



**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**For the periods ending September 30, 2018 and 2017**

**HORTIFRUT S.A. AND SUBSIDIARIES**  
**Thousands of United States Dollars (ThUS\$)**

**FINANCIAL STATEMENTS**

Interim consolidated financial statements  
Interim consolidated statement of financial position  
Interim consolidated integral income statement  
Interim consolidated statement of changes in net equity  
Interim consolidated cash flow statement  
Interim consolidated financial statement notes

## **HORTIFRUT S.A. AND SUBSIDIARIES**

### **INDEX**

NOTE 1 - CORPORATE INFORMATION .....	10
1.1 Information of the reporting entity.....	10
1.1 Shareholders .....	13
NOTE 2 – PREPARATION BASES.....	16
2.1. Compliance Declaration .....	16
2.2. Preparation Bases .....	16
2.3. Covered period .....	16
2.4. Functional and presentation currency .....	17
2.5. New accounting pronouncements.....	18
2.6. Use of estimations and judgments .....	19
2.7. Changes in accounting policies .....	19
NOTE 3 – PRINCIPAL APPLIED ACCOUNTING POLICIES .....	21
3.1. Consolidation Basis .....	21
3.2 Financial information per operating segments .....	23
3.3 Property, plant and equipment .....	24
3.4 Biological Assets, current .....	27
3.5 Intangible assets other than goodwill .....	27
3.6 Goodwill .....	28
3.7 Interest Costs .....	28
3.8 Impairment of non-financial assets .....	28
3.9 Financial Assets .....	29
3.10 Derivative financial instruments and hedging activities.....	30
3.11 Inventories .....	31
3.12. Trade debtors and other accounts receivable .....	31
3.13. Cash and cash equivalents.....	32
3.14 Corporate capital.....	32
3.15 Payable trade accounts and other accounts payable .....	32
3.16 Other financial liabilities .....	32
3.17 Income tax and deferred taxes .....	32
3.18 Employee Benefits .....	33
3.20 Revenue Recognition .....	33
3.21 Trade agreements with distributors and supermarket chains.....	34
3.22 Cost of Sales .....	35
3.23 Administrative expenses.....	35
3.24 Lease.....	35
3.25 Non-current assets or groups of assets (or disposal groups) classified as held for sale .....	36
3.26 Environment .....	36

3.27	Research and development .....	36
3.28	Advertising expenses .....	36
3.29	Earnings per share .....	36
3.30	Insurance expenses .....	36
NOTE 4 – RISK MANAGEMENT .....		37
NOTE 5 – CHANGES IN ACCOUNTING POLICIES .....		46
NOTE 6 – OPERATING SEGMENTS .....		47
NOTE 7 – FINANCIAL INSTRUMENTS .....		52
NOTE 8 - CASH AND CASH EQUIVALENTS .....		56
NOTE 9 - OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS .....		57
NOTE 10 – TRADE DEBTORS AND OTHER CURRENT ACCOUNTS RECEIVABLE/NON-CURRENT FEES RECEIVABLE .....		60
NOTE 11– BALANCES AND TRANSACTIONS WITH RELATED PARTIES.....		65
NOTE 12 - INVENTORIES .....		69
NOTE 13 – BIOLOGICAL ASSETS, CURRENT.....		70
NOTE 14 – OTHER NON-FINANCIAL ASSETS .....		71
NOTE 15 – INVESTMENTS IN SUBSIDIARIES .....		72
NOTE 16 – INVESTMENTS RECORDED USING THE EQUITY METHOD .....		76
NOTE 17 – INTANGIBLE ASSETS OTHER THAN GOODWILL .....		79
NOTE 18 - GOODWILL .....		81
NOTE 19 – PROPERTY, PLANT AND EQUIPMENT .....		83
NOTE 20 – CURRENT INCOME TAX AND DEFERRED TAXES .....		89
NOTE 21 – OTHER FINANCIAL LIABILITIES .....		93
NOTE 22 – CURRENT AND NON-CURRENT TRADE ACCOUNTS AND OTHER ACCOUNTS PAYABLE.....		106
NOTE 23 – EMPLOYEE BENEFITS AND OTHER PROVISIONS.....		108
NOTE 24 – ISSUED CAPITAL .....		109
NOTE 25 – ACCUMULATED RETAINED EARNINGS (LOSS) .....		110
NOTE 26 – OTHER RESERVES .....		112
NOTE 27 – NON-CONTROLLING INTERESTS .....		114
NOTE 28 – PROFITS PER SHARE AND DISTRIBUTABLE NET PROFIT.....		115
NOTE 29 – OPERATING REVENUE AND OTHER REVENUE, PER FUNCTION .....		116
NOTE 30 – DETAIL OF RELEVANT RESULTS .....		117
NOTE 31 – FINANCIAL EXPENSES .....		118
NOTE 32 – OTHER REVENUE – EXPENSE.....		119
NOTE 33 – EXCHANGE RATE DIFFERENCE .....		119
NOTE 34 – FOREIGN CURRENCY .....		120
NOTE 35- CONTINGENCIES.....		124
NOTE 36 - ENVIRONMENT .....		128
NOTE 37 – OPERATING AND FINANCIAL LEASES.....		129
NOTE 38 – SUBSEQUENT EVENTS.....		131
NOTE 39 – OTHER INFORMATION .....		132

## HORTIFRUT S.A. AND SUBSIDIARIES

### **Interim Consolidated Statement of Financial Position**

**As of September 30, 2018 (unaudited) and as of December 31, 2017**

<b>Statement of Financial Position</b>	<b>Note</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	35,453	27,838
Other current financial assets	9	1,385	4,473
Other current non-financial assets	14	7,585	5,614
Current trade debtors and other accounts receivable	10	56,060	46,092
Current accounts receivable from related entities	11	32,780	48,132
Inventories	12	42,408	44,556
Biological assets, current	13	60,824	9,716
Current tax assets	20	688	1,086
<b>Total Current Assets</b>		<b>237,183</b>	<b>187,507</b>
<b>Non-current Assets</b>			
Other non-current financial assets	9	988	1,345
Other non-current non-financial assets	14	1,312	1,417
Non-current fees receivable	10	1,632	1,615
Non-current accounts receivable with related entities	11	4,194	8,060
Equity accounted investees	16	30,528	67,841
Intangible assets other than goodwill	17	15,070	14,483
Goodwill	18	179,770	26,769
Property, plant and equipment	19	686,009	245,060
Deferred tax assets	20	20,598	18,591
<b>Total Non-Current Assets</b>		<b>940,101</b>	<b>385,181</b>
<b>Total Assets</b>		<b>1,177,284</b>	<b>572,688</b>

The accompanying notes form an integral part of the interim consolidated financial statements.

**HORTIFRUT S.A. AND SUBSIDIARIES**

**Interim Consolidated Statement of Financial Position**

**As of September 30, 2018 (unaudited) and as of December 31, 2017**

		<b>30-Sep-18</b>	<b>31-Dec-17</b>
<b>Equity and Liabilities</b>	<b>Note</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other current financial liabilities	21	151,062	151,531
Current trade accounts and other accounts payable	22	36,060	49,724
Current accounts payable to related entities	11	5,307	6,142
Other current provisions	23	186	545
Current provisions for employee benefits	23	2,325	1,612
Other current non-financial liabilities		2,157	992
<b>Total Current Liabilities</b>		<b>197,097</b>	<b>210,546</b>
<b>Non-Current Liabilities</b>			
Other non-current financial liabilities	21	323,067	83,966
Other non-current accounts payable	22	6,506	-
Non-current accounts payable to related entities	11	11,424	12,071
Other non-current provisions		-	35
Deferred tax liabilities	20	107,911	22,495
<b>Total non-current liabilities</b>		<b>448,908</b>	<b>118,567</b>
<b>Total Liabilities</b>		<b>646,005</b>	<b>329,113</b>
<b>Equity</b>			
Issued capital	24	347,191	135,149
Retained earnings	25	146,333	70,503
Issuance premium	24	(4,221)	-
Other reserves	26	(6,919)	1,165
<b>Equity attributable to the parent company's equity holders</b>		<b>482,384</b>	<b>206,817</b>
Non-controlling interest	27	48,895	36,758
<b>Total Equity</b>		<b>531,279</b>	<b>243,575</b>
<b>Total Equity and Liabilities</b>		<b>1,177,284</b>	<b>572,688</b>

The accompanying notes form an integral part of the interim consolidated financial statements.

## HORTIFRUT S.A. AND SUBSIDIARIES

### Interim Consolidated Income Statement

**For the periods and quarters ending September 30,  
2018 and 2017 (unaudited)**

Income Statement	Note	1-Jan-18 30-Sep-18 ThUS\$	1-Jan-17 30-Sep-17 ThUS\$	1-Jul-18 30-Sep-18 ThUS\$	1-Jul-17 30-Sep-17 ThUS\$
<b>Profit (loss)</b>					
Revenue	29	316,508	241,081	55,825	37,493
Cost of sales	30	(267,960)	(197,628)	(39,052)	(30,417)
<b>Gross profit</b>		<b>48,548</b>	<b>43,453</b>	<b>16,773</b>	<b>7,076</b>
Other income, per function	29	35,092	369	33,520	135
Administrative expenses	30	(26,071)	(20,250)	(8,511)	(6,141)
Other expenses, per function	30	(2,394)	(1,050)	(1,233)	(332)
Other profit (loss)		60,867	(175)	60,917	(10)
Financial income		1,528	1,218	353	518
Financial expenses	31	(10,256)	(3,623)	(5,274)	(1,044)
Share of profit (loss) of equity accounted investees	16	(2,163)	7,409	(1,724)	7,256
Exchange rate differences	32	756	(4,500)	311	(2,171)
<b>Profit before tax</b>		<b>105,907</b>	<b>22,851</b>	<b>95,132</b>	<b>5,287</b>
Gains tax expense	20	(25,051)	(1,997)	(22,053)	396
<b>Profit (loss) from continued operations</b>		<b>80,856</b>	<b>20,854</b>	<b>73,079</b>	<b>5,683</b>
<b>Profit (loss)</b>		<b>80,856</b>	<b>20,854</b>	<b>73,079</b>	<b>5,683</b>
<b>Profit (loss) attributable to</b>					
Profit (loss) attributable to parent company equity holders		76,642	20,544	71,144	5,845
Profit (loss) attributable to non-controlling interests	27	4,214	310	1,935	(162)
<b>Profit (loss)</b>		<b>80,856</b>	<b>20,854</b>	<b>73,079</b>	<b>5,683</b>
<b>Earnings per share</b>					
<b>Basic earnings per share</b>					
Basic earnings (loss) per share from continued operations (US\$ per share)	28	0.164518	0.047171	0.152716	0.013421
<b>Basic earnings (loss) per share</b>		<b>0.164518</b>	<b>0.047171</b>	<b>0.152716</b>	<b>0.013421</b>
<b>Profit per diluted share</b>					
Diluted earnings (loss) per share from continued operations (US\$ per share)		0.164518	0.047171	0.152716	0.013421
<b>Diluted earnings (loss) per share</b>		<b>0.164518</b>	<b>0.047171</b>	<b>0.152716</b>	<b>0.013421</b>

The accompanying notes form an integral part of the interim consolidated financial statements.

## **HORTIFRUT S.A. AND SUBSIDIARIES**

### **Interim Consolidated Integral Income Statement**

**For the periods and quarters ending  
September 30, 2018 and 2017 (unaudited)**

<b>Statement of other comprehensive income e</b>	<b>1-Jan-18 30-Sep-18 ThUS\$</b>	<b>1-Jan-17 30-Sep-17 ThUS\$</b>	<b>1-Jul-18 30-Sep-18 ThUS\$</b>	<b>1-Jul-17 30-Sep-17 ThUS\$</b>
Profit (loss)	80,856	20,854	73,079	5,683
<b>Other comprehensive income</b>				
<b>Exchange rate fluctuations</b>				
Profit (loss) due to exchange rate differences, before tax	(6,249)	6,893	(2,505)	661
<b>Other comprehensive income, before tax, exchange rate fluctuations</b>	<b>(6,249)</b>	<b>6,893</b>	<b>(2,505)</b>	<b>661</b>
<b>Cash flow hedging</b>				
Profit (loss) due to cash flow hedging, before tax	(4,114)	(477)	1,247	879
<b>Other comprehensive income, before tax, cash flow hedging</b>	<b>(4,114)</b>	<b>(477)</b>	<b>1,247</b>	<b>879</b>
<b>Other components of other comprehensive income, before tax</b>	<b>(10,363)</b>	<b>6,416</b>	<b>(1,258)</b>	<b>1,540</b>
<b>Gains tax related with components of other comprehensive income</b>				
Gains tax related with cash flow hedging of other comprehensive income	1,008	73	(365)	(89)
<b>Total gains tax related with components of other comprehensive income</b>	<b>1,008</b>	<b>73</b>	<b>(365)</b>	<b>(89)</b>
<b>Other comprehensive income</b>	<b>(9,355)</b>	<b>6,489</b>	<b>(1,623)</b>	<b>1,451</b>
<b>Total comprehensive income</b>	<b>71,501</b>	<b>27,343</b>	<b>71,456</b>	<b>7,134</b>
<b>Comprehensive income attributable to</b>				
Comprehensive income attributable to the company equity holders	68,558	25,082	69,907	6,735
Comprehensive income attributable to non-controlling interests	2,943	2,261	1,549	399
<b>Total comprehensive income</b>	<b>71,501</b>	<b>27,343</b>	<b>71,456</b>	<b>7,134</b>

The accompanying notes form an integral part of the interim consolidated financial statements.

## HORTIFRUT S.A. AND SUBSIDIARIES

### Interim Consolidated Statement of Changes in Net Equity

As of September 30, 2018 and 2017 (unaudited).

	Issued Capital Note 24 ThUS\$	Issuance premium Note 24 ThUS\$	Revaluation reserve of Bearer Plants Note 26 ThUS\$	Reserves due to exchange rate differences and others Note 26 ThUS\$	Cash flow hedging reserves Note 26 ThUS\$	Other reserves Note 26 ThUS\$	Accumulated profit (loss) Note 25 ThUS\$	Equity attributable to parent company equity holders ThUS\$	Non controlling interest Note 27 ThUS\$	Total Equity ThUS\$
<b>Opening balance as of 01/01/2018</b>	135,149	-	-	(2,351)	3,516	1,165	70,503	206,817	36,758	243,575
Decrease due to application of new accounting standards	-	-	-	-	-	-	(812)	(812)	(126)	(938)
<b>Modified opening balance</b>	135,149	-	-	(2,351)	3,516	1,165	69,691	206,005	36,632	242,637
<b>Changes in equity</b>										
<b>Comprehensive income</b>										
Net profit	-	-	-	-	-	-	76,642	76,642	4,214	80,856
Other comprehensive income	-	-	-	(5,084)	(3,000)	(8,084)	-	(8,084)	(1,271)	(9,355)
<b>Total comprehensive income</b>	-	-	-	(5,084)	(3,000)	(8,084)	76,642	68,558	2,943	71,501
Issuance of equity	212,042	(4,221)	-	-	-	-	-	207,821	-	207,821
Dividends	-	-	-	-	-	-	-	-	(157)	(157)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	-	-	9,477	9,477
<b>Total changes in equity</b>	212,042	(4,221)	-	-	-	-	-	207,821	9,320	217,141
<b>Closing balance as of 30/09/2018</b>	347,191	(4,221)	-	(7,435)	516	(6,919)	146,333	482,384	48,895	531,279

	Issued Capital ThUS\$	Issuance Premium ThUS\$	Revaluation reserve of Bearer Plants ThUS\$	Reserves due to exchange rate differences and Others ThUS\$	Cash flow hedging reserves ThUS\$	Other reserves ThUS\$	Accumulate profit (loss) ThUS\$	Equity attributable to parent company equity holders ThUS\$	Non controlling interests ThUS\$	Total Equity ThUS\$
<b>Opening balance as of 01/01/2017</b>	136,411	(1,262)	29,027	(7,617)	2,698	24,108	40,094	199,351	30,120	229,471
Increase (decrease) due to changes in accounting policies	-	-	(29,027)	-	-	(29,027)	16,124	(12,903)	(472)	(13,375)
<b>Opening balance as of 01/01/2017</b>	136,411	(1,262)	-	(7,617)	2,698	(4,919)	56,218	186,448	29,648	216,096
<b>Changes in equity</b>										
<b>Comprehensive income</b>										
Profit (loss)	-	-	-	-	-	-	20,544	20,544	310	20,854
Other comprehensive income	-	-	-	4,942	(404)	4,538	-	4,538	1,951	6,489
<b>Comprehensive income</b>	-	-	-	4,942	(404)	4,538	20,544	25,082	2,261	27,343
Dividends	-	-	-	-	-	-	-	-	(94)	(94)
<b>Total changes in equity</b>	-	-	-	-	-	-	-	-	(94)	(94)
<b>Closing balance as of 30/09/2017</b>	136,411	(1,262)	-	(2,675)	2,294	(381)	76,762	211,530	31,815	243,345

The accompanying notes form an integral part of the interim consolidated financial statements.



## **HORTIFRUT S.A. AND SUBSIDIARIES**

### **Interim Consolidated Cash Flow Statements**

**For the periods ending September 30, 2018 and 2017 (unaudited)**

<b>Direct Cash Flow Statement</b>	<b>1-Jan-18 30-Sep-18 ThUS\$</b>	<b>1-Jan-17 30-Sep-17 ThUS\$</b>
<b>Cash flow statement</b>		
<b>Cash flow from (used in) operating activities</b>		
<b>Types of charges per operating activity</b>		
Collection from the sale of goods and the providing of services	339,522	269,318
<b>Types of payments</b>		
Payments to suppliers for the providing of goods and services	(240,453)	(163,542)
Payments to and on behalf of employees	(60,719)	(42,837)
Paid interests	(7,068)	(3,623)
Received interests	1,528	1,218
Gains tax refund (paid)	(4,286)	(8,469)
Other received (paid) cash	(788)	(681)
<b>Net cash flow from (used in) operating activities</b>	<b>27,736</b>	<b>51,384</b>
<b>Cash flow from (used in) investment activities</b>		
Cash flow used to obtain the control of subsidiaries or other businesses	(354,979)	-
Other payments to purchase equity or debt instruments from other entities	(1,667)	(138)
Loans to related entities	(4,018)	(9,683)
Income from the sale of property, plant and equipment	422	1,271
Purchase of property, plant and equipment	(47,339)	(39,305)
Purchase of intangible assets	(1,652)	(138)
Charges to related entities	7,396	512
Other cash income (expenses) I	16,542	-
<b>Net cash flow from (used in) investment activities</b>	<b>(385,295)</b>	<b>(47,481)</b>
<b>Cash flow from (used in) financing activities</b>		
Income from the issuance of shares	207,821	-
Income from long term loans	219,010	44,064
Income from short term loans	138,121	30,219
<b>Total income from loans</b>	<b>357,131</b>	<b>74,283</b>
Loans from related entities	960	1,204
Payment of loans	(192,142)	(84,492)
Payment of liabilities for financial lease	(2,344)	(1,057)
Paid dividends	(6,254)	(7,377)
<b>Net cash flows from (used in) financing activities</b>	<b>365,172</b>	<b>(17,439)</b>
<b>Net increase (decrease) in cash and cash equivalents, before exchange rate fluctuations</b>	<b>7,613</b>	<b>(13,536)</b>
<b>Effects of exchange rate fluctuations on cash and cash equivalents</b>	<b>2</b>	<b>(469)</b>
Effects of exchange rate fluctuations on cash and cash equivalents	2	(469)
<b>Net increase (decrease) of cash and cash equivalents</b>	<b>7,615</b>	<b>(14,005)</b>
Cash and cash equivalents, opening balance	27,838	35,245
<b>Cash and cash equivalents, closing balance</b>	<b>35,453</b>	<b>21,240</b>

The accompanying notes form an integral part of the interim consolidated financial statements.

**HORTIFRUT S.A. AND SUBSIDIARIES**

**INTERIM CLASSIFIED CONSOLIDATED FINANCIAL STATEMENT NOTES**

**As of September 30, 2018 (unaudited) and December 2017**

**NOTE 1 - CORPORATE INFORMATION**

**1.2 Information of the reporting entity**

Hortifrut S.A. RUT 96.896.990 – or (hereinafter “Hortifrut” or the “Company”) is a Publicly Traded Company, inscribed in the Registry of the Commission for the Financial Market in Chile under number 1.096 dated June 13, 2012, so it is subject to the supervision of the Commission for the Financial Market (hereinafter “CMF” ex SVS).

The Company is also inscribed in the Santiago Stock Exchange dated July 3, 2012, with the objective that the Company’s shares be traded in the “Emerging Companies Markets” which regulate the Stock Market, in accordance with what is stated in second subsection of article 8° of Law 18.045 of the Stock Market and under General Character Norm N° 118 of the CMF. The Company’s shares are recognized under the ticker symbol “HF”.

The Company was initially constituted as a Closely held Corporation under the name of Inversiones Hortisur S.A., as per public deed dated June 4, 1999, issued at the Santiago Notary of Mr. Patricio Raby Benavente, subsequently by public deed dated May 29, 2007, issued at the Santiago Notary of Mr. Iván Torrealba Acevedo, the company changed its corporate name to Hortifrut S.A.

Hortifrut, has as its objective the purchase, production, elaboration, transformation, industrialization, distribution, commercialization, export, import of all kinds of horticultural, fruit, agricultural and other products or byproducts, as well as the providing of services or consulting in relation to said matters and other activities which the Board or the assemblies agree, and which are related with the aforementioned activities or that complement them; the maintenance of investments in real estate and in instruments, securities, and rights in partnerships, and in the receipt of their earnings and, in general, to enter into and execute all the acts, contracts, businesses, procedures or actions that have as their aim to comply with the corporate purpose.

The Company has its address at Avda. del Cóndor 600, 4th floor, Huechuraba, Santiago, regardless of the agencies, offices or branches which could be established in the country and overseas. The Company’s corporate life is indefinite.

**History**

**1983** – Hortifrut begins its operations in Chile.

**1984** – Hortifrut becomes the first Chilean company to export berries to the United States in counter-seasons.

**1985** – Hortifrut inaugurates a distribution and commercialization office in the United States.

**1986** – First export of berries from Chile to Europe under its brand Southern Sun and the berries crop is expanded to blackberries, blueberries, raspberries and sarsaparillas.

**1987** – First export of berries to Asia from Chile.

**1988** - Hortifrut concretes the first strategic alliance when it associates with the Californian company Coastal Berries.

**1989** - Hortifrut defines its business model: vertical integration and offer during the 52 weeks of the year.

Hortifrut defines its company dream and Vision, to supply the counter-season market with the full berries category (strawberries, raspberries, blackberries and blueberries), in just one organization, under one brand, supplying the market 52 weeks a year, integrated from the paddock to the final customer, defining the great dream with the sentence: **"All Berries, for the Whole World, Every Day"**. Thus, Hortifrut created a global and successful business model.

**1990** – Hortifrut invites the main berries producers from the United States, they purchase the brand Naturipe® and form Naturipe Farms.

**1995** – Export and producer subsidiaries are created in Mexico and Guatemala.

**1999** – Hortifrut Argentina is created.

**2000** – Hortifrut Spain is created together with the main Spanish blueberries producer.

**2001** – Beginning of the genetic development program for blueberries, raspberries and blackberries.

**2004** – Hortifrut and Atlantic Blue create Euroberry Marketing, in charge of distributing and commercializing in Europe.

**2007** – Hortifrut's President receives the ICARE prize for being the businessman of the year.

**2008** - Hortifrut becomes the largest organic blueberry producer in the world. It receives the Marketer of the Year prize (PMA Produce Marketing Association USA), opens its distribution office in Brazil and begins implementing the SAP system.

**2010** – Begins the Ready to Eat ("RTE") program.

**2011** – Hortifrut and its partner Munger Brothers receive the prestigious award for innovation for the RTE product in the PMA USA.

**2012** – Start supplying RTE blueberries to food-service leaders.

Successful entrance into the stock market, raising over 67 million dollars in capital.

2012 Agricultural Innovation Prize for Víctor Moller Schiavetti, for having contributed in a relevant manner to transforming the national agro-forestry and food sector and the economic, productive and technological process in the country.

**2013** – On August 21, 2013 Hortifrut obtained control of VitalBerry's operations, which must be understood as performed by the first, all in accordance with the merger agreement adopted at the VitalBerry and Hortifrut shareholder's meetings, held on April 29 and 30, 2013, respectively.

Hortifrut has been delivering Berries to the world for 30 years, every day of the year.

**2014** – The constitution of a closely-held corporation in Peru, denominated Hortifrut – Tal SAC, with the objective of producing and commercializing berries, from this country.

Association with the Argentine company Expofresh, for the production and commercializing of early fruit.

Development of the first Hortifrut Technology and Innovation fair.

Signing of the Joint Venture with Joyvio for genetic development in China.

**2015** – The constitution of a closely-held corporation in Peru, denominated HFE Berries Peru SAC, with the objective of producing and commercializing berries, from this country.

Launching of the Agrinnovation and Blue Challenge platform.

**2016** – The Joint Venture between Hortifrut and the Munger Brother Group was constituted, with the objective of producing and commercializing berries in the United States.

Development of Hortifrut's second Technology and Innovation Fair.

**2017** – Hortifrut's President receives Entrepreneur of the Year prize, granted by EY and El Mercurio, in Chile. The latter also distinguished him within the EY World Entrepreneur of the Year competition, in Monaco.

Signs framework agreement for the sale-purchase and merger with the Rocio Group, one of the most important producers, exporters and distributors of blueberries in the southern hemisphere.

**2018** – Materialization of the sale-purchase and merger of Rocio Group's blueberries business, with which 1,450 hectares planted in Peru were incorporated into Hortifrut, thus consolidating its position as a leader in the worldwide berries market.

## 1.2 Shareholders

### 1.2.1 Parent Company Shareholders

The Company is jointly controlled by FM Group, Vitalberry Group and the Quevedo Group through a Shareholders Agreement, subscribed on July 03, 2018. The FM Group is formed by Inversiones IMG Ltda., San Juan de Virquenco Tres S.A. and Agrícola San Nicolás Ltda. The Vitalberry Group is formed by San José Farms S.A., Exportadora San José Trading Ltda. and Inmobiliaria Algeciras Ltda. The Quevedo Group is formed by Talsa Chile III SpA and Inversiones Copemira SpA.

The Agreement covers 270,078,156 of Hortifrut S.A.'s shares, which represent 51.39% of the Company's capital (out of a total of 525,546,131 Hortifrut issued shares), through which they have control of the Company. In accordance with this agreement, none of the aforementioned groups can reduce their participation in Hortifrut S.A.'s property below 17.13%, interest equal to 90,026,052 shares. The shares that any of the parties have over 17.13% of the Company's shareholder capital, are Freely Disposable Shares.

As of September 30, 2018, the FM Group, the Vitalberry Group and the Quevedo Group jointly own 51.84% of the Company's capital, considering the shares they have in custody.

To date the shareholder's agreement records the following shares:

<u>Shareholder's Agreement</u>	<u>Total shares</u>	<u>Ownership percentage</u>
<b><u>Grupo FM</u></b>		
Inversiones IMG Ltda.	81,792,248	15.56%
San Juan de Virquenco Tres S.A.	7,344,255	1.40%
Agrícolas San Nicolás Ltda.	929,550	0.18%
<b>Total FM Group</b>	<b>90,066,053</b>	<b>17.14%</b>
<b>Grupo Vitalberry</b>		
San José Farms S.A.	36,773,594	7.00%
Exportadora San José Trading Ltda.	13,359,181	2.54%
Inmobiliaria Algeciras Ltda.	42,243,674	8.04%
<b>Total Vitalberry Group</b>	<b>92,376,449</b>	<b>17.58%</b>
<b>Grupo Quevedo</b>		
Talsa Chile III SpA	89,125,792	16.96%
Inversiones Copemira S.A.	900,260	0.17%
<b>Total Quevedo Group</b>	<b>90,026,052</b>	<b>17.13%</b>
<b>Total Shareholder's Agreement</b>	<b>272,468,554</b>	<b>51.84%</b>

## 1.2.2 Distribution of shares as of September 30, 2018

<u>Shareholders</u>		<u>Subscribed and paid shares</u>			
		<u>30-Sep-18</u>	<u>Percentage</u>	<u>31-Dec-17</u>	<u>Percentage</u>
7.7 E+07	Talsa Chile III SpA	89,125,792	16.96%	-	0.00%
7.8E+07	Inversiones IMG Limitada	81,792,248	15.56%	109,316,620	25.10%
8.7 E+07	Inmobiliaria Algeciras Ltda.	42,243,674	8.04%	42,243,674	9.70%
7.7 E+07	San José Farms S.A.	36,773,594	7.00%	23,293,100	5.35%
8.4E+07	BTG Pactual Chile S.A. C de B	25,834,479	4.92%	598,087	0.14%
9.7 E+07	Compass Small Cap Chile Fondo de Inversión	25,046,736	4.77%	24,696,191	5.67%
9.8E+07	AFP Habitat S.A. para Fondo de Pensiones (A,B,C,D)	24,347,594	4.63%	26,795,710	6.15%
7.6E+07	AFP Provida S.A. Para fondo Pensión	21,218,957	4.04%	89,952	0.02%
8.6E+07	Inversiones Costanera Ltda.	16,239,705	3.09%	16,239,705	3.73%
9.7 E+07	BTG Pactual Chile S.A. Administradora General de Fondos	16,015,394	3.05%	15,439,253	3.55%
7.6E+07	AFP Cuprum S.A. para Fondo de Pensiones (A,B,C,D)	14,793,830	2.81%	10,211,473	2.34%
9.4E+07	Comercial Epysa S.A.	13,800,000	2.63%	14,000,000	3.21%
9.7 E+07	Siglo XXI Fondo de Inversión	13,654,313	2.60%	11,182,969	2.57%
7.8E+07	Exportadora San José Trading Ltda.	13,359,181	2.54%	13,359,181	3.07%
9.7 E+07	Chile Fondo de Inversión Small Cap	10,477,315	1.99%	10,487,906	2.41%
9.7 E+07	Banchile C de B S.A.	8,904,200	1.69%	484,948	0.11%
7.6E+07	San Juan de Virquenco Tres S.A.	7,344,255	1.40%	7,344,255	1.69%
9.7 E+07	Fondo de Inversión Santander Small Cap.	7,076,311	1.35%	4,035,990	0.93%
5.2E+07	Inversiones Visionario SpA	5,537,786	1.05%	-	0.00%
7.6E+07	Inversiones Tricahue Limitada	5,537,785	1.05%	-	0.00%
7.8E+07	Inversiones Barlovento Limitada	5,537,785	1.05%	-	0.00%
9.6E+07	Costanera SACI	4,840,000	0.92%	30,079,545	6.91%
7.9E+07	Asesorías e Inversiones Pacific Trust Limitada	4,732,485	0.90%	4,732,485	1.09%
9.7 E+07	Banco Santander Chile - on behalf of foreign investors	4,624,734	0.88%	4,653,029	1.07%
9.7 E+07	Banco de Chile (on behalf of third parties)	4,471,669	0.85%	958,903	0.22%
7.7 E+07	Toesca Small Cap Chile Fondo de Inversión	3,914,643	0.74%	667,966	0.15%
7.6E+07	BCI Small Cap Chile Fondo de Inversión	2,706,959	0.52%	2,335,201	0.54%
9.7 E+07	Banco Itaú por Cuenta de Inversionistas Extranjeros	2,353,591	0.45%	1,631,577	0.37%
7.6E+07	Inversiones Fural Limitada	1,982,756	0.38%	3,905,756	0.90%
9.6E+07	Inversiones Canihua S.A.	1,577,475	0.30%	1,577,475	0.36%
9.7 E+07	Inversiones Alba S.A.	1,163,066	0.22%	1,163,066	0.27%
9.7 E+07	Asesorías, Inversiones e Inmobiliaria María Elena Ltda.	990,618	0.19%	1,198,249	0.28%
7.8E+07	Agrícola San Nicolás Limitada	929,550	0.18%	929,550	0.21%
7.7 E+07	Inversiones Copemira SpA	900,260	0.17%	-	0.00%
7.7 E+07	Inmobiliaria e Inversiones Alquileria Ltda.	765,947	0.15%	965,947	0.22%
9.7 E+07	Valores Security S.A. C de B	569,299	0.11%	483,199	0.11%
1E+08	Asesorías e Inversiones A y D S.A.	397,483	0.08%	397,483	0.09%
7.7 E+07	Fondo de Inversión Larraín Vial Chile Equity	364,612	0.07%	-	0.00%
8E+07	Soc. de Inversiones Santa Isabel Limitada	350,000	0.07%	100,000	0.02%
7.6E+07	Inversiones FJ	330,019	0.06%	330,019	0.08%
8E+07	BICE Inversiones Corredores de Bolsa S.A.	325,180	0.06%	165,165	0.04%
7.7 E+07	Fondo Mutuo Bice Acciones Chile Mid Cap	290,010	0.06%	-	0.00%
7.6E+07	Fondo de Inversion IM Trust Small Cap Chile	252,393	0.05%	-	0.00%
7.6E+07	Fondo de Inversión Privado CCHC-C	206,387	0.04%	-	0.00%
9.7 E+07	BBVA Asset Management Administradora General de Fondos S.A.	182,085	0.03%	207,085	0.05%
7.6E+07	Fondo Mutuo Sura Acciones Chile MID Cap	154,340	0.03%	47,142	0.01%
9.8E+07	AFP Planvital S.A. Para Fondo Pensión E	142,113	0.03%	-	0.00%
9.7 E+07	Santander Corredores de Bolsa S.A.	137,512	0.03%	152,472	0.04%
9.7 E+07	FM Toesca Chile Equities	128,245	0.02%	-	0.00%
9.7 E+07	Fondo Mutuo Larraín Vial Enfoque	120,680	0.02%	-	0.00%
9.7 E+07	BCI Corredores de Bolsa S.A.	106,590	0.02%	91,965	0.02%
8.1E+07	Larraín Vial S.A. Corredores de Bolsa	100,299	0.02%	71,095	0.02%
1E+08	Others	774,197	0.13%	48,856,691	11.19%
<b>Total shares</b>		<b>525,546,131</b>	<b>100.00%</b>	<b>435,520,079</b>	<b>100.00%</b>

### **Shares in custody**

These shareholders include shares that are in custody at banks and/or brokers, as detailed below as of September 30, 2018:

<b>Shareholders</b>	<b>Custodian</b>	<b>Paid shares</b>	<b>Ownership percentage</b>
Inmobiliaria Algeciras Ltda.	Santander Corredores de Bolsa S.A.	5,000,000	0.95%
Asesorías e Inversiones Pacific Trust Limitada	BCI Corredores de Bolsa S.A.	4,732,482	0.90%
Inversiones Fural Limitada	BCI Corredores de Bolsa S.A.	1,982,756	0.38%
Inversiones Canihua S.A.	BCI Corredores de Bolsa S.A.	1,577,475	0.30%
Asesorías, Inversiones e Inmobiliaria María Elena Ltda.	BTG Pactual Chile S.A. C de B	990,618	0.19%
Asesorías e Inversiones A y D S.A.	Larraín Vial S.A. Corredores de Bolsa	67,464	0.01%
	<b>Total shares</b>	<b><u>14,350,795</u></b>	<b><u>2.73%</u></b>

## **NOTE 2 – PREPARATION BASES**

### **2.1. Compliance Declaration**

Hortifrut S.A. and subsidiaries' interim consolidated financial statements corresponding to the period ending September 30, 2018, were approved by the Board at meeting held on November 27, 2018 and for the period ending September 30, 2017, were approved by the Board at meeting held on November 28, 2017.

### **2.2. Preparation Bases**

The current interim consolidated financial statements for Hortifrut S.A and Subsidiaries as of September 30, 2018 and December 31, 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter IASB).

The interim consolidated financial statements have been prepared under the historic cost basis, except for the following items of a significant character:

- Financial instruments
- Current biological assets
- Loans and obligations that accrue interests at an amortized cost

The preparing of the interim consolidated financial statements, requires the use of certain estimations based on the best information available at the closing of the period. In Note 2.6, we reveal the estimations that imply a greater level of judgment or complexity or the areas where the hypothesis and estimations are significant for the interim consolidated financial statements.

The current interim consolidated financial statements have been prepared from the accounting records kept by the parent company and by the other entities that form part of the consolidated holding. Each entity prepares its financial statements following the accounting principles and criteria valid for each country, so it requires a consolidation process.

The current interim consolidated financial statements have been prepared under the going concern principle.

Since this is interim financial information, the international financial reporting standards have been applied (IAS 34).

### **2.3. Covered period**

The current interim consolidated financial statements cover the following periods:

- Interim consolidated financial statements as of September 30, 2018 and December 31, 2017.
- Interim consolidated income statement, for the periods and quarters ending September 30, 2018 and 2017.
- Interim consolidated Cash Flow Statement, for the periods ending September 30, 2018 and 2017.
- Interim consolidated Statement of Changes in Net Equity, for the periods ending September 30, 2018 and 2017.



## 2.4. Functional and presentation currency

The items included in the interim financial statements of each of Hortifrut S.A. and its subsidiaries entities are valued using the currency of the main economic environment where the entity operates (functional currency). Hortifrut S.A.'s functional currency is the United States dollar, which also constitutes the presentation currency of the interim consolidated financial statements. All of the information is presented in thousands of United States dollars and has been rounded to the closest unit (ThUS\$).

### 2.4.1 Transactions and balances in foreign currency

Transactions in foreign currency, with this being any currency different to the functional currency, are converted to the functional currency by using the valid exchange rates on the dates of the transactions. Profit or loss in foreign currency that results from the liquidation of these transactions and conversion to the exchange rate valid at the closing of the monetary assets and liabilities denominated in foreign currency, are recognized in the consolidated income statement.

