



**EARNINGS  
REPORT  
3<sup>rd</sup> QUARTER  
2019**

**NOVEMBER 2019**

## OUR COMPANY

### VISION:

To be the world leader in the Berries category.

### MISSION:

Berries for the world, every day.

### BUSINESS MODEL:

Through strategic alliances, we join the best in the southern hemisphere with the best in the northern hemisphere, in trade platforms and own brands, integrating all aspects of the business from genetics to the final customer. We supply the best customers in the main global markets.

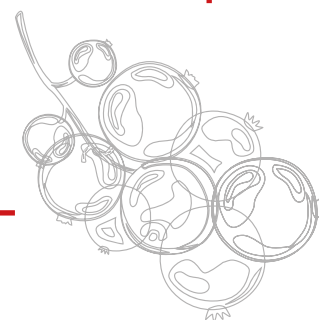
### PURPOSE:

Touching and enlightening the life of people by delivering the most wonderful and healthy berries, through its team and partnerships around the world, caring about the environment and the community.



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## 1. SUMMARY OF CONSOLIDATED RESULTS PER 2019-20 AND 2018-19 SEASON, AND CALENDAR YEAR AS OF SEPTEMBER18 AND SEPTEMBER19

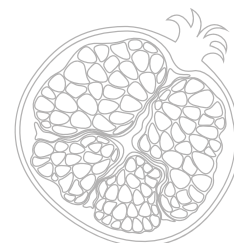
**1. Total Revenue<sup>1</sup> decreased by 9.38%** in the first 3 months of the 2019-20 season ("3Q19") compared to the same period of the 2018-19 season ("3Q18"), totaling **ThUS\$80,960**. The lower revenues are due to a decrease in the average income per kilo of 23.91%, associated with lower fruit exports to Europe and Asia, partially offset by an increase in the volume distributed of 19.09%, mainly for fruit from Peru and due to an increase in Other income, per function, associated with the higher fair value of the fruit in the company's bearer plants, amounting to ThUS\$35,843 in 3Q19, compared to ThUS\$33,486 in 3Q18.

On its part, **total Revenue<sup>1</sup>** of Hortifrut during the first 9 months as of September 2019 ("Sep19") reached **ThUS\$358,551**, representing **an increase of 1.98%** compared to the same period of 2018 ("Sep18"). This increase is mainly explained by an increase in the Revenue from ordinary activities as a result of the 18.26% increase in sales volume, mostly for fruit from Peru and Mexico and value-added products. Additionally, during the period, a higher fair value of the fruit was recognized in the Company's bearer plants, for a total amount of ThUS\$36,191 (ThUS\$33,486 as of Sep18), which is recorded in the Other income, per function. These effects were partially offset by a decrease in average income per kilo of 13.77%, largely linked to lower fruit exports to Europe and Asia, replaced by higher exports to the US during 3Q19 and to extraordinary climatic events in Peru during the second half of 2018 that delayed the production curve in that country, concentrating a relevant volume of fruit in Peru during 1Q19, period in which it coincided with Chilean production, impacting downward sales prices. To this are added problems of quality of Peruvian and Chilean fruit during the first quarter of the year, also as a result of climatic events in both areas, effects that have not occurred at the beginning of the 19-20 season.

Income from the added segment "Fresh Fruit", which includes blueberries, raspberries, blackberries, strawberries and cherries, accounted for 91.61% of consolidated revenues as of Sep19, slightly lower compared to 93.16% as of Sep18. On its part, Revenue from "Products with Value Added" segment represented 8.39% of the consolidated income in the same period.

**2. Total Operating costs** decreased by 10.16% in 3Q19 compared to 3Q18, totaling **ThUS\$43,836**, explained by a higher activation of preseason costs, due to less delays in the production curve during the quarter, in addition to the lower depreciation, associated with

<sup>1</sup> Corresponds to the total Operating Income plus Other income plus other income per function.



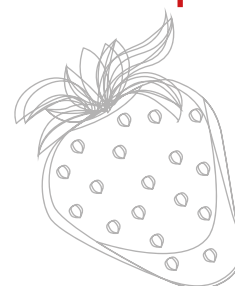
an adjustment made in July 2019, as a result of a change in the methodology for accounting of depreciation in the associates of Peru Trujillo (a straight-line depreciation was being used, and was modified to depreciation based on the production curve). These effects were partially offset by an increase in administrative expenditure, largely linked to the higher volume distributed.

**Total operating costs** as of Sep19 amounted to **ThUS\$323,066**, registering an increase of 8.99%, compared to Sep18, explained by: (1) the increase in the volume distributed; (2) to the higher preventive and palliative agricultural applications to maintain fruit quality; (3) higher administrative and depreciation expenses related to the incorporation of the Grupo Rocio's blueberry business in Peru, an operation that did not consolidate during the first half of 2018; and (4) reverse of the fair value of the fruit in bearer plants recorded at the end of December 2018 for ThUS\$7,357, under Other expenses, per function. On its part, in unit terms, sales costs decreased from US\$7.19 per kilo as of Sep18 to US\$6.08 per kilo as of Sep19.

**3.** Thus, during 3Q19, the Company recorded an **EBITDA of ThUS\$41,869**, decreasing 17.26% compared to EBITDA of ThUS\$50,603 recorded in the same period of 2018. The lower EBITDA is mainly explained by the lower average income per kilo of 23.91% linked to lower exports to Europe and Asia, offset by lower sales costs due to costs pending of recognition (higher cost activations) by the delay in the production curve in Peru.

**EBITDA** as of Sep19 reached **ThUS\$65,480**, recording a decrease of 14.59% compared to EBITDA of ThUS\$76,662 recorded in the same period in 2018. The decrease in EBITDA is explained by lower average prices, according to the aforementioned effects, by the increase in administration and sales expenses, mainly due to the effect of the acquisition of the blueberry business of Grupo Rocio in Peru, whose effects were not during the first half of 2018 and if included during the first half of 2019, and the reverse of fair value of fruit in bearer plants recorded at the end of December 2018 for ThUS\$7,357.

**4. The Operating result** in 3Q19 amounted to ThUS\$37,124, decreasing by 8.45% compared to 3Q18. The decrease in the operating result of ThUS\$3,425 is largely linked to the reasons explained in the previous paragraph, partially offset by the lower depreciation of the quarter, associated with the adjustment made in July 2019 in depreciation, due to the change in the methodology in depreciation accounting in Trujillo Peru.





As of Sep19, the **Operating result** reached **ThUS\$35,485**, compared to the result of ThUS\$55,175 presented as of Sep18. On its part, the operating margin also experienced a decrease from 15.69% to 9.90% in the analysis period. These decreases are mainly explained by the same reasons that explain the variations in cumulative terms in EBITDA, added to the higher depreciation of the period linked to the incorporation of the Grupo Rocío's blueberry business in Peru, an operation that was not present during the first half of the year of 2018.

**5.** The **Non-operating result** o of 3Q19 presented a **negative result of ThUS\$5,667**, which is compared with the positive result of ThUS\$54,583 recorded in 3Q18. The positive result of 3Q18 is mainly associated with a profit of ThUS\$60,917 in other income/(expenses), mainly due to the fair value adjustment of the 50% stake in Hortifrut Tal S.A.C. (Peru), an adjustment that amounted to ThUS\$60,995, which net of taxes amounts to ThUS\$44,520. Isolating this effect, the non-operating result for the quarter shows an improvement of 9.82% (+ ThUS\$0.617) compared to the same period of the previous year, this despite of the higher net financial cost of ThUS\$2,005 mainly due to prepaid costs of bank debt made during the quarter, which is more than compensated by a profit generated by exchange difference of ThUS\$2,832 (vs. ThUS\$311 in 3Q18) due to the depreciation of the euro, the chilean peso and the mexican peso, compared to the dollar.

The **Non-operating result** as of Sep19 was **ThUS\$23,663 negative**, which compares with the ThUS\$50,732 positives recorded as of Sep18. The positive result as of Sep18 is mainly associated with a profit of ThUS\$60,867 in other income/(expenses), mainly due to the aforementioned adjustment to fair value of the 50% stake in Hortifrut Tal S.A.C. (Peru). Isolating this effect, the non-operating result as of Sep19 was ThUS\$13,528 less than the same period of the previous year, mainly due to higher net financial costs, which went from ThUS\$8,728 as of Sep18 to ThUS\$20,106 as of Sep19, mainly explained by the higher average balance of financial debt during the year, associated with the financing of the merger and acquisition of the blueberry business of the Grupo Rocío in Peru and the incorporation of existing debt of the acquired businesses, debt that generated interest only for the months of July to September in 2018 vs. 9 months during 2019, added to the costs associated with prepayments of financial debt made during 3Q19. In addition to this, the period presents a higher loss in the Participations in the gains (losses) of associates and joint ventures for ThUS\$4,509 as of Sep19, which compares with the losses of ThUS\$2,163 in the same period of 2018, mainly associated with the result more negative of the associate Munger Hortifrut NA LLC (United States) for ThUS\$4,223 (ThUS\$2,191 of losses as of Sep18).



