

HORTIFRUT S.A. AND SUBSIDIARIES

Consolidated Financial Statements
as of December 31, 2019 and 2018
and for the years then ended

(With the Independent Auditor's Report Thereon)

HORTIFRUT S.A. AND SUBSIDIARIES

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US\$: Amounts expressed in United States dollars

ThUS\$: Amounts expressed in thousands of United States dollars

Independent Auditor's Report

The Shareholders and Directors
Hortifrut S.A.:

We have audited the accompanying consolidated financial statements of Hortifrut S.A. and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Auditing Standards Generally Accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hortifrut S.A. and its Subsidiaries as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

The above translation of the auditor's report is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.

Mario Barbera R.

KPMG SpA

Santiago, March 27, 2020



CONSOLIDATED FINANCIAL STATEMENTS
For the periods ending December 31, 2019 and 2018

HORTIFRUT S.A. AND SUBSIDIARIES
Thousands of United States Dollars

FINANCIAL STATEMENTS

Independent auditor's report
Consolidated statement of financial position
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HORTIFRUT S.A. AND SUBSIDIARIES**Consolidated Statement of Financial Position****As of December 31, 2019 and 2018**

		31-Dec-19	31-Dec-18
Statement of Financial Position	Note	ThUS\$	ThUS\$
Assets			
Current Assets			
Cash and cash equivalents	8	42,002	48,901
Other current financial assets	9	-	1,411
Other current non-financial assets	14	8,710	5,462
Current trade debtors and other accounts receivable	10	97,066	82,202
Current accounts receivable from related entities	11	62,231	48,317
Inventories	12	70,581	86,490
Biological assets, current	13	18,225	21,076
Current tax assets	20	9,292	2,007
Total Current Assets		308,107	295,866
Non-current assets			
Other non-current financial assets	9	755	317
Other non-current non-financial assets	14	1,186	1,192
Non-current fees receivable	10	2,960	1,546
Non-current accounts receivable with related entities	11	4,417	4,224
Equity accounted investees	16	11,940	29,385
Intangible assets other than goodwill	17	8,855	15,020
Goodwill	18	179,770	179,770
Property, plant and equipment	19	803,363	693,363
Deferred tax assets	20	27,991	26,637
Total Non-Current Assets		1,041,237	951,454
Total Assets		1,349,344	1,247,320

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

HORTIFRUT S.A. AND SUBSIDIARIES**Consolidated Statement of Financial Position****As of December 31, 2019 and 2018**

		31-Dec-19	31-Dec-18
	Note	ThUS\$	ThUS\$
Equity and Liabilities			
Liabilities			
Current Liabilities			
Other current financial liabilities	21	186,959	172,629
Current trade accounts and other accounts payable	22	78,798	88,319
Current accounts payable to related entities	11	3,348	7,646
Other current provisions	23	1,409	829
Current provisions for employee benefits	23	3,676	2,926
Other current non-financial liabilities		690	2,069
Total Current Liabilities		274,880	274,418
Non-Current Liabilities			
Other non-current financial liabilities	21	303,957	331,443
Other non-current accounts payable	22	6,506	6,506
Non-current accounts payable to related entities	11	5,784	8,562
Otras provisiones, no corrientes		1,222	-
Deferred tax liabilities	20	98,879	106,966
Total Non-Current Liabilities		416,348	453,477
Total Liabilities		691,228	727,895
Equity			
Issued capital	24	472,212	347,191
Retained earnings	25	134,701	135,518
Issuance premium	24	3,751	(4,221)
Other reserves	26	(15,941)	(11,806)
Equity attributable to the parent company's equity holders		594,723	466,682
Non-controlling interest	27	63,393	52,743
Total Equity		658,116	519,425
Total Equity and Liabilities		1,349,344	1,247,320

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

HORTIFRUT S.A. AND SUBSIDIARIES**Consolidated Income Statement****For the periods ending December 31, 2019 and 2018**

		01-Jan-19 31-Dec-19	01-Jan-18 31-Dec-18
Income Statement	Note	ThUS\$	ThUS\$
Profit (loss)			
Operating Revenue	29	576,045	528,157
Cost of sales	30	(475,881)	(414,184)
Gross Profit		100,164	113,973
Other income, per function	29	4,393	7,503
Administration expenses	30	(47,334)	(38,080)
Other expenses, per function	30	(14,182)	(7,003)
Other profit (loss)	32	(1,759)	60,823
Financial income		2,789	1,448
Financial expenses	31	(27,070)	(17,254)
Share of profit (loss) of equity accounted investees	16	(5,625)	(3,483)
Exchange rate differences	33	247	2,005
Profit (loss) before tax		11,623	119,932
Income tax expense	20	(920)	(27,416)
Profit (loss) from continued operations		10,703	92,516
Profit (loss)		10,703	92,516
Profit (loss) attributable to			
Profit (loss), attributable to parent company equity holders		3,556	83,883
Profit (loss), attributable to non-controlling interests	27	7,147	8,633
Profit (loss)		10,703	92,516
Earnings per share			
Basic earnings per share			
Basic earnings (loss) per share from continued operations (US\$ per share)	28	0.006461	0.174428
Basic earnings (loss) per share		0.006461	0.174428
Profit per diluted share			
Diluted earnings (loss) per share from continued operations (US\$ per share)		0.006461	0.174428
Diluted earnings (loss) per share		0.006461	0.174428

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

HORTIFRUT S.A. AND SUBSIDIARIES**Consolidated Comprehensive Income Statement****For the periods ending December 31, 2019 and 2018**

Statement of other comprehensive income	01-Jan-19 31-Dec-19 ThUS\$	01-Jan-18 31-Dec-18 ThUS\$
Profit (loss)	10,703	92,516
Other comprehensive income, before tax		
Exchange rate fluctuations		
Profit (loss) due to exchange rate fluctuations, before tax	(3,006)	(9,467)
Other comprehensive income, before tax, exchange rate fluctuations	(3,006)	(9,467)
Cash flow hedging		
Profit (loss) due to cash flow hedging, before tax	(2,528)	(6,354)
Other comprehensive income, before tax, cash flow hedging	(2,528)	(6,354)
Other components of other comprehensive income, before tax	(5,534)	(15,821)
Gains tax related with components of other comprehensive income		
Gains tax related with cash flow hedging of other comprehensive income	682	1,008
Total gains tax related with components of other comprehensive income	682	1,008
Other comprehensive income	(4,852)	(14,813)
Total comprehensive income	5,851	77,703
Comprehensive income attributable to		
Comprehensive income attributable to parent company shareholders	(579)	70,912
Comprehensive income attributable to non-controlling interests	6,430	6,791
Total comprehensive income	5,851	77,703

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

HORTIFRUT S.A. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the periods ending December 31, 2019 and 2018

	Issued capital Note 24 ThUS\$	Issuance premium Note 24 ThUS\$	Reserves due to exchange rate differences and Others Note 26 ThUS\$	Cash flow hedging reserves Note 26 ThUS\$	Other reserves Note 26 ThUS\$	Accumulated profit (loss) Note 25 ThUS\$	Equity attributable to parent company equity holders ThUS\$	Non controlling interest Note 27 ThUS\$	Total Equity ThUS\$
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									
Profit (loss)	-	-	-	-	-	3,556	3,556	7,147	10,703
Other comprehensive income	-	-	(2,328)	(1,807)	(4,135)	-	(4,135)	(717)	(4,852)
Total comprehensive income	-	-	(2,328)	(1,807)	(4,135)	3,556	(579)	6,430	5,851
Issuance of equity	129,242	-	-	-	-	-	129,242	-	129,242
Dividends	-	-	-	-	-	(4,373)	(4,373)	(202)	(4,575)
Increase (decrease) due to transfers and other changes	(4,221)	4,221	-	-	-	-	-	4,735	4,735
Increase (decrease) due to transactions of shares in portfolio	-	3,751	-	-	-	-	3,751	(313)	3,438
Total changes in equity	125,021	7,972	-	-	-	(4,373)	128,620	4,220	132,840
Closing balance as of 31/12/2019	472,212	3,751	(12,460)	(3,481)	(15,941)	134,701	594,723	63,393	658,116
	Note 24 ThUS\$	Note 24 ThUS\$	Note 26 ThUS\$	Note 26 ThUS\$	Note 26 ThUS\$	Note 25 ThUS\$	ThUS\$	Note 27 ThUS\$	ThUS\$
Opening balance as of 01/01/2018	135,149	-	(2,351)	3,516	1,165	70,503	206,817	36,758	243,575
Decrease due to application of new accounting standards	-	-	-	-	-	(786)	(786)	(126)	(912)
Opening balance modified	135,149	-	(2,351)	3,516	1,165	69,717	206,031	36,632	242,663
Changes in equity									
Comprehensive income									
Profit (loss)	-	-	-	-	-	83,883	83,883	8,633	92,516
Other comprehensive income	-	-	(7,781)	(5,190)	(12,971)	-	(12,971)	(1,842)	(14,813)
Total comprehensive income	-	-	(7,781)	(5,190)	(12,971)	83,883	70,912	6,791	77,703
Issuance of equity	212,042	(4,221)	-	-	-	(18,082)	189,739	-	189,739
Dividends	-	-	-	-	-	-	-	(157)	(157)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	-	9,477	9,477
Total changes in equity	212,042	(4,221)	-	-	-	(18,082)	189,739	9,320	199,059
Closing balance as of 31/12/2018	347,191	(4,221)	(10,132)	(1,674)	(11,806)	135,518	466,682	52,743	519,425

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

HORTIFRUT S.A. AND SUBSIDIARIES**Consolidated Cash Flow Statements****For the periods ending December 31, 2019 and 2018**

