REASONED ANALYSIS OF HORTIFRUT S.A.'S
CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2020
(In thousands of United States dollars)

The current reasoned analysis has been prepared for the period ending September 30, 2020, compared with the financial statements as of December 31, 2019 and accumulated results as of September 30, 2019.

1. HIGHLIGHTS OF THE PERIOD AND SUBSEQUENT FACTS

Outstanding Peruvian campaign and maturing of investments in Mexico and China

The blueberry harvesting season in Peru for the 3Q20 has stood out due to its early start-up. During this quarter approximately 9,800 tons have been commercialized, which represents a 248.12% growth in relation to the same quarter last year. Through the pruning strategy, the design of the production curve and handling of the programmed harvests, the early start-up of the Peruvian season has been obtained, which has allowed the Company to obtain a growth in the consolidated EBITDA during the 3Q20, which, excluding the fair value effect of fruit hanging on bearer plants, reached US$50.60 million, 617.25% higher than what was recorded in the same period of 2019.

Also, investments performed in China and México in previous years have been maturing. In the case of China, the planted hectares have increased production in line with their maturity. In the case of Mexico, the planted hectares of *Centennial*, own raspberry variety developed by Hortifrut's genetics program, in own and third party fields, has brought a significant increase of commercialized volumes, passing from 784 tons as of Sep19 to 2,545 tons as of Sep20.

It must be highlighted that the *Centennial* variety has shown a super quality and productivity, which has resulted in the preference of customers and producers in America and Europe.

Successful debt refinancing for US$101 million

Dated August 25, 2020, Hortifrut S.A. subscribed a union credit contract and a bilateral credit contract for the total of US$101 million, with the participation of Banco Santander, Industrial and Commercial Bank of China (ICBC Bank), Banco de Occidente, Bladex and Rabobank, both for a 5 year term with a 2 year grace period. The funds from these credits were totally used to refinance short term liabilities.

These operations show the wide access to the local and international financial market that the company has, which despite the adverse conditions that the market faces due to the pandemic, it has obtained favorable conditions, flexibilizing its maturity profile and strengthening its financial structure.

Start-up of Vitafoods operations

In line with the Company's growth strategy, on July 31, 2020, the merger between Hortifrut and Alifrut, subsidiary of Duncan Fox, was concreted, to combine its export of frozen products operations in equal parts, thus forming Vitafoods.

The merger process considered the consolidation of five frozen products productive plants, which will start producing and commercializing a volume close to 35 million kilos and with estimated sales of over 100 million dollars during 2021, making it a very relevant global actor in its category in the international markets.

The new company will directly distribute to its customers through the global commercial platforms of Hortifrut and its subsidiary, Naturipe Value Added Foods USA, which will be controlled by Vitafoods. Also, the industrial and commercial expertise of Alifrut will be incorporated as a frozen multi-product processor, which will allow Vitafoods to manage a large part of the business' value chain, thus assuring the best food safety and quality, greater stability in supply and a varied multi-product offer for its global customers, together with the development of new products and formats.

Hortifrut acquires a non-controlling interest of BFruit

In order to continue strengthening its leadership position in the commercializing of berries in Europe, in February 2020 Hortifrut reached an agreement to purchase a non-controlling interest in B-Fruit producers' organization in Portugal.

As a result of this agreement, all the volume produced by B-Fruit is commercialized through Hortifrut's commercial platform for Europe, thus increasing the volume of the already existing vertically integrated business. Also, this allows Hortifrut to perform a faster commercial escalation of the new varieties of raspberries, blackberries and blueberries from its own varietal development programs around the world.

COVID-19 Sanitary Contingency

In relation to the sanitary contingency due to the COVID-19 pandemic, Hortifrut has taken actions in order to take care of the health of its workers, adopting the home-office modality for all its workers who can perform their tasks remotely. For the workers whose task has to be done in person, all the recommendations and measures established by the governmental authorities of each country and global organizations have been applied, a traceability system was developed for the workers and communication campaigns have taken place, as well as support for them.

In order to maintain our commitment to supply berries every day of the year, the Company has aimed to assure the continuity of the operations, adopting measures to assure the provision of the necessary supplies for the correct functioning of all our fields. As of today the fields where the Company is harvesting are Peru (Trujillo and Olmos), Chile and Mexico, whose operations have not been greatly affected.

2. SUMMARY OF THE PERIOD

Since the Company administers its operations with a vision of agricultural season (July 01 to June 30), which is the relevant criteria for this type of business, in this analysis we include the comparison of the 19/20 and 20/21 seasons (3Q19 and 3Q20, respectively).

The calculation of the EBITDA is detailed below:

	SEASON		JANUARY-SEPTEMBER PERIOD	
	jul20-sept20	**jul19-sept19**	**30-sept-20**	**30-sept-19**
DETERMINING EBITDA	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Income from operating activities	125,777	45,112	385,080	320,233
Other income, per function	20,151	35,848	26,408	38,318
Total Income	**145,928**	**80,960**	**411,488**	**358,551**
Cost of sales	(81,298)	(30,533)	(294,551)	(276,363)
Administration expenses	(12,584)	(10,642)	(37,206)	(34,679)
Other expenses, per function *	(1,688)	(2,661)	(4,522)	(12,024)
Total Costs and Expenses	**(95,570)**	**(43,836)**	**(336,279)**	**(323,066)**
Operating Result	**50,358**	**37,124**	**75,209**	**35,485**
Depreciation and amortization	20,351	4,744	41,174	29,994
EBITDA	**70,709**	**41,868**	**116,383**	**65,479**

**Excludes impairment in the value of assets*

Accumulated analysis as of September 2020

The accumulated EBITDA as of September 2020 ("Sep20") reached US$116.38 million, which represents a 77.74% increase compared with the US$65.48 million recorded as of September 2019 ("Sep19"). The higher EBITDA is mainly due to 1) the early start-up of the S20/21 in Peru due to the pruning strategy, the design of the production curve and handling of the programmed harvests, 2) improved prices in Chile during the 1Q20 as a result of a better fruit quality and the non-overlapping of production with Peru, 3) the maturing of fields in China, 4) the start-up of harvesting in the new raspberry fields in Mexico during 2020, and 5) the decrease of sales costs per kilo, linked to the implementing of efficiencies at a field and packing level, and a better quality of fruit in Peru. It must be stated that as of Sep20 a fair value adjustment was recognized for fruit hanging on bearer plants for US$22.25 million (US$36.19 million as of Sep 19), which, net of the reversal of adjustment recognized in Dec19, impacted the EBITDA as of Sep20 by US$20.85 million (US$28.83 million as of Sep19).

Accumulated EBITDA as of Sep20, without the fruit fair value effect, reached US$95.54 million, which represents a 160.70% increase, compared with the US$36.65 million obtained in the same period of 2019.

