



SALMONES CAMANCHACA S.A. AND SUBSIDIARIES

Quarterly Earnings Report on the Consolidated Financial Statements

For the period ended March 31, 2019

Salmones Camanchaca

Salmones Camanchaca S.A. is a vertically integrated salmon producer engaged in egg and breeder production, recirculating hatcheries for Atlantic salmon and pass-through hatcheries for other species, fish-farming sites in estuary and oceanic waters used mainly for Atlantic salmon, primary and secondary processing, marketing and selling Atlantic and Pacific salmon (Coho). The Company farms trout at its own estuary fish-farming sites currently through a joint venture with a third party operator, where it has a 1/3 share in the results, with three remaining years to run and an estimated average annual harvest volume of 12,000 tons WFE. The Company harvested 54,000 tons WFE from its core business of Atlantic salmon farming in 2019 and expects to exceed 60,000 tons WFE in 2022. It also began Coho

salmon farming in 2019 and it harvested approximately 4,000 tons WFE this year. Overall production of all salmonid species at its own farming sites is expected to reach around 75,000 tons WFE in 2023. Salmones Camanchaca has 1,500 employees on average, 60% of whom work in its secondary processing and value-added plant. Markets for sales of Atlantic salmon are led by the USA, Mexico, Russia, Brazil, Japan, China and Argentina, with approximately 40% of sales in emerging markets in a variety of fresh and frozen formats.

Highlights for the first quarter 2020 (Q1 2020)

- **Harvest volumes were 36.4% higher than Q1 2019 at 13,902 MT WFE**, comprising **13,142** tons of **Atlantic salmon**, up 29%, and 760 tons of **Pacific salmon (Coho)**. The latter has just completed its first production cycle with a volume of 5,062 tons WFE.
- **Revenue increased by 12.5%** due to a 24.5% increase in sales volume compared to Q1 2019, offset by 4.6% lower prices for Atlantic salmon compared to Q1 2019.
- **Atlantic salmon** live fish (ex-cage) costs fell by 9.2% compared to Q1 2019, at USD 3.15/kg, although 5% higher than the long-term target of USD 3/kg. The costs were affected by an average harvest weight of 4.9 kg, slightly lower than expected.
- **Total processing costs** fell 14.2% compared to Q1 2019 to USD 0.91/Kg WFE, which was 9% below the long-term target of USD 1/Kg WFE, due to greater production volumes.
- **EBITDA decreased 15.7% compared to Q1 2019** to USD 15.1 million. Coho salmon stocking has been at a low density, so despite the volume and normal environmental factors this species produced a negative contribution of USD 1.5 million. EBIT was USD 11.4 million, 24.2% lower than 1Q 2019.
- **Atlantic salmon EBIT/kg** was USD 0.97, down from USD 1.30 in Q1 2019 due to lower prices.

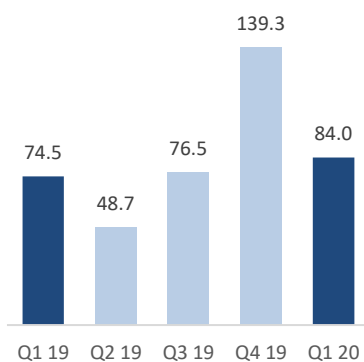
COVID-19 impact and measures

- The medium-term effect of COVID-19 is still uncertain. The 2020 estimated harvest volume for Atlantic salmon is in range of 51,000 to 53,000 tons WFE, and estimated harvest volume for Coho has been reduced to 3,500 tons WFE (2,700 in the new cycle). Total harvest for the Group is expected at 54,000 to 57,000 tons WFE.
- Various sanitary and protection measures were taken to prevent infection and secure operational continuity at processing plants, including a reduction in shift densities. This has resulted in production capacity reducing to 60 to 65%, which enabled value-added production to be kept stable and thus meet demand.
- Non-essential investments were reduced or postponed, which reduced the original annual plan by approximately 30% and 50% of the expected investments for the remainder of the year.
- The Board of Directors proposed reducing the dividend from 50% to 40% of net distributable income, which will be submitted to the Annual General Shareholders' Meeting to be held on April 30. If approved, the dividend would be USD 16.8 million, equivalent to USD 0.255302 per share, USD 4.2 million above the legal minimum in Chile.
- Cash at the end of Q1 2020 was USD 24.3 million, together with the Company's unused short and long-term lines of credit of USD 25 million providing liquidity of USD 49.3 million. Net debt as of March 31, 2020 was USD 79.1 million, and the net debt-to-EBITDA ratio for the last 12 months was 1x.

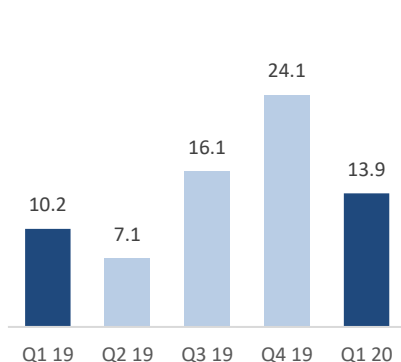
Key Figures

(Th USD)	Q1 2020	Q1 2019	Δ%
Operating revenue	83,988	74,666	12.5%
EBITDA before fair value adjustments	15,117	17,940	(15.7%)
EBIT before fair value adjustments	11,431	15,083	(24.2%)
EBIT margin %	13.6%	20.2%	(32.6%)
Net income for the period	1,823	13,530	(86.5%)
Earnings per share	0.028	0.205	(86.5%)
Harvest volume (ton WFE)	13,902	10,191	36.4%
Sales (ton WFE Company-farmed salmon)	14,474	11,622	24.5%
Atlantic salmon ex-cage cost (USD/Kg live fish)	3.15	3.47	(9.2%)
Atlantic salmon ex-cage cost (USD/Kg WFE)	3.39	3.73	(9.2%)
Atlantic salmon processing cost (USD/Kg WFE)	0.91	1.06	(14.2%)
Atlantic salmon price (USD/Kg WFE)	5.68	5.96	(4.6%)
Atlantic salmon EBIT/Kg WFE (USD)	0.97	1.30	(25.4%)
Pacific salmon EBIT/Kg WFE (USD)	(1.81)	n/a	-
Financial Debt	103,410	50,885	103.2%
Net Financial Debt	79,116	41,421	91.0%
Equity ratio	49.6%	50.8%	(2.3%)
Net Financial Debt / LTM EBITDA	1.02	0.51	100.9%

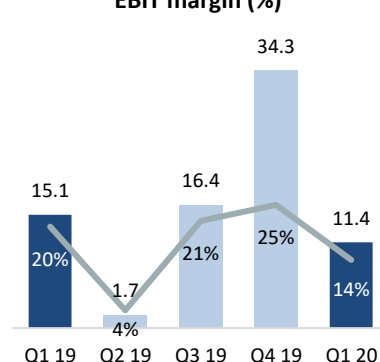
Operating revenue (MUSD)



Harvest (Th ton WFE)



EBIT (USD million)
EBIT margin (%)



Financial Performance

First quarter 2020 Results

Salmones Camanchaca harvested 13,902 tons WFE of salmon in Q1 2020, up 36.4% compared to the harvest volume for Q1 2019 of 10,191 tons. These harvest volumes include 760 tons of Coho salmon, completing the first production cycle of Coho for the Company. The volume sold was 17.1% higher at 13,613 tons WFE, while average prices were 3% or 28 US cents lower than in Q1 2019.

Total operating revenue in Q1 2020 was USD 84 million, 12.5% higher than Q1 2019, which reflects the higher volume sold, offset by lower prices.

Gross Profit was USD 16.7 million, or 19.8% of operating revenue, a 15% reduction compared with Q1 2019, due to lower prices and a USD 1.5 million negative contribution from Coho's first production cycle. Furthermore, operating costs were higher due to an increase number sites in fallow-period this quarter.

