



Q1 2024 results
Ricardo García, Vice Chairman
Manuel Arriagada, CEO

16 May 2024 - Santiago, Chile



Agenda



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Q1 2024 Highlights

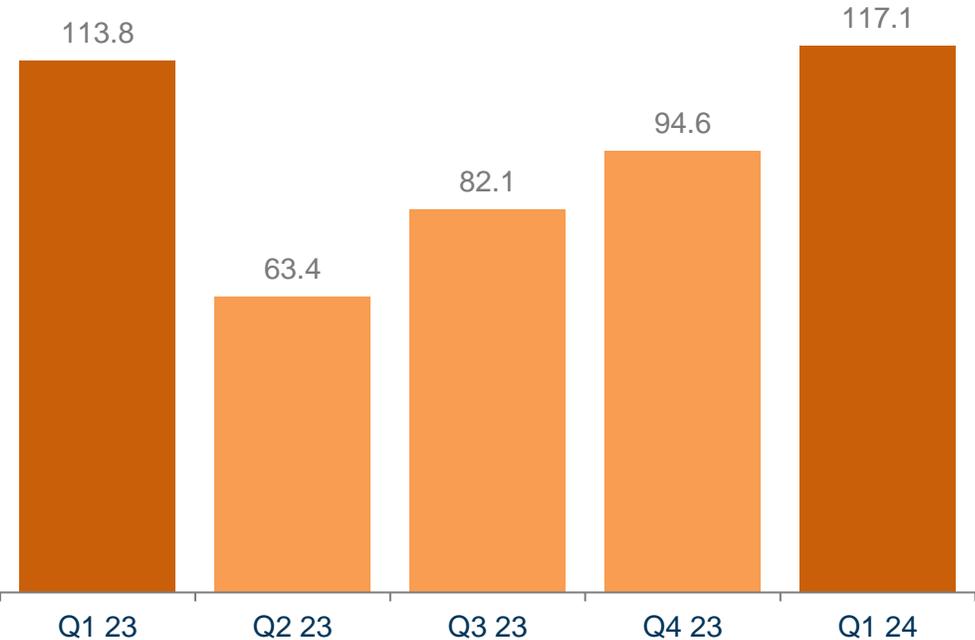


1. Patagonia's oceanographic summer condition was more favorable than expected under El Niño cycle, but higher radiation depressed biomass.
2. Operating Revenues up 3% at USD 117m: volumes sold up 24% but prices declined 19%.
3. Atlantic harvest at 9.9k MT WFE down 11% YoY affected by lower harvest weights as biomass' appetite was depressed.
4. Inventories reduced 45% QoQ, and 3k MT WFE were kept at 31st March.
5. EBITDA at USD 4.3m, down from USD 25.4m in Q1 23, Decline of USD 21.1m explained by,
 - USD 12.2m negative due to lower Atlantic prices.
 - USD 6.7m negative due to lower Coho price and higher processing cost.
 - USD 6.6m negative due to higher ex-cage cost of Atlantic (COGS).
 - USD 3.6m positive as provision on inventories were reversed vis a vis Q4 23.
6. All species EBIT/kg WFE sold was -20 cents: +19 cents in Atlantic & -102 cents in Coho.
7. Atlantic LW cost of USD 4.91/Kg, up 64 cents from Q1 23: Low average weight in all 4 harvested sites and low oxygen levels and sea lice in an underperforming sea-farm (24% of the harvested biomass).
8. Despite higher ex-cage cost, very low mortalities in Q1 (~0.5% monthly), and biology indicators were improved outperforming the industry.
9. 2024 harvest estimates (MT WFE): Atlantic 44k to 46k; Coho 4k to 5k. Total close to 50k.

