CONSOLIDATED EARNINGS REPORT

JUNE 2020

This analysis is for the year ended June 30, 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$ 343.1

Net operating income (loss)
MUS$ 58.7

EBITDA
MUS$ 80.8

Consolidated profit for the year
MUS$ 36.7

EBITDA margin
24%

Net margin
11%

1. CONSOLIDATED EXECUTIVE SUMMARY

As of June 30, 2020, Enaex had **consolidated revenues of US$343.1 million**, 11% lower than the US$384.0 million recorded for the same period in 2019.

At the end of June 2020, **Enaex's profit reached US$36.7 million,** 2% lower than the US$37.6 million recorded for the same period in 2019.

EBITDA as of June 30, 2020, reached **US$80.8 million**, in line with the US$80.9 million accumulated at the end of June 30, 2019, recording an **EBITDA margin of 24%**.

On June 30, 2020, Enaex S.A. officially joined the explosives business of Sasol South Africa Limited with a 51% share, being the controlling partner of this new company that operates under the name of "Enaex Africa". This operation is part of the company's strategic plan to continue strengthening its international presence in the most important mining regions of the world.

In June 2020, Enaex Britanite reached a historic milestone by achieving 2,000 days without accidents with lost time in its production plant in Quatro Barras, Brazil. This fact reflects the Company's commitment to caring for people´s lives. .

On July 3, 2020, Fitch Ratings ratified the risk classification in national scale of Enaex S.A. in AA-(cl) with a stable perspective.

Statement of Income	In thousands US$			
Consolidated	06-30-2020	06-30-2019	Var.	Var %
Revenue	343,119	384,025	(40,906)	(11%)
Net operating income (loss)	58,726	58,073	653	1%
Operating margin	17%	15%		
Profit (loss) for the year	36,736	37,565	(829)	(2%)
Net margin	11%	10%		
EBITDA	80,824	80,906	(82)	(0%)
EBITDA margin	24%	21%		

Balance Sheet	In thousands US$			
Consolidated	06-30-2020	12-31-2019	Var.	Var %
Total assets	1,270,360	1,208,183	62,177	5%
Total liabilities	611,145	549,808	61,337	11%
Equity	659,215	658,375	840	0%

2. ANALYSIS OF STATEMENT OF FINANCIAL POSITION

PERFORMANCE BY COMPANY

Revenue	In thousands US$			
Performance by Company	06-30-2020	06-30-2019	Var.	Var %
Enaex S.A. and other subsidiaries*	240,329	250,335	(10,006)	(4%)
Enaex Britanite	53,126	61,153	(8,027)	(13%)
Davey Bickford	49,664	72,537	(22,873)	(32%)
Total revenue	**343,119**	**384,025**	**(40,906)**	**(11%)**

*All subsidiaries excluding Enaex Britanite and Davey Bickford.

