SALMONES CAMANCHACA S.A. AND SUBSIDIARIES

Quarterly Earnings Report on the Consolidated Financial Statements

For the period ended September 30, 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. The Company farms trout at its own estuary fish-farming sites currently through a joint venture (1/3 share of results) with three remaining years to run and an estimated average annual harvest of 12,000 tons WFE. The Company expects an Atlantic salmon harvest of 54,000 to 55,000 WFE tons in 2019 and expects to exceed 60,000 WFE tons in 2022. In addition, it expects to harvest approximately 4,500 WFE tons of Pacific salmon in 2019. Overall production of all salmonid species at its own farming sites is expected to reach 75,000 tons WFE in 2020. Salmones Camanchaca has approximately 1,500 employees, 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 third quarter 2019

- **Harvest volume of own salmon harvests increased by 16.5%** compared to Q3 2018, reaching 16,116 tons WFE in Q3 2019, and 33,443 tons WFE for the first nine months. Therefore, harvest volume in this quarter is similar to the first half of the year.

- **Revenue from own salmon sales decreased by 6.1%**, mainly due to lower prices, which only reached US$ 5.81/Kg WFE, 5.3% lower than US$ 6.14/Kg WFE in Q3 2018, with sales volumes of 12,689 tons WFE, similar to sales for the same period in previous year.

- **Live fish** (ex-cage) **costs** were US$ 2.87/kg in Q3 2019, 11% lower than in Q3 2018, and below the long-term target of US$3/kg, due to harvests from sites with normal sanitary and density conditions. Live fish cost for the first 9m of 2019 reached US$ 3.34 / Kg, 6.2% higher than for the first 9m of 2018.

- **Processing costs** were US$ 0.84/Kg WFE, in line with Q3 2018, and 16% lower than the long-term target of US$ 1/Kg WFE, due to higher processing volumes than previous quarters, and improved average harvest weights of 5.1 Kg WFE (closed cycles).

- **Cost of sales in Q3 2019** were affected by the sale of 660 tons of products harvested in Q2 2019, with a higher cost due to (i) unfavorable environmental situations, such as algae blooms and low oxygen levels, from February to April this year, (ii) lower operational volumes, and (iii) harvests from sites with a lower fish density. Q3 2019 closed with inventory of finished products at lower costs for the quarter that will be reflected in the results of Q4 2019.

- **Our performance improved compared to** the previous quarter with higher volumes and normal environmental situation, EBITDA was US$ 19.8 million, 6.5% lower than in Q3 2018, and EBIT of US$ 15.8 million, 13.6% lower than in Q3 2018. Consequently, the EBIT/Kg margin was 9.9% lower than in Q3 2018, reaching an EBIT/Kg of US$ 1.29 for Atlantic salmon. The EBIT/Kg for the first 9m of 2019 reached US$ 1.05, 18.6% lower than first 9m of 2018.

- **Carbon Neutral by 2025. A** Capital Markets Day was held on August 29, 2019, at which Salmones Camanchaca announced its commitment to reduce its Corporate Carbon Footprint with the target of becoming carbon neutral by 2025.

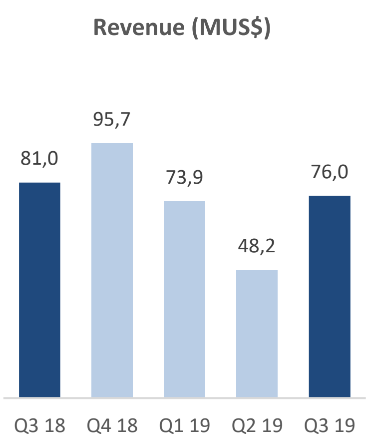
- **Estimated 2019 Atlantic Salmon harvest volume maintained at** between 54,000 to 55,000 tons WFE**.** This implies that Q4 2019 harvest volume will be around 22,000 tons WFE, equivalent to 38% of the annual harvest, in addition, the company will harvest 4,500 tons WFE of Pacific Salmon (Coho). Estimated harvests for 2020 remain in the range of 54,000 to 55,000 tons WFE of Atlantic Salmon and 4,300 tons WFE of Pacific Salmon.

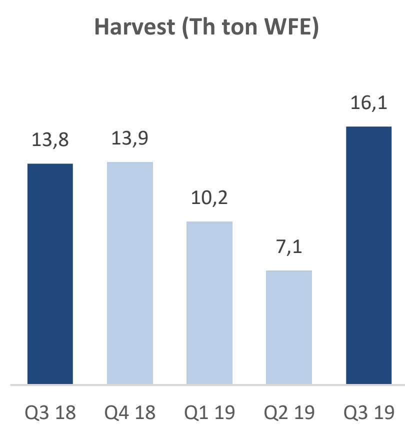
Key Figures

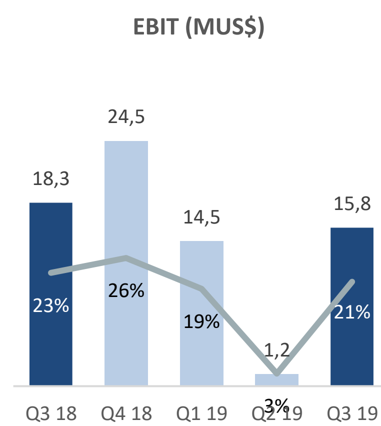
ThUS$	Q3 2019	Q3 2018	Δ%	9m 2019	9m 2018	Δ%
Operating revenue	75,999	80,950	-6.1%	198,054	236,603	-16.3%
Gross profit before fair value adjustments	20,132	22,424	-10.2%	44,022	62,617	-29.7%
EBITDA before fair value adjustments	19,830	21,210	-6.5%	41,335	55,874	-26.0%
EBIT before fair value adjustments	15,841	18,339	-13.6%	31,547	47,577	-33.7%
EBIT- margin	20.8%	22.7%	-8.0%	15.9%	20.1%	-20.8%
Fair Value adjustments	16,072	2,369	578.4%	19,233	1,865	931.3%
Net income (loss) for the period	21,961	14,780	48.6%	33,157	33,619	-1.4%
Earnings per share	0.333	0.224	48.6%	0.502	0.509	-1.4%
Harvests volumes (ton WFE)	16,116	13,831	16.5%	33,443	34,552	-3.2%
Harvests volume (ton GWE)	14,504	12,448	16.5%	30,099	31,097	-3.2%
Sales (ton WFE own salmon)	12,689	12,805	-0.9%	31,573	34,302	-8.0%
Sales (ton GWE own salmon)	11,420	11,525	-0.9%	28,416	30,872	-8.0%
Cost (US$/Kg Live Fish)	2.87	3.21	-10.7%	3.34	3.15	6.2%
Ex-cage cost (US$/Kg WFE)	3.09	3.46	-10.7%	3.59	3.39	6.2%
Ex-cage cost (US$/Kg GWE)	3.43	3.84	-10.7%	3.99	3.76	6.2%
Processing Cost (US$/Kg WFE)	0.84	0.84	0.0%	1.02	0.91	10.8%
Processing Cost (US$/Kg GWE)	0.93	0.93	0.0%	1.13	1.01	10.8%
Price (US$/Kg WFE)*	5.81	6.14	-5.3%	6.05	6.22	-2.8%
Price (US$/Kg GWE)*	6.46	6.82	-5.3%	6.72	6.90	-2.8%
EBIT/Kg WFE (US$)**	1.29	1.43	-9.9%	1.05	1.29	-18.6%
EBIT/Kg GWE (US$)**	1.43	1.59	-9.9%	1.17	1.43	-18.6%
Financial Debt				100,573	70,181	43.3%
Net Financial Debt				92,434	51,826	78.4%
Equity ratio				49%	53%	-7.4%

*Billing in US$ divided by tons of product sold excluding transactions involving third-party raw materials

**Excludes net income (loss) from the trout joint venture and excluding transactions involving third-party raw materials







Financial Performance

Q3 2019 Results

Salmones Camanchaca harvested 16,116 tons WFE of Atlantic salmon in Q3 2019, 16.5% more than the Q3 2018 harvest of 13,831 tons. Volume sold was at 12,689 tons WFE, down 0.9% respect Q3 2018, and the average prices were 5.3% lower than in Q3 2018. The main reason for the difference between sales and harvest volumes was the commercial strategy of selling frozen products, due to better market conditions, which will be reflected in Q4 2019 when these products will be dispatched.

