SALMONES CAMANCHACA S.A. AND SUBSIDIARIES

Quarterly Earnings Report on the Consolidated Financial Statements

For the period ended June 30, 2020

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 with a third party operator, where it has a 1/3 share in the results, with 2.5 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 Pacific salmon farming in 2019 and it harvested approximately 4,000 tons WFE in 2019. 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, Japan, China, Brazil, Russia and Argentina, with approximately 40% of sales in emerging markets in a variety of fresh and frozen formats.

Highlights for the second quarter 2020 (Q2 2020)

- **Atlantic salmon harvest volumes in Q2 2020 were 10,670 tons WFE**, 49.5% higher than in Q2 2019. The total for H1 2020 was 23,812 tons WFE, 41.8% higher than in the first half of last year. Additionally, 760 tons WFE of Pacific salmon (Coho) were harvested this year, to close the previous season.

- **Quarterly revenue was USD 50.2 million, up 3.6%** from Q2 2019. The 46.1% increase in sales volume was offset by a 27% fall in Atlantic salmon prices compared to Q2 2019, mainly due to lower demand in the "Horeca" or "Food Services" channel caused by the pandemic.

- **Atlantic salmon live fish** (ex-cage) costs were USD 3.32/kg in Q2 2020, 21.5% lower than Q2 2019, but 11% higher than the Company's long-term target of USD 3/kg.

- **Total processing costs fell to** USD 1.13/kg WFE, 17.5% lower than Q2 2019, but 13% higher than the long-term goal of USD 1/kg WFE. The latter is due to lower volumes, the cost of employee health protection measures caused by the pandemic and processing a higher proportion of value-added products.

- **EBITDA was negative USD 5.8 million**, USD 10.5 million lower than Q2 2019, due to the sharp fall in prices. Also to a lesser extent due to coho sales that contributed a negative USD 2.8 million, due to low prices and the high cost of low smolt stocking densities. **Operational EBIT** in Q2 2020 was negative USD 9.4 million, USD 11.2 million lower than in Q2 2019.

- **Atlantic salmon EBIT/kg** was USD - 0.71, USD 0.96 lower than Q2 2019, due to a decrease of USD 1. 89 in the average sales price over 12 months.

- **Net income for Q2 2020 was a loss of USD 16.4 million**, heavily influenced by a negative fair value adjustment on biological assets of USD 10.3 million, which reflects the fall in forecast prices, and the impact of a USD 4.1 million loss from the Islotes site incident net of estimated insurance claims, which resulted in mortality of close to 30% of the site's initial biomass.

- **Cash as of June 30, 2020 was USD 12 million,** so together with the Company's unused short and long-term lines of credit of USD 26 million it has **liquidity of USD 38 million.** Net interest-bearing debt (NIBD) at the end of the quarter was USD 95.3 million, with a net debt-to-EBITDA ratio of 1.42 for the last 12 months, compared to 1.17 in June 2019.

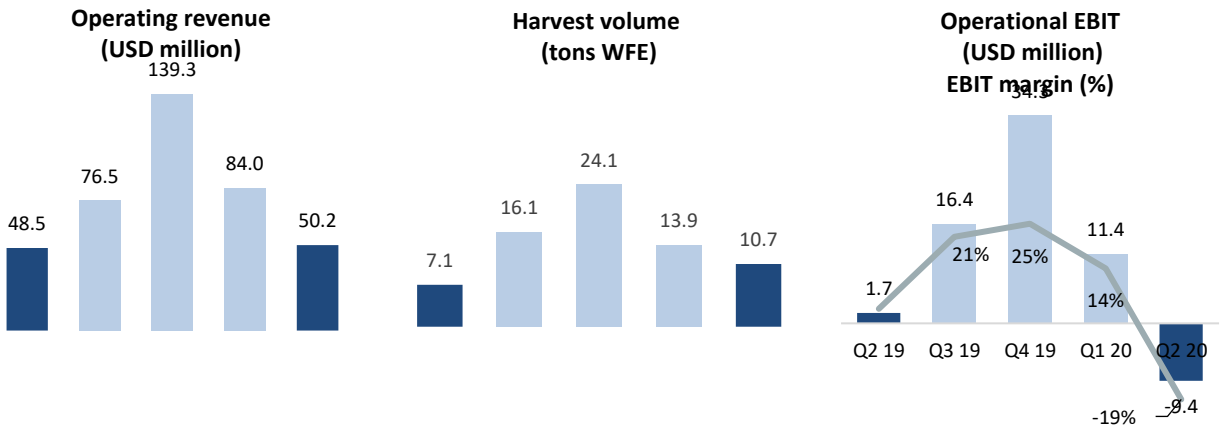
- **The 2020 estimated harvest volumes for Atlantic salmon are 51,000 to 53,000 tons WFE,** and forecasts for Pacific salmon are 3,000 tons WFE (2,700 of the 2020 cycle), leading to a total estimated harvest of 54,000 to 56,000 tons WFE. The impact of Covid-19 has mainly caused a sharp drop in prices, and the extent of this impact is still uncertain.

- The health and protection measures to prevent the spread of Covid-19 and **to maintain operational continuity** have been improved and extended. As of July 31, 0.84% of our 2,157 employees were infected and 5,931 tests had been performed with a positive result of less than 0.3%. During Q2 2020, density and distance restrictions have reduced the capacity to process value-added products by approximately 30% compared to normal capacity, and these are the main products currently being sold.

Key Figures

(USD'000).	Q2 2020	Q2 2019	Δ%	H1 2020	H1 2019	Δ%
Operating revenue	50,248	48,503	3.6%	134,236	123,169	9.0%
Operational EBITDA before fair value adjustments	(5,816)	4,679	-	9,301	22,619	(58.9%)
Operational EBIT before fair value adjustments	(9,439)	1,737	-	1,992	16,820	(88.2%)
EBIT margin %	-18.8%	3.6%	-	1.5%	13.7%	(89.1%)
Net fair value adjustments to biological assets	(10,250)	(1,701)	502.6%	(16,340)	2,896	-
Net income for the period	(16,373)	(2,528)	547.7%	(14,550)	11,002	-
Earnings per share	(0.248)	(0.038)	547.7%	(0.248)	0.167	-
Harvest volumes (tons WFE)	10,670	7,136	49.5%	24,572	17,327	41.8%
Sales (ton WFE)	10,613	7,262	46.1%	25,087	18,884	32.8%
Atlantic salmon ex-cage cost (USD/kg live fish)*	3.32	4.23	(21.5%)	3.23	3.78	(14.7%)
Atlantic salmon ex-cage cost (USD/kg WFE)*	3.57	4.55	(21.5%)	3.47	4.07	(14.7%)
Atlantic salmon processing cost (USD/kg WFE)*	1.13	1.37	(17.5%)	1.01	1.19	(15.0%)
Atlantic salmon price (USD/kg WFE)	4.72	6.60	(28.5%)	5.30	6.21	(14.7%)
Atlantic salmon EBIT/kg WFE (USD)	(0.71)	0.24	-	0.29	0.89	(67.4%)
Pacific salmon EBIT/kg WFE (USD)	(2.07)	0.00	-	(2.04)	0.00	-
Financial Debt				107,328	94,414	13.7%
Net Financial Debt				95,303	84,818	12.4%
Equity ratio				49.7%	50.2%	
Net Financial Debt / LTM EBITDA				1.42	1.17	20.8%

