CONSOLIDATED EARNINGS REPORT

MARCH 2020

This analysis is for the year ended March 31, 2020, with comparative figures for the same period in 2019. In accordance with regulations from the Chilean Financial Market Commission (CMF), Enaex S.A. prepares its financial statements under IFRS in United States dollars, which is defined as its functional currency.

RELEVANT FIGURES

Consolidated revenue
MUS$ 177.7

Net operating income (loss)
MUS$ 28.8

EBITDA
MUS$ 39.8

Consolidated profit for the year
MUS$ 17.7

EBITDA margin
22%

Net margin
10%

1. CONSOLIDATED EXECUTIVE SUMMARY

At the end of March 2020, **Enaex's profit reached US$17.7 million,** 2% lower than the US$18.1 million recorded for the same period in 2019.

As of March 31, 2020, Enaex had **consolidated revenues of US$177.7 million**, 5% lower than the US$187.5 million recorded for the same period in 2019.

EBITDA as of March 31, 2020, reached **US$39.8 million**, 6% higher than the US$37.6 million accumulated at the end of March 31, 2019, recording an **EBITDA margin of 22%**.

In February 2020, Enaex was recognized by the Chilean Safety Association (ACHS) for its constant commitment to safety at the Prillex America Plant located in Mejillones.

In February 2020, Enaex Britanite received the SSMAQ (Safety, Health and Environment) recognition in the "Associated Company" category, from Mosaic Fertilizers, a company that operates in the mining and processing of phosphate and potassium, this award demonstrates the company's constant commitment to operational excellence.

Statement of Income	In thousands US$			
Consolidated	03-31-2020	03-31-2019	Var.	Var %
Revenue	177,658	187,467	(9,809)	(5%)
Net operating income (loss)	28,838	26,457	2,381	9%
Operating margin	16%	14%		
Profit (loss) for the year	17,694	18,063	(369)	(2%)
Net margin	10%	10%		
EBITDA	39,810	37,639	2,171	6%
EBITDA margin	22%	20%		

Balance Sheet	In thousands US$			
Consolidated	03-31-2020	12-31-2019	Var.	Var %
Total assets	1,175,152	1,208,183	(33,031)	(3%)
Total liabilities	542,594	549,808	(7,214)	(1%)
Equity	632,558	658,375	(25,817)	(4%)

2. ANALYSIS OF STATEMENT OF FINANCIAL POSITION

PERFORMANCE BY COMPANY

Revenue	In thousands US$			
Performance by Company	03-31-2020	03-31-2019	Var.	Var %
Enaex S.A. and other subsidiaries*	126,559	127,349	(790)	(1%)
Enaex Britanite	26,991	29,379	(2,388)	(8%)
Davey Bickford	24,108	30,739	(6,631)	(22%)
Total revenue	**177,658**	**187,467**	**(9,809)**	**(5%)**

*All subsidiaries excluding Enaex Britanite and Davey Bickford.