Total operating revenue was US$ 76 million, 6.1% lower than Q3 2018, as a result of lower prices and the performance of Salmones Camanchaca's trout joint venture (ACP)that reported a loss of US$ 0.5 million in Q3 2019, lower than the breakeven recognized in Q3 2018.

Gross margin before fair value adjustments (FVA) of biological assets was US$ 20.1 million, or 26.5% of operating revenue, which was 10.2% lower than the US$ 22.4 million recorded in Q3 2018. This is mainly due to lower sales prices. Despite good production cost in Q3 2019, the margin was affected by selling close to 650 tons harvested from a specific farm site during Q2 2019, where costs were close to US$ 2.6 higher than the average cost of Q3 2019. This added 13 additional cents to the cost. Nevertheless, improvements to environmental and density performance will be reflected in the next quarter, since these products are at the end of Q3 2019 in inventory or in transit to final destination ports.

Administrative expenses remained unchanged, but as a percentage of operating revenue they increased from 2.8% in Q3 2018 to 3.0% in Q3 2019, due to lower operating revenue. Distribution and selling costs increased from 2.3% to 2.6% of operating revenue. Consequently, the Company's combined administrative and distribution expenses increased from 5.0% of operating revenue in Q3 2018 to 5.6% in Q3 2019. In absolute terms, these expenses increased marginally by US$ 200,000.

EBIT before FVA was US$ 15.8 million in Q3 2019, 13.6% lower than the US$ 18.3 million recorded in Q3 2018. Excluding the trout joint venture results, the decrease was 10.6% to US$ 16.4 million in Q3 2019.

Sales of own Atlantic salmon resulted in an EBIT/Kg WFE of US$ 1.29 in Q3 2019, lower than the US$ 1.43/Kg WFE recorded in Q3 2018, due to lower prices as already mentioned, but improved profitability compared to previous quarters in 2019, due to normal environmental-sanitary conditions for the season, and farm sites harvested at an efficient density.

The FVA for biological assets was positive US$ 43.7 million in Q3 2019, US$ 19.3 million higher than in Q3 2018 due to a higher biomass, and an increase in the market prices used for this calculation. The FVA for fish harvested and sold was negative US$ 27.7 million in Q3 2019, compared to negative US$ 22.0 million in Q3 2018, due to the reversal of higher cost of sales recorded in previous quarters. The latter adjustment reverses margins estimated in previous periods on fish sold in current period. Consequently, the net FV adjustment for Q3 2019 was positive US$ 16.1 million, compared to positive US$ 2.4 million in Q3 2018, resulting in a favorable difference of US$ 13.7 million.

Net Financial Expenses were US$ 1.3 million compared to the US$ 1.9 million in Q3 2018, a reduction of 34%, due to the negative result on foreign exchange hedging transactions in the previous year and a lower interest rate (reference rate Libor) despite higher net debt in the quarter.

Other income (expense) was negative US$ 0.5 million, mainly due to the retiring and subsequently selling of assets that were replaced by new technology although they still had an accounting useful life, a provision for the net deductible on the insurance claim for fish mortalities, and expenses incurred during periods of oxygen levels in the water fell as these were not covered by biomass insurance.

Consequently, net income before tax increased from US$ 19.3 million for Q3 2018 to US$ 30.1 million for Q3 2019. This increase of US$ 10.8 million is explained by the higher net fair value adjustment, which offset other unfavorable operational effects in the period. Net income after tax in Q3 2019 was US$ 22.0 million, up from US$ 14.8 million in Q3 2018, an increase of 49%.

Cash Flow Q3 2019

Cash flow from operating activities for Q3 2019 were positive US$ 2.2 million, a decrease from US$ 21.2 million in Q3 2018, explained mainly by reduced sales for the previous quarter producing lower collections this quarter.

Cash flow used in investing activities totaled US$ 8.4 million during the period, down from US$ 9.2 million in Q3 2018. The investments are part of the Company's investment plan to support growth during 2019-2021.

The above was financed by cash flow from financing activities in Q3 2019 of US$ 5 million sourced from the Company's short-term credit lines with financial institutions, which compares with loan repayments of US$ 10 million in Q3 2018.

Net cash flow for Q3 2019 was US$ 8.1 million positive.

Results year to date (YTD) September 30, 2019

Salmones Camanchaca harvested 33,443 tons WFE of Atlantic salmon during 2019, a decrease of 3.2% compared to 34,552 tons WFE during the same period in 2018. The volume sold YTD September 2019 was 31,573 tons, 8% lower than the 34,302 tons YTD September 2018.

The average selling price during the first nine months of 2019 was US$ 6.05/Kg WFE, 2.8% lower than the same period in 2018.

Operating revenue for the first nine months of 2019 reached US$ 198 million, 16.3% lower than the US$ 237 million achieved during the same period of 2018, partially explained by a reduction of 8% in sales volumes. This decrease was driven by two factors. First, the Company did not purchase any raw material from third parties during 2019, versus US$ 12.6 million during the first nine months of 2018. Secondly, the trout joint venture generated a profit for Salmones Camanchaca of US$ 3.2 million during the first nine months of 2018, recorded as Income without associated cost, compared to a loss of US$ 1.7 million generated so far this year. Lower result was due to maturity and color issues that generated higher share of downgraded product with lower sales value. These problems have been addressed in the new season that started with fish stocking in Q2 2019 and will be harvested from Q4 2019 onwards. If both third-party effects are excluded, operating revenue would have decreased by 9.5%.

Live fish (ex-cage) cost increased during the first nine months of 2019 by 6.2%, reaching US$ 3.34 per Kg WFE by September. This increase was mainly due to volume effects and lower average harvest weights during the first quarter, to the sanitary-environmental events already mentioned, and harvests from lower density farming sites. These factors returned to normal in Q3 2019.

Thus, gross margin before fair value adjustments fell 29.7% to reach US$ 44 million, which is US$ 19 million lower than for the first nine months of 2018.

Administrative expenses as a percentage of operating revenue decreased from 3.7% in the first nine months of 2018 to 3.6%, while distribution and sales expenses remained at 2.7%. Consequently, the Company's combined administrative and distribution costs represented 6.3% of operating revenue during this period, slightly down from 6.4% in the first nine months of 2018. Administrative expenses decreased by US$ 1.6 million during the first nine months of 2019, due to savings following structural adjustments at the end of 2018. Distribution expenses decreased by US$ 1.0 million, due to increases in logistic efficiency and lower sales volumes.

Therefore, EBIT before fair value adjustments was US$ 31.5 million, a 33.7% decrease with respect to the US$ 47.6 million achieved during the first nine months of 2018, mainly due to lower sales volumes and higher production costs caused by unfavorable sanitary-environmental conditions and a smaller scale of production during Q1 2019. This situation was partially reversed during Q3 2019 and will continue to improve during Q4 2019.

Consequently, EBIT/Kg WFE was affected by the same factors described above at US$ 1.05, lower than the US$ 1.29 achieved in the first nine months of 2018.

