BLUMAR
SEAFOODS

Seafood flavors from the end of the earth

gsi GLOBAL SALMON INITIATIVE

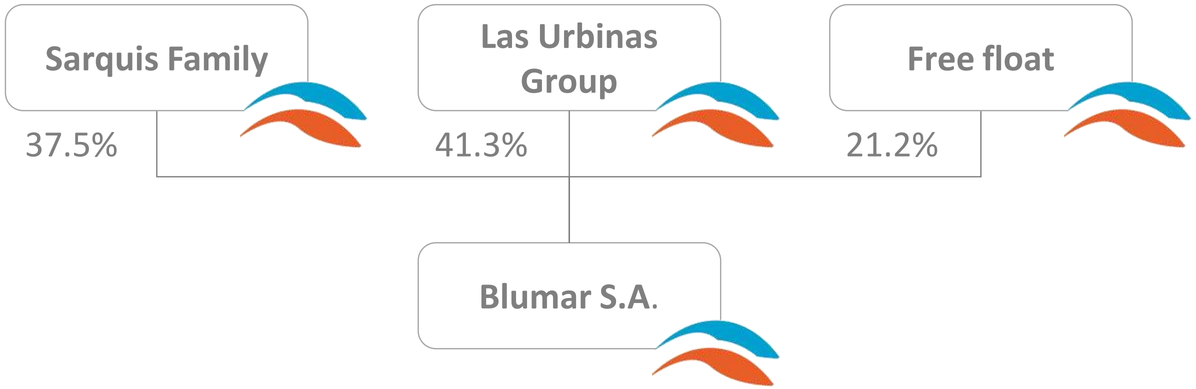
- ❑ Brief introduction of the company
    - Fishing
    - Salmon Farming
- ❑ Effects of the new Chilean Salmon Regulation

Blumar Seafoods is active in fishing & acuaculture

- One of the largest fishing company in Chile
  - Approx 230.000 tons/year of raw material processed in 3 different regions of the country

- Relevant player in salmon farming
  - 55 kt *wfe* salmon production in 2018
  - 8th largest Chilean salmon exporter

- Listed in the Santiago Stock Exchange since 1992
- Market Cap (Feb, 2019)   US$ 680 million
- EV (approx.)   USD 850 million



Main products

Salmon

Frozen Pelagic

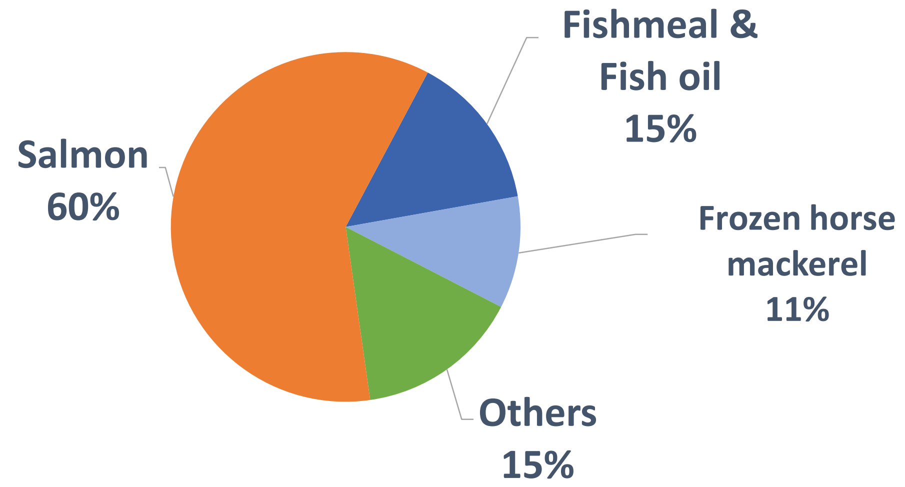
Fishmeal & oil

Hake fillets

Breaded fish

Giant Squid

2018 Turnover breakdown (%)



Blumar also participate in other activities

Mussel Farming

- Largest mussel farming company in Chile with operations in Chiloe Island
- Blumar Participation: 50%
- 2 Processing plants that comply with all certifications to export the products to USA, EU and Asian markets
- Total Revenues 2018: US$ 45 million

Cold Storage

- Lagest cold storage company in Chile, mostly oriented to seafood products.
- Blumar participation: 45%
- 3 cold store facilities located in the VIII Region.
- Total capacity: 31.000 pallets
- Total Revenues 2018: US$ 10 million