Direct Cash Flow Statement	01-Jan-19 31-Dec-19 ThUS\$	01-Jan-18 31-Dec-18 ThUS\$
Cash Flow Statement		
Cash flow from (used in) operating activities		
Types of charges per operating activities		
Collection from the sale of goods and the providing of services	544,709	510,895
Types of payments		
Payment to suppliers for the providing of goods and services	(347,889)	(341,780)
Payments to and on behalf of employees	(125,098)	(93,756)
Paid interests	(23,202)	(13,424)
Received interests	2,789	1,448
Gains tax refund (paid)	(17,646)	(14,954)
Other received (paid) cash	(1,154)	(1,900)
Net cash flow from (used in) operating activities	32,509	46,529
Cash flow from (used in) investment activities		
Cash flow used to obtain control of subsidiaries or other business	-	(147,674)
Other payments to purchase equity or debt instruments from other entities	(330)	(1,908)
Loans to related entities	-	(4,018)
Income from the sale of property, plant and equipment	2,327	3,682
Purchase of property, plant and equipment	(162,282)	(68,948)
Purchase of intangible assets	(349)	(1,903)
Collection from related entities	-	7,366
Other cash income (expense)	4,735	16,542
Net cash flow from (used in) investment activities	(142,951)	(196,861)
Cash flow from (used in) financing activities		
Income from the issuance of shares	132,993	-
Income from long term loans	206,804	318,010
Income from short term loans	133,720	197,373
Total income from loans	340,524	515,383
Loans from related entities	-	-
Payment of loans	(353,674)	(319,863)
Payment of liabilities for financial lease	(7,883)	(5,961)
Paid dividends	(10,926)	(13,696)
Other cash income (expense)	-	(4,221)
Net cash flow from (used in) financing activities	101,034	171,642
Net increase (decrease) of cash and cash equivalents, before exchange rate fluctuation	(9,408)	21,310
Effects of exchange rate fluctuations on cash and cash equivalents	2,509	(247)
Effects of exchange rate fluctuations on cash and cash equivalents	2,509	(247)
Net increase (decrease) of cash and cash equivalents	(6,899)	21,063
Cash and cash equivalents, opening balance	48,901	27,838
Cash and cash equivalents, closing balance	42,002	48,901

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

HORTIFRUT S.A. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENT NOTES

As of December 31, 2019 and 2018

NOTE 1 – CORPORATE INFORMATION

1.1. Information of the reporting entity

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

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

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

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

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

History

1983 – Hortifrut begins its operations in Chile.

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

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

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

1987 – First export of berries to Asia from Chile.

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

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

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

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

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

1999 – Hortifrut Argentina is created.

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

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

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

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

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

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

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

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

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

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

2013 – On August 21, 2013 Hortifrut obtained control of VitalBerry Marketing's operations, in accordance with the merger agreement adopted at the VitalBerry Marketing and Hortifrut shareholder's meetings, held on April 29 and 30, 2013, respectively.

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

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

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

Development of the first Hortifrut Technology and Innovation fair.

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

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

Launching of the Agrinnovation and Blue Challenge platform.

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

Development of Hortifrut's second Technology and Innovation Fair.

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

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

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

Hortifrut Chile S.A. (subsidiary of Hortifrut S.A.) was certified as a B Company, thus becoming the largest Chilean company to obtain this important international acknowledgment, related with Sustainability.

2019 – Dated May 09, 2019, the Company concreted its inaugural placement of bonds corresponding to Series A Bonds and Series B Bonds, for a total of UF 2,250,000. Series A Bonds were placed for a total amount of UF 1,000,000, with maturity on April 01, 2026 and a placement rate of an annual 1.56% and count with green and social certification of Vigeo Eiris. Series B Bonds were placed for a total amount of UF 1,250,000, with maturity on April 01, 2039 and a placement rate of an annual 2.37%. Funds from the aforementioned placements will be destined to the refinancing of the Company's bank liabilities, to the refinancing of bank liabilities of Subsidiaries and for the Company's general corporate aims.

Dated April 30, 2019, the realization of an increase in capital was approved for US\$160 million. The funds from the aforementioned placement, will be destined to financing organic growth in the countries that supply the markets of North America, Europe and Asia. The placement of these shares will take place from the month of July 2019.

Development of Hortifrut's third Technology and Innovation Fair.

On September 20, 2019, as part of the Company's strategy to boost blueberry sales and to get closer to the main destination markets, Hortifrut established a commercial alliance with Proplantas, a Colombian family-owned company pioneer in the sale of strawberries and blueberries in said country. The agreement contemplates the creation of a platform to export blueberries from Colombia, from March 2020.

Dated October 15, 2019, Hortifrut and Alifrut, subsidiary of Duncan Fox, reached an agreement to globally combine and develop their export business of frozen products with added value in equal parts.

1.2. Shareholders

1.2.1. Parent Company Shareholders

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

The Agreement covers 296,686,635 of Hortifrut S.A.'s shares, which represent 51.39% of the Company's capital (out of a total of 577,323,671 Hortifrut issued shares), through which they have control of the Company. In accordance with this agreement, none of the aforementioned groups can reduce their participation in Hortifrut S.A.'s property below 17.13%, interest equal to 98,895,545 shares. The shares that any of the parties have over 17.13% of the Company's shareholder capital, are Freely Disposable Shares.

As of December 31, 2019, the FM Group, the Vitalberry Group and the Quevedo Group jointly own 52.67% of the Company's capital, considering the shares they have in custody.

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

<u>Shareholder's Agreement</u>	<u>Total Shares</u>	<u>Ownership percentage</u>
<u>FM Group</u>		
Inversiones IMG Limitada	91,285,852	15.81%
San Juan de Virquenco Tres S.A.	8,196,700	1.42%
Agrícola San Nicolás Limitada	1,037,442	0.18%
Total FM Group	100,519,994	17.41%
<u>Vitalberry Group</u>		
San José Farms S.A.	42,592,491	7.38%
Exportadora San José Trading Ltda.	13,359,181	2.31%
Inmobiliaria Algeciras Ltda.	47,146,886	8.17%
Total Vitalberry Group	103,098,558	17.86%
<u>Quevedo Group</u>		
Talsa Chile III SpA	99,470,599	17.23%
Inversiones Copemira SpA	1,004,752	0.17%
Total Quevedo Group	100,475,351	17.40%
Total Shareholders Agreement	304,093,903	52.67%

1.1.1. Distribution of shares as of December 31, 2019 and 2018.

Shareholders	Subscribed and paid shares			
	31-Dec-19	Percentage	31-Dec-18	Percentage
Talsa Chile III SpA	99,470,599	17.23%	89,125,792	16.96%
Inversiones IMG Limitada	91,285,852	15.81%	81,792,248	15.56%
Inmobiliaria Algeciras Ltda.	47,146,886	8.17%	42,243,674	8.04%
San José Farms S.A.	42,592,491	7.38%	36,773,594	7.00%
AFP Habitat S.A. para Fondo de Pensiones (A,B,C,D)	33,807,823	5.86%	24,008,206	4.57%
Banco Itaú por Cuenta de Inversionistas Extranjeros	30,332,170	5.25%	27,750,121	5.28%
AFP Provida S.A. Para fondo Pensión	24,889,170	4.31%	21,223,500	4.04%
AFP Cuprum S.A. para Fondo de Pensiones (A,B,C,D)	18,038,114	3.12%	14,793,830	2.81%
Compass Small Cap Chile Fondo de Inversión	16,647,817	2.88%	25,560,724	4.86%
Inversiones Costanera Ltda.	16,239,705	2.81%	16,239,705	3.09%
Comercial Epysa S.A.	15,401,762	2.67%	13,800,000	2.63%
Exportadora San José Trading Ltda.	13,359,181	2.31%	13,359,181	2.54%
Siglo XXI Fondo de Inversión	12,880,796	2.23%	14,273,620	2.72%
Chile Fondo de Inversión Small Cap	8,460,437	1.47%	10,605,706	2.02%
Banchile C de B S.A.	8,239,215	1.43%	7,629,602	1.45%
San Juan de Virquenco Tres S.A.	8,196,700	1.42%	7,344,255	1.40%
Toesca Small Cap Chile Fondo de Inversión	7,835,042	1.36%	5,355,406	1.02%
Banco de Chile (on behalf of third parties)	7,725,178	1.34%	5,217,701	0.99%
BTG Pactual Chile S.A. Administradora General de Fondos	6,257,097	1.08%	14,661,541	2.79%
Inversiones Visionario SpA	6,180,555	1.07%	5,537,786	1.05%
Inversiones Tricahue Limitada	6,180,554	1.07%	5,537,785	1.05%
Inversiones Barlovento Limitada	6,180,554	1.07%	5,537,785	1.05%
AFP Capital S.A. Fondos de Pensión Tipo A,B,C,D,E	5,000,000	0.87%	-	0.00%
Costanera SACI	4,839,999	0.84%	4,840,000	0.92%
Asesorías e Inversiones Pacific Trust Limitada	4,732,485	0.82%	4,732,485	0.90%
Banco Santander Chile - por cuenta de Inv. Extranjeros	4,024,831	0.70%	3,280,286	0.62%
AFP Planvital S.A. Para Fondo Pensión E	3,314,185	0.57%	142,113	0.03%
Fondo de Inversión Santander Small Cap.	2,857,561	0.49%	7,096,088	1.35%
BCI Small Cap Chile Fondo de Inversión	2,368,096	0.41%	2,706,959	0.52%
Credicorp Capital S.A. Corredores de Bolsa	2,251,987	0.39%	134,316	0.03%
Inversiones Fural Limitada	1,982,756	0.34%	1,982,756	0.38%
Fondo de Inversión Larraínvial Small Cap Chile	1,947,102	0.34%	811,022	0.15%
AFP Modelo S.A., Fondo A y B	1,819,080	0.32%	-	0.00%
Inversiones Canihua S.A.	1,577,475	0.27%	1,577,475	0.30%
Fondo Mutuo Larraín Vial	1,364,093	0.24%	-	0.00%
Inversiones Alba S.A.	1,163,066	0.20%	1,163,066	0.22%
Agrícola San Nicolás Limitada	1,037,442	0.18%	929,550	0.18%
Inversiones Copemira SpA	1,004,752	0.17%	900,260	0.17%
Larraín Vial S.A. Corredores de Bolsa	990,878	0.17%	167,784	0.03%
BICE Inversiones Corredores de Bolsa S.A.	900,681	0.16%	314,993	0.06%
Asesorías, Inversiones e Inmobiliaria María Elena Ltda.	740,618	0.13%	840,618	0.16%
BTG Pactual Chile S.A. C de B	599,986	0.10%	545,250	0.10%
Fondo de Inversión Larraín Vial Chile Equity	473,837	0.08%	-	0.00%
Valores Security S.A. C de B	414,563	0.07%	590,032	0.11%
Bola de Comercio de Santiago, Bolsa de Valores	412,688	0.07%	7,598	0.00%
Fondo Mutuo Credicorp Capital Acciones Estrategicas	408,109	0.07%	-	0.00%
Asesorías e Inversiones A y D S.A.	397,483	0.07%	397,483	0.08%
Soc. de Inversiones Santa Isabel Limitada	373,000	0.06%	350,000	0.07%
Inversiones FJ	316,519	0.05%	330,019	0.06%
Scotia Chile Mid Cap	291,630	0.05%	-	0.00%
FI Credicorp Capital Small Cap Chile	277,902	0.05%	234,063	0.04%
FM Toesca Chile Equities	230,643	0.04%	214,336	0.04%
Fondo de Inversión Privado CCHC-C	228,454	0.04%	199,648	0.04%
Tanner C de B S.A.	201,445	0.03%	10,000	0.00%
Santander Corredores de Bolsa S.A.	192,868	0.03%	132,694	0.03%
Fondo de Inversión Falcom Small Cap Chile	175,000	0.03%	112,676	0.02%
Fondo Mutuo Sura Acciones Chile MID Cap	173,944	0.03%	154,340	0.03%
BCI Corredores de Bolsa S.A.	99,955	0.02%	113,767	0.02%
MBI Corredores de Bolsa S.A.	75,371	0.01%	103,370	0.02%
Inmobiliaria e Inversiones Alqueria Ltda.	-	0.00%	765,947	0.15%
Fondo Mutuo Bice Acciones Chile Mid Cap	-	0.00%	437,464	0.08%
BBVA Asset Management Administradora General de Fondos S.A.	-	0.00%	182,085	0.03%
Others	715,489	0.15%	673,826	0.14%
Total shares	577,323,671	100.00%	525,546,131	100.00%