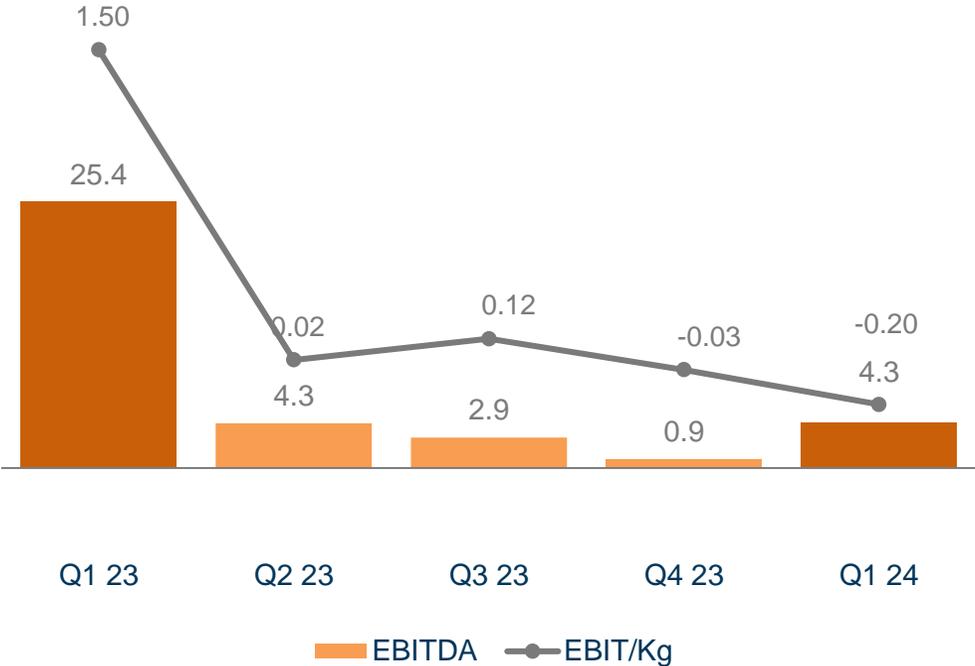
Financial Highlights



Revenues Million USD



EBITDA and EBIT/kg WFE USD million and USD/kg WFE

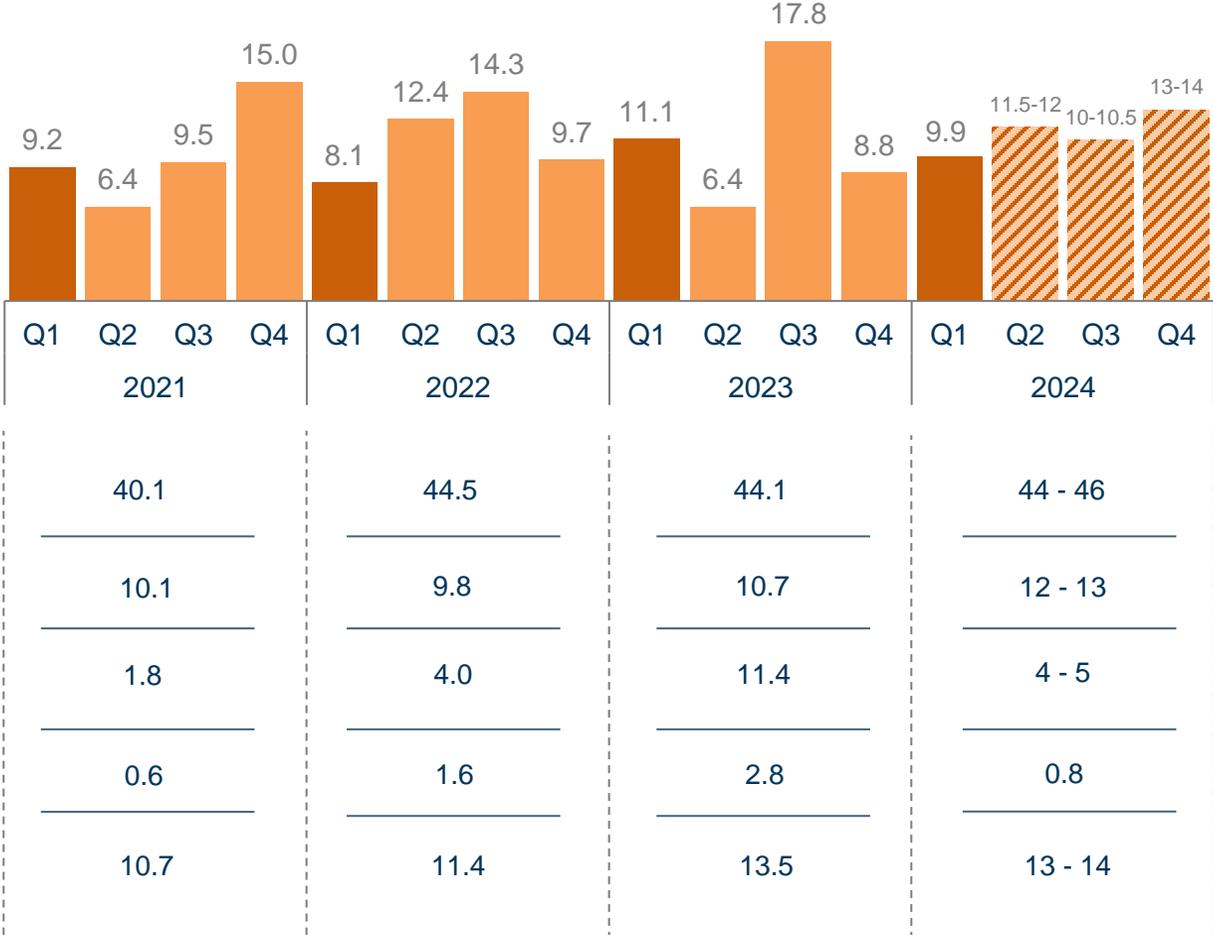


Harvest & Stockings Growth in 2024



Atlantic harvest Thousand MT WFE

- Lower Atlantic harvest in Q1 24 due to lower harvest weight (-11% vs Q1 23).
- Total stocking for 2024e are in line with 2023, but with more Atl. and fewer Coho.
- Atlantic 2024 harvest plan at 44-46k & 4-5k for Coho (MT WFE).
- Chile Atlantic stocking in Q1 24 increased 3%, and Coho declined 1% (*).



Atlantic Harvest volume (1,000 MT)	40.1	44.5	44.1	44 - 46
Atlantic Smolt Stocking (millions units)	10.1	9.8	10.7	12 - 13
Coho Harvest volume (1,000 MT)	1.8	4.0	11.4	4 - 5
Coho Smolt Stocking (millions units)	0.6	1.6	2.8	0.8
Total Stocking (millions units)	10.7	11.4	13.5	13 - 14

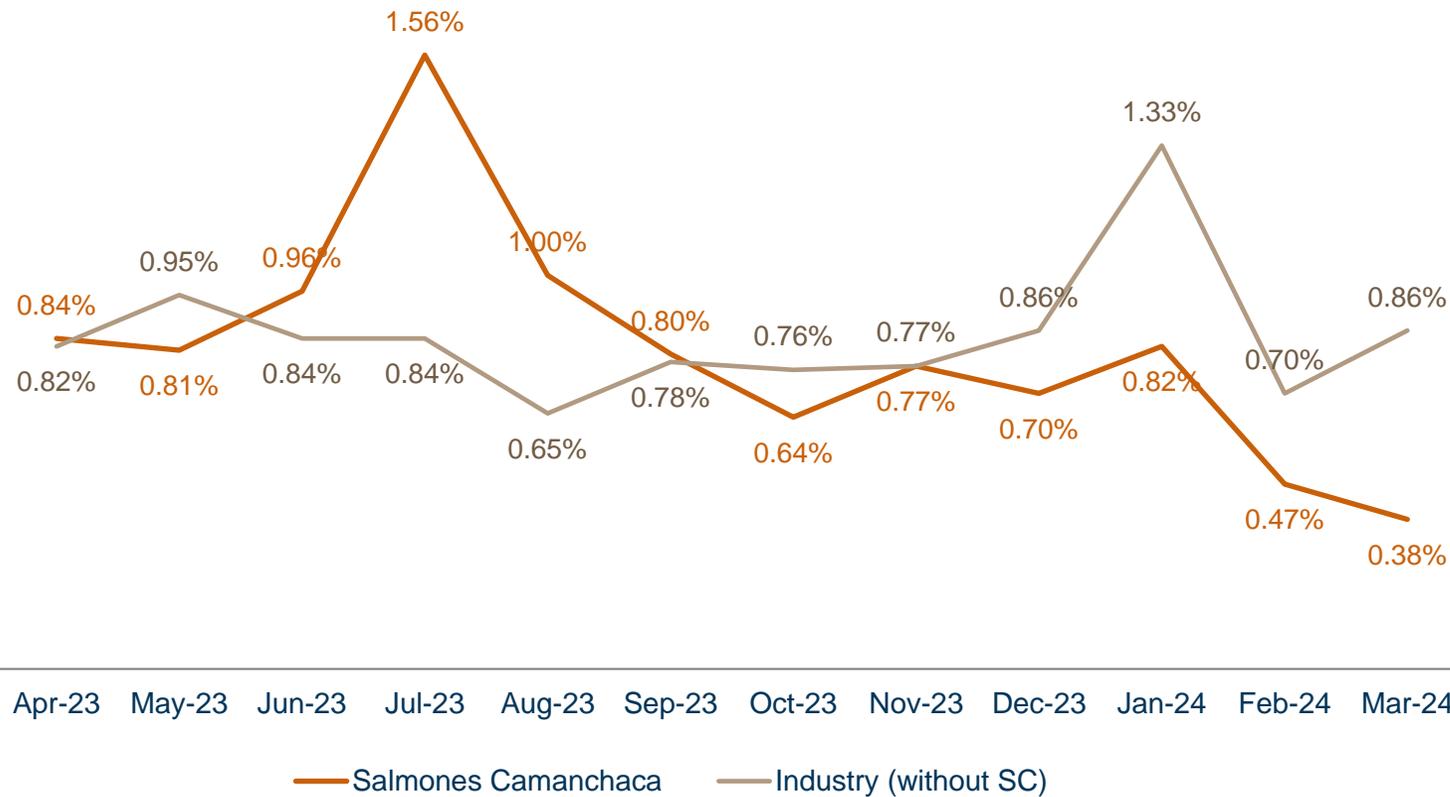


Operational review

Atlantic biology: favorable relative performance



Mortality rate SC vs Industry (ex-SC)