* Fish harvested / processed cost during the period



Financial Performance

Second quarter results YTD June 30, 2020

Salmones Camanchaca harvested 10,670 tons WFE of Atlantic salmon in Q2 2020, up 49.5% compared to the harvest volume for Q2 2019 of 7,136 tons WFE. Atlantic salmon sales volumes were 26.7% higher at 9,201 tons WFE, while average prices were 28.5% or USD 1.89/kg lower than in Q2 2019. Prices were affected by a significant drop in demand from the HORECA (Food Services) channel associated with the pandemic, which fell to levels not seen since 2015 (ref. Urner Barry Prices in Miami, United States).

Total operating revenue in Q2 2020 reached USD 50 million, 3.6% higher than Q2 2019, driven by higher sales volumes. However, these were accompanied by a decline of USD 1.89/kg in average Atlantic salmon prices to reach USD 4.72/kg during Q2 2020, which was 28.5% lower than in Q2 2019.

Gross margin was USD -5.1 million (negative) mainly due to lower prices, but also due to a negative contribution of USD 2.8 million from Pacific salmon sales, and costs at fallow sites that were USD 2.3 million higher than in Q2 2019. These factors reduced the gross margin by USD 10.5 million in comparison to Q2 2019. We believe that the high costs associated with Pacific salmon and the extraordinary costs at fallow sites should not be repeated.

Administrative expenses fell by 8.5% (USD 0.195 million) in Q2 2020 and decreased from 4.7% to 4.2% as a percentage of operating revenue. Distribution and selling costs increased by USD 0.857 million, due to increased sales volumes and higher freight and storage costs, leading to an increase from 2.8% to 4.4% of operating revenue. Thus, the Company's combined sales and administrative expenses increased from 7.5% to 8.6% of Q2 2020 operating revenue.

Operational EBIT before fair value adjustments was USD -9.4 million (negative) in Q2 2020, USD 11.2 million lower than the positive USD 1.7 million in Q2 2019, due to the previously explained reasons.

Atlantic salmon sales generated an EBIT/kg WFE of USD -0.71 (negative) in Q2 2020, USD 0.96 less than the USD 0.24/kg WFE achieved in Q2 2019, due to falling prices and extraordinary costs at inactive sites.

The resulting net fair value adjustment for Q2 2020 was negative USD 10.3 million, compared to negative USD 1.7 million in Q2 2019, giving an unfavorable difference of USD 8.5 million, mainly due to falling prices during the second quarter.

Financial expenses were USD 1.1 million compared to USD 1.4 million in Q2 2019, a decrease of 17.4% or USD 0.236 million, due to reductions in the Libor reference interest rate. Financial debt reached USD 107.3 million as of June 30, 2020, up from USD 94.4 million in June 2019. These funds have been used to strengthen the cash position in order to deal with the pandemic.

Other income (expenses) were negative USD 3.3 million, mainly due to the incident at the Islotes site, where around 30% of the site's initial biomass was lost and resulted in an estimated net loss of USD 4.1 million after insurance claims, compared to negative USD 2.1 million in Q2 2019. The ACP trout joint venture produced a profit of USD 1.3 million during Q2 2020, which was USD 1.8 million higher than the USD 0.5 million loss in Q2 2019.

Exchange differences during the second quarter generated an exchange gain of USD 1.1 million.

Accordingly, the net loss after taxes was USD 16.4 million in Q2 2020, USD 13.8 million lower than in Q2 2019. Most of this reduction was due to the fair value adjustment on the gross margin, which reflects falling prices during 2020.

Second quarter cash flow to June 30, 2020

Net cash flow in Q2 2020 was negative USD 12.3 million compared to positive cash flow of USD 0.1 million in Q2 2019, which was explained by:

Positive operating cash flow of USD 4.1 million in Q2 2020, compared to negative USD 7.4 million in Q2 2019, following higher sales collections during the period, despite falling sales prices.

Negative investing cash flow of USD 4.6 million in Q2 2020, which was lower than the negative USD 12.6 million in Q2 2019. This reduction is aligned with the reduction in the investment plan as a preventive measure to strengthen the Company's net cash position and secure its operating continuity during the extraordinary conditions triggered by the pandemic. Salmones Camanchaca postponed investments and non-essential expenses, thus reducing its investment plans from April to December 2020 by approximately 50%.

Negative financing cash flow of USD 11.9 million in Q2 2020, due to dividend payments of USD 16.9 million, partially offset by drawing down USD 5 million from short-term lines of credit.

Salmones Camanchaca has a strong financial and liquidity position that is solid in the current context, with net cash of USD 12 million as of June 30, 2020 and short-term unused lines of credit of USD 26 million, or USD 38 million in available liquidity.

Half year results to June 30, 2020

Salmones Camanchaca harvested 23,812 tons WFE of Atlantic salmon in H1 2020, up 37.4% compared to the harvest volume for H1 2019 of 17,327 tons WFE. It also harvested 760 tons of Pacific salmon in the first quarter of 2020, which completed the Company's first production cycle.

Operating revenue for the first half of 2020 was USD 134 million, up 9% or USD 11 million over the same period for the previous year, when it was USD 123 million. Atlantic salmon sales volumes were 19.8% higher and reached 22,814 tons WFE, but with average sales prices of USD 5.34, which were 14% or USD 0.87 lower than in H1 2019.

The cost of sales for Atlantic salmon decreased by 6.8% during H1 2020, to reach USD 4.54/kg WFE, due to normal oceanographic and stocking density conditions.

Accordingly, gross margin was USD 11.5 million or 8.6% of operating revenue, which is 54% lower than in 2019, explained by lower prices and a negative gross margin of USD 4.3 million from the first Pacific salmon cycle, much of which was expected. Furthermore, operating costs continued for an increased number of fallow sites that totaled USD 5.0 million.

Administrative expenses fell by 5.7% or USD 0.273 million in H1 2020, and they decreased from 3.9% to 3.4% as a percentage of operating revenue. Distribution and selling costs increased by USD 1.6 million, due to increased sales volumes and higher freight and storage costs, leading to an increase from 2.7% to 3.7% of operating revenue. Thus, the Company's combined sales and administrative expenses increased from 6.6% to 7.1% of H1 2020 operating revenue.