The fair value adjustment to biological assets (biomass) for the first nine months of 2019 was US$ 72.4 million, compared to US$ 70.8 million for the first nine months of 2018, mainly due to a higher biomass volume. The fair value adjustment for harvested and sold fish was negative US$ 53.2 million in the first nine months of 2019, compared to negative US$ 68.9 million in same period 2018, which also reflects decreased sales volumes. The latter adjustment reverses the estimated and accounted margins for the fish sold during this period, whose margins had been recognized in previous periods. The resulting net fair value adjustment for the first nine months of 2019 was positive US$ 19.2 million, compared to positive US$ 1.9 million in the first nine months of 2018, resulting in a favorable difference of US$ 17.4 million for the first nine months of 2019.

Net financial expenses reached US$ 3.3 million during the first nine months of 2019, compared to US$ 4.3 million during the first nine months of 2018, a decrease of US$ 1.0 million caused by losses on foreign exchange hedging transactions in the previous year, by lower average financial debt and lower interest rates in the first nine months of 2019.

Other income (expenses) were negative by US$ 3.0 million, of which US$ 2.5 million was a provision for the net deductible on the insurance claim for fish mortalities, expenses incurred when the oxygen levels in the water fell between February and April of this year as these were not covered by biomass insurance, and the retirement and subsequent sale of assets mentioned above.

Net income before tax reached US$ 45 million in the first nine months of 2019, compared to the US$ 44.9 million in the first nine months of 2018. Net income after tax was US$ 33.2 million for the first nine months of 2019, a slight decrease of 1.4% compared to the US$ 33.6 million earnt in the first nine months of 2018.

Cash flow Year to Date September 30, 2019

Operating cash flow in the first nine months of 2019 was positive US$ 1.0 million, lower than that the first nine months of 2018, which was positive US$ 36.0 million. This decrease is due to lower sales during this period, and taxes paid of US$ 5.4 million that relate to 2018.

Net cash flow used in investing activities totaled US$ 31.0 million for the period, US$ 5.4 million greater than the same period previous year, and in line with the investment plan that supports the Company's growth for 2019-2021, which includes new farming sites and improvements and automatizations in processing plant.

The above is supported by positive net cash flow from financing activities of US$ 25.2 million during the period, compared to positive US$ 7.6 million in the first nine months of 2018, drawn from the Company's revolving bilateral credit lines of US$ 49 million and offset by dividend payments of US$ 23.8 million.

The Company's net cash flow was US$ 8.1 million positive as of September 30, 2019.

Financial position

Assets

The Company's total assets increased by 22.4% during the first nine months of 2019, or by US$ 76.2 million to a total of US$ 416.8 million. This growth is mainly due to an increase of US$ 52.6 million in biological assets in line with estimated increased harvests for 2019-2020, an increase in inventories of US$ 11 million, an increase in property, plant and equipment of US$ 20.3 million following further investment, and partially offset by decreased receivables of US$ 10 million.

Total current assets reached US$ 268.2 million, an increase of 24.0 % from the US$ 216.2 million at the end of 2018. The increased is, mainly related to a US$ 52.6 million increase in current biological assets attributable to higher harvests in subsequent months and, an increase in inventories of US$ 11 million reflecting higher harvest volume in Q3 2019. This was partly, offset by a decrease in receivables of US$ 10 million following lower sales during the first nine months of 2019, and a decrease in bank balances of US$ 5.0 million. The Company's finished product inventory valued at cost as of September 30, 2019 was US$ 33.9 million, equivalent to approximately 4,200 tons of finished product.

Non-current assets increased by US$ 24.2 million (+19.5%) to US$ 148.5 million, mainly due to US$ 20.3 million increase in net property, plant and equipment in line with the investment plan executed so far this year, and a US$ 3.8 million increase in non-current biological assets.

Liabilities and Equity

The Company's total liabilities increased by US$ 52.7 million (+33.6%), reaching US$ 209.4 million.

Current liabilities increased by US$ 3.0 million or 3.3%, due to a US$ 9.4 million decrease in related party payables following a dividend paid by Salmones Camanchaca to its controlling shareholder Compañía Pesquera Camanchaca S.A. that was accrued as of December 2018, and a US$ 5.2 million decrease in current income tax liabilities on its income for 2018 that were paid in April 2019. Both were offset by an increase in payables of US$ 10.9 million due to higher feed consumption associated with a greater biomass, and by an increase in short-term financial liabilities of US$ 6.3 million.

Non-current liabilities increased by US$ 49.7 million, or 78.2%, to US$ 113.1 million, due to draw down of US$ 44.0 million of the long-term revolving credit line (US$ 94 million from a total of US$ 100 million has been drawn down to date), mainly to finance the Company's investment plan. As a result, net financial debt increased by US$ 55.3 million to reach US$ 92.4 million.

Therefore, the Company's equity increased by US$ 23.5 million (+12.8%) as of September 30, 2019 compared to December 31, 2018, reaching US$ 207.4 million, in line with the increase in retained earnings.

Operating performance

Salmones Camanchaca's performance is driven by three key drivers:

1. The **price of Atlantic salmon**, which is very sensitive to Norwegian and Chilean supply conditions, and the exchange rates of its main trading partners;

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 final biomass to which costs are allocated.

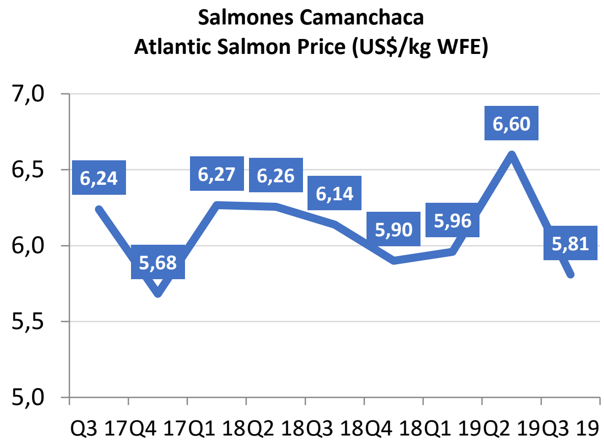
3. **Feed costs**, which accounts for about half the unit live fish (ex-cage) cost.

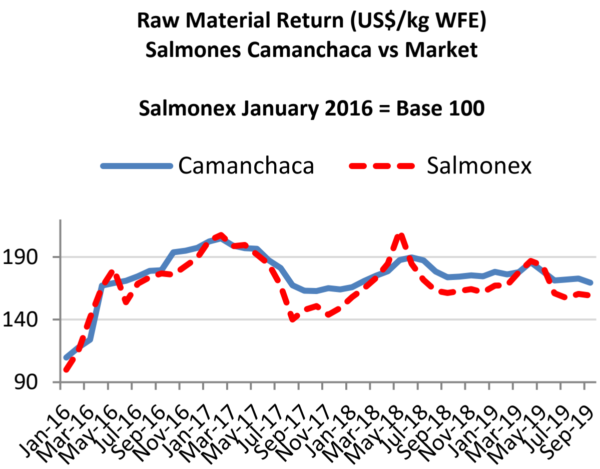
I. Product Prices

The average price of Atlantic salmon sold by Salmones Camanchaca during Q3 2019 was US$ 5.81 per Kg WFE, which is 5.3% lower than the price for the same period in 2018. Since 2016 there has been an upward trend in the prices of Atlantic salmon with slower supply growth than demand. Contrary to 2015, the strengthening US dollar during 2018 and 2019 did not reduce demand for salmon in Salmones Camanchaca's target markets and current prices have shown great stability with only minor fluctuations, in line with a stable global and Chilean supply, which encourages increases in consumption.

Prices in Q3 2019 were influenced by a higher proportion of value-added sales, which consequently have higher associated costs, attributable to raw material conditions and market demand, which has resulted in higher sales of fillets and portions in the United States and lower whole fish sales in Russia and Brazil.

Salmones Camanchaca achieved an average raw material return (RMR) from Atlantic salmon 41 US cents higher than the Salmonex index during Q3 2019, which is its reference market. This index had a pronounced increase between April and May 2019, when Salmones Camanchaca achieved an RMR lower than this reference, but this was significantly offset by the favorable difference of 41 cents during Q3 2019, when reference market prices fell by an average of US$ 4.93. This behavior is due to a portfolio of value-added product contracts that provide greater stability than the spot market.