In the 9 months ending September 30, 2020, a profit attributable to the parent company shareholders for US$38.30 million was recorded, representing a US$32.38 million increase in relation to the US$5.92 million profit recorded in the same period of 2019. This improvement in gains attributable to the parent company shareholders is mainly due to: 1) an increase in the gross margin of US$46.66 million as a result of an increase in income due to the forwarding of the Peruvian fruit harvest compared to the previous season, the aforementioned improved production curve, and the decrease in costs per kilo, and 2) the decrease in financial costs of US$4.78 million. This was offset by: 1) the lower net fair value adjustment for fruit recorded in Sep20 compared to Sep19, and 2) by the higher cost of depreciation recorded in 2020 due to the higher volume produced in Peru.

Analysis of the July-September 2020 season

Also, the EBITDA as of the 3Q20 reached US$70.71 million, increasing 68.89% compared to the US$41.87 million EBITDA recorded in the 3Q19. The EBITDA mainly increased due to the 113.61% increase in the volume commercialized during the period, influenced by the aforementioned forwarding of the Peruvian season, which meant a distributed volume of 9,800 tons during this quarter from this country (+248.12% in relation to the same quarter of the previous year). Additionally, there is a 22.63% increase in the average price of the fruit mix, which together with higher volumes, among other factors, allow the income from operating activities in the 3Q20 to reach US$125.78 million, which represents an US$80.67 million increase in relation to the 3Q19. During the 3Q20, the fruit fair value adjustment net of the reversal recognized as of Jun20 had an impact on the EBITDA of US$20.11 million (US$34.81 million as of Sep19).

The EBITDA as of 3Q20, without the impact of fair value of fruit hanging on bearer plant, reached US$50.60 million, which represents a 617.25% increase in relation to the US$7.06 million of the 3Q19 EBITDA.

Profit attributable to the parent company shareholders reached US$35.80 million in the first 3 months of the 2020-21 season ("3Q20") compared with the US$22.12 million recorded during the start of the 2019-20 season ("3Q19") (+61.83%). The higher profit is mainly due to higher Peruvian fruit sales because of the early start-up of the season and reduction in net financial costs (-US$1.27 million), which was offset by a lower fair value adjustment of fruit on bearer plants recorded in the 3Q20 in relation to the same period of the previous year, and due to a higher loss due to exchange rate fluctuation (-US$4.09 million) mainly due to the appreciation of the Mexican pesos in the 3Q20, which during the same period of 2019 had a strong appreciation.

Determining net financial debt **Items**	**30-sept-20** **ThUS$**	**31-dic-19** **ThUS$**
Other current financial liabilities	132,883	176,345
Current lease liabilities*	9,302	10,614
Other non-current financial liabilities	397,111	279,524
Non-current lease liabilities*	18,357	24,433
Total financial liability	**557,653**	**490,916**
Minus:		
Cash and cash equivalents	78,882	42,002
Total net financial debt	**478,771**	**448,914**

**Operating Lease are considered, which as of 2019 must be recognized as assets and liabilities in it (IFRS 16). Bank debt and bond covenants do not consider impact of accounting of Operating Lease (IFRS 16).*

The Company's net financial debt increased from US$448.91 million as of December 31, 2019 to US$478.77 million as of September 30, 2020, which is mainly explained by the increase in PAE credits associated to financing of working capital, and by the financing of investments in China and Mexico during the first half of 2020. These effects were, in part, offset by the higher available cash balance. As of September 2020, the liability associated to the operating lease contracts that the Company has reach US$18.84 million, which is compared with the US$21.81 million as of December 2019.

3. ANALYSIS OF INCOME STATEMENT

In the 9 months ending September 30, 2020 (“Sep20”) gains attributable to parent company shareholders were recorded for US$38.30 million, representing a US$32.38 million increase compared to the US$5.92 million profit in the same period of 2019 (“Sep19”). The increase in profit attributable to the parent company shareholders compared to Sep19 is mainly due to: 1) an increase in the gross margin of US$46.66 million due to an increase in volumes due to the early start-up of harvest in Peru because of the pruning strategy, the design of the production curve and handling of programmed harvests, due to an increase in the average price of 1.21%, and the reduction of operating costs and expenses before depreciation; 2) a US$6.1 million decrease in other expenses, per function, associated to the lower reversal of the fair value adjustment of fruit on bearer plants recorded as of Sep20, compared to Sep19 (US$1.40 million as of Sep20 vs. US$7.36 million as of Sep19); 3) the US$3.52 million increase in the result associated to the participation of associated companies and joint business; and 4) lower net financial costs for US$3.83 million. These effects were mainly offset by: 1) a decrease in other incomes, per function for US$11.91 million mainly due to a lower fair value adjustment of fruit on bearer plants recorded (amount reaches US$22.25 million as of Sep20 and US$36.19 million as of Sep19); 2) higher tax expense which passed from US$2.88 million as of Sep19 to US$10.97 million as of Sep20, associated to a higher before tax result; and 3) lower gains from exchange rate fluctuation due to the depreciation of the Mexican peso and the Chilean peso in relation to the dollar during 2020.

The accumulated EBITDA as of September 2020 reached US$116.38 million, which represents a 77.74% increase compared to the US$65.48 million recorded as of September 2019. The higher EBITDA is mainly due to the higher volumes in Peru because of the early harvest in S20/21, improved prices in Chile as a result of an improved quality of fruit and the non-overlapping of production with Peru in S19/20 (+ ~US$7.00 million), the maturing of fields in China (+ ~US$11.00 million), and the decrease in sales costs per kilo, linked to the implementing of efficiencies at a field level, and the obtention of an improved quality of fruit.

a) Main components of Income

Income from operating activities reached US$385.08 million during the first 9 months of the year 2020 (“Sep19”), representing a 20.25% increase in relation to the same period in 2019. This increase is mainly due to the 13.88% increase in sales volume, due to the early harvesting of the fields in Peru in S20/21 (3Q20), which offset the decrease in volumes of the 1Q20 in relation to the 1Q19 due to the delay of the S18/19. Furthermore, there is an increase in income due to the maturity of the blueberry fields in China, the start-up of production at the raspberry fields in Mexico which were planted in S18/19 and S19/20, and due to the 1.21% increase in the average price per kilo of the fruit mix, which passed from 7.15 US$/Kg to 7.23 US$/Kg (average of first 9 months of 2019 and 2020, respectively).

Income from operating activities of the 3Q20 increased 178.81% (+US$80.67 million) in relation to the previous season, reaching US$125.78 million, explained by a 113.61% increase in distributed volume to 14.1 tons and by the increase in average price per kilo of 22.63%.