Therefore, operational EBIT before FVA was USD 2 million in H1 2020, 88.2% lower than the USD 16.8 million for H1 2019.

Atlantic salmon sales generated an EBIT/kg WFE of USD 0.29 in H1 2020, which was USD 0.60 less than the USD 0.89/kg WFE achieved in H1 2019, due to average prices falling by USD 0.91, partially offset by lower costs compared to the previous year. Pacific salmon sales generated an EBIT/kg WFE of negative USD 2.04 in H1 2020, which is aligned with the Company's expectations, as the smolt stocking density was lower than optimal during the first production cycle.

The resulting net fair value adjustment for H1 2020 was negative USD 16.3 million, compared to positive USD 2.9 million in H1 2019, giving an unfavorable difference of USD 19.2 million, mainly due to falling prices since April.

Financial expenses were USD 2.2 million in H1 2020, compared to USD 2.1 million in H1 2019, despite reductions in the Libor reference interest rate, as financial debt reached USD 107.3 million in June 2020, an increase over USD 94.4 million in June 2019, which was due to working capital requirements associated with biomass growth and investments during the last twelve months.

Other income (expenses) were negative USD 3.3 million, mainly due to the estimated costs of the incident at the Islotes site not covered by insurance claims, which resulted in a loss of USD 4.1 million. This was partially offset by a profit from the trout joint venture, which amounted to USD 1.7 million and compared positively to the loss for H1 2019 of USD 1.1 million.

The depreciation of the Chilean peso against the U.S. dollar generated an exchange loss of USD 1.3 million, attributable to the US dollar devaluation of recoverable tax assets in Chilean pesos.

Accordingly, net income after taxes was negative USD 14.6 million in H1 2020, USD 25.6 million lower than in H1 2019. Most of this reduction is explained by the deterioration of sales prices during Q2 2020, which directly affects the business and the fair value adjustment of biological assets.

Half year cash flow Year to date

Net cash flow in H1 2020 was negative USD 1.8 million compared to negative cash flow of USD 3.5 million in H1 2019, which was explained by:
Positive operating cash flow of USD 18.4 million in H1 2020, compared to negative USD 1.2 million in H1 2019, due to higher sales volumes and collections in H1 2020.

Negative investing cash flow of USD 11.5 million in H1 2020, 49% lower than the negative USD 22.6 million for H1 2019, which last year was aligned with the investment plan for 2019-2021. However, the plan for this year has been reduced to strengthen the cash position, with a reduction of nearly 50% on the plan for April to December.

Negative financing cash flow of USD 7.9 million in H1 2020, due to dividend payments of USD 16.9 million in May 2020, partially offset by drawing down USD 9 million from short-term lines of credit.

Salmones Camanchaca has a strong financial and liquidity position that is solid in the current context, with net cash of USD 12 million as of June 30, 2020 and short-term unused lines of credit of USD 26 million available as of the date of this report. This totals USD 38 million of available liquidity.

Financial position

Assets

The Company's total assets decreased by 9% or USD 36.5 million reaching USD 371.2 million at the end of Q2 2020. This decrease is mainly due to a decrease of USD 39.9 million in current assets, mainly receivables and inventories, offset by a slight increase of USD 3.4 million in non-current assets.

Current assets were USD 241.4 million, reflecting a decrease of 14.2% with respect to the end of 2019, due to the decrease in receivables of USD 26.2 million, reflecting the collection of higher sales volumes during Q4 2019, and 21% lower inventory volumes, combined with a USD 12 million decrease in the fair value of biological assets. The Company's finished product inventories valued at cost as of June 30, 2020 were USD 23.9 million, equivalent to 3,078 tons of finished product, or around one to two months of harvest volumes.

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 total USD 130 million.

Liabilities and Equity

Total liabilities were USD 186.7 million at the end of H1 2020, a decrease of 8.5% or USD 17.3 million with respect to December 31, 2019.

Current liabilities decreased by USD 13.3 million or 13.8% to USD 83.2 million, which is mainly due to a decrease of USD 21 million in third party payables and dividends paid in the quarter, which were accrued as of December 2019. These effects were partially offset by an increase of USD 8.9 million in short-term financial liabilities, to strengthen the company's financial position and liquidity.

Non-current liabilities decreased by 3.8% or USD 4.0 million reaching USD 103.4 million. As a result, net financial debt increased by USD 10.8 million in H1 2020, reaching USD 95.3 million.

The Company's equity was USD 184.5 million, a decrease of USD 19.2 million or 9.4% with respect to December 31, 2019, explained by losses during the period and dividend payments that exceeded the minimum legal requirement.

Operating Performance

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

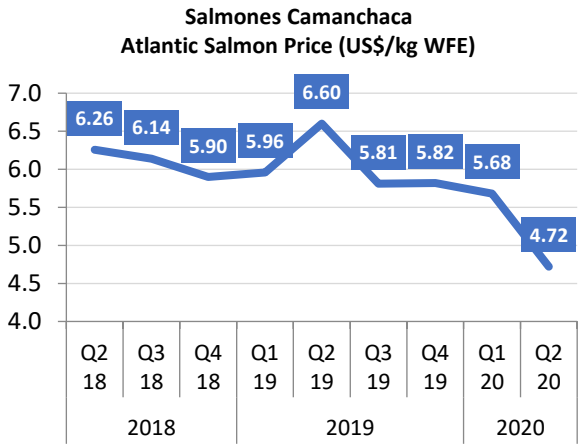
1. **The price of Atlantic salmon**, which is sensitive to Norwegian and Chilean supply conditions and demand from its main trading partners.

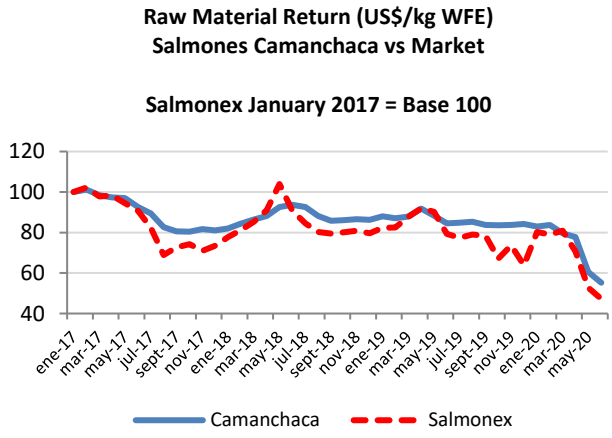
2. **Sanitary conditions for Atlantic salmon**, which affect conversion factors, the use of pharmaceutical and mechanical means to improve fish health and welfare and the surviving biomass that absorb the total farming costs.