The Raw Material Return is the final product price less distribution and specific secondary processing costs. It is a measurement of price before selecting the final destination for harvested fish and provides a homogeneous aggregate indicator for the Company's diverse products.
The market Index or "Salmonex" is based on the price of fresh fillet trim D exported by Chilean companies, net of the processing and distribution costs used for Camanchaca's fresh trim D. It provides a comparable index to Camanchaca's Raw Material Return.

Volumes

		Q3 2019	Q3 2018	Δ	Δ %	9m 2019	9m 2018	Δ	Δ %
Harvest	Tons WFE	16,116	13,831	2,285	16.5%	33,443	34,552	-1,109	-3.2%
Production	Tons WFE	15,742	13,612	2,130	15.6%	32,996	34,381	-1,385	-4.0%
Own salmon sales	Tons WFE	12,689	12,805	-116	-0.9%	31,573	34,302	-2,729	-8.0%
Own salmon sales	ThUS$	73,736	78,595	-4,859	-6.2%	190,990	213,203	-22,213	-10.4%
Average sales price	US$/Kg WFE	5.81	6.14	-0.33	-5.3%	6.05	6.22	-0.17	-2.8%
Price-related change in revenue*	ThUS$	73,736	77,883	-4,147	-5.3%	190,990	196,241	-5,251	-2.8%

* With constant volume in 2019

Salmones Camanchaca harvested 16,116 tons WFE Atlantic salmon in Q3 2019, a 16.5% increase compared to Q3 2018. Sales were 12,689 tons WFE in Q3 2019, which is 0.9% lower than Q3 2018. The Company expects to harvests close to 22,000 tons WFE in the fourth quarter, which will bring total annual harvest to 54,000 to 55,000 tons WFE, in line with the target communicated at the beginning of the year.

The Company harvested 489 tons WFE of Coho during Q3 2019, and these products are now in inventory or in transit. It expects to harvest 4,000 tons WFE during Q4 2019, to reach total production of 4,500 tons for the year.

Operating revenue

Sales by market segment as of September 2019

Product or Species	USA	Europe + Eurasia	Asia, except Japan	Japan	LATAM, except Chile	Chile	Others	TOTAL
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Atlantic salmon	83,382	17,998	14,426	15,487	47,215	9,169	3,024	190,702
Trout (33%)	(513)	0	(166)	(728)	0	(232)	(17)	(1,655)
Others	0	0	0	0	0	9,007	0	9,007
TOTAL	**82,869**	**17,998**	**14,260**	**14,759**	**47,215**	**17,945**	**3,008**	**198,054**

Sales by market segment as of September 2018

Product or Species	USA	Europe + Eurasia	Asia, except Japan	Japan	LATAM, except Chile	Chile	Others	TOTAL
	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$	ThUS$
Atlantic salmon	70,163	68,835	18,385	9,375	53,049	4,530	1,439	225,777
Trout (33%)	1,078	13	55	2,063	0	0	0	3,209
Others	0	0	0	0	0	7,617	0	7,617
TOTAL	**71,241**	**68,848**	**18,440**	**11,439**	**53,049**	**12,147**	**1,439**	**236,603**

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 favoring stable customer relations.

Salmones Camanchaca has had a 25% share in "New World Currents" (NWC) since 2013, a joint venture with other Chilean producers to market Atlantic salmon in China. There has been a significant increase in air shipments of fresh products to this important market. During this quarter, one of the NWC partners decided to leave, and the remaining partners are buying out the leaver's share.

The Company defines its value-added products as those containing some degree of secondary processing, including freezing, which accounted for 86.6% of sales for the first nine months of 2019, an increase over the 82.3% for the first nine months of 2018.

The remaining volume is sales of head on gutted whole fresh salmon for the South American and Chinese markets. Fresh Atlantic salmon fillets are preferred in the North American market, while Europe favors frozen Atlantic salmon fillets and portions from Chile. Japan prefers to receive frozen fillets, while China receives both fresh and frozen fillets. The rest of Latin America prefers frozen fillets.

The percentage of total revenue from North American markets rose from 30.1% to 41.9% in the first nine months of 2019, while Europe and Eurasia fell from 29.1% to 9.1%%, explained by a large fall in Russia, which had less attractive market conditions compared to the previous year. Asia excluding Japan (mainly China) fell from 7.8% to 7.2%, while Japan rose from 4.8% to 7.5%. Latin America excluding Chile rose from 22.4% to 23.9%, due to a decrease of the Brazilian market compensated with an increase mainly in the Mexican market, as a result
of less attractive conditions in Russia and Brazil, products were transferred to traditional markets in Mexico and the USA.

The Salmones Camanchaca proportion of its joint venture trout business is disclosed under "Trout" in the previous table. Other income is mostly smolt sales, processing and services for third parties in our primary processing plant, and farm site leases.

Other Businesses

As of September 30 2019, seven of Salmones Camanchaca's sea farming concessions were leased out for trout farming in the Reloncaví Estuary (Tenth Region). These leases are the Company's contribution to the Trout joint venture. The sector where these estuarine concessions are located has a compulsory fallow period during the first quarter of odd years. Harvests are lower in these years as is the case in 2019.

The assumptions used to develop the Trout joint venture business have not varied 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 obtained Pacific or Coho smolt stocking permits in 2018, in order to take advantage of estuary farming sites in the Tenth Region and complement the trout joint venture in this neighborhood. The Company stocked 1.4 million smolt of this species, which should produce a harvest volume of 4,000 tons in late Q4 2019, with the majority being sold in H1 2020. This initiative will provide the Company with specific experience in producing and marketing this species, which the Company considers a beneficial step before the above joint venture comes to an end. The production of Pacific salmon in 2019 represents about 3% of the Chilean supply. The biological performance conditions are better in Chile than for other species. Salmones Camanchaca expects negative margins during the first two production cycles in 2019 and 2020, due to smolt stocking densities permitted by the regulations.

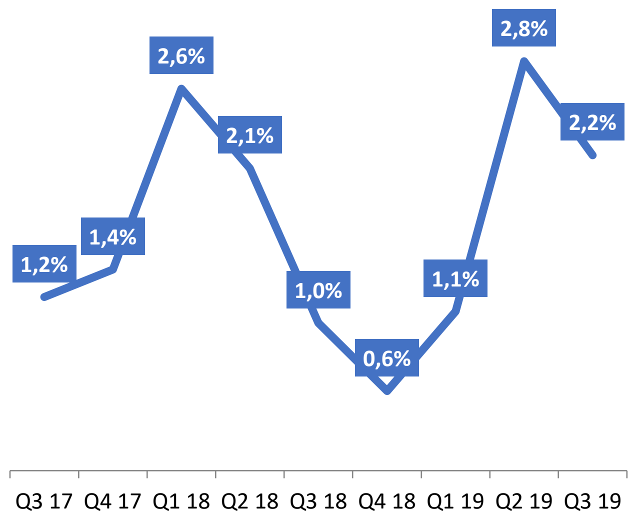
The Company's other businesses, such as processing services for third parties, farm site leases and sales of byproducts, resulted in operating margins of US$ 4.6 million for the first nine months of 2019, an increase of 22.0% over the first nine months of 2018.