Shares in custody

These shareholders include shares that are in custody at banks and/or brokers, as detailed below as of December 31, 2019:

Shareholders	Custodian	Paid shares	Ownership percentage
Comercial Epysa S.A.	MBI Corredores de Bolsa S.A.	6,000,000	1.04%
Asesorías e Inversiones Pacific Trust Limitada	BCI Corredores de Bolsa S.A.	4,732,482	0.82%
Costanera SACI	Banchile C de B S.A.	3,439,999	0.60%
Inversiones Fural Limitada	BCI Corredores de Bolsa S.A.	1,982,756	0.34%
Inversiones Canihua S.A.	BCI Corredores de Bolsa S.A.	1,577,475	0.27%
Asesorías, Inversiones e Inmobiliaria María Elena Ltda.	BTG Pactual Chile S.A. C de B	740,618	0.13%
Asesorías e Inversiones A y D S.A.	Larrain Vial S.A. Corredores de Bolsa	67,464	0.01%
	Total shares	18,540,794	3.21%

NOTE 2 – PREPARATION BASES

2.1. Compliance Declaration

Hortifrut S.A. and subsidiaries' consolidated financial statements corresponding to the period ending December 31, 2019, were approved by the Board at meeting held on March 27, 2020 and those for the period ending December 31, 2018, were approved by the Board at meeting held on March 28, 2019.

2.2. Preparation Bases

The current consolidated financial statements for Hortifrut S.A and Subsidiaries as of December 31, 2019 and 2018 have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board (hereinafter IASB).

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

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

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

The current consolidated financial statements have been prepared from the accounting records kept by the parent company and by the subsidiaries that form part of the holding. Each entity prepares its financial statements following the accounting principles and criteria of the parent company.

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

2.3. Covered period

The current consolidated financial statements cover the following periods:

- Consolidated financial statements as of December 31, 2019 and December 31, 2018.
- Consolidated income statement, for the periods ending December 31, 2019 and 2018.
- Consolidated Cash Flow statement, for the periods ending December 31, 2019 and 2018.
- Consolidated Statement of changes in Net Equity, for the periods ending December 31, 2019 and 2018.

2.4 Functional and presentation currency

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

2.4.1. Transactions and balances in foreign currency

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

2.4.2. Foreign currency exchange rate

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

Currency	Nemo	31-Dec-19		31-Dec-18	
		Closing	Annual Average	Closing	Annual Average
Chilean Peso	CLP	748.74	702.63	694.77	640.29
Euro	EUR	0.89	0.89	0.87	0.85
Mexican Peso	MXN	18.85	19.26	19.68	19.23
Argentine Peso	ARS	60.50	47.91	37.70	28.61
Brazilian Peso	RBL	4.02	3.94	3.86	3.64
Peruvian Nuevo Sol	PEN	3.32	3.34	3.37	3.28
Colombian Peso	COL	3,271.55	3,279.12	3,239.45	2,951.23
British Pound	GBP	0.76	0.78	0.78	0.75
Yuan	CNY	6.98	6.91	6.86	6.61
Unidad de fomento	UF	0.0264	0.0252	0.0252	0.0236

Parity of foreign currency for one United States dollar.

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

2.4.3 Entities corresponding to Hortifrut and subsidiaries

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

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

2.5 New accounting pronouncements

New standards, amendments to standards and interpretations that are mandatory for the first time from the periods starting on January 01, 2019

Standards and Interpretations:

Standards and Interpretations	Content	Mandatory for periods beginning on :
IFRS 16	"Lease"	1-Jan-19
IFRIC 23	"Uncertainty over Income Tax Treatments"	1-Jan-19

Amendments and improvements:

Standards and Interpretations	Content	Mandatory for periods beginning on :
IFRS 9	"Share-based payments" Prepayment features with Negative Compensation	1-Jan-19
IAS 28	"Financial Instruments" Long term Interests in Associates and Joint Ventures	1-Jan-19
IFRS 3	"Business Combinations"	1-Jan-19
IFRS 11	"Joint Arrangements"	1-Jan-19
IAS 12	"Income Taxes"	1-Jan-19
IAS 23	"Borrowing Costs"	1-Jan-19
IAS 19	"Employee Benefits" Plan Amendment, Curtailment and Settlement	1-Jan-19

The Company implemented IFRS 16 from January 1, 2019 and the revelation of the impact on the consolidated financial statements is detailed in note 5. The application of other pronouncements has not had any significant effects for Hortifrut S.A. and Subsidiaries. The rest of the applicable accounting criteria during the 2019 period has not varied compared to the ones used in the previous period.

New accounting pronouncements

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

Standards and Interpretations:

Standards and Interpretations	Content	Mandatory for periods beginning on :
IFRS 17	Insurance Contracts	1-Jan-21

Amendments to IFRS

Standards and Interpretations	Content	Mandatory for periods beginning on :
IFRS 10	"Consolidated Financial Statements" and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Undetermined
IFRS 3	"Definition of a Business"	1-Jan-20
IAS 1 and IAS 8	"Definition of Material"	1-Jan-20
IFRS 9, IAS 39 and IFRS 7	"Interest Rate Benchmark Reform"	1-Jan-20
	Amendments to References to the Conceptual Framework in IFRS Standards	1-Jan-20

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

2.6. Use of estimations and judgments

Based on IAS 1, the preparing of the consolidated financial statements requires the use of judgments, estimations and assumptions that affect the amount of assets, liabilities, revenue and expenses as of the date of presentation of the consolidated financial statements. These estimations and assumptions are based on Administration's best knowledge.

When preparing the consolidated financial statements, the following estimations have been defined:

(i) Judgments

- Determining fair value of the current biological assets based on non-observable significant data entries (Note 13).
- Useful life and residual values of the Properties, plants and equipment (Note 19).
- The hypothesis employed to calculate the estimations of un-collectability of debtors due to sales and customer accounts receivable (Note 10).
- Recognizing of Revenue (Note 3.20)
- Other Cost Provisions (Note 3.19).
- Sales Cost Provisions (Note 3.22).
- Assignment and terms and rates for lease contracts (Note 3.24 b)

(ii) Measurement of fair values

The Company counts with a control framework established in relation to the measuring of fair values.

The Company regularly checks the significant non-observable variables and the valuation adjustments.

If third party information is used, such as quotations from brokers or price establishing services, to measure the fair values, the evidence obtained from third parties is evaluated to back the conclusion that these valuations satisfy the requirements of the IFRS, including the level within the fair value hierarchy where these valuations should be classified.

When the fair value of an asset or a liability is measured, the Company uses observable market data whenever possible. Fair values are classified at different levels within the fair value hierarchy which is based on the variables used in the valuation techniques, as is detailed in Note 7.3.

2.7. Changes in accounting policies

From January 01, 2019, the Company adopted the IFRS 16 standard, proceeding to record all the operating leases, which meant an increase in assets due to the right to use which represents its right to use the underlying asset for the value of ThUS\$12,850 and a lease liability which represents its obligation to make lease payments for ThUS\$12,850 in current value.

The Group applies Standard IFRS 16 since January 01, 2019, using the modified retroactive focus, according to which, the accumulated effect of adopting Standard IFRS 16 is recognized as an adjustment to the initial balance of the accumulated gains as of January 01, 2019, without re-expressing the comparative information.

Standard IFRS 16 replaces the guidelines regarding existing lease including Standard IAS 17 Leases, IFRIC 4 Determining whether an Arrangement Contains a Lease, Standard SIC-15 Operating Leases - Incentives and Standard SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Within the analysis performed by the Company, lease contracts were identified for Agricultural Fields, Buildings and Constructions.

Hortifrut S.A., previously classified lease as operating or financial based on its evaluation if the lease significantly transferred all the risks and benefits incidental to the property of the corresponding asset as per IAS 17.

Nevertheless, Hortifrut has chosen to not recognize the right to use of the lease assets and liabilities for some asset leases with a contract value lower than US\$10,000 and contracts with a term lower than 12 months, for these the Company recognizes the associated lease payments as a lineal expense during the term of the contract.

For the new leases, Hortifrut will recognize the right of use of the lease assets and liabilities when the value of the asset to be leased, is higher than US\$10,000 and with a contract longer than 12 months, as is established in Note 3.24 b).

The lease liability is initially measured at the current value of the lease payments that are not paid on the starting date, discounted using the interest rate implicit in the lease or, if this rate cannot be easily determined, the debt rate of the subsidiary starting from the Company's debt rate. The lease liability is subsequently increased by the interest cost over the lease liability and reduced by the payment of the realized lease. It is measured again when there is a change in the future lease payments that arise due to a change in index or rate, a change in the estimation of the amount that is expected to be paid, changes in the evaluation if a purchase option or extension is reasonably sure to be executed or a termination option is reasonably sure to not be executed.