Total Operating Income	30-sept-20 ThUS$	30-sept-19 ThUS$	Variation %
Income from operating activities	385,080	320,233	20.25%
Other income, per function	26,408	38,318	-31.08%
Total Operating Income	**411,488**	**358,551**	**14.76%**

Detail of total operating income per business segment:

Income per Segment	30-sept-20 ThUS$	30-sept-19 ThUS$	Variation %
Fresh Fruit	**383,187**	**328,454**	**16.66%**
Blueberries	348,275	303,974	14.57%
Raspberries	23,981	7,641	213.84%
Blackberries	5,075	8,949	-43.29%
Strawberries	1,760	2,560	-31.25%
Cherries	4,096	5,329	-23.14%
Value Added Products	**28,301**	**30,098**	**-5.97%**
Frozen products	28,301	30,098	-5.97%
Total	**411,488**	**358,551**	**14.76%**

In blueberry sales, during the first 9 months of 2020 we observed a 14.57% increase compared to the previous period, explained by a 13.36% increase in commercialized volume, and by the increase in average price per kilo of 1.55%, passing from 8.20 US$/kg in Sep19 to 8.32 US$/kg in Sep20.

Raspberries experienced an increase in sales income of 213.8%, due to the higher commercialized volume, mainly because of hectares planted in Mexico with *Centennial*, own raspberry variety developed by Hortifrut's genetics program, in own and third party fields. The commercialized volume passed from 784 tons during the first 9 months of 2019 to 2,545 tons during the same period in 2020. The higher volume was partially offset by a decrease in the average price per kilo of 3.31%.

The blackberries segment recorded a 43.29% decrease in income compared to Sep19, explained by a 29.17% increase in commercialized volumes, mainly due to a lower availability of fruit in Mexico, and a 19.94% fall in the average price per kilo.

Strawberries experienced a decrease in sales of 31.25% compared to Sep19, variation that is mainly explained by a 20.88% decrease in the distributed volume, mainly associated to a lower availability of fruit in the Mexican and Chilean market. To this we must add a lower average price per kilo of 13.10%.

Cherries recorded a fall in sales income of 23.14% compared to Sep19. This decrease in income is due to a decrease in average price per kilo of 41.92%, slightly offset by a 32.33% increase in commercialized volumes.

Value added products recorded a decrease in sales income of 5.97% compared to income recorded in the same period in 2019. This variation is explained by a decrease in average price per kilo of 9.80%, slightly offset by a 4.25% increase in distributed volume. This increase in volume still does not reflect the impact of the merger with Alifrut, which will start to impact consolidated results since the end of 2020.

b) Main components of Costs and Expenses

Total Expenses and Costs	30-sept-20 ThUS$	30-sept-19 ThUS$	Variation %
Cost of sales	**(294,551)**	**(276,363)**	**6.58%**
Administration expenses	*(37,206)*	*(34,679)*	*7.29%*
Other expenses, per function, excluding impairment of value of assets	*(4,522)*	*(12,024)*	*-62.39%*
Other operating costs and expenses	**(41,728)**	**(46,703)**	**-10.65%**
Minus:			
Impairment of value of assets	(1,384)	-	-
Total Costs and Expenses	**(337,663)**	**(323,066)**	**4.52%**

Main Components of Sales Costs

Sales costs as of the closing of September 2020 ("Sep20") reached US$294.55 million, presenting an increase of 6.58% compared to the US$276.36 million recorded as of Sep19. Higher costs are mainly explained by the higher commercialized volume as of Sep20 (13.88%), associated to the early start-up of the harvest in Peru in S20/21 during the 3Q20. Sales costs represented 76.49% of income from operating activities as of Sep20, while as of Sep19 they reached 86.30%, which reflects an improvement in the gross margin of 9.8 percentage points.

Operating costs of the 3Q20 reached US$81.30 million, increasing 166.26% (+US$50.77 million) compared to the 3Q19. The increase is mainly explained by: 1) higher costs due to the higher commercialized volume, and 2) higher depreciation. As a result of the aforementioned, the gross margin reached US$44.48 million, increasing 205.09% compared to the US$14.58 million recorded in the 3Q19. Sales costs of the 3Q20 represented 64.64% of income from operating activities, while in the 3Q19 they reached 67.68%, which reflects an improvement in the gross margin of 3.04 percentage points.

Main Components of Administrative Expenses

Administrative expenses of the first 9 months of 2020 reached US$37.21 million, representing a 7.29% increase in relation to the same period in 2019. Higher expenses are due to the growth impact of operations in China and Mexico, and the accounting recognition of consolidation expenses of Naturipe Value Added Foods (US$1.37 million). Administrative Expenses decreased in relative terms from 9.67% of income from operating activities as of Sep19, to 9.04% as of Sep20, despite the increase of these expenses in absolute terms, due to the maturity of investments realized in recent years.

Main Components of Other Expenses, per function

Other expenses, per function decreased US$6.12 million, reaching US$5.91 million as of Sep20. Lower expenses are mainly due to the lower reversal of fair value adjustment of fruit on bearer plants recognized as of December 2019, compared to what is recognized as of December 2018 (US$1.4 million and US$7.36 million, respectively). This decrease was offset by impairment in value of asset recorded as of Sep20 of US$1.38 million.

c) Other Components of Income Statement

Other income (expenses)	30-sept-20 ThUS$	30-sept-19 ThUS$	Variation %
Other profit (loss)	1,063	(345)	-408.12%
Financial income	980	1,932	-49.28%
Financial expenses	(17,258)	(22,038)	-21.69%
Interest in profit (loss) of associated companies	(990)	(4,509)	-78.04%
Exchange rate fluctuations	62	1,297	-95.22%
Other Income (expenses)	**(16,143)**	**(23,663)**	**-31.78%**

The other components of the income statement passed from a loss of US$23.66 million as of September 2019, to a loss of US$16.14 million as of September 2020 (+US$7.5 million).

The main items that explain this variation are the following:

a. US$3.83 million decrease of net financial costs, reaching US$16.28 million as of Sep20, variation that is mainly explained by the decrease of market interest rates.

b. Interest in profit (loss) of associated companies presented a loss of US$0.99 million as of September 2020, which is compared with a loss of US$4.51 million in the same period of the previous year. This difference is mainly explained by the recognition of a US$4.22 million loss in the associated Munger Hortifrut NA LLC in the United States as of Sep19, while as of Sep20 a US$0.46 million profit was recognized in this Company.

c. Increase in Other gains (losses) of US$1.41 million due to the recognition of profit due to a business combination linked to the merger of Vitafoods (US$1.36 million).

d. As of September 2020, a US$0.06 million profit due to exchange rate fluctuation was recorded, compared with the US$1.30 million profit in the same period of 2019. In 2020, the depreciation of the Chilean peso and the Mexican peso caused a loss in exchange rate fluctuations which was slightly offset by the depreciation of the Peruvian nuevo sol.

d) Gains tax expense

Gains tax expense reached US$10.97 million as of Sep20, compared to US$2.88 million as of Sep19. Tax expense in the period is mainly distributed in US$8.27 million for current tax (US$1.59 million as of Sep19) and US$2.71 million for deferred tax (US$0.95 million as of Sep19).

e) Other Result Indicators

Activity Indicators:

Indicator	Unit	30-sept-20	30-sept-19
Activity			
Rotation of Assets	Times	0.30	0.29
Operating revenue / Total average assets of the period			
Rotation of Inventory	Times	5.45	5.19
Cost of sales / Average inventory			
Permanence of inventory (days)	Days	50	52
Inventory / Annual cost of sale (360 day base)			

The rotation of assets between the periods ending September 30, 2020 and 2019, increased slightly because income grows in greater proportion than average total assets in the same period (income growth +14.76% vs. average total asset growth +11.85%).