Wide diversification throughout the country

8 Purse seiners & Trawlers fishing vessels

4 Fishmeal plants

3 Fish processing plants

20% Chilean South Pelagic fishing quota

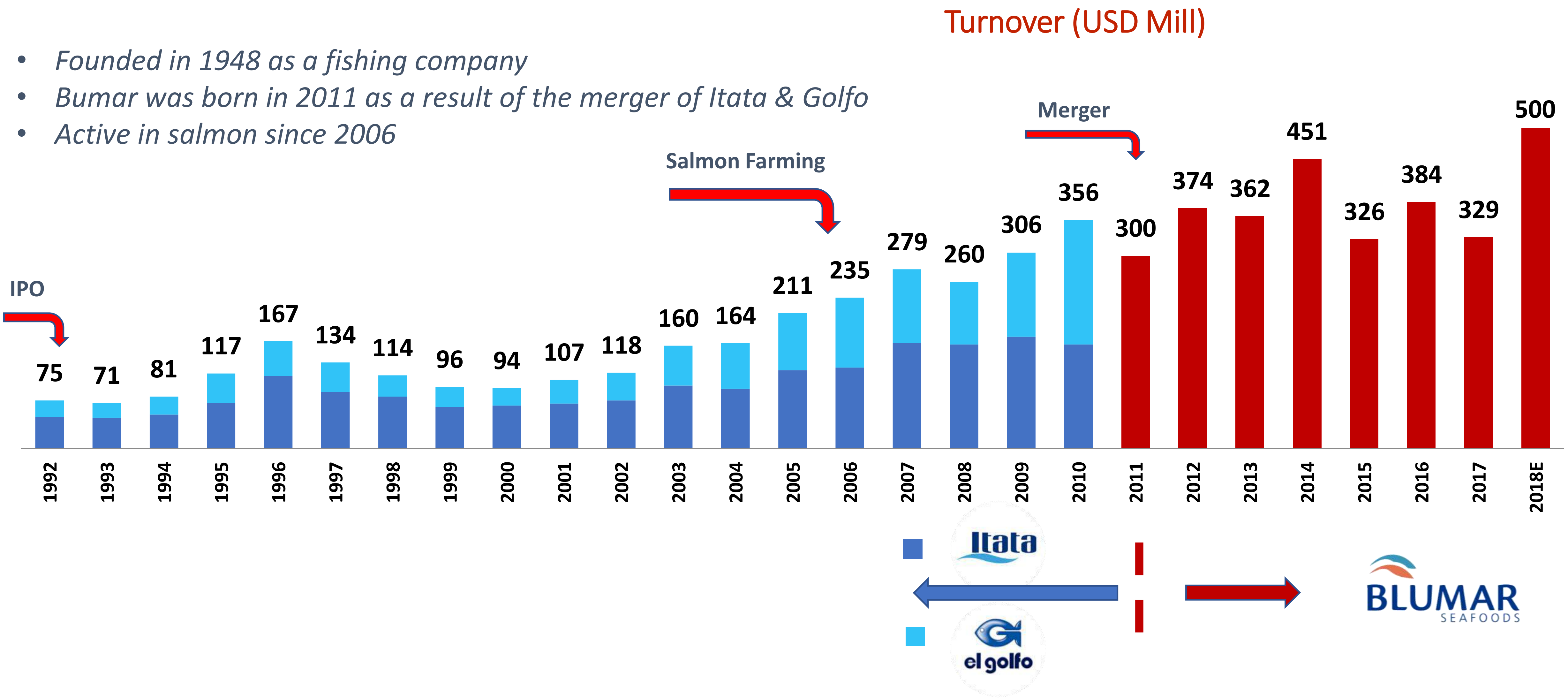
56 Salmon concessions

22 Active salmon farms during 2018

1 Salmon Value Added Plants

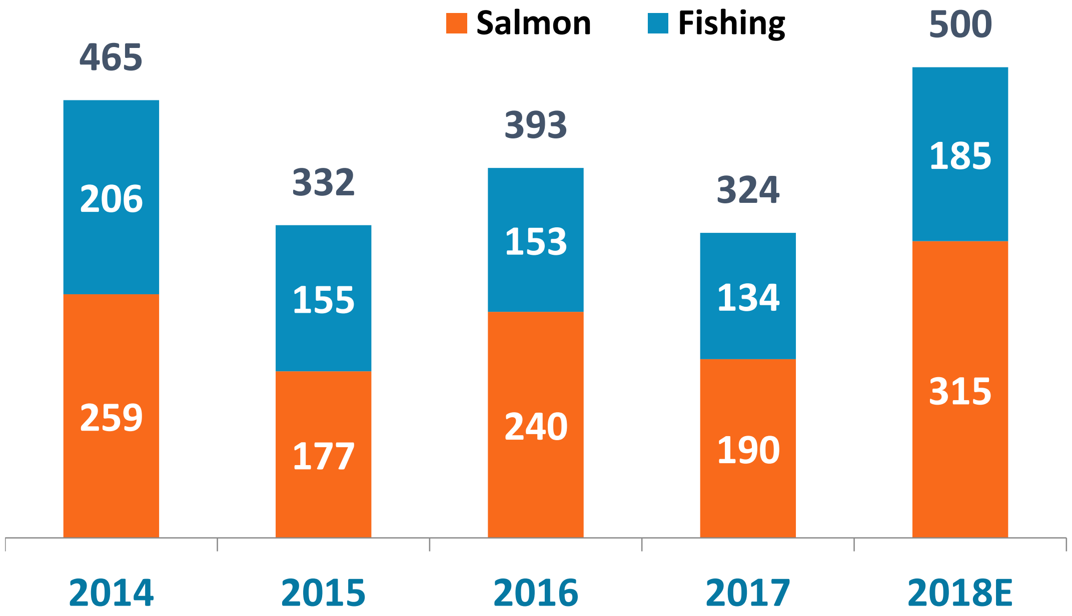
A History of Growth

- *Founded in 1948 as a fishing company*
- *Bumar was born in 2011 as a result of the merger of Itata & Golfo*
- *Active in salmon since 2006*

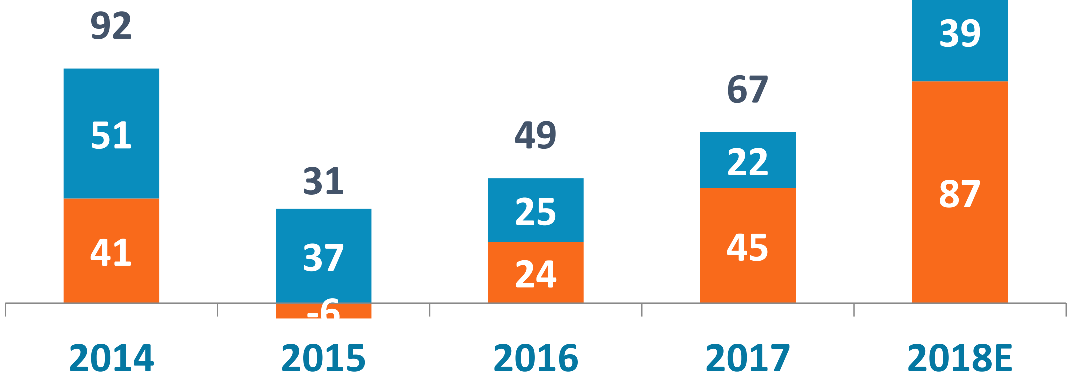


Consolidated Financial Results

Turnover (USD Mill)

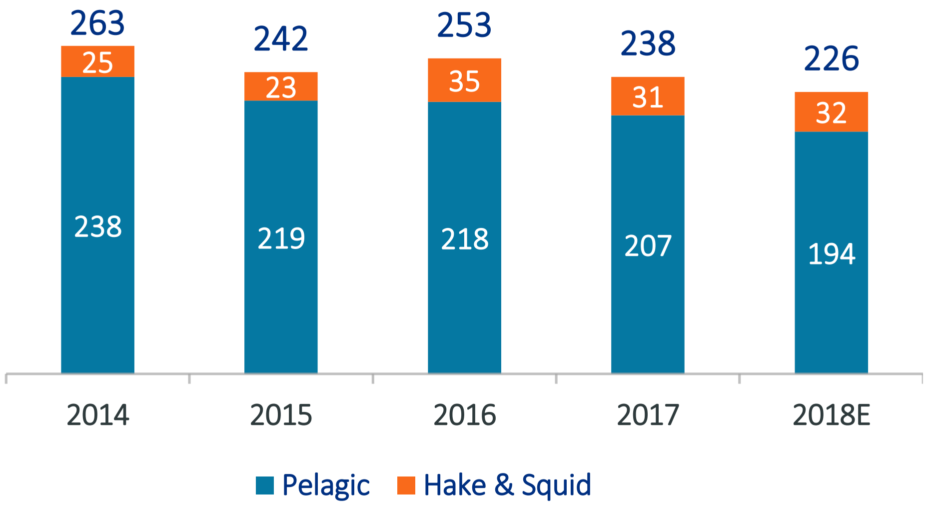


EBITDA (USD Mill)

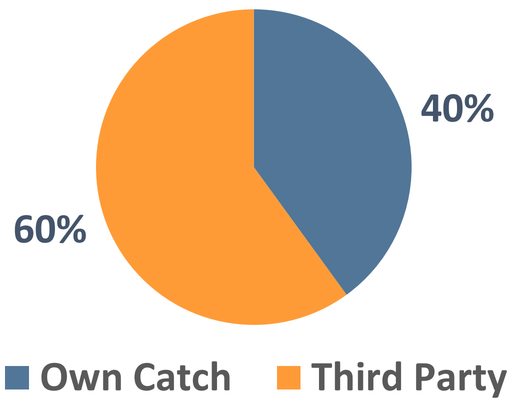


Fishing - Key Figures

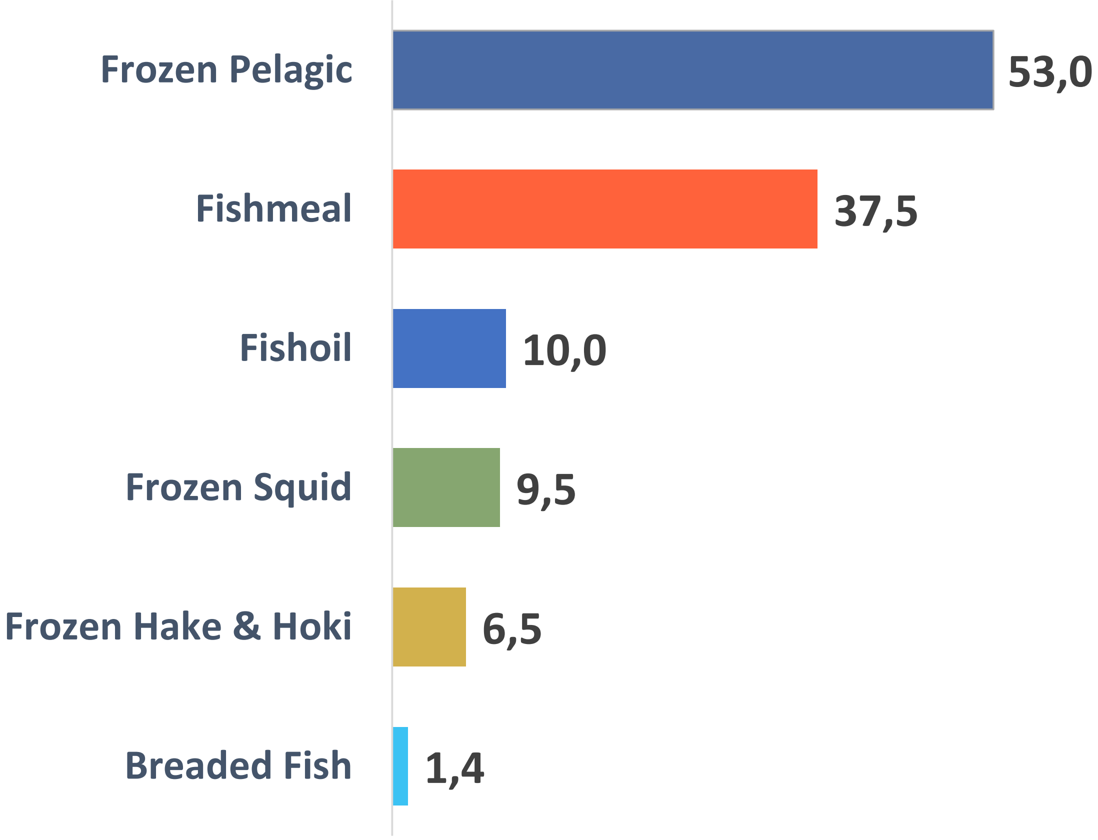
Raw Material ('000 tons)



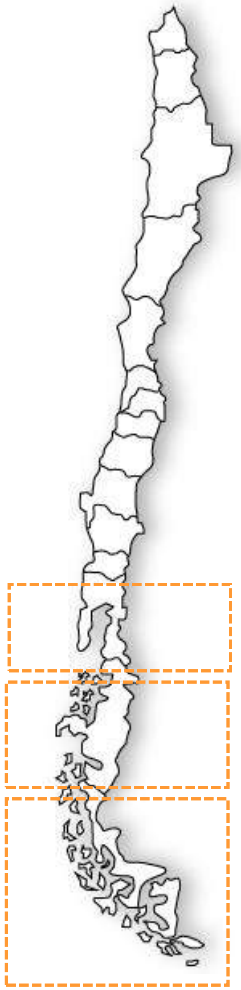
Origin of the raw material (%)