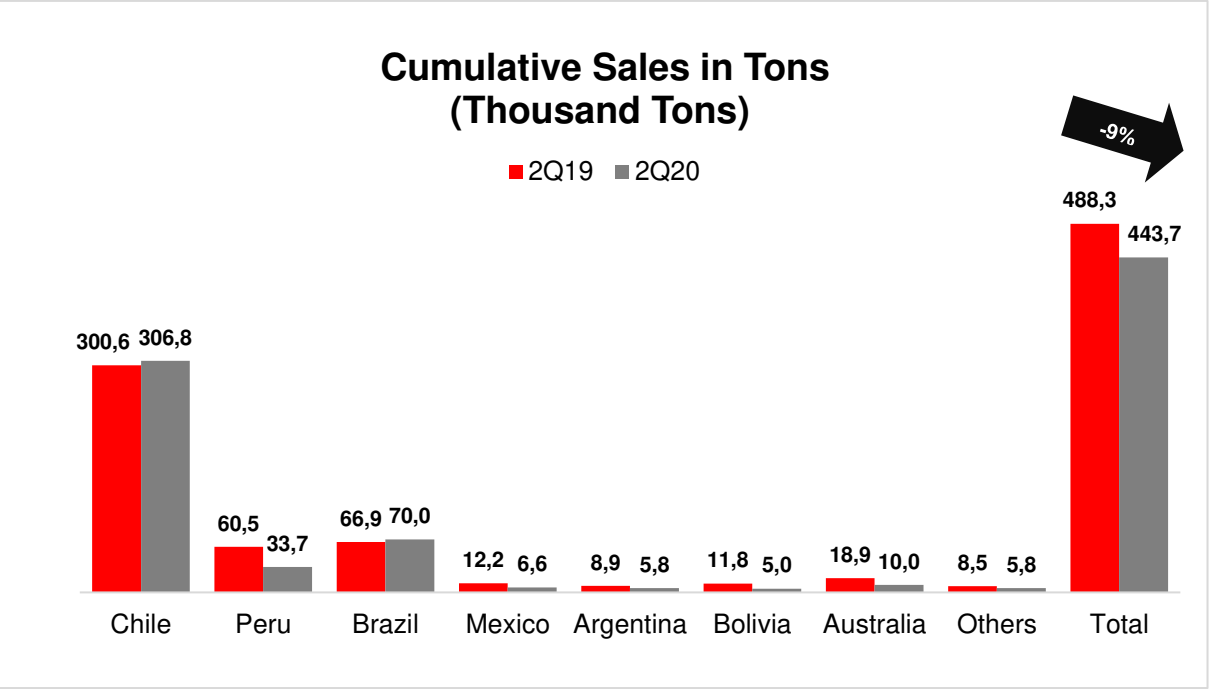
Enaex S.A. and other subsidiaries*: As of June 30, 2020, revenues reached **MUS$240.3**, a decrease of 4% compared to 2019, mainly explained by a significant drop in volumel export sales as of March 15 due to the effect of Covid-19 and a decrease in the price of ammonia during the first semester.

Enaex Britanite: As of June 30, 2020, revenues amounted **to MUS$53.1**, 13% lower than the same period of 2019, mainly explained by the devaluation of the Brazilian currency during 2020.

Davey Bickford: As of June 30, 2020, revenues totaled **MUS$49.7**, 32% 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 VOLUME

As for the consolidated Sales Volume, it shows a 9% 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.



CONSOLIDATED PERFORMANCE

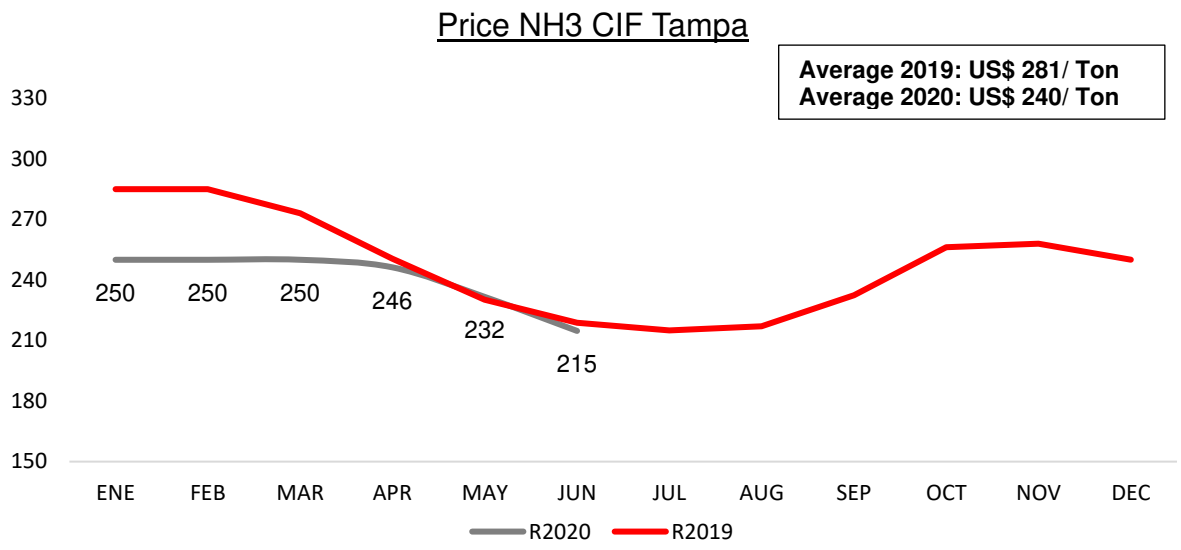
Statement of Income	In thousands US$			
Consolidated	**06-30-2020**	**06-30-2019**	**Var.**	**Var %**
Revenue	343,119	384,025	(40,906)	(11%)
Cost of sales	(229,748)	(263,326)	33,578	(13%)
Gross profit	**113,371**	**120,699**	**(7,328)**	(6%)
Gross margin	*33%*	*31%*		
Other income	320	845	(525)	(62%)
Administrative, distribution and other expenses	(55,178)	(63,701)	8,523	(13%)
Other	213	230	(17)	(7%)
Net operating income (loss)	**58,726**	**58,073**	**653**	1%
Operating margin	*17%*	*15%*		
Net finance income (costs)	(6,102)	(4,870)	(1,232)	25%
Share of profit (loss) of associates and joint ventures	-	-	-	-
Impairment losses	(325)	(143)	(182)	127%
Exchange differences	(51)	364	(415)	(114%)
Profit (loss) before tax	**52,248**	**53,424**	**(1,176)**	(2%)
Income tax expense	(15,632)	(15,582)	(50)	0%
Profit (loss) from discontinued operations	-	-	-	
Profit (loss) after tax	**36,616**	**37,842**	**(1,226)**	(3%)
Profit (loss) attributable to non-controlling interest	(120)	277	(397)	
Profit (loss) for the year	**36,736**	**37,565**	**(829)**	(2%)
Net margin	*11%*	*10%*		
EBITDA	**80,824**	**80,906**	**(82)**	(0%)
EBITDA margin	*24%*	*21%*		

