

Q4 2020 results

Santiago, Chile | 25 February 2021

Ricardo García, Vice Chairman
Manuel Arriagada, CEO



Mañihueico, Chile

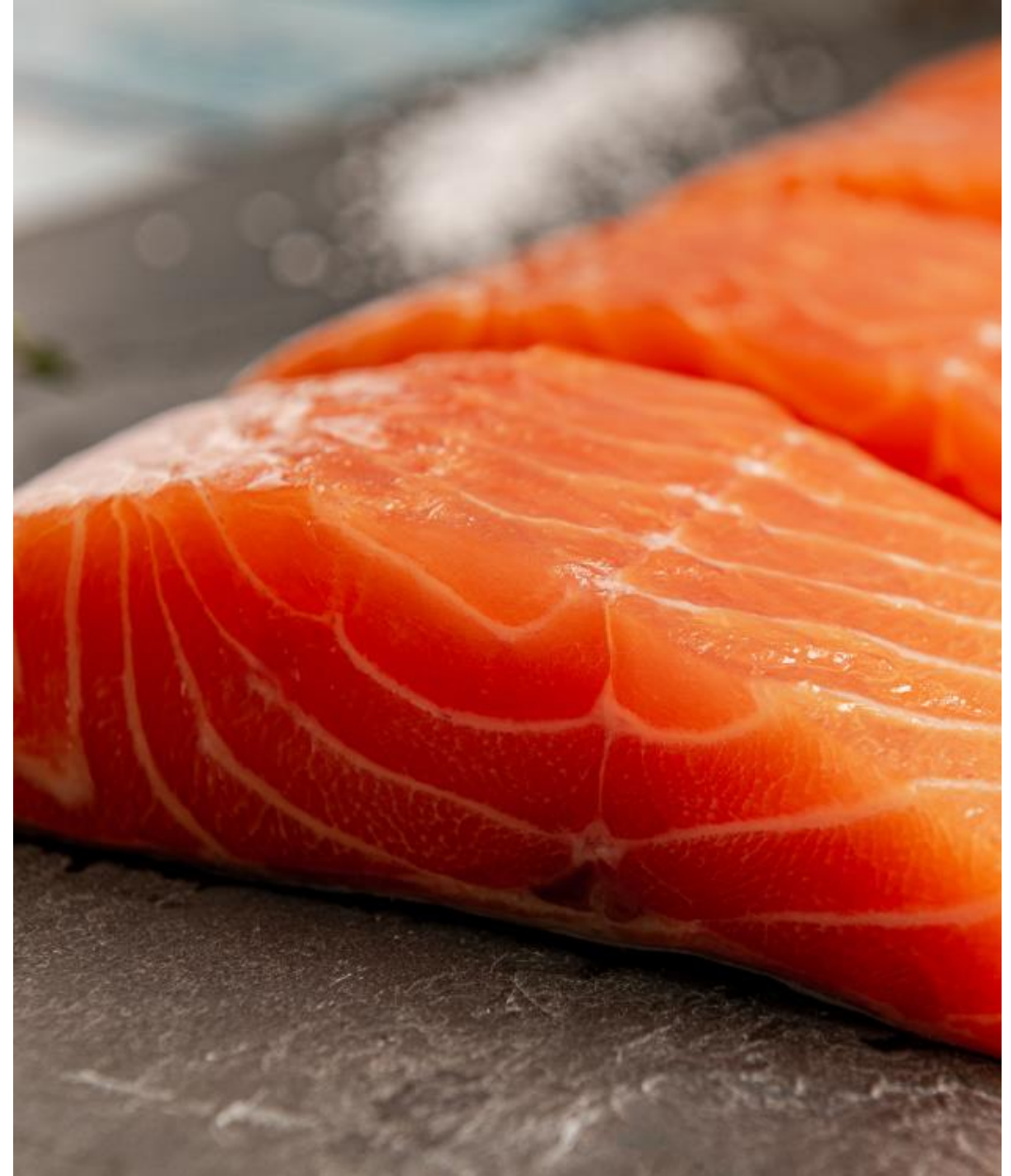
Agenda

- Highlights of the quarter
- Operational review
- Sustainability
- Markets
- Financial review
- Outlook and summary



Q4 2020 Highlights

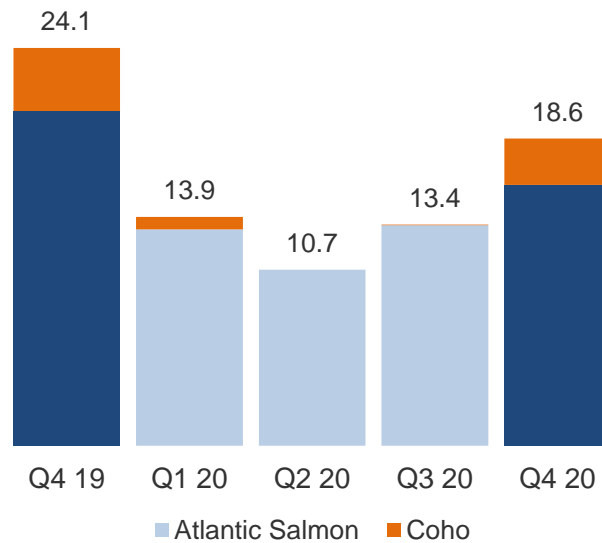
- Financial performance impacted by weaker demand on pandemic context; avg sales prices down 27% y-o-y
- Harvest volumes for the quarter at 15.800 MT, reaching 53,000 for the year. Sales volume for Q4 2020 of 13,800 MT
- Addressing market challenges with value added products, representing over 85% of sales in Q4
- Operational performance impacted by Islotes incident and SRS, with ex cage cost up from previous quarters. Processing cost below long-term goal
- USD 2.3m 2020 earnings contribution from Trout JV renewed until 2028
- Financial position kept strong with new financing facility of USD 35m