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

I. Product Prices

The average sales price of Atlantic salmon sold by Salmones Camanchaca during Q2 2020 was USD 4.72 per kg WFE, which was 29% or USD 1.89 less than during the same period for the previous year. This decrease is explained by a significant drop in demand from the food and services (HORECA) segment in countries heavily affected by the Covid-19 pandemic, which was not offset by increases in demand from the retail segment. All the Company's value-added capabilities were exploited to target this retail segment and mitigate this situation, which required increasing the proportion of portion and fillet sales to North American supermarkets and reducing sales of fresh whole salmon to Brazil and China. This strategy ensured that Salmones Camanchaca achieved an average raw material return (RMR) [1] from Atlantic salmon USD 0.47 higher than the Salmonex[2] index during H1 2020, which is its reference market. The restrictions imposed on the Russian market in February were maintained during Q2 2020.





[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 based on the price of fresh fillet trim D exported by Chilean firms, net of Salmones Camanchaca's processing and distribution costs, in order to eliminate cost differences and isolate marketing differences.

Volume

Atlantic salmon		Q2 2020	Q2 2019	Δ	Δ %	YTD 2020	YTD 2019	Δ	Δ %
Harvest volume	tons WFE	10,670	7,136	3,534	49.5%	23,812	17,327	6,485	37.4%
Production	tons WFE	10,584	7,069	3,515	49.7%	23,463	17,254	6,209	36.0%
Sales	tons WFE	9,201	7,262	1,939	26.7%	22,814	18,884	3,930	20.8%
Sales	ThUSD	43,427	47,965	-4,538	-9.5%	120,846	117,254	3,592	3.1%
Average sales price	USD/kg WFE	4.72	6.60	-1.89	-28.5%	5.30	6.21	-0.91	-14.7%

Pacific salmon		Q2 2020	Q2 2019	Δ	Δ %	YTD 2020	YTD 2019	Δ	Δ %
Harvest volume	tons WFE	0	-	0	-	760	0	760	-
Production	tons WFE	0	-	0	-	753	0	753	-
Sales	tons WFE	1,412	-	1,412	-	2,273	0	2,273	-
Sales	ThUSD	5,317	-	5,317	-	8,807	0	8,807	-
Average sales price	USD/kg WFE	3.77	-	3.77	-	3.87	-	-	-

Salmones Camanchaca harvested 24,572 tons WFE of salmonids during H1 2020, which included 23,812 tons WFE of Atlantic salmon, up 41.8% on H1 2019. Sales were 25,087 tons WFE in H1 2020, which were 32.8% higher than in H1 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, and preferring stable customer relationships.

Sales by Market Segment YTD June 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	58,632	12,778	11,535	10,187	21,648	4,580	1,486	120,846
Pacific salmon	1,046	1,245	1,557	3,434	1,457	69	0	8,807
Others	0	0	0	0	0	4,583	0	4,583
TOTAL	**59,678**	**14,023**	**13,092**	**13,621**	**23,105**	**9,232**	**1,486**	**134,236**

Sales by Market Segment YTD June 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	50,690	12,857	7,245	8,371	30,384	6,226	1,481	117,254
Pacific salmon	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	5,915	0	5,915
TOTAL	**50,690**	**12,857**	**7,245**	**8,371**	**30,384**	**12,141**	**1,481**	**123,169**

The Company defines its value-added products as those containing some degree of secondary processing, including freezing, which accounted for 92.9% of sales for H1 2020, exceeding its 87.4% for H1 2019. The remaining sales are head-on gutted whole fresh salmon for the South American and Chinese markets.

Sales to the North American market rose from 41.2% to 44.5% in H1 2020, while sales to the European and Russian markets remained stable at 10%. Russia imposed an import ban on Chilean products at the end of February, which included Salmones Camanchaca's products, so there were no sales from March onwards. Sales to Asia excluding Japan increased from 5.9% to 9.8%, while sales to Japan rose from 6.8% to 10.1%. Sales to Latin America declined from 34% to 24% mainly due to weakness in Brazil, partially offset by an increase in Mexico. Accordingly, weak demand in Brazil and China and the Russian import ban led to sales being redirected to traditional markets for Salmones Camanchaca, such as the USA, Japan and Mexico, with increased value-added products.

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

Other Businesses

Salmones Camanchaca owns six sea farming concessions that are 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, such as in 2019 when 1,871 tons WFE of trout were harvested, much lower than the 12,758 tons harvested in 2020. Sales for the joint venture were 6,686 tons WFE in H1 2020, an increase of 34% over sales in H1 2019, at higher sales prices and lower costs, so Salmones Camanchaca's one-third share in earnings was net income of USD 1.7 million for H1 2020 compared to a net loss of USD 1.1 million in H1 2019, which was presented in the statement of net income under Other income.

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.

Salmones Camanchaca stocked 1.4 million Pacific salmon smolts in 2018, to make better use of the estuarine sites in region X and to complement the trout joint venture, and subsequently harvested 5,062 tons WFE during the first productive cycle that terminated in January 2020. 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. Pacific salmon production in 2019 represents around 2.4% of Chilean production, according to Aquabench. Salmones Camanchaca 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 Pacific salmon smolt stocking in 2020 from 1.4 million to 0.7 million, due to the COVID-19 pandemic and the estimated harvest volume for the year 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 1.7 million for H1 2020.

II. Sanitary and Productive Conditions

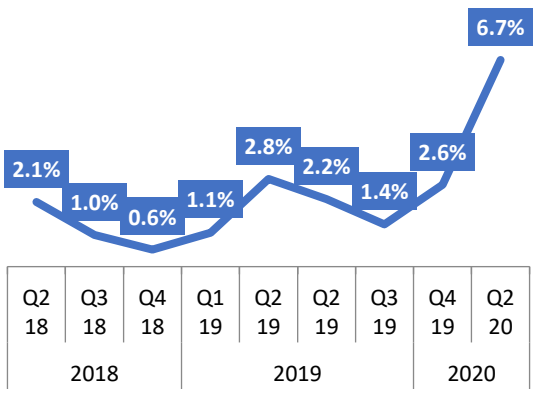
The open-cycle mortality (total mortality of the biomass at sea) of the Atlantic salmon population during Q2 2020 was 6.7%, which was higher than the same quarter for the previous cycle in 2018. This was explained by very

unusual weather conditions that affected the Islotes site in Chaitén and destroyed 50% of the cages, resulting in mortality for close to 500,000 fish, which was 29% of the site's initial biomass. The company activated its contingency plans to manage mass mortalities, escaping fish, farming infrastructure failure and storms when the incident began. As of the date of this report, the Company has recapture around 30% of the presumably escaped fish.