II. Sanitary and Productive Conditions

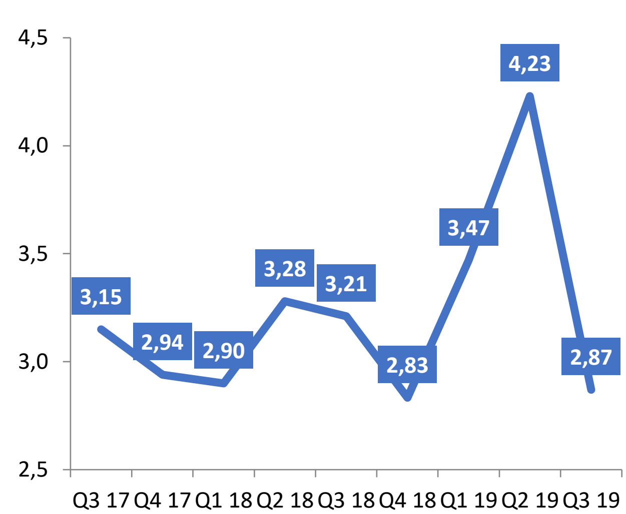
The open cycle mortality of the Atlantic salmon population during Q3 2019 was 2.2%, higher than the Q3 of the previous cycle in 2017 which was 1.2%. This increase was due to isolated oxygen deficiency events. The cumulated mortality at sites that completed their cycle in Q3 2019 was 6.1%, negatively affected by algal blooms and a lack of oxygen during the first half of 2019.

Live weight ex-cage costs for fish harvested during Q3 2019 were US$ 2.87 per Kg, which is 34 US cents lower than in Q3 2018, and 28 US cents lower than the previous cycle (Q3 2017) for similar geographical areas. The reasons for the lower costs are mainly linked to good productive performance at the Pilpilehue site, which enabled it to begin harvesting earlier than planned.

Atlantic Salmon Mortality* (%)



Atlantic Salmon live weight ex-cage cost (US$/kg)



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

The following table shows the trends in the principal closed circuit production and sanitary variables.

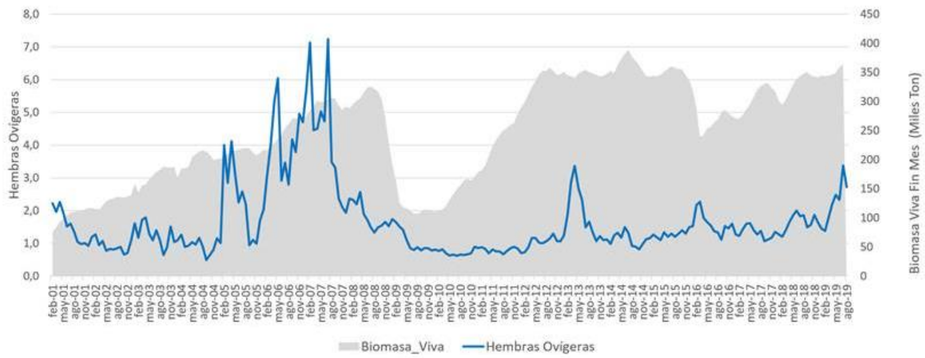
	Biological Indicators					Sustainability Indicators				
	FCRb (Live fish)	Productivity Kg WFE/smolt	Average harvest weight Kg WFE	Antibiotic use Gr/Ton	Antiparasitic drug use Gr/Ton	FIFO Ratio	Cycle duration / Fallow periods	Number of escapes	Medicinal treatments (baths) gr API per ton	Number of antibiotic treatments
2016	1.30	4.72	5.33	345.1	15.9	0.8	18/6	0	15.9	2.0
2017	1.35	4.57	4.69	717.1	10.9	0.7	17/7	0	10.7	3.3
2018	1.18	4.99	5.57	647.7	6.2	0.6	17/7	0	6.1	3.2
2019	1.14	4.80	5.10	948.9	6.4	0.5	17/7	0	6.4	3.0

The biological conversion factor (FCRb = Kg of feed/Kg of live fish) reached a value of 1.14 for the sites closed during Q3 2019. This was lower than for the previous quarters of 2019, due to normal environmental conditions and a downward trend with respect to the same quarters in previous years. This decrease is due to using more frequent micro rations, remote feeding and high energy diets, where feed energy was increased by 10%, or 22 MJ/kg.

Smolt productivity is defined as harvested biomass in kgs over number of smolts, and it reached 4.80 kg WFE per smolt in Q3 2019.

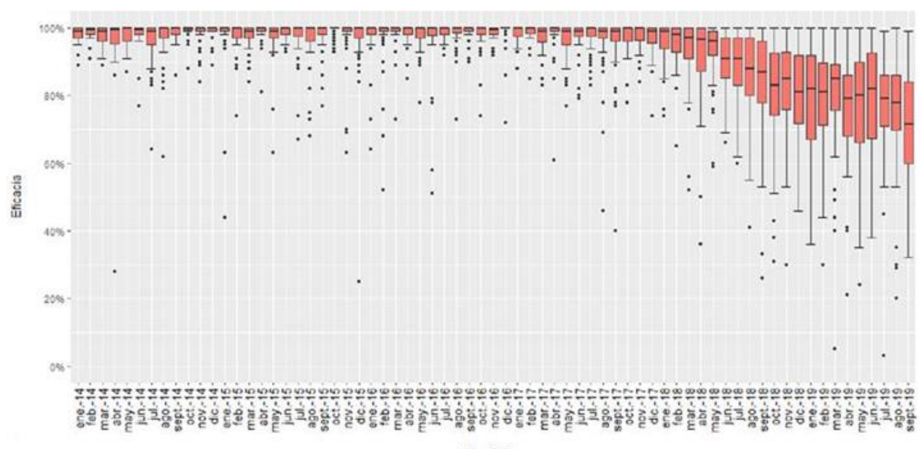
Sea lice concentrations have increased since the second quarter of this year, especially in certain extra saline areas, due to a downward trend in the effectiveness of the most widely used antiparasitic in the industry, Azamethiphos.

Sea lice concentrations on incubating females during 2014-2019 for the industry.



Source: Aquabench

Azamethiphos efficiency during 2014-2019 for the industry.



Source: Aquabench

Parasites are applying greater pressure on the industry, and Salmones Camanchaca had to increase its use of antiparasitic as a reactive measure to their reduced effectiveness, so requiring more treatments. A total of 97 antiparasitic treatments have been carried out as of September 2019, costing US$ 3.3 million, compared to 39 treatments during the same period in 2018 at a cost of US$ 1.4 million. However, it has still not been necessary to harvest earlier than planned. Current concentrations do not threaten fish health, nor their ability to feed and grow.

At the date of this report, Salmones Camanchaca has five farming sites classified as High Propagation Sites (HPC/CAD), where more than 3 incubating females on average have been counted at these sites. These sites are located in 3 neighborhoods (ACS) and represent at this date 32% of the Company's total live fish.

Salmones Camanchaca is mitigating this situation by introducing new pharmacological measures from November this year, such as peroxide treatments and a new antiparasitic developed by Pharmaq, called Alfaflux. It will also introduce non-pharmacological treatments towards the end of the year, such as "Optilizer" developed by the company Optimar, and the "FLS Delousing System" from Flattestund Engineering, which use temperature and water pressure variation systems, respectively, to enable the affected fish to release their sea lice.

Sernapesca issued an amendment to Sea lice control regulations in October 2019, which introduced greater flexibility when treating this parasite and authorized using effective control measures, including voluntary preventive harvests and incentives for using non-pharmacological treatments.