Production 2018 ('000 tons)



Salmon Farming - Key Figures



X Region

XI Region

XII Region

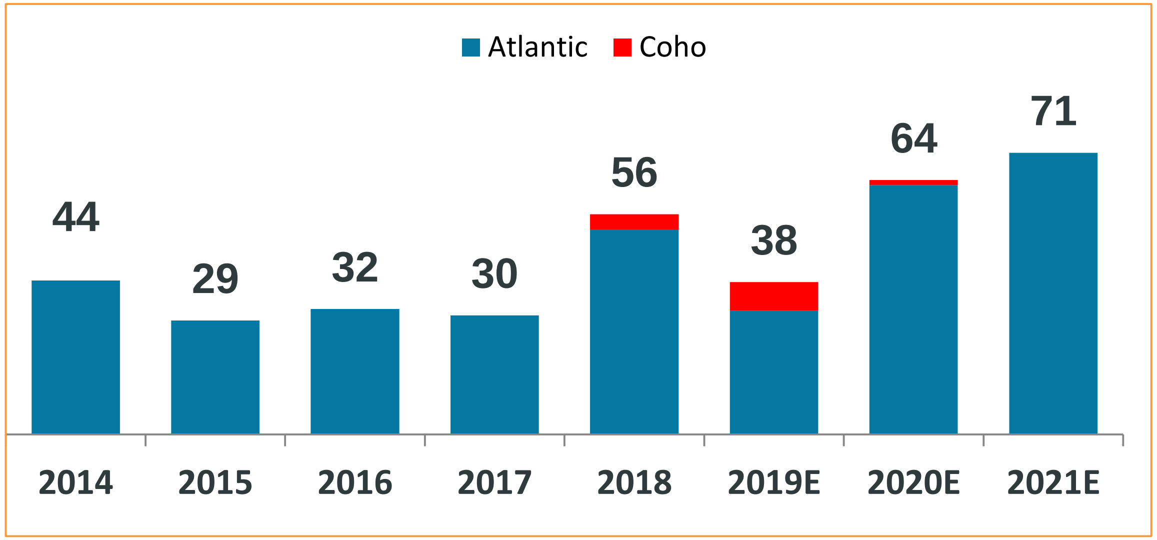
X - XI Region

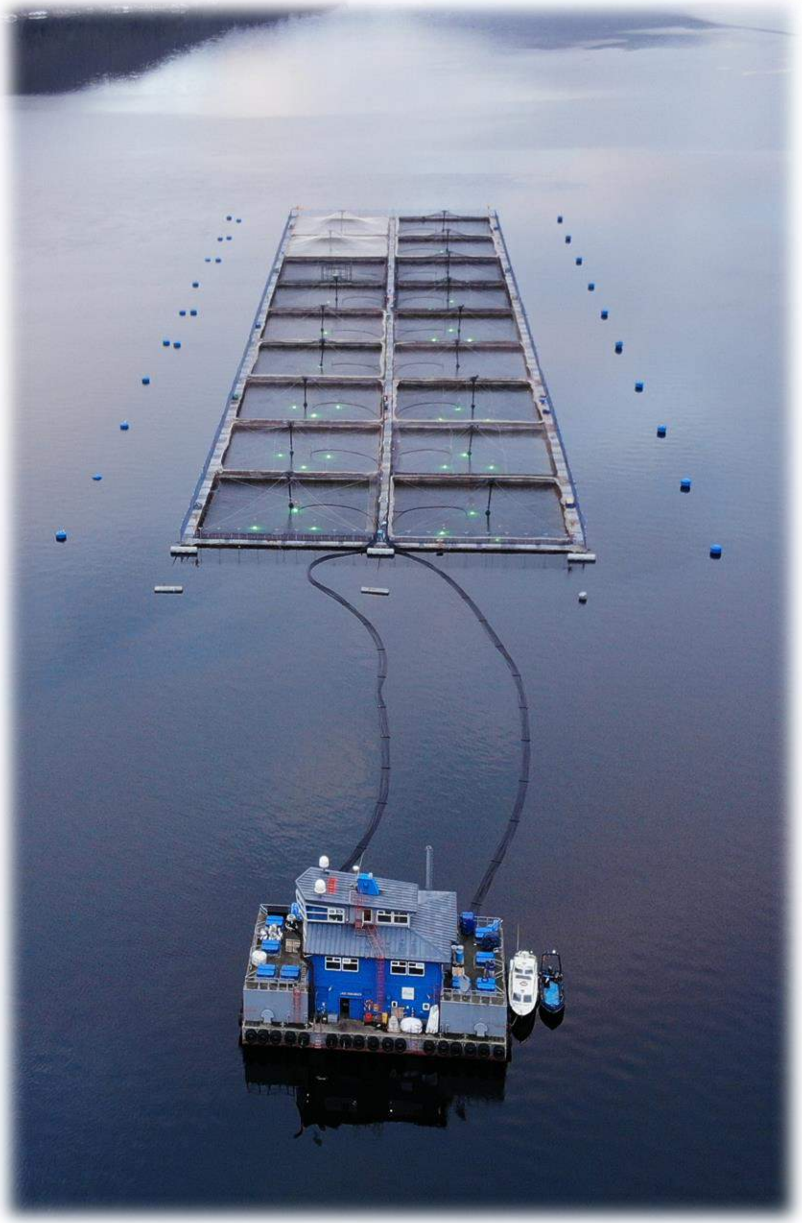
- 42 concessions
- Production approx 48.000 tons / year

XII Region

- 13 concessions
- Production approx. 20.000 tons/year in 2020 and 25.000 ton/year as of 2021.

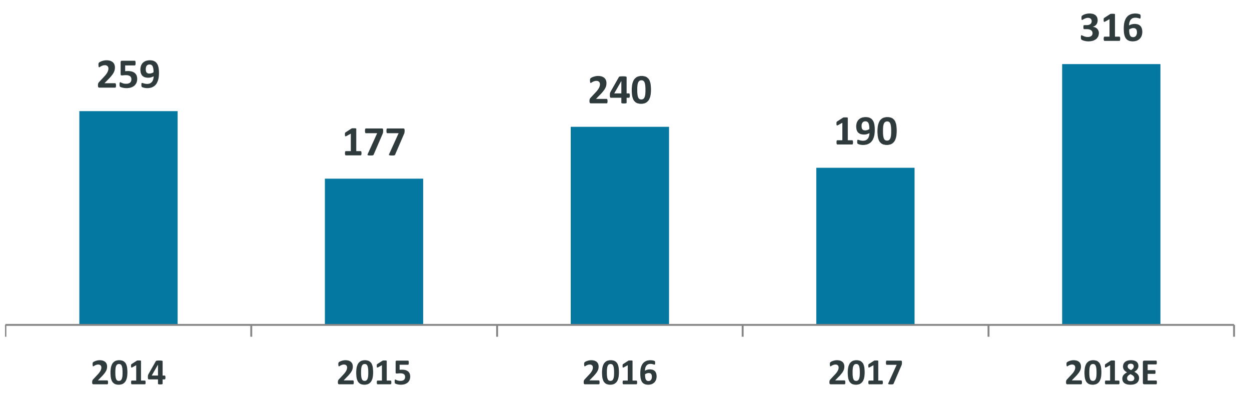
Harvest (tons '000 WFE)



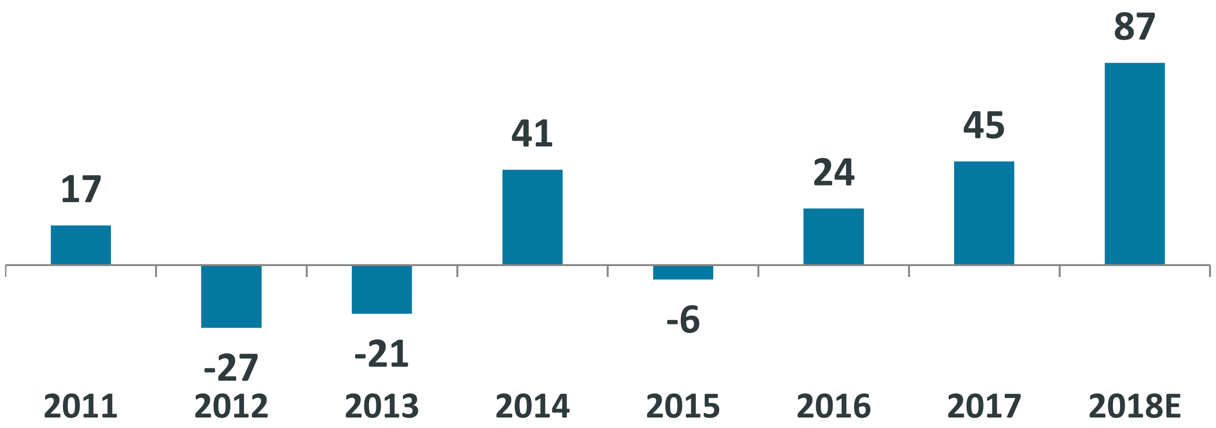


Salmon Farming - Key Figures

Turnover (US$ million)