Administrative expenses fell by 3.1% (USD 0.1 million), and they decreased from 3.4% to 2.9% in Q1 2020, as a percentage of operating revenue. Distribution and selling costs increased by USD 0.8 million, due to increased sales volume and higher freight and storage costs, leading to an increase from 2.7% to 3.3% of operating revenue. Thus, the Company's combined sales and administrative expenses increased slightly from 6.1% to 6.2% of Q1 2020 operating revenue.

EBIT before fair value adjustments was USD 11.4 million in Q1 2020, 24.2% lower than the USD 15.1 million in Q1 2019, due to the same reasons that reduced the gross margin.

Atlantic salmon sales generated an EBIT/Kg WFE of USD 0.97 in Q1 2020, 33 US cents less than the USD 1.30/Kg WFE achieved in Q1 2019, due to average prices falling by 28 US cents, and higher costs for inactive and fallowed sites.

The resulting net fair value adjustment for Q1 2020 was negative USD 6.1 million, compared to positive USD 4.6 million in Q1 2019, giving an unfavorable difference of USD 10.7 million, mainly due to the fall in prices during April.

Financial expenses were USD 1.1 million compared to USD 0.7 million in Q1 2019, due to additional financing to meet working capital requirements associated with volume growth and the investments over the last twelve months. Financial debt rose to USD 103.4 million by the end of Q1 2020, significantly higher than the USD 50.8 million as of March 31, 2019.

Other income (expense) reflects a neutral result, where the disposal of assets replaced by new technologies (USD 0.4 million) was offset by net income from the trout joint venture of USD 0.4 million, an improvement over the net loss of USD 0.6 million in the previous year.

A non-operating, unrealized loss of USD 2.4 million arose from the devaluation of assets in Chilean pesos, mainly recoverable taxes, due to the devaluation of the Chilean peso against the US dollar. However, benefits will arise on the proportion of expenses denominated in Chilean pesos, provided this devaluation continues.

Accordingly, net income after taxes was USD 1.8 million in Q1 2020, 86.5% lower than in Q1 2019. Most of this difference is due to the fair value adjustment, which reflects the deterioration in prices during 2020.

Cash flow in Q1 2020

Positive net cash flow of USD 10.4 million was generated in Q1 2020 compared to negative cash flow of USD 3.7 million in Q1 2019, explained by a positive operating cash flow of USD 14.3 million, higher than the positive USD 6.2 million of Q1 2019, generated by the sales increase in Q4 2019 being collected in Q1 2020. Accordingly, trade receivables decreased by USD 17.1 million in the quarter.

Cash flow used in investing activities totaled USD 6.9 million during the period, down from USD 9.9 million in Q1 2019. This represents expenditure on the 2019 to 2021 investment plan. Salmenes Camanchaca postponed investments and non-essential expenses, and has reduced its investment plan by approximately 50% from April to December 2020, in order to strengthen its net cash position and secure its operational continuity in face of the extraordinary Covid-19 pandemic.

Cash flow from financing activities in Q1 2020 was USD 4 million, in order to adequately meet its financing requirements. The USD 4 million was drawn down from its short-term credit lines to strengthen its cash position.

Salmenes Camanchaca has a strong financial and liquidity position, with net cash of USD 24.3 million as of March 31, 2020 and short-term unused credit lines of USD 25 million, or USD 49.3 million of available liquidity.

Financial position

Assets

The Company's total assets decreased by 0.7% or USD 3 million to total USD404.7 million at the end of Q1 2020. This decrease is mainly due to a decrease of USD 6.4 million in current assets, mainly trade receivables, offset by a slight increase of USD 3.4 million in non-current assets.

Current assets of USD 274.9 million decreased by 2.3% compared to December 31, 2019, due to the decrease in trade receivables of USD 8.8 million, from collections based on higher sales in Q4 2019, a decrease of USD 7.1 million in biological assets, and a decrease in inventories of USD 2 million, offset by an increase of USD 10.4 million in cash. The Company's finished product inventories as of March 31, 2020 were USD 23.7 million valued at cost, equivalent to 3,546 tons of finished product.

Investments net of depreciation explain why non-current assets increased by USD 3.4 million or 2.7% with respect to December 31, 2019, to a total of USD 130 million.

Liabilities and Equity

Total liabilities were USD 204 million at the end of Q1 2020, at the same level as of December 31, 2019.

Current liabilities increased by 2.6% or USD 2.5 million, primarily due to an increase in financial liabilities on short-term debt of USD 5 million, together with an increase of USD 2.8 million in payables, partially mitigated by a reduction of USD 3.9 million in third party payables.

Non-current liabilities decreased by 2.4% or USD 2.6 million to USD 104.9 million, due to changes in deferred tax liabilities. Net financial debt decreased by USD 5.4 million during the quarter, to total USD 79.1 million.

The Company's equity was USD 200.7 million, a decrease of USD 3 million (-0.7%) with respect to December 31, 2019, explained by an additional dividend provision of USD 4.2 million offset by earnings for the first quarter.

Operating Performance

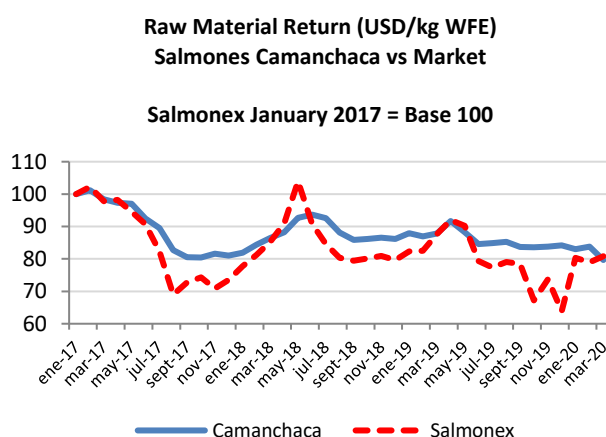
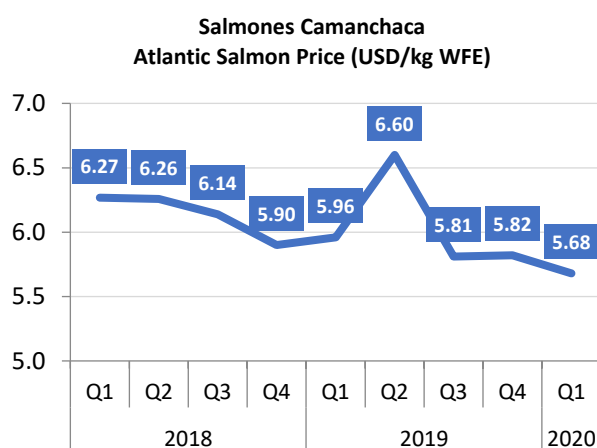
Salmones Camanchaca's performance is mainly driven by three key factors:

1. The **price of Atlantic salmon**, which is very sensitive to Norwegian and Chilean supply conditions, and the exchange rates of its main trading markets.
2. **Sanitary conditions for Atlantic salmon**, which affect conversion factors, the use of pharmaceutical and mechanical means to improve fish health and welfare and the costs of the final biomass to be harvested and sold.
3. **Feed costs**, which accounts for about half the unit live fish (ex-cage) cost.

I. Product Prices

The average price of Atlantic salmon sold by Salmones Camanchaca during Q1 2020 was USD 5.68 per Kg WFE, 4.6% less than the price for the same period in the previous year. Prices in Q1 2020 were influenced by a higher proportion of value-added sales, attributable to the quality of the raw materials and to market demand, which resulted in higher sales of fillets and portions to the United States and lower sales of whole fresh salmon to Brazil and China and frozen salmon to Russia.

Salmones Camanchaca achieved an average raw material return (RMR) ¹ from Atlantic salmon 12 US cents higher than the Salmonex² index during Q1 2020, which is its reference market.



¹ Raw Material Return is the final product price less distribution and specific secondary processing costs. It is a price measurement before selecting the final destination for harvested fish and provides a homogeneous aggregate indicator for the Company's products.