Financial highlights

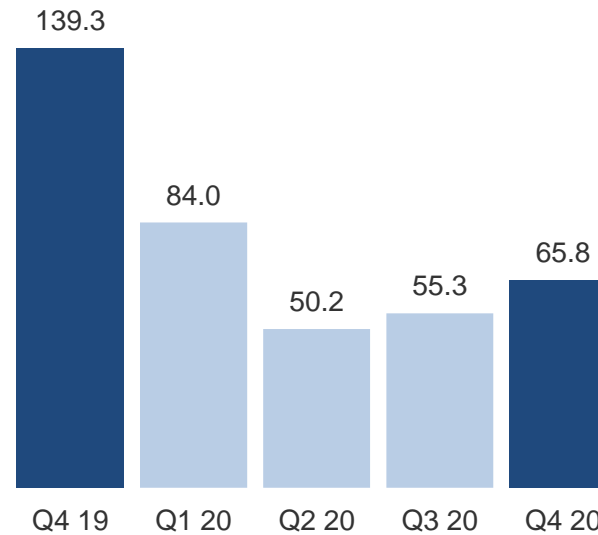
Harvest volume

Thousands tons WFE



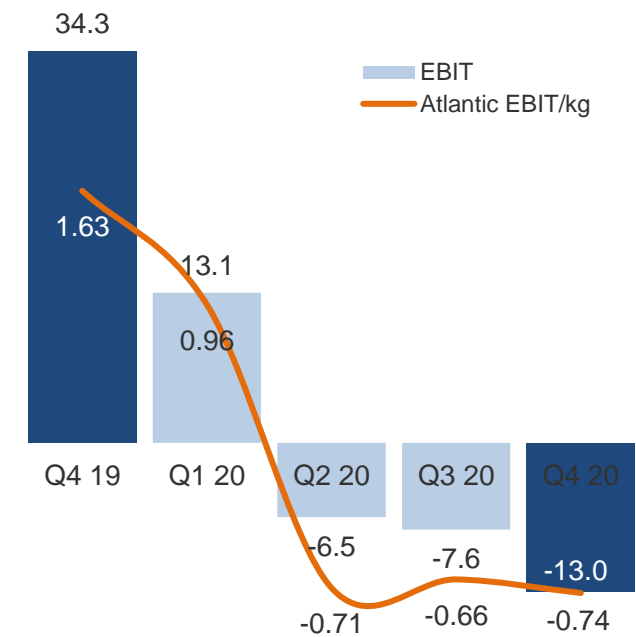
Revenues

Million USD



EBIT and Atlantic EBIT/kg WFE

Million USD and USD/kg WFE



2020 total EBIT/kg Atlantic negative USD 0.23 /kg

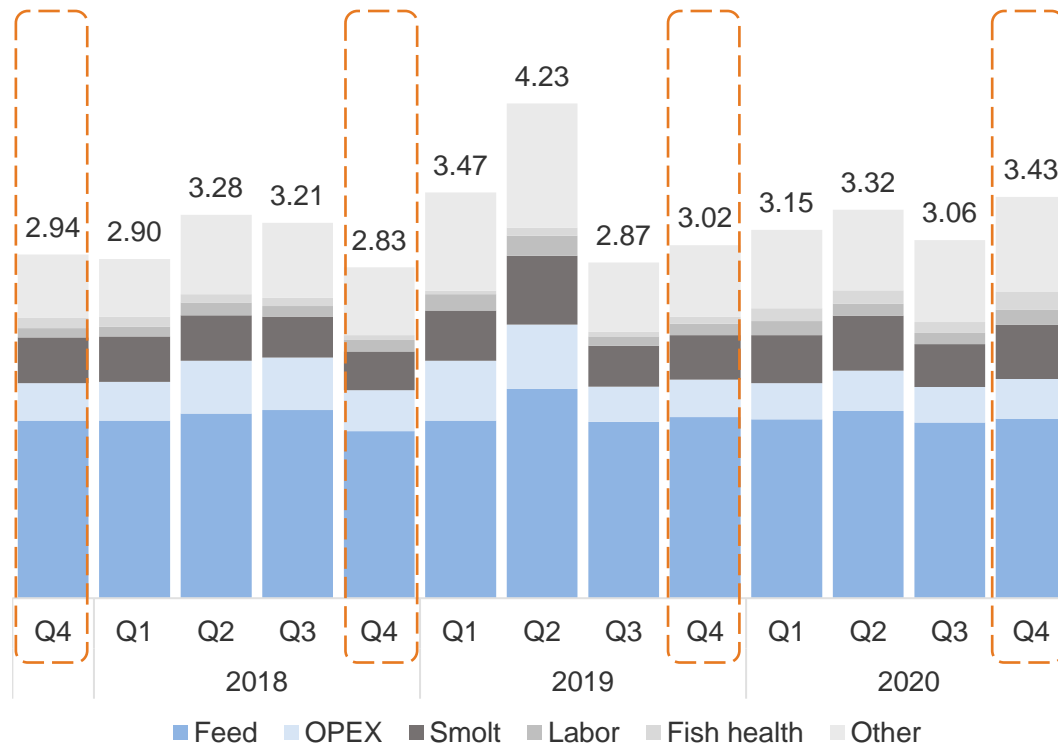




Operational review

Live weight cost above long-term target

Atlantic salmon LW ex-cage cost
(USD/kg)

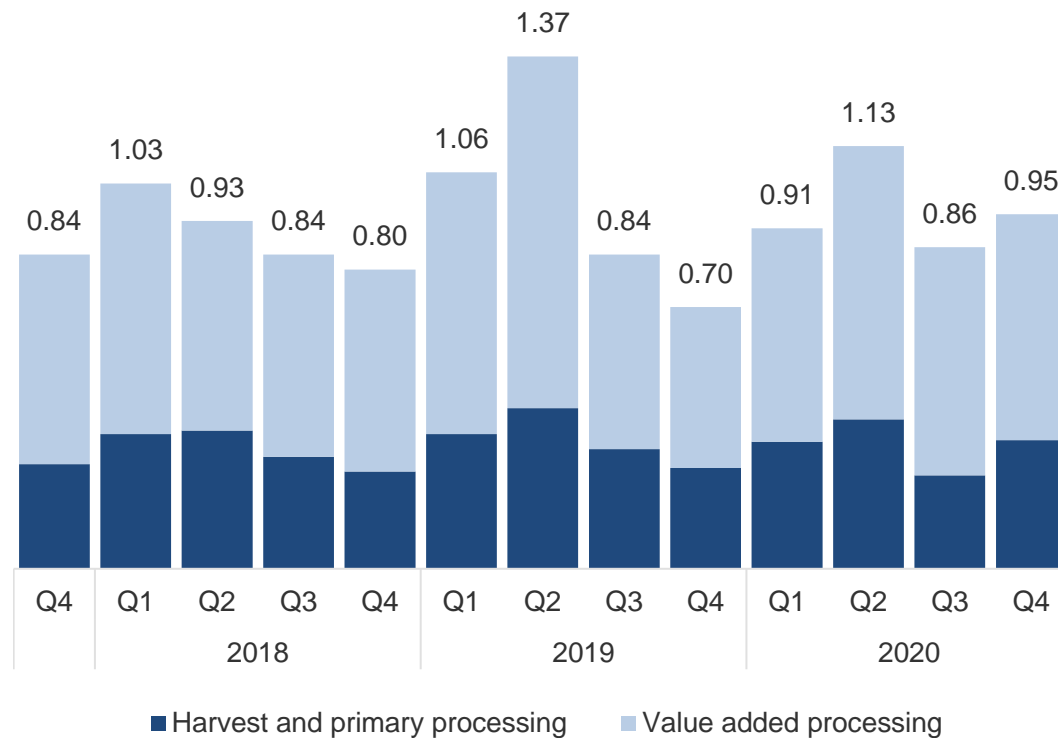


- Q4 2020 live weight cost at USD 3.43/kg, increase due to:
 - SRS in two of the harvested sites
 - High cost of Islotes due to May incident when ~ 30% of biomass was lost
- Average harvest weight at 5.6 kg in Q4 2020 WFE vs 5.7 kg in Q4 2019
- H1 2021 estimated farming costs above target due to mortalities and lower avg weight
- Expect costs in line with target in H2 2021



Processing cost below long-term target

Atlantic salmon processing cost
(USD/kg WFE)