### 2.4.2 Foreign currency exchange rate

The exchange rates have been translated as of the closing date of Hortifrut's interim consolidated financial statements as per the following:

Currency	Nemo	30-Sep-18		31-Dec-17	
		Closing	Annual average	Closing	Annual average
Chilean Peso	CLP	660.42	627.63	614.75	636.92
Euro	EUR	0.86	0.84	0.83	0.89
Mexican Peso	MXN	18.81	19.03	19.74	18.92
Argentine Peso	ARS	41.20	25.79	18.57	16.54
Brazilian Real	RBL	4.03	3.59	3.27	3.19
Peruvian Nuevo sol	PEN	3.30	3.26	3.25	3.26
British Pound	GBP	0.77	0.74	0.74	0.78
Yuan	CNY	6.88	6.51	6.51	6.73
Unidad de fomento	UF	0.0241	0.0232	0.0229	0.0240

Parity of foreign currency for one United States dollar.

The calculation of the exchange rate corresponding to the accumulated monthly average, is determined over the average based on the monthly average exchange rates.

### 2.4.3 Entities corresponding to Hortifrut and subsidiaries

The results and financial position of all of Hortifrut and subsidiaries' entities which have a functional currency different to the reporting currency are converted to the reporting currency as follows:

- The assets and liabilities of each presented statement of financial position are converted at the closing exchange rate of the period;
- Income and expenses of each income statement account are converted at the daily exchange rate or when this is not possible, the average monthly exchange rate is used as a reasonable approximation; and
- All of the resulting exchange rate differences are recognized under other integral results and the conversion reserve under net equity.

## 2.5. New accounting pronouncements

### New standards, amendments to standards and interpretations that are mandatory for the first time from the periods starting on January 01, 2018

New IFRS	Mandatory application date
IFRS 9: Financial Instruments	Annual periods starting on or after January 1, 2018. Allows anticipated adoption.
IFRS 15: Operating Activity Revenue from Contracts with Customers	Annual periods starting on or after January 1, 2018. Allows anticipated adoption.
<b>New Interpretations</b>	
IFRIC 22: Foreign Currency Transactions and Advanced Considerations	Annual periods starting on or after January 1, 2018. Allows anticipated adoption.
<b>Amendments to IFRS</b>	
IAS 40: Investment Property Transfers (Amendments to IAS 40, Investment Properties).	Annual periods starting on or after January 1, 2018.
IFRS 9, Financial Instruments, and IFRS 4, Insurance Contracts: Amendments to IFRS 4.	Annual periods starting on or after January 1, 2018, for entities that adopt temporary exemption, entities that apply the overlay focus and entities that apply full IFRS 9.
IFRS 2: Payments Based on Shares: Clarifying of the recording of certain types of transactions of share based payments.	Annual periods starting on or after January 1, 2018. Allows anticipated adoption.
IFRS 15: Revenue from Operating Activities from Contracts with Customers: Amendment clarifying requirements and granting additional transition release for companies that implement this new standard.	Annual periods starting on or after January 1, 2018.
Cycle of annual improvements to IFRS 2014-2016 Standards. Amendments to IFRS 1 and IAS 28.	Annual periods starting on or after January 1, 2018. Allows anticipated adoption.

The aforementioned standards, amendments and interpretations, did not have a significant impact on Hortifrut's and its subsidiaries' interim consolidated financial statements.

### New accounting pronouncements

The following new Standards, Amendments and Interpretations have been issued but their application date is not yet valid:

New IFRS	Mandatory application date
IFRS 16: Lease	Annual periods starting on or after January 1, 2019. Allows anticipated adoption for entities that apply IFRS 15 on or before that date.
IFRS 17: Insurance Contracts	Annual periods starting on or after January 1, 2021. Allows anticipated adoption for entities that apply IFRS 9 and IFRS 15 on or before that date.
<b>New Interpretations</b>	
IFRIC 23: Uncertainty over Tax Treatments	Annual periods starting on or after January 1, 2019. Allows anticipated adoption.
<b>Amendments to IFRS</b>	
IAS 28: Long term interests in Associated Companies and Joint Ventures	Annual periods starting on or after January 1, 2019. Allows anticipated adoption.
IFRS 9: Prepayment clauses with negative compensation	Annual periods starting on or after January 1, 2019. Allows anticipated adoption.
Modification of Plans, Reductions and Liquidations (Modifications to IAS 19, Employee Benefits).	Annual periods starting on or after January 1, 2019. Allows anticipated adoption.
IFRS 10, Consolidated Financial Statements, and IAS 28, Investments in Associated Companies and Joint Ventures: Transfer contribution of assets between an investor and its associated company or joint venture.	Effective date indefinitely deferred.
Cycle of annual improvements to IFRS 2015-2017 Standards. Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23.	Annual periods starting on or after January 1, 2019. Allows anticipated adoption.
Amendments to references in the Conceptual Framework for Financial Information.	Annual periods starting on or after January 1, 2020.

As of the date of these interim consolidated financial statements, these standards have not yet become valid and the Company has not applied them in an anticipated form:

**a. IFRS 16 “Lease”**

Issued on January 13, 2016, this Standard requires that the companies record all lease in their Financial Statements as of January 01, 2019. The companies with operating lease will have more assets, but also a higher debt. The higher the company’s lease portfolio, the higher the impact on the report metrics. The Standard is effective for the annual periods that start on, or after, January 01, 2019, allowing anticipated adoption. The Company is still evaluating the impact that the mentioned standard could have.

**2.6. Use of estimations and judgments**

Based on IAS 1, the preparation of the interim consolidated financial statements requires the use of judgments, estimations and assumptions that affect the amounts of the assets, liabilities, revenue and expenses as of the date of presentation of the interim consolidated financial statements. These estimations and assumptions are based on Management’s best knowledge.

The following estimations have been defined when preparing the interim consolidated financial statements:

- The valuation of intangible assets different to goodwill, goodwill originated in the acquisition of companies, which could affect the determining of loss due to impairment in the value of these (Note 17 and 18).
- Determining fair value of current biological assets based on non-observable significant data entry (Note 13).
- Useful life and residual values of property, plants and equipment (Note 19).
- The hypothesis used to calculate the estimations of non-collectability of sales debtors and customer accounts receivable (Note 10).
- Revenue Recognition (Note 3.20)
- Other Cost Estimations (Note 3.19).
- Cost Estimations (Note 3.22).

These estimations have been realized based on the best information available on the date of issuance of the current interim consolidated financial statements, but it is possible that events that could take place in the future could force these to be modified (increase or decrease) in future periods, which would be done in a prospective manner, recognizing the effects of change in estimation in the future corresponding interim consolidated financial statements.

**2.7. Changes in accounting policies**

From January 1, 2018, the Company records provisions for non-collectability over its trade debtors and other accounts receivable, based on the requirements of IFRS 9.

During the period ending September 30, 2018, no other changes have taken place in the Company’s accounting policies.

**New accounting pronouncements, IFRS 9 and IFRS 15 Standards**

**a. IFRS 9 “Financial instruments”**

The final version of this standard was issued in July 2014. It modifies the classification and the measuring of the financial assets and introduces a “more prospective” model for expected credit loss for impairment accounting and a substantially reformed approach for hedge accounting. The detailed impact of the three aspects of IFRS 9 is described below:

- Classification and measuring of financial instruments: The Group determined that there is no significant impact on its financial statements in the application of the classification and measuring requirements established by IFRS 9.
- Hedge accounting: The Group will maintain the requirements of IAS 39 as an accounting policy for hedging, so no related impacts were generated.
- Impairment: IFRS 9 requires that the group records the credit loss expected in its loans and accounts receivable. The criteria used by the Company for the application of this standard is described in Note 10.

Hortifrut adopted the new standard on the required application date and, in accordance with what is allowed by IFRS 9, has decided not to re-express the comparative information, recording the effects of the application of this norm in the opening balance of the item “Accumulated profit (loss)” of Net Equity.

The application of the described approach, is summarized below:

<b>Initial Application of IFRS 9</b>	<b>1-Jan-18 Th US\$</b>
Initial application of impairment in valid accounts receivable	(1,297)
Deferred tax	485
<b>Total equity</b>	<b>(812)</b>
Minority interest	(126)
<b>Equity attributable to parent company equity holders</b>	<b>(938)</b>

#### **b. IFRS 15 “Income from contracts with customers”**

Issued on May 28, 2014, this Standard replaces IAS 11 Construction Contracts, IAS 18 Operating Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC 31 Revenue – Barter Transactions which involve advertising services. This new Standard applies to contracts with customers, but does not apply to insurance contracts, financial instruments or lease contracts, which are within the scope of other IFRS. It introduces a single model for recognizing operating revenue which applies to the contracts with customers and two approaches for recognizing revenue: at one moment in time or during a period. The model considers the analysis of the transactions based on five steps to determine if a revenue is recognized, when it is recognized and for what amount:

- 1.- Identify the contract with the customer.
- 2.- Identify the performance obligations of the contract.
- 3.- Determine the price of the transaction.
- 4.- Distribute the price of the transaction in the performance obligations.
- 5.- Recognize revenue when (or as) the entity satisfies the performance obligation.

The application date corresponds to the Financial Statements issued for periods that start on January 1, 2018 or after. It allows anticipated adoption.

During 2017, the Company performed a detailed study and analysis of IFRS 15. Based on this study the Company has determined that there are no material effects due to the adopting of IFRS 15.

### **NOTE 3 – PRINCIPAL APPLIED ACCOUNTING POLICIES**

#### **3.1. Consolidation Basis**

##### **3.1.1 Business combination**

Hortifrut S.A. and its subsidiaries, recognize in their interim consolidated financial statements the identifiable assets (including intangible assets that have not been recognized beforehand) and the assumed liabilities of any interest in companies acquired at fair value, as per IFRS 3, issued and revised by IASB. Also, it recognizes and measures any goodwill or gains from the purchase of these entities. The goodwill generated in a business combination is initially measured at cost. After the initial recognition, it is measured at cost minus any accumulated loss due to impairment. For the purpose of impairment tests, goodwill acquired in a business combination is assigned from the date of acquisition to each cash generating unit or group of these which is expected to benefit from the synergies of the combination.

If the cost of acquisition is lower than the fair value of the net assets of the acquired company, the difference is recognized in results and is presented in the line Other profit (loss). If the initial accounting of a business combination is determined only in a provisional manner, the Company, during the measurement period, will retroactively adjust the acquired provisional amounts, in accordance with the new information obtained. Furthermore, it will recognize any additional asset or liability if any new information is obtained, as long as the measurement period does not exceed a year from the date of the purchase. The business combinations are recorded using the acquisition method as of the date when control is transferred to the Group. Control is understood to be the power to direct the financial policies and the operation of an entity in order to obtain benefits from its activities. The Group values goodwill as of the acquisition date as:

- The fair value of the transferred considerations;
- The recognized amount of any non-parent company interest in the acquired company;
- Plus if the business combination is performed in stages, the fair value of the existing interest in the equity of the acquired;
- Minus the net recognized amount (in general, the fair value) of the identifiable acquired assets and the identifiable assumed liabilities.

Goodwill is the excess of the amount of the transferred consideration recorded over the net value of the acquired assets and the assumed liabilities. If the fair value of the acquired net assets exceeds the value of the transferred consideration, the Company will perform a new evaluation to make sure that all the acquired assets and assumed obligations have been correctly identified and it checks the applied procedures to perform the valuation of the recognized amounts on the date of acquisition. If this new evaluation results in an excess of the fair value of the net acquired assets over the added value of the transferred consideration, the difference is recognized as a profit in the income statement.

### 3.1.2 Subsidiaries

The interim consolidated statements of financial position incorporate Hortifrut's financial statements and those of the companies controlled by the Company (its subsidiaries). To have control is when the Company has power over the subsidiary, when it has exposure or the right to variable yields from its implication in the subsidiary and when it has the capacity to use its power to influence the amount of the investor's returns. When evaluating if the Company controls another entity, it must consider the existence and the effect of the potential rights to vote that can currently be executed or converted. The subsidiaries are consolidated from the date when control is transferred and are excluded from the consolidation on the date that this ends.

The acquisition method is used to record the acquisition of subsidiaries. The cost of acquisition is the fair value of the delivered assets, of the issued equity instruments and of the incurred or assumed liabilities on the date of the exchange. The acquired identifiable assets and the identifiable liabilities and contingencies assumed in a business combination are initially valued at their fair value on the date of the purchase, regardless of the scope of the interests of non-controlling companies. The excess acquisition cost over the fair value of the Company's interests in the acquired net identifiable assets, is recognized as lower value or goodwill. If the acquisition cost is lower than the fair value of the net assets of the acquired subsidiary, the difference will be directly recognized in the income statement.

Inter-company transactions, balances and earnings not realized for transactions between related entities are eliminated. The non-realized losses are also eliminated, unless the transaction provides evidence of a loss due to impairment of the transferred asset. When it is necessary to assure its uniformity with the policies adopted by Hortifrut and subsidiaries, then the accounting policies of the subsidiaries are modified.

Below is a detail of the direct subsidiaries included in the current interim consolidated financial statements:

Companies	RUT	Country of Origin	Functional Currency	30-Sep-18			31-Dec-17
				Direct %	Indirect %	Total %	Total %
Agrícola El Avellano S.A. and subsidiaries	96.923.620-6	Chile	US\$	40.0000	-	40.0000	40.0000
Agrícola Mataquito S.A.	76.306.130-2	Chile	US\$	50.0000	-	50.0000	50.0000
Agrícola Sta. Rosa del Parque S.A.	99.584.440-0	Chile	US\$	30.0000	-	30.0000	30.0000
Agrícola Hortifrut S.A.	79.764.840-k	Chile	US\$	99.9900	0.0100	100.0000	100.0000
Agrícola y Gan. Santa Rebeca Ltda.	78.988.990-2	Chile	US\$	25.0000	-	25.0000	25.0000
Agrícola Vida Nueva S.A.	96.996.290-k	Chile	US\$	50.0000	-	50.0000	50.0000
Hortifrut Chile S.A. and subsidiaries	99.524.450-0	Chile	US\$	99.9900	0.0100	100.0000	100.0000
Inversiones Hortifrut S.A. and subsidiaries	99.524.540-k	Chile	US\$	99.9999	0.0001	100.0000	100.0000
Talsa Chile I SpA	76.863.391-6	Chile	US\$	100.0000	-	100.0000	100.0000

The detailed Companies correspond to direct subsidiaries where control is kept. In the case of those subsidiaries which directly or indirectly maintain an interest equal to or lower than 50%, they have been included in the consolidation process because the Company has the power to direct the financial and operating policies (see Note 15).

### Modifications to the consolidation base

As of July 2018 the Talsa Chile I SpA company (see note 18) entered Hortifrut Group's consolidation perimeter .

In terms of results, the acquisition of 100% involved the recognizing as of September of this year of higher operating income for US\$28.73 million and a net profit of US\$ 34.04 million. The consolidated statement of financial position showed higher current assets of US\$ 91.41 million, US\$343.51 million in non-current assets, US\$ 38.54 million in current liabilities and US\$ 151.2 million in non-current liabilities.

During the period ending September 30, 2018, the consolidation perimeter was modified with the incorporation of the Pacific Berry Breeding LLC company, through the company Hortifrut North América Inc. in Hortifrut Inversiones Internacionales S.A.'s consolidation. HFII Perú SAC. is also incorporated into this consolidation, likewise Hortifrut Inversiones Internacionales S.A. and subsidiaries are consolidated in Inversiones Hortifrut S.A.

Furthermore, through the subsidiary Euroberry Marketing S.A. the subsidiaries Euroberry UK Ltd. and Euroberry GmbH were incorporated.

During the period ending December 31, 2017, modifications have been made to the consolidation perimeter, by incorporating the company Asian Berries Limited and Subsidiaries to the consolidation of the subsidiary Inversiones Hortifrut S.A..

### **3.1.3 Transactions and non-controlling interests**

The interests of non-parent companies are presented in the item Net Equity of the interim consolidated statement of financial position. The profit or loss attributable to the non-controlling interest is presented in the interim consolidated income statement, constituting the profit (loss) of the period. The results of the transactions between the non-controlling interests and the parent company shareholders of the companies where the property is shared, are recorded under equity and, therefore, are shown in the statement of changes under interim consolidated net equity.

### **3.1.4 Associates**

Associated companies are all the entities over which Hortifrut S.A. and its subsidiaries have a significant influence, but do not have control over the financial and operating policies, generally with an ownership between 10% and 50%. Investments in associates are recorded when formed or purchased at cost and are subsequently adjusted via the equity method. Hortifrut and its subsidiaries' investments in associates include Goodwill identified in the acquisition, net of any loss due to accumulated impairment.

The non-realized earnings due to transactions between the Group and its associates are eliminated based on the Company's interest percentage. The non-realized losses are also eliminated, except if the transaction provides evidence of loss due to impairment of the asset that is transferred.

Hortifrut and its subsidiaries' participation in the profit or loss after the acquisition of its associates is recognized in results, and its interest in the equity activities after the acquisition is recognized under reserve within Net Equity. When Hortifrut and its subsidiaries' interests in the loss of an associate is the same or higher than its investment in it, including any other non-insured account receivable, Hortifrut and its subsidiaries will not recognize additional loss, unless it has incurred in obligations or performed payments on behalf of the associate.

## **3.2 Financial information per operating segments**

IFRS 8 demands that entities adopt "the Administration focus" when revealing information regarding the result of its operating segments. In general, this is the information that Management and the Board use internally to evaluate the performance of the segments and to decide how to assign resources for these.

Hortifrut S.A. and subsidiaries presented information per segment, considering two segments:



Fresh fruit which includes

- Blueberry
- Raspberry
- Blackberry
- Strawberry
- Cherry

Value Added Products Segment which is made up of frozen, dehydrated, retail products and any other fruit product which is not fresh.

Fresh fruits show similar economic characteristics, which allow the aggregation in a single aggregate operating segment (IFRS 8.12). The segment denominated “Value Added Products” considers the Quantitative thresholds (IFRS 8.13) as well as the administration, customers and distribution channels which are different to those of the “Fresh Fruit” segment, which share similar characteristics in the nature of the products, production processes, customers and distribution methods, as well as if said aggregation results coherent, such as:

a) The nature of the products

In this sense Hortifrut considers that fresh fruit, even if it is of a different species, it is of a similar nature (Berries).

b) The nature of the production process

Even though the purchase of fresh fruit from producers and of own production is differentiated by species, they all share the same productive, installations and distribution process until they reach the final consumer, and only the fruit that does not comply with the quality characteristics requested by customers is destined to the Frozen Fruit process.

c) Category of Customers the products are destined to

There is no difference in customers in relation to the type of fresh fruit. Hortifrut’s customers buy the fruit offer that is available, complying with the specific quality requirements established by them. Requirements are not related with the type of fruit, but with food safety aspects.

d) Methods used to distribute the products

Hortifrut has developed a commercial platform which allows it to use, no matter which fruit it brings, a uniform, efficient and effective distribution chain. Hortifrut’s business has been based on vertical integration to offer the markets the mix of fruits that satisfies their needs.

“Fresh Fruit” and the “Value Added Products” segment, enable access to information regarding business activities and their economic environment.

### **3.3 Property, plant and equipment**

The Company’s property, plant and equipment comprises land, constructions, infrastructure, machinery, equipment, bearer plants and other fixed assets.

#### **3.3.1 Land, constructions, plants, equipment and machinery**

Land is recognized at its purchase cost. Constructions, plants, equipment and machinery are recognized, both at the initial moment and subsequently, at cost minus the corresponding accumulated depreciation and impairment, in case it exists.



Subsequent costs (improvements, expansions and works in progress) are included in the value of the initial asset or are recognized as a separate asset, only when it is probable that the future economic benefits associated with the fixed asset elements will flow to the Company and the cost of the element can be determined in a reliable manner. In the case of the replacement of components, the value of the substituted component is cancelled for accounting purposes.

Costs from daily maintenance and common repairs are recognized in the period's result.

Profit or loss from the sale of Property, plants and equipment are calculated comparing income obtained from the sale with the book value of the asset (net of depreciation) and are recorded in the consolidated income statement.

### **3.3.2 “Bearer Plants”**

Due to the application of Amendment to IAS 16 and IAS 41, which became valid on January 1, 2016, fruit “bearer plants”, are considered a machinery item in a manufacturing process, so, their value is classified under Property, plant and equipment and recorded as specified in IAS 16.

Fruit “bearer plants” can be differentiated depending on their productive state between the development stage and production stage, and are valued as per the following criteria:

a) “Bearer plants” in development

“Bearer plants” in development are valued at the acquisition and/or production cost of the plants plus the costs to maintain them until the date when they start producing.

b) “Bearer plants” in production

As of December 31, 2017, a change in accounting policy was made in the valuation of “bearer plants” in production passing from revalued cost to cost (historic cost) minus corresponding depreciation and accumulated depreciation, in case it exists. It must be stated that the thus determined cost includes the revaluation recorded as of December 31, 2015, date when the amendment to IAS 16 and 41 became valid.

“Bearer plants” are considered to be in production as per the following:

#### **Blueberry:**

- Chile, Mexico and Spain: a plantation in production is when the volume of produced fruit exceeds 30% of the potential volume of the variety, which is estimated by expert agronomists.

- Peru: a plantation is considered to be in production when the volume of produced fruit exceeds 50% of the potential volume of the variety, which is estimated by expert agronomists.

Nevertheless, if the period of time that passes between the date of the plantation and the date of the valuation is equal to or higher than 6 years, the plantation must be considered in production, regardless of the reached level of production.

#### **Raspberry:**

A plantation is considered to be in production the season after the plantation takes place, this is regardless of the geographical area where it is located.

## **Blackberry:**

A plantation is considered to be in production the season after the plantation takes place, this is regardless of the geographical area where it is located.

Due to the different varieties that the company has, the different geographic areas and the different climates and countries where the planting takes place, the Company estimates that it is necessary to wait for certain production levels to be able to evaluate the potential of these. During this period, given the level of uncertainty, the Company values “bearer plants” under development at cost.

When “bearer plants” reach the aforementioned production potential, it is considered that they enter the production stage, which implies the start of the depreciation of the asset as is explained in point 3.3.3.

If the book value is modified due to the presence of impairment in “bearer plants”, said decrease in the value will be attributed directly to results in the period under the account Other expenses, per function.

### **3.3.3 Depreciation**

Depreciation of the components of Property, plants and equipment (except “bearer plants”) is calculated using the lineal method, distributing it in a systematic manner during its useful life. This useful life has been determined based on the natural expected impairment, technical or commercial obsolescence derived from the changes and/or improvements in production and changes in the market’s demands for the products obtained in the operation with said assets. Land is not depreciated.

Depreciation of “bearer plants” is calculated according to its production forecasted in the useful life of the plant and is assigned as per real production curves. In the case of plantations that are located on leased land, the useful life is adjusted as per the maturity of the corresponding lease contract.

The estimated useful lives are as follows:

	<b>Minimum Life or Rate Years</b>	<b>Maximum Life or Rate Years</b>
<b>Construction and infrastructure works</b>		
Steel, reinforced concrete constructions	50	80
Wooden buildings	10	30
Provisional constructions	5	10
Minor agricultural constructions (macro-tunnel and others)	3	8
<b>Machinery and equipment</b>	8	10
<b>Information technology (IT) equipment</b>	3	6
<b>Furniture and supplies</b>	5	10
<b>Motor vehicles</b>	8	10
<b>Bearer Plants</b>		
Blueberries	10	20
Raspberries and others	3	5

The installations that the Company keeps inactive, continue with their depreciation as per the lineal method.

The residual value and the useful life of the assets are checked, and adjusted if necessary, at each closing of the financial statements of position in order to obtain a remaining useful life as per the value of the assets. The effects of depreciation are presented under cost of sales, expenses or other expenses per function.

### 3.4 Biological Assets, current

As per what is established in IAS 41, agricultural products that grow on fruit “bearer plants” will follow this standard, which must be measured at their fair value minus sales costs, recording the changes in valuation under results as the product grows.

The minimum amount of said fair value is the cost incurred in during the season in course. Additionally, said fair value would include the margin expected for the fruit that is closest to the harvest, based on the maturity curve of the fruit. Regardless, when the estimation of said margin per subsidiary does not significantly differ from the cost incurred as of the date of the Financial Statements, this value will not be recorded.

The variables used to calculate fair value are the following:

- **Volume:** Corresponds to the fruit which at the closing of the financial statements is estimated to be harvested in no more than 80 days in the case of blueberries and no more than 30 days in the case of raspberries. This estimation of harvest volumes is performed by expert agronomists, who based on the phenological state of the fruit hanging on the “bearer plants”, of the variety and geographic location of the plantations, perform a projection of the volume of fruit that will be harvested during the next weeks.
- **Producer return:** From the weekly historical sale price in the final market (taking as a reference the prices published by USDA - United States Department of Agriculture- for the last 8 seasons), we determine the return that the field will receive, based on the date when the fruit is expected to be sold which, to the closing of each financial statement, is hanging from the “bearer plants”, deducting all the costs that must be incurred from the harvest to the arrival to the final customer.
- **Production Cost:** is determined through the accumulation of real costs for each productive hectare, considering all the maintenance tasks and depreciation of fixed assets used in each of the plantations until the moment of the evaluation.

### 3.5 Intangible assets other than goodwill

#### a) Varietals Licenses

The acquired varietals licenses are shown at purchase cost and are amortized charged to the cost of sale as income from sales is generated, or by the plant’s development cost.

Corresponds to the rights acquired for the production and commercialization of varieties of Berries.

#### b) IT programs

Correspond to licenses for acquired software, which are capitalized over the base of the costs incurred in to acquire and prepare them to use the specific program. These costs are amortized during their useful lives estimated at 6 years.

Expenses related with the development or maintenance of software are recognized as expenses when they arise. Costs directly related with the production of unique and identifiable software controlled by Hortifrut and subsidiaries, and which will probably generate superior economic benefits than their costs for over a year, are recognized as intangible assets. Direct costs include expenses corresponding to the personnel that develop the software and any kind of expense incurred in for its development or maintenance.

c) Water rights

Water rights which have an indefinite useful life, since as per all the considered factors, there is no time limit when the asset generates net cash flows for the Company. It is recorded at the cost incurred in its acquisition.

d) Relationship with Customers

Intangibles generated in the acquisition of Vitalberry Marketing SpA due to the latter's relationship with customers, transferred as part of the merger process. The estimation of returns demanded from this company, considered a customer "outflow" rate of an annual 10%, establishing an amortization period for this intangible of 15 years, which is recorded in the consolidated income statement, under the item of administration expenses.

e) VitalBerry Brand

Due to the market participation in the different continents where Vitalberry sold its products, at the moment of its acquisition, it was considered that this brand has a value. The used focus was the "Relief from Royalty" method based on the assumption that the owner of the intangible asset, saves the payment of Royalty for the use of said asset.

### **3.6 Goodwill**

Goodwill arises from the acquisition of subsidiaries and represents the excess of the considerations transferred over Hortifrut S.A. and subsidiaries' interests in the net fair value of the identifiable net assets, liabilities and contingent liabilities of the acquired and the fair value of the non dominating interest in the acquired.

In order to perform the tests for loss due to impairment, the goodwill acquired in a business combination is assigned to each one of the cash generating units, or Groups of cash generating units, that are expected to benefit from the synergies of the combination. Each unit or Group of units which are assigned the goodwill represent the lowest level within the entity where goodwill is controlled for internal management purposes.

Revisions of the loss due to impairment of the value of the goodwill are performed annually or more often if events or changes in circumstances indicate a potential loss due to impairment. The book value of goodwill is compared with the recoverable amount, which is the used value or the fair value minus sales costs, the highest of these values. Any loss due to impairment is immediately recognized as an expense and is not subsequently reverted.

### **3.7 Interest Costs**

Interest costs which can be directly attributed to the construction of any qualifying asset are capitalized during the period of time that is needed to complete and prepare the asset for the intended use. Other interest costs are recorded under profit or loss.

### **3.8 Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortization and are subjected on a yearly basis to impairment tests.

Assets subject to depreciation are subjected to impairment tests as long as some event or change in the circumstances of the business indicates that the book value of the assets may not be recoverable. A loss due to impairment is recognized when the book value is higher than its recoverable value.

The recoverable value of an asset is the highest between the fair value of an asset minus sales cost and its value in use. In order to evaluate the loss due to impairment of value, assets are grouped at the lowest level for which cash flows that can be separately identified (CGU) exist.

Non-financial assets other than goodwill which have suffered a loss due to impairment are subjected to revision on each closing date of the financial statement of position to verify if reversals of the loss have been produced.

Loss due to impairment in value can be reversed in accounting only up to the amount of the loss recognized in previous periods, so that the book value of these assets does not surpass the value that they would have had if said adjustments had not taken place. This reversal is recorded in the Other profit (loss) account.

### **3.9 Financial Assets**

Hortifrut and subsidiaries classify their financial assets under the following categories: a) fair value with changes in results and b) loans and accounts receivable. The classification depends on the purpose with which the financial assets were acquired. Administration determines the classification of its financial assets at the moment of the initial recognition.

#### **3.9.1 Classification of financial assets**

##### **a) Financial assets at fair value with changes in results**

Financial assets at fair value with changes in profit or loss are financial assets held for negotiation. A financial asset is classified in this category if it is mainly acquired with the purpose of selling it in the short term. Assets in this category are classified as current assets.

##### **b) Loans and accounts receivable**

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments, which are not quoted on an active market. Those items with maturity less than 12 months are classified as current assets. Items with maturity over 12 months are classified as non-current assets.

The category loans and accounts receivable includes trade debtors and other accounts receivable, accounts receivable with related entities, term deposits and cash and bank balances.

#### **3.9.2 Recognition and measurement of financial assets**

The acquisition and disposal of financial assets is recognized on the date of the negotiation, in other words, the date on which Hortifrut and subsidiaries commit to acquiring or selling the asset.

##### **i) Initial recognition**

Financial assets are initially recognized by the fair value plus the costs of the transaction, for all the financial assets not taken to fair value with changes in results. In case there is no significant difference between the fair value and the nominal value of the financial asset, these are recorded at their nominal value.

Financial assets at fair value with changes in profit or loss are initially recognized by their fair value, and the costs of the transaction are taken to results.

## ii) Subsequent valuation

Financial assets at fair value with changes in profit or loss are subsequently recorded by their fair value with an offsetting entry in results. Loans and accounts receivable are recorded at their amortized cost in accordance with the effective interest rate method.

Financial assets are written off when the rights to receive cash flows from investments have expired or have been transferred and Hortifrut and subsidiaries have substantially transferred all the risks and rewards derived from their ownership.

The Company evaluates on the date of each consolidated statement of financial position if there exists objective evidence that a financial asset or a group of financial assets could have suffered loss due to impairment. In the case of financial assets held up to their maturity, if there is evidence of impairment, the amount of the provision is the difference between the book value of the asset and the current value of the future estimated cash flows, discounted at the original effective interest rate.

### 3.10 Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date that the derivatives contract has taken place and they are subsequently valued again at their fair value. The method to recognize the resulting loss or profit depends on if the derivative has been designated as a hedging instrument and, if so, on the nature of the item that is being hedged. The Company designates certain derivatives such as:

- (a) Fair value hedging of recognized assets or liabilities (fair value hedging);
- (b) Hedging of a concrete risk associated to a recognized liability or a highly probable foreseen transaction (cash flow hedging); or
- (c) Derivatives that do not qualify for hedge accounting

The Company records at the start of the transaction the existing relationship between hedging instruments and the hedged items, as well as their objectives for risk management and the strategy to perform different hedging operations. The Company also records its evaluation, both at the start and over a continuous base, to see if the derivatives that are used in the hedging transactions are highly effective to compensate the changes in fair value or in the cash flows of the hedged items.

The total fair value of the derivatives is classified as Other assets or non-current financial liabilities if the remaining maturity of the hedged item is over 12 months and as Other current financial assets or liabilities if the remaining maturity of the hedged item is less than 12 months.

- (a) Fair value hedges

Changes in the fair value of derivatives that are designated and rated as fair value hedge are recorded in the consolidated income statement, together with any change in the fair value of the hedged asset or liability which can be attributed to the hedged risk.

- (b) Cash flow hedges

The effective part of changes in the fair value of the derivatives that are designated and classified as cash flow hedges are recognized as cash flow hedges reserves under net equity. Profit or loss related with the non-effective part is immediately recognized in the consolidated income statement, under "Other profit (loss)".

In the case of variable interest rate hedging, the amounts recognized under equity are reclassified to results in the financial expenses line as the interests of the associated debts are accrued.

In the case of exchange rate hedging associated to costs and expenses to be incurred in Chilean pesos and associated to income to be received in Euros, the amounts recognized in equity are reclassified to profit or loss in the cost of sales item as the corresponding costs and expenses are accrued.

When a hedging instrument expires or is sold or no longer complies with the requirements demanded for hedge accounting, any profit or loss accumulated in net equity up to that moment remains under equity and is recognized when the foreseen hedged transaction is finally recognized in the consolidated income statement. When it is expected that the foreseen transaction will not take place, the profit or loss accumulated in net equity will immediately be taken to the consolidated income statement under "Other profit (loss)".

### **3.11 Inventories**

Stocks are valued at their acquisition cost or at their net realizable value, the lower of the two. Cost is determined by the weighted average cost (WAC) method.

The cost of the finished products and the products in process include raw materials, direct labor force, other direct costs and general manufacturing expenses (based on a normal operating capacity).

Net realizable value is the estimated sale price during the regular course of business, minus the variable costs of applicable sales.

Obsolete or slow moving materials and supplies are recognized at their net realization value.

The Company values its inventory as per the following:

- a) The production cost of the finished products covers costs directly related with the productive units, such as labor costs, variable and fixed costs which have been included to transform raw materials into finished products.
- b) In the case of the cost of acquired stock, the acquisition cost covers the purchase cost, custom duties, transport, storage and others attributable to the acquisition of the goods and materials.

#### Formula to calculate the cost of inventory

Finished product inventory is valued using the weighted average cost method, which is, the cost of each product unit is determined from the weighted average of the cost recorded at the start of the period and the cost of the articles purchased or produced during the period.

Inventory of raw materials, packing and materials are valued at weighted average cost.

### **3.12 Trade debtors and other accounts receivable**

From January 1, 2018, the Company records provisions for non-collectability over its trade debts and other accounts receivable, based on the requirements of IFRS 9. Based on the aforementioned, the Company estimates the expected credit loss, which result from possible events of non-compliance during the life of its assets measured at amortized cost.

### **3.13 Cash and cash equivalents**

Hortifrut S.A. and subsidiaries consider as cash and cash equivalents the cash balances held at hand and in current bank accounts, term deposits and other financial investments (negotiable securities of easy liquidation) with a maturity of less than 90 days and which are subject to a not very significant risk of changes in value. Investments that correspond to cash management and whose funds are of free disposal are also included.

Used bank overdraft lines are included in Other financial liabilities.

### **3.14 Corporate capital**

Corporate capital is represented by ordinary shares of a single class.

Incremental costs which can be directly attributed to the issuance of new shares or options are presented in net equity as a deduction, of the obtained income.

The minimum legal dividends over ordinary shares are recognized as a reduction of equity when they are approved by the shareholders' meeting.

### **3.15 Payable trade accounts and other accounts payable**

Book values recognized within payable trade accounts are initially recognized at their fair value and are subsequently valued at the amortized cost using the effective interest rate method.

### **3.16 Other financial liabilities**

Financial liabilities are initially recognized, by their fair value, net of costs incurred in the transaction. Subsequently, they are valued at their amortized cost and any difference between the obtained funds (net of the necessary costs for its obtention) and the reimbursement value, are recognized in the income statement during the life of the debt as per the effective interest rate method. The effective interest rate method consists on applying the market rate as a reference for debts with similar characteristics to the value of the debt (net of the necessary costs for its obtention).

Financial liabilities are classified under current liability and non-current liability over the base of the contractual maturity of the nominal capital.

### **3.17 Income tax and deferred taxes**

Hortifrut and its subsidiaries have recognized their tax rights and obligations based on the valid legal dispositions.

Income tax expense is recognized in the income statement and correspond to payable tax determined over the taxable income of the year, applying the valid tax rates as of the closing date of the interim consolidated financial statements, any adjustment to payable tax for previous years and the effect of the variation of assets and liabilities due to deferred taxes.

When dealing with items recognized in other integral results or directly in net equity, in this case, tax is also recognized in the other integral results or directly in net equity, respectively.

Deferred tax effects are recorded over the temporary differences that arise between the tax base of assets and liabilities and their corresponding values shown in the financial statements. Deferred tax assets and liabilities are determined using the tax rates that have been promulgated as of the date of the financial statements and are expected to be applicable when the income tax asset is realized or the income tax liability is paid.



Regardless of the aforementioned, deferred tax which is the result of temporary differences that arise from investments in subsidiaries and related companies is not recognized if the opportunity to reverse the temporary difference is controlled by the Company and it is probable that the temporary difference will not be reverted in the foreseeable future.

### **3.18 Employee Benefits**

#### **a) Employee vacations**

Hortifrut and its subsidiaries recognize the expense for employee vacations through the accrued method, which is recorded at its nominal value.

#### **b) Benefits for termination of labor relationship**

Hortifrut S.A. and its subsidiaries do not present obligations due to indemnity for termination of employee services, because there is no legal obligation associated or a non-formalized practice which results in said obligation.

These are recorded in profit or loss (expense) at the moment the employees are paid, as a consequence of the Company's decision to rescind their work contract, before the normal retirement age.

#### **c) Other benefits**

Hortifrut and its subsidiaries recognize a liability for bonus to its employees, when it is contractually obligated or when the practice in the past has created an implicit obligation, which is historically defined at the end of the season. If it exists, the provision is presented under current liability.

### **3.19 Other provisions**

Hortifrut S.A. and subsidiaries recognize a provision when they are contractually obligated or when there is a practice in the past which has created an assumed obligation.