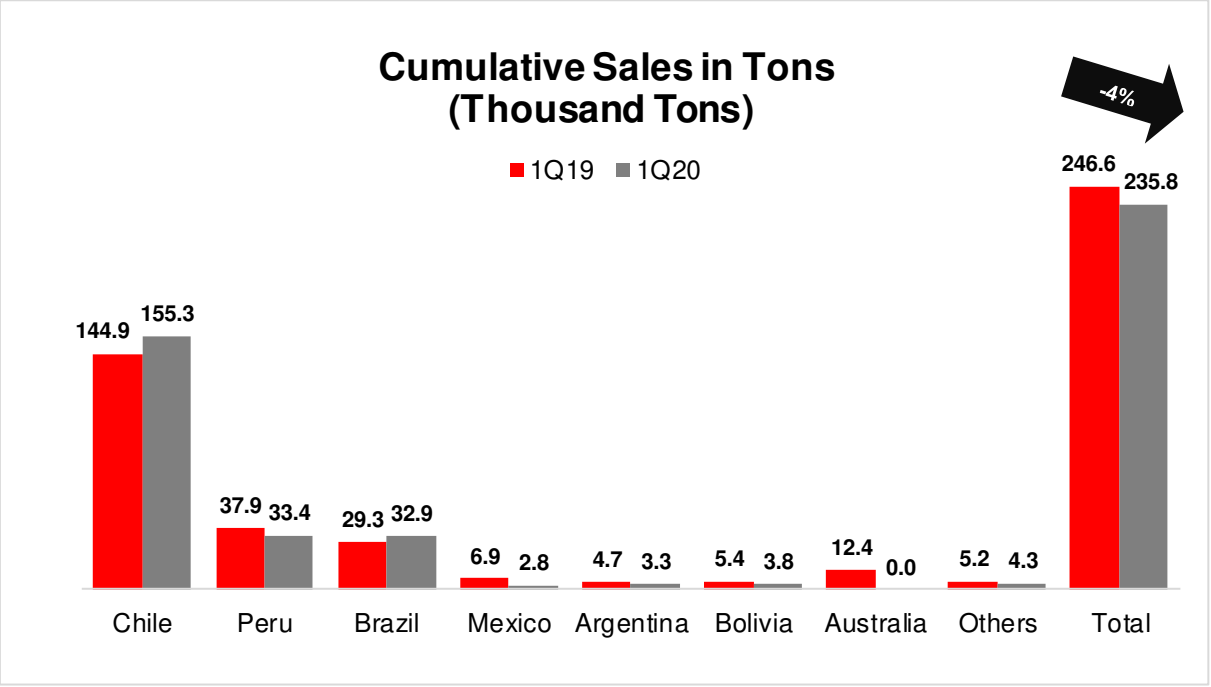
Enaex S.A. and other subsidiaries*: As of March 31, 2020, revenues reached **MUS$126.6**, a decrease of 1% compared to 2019, mainly explained by a drop in the price of ammonia and a drop in physical sales in 2020, due to the effect of Covid-19.

Enaex Britanite: As of March 31, 2020, revenues amounted **to MUS$27.0**, 8% lower than the same period of 2019, mainly explained by the devaluation of the Brazilian currency during 2020.

Davey Bickford: As of March 31, 2020, revenues totaled **MUS$24.1**, 22% lower than the sales level reached during 2019, explained by the Covid-19 effect and changes in its participation of its subsidiaries in Chile, Peru and the United States, which now consolidate results in Enaex S.A. and other subsidiaries*.

GEOGRAPHIC DISTRIBUTION OF SALES VOLUMES

As for the consolidated Volume Sales, it shows a 4% decrease compared to the same period in 2019, mainly explained by the effect of the Covid-19 on exports, which were partially offset by higher sales in Chile and Brazil in January and February.



