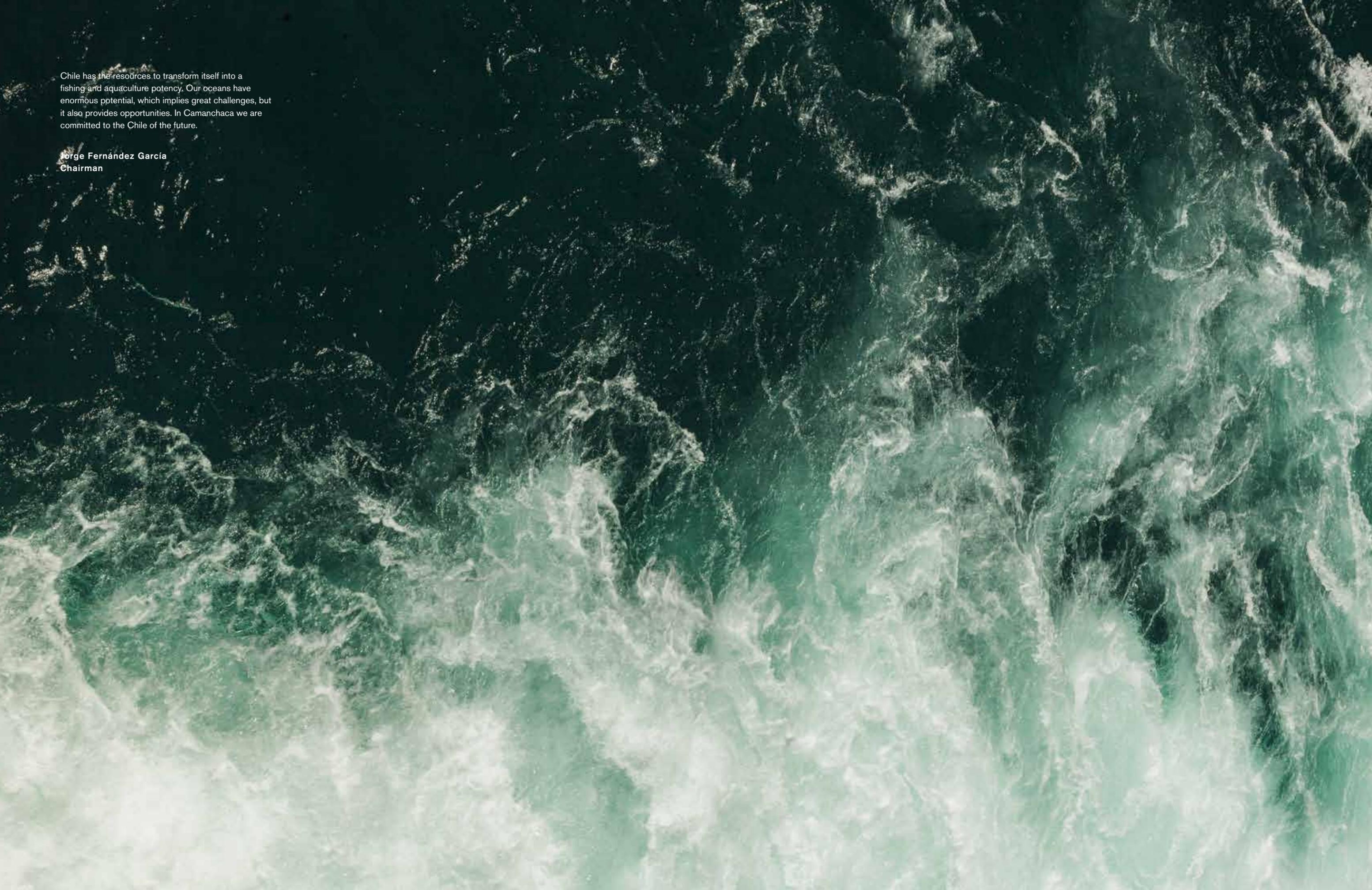




19

Annual Report 2019

**Compañía
Pesquera
Camanchaca**



Chile has the resources to transform itself into a fishing and aquaculture potency. Our oceans have enormous potential, which implies great challenges, but it also provides opportunities. In Camanchaca we are committed to the Chile of the future.

Jorge Fernández García
Chairman

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— 01 —

A Word from our Chairman



Coronel, Bio Bio Region
-37.025513, -73.149707

1.0 

A Word from our Chairman

"Through our products of marine origin, we seek to contribute to a better nutrition of people in different parts of the world"



DEAR SHAREHOLDERS,

2019 will be remembered as a year of progress and achievement towards the goal of sustainable growth, which has enabled the Company to perform in accordance with its shareholder's expectations.

During this period we invested extensively in the subsidiary Salmones Camanchaca, in order to achieve the objectives of productive growth, efficiency and sustainability. These investments were mainly focused on expanding and modernizing our infrastructure, particularly the primary slaughtering plant and the value-added processing plants.

This year we harvested our largest salmon volume at 58,033 tons, which comprised 54,000 tons of Atlantic salmon, and for the first time 4,000 tons of Pacific (Coho) salmon, 20% more than in 2018 and in line with the Company's forecasts and commitments in the strategic development plan that was announced at its IPO in 2018. This is very important and gives Camanchaca credibility for successfully executing its proposed programs, and creating value for its shareholders.

Furthermore, Salmones Camanchaca published its sustainability model in 2019, which will evaluate and manage progress in this area. Subsequently, the Sustainability Department was created, which has the resources it requires to lead this increasingly significant function within the Company. An outstanding example was its first Capital Market Day in Oslo, when Salmones Camanchaca announced its commitment to become a Carbon Neutral company by 2025, thus becoming the first salmon farming company in Chile to take on this challenge.

Last year special emphasis was placed on our relationship with local communities, which is a fundamental sustainability pillar. We strengthened the relationship with our environment and with our employees, to make them feel proud of belonging to this Company. We also relocated and centralized the main support services at Tomé, which has concentrated our support

"The jack mackerel fishing fleet was certified under the rigorous standard of the Marine Stewardship Council"

functions closer to our operating facilities and resulted in efficiency improvements and lower costs.

Our industrial fishing segment received good news. The resources fished by Camanchaca reached sufficient numbers to be fully exploited, as a direct consequence of the fishing regulations that focus on sustaining these species. For many years now fishing quotas have been restricted, which forced fishing companies to reduce their fleets and merge, in order to remain viable and this has borne fruit. These fish populations evolved from overexploitation to full exploitation.

During 2019, we caught our quota of 78,000 tons of jack mackerel, our main fish resource, which included quotas purchased from third parties on the international market. Quotas were increased by 15% for 2020, as a result of the favorable technical assessment of the fish population, managed by the member countries of the South Pacific Regional Fisheries Organization.

The jack mackerel fishing fleet was certified under the rigorous standard of the Marine Stewardship Council (MSC). Industrial jack mackerel fishing takes place from the Atacama to the Los Lagos regions and in international waters, and the entire evaluation process took 15 months, which verified that it was certified as a sustainable fishing fleet and complies with the best global fishing practices.

The langostine lobster fishing sector enjoyed a normal year, and its full quota was caught, which for Camanchaca was 4,700 tons. The good health of this sector has led the scientific-technical committee to increase the red squat lobster quota by 15% for 2020.

The subsidiary Camanchaca Pesca Sur invested in expanding our frozen jack mackerel capacity and now over 90% of our jack mackerel, our main

"Fishing resources reached the status of full exploitation in all those fisheries in which Camanchaca participates, a direct consequence of the new fishing regulation that focuses on the sustainability of the species"

fish resource, goes into products for human consumption. This Company strategy has also required incorporating refrigerated facilities into the fishing fleet, and numerous additional measures to keep this raw material in optimal conditions for processing.

The situation was more complex for the fishing business in northern Chile, since the anchovy quotas for the year could not be fully caught, as there were many juvenile fish among the adult fish throughout the season, which restricts captures. However, an assessment of the anchovy fishing industry in northern Chile is very promising.

Camanchaca strengthened its market share in its target markets, in particular in the United States, through its subsidiary in Miami, which has become a principal supplier of seafood products with consolidated sales of around USD 250 million. It also strengthened its market shares through its offices in Mexico, Japan, China and Europe. An exclusive agreement was reached with the Dutch-based firm Parlevliet & Van der Plas to market frozen jack mackerel in Africa.

This was a year of changes, marked by greater social demands, so the Company drew closer to its employees through conversations and surveys, in order to resolve their problems and to learn first-hand about some of their concerns. This information helped us to efficiently channel their requirements and concerns and to contribute to resolving the problems that afflict a significant proportion of Chilean society. Camanchaca strives to treat everyone with respect and dignity, by establishing policies that promote the integral development of each employee.

Our Company is an important participant in the industrial fishing industry, and in the salmon and mussel farming industries. Our marine products improve people's nutrition in various parts of the world. This commits us to continue developing our Company and adapting it to new trends, while certifying that our business meets strict sustainability standards that are communicated to all our stakeholders.

Finally, I would like to emphasize the work done by our employees, without whom everything that we achieved would not have been possible. I also appreciate the important support of our business partners and the confidence of our investors. We are sure that this dedication will continue to leave a mark on Camanchaca and its people.

Yours sincerely,



Jorge Fernández García
Chairman
Compañía Pesquera Camanchaca S.A



"Salmones Camanchaca announced its commitment to become a Carbon Neutral company by 2025, thus becoming the first salmon farming company in Chile to take on this challenge"

The Company at a glance

Camanchaca has more than 50 years of experience feeding the world from the sea. Its operations are carried out along the Chilean coast, under a strict commitment to the environment and society. It currently exports fish and seafood to more than 50 countries.

Our assets

<p>74 aquaculture concessions for salmon</p> <p>In the regions of Los Lagos and Aysén</p>	<p>Other Seafood assets</p> <p>1.100 hectares of mussels in Chiloé 1,000 abalone ponds in Caldera</p>
<p>4 processing plants</p> <p>1 frozen jack mackerel processing plant in Talcahuano 1 fishmeal and fish oil processing plant in Coronel 1 canning processing plant in Coronel 1 langostino lobster processing plant in Tomé</p>	<p>2 processing plants from other seafood division</p> <p>1 mussel processing plant in Rauco 1 abalone processing plant in Caldera</p>
<p>4 salmon processing plants</p> <p>1 pisciculture in Petrohué 1 planta processing plant in San José 1 primary processing plant in Quellón 1 value-added plant in Tomé</p>	<p>18 high seas fishing</p> <p>11 in North Fisheries 7 in Southern Fisheries</p>
<p>5 commercial and representative offices</p> <p>Japan, the United States, Spain, China and Mexico</p>	<p>Head office</p> <p>Santiago, Chile</p>



Our business areas



Salmon Division

Leaders in the Chilean aquaculture industry, with an integrated production chain and high quality standards



Industrial Fishing Division

Pioneers in Chile's fishing industry, with a focus on products for human consumption

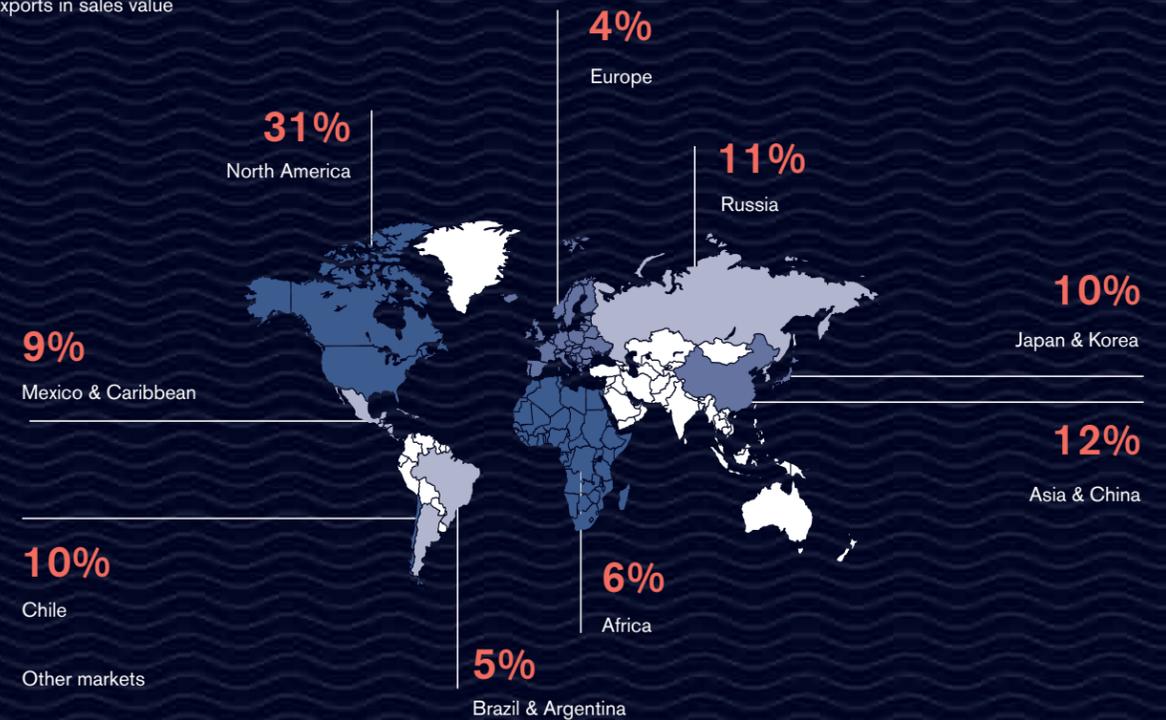


Other Seafood Division

Leaders in the cultivation of mussels and abalones in Chile with the highest quality standards

Total Sales US \$ 620 million

% exports in sales value



Interest data 2019

in tonnes

77,978

Jack mackerel and mackerel catches

95,218

Anchovy catches and accompanying fauna

58,033

WFE salmonid harvest

62,508

Sardine and anchovy catches

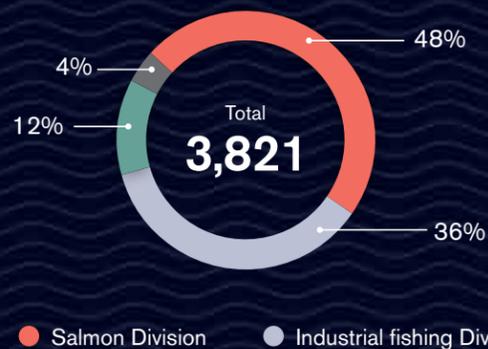
4,723

Langostino lobster Catches

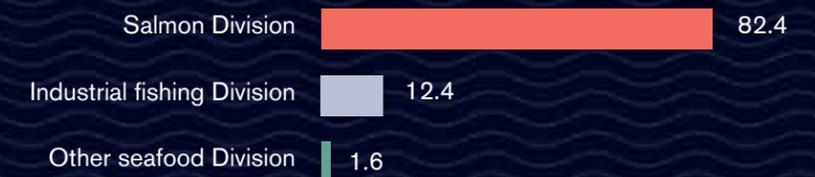
9,107

Harvest mussels

Number of employees



EBITDA 2019 USD \$ 96.3 million



— 03 —

Financial Evolution



Petrohue, Los Lagos Region
-41.140459, -72.404236

3.1

Summary of financial position

Main Financial Ratios

	2018	2019
Liquidity Ratios		
Current Liquidity	2.73	2.64
Acid Test Ratio	1.10	1.09
Working Capital (million USD)	205	241
Leverage Ratios		
Debt Ratio	0.55	0.50
Current liabilities / Total liabilities	0.45	0.50
Non-current liabilities / Total liabilities		
Profitability Ratios (%)		
Return on Equity (ROE)	7.38%	4.24%
Return on Assets (ROA)	19.70%	14.73%

Notes:

- Current Liquidity: Current Assets / Current Liabilities
- Acid Ratio: Current Assets Net of Inventory and Biological Assets / Current Liabilities
- Working Capital: Current Assets - Current Liabilities
- Net debt ratio Total Liabilities - Available Cash / Total Equity
- Return on Equity: Net income (loss) attributable to owners of the parent company / Total equity
- Return on Assets: Gross margin before fair value adjustment / Total assets.

The decrease of 0.08 in current liquidity is mainly due to the increase in working capital by USD 36 million due to the large volume of sales in the last periods of the year.

The increase in net debt ratio from 0.40 to 0.52 is mainly due to the increase in total liabilities by USD 79.1 million due to the increase in debt to finance the Company's growth, offset by the increase in equity by USD 19.8 million.

The return on the asset is affected by the company's results in the year, mainly lower volumes of capture and production in the North Fisheries segment, as well as the lower market prices.

3.2

Consolidated Income statements

Consolidated Income statements

In thousand USD	2018	2019
Operating revenue	626,480	620,030
Cost of sales	-491,766	-504,774
Gross profit	134,714	115,256
Net Fair value adjustment	2,327	311
Other results	-69,520	-71,187
Profit (loss) before taxes	67,522	44,380
Profit (loss) after taxes	49,435	32,920
EBITDA before Fair Value	99,365	96,314
EBITDA antes de fair value	99,365	96,314

The result at the end of 2019 was a profit of USD 32.9 million, 33.4% lower than USD 49.4 million in 2018. EBITDA, which contains minority interest, decreased by 3.1% from USD 99.4 million in 2018 to USD 96.3 million in 2019. This decrease of USD 3.1 million in EBITDA is explained by: (a) a decrease of USD 10.3 million in EBITDA industrial fishing division, mainly due to lower catches in the north and lower prices on almost all of its products; and b) for an increase of USD 3.3 million in Salmon division explained by higher sales volumes and costs close to the Company's long-term objectives. Other seafood division contributed USD 1.6 million EBITDA, an improvement of USD 3.8 million, mainly explained by improvements in prices and commercial management in the case of mussels, in addition to the increase in sales volume of 22% of the abalone business.

The lowest profit is explained by a loss of USD 10.7 million in the Industrial fishing division (a drop of USD 14.5 million compared to 2018); and a profit of USD 43.2 million in Salmon division (a decrease of USD 4.8 million compared to 2018), the latter affected by a lower positive effect of fair value (FV), USD 2.0 million lower than in 2018.

It should be remembered that the FV does not affect the distributable liquid profit, which reached USD 20.5 million in 2019.

Total consolidated income declined by 1%, reaching USD 620 million, with an increase of 0.5% in those from Salmon division; a 3.4% drop in Industrial fishing division and a 10.3% decrease in Other seafood division. Salmon division is mainly explained by 0.9% more volumes of Atlantic salmon sold, which were negatively offset by a 2.4% drop in prices. Fishing revenues, on

the other hand, fell due to lower anchovy catch reaching USD 157.6 million, which added to the price drop in almost all of its products.

Consolidated administrative expenses for Compañía Pesquera Camanchaca as a percentage of revenue fell from 5.0% in 2018 to 3.1% in 2019, while distribution costs remained the same at 4.6%. Administrative and distribution expenses in aggregate fell from 9.6% of revenue in 2018 to 7.7% in 2019. Administrative expenses decreased from USD 31.2 million to USD 19.3 million, while distribution expenses remained at around USD 21.5 million.

The decrease in Administrative expenses was around USD 12.0 million and these savings were generated by a detailed efficiency and effectiveness review of the support departments in 2018, covering accounting, technology, human resources, logistics, distribution, and other departments, which suggested various improvements that were implemented in the first quarter of 2019.

Other income (expense) produced a loss of USD 13.9 million, which was attributable to the Company's share of the trout joint venture result for the Salmon Farming division being a net loss of USD 2.5 million, to extraordinary fish mortality and expenses not covered by insurance during the first half of the year, due to oxygen deficiencies (USD 2.3 million), and to the accounting loss on the sale and disposal of unrequired assets (USD 9.3 million) including the vessels and fishmeal plant equipment mentioned above.

Income statement – Salmon Division

(Tons WFE)	2018	2019
Harvested raw material (Tons WFE)		
Atlantic salmon	48,496	53,731
Coho	0	4,302
Sales (Tons WFE)		
Atlantic salmon	50,670	51,151
Coho	0	2,504
thUSD		
Operating revenue	433,406	435,576
Cost of sales	-338,215	-343,998
Gross margin	95,191	91,578
Net Fair value adjustment	2,327	311
Other results	-31,875	-33,515
Profit (loss) before taxes	65,643	58,374
Profit (loss) after taxes	48,097	43,248
EBITDA before Fair Value	79,047	82,384

In the Salmon division, the 2019 results were as follows:

EBITDA before fair value adjustments was USD 82.4 million for 2019, 4.2% higher than the USD 79.0 million for 2018. The first half of 2019 was difficult for salmon farming due to oceanographic conditions already mentioned in previous analyses and low density sites being harvested, but offset during the last quarter by historical harvest volumes for the Company, and lower costs aligned with the long-term objective, which generated 46% of the year's EBITDA.

An accounting policy was changed in 2019 with respect to the treatment of the Company's joint venture in a trout farming business, whereby it contributes six farming sites and receives a third share of the results. These are now presented as "Other income" and excluded from EBITDA. The share in the joint venture produced net income of USD 2.9 million in 2018, while in 2019 it produced a net loss of USD 2.5 million.

The price of Atlantic salmon harvested and sold by Camachaca was slightly lower than in 2018, at USD 6.26/kg WFE, which was 15 US cents lower, or -2.4%. Accordingly, the EBIT/Kg WFE was USD 1.32, only 1 US cent less than for 2018. Despite lower prices and higher costs this year, this achievement was due to savings in administrative expenses that offset higher costs in the first half of the year, and better results in the second half of the year due to higher harvest volumes processed and sold. The harvest of 20,288 tons in Q4 2019 represented 38% of the annual harvest. Furthermore, Camanchaca harvested 4,300 tons WFE of Pacific salmon in its first year of production, bringing the Salmon Farming division's annual harvest to 58,000 tons WFE.

Income statement – Industrial fishing Division

	2018	2019
Own and third parties catches (tons)		
North of Chile	127,441	95,218
South of Chile	133,873	152,546
Sales		
Fishmeal (tons)	44,866	42,303
Fish oil (tons)	9,260	7,045
Canned fish (Boxes)	1,076,375	1,096,471
Frozen Jack Mackerel (tons)	26,570	39,821
Langostino lobster (tons)	609	691
Thousand USD		
Operating revenue	163,167	157,621
Cost of sales	-127,634	-140,003
Gross margin	35,533	17,618
Other results	-30,517	-31,955
Profit (loss) before taxes	5,016	-14,337
Profit (loss) after taxes	3,494	-10,736
EBITDA	22,629	12,370

The performance of the Industrial Fishing Division in the north was not the same as in the south. The northern area had lower than historical catches due to the high volume of juveniles and extensive spawning conditions in the second half of the year. This reduced anchovy catches to 59% of the annual quota. The central-southern area enjoyed favorable conditions as the quotas for Jack mackerel, sardine and Langostino lobster were all caught. The prices of its main products fell during 2019, and consequently the results of the Industrial Fishing division were as follows.

- The northern area generated a net loss of USD 7.0 million in 2019, compared to net income of USD 5.6 million in 2018. This reduction was caused by catches falling by 27%. This result includes operating expenses totaling USD 15.3 million for assets that were non-operational and were not included in product costs, compared to USD 13.7 million in 2018. Furthermore, the biomass continued to produce very low oil yields, which fell from 2.7% to 0.8%, and directly affected results. Finally, fish meal prices fell by 7%.
- The southern area. This area is operated by the subsidiary Camanchaca Pesca Sur, which generated a net loss of USD 1.4 million, compared to net income of

USD 0.8 million in 2018. This result was affected by a non-recurring loss of USD 7.1 million from the sale of a vessel and assets associated with a fishmeal and fish oil plant in Talcahuano that are not operational and no longer required by the Industrial Fishing division. Operating expenses for assets that were non-operational for a few days due to seasonal closures were USD 23.7 million in 2019, a reduction over the costs of USD 27.1 million in 2018. Excluding the loss on the sale of the subsidiary's unrequired assets, the Industrial Fishing division improved its net income by USD 4.9 million in 2019.

The company's 70% share in the results of its subsidiary Camanchaca Pesca Sur was a net loss of USD 1.0 million. This subsidiary's result was reduced by USD 2.4 million due to other items assigned to the southern area, but not included in the Camanchaca Pesca Sur result, mainly financial costs and unrealized margins on the transfer of finished products, such as Langostino lobster, to the parent company's subsidiary in the United States, which has not yet been delivered to final customers. Thus, the southern area generated a net loss of USD 3.4 million, compared to net income of USD 2.2 million in 2018.

3.3

Consolidated statement of financial position

Income statement – Other seafood Division

	2018	2019
Harvested raw material		
Abalone (thousands of units)	1,218	1,519
Mussels (tons)	29,458	29,111
Sales		
Abalone (tons)	142	173
Mussels (tons)	9,982	8,483
Th USD		
Operating revenue	29,908	26,833
Cost of sales	-25,916	-20,773
Gross margin	3,991	6,060
Other results	-7,128	-5,717
Profit (loss) before taxes	-3,137	343
Profit (loss) after taxes	-2,382	408
EBITDA	-2,312	1,560

Revenue from this division decreased by 10.3% to USD 26.8 million in 2019, but despite this decrease, gross margin increased from 13.3% of revenue in 2018 to 22.6% in 2019. Administrative and distribution expenses decreased by 30.4% and 17.7%, respectively, which is reflected in savings of USD 1.8 million in administrative and selling expenses, mainly due to lower refrigeration costs associated with higher inventory turnover and 11% higher mussel prices. Thus, EBITDA was USD 1.6 million in 2019, which is USD 3.9 million higher than in 2018, generating net income of USD 0.4 million, which compares favorably with a net loss of USD 2.4 million in 2018.