**6. Profit attributable to the parent company reached ThUS\$22.123** in the first 3 months of the 2019-20 season ("3Q19") compared to the ThUS\$71,144 recorded during the start of the 2018-19 season ("3Q18") (-68.90%). The lower profit is mainly due to the positive one-off effect of ThUS\$60,995 in the non-operating result of 3Q18, which is registered in other income/(expenses) outside the operation, due to the fair value adjustment of the participation of 50 % in Hortifrut Tal SAC (Peru), which net of taxes amounts to ThUS\$44,526. Isolating this effect, the profit attributable to the owners of the parent company during 3Q18 would be ThUS\$26,618, ThUS\$4,495 higher than the result of 3Q19, mainly due to the fact that 3Q19 recorded lower revenues from ordinary activities due to a decrease in average income per kilo of 23.91%, mainly explained by a lower export of fruit to Europe and Asia and an increase of ThUS\$3,559 in administrative expenses (mainly remunerations and third-party services) respectively associated with the higher volume of production and strengthening of the corporate structure in line with the growth of the Company. To this is added an increase of ThUS\$2,005 in net financial costs, mainly for the costs associated with the prepayment of financial debt made during the quarter, offset by a profit generated by exchange difference of ThUS\$2,832 (vs. ThUS\$311 in 3Q18), caused by the depreciation of the euro, the chilean peso and the mexican peso, relative to the dollar.

In accumulated terms as of Sep19, the Company presented a **loss attributable to the owners of the parent company of ThUS\$5,922**, which is compared with a profit of ThUS\$76,642 recorded in the same period of 2018. The lower result is mainly due to the fair value adjustment of the 50% stake in Hortifrut Tal SAC (Peru), explained above. Isolating this effect, the Profit attributable to the owners of the parent as of Sep18 was ThUS\$26,194 higher than this figure as of Sep19, reaching ThUS\$32,116. In addition to the aforementioned adjustment, the period presents a lower operating result explained by lower average prices, according to the aforementioned effects, due to the increase in administrative and sales expenses, mainly due to the effect of the acquisition of the blueberry business of Grupo Rocío in Peru, whose effects were not included during the first half of 2018 and they are included during the first half of 2019, the reverse of the fair value of the fruit in bearer plants recorded at the end of December 2018, and at the highest depreciation of the period linked to the incorporation of the blueberry business of the Grupo Rocío Group in Peru, an operation that was not part of Hortifrut in the first half of 2018. On its part, the non-operating result as of Sep19 presents a higher net financial cost of ThUS\$11,378, due to the highest average balance of financial debt associated with the financing of the merger and acquisition of the blueberry business Grupo Rocío in Peru and the incorporation of existing debt of the acquired businesses, debt that generated interest only for the months of July to September in 2018 vs. 9 months during 2019.

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## 2. MAIN HIGHLIGHTS OF THE PERIOD

### 1. BUSINESS COMBINATION OF FROZEN PRODUCTS WITH ALIFRUT

Regarding the Company's growth strategy, **in October 2019 Hortifrut and Alifrut**, a subsidiary of Duncan Fox, **reached an agreement to combine and develop globally their export businesses of frozen products with added value** in equal parts. The association contemplates direct distribution to customers through the global commercial platforms of Hortifrut and Alifrut's industrial and commercial expertise as a multi-product frozen processor. The partnership will allow Hortifrut to consolidate and further strengthen its leadership position as a global business platform, by complementing its offer of value-added products.

### 2. HORTIFRUT ESTABLISHES COMMERCIAL ALLIANCE TO EXPORT FROM COLOMBIA

In October 2019, in the framework of the Company's strategy to boost the sale of blueberries and approach the main destination markets, **Hortifrut establishes a commercial alliance with Proplantas**, Colombian family company pioneer in the sale of strawberries and blueberries in said country. The agreement contemplates the **creation of a platform for the export of blueberries from Colombia from March 2020**, destined to the main consumer markets of the northern hemisphere, whose commercialization will be in charge of Hortifrut. The company will be controlled 75% by Hortifrut and 25% by the Afanador family, owner of Proplantas.

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### 3. CAPITAL INCREASE

Regarding the Company's growth strategy, in Extraordinary Shareholders's Meeting held on April 30, 2019, the realization of a **capital increase of US\$160 million was approved**. The funds coming from this capital increase will be used to finance organic growth in the countries that supply the markets of North America, Europe and Asia, during all the weeks of the year, strengthen the commercial platforms and meet the growing demand for the company's products. This growth is projected through investments in countries physically close to the respective destination markets, which include **China, Morocco and northern Mexico**. During the preferred option period, 51,777,540 shares were subscribed, reaching a 84.88% subscription. It should be noted that **the controlling group of the Company subscribed the entire corresponding pro rata** (51.85%), demonstrating its commitment to the Company's growth projects.



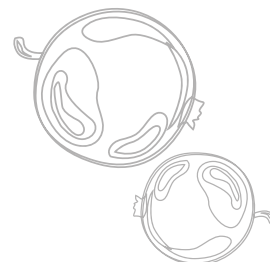


### 3. CONSOLIDATED INTEGRAL INCOME STATEMENT – IFRS

**HORTIFRUT S.A. AND SUBSIDIARIES**  
**Consolidated Integral Income Statement**  
**Accumulated as of 3rd Quarter 2019 (January to September)**

|  | Jan18-Sep18    |               | Jan19-Sep19    |               | Var %           |
|--|----------------|---------------|----------------|---------------|-----------------|
|  | ThUS\$         | % Rev.        | ThUS\$         | % Rev.        |                 |
| Total revenue <sup>2</sup>                                       | 351,600        |               | 358,551        |               | 1.98%           |
| Cost of sales  | -246,473       | -70.10%       | -246,368       | -68.71%       | -0.04%          |
| Administrative Expenses  | -28,465        | -8.10%        | -46,703        | -13.03%       | 64.07%          |
| <b>EBITDA</b>  | <b>76,662</b>  | <b>12.0%</b>  | <b>65,480</b>  | <b>18.3%</b>  | <b>-14.59%</b>  |
| Depreciation Fixed Assets  | -11,150        | -3.17%        | -15,477        | -4.32%        | 38.81%          |
| Depreciation Biological Assets                                   | -9,522         | -2.71%        | -11,023        | -3.07%        | 15.76%          |
| Amortization Intangible Assets                                   | -815           | -0.23%        | -3,495         | -0.97%        | 328.83%         |
| <b>Operating Result (exclude assets impairment)</b>              | <b>55,175</b>  | <b>15.69%</b> | <b>35,485</b>  | <b>9.90%</b>  | <b>-35.69%</b>  |
| Asset Impairment   | 0              |               | 0              |               |                 |
| <b>Operating Result</b>  | <b>55,175</b>  | <b>15.69%</b> | <b>35,485</b>  | <b>9.90%</b>  | <b>-35.69%</b>  |
| Financial income   | 1,528          |               | 1,932          |               | 26.44%          |
| Financial expenses   | -10,256        |               | -22,038        |               | 114.88%         |
| Share of profit of equity - accounted investees                  | -2,163         |               | -4,509         |               | 108.46%         |
| Other profit (loss)  | 60,867         |               | -345           |               | -100.57%        |
| Exchange rate differences  | 756            |               | 1,297          |               | 71.56%          |
| <b>Non Operatig Result</b>                                       | <b>50,732</b>  | <b>14.43%</b> | <b>-23,663</b> | <b>-6.60%</b> | <b>-146.64%</b> |
| <b>Profit before tax</b>   | <b>105,907</b> | <b>30.12%</b> | <b>11,822</b>  | <b>3.30%</b>  | <b>-88.84%</b>  |
| Gains tax expenses   | -25,051        |               | -2,877         |               | -88.52%         |
| <b>Profit (loss)</b>   | <b>80,856</b>  | <b>23.00%</b> | <b>8,945</b>   | <b>2.49%</b>  | <b>-88.94%</b>  |
| Profit (loss), attributable to the parent company equity holders | 76,642         |               | 5,922          |               | -92.27%         |
| Profit (loss), attributable to non-controlling interests         | 4,214          |               | 3,023          |               | -28.26%         |
| <b>Profit (loss)</b>   | <b>80,856</b>  | <b>23.00%</b> | <b>8,945</b>   | <b>2.49%</b>  | <b>-88.94%</b>  |
| Sales volume (tons)  | 34,772         |               | 39,545         |               | 13.73%          |
| EBITDA / kg (US\$)   | 2.20           |               | 1.66           |               | -24.89%         |

<sup>2</sup> Corresponds to the sum of Revenue from ordinary activities plus Other income, per function.



#### 4. CONSOLIDATED INCOME STATEMENT ANALYSIS

##### OPERATING RESULTS

- **Total Income<sup>2</sup> of Hortifrut S.A. and Subsidiaries totaled ThUS\$358,551 in the first 9 months of the year 2019, recording an increase of 1.98% compared to the same period in 2018.**

In the case of **Blueberry**, there was an **increase in sales of 2.76%** reaching **ThUS\$303,973** as of Sep19. The increase in sales is mainly explained by an **increase in the volume distributed** from 24,600 to 28,668 tons, offset by a decrease in average revenue per kilo of 12.66%. The variation in the volume distributed is mainly explained by the acquisition and merger of the Grupo Rocío blueberry business in Peru, by maturity of plantations in Olmos (Peru), and by new plantations in Mexico and China. Thus, the volume distributed from Peru increased from 6,639 tons as of Sep18 to 11,650 tons accumulated as of Sep19.