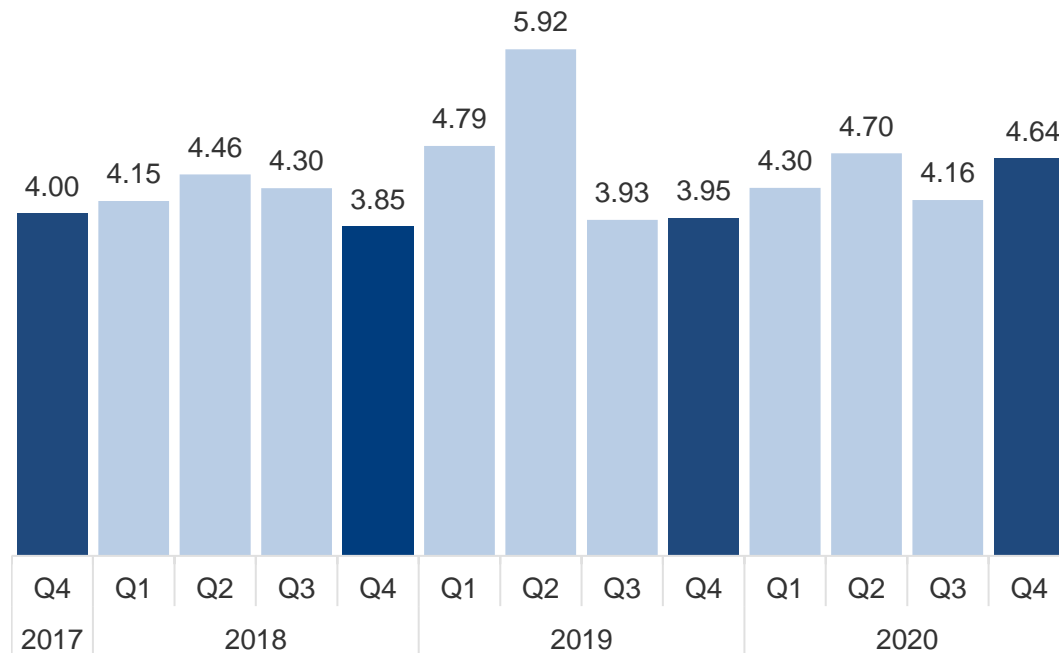


- Q4 2020 total processing cost at USD 0.95/kg WFE
 - Operating at full processing capacity since Sep 20
- Processing cost on target despite:
 - Larger volume of fillets and portions 85% of total volume processed
 - COVID-19 related costs at ~ 4 cents/kg WFE in Q4



Finished product cost at long-term target

Atlantic Finished Product Cost
(USD/kg WFE)



- Total cost at USD 4.64/kg WFE above long term target of USD 4.23/kg WFE and comparable sites (Q4 2018), mainly due to:
 - Increased cost from Islotes biomass loss and performance of remaining fish
 - Outbreaks of SRS
 - COVID 19 preventive initiatives
 - Higher share of value-added products

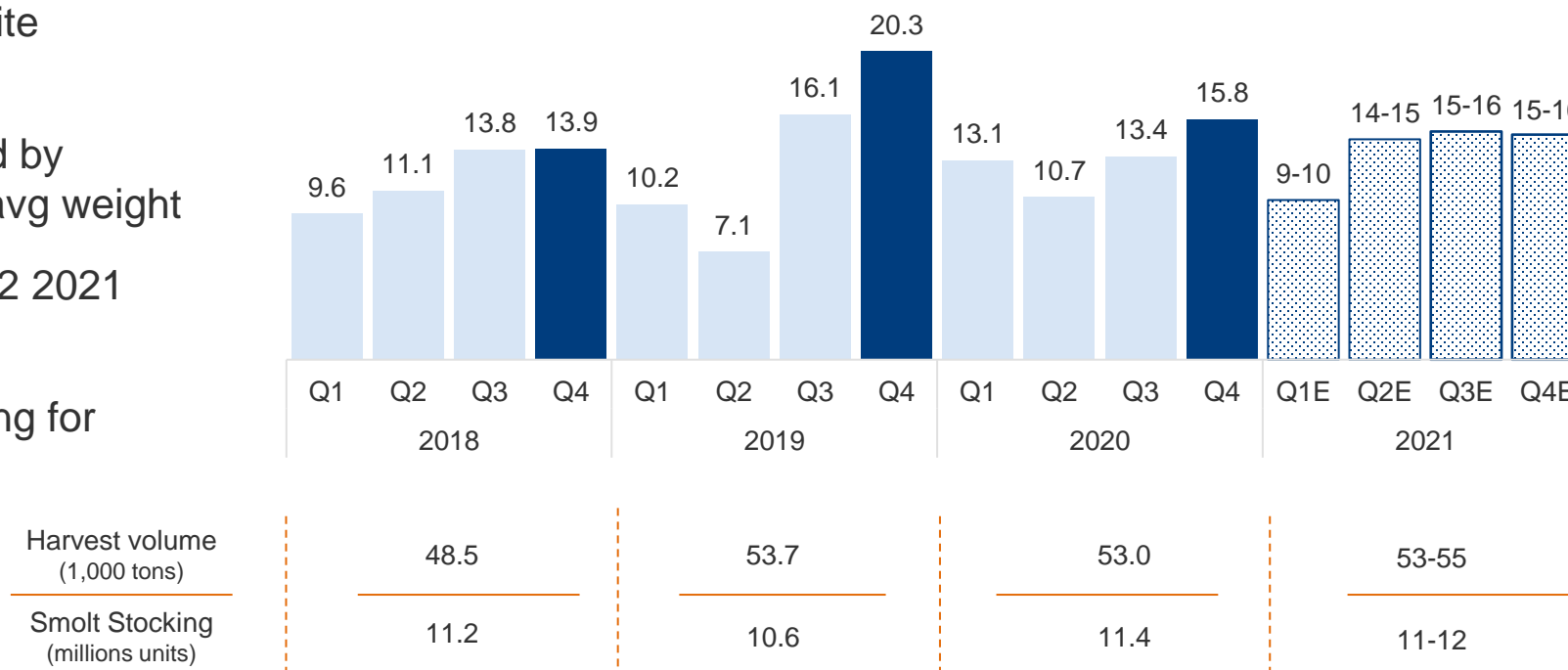


Atlantic volume stable year-over-year

- Achieved original stocking and harvest plan for 2020 despite challenging context
- Q1 2021 volumes impacted by Islotes-incident and lower avg weight
- Stable harvest plan from Q2 2021 onwards
- Unchanged industry stocking for Atlantic y-o-y*

Atlantic harvest and smolt stocking

Thousand tons WFE and million units



* Source: Aquabench December 2020



Atlantic salmon biology

Mortality rate (% of number of fish)



Biology indicators

	Q4 2017	Q4 2018	Q4 2019	Q4 2020
FCRb* (live weight)	1.14	1.12	1.15	1.14
Yield (kg WFE/smolt)	4.7	4.9	5.1	5.0
Average harvest weight (kg WFE)	4.7	5.3	5.7	5.6

* FCRb = Biological Feed conversion ratio

- Good performance of biological indicators other than mortality
- Reduced total biomass mortality in Q4 2020
- Closed sites impacted by one of three seasite mainly affected by SRS



An advocator for sustainable salmon farming

Sustainability indicators - Atlantic

(closed sites)

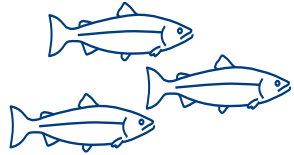
	Q4 2017	Q4 2018	Q4 2019	Q4 2020
FIFO Ratio	0.64	0.61	0.54	0.46
Length of cycle/Fallow period (months)	17/7	16/8	16/8	18/6
# Escape incidents	0	0	0	0
# of antibiotic treatments	2.3	2.4	1.9	3.0
Antibiotic usage (g/ton)	582.1	475.0	522.1	576.1
Antiparasitic usage (g/ton)	4.1	0.5	8.0	4.8

- Increased length of cycle due to delays in harvest
- 25% increase of number of antibiotic treatments cycle-on-cycle for the quarter
- 21% increase in the antibiotic usage (g/ton) due to size of the fish treated
- Increased use of anti-parasite pharma solutions to keep sea lice under control



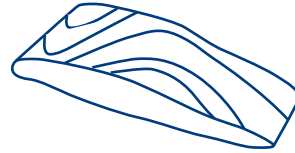
Coho initiative

Finished the last season of Coho with low density



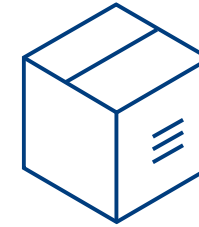
Farming

- Harvested volume 3,614 tons WFE with avg weight above 4 Kg
- Low mortality rates < 7%
- No antibiotic or antiparasite use



Processing

- 79% premium quality
- Good quality results in value added processing
- New value-added processing capacity for Coho available in 2020



Sales & Marketing

- 44% sold outside Japan
- ~ 20% sold as value added





Sustainability Update

Salmones Camanchaca's sustainability model

Healthy and Nutritious food



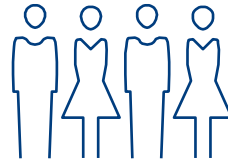
- 52% of the 2020 harvests were ASC certified.