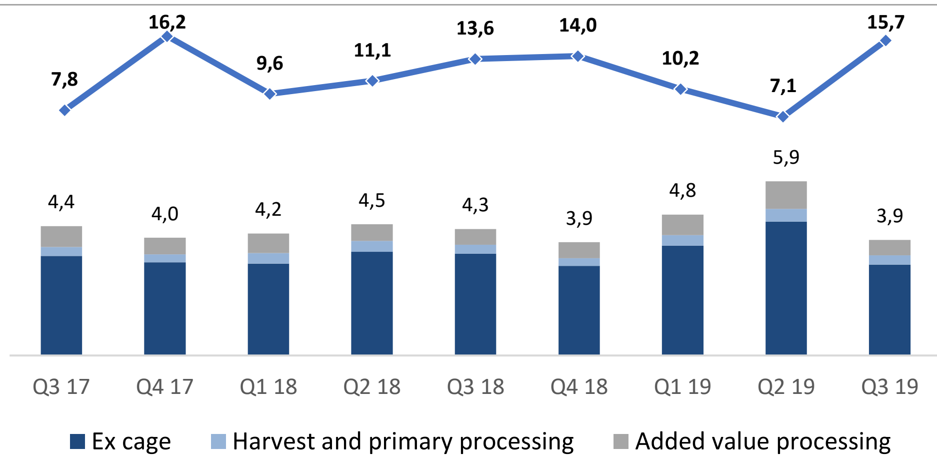
The increase in antibiotic consumption in Q3 2019 was 46% compared to Q3 2018.This is due to a specific situation at the SW Filomena farming site where it was first used following an outbreak of SRS. This involved prescribing more antibiotic treatments than the average for other farming sites, to protect the health and welfare of these fish.

Primary and secondary processing costs were US$ 0.84/kg WFE, similar to costs in Q3 2018 and 18 US cents lower than Q3 2017 (-17.6%). They benefited from higher processing volumes, despite a production mix with a higher proportion of added value products.

The total cost of finished products per Kg WFE was 37 US cents lower than for Q3 2018. The cost for the same geographical areas covering the sites harvested was 47 US cents lower than for the previous cycle in 2017.

Costs (US$/Kg WFE)	Q3 17	Q3 18	Q3 19
Ex cage	3.38	3.46	3.09
Harvest and primary processing	0.31	0.30	0.32
Added value processing	0.71	0.54	0.52
Finished product total cost	4.40	4.30	3.93

Total cost of finished product (US$/Kg WFE) and volume processed (M Ton WFE)

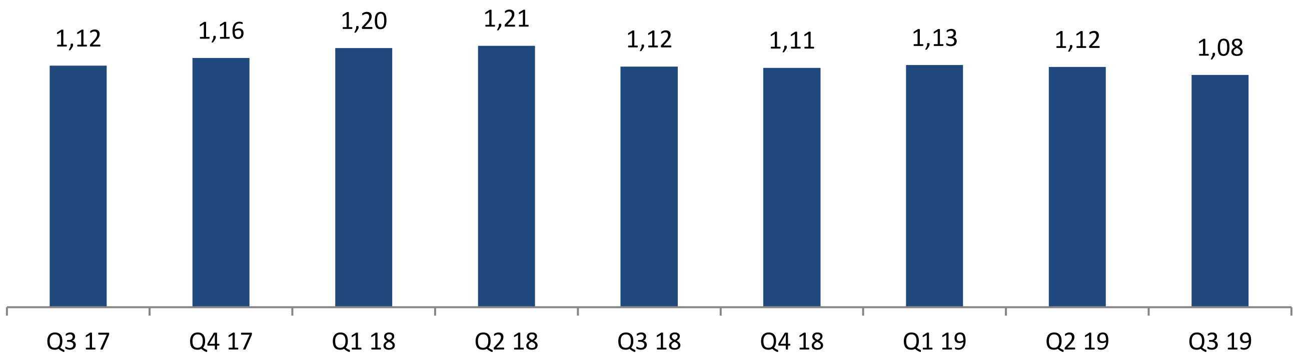


III. Feed Cost

Feed costs have remained stable in recent years, as the prices of its main ingredients, such as fishmeal, fish oil and soybeans, have remained stable, although their prices began to fall during the first nine months of 2019. Soybean prices fell slightly in Q3 2019 compared to the previous quarter, but have been offset by a small rise in fishmeal and fish oil prices.

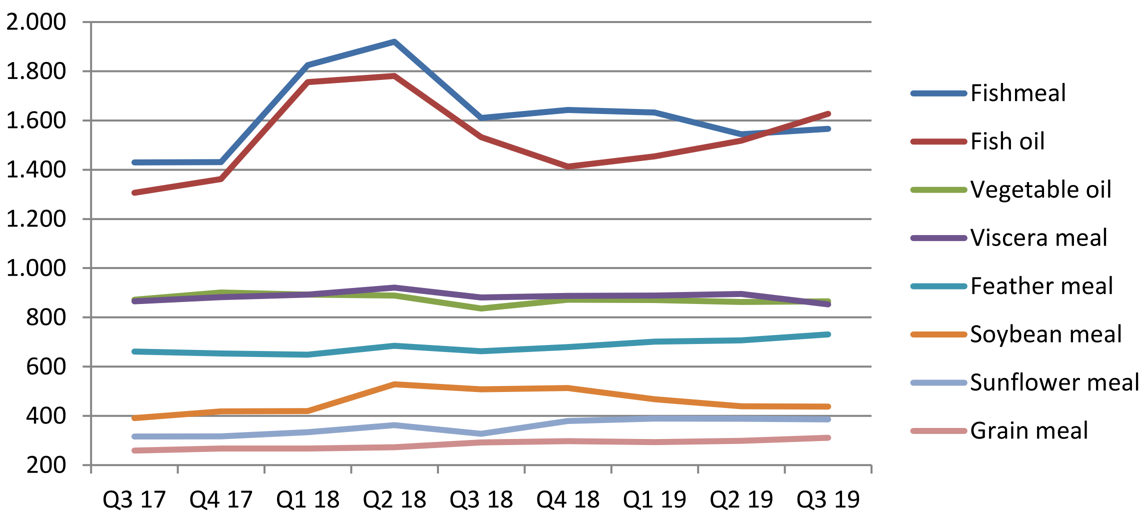
The price of feed for fish weighing more than 2.5 kg, which represents close to 40% of the Company's total feed cost, remained stable in Q3 2019, reaching US$ 1.08 per kg, only 4 US cent less than in the previous quarter or 3.6% less, due to the fall in fishmeal and soybean prices.

Price for 2500 caliber (Salmones Camanchaca) US$/Kg



Price includes pigment. Does not include medicated foods, food additives or supplements

Price of main ingredients US$/ton



Subsequent Events

No subsequent events occurred after September 30, 2019, that materially affect Salmones Camanchaca's financial statements. However, the Company was affected by social disturbances covering the whole of Chile at the end of October and in early November. Consequently, the primary plant near Puerto Montt suffered from interruptions that reduced harvesting and processing, resulting in a reduction in production of approximately 1,000 tons in November, and this harvesting and processing will now take place in 2020.

Nevertheless, these social disruption events did not damage the Company's assets nor its farming, harvesting or processing capabilities.

The exchange rate during late October and early November increased for the same reasons, although this has not adversely affected the Company, as approximately 35% of its expenses are in local currency.

Outlook

Global supply of Atlantic salmon grew around 6% in 2018. Similar growth is expected for 2019, so the Company is not expecting any changes in global price trends, which is consistent with the current regulatory framework in salmon producing countries. Chilean supply grew nearly 20% in 2018 and latest estimates are around 5% for 2019. The growth in 2018 was the result of an abnormally low base in 2017, without significant growth in Chile's potential capacity. Global growth of 4% is expected in 2020 with a corresponding 2% growth for Chile.

A significant proportion of the operating cash flows from 2018 was used in property, plant and equipment investments and for biomass growth, supporting next few years forecast harvest volume of around 54,000 to 55,000 tons WFE of Atlantic salmon in 2019, and 4,500 tons WFE of Pacific salmon.

Total harvests at farm sites owned by Salmones Camanchaca should include trout harvests with forecasts of between 6,000 and 8,000 tons WFE in 2019. Therefore, the total harvest volume will be closer to 64,000 tons WFE. Preliminary harvest estimates for 2020 are 55,000 tons WFE of Atlantic salmon, 4,500 tons of Pacific salmon and between 16,000 and 18,000 tons of trout. These adds to approximately 75,000 tons. The trout business is operated by a third party through a joint venture, where Salmones Camanchaca receives a third of the earnings. This venture will terminate in 2022.