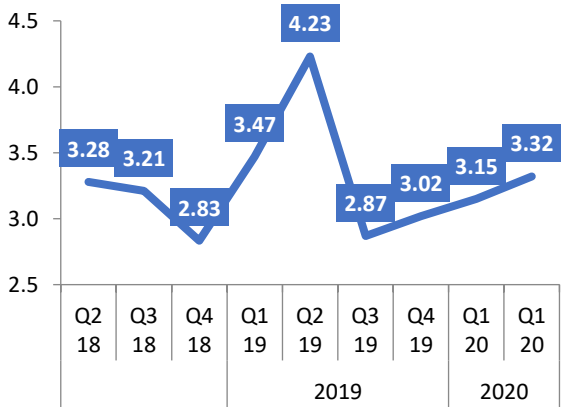
Mortality at the two sites that completed their cycle in Q2 2020 was 15.5%, which is higher than the historical average due to SRS.

Live weight ex-cage costs for fish harvested during Q2 2020 were USD 3.32 per kg, which is USD 0.91 lower than in Q2 2019, and only USD 0.04 higher than the previous cycle (Q2 2018) for similar geographical areas. The cost reduction compared to the previous year is due to a normal oceanographic condition, as conditions last year were affected by oxygen depletion. Sites with these risks already have risk mitigation measures in place, such as oxygen platforms and aeration equipment to moderate the effects of algae blooms.

Atlantic salmon mortality* (%)



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



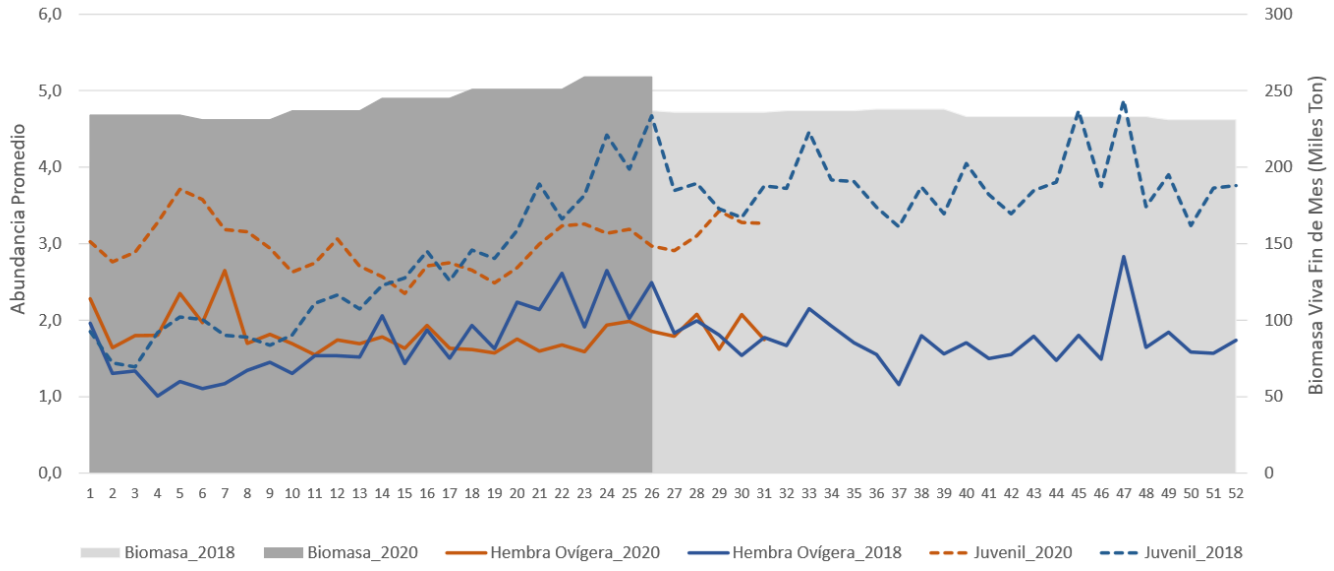
* Total quarterly mortality (number of fish) including both closed and open sites. Closed sites affected by the HAB are included.

The following table shows the trends in the principal closed cycle Atlantic salmon production and sanitary variables for Q2 2020.

	Biological Indicators					Sustainability Indicators				
Atlantic	**FCRb (Live weight)**	**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	1.17	4.8	5.0	514.6	11.6	3.1	11.5	0	17/7	0.69
2018	1.21	4.4	4.8	515.5	13.1	2.9	13.1	0	17/7	0.58
2019	1.30	4.1	4.4	517.3	19.2	1.6	19.1	0	16/8	0.65
2020	1.18	4.5	5.2	579.3	18.9	2.5	18.9	37,150	17/7	0.60

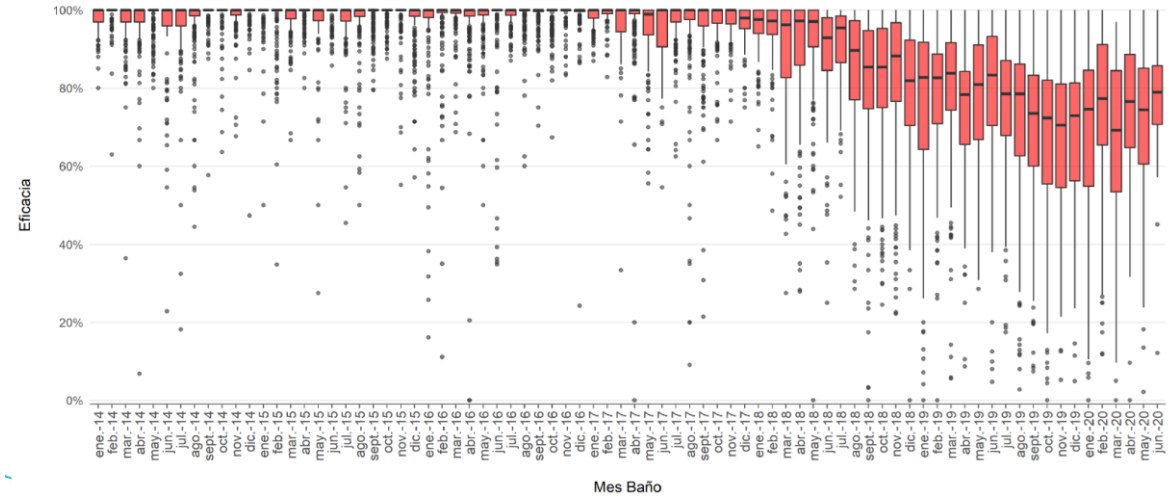
Smolt productivity (biomass harvest volume in kg/number of smolts), reached 4.5 kg WFE in Q2 2020, which is similar to the average for the last three years. Average harvest weight is 5.2 kg, which is 18% higher than in 2019 and 8% higher than the previous cycle in 2018.