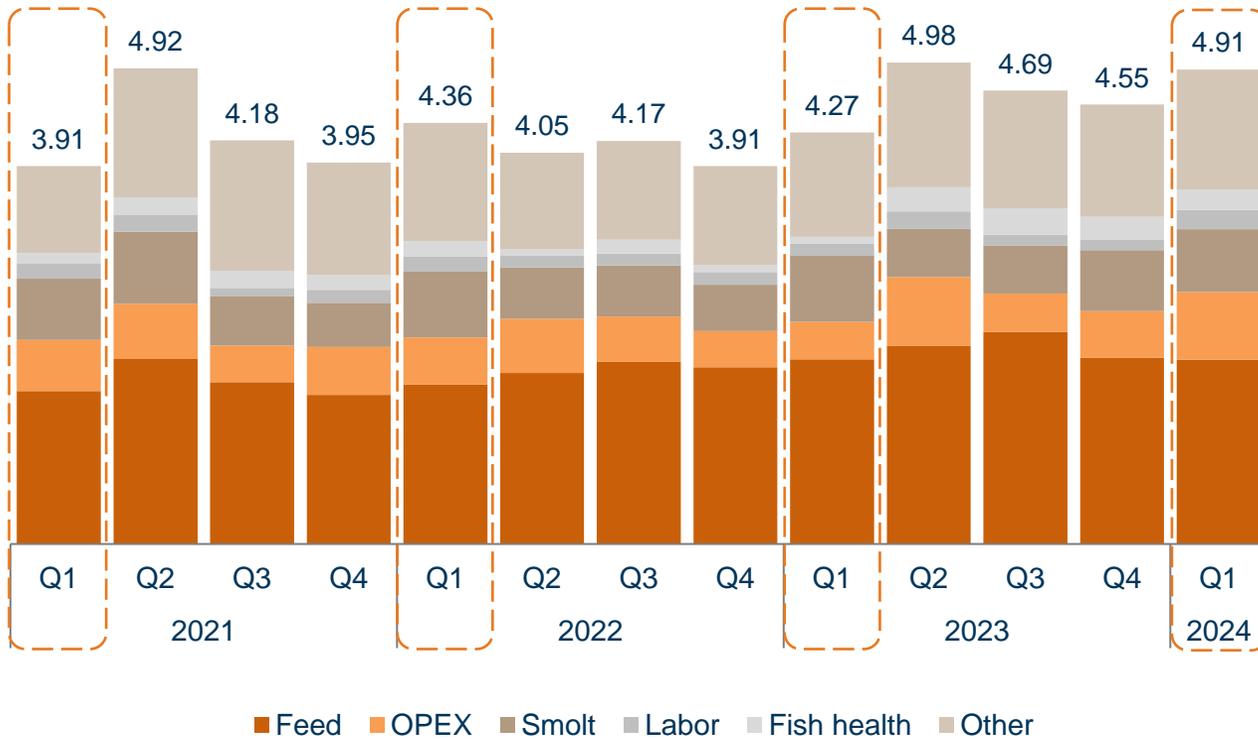
SC vs Industry indicators (closed groups as of March 2024)

Indicator	Industry average	SC
Mortality (%)	12.9%	5.0%
FCRe acum (WFE)	1.33	1.21
SGR (Specific Growth rate)	0.72	0.84
Length of cycle (months)	14.0	12.3
Grs antibiotic/MT produced	469	248
Average harvest weight (Kg)	4.9	4.3

Atlantic farming cost



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

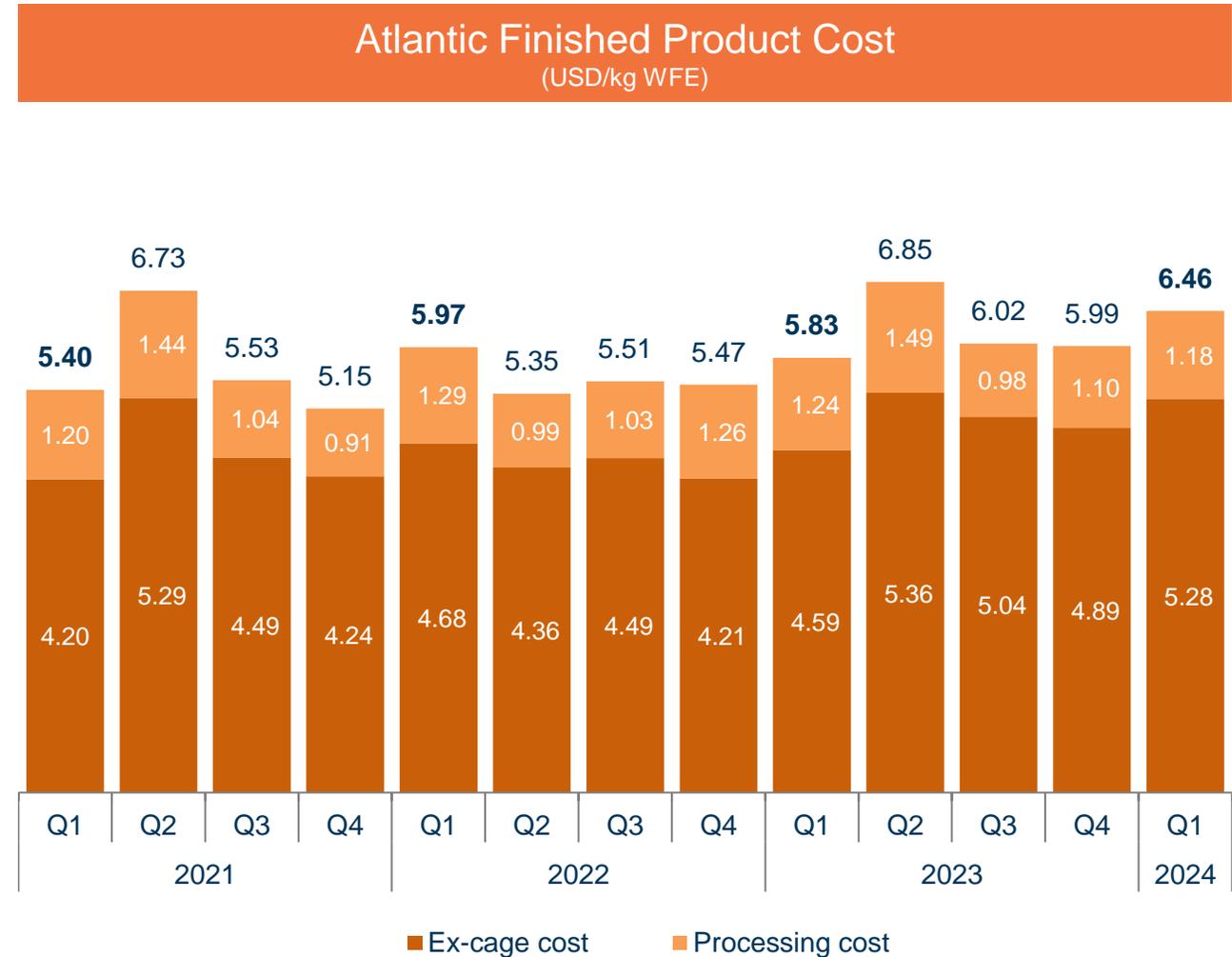


- Q1 24 LW cost at USD 4.91/kg, higher 64 cents vs Q1 23:
 - +26 cents: Low harvest weight
 - +9 cents: Mitigation measures for bloom/oxygen risks in “other expenses”
 - +14 cents: “Fish health” due to sea lice outbreak in one sea-farm (24% harvested biomass)
 - +15 cents: Inflation and extra services to the sites in OPEX
 - Feed cost and smolts were unchanged

Atlantic finished product: all-in cost



- Total cost at USD 6.46/Kg WFE, up 11% vs Q1 23.
- Processing cost at USD 1.18/Kg WFE (-5%), driven by no outsourced processing, exchange rate devaluation (17%) and processing efficiencies.