Provisions for onerous contracts, lawsuits and other contingencies are recognized when:

- (i) Hortifrut S.A. and subsidiaries has a current obligation, whether it is legal or implicit, as a result of past events,
- (ii) It is probable that an exit of resources will be necessary to liquidate the obligation; and
- (iii) The value has been estimated in a reliable form.

Provisions are regularly revised and quantified, taking into consideration the best information available on the presentation date of the interim consolidated financial statements.

### **3.20 Revenue Recognition**

Is described as follows:

#### **a) Sale of products in the local market**

The Company generates its income mainly from the sale of fruit, product that is distributed through retailers, wholesale distributors and supermarket chains. None of them acts as a trade agent of the Company. Revenue from sales in local markets, net of value added tax, specific taxes, returns and discounts to customers, are recognized at the moment that the products are delivered together with the transferring of all their risks and benefits.

## b) Export

In general, the Company's delivery conditions for export sales are based on Incoterms 2000, with these being the official rules for interpreting trade terms issued by the International Chamber of Commerce.

The structure for revenue recognition is based on the group of Incoterms, mainly in the following groups:

- "FOB (Free on Board) and similar", where the buyer organizes and pays for the transport, so, the point of sale is the delivery of the goods to the transporter hired by the buyer, moment that revenue is recognized.
- "CIF (Cost, Insurance & Freight) and similar", through which the Company organizes and pays the external transport expense and some other expenses, even though the Company ceases to be responsible for the goods once they have been delivered to the maritime or airline Company within the corresponding term. The point of sale is the delivery of the goods to the transporter hired by the seller for transporting to destination, moment that revenue is recognized.

In case there are discrepancies between the trade agreements and the Incoterms defined for the operation, those established in the contracts will apply.

## c) Estimating Income

The Company, for those sales that to the closing of the Financial Statements are recorded at the invoicing price at the moment of their dispatch and not their final liquidation, adjust the value of invoicing to the value of the sale price obtained in the markets where its products are commercialized.

## d) Income from interests

Income from interests is recognized using the effective interest rate method.

## e) Sale of services

Operating income from the sale of services, is recorded when said service has been provided. A service is considered to have been provided when it is received in agreement by the customer.

## f) Income from dividends

Income from dividends is recognized when the right to receive the payment has been established.

### 3.21 Trade agreements with distributors and supermarket chains

The Company performs trade agreements with its main distributors and supermarkets through which they establish: (i) discounts for volume and other customer variables; (ii) promotional discounts, which correspond to an additional reduction in the price of the sold products, due to the development of trade initiatives (temporary promotions) and the granting of considerations (use of preferential spaces and others) and (iii) shared advertising, which corresponds to the Company's participation in advertising campaigns, promotional magazines and the opening up of new sales points.

Discounts due to volume and promotional discounts are recognized as a reduction in the sale price of the sold products. The contributions for shared advertising are recognized when the advertising campaigns agreed with the distributor have taken place and are recorded as incurred commercializing expenses.

The Company recognizes the cost of the benefits granted by commercial agreements with distributors only when there is formal evidence of the agreement, the amount of the benefit can be reasonably estimated and its payment is probable.

Commitments with distributors or importers in the exports environment are recognized when there is formal evidence of the agreement and its amount can be reliably estimated.

### **3.22 Cost of Sales**

Sales costs include the cost of production of the sold products and other costs incurred in to leave inventory at the locations and under the necessary conditions for its sale. These costs include, among others, cost of raw materials, packing costs, labor costs of production personnel, depreciation of assets related with production, payment of leaves of absence and operating costs and maintenance of plants and equipment.

#### Estimating Cost of Sales

Sales from the production of third party fruit (producers), which to the closing of the period have not yet been liquidated (approximately between 20 and 45 days as per destination) the premium over the contractual price previously agreed with the producer is estimated. The estimated premium plus the agreed price constitute the cost of fruit. The premium is estimated taking as a reference the real placement prices experienced in the destination market as of the closing date of the financial statements.

### **3.23 Administrative expenses**

Administrative expenses include remunerations and compensation of personnel at the back up units, the depreciation of offices, equipment, installations and furniture used in these functions, the amortization of non-current assets and other general and administrative expenses.

### **3.24 Lease**

#### **a) Financial Lease.**

Hortifrut S.A. and its subsidiaries lease determined fixed assets. The fixed asset lease, when the Company substantially has all the risks and rewards inherent to the property, is classified as financial lease. Financial lease is capitalized at the start of the lease at the fair value of the property or leased asset or at the current value of the minimum payments for the lease, the lower of the two.

Each lease payment is distributed between the liability and the financial burdens to obtain a constant interest rate over the pending balance of the debt. The corresponding obligations for lease, net of financial burdens, are included in Other financial liabilities. The interest element of the financial cost is charged in the income statement during the lease period in order to obtain a constant periodic interest rate over the remaining balance of the liability for each period. The asset acquired under a financial lease regime is depreciated during its useful life or the duration of the contract, the lower of the two.

#### **b) Operating Lease.**

The leases where the lessor keeps an important part of the risks and rewards derived from the ownership of the good are classified as operating lease. The payments for the concept of operating lease (net of any incentive received from the lessor) are charged in the income statement over a lineal base during the lease period.

### **3.25 Non-current assets or groups of assets (or disposal groups) classified as held for sale**

Non-current assets or disposal groups are classified as assets held for sale and are recognized at the lower value between the book value and the fair value minus cost to sell. When the value will be recovered mainly through its sale, as long as the sale is considered highly probable.

### **3.26 Environment**

In the case of environmental liabilities, these are recorded based on the current interpretation of environmental laws and rulings, when it is probable that a current obligation will be produced and the amount of said responsibility can be calculated in a reliable manner.

Investments in infrastructure works destined to complying with environmental requirements are activated by following general accounting criteria for Property, plant and equipment.

### **3.27 Research and development**

Investigation and development expenses are presented under the Other expenses by function item in the consolidated income statement, because the realized investigations form a normal part of Hortifrut S.A. and its subsidiaries' operations.

### **3.28 Advertising expenses**

Advertising expenses are recognized under results when they take place.

### **3.29 Earnings per share**

Net profits per share are calculated by dividing the net profit attributable to the shareholders by the weighted average of the number of ordinary shares in circulation during the period, excluding shares acquired by the company.

### **3.30 Insurance expenses**

The payment of different insurance policies which the Company hires is recognized under expenses in proportion to the period of time that they cover, regardless of the payment terms. The paid and non consumed values are recognized as prepaid expenses under current assets.

The costs of the claims are recognized under results immediately after known, net of the amount recoverable from the insurance companies. The amounts to be recovered are recorded as an asset to be reimbursed by the insurance Company under the item Trade Debtors and other accounts receivable, calculated according to what was established in the insurance policies.

## **NOTE 4 – RISK MANAGEMENT**

The berries business intrinsically involves a series of risk factors which, in one way or another, could affect the development of the industry. Within these factors, we can mention the following:

### **4.1 Financial Risk**

#### **4.1.1 Credit Risk**

a) Cash surplus investment risk:

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 (see Note 7.1).

The Company's policy regulates investment and debt, trying to limit the impact of the exchange rate fluctuations in the valuation of currencies and interest rates over the Company's net results, through cash surplus investments and the hiring of forwards 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 the 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 evaluates the risk of exposure every week and decreases/increases deliveries in accordance with the performed analysis or demands advanced payment from the 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.

As a mitigation measure for this risk, the Company has obtained credit insurance for the parent company and subsidiaries as of September 30, 2018 (See Note 4.3).

#### **4.1.2 Liquidity risk and financing**

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.

Furthermore, there is the risk that, due to an impairment in its operations or other circumstances, certain financial ratios could reach levels that are higher than the limits established in the credit contract, 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 obligations regarding what to do and what not to do 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 associated to exceeding the financial ratios stipulated in financial 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. In the case of subsidiaries such as Hortifrut España Southern Sun SL, and related 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 the credit conditions based on the financing needs to face investment plans and requirements for work capital.

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, 2018 reach US \$236.7 million (US \$233.7 million as of September 30, 2017), distributed among 15 banks. The used amount reaches US\$111.7 million, with an unused balance of US\$ US\$125.0 million. The credit lines are distributed among the following companies: Hortifrut Chile S.A. with US\$217.7 million, Hortifrut S.A. with US\$5 million, Agrícola El Pampino S.A. with US\$0.75 million, Agrícola Santa Rosa del Parque S.A. with US\$0.50 million, Agrícola Vida Nueva S.A. with US\$0.4 million, Agrícola Mataquito S.A. with US\$1.3 million, Agrícola El Avellano with US\$0.5 million, Hortifrut Import Inc., with US\$3 million and Euroberry Marketing S.A. with US\$7.6 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 working 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 as of September 30, 2018, based on undiscounted contractual cash flows:

	Cash Flows						Total
	Capital	Interests	Between 0 to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
<b><u>Creditor Bank</u></b>							
Banco Santander Chile	89,705	732	37,121	2,440	59,460	-	99,021
Banco RaboFinance Chile	56,218	509	602	2,191	47,836	16,314	66,943
Banco de Crédito e Inversiones	78,191	986	325	7,886	50,298	41,104	99,613
Banco Itaú	5,163	6	5,048	139	19	-	5,206
Banco Bilbao Vizcaya Argentaria	25,032	78	11,402	6,029	8,040	-	25,471
Banco BICE	1,000	1	1,002	-	-	-	1,002
Banco de Chile	23,071	44	23,120	48	-	-	23,168
Banco Consorcio	1,000	1	1,002	-	-	-	1,002
Banco Estado	19,491	86	19,098	478	11	-	19,587
Banco Scotiabank	65,508	658	13,093	2,328	59,294	-	74,715
Banco Santander Central Hispano S.A.	18,550	31	6,911	3,445	8,439	20	18,815
La Caixa	5,434	15	741	1,851	2,962	-	5,554
Bankinter	3,047	-	444	889	1,776	-	3,109
Banco Sabadell	2,315	-	296	888	1,184	-	2,368
Caja Madrid	16	-	6	10	-	-	16
Caja Rural Asturias	13	-	13	-	-	-	13
Financial Services	18	-	1	2	18	-	21
Banco de Crédito Perú	1	-	1	-	-	-	1
Banco Bankinter	1,534	-	-	1,534	-	-	1,534
GC Rent Chile SPA	2	-	1	1	-	-	2
HSBC México SA, Institucion de Banca Multiple	4,500	-	45	880	3,870	-	4,795
Rabobank	19,741	199	289	3,853	15,135	3,376	22,653
Banco de Crédito	7,672	-	22	2,719	5,410	-	8,151
Metlife	39,242	87	-	5,238	19,290	28,992	53,520
Banco de Credito del Peru	164	-	32	85	52	-	169
Scotiabank Peru S.A.	4,068	-	606	1,818	1,802	-	4,226
<b>Total as of September 30, 2018</b>	<b>470,696</b>	<b>3,433</b>	<b>121,221</b>	<b>44,752</b>	<b>284,896</b>	<b>89,806</b>	<b>540,675</b>
<b>Total as of December 31, 2017</b>	<b>234,092</b>	<b>1,405</b>	<b>129,600</b>	<b>24,612</b>	<b>66,886</b>	<b>28,085</b>	<b>249,183</b>

Below is a summary of the maturity of the total financial liabilities as of September 30, 2018:

	Cash Flows						Total
	Capital	Fair Value	Between 0 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
<b><u>Detail</u></b>							
Bank loan	470,696	474,129	121,221	44,752	284,896	89,806	540,675
Trade accounts and other accounts payable	36,060	36,060	32,936	3,124	-	-	36,060
Accounts payable to related entities	16,731	16,731	-	5,307	11,424	-	16,731

#### 4.1.3 Exchange rate risk

The international character of its business and 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 Peso, Mexican Peso, Peruvian Nuevo Sol and Euro.

##### 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 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 financial instruments. Hortifrut performs actions to mitigate the exposure to sales in Euros through the use of forward derivative contracts.

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.

d) Exposure to Peruvian Soles

The source of exposure to Peruvian Soles mainly comes from the costs of agricultural operations in Peru, which are mainly denominated in said currency, and at a lower measure, from trade accounts receivable with customers.

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 the exposure in currencies different to the dollar, over the Company's assets and liabilities as of September 30, 2018:



	<u>Peso/UF</u>	<u>Nuevo Sol</u>	<u>Euro</u>	<u>Mexican \$</u>	<u>Argentine \$</u>	<u>Real/others</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
<b>As of September 30, 2018</b>						
<b><u>Financial Assets</u></b>						
Cash and Cash Equivalent	1,252	963	8,408	385	2	725
Other current non-financial assets	2,133	-	477	2,552	45	44
Current trade debtors and other accounts receivable	4,427	17,553	11,896	2,742	2,628	5,858
Current accounts receivable with Related Entities	11	-	5,258	-	-	-
Non-current accounts receivable with Related Entities	-	-	4,194	-	-	-
<b><u>Total Financial Assets</u></b>	<b>7,823</b>	<b>18,516</b>	<b>30,233</b>	<b>5,679</b>	<b>2,675</b>	<b>6,627</b>
<b><u>Current Liabilities</u></b>						
Other current financial liabilities	472	1	11,126	-	-	149
Current trade accounts and other accounts payable	4,915	7,425	1,395	575	14	2,685
Current accounts payable to related entities	2,118	-	559	-	-	-
Current provisions for employee benefits	441	-	-	507	-	-
Other non-current financial liabilities	11	-	23,616	-	-	14
Non-current accounts payable with related entities	1,423	-	10,001	-	-	-
<b><u>Total Financial Liabilities</u></b>	<b>9,380</b>	<b>7,426</b>	<b>46,697</b>	<b>1,082</b>	<b>14</b>	<b>2,848</b>
<b>Net exposure as of September 30, 2018</b>	<b>(1,557)</b>	<b>11,090</b>	<b>(16,464)</b>	<b>4,597</b>	<b>2,661</b>	<b>3,779</b>
<b>Net exposure as of December 31, 2017</b>	<b>(4,627)</b>	<b>-</b>	<b>(15,854)</b>	<b>3,675</b>	<b>634</b>	<b>8,491</b>

## Sensitivity analysis

The potential effect of a 10% devaluation of the United States dollar against all the other relevant currencies to which the Company is exposed, would have an approximate effect of ThUS\$411 (ThUS\$769 as of December 31, 2017) as a higher charge to the Company's results as of September 30, 2018, 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.

	<b>Net (10% Devaluation)</b>				
<b>Currencies</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Variation</b>	
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Peso/UF	7,823	9,380	(1,557)	(1,401)	156
Nuevo Sol	18,516	7,426	11,090	9,981	(1,109)
Euro	30,233	46,697	(16,464)	(14,818)	1,646
Mexican \$	5,679	1,082	4,597	4,137	(460)
Argentine \$	2,675	14	2,661	2,395	(266)
Real / Others	6,627	2,848	3,779	3,401	(378)
<b>Total</b>	<b>71,553</b>	<b>67,447</b>	<b>4,106</b>	<b>3,695</b>	<b>(411)</b>

### 4.1.4 Interest rate risk

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

Long term liabilities are 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. If Hortifrut held a whole year the debt that it has at a variable rate, which is ThUS\$112,130 as of September 30, 2018 (ThUS\$123,233 as of December 31, 2017) and the rate increased 10%, the impact on the annual financial cost would be ThUS\$277 (ThUS\$213 as of December 31, 2017).

Below is a detail of short term financial liabilities, linked to temporary work capital:

		<u>Annual</u>	<u>10% interest</u>	<u>Due to</u>
<u>Creditor Bank</u>	<u>Capital</u>	<u>Interest</u>	<u>variation</u>	<u>variation</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>in the rate</u>	<u>in rate</u>
			<u>ThUS\$</u>	<u>ThUS\$</u>
Banco Santander Chile	36,900	893	980	87
Banco Itaú	5,110	135	149	14
Banco Bilbao Vizcaya Argentaria	10,000	238	262	24
Banco BICE	1,000	27	30	3
Banco de Chile	23,000	589	648	59
Banco Consorcio	1,000	27	30	3
Banco Estado	15,265	362	398	36
Banco Scotiabank	13,000	322	353	31
Banco de Crédito Perú	1	-	-	-
Banco Santander Central Hispano S.A.	5,320	159	175	16
Banco Bankinter	1,534	49	53	4
<b>Total</b>	<b>112,130</b>	<b>2,801</b>	<b>3,078</b>	<b>277</b>

## 4.2 Operating Risks

Hortifrut's operating risks are administered by the 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:

### 4.2.1 Competition's 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.

### 4.2.2 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, this phenomenon would affect Hortifrut only if it takes place in the windows of the year when the Company operates.

Also, 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 for healthy food that consumers seek and (iii) a still relatively low consumption of berries per capita.

### 4.2.3 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.

#### **4.2.4 Climatic risks**

Climate is an external factor which is difficult to control, which can affect quality and cause variations in the volume of fruit available to commercialize during the year. The company owns significant plantations in Peru and Chile, as well as smaller ones in South America, North America, Europe and Asia. Even though it is difficult to control, this risk can be geographically diversified and can be mitigated with correct management, which does not assure that the Company will not be affected by adverse effects associated to this factor. The Company administers this risk by creating export companies and obtaining fruit from different producers in Peru, Chile and the rest of the world; investing in agriculture in different countries and in each country in different zones, building deep wells to assure the availability of water in the fields that require it; and investing in infrastructure to control rain, frost and hail, among other initiatives.

#### **4.2.5 Plagues and disease**

It is unavoidable for a large surface of any 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 impact 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 won't 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. Other solution measures are to destine the fruit in quarantine zones to markets that have different phytosanitary restrictions.

#### **4.2.6 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.

#### **4.2.7 Continuity and costs of supplies and services**

The development of Hortifrut's business involves a complex logistic where the opportune supply of quality supplies and services are fundamental to maintain competitiveness. 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.

#### 4.2.8 Risk associated to new technologies

Hortifrut, in its varied entrepreneurship, throughout the world, is incorporating growing new technologies in the whole production process. The aforementioned involves risks associated to the lack of knowledge of all the involved 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.

#### 4.3 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, 2018 are the following:

#### 4.4 Risk in the estimations

<u>COUNTRY</u>	<u>TYPE OF INSURANCE</u>	<u>30-Sep-18</u>		<u>31-Dec-17</u>	
		<u>CURRENCY</u>	<u>COVERED AMOUNT</u>	<u>CURRENCY</u>	<u>COVERED AMOUNT</u>
Chile	Infrastructure Fire	UF	1,658,152	UF	1,469,132
Chile	Mobile Agricultural Equipment	UF	48,092	UF	70,244
Chile	Motor vehicles	UF	48,563	UF	131,400
Chile	General and Product Civil Responsibility	USD	5,000,000	UF	127,144
Chile	Maritime Transport	USD	7,000,000	UF	305,147
Chile	Credit Insurance	USD	20,000,000	UF	254,289
Chile	Fruit and Materials Insurance	USD	9,810,916	UF	249,481
Chile	Terrorism	UF	500,000	UF	500,000
Chile	Business Interruption	UF	1,227,000	UF	250,000
USA	Product Civil Responsibility	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

#### 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, moment that said result was realized.

As of September 30, 2018, the recognition for the concept of expected margin from fruit on Hortifrut S.A. and subsidiaries' bearer plants is as follows:

Company	Fair value adjustment as of 30.09.2018 (ThUS\$)	10% Reduction Volume (ThUS\$)	10% Reduction Price (ThUS\$)	10% Reduction Volume and Price (ThUS\$)
Agrícola Mataquito S.A.	1,979	1,781	1,609	1,448
Hortifrut Tal S.A.C.	9,550	8,519	7,918	7,050
Hortifrut Peru S.A.C.	14,868	13,271	12,148	10,822
Berries de Chao S.A.C.	1,363	1,211	1,128	1,001
HFE Berries Perú S.A.C.	5,726	5,153	4,731	4,258
<b>Total</b>	<b>33,486</b>	<b>29,935</b>	<b>27,534</b>	<b>24,579</b>

As of December 31, 2017, the expected margin of fruit on Agrícola Hortifrut S.A.'s bearer plants was recognized, for the amount of ThUS\$1,640.

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

Company	Fair value adjustment as of 31.12.2017 (ThUS\$)	10% Reduction Volume (ThUS\$)	10% Reduction Price (ThUS\$)	10% Reduction Volume and Price (ThUS\$)
Agrícola Hortifrut S.A.	1,640	1,476	1,016	914

On the other hand, within the item Investments recorded using the equity method, the expected margin of fruit on bearer plants of the company Hortifrut Tal S.A.C. (Peru) has been recognized based on the interest percentage that it has in it, amount that reaches ThUS\$953, as of December 31, 2017.

Below is a detail of the effect that a 10% reduction in price and volume would have on that amount:

Company	Fair value adjustment as of 31.12.2017 (ThUS\$)	10% Reduction Volume (ThUS\$)	10% Reduction Price (ThUS\$)	10% Reduction Volume and Price (ThUS\$)
Hortifrut Tal S.A.C.	953	877	744	670

#### 4.5 Risk associated to merger and purchase process

Due to the global character of its business and the Company's intention to remain among 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 potential financial, operational and other previously described risks.

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

Even though to date Hortifrut has not had problems associated to its merger and acquisition processes, this fact does not guarantee that in the future Hortifrut won't be exposed to this risk.

**NOTE 5 – CHANGES IN ACCOUNTING POLICIES**

From January 01, 2018, the Company records provisions for non-collectability over its trade debtors and other accounts receivable, based on the requirements of IFRS 9 as per what is indicated in Note 2.7 letter (a).

During the period ending September 30, 2018, no other changes have taken place in the Company's accounting policies.

## NOTE 6 – OPERATING SEGMENTS

The Company reports financial information per segments as per what is established in IFRS 8 “Operating Segments”. Said norm establishes standards for the reporting of information per segments in the financial statements, as well as revelations regarding products and services, geographical areas and main customers. An operating segment is defined as a component of an entity over which separate financial information is obtained, which is regularly evaluated by upper management to make decisions regarding the assigning of resources and the evaluation of results.

The performance of the segments is evaluated via the Operating Result (excluding impairment in Property, plant and equipment), by sale volume and income, as per the following formula:

### Calculating Operating Margin:

+ Operating revenue  
+ Other revenue, per function  
= Total revenue

### **Minus:**

- Sales cost  
- Administrative expenses  
- Other expenses, per function, excluding the impairment of value in Property, plant and equipment  
= Total costs

The Group divides the financial information per business unit, identifying the following segments:

- a) “Fresh Fruit” Added Segment
  - a. Blueberries
  - b. Raspberries
  - c. Blackberries
  - d. Strawberries
  - e. Cherries
- b) “Value Added Products” Segment

## 6.1 Results per segments

Results per segments						
	Fresh Fruit		Value Added Products		Total	
	9/30/2018 ThUS\$	9/30/2017 ThUS\$	9/30/2018 ThUS\$	9/30/2017 ThUS\$	9/30/2018 ThUS\$	9/30/2017 ThUS\$
<b>Operating Results</b>						
Operating Revenue	327,564	222,598	24,036	18,852	351,600	241,450
Operating Costs and Expenses	(276,323)	(202,666)	(20,102)	(16,262)	(296,425)	(218,928)
<b>Other results per segments</b>						
Other profit (loss)	60,867	(175)	-	-	60,867	(175)
Net financial income (expenses)	(8,642)	(2,404)	(86)	(1)	(8,728)	(2,405)
Interest in profit (loss) of associated companies	(2,163)	7,409	-	-	(2,163)	7,409
Exchange rate differences	756	(4,500)	-	-	756	(4,500)
Income tax expense	(24,012)	(1,337)	(1,038)	(660)	(25,050)	(1,997)
	<b>78,047</b>	<b>18,925</b>	<b>2,810</b>	<b>1,929</b>	<b>80,857</b>	<b>20,854</b>

## 6.2 Results of the operation per segments

The results of the operation per segments as of September 30, 2018 and 2017, are as follows:

Segments	30-Sep-18			30-Sep-17		
	Total revenue KUS\$	Total costs and expenses KUS\$	Operating Result KUS\$	Total revenue KUS\$	Total costs and expenses KUS\$	Operating Result KUS\$
<b>Fresh Fruit</b>	<b>327,564</b>	<b>(276,323)</b>	<b>51,241</b>	<b>222,598</b>	<b>(202,666)</b>	<b>19,932</b>
Blueberries	295,201	(240,966)	54,235	186,136	(165,379)	20,757
Raspberries	13,189	(14,967)	(1,778)	12,836	(13,327)	(491)
Blackberries	8,750	(9,045)	(295)	11,581	(11,605)	(24)
Strawberries	6,015	(7,355)	(1,340)	9,172	(10,086)	(914)
Cherries	4,409	(3,990)	419	2,873	(2,269)	604
<b>Value Added Products</b>	<b>24,036</b>	<b>(20,102)</b>	<b>3,934</b>	<b>18,852</b>	<b>(16,262)</b>	<b>2,590</b>
Value Added Products	24,036	(20,102)	3,934	18,852	(16,262)	2,590
<b>Total</b>	<b>351,600</b>	<b>(296,425)</b>	<b>55,175</b>	<b>241,450</b>	<b>(218,928)</b>	<b>22,522</b>

For the third quarter of 2018 and 2017, the results of the operation per segments are the following:

Segments	Third quarter 2018			Third quarter 2017		
	Total revenue KUS\$	Total costs and expenses KUS\$	Operating Result KUS\$	Total revenue KUS\$	Total costs and expenses KUS\$	Operating Result KUS\$
<b>Fresh Fruit</b>	<b>81,128</b>	<b>(42,875)</b>	<b>38,253</b>	<b>29,265</b>	<b>(31,068)</b>	<b>(1,803)</b>
Blueberries	77,852	(37,236)	40,616	26,475	(27,086)	(611)
Raspberries	2,199	(4,327)	(2,128)	1,151	(2,002)	(851)
Blackberries	283	(382)	(99)	432	(334)	98
Strawberries	794	(930)	(136)	1,207	(1,646)	(439)
Cherries	-	-	-	-	-	-
<b>Value Added Products</b>	<b>8,217</b>	<b>(5,921)</b>	<b>2,296</b>	<b>8,363</b>	<b>(5,822)</b>	<b>2,541</b>
Value Added Products	8,217	(5,921)	2,296	8,363	(5,822)	2,541
<b>Total</b>	<b>89,345</b>	<b>(48,796)</b>	<b>40,549</b>	<b>37,628</b>	<b>(36,890)</b>	<b>738</b>

## Calculating Total Revenue

Concept	Quarter			
	30-Sep-18 ThUS\$	30-Sep-17 ThUS\$	1-Jul-18 30-Sep-18 ThUS\$	1-Jul-17 30-Sep-17 ThUS\$
Revenue from operating activities	316,508	241,081	55,825	37,493
Other revenue, per function	35,092	369	33,520	135
<b>Total Revenue</b>	<b>351,600</b>	<b>241,450</b>	<b>89,345</b>	<b>37,628</b>



## Calculating Total Costs and Expenses

	QUARTER			
	30-Sep-18	30-Sep-17	1-Jul-18	1-Jul-17
TOTAL COSTS AND EXPENSES	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cost of sales	267,960	197,628	39,052	30,417
Administration Expenses	26,071	20,250	8,511	6,141
Other expenses, per function, excluding impairment in the value of assets	2,394	1,050	1,233	332
<b>Total Costs and Expenses</b>	<b>296,425</b>	<b>218,928</b>	<b>48,796</b>	<b>36,890</b>

## 6.3 Assets and liabilities per segments

Balance per segments						
	Fresh Fruit		Value Added Products		Total	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017	9/30/2018	12/31/2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Assets</b>						
Related and third party trade debtors	81,971	81,470	6,869	12,754	88,840	94,224
Inventories	40,129	42,473	2,279	2,083	42,408	44,556
Other current assets	105,935	48,727	-	-	105,935	48,727
Property, plant and equipment	675,028	233,684	10,981	11,376	686,009	245,060
Other non-current assets	254,092	139,928	-	193	254,092	140,121
<b>Total Assets</b>	<b>1,157,155</b>	<b>546,282</b>	<b>20,129</b>	<b>26,406</b>	<b>1,177,284</b>	<b>572,688</b>
<b>Liabilities</b>						
Commercial, related and third party accounts payable	40,417	55,423	950	443	41,367	55,866
Other current and non-current financial liabilities	469,748	230,605	4,381	4,892	474,129	235,497
Other Liabilities	130,509	37,671	-	79	130,509	37,750
<b>Other Liabilities</b>	<b>640,674</b>	<b>323,699</b>	<b>5,331</b>	<b>5,414</b>	<b>646,005</b>	<b>329,113</b>

Within the other financial liabilities, current and non-current, corresponding to the Value Added Products segment, only financing directly related to Property, plant and equipment in Leasing of said segment has been individualized. Financing associated to the required work capital for this segment has not been directly assigned, because it is administered in a centralized manner together with the requirements of the Fresh Fruit segment.

## 6.4 Cash flows per segments

Cash Flows per Segments						
	Fresh Fruit		Value Added Products		Total	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017	9/30/2018	9/30/2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
From operating activities	20,005	48,714	7,731	2,670	27,736	51,384
- Types of collections from operating activities	309,601	250,767	29,921	18,551	339,522	269,318
- Types of payments	(289,596)	(202,053)	(22,190)	(15,881)	(311,786)	(217,934)
					0	0
From investment activities	(385,112)	(47,323)	(183)	(158)	(385,295)	(47,481)
From financing activities	365,508	(17,113)	(336)	(326)	365,172	(17,439)

## 6.5 Sales per Geographic Location:

The information of net sales per geographic location is based on the destination continent where our products are consumed (North America – South America -Europe - Asia).

For the periods ending September 30, 2018 and 2017, operating income per geographic location is as follows:

<b>Sales per geographic destination</b>	<b>30-Sep-18</b>		<b>30-Sep-17</b>	
	<b>ThUS\$</b>	<b>%</b>	<b>ThUS\$</b>	<b>%</b>
North America	161,734	46.00%	131,153	54.32%
Europe	106,592	30.32%	64,363	26.66%
South America	55,677	15.84%	21,896	9.07%
Asia and others	27,597	7.84%	24,038	9.95%
<b>Total revenue</b>	<b>351,600</b>	<b>100.00%</b>	<b>241,450</b>	<b>100.00%</b>

For the third quarter of 2018 and 2017, operating income per geographic location is as follows:

<b>Sales per geographic destination</b>	<b>Third quarter 2018</b>		<b>Third quarter 2017</b>	
	<b>ThUS\$</b>	<b>%</b>	<b>ThUS\$</b>	<b>%</b>
North America	19,645	21.99%	17,374	46.17%
Europe	18,275	20.45%	8,267	21.97%
South America	45,510	50.94%	5,038	13.39%
Asia and others	5,915	6.62%	6,949	18.47%
<b>Total revenue</b>	<b>89,345</b>	<b>100.00%</b>	<b>37,628</b>	<b>100.00%</b>

### North America

In North America, through its subsidiary Hortifrut Imports Inc., the Company is associated with three of the largest berries producers: Michigan Blueberry Growers Association, Naturipe Berry Growers and Munger Brothers, to together commercialize under the brand Naturipe, during the 52 weeks of the year.

Through Hortifrut Imports Inc., it supplies a wide mix of conventional and organic berries to all of the United States and Canada during the whole year.

The commercializing is mainly performed through the Retail and Foodservice channels, reaching the main supermarkets in the country. Naturipe Farms is recognized as one of the main berries brands in the United States and is present in one of the main fruit categories and with the highest growth.

### Europe

Hortifrut S.A. is present in the European continent through Euroberry Marketing S.A. (Spain), Euroberry UK Ltd. (England) and Euroberry GmbH. (Germany), directly participating in the commercializing, production, third party sourcing and distribution centers. Together with its partner Atlantic Blue, the largest producer of blueberries in Spain, it now maintains a year-round offer with the brands “Southern Sun” and “Berry Collection” in continental Europe and the United Kingdom.

Our customers are the main wholesalers and supermarkets of the largest countries in Europe, with a wide atomization of customers.

## **South America**

Hortifrut Comercial S.A., subsidiary of Hortifrut S.A, maintains the leadership in Chile in the Berries category in the Retail and Food service segments.

The main species commercialized in Chile continues to be strawberries out of the total national commercialized volume. It is of vital relevance to mention that since 2011 the blueberry has been consolidated as the second highest selling berry, above raspberries and blackberries.

Hortifrut Comercial S.A. continues to work on its marketing plan focused on introducing the brand and its products, as well as obtaining the loyalty of its final consumers and the Food Service segment.

In order to maximize the consumption alternatives that the brand offers, the different product lines are highlighted in its advertising: Fresh and Frozen.

The Company commercializes its products in Brazil through its subsidiary Berrygood, with commercial offices in Sao Paulo and operations in the northern and southern states of the country, mainly focusing on the cities of Rio de Janeiro, Brasilia, Campinas, Curitiba and Sao Paulo.

It was created in March 2008 and has focused on the development and growth of the industry of these special fruits in Brazil, strengthening the logistics, sourcing and market establishing areas.

## **Asia**

The Asian market continues to grow at two-digit rates for the Company, delivering to the main markets of the region under the brands Southern Sun and Naturipe, with exports from Chile, Argentina, Mexico, United States, Peru, Spain and Canada and a 52 week a year program with the different berries.

The main Asian countries where the Company commercializes its berries are Japan, Taiwan, Hong Kong, Singapore and Malaysia. It is interesting to state that, together with Naturipe Farms, we are advancing in direct trading with the supermarket chains that both Hortifrut and Naturipe work with in other continents, which places us at the forefront in the development of consumption in these markets.

Likewise, the Hortifrut-San Clemente office located in Shanghai, is advocated to the development of direct business with the international and local chains, and those located in regions far from the large cities, as well as continuing developing business with operators at the terminal markets of Guangzhou, Beijing, Shanghai and Dalian, among others.

## NOTE 7 – FINANCIAL INSTRUMENTS

### 7.1 FINANCIAL INSTRUMENTS PER CATEGORY

<b>Assets</b>	<b>Financial assets and accounts receivable ThUS\$</b>	<b>Assets at fair value through results ThUS\$</b>	<b>Hedging instruments ThUS\$</b>	<b>Total ThUS\$</b>
<b>30-Sep-18</b>				
Cash and cash equivalents	22,762	12,691	-	35,453
Other current financial assets	960	-	425	1,385
Current trade debtors and other accounts receivable	56,060	-	-	56,060
Current accounts receivable from related entities	32,780	-	-	32,780
Other non-current financial assets	-	-	988	988
Non-current accounts receivable from related entities	4,194	-	-	4,194
Non-current fees receivable	1,632	-	-	1,632
<b>Total</b>	<b>118,388</b>	<b>12,691</b>	<b>1,413</b>	<b>132,492</b>

<b>Liabilities</b>	<b>Other financial liabilities ThUS\$</b>	<b>Liabilities at fair value with changes in results ThUS\$</b>	<b>Hedging instruments ThUS\$</b>	<b>Total ThUS\$</b>
<b>30 de septiembre de 2018</b>				
Current trade accounts and other accounts payable	36,060	-	-	36,060
Current accounts payable to related entities	5,307	-	-	5,307
Non-current accounts payable to related entities	11,424	-	-	11,424
Other current financial liabilities	150,433	-	629	151,062
Other non-current accounts payable	6,506	-	-	6,506
Other non-current financial liabilities	322,949	-	118	323,067
<b>Total</b>	<b>532,679</b>	<b>-</b>	<b>747</b>	<b>533,426</b>

<b>Assets</b>	<b>Financial assets and accounts receivable ThUS\$</b>	<b>Assets at fair value through results ThUS\$</b>	<b>Hedging instruments ThUS\$</b>	<b>Total ThUS\$</b>
<b>31-Dec-17</b>				
Cash and cash equivalents	20,752	7,086	-	27,838
Other current financial assets	31	-	4,442	4,473
Current trade debtors and other accounts receivable	46,092	-	-	46,092
Current accounts receivable from related entities	48,132	-	-	48,132
Other non-current financial assets	244	-	1,101	1,345
Non-current accounts receivable from related entities	8,060	-	-	8,060
Non-current fees receivable	1,615	-	-	1,615
<b>Total</b>	<b>124,926</b>	<b>7,086</b>	<b>5,543</b>	<b>137,555</b>

<b>Liabilities</b>	<b>Other financial liabilities ThUS\$</b>	<b>Liabilities at fair value with changes in result ThUS\$</b>	<b>Hedging instruments ThUS\$</b>	<b>Total ThUS\$</b>
<b>31-Dec-17</b>				
Current trade accounts and other accounts payable	49,724	-	-	49,724
Current accounts payable to related entities	6,142	-	-	6,142
Non-current accounts payable to related entities	12,071	-	-	12,071
Other current financial liabilities	150,819	-	712	151,531
Other non-current financial liabilities	83,686	-	280	83,966
<b>Total</b>	<b>302,442</b>	<b>-</b>	<b>992</b>	<b>303,434</b>

## 7.2 CREDITWORTHINESS OF FINANCIAL ASSETS

The Company's financial assets can be mainly classified into two large groups i) Commercial Credits with Customers, which to measure their risk level are classified according to the age of the debt and provisions are made for bad debt, and ii) Financial investments performed by the Company in accordance with the criteria indicated in Note 4.1.1:

<b>Current Assets</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Mutual Funds and term deposits classification		
AA+fm/M1	12,691	7,086
Current Bank Accounts AAA	22,762	20,752
<b>Sub-total Cash and Cash Equivalents</b>	<b>35,453</b>	<b>27,838</b>
Swap rape operations	1	2
Forwards currency operations	424	3,606
Hedging operations - options	-	834
Other financial assets	960	31
<b>Total other current financial assets</b>	<b>1,385</b>	<b>4,473</b>
Trade debtors and other accounts receivable		
without credit rating	56,060	46,092
<b>Sub-total current trade debtors and other accounts receivable</b>	<b>56,060</b>	<b>46,092</b>
<b>Total</b>	<b>92,898</b>	<b>78,403</b>

None of the financial assets pending maturity have been the object of renegotiation during the period.