² The market index or "Salmonex" is a conceptual indicator based on the price of fresh fillet trim D exported by Chilean companies, net of the same processing and distribution costs used for Salmones Camanchaca's fresh trim D. It provides a comparable index to Salmones Camanchaca's Raw Material Return.

Volume

Atlantic salmon		Q1 2020	Q1 2019	Δ	Δ %
Harvest volume	tons WFE	13,142	10,191	2,951	29.0%
Production	tons WFE	12,879	10,185	2,694	26.5%
Sales volume	tons WFE	13,613	11,622	1,991	17.1%
Sales	ThUSD	77,372	69,289	8,083	11.7%
Average sales price	USD/Kg WFE	5.68	5.96	-0.28	-4.7%
Pacific salmon		Q1 2020	Q1 2019	Δ	Δ %
Harvest volume	tons WFE	760	-	760	-
Production	tons WFE	753	-	753	-
Sales	tons WFE	861	-	861	-
Sales	ThUSD	3,487	-	3,487	-
Average sales price	USD/Kg WFE	4.05	-	4.05	-

Salmones Camanchaca harvested 13,902 tons WFE of salmonids during Q1 2020, 36.4% higher than Q1 2019. These comprised 13,142 tons WFE of Atlantic salmon and 760 tons WFE of Coho. Sales were 14,474 tons WFE in Q1 2020, 24.5% higher than for the same quarter in 2019.

Operating revenue

The Company's marketing and sales strategy is to build its capacity and flexibility in order to diversify its products and target markets and focus on the most attractive markets for its raw material, based on medium-term conditions in those markets, and preferring stable customer relationships.

Sales by market segment Q1 2020

Product or Species	USA	Europe and Russia	Asia, except Japan	Japan	LATAM, except Chile	Chile	Others	TOTAL
	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD
Atlantic salmon	38,384	11,988	6,366	4,291	13,498	2,507	337	77,372
Pacific salmon	636	1,034	0	1,018	777	22	0	3,487
Others	0	0	0	0	0	3,129	0	3,129
TOTAL	39,021	13,022	6,366	5,309	14,276	5,658	337	83,988

Sales by market segment Q1 2019

Product or Species	USA	Europe and Russia	Asia, except Japan	Japan	LATAM, except Chile	Chile	Others	TOTAL
	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD	ThUSD
Atlantic salmon	26,683	10,557	4,712	4,455	18,358	3,181	1,343	69,289
Pacific salmon	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	5,377	0	5,377
TOTAL	26,683	10,557	4,712	4,455	18,358	8,558	1,343	74,666

The Company defines its value-added products as those containing some degree of secondary processing, including freezing, and accounted for 91.5% of sales for Q1 2020 and exceeded their sales proportion of 85.3% for Q1 2019. The remaining sales are head-on gutted whole fresh salmon for the South American and Chinese markets.

Fresh Atlantic salmon fillets and portions are preferred by the North American market, while Europe favors frozen Atlantic salmon fillets and portions. Japan prefers to receive frozen fillets, while China receives both fresh and frozen salmon. Other markets in Latin America prefer frozen fillets.

The percentage of total revenue from North American markets rose from 35.7% to 46.5% in Q1 2020, while Europe and Russia increased slightly from 14.1% to 15.5%, explained by higher export sales volumes during the first two months of the year. Since the end of February, Russia imposed an import ban on salmon farming plants in Chile, which included Salmones Camanchaca. Asia excluding Japan (mainly China) increased from 6.3% to 7.6%, while Japan rose from 6.0% to 6.3%. Latin America excluding Chile fell from 24.6% to 17.0%, due to a decrease in the attraction of the Brazilian market. As a result of less attractive market conditions in Brazil and the Russian ban, the Company's products were transferred to traditional markets in the USA, Japan and Mexico.

Other income is mostly smolt sales, processing and services for third parties in our primary processing plant, and farming site leases.

Other Businesses

As of March 31, 2020, six of Salmones Camanchaca's sea farming concessions were being leased for trout farming in the Reloncaví Estuary (Tenth Region). These leases are the Company's contribution to the trout joint venture. The neighborhood where these concessions are located has a mandatory fallow period in the first quarter of odd-numbered years when harvest volumes are smaller, as in 2019 when 2,958 tons WFE of trout were harvested, much lower than the 17,405 tons harvested in 2018. Harvest volumes during Q1 2020 were 10,415 tons WFE, compared to 1,085 tons WFE in the same period for the previous year. Sales for the quarter were 2,598 tons WFE, compared to 3,016 tons WFE in Q1 2019, at better sales prices and lower costs. Salmones Camanchaca's one-third share in earnings was net income of USD 0.4 million in Q1 2020 compared to a net loss of USD 0.6 million in Q1 2019, which was presented in the statement of net income under Other income. The net loss in Q1 2019 was due to the smaller operating scale, and to trying to produce this species throughout the year using sites outside the Reloncaví estuary, which increased costs and affected sales prices due to problems with fish maturity. These conditions have not applied to production since Q2 2019.

The assumptions used to develop the trout joint venture business have not varied to date, and the operator, Caleta Bay, continues to estimate average annual harvests of 12,000 tons through to 2022 when the agreement ends, with more in even years and less in odd years.

Salmones Camanchaca stocked 1.4 million Coho smolts in 2018, to make better use of the estuarine sites in the Tenth region and to complement the trout joint venture, and subsequently harvested 5,062 tons WFE during the first productive cycle. This initiative will provide the Company with specific experience in producing and marketing this species, which the Company considers a beneficial step when the trout joint venture comes to an end. Salmones Camanchaca's Coho production represents around 2% to 3% of the total Chilean production according to Aquabench. The Company expects negative margins during the first two production cycles in 2019 and 2020, due to the low smolt stocking densities permitted by the regulations.

The Company has decided to reduce the Coho smolt stocking in 2020 due to the COVID-19 pandemic. Accordingly, smolt stocking was reduced from 1.4 million to 0.7 million, and the estimated harvest for the cycle is 2,700 tons WFE.

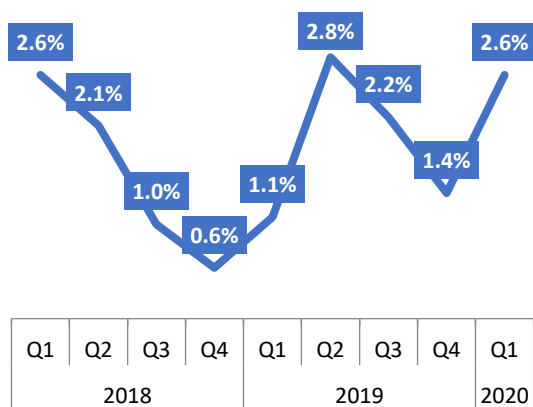
The Company's other businesses, such as processing services for third parties, farming site leases and sales of byproducts, resulted in an operating margin of USD 2.0 million for Q1 2020, 22.5% lower than in Q1 2019.

II. Sanitary and Production Conditions

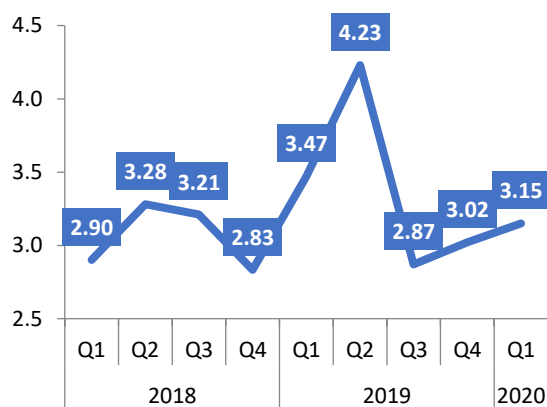
The total open cycle mortality of the Atlantic salmon population during Q1 2020 was 2.6%, similar to mortality in Q1 2018, which was the previous cycle. Mortalities were mainly caused by SRS and very isolated oxygen deficiencies. The accumulated mortality at the two sites that completed their cycle in Q1 2020 (2 sites) was 7.75%.