Mussel production by the subsidiary Camanchaca Cultivos Sur was 7.1% higher in 2019, at 9,107 tons of finished products from 29,111 tons of processed raw material, 38% of which was purchased from third party growers (35% in 2018). Revenue fell by 11.6% to USD 24 million, due to a 15% decrease in sales volumes associated with lower raw material yields, leaving 1,267 tons of finished product in inventory.

These factors generated a positive EBITDA of USD 1.7 million compared to negative USD 1.5 million in 2018, and net income of USD 0.6 million compared to a net loss of USD 1.7 million in 2018. Despite this improvement, the business was affected by lower yields from its own farms, due to reductions in available nutrients at its marine farming sites. This required purchasing greater volumes of raw material from local independent fishermen at a higher cost, in order to efficiently use the plant's processing capacity. However, there has been a significant recovery in raw material yields during the first two months of 2020.

The abalone business had a small net loss of USD 0.2 million in 2019, compared to a net loss of USD 0.7 million in 2018, and a negative EBITDA of USD 0.2 million, compared to negative USD 0.8 million in 2018. The improvement is associated with lower raw material costs at USD 13.2/Kg compared to USD 15.6/Kg.

Consolidated Balance sheet

Thousand USD	2018	2019
Total assets	683,758	782,655
Current assets	324,191	388,062
Property, plant and equipment	255,462	287,683
Other non-current assets	104,105	106,910
Total liabilities	216,896	295,975
Current liabilities	118,954	146,862
Non-current liabilities	97,942	149,113
Total equity	466,861	486,680
Total equity attributable to owners of the parent company	355,646	369,870
Non-controlling interest	111,215	116,810
Total liabilities and equity	683,757	782,655

The Company's total assets increased by 14.5% or USD98.9 million to reach USD782.7 million in 2019. This growth was mainly due to a sharp increase in biological assets and inventories driven by the 2019-2020 harvest plan, an increase in receivables due to the high volume harvested and sold in Q4 2019, and an increase in property, plant and equipment due to investments.

Total current assets reached USD388 million, a 19.7% increase over December 31, 2018, attributable to higher inventories (USD21.4 million) and biological assets (USD12.3 million), consistent with the 2019-2020 harvest plan, an increase in trade receivables (USD18.4 million), and positive net cash flow of USD11.1 million.

Non-current assets increased by 9.7% or USD 35 million to reach USD 395 million, mainly due to an increase of USD 32 million in net investments in property, plant and equipment, in accordance with the Company's investment plan.

Inventories were USD 77 million as of December 31, 2019, higher than the USD 55.3 million as of December 31, 2018, with increases in all divisions. The Industrial Fishing division increases were mainly fish meal, fish oil and canned products. The inventory of Atlantic salmon was high-

er than at the close of 2018 with a significant mix of added value products.

The Company's total liabilities increased by 36.5% or USD 79.1 million, from USD 217 million as of December 31, 2018 to USD 296 million. Accordingly, they financed 80% of the increase in assets.

Current liabilities increased by 23.5% or USD 27.9 million, mainly due to increases in current financial liabilities of USD 30.3 million, to finance working capital requirements. However, current liabilities reduced following the payment of USD 6.5 million in income taxes.

The Company has committed long-term bank finance facilities of USD 140 million at the date of this report, of which it had drawn down USD 124 million as of December 31, 2019. It also has USD 67 million of uncommitted short-term facilities, of which it has drawn down USD 38 million. Therefore, the Company has unused available lines of credit in excess of USD45 million.

Consequently, Camanchaca's equity has increased by USD 19.8 million or 4.2%, to reach USD 487 million during 2019, due to retained earnings for the year net of dividends paid and provisioned.

3.4 

Statement of cash flow

ThUSD	2018	2019
Cash flow from operating activities	60,588	27,171
Cash flows from financing activities	10,056	49,482
Cash flows from investing activities	-49,022	-64,032
Effects of changes in exchange rates on cash and cash equivalents	-1,079	-1,496
Net increase (decrease) in cash and cash equivalents	20,543	11,125
Cash and cash equivalents at the beginning of the period	10,205	30,748
Cash and cash equivalents at the end of the period	30,748	41,873

Net cash flow from operating activities in 2019 was positive USD 27.2 million, compared to positive USD 60.6 million in 2018. The decrease is mainly due to an increase in year-end receivables as a result of the high volume of sales in the last quarter of the year that will be collected in Q1 2020, and an increase in working capital associated with an increase in biological assets comprising Atlantic and Pacific salmon. The unfavorable results from the Industrial Fishing northern area also affected cash flow.

Net cash flow from financing activities was USD 49.5 million in 2019, compared to USD 10.1 million in 2018, due to short-term bank loans borrowed in Q4 2019 to finance working capital required for biomass and inventories, as well as for investments. Net cash flow in 2019 was due to drawing down a syndicated revolving credit facility and short-term credit lines of USD 66.6 million. Dividends paid by Camanchaca and its subsidiaries were USD 17.1 million.

Net cash flow used in investing activities was USD 64 million in 2019, compared to USD 49 million in 2018. These investments were improvements to processing plants and automation, improvements to the fishing fleet and equipping new salmon farming sites, in accordance with Salmones Camanchaca's growth plans.

Total net cash flow for the year left a cash balance as of December 31, 2019 of USD 41.9 million.





The Company



Tomé, Bio Bio Region
-36.610328, -72.957481

4.1

Identification

LEGAL NAME

Compañía Pesquera Camanchaca S.A.

CHILEAN TAXPAYER ID NUMBER

93.711.000-6

TYPE OF ENTITY

Sociedad Anónima abierta

SECURITIES REGISTRY

N° 1060

ADDRESS

Avenida El Golf N° 99, piso 10, Las Condes, Santiago,
Región Metropolitana
Postal code 7550000

PHONE

(56 2) 2 8732900

CONTACT E-MAIL

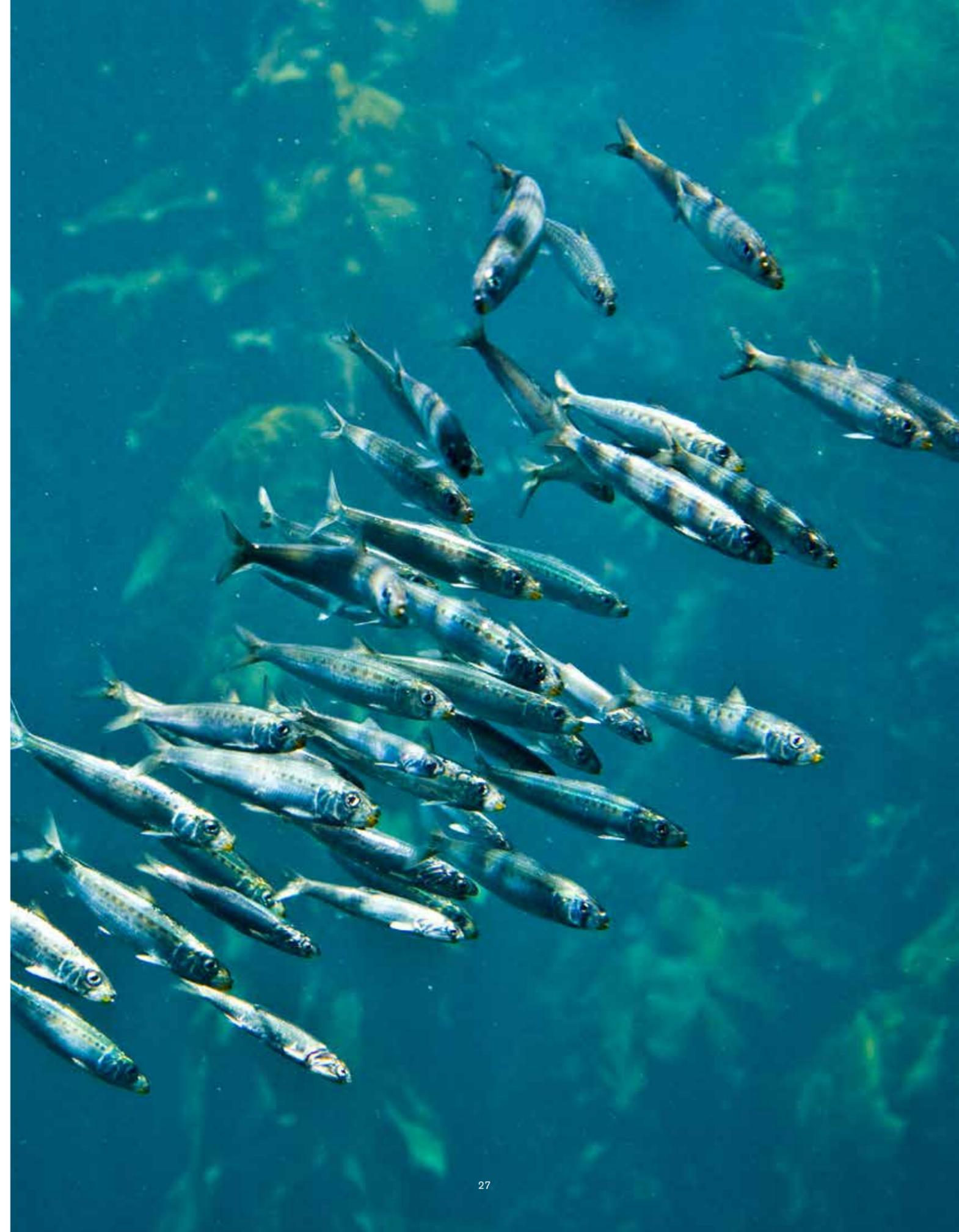
inversionistas@camanchaca.cl

WEBSITE

www.camanchaca.cl

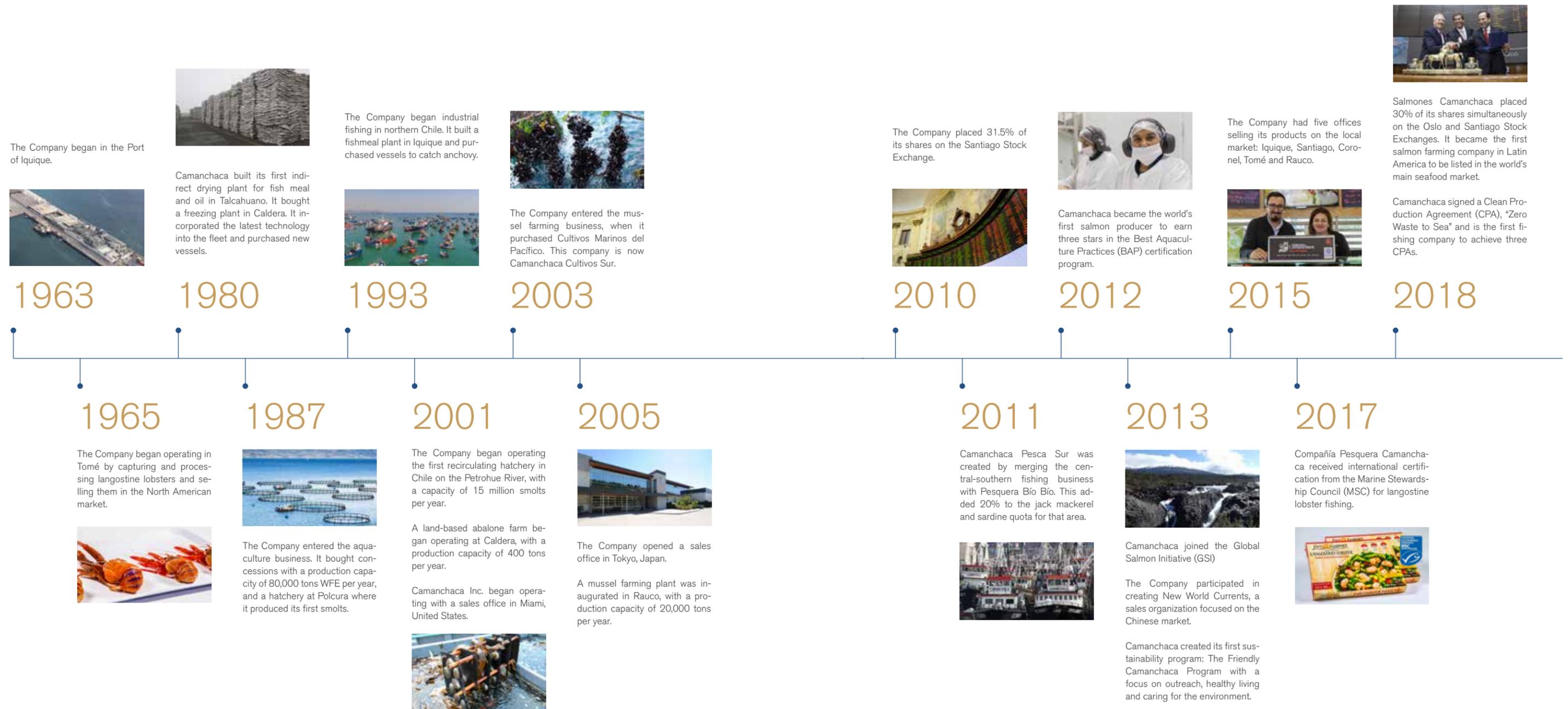
TICKER

Santiago stock exchange: CAMANCHACA



4.2 

Our History



The Company began in the Port of Iquique.

1963

Camanchaca built its first indirect drying plant for fish meal and oil in Talcahuano. It bought a freezing plant in Caldera. It incorporated the latest technology into the fleet and purchased new vessels.

1980

The Company began industrial fishing in northern Chile. It built a fishmeal plant in Iquique and purchased vessels to catch anchovy.

1993

The Company entered the mussel farming business, when it purchased Cultivos Marinos del Pacifico. This company is now Camanchaca Cultivos Sur.

2003

The Company placed 31.5% of its shares on the Santiago Stock Exchange.

2010

Camanchaca became the world's first salmon producer to earn three stars in the Best Aquaculture Practices (BAP) certification program.

2012

The Company had five offices selling its products on the local market: Iquique, Santiago, Coronel, Tomé and Rauco.

2015

Salmones Camanchaca placed 30% of its shares simultaneously on the Oslo and Santiago Stock Exchanges. It became the first salmon farming company in Latin America to be listed in the world's main seafood market.

2018

Camanchaca signed a Clean Production Agreement (CPA), "Zero Waste to Sea" and is the first fishing company to achieve three CPAs.

1965

The Company began operating in Tomé by capturing and processing langostine lobsters and selling them in the North American market.

1987

The Company entered the aquaculture business. It bought concessions with a production capacity of 80,000 tons WFE per year, and a hatchery at Polcura where it produced its first smolts.

2001

The Company began operating the first recirculating hatchery in Chile on the Petrohue River, with a capacity of 15 million smolts per year.

2005

A land-based abalone farm began operating at Caldera, with a production capacity of 400 tons per year.

Camanchaca Inc. began operating with a sales office in Miami, United States.

The Company opened a sales office in Tokyo, Japan.

A mussel farming plant was inaugurated in Rauco, with a production capacity of 20,000 tons per year.

2011

Camanchaca Pesca Sur was created by merging the central-southern fishing business with Pesquera Bío Bío. This added 20% to the jack mackerel and sardine quota for that area.

2013

Camanchaca joined the Global Salmon Initiative (GSI)

The Company participated in creating New World Currents, a sales organization focused on the Chinese market.

Camanchaca created its first sustainability program: The Friendly Camanchaca Program with a focus on outreach, healthy living and caring for the environment.

2017

Compañía Pesquera Camanchaca received international certification from the Marine Stewardship Council (MSC) for langostine lobster fishing.

4.3 ≡

Highlights of the year

New logistics center opens in Talcahuano

The Company inaugurated a new logistics center that will also provide storage, warehousing and cargo preparation services for export and import companies in various industries, who require a value-added service. These new facilities are located on Rocuant Island, Talcahuano. An investment of USD 5 million was required and the warehouse capacity is 34,000 m², on a 10 hectare plot of land.

Agreement with Empresa Portuaria Iquique

Compañía Pesquera Camanchaca S.A. and Empresa Portuaria Iquique (EPI) signed a contract extension until April 30, 2025 covering the port area where a fish meal and oil plant is operated by the northern fishing division.

Chilean jack mackerel fishing industry obtains sustainability certification

The main industrial fishing fleet in Chile achieved certified compliance with the rigorous standards issued by the Marine Stewardship Council (MSC). Industrial jack mackerel fishing takes place from the Atacama to the Los Lagos regions and in international waters, and the entire evaluation process took 15 months, which verified that it is a sustainable fishing fleet and complies with the best global fishing practices.

The subsidiary Salmones Camanchaca launches its sustainability model

This significant model proposes ambitious goals for sensitive issues in the industry and for society. In October it publicly announced its commitment to become carbon neutral by 2025 on Scope 1, 2 and 3 emissions, positioning it as the first salmon farming company in Chile to take on this challenge.

It is committed to community engagement and in December signed a voluntary agreement that extends the Ensenada "Mesa de Diálogo" (Round Table) in the Los Lagos region, to protect the quality of water in the Petrohué River. The Company presented its Sustainability Report in Puerto Varas during the last quarter of the year, which was its first public presentation that included neighbors and authorities.

Salmones Camanchaca created the Technical and Sustainability Department and the Corporate Affairs and Territorial Relations Department based in Puerto Montt in July 2019, to drive its sustainability model forward.

First Capital Market Day in Oslo

Salmones Camanchaca celebrated its first Capital Market Day in Oslo, Norway, making it the first Chilean company to arrange such an event in Norway.

Executives described the "The Chilean Opportunity" to investors, using presentations covering the Company's strategy, operations, sustainability and finances.

Pioneers in salmon exports from regions of Chile

In May, Salmones Camanchaca pioneered exporting fresh salmon from El Tepual Airport, Puerto Montt, to China, and in December was a precursor in sending the first cargo from La Araucanía Regional Airport (Temuco) to Miami. This will have a positive impact on the regional economy, as it positions these two places as routes available for the export of products.

The first harvest of Coho salmon

In the third quarter, the first harvests of Coho salmon were recorded, having obtained in 2018 the permits for Salmones Camanchaca to sow 1.4 million smolts of this species. By the end of the year under a fiscal year, 4.3 thousand tonnes of Coho WFE were harvested, equivalent to 7.4% of annual harvests of the Salmones Camanchaca subsidiary.

Committed to efficiency

For the Company to be more and more efficient in its production chain is a fundamental edge in business strategy. After an exhaustive review of the Company's various support areas, this year the main support areas were moved to the Biobío Region, and areas were merged into new management. This important decision aims to improve the efficiency of the company, bring these areas closer to the business and promote the development of the region where our operations are inserted and strengthen its growth and that of its inhabitants.

Investment in mussel plant, Rauco

With an investment of USD 2.9 million, in March 2019 a new refrigerator was opened that allowed to improve the cold chain of the products, thanks to the technology of conveyor belts, which connect the production plant with the cooling site, and a rack system called push back. It has a capacity of 500 tons of finished product, almost 100% more than the previous system on an area of 450 m².

4.4

Documents of Incorporation

Compañía Pesquera Camanchaca S.A. was incorporated as a privately held company according to a public deed dated December 3, 1976, as amended by a public deed dated January 13, 1977, both granted at the Santiago Notary Office of Mr. Luis Azócar Álvarez.

The Company and its statutes were approved in Resolution 80-C issued by the Superintendent of Insurance Companies, Corporations and Stock Exchanges, dated March 28, 1977. An extract of the Certificate of Approval of its statutes was recorded on April 15, 1977, at page 3,108 Number 1,711 of the Santiago Commercial Registry published in the Official Gazette on April 15, 1977.

The Company's purpose is fishing in general, including research-related fishing and, particularly, capturing, catching, collecting and harvesting hydro-biological resources; engaging in aquaculture of all species, including all living marine organisms and algae; conserving, freezing, and applying preservation techniques to hydro-biological species; creating products originating from any hydro-biological species through partial or complete processing of Company catches or third-party catches obtained during the extraction or harvesting phases; building, maintaining, repairing, operating, and leasing ships suitable for extractive fishing or processing, or other support vessels; and industrializing, creating, selling, distributing and exporting products originating from its business.

Its duration is indefinite.

The authorized, subscribed and paid capital is USD 284,133,767.44 divided into 4,150,672,000 registered single series shares, with no par value and no privileges.

A Board of Directors manages the Company, which has seven re-eligible members elected for a period of three years, after which it should be completely renewed. Directors may be re-elected indefinitely.

The shareholders shall hold Ordinary or Extraordinary General Meetings. The Ordinary General Meetings are held within the first four months of each year. Extraordinary General Shareholders' Meetings may be held at any time as required, to decide on any matter that the law or the statutes require to be addressed at Shareholders' Meetings, and provided that such matters are indicated in the corresponding notice.

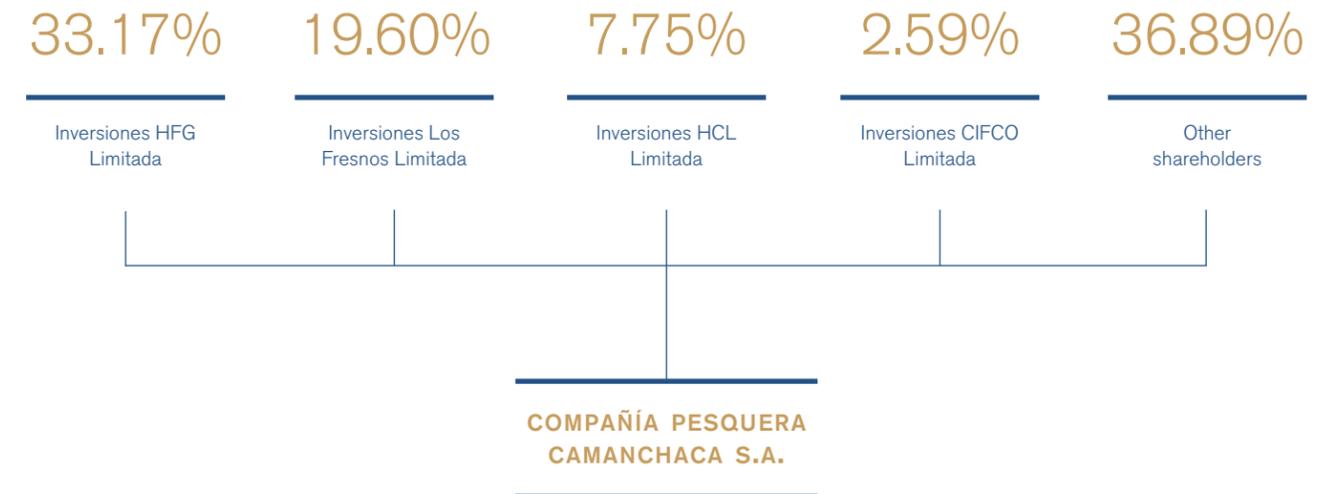
The Ordinary General Shareholders Meeting shall appoint external auditors on an annual basis, to examine the Company's accounting, inventory, balance sheet and other financial statements. The auditors should report compliance with their mandate in writing at the next Ordinary General Shareholders Meeting.

The Company was registered in the Securities Registry of the Superintendent of Securities and Insurance under Number 1060 on November 11, 2010.



4.5

Company's structure



4.6

Control



A) CONTROLLING INTERESTS

Compañía Pesquera Camanchaca S.A. is controlled by Mr. Jorge Fernández Valdés, Taxpayer ID: 3,189,057-8, through Inversiones HFG Limitada, Taxpayer ID: 76,076,557-0 who directly holds 33.1717% of the Company, and Inversiones Los Fresnos Limitada, Taxpayer ID: 78,172,330-4 who directly holds 19.6020% of the Company.

Mr. Jorge Fernández Valdés directly holds 99.964% of Inversiones Los Fresnos Limitada and 0.00069% of Inversiones HFG Limitada. These companies are controlled by Mr. Jorge Fernández Valdés, according to their respective statutes.