CONSOLIDATED PERFORMANCE

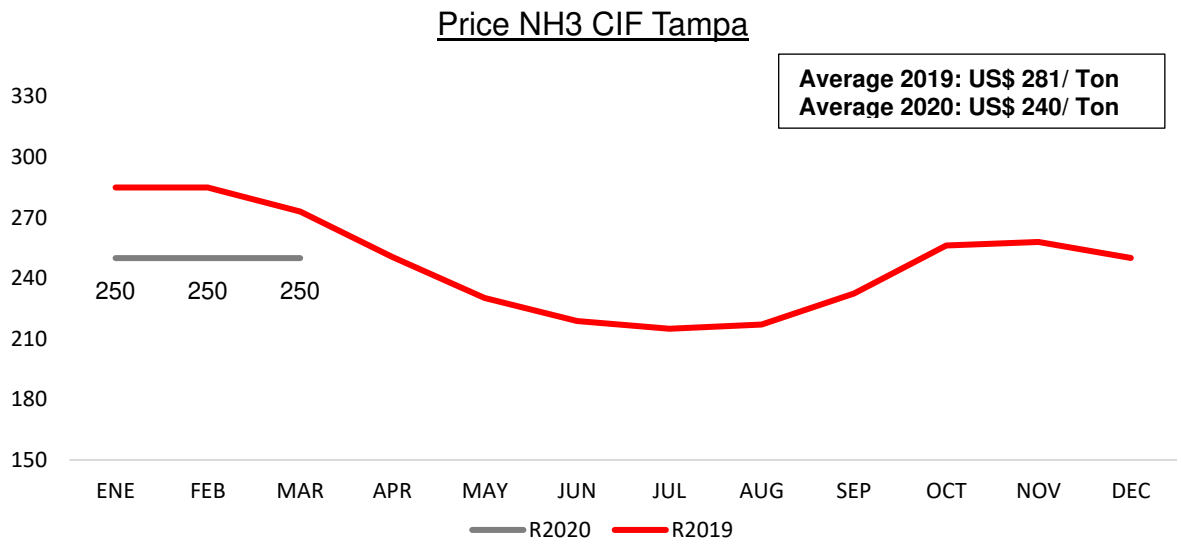
Statement of Income	In thousands US$			
Consolidated	**03-31-2020**	**03-31-2019**	**Var.**	**Var %**
Revenue	177,658	187,467	(9,809)	(5%)
Cost of sales	(121,499)	(130,019)	8,520	(7%)
Gross profit	**56,159**	**57,448**	**(1,289)**	(2%)
Gross margin	*32%*	*31%*		
Other income	160	434	(274)	(63%)
Administrative, distribution and other expenses	(27,447)	(31,372)	3,925	(13%)
Other	(34)	(53)	19	(36%)
Net operating income (loss)	**28,838**	**26,457**	**2,381**	9%
Operating margin	*16%*	*14%*		
Net finance income (costs)	(2,992)	(1,646)	(1,346)	82%
Share of profit (loss) of associates and joint ventures	-	-	-	-
Impairment losses	18	(115)	133	(116%)
Exchange differences	(694)	790	(1,484)	(188%)
Profit (loss) before tax	**25,170**	**25,486**	**(316)**	(1%)
Income tax expense	(7,507)	(7,359)	(148)	2%
Profit (loss) from discontinued operations	-	-	-	
Profit (loss) after tax	**17,663**	**18,127**	**(464)**	(3%)
Profit (loss) attributable to non-controlling interest	(31)	64	(95)	
Profit (loss) for the year	**17,694**	**18,063**	**(369)**	(2%)
Net margin	*10%*	*10%*		
EBITDA	**39,810**	**37,639**	**2,171**	6%
EBITDA margin	*22%*	*20%*		

❖ Revenue

At March 31, 2020, consolidated ordinary revenues reached **MUS$177,658**, 5% lower than in the same period of 2019. This variation is mainly explained by a decrease in the price of ammonia in 2020, devaluation of the Brazilian currency in the first quarter of 2020 and Covid-19 effects.

❖ Cost of Sales

At the end of March 2020, the cost of sale recorded **MUS$121,499**, 7% lower than the MUS$130,019 reached in the same period of the previous year, in line with the decrease in the price of ammonia in 2020.



❖ Gross Profit

Consolidated gross profit as of March 31,2020 reached **MUS$56,159**, 2% lower than that recorded in the same period of 2019.

❖ Administrative, Distribution and Other Expenses

At the end of March 2020, administrative, distribution and other expenses decreased by 13% compared to the same period of the previous year, reaching **MUS$27,447**. This decrease is mainly due to the cost efficiency plan for the year 2020 and to exchange rate effects in Chile, Brazil and France.