Live weight ex-cage costs for fish harvested during Q1 2020 was USD 3.15 per Kg, which is 32 US cents lower than in Q1 2019, and 25 US cents higher than the previous cycle (Q1 2018) for similar neighborhoods. This cost was 5% above the company's long-term objective. The higher cost compared to the previous comparable biological cycle (Q1 2018) was due to the higher cost of non-pharmacological treatments for sea lice, and costs associated with risk mitigation measures, such as oxygen platforms and algae bloom mitigation equipment. The lower cost compared to Q1 2019 was due to better oceanographic conditions.

Atlantic salmon mortality* (%)



Atlantic salmon live weight ex-cage cost (USD/kg)



* Total quarterly mortality (number of fish) including both closed and open sites. Closed sites affected by the HAB are included.

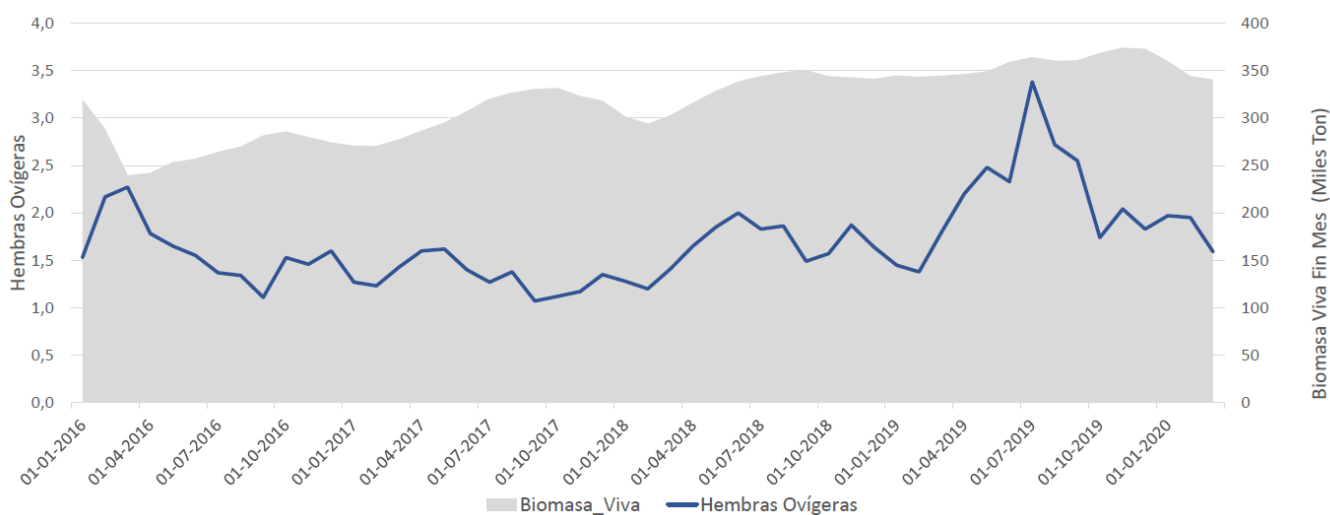
The following table shows the trends in the principal closed cycle Atlantic salmon production and sanitary variables for Q1 2020.

Atlantic	Biological Indicators					Sustainability Indicators				
	FCRb (Live fish)	Productivity Kg WFE/smolt	Average harvest weight Kg WFE	Antibiotic use Gr/Ton	Antiparasitic treatments Gr/Ton	Number of antibiotic treatments	Medicinal treatments (baths)	Number of escapes	Cycle duration / Fallow periods	FIFO Ratio
2017	1.23	5.43	5.69	359.6	0.14	2.1	0	0	17/7	0.76
2018	1.19	4.86	5.34	370.6	8.63	1.6	8.63	0	16/8	0.65
2019	1.16	4.45	4.94	117.4	9.81	0.8	9.75	0	16/8	0.6
2020	1.19	4.94	5.15	397.9	15.34	1.6	15.34	0	17/7	0.61

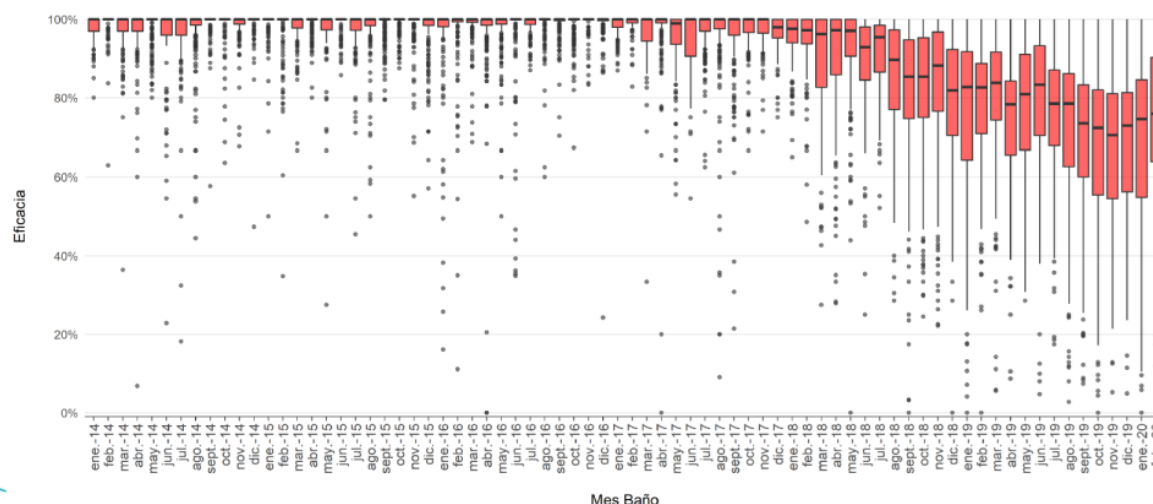
Smolt productivity (biomass harvested in Kg/number of stocked smolts) reached 4.94kg WFE per smolt in Q1 2020, higher than in the previous two years, mainly due to the 4.3% increase in average harvest weights that reached 5.15 kg WFE.

Sea lice has been kept under control in 2020 with more intense antiparasitic treatments and non-pharmacological treatments, with a surprising improvement in the efficacy of Azametifos.

Sea lice concentrations on incubating females during the period 2016 to 2020 for the industry.



Azamethiphos efficiency during the period 2014 to 2020 for the industry.



To date, Salmones Camanchaca has three farming sites classified as High Propagation Sites (HPS), where more than 3 incubating females on average have been spotted. These sites are located in two neighborhoods (ACS) and currently represent 23% of the Company's total live fish in week 15. One of these sites began harvesting towards the end of April 2020 at an average weight of 5.5kg and has reached category HPS 2, while the other two have reached category HPS 1 with average weights of 4.8kg and 4.2kg.

Salmones Camanchaca initiated a peroxide barge operation during Q1 2020 that is highly efficient.

Antibiotics use fell by 10% in Q1 2020 compared to similar neighborhoods in the previous cycle, due to better health practices, live vaccine use, and sea lice control.