There are no significant expired financial assets as of the closing of the period.

## 7.3 ESTIMATING FAIR VALUE

Financial assets recorded at fair value in the consolidated statement of financial position, have been measured based on the methods stated in IAS 13. For the application of criteria when determining the fair value of the financial assets, the following parameters have been considered:

Level I: Values or quotation prices in active markets for identical assets and liabilities.

Level II: Information from sources that differ from the Level I quotation values, but that can be observed in markets for the assets and liabilities, whether it is in a direct manner (prices) or indirect (derived from prices).

Level III: Information for assets or liabilities that is not based on observable market data.

The following table presents the financial assets and liabilities that are measured at fair value as of September 30, 2018 and December 31, 2017:

<b><u>Assets/(Liabilities)</u></b>	<b>Fair value 30-Sep-18 ThUS\$</b>	<b>Fair value measurements using values considered as</b>		
		<b>Level I ThUS\$</b>	<b>Level II ThUS\$</b>	<b>Level III ThUS\$</b>
<b><u>Assets</u></b>				
Short term mutual funds	6,691	6,691	-	-
Term deposits	6,000	-	6,000	-
Cross Currency Swap Operations	1	-	1	-
Forwards currency operations	424	-	424	-
Other financial assets	960	-	960	-
Non-current Forwards Currency Operations	448	-	448	-
Non-Current Cross Currency Swap Operations	540	-	540	-
<b><u>Liabilities</u></b>				
Forwards currency operations	(629)	-	(629)	-
Non-current forwards currency operations	(82)	-	(82)	-
Non-Current Cross Currency Swap Operations	(36)	-	(36)	-

<b><u>Assets/(Liabilities)</u></b>	<b>Fair value 31-Dec-17 ThUS\$</b>	<b>Fair value measurements using values considered as</b>		
		<b>Level I ThUS\$</b>	<b>Level II ThUS\$</b>	<b>Level III ThUS\$</b>
<b><u>Assets</u></b>				
Short term mutual funds	7,086	7,086	-	-
Cross Currency Swap Operations	2	-	2	-
Forwards currency operations	3,606	-	3,606	-
Hedging operations-options	834	-	834	-
Other financial assets	31	-	31	-
Non-current forward currency operations	1,126	-	1,126	-
Non-current Cross Currency Swap Operations	219	-	219	-
<b><u>Liabilities</u></b>				
Forwards currency operations	(712)	-	(712)	-
Non-current Cross Currency Swap operations	(280)	-	(280)	-

#### 7.4 INFORMATIVE FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows fair values, based on financial instrument categories, compared with the current and non-current book value included in the interim consolidated statements of financial position:

	Notes	30-Sep-18		31-Dec-17	
		Book value ThUS\$	Fair value ThUS\$	Book value ThUS\$	Fair value ThUS\$
<b>Assets</b>					
Cash and cash equivalents	8				
Bank balances		22,762	22,762	20,752	20,752
Term deposits		6,000	6,000	-	-
Mutual funds		6,691	6,691	7,086	7,086
Other current financial assets	9	1,385	1,385	4,473	4,473
Current trade debtors and other accounts receivable and non-current fees receivable	10	57,692	57,692	47,707	47,707
Current accounts receivable from related entities	11	32,780	32,780	48,132	48,132
Other non-current financial assets	9	988	988	1,345	1,345
Non-current accounts receivable from related entities	11	4,194	4,194	8,060	8,060
<b>Liabilities</b>					
Other current financial liabilities	21	151,062	151,062	151,531	151,531
Other non-current financial liabilities	21	323,067	323,067	83,966	83,966
Current trade accounts and other accounts payable	22	36,060	36,060	49,724	49,724
Other non-current accounts payable		6,506	6,506	-	-
Current accounts payable to related entities	11	5,307	5,307	6,142	6,142
Non-current accounts payable to related entities	11	11,424	11,424	12,071	12,071

The book value of current accounts receivable, cash and cash equivalents, and other financial assets and liabilities is close to the fair value because of the short-term nature of these instruments and for accounts receivable, because any loss due to recoverability is already reflected in the loss due to impairment provisions. The fair value of non-derivative financial assets and liabilities, without quotations on active markets, is estimated via the use of discounted cash flows calculated over market variables that can be observed on the date of the financial statements. The fair value of the derivative instruments is estimated via the future discount cash flows, determined based on information that can be observed in the market or over variables and prices obtained from third parties.

## NOTE 8 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents correspond to money balances held in current bank accounts, term deposits and other financial investments with a maturity of less than 90 days, which do not have restrictions of use.

The detail of cash and cash equivalents as of September 30, 2018 and December 31, 2017, is as follows:

<b>Types of Cash and Cash Equivalents</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Bank balances	22,762	20,752
Term deposits	6,000	-
Mutual funds	6,691	7,086
<b>Total cash and cash equivalents</b>	<b>35,453</b>	<b>27,838</b>

The detail per currency of cash and cash equivalents as of September 30, 2018 and December 31, 2017, is as follows:

<b>Type of currency</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
United States Dollar	23,718	14,519
Chilean Peso	1,252	2,313
Mexican Peso	385	430
Euro	8,408	9,770
Pound	689	-
Brazilian Real	36	89
Peruvian Nuevo Sol	963	608
Argentine Peso	2	109
<b>Total</b>	<b>35,453</b>	<b>27,838</b>

The detail of mutual funds per bank as of September 30, 2018 and December 31, 2017, is as follows:

<b>Investments in term deposits</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Banco de Crédito del Perú	6,000	-
<b>Total investments in term deposits</b>	<b>6,000</b>	<b>-</b>

The detail of mutual funds per bank as of September 30, 2018 and December 31, 2017, is as follows:

<b>Investments in mutual funds</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Banco Crédito e Inversiones	6,176	5,085
Banco Santander Chile	514	1,801
Banco Estado	-	116
Itaú - Brasil	1	84
<b>Total investments in mutual funds</b>	<b>6,691</b>	<b>7,086</b>

Mutual fund units are fixed income and are recorded at the market value through the unit value at the closing of each period.

Mutual funds are held by the Group until the moment that they comply with their operating obligations.



## NOTE 9 - OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

These assets represent the effects of currency forwards instruments used to cover the potential financial risk associated to the volatility of costs and expenses to be incurred in Chilean and Mexican pesos in the agricultural and export business (see Note 4.1.3).

The detail of Other financial assets as of September 30, 2018 and December 31, 2017, is as follows:

<b>Current</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Swap rate operations	1	2
Forward currency operations	424	3,606
Hedging operations - options	-	834
Other financial assets	960	31
<b>Total other current financial assets</b>	<b>1,385</b>	<b>4,473</b>

<b>Non-Current</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Swap Operations	540	219
Forward currency operations	448	1,126
<b>Total other non-current financial assets</b>	<b>988</b>	<b>1,345</b>

As of September 30, 2018 and December 31, 2017, there are no ineffective hedging instruments recognized in the Company's results, which arise from the aforementioned hedging of derivative operations.

a) The detail of the current and non-current swap operations, held by Hortifrut S.A. and subsidiaries is:

### ASSETS

#### **Hedging instruments**

<b>Entities</b>	<b>Instruments</b>	<b>Type</b>	<b>Capital</b>	<b>MtoM Value</b>	
				<b>30-Sep-18</b>	<b>31-Dec-17</b>
			<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Banco Estado	Cross Currency Swaps CLP/USD	Rate	4,000	1	2
<b>Total current</b>			<b>4,000</b>	<b>1</b>	<b>2</b>
BCI	Cross Currency Swaps - USD	Rate	670	5	7
BBVA	Cross Currency Swaps - USD	Rate	3,750	61	40
BBVA	Cross Currency Swaps CLP/USD	Currency	-	-	55
BCI	Cross Currency Swaps - USD	Rate	4,356	162	117
Santander	Cross Currency Swaps EUR/USD	Currency	5,198	312	-
<b>Total non-current</b>			<b>13,974</b>	<b>540</b>	<b>219</b>

b) The detail of the current and non-current forward operations, as of September 30, 2018 and December 31, 2017, held by Hortifrut S.A. and subsidiaries are the following:

Company	Bank	Contract Type	Fees Type	Currency	Liabilities		Closing Value Amount	Net Effect Offsetting	Maturity up to				Total current 9/30/2018	Maturity up to 1 a 2 años	Total non-current 9/30/2018
					Account	Currency			1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months			
					ThUS\$	ThUS\$			ThUS\$	ThUS\$	ThUS\$	ThUS\$			
					ThUS\$	ThUS\$			ThUS\$	ThUS\$	ThUS\$	ThUS\$			
Agricola Mataquito SA	Santander	Offsetting	Sale	USD	1,050	CLP	1,062	12	9	4	-	-	13	-	-
Agricola Santa Rosa Del Parque S.A	Santander	Offsetting	Sale	USD	118	CLP	119	1	1	-	-	-	1	-	-
Agricola Vida Nueva S.A.	BCI	Offsetting	Sale	USD	650	CLP	670	20	-	-	-	3	3	19	19
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	USD	9,657	CLP	9,771	114	37	51	25	8	121	44	44
Hortifrut Chile S.A.	Estado	Offsetting	Sale	USD	3,676	CLP	3,872	196	-	-	-	32	32	154	154
Hortifrut Chile S.A.	Santander	Offsetting	Sale	USD	1,834	CLP	1,886	52	17	25	12	-	54	-	-
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	USD	8,230	CLP	8,314	84	-	3	3	21	27	95	95
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	EUR	25,000	USD	25,334	334	25	37	2	-	64	-	-
Hortifrut S.A.	Scotiabank	Offsetting	Sale	USD	4,580	CLP	4,630	50	12	35	6	3	56	18	18
Hortifrut S.A.	Estado	Offsetting	Sale	USD	1,724	CLP	1,816	92	-	-	-	15	15	72	72
Hortifrut S.A.	Santander	Offsetting	Sale	USD	951	CLP	978	27	6	19	2	-	27	-	-
Hortifrut S.A.	Scotiabank	Offsetting	Sale	USD	4,108	CLP	4,146	38	-	2	-	9	11	46	46
<b>Total</b>	<b>30-Sep-18</b>				<b>61,578</b>		<b>62,598</b>	<b>1,020</b>	<b>107</b>	<b>176</b>	<b>50</b>	<b>91</b>	<b>424</b>	<b>448</b>	<b>448</b>

Company	Bank	Contract Type	Fees Type	Currency	Liabilities		Closing Value Amount	Net Effect Offsetting	Maturity up to				Total current 12/31/2017	Maturity up to 1 a 2 años	Total non current 12/31/2017
					Account	Currency			1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months			
					ThUS\$	ThUS\$			ThUS\$	ThUS\$	ThUS\$	ThUS\$			
					ThUS\$	ThUS\$			ThUS\$	ThUS\$	ThUS\$	ThUS\$			
Agr. Vida Nueva S.A.	BCI	Offsetting	Sale	USD	1,681	CLP	1,787	106	96	7	-	-	103	-	-
Hortifrut Chile S.A.	BBVA	Offsetting	Sale	USD	4,948	CLP	5,570	622	251	107	90	151	599	251	251
Hortifrut Chile S.A.	BCI	Offsetting	Sale	USD	3,308	CLP	4,023	715	496	210	-	-	706	-	-
Hortifrut Chile S.A.	Estado	Offsetting	Sale	USD	2,352	CLP	2,593	241	168	70	-	-	238	-	-
Hortifrut Chile S.A.	Santander	Offsetting	Sale	USD	3,495	CLP	3,831	336	160	67	38	62	327	112	112
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	USD	6,279	CLP	6,679	400	37	15	117	194	363	325	325
Hortifrut S.A.	BBVA	Offsetting	Sale	USD	2,276	CLP	2,616	340	227	22	30	53	332	162	162
Hortifrut S.A.	BCI	Offsetting	Sale	USD	2,318	CLP	2,815	497	449	43	-	-	492	-	-
Hortifrut S.A.	Estado	Offsetting	Sale	USD	1,022	CLP	1,125	103	84	18	-	-	102	-	-
Hortifrut S.A.	Santander	Offsetting	Sale	USD	1,775	CLP	1,943	168	110	16	18	22	166	69	69
Hortifrut S.A.	Scotiabank	Offsetting	Sale	USD	2,256	CLP	2,401	145	18	4	41	69	132	207	207
Agricola Mataquito S.A.	Santander	Offsetting	Sale	USD	516	CLP	543	27	22	4	-	-	26	-	-
Agricola Santa Rosa del Parque S.A.	Santander	Offsetting	Sale	USD	383	CLP	403	20	17	3	-	-	20	-	-
<b>Total</b>	<b>31-Dec-17</b>				<b>32,609</b>		<b>36,329</b>	<b>3,720</b>	<b>2,135</b>	<b>586</b>	<b>334</b>	<b>551</b>	<b>3,606</b>	<b>1,126</b>	<b>1,126</b>

Type of fees from the company's perspective.

- c) As of September 30, 2018, the Company does not maintain option operations, as of December 31, 2017, the detail of the current option operations held by Hortifrut S.A. and subsidiaries is as follows:

Company	Bank	Contract Type	Fees Type	Currency	Liabilities		Closing Value		Net Effect		MTM Closing	
					Amount	Currency	Amount	Currency	Offsetting	Offsetting	Exch. Rate	Maturity
					ThUS\$		ThUS\$		ThUS\$	ThUS\$	ThUS\$	Date
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	851	USD	691		160		158	19-Jan-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	616	USD	501		115		114	20-Feb-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	402	USD	327		75		74	20-Mar-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	286	USD	232		54		53	20-Apr-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	259	USD	210		49		48	18-May-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	232	USD	189		43		43	20-Jun-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	982	USD	798		184		183	19-Jan-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	552	USD	449		103		102	20-Feb-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	162	USD	132		30		30	20-Mar-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	69	USD	56		13		13	20-Apr-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	42	USD	34		8		8	18-May-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	48	USD	39		9		8	20-Jun-18
		<b>Total</b>	<b>Offsetting</b>		<b>4,501</b>		<b>3,658</b>		<b>843</b>		<b>834</b>	

**NOTE 10 – TRADE DEBTORS AND OTHER CURRENT ACCOUNTS RECEIVABLE/NON-CURRENT FEES RECEIVABLE**

The detail of trade debtors and other accounts receivable as of September 30, 2018 and December 31, 2017, is as follows:

<b>30-Sep-18</b>						
	<b>Sales</b>	<b>Receivable</b>	<b>Other</b>	<b>Recoverable</b>	<b>Allowance for</b>	
<b>Current per country of origin</b>	<b>ThUS\$</b>	<b>documents</b>	<b>receivables</b>	<b>taxes</b>	<b>doubtful</b>	<b>Total</b>
		<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>accounts</b>	<b>ThUS\$</b>
					<b>ThUS\$</b>	
Chile	5,279	1,786	974	2,476	(503)	10,012
Spain	16,757	-	58	925	(683)	17,057
Mexico	40	-	8,809	31	(3,112)	5,768
United States	-	-	29	-	-	29
Brazil	423	-	139	184	(44)	702
Argentina	-	-	2,651	7	(30)	2,628
Peru	444	-	2,407	17,013	-	19,864
<b>Total</b>	<b>22,943</b>	<b>1,786</b>	<b>15,067</b>	<b>20,636</b>	<b>(4,372)</b>	<b>56,060</b>

  

<b>31-Dec-17</b>						
	<b>Sales</b>	<b>Receivable</b>	<b>Other</b>	<b>Recoverable</b>	<b>Allowance for</b>	
<b>Current per country of origin</b>	<b>ThUS\$</b>	<b>documents</b>	<b>receivables</b>	<b>taxes</b>	<b>doubtful</b>	<b>Total</b>
		<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>accounts</b>	<b>ThUS\$</b>
					<b>ThUS\$</b>	
Chile	5,870	2,546	1,393	6,035	(239)	15,605
Spain	14,124	-	918	1,070	(13)	16,099
Mexico	94	-	5,331	1,376	(2,531)	4,270
United States	2	-	-	-	-	2
Brazil	548	-	179	242	(79)	890
Argentina	-	-	210	30	-	240
Peru	1	-	917	8,068	-	8,986
<b>Total</b>	<b>20,639</b>	<b>2,546</b>	<b>8,948</b>	<b>16,821</b>	<b>(2,862)</b>	<b>46,092</b>

The concept others, mainly corresponds to advanced payments to producers (which will be liquidated within the season) and suppliers. The provision corresponds to the impairment of trade debtors and other accounts receivable.

The detail of non-current fees receivable as of September 30, 2018 and December 31, 2017, is as follows:

<b>Non-current</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Non-current debtors and accounts receivable	542	660
Other non-current fees receivable	1,090	955
<b>Total non-current fees receivable</b>	<b>1,632</b>	<b>1,615</b>

The detail of recoverable taxes, presented in other accounts receivable are:

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
<b>Tax receivable accounts</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Iva (VAT) tax credit	18,355	16,526
Other recoverable taxes	2,281	295
<b>Total</b>	<b>20,636</b>	<b>16,821</b>

The fair value of trade debtors and other accounts receivable does not differ from its book value.

### Stratification of the portfolio

The Company does not keep a securitized portfolio as of September 30, 2018 and December 31, 2017. Below is an analysis by age of trade debts and accounts receivable:

<b>Terms</b>	<b>30-Sep-18</b>		<b>31-Dec-17</b>	
	<b>NON SECURITIZED PORTFOLIO</b>		<b>NON SECURITIZED PORTFOLIO</b>	
	<b>Customers non re-negotiated portfolio</b>	<b>Amount non re-negotiated portfolio</b>	<b>Customers non re-negotiated portfolio</b>	<b>Amount non renegotiated portfolio</b>
	<b>Nº</b>	<b>ThUS\$</b>	<b>Nº</b>	<b>ThUS\$</b>
Non past due	494	2,701	503	20,797
From 1 to 30 days	199	21,455	164	764
From 31-60 days	39	307	50	575
From 61-90 days	16	67	24	839
From 91-120 days	35	181	7	51
From 121-150 days	9	3	6	8
From 151-180 days	13	38	4	1
From 181-210 days	10	3	7	6
From 211-250 days	13	15	17	176
Over 250 days	69	501	109	628
<b>Total</b>	<b>897</b>	<b>25,271</b>	<b>891</b>	<b>23,845</b>
<b>Provision</b>		<b>(1,048)</b>		<b>(412)</b>
<b>Total (net)</b>		<b>24,223</b>		<b>23,433</b>

The stratification of the portfolio includes: Sales debtors, Notes receivable, non-current debtors in the item non-current accounts receivable.

The analysis of future maturities (future flows) of these accounts is as follows:

<b>Terms</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Non past due	4,864	7,569
From 1 to 30 days	28,754	19,368
From 31-60 days	3,338	7,380
From 61-90 days	77	353
From 91-120 days	281	2,570
From 121-150 days	590	139
From 151 a 180 days	7,109	79
From 181 a 210 days	401	6
From 211 a 250 days	434	-
Mas From 250 days	10,212	8,628
<b>Total</b>	<b>56,060</b>	<b>46,092</b>

Balances of currencies that make-up trade debtors and other current accounts receivable as of September 30, 2018 and December 31, 2017, are as follows:

<b>Type of currency</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
United States dollar	10,956	8,830
Chilean Peso	4,427	9,700
Euro	11,896	15,342
Pound	5,163	-
Mexican Peso	2,742	2,969
Argentine Peso	2,628	240
Brazilian Real	695	801
Peruvian Nuevo Sol	17,553	8,210
<b>Total</b>	<b>56,060</b>	<b>46,092</b>

The maximum exposure to credit risk as of the date of presentation of the information is the book value of each of the aforementioned accounts receivable categories.

	<b>As of September 30, 2018</b>			<b>As of December 31, 2017</b>		
	<b>Gross exposure as per balance</b>	<b>Gross impaired exposure</b>	<b>Net exposure concentration of risk</b>	<b>Gross exposure as per balance</b>	<b>Gross impaired exposure</b>	<b>Net exposure concentration of risk</b>
	<b>MUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Trade Debtors	22,943	(821)	22,122	20,639	(202)	20,437
Notes receivable	1,786	(227)	1,559	2,546	(210)	2,336
Other accounts receivable	15,067	(3,324)	11,743	8,948	(2,450)	6,498
Recoverable taxes	20,636	-	20,636	16,821	-	16,821
<b>Total</b>	<b>60,432</b>	<b>(4,372)</b>	<b>56,060</b>	<b>48,954</b>	<b>(2,862)</b>	<b>46,092</b>

The amounts corresponding to trade debtors and other impaired accounts receivable, are totally provisioned and are the following:

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
National trade debtors	821	202
Receivable documents	227	210
Other accounts receivable	3,324	2,450
<b>Total</b>	<b>4,372</b>	<b>2,862</b>

The movement of provision due to loss caused by the impairment of the value of trade debtors and others as of September 30, 2018 and December 31, 2017, is as follows:

<b>Movement</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
As of January 01	2,862	2,119
Provision reversal	(90)	-
Write-offs	-	(356)
Increase in provision	1,602	1,058
Exchange rate difference	(2)	41
<b>Total</b>	<b>4,372</b>	<b>2,862</b>

Once all the preliminary and judicial collection efforts have been made, we proceed to write off the assets against the constituted provision.

Historical renegotiations and those which are currently valid are not very relevant and the policy is to analyze case by case in order to classify them depending on the existence of risk, determining if its reclassification to prejudicial collection accounts corresponds. If reclassification corresponds, it is constituted a provision of the overdue and nearly overdue.

From January 1, 2018, the Company records provisions for non-collectability over its trade debtors and other accounts receivable, based on the requirements of IFRS 9 in accordance with what is indicated in Note 2.5 letter (a).

Until December 31, 2017, the Company constituted provisions for non-collectability based on estimations and considering evidence of impairment of trade debtors and others. The criteria used to determine the existence of objective evidence for loss due to impairment was the maturity of the portfolio, concrete acts of impairment (default) and specific market signs.

Standard IFRS 9 replaces the “incurred loss” model of Standard IAS 39 previously used, by a model of “expected credit loss” (ECL). Based on the aforementioned, from January 1, 2018, Hortifrut will estimate the expected credit loss, which results from possible events of non-collectability during the expected life of its assets measured at amortized cost, as the result of the following three components: Exposure at Default (**EAD**), frequency (**PD**) and severity (**LGD**).

**Expected Loss (EL): EAD x PD x LGD**

**(EAD) Exposure at Default:** Measures exposure considering the life of the asset. It is calculated for each remaining year of the account receivable discounting all the future cash flows at effective interest rate, approximately equal the rate at which it was disbursed.

**(PD) Probability of Default events during each future period of exposure:** To perform this calculation, a focus based on the weighted default days is used.

This probability was built based on historic information of 4 years, where the amount of weighted defaults per year was obtained for each one of the debtors.

To perform this calculation, 2 definitions of default have been determined.

- **Producers:** On average the maturity date assigned to invoices issued due to advanced harvests to producers is 30 days from its date of issuance, nevertheless the normal payment term for producers is considered to be one season (1 year), so for this calculation default is when a producer pays its financing after 330 days from its maturity date (given the total term of 360 days).
- **Other Debtors:** The maturity date assigned to other debtors considers an average payment term of 45 days from the date of issuance of the invoice. Due to the aforementioned, it is considered default if the payment date is after the maturity date.

To obtain the probability of default events (PD), Hortifrut has classified its debtors in 5 groups with common risk characteristics and, at the same time, it has defined 7 levels of default measured in days, which are detailed below.

<b>Classification</b>	<b>Days past due</b>
- Producers	- 0-30 days
- Commercial Sale (Local market)	- 31-60 days
- Sale of Frozen Fruit (Export)	- 61-90 days
- Sale of Fresh Fruit (Export)	- 91-120 days
- Others (Other Sales)	- 121-150 days
	- 151-180 days
	- > 180 days

The probability of average default events determined for the period ending September 30, 2018 and the period ending January 1, 2018 is as follows:

<b>Days past due</b>	<b>Probability of Default 30.09.2018</b>	<b>Probability of Default 01.01.2018</b>
0-30	0.86%	1.12%
31-60	11.95%	12.14%
61-90	20.28%	20.28%
91-120	29.44%	28.88%
121-150	37.03%	36.99%
151-180	45.83%	45.79%
>180	81.05%	80.34%

**(LGD) Loss given Default:** Loss due to non-compliance refers to the expected percentage of loss since there is already a default event, in other words, what is the estimated severity of the loss. This concept takes into account the value of possible guarantees, the type of guarantees and the order of priority of the debt, as well as costs incurred in the recovery process.

Hortifrut has considered that loss given default (LGD) is 100%, since the cases where real guarantees exist are very specific, in those cases the expected loss is evaluated in a separate manner.

The determined expected loss at the end of the period as of September 30, 2018 is ThUS\$756 and as of January 01, 2018 it is ThUS\$1,380.



## NOTE 11– BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties include the following entities and individuals:

- Shareholders with the possibility to exercise control
- Subsidiaries and members of subsidiaries
- Parties with an interest in the entity which grants them significant influence over it
- Parties with joint control over the entity
- Associates
- Interests in joint business
- Key management personnel, from the entity or its parent company
- Relatives close to the individuals described in the previous points
- An entity that is controlled, or is controlled in a joint manner by any of the individuals described in the two previous points.

### 11.1 Accounts receivable from related entities

In general, transactions with related Companies are of immediate payment or charge and are not subject to special conditions. These operations adjust to what is established under title XVI of Law N° 18.046, regarding Closely-held Corporations and in Title XV of law N°18.045.

The transfer of short term funds from and to the parent company or between related Companies, which do not correspond to the charging or payment of fruits and services, are structured under the trade current account modality, establishing an interest rate for the monthly balance, as per market conditions.

Accounts receivable and accounts payable to related entities as of September 30, 2018 and December 31, 2017, are detailed as follows:

Current Accounts Receivable	RUT	Country of Origin	Nature of the relationship	Type of Currency	30-Sep-18	31-Dec-17
					Th US\$	Th US\$
Naturipe Farms LLC	o-E	USA	Associated	USD	7,964	22,707
Naturipe Value Added Foods LLC	o-E	USA	Associated	USD	5,869	12,181
Expofresh S.A.	o-E	Argentina	Common shareholder	USD	4,790	-
S.A.T. Hortifrut H-0030	o-E	Spain	Associated	EUR	3,643	-
Valles del Sur SpA	76.243.329-k	Chile	Shareholder	USD	3,242	3,394
Tal S.A.C.	o-E	Peru	Affiliate of a Shareholder in associated	USD	1,625	-
Hortiblue Holanda	o-E	Spain	Associated	EUR	1,525	-
Naturipe Value Added Fresh, LLC.	o-E	USA	Associated	USD	1,512	-
Hortifrut Expofresh S.A.	o-E	Argentina	Associated	USD	1,057	993
Tierras de Berries S.A.	o-E	Argentina	Common shareholder	USD	516	-
Munger Hortifrut North America, LLC	o-E	USA	Associated	USD	412	3
Golden Wing Mau Agricultural P	o-E	China	Common shareholder	USD	207	-
Agrícola del Valle del Sur SpA	76.923.964-2	Chile	Common shareholder	USD	163	-
Tierra de Arándanos S.R.L.	o-E	Argentina	Common shareholder in associated	USD	128	43
Cooperativa de Agricultores Gijon.	o-E	Spain	Affiliate of a common Shareholder in subsidiary	EUR	47	47
Naturipe Avocado Farms	o-E	USA	Common shareholder	USD	26	-
Juan Carlos García	o-E	Spain	Common shareholder	EUR	14	28
Global Organics S.A.	76.404.690-0	Chile	Common shareholder	CLP	5	2
Agrícola e Inmobiliaria Lumaco S.A.	96.761.430-0	Chile	Common shareholder	CLP	4	-
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Chile	Common shareholder	CLP	2	-
Juan Luis Navarro	o-E	Spain	Shareholder in associated	EUR	29	-
Euroberry GmbH	o-E	Germany	Associated	EUR	-	4,714
Euroberry UK Ltd.	o-E	England	Common shareholder	EUR	-	3,320
Naturipe Berry Growers, LLC	o-E	USA	Associated	USD	-	615
Atlantic Green S.L.	o-E	Spain	Common shareholder	EUR	-	35
Agrícola San José de Tilama S.A.	76.043.289-K	Chile	Common shareholder	USD	-	25
Agrícola Nueva Cabildo S.A.	76.107.465-2	Chile	Common shareholder	USD	-	24
Atlantic Blue,S.L.	o-E	Spain	Common shareholder	EUR	-	1
<b>Total</b>					<b>32,780</b>	<b>48,132</b>

Current accounts receivable correspond to trade operations whose collection period is between 1 and 3 months.

Non-current accounts receivable correspond to the financing of investments whose collection period is over 3 years.

Non-current accounts receivable	RUT	Country of Origin	Nature of the relationship	Type of Currency	30-Sep-18	31-Dec-17
					ThUS\$	ThUS\$
Hortifrut Berries Maroc SRL	0-E	Morocco	Associated	EUR	4,194	4,243
S.A.T. Hortifrut H-0030	0-E	Spain	Associated	EUR	-	2,729
Tierras de Berries S.A.	0-E	Argentina	Common shareholder in associated	USD	-	1,088
<b>Total</b>					<b>4,194</b>	<b>8,060</b>

Accounts receivable held with Hortifrut Berries Maroc SARL correspond to successive working capital loans granted by Hortifrut España Southern Sun SL, while the development stage of this investment lasts. These loans accrue an annual 3% interest, with expiry in November 2027.

## 11.2 Accounts payable to related entities

Accounts payable to related entities as of September 30, 2018 and December 31, 2017, are detailed below:

Current accounts payable	RUT	Country of Origin	Nature of the relationship	Type of Currency	30-Sep-18	31-Dec-17
					ThUS\$	ThUS\$
Andes Sur Inversiones Ltda.	76.463.392-K	Chile	Common shareholder	CLP	2,108	2,192
Naturipe Berry Growers, LLC	0-E	USA	Associated	USD	608	-
Atlantic Blue Berries Maroc, SARL	0-E	Spain	Common shareholder	EUR	559	39
Monarch Nut Company, LLC	0-E	USA	Common shareholder	USD	251	113
Agrícola Santa Carmen Ltda	86.776.400-3	Chile	Common shareholder	USD	34	724
Munger Bros, LLC	0-E	USA	Common shareholder	USD	1	125
Hortifrut Tal S.A.C	0-E	Peru	Associated	USD	-	1,124
Expofresh S.A.	0-E	Argentina	Common shareholder	USD	-	1,002
Tal S.A.C.	0-E	Peru	Subsidiary of a Shareholder in associated	USD	-	736
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Chile	Common shareholder	CLP	-	45
Santa María de Gorbea S.A.	99.567.570-6	Chile	Common shareholder	CLP	-	26
Pacific Berry Breeding, LLC	0-E	USA	Associated	USD	-	9
Berry Blue, LLC	0-E	USA	Associated	USD	-	7
Inversiones Jordie S.A.	0-E	Peru	Common shareholder	PEN	1,345	-
Avo Peru S.A.C.	0-E	Peru	Subsidiary of a Shareholder in associated	PEN	124	-
Pan American Berry Growers	0-E	USA	Associated	USD	113	-
El Rocio S.A.	0-E	Peru	Subsidiary of a Shareholder in associated	PEN	96	-
Agrícola San José de Tilama S.A.	76.043.289-K	Chile	Common shareholder	USD	36	-
Agrícola Nueva Cabildo S.A.	76.107.465-2	Chile	Common shareholder	USD	22	-
Sociedad Agrícola Catapilco Limitada	78.241.100-4	Chile	Subsidiary of a Shareholder in associated	CLP	10	-
<b>Total</b>					<b>5,307</b>	<b>6,142</b>

Current accounts payable correspond to trade operations, the payment period is between 1 and 45 days.

Non-current accounts payable	RUT	Country of Origin	Nature of the relationship	Type of currency	30-Sep-18	31-Dec-17
					ThUS\$	ThUS\$
Royal Berries S.L.	0-E	Spain	Subsidiary of a shareholder in subsidiary	EUR	10,001	10,542
Inversiones Canihua S.A.	95.526.000-7	Chile	Common shareholder	CLP	984	1,057
Inversiones Purranque S.A.	96.539.710-8	Chile	Shareholder in subsidiary	CLP	439	472
<b>Total</b>					<b>11,424</b>	<b>12,071</b>

The payable balance held with Royal Berries SL corresponds to the pending instalment payments for the purchase of the berries varietal license to exploit in America. The contract was subscribed in July 2015 for the total amount of US\$20 million, with Hortifrut paying 50% on the spot. The balance is being paid in annual instalments until the year 2022, which will accrue an annual interest of 2.9%.

Accounts payable to Inversiones Canihua S.A. and Inversiones Purranque S.A., correspond to investment financing with a liquidation period higher than 3 years and which are not subject to interests.

### 11.3 Transactions with related parties and their effects on results

The operations and their effects on results for the periods ending September 30, 2018 and September 30, 2017:

Company	RUT	Nature of the relationship	Description of the transaction	30-Sep-18		30-Sep-17	
				Amount	Effect on	Amount	Effect on
				transaction	profit or	transaction	profit or
				ThUS\$	loss	ThUS\$	loss
					(charge)/		(charge)/
					deposit		deposit
					ThUS\$		ThUS\$
Naturipe Farms LLC	0-E	Associated	Fruit sales	127,883	9,082	108,265	10,420
Naturipe Farms LLC	0-E	Associated	Income from Packing services, materials and other:	68	-	69	7
Naturipe Farms LLC	0-E	Associated	Fruit purchases	-	-	115	11
S.A.T. Hortifrut H-0030	0-E	Associated	Fruit sales	14,805	1,051	14,233	1,370
S.A.T. Hortifrut H-0030	0-E	Associated	Earned interests	-	-	60	-
S.A.T. Hortifrut H-0030	0-E	Associated	Fruit purchases	20,000	-	-	-
Agricola Santa Carmen Ltda.	86.776.400-3	Common shareholder	Fruit purchases	8,385	-	3,931	-
Agricola Santa Carmen Ltda.	86.776.400-3	Common shareholder	Income from Packing services, materials and other:	422	-	312	-
Agricola Santa Carmen Ltda.	86.776.400-3	Common shareholder	Income from plant sales	20	-	70	7
Naturipe Value Added Foods LLC	0-E	Associated	Fruit sales	17,668	1,255	11,656	1,122
Naturipe Berry Growers	0-E	Associated	Fruit sales	2,194	156	2,455	236
Sociedad Agrícola Catapilco Ltda.	78.241.100-4	Common shareholder	Advanced purchase of plants (Nursery)	3,376	-	3,878	-
Agricola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Common shareholder	Fruit purchases	50	-	28	-
Agricola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Common shareholder	Income from Packing services, materials and other:	39	-	23	-
Valles del Sur SpA	76.243.329-k	Shareholder	Fruit purchases	9,517	-	5,476	-
Valles del Sur SpA	76.243.329-k	Shareholder	Income from Packing services, materials and other:	818	-	476	-
Valles del Sur SpA	76.243.329-k	Shareholder	Ingresos por venta de plantas	-	-	65	6
Agrícola San José de Tilama S.A.	76.043.289-K	Common shareholder	Fruit purchases	789	-	393	-
Agrícola San José de Tilama S.A.	76.043.289-K	Common shareholder	Income from Packing services, materials and other:	5	-	-	-
Agrícola San José de Tilama S.A.	76.043.289-K	Common shareholder	Ingresos por venta de plantas	-	-	52	5
Santa Maria de Gorbea S.A.	99.567.570-6	Common shareholder	Income from Packing services, materials and other:	27	-	-	-
Santa Maria de Gorbea S.A.	99.567.570-6	Common shareholder	Fruit purchases	225	-	27	-
Agrícola Nueva Cabildo S.A.	76.107.465-2	Common shareholder	Fruit purchases	175	-	49	-
Agrícola Nueva Cabildo S.A.	76.107.465-2	Common shareholder	Income from Packing services, materials and other:	2	-	1	-
Andes Sur Inversiones Limitada	76.463.392-K	Shareholder in subsidiary	Paid dividend	-	-	61	-
Andes Sur Inversiones Limitada	76.463.392-K	Shareholder in subsidiary	Received loan	-	-	1,204	-
Hortifrut Tal S.A.C	0-E	Associated	Fruit purchases	16,509	-	19,437	-
Qingdao Wallen Blueberry Co.,Ltd.	0-E	Common shareholder	Contribution of capital	3,530	-	-	-
Techagri	0-E	Common shareholder	Fruit purchases	1,979	-	-	-

Company	RUT	Nature of the Relationship	Description of the transaction	30-Sep-18		30-Sep-17	
				Amount Transaction ThUS\$	Effect on profit or loss (charge) / deposit ThUS\$	Amount Transaction ThUS\$	Effect on profit or loss (charge) / deposit ThUS\$
Hortifrut Tal S.A.C	o-E	Associated	Income from plant sales	14	1	2,695	259
Tal S.A.C	o-E	Subsidiary of shareholder in associat	Fruit purchase	8,342	-	1,893	-
Tal S.A.C	o-E	Subsidiary of shareholder in associat	Income from plant sales	-	-	1,133	-
Tierras de Berries S.A.	o-E	Common shareholder in associated	Advanced payment to producer	-	-	113	-
Expofresh S.A.	o-E	Common shareholder	Fruit purchase	1,343	-	2,104	-
Expofresh S.A.	o-E	Common shareholder	Payment to producer	(4,790)	-	(4,771)	-
Royal Berries S.L.	o-E	Common shareholder	Fruit sales	-	-	9	1
Royal Berries S.L.	o-E	Common shareholder	Income from plant sales	212	15	166	16
Royal Berries S.L.	o-E	Common shareholder	Payment - Purchase Berries Genetics (plants)	1,636	-	1,429	-
Agricola e Inmobiliaria Lumaco S.A.	96.761.430-0	Common shareholder	Income from Packing services, materials and other	14	-	13	-
Agricola e Inmobiliaria Lumaco S.A.	96.761.430-0	Common shareholder	Lease	-	-	(16)	-
Hortifrut Berries Maroc SRL	o-E	Associated	Granted loans	-	-	1,476	-
Hortifrut Berries Maroc SRL	o-E	Associated	Earned interests	-	-	84	84
Hortifrut Berries Maroc SRL	o-E	Associated	Income from plant sales	-	-	163	16
Hortifrut Berries Maroc SRL	o-E	Associated	Fruit purchase	2,862	-	(35)	-
Atlantic Blue Berries Maroc, SRL	o-E	Common shareholder in associated	Fruit purchase	-	-	(7,162)	-
Euroberry GMBH	o-E	Associated	Fruit sales	-	-	4,248	409
Munger Farm LLC	o-E	Common shareholder	Income from plant sales	-	-	1,440	139
Munger Farm LLC	o-E	Common shareholder	Machinery purchase	-	-	820	-
Munger Farm LLC	o-E	Common shareholder	Income from Packing services, materials and other	-	-	332	32
Munger Hortifrut North America, LLC	o-E	Associated	Income from Packing services, materials and other	34	-	160	-
Munger Hortifrut North America, LLC	o-E	Associated	Income from plant sales	-	-	2,936	283
Munger Hortifrut North America, LLC	o-E	Associated	Granted loans	-	-	8,207	-
Munger Hortifrut North America, LLC	o-E	Associated	Loan collection	-	-	(11,590)	-
Hortifrut Perú S.A.C	o-E	Common shareholder in associated	Fruit purchase	32	-	-	-
Golden Wing Mau Agricultural Prod.	o-E	Common shareholder in subsidiary	Fruit sales	12,008	853	-	-
Tal S.A.C	o-E	Common shareholder	Fruit sales	6,077	432	-	-
Avo Perú SAC	o-E	Common shareholder	Income from Packing services, materials and other	124	9	-	-
Tal SAC	o-E	Common shareholder	Income from Packing services, materials and other	6,072	431	-	-
Agrícola Valles del Sur SpA	76.923.964-2	Common shareholder	Income from Packing services, materials and other	136	10	-	-

Hortifrut and subsidiaries, have as their policy to inform the main transactions that are performed with related parties, except for dividends paid by the parent Company and received capital contributions.