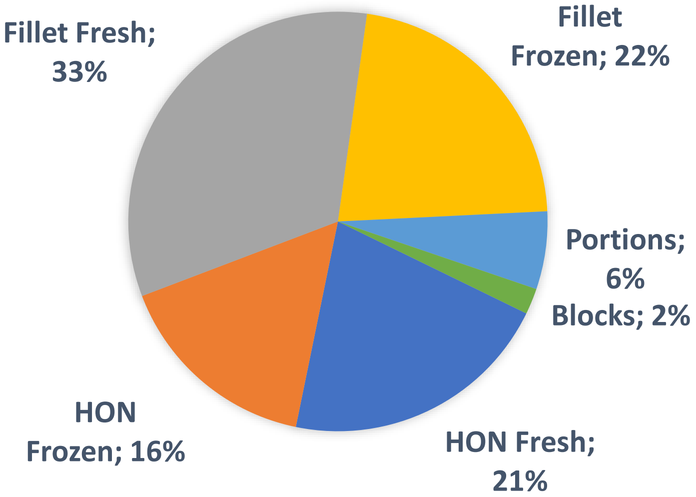


EBITDA pre fair value (US$ million)

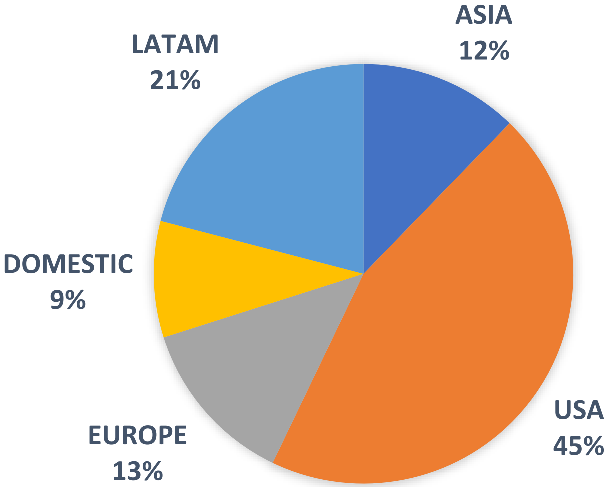


A wide range of products and markets

SALES BY PRODUCT



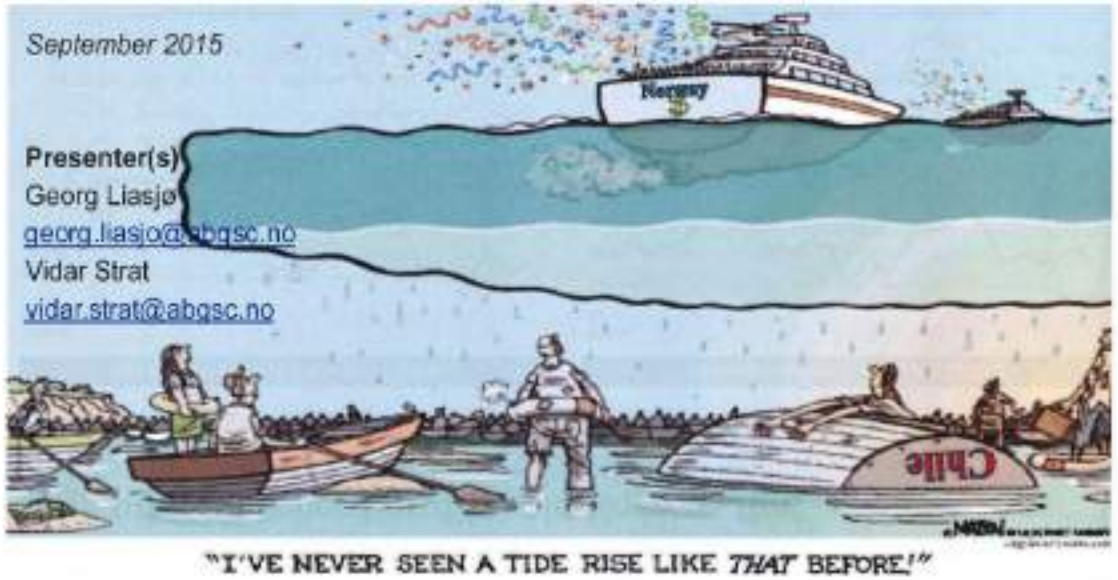
SALES BY REGION



Result of a better regulation…………

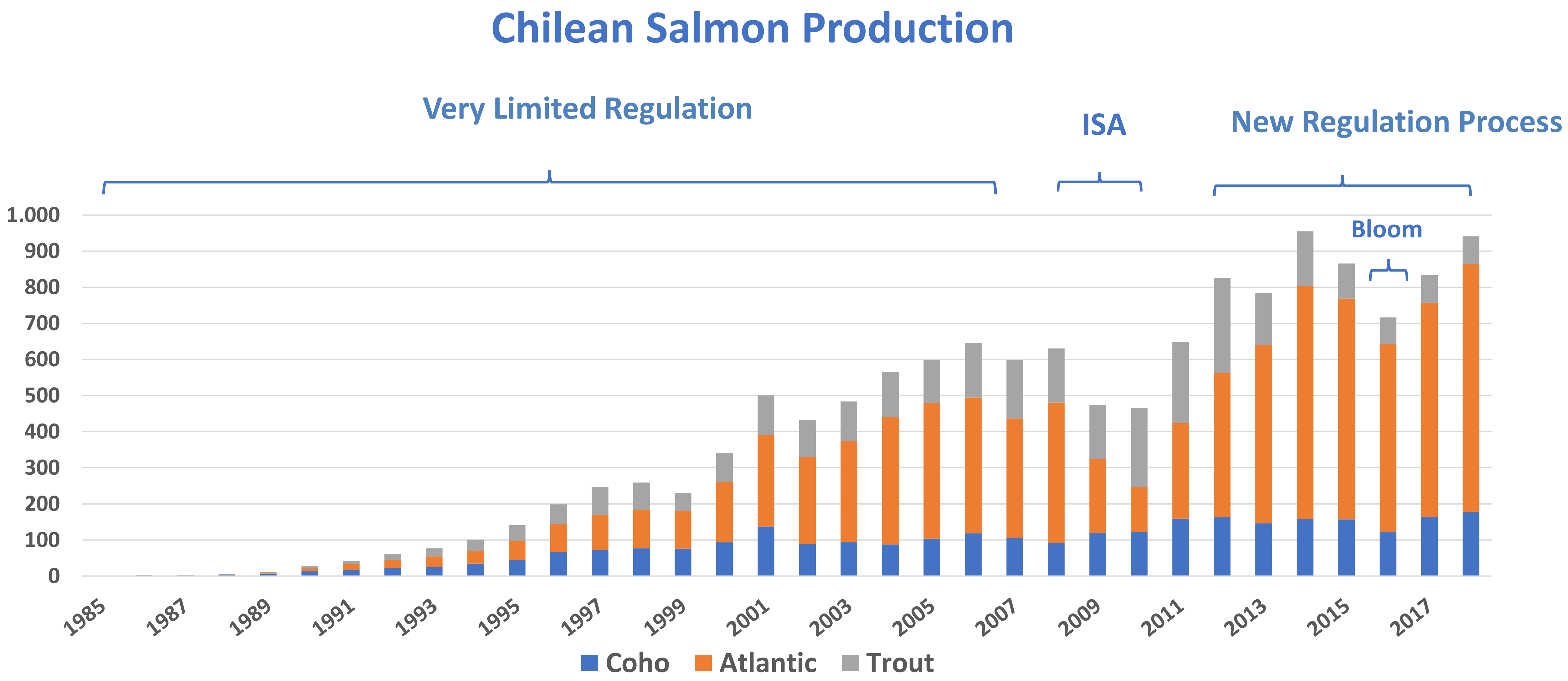
2015

The rising tide didn't lift all boats (vc

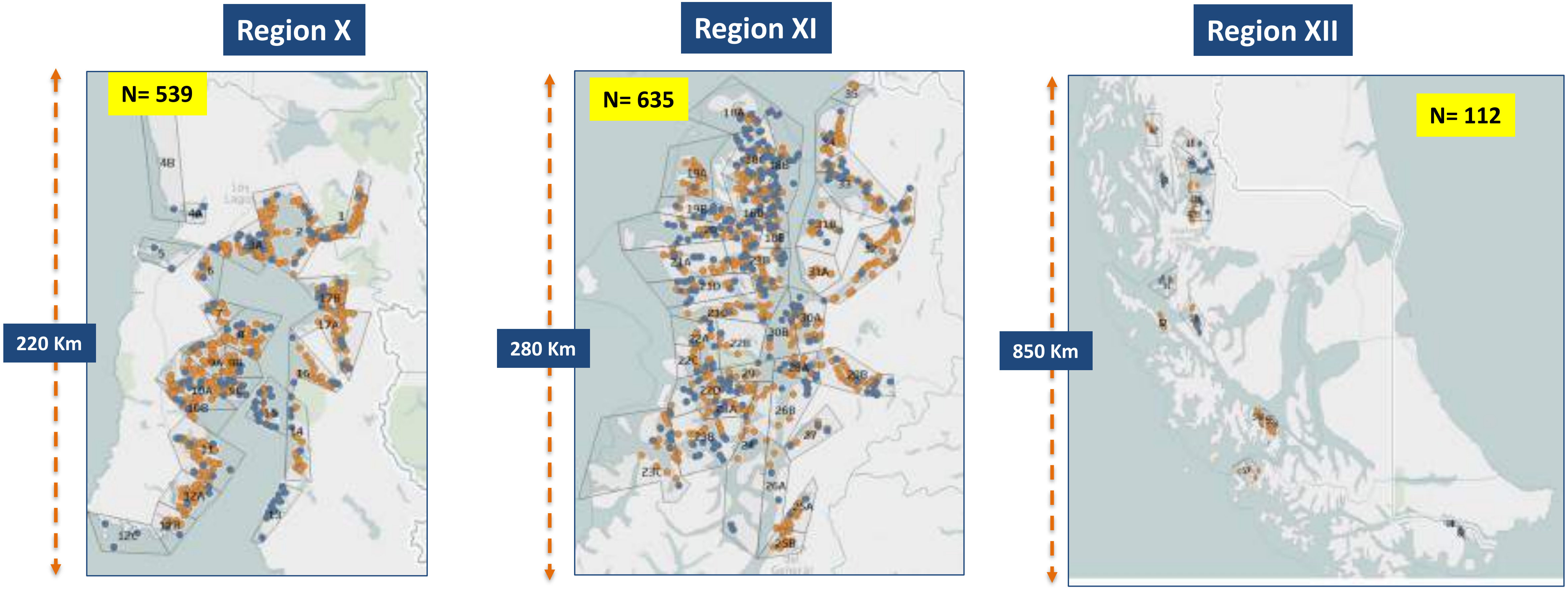


2018

After a long growing period, Chile needed a crisis to start its process in finding its proper regulation



Chilean farming regulation....an evolution process
Farming Concessions and Neighborhoods