The costs of Atlantic salmon were:

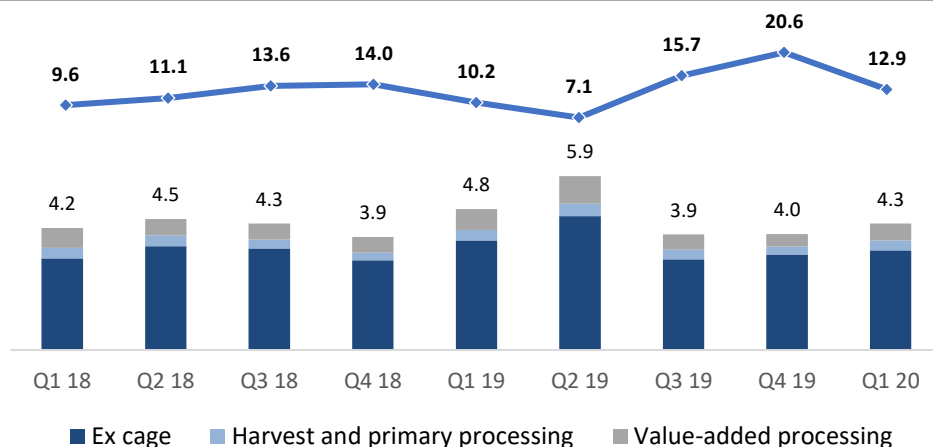
Costs (USD/Kg WFE)	Q1 18	Q1 19	Q1 20
Ex cage	3.12	3.73	3.39
Harvest and primary processing	0.36	0.36	0.34
Added value processing	0.66	0.69	0.57
Total cost of finished product	4.14	4.78	4.30

The ex-cage WFE cost in Q1 2020 was USD 3.39/Kg WFE (equivalent to USD3.15/Kg LW), 9.2% lower than in Q1 2019, due to reducing the use of oxygen deficiency and algae bloom risk mitigation tools at sites, but higher than Q1 2018 for the same sites, due to the large-scale adoption of pharmacological solutions for smolts to protect them from sea lice and SRS.

Primary and secondary processing costs were USD 0.91/Kg WFE, 14.2% lower than in Q1 2019, and 10.8% or 9 US cents lower than in Q1 2018, due to higher processing volumes.

The total cost of finished products was USD 4.3 per kg WFE, which was 48 US cents lower than in Q1 2019, and 16 US cents higher than for the previous cycle in Q1 2018 for the same neighborhoods and harvested sites.

Total cost of Atlantic salmon finished product (USD/Kg WFE) and volume processed (Th Ton WFE)



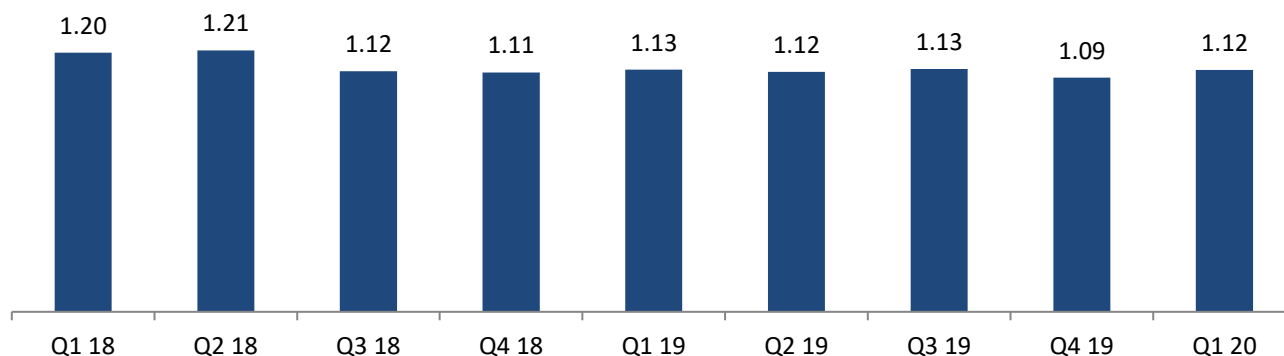
III. Feed Cost

The prices of the main ingredients were stable during 2019, except for fishmeal and fish oil which were more volatile. These two ingredients represent approximately 13% of total feed.

The price of fishmeal declined during 2019 and at the beginning of 2020, but that trend reversed in the middle of the first quarter, rising 6% in relation to the previous quarter. The price of fish oil followed the opposite trend, as it rose during 2019 due to low yields from Chilean raw materials, which reversed in Q1 2020 causing a price decrease of 3.6% to reach USD 1,660 /ton.

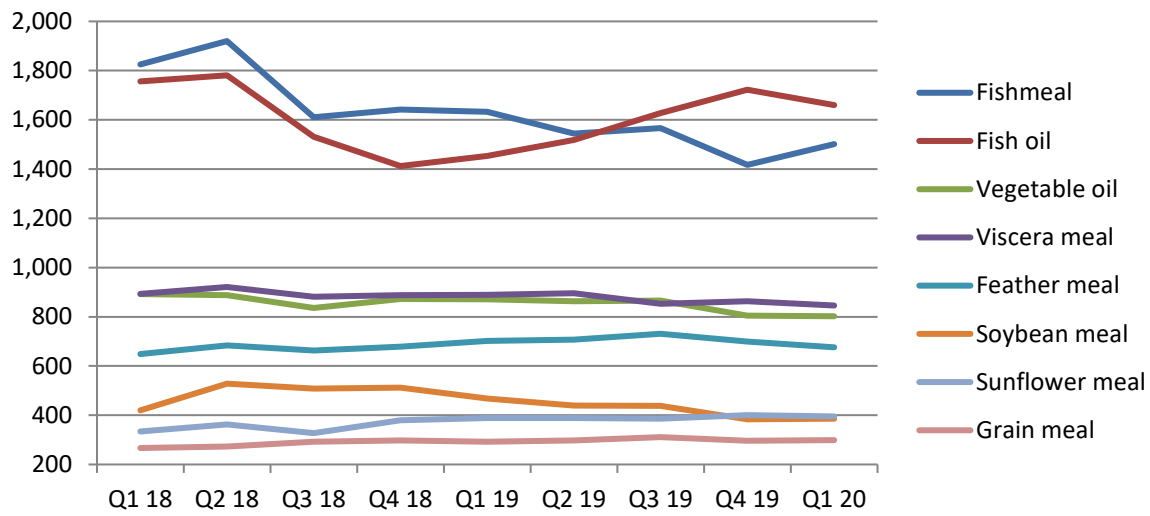
The price of feed for fish over 2.5 kg, which represents 40% of the Company's total feed cost, increased by 2.6% or 3 US cents per kg compared to the last quarter of 2019, to reach USD 1.12/kg, as a result of the aforementioned increase in the price of fishmeal.

Price for 2500 caliber (Salmones Camanchaca) USD/Kg



Price includes pigment. Does not include medicated feed, nor feed additives or supplements

Price of main ingredients USD/ton



Subsequent Events

The Board of Directors of Salmones Camanchaca held a meeting on April 1, 2020, in which it proposed calling an Annual General Shareholders' Meeting for April 30, 2020 and proposed a final dividend of 40% of net distributable income of ThUSD 16,850, equivalent to USD 0.255302 per share. This is a dividend reduction compared to 2019 when it was 50%, due to general uncertainty caused by the Covid-19 pandemic.

Salmones Camanchaca was a founding partner of the Chinese marketing company New World Currents, but will leave this organization to begin direct distribution in China through a commercial organization in Asia operated by its parent Camanchaca. The objective is to achieve greater flexibility and autonomy when implementing its commercial strategy aimed at satisfying niches and segments with value-added products, using its own brands and a closer relationship with the distribution chain. Its departure will become effective on May 1 of this year.

The Company's outlook and the Covid-19 pandemic

Management at Salmones Camanchaca has implemented measures to address this global health threat that is affecting Chile, thus reducing infection risks and mitigating the potential human, operational and financial impact. These measures aim to achieve two main objectives:

1. To protect the health of our employees and their families, and anyone who works at Salmones Camanchaca's facilities.
2. To safeguard the company's operational continuity, which is a mandatory requirement to sustain and protect employment at Salmones Camanchaca, and the Company's own financial health.

To date, there are two reported cases of COVID-19 among the Company's employees, which is less than 0.2% of the total headcount. Multidimensional operational measures have been implemented to reduce the risk of infection among people, including social distancing, with the aim to make the workplace as safe as our employee's own homes.

These measures include putting fewer people on additional shifts, eliminating physical contact between shifts, implementing even stricter hygiene protocols, introducing preventive Covid-19 PCR testing for shifts at remote marine sites, introducing remote working for everyone with non-essential duties, granting temporary home leave for vulnerable employees, such as those aged over 60, reducing passenger density in Company vehicles, and other measures.

