EARNINGS REPORT OF HORTIFRUT S.A.'S CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2019
(In thousands of United States dollars)

The current earnings report has been prepared for the period ending June 30, 2019, compared with the financial statements as of December 31, 2018 and income statement as of June 30, 2018.

1. HIGHLIGHTS OF THE PERIOD AND SUBSEQUENT FACTS

Process for increase in capital

Regarding the Company's growth strategy, at the Extraordinary Shareholder's Meeting, held on April 30, 2019, the realization of an increase in capital of US$160 million was approved. The funds from said increase in capital will be destined to financing organic growth in the countries that supply the markets of North America, Europe and Asia, during all the weeks of the year, strengthening the trade platforms and satisfying the growing demand for the Company's products. Said growth is forecasted through investments in countries such as China, Morocco and Mexico, which are geographically close to the corresponding destination markets. Likewise, in July 2019, the Company's controlling group subscribed the total of the corresponding prorate (51.85%) of the shares of said increase, in the framework of the legal period of 30 days of preferential option, thus demonstrating their commitment with the Company's growth projects. Thereby, during the preferential offer period, $94,235,122,800 were obtained through the subscription of a total of 51,777,240 shares, reaching an 84.88% subscription of the 61,000,000 issued shares.

Refinancing and first issuance of bonds

In May 2019, Hortifrut S.A. concretes the successful inaugural placement of bonds in the local market for UF2,250,000, through the issuance of series A and B, in order to diversify the sources of financing and refinance the Company's financial liabilities. It must be stated that series A counts with the green and social certification of Vigeo Eiris, which has as its objective to continue strengthening the commitment with sustainable development as one of the Company's strategic pillars. Since the issuance of these debt instruments was in *Unidades de Fomento* (in Chilean pesos indexed to inflation), while the Company's functional currency is the United States Dollar, the debt has been converted to dollars through cross currency swaps.

2. SUMMARY OF THE PERIOD

Since the Company manages its operations with a vision of agricultural season (July 2018 to June 2019) which is the relevant criteria for this type of business, in this analysis we include the comparison to the closing of the 17/18 and 18/19 seasons.

Profit attributable to the parent company shareholders reached US$62.18 million in the 2018-19 season, which covers between July 2018 and June 2019, representing a 258.16% increase compared to the 2017-18 season. The higher profit is mainly due to the increase in the operating result of US$34.78 million, mostly linked to the operation in Peru after the acquisition of Grupo Rocio's blueberries business, and to the US$60,78 million increase of Other income/(expense) outside the operation, mainly due to the adjustment to fair value of the 50% interest in Hortifrut Tal S.A.C. (Peru), adjustment that increased to US$60.99 million, which net of taxes reaches US$44.52 million. These positive effects were partially offset by a higher gains tax of US$15.63 million due to the Company's improved results and a higher financial cost of US$17.86 million, as a result of the increase in financial debt associated to the transaction in Peru, the increase in short term interest rates and the greater need for financing of working capital during the season due to the incorporation of the business in Peru.

Likewise, in the 6 months ending June 30, 2019 ("Jun19"), profit attributable to the owners of the parent company shareholders reached negative US$16.20 million, representing a decrease of US$21.70 million compared to the same period in 2018 ("Jun18"). This decrease is mainly due to a lower operating result of US$16.27 million, mostly due to the incorporation of administration and sales expenses of the business acquired in Peru, which was not in the consolidation of this same period the previous year, affected by extraordinary climatic events which delayed the production curve in Peru, concentrating a relevant volume of fruit in Peru during 1Q19, period which coincides with Chilean production which is generally commercialized in this period, causing a decrease in sale prices. To this we must add quality problems in Peruvian and Chilean fruit, also as a result of these climatic events in both areas. Regarding non-operating result, we observed a higher financial cost of US$8.72 million, mainly due to the higher financial debt associated to the purchase and merger of Grupo Rocio's blueberries business in Peru, the increase in short term interest rates and the financing of working capital of the season.