Inversiones HFG Limitada directly holds 0.036% of Inversiones Los Fresnos Limitada. The shareholders of Inversiones HFG Limitada are as follows: 1) Mr. Jorge Fernández Valdés holds 0.00069%; 2) Inversiones La Viña Limitada, Taxpayer ID: 76,066,421-4 holds 16.6665%. Ms. María Carolina Fernández García, Taxpayer ID: 6,377,733-1 holds 96% of that company; 3) Inversiones Bahía Queltehues Limitada, Taxpayer ID: 76,066,852-4 holds 16.6665%. Mr. Jorge Fernández García, Taxpayer ID: 6,377,734-K holds 96% of that company; 4) Inversiones Fernández Cambiasso Limitada, Taxpayer ID: 76,066,862-1 holds 16.6665%. Mr. Andrés Fernández García, Taxpayer ID: 6,446,623-2 holds 96% of that company; 5) Inversiones Bahía Pastores Limitada, Taxpayer ID: 76,066,883-4 holds 16.6665%. Ms. María de la Paz Fernández García, Taxpayer ID: 6,377,735-8 holds 96% of that company; 6) Inversiones Salar Grande Limitada, Taxpayer ID: 76,066,856-7 holds 16.6665%. Mr. Cristián Fernández García, Taxpayer ID: 9,216,903-0 holds 96% of that company; and 7) Inversiones Orzada Limitada, Taxpayer ID: 77,066,845-1 holds 16.6665%. Mr. Gonzalo Fernández García, Taxpayer ID: 13,441,707-2 holds 96% of that company.

The following individuals are directly related to Mr. Jorge Fernández Valdés, and they are direct holders of the interests in the Company described below: Jorge Fernández García, Taxpayer ID: 6,377,734-K holds 0.048% and Nicolás Guzmán Covarrubias, Taxpayer ID: 6,377,761-7 holds 0.048%.

B) OTHER INTERESTS

Mr. Francisco de Borja Cifuentes Correa, Taxpayer ID: 4,333,851-K, has signed a shareholder's agreement with Mr. Jorge Fernández Valdés, which includes limitations to the disposal of shares.

Mr. Francisco de Borja Cifuentes Correa controls Inversiones Cifco Limitada, Taxpayer ID: 78,172,320-7, and Inversiones HCL Limitada, Taxpayer ID: 76,076,548-1, according to their respective statutes. These companies hold 10.3396 % of the Company.

Inversiones Cifco Limitada directly holds 2.59043% of Compañía Pesquera Camanchaca S.A., and its shareholders are Mr. Francisco de Borja Cifuentes Correa who holds 99.9621% and Inversiones HCL Limitada who holds 0.0379%.

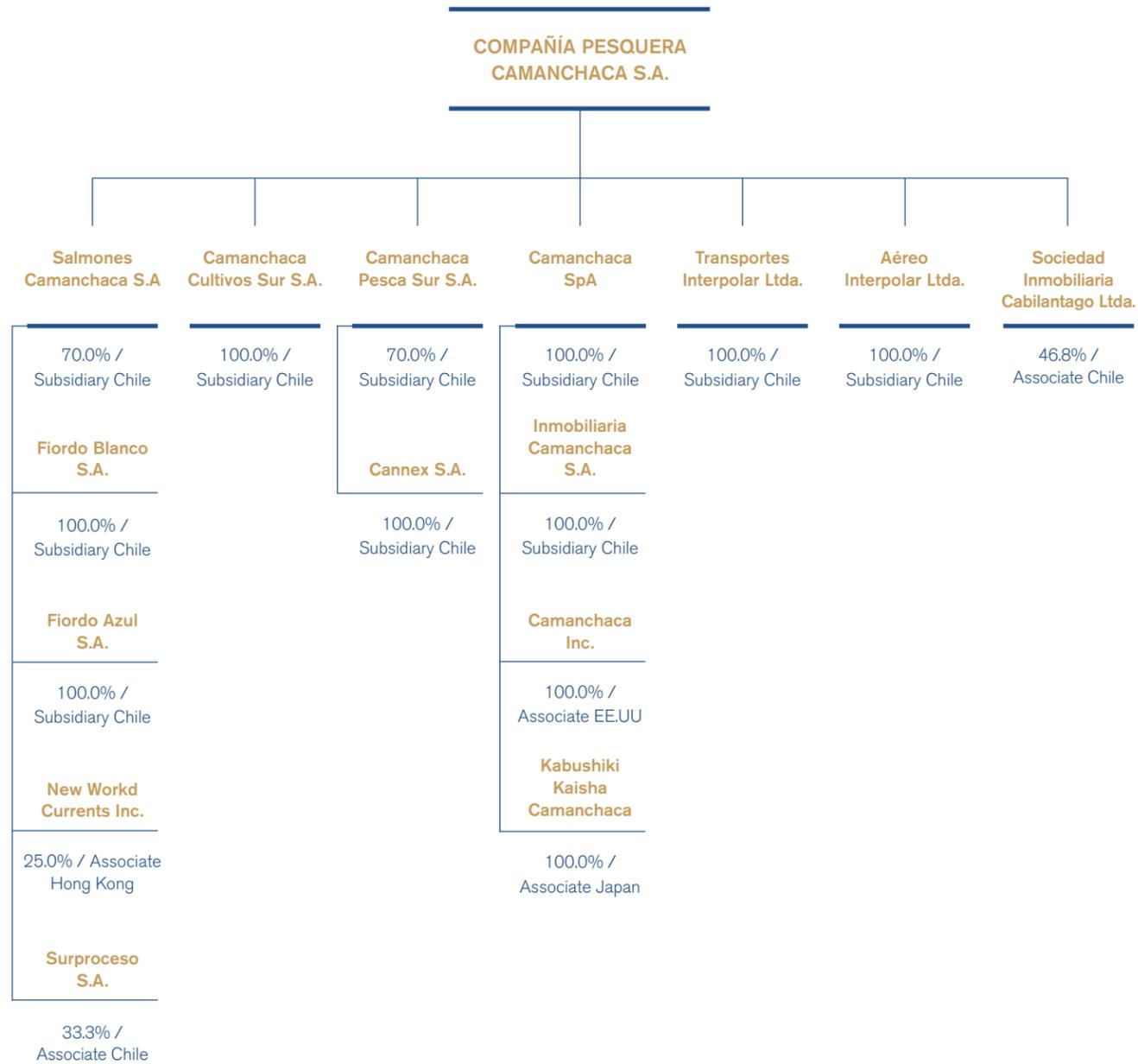
Inversiones HCL Limitada directly holds 7.749% of the Company. Its shareholders are a) Mr. Francisco de Borja Cifuentes Correa who holds 0.0024%; b) Inversiones Cilar Uno Limitada, Taxpayer ID: 76,066,821-4 who holds 19.9995%. Ms. Mónica del Pilar Cifuentes Larios, Taxpayer ID: 9,007,413-5 holds 96% of that company; c) Inversiones Cilar Dos Limitada, Taxpayer ID: 76,066,824-9 who holds 19.9995%. Mr. Francisco de Borja Cifuentes Larios, Taxpayer ID: 12,629,641-K holds 96% of that company; d) Inversiones Cilar Tres Limitada, Taxpayer ID: 76,066,833-8 who holds 19.9995%. Mr. Cristián Andrés Cifuentes Larios, Taxpayer ID: 12,638,234-0 holds 96% of that company; e) Inversiones Cilar Cuatro Limitada, Taxpayer ID: 76,066,839-7 who holds 19.9995%. Ms. Carolina Cifuentes Larios, Taxpayer ID: 13,550,339-8 holds 96% of that company; and f) Inversiones Cilar Cinco Limitada, Taxpayer ID: 76,066,842-7 who holds 19.9995%. Ms. María José Cifuentes Larios, Taxpayer ID: 15,960,728-3 holds 96% of that company.

C) MAIN SHAREHOLDERS

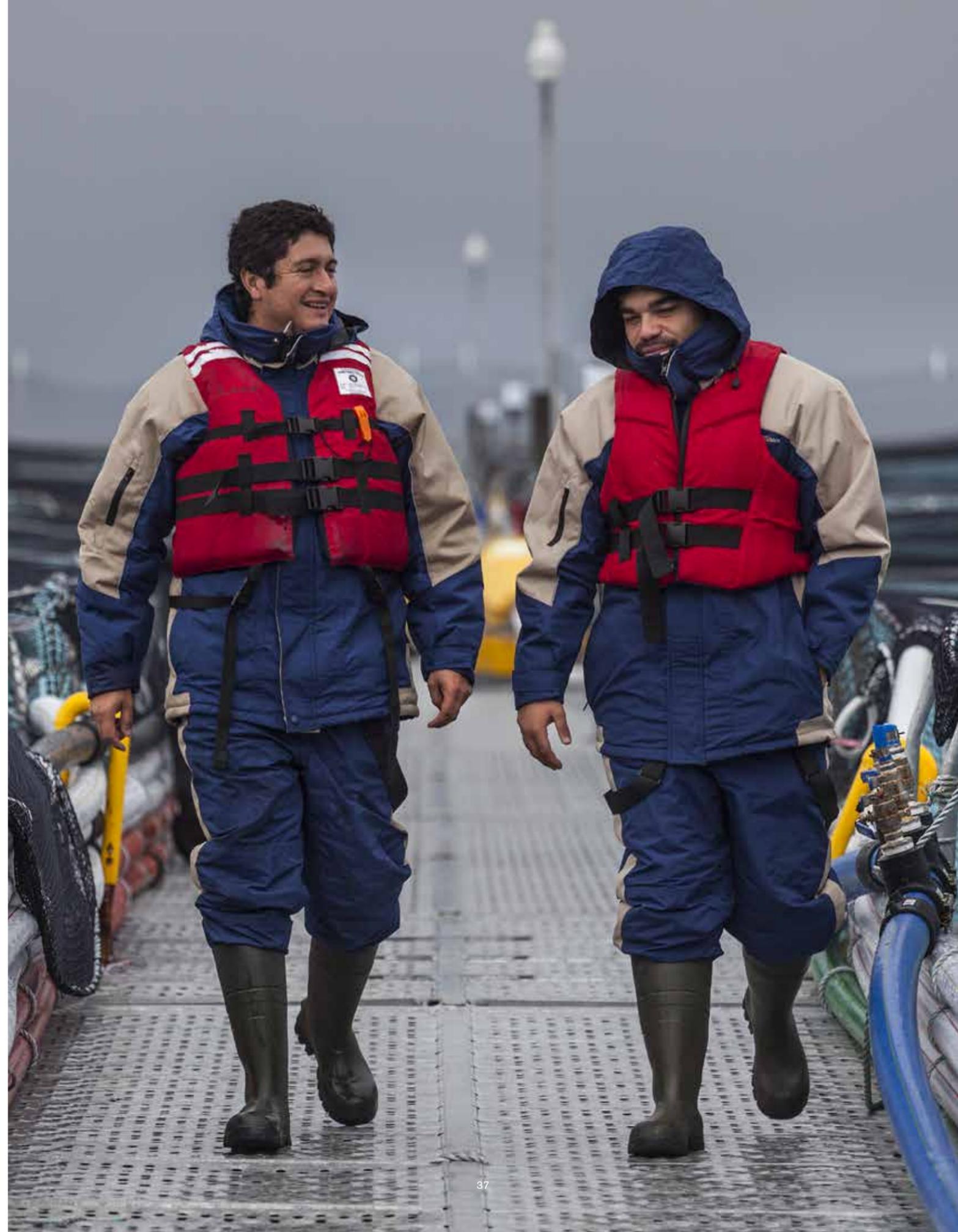
N°	Main shareholders	Stocks	%
1	Inversiones HFG LTDA.	1,376,846,422	33.17%
2	Inversiones Los Fresnos LTDA.	813,616,503	19.60%
3	BTG Pactual Small Cap Chile Fondo de Inversión	451,002,016	10.87%
4	Compass Small Cap Chile Fondo de Inversión	416,644,260	10.04%
5	Inversiones HCL Ltda.	361,318,679	8.71%
6	Chile Fondo de Inversión Small Cap	131,555,875	3.17%
7	Siglo XXI Fondo de Inversión	130,000,000	3.13%
8	Inversiones Cifco Ltda.	94,781,263	2.28%
9	Fondo de Inversión Santander Small Cap	38,233,940	0.92%
10	Banco de Chile por cuenta de Terceros CA	53,557,417	1.29%
11	BCI Small Cap Chile Fondo de Inversión	51,018,644	1.23%
12	Larraín Vial S.A. Corredora de Bolsa	32,811,630	0.79%
Subtotal		3,951,386,649	95.20%
Other shareholders		199,285,351	4.80%
Total		4,150,672,000	100.00%

4.7 

Ownership structure



Note: Consider direct and indirect participations



4.8 

Agreements and contracts

with subsidiaries or associates

No agreements or contracts have been signed with subsidiaries or associates that have significantly impacted the operations and results of Compañía Pesquera Camanchaca S.A.

The Company does not have any investments representing over 20% of the investee's total assets in entities that are not considered subsidiaries or associates.



4.9

Subsidiaries

As of December 31, 2019

Taxpayer ID	Company name	Participation percentage (%)		
		Direct	Indirect	Total
76,065,596-1	Salmones Camanchaca S.A.	70.00	0.00	70.00
77,970,900-0	Transportes Interpolar LTDA.	99.00	1.00	100.00
79,676,190-3	Aéreo Interpolar LTDA.	99.00	1.00	100.00
76,125,633-5	Camanchaca SpA	100.00	0.00	100.00
96,633,150-K	Camanchaca Cultivos Sur S.A.	93.05	6.95	100.00
96,540,710-3	Fiordo Blanco S.A.	0.00	70.00	70.00
76,143,821-2	Camanchaca Pesca Sur S.A.	70.00	0.00	70.00
96,786,700-4	Inmobiliaria Camanchaca S.A.	3.06	96.94	100.00
0-E	Camanchaca INC.	0.05	99.95	100.00
0-E	Kabushiki Kaisha Camanchaca	0.50	99.50	100.00
96,969,520-0	Cannex S.A.	0.00	100.00	100.00
76,989,215-K	Fiordo Azul S.A.	0.00	70.00	70.00

As of December 31, 2018

Taxpayer ID	Company name	Participation percentage (%)		
		Direct	Indirect	Total
76,065,596-1	Salmones Camanchaca S.A.	70.00	0.00	70.00
77,970,900-0	Transportes Interpolar LTDA.	99.00	1.00	100.00
79,676,190-3	Aéreo Interpolar LTDA.	99.00	1.00	100.00
76,125,633-5	Camanchaca SpA	100.00	0.00	100.00
96,633,150-K	Camanchaca Cultivos Sur S.A.	93.05	6.95	100.00
96,540,710-3	Fiordo Blanco S.A.	0.00	70.00	70.00
76,143,821-2	Camanchaca Pesca Sur S.A.	70.00	0.00	70.00
96,786,700-4	Inmobiliaria Camanchaca S.A.	3.06	96.94	100.00
0-E	Camanchaca INC.	0.05	99.95	100.00
0-E	Kabushiki Kaisha Camanchaca	0.50	99.50	100.00
96,969,520-0	Cannex S.A.	0.00	70.30	70.30

Percentage that the investment in each company represents of the Company's total individual assets as of December 31

Taxpayer ID	Company name	2018	2019
76,065,596-1	Salmones Camanchaca S.A.	29.65%	30.62%
77,970,900-0	Transportes Interpolar LTDA.	0.34%	0.34%
79,676,190-3	Aéreo Interpolar LTDA.	0.25%	0.25%
76,125,633-5	Camanchaca SpA	6.04%	5.99%
96,633,150-K	Camanchaca Cultivos Sur S.A.	2.06%	1.99%
96,540,710-3	Fiordo Blanco S.A.	6.17%	5.36%
76,143,821-2	Camanchaca Pesca Sur S.A.	30.14%	27.91%
96,786,700-4	Inmobiliaria Camanchaca S.A.	0.04%	0.04%
0-E	Camanchaca INC.	0.00%	0.00%
0-E	Kabushiki Kaisha Camanchaca	0.00%	0.00%
96,969,520-0	Cannex S.A.	0.09%	0.08%
76,989,215-k	Fiordo Azul S.A.		0.00%



CORPORATE NAME AND TYPE OF ENTITY:

SALMONES CAMANCHACA S.A.

SUBSCRIBED AND PAID-IN CAPITAL:

USD 91,786,390

CORPORATE PURPOSE:

a) Aquaculture activity in general, especially the rearing, production and cultivation of salmon, trout, other salmonids and all other species, beings or organisms that have in the water their normal or more frequent means of life, including the research and development of salmonid genetics; and the industrialization, fishing, processing, cooling, frozen, dried, packed, packaging, transport and marketing of products, by-products and derivatives of aquaculture activity, all on their own account and also by providing services to third parties in the newly indicated activities; and (b) Research and development, production and manufacture of inputs, machinery, elements and materials for aquaculture activity, all for the industry itself and for marketing to third parties.

GENERAL INFORMATION:

The company was formed from a division of Camanchaca as a privately held corporation, and incorporated on June 26, 2009, before Santiago notary public Félix Jara Cadoton. It was registered with the Santiago Commerce Registry on page 33,897 No. 23,131 in 2009.

BUSINESS RELATIONS:

No business relations with the parent company.

CHAIRMAN:

Jorge Fernández García

BOARD OF DIRECTORS:

Jorge Fernández García, Francisco Cifuentes Correa, Rodrigo Gonzalo Errázuriz Ruiz-Tagle, Ricardo García Holtz, Felipe Sandoval Precht, Tore Valderhaug and Joaquín Villarino Herrera

CHIEF EXECUTIVE OFFICER:

Manuel Arriagada Ossa

CORPORATE NAME AND TYPE OF ENTITY:

CAMANCHACA PESCA SUR S.A.

SUBSCRIBED AND PAID-IN CAPITAL:

USD 180,192,217

CORPORATE PURPOSE:

Fishing activity in general, including research-related fishing and, particularly, capturing, catching, collecting and harvesting hydro-biological resources; engaging in aquaculture of all species, including all living marine organisms and algae; conserving, freezing, and applying preservation techniques to hydro-biological species; creating products originating from any hydro-biological species through partial or complete processing of Company catches or third-party catches obtained during the extraction or harvesting phases; building, maintaining, repairing, operating, and leasing ships suitable for extractive fishing or processing, or other support vessels; and industrializing, creating, selling, distributing and exporting products originating from its activities.

GENERAL INFORMATION:

The company was incorporated on March 17, 2011, before Santiago notary public Félix Jara Cadot. It was registered with the Santiago Commerce Registry on page 15,721 No. 11,916 in 2011.

BUSINESS RELATIONS:

No business relations with the parent company.

CHAIRMAN:

Francisco Cifuentes Correa

BOARD OF DIRECTORS:

Francisco Cifuentes Correa, Juan Ignacio Domínguez Arteaga, Jan Stengel Meierdirks, Frank Stengel Meierdirks and Ricardo García Holtz

BOARD OF DIRECTORS:

Gonzalo Fernández García

CORPORATE NAME AND TYPE OF ENTITY:

CAMANCHACA CULTIVOS SUR S.A.

SUBSCRIBED AND PAID-IN CAPITAL:

USD 19,774,019

CORPORATE PURPOSE:

a) Research, development, production, industrialization and marketing of all types of marine products; b) trade and distribution of these products within or outside the country and the development of activities complementary to such trade and distribution; and, c) the provision of services to third parties in the areas related to the above items.

GENERAL INFORMATION:

The company was incorporated on March 5, 1992, before Santiago notary public Aliro Veloso Muñoz. It was registered with the Santiago Commerce Registry on page 9371 No. 4,672 in 1992.

BUSINESS RELATIONS:

No business relations with the parent company.

CHAIRMAN:

Jorge Fernández García

BOARD OF DIRECTORS:

Jorge Fernández García, Francisco Cifuentes Correa and Ricardo García Holtz.

CHIEF EXECUTIVE OFFICER:

Nicolás Guzmán Covarrubias

CORPORATE NAME AND TYPE OF ENTITY:

CANNEX S.A.

SUBSCRIBED AND PAID-IN CAPITAL:

CLP\$ 1,095,232,083

Subsidiary company of Camanchaca Pesca Sur S.A.

CORPORATE PURPOSE:

Marketing in any form and by any means, on its own or otherwise, of all kinds of canned fish, shellfish and food products, fish products or any other origin; buy, sell, import, export, and transport in any way all kinds of goods related to social rotation; representation of domestic or foreign enterprises; the provision of services and advice in matters related to those indicated.

GENERAL INFORMATION:

The company was incorporated on October 31, 2001, before Santiago notary public Félix Jara Cadot. It was registered with the Santiago Commerce Registry on page 29,112 No. 23.753 in 2001.

BUSINESS RELATIONS:

Distribution and marketing of canned jack mackerel produced by the subsidiary Camanchaca Pesca Sur S.A.

CHAIRMAN:

Francisco Cifuentes Correa

BOARD OF DIRECTORS:

Francisco Cifuentes Correa, Gonzalo Fernández García and Juan Carlos Ferrer Echavarrí.

CHIEF EXECUTIVE OFFICER:

Jorge Bernales Pensa

CORPORATE NAME AND TYPE OF ENTITY:

TRANSPORTES INTERPOLAR LTDA.

SUBSCRIBED AND PAID-IN CAPITAL:

CLP\$ 1,344,000

CORPORATE PURPOSE:

Preparation, distribution and marketing, in any form and by any means, on its own or other means, of all kinds of fish, shellfish and other hydro-biological species, foodstuffs, fish products or any other origin, whether fresh, frozen or canned; develop aquaculture activity in all its forms; buy, sell, import, export and transport in any way all kinds of goods related to social rotation; take representation of domestic or foreign companies; and the provision of services and advice in matters related to those indicated.

GENERAL INFORMATION:

The company was incorporated on July 31, 2003, before Santiago notary public Félix Jara Cadot. It was registered with the Santiago Commerce Registry on page 23,151 No. 17,499 in 2003.

BUSINESS RELATIONS:

No business relations with the parent company. This subsidiary provides logistics and ground transportation services to Salmenes Camanchaca S.A. and Camanchaca Pesca Sur S.A., which are also subsidiaries of the parent company.

MANAGEMENT:

The management and representation of the company and the use of its corporate name are controlled by Compañía Pesquera Camanchaca S.A.

CORPORATE NAME AND TYPE OF ENTITY:

AÉREO INTERPOLAR LTDA.

SUBSCRIBED AND PAID-IN CAPITAL:

USD 6,021

CORPORATE PURPOSE:

a) Transporting all kinds of cargo in Company or third-party trucks
b) Commercial aeronautics both for cargo and passenger services, and providing different types of air services including aerial fish prospecting and any other commercial activity carried out using aircraft, their rental, chartering and other aeronautical contracts, both with Company and third-party aircraft; and aircraft maintenance, all within Chilean territory.

GENERAL INFORMATION:

The company was incorporated on September 9, 1986, before Santiago notary public Andrés Rubio Flores. It was registered with the Santiago Commerce Registry on page 18,301 No. 10,092 in 1986.

BUSINESS RELATIONS:

This subsidiary provides aerial prospecting services for pelagic fishing operations in northern Chile.

MANAGEMENT:

The management of the company and the use of its corporate name are controlled by Compañía Pesquera Camanchaca S.A.

CORPORATE NAME AND TYPE OF ENTITY:

CAMANCHACA SpA.

SUBSCRIBED AND PAID-IN CAPITAL:

USD 28,201,941

CORPORATE PURPOSE:

Making investments, in chattel or real estate, corporate stocks, rights in other companies, bonds, commercial paper and other securities. To achieve its purposes, the Company may enter other existing companies and/or attend the formation of companies or companies of any legal order, entering them as a member.

GENERAL INFORMATION:

The company was incorporated on August 9, 2010, before Santiago notary public Félix Jara Cadot. It was registered with the Santiago Commerce Registry on page 44,163 No. 30,603 in 2010.

BUSINESS RELATIONS:

No business relations with the parent company.

MANAGEMENT:

The management and representation of the Company and the use of its corporate name are controlled by Compañía Pesquera Camanchaca S.A.

CORPORATE NAME AND TYPE OF ENTITY:

INMOBILIARIA CAMANCHACA S.A.

SUBSCRIBED AND PAID-IN CAPITAL:

USD 414,093

CORPORATE PURPOSE:

a) Acquisition of real estate, repair, transformation, refurbishment, reconstruction, restoration, urbanization and subdivision of the real estate that you acquire under any title, being able to build in them all types of buildings, houses, rooms, offices, premises, warehouses and parking lots, in order to use them for leasing, sale to third parties and any other form of alienation and exploitation or use. b) Building management. c) Investment in all kinds of personal, tangible and intangible property, especially rights in companies, stocks, bonds and other securities, manage them and receive their fruits.

GENERAL INFORMATION:

The Company was incorporated by public deed dated March 15, 1996, executed at the Santiago Notary Office of Mr. Félix Jara Cadot, whose extract was registered on page 7,681 No. 6,285, of the Commercial Registry of the Santiago Commerce Registry of the year 1996.

BUSINESS RELATIONS:

Subsidiary that leases to the subsidiary Salmenes Camanchaca S.A. a service building in Tomé and offices in Puerto Montt.

CHAIRMAN:

Jorge Fernández Valdés

BOARD OF DIRECTORS:

Jorge Fernández Valdés, Francisco Cifuentes Correa and Ricardo García Holtz

CHIEF EXECUTIVE OFFICER:

Jorge Fernández García

CORPORATE NAME AND TYPE OF ENTITY:

CAMANCHACA INC.

SUBSCRIBED AND PAID-IN CAPITAL:

USD 4,002,000

CORPORATE PURPOSE:

Distribution and sale of seafood products, including among others salmon, mussels, prawns, abalones and shrimp.