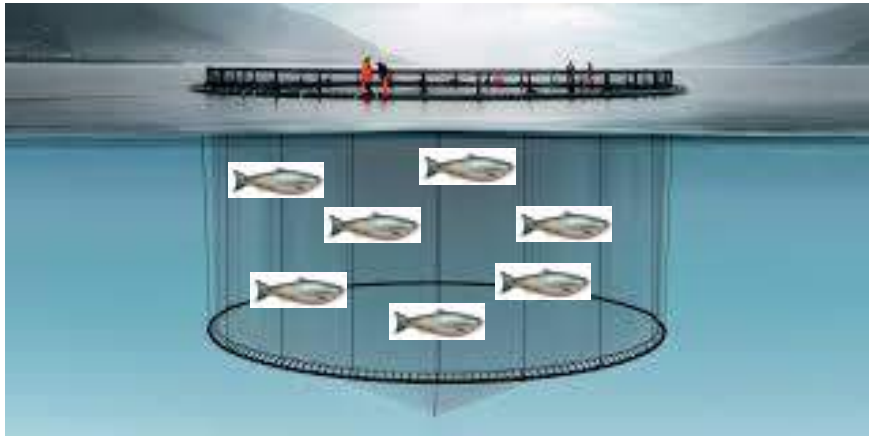


- Approx 1.300 salmon concessions were granted by Chile.
- Only limitation was distance on 1,5 MN between each concession
- Concessions was granted “for free” by the country.
- Approx 1/3 of the concessions has never been used, because they are technically not suitable for salmon production

Chilean farming regulation….an evolution process
Density Regulation

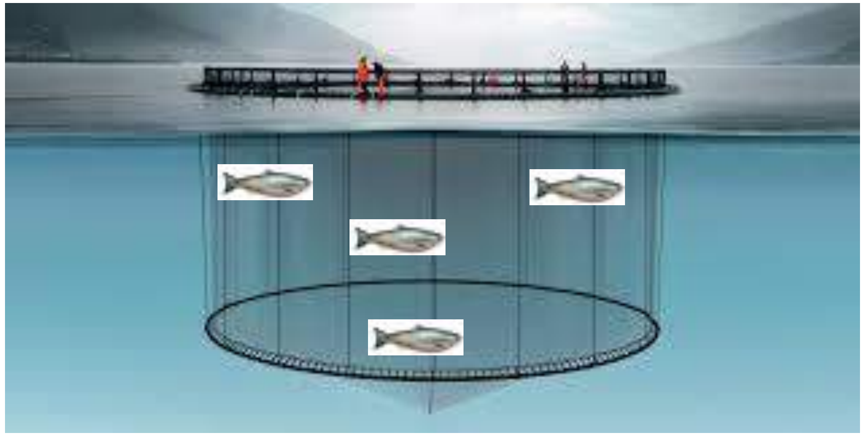
Neighborhood Biosecurity Score

Cycle t0



- Environmental condition of the sites in Cycle t0
- Loses in Cycle t0
- Stocking intention by all companies of the neighborhood in Cycle t1