❖ Revenue

At June 30, 2020, consolidated revenues reached **ThUS$343,119**, 11% lower than in the same period of 2019. This variation is mainly explained by the Covid-19 effect translated into fewer exports, a decrease in the price of ammonia in 2020 and a strong devaluation of the Brazilian currency in the first half of this year.

❖ Cost of Sales

At the end of June 2020, the cost of sale recorded **ThUS$229,748**, 13% lower than the ThUS$263,326 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 June 30,2020 reached **ThUS$113,371**, 6% lower than that recorded in the same period of 2019.

❖ Administrative, Distribution and Other Expenses

At the end of June 2020, administrative, distribution and other expenses decreased by 13% compared to the same period of the previous year, reaching **ThUS$55,178**. 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

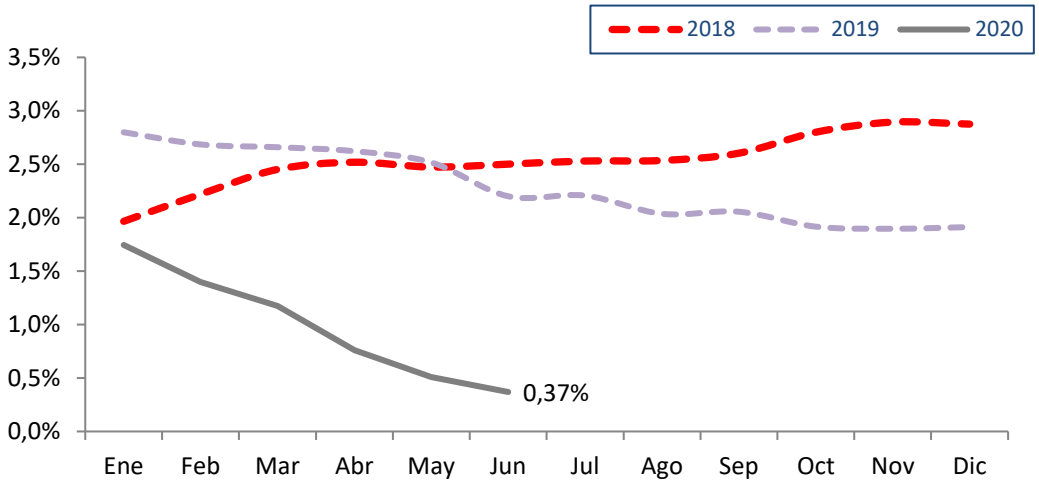
Based on the above, the accumulated Operating Result at the end of June 2020, reaches **ThUS$58,726,** 1% higher than the same period of 2019.