GENERAL INFORMATION:

The Company was incorporated on January 4, 2001, in Miami, Florida, USA.

BUSINESS RELATIONS:

This subsidiary distributes and sells products from the parent company and its subsidiaries Salmones Camanchaca S.A., Camanchaca Pesca Sur S.A. and Camanchaca Cultivos Sur S.A. in the North American market.

CHAIRMAN:

Ricardo García Holtz

BOARD OF DIRECTORS:

Ricardo García Holtz, Jorge Fernández García, César Lago and Daniel Bortnik Ventura

CHIEF EXECUTIVE OFFICER:

César Lago

CORPORATE NAME AND TYPE OF ENTITY:

KABUSHIKI KAISHA CAMANCHACA

SUBSCRIBED AND PAID-IN CAPITAL:

USD 123,320

CORPORATE PURPOSE:

a) Importing, exporting, domestic sales and processing of seafood, agricultural produce and food products. b) Importing, exporting and domestic sales of food processing and packaging machinery as well as their auxiliary equipment. c) Importing, exporting and domestic sale of alcoholic beverages. Any other commercial activities inherent in the preceding objectives.

GENERAL INFORMATION:

Kabushiki Kaisha Camanchaca (Japanese for Camanchaca Limited) was incorporated in Japan, in accordance with Japanese legislation, on May 6, 2005.

BUSINESS RELATIONS:

This subsidiary distributes and sells products from the parent company and its subsidiaries Salmones Camanchaca S.A., Camanchaca Pesca Sur S.A. and Camanchaca Cultivos Sur S.A. in the Japanese market.

CHAIRMAN:

Manuel Jinesta

BOARD OF DIRECTORS:

Manuel Jinesta, Ricardo García Holtz, Jorge Fernández García, Daniel Bortnik Ventura, Gonzalo Fernández García, Nicolás Guzmán Covarrubias and Juan Carlos Ferrer Echavari

CHIEF EXECUTIVE OFFICER:

Manuel Jinesta

CORPORATE NAME AND TYPE OF ENTITY:

FIORDO BLANCO S.A.

SUBSCRIBED AND PAID-IN CAPITAL:

USD 46,115,059

Subsidiary company of Salmones Camanchaca S.A.

CORPORATE PURPOSE:

Farming, breeding, producing, developing, catching and marketing all types of beings and organisms grown entirely or primarily in water, whether sea, lake or river; industrializing, transforming, producing, processing, canning, freezing, dehydrating, packaging and marketing and selling these products in any format; creating and operating hatcheries. The company may enter into all acts and contracts directly or indirectly related to its corporate purpose.

GENERAL INFORMATION:

The company was incorporated by public deed dated September 20, 1988, granted by the Notary of Valparaíso of Ricardo Maure Gallardo, whose extract was registered on pages 59, No. 47, of the Trade Registry of the Conservator of Real State of Los Andes in 1988 and with the Trade Register of the Conservator of Real Estate of Santiago on page 61,647 number 43, 161 of the year 2019.

BUSINESS RELATIONS:

This subsidiary leases concessions and assets related to the salmon farming business to the parent company.

CHAIRMAN:

Francisco Cifuentes Correa

BOARD OF DIRECTORS:

Francisco Cifuentes Correa, Ricardo García Holtz and Jorge Fernández García

CHIEF EXECUTIVE OFFICER:

Manuel Arriagada Ossa

CORPORATE NAME AND TYPE OF ENTITY:

FIORDO AZUL S.A.

SUBSCRIBED AND PAID-IN CAPITAL:

USD 147,591

Subsidiary of Salmones Camanchaca S.A.

CORPORATE PURPOSE:

The activity of aquaculture in general, especially the raising, production and cultivation of salmon, trout, other salmonids and of all other types of species, beings or organisms that have in the water their normal or more frequent way of life, including research and development of salmonid genetics and industrialization, slaughter, processing, chilling, freezing, dehydration, packaging, transportation and logistics of products, by-products and derivatives of aquaculture, all on its account and also providing services to third parties in the activities just mentioned; and Research and development, production and manufacture of inputs, machinery, elements and materials for aquaculture activity.

GENERAL INFORMATION:

The company was incorporated by public deed dated January 31, 2019, granted by the Notary of Santiago of Félix Jara Cadot, whose extract was registered on pages 11,277 No. 6.013, of the Trade Registry of the Conservator of Real Estate of Santiago of the year 2019.

BUSINESS RELATIONS:

This subsidiary leases concessions and assets related to the salmon farming business to the parent company.

CHAIRMAN:

Jorge Fernández García.

BOARD OF DIRECTORS:

Francisco Cifuentes Correa, Ricardo García Holtz and Jorge Fernández García

CHIEF EXECUTIVE OFFICER:

Manuel Arriagada Ossa

4.10

Associates

As of December 31, 2019

Taxpayer ID	Company name	Participation percentage (%)		
		Direct	Indirect	Total
76,346,370-2	Surproceso S.A.	0.00	23.33	23.33
0-E	New World Currents Ltd.	0.00	17.50	17.50
79,845,260-6	Soc. Inmobiliaria Cabilantago Ltd.	46.78	0.00	46.78

As of December 31, 2018

Taxpayer ID	Company name	Participation percentage (%)		
		Direct	Indirect	Total
76,346,370-2	Surproceso S.A.	0.00	23.33	23.33
0-E	New World Currents Ltd.	0.00	17.50	17.50
79,845,260-6	Soc. Inmobiliaria Cabilantago Ltd.	40.00	4.75	44.75

Percentage that the investment in each company represents of the Company's total individual assets as of December 31

Taxpayer ID	Company name	2018	2019
76,346,370-2	Surproceso S.A.	0.75%	0.71%
79,845,260-6	Soc. Inmobiliaria Cabilantago Ltda.	0.00%	0.01%
0-E	New World Currents Inc.	0.0003%	0.0083%

CORPORATE NAME AND TYPE OF ENTITY:

SURPROCESO S.A.

SUBSCRIBED AND PAID-IN CAPITAL:

CLP 600,000,000
Associated company of Salmenes Camanchaca S.A.

CORPORATE PURPOSE:

Providing storage, slaughtering, calibration, grading and processing services for the salmon farming and general fishing industries.

GENERAL INFORMATION:

The company was incorporated on March 17, 2005, before Santiago notary public Arturo Carvajal Escobar. It was registered with the Puerto Montt Commerce Registry on page 177, number 139 in 2005.

BUSINESS RELATIONS:

This associate provides slaughtering and gutting services to the subsidiary Salmenes Camanchaca S.A.

CHAIRMAN:

Adrián Fernández Rosemberg

BOARD OF DIRECTORS:

Adrián Fernández Rosemberg, Ignacio Pérez Benítez, José Luis Chanes Carvajal, Álvaro Contreras Pérez, Jorge Fernández García and Daniel Bortnik Ventura

GERENTE GENERAL:

Guillermo Enrique Vásquez Maldonado

CORPORATE NAME AND TYPE OF ENTITY:

SOCIEDAD INMOBILIARIA CABILANTAGO LIMITADA

SUBSCRIBED AND PAID-IN CAPITAL:

CLP\$ 5,000,000

CORPORATE PURPOSE:

Obtaining income and profit in all types of real estate business and generally any business that directly or indirectly relates to the aforementioned.

GENERAL INFORMATION:

The company was incorporated on September 5, 1988, before Concepción notary public Jorge Cristoph Stange. It was registered on page 148 No. 130 of the Talcahuano Commerce Registry for the year 1988.

BUSINESS RELATIONS:

No business relations with the associate. Sociedad Inmobiliaria Cabilantago Limitada is owner of property on Rocuant Island, district of Talcahuano, which is partially used by the subsidiary, Camanchaca Pesca Sur S.A. and Transportes Interpolar Ltda. for fishing and storage activities.

CHAIRMAN:

Jan Stengel Meierdirks

BOARD OF DIRECTORS:

Jan Stengel Meierdirks, Gonzalo Fernández García, Marcel Mauricio Moenne Muñoz, Renato Maya Gac and Patricio Viguera Aguilera

CHIEF EXECUTIVE OFFICER:

Carlos Manoli Nazar

CORPORATE NAME AND TYPE OF ENTITY:

NEW WORLD CURRENTS LTD.

SUBSCRIBED AND PAID-IN CAPITAL:

HKD\$ 10,000
Associated company of Salmenes Camanchaca S.A.

CORPORATE PURPOSE:

Marketing, selling and distributing Chilean salmon in China and Hong Kong to the subsidiary Salmenes Camanchaca S.A.

GENERAL INFORMATION:

The company was incorporated on April 10, 2014, in Hong Kong, in accordance with Hong Kong law and registered in the Companies Registry of the Hong Kong Special Administrative Region of the People's Republic of China.

BUSINESS RELATIONS:

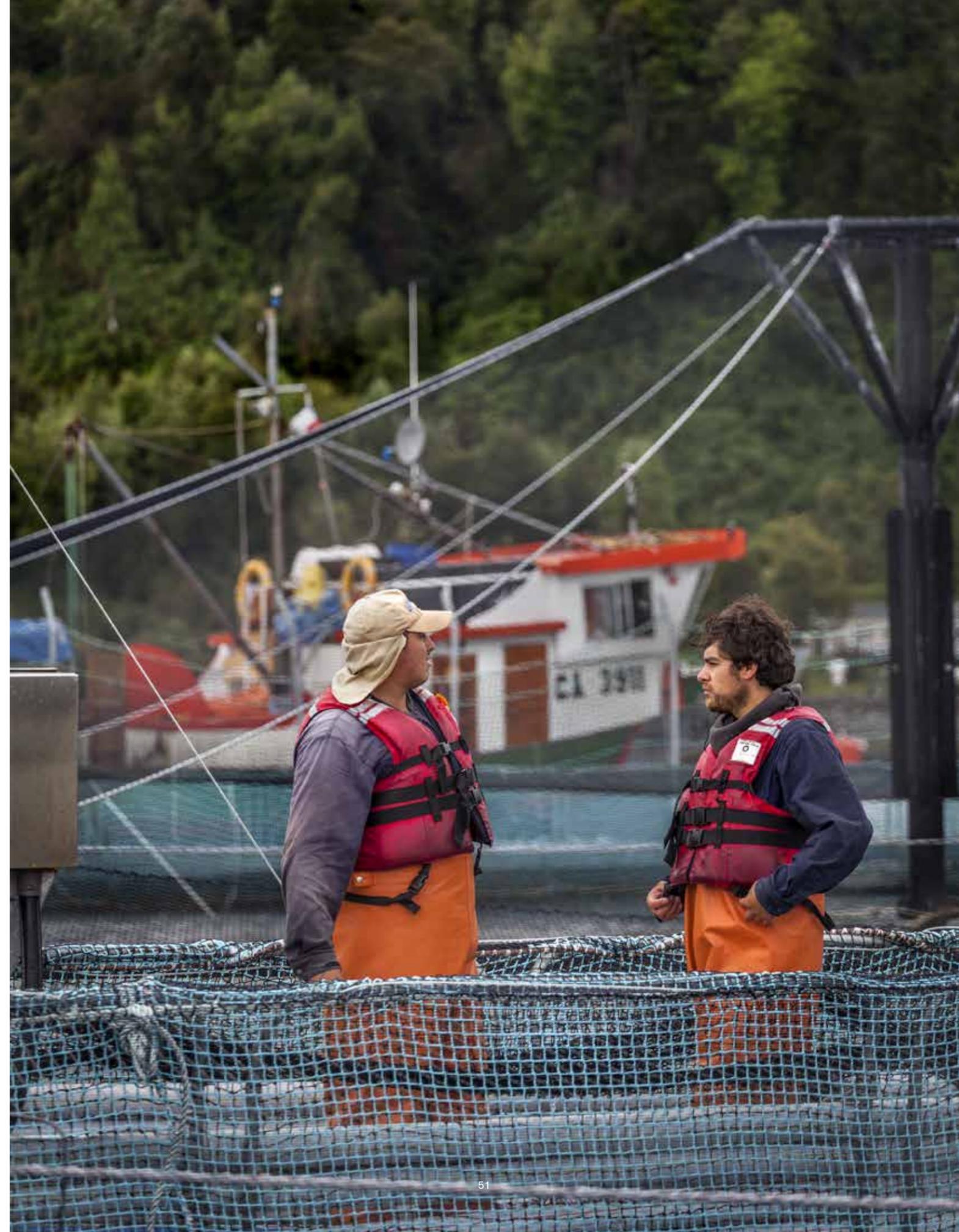
Sells of salmon in the Chinese and Hong Kong markets for Salmenes Camanchaca S.A.

BOARD OF DIRECTORS:

Titulares: Juan Carlos Ferrer Echavarri, Derek Khon Bruggeman, Daniel Montoya Stehr, Luis Vicente Swinburn Joannon

CHIEF EXECUTIVE OFFICER:

Eduardo Goycoolea Moreno



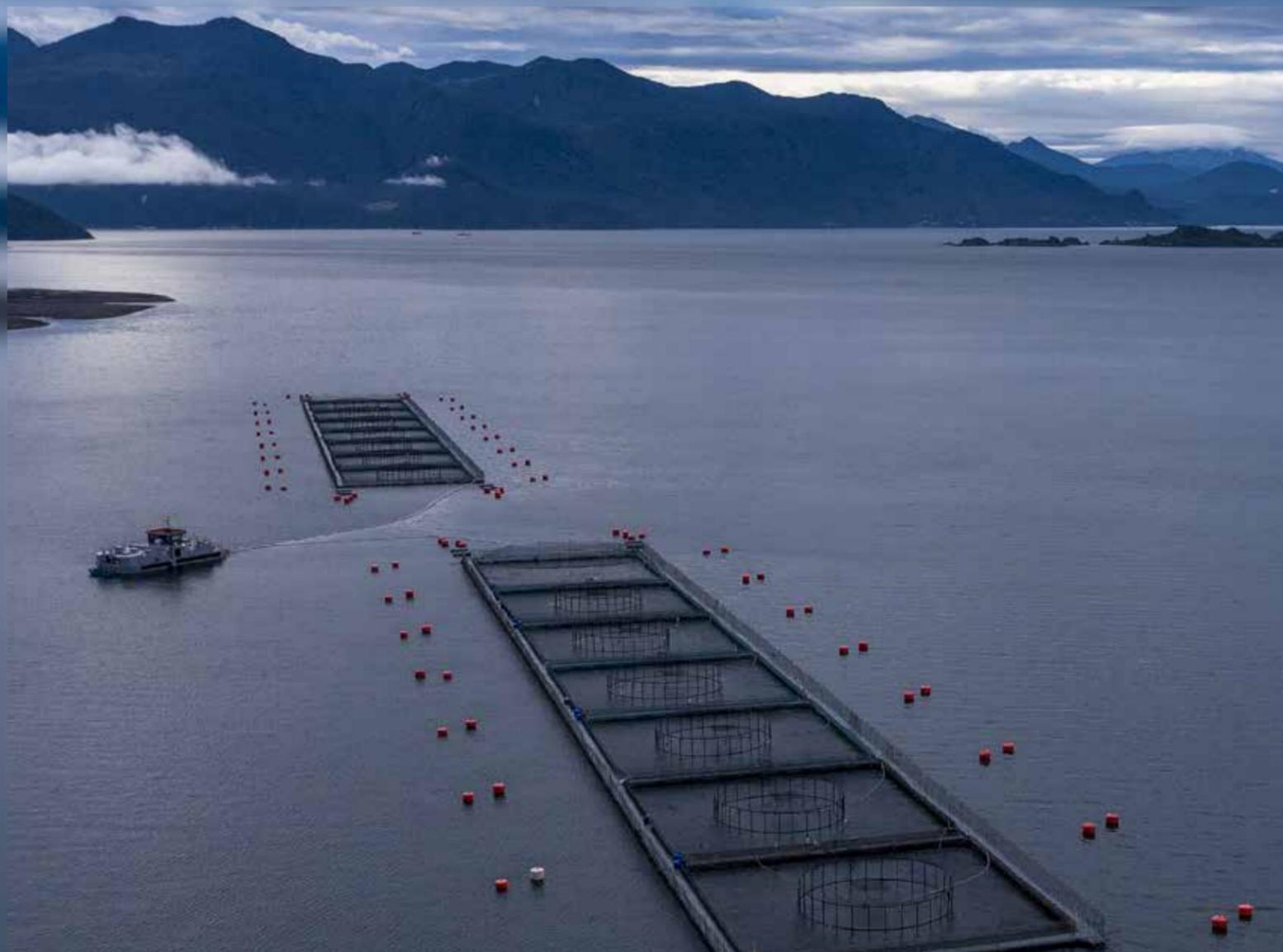
4.11 

Board members and executives

with positions at subsidiaries or associates

Name	Subsidiary / Associate	Position in the subsidiary / Associate
Jorge Fernández García	Salmones Camanchaca S.A.	Chairman
	Fiordo Blanco S.A.	Director
	Fiordo Azul S.A.	Chairman
	Surproceso S.A.	Director
	Camanchaca Pesca Sur S.A.	Director
	Camanchaca Cultivos Sur S.A.	Chairman
	Camanchaca Inc.	Director
	Kabushiki Kaisha Camanchaca	Director
	Inmobiliaria Camanchaca S.A.	CEO
Francisco Cifuentes Correa	Salmones Camanchaca S.A.	Director
	Camanchaca Cultivos Sur S.A.	Director
	Fiordo Blanco S.A.	Chairman
	Fiordo Azul S.A.	Director
	Camanchaca Pesca Sur S.A.	Chairman
	Inmobiliaria Camanchaca S.A.	Director
	Cannex S.A.	Chairman
Jan Stengel Meierdirks	Camanchaca Pesca Sur S.A.	Vice-Chairman
	Sociedad Inmobiliaria Cabilantago Ltda.	Chairman
Juan Ignacio Domínguez Arteaga	Camanchaca Pesca Sur S.A.	Director
Ricardo García Holtz	Salmones Camanchaca S.A.	Vice-Chairman
	Camanchaca Pesca Sur S.A.	Director
	Camanchaca Cultivos Sur S.A.	Director
	Fiordo Blanco S.A.	Director
	Fiordo Azul S.A.	Director
	Camanchaca Inc.	Chairman
	Inmobiliaria Camanchaca S.A.	Director
	Kabushiki Kaisha Camanchaca	Director

Nombre	Filial / Coligada	Cargo que ocupa en la Filial / Coligada
Manuel Arriagada Ossa	Salmones Camanchaca S.A.	CEO
	Fiordo Blanco S.A.	CEO
	Fiordo Azul S.A.	CEO
Gonzalo Fernández García	Camanchaca Pesca Sur S.A.	CEO
	Cannex S.A.	Director
	Kabushiki Kaisha Camanchaca	Director
	Sociedad Inmobiliaria Cabilantago Ltda.	Director
Nicolás Guzmán Covarrubias	Camanchaca Cultivos Sur S.A.	CEO
	Kabushiki Kaisha Camanchaca	Director
Juan Carlos Ferrer Echavarrí	Kabushiki Kaisha Camanchaca	Director
	Cannex S.A.	Director
	New World Currents Ltda.	Director
Daniel Bortnik Ventura	Camanchaca Inc.	Director
	Kabushiki Kaisha Camanchaca	Director
	Surproceso S.A.	Director



— 05 —

Board of Directors and Management



Pilpilehue seawater site, Chiloé
-42.480099, -73.759945

5.1 

Board of Directors



01
JORGE FERNÁNDEZ GARCÍA
 CHAIRMAN
 Economist and Business Administrator, Universidad de Chile
 Date of most recent re-election 26/04/2018
 Chilean ID: 6.377.734-K

02
FRANCISCO CIFUENTES CORREA
 VICE CHAIRMAN
 Lawyer, Pontificia Universidad Católica de Chile
 Date of most recent re-election 26/04/2018
 Chilean ID: 4.333.851-K

03
JAN STENGEL MEIERDIRKS
 DIRECTOR
 Mechanical engineer, Universidad Técnica del Estado, Chile
 Date of most recent re-election 26/04/2018
 Chilean ID: 6.260.446-8

04
MARÍA VERÓNICA MORALES MENA*
 INDEPENDENT DIRECTOR
 Economist and Business Administrator,
 Pontificia Universidad Católica de Chile
 Date of most recent re-election 26/04/2018
 Chilean ID: 6.980.834-4

05
JUAN IGNACIO DOMÍNGUEZ ARTEAGA
 DIRECTOR
 Economist and Business Administrator, Universidad de Chile
 Date of most recent re-election 26/04/2018
 Chilean ID: 6.615.791-1

06
LUIS HERNÁN PAUL FRESNO*
 DIRECTOR
 Civil engineer, Pontificia Universidad Católica de Chile
 MBA, Massachusetts Institute of Technology, Estados Unidos
 Date of most recent re-election 26/04/2018
 Chilean ID: 7.289.965-2

07
CLAUDIO INGLESINI NIETO*
 INDEPENDENT DIRECTOR
 Industrial engineer, Pontificia Universidad Católica de Chile
 MBA, University of California, Estados Unidos
 Date of most recent re-election 26/04/2018
 Chilean ID: 14.504.615-7

* Members of the Directors Committee

5.2 

Key Executives



01
JUAN CARLOS FERRER ECHAVARRI
 CORPORATE BUSINESS MANAGER
 Industrial Engineer,
 Pontificia Universidad Católica de Chile
 Date appointed 01/23/2012
 Chilean ID: 6.190.572-3



02
DANIEL BORTNIK VENTURA
 CORPORATE CHIEF FINANCIAL OFFICER
 Economist and Business Administrator, Pontificia
 Universidad Católica de Chile
 MBA, Pontificia Universidad Católica de Chile
 Date appointed 08/01/2011
 Chilean ID: 8.036.514-4



03
MARCELO AGUILERA CONTADOR
 CORPORATE AUDIT, INTERNAL CONTROL AND FRAUD
 PREVENTION MANAGER
 Economist and Business Administrator,
 Universidad Gabriela Mistral, Chile
 Date appointed 05/01/2019
 Chilean ID: 13.047.621-K



04
RICARDO GARCÍA HOLTZ
 CHIEF EXECUTIVE OFFICER
 Economist and Business Administrator, Pontificia
 Universidad Católica de Chile
 Master's in Economics, Pontificia Universidad Católica de Chile
 Master's in Economics, University of California, United States
 Date appointed 11/04/2011
 Chilean ID: 6.999.716-3



05
MANUEL ARRIAGADA OSSA
 SALMON DIVISION DIRECTOR
 Industrial Engineer,
 Pontificia Universidad Católica de Chile
 Stanford Executive Management Program
 Date appointed 04/11/2018
 Chilean ID: 12.149.818-9



06
GONZALO FERNÁNDEZ GARCÍA
 FISHING DIVISION DIRECTOR
 Date appointed 01/04/2004
 Chilean ID: 13.441.707-2



08
RAFAEL LE-BERT RAMÍREZ
 CORPORATE LEGAL COUNSEL
 Lawyer, Universidad de Chile
 LL.M. Université de Franche-Comté, France
 Date appointed 03/01/2013
 Chilean ID: 13.273.363-5



07
NICOLÁS GUZMÁN COVARRUBIAS
 MUSSEL DIVISION DIRECTOR
 Civil Engineer, Universidad de Chile
 Date appointed 15/05/2003
 Chilean ID: 6.377.761-7



09
PABLO HERNÁNDEZ NEIRA
 CORPORATE HUMAN RESOURCES MANAGER
 Public Administrator, Universidad de Chile Master's in Human
 Resources Management, Universidad
 Adolfo Ibáñez, Chile
 Date appointed 04/01/2013
 Chilean ID: 10.350.784-7

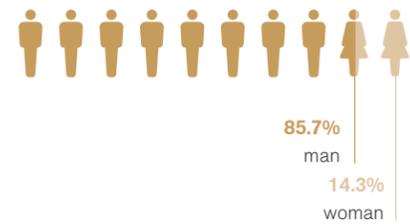
5.3

Board of Directors' diversity

Board of Director's distribution on 31st december 2019 by:

GENDER

Director's : 7



NATIONALITY

	Chilean	Foreign	Total
Man	5	1	6
Woman	1	0	1

AGE

	< 30	30-40	41-50	51-60	61-70	>70	Total
Man	0	0	1	1	2	2	6
Woman	0	0	0	0	1	0	1

YEARS OF SERVICE

	< 3	3-6	6-9	9-12	>12	Total
Man	2	0	0	4	0	6
Woman	1	0	0	0	0	1

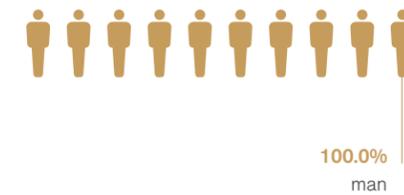
5.4

Executives' diversity

Board of Director's distribution on 31st december 2019 by:

GENDER

Director's : 9



NATIONALITY

	Chilean	Foreign	Total
Man	9	0	9
Woman	0	0	0

AGE

	< 30	30-40	41-50	51-60	61-70	>70	Total
Man	0	0	5	4	0	0	9
Woman	0	0	0	0	0	0	0

YEARS OF SERVICE

	< 3	3-6	6-9	9-12	>12	Total
Man	1	1	3	4	0	9
Woman	0	0	0	0	0	0



5.5

Organization's diversity

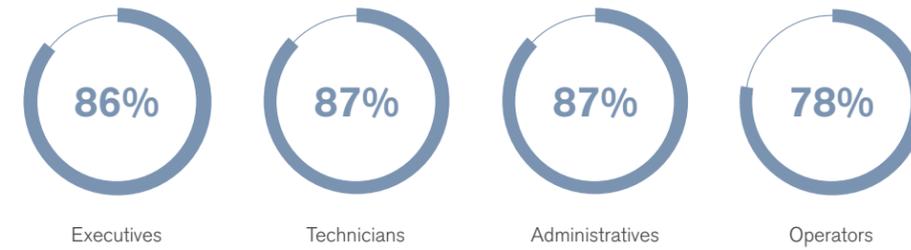
Organization distribution on 31st december 2019 by:

KEY EXECUTIVES

	Workers	Technicians	Executives	Total
Compañía Pesquera Camanchaca S.A.	293	195	13	501
Salmones Camanchaca S.A.	1,492	329	10	1,831
Transportes Interpolar Ltda.	40	12	0	52
Aéreo Interpolar Ltda.	0	7	0	7
Camanchaca Cultivos Sur S. A.	321	53	2	376
Camanchaca Pesca Sur S.A.	870	156	2	1,028
Camanchaca SpA.	0	24	2	26
Camanchaca Inc.	0	19	2	21
Camanchaca Japón	0	5	0	5
Consolidated	3,016	776	29	3,821

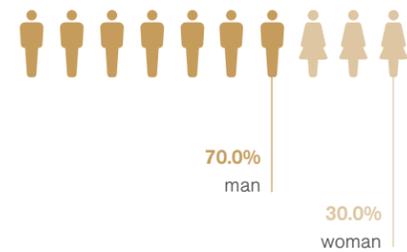
SALARY GAP

Type of position, responsibility and role played



GENDER

Total: 3,821



NATIONALITY

	Chilean	Foreign	Total
Man	2,588	90	2,678
Woman	1,103	40	1,143

AGE

	< 30	30-40	41-50	51-60	61-70	>70	Total
Man	621	719	552	587	184	15	2,678
Woman	283	335	297	188	39	1	1,143

YEARS OF SERVICE

	< 3	3-6	6-9	9-12	>12	Total
Man	1,539	287	362	153	337	2,678
Woman	865	81	138	20	39	1,143



5.6 

Board of Directors' remuneration

All remuneration is expressed in Unidades de Fomento (UF)

Board of Directors Compañía Pesquera Camanchaca S.A.