Atlantic farming sustainability: favorable outcome



Atlantic sustainability indicators (closed sites)

Indicator	Q1 2021	Q1 2022	Q1 2023	Q1 2024
FIFO Ratio	0.75	0.54	0.43	0.38
Length of cycle/Fallow period (months)	17/7	15/9	14/10	15/9
Escapes (# of fish)	37,150	0	0	1,795
Average antibiotic treatments	2.0	2.6	0.5	1.5
Antibiotic usage (g/MT)	519	599	53	475
Antiparasitic usage (g/MT)	4.1	12.6	5.4	13.5

- Fish in Fish Out ratio < 0.5, in line with SLL target.
- Farming's length of cycle in average level, lowering risks and extending fallow periods.
- ASC certified harvested biomass at 99% in 2024 (100% in 2023).
- Escapes due to fish net cutting sabotage in waiting cages at primary plant. Salmones Camanchaca filed a criminal claim before the prosecutor.
- Higher AB used for fish's wellness in one sea-farm, which also had a large sea lice outbreak.

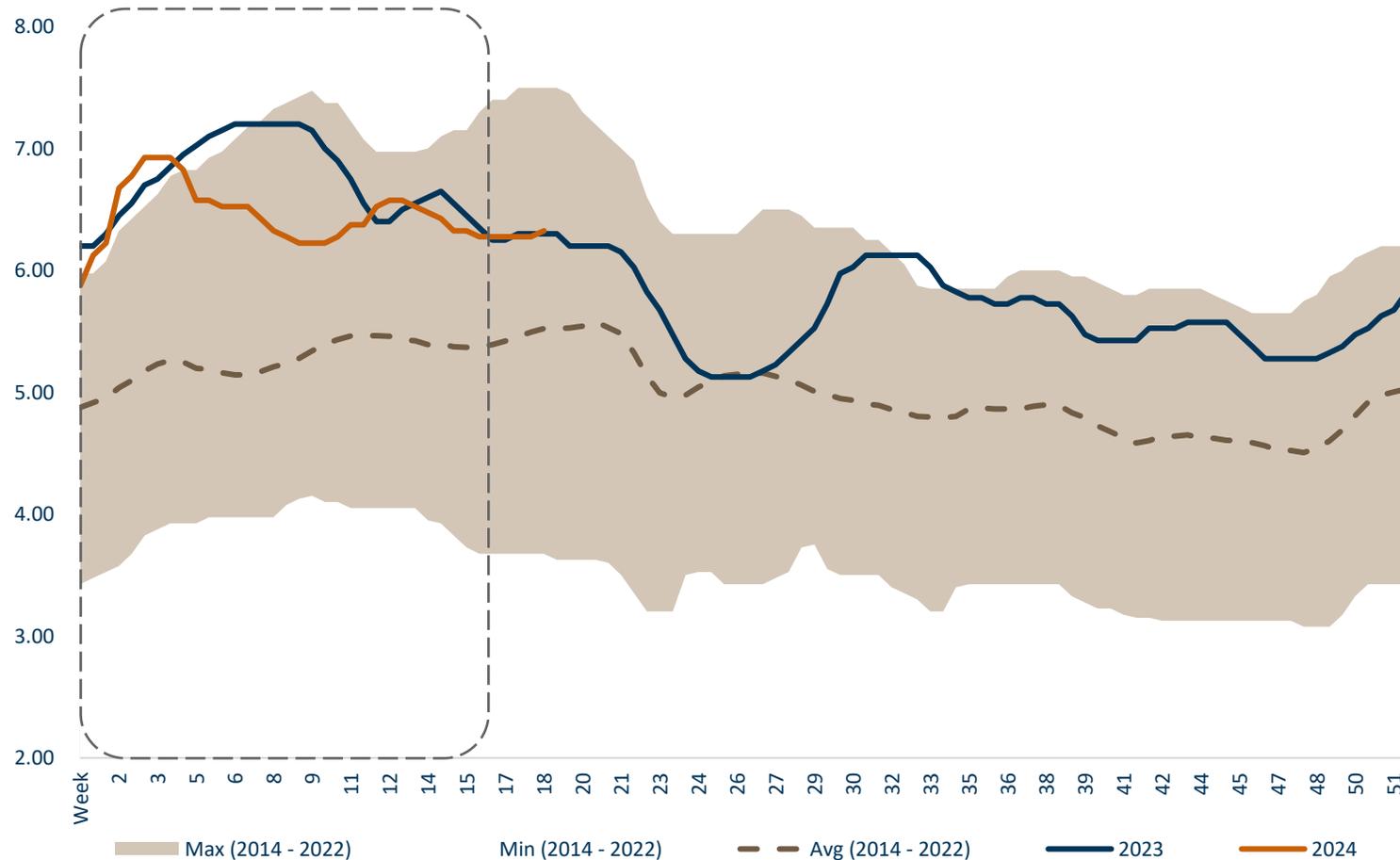


Markets

Atlantic salmon price



UB Miami 3-4 Mid Trim D (USD per LB)



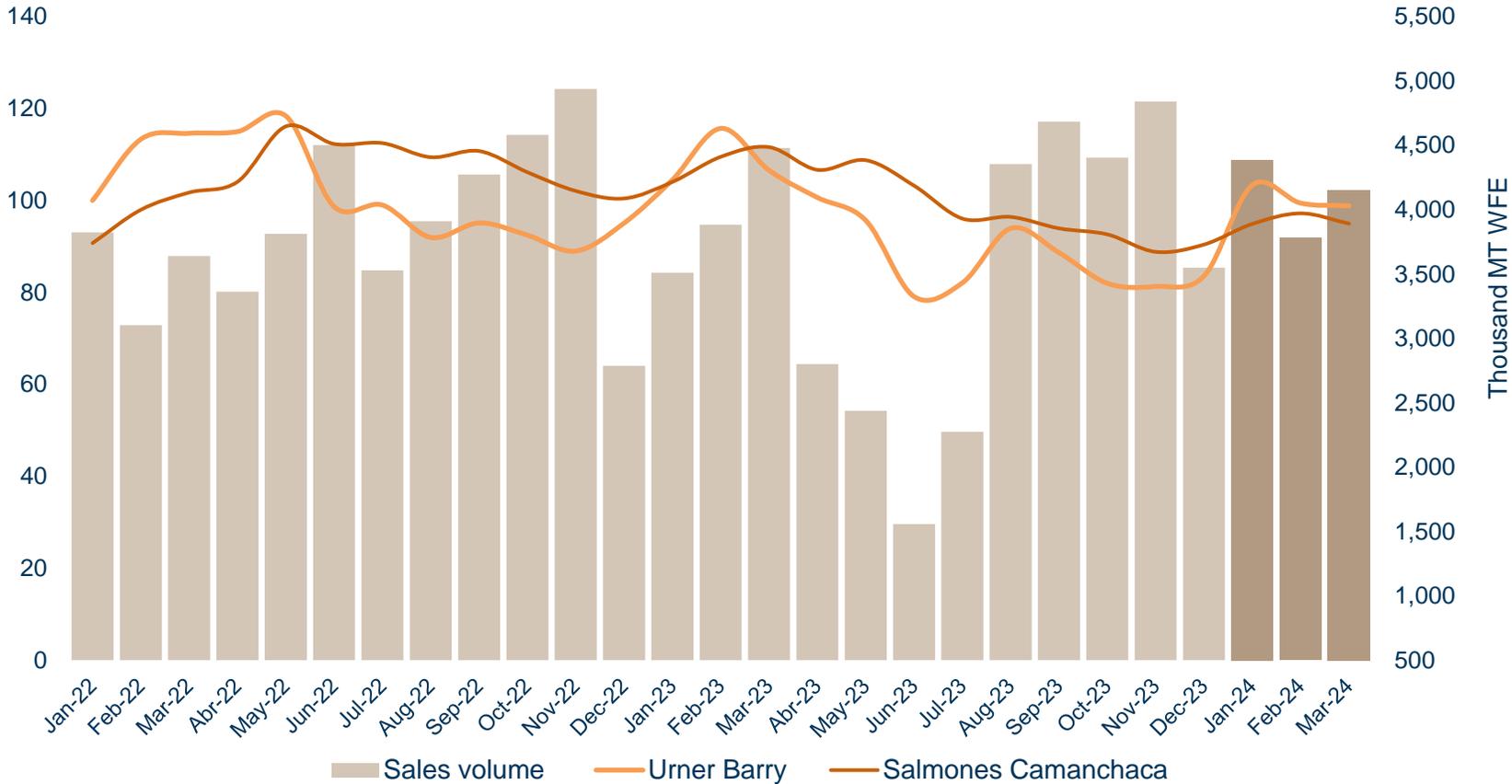
- Lower 2024 Chilean supply: -6%
 - Q1: -16%
 - Q2: -5%
 - Q3: -3%
 - Q4: -1%
- Q1 prices were volatile and mostly below previous year. Currently in line: seafood demand is still weak.