As of June 30, 2020, the EBITDA reached **ThUS$80,824,** in line compared to the same period of the previous year. The EBITDA margin increased from 21% to 24% compared to June 2019.

❖ Net Finance Income/Costs

Net financial income/expenses as of June 30, 2020 reached **ThUS$6,102 of** expenses**,** 25% higher than the same period of the previous year, explained by the settlement of a interest rate swap, 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 June 30, 2020, a negative exchange rate difference of **ThUS$51** was generated**,** in line with the company's financial hedging process.

❖ Income Taxes

Income tax as of June 30, 2020 totaled **ThUS$15,632,** in line with 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 June 30, 2020 and December 31, 2019 are as follows:

Balance Sheet	In thousands US$			
Consolidated	06-30-2020	12-31-2019	Var.	Var %
Cash and cash equivalents	177,854	116,331	61,523	*53%*
Other financial assets, current	-	665	(665)	*(100%)*
Trade and other receivables	184,210	202,629	(18,419)	*(9%)*
Inventory	128,838	109,101	19,737	*18%*
Current tax assets	5,330	7,633	(2,303)	*(30%)*
Other	27	38	(11)	*(29%)*
Current assets	**496,259**	**436,397**	**59,862**	***14%***
Other financial assets, non-current	-	11,273	(11,273)	*(100%)*
Property, plant and equipment, net	567,486	530,718	36,768	*7%*
Rights-of-use assets	15,361	17,833	(2,472)	*(14%)*
Receivables, non-current	1,684	1,981	(297)	*(15%)*
Equity method associates	-	-	-	-
Other	189,570	209,981	(20,411)	*(10%)*
Non-current assets	**774,101**	**771,786**	**2,315**	***0%***
Total assets	**1,270,360**	**1,208,183**	**62,177**	***5%***
Current financial liabilities	142,775	110,318	32,457	*29%*
Lease liabilities, current	6,316	6,111	205	*3%*
Trade and other payables	91,951	95,890	(3,939)	*(4%)*
Other	50,270	50,421	(151)	*(0%)*
Current liabilities	**291,312**	**262,740**	**28,572**	***11%***
Financial liabilities, non-current	240,696	210,989	29,707	*14%*
Lease liabilities, non-current	7,786	9,192	(1,406)	*(15%)*
Other	71,351	66,887	4,464	*7%*
Non-current liabilities	**319,833**	**287,068**	**32,765**	***11%***
Total liabilities	**611,145**	**549,808**	**61,337**	***11%***
Equity				
Issued capital	162,120	162,120	-	-
Retained earnings	556,441	550,358	6,083	*1%*
Other reserves	(89,723)	(53,114)	(36,609)	*(69%)*
Equity attributable to owners of the parent	**628,838**	**659,364**	**(30,526)**	***5%***
Non-controlling interest	30,377	(989)	31,366	*(3171%)*
Total equity	**659,215**	**658,375**	**840**	***0%***
Total liabilities and equity	**1,270,360**	**1,208,183**	**62,177**	***5%***

As of June 30, 2020, total assets increased by 5% compared to the end of 2019. The increase in cash and cash equivalents explained by improvements in the management of working capital and the taking of debt to face the effects of Covid-19.

The following table details cash and cash equivalents and other financial assets as of June 30, 2020:

Cash and cash equivalents	In thousands US$			
	06-30-2020	12-31-2019	Var.	Var %
Cash	49,954	37,778	12,176	*32%*
Deposits maturing in over 90 days	106,712	71,294	35,418	*50%*
Deposits maturing in between 90 and 180 days	-	-	-	-
Mutual funds	21,188	7,259	13,929	*192%*
Hedging assets	-	11,938	(11,938)	*(100%)*
Total	**177,854**	**128,269**	**49,585**	*39%*

Financial debt net of hedge assets at the end of June 2020 reaches **ThUS$397,573,** 22% higher compared to the end of 2019.