The nature of expenses related with those leases has changed because the Company recognizes a charge due to depreciation for assets for right of use and expenses due to interest over lease liabilities.

Beforehand, the Group recognized the expense due to operating lease over a lineal base during the lease term and recognized assets and liabilities only in the measure that a temporary difference between real lease payments and recognized expense existed.

Hortifrut S.A., presents the right to use of assets in Property, plant and equipment, and the liability due to lease in Other financial, current and non-current liabilities.

Lease where the Group is the lessor

The Group evaluates if a contract is or contains lease based on the definition of a lease, as is explained in note 3.24. In transition to IFRS 16, the Company chose to apply the practical expedient to evaluate which transactions are leases.

As lessor, it is not required for Hortifrut to realize adjustments in the transition to IFRS 16. The Company applied IFRS 15 to assign the offsetting in the contract for each lease and non-lease component.

NOTE 3 – PRINCIPAL APPLIED ACCOUNTING POLICIES

3.1 Consolidation Basis

3.1.1 Business combination

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

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

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

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

3.1.2 Subsidiaries

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

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

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

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

Companies	RUT	Country of Origin	Functional Currency	31-Dec-19			31-Dec-18
				Direct %	Indirect %	Total %	Total %
Agrícola El Avellano S.A. and subsidiaries	96.923.620-6	Chile	US\$	40.0000	-	40.0000	40.0000
Agrícola Mataquito S.A.	76.306.130-2	Chile	US\$	50.0000	-	50.0000	50.0000
Agrícola Sta. Rosa del Parque S.A.	99.584.440-0	Chile	US\$	30.0000	-	30.0000	30.0000
Agrícola Hortifrut S.A.	79.764.840-k	Chile	US\$	99.9900	0.0100	100.0000	100.0000
Agrícola y Gan. Santa Rebeca Ltda.	78.988.990-2	Chile	US\$	25.0000	-	25.0000	25.0000
Agrícola Vida Nueva S.A.	96.996.290-k	Chile	US\$	50.0000	-	50.0000	50.0000
Hortifrut Chile S.A. and subsidiaries	99.524.450-0	Chile	US\$	99.9900	0.0100	100.0000	100.0000
Inversiones Hortifrut S.A. and subsidiaries	99.524.540-k	Chile	US\$	99.9999	0.0001	100.0000	100.0000

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

Modifications to the consolidation base

During the period ending December 31, 2019, the following modification was made to the consolidation perimeter, by incorporating the following company:

Hortifrut Colombia SAS

Dated September 20, 2019, the company Hortifrut Colombia SAS was constituted, the Company's capital was fixed at US\$100 thousand, divided in 300 thousand subscribed and paid shares, the owners are the companies Hortifrut Inversiones Internacionales S.A. with a 75% interest (225,000 shares) and Proplantas S.A. with a 25% interest (75,000 shares). The corporate purposes are the purchase and commercializing of blueberries and activities related with said line of business.

Desarrollos Tecnológicos SpA

Dated November 07, 2018, the company Desarrollos Tecnológicos SpA was constituted, whose objective is the realization of activities linked to the development of new technologies or agronomic development and activities related to said line of business. The Company's capital was fixed at \$100 million, which has been paid by the parent company Hortifrut Chile S.A. in June 2019, date when it began its operations by incorporating them into the consolidated financial statements of the subsidiary Hortifrut Chile S.A., owner of 100% of this company.

During the period ending December 31, 2018, modifications have been made to the consolidation perimeter, by incorporating the following companies:

Rocio Group blueberry business

Dated July 03, 2018, the merger took place between the companies Talsa Chile II SpA. and Hortifrut S.A., with the latter as the legal continuance. With this merger Hortifrut S.A. took control of 100% of Talsa Chile I SpA.

Dated December 20, 2018, Talsa Chile I SpA. transferred to Hortifrut Inversiones Internacionales S.A., the shares that it maintains over Talsa Berries S.A.C., company located in Peru. Dated December 28, 2018, the merger between Talsa Chile I SpA. and Hortifrut Inversiones Internacionales S.A. took place, with the latter as the legal continuance.

Pacific Berry Breeding LLC

During the month of July 2018, the consolidation perimeter was modified with the incorporation of the Pacific Berry Breeding LLC company, through the company Hortifrut North América Inc. in Hortifrut Inversiones Internacionales S.A.'s consolidation. HFII Perú S.A.C. was also incorporated into this consolidation, likewise Hortifrut Inversiones Internacionales S.A. and subsidiaries were consolidated in Inversiones Hortifrut S.A.

Euroberry UK Ltd. and Euroberry GmbH

Furthermore, through the subsidiary Euroberry Marketing S.A. the subsidiaries Euroberry UK Ltd. and Euroberry GmbH were incorporated from January 2018.

3.1.3 Transactions and non-controlling interests

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

3.1.4 Associates

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

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

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

3.2 Operating Segments financial information

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

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

Fresh fruit which includes

- Blueberries
- Raspberries
- Blackberries
- Strawberries
- Cherries

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

Fresh fruits show similar economic characteristics, which allow the aggregation in a single aggregate operating segment (IFRS 8.12). The segment denominated "Value Added Products" considers the Quantitative thresholds (IFRS 8.13) as well as administration, customers and distribution channels which are different to those of the "Fresh Fruit" segment. Each of these segments share similar characteristics, such as:

- a) The nature of the products

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

- b) The nature of the production process

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

- c) Category of Customers the products are destined to

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

- d) Methods used to distribute the products

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

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

3.3 Property, plant and equipment

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

3.3.1 Land, constructions, plants, equipment and machinery

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

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

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

3.3.2 "Bearer Plants"

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

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

a) "Bearer plants" in development

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

b) "Bearer plants" in production

"Bearer plants" in production are valued at their historic cost minus corresponding depreciation and accumulated impairment, in case it exists.

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

Blueberry:

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

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

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

Raspberry:

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

Blackberry:

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

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

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

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

3.3.3 Depreciation

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

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

The estimated useful lives are as follows:

	Minimum Life or Rate Years	Maximum Life or Rate Years
Construction and infrastructure works		
Steel, reinforced concrete constructions	30	80
Wooden buildings	10	30
Provisional constructions	8	10
Minor agricultural constructions (macro-tunnel and others)	3	8
Machinery and equipment	8	10
Information technology (IT) equipment	3	6
Furniture and supplies	5	10
Motor vehicles	8	10
Bearer plants		
Blueberries	10	20
Raspberries and others	3	5
Right of use assets	According to contract duration	

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

The residual value and the useful life of the assets are checked, and adjusted if necessary, at each closing of the financial statements of position in order to obtain a remaining useful life as per the value of the assets.

The effects of depreciation are presented under cost of sales, expenses or other expenses per function.

3.4 Biological Assets, current

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

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

The variables used to calculate fair value are the following:

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

3.5 Intangible assets other than goodwill

a) Varietals Licenses

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

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

b) IT programs

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

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

c) Water rights

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

d) Relationship with Customers

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

e) VitalBerry Brand

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

3.6 Goodwill

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

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

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

3.7 Interest Costs

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

3.8 Impairment of non-financial assets

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

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

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

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

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

3.9 Financial Assets

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

3.9.1 Classification of financial assets

Hortifrut classifies its financial assets based on the business model and the characteristics of the contractual cash flows.

The business model refers to the way in which groups of financial assets are managed to achieve a specific business objective. The Administration will evaluate the business model and its considerations, whenever it perceives a relevant change in said model. However, this review will be carried out no more than every 3 years. The evaluation of the business model considers reviewing the objectives defined for the portfolio, how performance will be evaluated, what the risks are and how they will be managed, how management will be informed, among others.

Regarding contractual cash flows, it is evaluated whether these are only payments of principal and interest based on the contractual terms of the instrument. This includes evaluating whether a financial asset contains a contractual condition that could change the schedule or amount of contractual cash flows in a way that would not fulfill this condition.

The classification, initial and subsequent valuation of financial instruments and how the gains or losses originated by them are recognized are detailed below:

Financial Instrument	Condition	Assets that make up this category	Classification	Initial Valuation (first recording)	Subsequent Valuation	Profit and Loss
Financial Assets	The objective of the business model is to maintain the financial asset to obtain contractual cash flows and, based on contract conditions, to receive cash flows on specific dates, only corresponding to payments of the principal plus interests over the principal (*).	Term deposits, accounts receivable from related entities, accounts receivable from customers and other fees receivable, current cash accounts, among others.	At amortized cost	Commercial debtors without components of significant financing are valued at the price of the transaction. The rest of the assets are measured at fair value plus transaction costs directly attributable to its acquisition or issuance.	These assets are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by the loss due to impairment.	Income from interest, profit and loss due to exchange rate fluctuations and impairment are recognized in profit and loss.
Financial Instrument	Condition	Assets that make up this category	Classification	Initial Valuation (first recording)	Subsequent Valuation	Profit and Loss
Financial Assets	The objective of the business model is to maintain the financial asset to obtain contractual cash flows or to sell it and, based on contract conditions, to receive cash flows on specific dates, only corresponding to payments of the principal plus interests over the principal (*).	Mutual funds	At fair value with changes in other comprehensive income (equity)	Fair value plus transaction costs directly attributable to its acquisition or issuance.	Fair Value	Revenue from interest calculated under the effective interest rate method, profit and loss due to exchange rate fluctuations and impairment are recognized in profit and loss. Other net profit and loss are recognized in other comprehensive income. At the moment of write-off in accounts, the accumulated profit and loss in other comprehensive income is re-classified in profit and loss.
Financial Assets	Assets under different scenarios to the two previously mentioned.	Rate or forward currency swap	At fair value with changes in results	Fair Value	Fair Value	Net profit and loss, including any income from interests or dividends, are recognized in profit and loss.

3.9.2 Recognition and measurement of financial assets

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

i) Initial recognition

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

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

ii) Subsequent valuation

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

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

The Company evaluates on the date of each consolidated statement of financial position if there exists objective evidence that a financial asset or a group of financial assets could have suffered loss due to impairment.