Salmones Camanchaca Atlantic price achievement



- SC's raw material (WFE) return was 32 cents below Urner Barry in Q1 24.
- Sharp price increase in December-January caused the lagging performance.
- Marketing strategy achieve prices above-benchmark and with more stability over the long term.
- SC's favors value-added strategy and stable contracts to its marketing position.

Return on Harvest Fish (RRM)* Base 100: Urner Barry Jan 2022

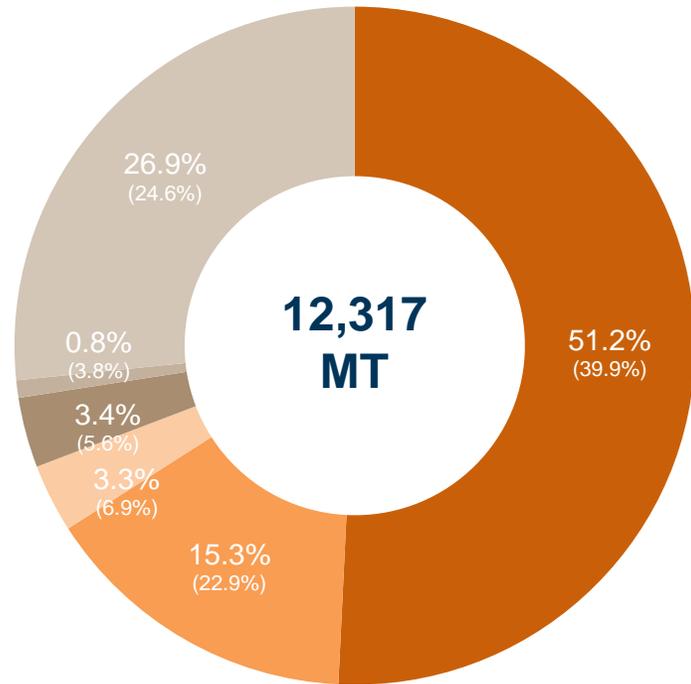


* RRM = Return or Price obtained for WFE primary processed fish (Premium quality)

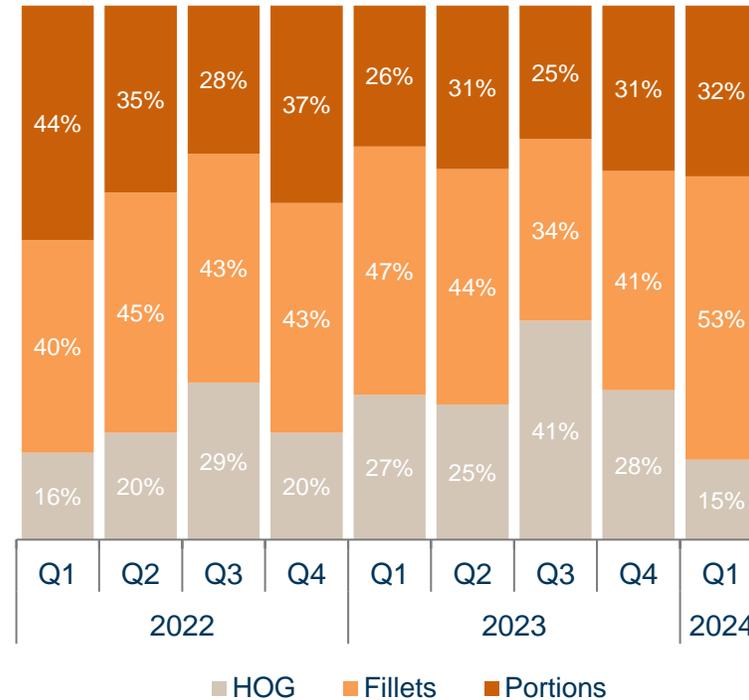
Atlantic's sales & value-added strategy mix (% of sales volume WFE)



Q1 2024
(Q1 2023)