Director	2018	2019
Jorge Fernández García	2,400	3,600
Francisco Cifuentes Correa	2,160	2,160
Jan Stengel Meierdirks	1,440	1,440
Juan Ignacio Domínguez Arteaga	1,440	1,440
Luis Hernán Paul Fresno	1,440	1,440
Claudio Inglesi Nieto	1,440	1,440
María Verónica Morales Mena	960	1,440
Joaquín Cortez Huerta	240	0

Directors Committee Compañía Pesquera Camanchaca S.A.

Director	2018	2019
María Verónica Morales Mena	320	480
Claudio Inglesi Nieto	480	480
Luis Hernán Paul Fresno	480	480
Joaquín Cortez Huerta	80	0

Board of Directors Camanchaca Pesca Sur S.A.

Director	2018	2019
Francisco Cifuentes Correa	1,440	1,440
Jan Stengel Meierdirks	1,080	1,080
Frank Stengel Meierdirks	720	720
Juan Ignacio Domínguez Arteaga	720	720
Jorge Fernández García	240	720
Ricardo García Holtz	480	0

Board of Directors Salmones Camanchaca S.A.

Director	2018	2019
Jorge Fernández García	2,280	2,700
Francisco Cifuentes Correa	960	1,080
Ricardo García Holtz	960	1,080
Felipe Sandoval Precht	960	1,080
Tore Valderhaug	960	1,080
Joaquín Villarino Herrera	0	720
Rodrigo Errázuriz Ruiz-Tagle	0	720

Directors Committee Salmones Camanchaca S.A.

Director	2018	2019
Joaquín Villarino Herrera	0	320
Rodrigo Errázuriz Ruiz-Tagle	0	320
Tore Valderhaug*	0	320

*Tore Valderhaug received additional 160 UF for services related to investor relations abroad.

Board of Directors Camanchaca Cultivos Sur S.A.

Director	2018	2019
Jorge Fernández García	240	360
Francisco Cifuentes Correa	240	360

5.7 

Executive remunerations

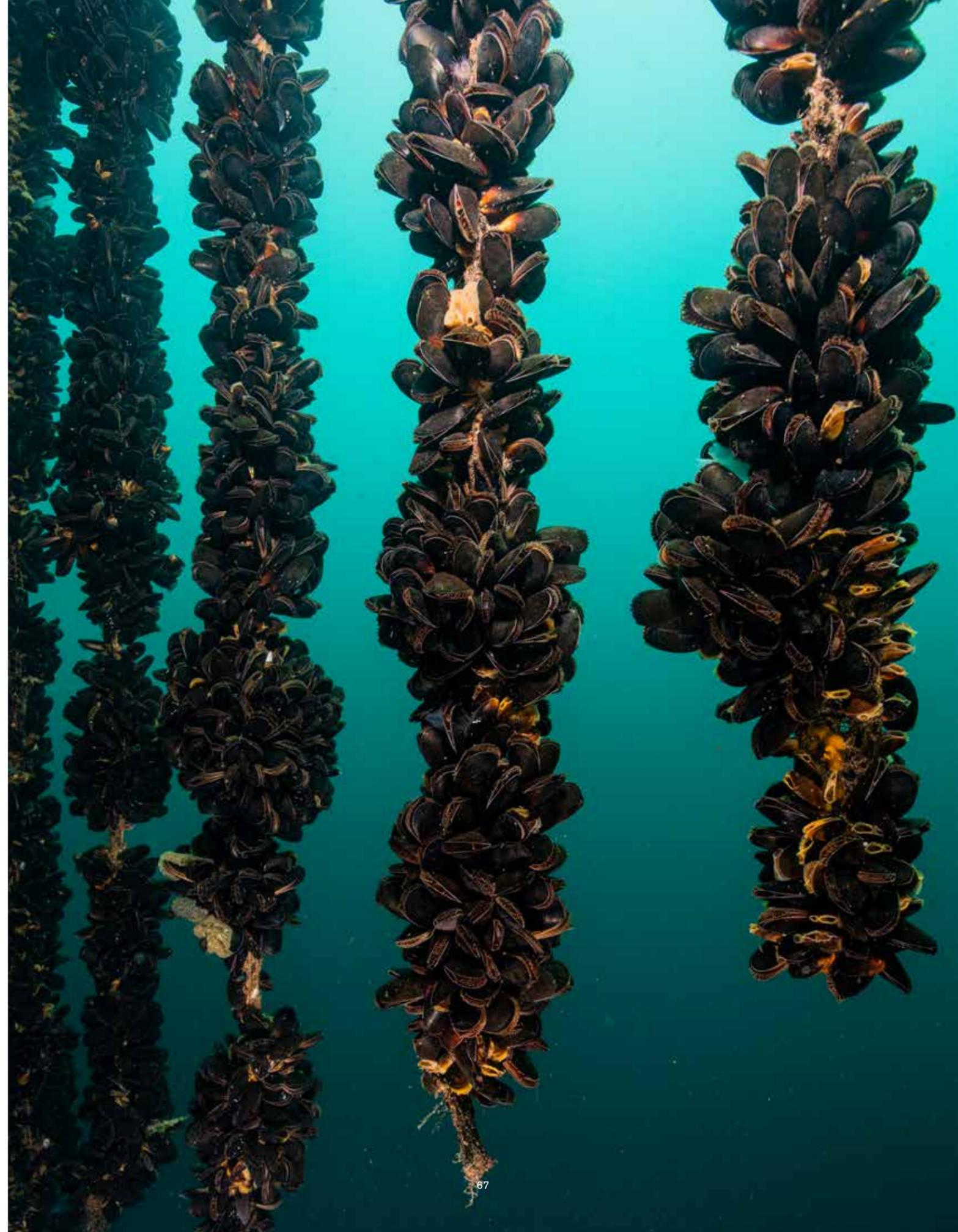
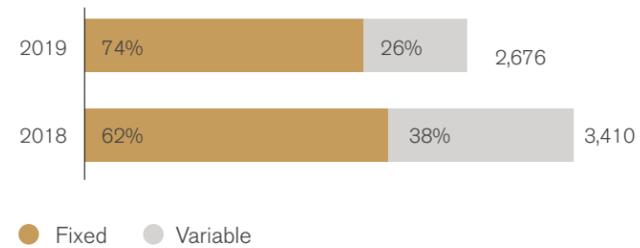
The total compensation received by the managers and key executives during the year 2019 reached the sum of USD 2,676 thousand, which considered fixed and variable components. The latter consists of a performance determined non-guaranteed variable annual bonus, subject to the evaluation of the achievement with the agreed upon objectives and the performance expected and/or established by the relevant supervisor.

COMPENSATION PLANS AND BENEFITS OF TOP EXECUTIVES

The Company has in place compensation and benefits plans for its key executives founded in the compliance with individual goals, such as the financial and operating results. Such plans have as their purpose to enhance conditions that add value and mobilize the energy, creativity and collaboration of our executives, attract new talents to the Company; retain the existing talents; and develop the professional and personal aspects of our employees.

In addition to the bonuses based on results incorporated in the amount indicated in the first paragraph as part of the annual compensation, Compañía Pesquera Camanchaca offers other benefits, among which there is a complementary health insurance, life insurance and catastrophic insurance, that during the year 2019 reached a total of USD 21 thousand.

Total perceived by managers and key executives (In thousand USD)



5.8 

Directors' Committee annual report

THE COMMITTEE WAS APPOINTED

The members of the Directors' Committee (the "Committee") were appointed at the Board meeting held on April 26, 2018, pursuant to the provisions of Article 50 bis, paragraph 1, of Law 18,046 and the instructions on the matter given by the Financial Market Commission in Circular Bulletin 560 dated December 22, 2009. Mr. Claudio Inglesi Nieto and Ms. María Verónica Morales Mena were elected as independent directors, and Mr. Luis Hernán Paúl Fresno was unanimously elected.

CHAIRMAN

Mr. Claudio Inglesi Nieto was elected Chairman of the Committee at the Committee meeting held on May 29, 2018.

THE COMMITTEE'S DUTIES DURING THE PERIOD FROM MAY 28, 2019 TO MARCH 31, 2020

The duties performed during this period by the Committee were as follows, in accordance with the duties established in Article 50 bis of Law 18,046 on Corporations.

1. Review the external auditor's reports and the financial statements submitted by Management, then provide their opinion on these documents prior to shareholder approval. This matter was discussed in meetings held on May 28, 2019, August 28, 2019, November 26, 2019 and March 18, 2020. The Committee introduced comments to the Quarterly Earnings Report during each review.

2. Propose the external auditors to the Board, which will be submitted to the respective Shareholders Meeting. This matter was dealt with in the meeting held on March 10, 2020. Proposals were received from two firms, and their merits were consequently analyzed according to the parameters of price, budgeted hours, knowledge of the Company, knowledge of the industry, and sanctions during the last five years. Accordingly, the Directors' Committee suggested keeping the external auditors appointed in 2019, who were EY Audit SpA.
3. Review the related party transactions defined in Chapter XVI of Corporations Law and prepare a report on these transactions. A meeting held on December 17, 2019 exhaustively reviewed the information regarding the acquisition by the subsidiary Camanchaca Pesca Sur S.A. of rights held by Inmobiliaria Cabilantago over metallic structures and rights over a maritime concession to install warehouses, fishing yards and other facilities for the fishing industry. The Committee requested additional information, then issued its report to the Board of Directors.

At meetings held on September 24, 2019 and October 28, 2019 the Committee reviewed related party transactions described in the final clause of Article 147 of Law 18,046 and continuous contracts with subsidiary and associate companies. It verified that these transactions took place under market terms and conditions, with the sole purpose of contributing to the company's interests. The Committee reviewed all related party transactions, including those for insignificant amounts. These transactions were with subsidiaries where the Company indirectly owns all the share capital and transactions covered by the Company's Customary Transactions Policy published as a Material Event on April 26, 2013. The Committee suggested that this policy be reviewed, in order to assess whether it should be updated in 2020.

4. Review the remuneration rates and plans for Company managers, senior executives and other employees. This was discussed at the meeting held on January 21, 2020. The review of remuneration plans included verifying that variable remuneration was correctly aligned with the Company's objectives, and that these plans do not drive behavior that is detrimental to the Company's interests.
5. Prepare an annual management report with its main recommendations for shareholders. This was discussed at the meeting held on March 10, 2020. However, the Committee had no particular recommendations for shareholders.
6. Recommend to the Board whether hiring the external auditors to provide complementary services is appropriate, when these services are not prohibited by Article 242 of Law 18,045, and might lead to the risk of loss of independence. At a meeting held on August 28, 2019, the Committee reviewed whether hiring EY Audit SpA to provide services other than the external audit was appropriate, where these were Digital Transformation consultancy services.

The Committee recommended this contract to the Board of Directors, as it was the most cost-effective option and it believed that there was no risk that these services would result in EY losing its independence as external auditor.

7. Perform the other tasks indicated in the bylaws, or entrusted to it by a general shareholders' meeting or by the Board, as appropriate. At a meeting held on July 26, 2011 the Board delegated monitoring the in-

ternal audit plan to the Directors' Committee. At meetings held on June 24, 2019, July 30, 2019, October 28, 2019, and December 17, 2019, the Committee reviewed how the internal audit plan was progressing.

The Directors' Committee also performed the following. At a meeting held on January 21, 2020, the Committee performed a self-assessment.

BUDGET AND EXPENSES

The Directors' Committee has an annual operating budget of UF 1,500, which was approved by the shareholder's Annual General Meeting on April 26, 2019. The Directors' Committee did not incur any expenses during 2019.



— 06 —

Our Business and Industry



Petrohué, Los Lagos Region
-41.140459, -72.404236

6.1 

Salmon aquaculture

"Salmones Camanchaca has taken full advantage of its market and product diversification strategy, improving its sales position and profitability in countries where Camanchaca has its own offices"

2019 was characterized by constant changes in market assignments and the product portfolio of Salmones Camanchaca.

During the year, its largest harvest volume of 58,033 WFE tons of salmonids was achieved, an increase of 19.7% over 2018 and in line with the Company's growth plan.

The Atlantic salmon harvest volume was 53,731 WFE tons, 10.8% more than in 2018. This represented 7.8% of the Chilean production and 2.1% of global production. Salmones Camanchaca also achieved its first production of Pacific salmon in 2019, when the harvest volume was 4,302 WFE tons.

The international market was affected by external factors that impacted international prices. Consequently, supplies to the United States and Asian markets increased during the second half of the year, which affected prices in both markets. During the same period, the Company began to increase its harvest volumes compared to previous quarters.

Accordingly, Salmones Camanchaca benefited from its market and product diversification strategy, and improved its sales and profitability in countries where Camanchaca has its own offices. However, in markets with greater pressure, the Company's market share decreased.

Salmones Camanchaca sells products in all the traditional markets, but the North American market continues to be the most important due to its

size and growth opportunities, due to the low per capita consumption of salmon there. China is now becoming a significant market for the industry, as it has great growth potential, due to the increased purchasing power of its middle class.

OUR SALMON PRODUCTION CHAIN

Salmones Camanchaca has integrated its Atlantic salmon production throughout the entire chain, including its genetic enhancement program that gives it a competitive advantage.

This has shortened the time taken to harvest and increased growth rates. In practice, it has increased average weight by almost 10%; decreased average grow-out times from 16-17 months to 14-15 months; improved the salmon's response to diseases; made significant progress with feeding techniques; introduced innovation to segmented smolt stocking of males and females; and other improvements.

Coho salmon eggs are bought from third parties and farmed in the Rio de la Plata hatchery until they reach around 40 g. Subsequently, they continue to grow at the Playa Maqui site on Lake Llanquihue, until they reach 250 g. They are then transferred to seawater sites for final grow-out until harvest, when they will weigh an estimated 3.5 kg WFE.

1) FRESH WATER PRODUCTION CYCLE

1.1 ATLANTIC SALMON

Polcura Hatchery - Genetic Enhancement Program (GEP) (36 months)



The Genetic Enhancement Program (GEP) operates at the freshwater hatchery facilities in Polcura in the Biobío Region. This program has been operating for almost 20 years and has enabled the company to enhance the distinctive characteristics of its fish, such as their resistance to disease and parasites and their ability to grow faster.

Polcura has been running for almost 70 years, making it one of the oldest hatcheries in Chile. It forms the foundation for the Salmones Camanchaca family tree. Here our teams perform studies and genetically cross families of the Fanad and Lochy strains to obtain the best outcomes based on the strengths and potential of each strain.

Río del Este Hatchery – Breeders (12 months)



Breeders are obtained from the GEP in Polcura, and then transported over land to the Río del Este hatchery in Ralún, Los Lagos Region.

Male and female gametes are obtained from the mouth of the Petrohué River then used in the fertilization process to produce selected eggs.

Production continues throughout the year, and once they reach the eyed egg stage, they are transferred to the recirculation fish farm on the Petrohué River to continue their development.

Petrohué River Hatchery (6-7 months)



This recirculating or closed flow fish farm is a flagship facility for the company, as it was a world-wide pioneer when it introduced this Atlantic salmon farming system.

This site receives the eyed eggs and keeps them at an ideal temperature. After approximately 30 days of incubation, the fry hatch and are fed intensively for 3 to 4 months, until their weight reaches between 5 and 7 grams.

Subsequently, the fry are then transferred to larger "on growing" units (1 & 2) within the hatchery for two to three months, until their weight reaches between 30 to 40 grams, when they are moved to the Smolt Production Unit (SPU) for the final fresh-water stage.

Hatchery Río Petrohué - Smolt Production Unit (SPU) (4-5 months)

The final fresh-water stage takes place in the SPU until the fish weigh over 130 grams, according to the production schedule.

The tanks in each of the Company's five SPU are adapted to farm larger fish and optimize the most critical process that fish undergo in fresh water, which is acclimatizing to seawater. This process is called "smoltification". About 80 people work in Petrohué's facilities, and 75% are inhabitants of the Ensenada and Ralún communities, which neighbor this facility.

1.2 OTHER SPECIES

Río de la Plata (8-9 months)

This hatchery is located in Purranque in the Los Lagos Region. It manages initial farming through to the fry stage for Trout and Coho salmon, when they are transferred to the farming site at the lake center at Playa Maqui.



Currently, this site produces Coho salmon, where they are farmed until they reach their target weight.

Sixteen people work at this site, and 80% live in the Purranque community.

Playa Maqui-Frutillar (6-7 months)

The Company has a smoltification site on Lake Llanquihue, in addition to the SPU at Petrohué. Trout and Coho salmon are farmed at this site. It is entirely dedicated to Coho salmon production at the moment and supplies 1.4 million smolts to four company owned sites, which enables the Company to develop this business.

Twenty people work at this site, and 90% live in the Frutillar community.

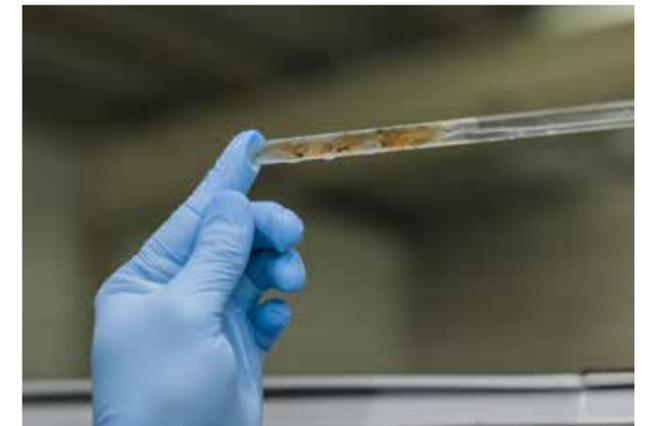


Research and Development Department

The Company's R&D department began with the Genetic Enhancement Program (GEP), and formally became a department in 2017. It implements projects related to production and sanitary improvements, and the respective tests take place at the Company's productive sites. It has implemented sixteen projects since it began and nine have been completed, while seven are still on-going.

Salmones Camanchaca worked on six production projects in 2019. These are: productive evaluation of monosex Lochy cages, productive evaluation of Lochy cages planted out of season, productive evaluation in population and genomic selection of fish selected for resistance to Salmonid Rickettsial Septicemia (SRS), productive evaluation of the Lochy strain out of season, and evaluation of Formalin versus Bronopol on fry from cooled Lochy eggs.

Meanwhile, the Company worked on four sanitary projects: evaluation of vertical transmission of Piscine Orthoreovirus (PRV) in Genetic Enhancement Program (GEP) families, the effects on the Lochy egg of Formalin versus Bronopol, and an evaluation of Futerpenol and Caligus genomics.



2) SEA GROW-OUT PRODUCTION CYCLE

Grow-out in Los Lagos and Aysén Regions (12 to 18 months for Atlantic salmon and 7 to 10 months for Coho salmon)

After the freshwater stage, smolts are transferred to seawater sites to continue growing until they reach the target harvest size for each site.

They are transferred in trucks, which have special conditions to ensure they arrive in optimal condition. They are then transferred to specially designed boats with the appropriate conditions to avoid damaging the fish and stock them at the Company's seawater sites.

During 2019, 10.6 million Atlantic salmon smolts were stocked into four sites in the Los Lagos Region and six sites in the Aysén Region. 1.4 million Coho salmon smolts were stocked into four sites in the Los Lagos Region.

The production schedule determines when stocking takes place, which considers the particular strain, the growing period, maturity, environmental health risks, fallow periods, plant processing capacity, market seasonality, etc.

The growing period has been decreasing as a result of genetic advances and improvements in feeding techniques, which optimize fish growth and decrease the length of time at sea, which in turn decreases the associated risks and costs.

Sites are equipped with automatic feeding systems, which can be operated remotely. This improves feeding efficiency, reduces the number of days without feed, and improves their growing period. This is particularly important in areas with adverse weather conditions that may close ports for several days and prevent access to the site.

Similarly, camera technology is used to monitor feed consumption and improve physical site security, which is controlled from the central office in Puerto Montt. Additionally, specially designed robots have been widely used for these functions this year, and to extract mortality and wash nets in situ. This has reduced diving time and its associated risks.

When the fish reach the appropriate size, they are transferred by wellboats to the Company's primary processing plants. Fish from farming sites in the Los Lagos Region are processed at the Company's San José plant in Calbuco. While fish from farming sites in the Aysén Region are processed at the Surproceso plant in Quellón, in which the company owns a one third interest.

Salmones Camanchaca has also invested in a joint venture producing trout. It has contributed six aquaculture concessions to the joint venture, which are operated by Caleta Bay, and the company has a one third interest in the joint venture. The joint venture earnings are divided equally into thirds.

3) HARVEST AND PROCESSING

Wellboats

Salmones Camanchaca uses third party boats for its harvesting requirements, and to transport harvest volumes from all the company's sites to the San José plant, or to the plant owned by the subsidiary company Surproceso S.A. Additionally, it has its own fully harvested cycle wellboat which grants it autonomy and flexibility during harvesting and for contingency purposes.

4) PROCESSING PLANTS

The Company has three processing plants:

San José (Calbuco, Los Lagos Region)



The primary slaughtering and evisceration process for fish from Salmones Camanchaca's sites in the Los Lagos Region takes place at these facilities. It has a processing capacity of 85,000 fish per day, which also enables it to process fish from other producers. It can export whole, fresh salmon directly to Brazil, Argentina, China, Japan and other markets, by land or sea. This plant also has a storage facility that gives it the flexibility to simultaneously handle high volumes from several customers.

Surproceso (Quellón, Los Lagos Region)



The Company has a one-third interest in this plant, which processes fish from grow-out sites in the Aysén Region. It has a processing capacity of 140,000 fish per day, so it can provide services to other salmon farms.

Value-Added Plant in Tomé (Bío Bío Region)

Whole, fresh fish is exported directly from the San José plant, while this plant adds value to all other fish. The plant can process up to 240 tons of salmon per day. It can handle various species and numerous formats, which allows the Company to maximize the return on its salmon.

Facilities owned by Camanchaca Pesca Sur S.A., a subsidiary of the Company's parent company, were used in 2019, due to the high demand for processing. This enabled the Company to process approximately 7,000 tons WFE in total during the highest production months.

Fresh products are exported mainly by air, in order to optimize the period from harvest to end consumer, even for distant markets such as China and Southeast Asia.



Offices were opened in 2019 at the airports in Puerto Montt, Temuco and Concepción, in order to optimize deadlines. These cities send products to the United States and other markets.

Frozen products are mostly transported by sea, which secures the cold chain and ensures that customers receive high quality products.