Healthy Ecosystems



- Increasing solid industrial waste recycling rate.
- FCRb and FIFO ratio downward trend consolidating
- Agreement with feed suppliers with high raw materials sustainability standards

Prosperous communities



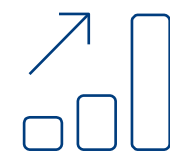
- Contribution to SalmonChile's 'Committed with the south' about USD 0.2 million.
- Majority of donations 2020 have been linked to COVID pandemic.

Meaningful jobs



- Reduction of 27% in accident rate compared 2019.

Profitable and responsible business



- New Environmental and social Standard for Suppliers launched



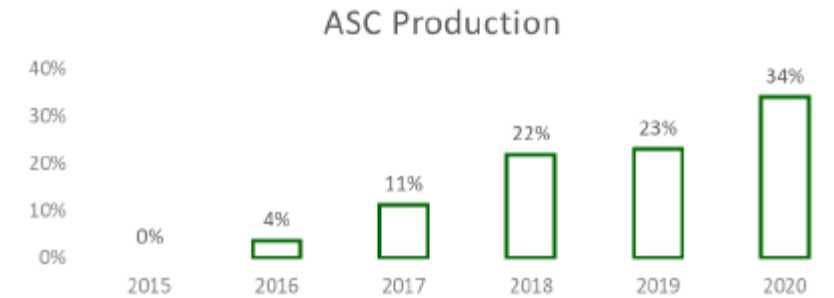
Progress on ambitions



- **52% of total harvest biomass in 2020 from ASC certified sites**



- **New corporate electricity contract** with 100% renewable energy
 - 13% decrease in emissions.
- **Carbon offset 1000 ha. forest project initiated in 2021**



ASC Production calculated over a 24-month rolling period to account for the length of production cycles.



Progress on ambitions

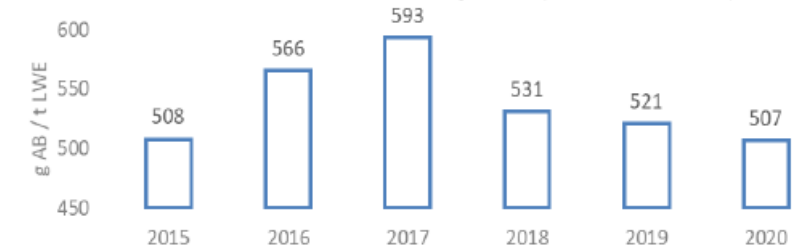
50% reduction
in the use of antibiotics
by 2025

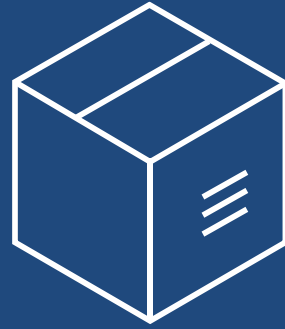
- **Third consecutive year with reduction in use of antibiotics**
- Salmones Camanchaca committed to antibiotic reduction workplan in GSI's Biosecurity Taskforce and Monterrey Bay Aquarium.

Communities
Be an increasingly
valuable member of
our communities

- **Various contributions to local communities** in medical supplies targeting COVID-19 impact

Antibiotic Use Closed Cycles (2015 - 2020)



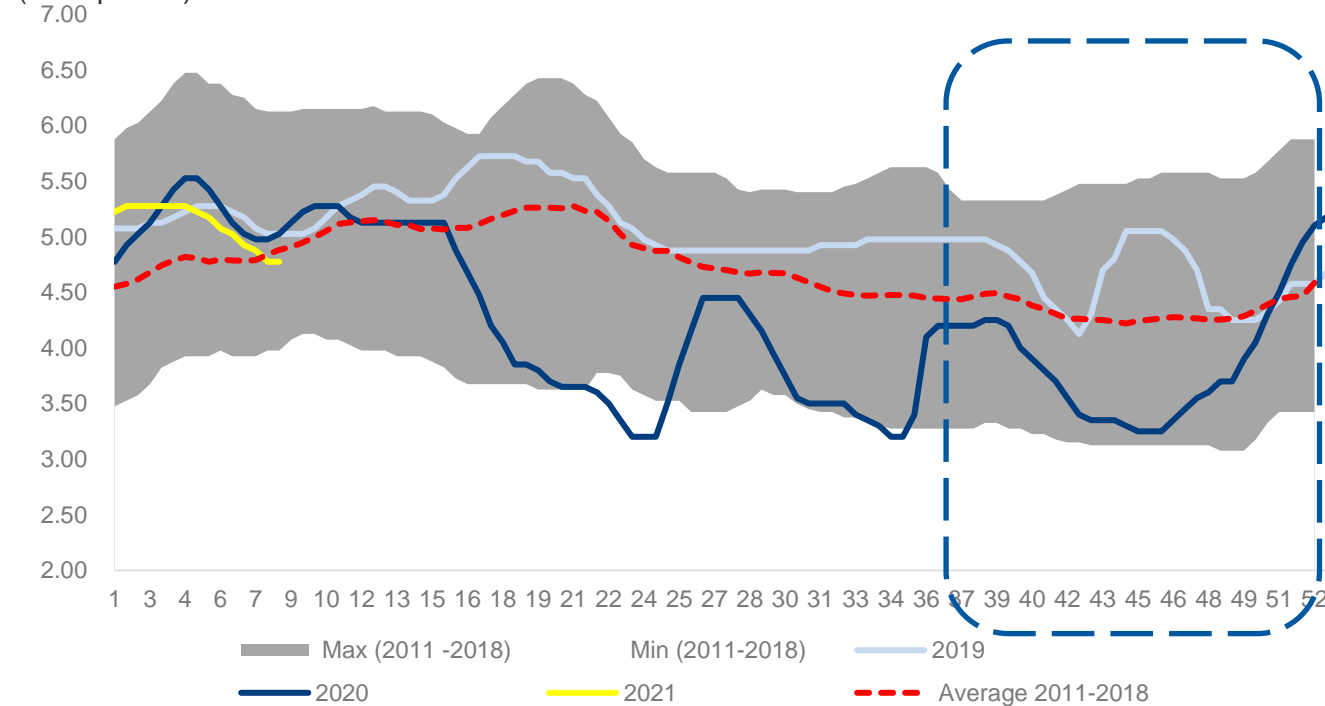


Markets

Market Price Evolution

UB Miami 3-4 Mid Trim D

(USD per LB)