Likewise, the rotation ratio of inventories increased because stocks increased in lower proportion than sales costs. Sales costs passed from US$276.36 million in 2019 to US$294.55 million in 2020 (+6.58%), while inventories increased from US$53.29 million in Sep19 to US$54.08 million in Sep20 (+1.48%).

4. COMPARATIVE ANALYSIS OF MAIN TENDENCIES

The evolution of the main financial indicators is the following:

Indicator	Unit	30-sept-20	31-dec-19	Variations %
Current Liquidity *Current Asset / Current Liability*	times	1.72	1.12	53.04%
Acid Ratio *Current assets (-) Other non-financial assets, inventories and current biological assets / Current liability*	times	1.07	0.77	39.98%
Debt Ratio *Total liabilities / Equity attributable to Parent Company*	times	1.19	1.16	2.44%
Short term debt *Total current liabilities / Total liabilities*	shares	27.73%	39.77%	-30.26%
Long term debt *Total non-current liabilities / Total liabilities*	shares	72.27%	60.23%	19.98%
Book value of the share (US$) *Equity attributable to parent company / N° shares*	Dollars per share	1.0893	1.0806	0.80%

- Current liquidity and acid ratio were 1.72 and 1.07 times as of September 2020, experiencing a growth of 53.04% and 39.98%, respectively, in relation to the period ending December 31, 2019. Current liabilities decreased US$67.23 million mainly due to the refinancing of US$101 million, whose funds were destined to prepaying the short-term debt. Likewise, current assets increased US$48.09 million (+15.61%), mainly due to an increase in current biological asset (+US$36.76 million), due to fair value adjustment of fruit on bearer plants, and due to an increase in available cash (+US$36.88 million). The cash balance mainly increases due to a cash consolidation of Vitafoods after the frozen products operation merger (US$14.1 million in cash was contributed by Alifrut).

- The debt ratio increased 2.44% compared to December 31, 2019, explained by an increase in total liabilities of US$57.49 million (+8.32%), which is part of the business cycle, which in this period requires higher working capital financing. The growth of total liabilities could not be offset by the increase in equity attributable to the parent company of US$34.13 million (+5.74%). Equity attributable to the parent company increased by the profit attributable to the parent company of the period (+US$38.30 million), which was partially offset by a negative impact of derivative hedging (-US$2.45 million), and the lower result of subsidiaries and associated companies whose functional currency is different to the US dollar, which generates an adjustment in negative conversion due to the appreciation of the US dollar against said currencies during the period.

- The percentage of current liabilities as of September 2020 was 27.73% in relation to total liabilities, lower than the 39.77% as of December 2019, mainly explained by the refinancing of the short-term debt realized in August 2020 (US$101 million).

- The percentage of non-current liabilities as of September 2020, was 72.27% in relation to total liabilities, higher than 60.23% as of December 31, 2019, due to an increase in non-current liabilities associated to: 1) refinancing of US$101 million destined to short term debt payment, 2) negative MTM of *Cross Currency Swaps* taken to dollarize local bonds issued in 2019, as a result of the appreciation of the US dollar in relation to the Chilean peso, and 3) a higher deferred tax liability.

- The book value of the share increased 0.80%, passing from 1.0806 US$/share in December 2019 to 1.0893 US$/share as of September 2020, mainly associated to the 5.74% increase in parent company equity, which is offset by the higher number of average shares due to the increase in capital performed in August 2019.

Indicator	Unit	30-sept-20	30-sept-19	Variations %
Financial expense coverage *(Before tax profit-Financial costs)/Financial costs*	times	4.34	1.54	182.62%
Profitability of parent company equity *Parent company gains/Parent company equity*		6.09%	0.98%	518.63%
Profitability of equity *Profit of the period/Total equity*		6.45%	1.35%	375.67%

- The increase in the financial expense hedging index as of September 2020 in relation to the same period in 2019 is due to the increase in the before tax result of US$45.86 million, which is added to the lower financial expenses, which passed from US$22.04 million in Sep19 to US$17.26 million as of Sep20.

- The profitability of parent company equity shows an increase of US$32.38 million in profit attributable to the parent company shareholders in relation to September 2019, mainly due to the improved operating and non-operating result, both previously explained.

- Also, the higher profitability of equity is attributed to the positive result of profit in the period for US$46.72 million during the first 9 months of 2020, which is compared with an US$8.95 million profit in the same period in 2019. The improved results are partially offset by the increase in total equity, mainly associated to the increase in capital realized in August 2019.

5. ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Main items of the consolidated statement of financial position.

Statement of Financial Position	30-sept-20 ThUS$	31-dec-19 ThUS$	Variation ThUS$	Variation %
Total current assets	356,195	308,107	48,088	15.61%
Total non-current assets	1,117,362	1,041,237	76,125	7.31%
Total assets	**1,473,557**	**1,349,344**	**124,213**	**9.21%**
Total current liabilities	207,652	274,880	(67,228)	-24.46%
Total non-current liabilities	541,065	416,348	124,717	29.95%
Total liabilities	**748,717**	**691,228**	**57,489**	**8.32%**
Equity attributable to parent company equity holders	628,856	594,723	34,133	5.74%
Non-controlling interest	95,984	63,393	32,591	51.41%
Total equity	**724,840**	**658,116**	**66,724**	**10.14%**

As of September 30, 2020, total assets increased US$124.21 million (+9.21%) in relation to those existing as of December 31, 2019, as a result of:

US$48.09 million (+15.61%) increase in current assets, mainly due to an increase in: 1) Cash and cash equivalent for US$36.88 million due to the consolidation of Vitafoods (US$14.1 million corresponding to Alifrut), and to be able to cover the work capital needs for the season that is starting; 2) Biological asset for US$36.76 million due to fair value adjustment of fruit on bearer plants. These effects are offset by a decrease in: 1) Accounts receivable from related entities for US$19.10 million; and 2) Current tax assets for US$4.24 million.

Increase in non-current assets of US$76.13 million (7.31%), mainly due to the increase in: 1) Property, plant and equipment for US$66.59 million, mainly linked to investment in projects in Mexico and China, plus the effect of the consolidation of Vitafoods SpA in this item (+US$16.24 million); 2) Deferred tax assets for US$5.92 million, and 3) Other financial assets, non-current for US$4.40 million.

Current liabilities decreased US$67.23 million (-24.46%), reaching US$207.65 million as of September 2020. Lower current liabilities are mainly associated to lower Other current financial liabilities (-US$43.46 million) and current trade accounts and other accounts payable (-US$22.78 million).