The increase in Atlantic salmon harvests for 2019 with respect to harvests from similar geographical areas and farming sites during the previous cycle (2017) is estimated at about 18,000 tons WFE. 25% of this increase, or 4,00 to 5,000 tons will be harvested from sites with lower smolt stocking density (SRP regime) and the rest will be from sites with normal smolt stocking density (normal regime). The Company expects higher farming costs for 2019, concentrated in H1 2019, with respect to the previous two years, due to the density situation and the environmental conditions described previously. The Pacific salmon health and biological performance in the first nine months of 2019 is optimal for the forecast harvests at the end of 2019 and 2020, but given the lower smolt stocking density, its first two years should have higher costs than subsequent years.

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 farm 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, Salmones 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 volumes. Salmones 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. The Company is constantly monitoring these variables using the latest technologies 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 supplies from Norway and Chile and on fluctuations in exchange rates used by the Company’s major trading partners, which affects demand conditions in these markets. Salmones Camanchaca has sought to safeguard against this risk through diversifying its commercial network and flexing its products to enable its raw material to be sent to any market.

d. Purchase Price Risks

The Company is exposed to changes in the price of salmon feed, which represents about half the cultivation cost. Salmones 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 1.0. 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 farm sites. Regulations attribute the history of concession use to the concession owner, allowing the Company to use the history of smolt stocking at farm 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 farm sites, plus another 15,000 to 16,000 tons WFE of other species.

Most of the concessions held by Salmones 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 farm sites at minimum capacity where they are at risk of revocation, which results in additional expense at each opportunity. 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.

Salmones Camanchaca's financial statements could be affected by changes in economic policies, specific regulations and other standards introduced by authorities.

f. Liquidity Risks

Liquidity risk is the risk of potential mismatches between the funds needed for asset investments, operating expenses, financial costs, repayment of debt as it matures and committed dividends, 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.

g. 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.

h. 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.

i. **Credit Risks**

These risks can come in the form of:

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.

j. Social & Political Risks

Certain social conditions and/or political (unrest, turmoil) situations might generate operational temporary interruptions affecting normal continuity of processing plants, primary and/or secondary logistics (exporting ports), access to certain public services such as customs or sanitary authorities, labor availability, or security of inland facilities (strikes, protests, etc.). These situations may affect and delay harvests, production or shipments of our products to the markets where they are sold.

The Company continuously monitors these situations in order to preserve the security of people and facilities, as well as the products. The Company also review its insurance policies and mitigating factors.

Financial Statements

Statement of Net Income (ThUS$)

Consolidated (ThUS$)	Q3 2019	Q3 2018	9m 2019	9m 2018
Operating revenue	75,999	80,950	198,054	236,603
Cost of sales	(55,867)	(58,526)	(154,032)	(173,923)
Gross profit before fair value adjustments	**20,132**	**22,424**	**44,022**	**62,680**
Administrative expenses	(2,294)	(2,244)	(7,114)	(8,711)
Distribution expenses	(1,997)	(1,841)	(5,361)	(6,392)
EBIT before fair value adjustments	**15,841**	**18,339**	**31,547**	**47,577**
EBITDA before fair value adjustments	**19,830**	**21,210**	**41,335**	**55,874**
Gain (loss) on fair value of biological assets	43,739	24,409	72,396	70,769
Fair value adjustment to biological assets harvested and sold	(27,667)	(22,040)	(53,163)	(68,904)
EBIT after fair value adjustments	31,913	20,708	50,780	49,442
EBITDA after fair value adjustments	35,902	23,579	60,568	57,739
Financial costs	(1,273)	(1,929)	(3,337)	(4,299)
Share of net income (losses) of equity method associates	277	468	1,289	1,293
Exchange differences	(373)	72	(714)	(1,675)
Other income (losses)	(489)	(20)	(2,999)	65
Financial income	0	2	24	50
Net income before tax	**30,055**	**19,301**	**45,043**	**44,876**
Income tax expense	(8,094)	(4,521)	(11,886)	(11,257)
Net income for the period	**21,961**	**14,780**	**33,157**	**33,619**
Non-controlling interest	0	0	0	0
Net profit (loss) for the period attributable to owners of the parent company	**21,961**	**14,780**	**33,157**	**33,619**

Statement of Financial Position (ThUS$)

Statement of Financial Position (ThUS$)	09/30/2019	12/31/2018	09/30/2018
Cash and cash equivalents	8,139	13,143	18,355
Other financial assets, current	40	50	51
Other non-financial assets, current	9,867	13,213	4,261
Trade and other receivables, current	15,589	25,558	15,913
Related party receivables, current	33,777	26,952	22,845
Inventories	33,924	22,959	32,720
Biological assets, current	165,879	113,237	107,448
Tax assets, current	992	1,136	3,056
Total current assets	**268,207**	**216,248**	**204,649**
Other financial assets, non-current	27	27	27
Other non-financial assets, non-current	112	112	112
Rights receivable, non-current	1,287	1,349	5,414
Equity method investments	5,222	4,682	5,110
Intangible assets other than goodwill	6,948	6,948	7,083
Property, plant and equipment	112,536	92,269	91,512
Biological assets, non-current	22,445	18,607	20,933
Long-term deferred taxes	0	373	297
Total non-current assets	**148,577**	**124,367**	**130,488**
Total assets	**416,784**	**340,615**	**335,137**
Other financial liabilities, current	6,573	243	181
Operating lease liabilities, current	402	0	0
Trade and other payables, current	81,012	70,134	49,484
Related party payables, current	5,905	15,296	9,456
Tax liabilities, current	1,269	6,509	13,046
Employee benefit provisions, current	1,112	1,056	974
Total current liabilities	**96,273**	**93,238**	**73,141**
Other financial liabilities, non-current	94,000	50,000	70,000
Operating lease liabilities, non-current	269	0	0
Related party payables, non-current	604	591	437
Deferred tax liabilities	18,130	12,733	13,124
Employee benefit provisions, non-current	134	152	157
Total non-current liabilities	**113,137**	**63,476**	**83,720**
Total liabilities	**209,410**	**156,714**	**156,861**
Share capital	91,786	91,786	91,786
Share premium	27,539	27,539	27,539
Retained earnings	65,099	41,450	45,314
Interim dividends	0	0	(9,677)
Other reserves	22,950	23,126	23,314
Total equity	**207,374**	**183,901**	**178,276**
Total equity and liabilities	**416,784**	**340,615**	**335,137**

Statement of Cash Flow (ThUS$)

	Q3 2019	Q3 2018	9m 2019	9m 2018
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES				
Receipts				
Receipts from selling goods and providing services	61,188	94,802	214,780	283,437
Payments				
Payments to suppliers for goods and services	(52,433)	(65,513)	(187,485)	(223,664)
Payments to and on behalf of employees	(6,533)	(6,025)	(19,946)	(21,109)
Dividends received	0	0	574	1,500
Interest paid	(7)	(2,024)	(1,525)	(4,195)
Interest received	0	1	24	49
Income taxes refunded (paid)	0	0	(5,376)	(36)
Other receipts (payments)	0	0	0	21
Net cash flows from (used by) operating activities	**2,215**	**21,241**	**1,046**	**36,004**
CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES	0	0	0	0
Receipts from sales of property, plant and equipment	14	0	333	277
Purchases of property, plant and equipment	(8,435)	(9,221)	(31,319)	(25,860)
Net cash flows from (used by) investing activities	**(8,421)**	**(9,221)**	**(30,986)**	**(25,583)**
CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES				
Receipts from issuing shares	0	0	0	45,903
Receipts from loans	5,000	0	49,000	0
Loan repayments	0	(10,000)	0	(30,000)
Payments to related parties	0	6	0	(4,952)
Dividends paid	0	0	(23,770)	(3,353)
Net cash flows from (used by) financing activities	**5,000**	**(9,994)**	**25,230**	**7,598**
Effects of changes in exchange rates on cash and cash equivalents	(251)	68	(294)	(509)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,457)	2,094	(5,004)	17,509
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	9,596	16,261	13,143	846
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**8,139**	**18,355**	**8,139**	**18,355**