Cycle t1



Density = # of smolt per cage

Chilean farming regulation….an evolution process
Alternative PRS Regulation

Similar to the Norwegian Traffic Light regulation

Cycle t0

Individual Company Results in Cycle t0

- Loses
- Sealice treatments

- *Coming soon …….Antibiotic use*

Cycle t1

Smolt Stocking # respect to t0

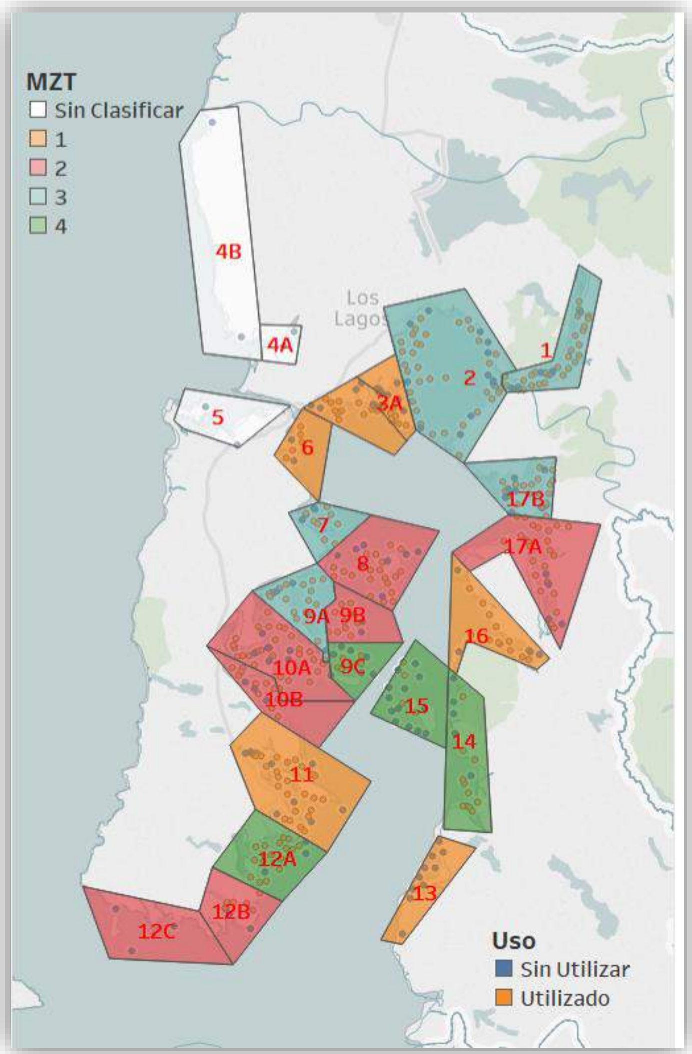
Bad → Reduce -12%

Regular → Reduce -6%

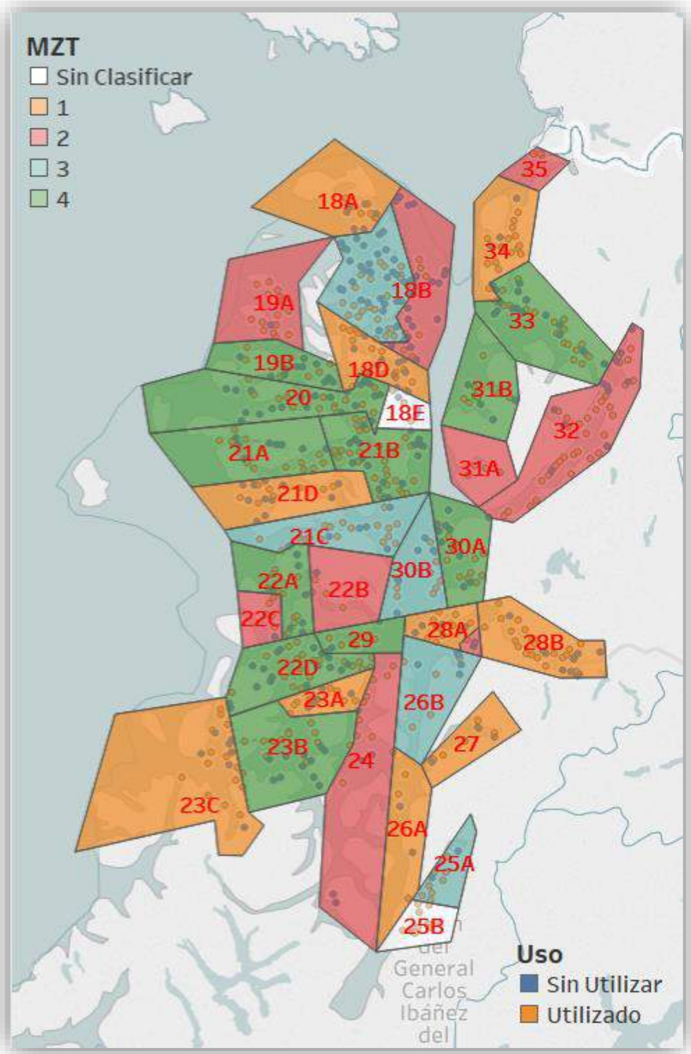
Good → Grow +3%

Chilean farming regulation….an evolution process
Temporary Macrozones (MZT)

X Region



XI Region

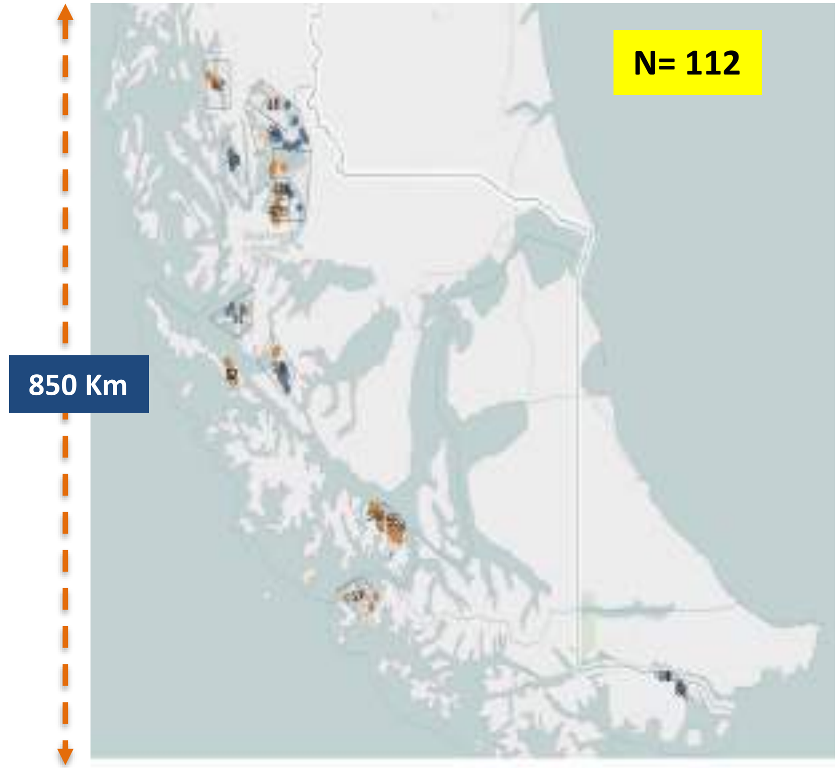


Temporary Macrozone (MZT):
Neighborhoods that fallows during the same period of 6 months.

MZT 1 : Fallows Oct Y0 – Apr Y1
MZT 2 : Fallows May Y1 – Sep Y1
MZT 3 : Fallows Oct Y2 – Apr Y2
MZT 4: Fallows May Y2 – Sep Y2