Sea lice infections have been controlled during H1 2020, but with intensive antiparasitic treatments using Azametifos and new treatments using Peroxide and Alfaflux. Thus, the average sea lice infection among incubating females in the Atlantic - Trout industry for 2018-2020 has been as follows.



Source: Biomass: Salmobench, Sea lice: Participating companies Sea lice Project.

Meanwhile, the efficiency of Azametifos for the industry during 2014-2020 has remained stable over the last twelve months.



Source: Salmobench

Salmones Camanchaca has one farming site classified as a High Propagation Site (HPS) as of the date of this report, where more than 3 incubating females on average have been spotted at this site, and which represents 7.5% of the total live Atlantic salmon at week 31 currently in being harvested with an average weight of 5 kg.

Salmones Camanchaca began operating a peroxide barge during 2020, at sites with parasites or BGD (bacterial gill disease) that justify these highly effective, but high-cost treatments.

There was a 14% reduction in the number of antibiotic treatments during H1 2020, compared to the previous cycle in the same neighborhoods, but with a 12% increase in antibiotic use per ton of biomass. Better sanitary practices, the use of live vaccine, and controlling the presence of sea lice, all enabled the number of treatments to be reduced, but treatment doses were increased when applied to heavier fish.

Accordingly, Atlantic salmon costs in the second quarter were as follows.

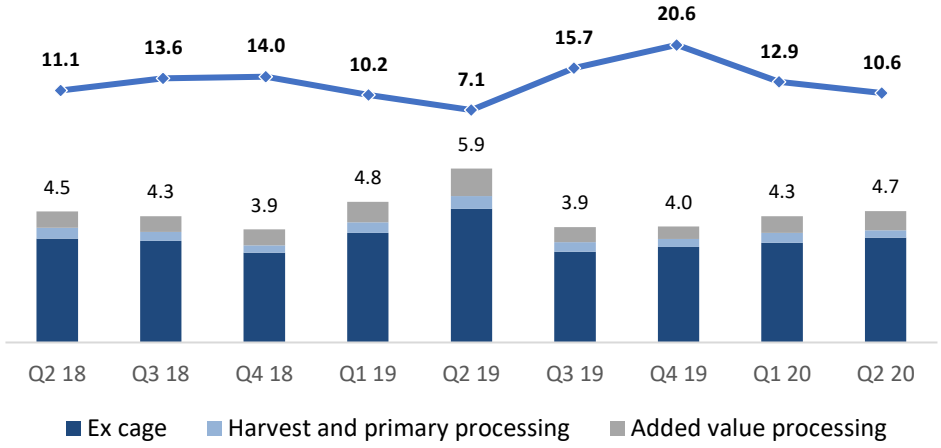
Costs (USD/kg WFE)	Q2 2018	Q2 2019	Q2 2020
Ex cage (WFE)	3.53	4.55	3.57
Harvest and primary processing (WFE)	0.37	0.43	0.40
Value-added processing (WFE)	0.56	0.94	0.73
Total cost of finished product (WFE)	**4.46**	**5.92**	**4.70**

The ex-cage WFE cost was USD 3.57/kg WFE (equivalent to USD 3.32/kg in live weight) in Q2 2020, 15.6% lower than Q2 2019, due to more normal oceanographic conditions this year, and despite the extensive risk mitigation measures for oxygen depletion and algae blooms at farming sites. However, the cost was higher than the long-term target of USD 3.23/kg WFE (USD3/kg live weight) as a result of harvests from two SRS-affected sites.

The primary and secondary processing costs were USD 1.13/kg WFE, USD 0.20 higher than Q2 2018 (+21.5%) and higher than the target of USD 1/kg WFE, due to the smaller scale of production caused by Covid-19 risk mitigation measures and costs, and increased process volumes of higher value-added products.

Consequently, the total cost of finished products was USD 4.70 per kg WFE, which was USD 1.22 lower than in Q2 2019, and USD 0.18 higher than the previous cycle in Q2 2018 for the same neighborhoods and harvested sites. It was USD 0.47 higher than the long-term target of USD 4.23 per kg WFE. However, a 12-month trend analysis indicates that costs are gradually stabilizing around this target.

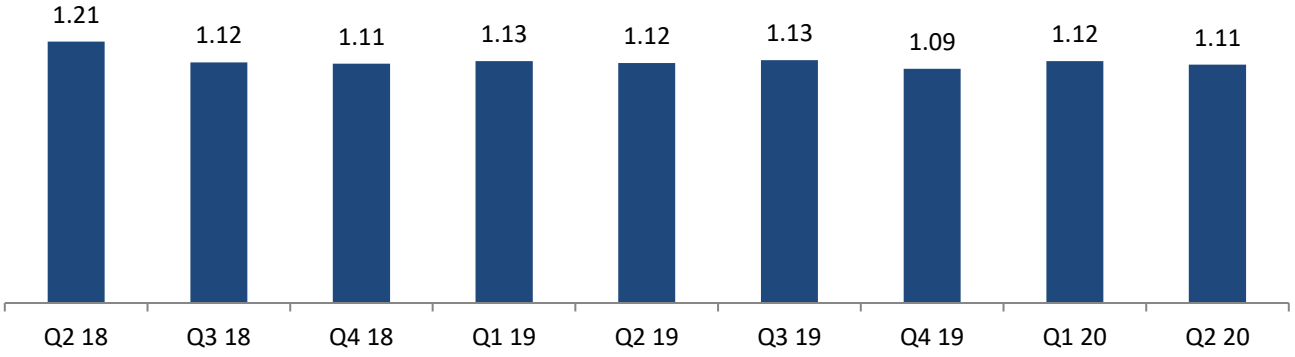
Total cost of Atlantic salmon finished products (USD/kg WFE) and processed volume (ton WFE)