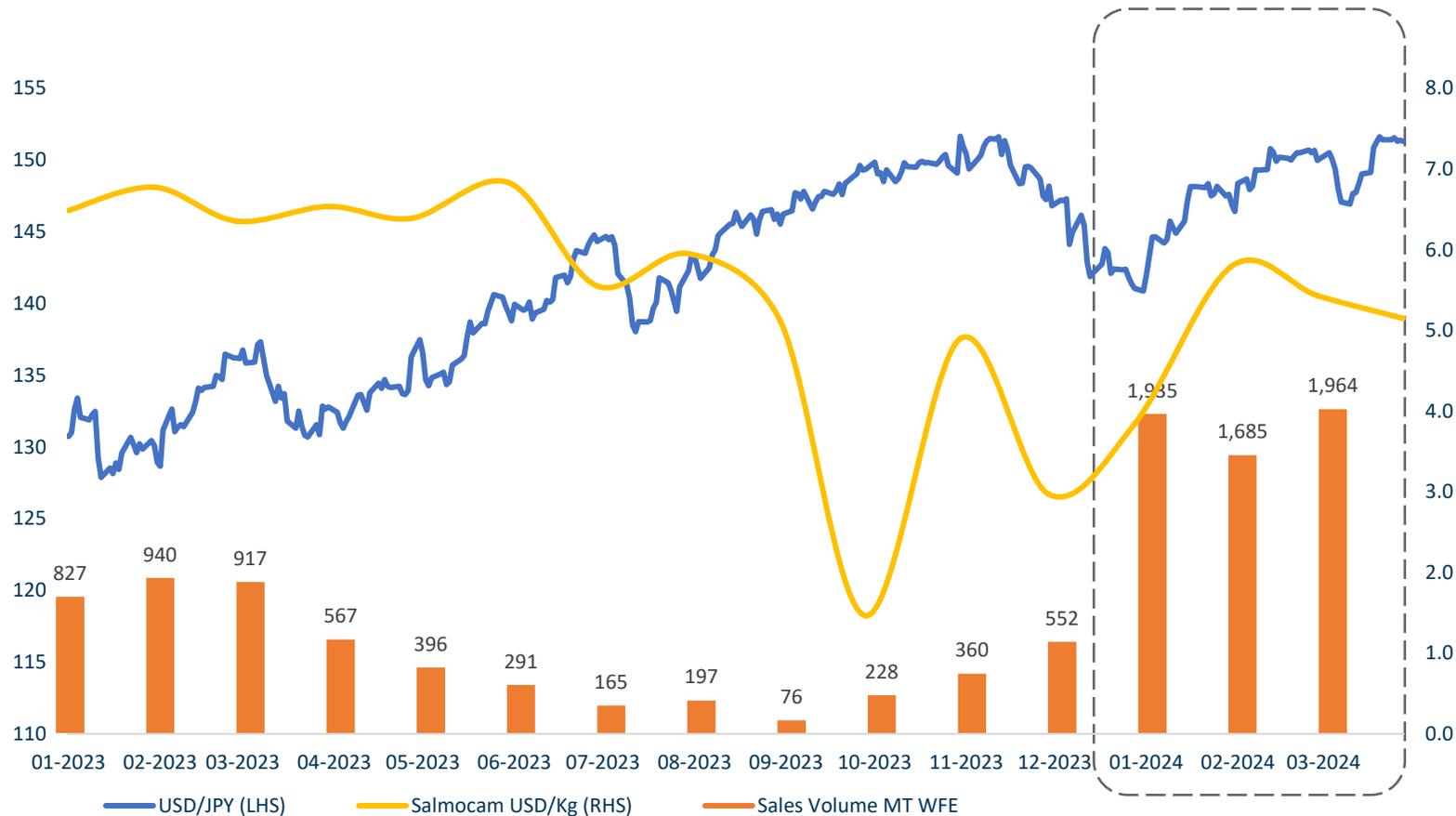


Distribution
by product type



- USA continues to be the largest market with 51%, up YoY.
- 2nd largest is Mexico, but declined YoY due to weaker demand and stiffer competition.
- Value-added sales at 85%, higher than previous quarters.
- HOG at low level as harvest weights were below 4.5Kg.

Coho: price development

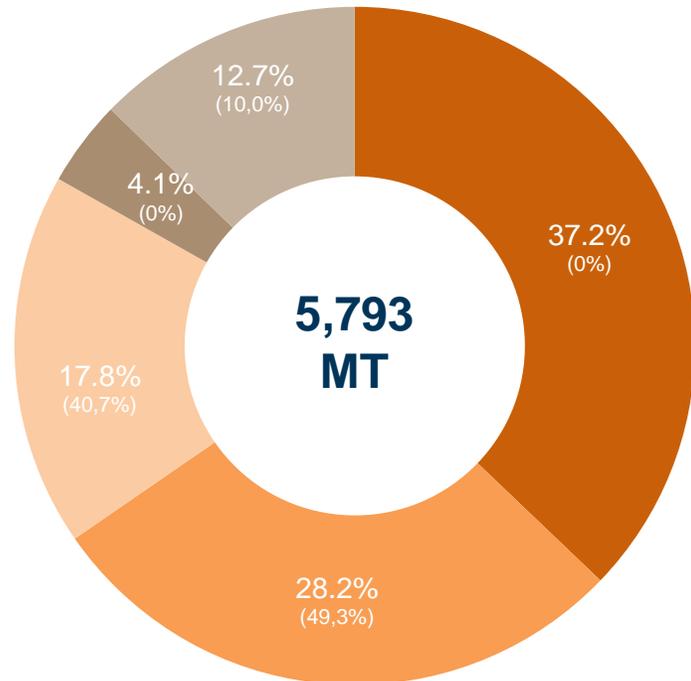


- SC's price increased 110 cents in the quarter, but 160 cents below Q1 23.
- Devaluation of 7% JPY vs USD during Q1 24 and 14% LTM, impacting all Coho markets.
- Chilean industry increasing production since 2020, +20% in 2023 vs 2022.
- Japan market represents 2/3 of total sales for the Chilean industry.
- Prices in JPY increased during Q1 24 both HG and fillets.

Coho's sales & value-added strategy mix (% of sales volume WFE)

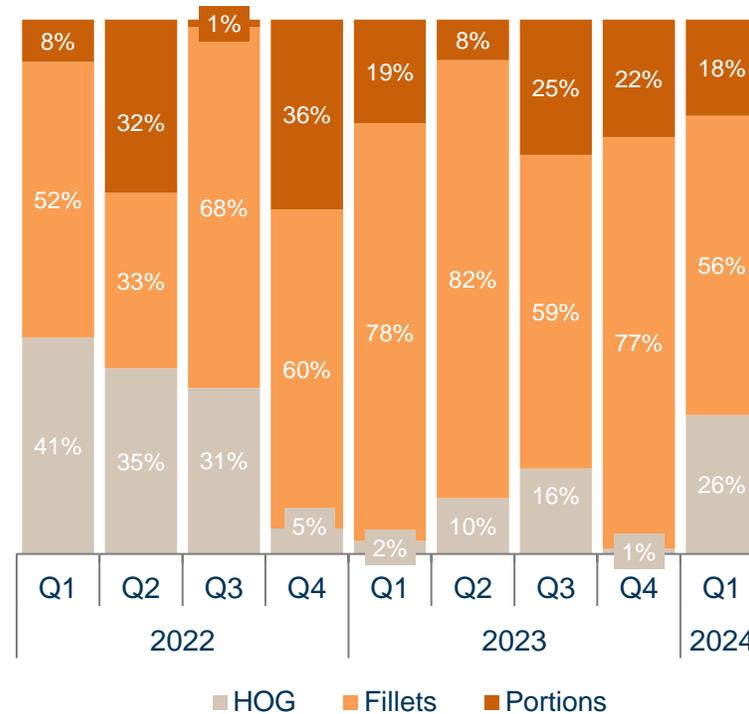


Q1 2024
(Q1 2023)



■ Japan & Korea
■ LATAM
■ USA & Canada
■ China & SEA
■ Others

Distribution
by product type



- Latam & North America reduced share in Q1, due to the higher production volume in the last season requiring new markets.
- Japan & Korea market reappears in Q1 24 due to the higher production.
- Value added: increased from 48% in 2020 to 74% in Q1 24, but a reduction compared with 2023 due to the higher volume in the last season.