The value-added plant in Tomé employs approximately 1,000 people all year, and in peak season it can reach 1,300. Ninety per cent of these jobs are locally hired, which makes a significant contribution to the financial and social development of the local community.

BAP AND ASC SUSTAINABILITY STANDARDS

Best Aquaculture Practices (BAP)

New facilities at Petrohué's hatchery ensured that Salmenes Camanchaca was awarded the fourth star of the BAP certification. This guarantees to consumers, supermarkets and food service operators that the products marketed by the Company are produced under the best aquaculture practices in the industry.

This fourth star has certified that the Company's entire value chain meets the standards required by this voluntary program, which measures and evaluates environmental and social responsibility, animal welfare, food safety and product traceability.

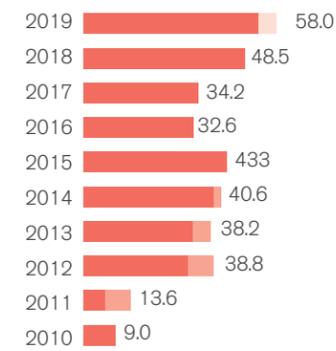
Aquaculture Stewardship Council (ASC)

The Company is committed to complying with ASC standard, which certifies that its business operates in an environmentally sustainable and socially responsible manner.

Almost a third of the Company's production met the guidelines of this demanding international standard for the first time in 2018, which rose to 96% of total production in the fourth quarter of that year.

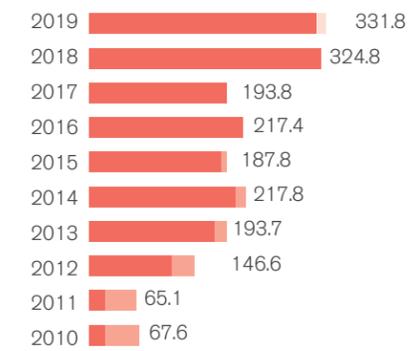
Monterey Bay Aquarium updated the Seafood Watch program standards in 2017, announcing that salmon grown under ASC certification progressed to become a "good choice" as sustainable seafood.

Harvest (Thousands ton WFE)

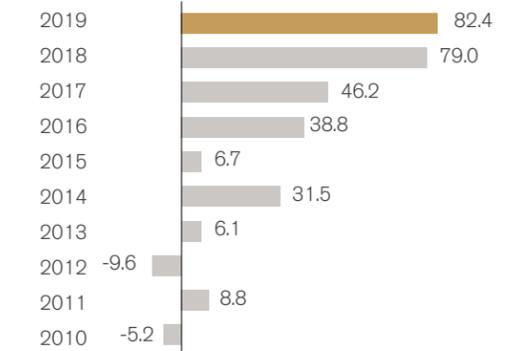


● Atlantic ● Trout ● Coho

Revenues (MMUSD)



EBITDA (MMUSD)



6.2 

Industrial Fishing

"Compañía Pesquera Camanchaca has positioned itself as an important player in Chile's extractive fishing business"



The maritime area owned by Chile covers 2.1 million km², which positions us as a fishing world power and a major producer of marine protein. Compañía Pesquera Camanchaca has positioned itself as an important participant in Chile's extractive fishing business. It covers northern Chile from its base in Iquique and central southern Chile from Coronel.

The principal fishing countries, including Chile, have set catch quotas to ensure the sustainability of marine species and avoid their overexploitation. These quotas have allowed marine resources to recover over recent years. The South Pacific Regional Fisheries Organization (SPRFO) set management and conservation guidelines for jack mackerel, because it is a trans-zonal pelagic. The Chilean jack mackerel fleet achieved certified compliance with the rigorous standard issued by the Marine Stewardship Council (MSC) in 2019. This process verified that industrial fishing of this resource is sustainable and complies with the best global fishing practices throughout Chilean and international waters. MSC international certification had already been received in 2017 for the langostine lobster fishing fleet, which also verified the sustainable extraction of crustaceans without depleting the species while respecting the marine ecosystem.

The General Fisheries and Aquaculture Law has focused on the sustainability of the fishing industry, on promoting an ecosystem approach and on the precautionary principle of preserving fish resources. Furthermore, Scientific and Technical Committees (STC) and Management Committees (MC) were created as a mechanism to manage fishing, which indicates the importance given to establishing participatory mechanisms and protecting fish resources. The authority established a public auction mechanism for fishing licenses, in order to encourage new participants to enter the industry.

NORTHERN INDUSTRIAL FISHING DIVISION ORTE

The latest hydro-acoustic evaluation was performed by the Fisheries Development Institute (IFOP) in August 2018, which estimated that the total anchovy biomass had reached its highest point in 10 years, and had increased by 300% in the Arica and Parinacota, Iquique and Antofagasta regions, though this included a high percentage of juveniles. This affected fishing performance in 2019, due to the number of recruits and their dispersion throughout the water column.

In 2019, 59% of the anchovy LTP class A and LTP class B quota allocated to Camanchaca was captured. This situation was due to various factors, mainly the state of the biomass, which prevented capture of the total quota. Furthermore, closures imposed by the sectoral authority resulted in discontinuous fishing, the anchovy shoals were dispersed in some months, and the oceanographic conditions caused the anchovy to remain close to the coast, which delayed spawning during the second half of the year.

The same oceanographic conditions caused Atlantic and jack mackerel to migrate from Arica to Antofagasta in search of water with greater oxygenation and nutrition, and an important part of their diet is smaller pelagic species such as anchovy. During November and December 2019 these conditions enabled the Company to achieve its highest Atlantic mackerel catch over the last eight years at 15,600 tons, which was 17% of our total catch.

An international analysis of the anchovy resource in the FishSource 2018 General Report indicated that anchovy fishing is correctly mana-

ged and that the adult biomass has reached its sustainable maximum yield, as has the mortality rate due to fishing.

Fishmeal and fish oil prices were lower this year, and capture complications negatively impacted the financial performance of the northern fishing division, leaving its EBITDA at USD -1.7 million.

The second tender for 5% of this resource was held at the end of 2019. The Company achieved a favorable 20.97% share of the industrial fraction, as a result of being awarded 40% of the tonnage.

The Company currently operates out of Iquique port, from a base covering 9,000 m². It has recently signed an extension agreement with Empresa Portuaria Iquique (EPI) through to December 2024. Its base is 38% of the surface it used 6 years ago, as it returned 15,000 m² between 2014 and 2018.

Camanchaca has obtained a "Resolución de Calificación Ambiental" (Environmental Authorization - RCA) in September 2017 and a Maritime Concession in August 2019, so already has the permits required to install and operate a new processing plant in Iquique. The environmental authorization to begin construction is valid until 2022.

The Camanchaca fishing fleet uses 11 vessels based in Iquique, and five of them have refrigerated salt water (RSW) recirculation systems. The fifth vessel using this technology became operational during the last quarter of 2019. Therefore, 45% of fish are caught by vessels carrying this equipment, and this figure should increase to 60% in 2020. Two new vessels with RSW systems are expected in 2021.

Furthermore, the entire fleet has the latest technology for fish detection and capture, air support for fish prospecting, and a modern fish unloading system that preserves the quality of this raw material, improves the yield and the quality of finished products, and mitigates any potential environmental effects.

Training and developing employees is a fundamental Company value. It has an agreement with the technical training center Inacap in Iquique to develop and implement a training program for fishmeal plant operators, with a specially designed curriculum that trains and qualifies employees.

Products

This division produces and sells two main products:

- Fishmeal is used as an ingredient in animal feed, primarily in aquaculture. It has a high protein content, it is highly digestible and contains essential amino acids.
- Fish oil for human consumption is used principally for nutritional and pharmacological purposes, due to its high omega 3 content (EPA, DHA and DPA). This product is sold primarily in Europe and North America



SOUTHERN INDUSTRIAL FISHING DIVISION

The fishing biomasses associated with Camanchaca Pesca Sur have recovered as a result of good fish management in the central-southern area, and jack mackerel, sardine and langostine lobsters are currently being fully exploited. This enabled the subsidiary to catch all of its allocated quotas.

- Atlantic and jack mackerel with 77,978 tons, including quotas for 17,652 tons purchased on the international market.
- Sardine and anchovy with 62,508 tons from both our own fleet and third party artisanal fishermen.
- Langostine lobster with 4,723 tons.

The jack mackerel quota includes international quotas purchased this season from the European Union (EU) and the Russian Federation totaling 17,652 tons, which the Undersecretary of Fisheries and Aquaculture authorized for capture within the central-southern area.

Jack mackerel is a spawning biomass that has been increasing over the last five years, with many recruits and stable biomass growth during 2019. Accordingly, this biomass has adequately recovered and can be fully exploited. The Scientific Committee of the RFO has recommended a 15% increase in the quota for 2020, over the 2019 quota of 591,000 tons.

This year 425,000 tons of jack mackerel were caught in central-southern Chile, which is 70% more than five years ago. This was due to a sustain-

able fishing model that significantly included international quotas totaling 70,000 tons during 2019.

The STC for Demersal Crustaceans established that both red and yellow squat lobsters are being fully exploited, and comply with the forecasts issued during 2018 when the biomass was estimated to be back to normal. The yellow squat lobster biomass at the southern end of the Biobio Region, between the islands of Santa María and Mocha, was evaluated during this season, and 7,500 tons were recognized. This area will be evaluated further to assess whether quotas can be increased in future seasons.

In 2019, Camanchaca received international certification that its canned jack mackerel complies with the Marine Stewardship Council's Chain of Custody Standard (MSCOC), due to its previous jack mackerel fishing certification under the MSC. This important milestone gives greater added value to our products, since the Company can use eco-labelling on its cans, as it has been verified that these fish have been captured in a sustainable manner.

This certification complements those obtained in 2017 for langostine lobsters, when sustainable crustacean extraction was certified as not depleting the species and respecting the marine ecosystem.

The 2019 volume and yield from the sardine and anchovy season was favorable for Camanchaca Pesca Sur, as 63,000 tons were processed, including purchased raw material. Fishmeal yields were 20.9% and fish oil 8.2%, due to the high fat percentage and the size of the fish. The catch in 2020 is expected to be 66,000 tons, and the yields should return to normal, as spawning may take place in the middle of the season.

The Company is implementing a new business plan with a greater focus on frozen jack mackerel. Thus, Environmental Authorization was obtained for a project to expand the frozen food plant in Coronel and focus on modernizing and improving products for human consumption. This project will refocus production on products for human consumption, whereas the fishmeal plant will operate more efficiently and incorporate systems that reduce atmospheric emissions and odors.

The Talcahuano freezing plant was expanded in 2019 as a transitional project, and increased its maximum daily production capacity from 310 to 390 tons. Accordingly, the Company will focus on producing frozen jack mackerel, because it expects to improve its process efficiency by reducing cycle times to 24 hours, achieving greater cargo fluidity, reducing truck loading time, and increasing plant automation by incorporating automatic palletizing equipment. It expects to produce 45,000 tons of jack mackerel per year.

The fishmeal plants in Coronel were unified this year, which will generate greater efficiencies in fishmeal and oil production during the 2020 season. A master investment plan was prepared, which will upgrade the plant's main equipment to achieve greater product homogeneity and digestibility, together with greater production capacity, justified by an increase in catches in the coming years, and an increase in commercial demands associated with fishmeal production.

The fleet was totally focused on products for human consumption, which required reducing the mechanical damage caused during fish handling, improving the treatment of fish in vessel holds, and controlling the flow rate, temperature and pressure of water used during fish extraction and storage in holds.

Products

The products sold by the central southern fishing division are as follows.

- Jack mackerel is a product for direct human consumption that is in high demand given its high protein content.
- Canned fish is made from a natural variety of Atlantic and jack mackerel, mainly with tomato sauce and oil in tall and half tall cans. Its high protein and omega 3 content make it a product in high demand for human consumption.
- Frozen langostine lobster is a highly valued and scarce product worldwide, making it desirable for its nutritional characteristics and flavor. Camanchaca has placed a strong emphasis on producing yellow and red squat lobsters, which are unique to Chile.
- Fishmeal has a high protein content, it is highly digestible and contains essential amino acids. It is used in animal feed, primarily for aquaculture.
- Fish oil has a high nutritional value and calorific content, it is used in animal feed, primarily for aquaculture.

Markets

2019 was characterized by the jack mackerel and sardine catches returning to normal, so budgeted production was exceeded for various product categories. Frozen jack mackerel production increased by 25%, fishmeal 20% and fish oil 40%.

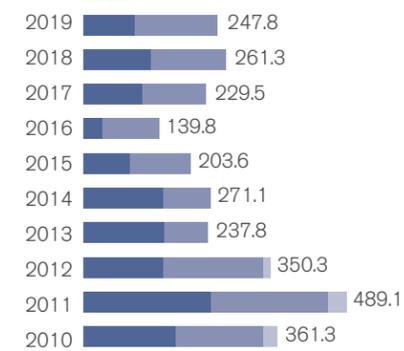
In the current year 57% of fishmeal sales and 73% of fish oil sales were to the Chilean market, where Camanchaca Pesca Sur has supply contracts with the largest manufacturers of salmon feed. The remaining 43% of fishmeal sales were exports, primarily to China and Japan.

Frozen jack mackerel exports reached approximately 40,000 tons, with Nigeria being the main market, representing 57% of total sales. The remaining exports went to over 10 countries, principally Ivory Coast and Peru.

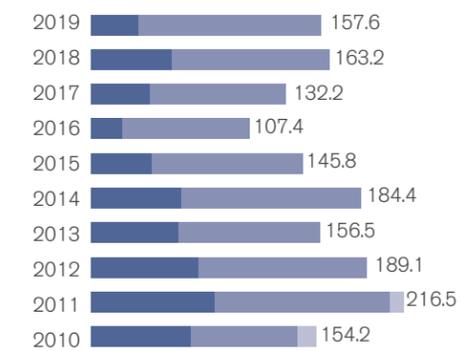
Langostine lobster sales in 2019 were concentrated in the US market, which received over 95% of total exports.

Finally, 40% of canned jack mackerel sales were to the Chilean market. The remainder were sold to other countries, principally Argentina, Jamaica, Singapore and Sri Lanka.

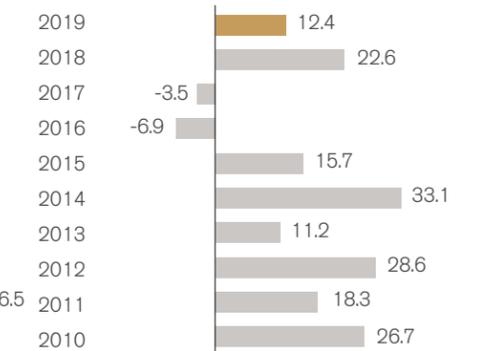
Catches (Thousands of tons)



Revenues (MMUSD)



EBITDA (MMUSD)



● North Division ● South Division ● Centromar



6.3

Other Seafood

"This division of Camanchaca has established itself as a relevant player in the Chilean shellfish farming industry, thanks to its constant search for cost efficiencies throughout the production chain"

CAMANCHACA CULTIVOS SUR

Camanchaca Cultivos Sur has more than 1,000 hectares of aquaculture concessions for mussel farming in Chiloé. They are divided into three large, fully operational farms. Caucahué, in Quemchi, Chequián in Quinchao, and Puyao in Castro. The Company has its own facilities in each area and has direct access to the beach, which makes unloading and storage logistics more efficient.

The processing plant is in Rauco in the Chonchi district. It is strategically located with respect to the farming sites, which guarantees raw material freshness. It comprises over 5,000 m² of buildings that contain first class equipment with automated processes and high quality control and food safety standards that provide access to the most demanding and sophisticated markets.

This Camanchaca division has strengthened to become a significant participant in the Chilean mussel industry, due to its continual search for cost efficiencies along the entire production chain, strong sales management, new market and product development, and focus on business sustainability, especially human capital, the environment and community relations. Camanchaca Cultivos Sur recovered strongly during 2019. Despite a year with low growth, longer fattening cycles and lower meat yields, productive and sales management managed to adapt to this situation and recorded production and sales of over 9,000 tons of finished product, with inventory turnover of less than 40 days.

29,000 tons of raw material were processed during 2019, of which 18,000 tons were from our own farms and 11,000 tons from third party farms. Meanwhile, 9,100 tons of finished products were produced, 7% more than the previous year.

The sales team was strengthened during 2019. Shelled mussel prices significantly increased due to reduced supplies from Chile, caused by reduced harvest volumes across the industry. While the greater supply of unshelled product from Chile was balanced by greater demand in the United States and Asia, resulting in a slight improvement in prices during 2019.

A major achievement this year was obtaining ASC Certification for some of the farming sites, and revalidating the Organic, BRC, BAP and FOS certifications for the farms and plants, which ensures that Camanchaca's processes are conducted in a sustainable and responsible manner to the benefit of the ecosystem and local communities. The Company will continue to extend ASC certification to other farming sites in 2020.

The new cold storage facility at the Rauco plant was completed during the first half of the year, which increased operational efficiency and generated savings, due to improved cold chain processes. Optical sorting equipment was installed to improve product quality and efficiency.

The implementation of equipment and processes that increase operational efficiency will continue in 2020.

Production cycle

The mussel production cycle lasts between 14 and 20 months, beginning in the spring with the natural collection of larvae in the estuaries of the Los Lagos Region. After a couple months, the seeds are transported to grow-out sites where they undergo productive processes aimed at achieving optimum harvest weight and size.

Products

Camanchaca processes mussels as two products:

- Unshelled mussels that have been cooked, frozen and vacuum-packed. They are sold in their natural state or with various sauces depending on the destination markets. This product has been introduced to several new markets in recent years. It is offered in various formats for the food service and retail channels.
- Cooked and frozen shelled mussel is widely recognized in many markets worldwide, especially in Europe. It is sold in various presentations for the food service and retail channels.

Markets

Camanchaca continued to focus on penetrating new markets and expanding its share of existing markets, both in the United States, Asia and Europe, with a special focus on distributing directly to retail chains. This focus resulted in opening new channels in China, South Korea,

Ukraine, Russia and other countries. While it strengthened the main markets for the unshelled product in the United States and Japan. Currently, Camanchaca's mussels can be found in over 30 countries. The Company continues to position itself as an industry leader, and participates in public-private initiatives that promote the sector worldwide.

CAMANCHACA CULTIVOS NORTE

The Company's northern seafood division farms abalone at two sites called Caldereta and Tres Quebradas, both located in Caldera, Atacama Region. They form its hatchery, nursery and fattening facilities, with over 1,000 open-flow ponds on land and a combined production capacity of 260 tons per year.

During 2019, the Company maintained the biomass and good sanitary conditions, which led to very good yields in terms of caliber, age and harvest volumes.

Harvest volumes increased by 32% to 206 tons, and the biomass was maintained at around 190-200 tons per year for future harvests. Raw material costs were reduced by 16% by reducing energy costs with energy efficiency plans, reducing staff costs due to significant improvements in productivity, and containing feed costs.

Sales volumes and margins were also maintained, due to the multi-format product strategy, which included frozen "Individual Quick Freezing" (IQF) and Parboiled products produced at the Caldera plant, and selling fresh abalone

for canned production in alliance with an important market participant, despite the increase in Chinese production and the social unrest in Hong Kong that affected the canned product sector.

Frozen and canned abalone processing plant

This plant is located in Caldera and has a daily production capacity of 1,800 kg of frozen product and 2,500 kg of canned product.

It produces frozen raw whole abalone, frozen pre-cooked abalone, and depigmented raw abalone under the Quality Assurance Program (QAP).

Camanchaca has aquaculture concessions where it grows its own macroalgae, the main feed for abalones. During the last few years, this resource has also been provided by various suppliers authorized to harvest it in nearby areas. This positions us as a company that actively participates in the regional productive chain and encourages strategic alliances with local suppliers.

Products

Camanchaca processes abalone into four products.

- Frozen raw whole abalone. This product is sold mainly in Japan in vacuum-packed and bulk packaging, primarily to food service channels.
- Frozen pre-cooked whole abalone. This product is mainly intended for the Japanese market.

- Raw abalone with and without pigment. This product is sent to the Japanese and American markets.
- Canned abalone. This product is shipped mainly to Asian and North American markets.

Most of these products are sub-contracted to a third party processor, to take advantage of their experience, quality assurance and distribution channels.

Markets

The industry reduced its exports by over 20% in 2019, compared to the previous year, due to increased supply from Chinese producers competing with lower prices.

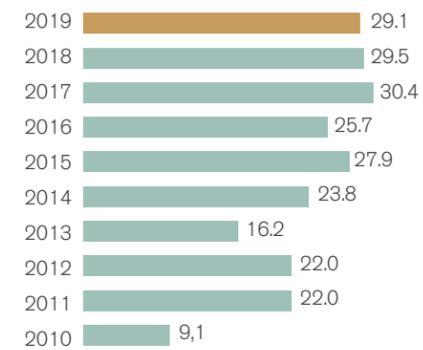
Asia continues to be the main destination market for Chilean abalone, with over 80% of exports. This year, Camanchaca was the largest exporter in the frozen segment, its shipments were concentrated on Japan and the United States.

The Company will continue to focus on making its raw materials more profitable, by seeking new customers and expanding its markets.

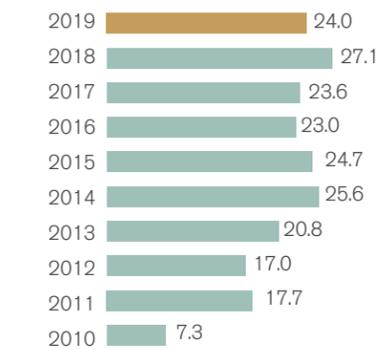
CULTIVOS SUR

MUSSELS

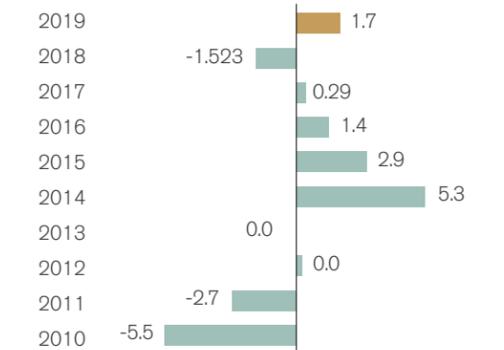
Mussels (Thousands of tons)



Revenues (MMUSD)



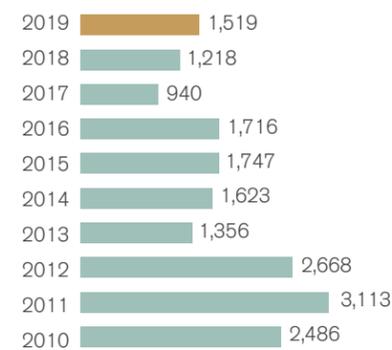
EBITDA (MMUSD)



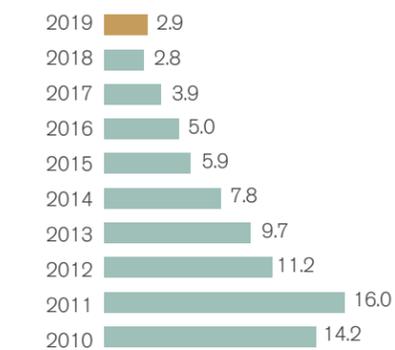
CULTIVOS NORTE

ABALONE

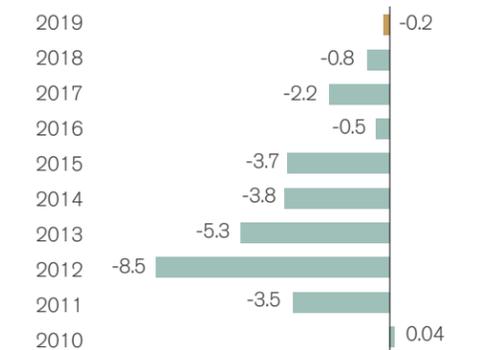
Abalones (Thousands of tons)



Revenues (MMUSD)



EBITDA (MMUSD)



6.4 

Distribution network



Camanchaca has a commercial strategy, which includes a structured sales team that differentiates itself by providing its customers with excellent services and purchasing experiences.

The Company has offices and representatives in many parts of the world, where it builds familiar, long-term, commercial relationships with its customers, and directly and effectively develops its markets, as it can rapidly respond to market changes or new requirements.

It has commercial offices in Santiago, Miami, Tokyo, Spain and China through the New World Currents alliance. It has representatives in Mexico, Central America and the Caribbean. It has recently opened an office in Shenzhen, China, to serve Asia. Camanchaca has positioned itself as a reliable supplier of high quality seafood products. Accordingly, it supplies the most important global customers in the retail, food service and distribution sectors.

Its frozen and value-added products are marketed abroad using the Camanchaca and Pier 33 Gourmet brands, aimed mainly at final consumers.

CUSTOMERS

No customer is solely responsible for over 10% of the Company's total consolidated revenue in 2019.

No customer represents over 10% of total sales in the salmon farming and other seafood segments.

One customer represents over 10% of total sales in the industrial fishing segment. This customer represents less than 14% of total sales in the industrial fishing segment.