Income from operating activities increased 21.84% in the 2018-19 season compared with the 2017-18 season, reaching US$542.60 million. The higher income is due to a 28.44% increase in distributed volume, mainly due to fruit from Peru, as well as a decrease in average income per kilo of 4.1%.

Income from operating activities reached US$275.12 million during the first half of 2019, representing an increase of 5.54% in relation to the same period of 2018. This increase is mainly due to an 8.19% increase in sales volume, mainly due to fruit from Peru, to the sale of plants and higher income from services during the period, effects that were partially offset by a slight decrease in average income per kilo of 2.17%. Also, operating costs reached US$245.83 million, 7.39% higher than Jun18, explained by the increase in aforementioned distributed volume and due to one-time effects associated to maintaining the quality of the fruit affected by the aforementioned climatic events. As a result of the aforementioned, gross margin reached US$29.29 million, decreasing 7.82% compared to US$31.78 million recorded as of Jun18.

Therefore, in the 2018-19 season (between July 2018 and June 2019), the Company recorded an EBITDA of US$106.50 million, increasing 120.42% in relation to the EBITDA of US$48.32 million recorded in the 2017-18 season. The higher EBITDA is explained by the previously explained increase in operating income, partially offset by the 11.57% increase in sales costs.

The EBITDA in the 6 months as of Jun19 reached US$23.61 million, which represents a 9.39% decrease compared with the US$26.06 million recorded as of Jun18. The decrease in EBITDA is mainly explained by the lower average income per kilo of 2.17%, due to the displacement in Peru's production curve in the 1Q19, period which coincides with Chilean production that is normally commercialized in this period, the lower quality of blueberries from Peru and Chile as a result of the adverse climatic effects and the higher sales cost associated to greater preventive and palliative agricultural applications to maintain the quality of the fruit.

The EBITDA calculation is detailed below:

	Jul18-Jun19	**Jul17-Jun18**	**30-Jun-19**	**30-Jun-18**
DETERMINING EBITDA	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Operating income	542,595	445,345	275,121	260,683
Other income, per function	8,401	1,833	2,470	1,572
Total Income	**550,996**	**447,178**	**277,591**	**262,255**
Sales Cost	(431,106)	(386,415)	(245,830)	(228,908)
Administration Expenses	(44,557)	(30,224)	(24,037)	(17,560)
Other expenses, per function (1)	(12,888)	(1,971)	(9,363)	(1,161)
Total Costs and Expenses	**(488,551)**	**(418,610)**	**(279,230)**	**(247,629)**
Operating Result (1)	**62,445**	**28,568**	**(1,639)**	**14,626**
Depreciation and amortizations	44,051	19,747	25,250	11,433
EBITDA (1)	**106,496**	**48,315**	**23,611**	**26,059**

(1) Excludes impairment in value of assets for ThUS2,317 as of June 2019 and (ThS$3,215) as of June 2018.

The Company's net financial debt increased from US$455.17 million as of December 31, 2018 to US$479.28 million as of June 30, 2019, which is mainly explained by the entry into effect of standard IFRS 16, through which two accounting entries must be recorded for the lease contracts, on one side the financial lease is recognized and on the other the value of the leased asset. In the case of Hortifrut, the liability associated to the lease contracts that the Company has is US$13.49 million as of June 2019. To this we must add the additional working capital necessary for the incorporation of operations in Peru.

Determining Net Financial Debt	**30-Jun-19**	**31-Dec-18**
Items	**ThUS$**	**ThUS$**
Other current financial liabilities	111,642	172,629
Other non-current financial	394,544	331,443
Total financial liability	**506,186**	**504,072**
Minus:		
Cash and cash equivalents	26,909	48,901
Total net financial debt	**479,277**	**455,171**

3. ANALYSIS OF INCOME STATEMENT

As of Jun19 the Company presented a profit that can be attributed to the parent company shareholders of negative US$16.20 million, which can be compared with a profit of US$5.50 million as of Jun18. The loss of the period is mainly explained by the lower operating results, associated to: 1) a 120.85% increase in depreciation as a result of the incorporation of the assets acquired in the purchase and merger of Grupo Rocio's blueberries business in Peru and 2) the previously explained lower EBITDA. Likewise, within the non-operating result, an increase in financial costs associated to the increase in average financial debt balances as a result of the financing of the purchase and merger of Grupo Rocio's blueberries business in Peru, the incorporation of the existing debt in the business acquired int his transaction, the increase in short term interest rates and the financing of working capital of the season was recorded.