Harvest and production volumes were approximately 95% of the plan during the first quarter of 2020, with a slowdown in the last two weeks of the quarter due to the measures implemented to mitigate the risk of COVID-19 infections. Processing was reduced to about 60-65% of the original plan during the last week of March, and that processing capacity has continued throughout April.

Demand for salmon has been affected by quarantines and calls to stay at home, significantly lowering orders from the foodservice segment, partially offset by an increase in orders from the retail segment. Salmones Camanchaca can easily adapt its production and commercial capacity in a changing environment. Accordingly, it aims to produce and sell only value-added products, focusing on the retail segment of developed markets.

The medium-term impact of COVID-19 is still uncertain, and Salmenes Camanchaca continues to monitor the situation and implement mitigation measures as productive conditions and target markets evolve. We estimate that Q2 2020 production will be around 65%-80% of capacity.

Global supply growth for Atlantic salmon was 5% in 2019, according to Kontali. The percentage growth in 2020 is expected to be reduced, which may help to balance the markets during the second half of 2020.

The Company has sought to preserve a conservative liquidity position, due to the pandemic, by reducing investments, postponing non-essential expenses, lowering the proposed dividend, and increasing its credit lines. Furthermore, Coho farming has been reduced by half in 2020, which will result in estimated harvest volumes of less than 3,000 tons in the new cycle. Thus, total estimated harvest volumes for 2020 are 54,000 to 57,000 tons WFE. This estimate may be inaccurate if supply and demand are disrupted due to the consequences of the Covid-19 pandemic.

Main Risks and Uncertainties

External variables might materially impact the Company's annual performance. The main variable affecting revenue is the price of Atlantic salmon, while the main variables affecting costs are the environmental conditions at farming sites, and the sanitary status of the salmon biomass, including the biological conversion of feed.

Individually and in aggregate, aquaculture businesses are exposed to various risks. Consequently, Salmenes Camanchaca uses a risk matrix that guides the Company in order to: i) review and update the critical risk inventory and generate a map that helps manage risks; ii) assess these risks on the basis of impact and probability parameters that helps with prioritizing; iii) implement an internal audit and control plan based on the risk map that focuses resources on the most vulnerable areas; iv) generate a set of strategies to reduce the probability and impact, including insurance wherever this is feasible and financially attractive. These risk maps guide management to continuously manage and mitigate each risk and establish the corresponding responsibilities, as well as review the frequency and severity of internal controls to validate the effectiveness of mitigating measures.

The factors used to detect critical risks are the Company's mission, vision and values; short and long-term strategic planning; known risks inherent to the business; the knowledge and experience of key personnel; and other factors.

a. Phytosanitary Risks

The Company is exposed to risk of disease or parasites that can affect the biomass, increasing mortality or reducing the growth of specific species, and thereby, affecting production and sales volume. Salmenes Camanchaca has adopted strict control standards to minimize those risks, and comply with regulatory requirements with respect to coordinated fallow periods for the concessions in each neighborhood, maximum fish density in cages, constant monitoring and reporting of the biomass and its biological status and health, smolt production in closed recirculating sites fed by groundwater, transport of breeders and fish for harvest in wellboats, coordinated anti-parasitic washing by neighborhood, frequent net cleaning, oxygen plants to supplement pronounced shortfalls in the water, vaccinations at the freshwater stage, and other standards. The risks associated with increased concentrations of parasites can result in early harvests, under certain circumstances, with the consequent lower harvest weights. In the extreme, they can result in unusable products. The Company is mitigating these risks by rigorously applying current treatments, diversifying the anti-parasitic treatments it applies to sites affected by higher concentrations.

b. Natural Risks

The Company is exposed to natural risks that may affect normal operations, such as volcanic eruptions, tidal waves and tsunamis, earthquakes, harmful algae blooms, natural predators, pollution and other factors that may threaten the biomass and production infrastructure. Furthermore, it is exposed to non-aquaculture risks that affect people working in this industry, such as highly contagious diseases that limit normal production, intermediate or final logistic chains that can limit production and sales. The Company is constantly monitoring these variables using the latest risk prevention technologies and tools available in Chile, in addition to having appropriate insurance coverage for these risks, where available.

c. Product Sale Price Risks

The Company mainly exports its products to numerous markets and evaluates the prices it obtains, for which it has a wide commercial network. The Company adjusts the speed of its sales in accordance with production and market conditions, which are constantly in flux. However, it does not accumulate inventory in order to speculate on better sale prices in the future.

Prices are highly dependent on the supply from Norway and Chile and on fluctuations in exchange rates used by the Company's major trading markets, which affects demand conditions. Salmenes Camanchaca has sought to safeguard against this risk through diversifying its commercial network and flexibility of its range of products to enable its raw material to be sent to any market.

The Company complies with production standards and protocols applied by the country with the strictest requirements in the world, in order to take advantage of all available commercial opportunities. However, there is a risk that occasionally some markets will be limited as a result of tariff, para-tariff or sanitary measures. Should this occur, the Company believes that it is sufficiently diversified across various markets to divert trade elsewhere, although this may result in price decreases in the short-term depending on market conditions.

d. Purchase Price Risks

The Company is exposed to changes in the price of salmon feed, which represents about half the cultivation cost. Salmenes Camanchaca ensures its diets achieve a balance between feed cost and nutritional quality at each fish development stage. The Company aims to produce a final product that contains the same amount of Omega 3 as wild salmon, as well as keeping the ratio of marine sourced feed to farmed fish (the fish in-fish out ratio) to no more than 1:1. The Company has feed contracts with prices adjusted quarterly, on a cost-plus basis.

e. Regulatory Risks

Aquaculture is strictly regulated in Chile by laws, standards and regulations issued by the corresponding authorities. Significant changes in these could impact the Company's performance. These regulations are mainly established by the General Law on Fisheries and Aquaculture, and its associated regulations that assign concessions, manage the biomass and set preventive sanitary standards. The Company is constantly monitoring changes in regulations in order to anticipate and mitigate any potential impact.

The regulations governing salmon farming densities were changed with effect from Q3 2016, and a smolt stocking reduction program was introduced (SRP) as an alternative to the general density regime. This program requires stocking and farming densities to be reduced when sanitary performance has fallen, or when smolt stockings are expected to grow in the area. The SRP mechanism gives producers the option to replace a reduction in density, when appropriate, with a smolt stocking plan that considers growth containment with respect to the previous cycle, so maintaining densities at maximum permitted levels.

Since the Company's policy has been to use its assets to provide services to third parties/producers, it has routinely leased out several farming sites. Regulations attribute the history of concession use to the concession owner, allowing the Company to use the history of smolt stocking at farming sites leased to third parties in its smolt stocking plans, without affecting the growth of smolt stocking in the areas involved. Therefore, as lease contracts expire beyond 2020, the Company estimates Atlantic salmon harvests of 60,000 tons WFE at its own farming sites, plus another 15,000 to 16,000 tons WFE of other species.

Most of the concessions held by Salmenes Camanchaca for farming fish are of indefinite duration. However, in order to retain the concession, the current regulation requires a minimum amount of use. If minimum use is not achieved, the concession may be revoked. This has led the Company to operate some of its farming sites at minimum capacity where they are at risk of revocation, which results in additional expenses. This situation generates a regulatory contradiction between an obligation to use the concession, and legislation that prefers smolt stocking growth containment, in order to preserve a healthy sanitary situation.