On its part, income from **Raspberries** decreased by 39.27% compared to Sep18, totaling **ThUS\$7,641** as of Sep19. This decrease is explained by a reduction in distributed volume of 33.85%, mainly associated with a lower availability of fruit to capture in Spain and reduction of the production area in Chile, added to a 8.20% drop in average income per kilo.

The **Blackberries** segment recorded **revenue of ThUS\$8,949**, increasing 2.27% compared to Sep18. The higher revenues are mainly explained by an increase of 1.76% in the average income per kilo.

Regarding **Strawberries**, revenues decreased by 57.44% in the first 9 months of 2019 compared to the same period of 2018, totaling **ThUS\$2,560**. The decrease is explained by a fall in the volume distributed of 57.38%, mainly associated with a lower availability of the fruit to capture in Mexico and by lower productivity of the Chilean fields due to lower rainfall.

**Cherries** recorded sales revenue of **ThUS\$5,329** as of Sep19, increasing by 20.89% compared to Sep18. The increase in income is mainly explained because, despite a 29.46% decrease in the kilos traded, there was an increase in the average income per kilo of 71.37%.

<sup>2</sup> Corresponds to the total Operating Income plus Other income, per function.



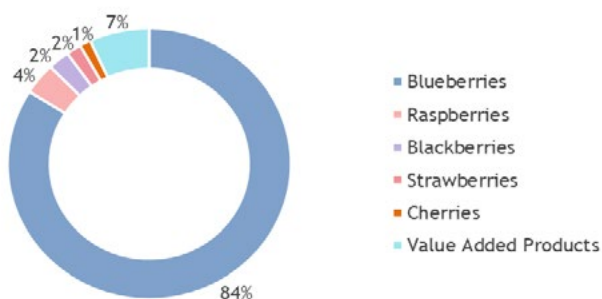
**Value Added Products** recorded **sales income of ThUS\$30,099** during the first 9 months of 2019, increasing by 25.22% compared to the income recorded in the same period of the previous year. This variation is explained by a 30.98% increase in the volume distributed, while the average income per kilo decreased by 4.40% in the same period.

The following charts and tables summarize the make-up of Operating revenue and its variation in the analyzed period:

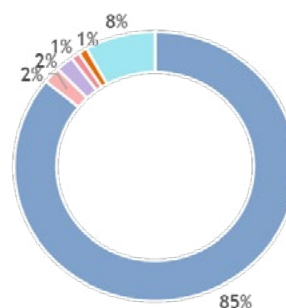
**Revenue (Thousands of dollars)**

|                      | Jan18-Sep18    | Jan19-Sep19    | Var %        |
|----------------------|----------------|----------------|--------------|
| Blueberries          | 295,807        | 303,973        | 2.76%        |
| Raspberries          | 12,583         | 7,641          | -39.27%      |
| Blackberries         | 8,750          | 8,949          | 2.27%        |
| Strawberries         | 6,015          | 2,560          | -57.44%      |
| Cherries             | 4,409          | 5,329          | 20.89%       |
| Value Added Products | 24,036         | 30,099         | 25.22%       |
| <b>TOTAL</b>         | <b>351,600</b> | <b>358,551</b> | <b>1.98%</b> |

**Income per Segment Jan18-Sep18**



**Income per Segment Jan19-Sep19**



- **The Operating result recorded a profit of ThUS\$35,485 as of Sep19, which is compared with the result of US\$55,175 obtained in the same period of 2018.**

It must be stated that due to the entry into effect of the Amendment to IAS 16 and IAS 41 from January 01, 2016, "bearer plants" are considered a Fixed Asset, so they must be depreciated year by year, among other aspects. Due to this, the aforementioned Operating result includes ThUS\$11,023 of depreciation of "Bearer Plants", which is compared with a ThUS\$9,522 depreciation for this concept as of Sep18.

On its part, there is an increase in the amortization of the Intangible Asset, which went from ThUS\$815 as of Sep18 to ThUS\$3,495 as of Sep19, mainly associated with the higher sale of royalties from Blueberry plants.

The **Blueberry** business registered an **Operating Income of ThUS\$29,412** as of Sep19, decreasing by 46.77% compared to Sep18, mainly explained because, although the period presents an increase of 24.60% in the distributed volume, the average income per kilo decreases by 17.52% associated with lower exports to Europe and Asia during 3Q19 and climatic events that delayed the production curve of Peru, concentrating a relevant volume of fruit from this country in 1Q19, a period in which coincided with the Chilean production that is usually marketed in this period, impacting down prices. Additionally, the operational costs increase as a result of the incorporation of the blueberry business in Peru (purchase of Grupo Rocio), which existed in the consolidation perimeter of the Company in the first half of 2018. The operating margin also experienced a fall from 18.68% to 9.68%.

The depreciation of the "bearer plants" considered within the Blueberry segment during the first 9 months of 2019 amounts to ThUS\$10,456, 17.51% higher than the ThUS\$8,898 recorded during the same period of 2018 for this concept, explained by the higher volume of blueberries produced.

The **Raspberry** segment recorded a **positive Operational Result of ThUS\$2,096** as of Sep19, which compares with the negative ThUS\$1,815 recorded as of Sep18, mainly associated with the closure of fields with poor performance and the consequent increase in cost efficiency. The depreciation of the "bearer plants" considered within this segment as of Sep19 amounts to ThUS\$567, less than the ThUS\$624 recorded as of Sep18.

The Operational Result of the **Blackberries** was positive in **ThUS\$824** as of Sep19, which compares with a loss of ThUS\$301 in the same period of 2018, an



improvement that is associated with the increase in the sale price during the period. This segment does not record depreciation of “bearer plants”.

The **Strawberry** recorded a **negative Operating Income** equal to **ThUS\$735** accumulated as of Sep19, compared to a loss of ThUS\$1,388 recorded as of Sep18. The smallest loss is explained by the lower operational costs, associated with the lower distributed volume of 57.38%. This segment does not record depreciation of “bearer plants”.

The **Cherry** segment recorded a **positive Operational result of ThUS\$817** in the first 9 months of 2019, increasing with respect to the profit of ThUS\$419 recorded in the same period of the previous year. Given the above, the operating margin of this product increased from 9.49% of revenues to 15.34% of them during the analysis period, due to the increase in the sale price associated with the lower volume available in the market. This segment does not record depreciation of “bearer plants”.

The **Added Value Products** show a **positive Operational result of ThUS\$3,071** as of Sep19, which is compared with the profit recorded for ThUS\$3,004 as of Sep18, an increase that is explained because during the first months of 2019 a larger volume of fruit was purchased and processed during the first half of 2018, fruit that has been sold during the year. This was partially offset by the higher costs incurred for the same effect. On its part, the operating margin of this segment was 10.20% in the analysis period, slightly below the positive margin of 12.50% recorded as of Sep18. This segment does not record depreciation of “bearer plants”.





## NON-OPERATING RESULTS

- **Non-operating result recorded losses of ThUS\$23,663 during the first 9 months of 2019, which compares with a profit of ThUS\$50,732 recorded in the same period of 2018.**

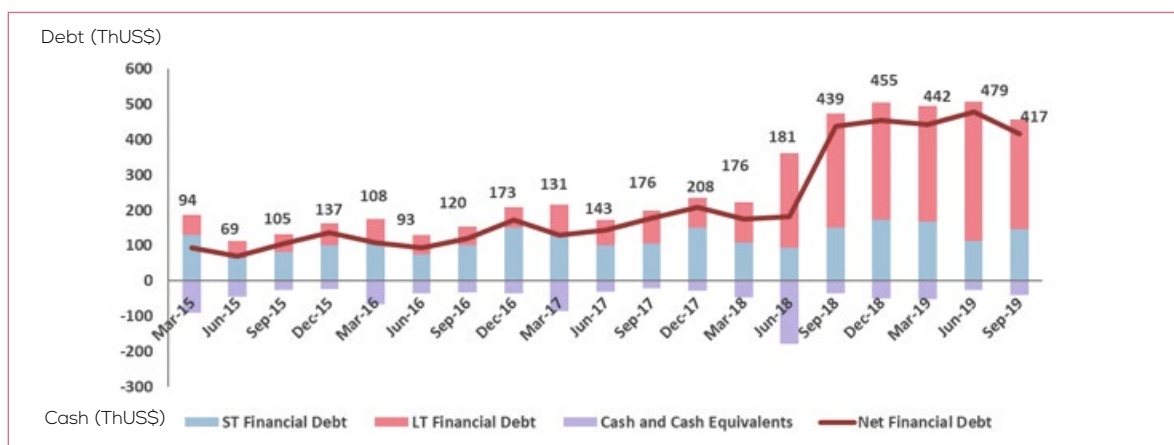
This variation is mainly explained by the following factors:

- a. Profit of ThUS\$60,867 recorded in other income/(expenses), largely due to the fair value adjustment of the 50% stake in Hortifrut Tal S.A.C. (Peru), an adjustment that amounted to ThUS\$60,995, which net of taxes amounts to ThUS\$44,520.
- b. Increase in net financial expenses, totaling ThUS\$20,160 as of Sep19, which compares with net financial expenses of ThUS\$8,728 in the same period of the previous year. The increase is mainly due to the higher average financial debt balance during the year, associated with the financing of the merger and acquisition of the Blueberry business of the Grupo Rocío in Peru and the incorporation of existing debt of the acquired businesses, debt that generated interest only for the months of July to September in 2018 vs. 9 months during 2019, added to the cost associated with prepayments of financial debt made during 3Q19.
- c. A loss recorded in the Participation in the profits (losse) of associates and joint ventures of ThUS\$4,509 as of September19, which is compared with the losses of ThUS\$2,163 obtained in the same period in 2018, mainly associated with the most negative result, as of Sep19, of Associate Munger Hortifrut NA LLC (United States) for ThUS\$4,223 (ThUS\$2,191 of losses as of Sep18).