Also, non-current liabilities increased US$124.72 million (29.95%), mainly due to increases in: 1) Other non-current financial liabilities for US$117.59 million, associated to the refinancing of the debt realized in this period and 2) Deferred tax liability for US$9.89 million.

The Company's total equity increased US$66.72 million in relation to December 31, 2019, reaching US$724.84 million (+10.14%). Total equity increased due to the result of the current period, which was offset by the negative impact of reserves due to exchange rate fluctuations and Cash Flow hedging reserves.

6. MAIN COMPONENTS OF NET OPERATING INVESTMENT AND FINANCING CASH FLOWS

Main sources and uses of funds in the period (US$ million)	January-September 2020	January-September 2019	Comments
Charges from the sale of goods and providing of services	419	358	Higher sales due to maturity of plantations in China and Mexico, and forwarding of harvest in Peru.
Payment to suppliers for supplying of goods and services	(242)	(291)	Lower purchase of fruit and other supplies from third parties.
Payment for and on behalf of employees	(80)	(76)	
Net interests	(16)	(16)	
Taxes	(12)	(8)	
Others	3	35	
(1) Total Cash Flow for Operating Activities	**71**	**2**	
Sale and purchase of property, plant and equipment	(93)	(69)	Addition of assets due to Investment plans mainly in Mexico and China.
Other investment activities (sum of all the rest)	19	4	
(2) Total Cash Flow for Investment Activities	**(73)**	**(64)**	
Income from financing	342	249	In 2020 a syndicate and bilateral credit is obtained for US$101 mn to refinance short term credits. Additionally, new financing credits are requested for work capital for S20/21. Increase in capital in 2019 decreases need for bank financing
Payment of loans	(285)	(321)	Debt refinancing
Income from the issuance of shares	0	133	In August 2019 an increase in capital is materialized for US$133 mn.
Paid dividends and other investment flows	(18)	(11)	
(3) Total Cash Flow for Financing Activities	**39**	**50**	Payments of debt offset by new loans for financing of work capital.
Net Increase of Cash and Cash Equivalents (1) + (2) + (3)	**37**	**(12)**	
Effect of exchange rate fluctuation	0	2	
Cash and Cash Equivalent at the start of the period	42	49	
Cash and Cash Equivalent at the End of the Period	**79**	**39**	

7. ANALYSIS OF RISK FACTOR

The Company's business intrinsically involves a series of risk factors which, in one way or another, could affect the performance of the business. Within these factors, we can mention the following:

7.1 Financial Risk

7.1.1 Credit Risk

Credit risk is the risk of financial loss that Hortifrut and subsidiaries face if a customer or counterparty in a financial instrument does not comply with his contractual obligations, and is mainly originated from customers' accounts receivable.

a) Investment risk of cash surpluses:

The financial institutions with whom Hortifrut S.A. and subsidiaries operate and the type of financial products where they materialize said cash surplus investments, are considered low risk for the Company.

The Company's policy regulates investment and debt, trying to limit the impact of currency valuation and interest rate changes over the Company's net results, through cash surplus investments and signing of forwards contracts and other instruments in order to maintain a balanced rate and exchange rate position.

Within the authorized instruments, are those whose maturity terms do not exceed 90 days and have high liquidity.

- Cash at hand
- Term deposits
- Investments in mutual funds
- Other short term and high liquidity investments.

The financial entities where the investments are placed have a high creditworthiness.

b) Risk from sales operations:

Hortifrut has diversified sales in several countries.

The main customers are supermarkets in the United States, where the fresh fruit business is subject to PACA law, which protects fresh fruit and vegetable suppliers in the USA.

For sales outside the United States, the Company's policy is to obtain credit insurance policies. For those customers, whose policies have a maximum limit, the Company constantly evaluates the risk of exposure and decreases/increases deliveries in accordance with the performed analysis or demands advanced payment from customers.

Regardless of the fact that to date Hortifrut has not had any problems in relation to credit risk, it is important to bear in mind that this fact does not guarantee that in the future, the Company may be exposed to this risk.

In order to mitigate this risk, the Company has credit insurance for the parent company and subsidiaries.

7.1.2. Liquidity and Financing Risk

This risk is associated to the probability that Hortifrut S.A. and its subsidiaries cannot comply with their obligations, as a result of insufficient liquidity or the impossibility to obtain credits.

Additionally, there is the risk that, due to an impairment in its operations or other circumstances, certain financial ratios could reach levels higher than the limits established in the credit contracts, which could limit the debt capacity or accelerate the maturity of the Company's valid financial liabilities.

To mitigate this risk, the Company continuously monitors its financial ratios and other affirmative and negative covenants stipulated in its credit contracts, in order to be able to take opportune actions to avoid the potential negative effects associated to this risk.

Regardless of the fact that to date Hortifrut has not had any problems in relation to exceeding the financial ratios stipulated in the financing contracts, it is important to bear in mind that this fact does not guarantee that in the future, Hortifrut may be exposed to this risk.

The Hortifrut Group centrally administers these risks from the parent company through an appropriate distribution, extension of terms and by limiting the amount of its debt, as well as the maintenance of an adequate liquidity reserve, constantly monitoring the debt of the Subsidiaries and Associated Companies. Specifically, in the case of subsidiaries such as Hortifrut España Southern Sun SL, Honghe Jiayu Agriculture Ltd in China and associated companies such as Munger Hortifrut N.A. LLC in the United States, credit decisions are made at these business units in coordination with Hortifrut S.A. Debts are incurred through bank credits in Chile and overseas, aiming to optimize credit conditions based on the financing needs to face investment plans and requirements for work capital.

The application of IFRS16, means an increase in the company's financial liabilities when recognizing the lease obligation. The company, considering financial safeguards, has agreed with the corresponding financial institutions to not include the obligations due to lease in the related calculation formulas.

Regardless of the fact that to date Hortifrut has not had any problems in relation to liquidity risk, it is important to bear in mind that this fact does not guarantee that in the future, Hortifrut may be exposed to this risk.

Hortifrut has available short-term credit lines, approved and valid for work capital, which as of September 30, 2020 reach the amount of US$232.38 million (US$276.79 million as of December 31, 2019), distributed among 16 banks. The used amount reaches US$80.43 million, with an available balance of US$151.95 million. Credit lines are distributed among the following companies: Hortifrut Chile S.A. with US$215.50 million, Agrícola El Pampino S.A. with US$0.75 million, Agrícola El Avellano S.A. with US$0.50 million, Agrícola Santa Rosa del Parque S.A. with US$1.00 million, Agrícola Mataquito S.A. with US$1.70 million, Agrícola Vida Nueva S.A. with US$0.40 million, Euroberry Marketing S.A. with US$7.53 million and Hortifrut Import Inc., with US$5.00 million.

Based on the current operational performance and its liquidity position, the Company estimates that cash flows from operating activities and available cash will be enough to finance work capital and interest payments, for the next 12 months and the foreseeable future.