a) Main Components of Income

The Company's income in the 6 months as of Jun19 include income from operating activities and other income, per function, which increased 5.85%, reaching US$277.59 million, as is shown in the following table:

The following is the detail of total operating income per business segment:

Income per Segment	30-Jun-19 ThUS$	30-Jun-18 ThUS$
Blueberries	235,278	217,349
Raspberries	7,596	10,990
Blackberries	8,149	8,467
Strawberries	2,223	5,221
Cherries	5,329	4,409
Value Added Products	19,016	15,819
Total	**277,591**	**262,255**

In blueberry sales, we observed an 8.25% increase compared to the previous period, which showed a 13.90% increase in commercialized volume, partially offset by a 4.93% decrease in average income per kilo compared to Jun18.

Raspberries experienced a 30.88% decrease in sales income, as a result of a decrease in distributed volume of 26.17% and in average income per kilo of 6.38%.

Blackberries experienced a slight decrease in sales income of 3.76%, which is explained by a decrease in distributed volume compared to the same period in 2018 of 10.05%, partially offset by an increase in average income per kilo of 7.00%.

Strawberries experienced a decrease in sales of 57.42% compared to Jun18, variation which is mainly explained by a 58.91% decrease in distributed volume, associated to a lower availability of fruit in the Mexican market, which is partially offset by an increase in average income per kilo of 3.64%.

Cherries recorded an increase in sales income of 20.87% as of Jun19. This increase in income is due to an increase in average income per kilo of 71.37%, slightly offset by a decrease in commercialized volume of 29.46%.

Value added products recorded an increase in sales income of 20.21% compared to income recorded in the same period of 2018. This variation is explained by an increase in the sold volume of 21.99%, offset by a slight decrease in average income per kilo of 1.46%.

b) Main Components of Costs and Expenses

Total Expenses and Costs	30-Jun-19 ThUS$	30-Jun-18 ThUS$	Variation %
Cost of Sales	**(245,830)**	**(228,908)**	**7.39%**
Administration Expense	(24,037)	(17,560)	36.88%
Other expenses, per function	(9,363)	(1,161)	706.46%
Other operating costs and expenses	**(33,400)**	**(18,721)**	**78.41%**
Total Expenses and Costs	**(279,230)**	**(247,629)**	**12.76%**

Main Components of Cost of Sales

Sales costs corresponding to Jun19 increased 7.39% compared to what was recorded in the same period of 2018. Higher costs are mainly due to the incorporation of Grupo Rocio's blueberries business in Peru, through which the total volume of commercialized fruit increased 8.19%, from 28.71 million kilos as of Jun18 to 31.06 million kilos as of Jun19. To this we must add a higher one-time cost associated to higher preventive and palliative agricultural applications associated to maintaining the quality of the fruit.

Main Components of Administrative Expenses

Administrative expenses increased US$6.48 million, reaching US$24.04 million. The increase in this concept is mainly due to the incorporation of the blueberries business belonging to Grupo Rocio in Peru.

Main Components of Other Expenses, per function

Other expenses per function increased US$8.20 million, reaching US$9.36 million as of Jun19. The increase is mainly due to the reversal of the adjustment to fair value of fruit on "bearer plants" recognized as of December 31, 2018 for the amount of US$7.36 million, which will be recognized during the period under operating results (sales income and expenses), as the fruit is sold.

c) Other Components of Income Statement

Other Income (expense)	30-Jun-19 ThUS$	30-Jun-18 ThUS$	Variation %
Other profit (loss)	(346)	(50)	592.00%
Financial income	517	1,175	-56.00%
Financial costs	(13,697)	(4,982)	174.93%
Interest in profit (loss) of associated companies	(2,935)	(439)	568.56%
Exchange rate fluctuation	(1,535)	445	-444.94%
Other Income (expense)	**(17,996)**	**(3,851)**	**367.31%**

The other components of the income statement passed from a loss of US$3.85 million as of June 2018 to a loss of US$18.00 million as of June 2019.

