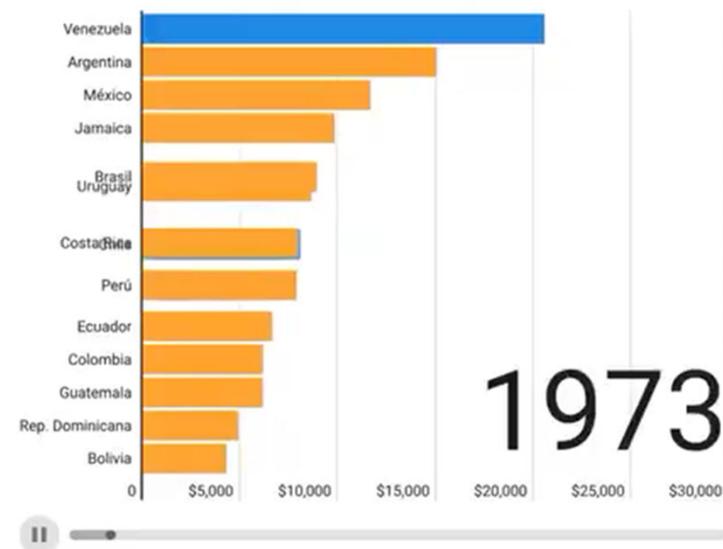


## Wave #5

# Emerging social demands

- Growing too fast or declining too quickly creates social unrest
- Rapid growth does not bring equal progress
- Severe depression takes wellbeing away
- Chile: a case of rapid growth

PIB per cápita (US\$ 2018)



Fuente: The Conference Board Total Economy Database™ (Adjusted version), Abril 2019

elcato.org  
CAIO



## Recent turmoil in Chile

- A minor change in subway fare ignited extensive protests for a broad range of social issues
- Protests targeted government, public policy & sector, and private companies
- Aggravated by lack of public sector preparedness
- Agreement to propose a new Constitution
- Decreased short term country growth expectations

➔ How does Salmones Camanchaca navigate?



# 1<sup>st</sup> Excelling our performance to fulfill our mission

“Feed the World from the Ocean”

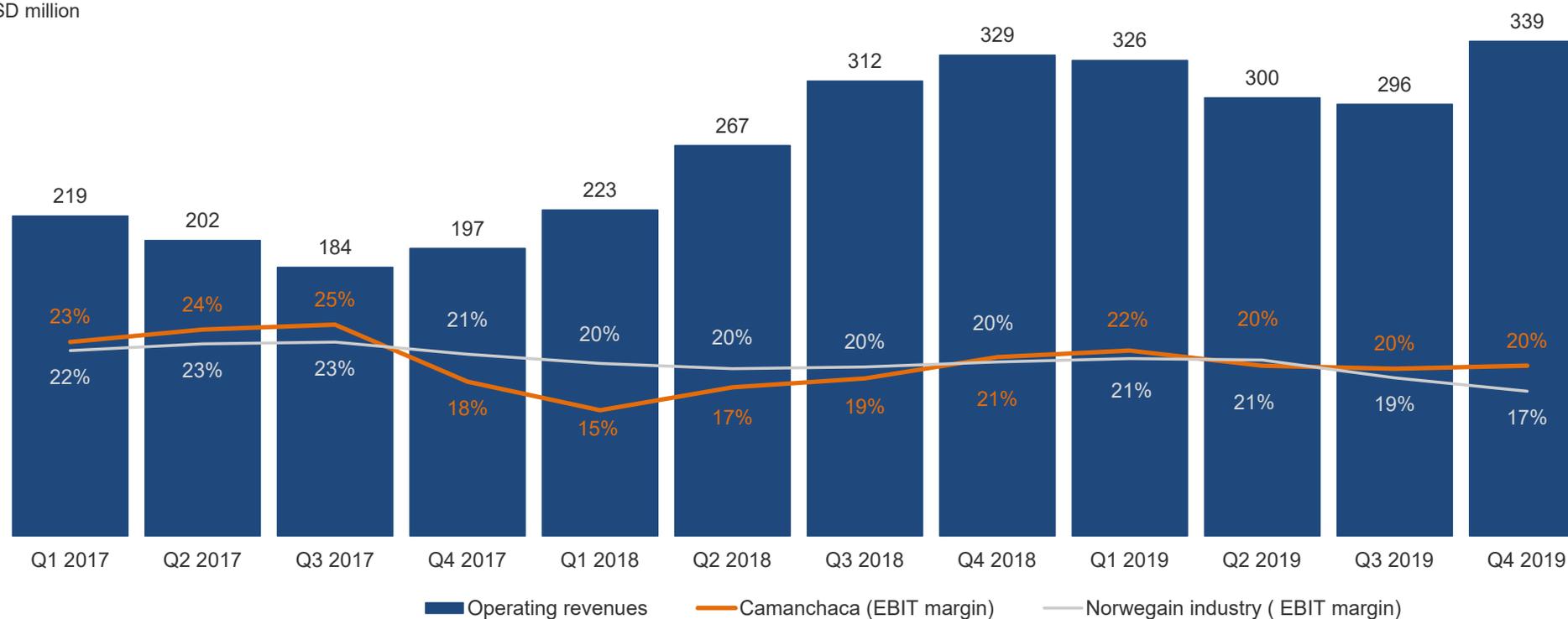
1. Farm effectively and efficiently – optimize resource utilization
2. Farm sustainably
3. Bring healthy & tasty products to the markets



# Performing and delivering value

## 12m rolling revenues and EBIT-margin before Fair Value

USD million



## 2<sup>nd</sup> Positively affecting our key social stakeholders

*Enhancing the experience of working in, or living close, to Salmones Camanchaca*



Reaching out to employees and letting them participate and engage



Leverage our organizational capacity to help people understand their citizen role, learn how to improve their personal financial situation, and help them enhance their educational level to prosper



Affordable banking by bridging and connecting banks with employees



Enhance workers health and retirement plans, educating in how to be self sufficient



# Summary

- Regulation played its role of sustainable growth
- Environmental conditions requires agile actions
- Market and product diversification mitigate accessibility risks
- Sustainability is a new cornerstone for salmon farming
- Social unrest and demands expand our role in society
- To navigate the waves and create value for all stakeholders you need the right pilot