Financial debt	In thousands US$			
	06-30-2020	12-31-2019	Var.	Var %
Borrowings from financial institutions	274,581	204,888	69,693	*34%*
Bonds payable	88,623	95,790	(7,167)	*(7%)*
Finance and operating leases	14,102	15,303	(1,201)	*(8%)*
Hedging liabilities	11,644	5,869	5,775	*98%*
Other	8,623	14,760	(6,137)	*(42%)*
Total debt (a)	**397,573**	**336,610**	**60,963**	*18%*
Hedging assets (b)	-	11,938	(11,938)	*(100%)*
Net financial debt of hedging assets (a) - (b)	**397,573**	**324,672**	**72,901**	*22%*

As of June 30, 2019, total liabilities increased by 11% compared to the end of 2019.

Total equity as of June 30, 2019, was **ThUS$659,215,** in line compared to the end of 2019.

4. SUMMARIZED CASH FLOWS

Cash flows	In thousands US$	
Consolidated	06-30-2020	06-30-2019
Net cash flows provided by (used in) operating activities	76,960	65,424
Net cash flows provided by (used in) investing activities	(54,092)	(32,314)
Net cash flows provided by (used in) financing activities	40,636	(18,925)
Net increase (decrease) in cash and cash equivalents	**63,504**	**14,185**
Effect of exchange rate changes on cash and cash equivalents	(1,981)	362
Net variation	**61,523**	**14,547**
Cash and cash equivalents at beginning of year	116,331	98,868
Cash and cash equivalents at end of year, closing balance	**177,854**	**113,415**

Operating activities generated net positive cash flows of **ThUS$76,960**, on par with the Company's operating flows.

Investing activities generated net negative cash flows of **ThUS$54,092** due to the investment corresponding to the 51% participation in the new company developed jointly with Sasol South Africa Limited for an amount of ThUS$30,842 and the Capex plan for the year 2020.

The positive cash flow of **ThUS$40,636** in financing activities is mainly explained by obtaining short and long term financing to solve the impacts of the Covid-19 and to comply with the company's expansion plan.

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 June 2020.

Liquidity ratios	Unit	06-30-2020	12-31-2019
Current liquidity ratio Current assets / Current liabilities	Times	1.75	1.66
Acid test ratio (Current assets - Inventory) / Current liabilities	Times	1.29	1.25

As of June 30, 2020, short-term financial debt showed a minor variation with respect to the prior year.

Indebtedness ratios	Unit	06-30-2020	12-31-2019
Leverage ratio Total liabilities / Total equity	Times	0.92	0.84
Short-term portion of debt Current financial liabilities / Total financial liabilities	%	37.50	34.59
Long-term portion of debt Non-current financial liabilities / Total financial liabilities	%	62.50	65.41
	Unit	06-30-2020	06-30-2019
Financial expense coverage (LTM) EBITDA / Financial expenses	Times	11.20	13.03

At June 30, 2020, short-term financial debt is in line with the previous year's closing.

The debt ratio is in line with that of 2019 and the coverage of financial expenses, shows a decrease due to the effect of the refinancing of a credit in the first quarter 2019.

Profitability ratios	Unit	06-30-2020	12-31-2019
Return on assets Profit (loss) for the year / Average assets	%	6.52	6.82
Return on operating assets Net operating income (loss) / Avg. operating assets	%	12.46	13.19
Return on equity Profit (loss) for the year / Average equity	%	12.67	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	%	4.70	3.95

Profitability rates show slight variations at the end of June 2020, mainly explained 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 June 2020 that the global economy will contract by 4.9% in the year 2020.

According to the report, the US economy will shrink by 8.0% by the end of the year, while the Eurozone will fall by 10.2%. For China it projects a growth of 1.0% and for Chile a contraction of 7.5% 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 at the end of December 2019 was about 2.72 USD/lb, 8.0% lower than the 2.95 USD/lb recorded in the same period of the previous year. At June 30, 2020, the average copper price is 2.49 USD/lb.

As for the iron market, during 2018 the average price of iron was approximately 66.34 USD/ton while in 2019 the average was approximately 90.40 USD/ton. This increase in the price is mainly explained by a lower supply of the metal during 2019. In the first half of 2020, the average price of iron is 86.74 USD/ton.

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. During 2020, the company acquires a 51% participation in the new company formed jointly with Sasol South Africa 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) in 2019 and Fitch Ratings (AA-, stable outlook) during 2020.