III. Feed Cost

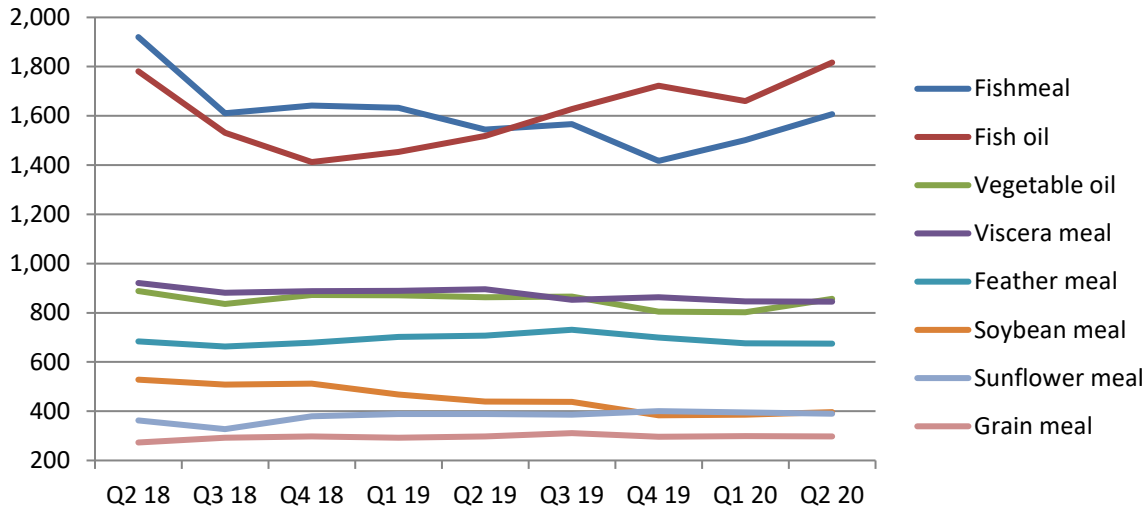
The price of feed for fish over 2.5 kg, which represents 40% of the Company's total feed cost, slightly decreased by 1.1% compared to the previous quarter, to reach USD 1.11/kg, despite of price increases for the marine ingredients.

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

No subsequent events occurred after June 30, 2020, that materially affect Salmones Camanchaca's operations or its financial results.

The Company's outlook and theCovid-19 pandemic

Salmones Camanchaca continues to reinforce the measures adopted during the first quarter to manage the global health threat that is affecting Chile, thus reducing infection risks and mitigating the potential human, operational and financial damage. 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 and,
2. To safeguard the company's operational continuity, which is an indispensable requirement to sustain and protect employment at Salmones Camanchaca, and the Company's own health.

Multidisciplinary operational measures implemented during the quarter to reduce infection risks included among others; fewer people on more 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 65, reducing passenger density in Company vehicles. These measures limited capacity at the secondary processing plant for value-added products by approximately 30% during the second quarter.

As of the date of this report, the measures adopted the company have enabled it to operate continuously and market its products while focusing on products with the highest added-value to meet retail demand, which has been growing within the food services sector. However, many restaurants and hotels around the world have closed, which has particularly affected some markets such as Brazil, China and Mexico, where weak demand has led to significant falls in selling prices in all markets.

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, Pacific salmon smolt stocking has been reduced by half in 2020, which will result in estimated harvest volumes of less than 3,000 tons in the new season. Thus, total estimated harvest volumes for 2020 are 54,000 to 56,000 tons WFE. This estimate may be particularly inaccurate if supply and demand are disrupted due to the consequences of the Covid-19 pandemic.

The medium-term impact of COVID-19 is still uncertain, and Salmones Camanchaca continues to monitor it and adapt mitigation measures as productive conditions and target markets evolve.

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, 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 volume. 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. 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 partners, which affects demand conditions in these markets. Furthermore, demand may fall due to weaker consumption patterns, for example as a result of the Covid-19 pandemic, which could continue for a prolonged period. Salmones Camanchaca has sought to safeguard against this risk through diversifying its commercial network and flexing 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. 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 1:1. 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 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 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

USDThousands	Q2 2020	Q2 2019	Δ	1S 2020	1S 2019	Δ
Operating revenue	50,248	48,503		134,236	123,169	
Cost of sales	(55,380)	(43,121)		(122,697)	(98,165)	
Gross margin	**(5,132)**	**5,382**	**(10,514)**	**11,539**	**25,004**	**(13,465)**
Administrative expenses	(2,104)	(2,299)		(4,547)	(4,820)	
Distribution costs	(2,203)	(1,346)		(5,000)	(3,364)	
Sales and administrative expenses	**(4,307)**	**(3,645)**	**(662)**	**(9,547)**	**(8,184)**	**(1,363)**
Operational EBIT before fair value adjustments	**(9,439)**	**1,737**		**1,992**	**16,820**	
Operational EBITDA before fair value adjustments	**(5,816)**	**4,679**		**9,301**	**22,619**	
Net fair value adjustments to biological assets	(10,250)	(1,701)	(8,549)	(16,340)	2,896	(19,236)
Operational EBIT after fair value adjustments	**(19,689)**	**36**		**(14,348)**	**19,716**	
Operational EBITDA after fair value adjustments	**(5,816)**	**2,978**		**3,211**	**25,515**	
Financial costs	(1,118)	(1,354)		(2,217)	(2,064)	
Share of net income (losses) of equity method associates	285	458		829	1,012	
Exchange differences	1,142	(215)		(1,289)	(341)	
Other income (losses)	(3,278)	(2,619)		(3,316)	(3,624)	
Financial income	0	24		0	24	
Total non-operating expenses	**(2,969)**	**(3,706)**	**737**	**(5,993)**	**(4,993)**	**(1,000)**
Net income (loss) before taxes	**(22,658)**	**(3,670)**	**(18,988)**	**(20,341)**	**14,723**	**(35,064)**
Taxation income (expense)	6,285	1,142		5,791	(3,721)	
Net income)loss) for the period attributable to owners of the parent company	**(16,373)**	**(2,528)**	**(13,845)**	**(14,550)**	**11,002**	**(25,552)**

Operational EBITDA: gross profit + depreciation of the period - administrative expenses - distribution costs

Statement of Financial Position

USD Thousand	30/06/2020	31/12/2019	30/06/2019
Cash and cash equivalents	12.025	13.867	9.596
Other financial assets, current	31	56	55
Other non-financial assets, current	7.720	8.518	3.356
Trade and other receivables, current	19.708	39.887	19.249
Related party receivables, current	32.565	38.600	25.964
Inventories	28.372	32.875	16.833
Biological assets, current	130.642	142.615	171.206
Current tax assets	10.314	4.861	1.413
Total current assets	**241.377**	**281.279**	**247.672**
Other financial assets, non-current	27	27	27
Other non-financial assets, non-current	112	112	112
Rights receivable, non-current	1.964	1.252	1.381
Equity method investments	4.551	4.805	5.228
Intangible assets other than goodwill	6.972	6.948	6.948
Property, plant and equipment	113.412	111.888	108.239
Long-term deferred taxes	2.780	1.419	0
Total non-current assets	**129.818**	**126.451**	**121.935**
Total assets	**371.195**	**407.730**	**369.607**
Other financial liabilities, current	17.328	8.391	414
Operating lease liabilities, current	484	810	346
Trade and other payables, current	51.044	63.949	68.442
Related party payables, current	7.639	15.697	3.456
Employee benefit provisions, current	1.103	1.379	1.079
Other provisions, current	5.635	6.308	0
Total current liabilities	**83.233**	**96.534**	**73.737**
Other financial liabilities, non-current	90.000	90.000	94.000
Operating lease liabilities, non-current	88	270	273
Related party payables, non-current	0	0	600
Deferred tax liabilities	13.234	17.110	15.157
Employee benefit provisions, non-current	127	101	143
Total non-current liabilities	**103.449**	**107.481**	**110.173**
Total liabilities	**186.682**	**204.015**	**183.910**
Share capital	91.786	91.786	91.786
Share premium	27.539	27.539	27.539
Accumulated gain/losses	42.780	61.543	43.138
Other reserves	22.408	22.847	23.234
Total equity	**184.513**	**203.715**	**185.697**
Total equity and liabilities	**371.195**	**407.730**	**369.607**