The main items that explain this variation are the following:

a. Financial expenses increased from US$4.98 million as of Jun18 to US$13.70 million as of Jun19, variation that is mainly explained by the financing of the sale-purchase and merger of Grupo Rocio's blueberries business in Peru, the existing debt of the business acquired in this transaction, the higher working capital necessary for the operation in Peru and the increase in short term interest rates.

b. The loss due to interest in profit (loss) of associated companies reached negative US$2.94 million as of Jun19, which is compared with a loss of US$0.44 million in the same period of the previous year. This difference is mainly composed of US$0.97 million at Hortifrut Tal S.A.C. (Peru) which is no longer reflected in this line and is incorporated into the consolidation of Hortifrut Group due to the purchase and merger of Grupo Rocio's blueberries business in Peru in July 2018, and a higher loss of US$1.83 million in the associated Munger Hortifrut NA LLC in the United States.

c. A loss generated by an Exchange Rate Difference of US$1.54 million during the first semester of 2019 (US$0.45 million profit as of Jun18), originated by the appreciation of the Euro, the Chilean Peso and the Mexican Peso, compared with the United States dollar.

d) Income tax expense

Income tax expense generated a profit of US$3.49 million as of Jun19, which is compared with a US$3.00 million loss as of Jun18. The tax profit of the period is subtracted in a current tax expense of US$1.84 million (US$5.85 million as of Jun18), deferred tax profit of US$4.97 million (US$2.24 million profit as of Jun18) and other adjustments, that offset the other items, of US$0.35 million (US$0.61 million as of Jun18).

e) Other Indicators of Results

Equity Profitability:

Indicator	Unit	30-Jun-19	30-Jun-18
Profitability of parent company equity	%	-3.59%	2.69%
Profit of parent company / Equity of the parent company			
Profitability of equity	%	-3.20%	3.14%
Profit of the period / Total equity			

This index confirms the negative result attributable to the parent company shareholders, in relation to the increase in total equity and the equity attributable to the parent company shareholders.

Activity Indicators:

Indicator	Unit	30-Jun-19	30-Jun-18
Activity			
Rotation of Assets	Times	0.23	0.45
Operating Revenue / Total average assets of the period			
Rotation of inventories	Times	4.29	7.32
Cost of sales / Average inventory			
Permanence of inventory (days)	Days	42	25
Inventory / Annual cost of sale (360 day base)			

The rotation of assets between the periods ending June 30, 2019 and 2018, mainly decreased due to the increase in total operating income (+5.85%) which was proportionally lower than the increase in average total assets in the same period (+107.10%).

Likewise, the rotation of inventories decreased due to the increase in average inventories passing from US$31.27 million as of Jun18 to US$57.34 million in the same period of 2019, variation which was proportionally lower than the increase in previously explained sales costs.

4. COMPARATIVE ANALYSIS OF MAIN TENDENCIES

The evolution of the main financial indicators are the following:

Indicator	Unit	6/30/2019	12/31/2018	Variations %
Current Liquidity *Current Asset / Current liability*	Times	1.24	1.08	14.71%
Acid Ratio *Current assets (-) Other non-financial assets, inventories and current biological assets / Current liability*	Times	0.74	0.67	11.01%
Debt Ratio *Total liabilities /Equity attributable to Parent Company*	Times	1.48	1.56	-5.20%
Short term debt *Total current liabilities / Total liabilities*		23.2%	37.7%	-38.52%
Long term debt *Total non-current liabilities / Total liabilities*		76.8%	62.3%	-23.31%

- Current liquidity and acid ration were 1.24 and 0.74 times as of Jun19, experiencing improvements of 14.71% and 11.01%, respectively, compared to the period ending December 31, 2018. Both increases are mainly explained by the 43.70% decrease in current liabilities, mainly accounts payable, in higher proportion in relation to the decrease in current assets.