❖ Net Operating Income and EBITDA

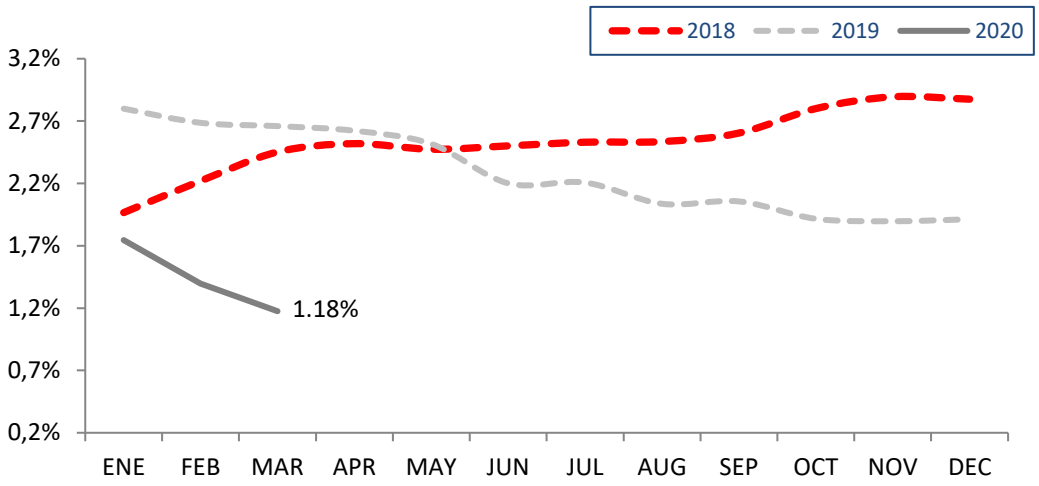
Based on the above, the accumulated Operating Result at the end of March 2020, reaches **MUS$28,838,** 9% higher than the same period of 2019.

As of March 31, 2020, the EBITDA reached **MUS$39,810,** 6% higher compared to the same period of the previous year. The EBITDA margin increased from 20% to 22% compared to March 2019.

❖ Net Finance Income/Costs

Net financial income/expenses as of March 31, 2020 reached **MUS$2,992 of** expenses**,** 82% higher than the same period of the previous year, explained by the settlement of a foreign currency derivative, due to the refinancing of a long term credit in the first quarter of 2019.

Evolution of LIBOR 180



❖ Exchange Differences

Since the Company's functional currency is the US dollar, its net assets and liabilities in Chilean pesos and other local currencies where it does business are exposed to exchange rate variations with respect to the US dollar.

As of March 31, 2020, a negative exchange rate difference of **MUS$694** was generated**,** in line with the company's financial hedging process.

❖ Income Taxes

Income tax as of March 31, 2020 totaled **MUS$7,507,** 2% lower than in the same period of the previous year**.**

3. ANALYSIS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The main components of the Consolidated Statement of Financial Position of assets and liabilities at March 31, 2020 and December 31, 2019 are as follows:

Balance Sheet	In thousands US$			
Consolidated	03-31-2020	12-31-2019	Var.	Var %
Cash and cash equivalents	134,592	116,331	18,261	*16%*
Other financial assets, current	-	665	(665)	*(100%)*
Trade and other receivables	196,853	202,629	(5,776)	*(3%)*
Inventory	104,505	109,101	(4,596)	*(4%)*
Current tax assets	11,692	7,633	4,059	*53%*
Other	24	38	(14)	*(37%)*
Current assets	**447,666**	**436,397**	**11,269**	***3%***
Other financial assets, non-current	-	11,273	(11,273)	*(100%)*
Property, plant and equipment, net	522,323	530,718	(8,395)	*(2%)*
Rights-of-use assets	16,482	17,833	(1,351)	*(8%)*
Receivables, non-current	7,525	10,549	(3,024)	*(29%)*
Equity method associates	-	-	-	-
Other	181,156	201,413	(20,257)	*(10%)*
Non-current assets	**727,486**	**771,786**	**(44,300)**	***(6%)***
Total assets	**1,175,152**	**1,208,183**	**(33,031)**	***(3%)***
Current financial liabilities	123,671	110,318	13,353	*12%*
Lease liabilities, current	6,341	6,111	230	*4%*
Trade and other payables	80,699	95,890	(15,191)	*(16%)*
Other	45,374	50,421	(5,047)	*(10%)*
Current liabilities	**256,085**	**262,740**	**(6,655)**	***(3%)***
Financial liabilities, non-current	213,809	210,989	2,820	*1%*
Lease liabilities, non-current	8,728	9,192	(464)	*(5%)*
Other	63,972	66,887	(2,915)	*(4%)*
Non-current liabilities	**286,509**	**287,068**	**(559)**	***(0%)***
Total liabilities	**542,594**	**549,808**	**(7,214)**	***(1%)***
Equity				
Issued capital	162,120	162,120	-	-
Retained earnings	562,722	550,358	12,364	*2%*
Other reserves	(91,264)	(53,114)	(38,150)	*(72%)*
Equity attributable to owners of the parent	**633,578**	**659,364**	**(25,786)**	***4%***
Non-controlling interest	(1,020)	(989)	(31)	*3%*
Total equity	**632,558**	**658,375**	**(25,817)**	***(4%)***
Total liabilities and equity	**1,175,152**	**1,208,183**	**(33,031)**	***(3%)***

As of March 31, 2020, total assets decreased by 3% compared to the end of 2019. The increase in cash and cash equivalents are explained by improvements in working capital management that is noteworthy.