In the case of financial assets held up to their maturity, if there is evidence of impairment, the amount of the provision is the difference between the book value of the asset and the current value of the future estimated cash flows, discounted at the original effective interest rate.

3.10 Derivative financial instruments and hedging activities

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

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

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

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

The accounting treatment of derivatives as per their classification is as follows:

(a) Fair value hedges

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

(b) Cash flow hedges

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

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

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

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

3.11 Inventories

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

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

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

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

The Company values its inventory as per the following:

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

Formula to calculate the cost of inventory

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

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

3.12 Trade debtors and other accounts receivable

Trade debtors and other accounts receivable are initially presented at fair value and then at amortized cost.

The Company records provisions for non-collectability over its trade debtors and other accounts receivable, based on the requirements of IFRS 9. Based on the aforementioned, the Company estimates the expected credit loss, which result from possible events of non-compliance during the life of its assets measured at amortized cost. The details of the model are described in Note 10.

3.13 Cash and cash equivalents

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

Used bank overdraft lines are included in Other financial liabilities.

3.14 Corporate capital

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

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

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

3.15 Payable trade accounts and other accounts payable

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

3.16 Other financial liabilities

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

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

3.17 Income tax and deferred taxes

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

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

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

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

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

3.18 Employee Benefits

a) Employee vacations

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

b) Benefits for termination of labor relationship

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

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

c) Other benefits

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

3.19 Other provisions

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

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

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

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

3.20. Revenue Recognition

The Company recognizes revenue from the following sources:

- a) Sale of fresh fruit
- b) Sale of frozen fruit.
- c) Sale of bearer plants.

Revenue is recognized when the customer obtains control of the goods and a significant reversal will probably not take place in the amount of recognized accumulated revenue. As a result, in those contracts where the Group cannot perform a reasonable estimation of the return, it is expected that revenue be recognized as soon as the collection of the consideration and its corresponding payment is highly probable.

All the facts and circumstances that are relevant when applying each step of the model established by IFRS 15 to the contracts with customers are analyzed and taken into account:

- i. Identifying of the contract,
- ii. Identifying performance obligations,
- iii. Determining price of the transaction,
- iv. Assigning Price, and
- v. Recognizing income.

The following specific criteria for recognizing must also be fulfilled before recognizing revenue:

- a) Sale of fresh fruit – Revenue from the sale of fresh fruit is recognized when a customer obtains control of the goods, which usually occurs at the moment the goods are dispatched or upon the sale to the destination customer. The identified performance obligation is related with the delivery of fresh fruit from the Hortifrut group to the customer, who can be national or foreigner, there are no variable considerations included in the price, such as discounts applied for the customers, rebates or other elements that affect the price of the sold products. Even though the contract establishes payment for the services provided by the commercial platforms, these costs are discounted in the value of the liquidation of each sale. The contract establishes a variable sale price which basically depends on the spot price of Berries. Finally, the contract establishes that the control of the sold products be transferred once the products are transferred to the final customer, date that coincides with the invoicing of the products.
- b) Sale of frozen products – The Hortifrut group maintains sale contracts with retail chains to whom fresh and frozen Berries are sold. Sales of this type are realized mainly in Chile and Brazil. In this aspect, supermarket chains realize charges to the group for the concept of discounts applied to the final consumer, promotions performed by the chain, services for the replacement of products at sales stores, among others. The fulfilment of the performance obligation is realized at the moment when products are delivered to the customer at the contractually established place, which generally corresponds to the chain's distribution center, when the Hortifrut group delivers the frozen fruit, at the place agreed with the customer or at the moment of the transfer of the risk depending on the incoterm used when dispatching the products.
- c) Sale of bearer plants – Sales revenue is recognized when a producer receives the plants.
- d) Revenue from the providing of services – Operating revenue from the sale of services, is recorded when said service has been provided. A service is considered to have been provided when it is received in acceptance by the customer.
- e) Revenue from dividends – Revenue from dividends is recognized when the right to receive the payment is established.

- f) Revenue from interests – Revenue from interests is recognized using the effective interest rate method.

3.21 Trade agreements with distributors and supermarket chains

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

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

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

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

3.22 Cost of Sales

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

Estimating Cost of Sales

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

3.23 Administrative expenses

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

3.24 Lease

a) Financial Lease

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

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

b) Operating Lease

Hortifrut S.A. and its subsidiaries lease certain fixed assets, the lease where the lessor conserves an important part of the risks and advantages derived from the ownership of the good is classified as operating lease. The nature of expenses related with this lease has changed from January 01, 2019, with the application of IFRS 16, the Group recognizes a charge for asset depreciation due to the right to use and interest expense over lease liabilities.

Beforehand, the Group recognized the operating lease expense over a lineal base during the term of the lease, and recognizes assets and liabilities only in the measure that a temporary difference between the real lease payment and the recognized expense exists.

The Group has applied IFRS 16 using the modified retrospective focus and, therefore, the information as of December 31, 2018 has not been re-expressed and continues to be informed as per IAS 17 and IFRIC 4. The details of the previously used accounting policies and the impact of the changes the changes are revealed in Note 5.

I. Identification of lease - Definition

At the start of a contract, Hortifrut determines if a contract is, or contains, a lease.

To determine if a contract transmits the right to control the use of an identified asset, Hortifrut evaluates if:

- The contract involves the use of an identified asset;
- It has the right to substantially obtain all the economic benefits derived from the use of the asset during the period of use; and
- It has the right to direct the use of the asset

This policy is applied to the executed or modified contracts, from January 01, 2019.

Hortifrut will once again evaluate if a contract is, or has, a lease only if the terms and conditions of the contract change.

II. Exemptions of recognition

Hortifrut applies the exemptions to the recognition of leases established in IFRS 16, in the following cases:

- In short term lease, for contracts with terms of less than a year, except when there is the intention to renew in subsequent periods.
- In underlying asset leases of a low value, calculated over the base of the individual value of the assets when they are new, for amounts lower than ThUS\$10.

III. As Lessee

Hortifrut recognizes assets for the right of use and liabilities for lease at the start of the lease contract, associated companies, mainly, lease contracts and usufruct of the land, which do not comply with the recognition exemptions.

a) Lessee accounting model – assets for right of use (DDU):

DDU assets are initially recognized at cost, which includes:

- The amount of the initial measurement of the liability for lease, adjusted.

- The asset for right of use is subsequently measured at cost minus accumulated depreciation and the loss due to impairment determined under IAS 36, adjusted by the new measurements of the lease liability.
- In this sense, the depreciation term is defined by Hortifrut from the starting date to the end of the useful life of the asset with the right of use or until the end of the lease term, whichever is first. In the case of lease with contract renewable for a year, for example in the case of offices, these are depreciated based on history.

b) Lessee accounting model – lease liability:

On the starting date, Hortifrut will measure the liability for lease at the current value of the lease payments that have not been paid on that date. Hortifrut will discount the lease payments using the interest rate implicit in the lease, if that rate can be easily determined, if not, Hortifrut's incremental loan rate must be used, as per the business, currency and valid term segment of the contracts.

Lease liability is subsequently measured:

- Increasing the book value to reflect the interest over the lease liability;
- Reducing the book value to reflect the realized lease payments; and
- Once again measuring the book value to reflect the new lease measurements or modifications due to changes in the terms, fixed payments, residual value guarantees, etc.

Lease payments, lease payments included within the liability are the following:

- Fixed payments in local currency;
- Variable lease payments, which depend on an index such as the consumer Price index (UF)

Term of lease, the criteria applied by Hortifrut to define the lease term, are the following:

- For contracts without renewal clause, the termination date of the contract is considered.
- For contracts with renewal clause, the term is advised by the operating area as per the business plan.

Hortifrut will evaluate in the new lease contracts all the renewal considerations, anticipated termination, investment and business plan to establish the term of each contract.

If a change in the lease term is produced or if there is a change in the evaluation of an option to purchase the underlying asset, Hortifrut will once again measure the lease liability discounting the remaining lease terms using a modified discount rate, namely, determining a new rate as of the date of the modification. If there are changes in future payments, the remaining payments will be discounted with the initial discount rate, unless the change in lease payments proceeds from a change in variable interest rates. In this case, Hortifrut will use a modified discount rate which reflects the changes in the interest rate.

IV. Consolidation

At a consolidation level, all the transactions related with leases between companies will be eliminated, so the lease contracts over goods owned by the parent company given in lease to the subsidiaries and the sub-lease over said properties will be left without effect in the consolidation. In the case of sub-lease given by the parent company to its subsidiaries over goods owned by third parties, in the consolidated financial statements, the items associated to sub-lease must be eliminated, but the parent company will present the DDU assets and lease liabilities derived from the main lease contract.

V. Presentation of the lessee

Hortifrut will present in the statement of financial position or in the notes:

- Assets for right of use separate from other assets.
- Lease liabilities separate from the other liabilities.

VI. Revelations of the lessee

Hortifrut will reveal information regarding its leases, where it acts as a lessee, in a section of the financial statements.

VII. Classification of the lessor

Hortifrut as a lessor, will classify each one of its leases as an operating lease or a financial lease.

Revenue from operating lease is recognized in a lineal manner during the term of the lease.

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

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

3.26 Environment

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

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

3.27 Research and development

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

3.28 Advertising expenses

Advertising expenses are recognized under results when they take place.

3.29 Earnings per share

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

3.30 Insurance expenses

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

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

NOTE 4- RISK MANAGEMENT

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

4.1. Financial Risk

4.1.1 Credit Risk

a) Cash surplus investment risk:

The financial institutions with whom Hortifrut S.A. and subsidiaries operate and the type of financial products where they materialize said cash surplus investments, are considered low risk for the Company (see Note 7.1).

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

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

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

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

a) Risk from sales operations

Hortifrut has diversified sales in several countries.

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

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

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

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

4.1.2 Liquidity risk and Financing

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

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

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

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

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

The application of IFRS16, involves an increase in the Company's financial liabilities by recognizing the lease obligation. The Company, considering financial safeguards, has agreed with the corresponding financial institutions to no include the lease obligations in the related calculation formulas.