To administer short term liquidity, the Company uses as a base its cash flows forecasted for a mobile period of twelve months and maintains cash and cash equivalents which are available to comply with its future obligations.

Below we summarize the maturity of the Company's bank loans and financial leasing as of September 30, 2020, based on undiscounted contractual flows:

			Cash Flows				
	Capital	Interests	From 0 to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Creditor Bank	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Banco de Crédito e Inversiones	56,635	622	12,512	6,280	25,823	24,447	69,062
Banco Estado	30,379	217	546	756	28,553	3,376	33,231
Banco de Chile	30,284	203	9,657	565	18,075	4,225	32,522
Metropolitan Life Insurance Company	29,423	-	60	1,441	17,314	19,995	38,810
Banco Scotiabank	27,729	329	1,272	27,081	-	-	28,353
Banco RaboFinance Chile	48,291	301	2,902	1,059	46,686	2,930	53,577
Banco de Crédito del Perú	15,276	30	5,241	8,830	1,455	-	15,526
Scotiabank Perú S.A.	8,850	13	5,133	3,756	-	-	8,889
Banco Internacional	10,000	10	10,012	-	-	-	10,012
Coöperatieve Rabobank U.A.	20,000	91	191	292	14,520	7,540	22,543
Banco Latinoamericano de Comercio Exterior, S.A.	17,926	50	5,006	446	14,230	-	19,682
Banco Industrial and Commercial Bank of China Limite	29,829	85	-	1,030	32,839	-	33,869
Banco de Occidente S.A.	7,955	27	-	275	8,757	-	9,032
Itaú Corpbanca	108	-	31	77	-	-	108
Communications Bank Yunnan Branch	24,952	-	-	-	6,121	19,571	25,692
Banco Santander Chile	35,125	134	5,444	1,183	32,876	-	39,503
Banco Santander Central Hispano S.A.	8,292	12	773	2,787	5,115	-	8,675
Banco China Construction Bank Corp.	15,000	240	-	15,468	-	-	15,468
Banco Bilbao Vizcaya Argentaria	10,777	27	381	4,147	6,836	-	11,364
La Caixa	2,593	6	374	1,123	1,123	-	2,620
HSBC México SA, Institución de Banca Múltiple	1,500	-	607	1,012	-	-	1,619
Bankinter	1,336	1	224	673	450	-	1,347
Banco Internacional del Perú S.A.	4,647	3	2,114	2,463	95	-	4,672
Banco Sabadell	1,184	-	150	449	599	-	1,198
Credicorp Capital	1,185	-	421	764	-	-	1,185
Banco Continental BBVA	2,745	4	2,712	19	21	-	2,752
GC Rent Chile SpA.	83	2	7	28	53	-	88
Total as of September 30, 2020	**442,104**	**2,407**	**65,770**	**82,004**	**261,541**	**82,084**	**491,399**

Below is a summary of the maturities of total financial liabilities as of September 30, 2020:

			Cash Flows				
	Capital	Fair Value	From 0 to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Detail	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Bank loans	433,328	435,687	65,722	78,595	258,770	79,045	482,132
Bonds - obligations with the publich	93,680	94,307	1,267	2,993	49,242	59,852	113,354
Leasing Liabilities	8,776	8,824	48	3,409	2,771	3,039	9,267
Lease Liabilities	17,502	18,835	499	3,174	7,689	9,942	21,304
Trade accounts and other accounts payable	63,267	63,267	48,427	7,593	7,247	-	63,267
Accounts payable to related companies	9,800	9,800	-	1,885	7,915	-	9,800

7.1.3. Exchange Rate Risk

The international character of its business and its operations in different countries expose Hortifrut to risks due to exchange rate fluctuations. The main exposures refer to exchange rate fluctuations in US Dollar versus Chilean Pesos, Mexican Pesos, Peruvian Nuevo Sol and Euros.

a) Exposure to Chilean Pesos

The source of exposure to Chilean Pesos comes from the costs of the Chilean companies denominated in said currency, trade accounts receivable with national customers and liquid funds held in financial instruments and bank obligations.

Hortifrut performs actions to mitigate the exposure to costs of the Chilean companies by contracting derivative instruments. Likewise, in the Chilean companies, Cross Currency Swap instruments are used to mitigate the exchange rate risk in bank obligations denominated in Chilean Pesos.

b) Exposure to Mexican Pesos

The source of exposure to Mexican Pesos mainly comes from agricultural operating costs in Mexico which are mostly denominated in said currency and, at a lower scale, trade accounts receivable with Mexican customers.

Hortifrut performs mitigation measures over the exposure to costs of Mexican companies, through the contracting of derivative instruments.

c) Exposure to Euros

The source of exposure to Euros comes from sales performed in said currency, bank obligations and at a lower measure, by liquid funds held in financial instruments. Hortifrut performs actions to mitigate the exposure to sales in Euros through the use of forward derivative instruments.

d) Exposure to Peruvian Soles

The source of exposure to Peruvian Soles mainly comes from agricultural operating costs in Peru, which are mainly denominated in said currency, and, at a lower measure, customer's receivable trade accounts. Hortifrut constantly evaluates the need to realize risk mitigation actions.

Regardless of the fact that to date Hortifrut has not had any problems in relation to exchange rate risk, it is important to bear in mind that this fact does not guarantee that in the future, Hortifrut may be exposed to this risk.

Exposure in currencies different to the functional currency

The following table shows exposure in currencies different to the dollar, over the Company's financial assets and liabilities as of September 30, 2020:

As of September 30, 2020	Chilean Pesos ThUS$	Nuevo Sol ThUS$	Euro ThUS$	Mexican Pesos ThUS$	Yuan ThUS$	Others ThUS$
Financial Assets						
Cash and Cash Equivalents	7,718	3,679	7,621	250	4,549	1,664
Current trade debtors and other accounts receivable	4,014	13,555	26,304	16,940	4,297	856
Current accounts receivable with related entities	9	-	4,302	-	47	-
Non-current accounts receivable with related entities	-	-	4,533	-	-	-
Total Financial Assets	**11,741**	**17,234**	**42,760**	**17,190**	**8,893**	**2,520**
Financial Liabilities						
Other current financial liabilities	265	-	9,382	-	5,956	-
Current lease liabilities	259	-	414	170	-	195
Current trade accounts and other accounts payable	7,992	12,079	3,506	5,124	1,360	271
Current accounts payable to related entities	190	35	142	-	-	-
Current provisions for employee benefits	441	-	-	507	-	-
Other non-current financial liabilities	4	-	8,507	-	18,996	-
Non-current lease liabilities	1,901	-	862	68	-	483
Non-current accounts payable to related entities	4,155	-	3,760	-	-	-
Total Financial Liabilities	**15,207**	**12,114**	**26,573**	**5,869**	**26,312**	**949**
Net exposure as of September 30, 2020	**(3,466)**	**5,120**	**16,187**	**11,321**	**(17,419)**	**1,571**

Sensitivity analysis

The potential net effect on financial assets and liabilities of a 10% devaluation of the US dollar against all the other relevant currencies to which the Company is exposed, would be approximately ThUS$1,331 as a higher charge to the Company's results as of September 30, 2020 (ThUS$553 as of December 31, 2019), the aforementioned maintaining all the other variables constant. The calculation considers the Company's exposure in financial assets and liabilities denominated in currency different to the dollar.