The following table details cash and cash equivalents and other financial assets as of March 31, 2020:

Cash and cash equivalents	In thousands US$			
	03-31-2020	12-31-2019	Var.	Var %
Cash	29,927	37,778	(7,851)	*(21%)*
Deposits maturing in over 90 days	95,835	71,294	24,541	*34%*
Deposits maturing in between 90 and 180 days	-	-	-	-
Mutual funds	8,830	7,259	1,571	*22%*
Hedging assets	-	11,938	(11,938)	*(100%)*
Total	**134,592**	**128,269**	**6,323**	*5%*

Financial debt net of hedge assets at the end of March 2020 reaches **MUS$352,549,** 9% higher compared to the end of 2019.

Financial debt	In thousands US$			
	03-31-2020	12-31-2019	Var.	Var %
Borrowings from financial institutions	220,409	204,888	15,521	*8%*
Bonds payable	84,202	95,790	(11,588)	*(12%)*
Finance and operating leases	15,069	15,303	(234)	*(2%)*
Hedging liabilities	18,620	5,869	12,751	*217%*
Other	14,249	14,760	(511)	*(3%)*
Total debt (a)	**352,549**	**336,610**	**15,939**	*5%*
Hedging assets (b)	-	11,938	(11,938)	*(100%)*
Net financial debt of hedging assets (a) - (b)	**352,549**	**324,672**	**27,877**	*9%*

As of March 31, 2019, total liabilities decreased by 1% compared to the end of 2019.

Total equity as of March 31, 2019, was **MUS$632,558,** 4% lower compared to the end of 2019.

4. SUMMARIZED CASH FLOWS

Cash flows	In thousands US$	
Consolidated	03-31-2020	03-31-2019
Net cash flows provided by (used in) operating activities	23,592	18,156
Net cash flows provided by (used in) investing activities	(15,232)	(12,980)
Net cash flows provided by (used in) financing activities	14,147	10,168
Net increase (decrease) in cash and cash equivalents	**22,507**	**15,344**
Effect of exchange rate changes on cash and cash equivalents	(4,246)	(118)
Net variation	**18,261**	**15,226**
Cash and cash equivalents at beginning of year	116,331	98,868
Cash and cash equivalents at end of year, closing balance	**134,592**	**114,094**

Operating activities generated net positive cash flows of **MUS$23,592**, on par with the Company's operating flows.

Investing activities generated net negative cash flows of **MUS$15,232** due largely to investments in property, plant and equipment as part of the Company's capex plan for 2020.

The positive cash flow of **MUS$14,147** in financing activities is mainly explained by the obtaining of short-term financing.

5. CONSOLIDATED FINANCIAL RATIOS

Liquidity ratios are in line with the company's conservative financial strategy and its short-term commitments at the end of March 2020.

Liquidity ratios	Unit	03-31-2020	12-31-2019
Current liquidity ratio Current assets / Current liabilities	Times	1.75	1.66
Acid test ratio (Current assets - Inventory) / Current liabilities	Times	1.34	1.25

As of March 31, 2020, short-term financial debt showed a minor variation with respect to the prior year.

Indebtedness ratios	Unit	03-31-2020	12-31-2019
Leverage ratio Total liabilities / Total equity	Times	0.86	0.84
Short-term portion of debt Current financial liabilities / Total financial liabilities	%	36.88	34.59
Long-term portion of debt Non-current financial liabilities / Total financial liabilities	%	63.12	65.41
	Unit	03-31-2020	03-31-2019
Financial expense coverage (LTM) EBITDA / Financial expenses	Times	11.08	15.51

Leverage and financial expense coverage ratios were on par with 2019.