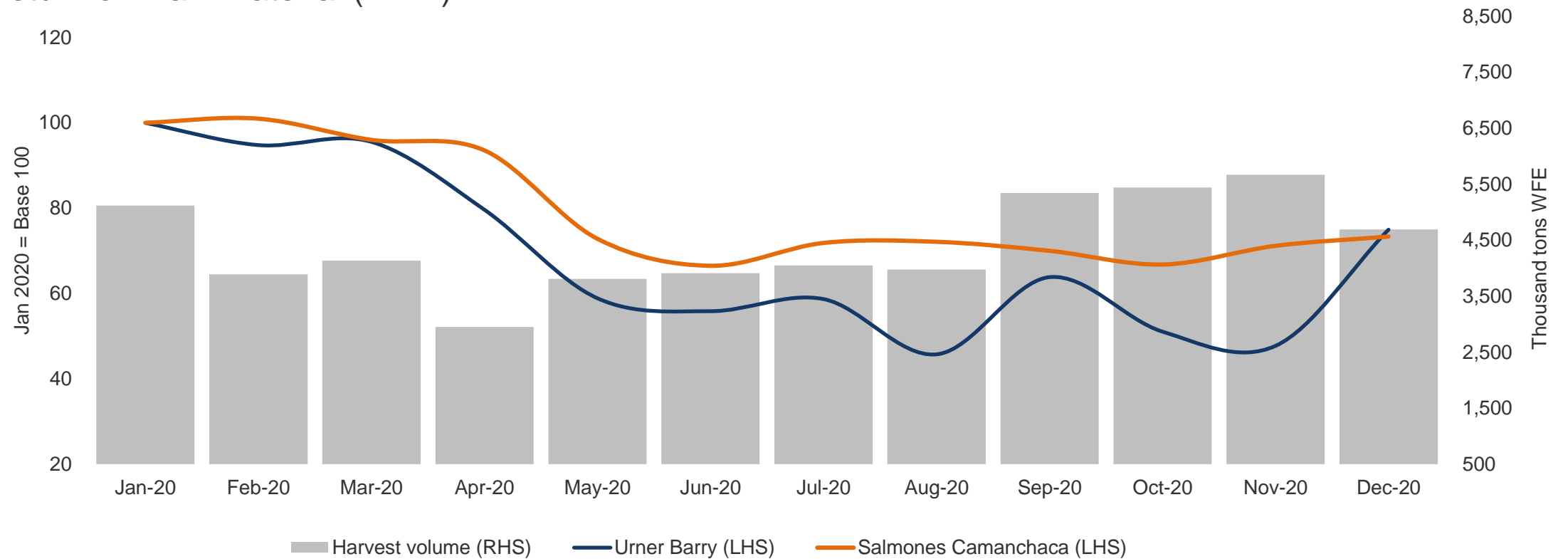


- Price volatility remains
- Quarter price differential vs prior year of USD 0.8/LB
- Strong recovery in prices at the end of the year followed by a new drop beginning of 2021



Salmones Camanchaca price achievement

Return on Raw Material (RRM)*



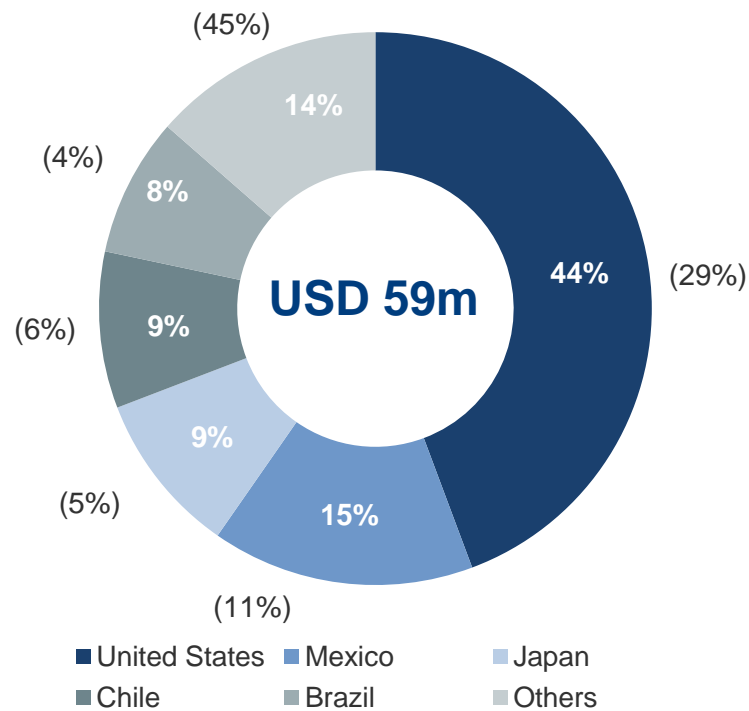
*RRM = Return or Price obtained for WFE primary processed fish



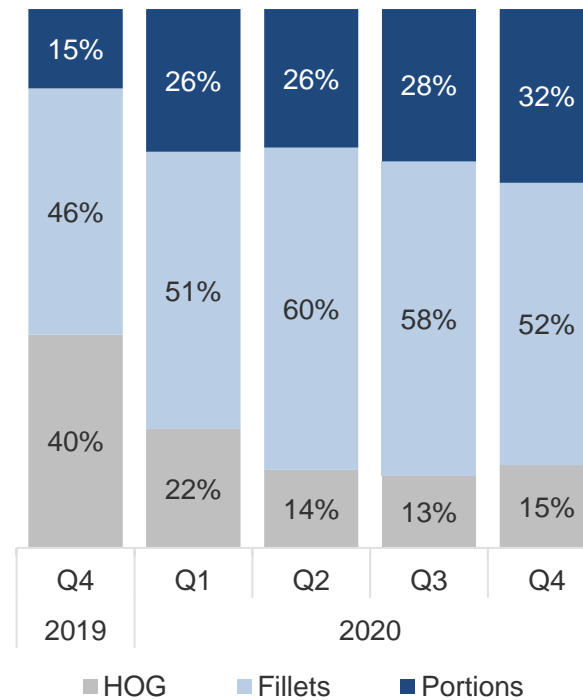
Atlantic Sales Mix

(% of Q4 2020 Volume WFE)

Q4 2020 (Q4 2019)