Currencies	Assets ThUS$	Liabilities ThUS$	Net ThUS$	Neto (10% Devaluation) ThUS$	Variation ThUS$
Chilean Peso	11,741	15,207	(3,466)	(3,119)	347
Nuevo Sol	17,234	12,114	5,120	4,608	(512)
Euro	42,760	26,573	16,187	14,568	(1,619)
Mexican Peso	17,190	5,869	11,321	10,189	(1,132)
Yuan	8,893	26,312	(17,419)	(15,677)	1,742
Others	2,520	949	1,571	1,414	(157)
Total as of September 30, 2020	**100,338**	**87,024**	**13,314**	**11,983**	**(1,331)**

7.1.4 Interest Rate Risk

The Hortifrut Group has its long-term financial liabilities linked to long term investments.

Long term liabilities are both at fixed and variable rates and mostly in dollars to avoid cost variations and to be aligned with the Company's functional currency. Even though short-term financial liabilities, linked to temporary work capital are at a fixed rate, an exposure to fluctuations in the market rates at the moment of its contracting and/or renewal is experienced.

As of September 30, 2020 the variable debt rate that Hortifrut maintained was US$358.22 million (US$290.18 million as of December 31, 2019), if it maintained this debt level for a one year term and today the rate increased 10%, the impact on the annual financial cost would be US$0.97 million (US$0.92 million as of December 31, 2019).

7.2. Operating Risks

Hortifrut's operating risks are administered by each corresponding management, in accordance with the norms and standards defined at a corporate level. Below is a detail of those that management considers to be of greater relevance:

7.2.1 Contingencies/Pandemics at origin or destination markets, which affect the production and commercialization cycle

The Company faces the risk that the different areas of the organization may be affected by pandemics, from production to commercialization.

Even though all governments consider the agricultural industry as an essential activity, the Company has the risk of seeing its operations affected at point of origin, affecting its fruit harvest or processing in a negative manner. The Company complies with the measures imposed by government organisms and worldwide organizations. Due to the imminent possibility of contagion, frequent emergency committees are held, where the action plans are adjusted, and a constant monitoring of the operations is maintained, counting with different harvesting techniques at origin and packing options at the destination markets which allow to somewhat mitigate this risk.

Furthermore, there is the risk that the destination markets may not be able to receive the planned fruit, under expected conditions. To face this risk, the Company maintains fluid communication with the commercial platforms and continuously monitors its shipments, being able to re-destine part of the fruit to other markets when protocols and demand allow it. The aforementioned does not imply that the Company will not be affected by eventual contingencies at the destination markets.

7.2.2 Genetic development

The lack of modern varieties of plants could affect the competitiveness of the business, both agricultural and export and trade. The Hortifrut Group currently counts with varietal development programs, maintaining in Chile and overseas strategic alliances with universities and companies dedicated to this sector, as well as establishing agreements with the main nurseries in the world, guaranteeing Hortifrut access to a large spectrum of modern and attractive plant varieties.

7.2.3 Significant increase in supply

In the case of very significant increases in the planted hectares at a global level, a scenario of over-supply of berries could be generated, which would lead to a fall in prices at the destination markets. Nevertheless, at the main markets where Hortifrut operates we can still observe a great growth potential in the demand for berries, due to the combination of (i) a product with very positive health effects; (ii) the growing importance given by consumers to healthy food and (iii) a still relatively low consumption of berries per capita.

7.2.4 Intensification of competition

The Company also faces the risk of an eventual intensification of competition or the appearance of new actors in the berries market. To face these risks, the Company concentrates its efforts on actions aimed at maintaining its leadership in costs, maintaining a strong distribution chain, constantly improving the offer of products and obtaining brand recognition, among others. Likewise, Hortifrut has privileged an international expansion through strategic alliances both in the productive and commercial area, which allows it to better face competition and be able to supply its customers with fresh berries every day of the year.

7.2.5 Climatic risks

Climate is an external factor that is difficult to control, which can affect quality and cause variations in the volume of fruit available to commercialize during the year. Even though this risk is difficult to control, the Hortifrut Group aims for a greater geographic diversification and invests in infrastructure to assure the availability of water and to face possible climatic risks, such as rain, hail and frost control.

With the acquisition of Rocio Group's blueberries business, the Company's plantations in Peru reached 48.18% of the total plantations as of September 30, 2020, increasing exposure to climatic risk in this country. Nevertheless, the Company has other smaller plantations in South America, North America, Europe and Asia, which allow it to partially mitigate this risk.

7.2.6 Plagues and disease

It is unavoidable for part of the crop to be affected by some incidence of plagues and/or disease. Therefore, efficient control of these is as necessary as fertilizing or watering. Risk associated with plagues or disease impacts on the quality and/or performance, being able to affect appearance and post-harvest life of the fruit; in some cases this risk involves the application of quarantines in specific productive zones on behalf of the phytosanitary authorities of the countries where the fruit is destined.

Nevertheless, through a good control (search and monitoring) an outbreak of plagues or disease can be detected on time, allowing to eliminate the problem before it causes greater damage. The aforementioned does not imply that in the future the Company will not be affected by current or new plagues and/or disease.

From 2013, the United States applied quarantine to some regions in Chile due to the detection of the Lobesia Botrana moth. These quarantines can generally be lifted immediately through fumigation of the fruit at destination or, in the medium term, working with the authorities on preventive measures to control the plague which prove contention or eradication, ending up in the lifting of the quarantine. Since the 2020/2021 season, the regions of Bio Bio and Ñuble are part of an inspection process of its fruit and farms (System approach) which allows blueberries from these regions to be able to enter the USA without having to be fumigated.

7.2.7 Food-Safety

As in all foods, there is always the risk of a "recall" in the industry (term employed in case a product is removed from the market if there is a suspicion or a certainty that it violates the valid food laws or that the quality standards established by the company for said market are exceeded) which could considerably affect the Company's results. Until now Hortifrut has never had a problem in this aspect, nevertheless, this does not assure that it won't occur in the future. The Company guarantees the quality and sanity of its berries by investing in technology, specifically traceability systems, working with a rigorous quality assurance and food safety program which applies during all the phases of the productive process (pre-harvest, harvest and post-harvest), which allows to circumscribe the eventual problem to a lower volume, not affecting the complete production.