The Company's **net financial debt** decreased from **ThUS\$455,171** as of December 31, 2018 to ThUS\$416,631 as of September 30, 2019, which is mainly explained by the prepayments of debt executed during 3Q19 with the funds from the capital increase made in July and August 2019, partially offset by the higher working capital needs associated with the higher volume produced in Peru, by the beginning of the investment plan announced for Mexico and China, and by the entry into force of the standard IFRS 16, whereby two accounting entries must be recorded for lease agreements, on one side a financial liability is recognized and on the other the value of the leased asset. In the case of Hortifrut, the liability associated with the lease agreements is ThUS\$16,383 as of Sep19.



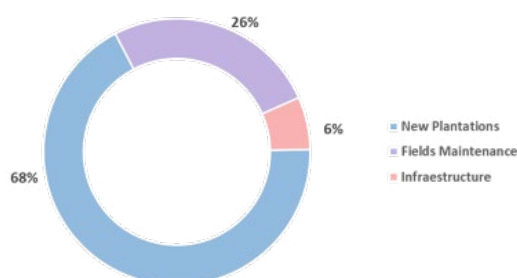
During the first 9 months of 2019, the Company invested ThUS\$55,946, mainly in new plantations, in addition to maintenance of existing plantations and infrastructure. This represents an increase of 54.46% compared to the same period of 2018, mainly due to investments made in Trujillo, associated with maintenance of the fields and improvement projects and plantation projects in Mexico and China.



15

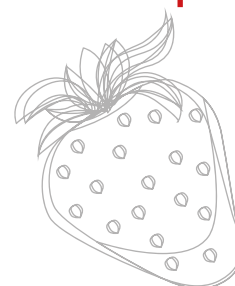
INVESTMENTS  
JAN-SEP2019

ThUS\$ 50,946



## NET INCOME AND EBITDA

- The Company presented a negative Profit attributable to the parent company of ThUS\$5,922**, which is compared with a profit of ThUS\$76,642 recorded in the same period of 2018. The lower result attributable to the owners of the controller compared to Sep18 is due to the adjustment for ThUS\$60,995 recorded in the non-operating result by valuation of the 50% stake in Hortifrut Tal SAC (Peru), as explained above. In addition to this effect, the period presents a lower operating result mainly explained by the higher operating costs, associated with the incorporation of Grupo Rocio's blueberry business in Peru, an operation that was not found during the first half of 2018. On its part, The non-operating result as of Sep19 presents a higher net financial cost of ThUS\$11,378, due to the higher average balance of financial debt associated with the financing of the sale and merger of the Grupo Rocio's blueberry business in Peru and the incorporation of existing business debt acquired, debt that generated interest only for the months of July to September in 2018 vs. 9 months during 2019.
- The accumulated **EBITDA** as of Sep19 reached **ThUS\$65,480**, recorded a decrease of 14.59% compared to EBITDA of ThUS\$76,662 recorded at the same period in 2018. The decrease in EBITDA is mainly explained by the increase in sales costs associated with the higher volume distributed, in administrative expenses, mainly associated with the effect of the acquisition of the blueberry business of Grupo Rocio in Peru, whose effects were not during the first half of 2018 and if they are included during the first half of 2019 and the strengthening of commercial platforms, on the back of the fair value of the fruit in bearer plants registered at the end of December 2018 for ThUS\$7,357. To this is added the lower result due to fruit quality problems during the first six months of 2019 due to adverse weather conditions.



## 2019-20 SEASON RESULTS ANALYSIS

### HORTIFRUT S.A. AND SUBSIDIARIES Consolidated Integral Income Statement For Season ending on September 30 (July 2018 to September 2019)

|  | Jul18-Sep18   |                | Jul19-Sep19   |               | Var %           |
|--|---------------|----------------|---------------|---------------|-----------------|
|  | ThUS\$        | % Rev.         | ThUS\$        | % Rev.        |                 |
| Total revenue <sup>3</sup>                                       | 89,345        |                | 80,960        |               | -9.38%          |
| Cost of sales  | -28,998       | -32.46%        | -25,788       | -31.85%       | -11.07%         |
| Administrative Expenses  | -9,744        | -10.91%        | -13,303       | -16.43%       | 36.53%          |
| <b>EBITDA</b>  | <b>50,603</b> | <b>12.0%</b>   | <b>41,869</b> | <b>51.7%</b>  | <b>-17.26%</b>  |
| Depreciation Fixed Assets  | -5,515        | -6.17%         | -2,809        | -3.47%        | -49.07%         |
| Depreciation Biological Assets                                   | -4,430        | -4.96%         | 337           | 0.42%         | -107.61%        |
| Amortization Intangible Assets                                   | -109          | -0.12%         | -2,273        | -2.81%        | 1985.32%        |
| <b>Operating Result (exclude assets impairment)</b>              | <b>40,549</b> | <b>45.38%</b>  | <b>37,124</b> | <b>45.85%</b> | <b>-8.45%</b>   |
| Asset Impairment   | 0             |                | 0             |               |                 |
| <b>Operating Result</b>  | <b>40,549</b> | <b>45.38%</b>  | <b>37,124</b> | <b>45.85%</b> | <b>-8.45%</b>   |
| Financial income   | 353           |                | 1,415         |               | 300.85%         |
| Financial expenses   | -5,274        |                | -8,341        |               | 58.15%          |
| Share of profit of equity - accounted investees                  | -1,724        |                | -1,574        |               | -8.70%          |
| Other profit (loss)  | 60,917        |                | 1             |               | -100.00%        |
| Exchange rate differences  | 311           |                | 2,832         |               | 810.61%         |
| <b>Non Operatig Result</b>                                       | <b>54,583</b> | <b>61.09%</b>  | <b>-5,667</b> | <b>-7.00%</b> | <b>-110.38%</b> |
| <b>Profit before tax</b>   | <b>95,132</b> | <b>106.48%</b> | <b>31,457</b> | <b>38.85%</b> | <b>-66.93%</b>  |
| Gains tax expenses   | -22,053       |                | -6,368        |               | -71.12%         |
| <b>Profit (loss)</b>   | <b>73,079</b> | <b>81.79%</b>  | <b>25,089</b> | <b>30.99%</b> | <b>-65.67%</b>  |
| Profit (loss), attributable to the parent company equity holders | 71,144        |                | 22,123        |               | -68.90%         |
| Profit (loss), attributable to non-controlling interests         | 1,935         |                | 2,966         |               | 53.28%          |
| <b>Profit (loss)</b>   | <b>73,079</b> | <b>81.79%</b>  | <b>25,089</b> | <b>30.99%</b> | <b>-65.67%</b>  |
| Sales volume (tons)  | 6,065         |                | 8,486         |               | 39.91%          |
| EBITDA / kg (US\$)   | 8.34          |                | 4.93          |               | -40.86%         |

<sup>3</sup> Corresponds to the sum of Revenue from ordinary activities plus Other income, by function.



During **3Q19**, the Company recorded an **EBITDA of ThUS\$41,869**, decreasing 17.26% compared to the EBITDA of ThUS\$50,603 recorded in the same period in 2018. The lower EBITDA is mainly explained by the lower average income per kilo of 23.91% due to the lower exports to Europe and Asia, offset by lower sales costs linked to costs pending recognition (higher cost activations) by the delay in the production curve in Peru.

On its part, **Total Revenue<sup>3</sup> decreased by 9.38%** in the first 3 months of the 2019-20 season ("3Q19") compared to the same period of the 2018-19 season ("3Q18"), totaling MUS\$80,960. The lower income is due to a decrease in average income per kilo of 23.91%, associated with lower fruit exports to Europe and Asia, partly offset by an increase in the volume of 19.09% distributed, mainly for fruit from Peru and due to an increase in Other income, per function, associated with the greater fair value of the fruit in the company's carrier plants, amount amounting to ThUS\$35,843 in 3Q19, compared to ThUS\$33,486 in 3Q18.

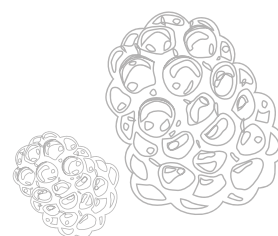
Isolating the effect of income associated with businesses other than the sale of fruit, such as the sale of plants, royalty income and income from service provision, among others, the **average price of the product mix** decreased by 24.68% from US\$8,04 between July 2018 and September 2018 up to US\$6,05 in the same period of 2019, as a result of a fall in prices of all segments.

Particularly, the average price **of blueberries recorded a 20.01% decrease** to US\$8.72, due to lower exports to Europe and Asia, which were replaced by sales to North America. On its part, the price of **raspberries experienced a fall of 8.39%** to US\$7.75, **blackberries a reduction of 67.87%** to US\$6.14, the price of **strawberries had a decrease of 29,66%** to US\$4.98 and **value-added products decreased by 9.78%** to US\$3.46.