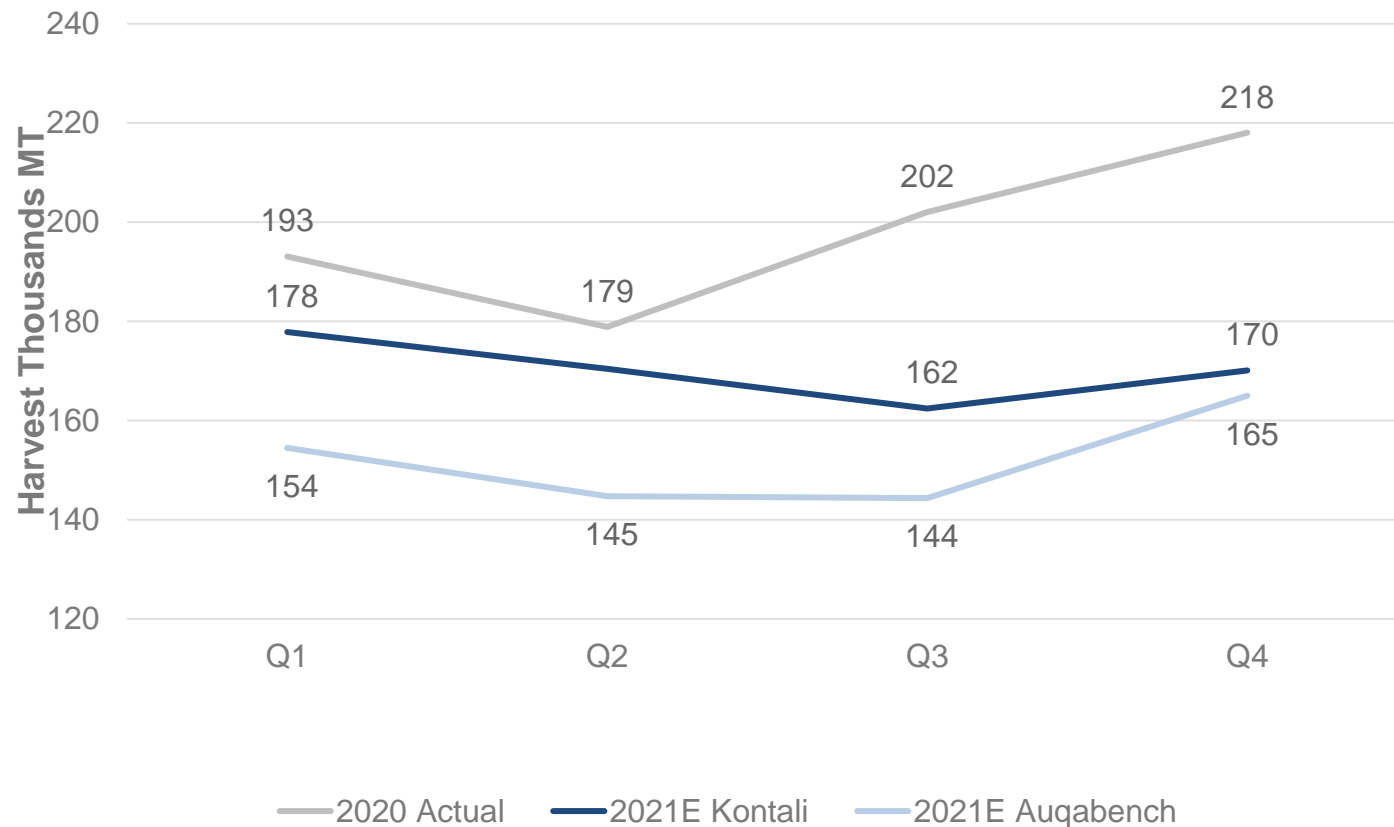
Quarterly distribution by product type



- Changes in market and product allocations shows Camanchaca's ability to adapt:
 - Significant increase to Mexico reaching 15%
 - Decrease in volumes to Brazil and China, whole fish markets where prices have been under pressure
 - Russia still closed for the company (31% of Q4 2020)
 - Value-added products remains at 85% of the mix
- Sales to retailers doubled
- Higher Q4 inventory levels driven by low HON prices and favorable price expectations



Chilean Atlantic salmon industry harvest projections



- FY 2020 Atlantic harvest 790,000 tonnes
- FY 2021 estimate 600-700,000 tonnes
 - In line with 2017 & 2018 volumes
- Salmones Camanchaca maintains volume y-o-y

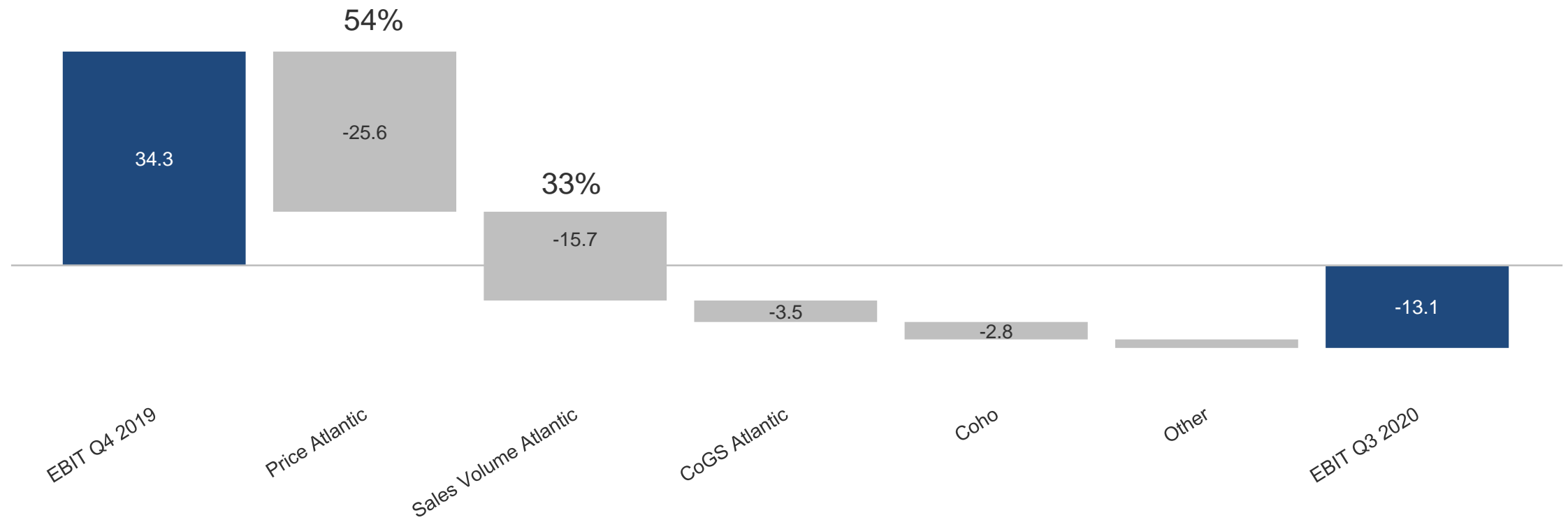




Financial review

Significant price impact on EBIT Q4 2020

EBIT Bridge of USD 47.4m
(USD million)



Profit & Loss

- EBIT down USD 47m versus Q4 2019 due to low market prices and sales volume
- Positive FV of USD 1.8 million due to the price recovery toward the end of the year
- Non-operational items: USD 0.7m
 - Mainly due to the positive contribution of Trout JV, USD 0.8m in Q4 2020

Condensed profit and loss statement (Thousand USD)

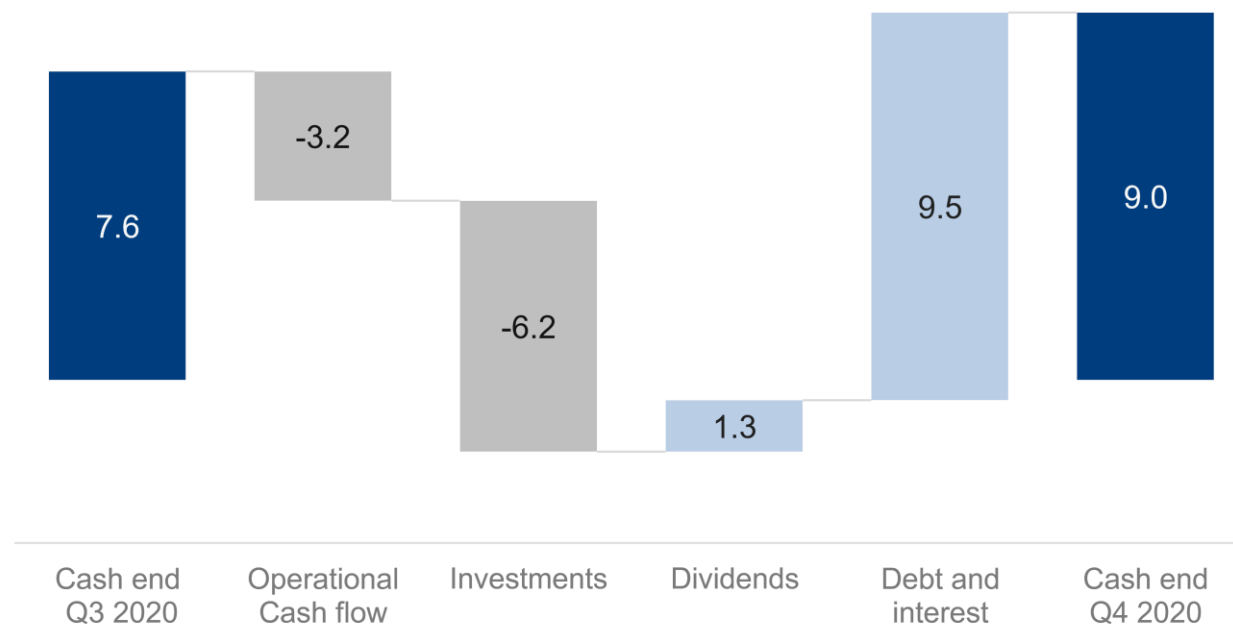
Profit & Loss (USD Thousand)	Q4 2 020	Q4 2 019	Δ 20 vs 19
Total Revenues	65.847	139.250	-73.403
SG&A	-5.183	-5.535	352
EBITDA	-8.752	37.527	-46.279
Depreciation and amortization	4.079	3.243	836
EBIT	-13.042	34.284	-47.326
Fair value adjustments	1.948	-9.434	11.382
EBIT after fair value	-11.094	24.850	-35.944
Non operational items	698	-3.190	3.888
Profit before tax	-10.396	21.660	-32.056
Estimated taxation	2.848	-5.539	8.387
Net profit for the period	-7.548	16.121	-23.669