Statement of Changes in Equity (ThUS$)

	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, 2018	73,422		90	23,471	23,561	11,695	108,678	108,678
Capital increase	18,364	27,539					45,903	45,903
Changes in equity								
Dividends accrued						(9,677)	(9,677)	-9,677
Comprehensive income								
Net income for the period						33,619	33,619	33,619
Other comprehensive income			(247)		(247)		(247)	(247)
Closing balance as of September 30, 2018	**91,786**	**27,539**	**(157)**	**23,471**	**23,314**	**35,637**	**178,276**	**178,276**
Opening balance as of January 1, 2018	73,422	0	90	23,471	23,561	11,695	108,678	108,678
Capital increase	18,364	27,539					45,903	45,903
Changes in equity								
Dividends accrued						(14,262)	(14,262)	(14,262)
Comprehensive income								0
Net income for the period						44,017	44,017	44,017
Other comprehensive income			(435)		(435)		(435)	(435)
Closing balance as of December 31, 2018	**91,786**	**27,539**	**(345)**	**23,471**	**23,126**	**41,450**	**183,901**	**183,901**
Opening balance as of January 1, 2019	91,786	27,539	(345)	23,471	23,126	41,450	183,901	183,901
Capital increase								
Changes in equity								
Dividends						(9,508)	(9,508)	(9,508)
Comprehensive income								
Net income for the period						33,157	33,157	33,157
Other comprehensive income			(176)		(176)		(176)	(176)
Closing balance as of September 30, 2019	**91,786**	**27,539**	**(521)**	**23,471**	**22,950**	**65,099**	**207,374**	**207,374**

Additional Information

Analysis of Key Financial Indicators

This section compares the Company's key financial indicators based on its consolidated financial statements as of September 30, 2019, compared to December 31, 2018.

	09/30/2019	12/31/2018
Liquidity Indicators		
1) Current Liquidity	2.79	2.32
2) Acid Ratio	0.71	0.86
3) Working Capital (US$ million)	171.9	123.0
Debt Indicators		
4) Net Debt Ratio	0.97	0.78
5) Current Liabilities / Total Liabilities	0.46	0.59
6) Non-Current Liabilities / Total Liabilities	0.55	0.41
Profitability Indicators	(9 months)	(12 months)
7) Return on Equity	15.99%	23.94%
8) Return on Assets	10.56%	27.23%

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 increase of 20% in the current liquidity ratio is mainly caused by an increase of US$ 52.0 million in current assets and an increase of US$ 3.1 million in current liabilities, as explained in the financial position analysis. Consequently, working capital increased by 40% or US$ 48.9 million.

The decrease of 17% or 0.15 in the acid ratio is mainly caused by an increase of US$ 52.6 million in current biological assets. These changes have already been explained in the financial position analysis.

The net debt ratio increased from 0.78 to 0.97 mainly due to total liabilities increasing by US$ 52.7 million and cash equivalents decreasing by US$ 5.0 million. These changes have already been explained in the financial position analysis. The increase in the proportion of long-term liabilities from 0.41 to 0.55 is due to an increase in total liabilities of US$ 52.7 million. These changes have already been explained in the financial position analysis.

Return on equity and return on assets can be explained mainly by the Company's margins and the financial performance for the respective periods.

Indicators for the first nine months of the year

		09/30/2019	09/30/2018
a.	Atlantic Salmon harvested in the period (tons WFE) / Site	3,269	3,715
b.	Atlantic Salmon farming density (kg/m3)	9.4	7.2
c.	Atlantic Salmon group survival rate in sea water by harvest	91.8%	92.3%
d.	Pacific Salmon farming density (kg/m3)	8.1	-
e.	Pacific Salmon group survival rate in sea water by harvest	91.9%	-
f.	EBIT before fair value adjustments (US$ million)	31.5	47.6
g.	EBIT/Kg WFE before fair value adjustments	1.05	1.29

Notes:

a. Harvests for the period, expressed in ex-cage tons / number of sites used, 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. Gross margin before fair value adjustment - administrative expenses - distribution costs – net income from interest in trout business / kg WFE of own Atlantic salmon sold

Biomass Fair Value

Fair Value for the period ended September 30 (ThUS$)

	Gain (loss) on fair value of biological assets		Fair value adjustment to biological assets harvested and sold	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Atlantic salmon	73,650	70,769	(53,295)	(68,904)
Coho salmon	(1,254)	0	132	0
TOTAL	**72,396**	**70,769**	**(53,163)**	**(68,904)**

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

a. "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 that will be sold in future periods. It can be positive or negative based on changes in the biomass and its market price. A gain of US$ 72.4 million was recorded as the fair value adjustment of the live and harvested biomass as of September 30, 2019, compared to a gain of US$ 70.7 million as of the same date for the previous year.

b. "Fair value adjustment to 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 actual result of the transaction is recorded in operating revenue and cost of sales. The net effect of the biomass sold as of September 30, 2019 was a loss of US$ 53.2 million, which reversed a positive margin estimated in prior periods, in contrast to a loss of US$ 68.9 million as of September 30, 2018.

The net effect of the fair value adjustment of the salmon biomass for the period ended September 30, 2019, is a positive US$ 3.2 million, as opposed to the negative US$ 0.5 million recorded for the same period ended September 30, 2018.

Differences between the market and book values of principal assets

Biological assets include groups or families of breeders, such as eggs, smolts and fish being fattened at sea. They are valued at initial recognition and subsequently at their fair value less estimated selling costs, except where their fair value cannot be reliably measured, in accordance with IAS 41. Therefore, an active market for these assets is sought in the first instance.

As there is no active market for live fish at all their stages, they are valued as freshwater fish, such as breeders, eggs, fry and smolts, using their cumulative costs at the reporting date.

The valuation criteria for farmed fish that are being fattened is fair value. This is understood to be their market price less their estimated processing and selling costs. There is a representative market for fish being fattened that are over a certain size, which is 4.0 kg for Atlantic salmon and 2.5 kg for Pacific salmon. The market price is used in both cases, adjusted appropriately for each group in the sea, from which the harvesting, processing, packaging, distributing and selling costs are deducted. The volume is adjusted for process wastage.

Smaller fish are valued at cost, though are subject to net realizable value testing.

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

Biological assets that will be harvested in the next 12 months are classified as current biological assets.

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	Assessment
Fresh water	Eggs, fry, smolts and breeders	Direct and indirect cumulative costs at their various stages.
Sea water	Atlantic salmon and Pacific salmon	Fair Value, based on a market with reference prices and companies that buy and sell these assets. Historically we have considered that this occurs for fish of 4 kg or more for Atlantic salmon and 2.5 kg for Pacific salmon. If no market can be identified, then cumulative cost is used.

The Company has developed a valuation model that incorporates the recommendations proposed by the Norwegian Financial Supervisory Authority, which are described in Note 35 to the Company's financial statements. This biomass valuation model takes the market price of fish above 1.0 kg as Fair Value. This model has the following effects on these financial statements for the period ended September 30, 2019:

1. An increase in net income for the period of US$ 23.0 million, net of deferred tax effects.
2. An increase in net income, which is presented within Gain (loss) on fair value adjustments for the period in the statement of net income by function, of US$ 31.5 million.
3. An increase in biological assets, current of US$ 31.5 million, also an increase in deferred tax liabilities of US$ 8.5 million and in equity of US$ 23.0 million.
4. This alternative approach to biomass valuation has no effects on EBITDA, EBIT, nor on the indicators per kg (before Fair Value Adjustments).