The financial statements could be affected by changes in economic policies, specific regulations and other standards introduced by authorities.

f. Social and Political Risks

Specific social conditions and/or political situations, such as riots, violence or protests, can generate temporary operational interruptions that affect the continuity of processing plants, primary and/or secondary logistics at export ports, access to specific public services, such as customs or health authorities, availability of labor or security of onshore facilities when faced with strikes, protests, etc. These situations can affect and delay harvests, production or shipments of products to target markets. The Company continuously monitors these situations to ensure that its staff, facilities and products are safe, and regularly evaluates mitigating measures, including whether insurance policies are cost-effective.

g. Liquidity Risks

Liquidity risk is the risk of potential mismatches between the funds needed for investments in assets, operating expenses, finance costs, repayment of debt as it matures and dividend payments, and funding sources such as product sales revenue, collections from customers, disposal of financial investments and access to financing.

Salmones Camanchaca conservatively and prudently manages this risk by maintaining sufficient liquidity and access to third-party financing facilities, while carefully ensuring that it complies with all its financial obligations.

h. Interest Rate Risks

The Company is exposed to interest rate risk since its long-term financing includes a variable interest rate component, which is adjusted every six months. The Company evaluates its hedging options, depending on market conditions, but has not used them during the last five years.

i. Foreign Exchange Risks

A substantial proportion of Salmones Camanchaca's revenue arises from contracts and commercial agreements in US dollars. However, given the diversity and importance of markets other than the North American market, which have historically represented more than 50% of total exports, any devaluation of the US dollar against these markets' currencies and/or the Chilean Peso, could have an impact on market demand and consequently on prices, which would affect the financial performance of the Company.

Corporate policy is to agree income, cost and expenses in US dollars whenever possible. When that is not possible, expenses in Chilean pesos are converted to US dollars, which may appear higher if the Chilean peso appreciates. The Company occasionally evaluates exchange rate hedging instruments for its Chilean peso-denominated expenses, based on market conditions, which results in non-operating income or loss, respectively, for any operational loss or income produced.

The Company borrows from financial institutions in U.S. dollars.

j. Credit Risks

1. Surplus cash investment risk

The Company has a highly conservative policy for investing its cash surpluses. This policy covers the quality of both financial institutions and their financial products.

2. Sales Risks

The Company has credit insurance policies covering most sales that do not require immediate payment. The remaining sales are backed by letters of credit, advance payments, or are sales to customers with good payment performance.

Operational stoppages at ports or by customs or other institutions, as well as protests, marches or road blockages, may affect and delay shipments of our products to the markets where they are sold. Therefore, the Company continuously monitors these variables in order to anticipate any issues and identify alternatives to minimize the impact.

Financial Statements

Statement of Net Income

Consolidated (ThUSD)	Q1 2020	Q1 2019	Δ
Operating revenue	83,988	74,666	
Cost of sales	(67,317)	(55,044)	
Gross margin	16,671	19,622	(2,951)
Administrative expenses	(2,443)	(2,521)	
Distribution expenses	(2,797)	(2,018)	
Total Administrative and Distribution Expenses	(5,240)	(4,539)	(701)
EBIT before fair value adjustments	11,431	15,083	
EBITDA before fair value adjustments	15,117	17,940	(2,823)
Net fair value adjustments to biological assets	(6,090)	4,597	(10,687)
EBIT after fair value adjustments	5,341	19,680	
EBITDA after fair value adjustments	15,117	24,277	
Financial expenses	(1,099)	(710)	
Net income of associates (incl. Surproceso)	544	554	
Exchange rate difference	(2,431)	(126)	
Other income (losses) (incl Trout JV earnings)	(38)	(1,005)	
Financial income	0	0	
Total other income and expenses	(3,024)	(1,287)	(1,737)
Net income (loss) before taxes	2,317	18,393	(16,076)
Income tax expense	(494)	(4,863)	
Net income for the period attributable to owners of the parent company	1,823	13,530	(11,770)

Statement of Financial Position

Statement of Financial Position (ThUSD)	03/31/2020	12/31/2019	03/31/2019
Cash and cash equivalents	24,294	13,867	9,464
Other financial assets, current	30	56	73
Other non-financial assets, current	8,885	8,518	5,469
Trade and other receivables, current	23,118	39,887	27,443
Related party receivables, current	46,573	38,600	33,588
Inventories	30,835	32,875	18,554
Biological assets, current	135,469	142,615	135,035
Tax assets, current	5,673	4,861	1,682
Assets held for sale	0	0	0
Total current assets	274,877	281,279	231,308
Other financial assets, non-current	27	27	27
Other non-financial assets, non-current	112	112	112
Rights receivable, non-current	1,100	1,252	1,737
Related party receivables, non-current	0	0	0
Investments accounted for using the equity method	4,773	4,805	5,348
Intangible assets other than goodwill	6,948	6,948	6,948
Property, plant and equipment	114,856	111,888	99,349
Long-term deferred taxes	2,035	1,419	0
Total non-current assets	129,851	126,451	113,521
Total assets	404,728	407,730	344,829
Other financial liabilities, current	13,410	8,391	885
Operating lease liabilities, current	632	810	0
Trade and other payables, current	60,067	63,949	73,980
Related party payables, current	18,515	15,697	22,990
Current tax liabilities	714	0	10,280
Employee benefit provisions, current	902	1,379	943
Other provisions, current	4,830	6,308	0
Total current liabilities	99,070	96,534	109,078
Other financial liabilities, non-current	90,000	90,000	50,000
Operating lease liabilities, non-current	112	270	0
Related party payables, non-current	0	0	593
Long-term provisions	0	0	0
Deferred tax liabilities	14,674	17,110	9,956
Employee benefit provisions, non-current	123	101	160
Total non-current liabilities	104,909	107,481	60,709
Total liabilities	203,979	204,015	169,787
Share capital	91,786	91,786	91,786
Share premium	27,539	27,539	27,539
Retained earnings	59,153	61,543	32,479
Other reserves	22,271	22,847	23,238
Total equity	200,749	203,715	175,042
Total equity and liabilities	404,728	407,730	344,829

Statement of Cash Flows

Consolidated (ThUSD)	Q1 2020	Q1 2019
CASH FLOW FROM (USED BY) OPERATING ACTIVITIES		
Receipts		
Receipts from selling goods and providing services	93,822	84,787
Payments		
Payments to suppliers for goods and services	(72,321)	(71,247)
Payments to and on behalf of employees	(7,210)	(7,305)
Dividends received	0	0
Interest paid	0	0
Interest received	0	0
Income taxes refunded (paid)	0	1
Other receipts (payments)	0	0
Net cash flow from (used by) operating activities	14,291	6,236
CASH FLOW FROM (USED BY) INVESTING ACTIVITIES		
Receipts from sales of property, plant and equipment	0	213
Purchases of property, plant and equipment	(6,944)	(10,157)
Other receipts (payments)	0	0
Net cash flow from (used by) investing activities	(6,944)	(9,944)
CASH FLOW FROM (USED BY) FINANCING ACTIVITIES		
Receipts from issuing shares	0	0
Receipts from loans	4,000	0
Loan repayments	0	0
Payments to related parties	0	0
Dividends paid	0	0
Net cash flow from (used by) financing activities	4,000	0
Effects of changes in exchange rates on cash and cash equivalents	(920)	29
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,427	(3,679)
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	13,867	13,143
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	24,294	9,464

Statement of Changes in Equity

	Share capital	Share premium	Foreign currency conversion reserve	Other reserves	Total other reserves	Retained earnings	Equity attributable to owners of the parent company	Total equity
Opening balance as of January 1, 2019	91,786	27,539	-345	23,471	23,126	41,336	183,787	183,787
Changes in equity								
Dividends accrued						-12,559	-12,559	-12,559
Comprehensive income								
Net income for the period						13,530	13,530	13,530
Other comprehensive income			111		111		111	111
Closing balance as of March 31, 2019	91,786	27,539	-234	23,471	23,237	42,307	184,869	184,869
Opening balance as of January 1, 2019	91,786	27,539	-345	23,471	23,126	41,336	183,787	183,787
Changes in equity								
Dividends accrued						-22,145	-22,145	-22,145
Comprehensive income								
Net income for the period						42,352	42,352	42,352
Other comprehensive income			-323	44	-279		-279	-279
Closing balance as of December 31, 2019	91,786	27,539	-668	23,515	22,847	61,543	203,715	203,715
Opening balance as of January 1, 2020	91,786	27,539	-668	23,515	22,847	61,543	203,715	203,715
Changes in equity								
Dividends						-4,213	-4,213	-4,213
Comprehensive income								
Net income for the period						1,823	1,823	1,823
Other comprehensive income			-576		-576		-576	-576
Closing balance as of March 31, 2020	91,786	27,539	-1,244	23,515	22,271	59,153	200,749	200,749

Additional Information

Analysis of Key Financial Indicators

This section compares the Company's key financial indicators based on its consolidated financial statements as of March 31, 2020, compared to March 31, 2019.