- The debt ratio improved 5.20% compared to December 31, 2018, explained by a decrease in total liabilities of US$61.28 million (8.42%), proportionally higher than the decrease in equity attributable to the parent company of US$15.84 million (3.39%).

- Short term debt percentage as of Jun19 was 23.2%, a decrease compared to 37.7% as of December 31, 2018, mainly explained by the previously mentioned decrease in liabilities, mostly because of the long-term refinancing with bonds in the local market.

- The long-term debt percentage as of Jun19 was 76.8%, higher than the value of 62.3% as of December 31, 2018, due to an increase in total non-current liabilities, mainly other non-current financial liabilities.

Indicator	Unit	30-06-2019	31-12-2018	Variations %
Financial expenses coverage *(Before tax profit - Financial costs)/Financial costs*	Times	-0.43	3.16	113.71%
Profitability of parent company equity *Parent company gains /Parent company equity*		-3.6%	2.7%	233.77%
Profitability of equity *Profit of the period / Total equity*		-3.2%	3.1%	201.73%

- The decrease in financial expense coverage index as of Jun19 in relation to the same period in the previous year, is due to the decrease in the before tax result of US$30.41 million, which can be added to the higher financial expenses, which passed from US$4.98 million during the period ending June 30, 2018 to US$13.70 million in the same period of 2019.

5. ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Main items of the consolidated statement of financial position.

Statement of Financial Position	30-Jun-19 ThUS$	31-Dec-18 ThUS$	Variation ThUS$	%
Total current assets	191,087	295,866	(104,779)	-35.41%
Total non-current assets	980,635	951,454	29,181	3.07%
Total assets	**1,171,722**	**1,247,320**	**(75,598)**	**-6.06%**
Total current liabilities	154,502	274,418	(119,916)	-43.70%
Total non-current liabilities	512,115	453,477	58,638	12.93%
Total liabilities	**666,617**	**727,895**	**(61,278)**	**-8.42%**
Equity attributable to parent company equity holders	450,839	466,682	(15,843)	-3.39%
Non-controlling interest	54,266	52,743	1,523	2.89%
Total equity	**505,105**	**519,425**	**(14,320)**	**-2.76%**

As of June 30, 2019, total assets decreased US$75.60 million in relation to the existing as of December 31, 2018, which is equal to a 6.06% decrease.

Current assets decreased US$104.78 million (-35.41%), mainly due to a decrease of: 1) inventories US$53.55 million, 2) accounts receivable US$30.10 million, due to the seasonality of the business, 3) Cash and cash equivalents US$21.99 million and 4) accounts receivable from related entities US$20.40 million. These effects are offset by the increases in: 1) Biological Assets US$15.36 million, 2) other non-financial assets US$1.97 million and 3) tax assets US$4.43 million.

Non-current assets experienced an increase of US$29.18 million (3.07%), mainly due to the increase in Property, Plant and Equipment (asset due to right of use) for US$27.93 and as an offset, the decrease in: 1) investments recorded using the equity method for US$2.80 million and 2) intangible assets other than equity for US$1.20 million.

Current liabilities decreased US$119.92 million (-43.70%), mainly due to the decrease in other financial liabilities of US$60.99 million and trade accounts and other accounts payable of US$55.02 million.

Also, non-current liabilities increased US$58.64 million (12.93%), mainly due to the increase in other financial liabilities of US$63.10 million, partially offset by a decrease in deferred tax liability of US$5.48 million.

The Company's total equity recorded a decrease of US$14.32 million (-2.76%) compared to December 31, 2018, reaching US$505.11 million as of June 30, 2019.