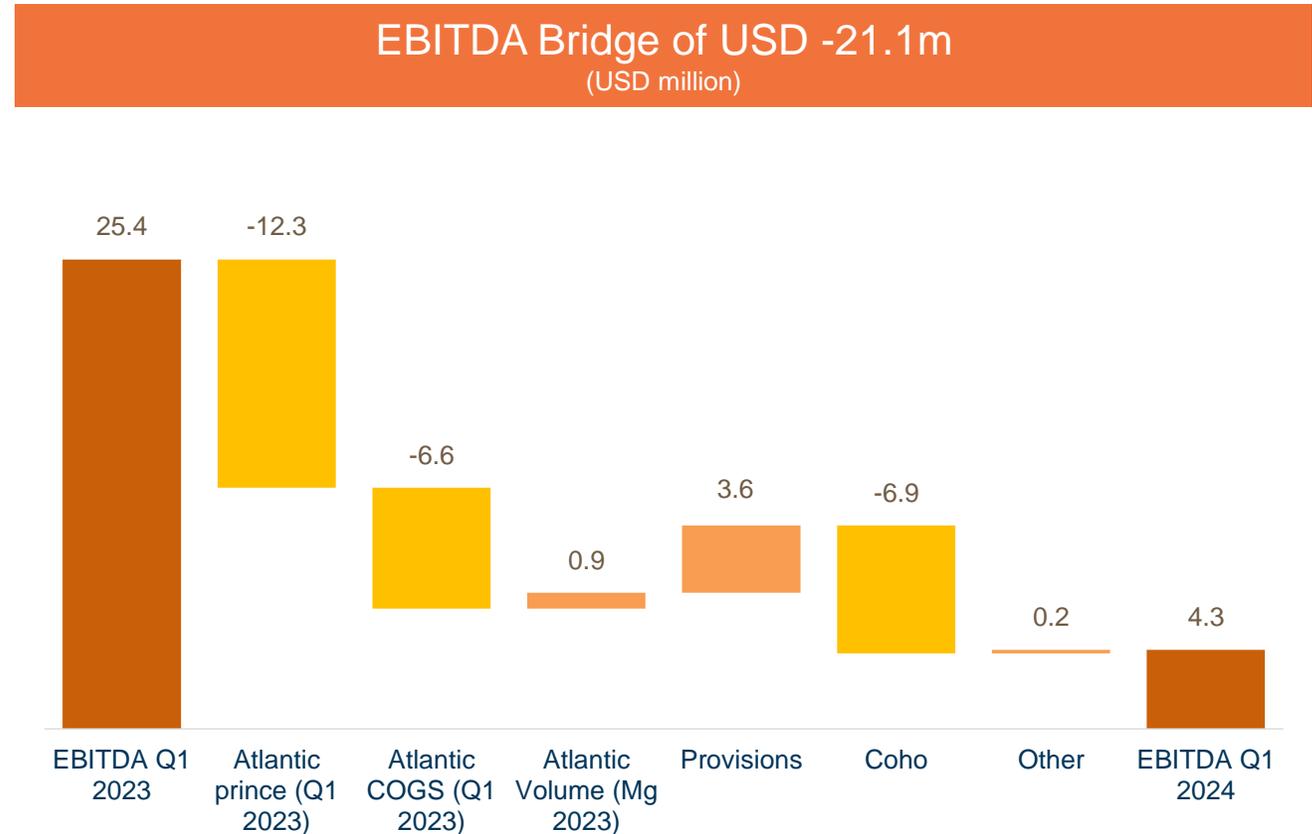


Financial review

EBITDA Q1 24 vs Q1 23: waterfall



- EBITDA of USD 4.3m, declined USD 21.1m from Q1 23.
- Main declining driver:
 - Lower Atlantic price (USD -12.3m);
 - Coho negative contribution as prices collapsed (USD6.9m)
 - Higher COGS in Atlantic (USD -6.6m).
- No extraordinary mortalities during the summer in Q1 24 and Q1 23.
- Health incidents in one sea-farm and lower harvest weights due to summer radiation.
- Reversal of NRV's provision as prices recovered from December 2023



Q1 Profit & Loss



- Margins were eroded mainly by price decline in both species (Atlantic -13%, Coho -27%)
- Positive Fair Value adjustment of USD 3.4 million compared to a negative USD 7.5 million in the previous period, which is due to prices falling at the end of Q1 23 vis a vis at the end of Q1 24.
- Non operational loss in the Trout joint accounts association (ACP) was USD 1.7m from a loss of USD 0.4m in Q1 23, affected by lower sale prices in Japan, and higher costs.
- Trout ACP's impact will disappear over the next 12 months, according to an early terminate agreement.
- Financial expenses increased by USD 1.3m due to higher debt level and higher interest rates.

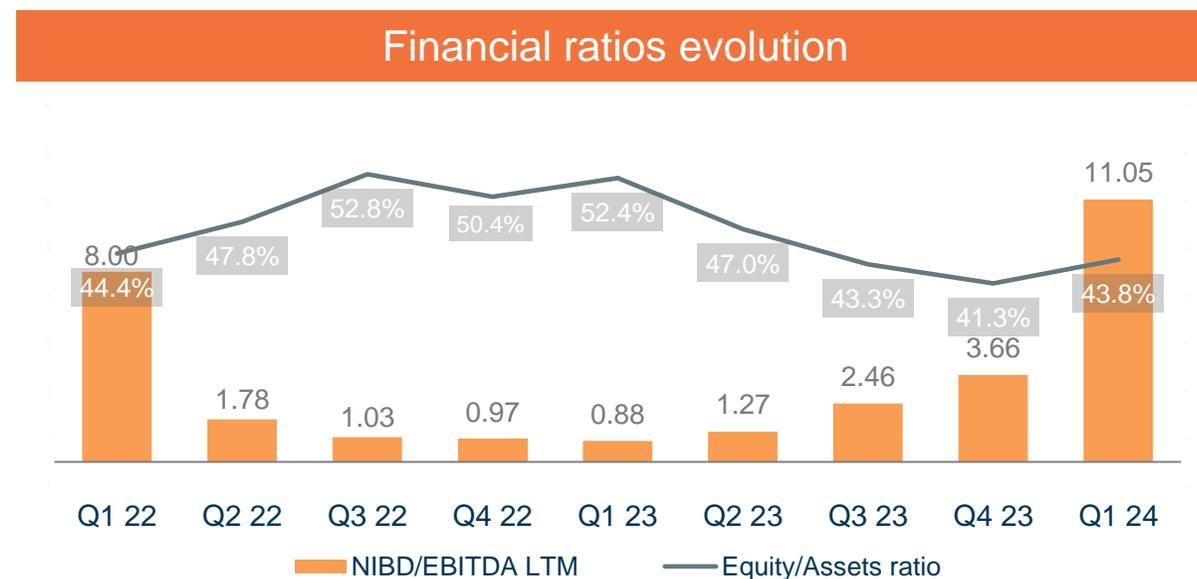
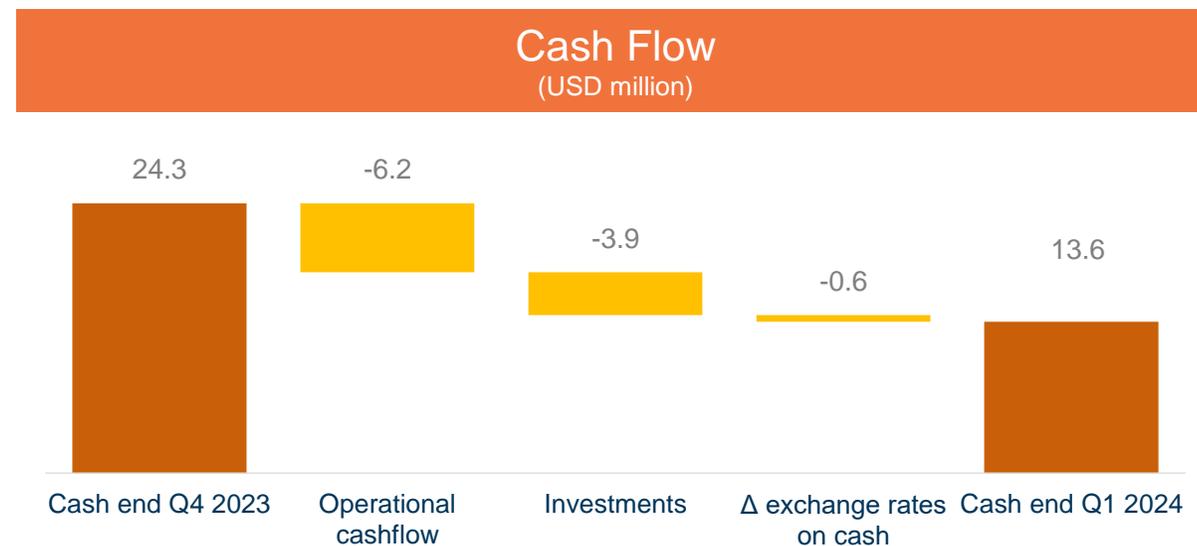
Condensed profit and loss statement (Thousand USD)