	03/31/2020	12/31/2019
Liquidity Indicators		
1) Current Liquidity	2.77	2.91
2) Acid Ratio	1.10	1.10
3) Working Capital (USD million)	175.807	184.745
Debt Indicators		
4) Net Debt Ratio	0.90	0.93
5) Current Liabilities / Total Liabilities	0.49	0.47
6) Non-Current Liabilities / Total Liabilities	0.51	0.53
Profitability Indicators		
	(3 months)	(12 months)
7) Return on Equity	0.91%	20.69%
8) Return on Assets	4.12%	20.97%

Notes:

1) Current Liquidity Current Assets / Current Liabilities

2) Acid Ratio Current Assets Net of Inventory and Biological Assets / Current Liabilities

3) Working Capital Current Assets - Current Liabilities

4) Net Debt Ratio Total Liabilities - Available Cash / Total Equity

7) Return on Equity Net income (loss) attributable to owners of the parent company / Total equity

8) Return on Assets Gross margin before fair value adjustment / Total assets

The decrease of 4.8% in the current liquidity ratio is mainly caused by a decrease of USD 6.4 million in current assets and an increase of USD 2.5 million in current liabilities, as explained in the financial position analysis. Consequently, working capital decreased by 4.8% or USD 8.9 million.

The acid ratio remained virtually the same as of the 2019 close, as the increase in cash was almost entirely offset by the decreases in inventories and biological assets. These changes were explained in the financial position analysis.

The decrease in the net debt ratio from 0.93 to 0.90 is mainly due to cash increasing by USD 10.4 million. These changes were also explained in the financial position analysis. The decrease in the proportion of long-term liabilities

from 0.53 to 0.51 is due to an increase in short-term financial liabilities of USD 2.5 million. These changes were also explained in the financial position analysis.

The decrease in the return on equity and on assets is mainly due to movement in the fair value of biological assets between the end of 2019 and that of Q1 2020. These value reductions were consistent with price decreases at the end of Q1 2020. To a lesser extent it is due to the fall in sales prices during the quarter, which affected the gross margin.

Cumulative Indicators

		As of 03/31/2020	As of 03/31/2019
a.	Atlantic Salmon harvested in the period (tons WFE) / Site	3,286	2,038
b.	Atlantic Salmon farming density (kg/m3)	10.5	7.0
c.	Atlantic Salmon group survival rate in sea water by harvest	93.5%	90.7%
d.	Pacific Salmon farming density (kg/m3)	0.7	1.2
e.	Pacific Salmon group survival rate in sea water by harvest	0.93	n/a
f.	EBIT before fair value adjustments (USD million)	11.4	15.1
g.	Atlantic salmon EBIT/Kg WFE before fair value adjustments	0.97	1.30
h.	Pacific salmon EBIT/Kg WFE before fair value adjustments	-1.81	n/a

Notes:

a. Harvests for the period, expressed in ex-cage tons / number of sites harvested, expressed in ex-cage tons per site.

b and d. Average farming density, expressed in kg per cubic meter for sites harvested during the corresponding period.

c and e. Survival rate, expressed as harvested fish groups compared to smolt stocking. A harvest group is fish of a similar origin and strain.

f. Gross margin before fair value adjustment - administrative expenses - distribution costs for the salmon farming division

g and h. Gross margin before fair value adjustment - administrative expenses - distribution costs – net income from interest in trout business / kg WFE of own salmon sold

Biomass Fair Value

For the period ended March 31 (ThUSD)

	Gain (loss) on fair value of biological assets		Fair value adjustment to biological assets harvested and sold	
	As of 03/31/2020	As of 03/31/2019	As of 03/31/2020	As of 03/31/2019
Salmonids	11,347	24,780	-17,437	-20,183

The net effect of the fair value adjustment of the salmon biomass is reflected in two accounts:

- “Gain (loss) on fair value of biological assets” records the estimated gain or loss for the period from valuing the biomass of live and harvested fish at the end of each month that will be sold in future periods. It can be positive or negative based on changes in the biomass, its cost, the quality of concessions and the market price. A gain of USD 11.3 million was recorded for the fair value adjustment of the live and harvested biomass as of March 31, 2020, compared to a gain of USD 24.8 million as of the same date in 2019. This can be explained mainly by falling prices between the two periods and the characteristics of these farming sites.
- “Fair value adjustment of biological assets harvested and sold” records the realized gain or loss on the live biomass, and the biomass harvested in current and prior periods that was sold in the current period. This account reverses the estimated gain or loss for the current and prior periods and the result of the transaction is recorded in operating revenue and cost of sales. The net effect of the biomass sold as of March 31, 2020, was a loss of USD 17.4 million, which reversed a positive margin estimated in prior periods, in contrast to a loss of USD 20.2 million as of March 31, 2019.

The net effect of the fair value adjustments for the salmon biomass for the period ended March 31, 2020 is a negative USD 6.1 million, as opposed to the positive USD 4.6 million recorded for the same period in 2019.

Differences between the market and book values of principal assets

Biological assets include the following.

Biological assets include groups of breeders, eggs, smolts and fish at marine grow-out sites. They are valued at their initial recognition and subsequently.

Live fish inventories at all their freshwater stages, which are breeders, eggs, fry and smolts. These are valued at accumulated cost at the reporting date.

The fair value valuation criteria for fish at marine grow-out sites includes the value of the concession as a component of the farming risk, in accordance with the definition in IAS 41. Therefore, a valuation model has been adopted that calculates the Fair Value Adjustment (FVA) by applying a risk factor to the expected biomass margin at each marine grow-out site.

The estimated fair value of fish biomass is based on the volume of fish biomass, average biomass weights, cumulative biomass costs for each site, estimated remaining costs and estimated sales prices.

Volume of fish biomass

The volume of fish biomass is an estimate based on the number of smolts in the sea, an estimate of their growth, identified mortality in the period, average weights, and other factors. Uncertainty with respect to the volume of biomass is normally lower in the absence of bulk mortality events during the cycle, or if the fish catch acute diseases.

The biomass is the weight when it is calculated for each farming site. The target harvest weight depends on each site.

Cumulative Costs

Cumulative costs for farming sites at the date of the fair value calculation are obtained from the company's accounts.

Remaining Costs

Estimated remaining costs are based on the forecast direct and indirect costs that will affect the biomass at each site through to final harvest.

This estimate is refined at each calculation, and uncertainty reduces as the harvest approaches.

Operating revenue

Revenue is calculated using several sales prices forecast by the company for each month based on future price information from public sources, adjusted to historical price behavior from the main destination market for our fish. This is reduced by the costs of harvesting, processing, packaging, distribution and sale.

A Fair Value Adjustment is applied to all fish at marine grow-out sites, under the current model.

Changes in the fair value of biological assets are recorded in the statement of net income for the period.

All biological assets are classified as current biological assets, as they form part of the normal farming cycle that concludes with harvesting the fish.

The gain or loss on the sale of these assets may vary in comparison to their calculated fair value at the reporting date.

The Company uses the following method.

Stage	Asset	Valuation
Fresh water	Eggs, fry, smolts and breeders	Direct and indirect cumulative costs at their various stages.
Sea water	Salmon	Fair value includes prices, costs and volumes that are estimated by the company.