**Sales Costs** decreased 11.07% in 3Q19 compared to 3Q18, thus decreasing their proportion with respect to Sales Revenue from 32.46% to 31.85%. The lower costs are mainly explained by the slightly delayed production curve in Peru, so there is a higher amount of activated costs.

On its part, **Administration Expenses** also recorded an increase of 36.53% in 3Q19, while, in terms of participation on Sales Revenues, they went from 10.91% to 16.43% within Analysis period. The increase is largely associated with higher remuneration expenses due to the strengthening of the structure of commercial platforms, associated with the growth of the Company, and the increase in volume in the quarter compared to the same period of the previous year.

<sup>3</sup> Corresponds to the sum of Revenue from ordinary activities plus Other income, by function.



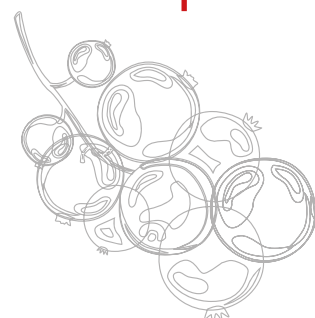


The following table shows the volume distributed per segment during the 2018-19 and 2019-20 seasons:

| Volume Distributed (kilos)        | Jul18-Sep18      | Jul19-Sep19      | Var %         |
|-----------------------------------|------------------|------------------|---------------|
| Blueberries                       | 3,091,607        | 2,969,707        | -3.94%        |
| Raspberries                       | 188,205          | 260,478          | 38.40%        |
| Blackberries                      | 14,820           | 108,505          | 632.13%       |
| Strawberries                      | 112,302          | 67,670           | -39.74%       |
| Cherries                          | 0                | 0                |               |
| Value Added Products <sup>4</sup> | 2,142,785        | 3,203,024        | 49.48%        |
| <b>TOTAL</b>                      | <b>5,549,719</b> | <b>6,609,383</b> | <b>19.09%</b> |

On its part, a **negative non-operating result of ThUS\$5,667** was recorded during 3Q19, which is compared with a positive result of ThUS\$54,583 in the same period of the previous season. The positive result of 3Q18 is mainly associated with a profit of ThUS\$60,917 in other income/(expenses), largely due to the fair value adjustment of the 50% stake in Hortifrut Tal S.A.C. (Peru), an adjustment that amounted to ThUS\$60,995, which net of taxes amounts to ThUS\$44,520. Isolating this effect, the non-operating result for the quarter shows an improvement of 9.82% (+ ThUS\$0.617) compared with the same period of the previous year, this despite of a higher net financial cost of ThUS\$2,005 mainly due to prepaid costs of bank debt made during the quarter, which is more than compensated by a gain generated by exchange difference of ThUS\$2,832 (vs. ThUS\$311 in 3Q18) due to the depreciation of the euro, the Chilean peso and the Mexican peso, regarding of the dollar.

<sup>4</sup> This volume does not consider the kilos processed to third parties.



## 6. INFORMATION PER BUSINESS SEGMENT

### “FRESH FRUIT” ADDED SEGMENT

#### BLUEBERRIES

#### Income Statement per Comparative Calendar Year Jan18/Sep18 – Jan19/Sep19

| Blueberries                            | Jan18-Sep18 | % Income | Jan19-Sep19 | % Income | Var %  |
|--|-------------|----------|-------------|----------|--------|
| Operating Income (ThUS\$)              | 295,807     |          | 303,973     |          | 2.8%   |
| Operating Costs (ThUS\$)               | -240,550    |          | -274,561    |          | 14.1%  |
| Operating Result (ThUS\$) <sup>5</sup> | 55,256      | 18.68%   | 29,412      | 9.68%    | -46.8% |

#### Income Statement per Comparative Season Jul18/Sep18 – Jul19/Sep19

| Blueberries                            | Jul18-Sep18 | % Income | Jul19-Sep19 | % Income | Var %  |
|--|-------------|----------|-------------|----------|--------|
| Operating Income (ThUS\$)              | 78,456      |          | 66,854      |          | -14.8% |
| Operating Costs (ThUS\$)               | -36,821     |          | -30,724     |          | -16.6% |
| Operating Result (ThUS\$) <sup>5</sup> | 41,636      | 53.07%   | 36,130      | 54.04%   | -13.2% |

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#### Evolution of Sales Volume and Prices

| Blueberries              | Jan18-Sep18 | Jan19-Sep19 | Var %   | Jul18-Sep18 | Jul19-Sep19 | Var %   |
|--------------------------|-------------|-------------|---------|-------------|-------------|---------|
| Sales volume (kilos)     | 23,008,627  | 28,667,796  | 24.60%  | 3,091,607   | 2,969,707   | -3.94%  |
| Percentage of the total  | 67.17%      | 70.76%      |         | 55.71%      | 44.93%      |         |
| Average Income (US\$/kg) | 12.86       | 10.60       | -17.52% | 25.38       | 22.51       | -11.29% |
| Average Price (US\$/kg)  | 8.36        | 8.20        | -1.93%  | 10.91       | 8.72        | -20.01% |

<sup>5</sup> The Operating Result by Operating Segment does not consider the Item Assets Impairment.



## 6. INFORMATION PER BUSINESS SEGMENT

### RASPBERRIES

#### Income Statement per Comparative Calendar Year Jan18/Sep18 – Jan19/Sep19

| Raspberries                            | Jan18-Sep18 | % Income | Jan19-Sep19 | % Income | Var %    |
|--|-------------|----------|-------------|----------|----------|
| Operating Income (ThUS\$)              | 12,583      |          | 7,641       |          | -39.27%  |
| Operating Costs (ThUS\$)               | -14,398     |          | -5,545      |          | -61.48%  |
| Operating Result (ThUS\$) <sup>6</sup> | -1,815      | -14.43%  | 2,096       | 27.43%   | -215.44% |

#### Income Statement per Comparative Season Jul18/Sep18 – Jul19/Sep19

| Raspberries                            | Jul18-Sep18 | % Income | Jul19-Sep19 | % Income | Var %   |
|--|-------------|----------|-------------|----------|---------|
| Operating Income (ThUS\$)              | 1,593       |          | 2,020       |          | 26.79%  |
| Operating Costs (ThUS\$)               | -3,758      |          | -2,835      |          | -24.56% |
| Operating Result (ThUS\$) <sup>6</sup> | -2,165      | -135.92% | -815        | -40.37%  | -62.34% |

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#### Evolution of Sales Volume and Prices

| Raspberries              | Jan18-Sep18 | Jan19-Sep19 | Var %   | Jul18-Sep18 | Jul19-Sep19 | Var %  |
|--------------------------|-------------|-------------|---------|-------------|-------------|--------|
| Sales volume (kilos)     | 1,185,044   | 783,952     | -33.85% | 188,205     | 260,478     | 38.40% |
| Percentage of the total  | 3.46%       | 1.94%       |         | 3.39%       | 3.94%       |        |
| Average Income (US\$/kg) | 10.62       | 9.75        | -8.20%  | 8.46        | 7.75        | -8.39% |
| Average Price (US\$/kg)  | 10.62       | 9.75        | -8.20%  | 8.46        | 7.75        | -8.39% |

<sup>6</sup> The Operating Result by Operating Segment does not consider the Item Assets Impairment.



## 6. INFORMATION PER BUSINESS SEGMENT

### BLACKBERRIES

#### Income Statement per Comparative Calendar Year Jan18/Sep18 – Jan19/Sep19

| Blackberries                           | Jan18-Sep18 | % Income | Jan19-Sep19 | % Income | Var %    |
|--|-------------|----------|-------------|----------|----------|
| Operating Income (ThUS\$)              | 8,750       |          | 8,949       |          | 2.27%    |
| Operating Costs (ThUS\$)               | -9,051      |          | -8,125      |          | -10.23%  |
| Operating Result (ThUS\$) <sup>7</sup> | -301        | -3.44%   | 824         | 9.21%    | -373.72% |

#### Income Statement per Comparative Season Jul18/Sep18 – Jul19/Sep19

| Blackberries                           | Jul18-Sep18 | % Income | Jul19-Sep19 | % Income | Var %   |
|--|-------------|----------|-------------|----------|---------|
| Operating Income (ThUS\$)              | 283         |          | 667         |          | 135.25% |
| Operating Costs (ThUS\$)               | -388        |          | -779        |          | 100.85% |
| Operating Result (ThUS\$) <sup>7</sup> | -105        | -3.47%   | -113        | -3.39%   | 7.7%    |

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#### Evolution of Sales Volume and Prices

| Blackberries             | Jan18-Sep18 | Jan19-Sep19 | Var % | Jul18-Sep18 | Jul19-Sep19 | Var %   |
|--------------------------|-------------|-------------|-------|-------------|-------------|---------|
| Sales volume (kilos)     | 1,320,361   | 1,327,061   | 0.51% | 14,820      | 108,505     | 632.13% |
| Percentage of the total  | 3.85%       | 3.28%       |       | 0.27%       | 1.64%       |         |
| Average Income (US\$/kg) | 6.63        | 6.74        | 1.76% | 19.12       | 6.14        | -67.87% |
| Average Price (US\$/kg)  | 6.63        | 6.74        | 1.76% | 19.12       | 6.14        | -67.87% |

<sup>7</sup> The Operating Result by Operating Segment does not consider the Item Assets Impairment.