Cash Flow Q4 2020

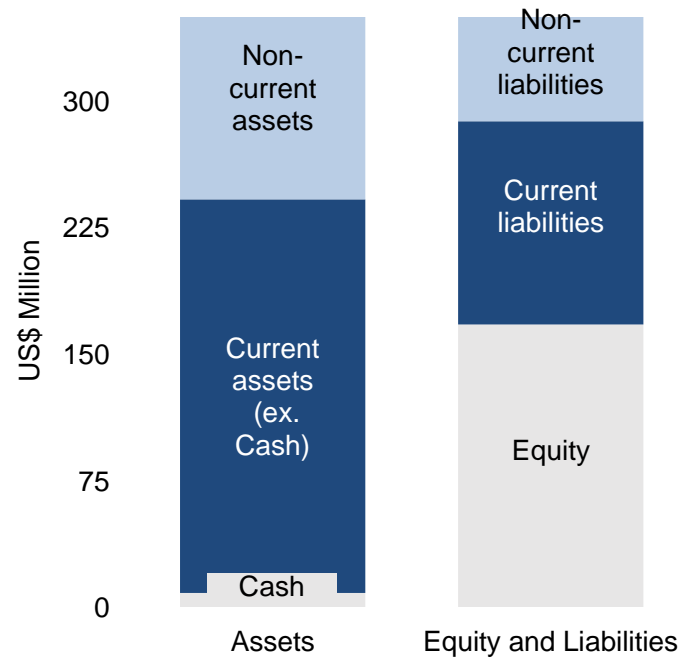
- Net cash increased by USD 1.4m in Q4
- Negative cash flow from operations due to lower volumes and prices
- Investments reduced to USD 6m, mainly maintenance and strategic investments
- Additional USD 11m debt in Q4 2020 to finance the operations and investments, partially offset by USD 1.5m of interest payment
- New credit facility of USD 35m

Cash Flow
(USD million)

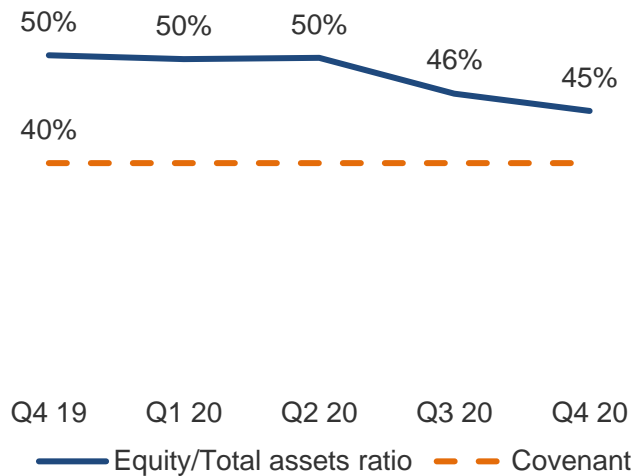


Solid financial position

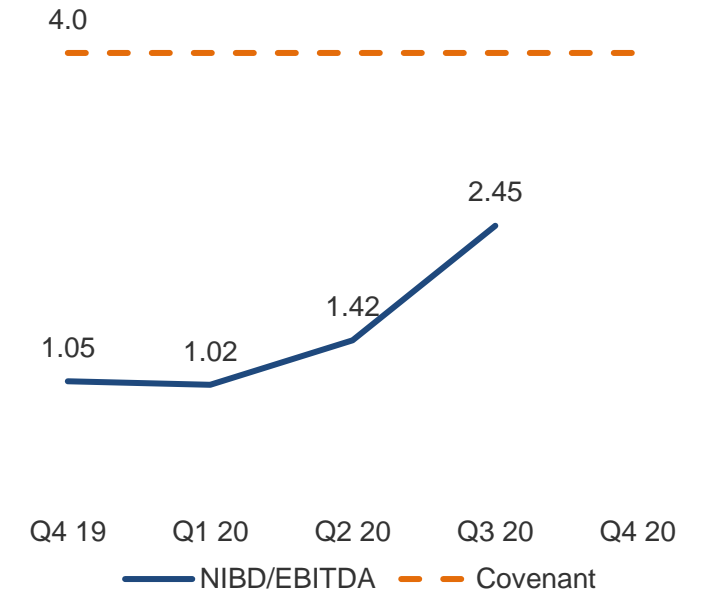
Balance sheet as of Dec 2020



Equity/total asset



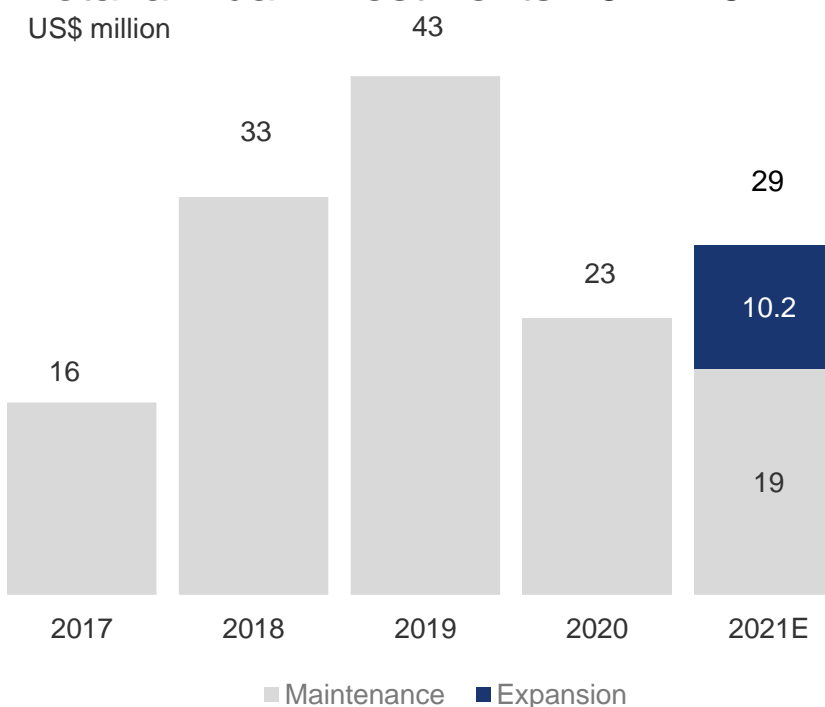
Net interest-bearing debt/EBITDA (*)



Investments 2017-2021E

US\$ million	2017	2018	2019	2020	2021E	Status
Expansion of RAS hatchery	3.2	3.6	0.3	1.4	0	100% Completed
New Atlantic Farming Sites	3.5	15.1	2.3	0	10.2	100% Completed
Pacific salmon (coho)		2.7	10.9	0	0	100% Completed
Primary Process Expansion	1.4	1.8	3.8	0	0	100% Completed
Capacity & efficiency of VA plant	1.5	4.0	4.7	4.9	2.3	95% Completed
Maintenance & other regular investments	4.7	5.0	18.2	14.7	16.5	
Regulatory requirements	1.7	0.8	2.8	6	0	
Total	16.0	33.0	43.0	27	29	