Statement of Cash Flows

USDThousands	Q2 2020	Q2 2019	1S 2020	1S 2019
CASH FLOW FROM (USED BY) OPERATING ACTIVITIES				
Receipts				
Receipts from selling goods and providing services	83,961	68,805	177,783	153,592
Payments				
Payments to suppliers for goods and services	(64,088)	(63,805)	(136,409)	(135,052)
Payments to and on behalf of employees	(6,421)	(6,108)	(13,631)	(13,413)
Dividends received	589	574	589	574
Interest paid	(2,125)	(1,518)	(2,125)	(1,518)
Interest received	0	24	0	24
Income taxes refunded (paid)	(7,825)	(5,377)	(7,825)	(5,376)
Other receipts (payments)	0	0	0	0
Net cash flow from (used by) operating activities	**4,091**	**(7,405)**	**18,382**	**(1,169)**
CASH FLOW FROM (USED BY) INVESTING ACTIVITIES	0	0	0	0
Receipts from disposals of property, plant and equipment	21	106	21	319
Purchases of property, plant and equipment	(4,626)	(12,727)	(11,570)	(22,884)
Other receipts (payments)	0	0	0	0
Net cash flow from (used by) investing activities	**(4,605)**	**(12,621)**	**(11,549)**	**(22,565)**
CASH FLOW FROM (USED BY) FINANCING ACTIVITIES				
Receipts from issuing shares	0	0	0	0
Receipts from loans	5,000	44,000	9,000	44,000
Loan repayments	0	0	0	0
Payments to related parties	0	0	0	0
Dividends paid	(16,850)	(23,770)	(16,850)	(23,770)
Net cash flow from (used by) financing activities	**(11,850)**	**20,230**	**(7,850)**	**20,230**
Effects of changes in exchange rates on cash and cash equivalents	95	(72)	(825)	(43)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,269)	132	(1,842)	(3,547)
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	24,294	9,464	13,867	13,143
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**12,025**	**9,596**	**12,025**	**9,596**

Statement of Changes in Equity

	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Total other reserves	Retained earnings (accumulated losses)	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						(9,508)	(9,508)	(9,508)
Comprehensive income								
Net income for the period						11,002	11,002	11,002
Other comprehensive income			108		108		108	108
Closing balance as of June 30, 2019	**91,786**	**27,539**	**(237)**	**23,471**	**23,234**	**42,830**	**185,389**	**185,389**
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 accrued						(4,213)	(4,213)	(4,213)
Comprehensive income								
Net income for the period						(14,550)	(14,550)	(14,550)
Other comprehensive income			(439)		(439)		(439)	(439)
Closing balance as of June 30, 2020	**91,786**	**27,539**	**(1,107)**	**23,515**	**22,408**	**42,780**	**184,513**	**184,513**

Additional Information

Analysis of Key Financial Indicators

This section compares the Company's key financial indicators based on its consolidated financial statements YTD June 30, 2020, compared to December 31, 2019.

	06/30/2020	12/31/2019
Liquidity Indicators		
1) Current Liquidity	2.90	2.91
2) Acid Ratio	0.99	1.10
3) Working Capital (USD million)	158.144	184.745
Debt Indicators		
4) Net Debt Ratio	0.95	0.93
5) Current Liabilities / Total Liabilities	0.45	0.47
6) Non-Current Liabilities / Total Liabilities	0.55	0.53
Profitability Indicators	(6 months)	(12 months)
7) Return on Equity	-7.89%	20.79%
8) Return on Assets	3.11%	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 0.5% in the current liquidity ratio is mainly caused by a decrease of USD 39.9 million in current assets and an increase of USD 13.3 million in current liabilities, as explained in the financial position analysis. Consequently, working capital decreased by 14.4% or USD 26.6 million.

The acid ratio decreased by 9.7% compared to 2019 year end, due to the decrease in biological assets and inventories, which were greater than the decrease in current liabilities. These changes have already been explained in the financial position analysis.

The increase in the net debt ratio from 0.93 to 0.95 is mainly due to equity decreasing by USD 19.2 million. These changes have already been explained in the financial position analysis. The slight increase in the proportion of long-term liabilities from 0.53 to 0.55 is due to the decrease in total liabilities of USD 17.3 million. These changes have already been 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 ends of 2019 and H1 2020. These value corrections were consistent with price decreases during H1 2020. The falling sales prices during the half year affected the gross margin and also contributed to the fall in return on equity.

Indicators for the first six months of the year

		As of 06/30/2020	As of 06/30/2019
a.	Atlantic Salmon harvested in the period (tons WFE) / Site	3,402	2,662
b.	Atlantic Salmon farming density (kg/m3)	11.05	7.45
c.	Atlantic Salmon group survival rate in sea water by harvest	89.70%	91.70%
d.	Pacific Salmon farming density (kg/m3)	1.62	1.14
e.	Pacific Salmon group survival rate in sea water by harvest	92.80%	n/a
f.	Operational EBIT before fair value adjustments (USD million)	2.0	16.8
g.	Atlantic salmon EBIT/kg WFE before fair value adjustments	0.29	0.89
h.	Pacific salmon EBIT/kg WFE before fair value adjustments	-2.04	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 six months ended June 30, 2020 (Thousands of USD)

	Gain (loss) on fair value of biological assets		Cost of biological assets harvested and sold	
	As of 06/30/2020	As of 06/30/2019	As of 06/30/2020	As of 06/30/2019
Salmonids	8,542	28,235	-24,882	-25,339

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 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 8.5 million was recorded for the fair value adjustment of the live and harvested biomass as of June 30, 2020, compared to a gain of USD 28.2 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.

b. "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 June 30, 2020, was a loss of USD 24.9 million, which reversed a positive margin estimated in prior periods, in contrast to a loss of USD 25.3 million as of June 30, 2019.

The net effect of the fair value adjustments for the salmon biomass for the period ended June 30, 2020 is a negative USD 16.3 million, as opposed to the positive USD 2.9 million recorded for the same period to June 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 evaluated at initial recognition and through-out their growth.

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 Farming	Fair value includes prices, costs and volumes that are estimated by the company.