## 6. INFORMATION PER BUSINESS SEGMENT

### STRAWBERRIES

#### Income Statement per Comparative Calendar Year Jan18/Sep18 – Jan19/Sep19

| Strawberries                           | Jan18-Sep18 | % Income | Jan19-Sep19 | % Income | Var %   |
|--|-------------|----------|-------------|----------|---------|
| Operating Income (ThUS\$)              | 6,015       |          | 2,560       |          | -57.44% |
| Operating Costs (ThUS\$)               | -7,403      |          | -3,295      |          | -55.50% |
| Operating Result (ThUS\$) <sup>8</sup> | -1,388      | -23.08%  | -735        | -28.70%  | -47.07% |

#### Income Statement per Comparative Season Jul18/Sep18 – Jul19/Sep19

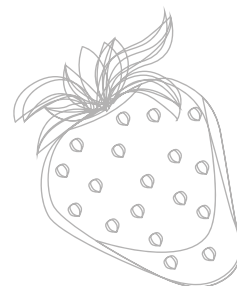
| Strawberries                           | Jul18-Sep18 | % Income | Jul19-Sep19 | % Income | Var %   |
|--|-------------|----------|-------------|----------|---------|
| Operating Income (ThUS\$)              | 795         |          | 337         |          | -57.61% |
| Operating Costs (ThUS\$)               | -978        |          | -510        |          | -47.83% |
| Operating Result (ThUS\$) <sup>8</sup> | -184        | -23.10%  | -174        | -51.52%  | -5.49%  |

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#### Evolution of Sales Volume and Prices

| Strawberries             | Jan18-Sep18 | Jan19-Sep19 | Var %   | Jul18-Sep18 | Jul19-Sep19 | Var %   |
|--------------------------|-------------|-------------|---------|-------------|-------------|---------|
| Sales volume (kilos)     | 1,404,868   | 598,797     | -57.38% | 112,302     | 67,670      | -39.74% |
| Percentage of the total  | 4.10%       | 1.48%       |         | 2.02%       | 1.02%       |         |
| Average Income (US\$/kg) | 4.28        | 4.28        | -0.15%  | 7.08        | 4.98        | -29.66% |
| Average Price (US\$/kg)  | 4.28        | 4.28        | -0.15%  | 7.08        | 4.98        | -29.66% |

<sup>8</sup> The Operating Result by Operating Segment does not consider the Item Assets Impairment.





## 6. INFORMATION PER BUSINESS SEGMENT

### CHERRIES

#### Income Statement per Comparative Calendar Year Jan18/Sep18 – Jan19/Sep19

| Cherries                               | Jan18-Sep18 | % Income | Jan19-Sep19 | % Income | Var %  |
|--|-------------|----------|-------------|----------|--------|
| Operating Income (ThUS\$)              | 4,409       |          | 5,329       |          | 20.89% |
| Operating Costs (ThUS\$)               | -3,990      |          | -4,512      |          | 13.08% |
| Operating Result (ThUS\$) <sup>9</sup> | 419         | 9.49%    | 817         | 15.34%   | 95.29% |

#### Income Statement per Comparative Season Jul18/Sep18 – Jul19/Sep19

| Cherries                               | Jul18-Sep18 | % Income | Jul19-Sep19 | % Income | Var % |
|--|-------------|----------|-------------|----------|-------|
| Operating Income (ThUS\$)              | 0           |          | 0           |          |       |
| Operating Costs (ThUS\$)               | 0           |          | 0           |          |       |
| Operating Result (ThUS\$) <sup>9</sup> | 0           |          | 0           |          |       |

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#### Evolution of Sales Volume and Prices

| Cherries                 | Jan18-Sep18 | Jan19-Sep19 | Var %   | Jul18-Sep18 | Jul19-Sep19 | Var % |
|--------------------------|-------------|-------------|---------|-------------|-------------|-------|
| Sales volume (kilos)     | 787,970     | 555,833     | -29.46% | 0           | 0           |       |
| Percentage of the total  | 2.30%       | 1.37%       |         | 0.00%       | 0.00%       |       |
| Average Income (US\$/kg) | 5.59        | 9.59        | 71.37%  | 0.00        | 0.00        |       |
| Average Price (US\$/kg)  | 5.59        | 9.59        | 71.37%  | 0.00        | 0.00        |       |

<sup>9</sup> The Operating Result by Operating Segment does not consider the Item Assets Impairment.



## 6. INFORMATION PER BUSINESS SEGMENT

### “VALUE ADDED PRODUCTS” SEGMENT

#### Income Statement per Comparative Calendar Year Jan18/Sep18 – Jan19/Sep19

| Value Added Products                    | Jan18-Sep18 | % Income | Jan19-Sep19 | % Income | % Income |
|---|-------------|----------|-------------|----------|----------|
| Operating Income (ThUS\$)               | 24,036      |          | 30,098      |          | 25.22%   |
| Operating Costs (ThUS\$)                | -21,032     |          | -27,027     |          | 28.51%   |
| Operating Result (ThUS\$) <sup>10</sup> | 3,004       | 12.50%   | 3,071       | 10.20%   | 2.21%    |

#### Income Statement per Comparative Season Jul18/Sep18 – Jul19/Sep19

| Value Added Products                    | Jul18-Sep18 | % Income | Jul19-Sep19 | % Income | Var %  |
|---|-------------|----------|-------------|----------|--------|
| Operating Income (ThUS\$)               | 8,218       |          | 11,082      |          | 34.86% |
| Operating Costs (ThUS\$)                | -6,851      |          | -8,987      |          | 31.18% |
| Operating Result (ThUS\$) <sup>11</sup> | 1,367       | 16.63%   | 2,096       | 18.91%   | 53.32% |

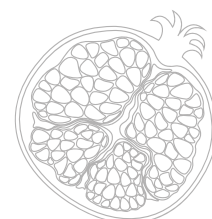
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#### Evolution of Sales Volume and Prices

| Value Added Products               | Jan18-Sep18 | Jan19-Sep19 | Var %  | Jul18-Sep18 | Jul19-Sep19 | Var %  |
|------------------------------------|-------------|-------------|--------|-------------|-------------|--------|
| Sales volume (kilos) <sup>11</sup> | 6,549,621   | 8,578,938   | 30.98% | 2,142,785   | 3,203,024   | 49.48% |
| Percentage of the total            | 19.12%      | 21.18%      |        | 38.61%      | 48.46%      |        |
| Average Income (US\$/kg)           | 3.67        | 3.51        | -4.40% | 3.84        | 3.46        | -9.78% |
| Average Price (US\$/kg)            | 3.67        | 3.51        | -4.40% | 3.84        | 3.46        | -9.78% |

<sup>10</sup> The Operating Result by Operating Segment does not consider the Item Assets Impairment.

<sup>11</sup> This volume does not consider kilos processed for third parties.



## 6. INFORMATION PER BUSINESS SEGMENT

### PLANTED HECTARES VARIATION

| Planted Surface         | Productive   |              |               | Non Productive <sup>12</sup> |            |                |
|-------------------------|--------------|--------------|---------------|------------------------------|------------|----------------|
|                         | Sep-18       | Sep-19       | Var. %        | Sep-18                       | Sep-19     | Var. %         |
| <b>Blueberries</b>      |              |              |               |                              |            |                |
| Surface (Hectares)      | 2,710        | 3,104        | 14.53%        | 365                          | 172        | -52.94%        |
| Percentage of the total | 82.45%       | 94.70%       |               | 93.56%                       | 76.53%     |                |
| <b>Raspberries</b>      |              |              |               |                              |            |                |
| Surface (Hectares)      | 104          | 96           | -8.16%        | 0                            | 85         | 100.00%        |
| Percentage of the total | 11.20%       | 3.09%        |               | 3.82%                        | 0.00%      |                |
| <b>Blackberries</b>     |              |              |               |                              |            |                |
| Surface (Hectares)      | 13           | 8            | -36.76%       | 0                            | 10         | 100.00%        |
| Percentage of the total | 1.07%        | 0.28%        |               | 0.00%                        | 0.67%      |                |
| <b>Strawberries</b>     |              |              |               |                              |            |                |
| Surface (Hectares)      | 59           | 57           | -3.06%        | 6                            | 6          | 0.00%          |
| Percentage of the total | 4.73%        | 1.72%        |               | 2.62%                        | 2.67%      |                |
| <b>Cherries</b>         |              |              |               |                              |            |                |
| Surface (Hectares)      | 7            | 7            | 0.00%         | 10                           | 45         | 352.30%        |
| Percentage of the total | 0.55%        | 0.20%        |               | 0.00%                        | 20.13%     |                |
| <b>TOTAL Hortifrut</b>  | <b>2,892</b> | <b>3,271</b> | <b>13.09%</b> | <b>381</b>                   | <b>318</b> | <b>-16.67%</b> |

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<sup>12</sup> Non-productive hectares are those hectares that are planted, but they do not have the capacity to produce fruit.