#### 11.4 Board Remunerations and fees and Remunerations of key executives

The allowances, remunerations and ownership interests of the Board members as of September 30, 2018 reach ThUS\$1,127. For the same period in 2017 the total of allowances, remunerations and ownership interests reached ThUS\$825.

The total gross remuneration received by the main executives at Hortifrut and subsidiaries reached ThUS\$7,495 as of September 30, 2018 and ThUS\$3,385 as of September 30, 2017.

The main managers are those that have the authority and the responsibility to plan, direct and control the company's activities, whether it be directly or indirectly, including any member (executive or not) of the administrative council or of a government body, its equivalent in the company.

## NOTE 12 - INVENTORIES

The stock detail at the closing of the period ending September 30, 2018 and the period ending December 31, 2017, is as follows:

Types of inventory	30-Sep-18	31-Dec-17
	ThUS\$	ThUS\$
Finished products	20,726	29,016
Raw material	79	1,352
Frozen finished products	2,279	1,937
Materials and supplies	20,207	13,358
Provision for obsolescence	(883)	(1,107)
<b>Total</b>	<b>42,408</b>	<b>44,556</b>

  

Provision for obsolescence	30-Sep-18	31-Dec-17
	ThUS\$	ThUS\$
As of January 01	1,107	917
Reversal of provision	(232)	-
Increase of provision	8	190
<b>Total</b>	<b>883</b>	<b>1,107</b>

The provision for obsolescence, corresponds to the cost of packing materials that are obsolete or whose use has been discontinued.

### Information regarding finished products

Until the closing of the corresponding periods, the Company has not performed write-offs of finished products.

During the period ending September 30, 2018 and the period ending December 31, 2017, no inventory has been pledged as security.

The cost of inventory recognized as costs of sales in the periods ending September 30, 2018 and 2017, reaches ThUS\$141,333 and ThUS\$94,669 respectively (see Note 30.1).

In order to mitigate the risk of loss of inventory, the Company maintains contracted insurances as of September 30, 2018 (See Note 4.3).

### NOTE 13 – BIOLOGICAL ASSETS, CURRENT

The movements of biological assets, for the period ending September 30, 2018 and the period ending December 31, 2017 are the following:

<b>Movement</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Opening biological assets	9,716	6,856
Incorporation due to merger Rocio Group	16,991	-
Increase due to capitalization of costs	33,512	21,538
Exchange rate adjustment	(25)	(10)
Adjustment to fair value	33,486	1,640
Amortization	(86)	(234)
Consumption	(32,770)	(20,074)
<b>Total</b>	<b>60,824</b>	<b>9,716</b>

As described in **Note 3.4**, the Company performs the valuation of agricultural products that grow on “bearer plants” as of the date of issuance of the financial statements. As of September 30, 2018, the expected margin of fruit on “bearer plants” reaches ThUS\$33,486 (ThUS\$1,640 as of December 31, 2017) see detail in **Note 4.4**.

It must be stated that this valuation corresponds to an estimation, which could vary when the sale of the fruit is perfected, moment when said result is realized.

In this item the costs of plants that produce fruit in just one season, such as strawberries, are also included.

# NOTE 14 – OTHER NON-FINANCIAL ASSETS

The detail of other current non-financial assets is as follows:

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
<b>Current</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Advanced payment of blueberry plants	1,816	2,326
Advanced expenses (lease)	1,347	826
Advanced expenses	4,332	2,368
Payments in guarantee	90	94
<b>Total</b>	<b>7,585</b>	<b>5,614</b>

The detail of Other non-current non-financial assets is as follows:

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
<b>Non-Current</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Advanced payment for water fee collection	1,294	1,361
Advanced expenses (lease)	18	56
<b>Total</b>	<b>1,312</b>	<b>1,417</b>

## NOTE 15 – INVESTMENTS IN SUBSIDIARIES

The Company has investments in companies that have been recognized as investment in subsidiaries. All the companies defined as subsidiaries have been consolidated in Hortifrut and subsidiaries' financial statements.

The detail of consolidated subsidiaries as of September 30, 2018 and December 31, 2017, is as follows:

Companies	RUT	Country of Origin	Functional Currency	30-Sep-18			31-Dec-17
				Direct	Indirect	Total	Total
Agrícola El Avellano S.A. and subsidiaries	96.923.620-6	Chile	USD	40.000	-	40.000	40.000
Agrícola El Pampino S.A.	76.884.880-7	Chile	USD	-	20.000	20.000	20.000
Agrícola Mataquito S.A.	76.306.130-2	Chile	USD	50.000	-	50.000	50.000
Agrícola Sta. Rosa del Parque S.A.	99.584.440-0	Chile	USD	30.000	-	30.000	30.000
Agrícola Hortifrut S.A.	79.764.840-k	Chile	USD	99.990	0.010	100.000	100.000
Agrícola y Gan. Santa Rebeca Ltda.	78.988.990-2	Chile	USD	25.000	-	25.000	25.000
Agrícola Vida Nueva S.A.	96.996.290-k	Chile	USD	50.000	-	50.000	50.000
Colmenares Hortisur SPA	99.568.520-5	Chile	CLP	-	-	-	100.000
Hortifrut Chile S.A. y subsidiarias	99.524.450-0	Chile	USD	99.990	0.010	100.000	100.000
Hortifrut Comercial S.A.	99.535.510-8	Chile	CLP	0.010	99.990	100.000	100.000
Viveros Hortifrut Chile S.A.	99.524.470-5	Chile	CLP	-	51.000	51.000	51.000
Inversiones Hortifrut S.A. and subsidiaries	99.524.540-k	Chile	USD	100.000	0.000	100.000	100.000
Berrygood Comercial Importadora	Foreigner	Brazil	RBR	40.010	59.990	100.000	100.000
Hortifrut Inversiones Int. S.A.	76.043.425-6	Chile	USD	49.487	50.513	100.000	100.000
Hortifrut Argentina S.A.	Foreigner	Argentina	\$AR	-	95.900	95.900	95.900
Hortifrut North America Inc. and subsidiary	Foreigner	USA	USD	-	100.000	100.000	100.000
Pacific Berry Breeding LLC	Foreigner	USA	USD	-	100.000	100.000	-
Hortifrut S.A. de C.V. and subsidiaries	Foreigner	Mexico	USD	-	99.990	99.990	99.990
Hortifrut Import, Inc.	Foreigner	USA	USD	-	100.000	100.000	100.000
Naturipe Farm Import, Inc.	Foreigner	USA	USD	-	100.000	100.000	100.000
Hortifrut Europa SL	Foreigner	Spain	EUR	0.030	99.970	100.000	100.000
Hortifrut España Southern Sun SL	Foreigner	Spain	EUR	-	50.000	50.000	50.000
Asturian Berries SL	Foreigner	Spain	EUR	-	25.500	25.500	25.500
HFE Berries Perú S.A.C.	Foreigner	Peru	USD	-	50.000	50.000	50.000
Euroberry Marketing S.A. and subsidiaries	Foreigner	Spain	EUR	-	50.000	50.000	50.000
Euroberry UK Ltd.	Foreigner	England	EUR	-	100.000	100.000	-
Euroberry GmbH	Foreigner	Germany	GBP	-	100.000	100.000	-
Asian Berries Limited and subsidiary	Foreigner	Yuan	USD	-	100.000	100.000	100.000
Honghe Jiayu Agriculture Limited	Foreigner	Yuan	CNY	-	51.000	51.000	51.000
Talsa Chile I SpA and subsidiary	76.963.391-6	Chile	USD	100.000	-	100.000	-

The Companies detailed in the first margin, correspond to direct subsidiaries and those in the second margin are the companies where control is maintained indirectly, but that form part of the interim consolidated financial statements of direct subsidiaries (Note 3.1.2).

In the case of those subsidiaries that directly or indirectly maintain an ownership equal to or lower than 50%, these have been included in the consolidation process because the Company has the power to direct the financial and operating policies.

### Movements in Subsidiaries in 2018

During the period ending September 30, 2018, new companies have been incorporated into the consolidation of Hortifrut group's financial statement:

- Merger with Talsa Chile II SpA, the subsidiary Talsa Chile I SpA was incorporated, company which is also the parent company of the blueberry business of Rocio Group in Peru, which is made up of the companies Talsa Berries S.A.C, Hortifrut Perú S.A.C and Berries de Chao S.A.C. , as well as the other 50% of Hortifrut Tal S.A.C.



- At the subsidiary Euroberry Marketing S.A., the subsidiaries Euroberry UK Ltd. and Euroberry GmbH were incorporated.
- At the subsidiary Hortifrut North America Inc., the Pacific Berry Breeding LLC company was incorporated, by the acquisition of 50% of its property, with this it came to have a 100% participation.
- Also, the HFII Perú S.A.C. company was incorporated, subsidiary of Hortifrut Inversiones Internacionales S.A. .

### Movements in Subsidiaries in 2017

During the period ending December 31, 2017, the Asian Berries Limited company was incorporated to the consolidation of the financial statements of the Hortifrut group.

On November 01, 2017, the Berries de Panguipulli SpA. company was absorbed by the Agrícola Hortifrut S.A. company.

On November 01, 2017, the Top Berries & Fruit SpA. company was absorbed by the Hortifrut Chile S.A. company.

On September 30, 2017, the Colmenares Hortisur SpA, company was absorbed by the Berries de Panguipulli SpA. Company.

### Summarized financial information of significant subsidiaries

Below we present the statements of financial position of the subsidiaries, as of September 30, 2018 and December 31, 2017, income statements and cash flow statements as of September 30, 2018 and 2017:

Balance	30-Sep-18						
	Assets		Assets	Liabilities		Liabilities	Equity
	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Current ThUS\$	Non-current ThUS\$	Total ThUS\$	Total ThUS\$
Hortifrut Chile and Subsidiaries	82,110	183,126	265,236	141,796	47,693	189,489	75,747
Inversiones Hortifrut S.A. and Subsidiaries	355,672	443,582	799,254	105,931	553,139	659,070	140,184
Talsa Chile ISpA and Subsidiaries	91,409	682,400	773,809	38,539	151,191	189,730	584,079
Agrícola Vida Nueva S.A.	1,193	10,764	11,957	406	3,819	4,225	7,732
Agrícola El Avellano S.A. and Subsidiaries	1,212	8,023	9,235	1,955	1,724	3,679	5,556
Agrícola Hortifrut S.A.	7,507	44,984	52,491	1,099	8,793	9,892	42,599
Agrícola Mataquito S.A.	3,723	17,613	21,336	5,796	10,353	16,149	5,187
Agrícola Santa Rosa del Parque S.A.	919	5,865	6,784	1,131	1,767	2,898	3,886
Agrícola y Ganadera Sta Rebeca Ltda	14	157	171	4	10	14	157
<b>Total</b>	<b>543,759</b>	<b>1,396,514</b>	<b>1,940,273</b>	<b>296,657</b>	<b>778,489</b>	<b>1,075,146</b>	<b>865,127</b>

	31-Dec-17						
	Assets		Assets	Liabilities		Liabilities	Equity
	Current	Non-current	Total	Current	Non-current	Total	Total
Balance	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	156,559	143,833	300,392	179,615	47,773	227,388	73,004
Inversiones Hortifrut S.A. and Subsidiaries	97,377	186,955	284,332	19,466	181,657	201,123	83,209
Agrícola Vida Nueva S.A.	1,371	11,521	12,892	3,053	1,948	5,001	7,891
Colmenares Hortisur SpA	-	-	-	-	-	-	-
Agrícola El Avellano S.A. and Subsidiaries	1,277	7,775	9,052	2,505	1,341	3,846	5,206
Agrícola Hortifrut S.A.	6,970	46,971	53,941	816	9,675	10,491	43,450
Agrícola Mataquito S.A.	1,799	16,713	18,512	10,047	5,523	15,570	2,942
Agrícola Santa Rosa del Parque S.A.	1,621	5,952	7,573	1,332	1,870	3,202	4,371
Top Berries & Fruit SpA	-	-	-	-	-	-	-
Berries de Panguipulli SpA	-	-	-	-	-	-	-
Agrícola y Ganadera Sta. Rebeca Ltda.	25	155	180	13	-	13	167
<b>Total</b>	<b>266,999</b>	<b>419,875</b>	<b>686,874</b>	<b>216,847</b>	<b>249,787</b>	<b>466,634</b>	<b>220,240</b>

	30-Sep-18				
	Operating Revenue	Costs and Expenses	Other Results	Taxes	Gains (loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	143,944	(134,939)	(1,786)	(1,876)	5,343
Inversiones Hortifrut S.A. and Subsidiaries	306,093	(260,978)	(22,613)	(6,896)	15,606
Talsa Chile I SpA and Subsidiaries	54,929	(14,263)	(978)	(5,652)	34,036
Agrícola Vida Nueva S.A.	3,037	(3,226)	149	(19)	(59)
Colmenares Hortisur SpA	-	-	-	-	0
Agrícola El Avellano S.A. and subsidiaries	2,426	(2,460)	136	(136)	(34)
Agrícola Hortifrut S.A.	10,727	(11,594)	67	(50)	(850)
Agrícola Mataquito S.A.	4,971	(1,941)	218	(953)	2,295
Agrícola Santa Rosa del Parque S.A.	1,106	(1,314)	(99)	77	(230)
Top Berries & Fruit SpA	-	-	-	-	0
Berries de Panguipulli SpA	-	-	-	-	0
Agrícola y Ganadera Sta Rebeca Ltda	32	(21)	(1)	(6)	4
<b>Total</b>	<b>527,265</b>	<b>(430,736)</b>	<b>(24,907)</b>	<b>(15,511)</b>	<b>56,111</b>

	30-Sep-17				
	Operating Revenue	Costs and Expenses	Other Results	Taxes	Gains (loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	144,056	(124,609)	(2,129)	(4,176)	13,142
Inversiones Hortifrut S.A. and Subsidiaries	177,204	(177,221)	3,676	1,897	5,556
Agrícola Vida Nueva S.A.	3,338	(2,886)	(100)	(28)	324
Colmenares Hortisur SpA	4	(87)	2	23	(58)
Agrícola El Avellano S.A. and Subsidiaries	2,894	(2,548)	(79)	61	328
Agrícola Hortifrut S.A.	6,891	(5,845)	(4)	(92)	950
Agrícola Mataquito S.A.	2,109	(1,904)	(422)	132	(85)
Agrícola Santa Rosa del Parque S.A.	1,621	(1,017)	(62)	(80)	462
Top Berries & Fruit SpA	2,939	(1,881)	(128)	(146)	784
Berries de Panguipulli SpA	4,873	(4,291)	0	(49)	533
Agrícola y Ganadera Sta. Rebeca Ltda.	18	(30)	1	7	(4)
<b>Total</b>	<b>345,947</b>	<b>(322,319)</b>	<b>755</b>	<b>(2,451)</b>	<b>21,932</b>

Flows	30-Sep-18			
	Operating Flows	Investment Flows	Financing Flows	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	33,203	(4,256)	(28,551)	396
Inversiones Hortifrut S.A. and Subsidiaries	32,986	(178,449)	145,634	171
Talsa Chile I SpA and Subsidiaries	9,036	(5,923)	(1,626)	1,487
Agrícola Vida Nueva S.A.	312	(315)	-	(3)
Agrícola El Avellano S.A. and Subsidiaries	192	(566)	89	(285)
Agrícola Hortifrut S.A.	288	(511)	-	(223)
Agrícola Mataquito S.A.	1,898	(1,526)	(542)	(170)
Agrícola Santa Rosa del Parque S.A.	156	(77)	(100)	(21)
Top Berries & Fruit SpA	0	0	0	0
Berries de Panguipulli SpA	0	0	0	0
Agrícola y Ganadera Sta. Rebeca Ltda.	5	-	(3)	2
<b>Total</b>	<b>78,076</b>	<b>(191,623)</b>	<b>114,901</b>	<b>1,354</b>

Flows	30-Sep-17			
	Operating Flows	Investment Flows	Financing Flows	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	45,007	(30,232)	(27,234)	(12,459)
Inversiones Hortifrut S.A. and Subsidiaries	1,342	(27,614)	24,222	(2,050)
Agrícola Vida Nueva S.A.	564	(668)	96	(8)
Colmenares Hortisur SpA	55	32	-	87
Agrícola El Avellano S.A. and Subsidiaries	877	(350)	(294)	233
Agrícola Hortifrut S.A.	1,375	(1,318)	-	57
Agrícola Mataquito S.A.	1,855	(3,665)	1,947	137
Agrícola Santa Rosa del Parque S.A.	657	(530)	37	164
Top Berries & Fruit SpA	784	(257)	(533)	(6)
Berries de Panguipulli SpA	2,424	(260)	(2,129)	35
Agrícola y Ganadera Sta. Rebeca Ltda.	17	(11)	(3)	3
<b>Total</b>	<b>54,957</b>	<b>(64,873)</b>	<b>(3,891)</b>	<b>(13,807)</b>

## NOTE 16 – INVESTMENTS RECORDED USING THE EQUITY METHOD

The Company has recognized as investment in companies the ownership that it has in the following countries:

Detail per country	30-Sep-18	31-Dec-17
	ThUS\$	ThUS\$
USA	29,382	31,897
Spain	1	1
Morocco	(735)	(561)
Germany	-	15
Argentina	742	1,833
Chile	1,138	1,066
Peru	-	33,590
	<b>30,528</b>	<b>67,841</b>

The Company has recognized as investment in companies the ownership that it has in the following companies and in accordance with the detailed movement as of September 30, 2018 and December 31, 2017:

Company	RUT	Country	Functional currency	Interest % Indirect	1-Jan-18	Investment	Share of profit of equity-accounted investees	Exchange rate difference	Other increase (decrease)	Balance 30-Sep-18
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Berry Blue LLC	o-E	USA	Dollar	50.00%	47	285	(253)	-	-	79
Pacific Berry Breeding LLC	o-E	USA	Dollar	50.00%	42	1,440	(98)	-	(1,384)	-
Munger Hortifrut N.A. LLC	o-E	USA	Dollar	50.00%	24,504	-	(2,191)	-	-	22,313
Naturipe Brands LLC	o-E	USA	Dollar	30.00%	2,024	-	(207)	-	-	1,817
Naturipe Farms LLC	o-E	USA	Dollar	30.00%	230	43	(1)	-	(129)	143
Naturipe Value Added Foods LLC	o-E	USA	Dollar	27.00%	193	-	-	-	-	193
Naturipe Value Added Fresh, LLC	o-E	USA	Dollar	33.33%	4,857	-	(20)	-	-	4,837
S.A.T. Hortifrut H-0030	o-E	Spain	Euro	33.00%	1	-	-	-	-	1
Hortifrut Berries Maroc S.R.L.	o-E	Morocco	Dirham	51.00%	(561)	-	(262)	88	-	(735)
Euroberry GmbH	o-E	Germany	Euro	50.00%	15	-	-	-	(15)	-
Margesi S.A.	o-E	Argentina	Argentine \$	50.00%	1,805	-	85	(1,058)	-	832
San Clemente Vitalberry (Shanghai) SpA	o-E	Chile	Dollar	50.00%	1,066	-	72	-	-	1,138
Hortifrut Tal S.A.C	o-E	Peru	Nuevo Sol	50.00%	33,590	-	840	-	(34,430)	-
Hortifrut Expofresh S.A.	o-E	Argentina	Argentine \$	50.00%	28	-	(128)	10	-	(90)
<b>Total</b>					<b>67,841</b>	<b>1,768</b>	<b>(2,163)</b>	<b>(960)</b>	<b>(35,958)</b>	<b>30,528</b>

Company	RUT	Country	Functional currency	Interest % Indirect	1-Jan-17	Investment	Share of profit of equity-accounted investees	Exchange rate difference	Other increase (decrease)	Balance 31-Dec-17	Interest in result 30-Sep-17
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Berry Blue LLC	o-E	USA	Dollar	50.00%	(5)	380	(328)	-	-	47	(235)
Pacific Berry Breeding LLC	o-E	USA	Dollar	50.00%	243	100	(301)	-	-	42	(218)
Munger Hortifrut N.A. LLC	o-E	USA	Dollar	50.00%	25,539	-	(1,035)	-	-	24,504	(707)
Naturipe Brands LLC	o-E	USA	Dollar	30.00%	855	1,167	2	-	-	2,024	61
Naturipe Farms LLC	o-E	USA	Dollar	30.00%	1,432	(1,291)	89	-	-	230	180
Naturipe Value Added Foods LLC	o-E	USA	Dollar	27.00%	193	-	-	-	-	193	-
Naturipe Value Added Fresh, LLC	o-E	USA	Dollar	33.33%	4,491	-	366	-	-	4,857	561
S.A.T. Hortifrut H-0030	o-E	Spain	Euro	33.00%	1	-	-	-	-	1	-
Hortifrut Berries Maroc S.R.L.	o-E	Morocco	Dirham	51.00%	64	-	(601)	(24)	-	(561)	(520)
Euroberry GmbH	o-E	Germany	Euro	50.00%	13	-	-	2	-	15	-
Margesi S.A.	o-E	Argentina	Argentine \$	50.00%	2,441	-	(368)	(268)	-	1,805	(238)
San Clemente Vitalberry (Shanghai) SpA	o-E	Chile	Dollar	50.00%	853	-	213	-	-	1,066	161
Hortifrut Tal S.A.C	o-E	Peru	Nuevo Sol	50.00%	19,547	-	11,211	2,832	-	33,590	8,147
Hortifrut Expofresh S.A.	o-E	Argentina	Argentine \$	50.00%	(193)	-	220	1	-	28	217
<b>Total</b>					<b>55,474</b>	<b>356</b>	<b>9,468</b>	<b>2,543</b>	<b>-</b>	<b>67,841</b>	<b>7,409</b>

The detail of movements as of September 30, 2018 and December 31, 2017:

<b>Movement</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>Opening balance as of January 01</b>	<b>67,841</b>	<b>55,474</b>
Share of profit of equity-accounted investees	(2,163)	9,468
Capital contributions (a)	1,768	356
Incorporation due to acquisition	(35,814)	-
Other adjustments	(144)	-
Adjustments due to exchange rate fluctuations	(960)	2,543
<b>Final Balance</b>	<b>30,528</b>	<b>67,841</b>

a) Capital contributions

Capital contributions during the period ending September 30, 2018 and the period ending December 31, 2017 are shown in the following detail:

<b>Capital contributions (decrease)</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
<b>Company</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Berry Blue LLC	285	380
Pacific Berry Breeding LLC	1,440	100
Naturipe Brands LLC	-	1,167
Naturipe Farms LLC	43	(1,291)
<b>Total contributions</b>	<b>1,768</b>	<b>356</b>

Contributions to Limited Liability Companies (LLC) in the United States, aim to maintain the interest in said companies, except at Pacific Berry Breeding LLC, which corresponds to the acquisition of the remaining 50% of the property.

b) New investments

- During the period ending September 30, 2018, no new investments were incorporated.

c) Reclassification of investment for sale

During the period ending September 30, 2018 and the period ending December 31, 2017 no reclassifications of investments for sale were made.

d) Other changes

On October 03, 2017 a framework sale-purchase and merger agreement was signed with the Rocio Group, one of the most important producers, exporters and distributors of blueberries in the southern hemisphere. The aforementioned implies that once the agreement has been materialized, the Hortifrut Tal S.A.C. company together with other companies of the Rocio group, will be incorporated to the consolidation of the Company's financial statements. This was performed as of July 01, 2018.

Due to the acquisition of the remaining 50% of the investment over Pacific Berry Breeding LLC, on behalf of the subsidiary Hortifrut North America, Inc., this company came to be included within the consolidation perimeter, during the second quarter of 2018.

e) Summarized financial information

Summarized financial information as of September 30, 2018 and December 31, 2017, which is presented below, corresponds to the total assets, liabilities and equity and a summary of the results of the associated companies as of September 30, 2018 and 2017:

30-Sep-18											
Associated	Current	Non-current	Total	Current	Non-current	Total	Equity	Operating	Costs and	Other	Net Profit
	Assets	Assets	Assets	Liabilities	Liabilities	Liabilities		Revenue	Expenses	Results	(loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Berry Blue LLC	304	-	304	146	-	146	158	74	(580)	-	(506)
Pacific Berry Breeding LLC	-	-	-	-	-	-	-	-	(196)	-	(196)
Munger Hortifrut N.A. LLC	4,738	87,461	92,199	7,076	40,497	47,573	44,626	-	(2,912)	(1,470)	(4,382)
Naturipe Brands LLC	2,262	5,852	8,114	2,057	-	2,057	6,057	146	(836)	-	(690)
Naturipe Farms LLC	77,734	1,663	79,397	77,212	1,708	78,920	477	589,910	(588,195)	(1,718)	(3)
Naturipe Value Added Foods LLC	8,903	14	8,917	7,878	324	8,202	715	5,879	(5,879)	-	-
Naturipe Value Added Fresh, LLC	5,415	12,167	17,582	3,070	-	3,070	14,512	17,021	(17,081)	-	(60)
S.A.T. Hortifrut H-0030	9	-	9	6	-	6	3	-	-	-	-
Hortifrut Berries Maroc S.R.L	830	2,467	3,297	815	3,923	4,738	(1,441)	11	(1,277)	752	(514)
Margesi S.A.	1,067	1,045	2,112	283	159	442	1,670	446	(259)	(17)	170
San Clemente Vitalberry (Shanghai) SpA	7,369	52	7,421	5,145	-	5,145	2,276	15,148	(14,926)	(78)	144
Hortifrut Tal S.A.C	-	-	-	-	-	-	-	17,744	(12,120)	(3,944)	1,680
Hortifrut Expofresh S.A.	767	11	778	958	-	958	(180)	78	(298)	(36)	(256)
<b>Total</b>	<b>109,398</b>	<b>110,732</b>	<b>220,130</b>	<b>104,646</b>	<b>46,611</b>	<b>151,257</b>	<b>68,873</b>	<b>646,457</b>	<b>(644,559)</b>	<b>(6,511)</b>	<b>(4,613)</b>

  

31-Dec-17											
Associated	Current	Non-current	Total	Current	Non-current	Total	Equity	Operating	Costs and	Other	Net Profit
	Assets	Assets	Assets	Liabilities	Liabilities	Liabilities		Revenue	Expenses	Results	(loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Berry Blue LLC	197	-	197	103	-	103	94	51	(521)	-	(470)
Pacific Berry Breeding LLC	102	98	200	116	-	116	84	432	(868)	-	(436)
Munger Hortifrut N.A. LLC	7,600	86,811	94,411	4,938	40,465	45,403	49,008	-	(1,099)	(315)	(1,414)
Naturipe Brands LLC	628	7,730	8,358	1,611	-	1,611	6,747	1,000	(799)	2	203
Naturipe Farms LLC	50,550	1,783	52,333	51,566	-	51,566	767	581,256	(579,618)	(1,038)	600
Naturipe Value Added Foods LLC	14,637	31	14,668	13,953	-	13,953	715	6,577	(6,634)	57	-
Naturipe Value Added Fresh, LLC	5,209	12,156	17,365	2,793	-	2,793	14,572	16,738	(14,876)	(179)	1,683
S.A.T. Hortifrut H-0030	9	-	9	6	-	6	3	-	-	-	-
Hortifrut Berries Maroc S.R.L	746	2,736	3,482	647	3,935	4,582	(1,100)	157	(1,094)	(83)	(1,020)
Euroberry GmbH	7,496	-	7,496	7,466	-	7,466	30	14,200	(14,015)	(185)	-
Margesi S.A.	2,635	2,714	5,349	1,391	348	1,739	3,610	443	(894)	(25)	(476)
San Clemente Vitalberry (Shanghai) SpA	6,675	46	6,721	4,589	-	4,589	2,132	10,964	(10,531)	(111)	322
Hortifrut Tal S.A.C	46,175	71,487	117,662	17,748	32,734	50,482	67,180	26,580	(5,553)	(4,733)	16,294
Hortifrut Expofresh S.A.	985	49	1,034	978	-	978	56	1,066	(643)	11	434
<b>Total</b>	<b>143,644</b>	<b>185,641</b>	<b>329,285</b>	<b>107,905</b>	<b>77,482</b>	<b>185,387</b>	<b>143,898</b>	<b>659,464</b>	<b>(637,145)</b>	<b>(6,599)</b>	<b>15,720</b>

## NOTE 17 – INTANGIBLE ASSETS OTHER THAN GOODWILL

The detail of the main types of intangible assets is shown as follows:

	<b>Useful Life</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
Varietal license	Finite	10,569	9,887
VBM Brand	Indefinite	977	977
Water Rights	Indefinite	469	469
Relationship with Customers	Finite	2,640	2,841
Software	Finite	415	309
<b>Total</b>		<b>15,070</b>	<b>14,483</b>

### a) Varietal licenses

The acquired varietal licenses are shown at cost of acquisition and are amortized charged to the cost of sale in the measure in which the sales income is generated or by the plant's development cost.

The movement of varietal licenses for the period ending September 30, 2018 and the period ending December 31, 2017, is as follows:

<b>Movement</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
Opening balance as of January 01	9,887	16,969
Investments	1,496	-
Amortization /consumption	(814)	(7,082)
<b>Closing balance</b>	<b>10,569</b>	<b>9,887</b>

### b) Software

The acquired software is recorded over the acquisition cost base minus accumulated amortization. These assets are amortized during their useful life, estimated at 6 years by the lineal method.

The movement of software for the period ending September 30, 2018 and the period ending December 31, 2017, is as follows:

<b>Movement</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
Opening balance as of January 01	309	272
Investments	156	139
Amortization	(50)	(102)
<b>Closing balance</b>	<b>415</b>	<b>309</b>

The amortization of intangible assets is recorded in the consolidated income statement under the item cost of sales and administration expenses.

Management has not observed signs of impairment in relation to intangible assets.

There are no intangible assets in use which are totally amortized.

### c) Other intangibles

The identified intangible assets are detailed as follows:

	<b>Useful Life</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
VBM Brand	Indefinite	977	977
Water Rights	Indefinite	469	469
Relationship with Customers	Finite	2,640	2,841
<b>Total</b>		<b>4,086</b>	<b>4,287</b>

<b>Movement</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
Opening balance as of January 01	4,287	4,553
Amortization	(201)	(266)
<b>Closing balance</b>	<b>4,086</b>	<b>4,287</b>

Water rights have an indefinite useful life, since in accordance with the considered factors, there is not a time limit where the asset generates net cash flows for the Company, these are recorded at cost incurred in its purchase.

In accordance with IFRS 3 standard, it is established that, from the date of acquisition, the purchaser must recognize, separate from goodwill, the identifiable assets acquired, the assumed liabilities and any non-parent company interest of the acquired. Therefore in the acquisition of Vital Berry Marketing, intangibles denominated Relationship with Customers and Vitalberry Brand Marketing were generated. (See Note 3.5).

For the period ending September 30, 2018 and the period ending December 31, 2017, Management has not observed signs of impairment in relation to intangible assets denominated water rights, relationship with customers and VBM brand.

### d) Intangibles subject to guarantees or restrictions

There are no intangible assets over which there is a restriction in its titles, nor have partial or total guarantees been constituted over them, as of September 30, 2018 and December 31, 2017.

### e) Impairment of Intangibles with indefinite useful life

The Company determines annually if the intangible assets with an indefinite useful life are impaired. This test requires an estimation of 'value in use' of the cash generating units to which Intangibles with an indefinite useful life are associated. The estimation of the value in use requires that Management performs an estimation of the future cash flows of the cash generating unit (or group of CGU's), and that it also defines an appropriate discount rate to calculate the current value of those cash flows.

Management has not observed signs of impairment in relation to intangibles with an indefinite useful life.



## NOTE 18 - GOODWILL

Goodwill represents the surplus of the acquisition cost over the fair value of the Company's interests in the net identifiable assets of the subsidiary or related company on the date of acquisition.

The balance of goodwill compared as of the closing of each period is as follows:

Investor	Issuer	30-Sep-18	31-Dec-17	1-Jan-16
		ThUS\$	ThUS\$	ThUS\$
Hortifrut S.A.	Agrícola El Avellano S.A.	344	344	344
Hortifrut S.A. de C.V.	Hortifrut ABA S.A. de C.V.	342	342	342
Hortifrut S.A.	Vital Berry Marketing SPA	26,083	26,083	26,083
Hortifrut S.A.	Talsa Chile II SpA	153,001	-	-
	<b>Total</b>	<b>179,770</b>	<b>26,769</b>	<b>26,769</b>

The Company determines annually if Goodwill and intangible assets with an indefinite useful life are impaired. This test requires an estimation of 'value in use' of the cash generating units to which Goodwill and Intangibles with an indefinite useful life are associated. The estimation of the value in use requires Management performs an estimation of the future cash flows of the cash generating unit (or group of CGU's), and that it also defines an appropriate discount rate to calculate the current value of those cash flows.

Management has not observed signs of impairment in relation to goodwill.

As of July 03, 2018, the acquisition of Talsa Chile II SpA was finalized on behalf of Hortifrut S.A., the sale-purchase and merger of Rocio Group's blueberry business in Peru, took place under the following operation structure.

- Cash payment of US\$ 148 million for 41.18% of the equity block where Rocio Group's Blueberry Business is found (1), in accordance with what was established in the First Modification of the Framework Agreement.
- Payment of 17.13% of Hortifrut's shares for 58.82% of the Blueberry Business, as per the Expert Report. Due to the agreed price per share, as of 30.09.2017, the amount reaches a total of USD 212 million.
- Earn-out (contingent payment) defined based on the differences that exist between the real and forecasted results.

As of September 30, 2018, Peru's Rocio Group, counts with a total of 1,744 planted hectares, including Hortifrut Tal S.A.C.'s hectares, where Hortifrut participates with 50%.

In accordance with standard IFRS 3, it was established that, as of the date of purchase, Hortifrut recognizes, separate from goodwill, the acquired identified assets, the assumed liabilities and any other non controlling interest of the acquired, nevertheless and in accordance with the same Standard, the Company will consider the 1 year term that it has to adjust the assignment.

In relation to the identifiable intangible assets, the standard suggests that the acquiring companies recognizes them separate from Goodwill.