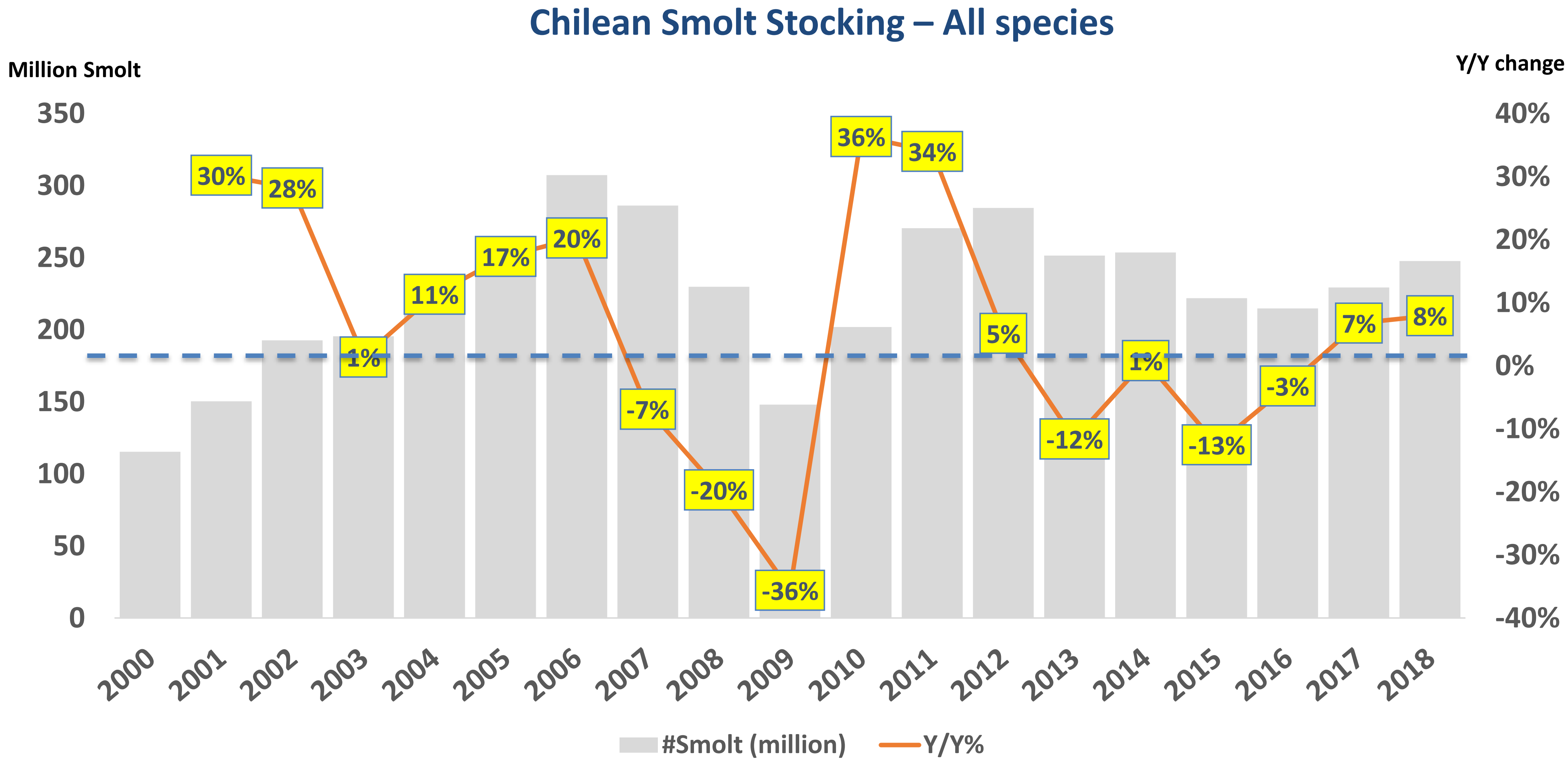
Región XII still has some time to grow

Region XII



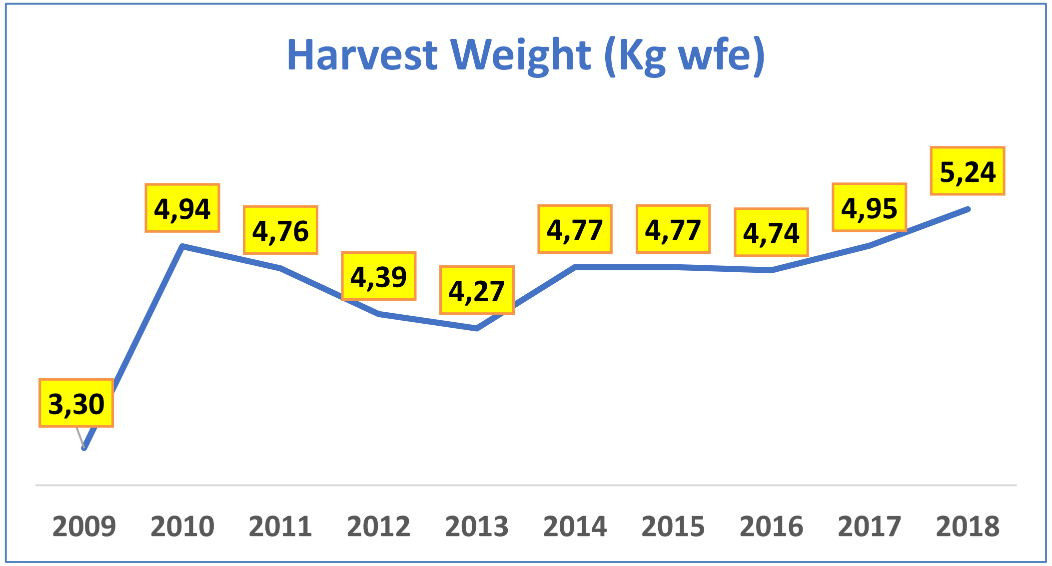
- In Region XII, 112 salmon concessions has been granted and is estimate that no more than 200 will be in total.
- Today 6 companies operate in the region and is expected that no others will come.
- Very limited processing and logistic infrastructure with higher costs
- High pressure from green NGOs to restrict salmon farming growth in the region
- In 2018 a total of 95.000 tons was produced and is expected that the region will no grow more than 150.000 - 160.000 tons in the next years.
- Until 2022 in this region is still possible to grow with low limitations, as of then, the regulation will be the same to the other regions and growth will be restricted according to performance.

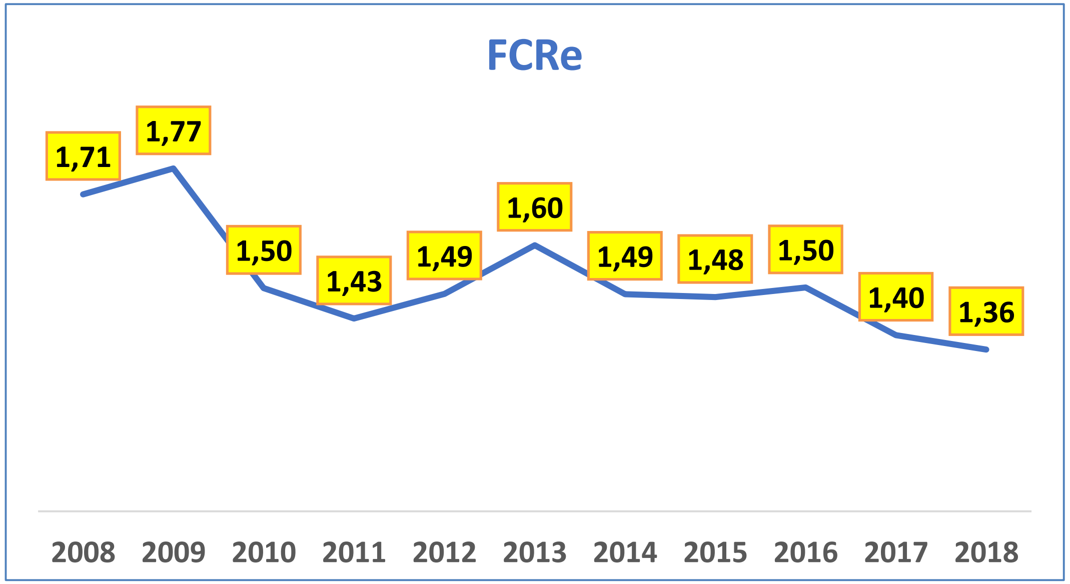
This evolution process, is not perfect and has not been accepted by every one.....but is producing the wanted effect of growth subject to sanitary & environmental performance

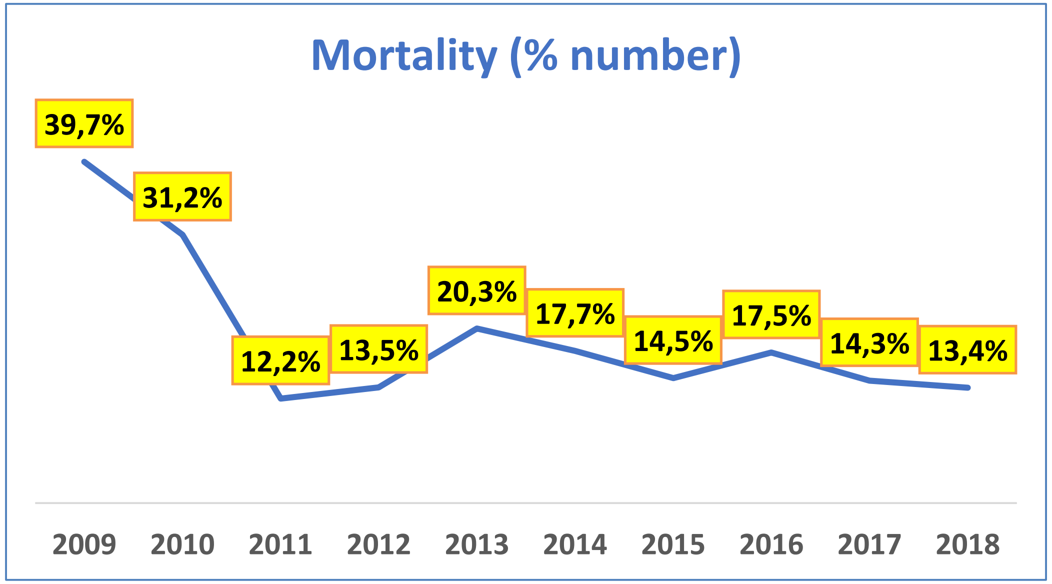


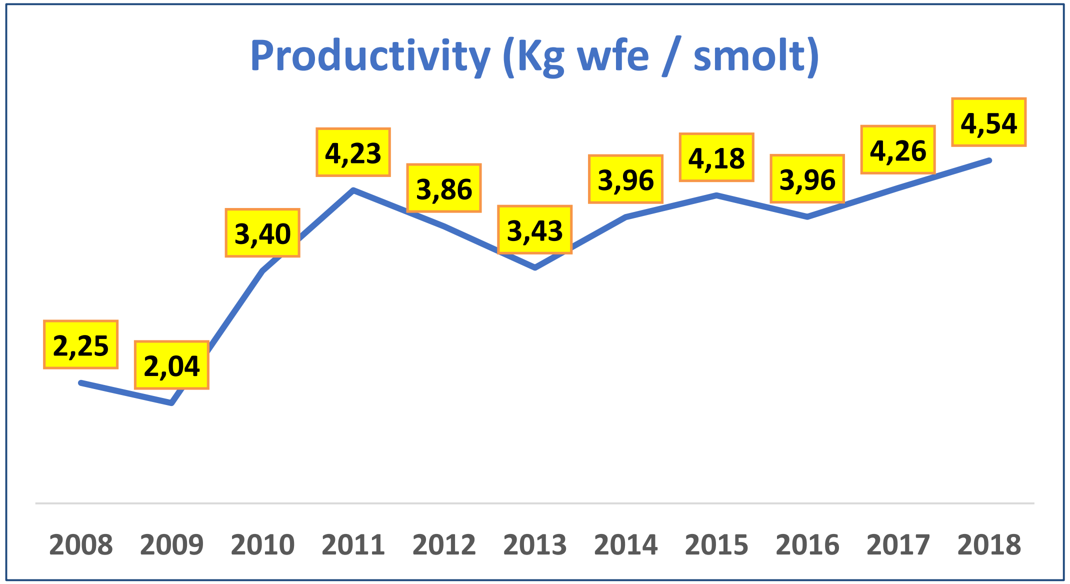
Source: Aquabench

Productivity improved ....