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

Hortifrut has available short-term credit lines, approved and valid for work capital, which as of December 31, 2019 reach US\$276.79 million (US\$238.34 million as of December 31, 2018), distributed among 16 banks. The used amount reaches US\$144.43 million, with an unused balance of US\$132.36 million. The credit lines are distributed among the following companies: Hortifrut Chile S.A. with US\$260.17 million, Agrícola El Pampino S.A. with US\$0.75 million, Agrícola El Avellano with US\$0.50 million, Agrícola Santa Rosa del Parque S.A. with US\$1.00 million, Agrícola Mataquito S.A. with US\$1.70 million, Agrícola Vida Nueva S.A. with US\$0.40 million, Euroberry Marketing S.A. with US\$7.28 million and Hortifrut Import Inc., with US\$5.00 million.

Based on the current operational performance and its liquidity position, the Company estimates that cash flows from operating activities and available cash will be enough to finance 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 (bank loans and financial leasing) as of December 31, 2019 and December 31, 2018, based on undiscounted contractual cash flows:

	Cash Flows						
	Capital	Interests	From 0	Between	Between 1	Over 5	Total
			to 3	3 and 12	and 5		
<u>Creditor Bank</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>months</u>	<u>months</u>	<u>years</u>	<u>years</u>	<u>ThUS\$</u>
Banco de Crédito e Inversiones	74,033	1,329	29,190	6,126	26,377	30,322	92,015
Banco Estado	42,116	121	12,128	1,503	26,849	6,869	47,349
Banco de Chile	29,845	58	5,022	5,248	19,186	4,346	33,802
Metropolitan Life Insurance Company	29,770	-	-	765	14,837	24,725	40,327
Banco Scotiabank	27,124	102	17,212	10,177	-	-	27,389
Banco RaboFinance Chile	29,093	86	317	4,045	23,663	5,970	33,995
Banco de Crédito del Perú	21,076	64	18,285	2,961	63	-	21,309
Scotiabank Perú S.A.	16,925	263	3,086	3,108	12,591	-	18,785
Banco Itaú	15,000	77	15,126	-	-	-	15,126
Banco BICE	16,674	81	16,040	510	248	-	16,798
Communications Bank Yunnan Branch	14,358	-	-	-	16,902	-	16,902
Banco Santander Chile	13,469	52	10,375	224	73	-	10,672
Banco Santander Central Hispano S.A.	10,378	-	1,251	6,511	2,866	-	10,628
Banco China Construction Bank Corp.	10,000	14	10,064	-	-	-	10,064
Banco Bilbao Vizcaya Argentaria	7,272	41	1,558	1,488	4,348	-	7,394
HSBC México SA, Institución de Banca Múltiple	3,188	-	591	1,739	944	-	3,274
Bankinter	3,027	2	215	1,763	1,074	-	3,052
Banco Internacional del Perú S.A.	1,722	-	303	920	557	-	1,780
Banco Sabadell	1,549	-	143	429	1,001	-	1,573
Credicorp Capital	1,111	-	196	503	412	-	1,111
Total as of December 31, 2019	373,147	2,300	141,458	50,812	154,138	72,232	418,640

	Cash Flows						
	Capital	Interests	From 0	Between	Between 1	Over 5	Total
			to 3	3 and 12	and 5		
<u>Creditor Bank</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>months</u>	<u>months</u>	<u>years</u>	<u>years</u>	<u>ThUS\$</u>
Banco Santander Chile	76,752	254	37,640	1,838	43,491	-	82,969
Banco RaboFinance Chile	48,432	435	537	2,357	31,690	28,656	63,240
Banco de Crédito e Inversiones	68,884	1,408	10,714	7,075	29,614	40,895	88,298
Banco Scotiabank	66,414	117	23,853	4,883	43,807	-	72,543
Banco BICE	7,000	19	7,027	-	-	-	7,027
Banco de Chile	23,115	117	23,227	24	-	-	23,251
Banco China Construction Bank Corp.	9,000	12	9,061	-	-	-	9,061
Banco Estado	35,633	78	5,360	2,063	21,905	14,178	43,506
Banco Itaú	15,000	32	15,065	-	-	-	15,065
Banco Santander Central Hispano S.A.	12,825	-	3,469	3,304	6,234	-	13,007
Banco Bilbao Vizcaya Argentaria	10,048	48	1,469	1,469	7,344	-	10,282
La Caixa	5,022	14	366	1,099	3,662	-	5,127
Bankinter	2,802	3	220	659	1,977	-	2,856
Banco Sabadell	2,151	-	146	439	1,610	-	2,195
Banco de Crédito del Perú	5,295	-	54	2,784	2,774	-	5,612
Scotiabank Peru S.A.	23,500	266	3,194	4,437	18,785	-	26,416
Banco Chile	24,802	47	-	1,324	20,646	8,997	30,967
GC Rent Chile SPA	1	-	-	1	-	-	1
HSBC México SA, Institución de Banca Múltiple	4,501	-	-	1,476	3,274	-	4,750
Coöperatieve Rabobank U.A.	19,742	426	2,292	2,170	18,328	-	22,790
Metlife	39,259	618	2,640	2,598	19,290	28,992	53,520
Total as of December 31, 2018	500,178	3,894	146,334	40,000	274,431	121,718	582,483

Below is a summary of the maturity of the total financial liabilities as of December 31, 2019:

<u>Detail</u>	<u>Cash Flows</u>						<u>Total</u> <u>ThUS\$</u>
	<u>Capital</u>	<u>Fair Value</u>	<u>From 0 to 3 months</u>	<u>Between 3 and 12 months</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>	
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	
Bank loans	373,147	375,447	141,458	50,812	154,138	72,232	418,640
Bonds - Obligations with the public	92,588	93,655	869	3,402	36,799	75,288	116,358
Operating lease obligations	35,047	35,047	2,790	8,513	14,964	11,058	37,325
Trade accounts and other accounts payable	78,798	78,798	69,535	9,263	-	-	78,798
Accounts payable to related entities	9,132	9,132	-	3,348	5,784	-	9,132

Below is a summary of the maturity of the total financial liabilities as of December 31, 2018:

<u>Detail</u>	<u>Cash Flows</u>						<u>Total</u> <u>ThUS\$</u>
	<u>Capital</u>	<u>Fair Value</u>	<u>From 0 to 3 months</u>	<u>Between 3 and 12 months</u>	<u>Between 1 and 5 years</u>	<u>Over 5 years</u>	
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	
Bank Loans	500,178	504,072	146,334	40,000	274,431	121,718	582,483
Lease Liabilities	18,841	18,841	1,742	6,647	11,278	418	20,085
Trade accounts and other accounts payable	88,319	88,319	68,006	20,313	-	-	88,319
Accounts payable to related entities	16,208	16,208	-	7,646	8,562	-	16,208

4.1.3 Exchange rate risk

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

a) Exposure to Chilean Pesos

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

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

b) Exposure to Mexican Pesos

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

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

c) Exposure to Euros

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

d) Exposure to Peruvian Soles

The source of exposure to Peruvian Soles mainly comes from the costs of agricultural operations in Peru, which are mainly denominated in said currency, and at a lower measure, from trade accounts receivable with customers. Hortifrut constantly evaluates the need to perform actions to mitigate this risk.

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

Exposure in currencies different to the functional currency

The following table shows the exposure in currencies different to the dollar, over the Company's assets and liabilities as of December 31, 2019 and 2018:

	<u>Pesos</u>	<u>Nuevo Sol</u>	<u>Euro</u>	<u>Mexican \$</u>	<u>Yuan</u>	<u>Others</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
As of December 31, 2019						
<u>Financial Assets</u>						
Cash and Cash Equivalents	1,053	4,816	6,164	538	924	1,517
Other current non-financial assets	1,052	934	141	2,139	52	15
Current trade debtors and other accounts receivable	15,537	24,344	20,222	4,575	3,593	1,541
Current accounts receivable with Related Entities	754	-	5,091	-	48	-
Non-current accounts receivable with Related Entities	-	-	4,417	-	-	-
<u>Total Financial Assets</u>	18,396	30,094	36,035	7,252	4,617	3,073
<u>Financial Liabilities</u>						
Other current financial liabilities	671	-	10,354	250	-	1,693
Current trade accounts and other accounts payable	19,616	13,477	3,172	3,536	8	1,340
Current accounts payable to Related Entities	2,003	549	276	-	-	-
Current provisions for employee benefits	441	-	-	507	-	-
Other non-current financial liabilities	2,208	-	12,265	506	-	15,292
Non-current accounts payable with Related Entities	1,122	-	4,662	-	-	-
<u>Total Financial Liabilities</u>	26,061	14,026	30,729	4,799	8	18,325
Net exposure as of December 31, 2019	(7,665)	16,068	5,306	2,453	4,609	(15,252)

	<u>Peso/UF</u>	<u>Nuevo Sol</u>	<u>Euro</u>	<u>Mexican \$</u>	<u>Yuan</u>	<u>Others</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
As of December 31, 2018						
<u>Financial Assets</u>						
Cash and Cash Equivalents	505	4,958	9,878	234	2	1,969
Other current non-financial assets	1,369	-	192	3,461	20	22
Current trade debtors and other accounts receivable	10,062	9,658	44,441	2,192	1,495	3,207
Current accounts receivable with Related Entities	298	-	5,084	-	-	-
Non-current accounts receivable with Related Entities	-	-	4,224	-	-	-
<u>Total Financial Assets</u>	12,234	14,616	63,819	5,887	1,517	5,198
<u>Financial Liabilities</u>						
Other current financial liabilities	455	1	10,029	-	-	-
Current trade accounts and other accounts payable	15,723	11,809	6,910	1,238	27	376
Current accounts payable to Related Entities	4,061	-	245	-	-	-
Current provisions for employee benefits	441	-	-	507	-	-
Other non-current financial liabilities	5	-	20,520	-	-	-
Non-current accounts payable with Related Entities	1,209	-	7,353	-	-	-
<u>Total Financial Liabilities</u>	21,894	11,810	45,057	1,745	27	376
Net exposure as of December 31, 2018	(9,660)	2,806	18,762	4,142	1,490	4,822

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 have an approximate effect of ThUS\$553 as a higher charge to the Company's results as of December 31, 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.