Below are the main effects as a result of the combination, which was materialized on July 03, 2018:

	<u>ThUS\$</u>
<b>Detail distribution of purchase price</b>	
Cash	147,674
Hortifrut Shares	212,042
Contingent Considerations	6,506
<b>Paid Price Acquired Equity</b>	<b><u>366,222</u></b>
<b>Minority Interest</b>	<b><u>77,865</u></b>
<b>Paid Price Equity at 100%</b>	<b><u>444,087</u></b>
<b><u>Minus:</u></b>	
Net historical assets	<b>(107,052)</b>
<b><u>Adjustments at fair value:</u></b>	
<b>Estimation of fair value of acquired assets</b>	
Land	(11,164)
Construction and Infrastructure works	(10,661)
Machinery and Equipment	(1,189)
Plantations	(222,189)
Others	(6,898)
Deferred tax liability	68,067
<b>Total adjustments</b>	<b><u>(184,034)</u></b>
<b>Total net assets at fair value</b>	<b><u>(291,086)</u></b>
<b>Goodwill as of July 03, 2018</b>	<b><u>153,001</u></b>

Below is the effect of the updating to fair value of assets and liabilities of the blueberry business subject to this transaction:

	<b>Fair value as of July 01, 2018</b>		
<b>Detail</b>	<b>Financial Values</b>	<b>Fair Values</b>	<b>Modification to fair value</b>
<b><u>Assets</u></b>	<b><u>ThUS\$</u></b>	<b><u>ThUS\$</u></b>	<b><u>ThUS\$</u></b>
Cash and cash equivalents	7,065	7,065	-
Other current non financial assets	2,126	2,126	-
Current trade debtors and other accounts receivable	2,680	2,680	-
Current accounts receivable from related entities	13,550	13,550	-
Inventory	23,725	23,725	-
Biological assets, current	-	-	-
Current tax assets	2,684	2,684	-
Property, plant and equipment	121,097	151,009	29,912
Non-current biological assets	43,366	265,555	222,189
Deferred tax assets	5	5	-
<b><u>Liabilities</u></b>			
Other current financial liabilities	(70,423)	(70,423)	-
Current trade accounts and other accounts payable	(6,408)	(6,408)	-
Other current provisions	(15,402)	(15,402)	-
Current provisions for employee benefits	(505)	(505)	-
Other non-current financial liabilities	(2,376)	(2,376)	-
Deferred tax liabilities	(14,132)	(82,199)	(68,067)
<b>Net assets at fair value</b>	<b><u>107,052</u></b>	<b><u>291,086</u></b>	<b><u>184,034</u></b>

## NOTE 19 – PROPERTY, PLANT AND EQUIPMENT

The detail of the different categories of Property, Plant and Equipment and their movements as of September 30, 2018 is as follows:

	Construction and infrastructure works	Land	Machinery and equipment	Leased equipment	IT Equipment	Furniture and Supplies	Motor vehicles	Bearer Plants	Works in Progress	Total other property, plant and equipment
	ThUS\$	ThUS\$	MUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of January 1, 2018										
Cost	83,957	20,929	33,489	16,793	2,301	1,939	7,838	145,868	27,249	340,363
Accumulated depreciation	(36,739)	-	(15,052)	(2,858)	(1,552)	(1,133)	(4,834)	(33,135)	-	(95,303)
<b>Net amount as of 01-01-2018</b>	<b>47,218</b>	<b>20,929</b>	<b>18,437</b>	<b>13,935</b>	<b>749</b>	<b>806</b>	<b>3,004</b>	<b>112,733</b>	<b>27,249</b>	<b>245,060</b>
Investments	5,865	248	3,818	25	495	422	975	18,084	17,407	47,339
Incorporation due to merger	49,370	61,380	11,490	13,521	142	7,353	1,085	267,947	4,276	416,564
Expropriation and write-off	(31)	-	(163)	-	(32)	(1)	(86)	(44)	(65)	(422)
Reclassification	11,640	-	606	-	18	3	11	779	(13,001)	56
Depreciation	(5,785)	-	(2,925)	(1,014)	(337)	(180)	(554)	(9,372)	-	(20,167)
Exchange rate adjustment	(829)	(196)	(136)	(7)	(4)	(13)	(26)	(729)	(481)	(2,421)
<b>Net amount as of 30-09-2018</b>	<b>107,448</b>	<b>82,361</b>	<b>31,127</b>	<b>26,460</b>	<b>1,031</b>	<b>8,390</b>	<b>4,409</b>	<b>389,398</b>	<b>35,385</b>	<b>686,009</b>

The detail of the different categories of property, plant and equipment and their movements as of December 31, 2017 is as follows:

	Construction and infrastructure works	Land	Machinery and equipment	Leased equipment	IT Equipment	Furniture and Supplies	Motor vehicles	Bearer Plants	Works in Progress	Total other property, plant and equipment
	ThUS\$	ThUS\$	MUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of January 1, 2017										
Cost	74,483	20,507	24,152	14,334	2,602	1,899	7,045	126,909	13,725	285,656
Accumulated depreciation	(31,085)	-	(14,210)	(2,132)	(1,898)	(1,071)	(4,316)	(26,081)	-	(80,793)
<b>Net amount as of 01-01-2017</b>	<b>43,398</b>	<b>20,507</b>	<b>9,942</b>	<b>12,202</b>	<b>704</b>	<b>828</b>	<b>2,729</b>	<b>100,828</b>	<b>13,725</b>	<b>204,863</b>
Investments	1,282	158	5,714	2,453	288	232	1,119	20,498	26,564	58,308
Revaluation (Impairment)	-	-	-	-	-	-	-	-	-	-
Expropriation and write-off	(210)	(255)	(698)	-	(1)	(122)	(73)	(3,224)	(184)	(4,767)
Reclassification	7,491	-	5,526	-	-	63	-	30	(13,110)	-
Depreciation	(5,396)	-	(2,122)	(721)	(248)	(234)	(813)	(6,938)	-	(16,472)
Exchange rate adjustment	653	519	75	1	6	39	42	1,539	254	3,128
<b>Net amount as of 31-12-2017</b>	<b>47,218</b>	<b>20,929</b>	<b>18,437</b>	<b>13,935</b>	<b>749</b>	<b>806</b>	<b>3,004</b>	<b>112,733</b>	<b>27,249</b>	<b>245,060</b>

The measuring of Property, plant and equipment, as well as the depreciation criteria for these, is described in Note 3.3.

Assets in Leasing under the item Property, plant and equipment are separately detailed by item in Note 19 letter e).

“Bearer plants” in the item Property, plant and equipment, separated if they are “in development” or “in production”, are detailed in Note 19 letter g).

As of September 30, 2018, the detail of Property, plant and equipment is as follows:

<b>September 30, 2018</b>			
	<b>Gross Value</b>	<b>Accumulated depreciation</b>	<b>Net value</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Construction and infrastructure works	156,794	(49,346)	107,448
Land	82,361	-	82,361
Machinery and equipment	51,529	(20,402)	31,127
Leased equipment	32,914	(6,454)	26,460
Information technology (IT) equipment	2,924	(1,893)	1,031
Furniture and supplies	9,818	(1,428)	8,390
Motor vehicles	10,038	(5,629)	4,409
Bearer plants	460,601	(71,203)	389,398
Works in progress	35,385	-	35,385
<b>Total Property, plant and equipment</b>	<b>842,364</b>	<b>(156,355)</b>	<b>686,009</b>

As of December 31, 2017, the detail of Property, plant and equipment is as follows:

<b>December 31, 2017</b>			
	<b>Gross Value</b>	<b>Accumulated depreciation</b>	<b>Net value</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Construction and infrastructure works	83,957	(36,739)	47,218
Land	20,929	-	20,929
Machinery and equipment	33,489	(15,052)	18,437
Leased equipment	16,793	(2,858)	13,935
Information technology (IT) equipment	2,301	(1,552)	749
Furniture and supplies	1,939	(1,133)	806
Motor vehicles	7,838	(4,834)	3,004
Bearer plants	145,868	(33,135)	112,733
Works in progress	27,249	-	27,249
<b>Total Property, plant and equipment</b>	<b>340,363</b>	<b>(95,303)</b>	<b>245,060</b>

a) Estimated economic useful life or depreciation rate

The estimated economic useful life per type of asset is described in Note 3.3.3

The residual value and the useful life of the assets are checked, and adjusted if necessary, at each reporting date of the interim consolidated statements of financial position.

b) Insurance

Hortifrut S.A. and subsidiaries have contracted insurance policies to cover the risks that movable goods, vehicles, equipment, plants and machinery are subject to. The Company considers that the hedging of these policies is adequate for risks inherent to its activity (See Note 4.3).

c) Information regarding “Bearer Plants”

Hortifrut’s “Bearer Plants” correspond to berries plantations, that are on leased and own lands.

The Company’s berries plantations are located in Chile between Coquimbo Region and Los Ríos Region, in Mexico in the states of Jalisco and Michoacán, in Brazil in Barrio Lagoa Grande, Sn - Senador Amaral, in Spain in the localities of Huelva and Asturias, and in Peru in the locality of Chiclayo and Trujillo.

Said geographic dispersion allows the Company to count with a diversified offer during the year, which is complemented by the producer partners that the Company has in USA and in Europe. Thereby, Hortifrut’s trade platforms and distributors can have berries during the 52 weeks of the year. The productive areas also allow greater closeness with the consumption centers. This is the case of plantations located in Mexico which mainly supply the North American market, main berries consumer in the world. Likewise, our plantations in Spain are able to supply part of the European market. Chile and Peru contribute the counter-season production for said markets.

Below is a detail of the hectares planted per type of fruit:

<b>Surface in Hectares</b>	<b><u>30-Sep-18</u></b>	<b><u>31-Dec-17</u></b>
Blueberries	2,454	590
Organic Blueberries	621	630
Raspberries	104	136
Blackberries	13	13
Strawberries	65	65
Cherries	17	7
<b>Total Planted Hectares</b>	<b><u>3,274</u></b>	<b><u>1,441</u></b>
Own Hectares	2,483	792
Leased Hectares	<u>791</u>	<u>649</u>
<b>Total Hectares</b>	<b>3,274</b>	<b>1,441</b>
Productive Hectares	2,892	1,176
Non-Productive Planted Hectares	<u>382</u>	<u>265</u>
<b>Total Hectares</b>	<b>3,274</b>	<b>1,441</b>

d) Loss due to impairment in value

As of September 30, 2018, no events or changes in circumstances have taken place in the business that imply that the book value of Property, plant and equipment may not be recoverable.

During 2017, in the specific case of “bearer plants”, there were changes in the circumstances of the business which generated an impairment in their book value. The recognized impairments are associated with the pulling up of hectares in Chile, Mexico and Spain.

As indicated in Note 3.3.2, if the book value is modified due to the presence of impairment of “bearer plants”, said decrease in value will be directly attributed to the results of the period under the account Other expenses, per function.

As per the aforementioned criteria, the effect of the previously mentioned impairment was recorded in the financial statements as of December 31, 2017, as detailed below:

	<b>31-Dec-17</b>
	<b><u>ThUS\$</u></b>
Chile	641
Mexico	1,768
Spain	806
<b>Total</b>	<b><u>3,215</u></b>

e) Financial lease

The net book value as of September 30, 2018 and December 31, 2017 of the assets under financial lease, classified as Assets in Leasing under the item Property, plant and equipment, is as follows:

<b>Denomination</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b><u>ThUS\$</u></b>	<b><u>ThUS\$</u></b>
<b>Construction</b>		
Administrative office	975	1,008
Parking administrative offices	36	36
Metallic structure 5.3 hectares	236	246
Metallic structure 2.0 hectares	57	59
Metallic Structure Roof	257	279
Greenhouse 4.08 hectares	1,074	1,093
Greenhouse 4.00 hectares	847	862
Molina Plant	4,033	4,102
<b>Total Constructions</b>	<b><u>7,515</u></b>	<b><u>7,685</u></b>
<b>Land</b>		
Land Molina Plant	236	236
<b>Total Land</b>	<b><u>236</u></b>	<b><u>236</u></b>
<b>Machinery and equipment</b>		
Machinery and Equipment Peru	13,098	-
Blueberries processing line	465	503
IQF processing line	176	243
Molina plant processing line and machinery	1,093	1,203
BBC Filling Machine	596	632
BBC Soft Sorter Machine	621	659
Calibrating and classifying machine	1,317	1,396
Plant pots for greenhouse	1,236	1,260
Fertigation machinery	4	9
Sulphur burners	29	31
Miscellaneous equipment	28	3
<b>Total machinery and equipment</b>	<b><u>18,663</u></b>	<b><u>5,939</u></b>
<b>Motor vehicles</b>		
Vans	30	56
Tractors	16	19
<b>Total motor vehicles</b>	<b><u>46</u></b>	<b><u>75</u></b>
<b>General total</b>	<b><u>26,460</u></b>	<b><u>13,935</u></b>

Debt associated to these leasings as of September 30, 2018 and December 31, 2017, is presented in the item Other current financial liabilities and Other non-current financial liabilities.

The debt associated to each item under Property, plant and equipment is detailed as follows:

<b>Leasing Liability</b>	<b>30-Sep-18</b> <b>ThUS\$</b>	<b>31-Dec-17</b> <b>ThUS\$</b>	<b>Bank or financial institution</b>
<b>Construction</b>			
Administrative offices	352	488	Banco Bilbao Vizcaya Argentaria
Parking administrative offices	18	19	Banco Bilbao Vizcaya Argentaria
Metallic structure 5.3 hectares	108	178	Banco Santander Chile
Metallic structure 2.0 hectares	41	48	Banco Santander Chile
Metallic structure Roof	242	273	Banco Santander Chile
Greenhouse 4.08 hectares	691	910	Banco de Crédito e Inversiones
Greenhouse 4.00 hectares	732	901	Banco de Crédito e Inversiones
Molina Plant	3,295	3,622	Banco de Crédito e Inversiones
<b>Total Constructions</b>	<b>5,479</b>	<b>6,439</b>	
<b>Land</b>			
Land Molina Planta	193	208	Banco de Crédito e Inversiones
<b>Total Land</b>	<b>193</b>	<b>208</b>	
<b>Machinery and equipment</b>			
Machinery and equipment Peru	7,505	-	Banco de Crédito
Plant pots for greenhouse	1,070	1,316	Banco de Crédito e Inversiones
Machinery and Equipment Peru	3,657	-	Scotiabank Peru S.A.
Molina plant processing line and machinery	893	1,062	Banco de Crédito e Inversiones
Calibrating and classifying machine	674	953	Banco de Crédito e Inversiones
Sulfur burners	26	32	Banco de Crédito e Inversiones
Others	104	-	Banco de Crédito
Others	2	-	GC Rent Chile SPA
<b>Total Machinery and equipment</b>	<b>13,931</b>	<b>3,363</b>	
<b>Motor vehicles</b>			
Vans and trucks	239	18	Banco de Crédito e Inversiones
Vans and trucks	411	-	Scotiabank Peru S.A.
Tractors	10	16	Banco de Crédito e Inversiones
<b>Total motor vehicles</b>	<b>660</b>	<b>34</b>	
<b>General Total</b>	<b>20,263</b>	<b>10,044</b>	

As of September 30, 2018 and December 31, 2017, there are no Property, plant and equipment temporarily out of service.

f) Property, plant and equipment totally depreciated

As of September 30, 2018, the detail of Property, plant and equipment which are totally depreciated is as follows:

	<b>Gross Value ThUS\$</b>
Construction and infrastructure works	4,568
Machinery and equipment	5,620
Leased equipment	33
Information Technology (IT) equipment	293
Furniture and supplies	282
Motor vehicles	1,000
<b>Total Property, plant and equipment</b>	<b>11,796</b>

Historic costs are considered.

g) Productive bearer plants, in development or in production.

The book value of “Bearer Plants”, is distributed among plants in development or in production in the following manner:

		<b>Movement</b>							
<b>Biologicals</b>	<b>Biologicals</b>	<b>31-Dec-17</b>	<b>Incorporation due to merger</b>	<b>Additions</b>	<b>Amortizations</b>	<b>Transfers</b>	<b>Decreases and/or Reclassifications</b>	<b>Exchange rate adjustment</b>	<b>30-Sep-18</b>
		<u>ThUS\$</u>		<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
In production	Productive	82,618	267,947	-	(9,372)	-	(44)	(729)	340,420
In development	Works in progress	30,115	-	18,084	-	779	-	-	48,978
<b>Total</b>	<b>Total</b>	<b>112,733</b>	<b>267,947</b>	<b>18,084</b>	<b>(9,372)</b>	<b>779</b>	<b>(44)</b>	<b>(729)</b>	<b>389,398</b>



## NOTE 20 – CURRENT INCOME TAX AND DEFERRED TAXES

In the period ending September 30, 2018, we proceeded to calculate and record taxable net income with a 27% rate (as of December 31, 2017 with a 25.5% rate), based on what was established in Law N° 20.780, Tax Reform, published in the Diario Oficial (Official Newspaper) on September 29, 2014.

Among the main modifications, is the progressive increase of First Category Tax, reaching 27% from 2018, in case the “Partially Integrated Tax System” is applied.

The aforementioned Law establishes that since Hortifrut S.A. is a publicly traded company, as a general rule the “Partially Integrated Tax System” is applied to it.

In the other countries where Hortifrut has subsidiaries and associates, the corresponding tax rates are applied in accordance with the valid law.

Deferred tax assets and liabilities are compensated if the right to compensate the current tax assets and liabilities has been legally recognized and the deferred taxes refer to the same entity and tax authority.

### a) Current income tax

The Company and subsidiaries maintain as of September 30, 2018, a current income tax provision of ThUS\$5,715 (ThUS\$9,236 as of December 31, 2017), which is presented net of credits applicable against income tax as of these same dates for ThUS\$6,403 (ThUS\$10,322 as of December 31, 2017). In this manner, when presented net in the statement of financial position, as of September 30, 2018, a balance is presented in favor of the company for recoverable taxes for ThUS\$688 (ThUS\$1,086 as of December 31, 2017).

Provisional payments and other credits that are applied to current income tax are detailed below:

	30-Sep-18	31-Dec-17
Detail Recoverable Tax	ThUS\$	ThUS\$
Monthly provisional payments	6,129	9,883
Personnel training	4	194
Other Credits	270	42
Donations law	-	203
<b>Total Credits</b>	<b>6,403</b>	<b>10,322</b>
Income tax provision	(5,715)	(9,236)
<b>Total Credits (Income Tax Provision)</b>	<b>688</b>	<b>1,086</b>

### b) Deferred taxes

Deferred taxes correspond to the amount of tax over profits that Hortifrut and subsidiaries will have to pay (liabilities) or recover (assets) in future periods, related with temporary differences between the fiscal or tax base and the accounting book value of certain assets and liabilities.

The main deferred tax asset corresponds to the tax loss of subsidiaries, which will be recovered in future periods. The main deferred tax liability payable in future periods, corresponds to the temporary differences originated by manufacturing expenses, adjustment to fair value of current biological assets and the revaluation of Property, plant and equipment on the transition date to IFRS.

Deferred tax assets as of September 30, 2018 and December 31, 2017, refer to the following concepts:

	<u>30-Sep-18</u>		<u>31-Dec-17</u>	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
<b>Detail</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
Manufacturing expenses	-	1,257	-	2,129
Valuation bearer plants	-	81,991	-	14,251
Land appraisale	-	7,104	-	34
Ingresos anticipados	-	60	-	-
Tax loss	15,669	-	12,445	-
Provisions	2,898	-	2,857	-
Intangibles	-	1,036	-	1,080
Fixed asset	-	16,413	-	4,639
Forward hedging	-	20	54	-
Price adjustment	-	30	-	362
Others	2,031	-	2,660	-
Non-realized profit in investments	-	-	575	-
<b>Total</b>	<b><u>20,598</u></b>	<b><u>107,911</u></b>	<b><u>18,591</u></b>	<b><u>22,495</u></b>

Deferred tax hedging is presented net of other comprehensive income.

Deferred taxes have not been recognized for the temporary differences between the tax and accounting value generated by investments in Subsidiaries, so, deferred tax due to adjustments in conversion directly recorded in net equity, exposed in the other comprehensive income statement is also not recognized.

As of September 30, 2018 the deferred tax asset originated by tax loss reached ThUS\$15,669 (ThUS\$12,445 as of December 31, 2017) which is chargeable to the profits which could be generated in the future in the companies that present said condition, as per the following detail:

		<u>30-Sep-18</u>	<u>31-Dec-17</u>	<u>Variation</u>
		<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Hortifrut S.A.	Chile	2,049	-	2,049
Ag. Mataquito S.A.	Chile	1,287	1,288	(1)
Ag. El Avellano S.A.	Chile	1,780	1,865	(85)
Ag. y Gand. Santa Rebeca Ltda.	Chile	6	5	1
Ag. Hortifrut S.A.	Chile	-	714	(714)
Hortifrut S.A. de C.V.	Mexico	9,766	7,620	2,146
Berrygood Comercial Importadora	Brazil	465	573	(108)
Hortifrut Europa SL	Spain	53	55	(2)
Hortifrut España Southern Sun SL and Subsidiaries	Spain	147	106	41
Hortifrut Argentina S.A.	Argentina	90	214	(124)
Asian Berries Limited	China	22	-	22
Viveros Hortifrut Chile S.A.	Chile	4	5	(1)
<b>Total</b>		<b><u>15,669</u></b>	<b><u>12,445</u></b>	<b><u>3,224</u></b>

Regarding the statute of limitations of the tax loss susceptible to be charged to future profits, we can state that in the case of those generated in companies constituted in Chile, Peru, Brazil and Spain, these do not prescribe. In Mexico, these have a tax loss carry forward expire of 10 years and Argentina 5 years.

Movement in deferred tax asset balances as of September 30, 2018 and December 31, 2017 is as follows:

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b><u>ThUS\$</u></b>	<b><u>ThUS\$</u></b>
<b>Opening balance</b>	<b>18,591</b>	<b>14,950</b>
Provisions	41	616
Tax loss	3,224	2,963
Forward hedging	(54)	(77)
Others	(629)	(257)
Profit not realized in investments	(575)	396
<b>Final balance</b>	<b><u>20,598</u></b>	<b><u>18,591</u></b>

Movement in deferred tax liabilities as of September 30, 2018 and December 31, 2017 is as follows:

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b><u>ThUS\$</u></b>	<b><u>ThUS\$</u></b>
<b>Opening balance</b>	<b>22,495</b>	<b>22,680</b>
Manufacturing expenses	(872)	835
Land appraisal	7,070	-
Fixed asset	11,774	(4,347)
Intangibles	(44)	(23)
Advanced income	60	(151)
Forward hedging	20	-
Valuation bearer plants	67,740	3,139
Price adjustment	(332)	362
<b>Final balance</b>	<b><u>107,911</u></b>	<b><u>22,495</u></b>

Income tax expense for the periods and quarters ending September 30, 2018 and 2017 have the following detail:

	<b>30-Sep-18</b>	<b>30-Sep-17</b>	<b>1-Jul-18</b>	<b>1-Jul-17</b>
	<b><u>ThUS\$</u></b>	<b><u>ThUS\$</u></b>	<b><u>ThUS\$</u></b>	<b><u>ThUS\$</u></b>
<b>Detail</b>				
Current tax expense	7,095	6,249	1,247	(157)
Deferred tax effect	18,354	(4,043)	20,594	212
Adjustment previous year	(401)	(313)	217	(561)
Adjustment of conversion	3	104	(5)	110
<b>Total</b>	<b><u>25,051</u></b>	<b><u>1,997</u></b>	<b><u>22,053</u></b>	<b><u>(396)</u></b>

The following is the detail of income tax expense conciliation, using the legal rate with the tax expense, using the effective rate:

	30-Sep-18		30-Sep-17	
	ThUS\$	%	ThUS\$	%
<b>Tax expense (income) using the legal rate</b>	<b>28,595</b>	<b>27.00%</b>	<b>5,827</b>	<b>25.50%</b>
Tax effect of rates in other jurisdictions	(5,558)	-5.25%	(83)	-0.36%
Tax effect of non-taxable operating income	(630)	-0.59%	(2,078)	-9.09%
Tax effect of non-deductible tax expense	2,270	2.14%	414	1.81%
Tax effect of fiscal currency other than functional currency	775	0.73%	(1,941)	-8.49%
Tax effect of tax provided in excess previous periods	(401)	-0.38%	(142)	-0.62%
<b>Total tax expense adjustment using the the legal rate</b>	<b>(3,544)</b>	<b>-3.35%</b>	<b>(3,830)</b>	<b>-16.75%</b>
<b>Tax expense using the effective rate</b>	<b>25,051</b>	<b>23.65%</b>	<b>1,997</b>	<b>8.75%</b>

	QUARTER			
	1-Jul-18 30-Sep-18		1-Jul-17 30-Sep-17	
	ThUS\$	%	ThUS\$	%
<b>Tax expense (income) using the legal rate</b>	<b>25,686</b>	<b>27.00%</b>	<b>1,348</b>	<b>25.50%</b>
Tax effect of rates in other jurisdictions	(5,190)	-1.83%	(134)	-0.65%
Tax effect of non-taxable operating income	108	6.26%	(1,737)	-7.15%
Tax effect of non-deductible tax expense	715	-12.29%	68	-0.16%
Tax effect of fiscal currency other than functional currency	517	-1.66%	443	5.08%
Tax effect of tax provided in excess previous periods	217	5.36%	(384)	-2.00%
<b>Total tax expense adjustment using the legal rate</b>	<b>(3,633)</b>	<b>-4.16%</b>	<b>(1,744)</b>	<b>-4.88%</b>
<b>Tax expense using the effective rate</b>	<b>22,053</b>	<b>22.84%</b>	<b>(396)</b>	<b>20.62%</b>

## NOTE 21 – OTHER FINANCIAL LIABILITIES

As of September 30, 2018 and December 31, 2017, Hortifrut and subsidiaries maintain financial liabilities which are detailed below:

### Other current financial liabilities

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Obligations with banks and financial institutions	143,311	148,691
Financial Leasing	7,122	2,128
Forwards currency operations	629	712
<b>Total current bank obligations</b>	<b>151,062</b>	<b>151,531</b>

### Other non-current financial liabilities

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Obligations with banks and financial institutions	309,808	75,770
Financial Leasing	13,141	7,916
Forwards currency operations	82	-
Cross Currency Swap Operations	36	280
<b>Total non-current obligations</b>	<b>323,067</b>	<b>83,966</b>

## Detail of balance and expiries

a) Obligations with banks and financial institutions, grouped by maturity, as of September 30, 2018 and December 31, 2017 are as follows:

										Current			Total current	No corrientes					Total Non-current
Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Effective annual rate	Nominal annual rate	Maturity up to 1 month			30-Sep-18	Maturity 1 to 2 years	Maturity 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years	30-Sep-18		
																		1 to 3 months	3 to 12 months
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		
Agricola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	2.93%	2.93%	402	-	-	402	-	-	-	-	-	-		
Agricola Mataquito S.A.	76.306.130-2	Chile	Banco RaboFinance Chile	US\$	Annual	5.52%	5.20%	-	-	152	152	-	-	-	-	-	-		
Agricola Mataquito S.A.	76.306.130-2	Chile	Banco RaboFinance Chile	US\$	Annual	6.26%	6.03%	-	-	19	19	1,500	-	-	-	-	1,500		
Agricola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	2.93%	2.93%	502	-	-	502	-	-	-	-	-	-		
Agricola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	2.93%	2.93%	502	-	-	502	-	-	-	-	-	-		
Agricola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco RaboFinance Chile	US\$	Annual	5.58%	5.31%	-	-	87	87	90	-	-	-	-	90		
Agricola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco RaboFinance Chile	US\$	Annual	6.23%	6.01%	-	-	12	12	900	-	-	-	-	900		
Agricola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Santander Chile	US\$	Annual	2.93%	2.93%	502	-	-	502	-	-	-	-	-	-		
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.02%	2.02%	-	-	70	70	-	-	-	-	-	-		
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	1.66%	1.66%	1	2	11	14	7	-	-	-	-	7		
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	1.66%	1.66%	1	2	11	14	7	-	-	-	-	7		
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.14%	2.14%	2	2	-	4	-	-	-	-	-	-		
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.02%	2.02%	2	5	-	7	-	-	-	-	-	-		
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.14%	2.14%	-	-	40	40	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	2.88%	2.06%	1,296	-	1,250	2,546	1,250	-	-	-	-	1,250		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	2.38%	2.38%	5,016	-	-	5,016	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	2.38%	2.38%	5,016	-	-	5,016	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.80%	4.80%	-	271	-	271	20,000	-	-	-	-	20,000		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco BICE	US\$	Annual	2.73%	2.73%	1,001	-	-	1,001	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	2.58%	2.58%	-	3,004	-	3,004	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	2.58%	2.58%	-	5,007	-	5,007	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	2.58%	2.58%	-	5,007	-	5,007	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	2.58%	2.58%	-	5,007	-	5,007	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	2.49%	2.49%	5,019	-	-	5,019	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Consorcio	US\$	Annual	2.71%	2.71%	1,001	-	-	1,001	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	2.20%	5.03%	4,043	-	-	4,043	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	6	-	-	-	-	6		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	2.43%	2.43%	10,034	-	-	10,034	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	2.38%	2.38%	5,009	-	-	5,009	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	107	107	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Itaú	US\$	Annual	2.65%	2.65%	-	5,006	-	5,006	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco RaboFinance Chile	US\$	Annual	5.34%	5.34%	-	-	49	49	-	-	1,759	3,621	14,510	19,890		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.41%	2.41%	10,018	-	-	10,018	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.39%	2.39%	5,018	-	-	5,018	-	-	-	-	-	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.39%	2.39%	5,018	-	-	5,018	-	-	-	-	-	-		

Continues on the following page

										Current		Total Current	Non-current					Total Non-current
Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Annual Effective Rate	Nominal annual rate	Maturity up to 1 month			30-Sep-18	Maturity 1 to 2 years	Maturity 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years	30-Sep-18	
								ThUS\$	ThUS\$	ThUS\$								
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.41%	2.41%	5,009	-	-	5,009	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.39%	2.39%	5,018	-	-	5,018	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.35%	2.35%	5,013	-	-	5,013	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.49%	2.49%	-	5,008	-	5,008	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.43%	2.43%	5,015	-	-	5,015	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.49%	2.49%	-	3,005	-	3,005	-	-	-	-	-	-	
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.40%	1.40%	246	243	1,102	1,591	741	-	-	-	-	741	
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Quarterly	1.15%	1.15%	741	714	2,155	3,610	2,902	2,936	739	-	-	6,577	
Hortifrut España Southern Sun SL	0-E	Spain	Banco Bilbao Vizcaya Argentaria	EUR	Biannual	1.16%	1.16%	-	-	2,860	2,860	2,894	2,928	1,476	-	-	7,298	
Hortifrut España Southern Sun SL	0-E	Spain	La Caixa	EUR	Quarterly	1.10%	1.10%	370	-	1,072	1,442	1,443	1,459	1,105	-	-	4,007	
Hortifrut España Southern Sun SL	0-E	Spain	Bankinter	EUR	Monthly	1.10%	1.10%	71	142	645	858	795	877	517	-	-	2,189	
Hortifrut España Southern Sun SL	0-E	Spain	Banco Sabadell	EUR	Monthly	1.10%	1.10%	47	95	428	570	527	581	588	49	-	1,745	
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.38%	1.38%	18	26	43	87	-	-	-	-	-	-	
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.50%	1.50%	26	26	26	78	-	-	-	-	-	-	
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.45%	1.45%	-	-	-	-	-	37	57	58	138	290	
Asturian Berries SL	0-E	Spain	Caja Madrid	EUR	Monthly	0.87%	0.87%	2	4	10	16	-	-	-	-	-	-	
Asturian Berries SL	0-E	Spain	Caja Rural Asturias	EUR	Monthly	5.00%	5.00%	5	8	-	13	-	-	-	-	-	-	
Asturian Berries SL	0-E	Spain	Financial Services	EUR	Monthly	9.20%	9.20%	-	-	1	1	2	15	-	-	-	17	
Asturian Berries SL	0-E	Spain	Banco Bilbao Vizcaya Argentaria	EUR	Monthly	1.40%	1.40%	-	-	-	-	90	137	139	141	48	555	
Asturian Berries SL	0-E	Spain	Banco Bilbao Vizcaya Argentaria	EUR	Monthly	1.50%	1.50%	-	-	-	-	28	49	49	50	21	197	
HFE Berries Peru SAC	0-E	Peru	Banco de Crédito Perú	SOL	Monthly	5.00%	5.00%	1	-	-	1	-	-	-	-	-	-	
Euroberry Marketing S.A.	0-E	Spain	Banco Santander Central Hispano S.A.	US\$	Monthly	2.98%	2.98%	1,300	-	-	1,300	-	-	-	-	-	-	
Euroberry Marketing S.A.	0-E	Spain	Banco Santander Central Hispano S.A.	US\$	Monthly	2.99%	2.99%	580	-	-	580	-	-	-	-	-	-	
Euroberry Marketing S.A.	0-E	Spain	Banco Santander Central Hispano S.A.	US\$	Monthly	2.99%	2.99%	600	-	-	600	-	-	-	-	-	-	
Euroberry Marketing S.A.	0-E	Spain	Banco Santander Central Hispano S.A.	US\$	Monthly	2.98%	2.98%	1,300	-	-	1,300	-	-	-	-	-	-	
Euroberry Marketing S.A.	0-E	Spain	Banco Santander Central Hispano S.A.	US\$	Monthly	2.99%	2.99%	500	-	-	500	-	-	-	-	-	-	
Euroberry Marketing S.A.	0-E	Spain	Banco Santander Central Hispano S.A.	US\$	Monthly	2.98%	2.98%	240	-	-	240	-	-	-	-	-	-	
Euroberry Marketing S.A.	0-E	Spain	Banco Santander Central Hispano S.A.	US\$	Monthly	2.98%	2.98%	800	-	-	800	-	-	-	-	-	-	
Euroberry Marketing S.A.	0-E	Spain	Banco Bankinter	US\$	Monthly	3.17%	3.17%	-	-	1,534	1,534	-	-	-	-	-	-	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	98	98	-	-	-	-	-	-	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	5	-	-	-	-	5	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.30%	0.30%	-	-	58	58	-	-	-	-	-	-	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.30%	0.30%	-	-	64	64	-	-	-	-	-	-	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.30%	0.30%	-	-	143	143	-	-	-	-	-	-	
Hortifrut S.A.	96.896.990-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.20%	4.22%	-	-	3,659	3,659	2,930	2,934	3,938	3,944	33,820	47,566	
Hortifrut Inversiones Internacionales S.A.76.043.425-6	Chile	Banco RaboFinance Chile	US\$	Monthly	4.86%	4.20%	-	262	-	-	262	33,766	-	-	-	-	33,766	
Hortifrut Inversiones Internacionales S.A.76.043.425-6	Chile	Banco Santander Chile	US\$	Monthly	4.54%	4.20%	-	488	-	-	488	-	17,288	17,552	17,617	-	52,457	
Hortifrut Inversiones Internacionales S.A.76.043.425-6	Chile	Banco Scotiabank	US\$	Monthly	4.54%	4.20%	-	488	-	-	488	-	17,288	17,552	17,617	-	52,457	
HF Sarbanand S de R.L.	0-E	Mexico	HSBC México SA, Institucion de Banca Multiple	US\$	Annual	4.08%	4.08%	-	-	750	750	2,250	1,500	-	-	-	3,750	
Hortifrut TAL SAC	0-E	Peru	Rabobank	US\$	Biannual	4.35%	4.30%	-	199	3,302	3,501	3,287	3,287	3,287	3,287	3,291	16,439	
Hortifrut-Peru SAC.	0-E	Peru	Metlife	US\$	Biannual	5.20%	5.13%	-	-	3,227	3,227	3,139	3,139	3,139	3,139	23,546	36,102	
Total								86,305	34,021	22,985	143,311	78,559	54,455	51,897	49,523	75,374	309,808	

								Current			Total Current	Non-Current					Total Non-current
Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Effective Annual Rate	Nominal Annual Rate	Maturity up to 1 month			31-Dec-17	Maturity 1 to 2 years	Maturity 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years	31-Dec-17
								ThUS\$	ThUS\$	ThUS\$							
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	6.06%	6.06%	-	-	217	217	-	-	-	-	-	-
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	2.68%	2.68%	401	-	-	401	-	-	-	-	-	-
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco RaboFinance Chile	US\$	Annual	5.52%	5.20%	-	-	157	157	150	-	-	-	-	150
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco RaboFinance Chile	US\$	Annual	6.26%	6.09%	-	-	42	42	-	1,500	-	-	-	1,500
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	2.68%	2.68%	501	-	-	501	-	-	-	-	-	-
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	2.68%	2.68%	501	-	-	501	-	-	-	-	-	-
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco RaboFinance Chile	US\$	Annual	5.58%	5.31%	-	-	91	91	85	90	-	-	-	175
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco RaboFinance Chile	US\$	Annual	6.23%	6.01%	-	-	25	25	-	900	-	-	-	900
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Santander Chile	US\$	Annual	2.68%	2.68%	501	-	-	501	-	-	-	-	-	-
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.02%	2.02%	-	-	85	85	-	-	-	-	-	-
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	1.66%	1.66%	1	3	13	17	17	4	-	-	-	21
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	1.66%	1.66%	1	3	13	17	17	4	-	-	-	21
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.11%	2.11%	2	4	11	17	-	-	-	-	-	-
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.14%	2.14%	3	6	26	35	-	-	-	-	-	-
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.02%	2.02%	3	6	24	33	-	-	-	-	-	-
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.14%	2.14%	-	-	50	50	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentina	US\$	Annual	2.88%	2.06%	-	-	2,525	2,525	2,500	-	-	-	-	2,500
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentina	US\$	Annual	1.99%	1.99%	5,004	-	-	5,004	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentina	US\$	Annual	1.99%	1.99%	5,004	-	-	5,004	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentina	US\$	Annual	1.20%	1.20%	-	110	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bice	US\$	Annual	1.77%	1.77%	5,005	-	-	5,005	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	1.78%	1.78%	5,015	-	-	5,015	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.42%	3.02%	-	-	3,581	3,581	2,661	3,000	3,000	3,000	6,000	17,661
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	1.78%	1.78%	5,015	-	-	5,015	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	1.78%	1.78%	5,015	-	-	5,015	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	1.78%	1.78%	10,028	-	-	10,028	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	EUR	Annual	0.41%	0.41%	-	2,038	-	2,038	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	EUR	Annual	0.75%	0.75%	-	927	-	927	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	1.70%	1.70%	6,017	-	-	6,017	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	1.70%	1.70%	6,017	-	-	6,017	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	2.20%	5.03%	-	-	5,227	5,227	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	7	-	-	-	-	7
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	1.66%	1.66%	5,018	-	-	5,018	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	1.66%	1.66%	5,015	-	-	5,015	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	1.66%	1.66%	10,038	-	-	10,038	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	114	-	-	-	-	114
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Itaú	US\$	Annual	1.83%	1.83%	5,005	-	-	5,005	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Itaú	US\$	Annual	1.99%	1.99%	-	5,004	-	5,004	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco RaboFinance Chile	US\$	Annual	4.26%	4.26%	-	272	-	272	-	-	-	1,819	18,181	20,000
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	1.66%	1.66%	3,021	-	-	3,021	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	1.66%	1.66%	5,035	-	-	5,035	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	1.66%	1.66%	7,058	-	-	7,058	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	1.68%	1.68%	10,031	-	-	10,031	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	1.76%	1.76%	-	5,020	-	5,020	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	1.70%	1.70%	3,011	-	-	3,011	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	1.70%	1.70%	3,011	-	-	3,011	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	1.70%	1.70%	5,019	-	-	5,019	-	-	-	-	-	-
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	2.96%	2.96%	249	250	1,130	1,629	1,525	385	-	-	-	1,910
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Quarterly	1.15%	1.15%	-	734	2,213	2,947	2,981	3,015	3,050	-	-	9,046
Hortifrut España Southern Sun SL	0-E	Spain	Banco Bilbao Vizcaya Argentina	EUR	Biannual	1.16%	1.16%	-	-	1,469	1,469	2,965	2,998	3,033	1,530	-	10,526
Hortifrut España Southern Sun SL	0-E	Spain	La Caixa	EUR	Quarterly	1.10%	1.10%	-	-	735	735	1,483	1,499	1,516	764	-	5,262
Hortifrut España Southern Sun SL	0-E	Spain	Banco Intercontinental Español	EUR	Monthly	1.10%	1.10%	-	-	663	663	817	901	911	307	-	2,930
Hortifrut España Southern Sun SL	0-E	Spain	Banco Sabadell	EUR	Monthly	1.10%	1.10%	-	-	147	147	591	597	604	458	-	2,350
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.38%	1.38%	9	27	72	108	54	-	-	-	-	54
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.50%	1.50%	13	40	107	160	29	-	-	-	-	29
Asturian Berries SL	0-E	Spain	Caja Madrid	EUR	Monthly	0.87%	0.87%	2	4	19	25	11	-	-	-	-	11
Asturian Berries SL	0-E	Spain	Caja Rural Asturias	EUR	Monthly	5.00%	5.00%	2	6	19	27	-	-	-	-	-	-
Asturian Berries SL	0-E	Spain	Financial Services	EUR	Monthly	9.20%	9.20%	-	-	1	1	2	16	-	-	-	18
Asturian Berries SL	0-E	Spain	Banco Bilbao Vizcaya Argentina	EUR	Monthly	1.40%	1.40%	-	-	-	-	129	287	159	-	-	575
Berries Peru	0-E	Peru	Banco de Crédito Perú	SOL	Monthly	5.00%	5.00%	4	-	-	4	-	-	-	-	-	-
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	99	-	-	-	-	99
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	-	5	-	-	-	5
Total								115,375	14,454	18,662	148,691	16,237	15,201	12,273	7,878	24,181	75,770