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

Main sources and uses of funds in the period (US$ million)	January-June 2019	January-June 2018	Comments
Charges from the sale of goods and providing services	324	284	Increase in sales income due to a higher average price and higher volume from Peru
Payment to suppliers for supplying goods and services	(220)	(177)	A higher cost associated to the greater volume and the purchae of third party fruit
Payment for and on behalf of employees	(47)	(44)	
Net interests	(9)	(2)	
Taxes	(6)	(6)	
Others	-	1	
(1) Total Cash Flow for Operating Activities	**42**	**56**	
Sale and purchase of property, plant and equipment	(38)	(28)	
Other investment activities (sum of all the rest)	-	5	
(2) Total Cash Flow for Investment Activities	**(38)**	**(23)**	
Net financing	190	298	Higher long term debt financing during the first half of 2018, associated to the payment of the purchase and sale in Peru.
Payments of loans	(205)	(175)	
Paid dividends and other investment cash flows	(11)	(5)	Higher dividend payments due to higher results
(3) Total Cash Flow for Financing Activities	**(26)**	**118**	
Net Increase of Cash and Cash Equivalents(1) + (2) + (3)	**(22)**	**151**	
Effect due to exchange rate fluctuation	-	-	
Cash and Cash Equivalent at the start of the period	49	28	
Cash and Cash Equivalent at the End of the Period	**27**	**179**	

7. ANALYSIS OF RISK FACTORS

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

7.1 Financial Risk

7.1.1 Credit Risk

a) Investment risk of cash surpluses:

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

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

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

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

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

b) Risk from sales operations:

Hortifrut has diversified sales in several countries.

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

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

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

In order to mitigate this risk, the Company has credit insurance for the parent company and subsidiaries as of June 30, 2019.

7.1.2 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.

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

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

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

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

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

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

Hortifrut has available short-term credit lines, approved and valid for working capital, which as of June 30, 2019 reach US$249.50 million (US$238.34 million as of December 31, 2018), distributed among 14 banks. The used amount reaches US$77.72 million, with an available balance of US$171.78 million. Credit lines are distributed among the following companies: Hortifrut Chile S.A. with US$233.66 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$0.40 million, Agrícola Mataquito S.A.

with US$1.30 million, Agrícola El Avellano with US$0.50 million, Hortifrut Import Inc., with US$5.00 million and Euroberry Marketing S.A. with US$7.39 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 June 30, 2019, based on undiscounted contractual flows:

			Cash Flows				
	Capital	Interests	From 0 to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Creditor Bank	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Banco Santander Chile	21,925	21	38	3,296	20,970	-	24,304
Banco RaboFinance Chile	48,480	521	959	1,786	35,291	23,217	61,253
Banco de Crédito e Inversiones	77,451	66	3,984	27,158	29,344	33,691	94,177
Banco Scotiabank	21,095	30	116	2,500	20,852	-	23,468
Banco de Chile	25,000	33	-	25,247	-	-	25,247
Bonos - Obligaciones con el público	94,371	1,050	869	3,402	30,362	83,862	118,495
Banco Estado	42,171	66	95	13,749	24,260	10,449	48,553
Banco Itaú	15,000	6	-	15,144	-	-	15,144
Banco Santander Central Hispano S.A.	8,689	-	1,504	3,242	5,404	-	10,150
Banco Bilbao Vizcaya Argentaria	8,583	41	-	2,883	5,765	-	8,648
La Caixa	4,290	12	359	1,078	3,234	-	4,671
Bankinter	2,364	2	215	646	1,725	-	2,586
Banco Sabadell	1,858	-	144	431	1,436	-	2,011
Banco de Crédito del Perú	5,766	-	109	3,030	2,939	-	6,078
Scotiabank Perú S.A.	20,218	316	3,053	4,228	15,335	-	22,616
Banco Chile	24,828	39	-	1,181	19,812	8,727	29,720
HSBC México SA, Institución de Banca Múltiple	4,312	-	611	1,792	2,110	-	4,513
Coöperatieve Rabobank U.A.	18,097	390	2,241	2,182	14,429	1,665	20,517
Banco Internacional del Perú S.A.	2,110	-	232	902	1,064	-	2,198
Metropolitan Life Insurance Company	29,261	419	-	394	7,600	22,400	30,394
Communications Bank Yunnan Branch	13,819	-	-	-	16,415	-	16,415
	-	-	-	-	-	-	-
Total as of June 30, 2019	**489,688**	**3,012**	**14,529**	**114,271**	**258,347**	**184,011**	**571,158**