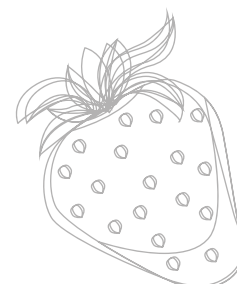
## 7. FINANCIAL AND PROFITABILITY RATIOS

### LIQUIDITY RATIOS

| Liquidity (times)  | Sep-18      | Sep-19      |
|--|-------------|-------------|
| <b>Current Liquidity</b>   | <b>1.20</b> | <b>1.45</b> |
| <i>Current asset / Current liability</i>   |             |             |
| <b>Acid-test Ratio</b>   | <b>0.64</b> | <b>0.72</b> |
| <i>Available asset (Current asset - Stock - Prepayments) / Current liability</i> |             |             |

### LEVERAGE RATIOS

| Leverage   | Sep-18        | Sep-19        |
|--|---------------|---------------|
| <b>Leverage Ratio</b>  | <b>1.34</b>   | <b>1.04</b>   |
| <i>Total liabilities / Equity attributable to Parent Company</i>     |               |               |
| <b>Short Term Debt</b>   | <b>30.51%</b> | <b>30.91%</b> |
| <i>Total current liabilities / Total liabilities</i>                 |               |               |
| <b>Long Term Debt</b>  | <b>69.49%</b> | <b>69.09%</b> |
| <i>Total non current liabilities / Total liabilities</i>             |               |               |
| <b>Financial Expenses Hedging</b>                                    | <b>11.33</b>  | <b>1.54</b>   |
| <i>(Before tax profit - Financial expenses) / Financial expenses</i> |               |               |
| <b>Book value of the Share (US\$)</b>                                | <b>0.9179</b> | <b>1.1077</b> |
| <i>Equity attributable to Parent Company / N° of shares</i>          |               |               |
| <b>Net Financial Debt over Equity</b>                                | <b>0.83</b>   | <b>0.63</b>   |
| <i>(Financial Debt - Cash and Cash Equivalents) / Equity</i>         |               |               |



## 7. FINANCIAL AND PROFITABILITY RATIOS

### PROFITABILITY RATIOS

| Equity Profitability                                     | Sep-18        | Sep-19       |
|--|---------------|--------------|
| <b>Profitability of Parent Company's Equity</b>          | <b>15.89%</b> | <b>0.98%</b> |
| <i>Parent Company's Profit / Parent Company's Equity</i> |               |              |
| <b>Profitability of the Equity</b>                       | <b>15.22%</b> | <b>1.35%</b> |
| <i>Profit for the year / Total equity</i>                |               |              |

### ACTIVITY RATIOS

| Activity  | Sep-18      | Sep-19      |
|---|-------------|-------------|
| <b>Rotation of Assets (times)</b>                       | <b>0.47</b> | <b>0.29</b> |
| <i>Operating Income / Total assets year average</i>     |             |             |
| <b>Rotation of Stock (times)</b>                        | <b>7.34</b> | <b>5.19</b> |
| <i>Cost of sales / Average stock</i>                    |             |             |
| <b>Permanence of Stock (days)</b>                       | <b>37</b>   | <b>52</b>   |
| <i>Stock / Annualized cost of sales (360 days base)</i> |             |             |





## 8. CONSOLIDATED FINANCIAL STATEMENT - IFRS

### a) CONSOLIDATED STATEMENT OF FINANCIAL POSITION – ASSETS

|  | Note | 30-Sep-2019<br>ThUS\$ | 31-Dec-18<br>ThUS\$ |
|--|------|-----------------------|---------------------|
| <b>Assets</b>  |      |                       |                     |
| <b>Current Assets</b>                                  |      |                       |                     |
| Cash and cash Equivalents                              | 8    | 39,206                | 48,901              |
| Other current financial assets                         | 9    | 172                   | 1,411               |
| Other current non-financial assets                     | 14   | 6,533                 | 5,462               |
| Current trade debtors and other accounts receivable    | 10   | 52,621                | 82,202              |
| Current accounts receivable from related entities      | 11   | 39,390                | 48,317              |
| Inventories  | 12   | 57,954                | 86,490              |
| Biological assets, current                             | 13   | 75,367                | 21,076              |
| Current tax assets                                     | 20   | 8,112                 | 2,007               |
| <b>Total current Assets</b>                            |      | <b>279,355</b>        | <b>295,866</b>      |
| <b>Non-current Assets</b>                              |      |                       |                     |
| Other non-current financial assets                     | 9    | 2,968                 | 317                 |
| Other non-current non-financial assets                 | 14   | 1,149                 | 1,192               |
| Non-current fees receivable                            | 10   | 9,031                 | 1,546               |
| Non-current accounts receivables with related entities | 11   | 4,273                 | 4,224               |
| Equity accounted investees                             | 16   | 24,630                | 29,385              |
| Intangible assets other than appreciation              | 17   | 11,419                | 15,020              |
| Goodwill   | 18   | 179,770               | 179,770             |
| Property, plant and equipment                          | 19   | 744,293               | 693,363             |
| Deferred tax assets                                    | 20   | 28,115                | 26,637              |
| <b>Total non-current Assets</b>                        |      | <b>1,005,648</b>      | <b>951,454</b>      |
| <b>Total Assets</b>                                    |      | <b>1,285,003</b>      | <b>1,247,320</b>    |



## 8. CONSOLIDATED FINANCIAL STATEMENT - IFRS

### b) CONSOLIDATED STATEMENT OF FINANCIAL POSITION – LIABILITIES AND EQUITY

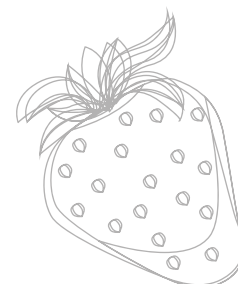
| Equity and Liabilities  | Note | 30-Sep-2019<br>ThUS\$ | 31-Dec-18<br>ThUS\$ |
|---|------|-----------------------|---------------------|
| <b>Liabilities</b>  |      |                       |                     |
| <b>Current Liabilities</b>  |      |                       |                     |
| Other current financial liabilities                               | 21   | 145,512               | 172,629             |
| Current trade accounts and other accounts payable                 | 22   | 39,911                | 88,319              |
| Current accounts payable to related entities                      | 11   | 3,703                 | 7,646               |
| Other current provisions  | 23   | 349                   | 829                 |
| Current provisions for employee benefits                          | 23   | 3,519                 | 2,926               |
| Other current non-financial liabilities                           |      | 109                   | 2,069               |
| <b>Total current Liabilities</b>                                  |      | <b>193,103</b>        | <b>274,418</b>      |
| <b>Non-current Liabilities</b>                                    |      |                       |                     |
| Other non-current financial liabilities                           | 21   | 310,325               | 331,443             |
| Other non-current accounts payable                                | 22   | 6,506                 | 6,506               |
| Non-current accounts payable to related entities                  | 11   | 5,776                 | 8,562               |
| Deferred tax liabilities  | 20   | 109,110               | 106,966             |
| <b>Total non-current Liabilities</b>                              |      | <b>431,717</b>        | <b>453,477</b>      |
| <b>Total Liabilities</b>  |      | <b>624,820</b>        | <b>727,895</b>      |
| <b>Equity</b>   |      |                       |                     |
| Issued capital  | 24   | 472,212               | 347,191             |
| Retained earnings   | 25   | 141,440               | 135,518             |
| Issuance premiums   | 24   | 3,751                 | (4,221)             |
| Other reserves  | 26   | (15,924)              | (11,806)            |
| <b>Equity attributable to the parent company's equity holders</b> |      | <b>601,479</b>        | <b>466,682</b>      |
| Non-controlling interest  | 27   | 58,704                | 52,743              |
| <b>Total Equity</b>   |      | <b>660,183</b>        | <b>519,425</b>      |
| <b>Total Equity and Liabilities</b>                               |      | <b>1,285,003</b>      | <b>1,247,320</b>    |



## 8. CONSOLIDATED FINANCIAL STATEMENT - IFRS

### c) CONSOLIDATED INTEGRAL INCOME STATEMENT

| Income Statement   | Note | 01-Jan-19<br>30-Sep-19<br>ThUS\$ | 01-Jan-18<br>30-Sep-18<br>ThUS\$ |
|--|------|----------------------------------|----------------------------------|
| <b>Profit (loss)</b>   |      |                                  |                                  |
| Revenues   | 29   | 320,233                          | 316,508                          |
| Cost of sales  | 30   | (276,363)                        | (267,960)                        |
| <b>Gross profit</b>  |      | <b>43,870</b>                    | <b>48,548</b>                    |
| Other income, per function   | 29   | 38,318                           | 35,092                           |
| Administrative expenses  | 30   | (34,679)                         | (26,071)                         |
| Other expenses, per function   | 30   | (12,024)                         | (2,394)                          |
| Other profit (loss)  |      | (345)                            | 60,867                           |
| Financial income   |      | 1,932                            | 1,528                            |
| Financial expenses   | 31   | (22,038)                         | (10,256)                         |
| Share of profit of equity - accounted investees                              | 16   | (4,509)                          | (2,163)                          |
| Exchange rate differences  | 32   | 1,297                            | 756                              |
| <b>Profit before tax</b>   |      | <b>11,822</b>                    | <b>105,907</b>                   |
| Gains tax expenses   | 20   | (2,877)                          | (25,051)                         |
| <b>Profit (loss) from continued operations</b>                               |      | <b>8,945</b>                     | <b>80,856</b>                    |
| <b>Profit (loss)</b>   |      | <b>8,945</b>                     | <b>80,856</b>                    |
| <b>Profit (loss) attributable to</b>   |      |                                  |                                  |
| Profit (loss), attributable to the parent company equity holders             |      | 5,922                            | 76,642                           |
| Profit (loss), attributable to non-controlling interests                     | 27   | 3,023                            | 4,214                            |
| <b>Profit (loss)</b>   |      | <b>8,945</b>                     | <b>80,856</b>                    |
| <b>Profit per share</b>  |      |                                  |                                  |
| <b>Basic earning per share</b>   |      |                                  |                                  |
| Basic earnings (loss) per share from continued operations (US\$ per share)   | 28   | 0.010906                         | 0.164518                         |
| <b>Basic earnings (loss) per share</b>                                       |      | <b>0.010906</b>                  | <b>0.164518</b>                  |
| <b>Profit per diluted share</b>  |      |                                  |                                  |
| Diluted earnings (loss) per share from continued operations (US\$ per share) |      | 0.010906                         | 0.164518                         |
| <b>Diluted earnings (loss) per share</b>                                     |      | <b>0.010906</b>                  | <b>0.164518</b>                  |