<u>Currencies</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>	<u>Net (10% Devaluation)</u>	<u>Variation</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Chilean Peso	18,396	26,061	(7,665)	(6,899)	766
Nuevo Sol	30,094	14,026	16,068	14,461	(1,607)
Euro	36,035	30,729	5,306	4,775	(531)
Mexican Peso	7,252	4,799	2,453	2,208	(245)
Yuan	4,617	8	4,609	4,148	(461)
Others	3,073	18,325	(15,252)	(13,727)	1,525
Total as of December 31, 2019	99,467	93,948	5,519	4,966	(553)

<u>Currencies</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>	<u>Net (10% Devaluation)</u>	<u>Variation</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Chilean Peso	12,234	21,894	(9,660)	(8,694)	966
Nuevo Sol	14,616	11,810	2,806	2,525	(281)
Euro	63,819	45,057	18,762	16,886	(1,876)
Mexican Peso	5,887	1,745	4,142	3,728	(414)
Yuan	1,517	27	1,490	1,341	(149)
Others	5,198	376	4,822	4,340	(482)
Total as of December 31, 2018	103,271	80,909	22,362	20,126	(2,236)

4.1.4 Interest Rate Risk

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

Long term liabilities are at fixed and variable rates and mostly in dollars to avoid cost variations and to be aligned with the Company's functional currency. Even though short term financial liabilities, linked to temporary work capital are at a fixed rate, an exposure to fluctuations in the market rates at the moment of its contracting and/or renewal is experienced. As of December 31, 2019 the debt at a variable rate that Hortifrut has is ThUS\$290,175 (ThUS\$365,711 as of December 31, 2018), if this debt level is maintained for a year and the rate increased 10%, the impact on the annual financial cost would be ThUS\$915 (ThUS\$1,480 as of December 31, 2018).

4.2 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:

4.2.1 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.

4.2.2 Significant increase in Supply

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

4.2.3 Intensification of Competition

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

4.2.4 Contingencies / Pandemics in destination markets

The Company faces the risk that the destination markets may not be able to receive the planned fruit under expected conditions. To face this risk, the Company maintains fluid communication with commercial platforms and constantly monitors its shipments, being able to redirect part of the fruit to other markets when protocols and demand allow it. The foregoing does not imply that the Company cannot be affected by eventual contingencies in the destination markets.

4.2.5 Climatic Risks

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

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

4.2.6 Plagues and Disease

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

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

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

4.2.7 Food-Safety

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

4.2.8 Risk of Availability of Human Resources

Temporary workers are critical for fruit harvesting, Hortifrut has developed several initiatives to attract and maintain temporary workers from one season to the next. Furthermore, we hire through trade fairs and informative meetings organized with the participation of the municipalities corresponding to the area of each productive unit, for which a relationship of mutual collaboration with the community and the municipalities has been built. Due to the extension of operations in Peru, the human resources factors is particularly critical, especially in the peak production weeks. To assure the necessary number of collaborators for the harvest seasons, Hortifrut invests in infrastructure to assure the housing of a percentage of collaborators, as well as implementing initiatives that encourage the loyalty of the temporary collaborators, such as for example, developing attention channels and daycare for their children will soon be incorporated.

4.2.9 Continuity and Costs of Supplies and Services

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

4.2.10 Risk associated to New Technologies

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

4.3 Insurance

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

The main insurances contracted as of December 31, 2019 and 2018 are the following:

<u>TYPE OF INSURANCE</u>	<u>CURRENCY</u>	<u>31-Dec-19 COVERED AMOUNT</u>	<u>31-Dec-18 COVERED AMOUNT</u>
Infrastructure Fire	UF	1,583,352	1,658,152
Mobile Agricultural Equipment	UF	47,732	48,092
Motor Vehicles	UF	73,500	48,563
General and Product Civil Liability	USD	5,000,000	5,000,000
Maritime Transport	USD	7,000,000	7,000,000
Credit Insurance	USD	50,000,000	20,000,000
Fruit and Materials Insurance	USD	14,400,000	9,810,916
Terrorism	UF	500,000	500,000
Business Interruption	UF	1,227,000	1,227,000
Product Civil Liability	USD	20,000,000	20,000,000
Transporting of Load	USD	200.000/embarque	200.000/embarque
Infrastructure Fire, Theft and Civil Liability	USD	48,000,000	48,000,000
Motor Vehicles	USD	Valor Comercial	Valor Comercial
Motor Vehicles	EUR	Valor Comercial / sin tope	Valor Comercial / sin tope
Installations	EUR	350.000 por evento	350.000 por evento
Goods	EUR	50.000 por evento	50.000 por evento
Civil Liability	EUR	6,500,000	6,500,000
Credit Insurance	EUR	90% impago	90% impago
Fire	PEN	618,320	618,320
Motor Vehicles	USD	261,820	261,820

4.4 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, moment that said result was realized.

As of December 31, 2019, the expected margin of the fruit was recognized in the Company's bearer plants, for an amount that amounts to ThUS\$1,401, which as a result is presented in the item Other income by function.

The estimate of this same concept registered at December 31, 2018 for a value of ThUS\$7,357, which was presented in Other income per function, net of the reversal of the amount incorporated in the merger with Grupo Rocío of ThUS\$2,025, remaining in ThUS\$5,332.

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

Company	Fair value adjustment as of 12/31/2019 (ThUS\$)	10% Reduction Volume (ThUS\$)	10% Reduction Price (ThUS\$)	10% Reduction Volume and Price (ThUS\$)
Hortifrut Tal S.A.C.	27	37	28	25
Hortifrut Peru S.A.C.	718	860	683	615
Berries de Chao S.A.C.	105	131	99	89
HFE Berries Perú S.A.	8	7	-51	-46
Agrícola el Avellano S.A.	6	6	-47	-42
Agrícola Vida Nueva S.A.	125	112	-31	-28
Agrícola Santa Rosa S.A.	107	96	30	27
Agrícola Hortifrut S.A.	173	155	-163	-147
Hortifrut ABA S.A de C.V	132	114	58	53
Total	1,401	1,518	606	546

Company	Fair value adjustment as of 12/31/2018 (ThUS\$)	10% Reduction Volume (ThUS\$)	10% Reduction Price (ThUS\$)	10% Reduction Volume and Price (ThUS\$)
Hortifrut Tal S.A.C.	4,729	4,289	3,448	3,136
Hortifrut Peru S.A.C.	1,130	1,022	516	471
Berries de Chao S.A.C.	324	294	224	204
Agrícola Hortifrut S.A.	1,174	1,057	638	574
Total	7,357	6,662	4,826	4,385

4.5 Risk associated to Merger and Purchase process

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

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

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

NOTE 5 – CHANGES IN ACCOUNTING POLICIES

The Company implemented IFRS16 as of January 01, 2019, beforehand it recognized the operating lease expense over a lineal base during the term of the lease, and it recognized assets and liabilities only when there was a temporary difference between the real lease payments and the recognized expense.

The implementing of IFRS16 meant an increase in assets for right of use which represent its right to use the underlying asset for a value of ThUS\$12,850 and a lease liability which represents its obligation to make lease payments for ThUS\$12,850 in current value.

During the period ending December 31, 2019, no other changes in the Company's accounting policies have been realized.

NOTE 6 – OPERATING SEGMENTS

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

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

Calculating Operating Margin:

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

Minus:

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

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

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

6.1 Results per segments

Results per segments						
	Fresh Fruit		Value Added Products		Total	
	12/31/2019 ThUS\$	12/31/2018 ThUS\$	12/31/2019 ThUS\$	12/31/2018 ThUS\$	12/31/2019 ThUS\$	12/31/2018 ThUS\$
Operating Results						
Operating Revenue	547,702	509,072	32,736	26,588	580,438	535,660
Operating Costs and Expenses	(506,514)	(434,348)	(29,136)	(22,602)	(535,650)	(456,950)
Other Results per Segments						
Impairment in the value of assets	(1,747)	(2,317)	-	-	(1,747)	(2,317)
Other profit (loss)	(1,759)	60,823	-	-	(1,759)	60,823
Net financial income (expense)	(24,186)	(15,647)	(95)	(159)	(24,281)	(15,806)
Interest in profit (loss) of associates	(5,625)	(3,483)	-	-	(5,625)	(3,483)
Exchange rate difference	247	2,005	-	-	247	2,005
Gains tax expense	(15)	(26,384)	(905)	(1,032)	(920)	(27,416)
	8,103	89,721	2,600	2,795	10,703	92,516

6.2 Results of the operation per segments

The results of the operation per segments as of December 31, 2019 and 2018, are as follows:

Segments	31-Dec-19			31-Dec-18		
	Total revenue	Total costs and expenses	Operating Result	Total revenue	Total costs and expenses	Operating Result
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Fresh Fruit	547,702	(506,514)	41,188	509,072	(434,161)	74,911
Blueberries	508,523	(468,402)	40,121	465,799	(387,082)	78,717
Raspberries	16,236	(15,292)	944	17,845	(19,546)	(1,701)
Blackberries	13,574	(13,240)	334	13,767	(14,766)	(999)
Strawberries	3,599	(4,751)	(1,152)	7,132	(8,705)	(1,573)
Cherries	5,770	(4,829)	941	4,529	(4,062)	467
Value Added Products	32,736	(29,136)	3,600	26,588	(22,789)	3,799
Value Added Products	32,736	(29,136)	3,600	26,588	(22,789)	3,799
Total	580,438	(535,650)	44,788	535,660	(456,950)	78,710

Calculating Total Revenue

	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
TOTAL REVENUE		
Revenue from operating activities	576,045	528,157
Other revenue, per function	4,393	7,503
Total Revenue	580,438	535,660

Calculating Total Costs and Expenses

	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
TOTAL COSTS AND EXPENSES		
Cost of sales	475,881	414,184
Administration expenses	47,334	38,080
Other expenses, per function, including impairment in the value of assets (*)	12,435	4,686
Total Costs and Expenses	535,650	456,950

	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Impairment in the value of assets (*)		
Impairment in the value of assets	(1,747)	(2,317)
Total	(1,747)	(2,317)