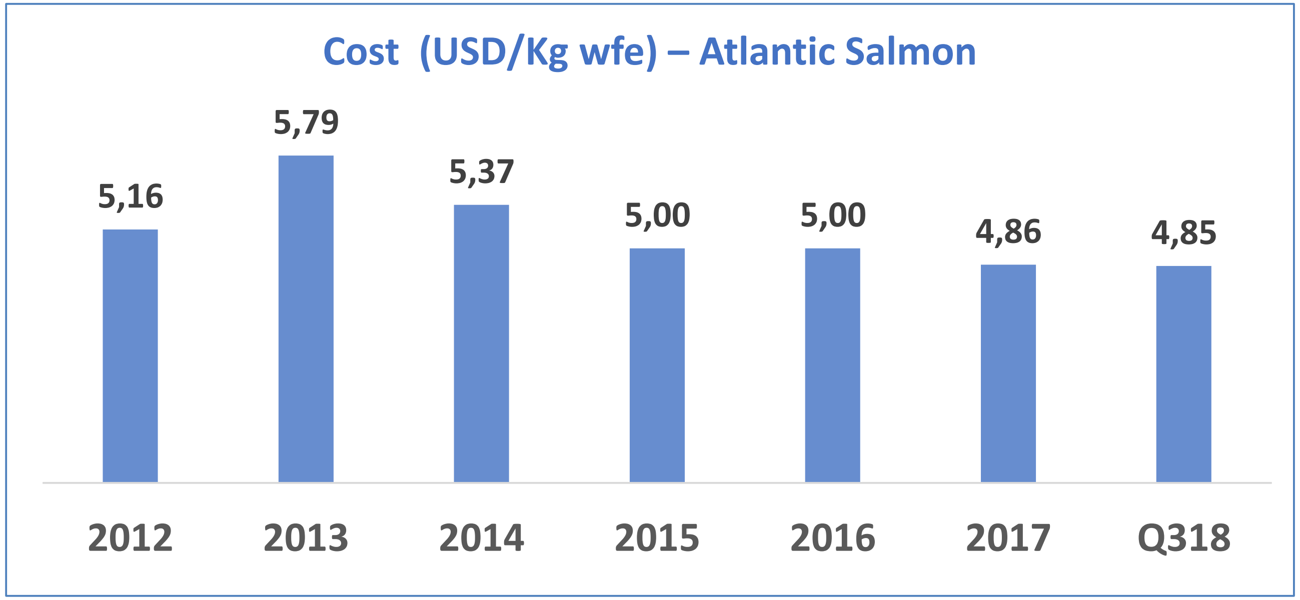


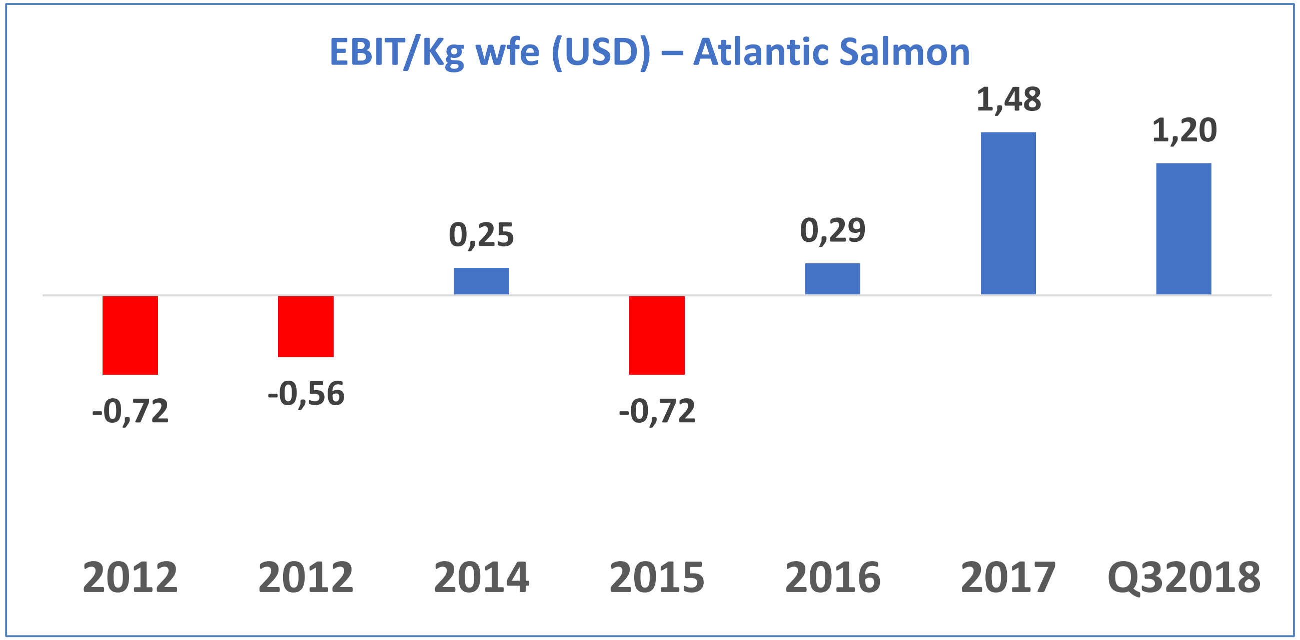




Source: Aquabench

Finally..... Consistent blue numbers started to show

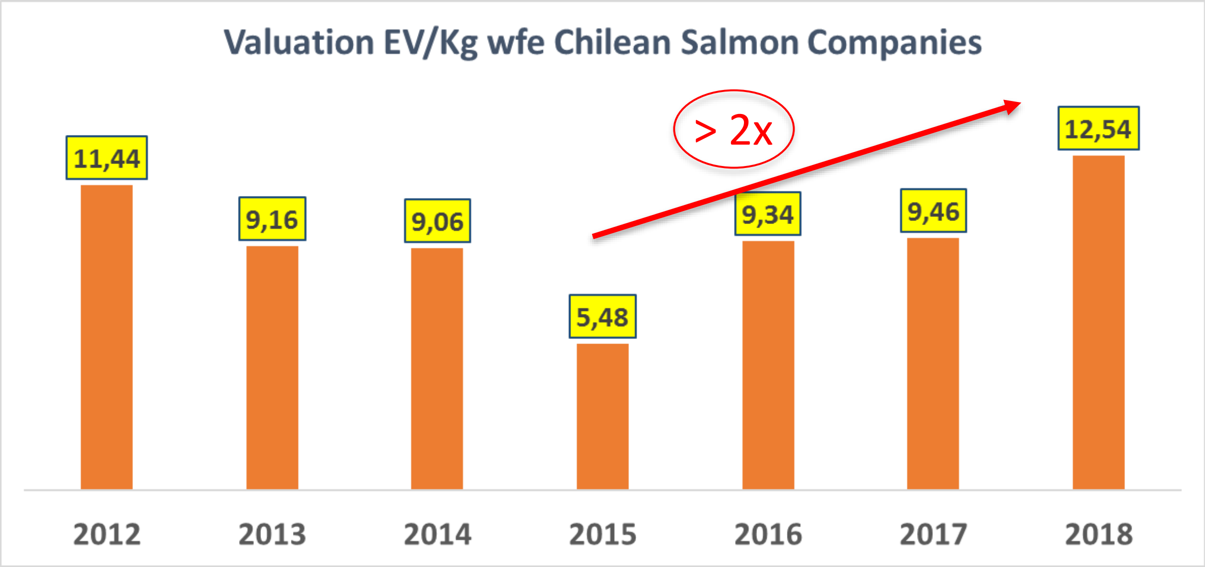




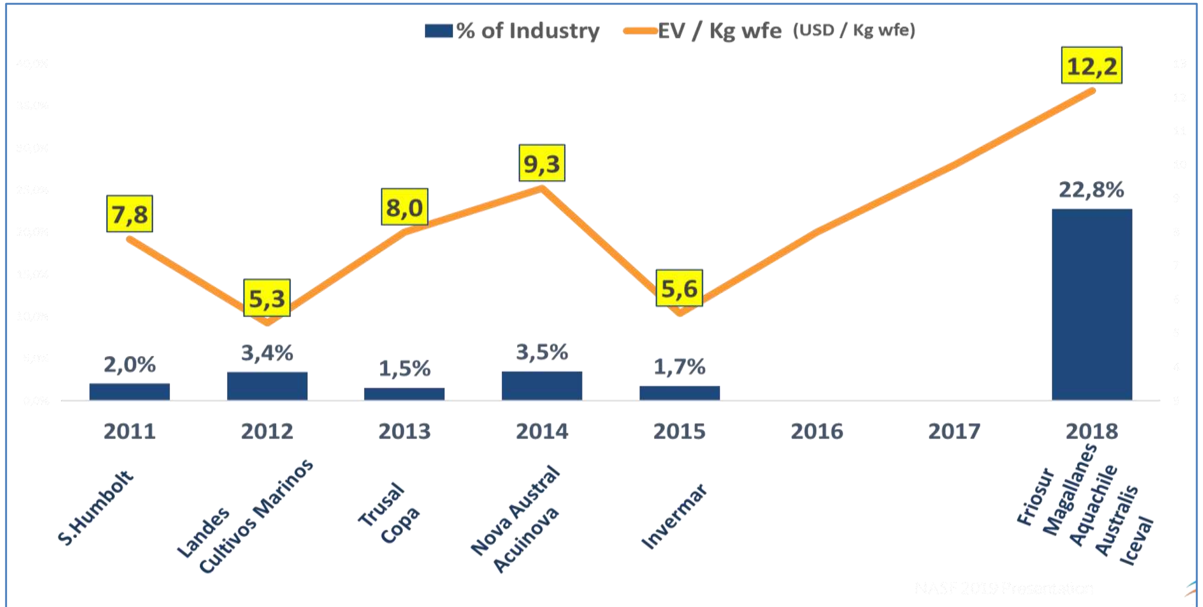
Source: Company Info.

- Aquachile
- Australis
- Blumar
- Camanchaca
- Invermar
- Multiexport

Valuation on the raise



Chilean Companies Transactions



- Valuation of Chilean companies more than doubled since the bottom in 2015

- After a long period that only some few transactions were done forced due to financial reasons, recently almos 23% of the industry change hands at value levels, never seen before.


The sunrise of the Chilean Salmon Industry
Thank you