Total annual investments 2017-2021E

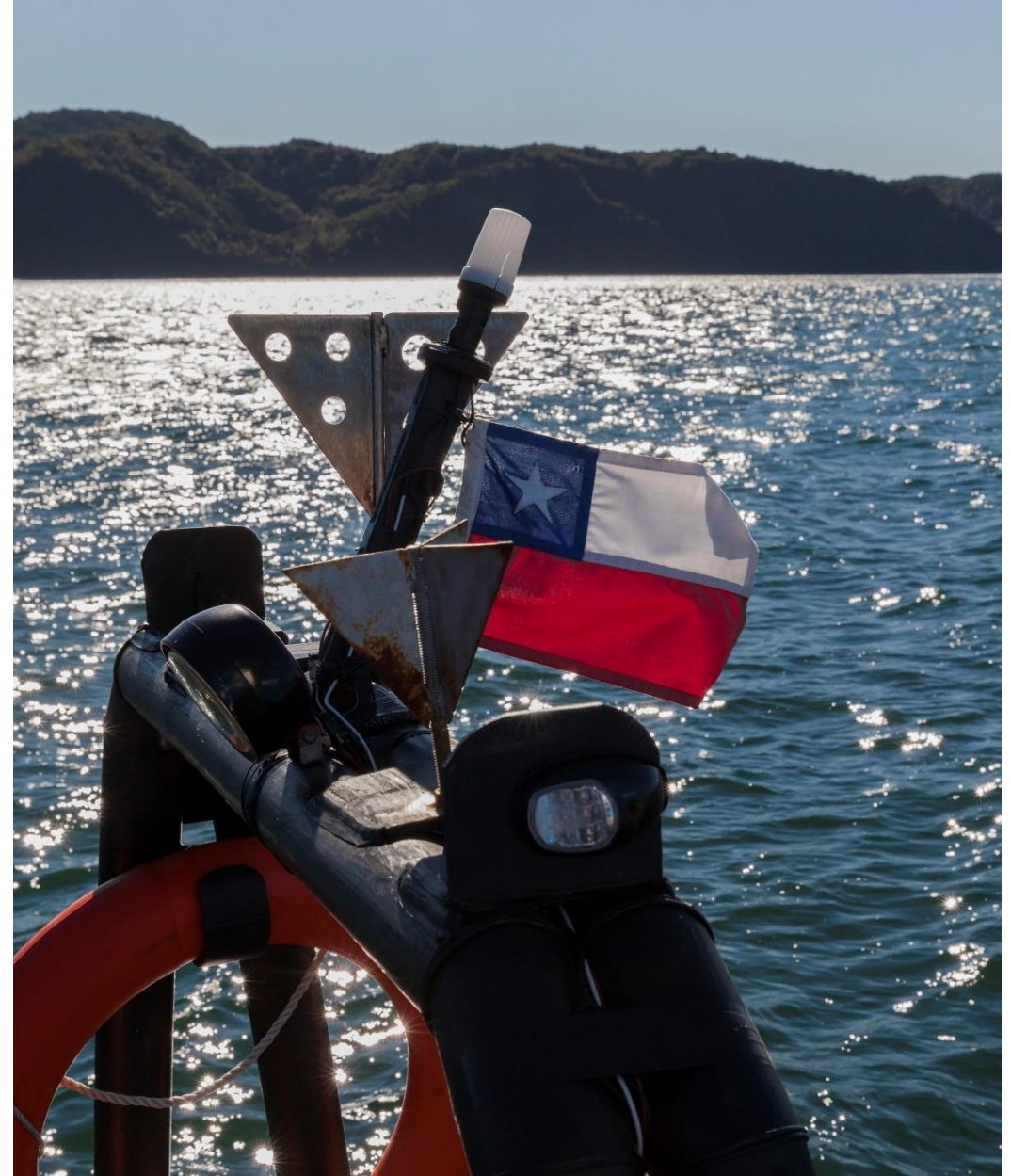


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Summary and outlook

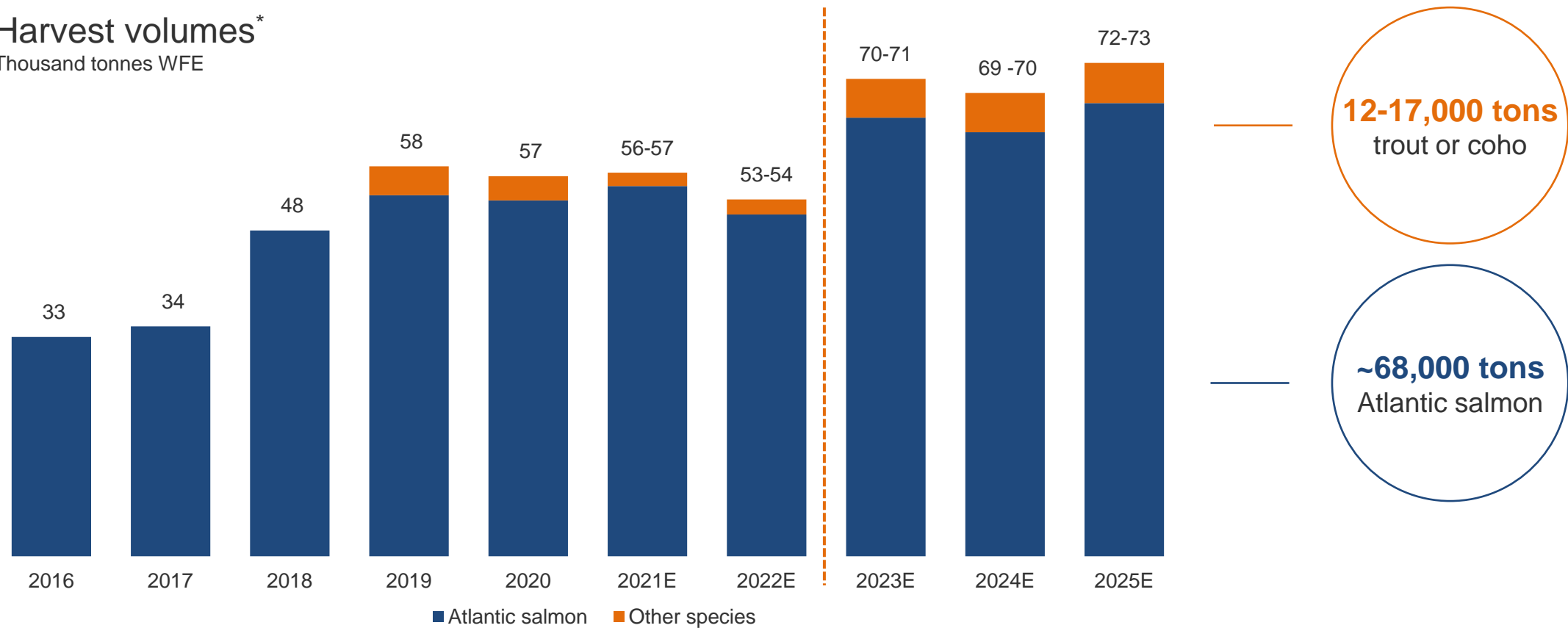
2020 Summary

1. Business continuity achieved despite pandemic context in operating geographies
2. Atlantic harvest volume at 53,000 tons for 2020 in line with previous year and guidance
3. Historic low prices due to weak demand and reduced market access explaining about 70% of EBIT decrease in the year
4. Successful value added strategy mitigated decrease price impact
5. Higher farming cost in Q4 20 and H1 21, resuming target in H2 21
6. Favorable turnaround of Trout JV contributed with USD 2.3 million in 2020
7. Solid progress on sustainability ambitions
8. Volume guidance for 2021 at 55-57,000 MT



Ambitious targets within Atlantic salmon and coho

Harvest volumes*
Thousand tonnes WFE





Q&A