Profitability ratios	Unit	03-31-2020	12-31-2019
Return on assets Profit (loss) for the year / Average assets	%	6.82	6.82
Return on operating assets Net operating income (loss) / Avg. operating assets	%	13.25	13.13
Return on equity Profit (loss) for the year / Average equity	%	12.68	12.52
Earnings per share Profit (loss) for the year / Number of shares	USD	0.66	0.66
Dividend yield Dividend per share / Share price	%	6.34	3.95

Profitability ratios were up as of March 31, 2020, explained mainly by the Company's consolidated results.

6. MARKET RISK ANALYSIS

According to the World Bank report published in January 2020, it estimates that during 2019 the world economy will grow at a rate close to 2.4%. World growth is moderating, compared to 3.0% growth in 2018. This is because of the uncertainty of the trade negotiations between the USA and China, where a stable relationship would tend to increase global growth.

According to the report, the United States grew at a rate close to 2.3% and the Eurozone at a rate of 1.1% compared to 2018 when they grew by 2.9% and 1.9% respectively. On the other hand, China's economy grew at a rate close to 6.1%, down from 6.6% in 2018. Chile, on the other hand, achieved a growth of 1.3%, much lower than the 4.0% obtained in 2018, as a result of the social crisis that occurred in the last months of 2019, among others. With respect to Brazil, during 2019 the economy grew at a rate of close to 1.1%.

During the year 2020, the COVID-19 pandemic is having a serious impact on world economic activity. As a result, the International Monetary Fund projects in the World Economic Outlook Report published in April 2020 that the global economy will contract by 3% in the year 2020.

According to the report, the US economy will shrink by 5.9% by the end of the year, while the Eurozone will fall by 7.5%. For China it projects a growth of 1.2% and for Chile a contraction of 4.5% in 2020. This, subject to the impacts of the virus in those countries.

The risks associated with the business in which the company participates are mainly related to the demand for its products and services, operational risks, supply of inputs and production factors and financial risks.

Public Health Crisis Risk:

At the end of 2019, the first cases of people infected with COVID-19 were identified in the city of Wuhan, China. The rapid global spread of this virus led to its designation as a global pandemic by the World Health Organization on March 11, 2020. Due to this, the different governments began to paralyze their economies through the imposition of quarantines, social distancing orders, closing land and air borders, among other measures to prevent the spread of this disease that has developed during the first months of the year 2020. In addition, companies around the world have begun to implement contingency plans to overcome this health crisis.

The company's plan to address this health crisis includes sanitation measures to care for the health of workers whose presence is vital in the role of blasting services for mining, and also to ensure the continuity of its operations under strict control measures. In the rest of the functions, teleworking was implemented and other measures were applied, such as the development of a Corporate Protocol to streamline communications and action flows in the event of possible disease transmission.

On the other hand, a complete support plan is added to the locations where Enaex carries out its operations. For the Company, it is essential to closely accompany the local communities so, together with bringing the necessary inputs to face this crisis, such as gel alcohol, facilities to perform coronavirus detection tests, the company is providing funds to develop and deepen social and infrastructure programs in the municipalities of Mejillones and Calama.

The Company is currently unable to estimate the impact on the business, as this will depend on the severity, location and duration of the spread of the pandemic. On the other hand, the actions promoted by local and international governments to contain the virus play a fundamental role, as do the measures taken by our collaborators, suppliers and customers.

Market Risks:

The businesses in which Enaex S.A. and its subsidiaries operate are primarily affected by the activity levels of Latin American's major mining companies, which directly and indirectly represent approximately 75% of copper production sales and approximately 10% of iron and gold production sales. The remaining sales are tied to production of other minerals by small and medium mining companies, civil works, chemical sales and exposure to other regions like North America, Africa, Europe and Oceania.

On a macro industry level, the highest demand for copper and iron continues to come from China, which expanded around 6.1% in 2019, down from 6.6% in 2018.

Copper production in Chile reached levels of approximately 5.83 million tons in 2018--an historical record and 6.0% greater than 2017. In 2019, Chilean mining operations produced nearly 5.78 million tons, down 0.8% from last year.