## b) Financial Leasing Obligations

Obligations with Banks and financial institutions per financial leasing, grouped by maturity, are detailed below, as of September 30, 2018 and December 31, 2017, are as follows:

					Type of Amortization	Effective Annual Rate	Nominal Annual Rate														
								Maturity up to					Maturity 1 to 2 years	Maturity 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years				
								1 month	1 to 3 months	3 to 12 months	30-Sep-18							30-Sep-18			
Debtor Company	RUT	Country	Creditor Bank	Currency				ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$			
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.93%	3.93%	-	-	71	71	37	-	-	-	-	-	37			
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.91%	3.91%	-	8	8	16	16	9	-	-	-	-	25			
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.29%	4.29%	-	-	226	226	228	237	-	-	-	-	465			
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.10%	5.10%	-	-	183	183	169	178	202	-	-	-	549			
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.54%	5.54%	-	-	265	265	247	261	297	-	-	-	805			
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.33%	5.33%	1	1	6	8	2	-	-	-	-	-	2			
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.45%	5.45%	-	-	7	7	6	6	7	-	-	-	19			
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.30%	4.30%	1	1	5	7	5	-	-	-	-	-	5			
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Santander Chile	US\$	Annual	3.74%	3.74%	36	-	30	66	69	71	36	-	-	-	176			
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	2.79%	3.68%	98	-	285	383	291	-	-	-	-	-	291			
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Quarterly	3.29%	4.05%	-	195	528	723	722	747	773	799	617	-	3,658			
Hortifrut S.A.	96.896.990-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Monthly	9.79%	9.79%	15	32	148	195	175	-	-	-	-	-	175			
Hortifrut Comercial S.A.	99.535.510-8	Chile	GC Rent Chile SPA	CLP	Annual	16.93%	16.93%	-	1	1	2	-	-	-	-	-	-	-			
Hortifrut TAL SAC	o-E	Peru	Banco de Crédito	US\$	Monthly	3.60%	3.54%	-	2,472	-	2,472	5,016	-	-	-	-	-	5,016			
Hortifrut TAL SAC	o-E	Peru	Banco de Crédito	US\$	Monthly	3.70%	3.64%	-	10	29	39	41	-	-	-	-	-	41			
Hortifrut TAL SAC	o-E	Peru	Banco de Crédito	US\$	Monthly	3.86%	3.64%	-	11	32	43	61	-	-	-	-	-	61			
Hortifrut-Peru SAC.	o-E	Peru	Banco de Credito del Peru	US\$	Monthly	3.57%	3.51%	1	1	6	8	8	1	-	-	-	-	9			
Hortifrut-Peru SAC.	o-E	Peru	Banco de Credito del Peru	US\$	Monthly	3.57%	3.51%	7	13	47	67	-	-	-	-	-	-	-			
Hortifrut-Peru SAC.	o-E	Peru	Banco de Credito del Peru	US\$	Monthly	3.70%	3.64%	3	7	29	39	41	-	-	-	-	-	41			
Hortifrut-Peru SAC.	o-E	Peru	Scotiabank Peru S.A.	US\$	Monthly	4.10%	4.02%	14	28	129	171	179	61	-	-	-	-	240			
Hortifrut-Peru SAC.	o-E	Peru	Scotiabank Peru S.A.	US\$	Monthly	4.25%	4.17%	22	45	204	271	283	122	-	-	-	-	405			
Hortifrut-Peru SAC.	o-E	Peru	Scotiabank Peru S.A.	US\$	Monthly	3.90%	3.83%	77	153	703	933	724	-	-	-	-	-	724			
Hortifrut-Peru SAC.	o-E	Peru	Scotiabank Peru S.A.	US\$	Monthly	3.90%	3.83%	76	152	699	927	397	-	-	-	-	-	397			
Total								351	3,130	3,641	7,122	8,717	1,693	1,315	799	617	-	13,141			

Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Effective Annual Rate	Nominal Annual Rate	Current			Total Current	No corrientes					Total Non-Current
								Maturity up to 1 month	1 to 3 months	3 to 12 months	31-Dec-17	Maturity 1 to 2 years	Maturity 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years	31-Dec-17
ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$							
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.93%	3.93%	-	34	34	68	73	37	-	-	-	110
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.91%	3.91%	-	-	16	16	16	16	-	-	-	32
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.29%	4.29%	-	-	227	227	218	228	237	-	-	683
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.10%	5.10%	-	191	-	191	161	169	178	202	-	710
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.54%	5.54%	-	277	-	277	234	247	261	297	-	1,039
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.33%	5.33%	1	1	6	8	8	-	-	-	-	8
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.45%	5.45%	-	7	-	7	6	6	6	7	-	25
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.30%	4.30%	1	1	5	7	7	4	-	-	-	11
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Santander Chile	US\$	Annual	3.74%	3.74%	-	-	65	65	67	69	72	-	-	208
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	2.79%	2.79%	98	-	279	377	381	195	-	-	-	576
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Quarterly	3.29%	3.29%	-	193	514	707	705	729	754	779	1,218	4,185
Hortifrut S.A.	96.896.990-0	Chile	Banco Bilbao Vizcaya Argentina	US\$	Monthly	9.79%	9.79%	14	29	135	178	195	134	-	-	-	329
Total								114	733	1,281	2,128	2,071	1,834	1,508	1,285	1,218	7,916

### c) Cross Currency Swap Operations

The detail of the derivative instruments portfolio as of September 30, 2018 and December 31, 2017 are the following:

<u>LIABILITIES</u>			Balance	<u>MtoM Value</u>	
Hedging Instruments			Capital	30-Sep-18	31-Dec-17
			<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
<u>Entities</u>	<u>Instruments</u>	<u>Type</u>			
Banco de Crédito e Inversiones	Cross Currency Swaps - USD	Rate	21,000	-	280
Banco de Crédito e Inversiones	Cross Currency Swaps - USD	Rate	51,000	34	-
Banco Bilbao Vizcaya Argentaria	Cross Currency Swaps CLP/USD	Currency	425	2	-
Total non-current			72,425	36	280

The total of the fair value of these derivative instruments are recognized in other comprehensive income.

Swaps cover the significant variations in cash flows associated to the market risk implicit in the increases in LIBOR interest rate of 6 months for long term credits originated by investments. These contracts are recorded as cash flow hedging contracts.

The type of fee indicated in the forwards, is presented from the company's perspective, it is the contrary for banks.

### d) Currency Forwards operations:

The details of currency forwards operations held by Hortifrut and subsidiaries as of September 30, 2018 and December 31, 2017, is as follows:

Company	Bank	Contract Type	Fees Type	Currency	Liabilities		Closing Value	Net Effect	Maturity up to				Total current	Maturity up to		Total non- current
					Amount	Currency	Amount	Offsetting	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months		1 to 2 years	2 to 3 years	
					ThUS\$		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Agric. Santa Rosa del Parque S.A.	Banco Santander Chile	Offsetting	Sale	USD	1,007	CLP	965	(42)	19	20	3	-	42	-	-	-
Agric. y Gan. Sta. Rebeca Ltd.	Banco Santander Chile	Offsetting	Sale	USD	50	CLP	48	(2)	-	2	-	-	2	-	-	-
Agricola Mataquito S.A.	Banco Santander Chile	Offsetting	Sale	USD	1,296	CLP	1,241	(55)	16	32	6	-	54	-	-	-
Agricola Vida Nueva S.A.	Banco de Crédito e Inversiones	Offsetting	Sale	USD	1,297	CLP	1,237	(60)	14	35	2	-	51	-	-	-
Agricola Vida Nueva S.A.	Banco Santander Chile	Offsetting	Sale	USD	98	CLP	96	(2)	-	1	-	-	1	-	-	-
Hortifrut Chile S.A.	Banco de Chile	Offsetting	Sale	USD	1,305	CLP	1,250	(55)	18	20	9	-	47	-	-	-
Hortifrut Chile S.A.	Banco Estado	Offsetting	Sale	USD	3,415	CLP	3,407	(8)	1	2	2	-	5	-	-	-
Hortifrut Chile S.A.	Banco Scotiabank	Offsetting	Sale	USD	10,917	CLP	10,723	(194)	28	27	8	13	76	53	-	53
Hortifrut España Southern Sun SL	Banco Santander Central Hispano S.A.	Offsetting	Sale	USD	20,000	EUR	19,713	(287)	287	-	-	-	287	-	-	-
Hortifrut S.A.	Banco de Chile	Offsetting	Sale	USD	693	CLP	664	(29)	5	17	2	-	24	-	-	-
Hortifrut S.A.	Banco Estado	Offsetting	Sale	USD	864	CLP	862	(2)	1	2	2	-	5	-	-	-
Hortifrut S.A.	Banco Scotiabank	Offsetting	Sale	USD	5,662	CLP	5,561	(101)	10	21	-	4	35	29	-	29
		<b>Total</b>	<b>30-Sep-18</b>		<b>46,604</b>		<b>45,767</b>	<b>(837)</b>	<b>399</b>	<b>179</b>	<b>34</b>	<b>17</b>	<b>629</b>	<b>82</b>	<b>-</b>	<b>82</b>

  

<b>MTM</b>																
Company	Bank	Contract Type	Fees Type	Currency	Liabilities		Closing Value	Net Effect	Maturity up to				Total current	Maturity up to		Total non-current
					Amount	Currency	Amount	Offsetting	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months		1 to 2 years	2 to 3 years	
					ThUS\$		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile S.A.	Security	Offsetting	Purchase	USD	2,200	CLP	2,197	(3)	5	-	-	-	5	-	-	-
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	EUR	15,345	USD	15,999	(654)	324	361	-	-	685	-	-	-
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	USD	2,000	CLP	2,020	(20)	22	-	-	-	22	-	-	-
		<b>Total</b>	<b>31-Dec-17</b>		<b>19,545</b>		<b>20,216</b>	<b>(677)</b>	<b>351</b>	<b>361</b>	<b>-</b>	<b>-</b>	<b>712</b>	<b>-</b>	<b>-</b>	<b>-</b>

e) Additional information regarding financial liabilities

e.1) Hortifrut Chile S.A.

e.1.1) Dated November 05, 2015, BBVA Bank granted Hortifrut Chile S.A. a credit for US\$ 10 million and to date Hortifrut Chile S.A. owes US\$3.75 million.

The Company assumes the following obligations over the base of its interim consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 6 times as of December 31 of each year;
  - lower or equal to 4.5 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses of the last 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.

e.1.2) Dated October 06, 2015, Banco del Estado de Chile bank granted Hortifrut Chile S.A. a credit for ThCLP 6,855,000. For this credit, dollarization hedging was used and to date Hortifrut Chile S.A. owes US\$4.04 million.

The Company assumes the following obligations, over the base of its interim consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 4.5 times as of June 30, 2016;
  - lower or equal to 4 times as of June 30, 2017;
  - lower or equal to 3.5 times as of June 30, 2018.

In relation to the aforementioned obligation, dated June 12, 2018, the non-measurement of this obligation as of June 30, 2018, was agreed with Banco del Estado de Chile.

- To maintain financial cost coverage (EBITDA divided net financial expenses of the last 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - not higher than 1 time as of June 30 of each year.

e.1.3) Dated September 07, 2017, Coöperatieve Rabonak U.A. granted Hortifrut Chile S.A. a credit for USD 20 million.

Hortifrut S.A. maintains the security and co-debt for the loan with Rabobank for US\$ 20 million, of which to date Hortifrut Chile S.A. owes the total.

The Company assumes the following obligations over the base of its interim consolidated financial statements:

- To maintain a Net Financial Debt divided by annual EBITDA
  - lower or equal to 6 times as of December 31 of each year;
  - lower or equal to 4.5 times as of June 30 of each year.

- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.
- To maintain a hedge ratio of the assets at trade value over the owed capital balance
  - higher or equal to 1 time.

e.2) Hortifrut S.A.

3.2.1) Dated February 07, 2018, Banco de Crédito e Inversiones granted Hortifrut S.A. a credit for USD 54 million.

Hortifrut Chile S.A. maintains the security and co-debt for the loans with Banco de Crédito e Inversiones for USD 50.53 million, of which to date Hortifrut S.A. owes the total.

The Company assumes the following obligations, over the base of its interim consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 5.25 times as of December 31 of each year;
  - lower or equal to 4.0 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.

e.3) Hortifrut Inversiones Internacionales S.A.

e.3.1) Dated June 20, 2018, Rabobank granted Hortifrut Inversiones Internacionales S.A. a credit for US\$ 34 million of which to date the company owes the total.

The Company assumes the following obligations, over the base of its interim consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 5.25 times as of December 31 of each year;
  - lower or equal to 4.0 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months)
  - lower or equal to 1 time as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.

e.3.2) Dated June 20, 2018, Banco Santander granted Hortifrut Inversiones Internacionales S.A., a credit for US\$ 53 million of which to date it owes the total.

The Company assumes the following obligations, over the base of its interim consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 4.5 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.

e.3.3) Dated June 20, 2018, Scotiabank granted Hortifrut Inversiones Internacionales S.A., a credit for US\$ 53 million of which to date it owes the total.

The Company assumes the following obligations, over the base of its interim consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 4.5 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.

e.3.4) Dated June 20, 2018, BCI Bank granted Hortifrut Chile S.A. a credit for US\$ 20 million of which to date it owes the total.

The Company assumes the following obligations, over the base of its interim consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 6 times as of December 31 of each year;
  - lower or equal to 4.5 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.

#### e.4) Compliance of Covenants

##### e.4.1) Net financial debt divided by annual EBITDA

Net financial debt divided by annual EBITDA was 3.75 for the 12-month period ending June 30, 2018, (lower than the 4 times requested by BCI, 4.5 times requested by Rabobank, Santander, Scotiabank and BBVA).

Dated June 12, 2018, the non-measurement of this obligation as of June 30, 2018, was agreed with Banco del Estado de Chile.

Net financial debt divided by annual EBITDA was 3.49 for the 12-month period ending December 31, 2017, (lower than the 6 times requested by Rabobank, BCI and BBVA).

	<b>30-Jun-18</b>	<b>31-Dec-17</b>	<b>30-Jun-17</b>	<b>1-Jul-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>30-Jun-18</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
EBITDA	26,059	59,520	37,266	48,313
Net Financial Debt	181,287	207,659	142,968	181,287
<b>Net Financial Debt / EBITDA</b>	<b>6.96</b>	<b>3.49</b>	<b>3.84</b>	<b>3.75</b>

e.4.2) Financial cost hedging (EBITDA divided by net financial costs of the last 12 months)

Financial cost hedging for a 12-month period ending in June, was 8.2 times, (higher than the 4 required as of June 30, 2018 by BCI, BBVA, Banco del Estado, Scotiabank, Santander and Rabobank).

	<b>30-Jun-18</b>	<b>31-Dec-17</b>	<b>30-Jun-17</b>	<b>1-Jul-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>30-Jun-18</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
EBITDA	26,059	59,520	37,266	48,313
Net Financial Cost	3,807	3,965	1,879	5,893
<b>EBITDA / Net Financial Cost</b>	<b>6.8</b>	<b>15.0</b>	<b>19.8</b>	<b>8.2</b>

e.4.3) Net Financial Debt divided by Total Equity

As of June 30, 2018 it was 0.73 times (lower than 1 time required by BCI, BBVA, Banco del Estado, Scotiabank, Santander and Rabobank).

	<b>30-Jun-18</b>	<b>30-Jun-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Total Equity	247,541	236,305
Net Financial Debt	181,287	142,968
<b>Net Financial Debt / Total Equity</b>	<b>0.73</b>	<b>0.61</b>

e.4.4) Assets at commercial value over the owed capital balance

As of June 30, 2018 it was 2.2 times (higher than 1 time required by Rabobank).

	<b><u>Biological</u></b>	<b><u>Other</u></b>	<b><u>Associated</u></b>	
	<b><u>Assets</u></b>	<b><u>Properties</u></b>	<b><u>Debt</u></b>	
	<b><u>ThUS\$</u></b>	<b><u>ThUS\$</u></b>	<b><u>ThUS\$</u></b>	<b><u>Times</u></b>
<b>Net Financial Debt / Total Equity</b>				
Agrícola Hortifrut S.A.	31,246	13,146	20,188	2.2

#### e.4.4) Parameters to calculate ratios

The EBITDA of the periods ending December 31, 2017 and for the periods ending June 30, 2018 and 2017, are the following:

	12 month period				
	30-Jun-18	31-Dec-17	30-Jun-17	1-Jul-17	1-Jul-16
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>DETERMINING EBITDA</b>					
Income from operating activities	260,683	388,250	203,588	445,345	393,638
Other income, per function	1,572	495	234	1,833	1,568
<b>Total Income</b>	<b>262,255</b>	<b>388,745</b>	<b>203,822</b>	<b>447,178</b>	<b>395,206</b>
Cost of sales	(228,908)	(324,718)	(167,211)	(386,415)	(333,367)
Administration expenses	(17,560)	(26,773)	(14,109)	(30,224)	(26,526)
Other expenses, per function, excluding impairment in the value of assets	(1,161)	(1,528)	(718)	(1,971)	(1,401)
<b>Total Costs and Expenses</b>	<b>(247,629)</b>	<b>(353,019)</b>	<b>(182,038)</b>	<b>(418,610)</b>	<b>(361,294)</b>
<b>Operating Result</b>	<b>14,626</b>	<b>35,726</b>	<b>21,784</b>	<b>28,568</b>	<b>33,912</b>
Depreciation and amortization	11,433	23,794	15,482	19,745	26,941
<b>EBITDA</b>	<b>26,059</b>	<b>59,520</b>	<b>37,266</b>	<b>48,313</b>	<b>60,853</b>

The detail of depreciation and amortization as of June 30, 2018 and 2017 and December 31, 2017 is as follows:

	30-Jun-18	30-Dec-17	30-Jun-17
	ThUS\$	ThUS\$	ThUS\$
<b>Depreciation and Amortization</b>			
Property, plant and equipment	5,188	9,300	4,487
Intangibles - Software	33	102	60
Intangibles - Licenses	706	7,082	5,080
Relationship with customers	133	266	133
Amortization biologicals	5,193	7,172	5,650
Capitalized amortization / others	180	(128)	72
<b>Total</b>	<b>11,433</b>	<b>23,794</b>	<b>15,482</b>

The determining of net financial debt as of June 30, 2017 and 2016 (unaudited) and as of December 31, 2017 and 2016 are as follows:

<b>Determining net financial debt</b>	30-Jun-18	31-Dec-17	30-Jun-17	31-Dec-16
	unaudited		unaudited	
<b>Items</b>	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other current financial liabilities	92,361	151,531	99,660	150,787
Other non-current financial liabilities	268,408	83,966	72,824	57,630
<b>Total financial liability</b>	<b>360,769</b>	<b>235,497</b>	<b>172,484</b>	<b>208,417</b>
<b>Minus:</b>				
Cash and cash equivalents	179,482	27,838	29,516	35,245
<b>Total net financial debt</b>	<b>181,287</b>	<b>207,659</b>	<b>142,968</b>	<b>173,172</b>

#### e.5) Financial risk management policies

The Company, following the financial risk management policy described in note 4.1, contracts financial derivatives to cover its exposure to the exchange rate and interest rate fluctuations.

The derivatives to cover the exposure of the exchange rate fluctuations which Hortifrut S.A. and subsidiaries currently maintain correspond to derivative instruments classified as Cross Currency Swaps (CCS), Currency Forwards and Options. The first are used to hedge the variable interest rate of the financial debt, the others



are used to assure exchange rate levels for future transactions.

e.6) The conciliation of movements as of September 30, 2018, between financial liabilities and cash flows for financing activities is as follows:

Concepts	Mon-monetary movements (not flows)						
	31-Dec-17	Incorporation	Cash flows	Payable	Changes in	Reclassifications	30-Sep-18
	ThUS\$	merger ThUS\$	ThUS\$	interests ThUS\$	fair value ThUS\$	ThUS\$	ThUS\$
Short term loans with financial entities	148,691	62	(46,564)	263	-	40,863	143,315
Long term loans with financial entities	75,770	60,000	211,551	3,176	-	(40,689)	309,808
Short term financial leasing liabilities	10,044	12,737	(2,344)			(174)	20,263
Derivative instruments	992	-	-		(249)	-	743
<b>Total</b>	<b>235,497</b>	<b>72,799</b>	<b>162,643</b>	<b>3,439</b>	<b>(249)</b>	<b>-</b>	<b>474,129</b>

## NOTE 22 – CURRENT AND NON-CURRENT TRADE ACCOUNTS AND OTHER ACCOUNTS PAYABLE.

The detail of this item as of September 30, 2018 and December 31, 2017 are the following:

	30-Sep-18 ThUS\$	31-Dec-17 ThUS\$
<b>Current</b>		
Suppliers	26,941	37,657
Payable notes	3,741	33
Retentions and payable tax	5,378	5,853
Payable dividend	-	6,181
<b>Total</b>	<b>36,060</b>	<b>49,724</b>
<b>Non-Current</b>		
Contingent Consideration	6,506	-
<b>Total</b>	<b>6,506</b>	<b>-</b>

Accounts payable per currency are as follows:

	30-Sep-18 ThUS\$	31-Dec-17 ThUS\$
<b>Current</b>		
United States Dollar	19,051	31,090
Chilean Peso	4,915	13,543
Euro	1,395	2,404
Mexican Peso	575	1,425
Argentine Peso	14	26
Nuevo Sol	7,425	1,021
Pound	2,561	-
Brazilian Real	124	215
<b>Total</b>	<b>36,060</b>	<b>49,724</b>
<b>Non-Current</b>		
United States Dollar	6,506	-
<b>Total</b>	<b>6,506</b>	<b>-</b>

### Suppliers with payments non past due, as of September 30, 2018

Type of Supplier	Amounts in thousands of dollars, as per payment terms						Total	Average payment period (days)
Goods/Services/Others	up to 30 days	31-60	61-90	91-120	121-365	366 and more	ThUS\$	
Goods	7,255	9,331	7,331	1,459	107	-	25,483	65
Services	5,369	3,320	293	18	1,448	-	10,448	88
Others	-	-	37	61	31	6,506	6,635	170
<b>Total as of 30-09-2018</b>	<b>12,624</b>	<b>12,651</b>	<b>7,661</b>	<b>1,538</b>	<b>1,586</b>	<b>6,506</b>	<b>42,566</b>	

**Suppliers with payments non past due, as of December 31, 2017**

Type of Supplier Goods/Services/Others	Amounts in thousands of dollars, as per payment terms						Total ThUS\$	Average payment period (days)
	up to 30 days	31 - 60	61 - 90	91 - 120	121 - 365	366 and more		
Goods	8,516	17,990	3,364	1,772	-	-	31,642	58
Services	11,238	477	-	-	-	-	11,715	31
Others	169	-	3	6,181	14	-	6,367	118
<b>Total as of 31-12-2017</b>	<b>19,923</b>	<b>18,467</b>	<b>3,367</b>	<b>7,953</b>	<b>14</b>	<b>-</b>	<b>49,724</b>	

The main suppliers are the following:

- Envases Impresos S.A.	- Autoadhesivos PyR Ltda.
- Coembal Chile S. A	- Impresos Autoadhesivos Ltda.
- Ultrapac Sudamérica S.A.	- Ind. y Cia. Solucorp Ltda.
- Typack S.A.	- Cartocor Chile S. A.
- Bo Packaging S.A.	- Sof South Organic Fruits
- Madeex Pallets Chile S.A.	- Wenco S.A.

The average payment term of the main suppliers is 61 days. Prices are mostly agreed in dollars and there are no interests associated to the credit.

**Producing Suppliers**

The Company currently maintains over 700 producers in the countries where it has its operations. Due to the level of atomization of said producers, none of them surpasses 2% of the volume purchased from third parties.

## NOTE 23 – EMPLOYEE BENEFITS AND OTHER PROVISIONS

The concepts that make up this item are the following:

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>Current provisions</b>		
<b>Other provisions</b>		
Cost provisions	186	545
<b>Other provisions</b>	<b>186</b>	<b>545</b>
<b>Employee benefits</b>		
Vacations	1,708	1,142
Substitute retirement benefits	347	470
Other benefits for personnel (bonus)	270	-
<b>Employee benefits</b>	<b>2,325</b>	<b>1,612</b>
<b>Total</b>	<b>2,511</b>	<b>2,157</b>

The movement of provisions during the period ending September 30, 2018 and the period ending December 31, 2017, is as follows:

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>Movement</b>		
Opening balance	2,157	1,752
Increase in provisions	4,407	1,870
Used provisions	(1,431)	(1,465)
<b>Total</b>	<b>5,133</b>	<b>2,157</b>

## NOTE 24 – ISSUED CAPITAL

The objectives of Hortifrut and subsidiaries when administering capital are to safeguard the capacity to continue as a going concern, in order to generate returns for its shareholders, benefits to other interest groups and to maintain an optimum structure to reduce the cost of capital.

Consistent with the industry, Hortifrut and subsidiaries monitor their capital with the leverage ratio base. This ratio is calculated by dividing the net debt between the total capital. The net debt corresponds to the total debt (including current and non-current debt) minus cash and cash equivalents. The total capital corresponds to equity just as is shown in the consolidated statement of position plus net debt.

In this aspect Hortifrut and subsidiaries have combined different sources of financing such as: operation flows and bank credits, among others.

a) Subscribed, paid, to be subscribed capital and number of shares

Subscribed and paid capital as of September 30, 2018, reaches ThUS\$347,191 (ThUS\$135,149 as of December 31, 2017) equal to 525,546,131 shares of a single series and without nominal value.

b) Movements of the year

During the period ending September 30, 2018, 90,026,052 shares were issued for a value of ThUS\$212,042, shares destined to the swap that originated the merger with the blueberries business of the Peruvian Rocio group.

In 2017, at extraordinary shareholder's meeting, it was authorized to legally decrease the Company's capital, by the amount of ThUS\$1,262 which was kept as a share issuance expense.

There are no own shares in portfolio.

### Number of Subscribed Shares

Weighted average of ordinary shares in circulation	N° of days in circulation	N° Shares	% Weighting	Weighted average of ordinary shares in circulation	
				30-Sep-18	31-Dec-17
Opening balance	273	435,520,079	100%	435,520,079	435,520,079
Issuance of new shares for Swap	92	90,026,052	100%	30,338,450	-
	<b>273</b>	<b>525,546,131</b>		<b>465,858,529</b>	<b>435,520,079</b>

## NOTE 25 – ACCUMULATED RETAINED EARNINGS (LOSS)

The detail of the accumulated result as of September 30, 2018 and December 31, 2017, is as follows:

	30-Sep-18	31-Dec-17
Movement	ThUS\$	ThUS\$
Opening balance	70,503	56,218
Profit (loss), attributable to the parent company	76,642	26,563
Minimum dividend provision	-	(6,181)
Reversal minimum dividend provision previous year	6,181	7,283
Definite dividend	(6,181)	(7,283)
Provisional dividend	-	(6,097)
Impact due to change in accounting policy	(812)	-
<b>Total</b>	<b>146,333</b>	<b>70,503</b>

### a) Dividend policy

As per what is stated in the Corporation Law, the Company is obligated to the distribution of an obligatory minimum dividend equal to 30% of profits, nevertheless and as per the corporate statutes, the minimum dividend established for the Company is at least 50%, unless otherwise agreed at the corresponding meeting, by unanimity of the issued shares.

In virtue of what was informed to the Commission for the Financial Market, related with regulation (circular) N° 1945, in order to determine the Company's net distributable profit, to be considered to calculate the dividend, the following will be excluded from gains attributable to the controller's parent Company:

- 1) Non-realized results linked with the fair value record of the biological assets regulated by "IAS 41" accounting standard, reintegrating them to the net profit at the moment of its realization. For these effects, the portion of said increases in fair value corresponding to the assets sold or allocated by another means will be understood to be realized.
- 2) Non-realized results generated in the acquisition of other entities and, in general, those non-realized results that are produced due to the application of paragraphs 34, 42, 39 and 58 of the "International Financial Reporting Standards N° 3", amended accounting standard, that refers to business combination operations. These results are also reintegrated to the net profit at the moment of their realization. For these effects, results are understood to be realized when the acquired entities generate profit after their acquisition, or when said entities are disposed of.
- 3) The effects of deferred taxes associated to the concepts indicated in 1) and 2) will follow the same fate as the item that originated them.

## b) Dividend Provision

In the period ending September 30, 2018, the Company did not record provision for minimum dividend (ThUS\$6,181 as of December 31, 2017).

Below is the calculation of the accrued dividend for the period ending September 30, 2018 and the period ending December 31, 2017:

Concept	30-Sep-18 ThUS\$	31-Dec-17 ThUS\$
Gains attributable to owners of the parent company	76,642	26,563
<b>Minus:</b>		
Non realized results	i. (60,995)	(810)
Increase biological assets to fair value	ii. (33,486)	(1,640)
Deferred taxes	25,510	443
<b>Result to be Distributed</b>	<b>7,671</b>	<b>24,556</b>

- i. Non-realized results generated in the acquisition of Hortifrut Tal S.A.C.
- ii. Non-realized results linked to the recording at fair value of biological assets regulated by "IAS 41" accounting standard.

## Paid dividends

Below is a detail of the dividends paid in the previous years:

Month and year of payment	Type	Last 3 years ThUS\$
May-15	Definite	2,939
Oct-15	Provisional	3,920
	<b>Total year 2015</b>	<b>6,859</b>
May-16	Definite	2,873
Oct-16	Provisional	5,662
	<b>Total year 2016</b>	<b>8,535</b>
May-17	Definite	7,283
Oct-17	Provisional	6,097
	<b>Total year 2017</b>	<b>13,380</b>
May-18	Definite	6,181
	<b>Total year 2018</b>	<b>6,181</b>

## NOTE 26 – OTHER RESERVES

The other reserves that are presented in the statement of changes in equity, are of the following nature:

**Cash Flow hedging reserve** – Corresponds to the difference between spot values and the fair value of the cash Flow hedging contracts (CCS) which are qualified as efficient, net of deferred tax.

**Reserves due to exchange rate fluctuations.** – This balance reflects the accumulated results, by exchange rate fluctuations, when converting the financial statements of overseas subsidiaries, from their functional currency to Hortifrut's reporting currency (United States Dollars).

The detail of the account Other Reserves and its movement is as follows:

<b>Movement</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
<b>Opening balance</b>	1,165	(4,919)
Cash flow hedging reserves	(3,000)	818
Reserves for exchange rate fluctuations	(5,084)	5,266
<b>Total</b>	<b>(6,919)</b>	<b>1,165</b>
<b>Other Reserves</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
Cash flow hedging reserves (*)	516	3,516
Reserves for exchange rate fluctuations	(7,435)	(2,351)
<b>Total</b>	<b>(6,919)</b>	<b>1,165</b>

(\*) The movement of cash flow hedging reserves in the period ending September 30, 2018 and in the period ending December 31, 2017 is as follows:

<b>Movement cash flow hedging reserves</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
<b>Opening balance</b>	3,516	2,698
Other comprehensive income	(3,000)	818
<b>Total</b>	<b>516</b>	<b>3,516</b>

Cash Flow hedging reserve is net of deferred tax.

Income tax included in cash flow hedging reserves is detailed below:

	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
Cash flow hedging reserves	707	4,735
Gains tax	(191)	(1,219)
<b>Total</b>	<b>516</b>	<b>3,516</b>



The movement of reserves due to Exchange rate fluctuations, in the period ending September 30, 2018 and the period ending December 31, 2017, are the following:

	30-Sep-18	31-Dec-17
<b>Movement exchange rate fluctuation reserves</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>Opening balance</b>	(2,351)	(7,617)
Other comprehensive income	(5,084)	5,266
<b>Total</b>	<b>(7,435)</b>	<b>(2,351)</b>

## NOTE 27 – NON-CONTROLLING INTERESTS

Corresponds to the recognizing of equity value and the result of the subsidiaries that correspond to minority investors.

The detail of the interests of non-parent companies as of September 30, 2018 and December 31, 2017 and the interests of non-parent companies in results for the periods ending September 30, 2018 and 2017, are the following:

Subsidiaries	Non controlling interest Percentage		Non controlling interest Equity		Non-controlling interest in profit (loss) result	
	30-Sep-18 %	31-Dec-17 %	30-Sep-18 ThUS\$	31-Dec-17 ThUS\$	30-Sep-18 ThUS\$	30-Sep-17 ThUS\$
Agrícola El Avellano S.A.	60.0%	60.0%	2,736	2,568	(61)	99
Agrícola El Pampino S.A.	80.0%	80.0%	995	927	68	163
Agr. y Ganandera Santa Rebeca Ltda.	75.0%	75.0%	118	125	3	(3)
Agrícola Vida Nueva S.A.	50.0%	50.0%	3,866	3,945	(29)	162
Viveros Hortifrut Chile S.A.	49.0%	49.0%	141	149	2	(3)
Hortifrut Argentina S.A.	4.1%	4.1%	6	14	(1)	3
Agrofrutas, SRL. de C.V.	1.0%	1.0%	(15)	(8)	-	(4)
Hortifrut España Southern Sun S.L.	50.0%	50.0%	20,863	18,653	3,249	(371)
Agrícola Santa Rosa del Parque S.A.	70.0%	70.0%	2,720	3,059	(161)	324
Agrícola Mataquito S.A.	50.0%	50.0%	2,593	1,470	1,148	(42)
Euroberry Marketing S.A.	50.0%	50.0%	2,037	1,904	254	86
Asturian Berries S.A.	74.5%	74.5%	166	-	(182)	(104)
Honghe Jiayu Agriculture Limited	49.0%	49.0%	12,669	3,952	(76)	-
<b>Total</b>			<b>48,895</b>	<b>36,758</b>	<b>4,214</b>	<b>310</b>

The movements of non-parent company interests are the following:

Moviment	30-Sep-18	31-Dec-17
	ThUS\$	ThUS\$
<b>Opening balance</b>	36,758	29,648
Profit	4,214	1,142
Reserves for exchange rate fluctuations	(1,417)	2,298
Cash flow hedging reserves	(106)	(14)
Capital increase (dividends) at subsidiaries	(157)	(313)
Changes in accounting policy	126	-
Contributions in subsidiaries (*)	9,477	3,997
<b>Total</b>	<b>48,895</b>	<b>36,758</b>

(\*) Corresponds to contributions to Honghe Jiayu Agriculture Limited, on behalf of the minority investor.

## NOTE 28 – PROFITS PER SHARE AND DISTRIBUTABLE NET PROFIT

### 28.1. Profits per share

The calculation of profits per share has been performed by dividing the amount of profits attributable to the shareholders by the weighted average of the number of shares of the single series. Hortifrut has not issued a convertible debt or other equity values. As a result, there are no potentially diluting effects in the Company's income per share.