Below is a summary of the maturities of the total financial liabilities as of June 30, 2019:

			Cash Flows				
	Capital	Fair Value	From 0 to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Detail	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Bank loans	395,317	1,962	13,660	110,869	227,985	100,149	452,663
Bonds - Obligations with the public	94,371	1,050	869	3,402	30,362	83,862	118,495
Operating lease obligations	13,279	207	427	2,226	4,958	10,590	18,201
Trade accounts and other accounts payable	33,295	33,295	30,520	2,775	-	-	33,295
Accounts payable to related companies	14,037	14,037	-	4,459	9,578	-	14,037

7.1.3 Exchange rate risk

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

a) Exposure to Chilean Pesos

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

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

b) Exposure to Mexican Pesos

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

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

c) Exposure to Euros

The source of exposure to Euros comes from sales performed in said currency, bank obligations and financial instruments. Hortifrut performs actions to mitigate the exposure to sales in Euros through the use of forward derivative instruments.

d) Exposure to Peruvian Soles

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

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

Exposure in currencies different to the functional currency

The following table shows exposure in currencies different to the dollar, over the Company's financial assets and liabilities as of June 30, 2019:

As of June 30, 2019	Pesos ThUS$	Nuevo Sol ThUS$	Euro ThUS$	Mexican $ ThUS$	Yuan ThUS$	Others ThUS$
Financial Assets						
Cash and Cash Equivalents	1,545	840	7,413	254	-	1,461
Other current non-financial assets	2,839	-	95	3,418	36	80
Current trade debtors and other accounts receivable	3,935	11,755	13,544	2,887	10,439	1,134
Current accounts receivable with Related Entities	634	-	5,164	-	48	-
Non-current accounts receivable with Related Entities	-	-	4,336	-	-	-
Total Financial Assets	**8,953**	**12,595**	**30,552**	**6,559**	**10,523**	**2,675**
Financial Liabilities						
Other current financial liabilities	695	-	9,650	-	-	-
Current trade accounts and other accounts payable	5,251	2,166	10,384	602	53	224
Current accounts payable to Related Entities	2,082	1,069	306	-	-	-
Current provisions for employee benefits	441	-	-	507	-	-
Other non-current financial liabilities	2,282	-	15,766	15	-	-
Non-current accounts payable to Related Entities	1,237	-	8,341	-	-	-
Total Pasivos Financieros	**11,988**	**3,235**	**44,447**	**1,124**	**53**	**224**
Net exposure as of June 30, 2019	**(3,035)**	**9,360**	**(13,895)**	**5,435**	**10,470**	**2,451**

Sensitivity analysis

The potential net effect on financial assets and liabilities of a 10% devaluation of the United States dollar against all the other relevant currencies to which the Company is exposed, would be approximately ThUS$1,079 as a higher charge to the company's results as of June 30, 2019 (ThUS$2,236 as of December 31, 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.

Currencies	Assets ThUS$	Liabilities ThUS$	Net ThUS$	Net (10% Devaluation) ThUS$	Variation ThUS$
Chilean Peso	8,953	11,988	(3,035)	(2,732)	303
Nuevo Sol	12,595	3,235	9,360	8,424	(936)
Euro	30,552	44,447	(13,895)	(12,506)	1,389
Mexican Peso	6,559	1,124	5,435	4,892	(543)
Yuan	10,523	53	10,470	9,423	(1,047)
Others	2,675	224	2,451	2,206	(245)
Total as of 30-06-2019	**71,857**	**61,071**	**10,786**	**9,707**	**(1,079)**

7.1.4 Interest Rate Risk

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

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

As of June 30, 2019 the variable debt rate that Hortifrut maintains was ThUS$263,237 (ThUS$365,711 as of December 31, 2018), if it maintained this debt level for a one year term and today the rate increased 10%, the impact on the annual financial cost would be ThUS$1,047 (ThUS$1,480 as of December 31, 2018).