Number of Camanchaca customers with annual sales over USD 10,000

Year	No. of customers
2011	297
2012	401
2013	439
2014	423
2015	482
2016	537
2017	635
2018	667
2019	704

MARKET SHARE

Atlantic salmon

The world supply of Atlantic salmon grew by over 7% in 2019 compared to the previous year, according to data from Kontali. While, Chile harvested 690,000 WFE tons during 2019, which represents 26.7% of global harvest volumes, only surpassed by Norway with 51.6% of global harvest volumes. Camanchaca's harvest was 53,731 WFE tons, which represent 7.8% of Chile's harvest volumes.

Coho Salmon

Chile's harvest volumes grew by approximately 13.7% during 2019 compared to the previous year, and totaled 203,000 WFE tons, according to data from Aquabench. Camanchaca's harvest volumes were 4,302 WFE tons, which represent 2.1% of Chile's harvest volumes.

Fishmeal

353,000 tons of fishmeal were produced in Chile in 2019, which represents 22% of production by IFFO member countries, according to data from IFFO. Chile is the second largest producer in this group, with Peru being the main producer at 50%. Camanchaca produced 42,162 tons, which represents 12% of Chilean production, according to data from IFFO.

Fish oil

Chile became the world's leading producer of fish oil in 2019 at 134,000 tons, which represents XXX% of production by IFFO member countries, compared to 27% in 2018, according to data from IFFO. Peru was the second largest producer with 33%.

Camanchaca produced 8,371 tons in 2019, which represents 6.2% of Chilean production, according to data from IFFO.

Jack mackerel for human consumption

Chilean exports of jack mackerel for human consumption totaled USD 158 million (FOB) in 2019, according to customs data from Datasur. Camanchaca exported 20.8% of that total.

Langostine lobster

Chilean exports of langostine lobster totaled USD 28 million (FOB) in 2019, according to customs data from Datasur. Camanchaca exported 57.0% of that total.

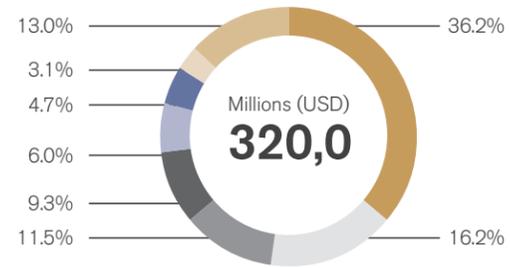
Mussels

Chilean exports of mussels totaled USD 202.1 million (FOB) in 2019, according to customs data from Datasur. Camanchaca exported 10.5% of that total.

Abalone

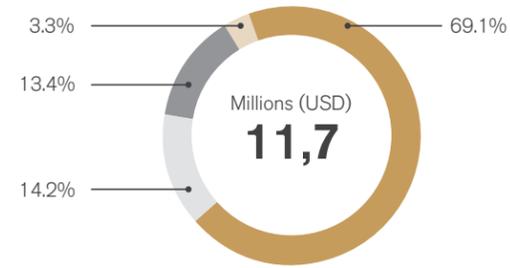
Chilean exports of abalone totaled USD 16.6 million (FOB) in 2019. Camanchaca exported 13.7% of that total.

Atlantic salmon



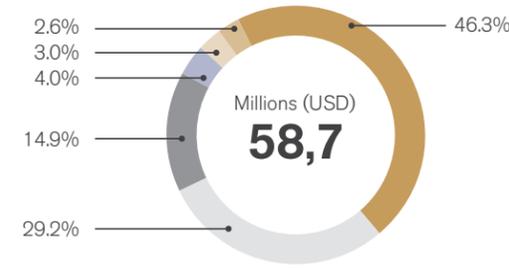
- USA
- Russia
- Mexico
- Japan
- Brazil
- Chile
- China
- Others

Pacific salmon



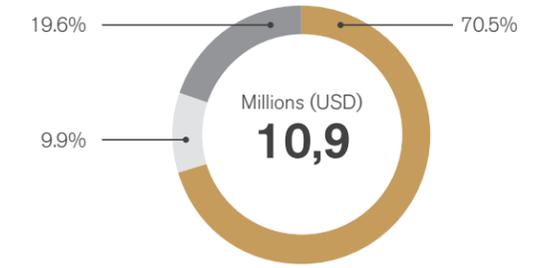
- Japan
- Russia
- USA
- Others

Fishmeal



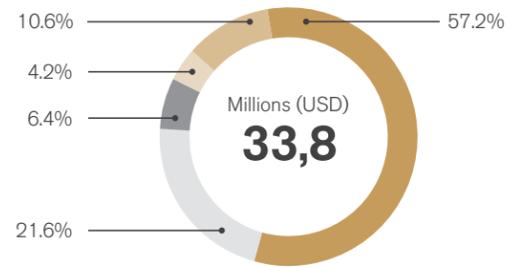
- China
- Chile
- Japan
- South Korea
- Vietnam
- Others

Fish oil



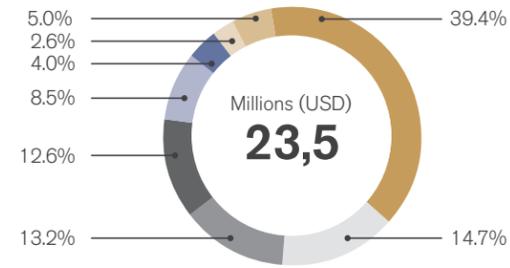
- Chile
- Denmark
- Others

Frozen Jack Mackerel



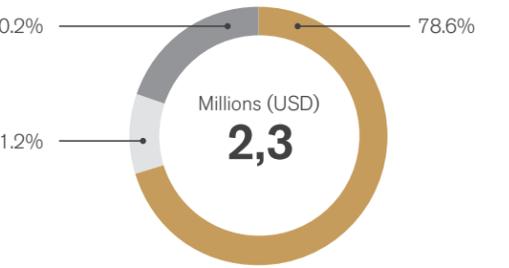
- Nigeria
- Ivory Coast
- Peru
- Ghana
- Others

Canned fish



- Chile
- Jamaica
- Argentina
- Singapore
- Sri Lanka
- USA
- Canada
- Others

Abalone



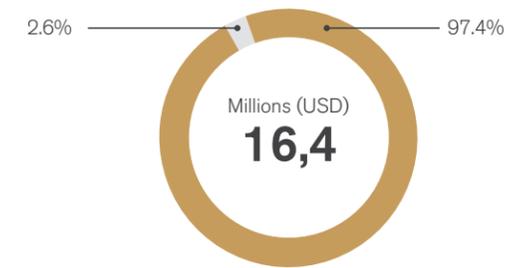
- Japan
- USA
- Chile

Mussels



- USA
- Russia
- Japan
- France
- Ukraine
- England
- Chile
- Denmark

Langostine lobster

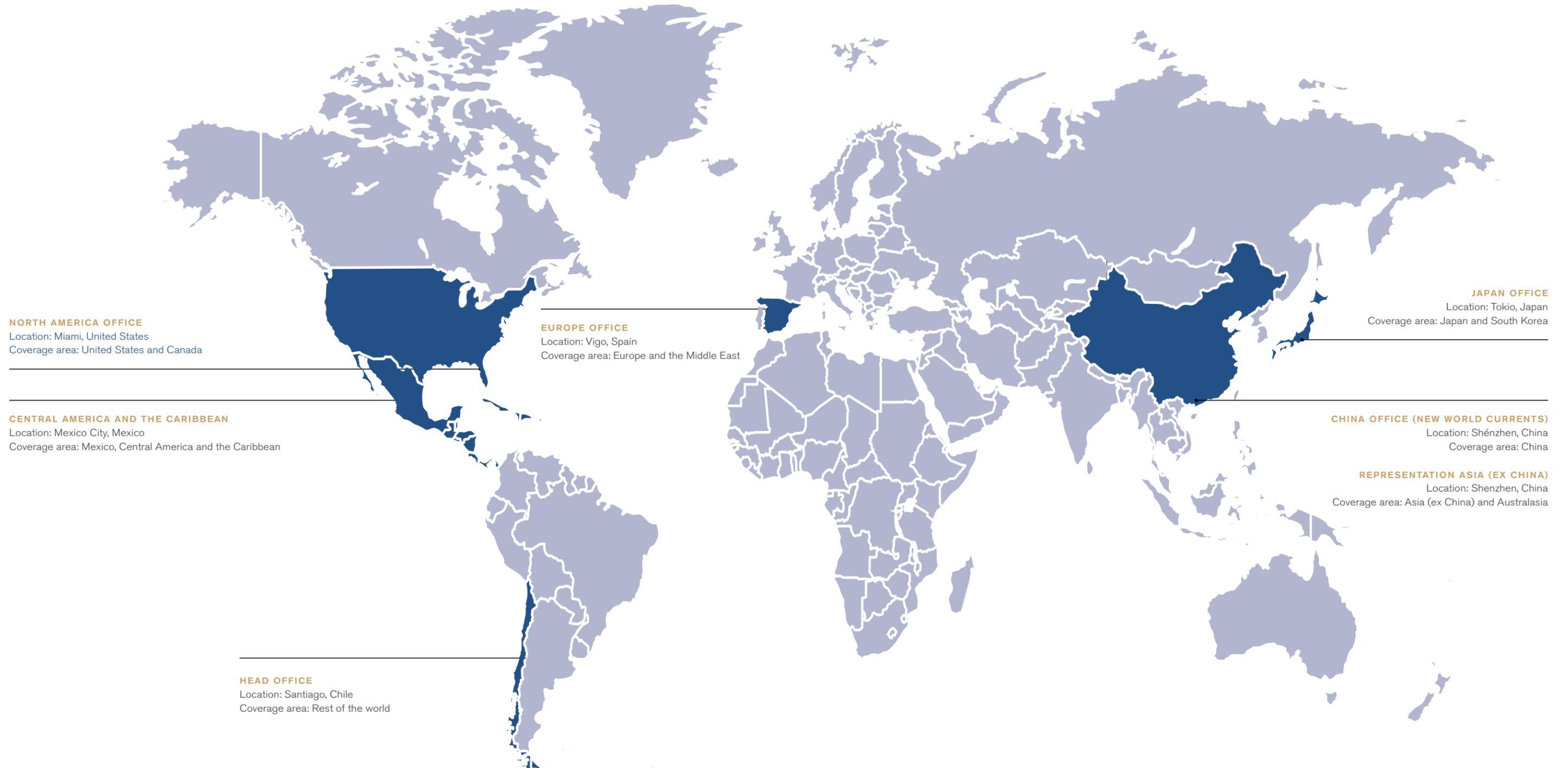


- USA
- Others



6.5 

Camanchaca around the world



Sustainability



7.1 

Camanchaca Amiga

Friendly Camanchaca Program

Sustainability has been a key aspect of Camanchaca since the Company began. It is continually committed to its local communities, to caring for the environment and to its employees and their surroundings.

Camanchaca has maintained close ties with its local communities for over 55 years, and introduced various activities in conjunction with them. The Friendly Camanchaca Program was created in 2013, in order to organize and coordinate these activities, and to deliver on its commitment to its surroundings. This program became a fundamental part of the Company's sustainability model, and aims to benefit communities, employees, customers, suppliers and other public stakeholders.

Building this road required hard work over the years and received the support of neighbors, who often invite Camanchaca to join their activities. They also participate by proactively suggesting ideas for activities that directly support their communities.

The pillars of the Friendly Camanchaca Program are outreach, healthy living and caring for the environment. These have evolved over the years, in line with the opportunities that have arisen to contribute to our local communities.

Any extractive business impacts its surroundings and the Company is aware that its business affects the environment and nearby communities. This is not alien to Camanchaca, especially as the vast majority of our employees live in neighboring villages, so we have a double responsibility.

Therefore, we arrange activities that make a significant contribution, as our business, our employees and nearby communities all share the same environment. The Friendly Camanchaca Program provides useful and responsive tools that support a sustainable relationship with neighbors, through activities that promote a better quality of life for all.

These activities are designed in conjunction with local communities every year. Some have a corporate and national scope, while others are specific to each division. They are coordinated with stakeholders through a program manager who leads implementation and local follow-up.

In 2019, the Friendly Camanchaca Program benefited over 77,000 people, 2,500 of whom received environmental information at over 30 activities. Some 14,000 people participated in these activities, some promoted healthy living and others generated job opportunities. 2,400 people were trained through courses and workshops that improved their knowledge and opened up new job opportunities, while some 240 students were awarded internships in several Camanchaca divisions, where they acquired fundamental knowledge for their professional careers.

Meanwhile, over 70,000 people discovered more about Camanchaca's products and purchased them at five sales points set up for neighboring communities during 2019, to promote healthy diets by including seafood.

CARING FOR THE ENVIRONMENT

This pillar includes an initiative that arose from a grant awarded by the Environmental Protection Fund (EFP) at the Ministry of the Environment to the Rio Contao Neighborhood Council in the municipality of Huaihué. These funds were used to implement the "Contao solid waste management plan". This initiative was a consequence of the Company's "Environmental monitors" program. It arose from the community's requirements that were expressed within the framework of "Neighborhood Discussions" within the Friendly Camanchaca Program.



HEALTHY LIVING

The focus in Camanchaca Pesca Sur in 2019 was on promoting fish consumption in Coronel, so the Company arranged several healthy food fairs, "Live Cooking" culinary demonstrations and signed an agreement with Coronel storekeepers to provide them with canned jack mackerel at competitive prices and support them marketing this product. These activities were promoted by the Company, together with the municipality, schools and neighborhood organizations in Coronel, which brought together over 2,700 people.



Meanwhile, Camanchaca Pesca Norte arranged several activities for senior citizens. The Company also arranged various celebrations, such as Chile Day, Christmas, anniversaries, an International Day for respecting senior citizens, and electing the Iquique Senior Citizens Club queen. It arranged visits to Camanchaca Pesca Norte's facilities. In total, about 2,300 people participated in these activities, who tasted various snacks based on seafood.

The fifth "Live Cooking" event was held at Bellavista beach in Tomé. It was organized by Salmenes Camanchaca Tomé, and promoted healthy eating among over 2,500 vacationers and neighbors who came together for this activity, most of whom work in the Company. In Tomé alone, there were 13 activities aimed at healthy living that reached 3,500 people.

Another outstanding initiative was launching the "Camanchaca El Emporio" sales points in Tomé, Coronel, Iquique, Rauco and La Florida in Santiago. These sales points offer high quality export products at affordable prices, with the aim of bringing the brand's products closer to Chilean consumers, and promoting healthy diets.

An alliance was established with Aramark, a leading food company, to mutually cooperate on organizing various activities that promote a high quality diet. We have also been collaborating with the Biobío Solidario Food Bank since 2018, with products for the Biobío region that reach about 700 people per month.



COMMUNITY OUTREACH

Camanchaca Cultivos Sur provided the finance to acquire an electrocardiograph for the health center in Rauco, as it is committed to the welfare of the Rauco community and this was among their principal requirements. It was the result of three years of collaboration between the Company, the local authority and the Rauco Health Committee. The medical team wanted to reduce the waiting time for these tests and avoid sending patients to Chonchi to take them. This donation and over 75 other activities implemented by this division benefited over 5,000 people.

It is also important to emphasize the commitment and participation of employees in all these activities, the leadership by executives and constant communications by center managers with their neighbors.



Camanchaca provides corporate training activities and social scholarships that provide tools, contribute to developing productive activities and promote tourism. For example, neighborhood courses have been provided in the Los Lagos region, covering subjects such as food handling, weaving, hairdressing, sewing and dressmaking.

The Friendly Camanchaca Program has corporate management indicators, which are monitored by each division and the program managers report on progress and target achievement every month. These results are constantly analyzed by the Executive Committee, and its initiatives are published on various communication platforms.

Surveys are conducted that quantify the impact of the program, the participants in each initiative are registered and social media appearances are counted. Continual dialogue with local communities helps Camanchaca to design activities that develop its relationships with its neighbors, which results in trust, commitment and mutual respect.

NUMBER OF FRIENDLY CAMANCHACA PROGRAM BENEFICIARIES BY PILLAR IN 2019



7.2 

Efficient Camanchaca

An increasingly efficient production chain is a fundamental component of Camanchaca's business strategy. This gives it competitive advantages and secures its long-term sustainability.

An external consultant performed an exhaustive review of the Company's support departments in 2018, in addition to identifying operational efficiencies. This review specifically covered the accounting, treasury, procurement, logistics, human resources, information technology and foreign trade departments.

The review suggested a new organizational structure for back office functions, with the aim of making them more effective, efficient and business responsive. Accordingly, recommendations were proposed to improve these processes, together with service and management KPIs for each department.

The main support functions were centralized in Tomé in the Biobío Region, which included the Accounting, Logistics and Foreign Trade (which was merged into the Commercial department), Procurement, and Human Resources departments, and they represent approximately 70% of all back office services in that region.

This project was fully implemented during 2019, and produced savings of approximately USD 4.5 million per year, 10% higher than initially estimated.

Various efficiency initiatives were developed throughout the business during 2019.

SALMON DIVISION

New R+D technologies and projects were developed in 2019, as in previous years, which included research into optimizing growth in fresh water, and achieving flexibility when stocking and harvesting marine growout sites. Cages segregated by sex and strain were also implemented, which has improved biomass growth and speed, leading to target harvest wei-

ghts of over 5 kg WFE being achieved within 12 months. This has resulted in cost savings and reduced environmental and health risks.

Investments in primary and secondary processing plants were particularly important in 2019. Approximately USD 2 million was invested in the latter to implement a new freezing tunnel for fillets and portions. An injection machine was added for fillets and portions bound for the United States and Mexican markets. These investments not only increase plant efficiency, but also improve the quality of the final product.

Progress was achieved with the master plan defined in 2018 for the primary plant. Its layout was amended to incorporate a complete weighing, quality classification and calibration line. The plant's diesel generators were changed, along with a new electrical design, and the fuel tanks were modified. The Company began a project to build a zero chamber, which will be completed in February 2020. It will improve product quality standards and reduce the cost of leasing external units to keep these products at the correct temperatures.

After this centralization process was fully implemented, the administrative expenses over operating revenue indicator fell from 3.7% in 2018 to 2.9% in 2019, with structural adjustments producing savings of USD 2.2 million. Sales and distribution costs also fell from 2.6% of operating revenue in 2018 to 2.4% in 2019. Consequently, the Company's combined administrative and sales costs represented 5.3% of operating revenue for 2019, a reduction from 6.3% for 2018.

NORTHERN INDUSTRIAL FISHING DIVISION

Unfavorable oceanographic conditions affected the fleet during 2019, and only 59% of the anchovy LTP-A and LTP-B quota allocated to Camanchaca was caught. Fishing was discontinuous due to recruits appearing, to the dispersal of anchovy schools during June to August, and to schools remaining very close to the coast.

The fleet efficiency plan continued, and by the end of 2019 the fleet had five vessels equipped with refrigerated salt water (RSW) systems, which cover 50% of the current hold capacity. This maintains the quality of this raw material when it becomes scarce, as the fleet can remain in the fishing area for longer periods. The large volume of fishing in 2019 impacted the tons per trip indicator, which was 19% lower than the 149 in 2018. However, the vessels with RSW achieved 25% more, as a result of their cold storage improvements.

The best fuel performance at processing plants over the last seven years was achieved in 2019, due to the energy and operational efficiency program implemented by the Company that required 161.7 kilos of bunkers per ton of fishmeal, 2% less than in 2018.

SOUTHERN INDUSTRIAL FISHING DIVISION

The purse seine fleet benefited from investments that maximized the production of frozen product, and investments in dryers, fishing pumps and staff training. These resulted in the tons per trip indicator increasing from 490 to 625, and the percentage of raw material suitable for freezing increasing by 50%.

A project that optimized the waste extraction process and reduced labor costs was implemented at the langostine lobster plant in the middle of the season with an investment of USD 230,000. This investment is expected to produce benefits during the 2020 season.

The jack mackerel canning plant increased operator productivity per shift by 23%, from 35 boxes per shift in 2018 to 44 in 2019.

The Southern Industrial Fishing Division also implemented a fishmeal optimization project at the plant in Coronel during 2019. It required an investment of USD 2.7 million, which resulted in savings in fixed costs of USD 0.6 million per year, and increasing the raw material processing capacity from 60 tons per hour to 100 tons per hour.

At the end of March 2019, USD 0.3 million was invested in implementing a natural gas network to replace FO6 fuel. The energy and environmental benefits at fishmeal and canning plants fully recovered this investment during the same season.

Finally, USD 2.8 million was invested during the second half of 2019 in modifying the fourth tunnel at the frozen jack mackerel plant in Talcahuano, and constructing a fifth tunnel. Both investments will increase freezing capacity by 28%, from 310 tons of finished product in a 27 hour cycle to 396 tons in a 24 hour cycle.

OTHER SEAFOOD DIVISION

We achieved a 7% decrease in our own raw material costs for mussel farming, as a result of improving the productivity of our hangers, associated with greater control over the sowing and harvesting process, which meant we used 98% of our farming capacity.

Commissioning a new cold storage facility at the Rauco processing plant improved our cold chain and reduced our distribution costs with improved inventory turnover. Implementing new automatic selection equipment for the unshelled product line increased our productivity and improved product quality standardization. A new organic waste compacting line was installed, which reduced the volume of waste sent to landfills by 50%.

Significant production improvements were achieved in abalone farming, which reduced raw material costs by 16%. This was achieved by installing automatic pond cleaning systems. Energy efficiency improvements of 3% were the result of modifications to the air and water networks, which are fundamental requirements.



PROCUREMENT

The Company organized tenders for 91 supplies and services during 2019, resulting in annualized savings of USD 4 million. The two most significant were tenders associated with a project to increase the freezing plant capacity in Talcahuano, which included building new freezing tunnels, and acquiring an automatic palletizer, which improved productivity and made better use of raw materials in products for human consumption.

Other digital transformation improvements were also implemented, including the Fiori system. This is a tool that interacts with the SAP ERP on mobile devices to provide greater agility for users who have to review and approve orders. An automated platform to create material master codes was implemented, which provides information in greater detail to improve the efficiency of technical material procurement. Finally, framework contracts for materials and consumables were completed.

The Company has 32 insurance policies and 30 were tendered during 2019, which represent 99% of its insurance premiums. The most significant policies included physical property, damages due to stoppages, fishing fleet vessel hulls, P&I and biomass.

Political risk was added to the Company's physical property policy, given the social unrest at the end of the year.

LOGISTICS AND SALES

The logistics and sales teams were consolidated during the restructuring in 2018 and all relocated to Tomé. This year they achieved important milestones in the Company's production and sales processes.

Exports of fresh salmon from Concepción airport reached a volume of 2.3 million kg during 2019, which was four times the volume for 2018, and this year exports from Temuco and Puerto Montt airports began. They have been equipped with the required infrastructure and professional staff, which allowed the Company to open up new export markets for its fresh products. This important milestone was achieved due to perseverance by Camanchaca and various public services involved in this area.

Air cargo services from regional airports has reduced the transit time to destination markets for export products, which results in higher quality and fresher products for customers and reduces logistics costs. It has also required new airport infrastructure and additional domestic air cargo capacity with several benefits, such as:

- Support logistical services have been developed to receive, inspect and send cargo from these airports, which has created jobs and stimulated the local economy in these regions.
- Trucking from these regions to Santiago airport has decreased by approximately 25%. The Santiago export terminal concentrates almost all the fresh salmon exports from Chile, and its road and air congestion problems have been alleviated.
- The Company's carbon footprint has reduced, following the reduction in trucking.
- Logistics options have diversified, which has resulted in a substantial improvement in distribution continuity.

The Company has also participated in developing and implementing the Siscomex electronic platform. This is an application that electronically

processes air, sea and land shipments in a single window. Camanchaca has used this app to keep service levels above 97% during 2019, and to significantly reduce physical document processing.

The Electronic Certification and Effective Shipment system is being planned and implemented in 2020, in conjunction with the Ministry of Finance, which will reduce the time taken to process exports by approximately 25%, equivalent to one week, and will produce significant savings in both time and costs.

All of these initiatives resulted the Company's distribution costs reducing by USD2.5 million compared to 2018.

ROCUANT TERMINAL

A new business unit related to logistics and cargo transportation services was created during 2019 called Rocuant Logistics Center, located on Rocuant Island in Talcahuano municipality.

The new terminal required an investment of over USD 7 million in a 45,000 m2 roofed surface located on a 10 hectare site. It provides reception, deconsolidation, storage, consolidation and transportation services for imported and exported fertilizers, timber, food and industrial products. It can also connect up to 200 refrigerated containers.

Sales reached USD 10.9 million in 2019, within a business that is growing rapidly, clearly customer focused, highly efficient with excellent operational continuity.

SUPPLIERS

The Company has one supplier that represents 10% or more of the Company's consolidated purchases in 2019. Billing by this supplier, which provides salmon feed, represents 15% of the Company's purchases.

The salmon farming division has two suppliers that represent 10% or more of this segment's purchases. Billing by these suppliers, which provide salmon feed, each separately represent 21% of the segment's purchases.

The industrial fishing and other seafood segments had no suppliers that represented over 10% of their segment's purchases during 2019.