	Q1 2024	Q1 2023	Δ
Total Revenues	117,100	113,794	3,306
SG&A	(6,579)	(6,123)	(456)
EBITDA	4,280	25,414	(21,134)
Depreciation and amortization	5,011	4,513	498
EBIT	(731)	20,901	(21,632)
Fair value adjustments	3,403	(7,456)	10,859
EBIT after fair value	2,672	13,445	(10,773)
Non operational items	(4,452)	(2,655)	(1,797)
<i>Trout ACP</i>	<i>(1,657)</i>	<i>(383)</i>	<i>(1,274)</i>
<i>Other non operational items</i>	<i>(2,805)</i>	<i>(2,272)</i>	<i>(523)</i>
Profit before tax	(1,780)	10,790	(12,570)
Taxes	530	(2,856)	3,386
Net profit for the period	(1,250)	7,934	(9,184)

Q1 Cash Flow



- USD 6.2m negative Operating Cash Flow in Q1 24, due to lower sales revenue in Q1 in line with lower prices, and the extra working capital required for Atlantic salmon's harvest plan for 2025.
- Use of cash flow for Investments were limited and reached USD 3.9m, focused on maintaining assets and preparing Atlantic salmon farming sites in southern areas.
- No Financing activity in Q1 24.
- Net Financial Debt was USD 136m, with a Net Financial Debt/ EBITDA LTM of 11.05.



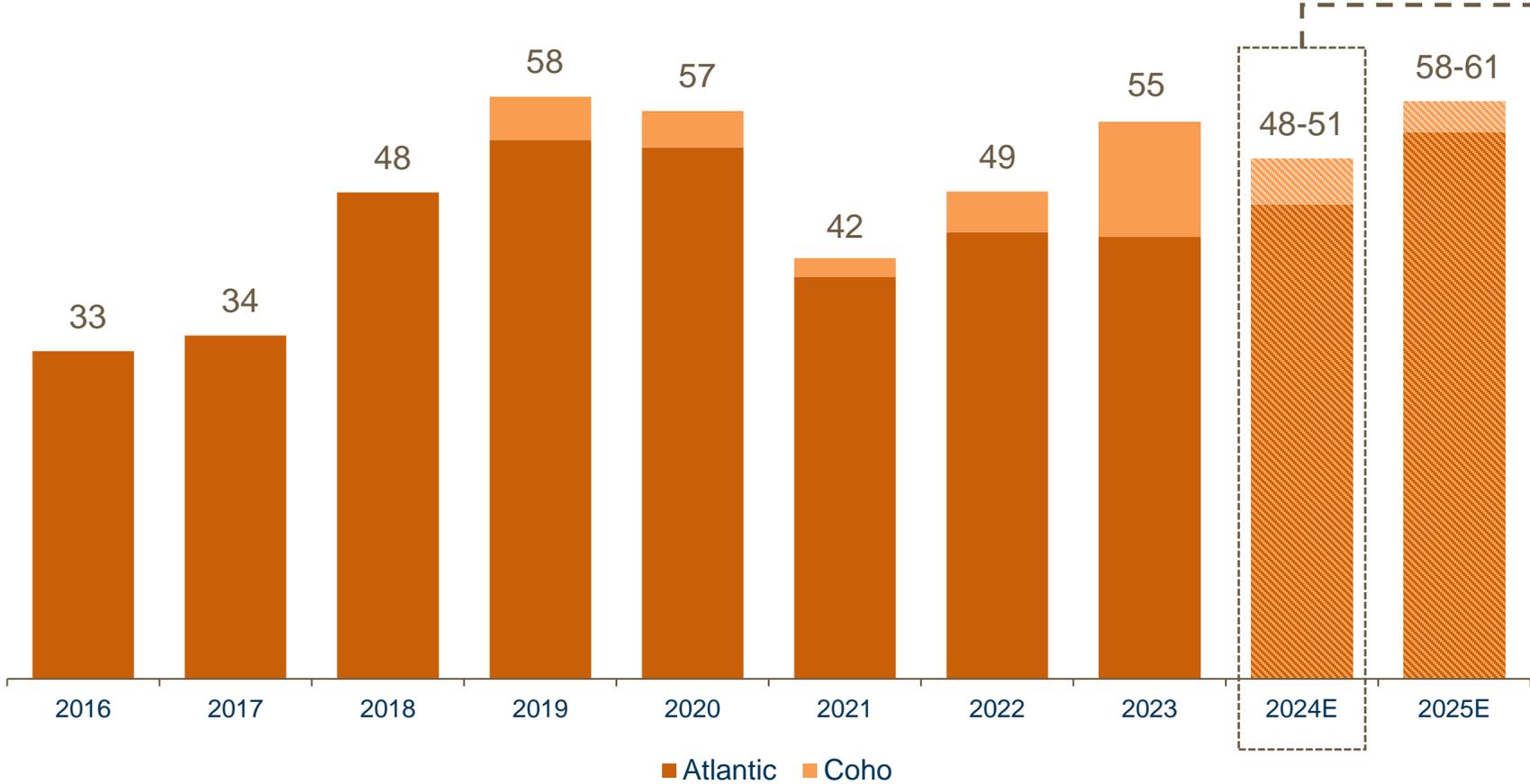


Estimates

Salmones Camanchaca's growth plan



Harvest volume*
(Thousand MT WFE)



**44-46,000
MT
ATLANTIC**

**4-5,000
MT
COHO**

- 2021: low volume due to summer algae bloom.
- 2023: larger fraction of Coho.
- 2024: Atlantic recovery, +8%; Coho reduction from 3 to 1 sea-farm.

* Figures do not include trout ACP volumes. The Company achieved an early terminate agreement, and smolt stocking that involved the Company concluded in December 2023



Summary

Summary



1. Favorable oceanographic summer condition with very low mortalities (~0.5% monthly).
2. Atlantic harvest & sold volume affected by lower weights and harvest delays as biomass appetite was depressed by summer radiation (9.9k MT).
3. Coho fishing 23-24 season with 10.1k MT harvested and declining inventories (4.3k MT WFE, -52% vs Dec-23) and prices somewhat recovered from the large impact of JPY/USD devaluation.
4. Atlantic ex-cage costs impacted by lower biomass growth in 4 sea-farms, sea lice outbreaks and low oxygen levels in 1 sea-farm (24% of harvested biomass), and risk mitigating technologies.
5. Atlantic processing costs below Q1 23, but still above target with exchange rate effects.
6. Q1 prices were volatile and mostly below previous year. Currently in line: seafood demand is still weak.
7. EBITDA at USD 4.3m vs USD 25.4m in Q1 23. Poor Q1 24 versus a record favorable Q1 23.
8. 2024 total harvest estimates are 48-51k MT, with Atlantic growing 8% while Coho declines.
9. Continuously improving biological indicators.
10. Chilean supply in 2024 for Atlantic is declining: -16% in Q1 and is expected -5% in Q2.