The detail of profits per share is as follows:

	Measuring Unit	Quarter			
		30-Sep-18	31-Dec-17	1-Jul-18 30-Sep-18	1-Jul-17 30-Sep-17
<b>Basic profit (loss) per share</b>					
Profit (loss) of continued activities after tax	ThUS\$	76,642	20,544	71,144	5,845
Basic weighted average of number of shares	Unit	465,858,529	435,520,079	465,858,529	435,520,079
<b>Basic profit per share continued operations</b>	(US\$ per share)	<b>0.164518</b>	<b>0.047171</b>	<b>0.152716</b>	<b>0.013421</b>

The calculation of the weighted average of the number of shares in circulation, is detailed below:

Weighted average number of ordinary shares in circulation	N° of days in circulation	N° of shares	% Weighting	Weighted average of ordinary shares in circulation	
				30-Sep-18	31-Dec-17
Opening balance	273	435,520,079	100%	435,520,079	435,520,079
Issuance new shares for Swap	92	90,026,052	100%	30,338,450	-
Emisión nuevas acciones de pago	-	-	0%	-	-
	<b>273</b>	<b>525,546,131</b>		<b>465,858,529</b>	<b>435,520,079</b>

### 28.2. Distributable net profit

The dividend policy consists on distributing as dividend 50% of the period's net profit, and through the distributing of a final dividend, which must be agreed by the Ordinary Shareholders Meeting, payable on the date that said meeting designates.

In virtue of what is stated in CMF's regulation (circular) N° 1.945, dated September 29, 2009, the Board agreed to establish as a general policy that the net profit, for the payment of the minimum 30% obligatory dividend, established in article 79 of Law 18.046, will be determined over the base of the refined profit of the relevant variations in the fair value of the assets and liabilities that are not realized, which must be re-entered into the calculation of the net profit of the period when said variations are performed.

Additional dividends will be determined based on the mentioned criteria, as per the agreement that the Shareholder's Meeting adopts.

The calculation of the Result to be Distributed for the periods ending September 30, 2018 and the period ending December 31, 2017, is presented in Note 25 b).

## NOTE 29 – OPERATING REVENUE AND OTHER REVENUE, PER FUNCTION

The detail of the item as of September 30, 2018 and 2017 is as follows:

Concept	Quarter			
	30-Sep-18	30-Sep-17	1-Jul-18	1-Jul-17
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue from operating activities	316,508	241,081	55,825	37,493
Other revenue, per function	35,092	369	33,520	135
<b>Total</b>	<b>351,600</b>	<b>241,450</b>	<b>89,345</b>	<b>37,628</b>

The detail of the Company's revenue considers Revenue from operating activities plus Other revenue, per function.

Other income, per function	Quarter			
	30-Sep-18	30-Sep-17	1-Jul-18	1-Jul-17
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Adjustment to Fair Value Biologicals	33,486	-	33,486	-
Profit from the sale of Property, plant and equipment	1,084	369	727	135
Third party recoveries	522	-	(693)	-
<b>Total</b>	<b>35,092</b>	<b>369</b>	<b>33,520</b>	<b>135</b>

Below we detail revenue per segment for the periods ending September 30, 2018 and 2017 as follows:

Product	Quarter			
	30-Sep-18	30-Sep-17	1-Jul-18	1-Jul-17
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Fresh fruit</b>				
Blueberries	295,201	186,136	77,852	26,475
Raspberries	13,189	12,836	2,199	1,151
Blackberries	8,750	11,581	283	432
Strawberries	6,015	9,172	794	1,207
Cherries	4,409	2,873	-	-
<b>Total Fresh Fruit</b>	<b>327,564</b>	<b>222,598</b>	<b>81,128</b>	<b>29,265</b>
Value Added Products	24,036	18,852	8,217	8,363
<b>Total</b>	<b>351,600</b>	<b>241,450</b>	<b>89,345</b>	<b>37,628</b>

The Company's revenue is mainly constituted by the sale of products derived from the harvesting of "bearer plants".

### NOTE 30 – DETAIL OF RELEVANT RESULTS

The items in the income statement per function for the periods ending September 30, 2018 and 2017, are detailed as indicated below:

#### 30.1 Cost of sales

Below are the main sales costs that the Company maintains as of September 30, 2018 and 2017:

	Quarter			
			1-Jul-18	1-Jul-17
	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Cost of sales</b>				
Cost of sales	141,333	94,669	2,502	12,375
Materials	14,035	15,347	1,740	1,074
Remunerations	44,757	31,938	12,173	7,227
Depreciations and amortizations	20,231	17,820	9,645	3,078
Other general expenses	13,125	10,192	5,880	3,148
Freight	16,047	12,591	1,820	1,404
Lease of property, machinery, etc.	6,359	4,563	1,883	877
Third party services	12,073	10,508	3,409	1,234
<b>Total Cost of Sales</b>	<b>267,960</b>	<b>197,628</b>	<b>39,052</b>	<b>30,417</b>

#### 30.2 Administrative expenses

Below is the detail of administrative expenses as of September 30, 2018 and 2017:

	Quarter			
			1-Jul-18	1-Jul-17
	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Administration expenses</b>				
Remunerations	15,486	10,524	4,715	2,646
Depreciations and amortizations	1,218	1,105	397	376
Other general expenses	4,584	4,175	1,703	1,352
Lease of property, machinery, etc.	650	556	165	256
Third party services	4,133	3,890	1,531	1,511
<b>Total Administration Expenses</b>	<b>26,071</b>	<b>20,250</b>	<b>8,511</b>	<b>6,141</b>

### 30.3 Other expenses, per function

			Quarter	
			1-Jul-18	1-Jul-17
	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Other expenses, per function</b>				
<b>Investigation expenses</b>				
Cost of Sales	667	19	483	12
Materials	4	11	-	-
Remunerations	476	375	153	163
Depreciations and amortizations	40	17	14	6
Other general expenses	205	182	63	35
Freight	32	23	31	21
Lease of property, machinery, etc.	15	17	2	4
Third party services	684	247	300	59
Received contributions	(694)	(25)	(553)	-
<b>Sub-total Investigation expenses</b>	<b>1,429</b>	<b>866</b>	<b>493</b>	<b>300</b>
<b>Other expenses</b>				
Loss from sale of property, plants and equipment and materials	302	184	231	32
Asset write-offs	519	-	519	-
Other expenses	144	-	(10)	-
<b>Sub-total Other expenses</b>	<b>965</b>	<b>184</b>	<b>740</b>	<b>32</b>
<b>Total Other expenses, per function</b>	<b>2,394</b>	<b>1,050</b>	<b>1,233</b>	<b>332</b>

### NOTE 31 – FINANCIAL EXPENSES

Financial expenses for the periods ending September 30, 2018 and 2017, are detailed below:

			Quarter	
			1-Jul-18	1-Jul-17
	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Financial Expenses</b>				
Bank loans	8,260	2,702	4,462	560
Other financial expenses	1,265	446	387	149
Interests with related parties	378	175	274	235
Leasing interests	353	300	151	100
<b>Total Financial Expenses</b>	<b>10,256</b>	<b>3,623</b>	<b>5,274</b>	<b>1,044</b>

### NOTE 32 – OTHER REVENUE – EXPENSE

Other Revenue – Expenses for the periods ending September 30, 2018 and 2017, are detailed as follows:

			Quarter	
			1-Jul-18	1-Jul-17
	30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other revenue (expense)				
Profit due to FV acquisition Hortifrut Tal S.A.C	60,995	-	60,995	
Other expenses	(128)	(175)	(78)	(10)
Total Other Revenue (expense)	60.867	(175)	60.917	(10)

Corresponds to the adjustment to fair value of interests in Hortifrut Tal S.A.C. (Peru), which was originated due to the purchase and merger of Grupo Rocío's blueberry business in Peru.

### NOTE 33 – EXCHANGE RATE DIFFERENCE

The detail of the exchange rate difference for the periods ending September 30, 2018 and 2017, are detailed as follows:

				Quarter	
				1-Jul-18	1-Jul-17
		30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17
	Currency	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<b>Assets</b>					
Cash and cash equivalents	CLP	69	(206)	207	12
Cash and cash equivalents	USD	(28)	(168)	(36)	(179)
Cash and cash equivalents	EUR	(20)	(77)	(1)	(17)
Cash and cash equivalents	MXN	(19)	(18)	15	(35)
Trade debtors and other accounts receivable	CLP	362	89	438	74
Trade debtors and other accounts receivable	USD	409	(4)	302	(35)
Trade debtors and other accounts receivable	EUR	9	117	2	23
Trade debtors and other accounts receivable	MXN	18	446	1	(59)
Accounts receivable from related entities	EUR	(85)	63	(169)	(97)
Current tax assets	CLP	(253)	721	16	398
Current tax assets	MXN	1,682	(673)	2,027	(558)
Current tax assets	USD	(1,907)	(14)	(2,009)	(12)
<b>Sub-total</b>		<b>237</b>	<b>275</b>	<b>793</b>	<b>(486)</b>
<b>Liabilities</b>					
Other financial liabilities	CLP	27	9	5	7
Other financial liabilities	EUR	10	-	-	-
Other financial liabilities	USD	13	(13)	9	(10)
Trade accounts and other accounts payable	CLP	208	(145)	(376)	(254)
Trade accounts and other accounts payable	USD	(929)	(470)	(436)	314
Trade accounts and other accounts payable	EUR	(24)	(702)	1	(16)
Trade accounts and other accounts payable	MXN	(93)	(190)	260	70
Accounts payable to related entities	CLP	(202)	(14)	(33)	14
Accounts payable to related entities	USD	1,514	(3,294)	46	(1,809)
Accounts payable to related entities	MXN	(5)	43	42	(2)
<b>Sub-total</b>		<b>519</b>	<b>(4,776)</b>	<b>(482)</b>	<b>(1,686)</b>
<b>Total exchange rate difference</b>		<b>756</b>	<b>(4,501)</b>	<b>311</b>	<b>(2,172)</b>

## NOTE 34 – FOREIGN CURRENCY

### 34.1 Foreign Currency Current Assets

<b>Current Assets</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
<b>Cash and Cash Equivalents</b>		
Dollar	23,718	14,519
Euros	8,408	9,770
Chilean Pesos	1,252	2,313
Mexican Pesos	385	430
Other currencies	1,690	806
<b>Other current financial assets</b>		
Dollar	1,385	4,473
<b>Other current non-financial assets</b>		
Dollar	2,334	994
Euros	477	423
Chilean Pesos	2,133	1,359
Mexican Pesos	2,552	2,208
Other currencies	89	630
<b>Current trade debtors and other accounts receivable</b>		
Dollar	10,956	8,830
Euros	11,896	15,342
Chilean Pesos	4,427	9,700
Mexican Pesos	2,742	2,969
Other currencies	26,039	9,251
<b>Current accounts receivable from related entities</b>		
Dollar	27,511	40,013
Euros	5,258	8,117
Chilean Pesos	11	2
<b>Inventory</b>		
Dollar	36,834	41,115
Euros	1,514	646
Chilean Pesos	913	743
Other currencies	3,147	2,052
<b>Current biological assets</b>		
Dollar	52,832	7,349
Euros	6,992	1,193
Chilean Pesos	902	1,041
Other currencies	98	133
<b>Current tax assets</b>		
Dollar	688	1,086
<b>Total Current Assets</b>	<b>237,183</b>	<b>187,507</b>



## 34.2 Foreign Currency Non-Current Assets

<b>Non-current Assets</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
<b>Other non-current financial assets</b>		
Dollar	988	1,345
<b>Other non-current non-financial assets</b>		
Euros	1,303	1,379
Chilean Pesos	5	9
Other currencies	4	29
<b>Non-current fees receivable</b>		
Dollar	1,580	1,445
Euros	3	4
Chilean Pesos	49	166
<b>Non-current accounts receivable from related entities</b>		
Dollar	-	1,088
Euros	4,194	6,972
<b>Investments recorded using the equity method</b>		
Dollar	30,520	32,963
Euros	- 734	- 545
Other currencies	742	35,423
<b>Intangible assets other than goodwill</b>		
Dollar	15,070	14,483
<b>Goodwill</b>		
Dollar	179,770	26,769
<b>Property, Plant and Equipment</b>		
Dollar	611,332	176,886
Euros	13,386	15,749
Chilean Pesos	4,202	4,819
Other currencies	57,089	47,606
<b>Deferred tax assets</b>		
Dollar	20,598	18,591
<b>Total Non-Current Assets</b>	<b>940,101</b>	<b>385,181</b>
<b>Total de activos</b>	<b>1,177,284</b>	<b>572,688</b>
<b>Dollar</b>	<b>1,016,116</b>	<b>391,949</b>
<b>Euros</b>	<b>52,697</b>	<b>59,050</b>
<b>Chilean Pesos</b>	<b>13,894</b>	<b>20,152</b>
<b>Mexican Pesos</b>	<b>5,679</b>	<b>5,607</b>
<b>Other currencies</b>	<b>88,898</b>	<b>95,930</b>
<b>Total Assets per currencies</b>	<b>1,177,284</b>	<b>572,688</b>

### 34.3 Foreign Currency Current Liabilities

<b>Current Liabilities</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
<b>Other current financial liabilities</b>		
Dollar	139,314	140,397
Euros	11,126	10,876
Chilean Pesos	472	-
Other currencies	150	258
<b>Current trade accounts and other accounts payable</b>		
Dollar	19,051	31,090
Euros	1,395	2,404
Chilean Pesos	4,915	13,543
Mexican Pesos	575	1,425
Other currencies	10,124	1,262
<b>Current accounts payable to related entities</b>		
Dollar	2,630	3,840
Euros	559	39
Chilean Pesos	2,118	2,263
<b>Other current provisions</b>		
Dollar	186	545
<b>Current provisions for employee benefits</b>		
Dollar	1,377	664
Chilean Pesos	441	441
Mexican Pesos	507	507
<b>Other current non-financial liabilities</b>		
Dollar	1,726	561
Euros	431	431
<b>Total current liabilities</b>	<b>197,097</b>	<b>210,546</b>

### 34.4 Foreign Currency Non-Current Liabilities

<b>Non-current Liabilities</b>	<b>30-Sep-18 ThUS\$</b>	<b>31-Dec-17 ThUS\$</b>
<b>Other non-current financial liabilities</b>		
Dollar	299,426	51,082
Euros	23,616	32,617
Chilean Pesos	11	225
Other currencies	14	42
<b>Other non-current accounts payable</b>		
Dollar	6,506	-
<b>Non-current accounts payable to related entities</b>		
Euros	10,001	10,542
Chilean Pesos	1,423	1,529
<b>Other non-current provisions</b>		
Dollar	-	35
<b>Deferred tax liabilities</b>		
Dollar	107,911	22,495
<b>Total Non-Current Liabilities</b>	<b>448,908</b>	<b>118,567</b>
<b>Total liabilities</b>	<b>646,005</b>	<b>329,113</b>
Dollar	578,127	250,709
Euros	47,128	56,909
Chilean Pesos	9,380	18,001
Mexican Pesos	1,082	1,932
Other currencies	10,288	1,562
<b>Total liabilities per currencies</b>	<b>646,005</b>	<b>329,113</b>
<b>Summary of thousands of dollars per currency</b>		
Dollar	437,989	141,240
Euros	5,569	2,141
Chilean Pesos	4,514	2,151
Mexican Pesos	4,597	3,675
Other currencies	78,610	94,368
<b>Total net per currency</b>	<b>531,279</b>	<b>243,575</b>

## NOTE 35- CONTINGENCIES

### a) Pledged shares

To the closing of the current financial statement, the Company does not present pledged shares.

### b) Direct guarantees

Dated February 12, 2015, a Stand By Letter was issued with Banco Estado bank in order to guarantee the faithful compliance of the payment commitment with Royal Berries S.L. for the purchase of an operating license for varieties of berries. As of September 30, 2018, the balance of the Stand By Letter was at US\$5.71 million.

At the subsidiaries Agrícola Santa Rosa del Parque S.A., Agrícola Mataquito S.A., Agrícola El Pampino S.A., and Agrícola Hortifrut S.A. there are restrictions (guarantees and/or mortgages) over its biological assets.

Below is a detail of the book value of the assets given in guarantee, as well as the debt associated to these assets in Chile:

<u>Company</u>	<u>Biological Assets</u> <u>ThUS\$</u>	<u>Other Properties</u> <u>ThUS\$</u>	<u>Associated Debt</u> <u>ThUS\$</u>	<u>Bank</u>
Agrícola Santa Rosa del Parque S.A	3,066	2,710	1,089	Banco RaboFinance Chile
Agrícola Mataquito S.A. (Curepto Field)	4,005	1,877	1,671	Banco RaboFinance Chile
Agrícola El Pampino S.A.	2,799	1,064	-	Banco Santander Chile
Agrícola Hortifrut S.A.	31,298	13,177	19,939	Banco RaboFinance Chile
Agrícola Hortifrut S.A. (Curaco Field)	-	2,304		
Hortifrut Chile S.A. (Colbun plant)	-	4,428		
Hortifrut S.A. (Antillanca Plant)	-	865	51,225	Banco Credito e Inversiones
Hortifrut Comercial S.A. (La Serena Field)	-	2,168		
Hortifrut Chile S.A. (Angol-Gorbea-Los Angeles Plant)	-	12,346		
<b>Total</b>	<b>41,168</b>	<b>40,939</b>	<b>73,924</b>	

Below is a detail of the book value of the assets given in guarantee, as well as the debt associated to these assets in Peru:

<u>Company</u>	<u>Surface</u>	<u>Land</u> <u>ThUS\$</u>	<u>Associated Debt</u> <u>ThUS\$</u>	
Berries de Chao S.A.C.- Remanso 1 y 2	566	has 9,893	15,357	Metlife
Hortifrut Perú S.A.C. - Armonia 1,2 y 3	568	has 9,768	15,163	Metlife
Hortifrut Perú S.A.C. - Ilusión Tal y Avo	172	has 2,382	3,698	Metlife
Hortifrut Perú S.A.C. - El Tumi	214	has 3,293	5,112	Metlife
Hortifrut Perú S.A.C. - Planta	39,981	M2 3,534	-	Banco Scotiabank Peru
Hortifrut Tal S.A.C. - Fundo San Luis	122	has 2,361	2,294	Rabobank
Hortifrut Tal S.A.C. - Packing	9	has 442	-	Banco de Crédito Peru
Hortifrut Tal S.A.C. - Esperanza 1,2 y 3	644	has 18,443	17,916	Rabobank
		<b>50,116</b>	<b>59,540</b>	

Detail of Property, Plants and Equipment subject to guarantees or restrictions in Chile

b.1) Agrícola Santa Rosa del Parque S.A.

b.1.1) Mortgage in favor of RaboFinance over: (i) Higuera A, resulting from the division of the “El Parque” estate, Angol, (ii) water use rights corresponding to 10 water irrigators from the Parque Ñipado channel which water the aforementioned branch drain and (iii) permanent and continuous consumptive water use rights for 75 liters/sec. at Huequén River (EP 24.08.12, Not. Gloria Acharán). The amount of the used credit is ThUS\$1,089.

b.1.2) Pledge without displacement in favor of RaboFinance over the real estate located on the property denominated in letter b.1.1) (EP 24.08.12, Not. Gloria Acharán).

b.2) Agrícola El Pampino S.A.

b.2.1) Mortgages in favor of Banco Santander-Chile over: (i) Lot N°2 of the subdivision of a piece of land denominated Fundo Carihue, which forms part of the resulting of the property called “La Piedra”, located in the locality of Oromo, Purranque and (ii) Lot N°2 of the subdivision of Farm N°12 of the “Los Maitenes” Subdivision Project, Purranque (EP 10.07.08, Not. C.Gomila). The amount of the used credit is ThUS\$0.

b.3) Agrícola Vida Nueva S.A.

b.3.1) Pledge in favor of Banco Crédito e Inversiones without displacement over movable goods located in the property denominated “Fundo Las Encinas”, locality of Santa Fe, Los Angeles (EP 24.11.05, Not. P.Zaldívar). To date the amount of the credit is at ThUS\$0.

b.3.2) Pledge in favor of Banco Crédito e Inversiones without displacement over movable goods located on the property denominated Resto de la Parcela N° 33, which forms part of the Vida Nueva Subdivision Project, camino Loncovaca, Villarica (EP 09.11.05, Not. P.Zaldívar).

b.4) Agrícola Mataquito S.A.

b.4.1) Mortgages in favor of RaboFinance over: (i) Higuera Tercera of the Fundo Ponunquén Estate, commune of Curepto; (ii) Lot B of the Informe de Higuera map, out of a surface of 20.18 hectares, Commune of Curepto and (iii) Water rights which water the aforementioned properties (EP.27.08.12, Not. Gloria Acharán). The amount of the used credit is ThUS\$1,671.

b.4.2) Pledge without displacement in favor of RaboFinance over the movable goods located on the properties described in letter b.4.1) (EP.27.08.12, Not. Gloria Acharán).

b.5) Agrícola Hortifrut S.A.

b.5.1) Mortgage in favor of Coöperatieve Rabobank U.A. over:

- i. Subdivision N° 10 of a surface of 53.1 hectares, of the “Santa Isabel” and “Los Cipreses” Subdivision Project, commune of Cunco;
- ii. Lot N° 12-A out of a surface of 42.50 hectares of the subdivision plan of Subdivision 12 of the “Santa Isabel” Subdivision Project, Commune of Cunco; (EP 02.11.17, Not. Eduardo Avello Concha, Rep. N°39.141-2017; and Rectifications dated 11.01.18, Not. Eduardo Avello Concha, Rep. N°1.283-2018; 13.02.18, Not. Eduardo Diez Morello, Rep. N°2.740-2018 and 28.03.18, Not. Eduardo Diez Morello, Rep. N°5.858-2018);

- iii. Water rights that irrigate the aforementioned land, which covers: a) 50 shares of the Asociación de Canalistas del Canal Allipén; b) 14 irrigation shares of Canal Allipén, for use and exclusive Benefit of Lot 12-A; and c) 14 irrigation shares of Canal Allipén, for use and exclusive benefit of Subdivision N°10 (EP 02.11.2017 Not. Eduardo Avello Concha, Rep N°39.143-2017, and its Rectifications dated 11.01.2018, Not. Eduardo Avello Concha, Rep N°1.284-2018 and 13.02.2018, Not. Eduardo Diez Morello, Rep. N°2.741-2018);
- iv. Rustic land, located in the commune of Río Negro, with a surface of 207 hectares (EP 02.11.2017 Not. Eduardo Avello Concha, Rep. N°39.142-2017, and its Rectification dated 13.02.2018, Not. Eduardo Diez Morello, Rep. N°2.738-2018);
- v. Water rights that irrigate the aforementioned land, which includes: Rights of consumptive use of water of Forrahue River (EP 02.11.2017, Not. Eduardo Avello Concha, Rep. N°39.144-2017, and its Rectification dated 13.02.2018, Not. Eduardo Diez Morello, Rep. N°2.739-2018).

b.5.2) Pledge without displacement in favor of Coöperatieve Rabobank U.A. over the movable goods located on land detailed in letter b.5.1) (Public deed dated 02.11.2017, Rep. N°39.145-2017; date 0.11.2017, Rep. N°39.146-2017; date 02.11.2017, Rep. N°39.147-2017; and date 02.11.2017, Rep. N°39.148-2017, all issued at the Notary of Eduardo Avello Concha). The amount of the credit is ThUS\$19.939.

b.5.3) Mortgage in favor of BCI over: Lot A, Vista Hermosa Subdivision; Hijuera N°1, La Pantalla y El Zarzal; Lot 4-1 Arturo Araya; Farm N° 5 Arturo Araya; Lot 6-1 Arturo Araya; Lot 8-1 Arturo Araya; and its respective water rights; all corresponding to the commune of Panguipulli (EP 28.07.14., Not. José Musalem S.).

As of September 30, 2018, the Company does not have a legal or contractual obligation to disassemble, remove or rehabilitate sites where its operations are developed, reason why its assets do not incorporate costs associated to said requirements.

b.6) Hortifrut Chile S.A.

b.6.1) Mortgages in favor of BCI over: (i) Lot One - B, part of El Congreso Farm, Commune of Gorbea (EP 28.07.14., Not. José Musalem S.).

b.6.2) Pledge without displacement in favor of BCI over the movable goods located on the properties detailed in letter b.6.1) (EP.02.09.14, Not. José Musalem S.).

b.6.3) Mortgages in favor of BCI over: Lot Two of Hijuera Segunda of Lot B of the Property denominated Resto Hacienda Virquenco (EP 09.12.2014, Not. José Musalem S.).

b.6.4) Pledge without displacement in favor of BCI over the movable goods located on the property detailed in letter b.6.3) (EP 13.11.2014, Not. José Musalem S.).

b.6.5) Mortgages in favor of BCI over: (i) property located in Lot One of Resto of Farm Coihuecura, Commune of Yervas Buenas and its water rights (EP 05.08.14., y EP 17.10.14. Not. José Musalem S.).

b.6.6) Pledge without displacement in favor of BCI over the movable goods located on the property detailed in letter b.9.1) (EP.02 09.14, Not. José Musalem S.).

b.7) Hortifrut S.A.

b.7.1) Mortgages in favor of BCI over: property located on Antillanca street N° 370 (Lot 4-B) and N° 540 (Lot 5-B), both located in the Commune of Pudahuel (EP 28.07.14., Not. José Musalem S.).

## b.8) Hortifrut Comercial S.A.

b.8.1) Mortgages in favor of BCI over: (i) Lots 1, 2, 4 to 16 and 55 to 84 and water rights, of the sub-division of Farm 151, of Colonia Gabriel Gonzalez Videla, Vegas Norte Sector, La Serena, (EP 18.08.14., Not. José Musalem S.).

The credit received by BCI, for the mortgages individualized in letters b.6 to b.8 and b.5.3, correspond to the amount of US\$54 million. The amount of used credit is ThUS\$51,225.-

## c) Indirect guarantees

Below we detail the Guarantees directly managed by the subsidiaries:

<u>Creditor of the Guarantee</u>	<u>Debtor Name</u>	<u>Relationship</u>	<u>Type of Guarantee</u>	<u>ThUS\$</u>
Banco Santander (1)	Hortifrut España Southern Sun S.L	Subsidiary	Guarantor	435
Banco Santander (2)	Hortifrut España Southern Sun S.L	Subsidiary	Guarantor	51

(1) Surety granted for the contracted obligations (Stand By Letter of credit), by Hortifrut Berries Perú S.A.C., for the contract for the providing of water collection services, which the Company contracted with the company H2 Olmos.

(2) Mortgage surety for loans granted for the amount of EUR 1,400,000, in favor of the associated S.A.T. Hortifrut H-0030, in proportion to its 33% interest.

## d) Guarantees obtained from third parties

To the closing of the current financial statement, the Company has not received relevant guarantees from third parties.

## e) Restrictions

Management restrictions or limit of financial indicators are presented detailed in Note 21.

## f) Lawsuits

Below we present the main valid lawsuits:

### Nota de Juicios

<u>Plaintiff</u>	<u>Defendant</u>	<u>Type of Lawsuit</u>	<u>Claimed Amount</u>	<u>Probable Resolution</u>	<u>Provision</u>
Hortifrut S.A. de CV	Berries La Grana	Civil Mortgage (*)	USD 589,529	Favorable for Hortifrut	Provisioned
Hortifrut S.A. de CV	Agrícola Gavilanes	Executory Commercial (	USD 168,281	Favorable for Hortifrut	50% provisioned
Hortifrut S.A.	Cristina Ortiz y Otro	Misappropriation	CLP 100,002,477	Uncertain	Does not apply
Hortifrut S.A. (Ex VBM)	Marchant Morales	Executory Commercial	USD 138,694	Uncertain	Provisioned
Confederación Hidrográfica de Guadalquivir	Hortifrut España Southern Sun S.L	Water Law Infringemen	EUR 127,039	Uncertain	Provisioned

(\*) Net provisions have been constituted of the seizable guarantees.

## g) Other contingencies

The Company, to the closing of these Financial Statements, does not maintain other contingencies that could significantly affect the current financial statements.

### **NOTE 36 - ENVIRONMENT**

Hortifrut is a Company that is concerned with the environment. Most of its production has been converted into organic production, thus becoming the largest organic blueberry producer in the world.

For the period ending September 30, 2018, the Company has not performed disbursements related with protecting the environment, and there are no future commitments regarding this matter.

In the future, the Company and its subsidiaries will reiterate their commitment for taking care of the environment by performing new investments, constantly training its workers and subscribing new agreements that allow it to advance towards sustainable development in order to obtain a harmonic progress between its operations and its surroundings.



## NOTE 37 – OPERATING AND FINANCIAL LEASES

The main operating lease contracts are:

Country	Company	Type	Surface	Measuring Unit	Future Cash Flows					
					Annual Fee	Expenses of the period	Less than 1 year	from 1 to 5 years	Over 5 years	Total
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Brazil	BerryGood Com. Imp. y Dist. de Frutas Ltda.	Refrigeration chamber	m2	153	2	2	2	-	-	2
Brazil	BerryGood Com. Imp. y Dist. de Frutas Ltda.	Offices	has	6.79	7	5	7	9	-	16
Brazil	BerryGood Com. Imp. y Dist. de Frutas Ltda.	Offices and refrigeration chamber	m2	18.2	9	59	9	6	-	15
Brazil	BerryGood Com. Imp. y Dist. de Frutas Ltda.	Agricultural land	has	61.35	91	69	91	121	-	212
Chile	BerryGood Com. Imp. y Dist. de Frutas Ltda.	Permanent personnel housing	m2	180	31	23	25	-	-	25
Chile	Agricola El Avellano S.A.	Agricultural land	has	130	40	30	40	160	350	550
Chile	Agricola Mataquito S.A.	Agricultural land	has	42.21	108	81	108	432	818	1,358
Chile	Agricola Vida Nueva	Agricultural land	has	39.7	13	10	13	48	25	86
Chile	Hortifrut Chile S.A.	Collection center	m2	3130	66	50	66	264	264	594
Chile	Hortifrut Chile S.A.	Offices	m2	4500	1	1	1	4	8	13
Chile	Hortifrut Chile S.A.	Agricultural land	m2	291	60	45	30	-	-	30
Spain	Hortifrut Comercial S.A.	Agricultural land	has	27.79	19	14	19	53	-	72
Spain	Hortifrut S.A.	Agricultural land	has	428.83	479	432	445	1,581	2,499	4,525
Mexico	Agricola Hortifrut S.A.	Agricultural land	has	92	42	54	42	88	-	130
Mexico	Asturian Berries S.L.	Agricultural land	has	13	2	2	2	8	16	26
Mexico	Hortifrut España Southern Sun S.L.	Temporary laborer housing	has	200	448	336	448	1,792	93	2,333
Mexico	Agricola Los Reyes S. de R.L. de C.V.	Materials warehouse	m2	945.45	3	2	1	-	-	1
Mexico	Agricola Los Reyes S. de R.L. de C.V.	Offices	m2	758.98	79	59	79	202	-	281
Mexico	Agricola Los Reyes S. de R.L. de C.V.	Agricultural land	has	39.75	82	52	63	57	7	127
Mexico	Agricola Los Reyes S. de R.L. de C.V.	Temporary laborer housing	has	1	37	28	37	83	-	120
Mexico	Agricola Los Reyes S. de R.L. de C.V.	Temporary laborer housing	m2	4104.19	162	124	158	158	-	316
Mexico	Agrofrutas, S. de R.L. de C.V.	Agricultural land	has	5	5	4	5	2	-	7
Mexico	HF Sarbanand, S. de R.L. de C.V.	Offices	m2	101	101	67	30	-	-	30
Mexico	HF Sarbanand, S. de R.L. de C.V.	Agricultural land	has	243.31	449	338	449	1,168	1,008	2,625
Mexico	Hortifrut S.A. de C.V.	Agricultural land	has	4.81	5	4	4	-	-	4
Mexico	Hortifrut ABA S.A. de C.V.	Materials warehouse	m2	400	1	1	1	4	7	12
Mexico	Hortifrut ABA S.A. de C.V.	Collection center	has	9.48	17	13	17	68	112	197
Mexico	Hortifrut ABA S.A. de C.V.	Agricultural land	has	259.34	420	317	420	1,599	3,505	5,524
Peru	Hortifrut Tal S.A.	Agricultural land	has	10	1	1	2	1	-	3
Peru	Hortifrut Perú S.A.	Offices	m2	1347.01	87	41	58	45	-	103
Peru	Hortifrut Perú S.A.	Agricultural land	m2	3679.91	21	10	21	84	95	200
<b>September 30, 2018</b>					<b>2,888</b>	<b>2,274</b>	<b>2,693</b>	<b>8,037</b>	<b>8,807</b>	<b>19,537</b>

The flows were determined based on the contractually agreed lease terms, without considering the negotiations that are maintained to this date to extend the validity term of said contracts.

The expense for consumed lease as of September 30, 2018 is ThUS\$2,274.

The main leasing contracts are:

Banco o Institución financiera	Description of Leased Goods	Minimum Payment			
		Up to one year	Between one and four years	Over five years	Total
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Banco Santander Chile	Macro-tunnels	75	38	-	113
Banco Santander Chile	Tunnels	17	26	-	43
Banco de Crédito e Inversiones	Greenhouse	445	1,101	-	1,546
Banco Santander Chile	Roof structure	74	184	-	258
Banco de Crédito e Inversiones	Plant pots	291	897	-	1,188
Banco de Crédito e Inversiones	Sulfurer	7	22	-	29
Banco de Crédito e Inversiones	Van	7	5	-	12
Banco de Crédito e Inversiones	Tractor	8	2	-	10
L-GC Rent Chile SPA	Refrigerator	2	-	-	2
Banco de Crédito e Inversiones	Unitec	393	295	-	688
Banco Bilbao Vizcaya Argentaria	Offices and parking	216	181	-	397
Banco de Crédito e Inversiones	Molina Plant	836	3,344	627	4,807
Banco de Crédito	Machinery and Equipment	2,653	5,307	-	7,960
Banco de Crédito	Trucks	41	41	-	82
Banco de Crédito	Video Surveillance System	47	62	-	109
Banco de Crédito del Peru	Truck Scale	8	10	-	18
Banco de Crédito del Peru	Vehicles	68	-	-	68
Banco de Crédito del Peru	Trucks - Accesories	41	42	-	83
Scotiabank Peru S.A.	Vehicles and others	185	247	-	432
Scotiabank Peru S.A.	Equipment	295	418	-	713
Scotiabank Peru S.A.	Processing Equipment	981	736	-	1,717
Scotiabank Peru S.A.	Maquinas-Equipment and Other	963	401	-	1,364
<b>General Total</b>		<b>7,653</b>	<b>13,359</b>	<b>627</b>	<b>21,639</b>

Description of Leased Good	Future financial burden			
	Up to one year	Between one and four years	Over five years	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Macro-tunnels	4	1	-	5
Tunnels	1	1	-	2
Greenhouse	36	87	-	123
Roof Structure	8	8	-	16
Plant pots	26	92	-	118
Sulfurer	-	3	-	3
Unitec	10	4	-	14
Offices and parking	21	6	-	27
Molina plant	113	303	10	426
Machinery and Equipment	181	291	-	472
Trucks	2	-	-	2
Video Surveillance System	4	1	-	5
Truck scale	-	1	-	1
Vehicles	1	-	-	1
Trucks-Accesories	2	1	-	3
Vehicles and others	14	7	-	21
Equipment	24	13	-	37
Processing system	48	12	-	60
Machinery-equipment and others	36	4	-	40
<b>General Total</b>	<b>531</b>	<b>835</b>	<b>10</b>	<b>1,376</b>

## **NOTE 38 – SUBSEQUENT EVENTS**

Dated November 06, the following was informed as an Essential Fact:

“At the Ordinary Session of the Company’s Board of Directors, held on November 6, 2018, and in accordance with the provisions of the second paragraph of article 79 of Law N° 18.046 of Open Joint Stock Corporations, the Board of Directors agreed the payment to the shareholders of a provisional dividend of USD 7,357,646 at the rate of payment of USD 0.0140 for each subscribed and paid share, charged to earnings in 2018, the equivalent in pesos, according to the observed dollar exchange rate published in the Official Newspaper on November 19, 2018. The payment of this provisional dividend will take place from November 23, 2018, at the offices of the Depósito Central de Valores (DCV), located at Huérfanos 770, 22<sup>nd</sup> floor, Santiago, open from 9:00 am to 5:00 pm, from Monday to Friday.

To those shareholders who request in writing before November 16, 2018, the dividend in question will be paid by deposit in the current account or savings account of the Financial Institution indicated by them, or will be sent by nominative check by certified mail to the address recorded at the Company.

The shareholders who were inscribed in the Company’s Shareholders’ Register by midnight on November 17, 2018, will be entitled to the previously mentioned dividend.

The notice referred to in article 10 of the Open Joint Stock Corporation Ruling will be published in the Diario Financiero, within the term established in the regulations.

The dividend, subject of this notice, constitutes an income for the shareholders. The Company will determine and opportunely communicate the credit, which due to the referred dividend, corresponds to the shareholders that are taxpayers of complementary global tax and additional tax”.

Between September 30, 2018 and the date of issuance of these interim consolidated financial statements, no other events of a financial or other nature have taken place which significantly affect the interpretations of these.

### NOTE 39 – OTHER INFORMATION

The number of Hortifrut and subsidiaries employees per category is as follows:

	<b>30-Sep-18</b>	<b>31-Dec-17</b>
Indefinite contracts	1,090	764
Temporary contracts	16,254	7,777
<b>Total contracts</b>	<b>17,344</b>	<b>8,541</b>

#### Detail per country

<b>Indefinite Contracts</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
Chile	495	489
United States	22	23
Mexico	116	141
Spain	53	47
Brazil	38	36
Argentina	13	12
Peru	338	12
Germany	2	2
England	3	2
China	10	-
<b>Total</b>	<b>1,090</b>	<b>764</b>

<b>Temporary contracts</b>	<b>30-Sep-18</b>	<b>31-Dec-17</b>
Chile	679	4,857
Mexico	1,341	824
Spain	74	60
Brazil	36	38
Peru	14,069	1,998
China	55	-
<b>Total</b>	<b>16,254</b>	<b>7,777</b>