7.2 Operating Risks

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

7.2.1 Genetic development

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

7.2.2 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, at the main markets where Hortifrut operates we can still observe a great growth potential in the demand for berries, due to the combination of (i) a product with very positive health effects; (ii) the growing importance given by consumers to healthy food and (iii) a still relatively low consumption of berries per capita.

7.2.3 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.

7.2.4 Climatic risks

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

With the acquisition of Grupo Rocio's blueberries business, the Company's plantations in Peru reached 63.1% of the total own plantations, increasing exposure to climatic risk in this country. Nevertheless, the Company has other smaller plantations in South America, North America, Europe and Asia, which allow it to partially mitigate this risk.

7.2.5 Plagues and disease

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

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

From 2013, the United States applied quarantine to some regions in Chile due to the detection of the Lobesia Botrana moth. These quarantines can generally be lifted immediately through fumigation of the fruit at destination or, in the medium term, working with the authorities on preventive measures to control the plague which prove contention or eradication, ending up in the lifting of the quarantine.

7.2.6 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.

7.2.7 Risks of Availability of Human Resources

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

7.2.8 Continuity and Costs of Supplies and Services

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

7.2.9 Risk associated to New Technologies

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

7.3 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 June 30, 2019 and December 31, 2018, are the following:

COUNTRY	TYPE OF INSURANCE	CURRENCY	30-Jun-19 COVERED AMOUNT	31-Dec-18 COVERED AMOUNT
Chile	Infrastructure Fire	UF	1,583,352	1,658,152
Chile	Mobile Agricultural Equipment	UF	47,732	48,092
Chile	Motor Vehicles	UF	145,287	48,563
Chile	General and Product Civil Responsibility	USD	5,000,000	5,000,000
Chile	Maritime Transport	USD	7,000,000	7,000,000
Chile	Credit Insurance	USD	20,000,000	20,000,000
Chile	Fruit and Materials Insurance	USD	9,810,916	9,810,916
Chile	Terrorism	UF	500,000	500,000
Chile	Business Interruption	UF	1,227,000	1,227,000
USA	Product Civil Responsibility	USD	20,000,000	20,000,000
Mexico	Transporting of Load	USD	200,000/shipment	200,000/shipment
Mexico	Infrastructure Fire, Theft and Civil Liability	USD	48,000,000	48,000,000
Mexico	Motor Vehicles	USD	Commercial Value	Commercial Value
Spain	Motor Vehicles	EUR	Commercial Value / without limit	Commercial Value / without limit
Spain	Installations	EUR	350,000 per event	350,000 per event
Spain	Goods	EUR	50,000 per event	50,000 per event
Spain	Civil Liability	EUR	6,500,000	6,500,000
Spain	Credit Insurance	EUR	90% unpaid	90% unpaid
Peru	Fire	PEN	618,320	618,320
Peru	Motor Vehicles	USD	261,820	261,820

7.4 Risk in the Estimations

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

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

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

As of June 30, 2019, the expected margin of fruit on the Company's bearer plants was recognized, for the amount of ThUS$1,378, which is presented net of the reversal of this estimation recorded on December 31, 2018, in the item Other income (expense) per function resulting in a net loss of ThUS$5,979.

As of December 31, 2018, the expected margin of fruit on the Company's bearer plants was recognized, for the amount of ThUS$7,357, which is presented under Other income (expense) per function net of the reversal of this estimation recorded as of June 30, 2018, on behalf of the Grupo Rocio before the merger, resulting in a net profit of ThUS$5,332.

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

Company	Fair Value Adjustment as of 6/30/2019 (ThUS$)	10% Reduction Volume (ThUS$)	10% Reduction Price (ThUS$)	10% Reduction Volume and Price (ThUS$)
Hortifrut Tal S.A.C.	**317**	**285**	**232**	**209**
Hortifrut Peru S.A.C.	**704**	**634**	**419**	**377**
Berries de Chao S.A.C.	**9**	**8**	**7**	**6**
HFE Berries Perú S.A.	**348**	**313**	**216**	**195**
Total	**1,378**	**1,240**	**874**	**787**

7.5 Risk Associated to Merger and Acquisition Process

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

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

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