7.2.8 Risks of availability of human resources

Temporary collaborators are vital for fruit harvest, so Hortifrut has developed several initiatives to attract, retain and maintain the temporary collaborators from one season to the next. Additionally, people are recruited through labor fairs and informative meetings organized with the intermediation of the regional governments corresponding to the area of each productive unit, so a relationship of mutual collaboration with the community and its municipalities has been built. Due to the extension of operations in Peru, the human resources factor is especially critical, especially in the main production weeks. To assure the necessary quantity of collaborators for the harvesting periods, Hortifrut invests in infrastructure to assure housing for a percentage of collaborators, as well as implementing initiatives that create loyalty with the temporary collaborators, such as for example, to develop attention channels.

7.2.8 Continuity and costs of supplies and services

The development of Hortifrut's business involves a complex logistic regarding the opportune availability of quality supplies and services which are fundamental to maintain competitiveness. As in all agricultural business, the availability of water is critical to assure the good result of the harvest, Hortifrut invests in infrastructure such as reservoirs and deep wells to partially mitigate this risk. Regarding electrical energy, Hortifrut's process plants count with generators that allow to assure the continuity of the operation in front of supply cuts. Also, all the plants have contingency plans to face restrictive supply scenarios. Nevertheless, it is not possible to discard that in the future, supply shortages could generate a discontinuity in the supply and/or higher costs at Hortifrut's plants. It is also important to consider eventual standstill at ports and transport companies in general, which could affect Hortifrut's performance if the events extend in time.

7.2.10 Risk associated to new technologies

Hortifrut, in its varied entrepreneurships, throughout the world, is incorporating growing new technologies in the whole production process, which involves risks associated to the lack of knowledge in their behaviors. Even though most of its technologies are widely widespread in the world, there is still no extended history which allows to know beforehand all the adverse effects that could derive from it.

7.2.11 Regulatory risks of origin and destination markets

The Company, due to its production and export operations, as well as importing and sales in different countries, is exposed to different regulations applied at each of them and the potential changes that they could suffer.

To mitigate this risk, the Company maintains constant monitoring of the applicable regulations and their fulfilment, as well as potential changes that are under discussion. Also, the geographic diversity of the destination markets and productive operations, mitigates these risks by being able to destine fruit from different origins, fruit to different markets, taking into account the applicable regulations and safeguards.

An example of this is the current investigation performed by the United States International Trade Committee (USITC), due to the petition of local blueberry producers. In this investigation we are working with lawyers, economists, producers from different origins and importers to demonstrate that the importing of blueberries has generated permanent availability of blueberries for the American consumer, thus generating an increase in demand, thus benefitting the complete industry, including local producers.

7.3 Insurance

The Hortifrut Group has contracted insurance policies to cover exposure to the main financial and operational risks, considering that the coverage of these policies is adequate.

The main insurances contracted as of September 30, 2020 and December 31, 2019 are the following:

			30-sept-20		31-dic-19
COUNTRY	TYPE OF INSURANCE	CURRENCY	COVERED AMOUNT	CURRENCY	COVERED AMOUNT
Chile	Infrastructure fire	UF	1,595,352	UF	1,583,352
Chile	Mobile Agricultural Equipment	UF	47,732	UF	47,732
Chile	Motor Vehicles	UF	74,200	UF	73,500
Chile	General and Product Civil Liability	USD	5,000,000	USD	5,000,000
Chile	Maritime Transport	USD	7,000,000	USD	7,000,000
Chile	Credit Insurance	USD	50,000,000	USD	50,000,000
Chile	Fruit and Materials Insurance	USD	14,400,000	USD	14,400,000
Chile	Terrorism	UF	500,000	UF	500,000
Chile	Business Interruption	UF	1,227,000	UF	1,227,000
USA	Product Civil Liability	USD	20,000,000	USD	20,000,000
Mexico	Transporting of Load	USD	200.000/shipment	USD	200.000/shipment
Mexico	Infrastructure Fire, Theft and Civil Liability	USD	48,000,000	USD	48,000,000
Mexico	Motor Vehicles	USD	Commercial Value	USD	Commercial Value
Spain	Motor Vehicles	EUR	Commercial Value / without limit	EUR	Commercial Value / without limit
Spain	Installations	EUR	350.000 per event	EUR	350.000 per event
Spain	Goods	EUR	50.000 per event	EUR	50.000 per event
Spain	Civil Liability	EUR	6,500,000	EUR	6,500,000
Spain	Credit Insurance	EUR	90% unpaid	EUR	90% unpaid
Peru	Fire	PEN	618,320	PEN	618,320
Peru	Motor Vehicles	USD	261,820	USD	261,820

7.4 Risk in the estimations

Effects of the valuation of fruit that grows on "bearer plants" due to changes in volume and price

As per what is established in IAS 41, agricultural products that grow on fruit bearer plants will remain within the scope of this standard, which must be measured at their fair value minus sale costs, recording the changes in valuation in result as the product grows.

Since this valuation corresponds to an estimation, it could vary when fruit sales are perfected, the moment that said result is realized.

As of September 30, 2020, the expected margin of fruit on the Company's bearer plants was recognized, for the amount of US$22.25 million, which is presented in the income statement under the item Other revenue per function. Movement due to increase (decrease) of the adjustment to fair value of the current biological asset, is calculated by reducing to the estimation as of the closing of the period, the value recorded as of December 31 of the previous period (US$1.40 million).

The estimation of this same concept recorded as of December 31, 2019 was for the value of US$1.40 million, which is presented in Other income per function, in the movement of this item, presented net of the reversal of this same concept determined as of December 31, 2018 which was US$7.36 million, and is presented as a deduction of US$5.96 million.

Below we detail the effect that a 10% decrease in price and volume would have had on said margin:

Company	Fair Value adjustment as of 30-09-2020 (ThUS$)	10% Reduction Volume (ThUS$)	10% Reduction Price (ThUS$)	10% Reduction Volume and Price (ThUS$)
Hortifrut Perú S.A.C.	12,538	11,283	9,453	8,508
Hortifrut Tal S.A.C.	7,507	6,756	5,614	5,052
Berries de Chao S.A.C.	56	51	36	32
HFE Berries Perú S.A.C.	2,102	1,892	1,243	1,119
Agrícola Mataquito S.A.	46	42	0	0
Total	**22,249**	**20,024**	**16,346**	**14,711**

7.5 Risk associated to merger and acquisition process

Due to the global character of the business and the Company's intention to remain within the main global participants in the production and commercialization of berries and other fruits, Hortifrut has materialized different purchase and/or merger processes in the past, and could materialize other similar transactions in the future. Both the Company and the acquired companies or assets are exposed to the potential financial, operational and other previously described risks.

To mitigate these risks, the Company continuously monitors the potential effects that the merger and/or acquisition processes could have on the financial ratios, both at an income statement and balance level, in order to take opportune actions to remain within the scopes allowed by its financing contracts.

Even though to date Hortifrut has not had any problems associated to the merger and acquisition processes, it must keep in mind that this fact does not guarantee that in the future Hortifrut will not be exposed to this risk.