7.3 

Sustainability

In early 2019, Salmenes Camanchaca began a review of its sustainability strategy in the light of the significant trends and challenges facing the planet. Climate change, increasing care and concern for the oceans, scarcity of natural resources, and other major trends and challenges, all led the company to examine its corporate sustainability priorities with the aim of designing a roadmap that prioritized initiatives, aligned the organization and established medium and long-term commitments that would seriously shape the business, and positively impact the environment and its stakeholders.

Therefore, Salmenes Camanchaca initiated this process by analyzing responses to these issues from around the world and specifically the 17 United Nations Sustainable Development Goals (SDG), which aim to influence policies and regulations in each country and the behavior of the private sector. Specifically, Objective 14 regarding life below water, as Salmenes Camanchaca's business takes place in this environment.

1. Assess the short and long-term impacts of our activities on ocean health and incorporate them into our strategy and policies.
2. Consider sustainable business opportunities that promote or contribute to restoring, protecting or maintaining ocean health and productivity and livelihoods dependent on the ocean.
3. Take action to prevent pollution affecting the ocean, reduce greenhouse gas emissions in our operations to prevent ocean warming and acidification, and work towards a circular economy.
4. Plan and manage our use of and impact on marine resources and space in a manner that ensures long-term sustainability and take precautionary measures where our activities may impact vulnerable marine and coastal areas and the communities that are dependent upon them.
5. Engage responsibly with relevant regulatory or enforcement bodies on ocean-related laws, regulations and other frameworks.
6. Follow and support the development of standards and best practices that are recognized in the relevant sector or market contributing to a healthy and productive ocean and secure livelihoods.

7. Respect human, labor and indigenous peoples' rights in the Company's ocean related activities, including exercise appropriate due diligence in our supply chain, consult and engage with relevant stakeholders and communities in a timely, transparent and inclusive manner, and address identified impacts.
8. Where appropriate, share relevant scientific data to support research on and mapping of relevance to the ocean.
9. Be transparent about our ocean-related activities, impacts and dependencies in line with relevant reporting frameworks.

In addition, a comprehensive analysis of sustainability issues being addressed by peer companies, companies recognized as world leaders in sustainability, international organizations and standards, the financial world, NGOs and communities was conducted. Interviews were also conducted with the senior management of Salmenes Camanchaca and surveys of investors and analysts from Chile, Denmark, the United States and Norway, as well as workers of the Company.

Based on this analysis, the material issues to be managed by Salmenes Camanchaca were identified and prioritized, which were grouped into five strategic pillars that form the basis of the new sustainability model. Material issues are those that must be managed because they are relevant to our business and our stakeholders. Examples are biosecurity and animal welfare, occupational health, safety and welfare, local engagement and conflict resolution. Each issue is prioritized, which determines the amount of time and resources dedicated to managing it.

The new sustainability model for Salmenes Camanchaca was approved by the Company's Board of Directors in October 2019, and its purpose is: (i) to provide a broad conceptual framework that enables it to consistently address the environmental and social challenges facing the business, now and in the future; (ii) to structure its sustainability priorities and objectives, based on clear strategic pillars, that produce effective communication and management; and (iii) to drive cultural change among all its employees, so that sustainability becomes an essential factor that guides behavior and ensures compliance with defined policies.

AMBITIONS FOR A SUSTAINABLE FUTURE



SUSTAINABILITY MODEL



Financial Information



Pullao site, Chiloé
-42.480099, -73.759945

8.1 

Essential Facts



As of the date of this report, the Company had reported the following material events to the Financial Market Commission.

MARCH 27, 2019

An ordinary Board meeting held on March 26, 2019, agreed to call an Annual General Meeting of Shareholders for April 26, 2019, at 3:00pm in the Bridge Room, Avenida El Golf 50, Las Condes, Santiago. The Board agreed at that meeting to propose that this AGM approves a mandatory final dividend of USD 0.0024 per share payable from earnings for the year ended December 31, 2018.

If approved, this proposed dividend will be paid in Chilean pesos at the "Observed Dollar" exchange rate published in the Official Bulletin on May 9, 2019. The proposed payment date is May 15, 2019 and the shareholders registered in the Shareholder's Register of Compañía Pesquera Camanchaca S.A. at midnight on May 9, 2019 will be entitled to the dividend.

This information is a "Material Event", and complies with the final paragraph of Section I of Circular 660 dated 1986 issued by the Financial Market Commission.

NOVEMBER 5, 2019

On this date, Compañía Pesquera Camanchaca S.A. and Empresa Portuaria Iquique signed an extension to the contract governing the use of the port area, located at Molo 1 of Iquique port, where Camanchaca currently operates a fishmeal and oil plant. This contract has been extended to April 30, 2025, which allows the plant to continue operating until December 31, 2024.

Camanchaca does not expect that signing this agreement will have significant effect on the Company's financial statements.

MARCH 11, 2020

At an ordinary Board meeting held on March 10, 2020 the Directors of Compañía Pesquera Camanchaca S.A. unanimously agreed to replace the dividend policy that was reported as a material event on December 23, 2010, and establish that as of March 2020 the Company's dividend policy will be as follows.

- a) After the financial statements have been approved by shareholders at the annual general meeting, the Company will distribute yearly dividends of 30% of net distributable income.
- b) The Company will not distribute interim dividends, unless the Board agrees to a specific distribution.
- c) The terms indicated in "a" and "b" above may be changed by the Board in the future.

MARCH 31, 2020

An ordinary Board meeting held on March 31, 2020, agreed to call an Annual General Meeting of Shareholders for April 30, 2020, at 3:00pm at the Company's offices located in Avenida El Golf 99, Floor 10, Las Condes, Santiago. The Board agreed at that meeting to propose that this AGM approves a final dividend of USD 0.002465 per share, equivalent to 50% of net distributable income, payable from earnings for the year ended December 31, 2019.

If approved, this proposed dividend will be paid in Chilean pesos at the "Observed Dollar" exchange rate published in the Official Bulletin on May 7, 2020. The proposed payment date is May 13, 2020 and the shareholders registered in the Shareholder's Register of Compañía Pesquera Camanchaca S.A. at midnight on May 7, 2020 will be entitled to the dividend.

8.2

Investment, financing and dividend policies

INVESTING AND FINANCING POLICIES

Over time, the Company's investment policy has focused on maintaining all production assets in optimal operating conditions. Therefore, each year it invests a fraction of the book basis depreciation of its property, plant and equipment incurred during the prior year. It also makes investments in property, plant and equipment and concessions in order to boost its production capacity in order to comply with its strategic development plan. These investments are financed using corporate resources, by selling assets or with long-term loans from financial institutions. Investments in working capital are funded with corporate resources or short-term bank financing.

The Company has covenants with these banks to maintain a debt over EBITDA coverage ratio no greater than 4 times and a ratio of equity to assets equal to or greater than 40%, in accordance with the lending agreement signed in November 2017.

A total of USD 64 million was invested in 2019, including USD 32 million on plans to maintain and preserve the productive capacities of our current assets and USD 42 million on efficiency projects, and to improve and expand our plants, processes and productive capacities. The salmon farming division received 69% of this year's investment, the industrial fishing division received 29% and the other seafood division received 2%.

The Company expects to invest approximately USD 44 million in 2020, with 69% focused on preserving the current capabilities of our assets. This plan will invest 58% in the salmon farming division, 36% in the industrial fishing division and 6% in the other seafood division.

DIVIDEND POLICY

The current dividend policy of Camanchaca S.A. approved by the Board of the company is as follows:

a) The Company shall distribute definitive annual dividends after the approval of the balance sheet of each fiscal year by the Annual general Meeting, in an amount that will be at least equal to 30% of the net profits susceptible of being distributed as shown in the relevant balance sheet.

b) The Company will not distribute interim dividends unless so decreed by the Board for a particular distribution.

c) The terms indicated in "a" and "b" above may be modified by the Board in the future.

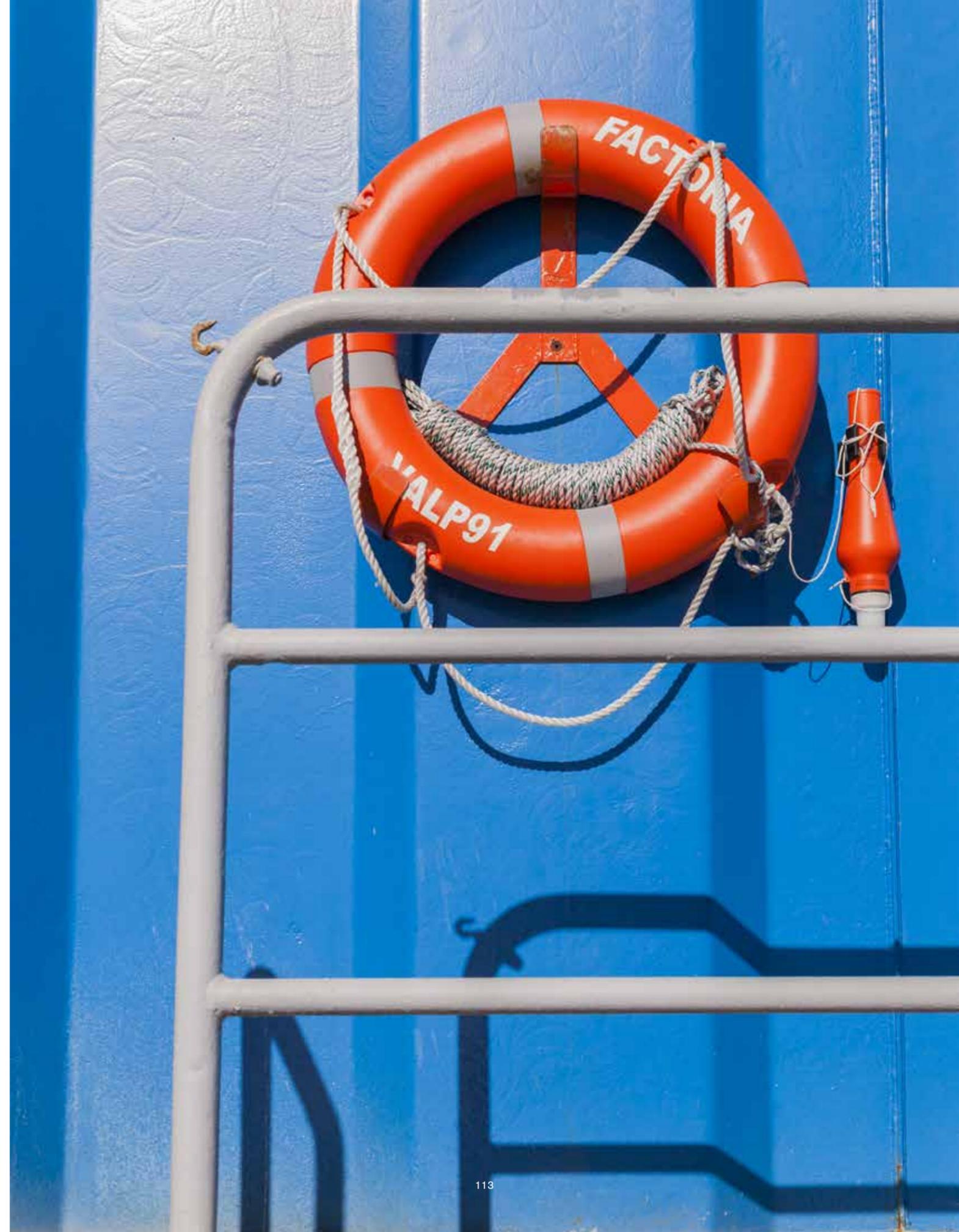
To date, the Company has no restrictions involving limitations on dividend payments. However, the debt rescheduling and financing commitment agreement signed on November 27, 2017, with DNB Bank ASA, Cooperative Rabobank U.A., and Banco Santander Chile S.A., set forth that if the Company does not comply with the financial covenants established in that agreement, it may not distribute dividends in excess of 30% of distributable net income for the year, determined based on the respective balance sheet.

DIVIDEND PROVISION

The Company's financial statements for the year ended December 31, 2019, contain a dividend provision, subject to shareholder approval, of ThUSD 6,138, equivalent to USD 0.0015 per share.

The Board of Compañía Pesquera Camanchaca held a meeting on March 31, 2020, where it proposed that the Annual General Meeting of Shareholders approve the proposed final dividend of 50% of net distributable income of ThUSD 10,231, equivalent to USD 0.002465 per share.

The Company distributed dividends in 2019 payable from earnings for the year ended December 31, 2018 of ThUSD 9,974, equivalent to USD 0.0024 per share. The Company did not distribute any dividends payable from earnings for the year ended December 31, 2017 nor for any previous years.



8.3 

Main Risks and Uncertainties



External variables might materially impact the Company's annual performance. The principal variables affecting revenue are pelagic fishing catches and the biological condition of Atlantic salmon harvests, as well as market conditions and prices of its main products, fishmeal and Atlantic salmon. The most critical cost factors are the environmental conditions at farming sites, the health status of the salmon biomass, biological feed conversion, pelagic catches that defines the scale of production, and the costs of diesel, energy and salmon feed.

Consequently, fishing and aquaculture companies are exposed to various risks, which require Camanchaca to use a risk matrix that directs and prioritizes the Company 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 strategies to mitigate their probability and impact, including insurance wherever this is financially feasible and attractive. These risk maps guide management to continuously manage and mitigate each risk and establish the corresponding responsibilities, as well as the frequency and depth of internal controls to validate the effectiveness of mitigating measures.

The factors used to detect and manage not only critical risks when events occur, but also operational management 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 employees; 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 growth of specific species, and thereby, production and sales volumes. Furthermore, salmon farming faces risks associated with harmful algal blooms and low levels of oxygen at farm sites, especially in summer when greater sun-light and higher temperatures encourage these situations.

Camanchaca has adopted strict control standards to minimize these risks, and comply with the Authority's 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, the smolt stocking process in closed recirculation sites fed by under-ground water, transport of breeders and fish for harvest in wellboats, coordinated antiparasitic washing by neighborhoods, frequent net cleaning, oxygen plants to supplement pronounced oxygen deficits 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. Despite these mitigating measures, sea lice cannot be eradicated as a source of phytosanitary risks in the foreseeable future.

Oceanographic and climatic conditions are among the variables that affect the condition and location of suitable shoals of pelagic fish.

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 biomasses, fish catches and production infrastructure. Furthermore, it is exposed to contagious diseases or pandemics that may affect its production or its intermediate or subsequent logistics chains, leading to an interruption in production and sales. 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) SALES 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 operate a policy of accumulating inventory in order to speculate on a better sale price in the future.

- Industrial Fishing Division: Despite short-term price volatility, global supply restrictions and sustained growth in demand for protein, driven primarily by developments in aquaculture and increased availability of products for human consumption, have kept prices trending positively in recent years.
- Salmon Farming Division: 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 in these markets. 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.

- Other Seafood Division: Mussel and abalone prices have experienced a stable trend on international markets in recent years, without large inter-annual fluctuations. The Company has mitigated these risks by optimizing costs, strengthening commercial ties with offices in various parts of the world, creating high-quality products and launching products in other formats.

D) PURCHASE PRICE RISKS

The Company is exposed to changes in the price of commodities such as diesel and bunker oil. The Company does not use financial derivatives to mitigate this risk, as the size of future catches is uncertain. However, historically there has been some correlation between the price of fishmeal and other commodities, which reflects the state of the global economy.

The Company is exposed to changes in the price of salmon feed, which represents about half the cultivation cost. 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.

On average, 30% of total fishing catches come from local independent fishermen. The Company has long-term agreements with them in relation to volumes, pricing systems and additional guarantees. Therefore, Camanchaca is protected as purchase prices are indexed to fishmeal sales prices. The Company provides boat construction financing to local independent fisherman with whom it holds fish purchasing agreements, allowing boat owners to pay off the loan as the Company purchases fish.

E) REGULATORY RISKS

Our business relies on laws, standards and regulations issued by fishing authorities, and significant changes could have an impact on our performance. Such as the Fisheries Act published on February 9, 2013 that replaced individual fishing quotas with transferable fishing licenses. The regulations governing seafood farming are mainly established by the General Law on Fisheries and Aquaculture, and its associated regulations, which assign concessions, manage the biomass, establish preventive sanitary regulations, and other regulations. The Company is constantly monitoring any potential changes in regulations in order to anticipate and mitigate any potential impacts.

The regulations governing salmon farming densities were changed with effect from Q4 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 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 for a minimum period where they are at risk of revocation, which results in additional expense. 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 catches, 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.

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) EXCHANGE RATE RISKS

A substantial proportion of Camanchaca's revenue arises from contracts and commercial agreements set in US dollars. However, given the diversity and importance of markets other than the North American market, which have historically represented more than 30% 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 RISK

1) Surplus Cash Investment Risks: The Company has a highly conservative policy for investing cash surpluses. This policy covers the quality of both financial institutions and their financial products.

2) Sales Operations Risks: Camanchaca 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.

8.4 

Share transactions

TRANSACTIONS OF EXECUTIVES AND CONTROLLERS

Name / Corporate name	Relation	Transaction date	Purchase			Sales			Operation's intention	
			N° of shares	Price (CLP)	Amount	N° of shares	Price (CLP)	Amount	Company control	Financial investment
Andrés Eduardo Vergara Undurraga	Executive	12-02-18				400,000	60.0	24,007,252		Yes
Inversiones Cifco Ltda.	Controller	09-03-18				10,000,000	58.0	580,000,000		Yes
María Ximena Ossandón Irrarázabal	Related with director	02-04-18				51,976	58.7	3,048,392		Yes
Ricardo Adolfo García Holtz	Manager	11-09-18				658,114	71.0	46,741,094		Yes
Inversiones Cifco Ltda.	Controller	12-09-18				279,513	70.0	19,565,910		Yes
Inversiones Cifco Ltda.	Controller	27-09-18				2,000,000	69.0	138,020,000		Yes
Inversiones Cifco Ltda.	Controller	04-10-18				3,000,000	69.0	207,000,000		Yes
Inversiones Cifco Ltda.	Controller	09-10-18				1,998,102	68.5	136,869,988		Yes
Inversiones Cifco Ltda.	Controller	09-10-18				2,722,385	69.0	187,644,565		Yes
Ricardo Adolfo García Holtz	Manager	24-10-18				670,943	71.0	47,636,953		Yes
Igal Neiman Brodsky	Manager	07-12-18				100,000	73.0	7,300,000		Yes
Igal Neiman Brodsky	Manager	10-12-18				250,000	73.0	18,253,303		Yes
Igal Neiman Brodsky	Manager	11-12-18				1,650,000	73.0	120,466,500		Yes
Inversiones Cifco Ltda.	Controller	13-12-18				5,000,000	73.3	366,250,000		Yes
Inversiones Cifco Ltda.	Controller	13-12-18				5,000,000	75.0	375,000,000		Yes
Ricardo Adolfo García Holtz	Manager	14-12-18				670,943	75.5	50,656,330		Yes
Inversiones Cifco Ltda.	Controller	23-04-19				2,000,000	70.0	140,078,278		Yes
Inversiones Cifco Ltda.	Controller	14-05-19				3,479,840	68.0	236,629,120		Yes
Inversiones HCL Ltda.	Controller	23-07-19				215,887	65.0	14,032,655		Yes
Inversiones HCL Ltda.	Controller	23-07-19				51,784,113	63.0	3,262,399,119		Yes
Inversiones HCL Ltda.	Controller	01-08-19				3,000,000	63.0	189,030,000		Yes
Inversiones HCL Ltda.	Controller	08-08-19				10,000,000	62.0	620,000,000		Yes
Inversiones Cifco Ltda.	Controller	08-08-19				10,000,000	62.0	620,000,000		Yes
Inversiones HCL Ltda.	Controller	17-10-19				10,000,000	54.0	540,000,000		Yes
Inversiones Cifco Ltda.	Controller	17-10-19				7,000,000	54.0	378,000,000		Yes
Domingo Jose García Gutierrez	Manager	30-10-19	8,000	52.2	417,520					Yes
Domingo Jose García Gutierrez	Manager	30-10-19	19,078	52.2	996,444					Yes
Domingo Jose García Gutierrez	Manager	08-11-19	6,049	48.9	295,796					Yes
Inversiones HCL Ltda.	Controller	29-11-19				10,000,000	50.0	500,000,000		Yes
Inversiones HCL Ltda.	Controller	13-12-19				10,000,000	60.0	600,000,000		Yes



SHARE TRANSACTIONS IN CHILE

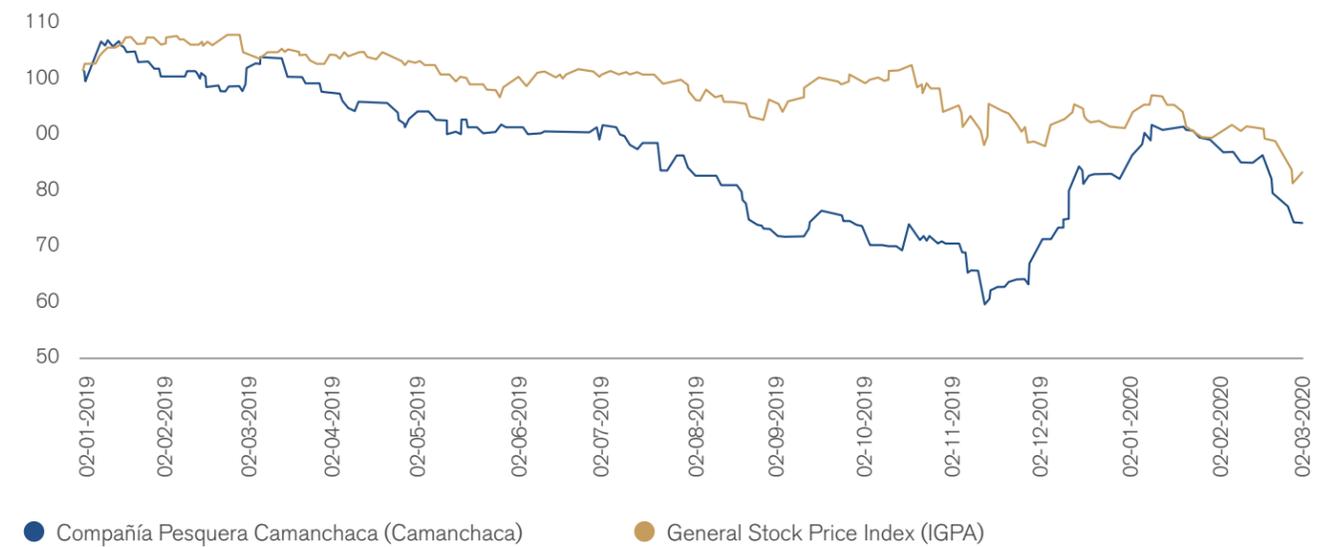
2019	Unidades	Monto (CLP)	Precio promedio (CLP)
1st Quarter	147,033,143	11,304,554,889	76.88
2nd Quarter	50,839,920	3,551,368,344	69.85
3rd Quarter	138,804,890	8,596,160,433	61.93
4th Quarter	197,332,845	10,471,010,463	53.06
2018			
1st Quarter	195,173,250	10,996,171,031	56.34
2nd Quarter	222,075,145	14,639,686,848	65.92
3rd Quarter	59,918,463	4,030,851,976	67.27
4th Quarter	144,898,788	10,639,747,802	73.43

Source: Santiago Stock Exchange

SHARE PRICE DEVELOPMENT

Share price

Base 100 (02-01-2019)



Source: Santiago Stock Exchange

8.5 

Financial Statements, Earnings Report

and Subsidiaries' summarized financial Statements



Financial Statements 2019



Earnings Report 2019



Subsidiaries' Financial
Statements



9.1 

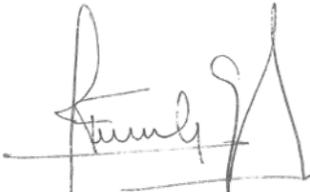
Directors' responsibility statement

At the time of the release of this 2019 Annual Report, coronavirus pandemic has affected all the locations where the Company operates, restricting or hindering logistics, the production processes involved in plant personnel, and demand for products of human consumption. In these circumstances, the priorities of Compañía Pesquera Camanchaca are the protection of the health of our employees and operational continuity even under restricted conditions. The medium- and long-term implications of this pandemic are still uncertain.

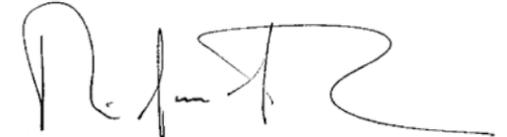
The Company constantly monitors the situation and will continue to take all possible measures to mitigate risks and reduce potential impacts.

The directors and the CEO of Compañía Pesquera Camanchaca S.A. subscribe to this Annual Report and declare under oath that the information contained there is the faithful expression of the truth.

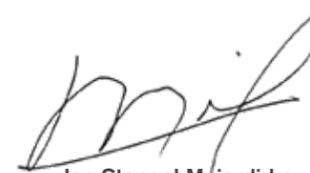
Santiago, 31 de marzo 2020



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Director's Responsibility Statement