The average copper price as of December 31, 2019, was around 2.72 USD/lb, or 8.0% less than the 2.95 USD/lb recorded in 2018.

The iron market reported an average price of around 66.34 USD/ton in 2018 and approximately 90.40 USD/ton in 2019. This rise is explained mainly by lower demand in 2019.

In terms of the global explosives market, there was evidence of a worldwide over-supply of Ammonium Nitrate, which has driven prices down since 2016. A slight recovery in local and regional market demand is expected in the short- and medium-term. This is primarily attributable to recovering investment figures linked to higher copper prices and efficiency and production efforts by the large-scale mining industry.

Enaex is looking to consolidate its presence in the regional market and continues to develop business in its Argentine, Brazilian, Colombian, Mexican and Peruvian subsidiaries. Furthermore, the Company has entered new markets such as Asia Pacific, Oceania and North America, enabling it to diversify its sales and expand its global presence to around 40 countries.

Risks Related to the Expansion Strategy:

In recent years, the Company has acted on important expansion plans initiated in 2008 when it entered the Argentine market. In 2015 it continued this expansion strategy by acquiring Britanite in Brazil and Davey Bickford in France. Similarly, in 2018 it acquired 70% of the Peruvian company Cachimayo, thus consolidating its presence in the region. In 2019, it was selected as a strategic partner for a joint venture with Sasol Limited in South Africa.

As a result, today the Company is exposed to several risks related to the economic and political conditions of those markets and their customers, such as fluctuations in exchange rates, uncollectibility, regulatory systems, tax codes and other structural regimes that could have adverse effects on financial performance.

Operational Risks:

The Company's strategy of vertical integration in mining services provides greater stability to demand for Ammonium Nitrate. Also, strict compliance with safety standards has resulted in low accident rates and reduced production stoppages. These policies are audited systematically by both local and international experts in order to continually incorporate best practices in safety and prevention.

Credit Risks:

Company revenues are tied to long-term relationships with regional clients renowned for their experience and solvency. According to company policy, loan insurance policies are purchased to cover the majority of clients in Chile and abroad with different risk. Even so, there are customers without coverage on certain markets where the Company operates, which implies possible credit risk.

Accident Risks:

The Company holds insurance policies to cover physical loss to its property, losses due to resulting business interruptions. It also has coverage for civil liability, cyber-risk and other risks related to criminal activity, transportation and cabotage for all merchandise it transports within Chile between plants or consolidation centers.

Input and Production Factor Risk:

The Company is impacted by variations in international Ammonia Prices, which are sensitive to oil and natural gas prices. To mitigate the risk of fluctuation in this input, customer contracts stipulate periodic rate adjustments based on indexation formulas that account for this product. This enables it to generate hedges for operating margins and stabilize operating cash flows.

From a supply perspective, the Company has had a long-term supply contract since 2000, renewed on October 2016, to ensure supply, mitigate the risk of variations in logistics costs and guarantee purchase price conditions by indexing them to commodity rates in the global ammonia market.

Risks in fluctuations in the cost of other relevant production inputs, like oil or electricity, are also covered using indexation formulas.

Risks of Criminal Activity:

Regarding the risk of criminal activity regulated in law 20,393 on criminal liability for legal entities (bribery, terrorism financing and money laundering), the Company has a prevention model in place that fully complies with current legislation and is certified by BH Compliance.

Financial Risks:

The Company manages currency, interest rate and working capital financing risk. In exchange rate risk, in 2009 the Company defined the US dollar as its functional currency because the majority of its commercial operations and investments are in that currency.

Likewise, its financial obligations (both short and long-term) are primarily secured in that currency in order to reduce the exchange rate risk on cash flows and earnings. Since the local currency remains the functional currency of some subsidiaries, Enaex has some exposure to exchange rate fluctuations, primarily the euro and the Brazilian real.

Enaex maintains a sound financial position, as confirmed by the ratings assigned by risk rating agencies Feller Rate (AA, stable outlook) and Fitch Ratings (AA-, stable outlook) in 2019.