## 8. CONSOLIDATED FINANCIAL STATEMENT - IFRS

### d) CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY

|   | Issued Capital<br>Note 24<br>ThUS\$ | Issuance<br>premium<br>Note 24<br>ThUS\$ | Reserves due to<br>exchange rate<br>differences<br>Note 26<br>ThUS\$ | Cash flow<br>hedging<br>reserves<br>Note 26<br>ThUS\$ | Other reserves<br>Note 26<br>ThUS\$ | Accumulated<br>profit (loss)<br>Note 25<br>ThUS\$ | Equity attributable<br>to parent company<br>equity holders<br>ThUS\$ | Non controlling<br>interests<br>Note 27<br>ThUS\$ | Total Equity<br>ThUS\$ |
|---|-------------------------------------|--|--|---|-------------------------------------|---|--|---|------------------------|
| Opening balance as of 01/01/2019                              | 347,191                             | (4,221)                                  | (10,132)   | (1,674)   | (11,806)                            | 135,518   | 466,682  | 52,743  | 519,425                |
| Changes in equity   |                                     |  |  |   |                                     |   |  |   |                        |
| Comprehensive income  |                                     |  |  |   |                                     |   |  |   |                        |
| Net profit  | -                                   | -  | -  | -   | -                                   | 5,922   | 5,922  | 3,023   | 8,945                  |
| Other comprehensive income                                    | -                                   | -  | (3,179)  | (939)   | (4,118)                             | -   | (4,118)  | (960)   | (5,078)                |
| Total comprehensive income                                    | -                                   | -  | (3,179)  | (939)   | (4,118)                             | 5,922   | 1,804  | 2,063   | 3,867                  |
| Issuance of Equity  | 129,242                             | 4,315                                    | -  | -   | -                                   | -   | 133,557  | -   | 133,557                |
| Dividends   | -                                   | -  | -  | -   | -                                   | -   | -  | (202)   | (202)                  |
| Increase (decrease) due to transfer and other changes         | (4,221)                             | 3,657                                    | -  | -   | -                                   | -   | (564)  | 4,413   | 3,849                  |
| Increase (decrease) due to transactions of share in portfolio | -                                   | -  | -  | -   | -                                   | -   | -  | (313)   | (313)                  |
| Total change in equity  | 125,021                             | 7,972                                    | -  | -   | -                                   | -   | 132,993  | 3,898   | 136,891                |
| Closing balance as of 30/09/2019                              | 472,212                             | 3,751                                    | (13,311)   | (2,613)   | (15,924)                            | 141,440   | 601,479  | 58,704  | 660,183                |

|   | Issued Capital<br>Note 24<br>ThUS\$ | Issuance<br>premium<br>Note 24<br>ThUS\$ | Reserves due to<br>exchange rate<br>differences<br>Note 26<br>ThUS\$ | Cash flow<br>hedging<br>reserves<br>Note 26<br>ThUS\$ | Other reserves<br>Note 26<br>ThUS\$ | Accumulated<br>profit (loss)<br>Note 25<br>ThUS\$ | Equity attributable<br>to parent company<br>equity holders<br>ThUS\$ | Non controlling<br>interests<br>Note 27<br>ThUS\$ | Total Equity<br>ThUS\$ |
|---|-------------------------------------|--|--|---|-------------------------------------|---|--|---|------------------------|
| Opening balance as of 01/01/2018                          | 135,149                             | -  | (2,351)  | 3,516   | 1,165                               | 70,503  | 206,817  | 36,758  | 243,575                |
| Increase (decrease) due to changes in accounting policies | -                                   | -  | -  | -   | -                                   | (812)   | (812)  | (126)   | (938)                  |
| Restated opening balance                                  | 135,149                             | -  | (2,351)  | 3,516   | 1,165                               | 69,691  | 206,005  | 36,632  | 242,637                |
| Changes in equity   |                                     |  |  |   |                                     |   |  |   |                        |
| Comprehensive income                                      |                                     |  |  |   |                                     |   |  |   |                        |
| 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)                |
| Total comprehensive income                                | -                                   | -  | (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 transfer and other changes     | -                                   | -  | -  | -   | -                                   | -   | -  | 9,477   | 9,477                  |
| Total change in equity                                    | 212,042                             | (4,221)                                  | -  | -   | -                                   | -   | 207,821  | 9,320   | 217,141                |
| Closing balance as of 30/09/2018                          | 347,191                             | (4,221)                                  | (7,435)  | 516   | (6,919)                             | 146,333   | 482,384  | 48,895  | 531,279                |



## 8. CONSOLIDATED FINANCIAL STATEMENT - IFRS

### e) CONSOLIDATED CASH FLOW STATEMENT

| Direct Cash Flow Statement   | 01-Jan-19<br>30-Sep-19<br>ThUS\$ | 01-Jan-18<br>30-Sep-18<br>ThUS\$ |
|--|----------------------------------|----------------------------------|
| <b>Cash flow statement</b>   |                                  |                                  |
| <b>Cash flow from (used in) operating activities</b>   |                                  |                                  |
| <b>Types of changes per operating activities</b>   |                                  |                                  |
| Collection from the sale of goods and providing of services                                    | 358,339                          | 339,522                          |
| <b>Types of payments</b>   |                                  |                                  |
| Payments to suppliers for the providing of goods and services                                  | (291,407)                        | (240,453)                        |
| Payments to and on behalf of employees   | (75,516)                         | (60,719)                         |
| Paid interests   | (18,170)                         | (7,068)                          |
| Received interests   | 1,932                            | 1,528                            |
| Gains tax refund (paid)  | (8,316)                          | (4,286)                          |
| Other received (paid) cash   | 34,927                           | (788)                            |
| <b>Net cash flows from (used in) operating activities</b>                                      | <b>1,789</b>                     | <b>27,736</b>                    |
| <b>Cash flow from (used in) investment activities</b>  |                                  |                                  |
| Cash flow used to gain control of subsidiaries or other business                               | -                                | (354,979)                        |
| Cash flow used to purchase non parent company interests  | (265)                            | (1,667)                          |
| Loans to related entities  | -                                | (4,018)                          |
| Income from the sale of property, plant and equipment  | 2,079                            | 422                              |
| Purchase of property, plant an equipment   | (69,777)                         | (47,339)                         |
| Purchase of intangible assets  | (193)                            | (1,652)                          |
| Charges to related entities  | -                                | 7,396                            |
| Other received (paid) cash   | 4,413                            | 16,542                           |
| <b>Net cash flow from (used in) investment activities</b>                                      | <b>(63,743)</b>                  | <b>(385,295)</b>                 |
| <b>Cash flow from (used in) financing activities</b>   |                                  |                                  |
| Income from the issuance of shares   | 132,993                          | 207,821                          |
| Income from long term loans  | 14,859                           | 219,010                          |
| Income from short term loans   | 234,119                          | 79,570                           |
| <b>Total income from loans</b>   | <b>248,978</b>                   | <b>298,580</b>                   |
| Loans from related entities  | -                                | 960                              |
| Payment of loans   | (316,665)                        | (192,142)                        |
| Payment of liabilities for financial lease   | (4,109)                          | (2,344)                          |
| Paid dividends   | (10,926)                         | (6,254)                          |
| <b>Net cash flow from (used in) financing activities</b>                                       | <b>59,271</b>                    | <b>365,172</b>                   |
| <b>Net increase (decrease) in cash and cash equivalents, before exchange rate fluctuations</b> | <b>(11,683)</b>                  | <b>7,613</b>                     |
| <b>Effect of exchange rate fluctuations on cash and cash equivalents</b>                       | <b>1,988</b>                     | <b>2</b>                         |
| Effects of exchange rate fluctuations on cash and cash equivalents                             | 1,988                            | 2                                |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                    | <b>(9,695)</b>                   | <b>7,615</b>                     |
| Cash and cash equivalents, opening balance   | 48,901                           | 48,901                           |
| <b>Cash and cash equivalents, closing balance</b>  | <b>39,206</b>                    | <b>56,516</b>                    |