6.3. Assets and liabilities per segments

Balance per segments						
	Fresh Fruit		Value Added Products		Total	
	31-12-2019 ThUS\$	31-12-2018 ThUS\$	31-12-2019 ThUS\$	31-12-2018 ThUS\$	31-12-2019 ThUS\$	31-12-2018 ThUS\$
Assets						
Related and third party trade debtors	152,158	127,947	7,139	2,572	159,297	130,519
Inventories	67,362	83,263	3,219	3,227	70,581	86,490
Other current assets	78,229	78,857	-	-	78,229	78,857
Property, plant and equipment	791,260	681,562	12,103	11,801	803,363	693,363
Other non-current assets	237,680	257,897	194	194	237,874	258,091
Total Assets	1,326,689	1,229,526	22,655	17,794	1,349,344	1,247,320
Liabilities						
Trade accounts payable related and third party	81,350	93,780	796	2,185	82,146	95,965
Other current and non-current financial liabilities	487,416	499,864	3,500	4,208	490,916	504,072
Other Liabilities	118,166	127,858	-	-	118,166	127,858
Total Liabilities	686,932	721,502	4,296	6,393	691,228	727,895

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

6.4. Cash flows per segments

Cash flows per segments						
	Fresh Fruit		Value Added Products		Total	
	31-12-2019 ThUS\$	31-12-2018 ThUS\$	31-12-2019 ThUS\$	31-12-2018 ThUS\$	31-12-2019 ThUS\$	31-12-2018 ThUS\$
From operating activities	35,857	35,680	(3,348)	10,849	32,509	46,529
- Types of collection from operating activities	516,540	474,125	28,169	36,770	544,709	510,895
- Types of payments	(480,683)	(438,445)	(31,517)	(25,921)	(512,200)	(464,366)
From investment activities	(142,417)	(196,678)	(534)	(183)	(142,951)	(196,861)
From financing activities	86,931	172,314	14,103	(672)	101,034	171,642

6.5 Sales per Geographic Location:

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

For the periods ending December 31, 2019 and 2018, operating income per geographic location is as follows:

Sales per geographic destination	31-Dec-19		31-Dec-18	
	ThUS\$	%	ThUS\$	%
North America	318,173	54.82%	275,252	51.39%
Europe	167,662	28.89%	171,690	32.05%
South America	39,977	6.89%	45,288	8.45%
Asia and others	54,626	9.40%	43,430	8.11%
Total Revenue	580,438	100.00%	535,660	100.00%

North America

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

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

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

Europe

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

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

South America

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

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

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

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

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

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

Asia

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

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

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

NOTE 7 – FINANCIAL INSTRUMENTS

7.1 FINANCIAL INSTRUMENTS PER CATEGORY

December 31, 2019	Assets	Financial assets and accounts receivable ThUS\$	Assets at fair value through profit or loss ThUS\$	Hedging instruments ThUS\$	Total ThUS\$
	Cash and cash equivalents	33,349	8,653	-	42,002
	Current trade debtors and other accounts receivable	97,066	-	-	97,066
	Current accounts receivable with related entities	62,231	-	-	62,231
	Other non-current financial assets	-	-	755	755
	Non-current accounts receivable with related entities	4,417	-	-	4,417
	Non-current fees receivable	2,960	-	-	2,960
	Total	200,023	8,653	755	209,431
December 31, 2019	Liabilities	Other financial liabilities ThUS\$	Liabilities at fair value through profit or loss ThUS\$	Hedging instruments ThUS\$	Total ThUS\$
	Current trade accounts and other accounts payable	78,798	-	-	78,798
	Current accounts payable to related entities	3,348	-	-	3,348
	Non-current accounts payable to related entities	5,784	-	-	5,784
	Other current financial liabilities	183,557	-	3,402	186,959
	Other non-current accounts payable	6,506	-	-	6,506
	Other non-current financial liabilities	299,971	-	3,986	303,957
	Total	577,964	-	7,388	585,352
December 31, 2018	Assets	Financial assets and accounts receivable ThUS\$	Assets at fair value through profit or loss ThUS\$	Hedging instruments ThUS\$	Total ThUS\$
	Cash and cash equivalents	37,752	11,149	-	48,901
	Other current financial assets	913	-	498	1,411
	Current trade debtors and other accounts receivable	82,202	-	-	82,202
	Current accounts receivable with related entities	48,317	-	-	48,317
	Other non-current financial assets	-	-	317	317
	Non-current accounts receivable with related entities	4,224	-	-	4,224
	Non-current fees receivable	1,546	-	-	1,546
	Total	174,954	11,149	815	186,918
December 31, 2018	Liabilities	Other financial liabilities ThUS\$	Liabilities at fair value through profit or loss ThUS\$	Hedging instruments ThUS\$	Total ThUS\$
	Current trade accounts and other accounts payable	88,319	-	-	88,319
	Current accounts payable to related entities	7,646	-	-	7,646
	Non-current accounts payable to related entities	8,562	-	-	8,562
	Other non-current accounts payable	6,506	-	-	6,506
	Other current financial liabilities	170,557	-	2,072	172,629
	Other non-current financial liabilities	330,136	-	1,307	331,443
	Total	611,726	-	3,379	615,105

7.2 CREDITWORTHINESS OF FINANCIAL ASSETS

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

Current Assets	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Mutual Funds and term deposits classification		
AA+fm/M1	8,653	11,149
Current Bank Account AAA	33,349	37,752
Sub-total Cash and Cash Equivalents	42,002	48,901
Swap rate operations	-	30
Forward currency operations	-	468
Other financial assets	-	913
Total other current financial assets	-	1,411
Trade debtors and other accounts receivable		
without credit rating	97,066	82,202
Sub-total current debtors and other accounts receivable	97,066	82,202
Total	139,068	132,514

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

There are no significant expired financial assets as of the closing of the period which have not been duly provisioned.

7.3 ESTIMATING FAIR VALUE

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

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

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

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

If the variables used to measure the fair value of an asset or liability can be classified in different levels of the fair value hierarchy, then the measurement of fair value is classified in its totality at the same level of fair value hierarchy as the lowest level which is significant for the total measurement.

The Company recognizes the transfer between the levels of hierarchy of fair value at the end of the period which is being informed when the change occurred.

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

The following table presents the financial assets and liabilities that are measured at fair value as of December 31, 2019 and 2018:

<u>Assets/(Liabilities)</u>	Fair value 31/12/2019 ThUS\$	Fair value measurements using values considered as		
		Level I	Level II	Level III
		ThUS\$	ThUS\$	ThUS\$
<u>Assets</u>				
Short term mutual funds	5,011	5,011	-	-
Term deposits	3,642	-	3,642	-
Non-current forwards currency operations	749	-	749	-
Non-current Cross Currency Swap operations	6	-	6	-
<u>Liabilities</u>				
Forwards currency operations	(3,247)	-	(3,247)	-
Current Cross Currency Swap operations	(155)	-	(155)	-
Non-current Cross Currency Swap operations	(2,924)	-	(2,924)	-

<u>Assets/(Liabilities)</u>	Fair Value 31-Dec-18 ThUS\$	Fair value measurements using values considered as		
		Level I	Level II	Level III
		ThUS\$	ThUS\$	ThUS\$
<u>Assets</u>				
Short term mutual funds	4,600	4,600	-	-
Term deposits	6,549	-	6,549	-
Cross Currency Swap Operations	30	-	30	-
Forwards currency operations	468	-	468	-
Other financial assets	913	-	913	-
Non-current forwards currency operations	9	-	9	-
Non-current Cross Currency Swap operations	308	-	308	-
<u>Liabilities</u>				
Forwards currency operations	(1,751)	-	(1,751)	-
Current Cross Currency Swap operations	(321)	-	(321)	-
Non-current forwards currency operations	(378)	-	(378)	-
Non-current Cross Currency Swap operations	(929)	-	(929)	-

7.4 INFORMATIVE FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	Notes	31-Dec-19		31-Dec-18	
		Book value	Fair value	Book value	Fair value
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Assets					
Cash and cash equivalents	8				
Bank balances		33,349	33,349	37,752	37,752
Term deposits		3,642	3,642	6,549	6,549
Mutual funds		5,011	5,011	4,600	4,600
Other current financial assets	9	-	-	1,411	1,411
Current trade debtors and other accounts receivable and non-current fees receivable	10	100,026	100,026	83,748	83,748
Current accounts receivable from related entities	11	62,231	62,231	48,317	48,317
Other non-current financial assets	9	755	755	317	317
Non-current accounts receivable from related entities	11	4,417	4,417	4,224	4,224
Liabilities					
Other current financial liabilities	21	186,959	186,959	172,629	172,629
Other non-current financial liabilities	21	303,957	303,957	331,443	331,443
Current trade accounts and other accounts payable	22	78,798	78,798	88,319	88,319
Other non-current accounts payable		6,506	6,506	6,506	6,506
Current accounts payable to related entities	11	3,348	3,348	7,646	7,646
Non-current accounts payable to related entities	11	5,784	5,784	8,562	8,562

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

NOTE 8 - CASH AND CASH EQUIVALENTS

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

The detail of cash and cash equivalents as of December 31, 2019 and 2018, is as follows:

Types of Cash and Cash Equivalents	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Bank balances	33,349	37,752
Term deposits	3,642	6,549
Mutual funds	5,011	4,600
Total cash and cash equivalents	42,002	48,901

The detail per currency of cash and cash equivalents as of December 31, 2019 and 2018, is as follows:

Type of currency	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
United States Dollar	26,990	31,355
Chilean Peso	1,053	505
Euro	6,164	9,878
Mexican Peso	538	234
Pound	93	1,467
Brazilian Real	1,415	502
Peruvian Nuevo Sol	4,816	4,958
Yuan	924	-
Argentine Peso	9	2
Total	42,002	48,901

The detail of term deposits per bank as of December 31, 2019 and 2018, is as follows:

Investments in term deposits	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Banco de Crédito del Perú	3,642	6,549
Total investments in term deposits	3,642	6,549

The detail of mutual funds per bank as of December 31, 2019 and 2018, is as follows:

Investments in mutual funds	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Banco Crédito e Inversiones	2,716	4,437
Banco Santander	923	163
Itaú - Brasil	1,372	-
Total investments in mutual funds	5,011	4,600

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

NOTE 9 - OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

These assets represent the effects of currency forwards instruments used to cover the potential financial risk associated to the volatility of costs and expenses to be incurred in currencies different to the United States dollar in the agriculture and export business (see Note 4.1.3).

The detail of Other financial assets as of December 31, 2019 and 2018, is as follows:

Current	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Swap rate operations	-	30
Forward currency operations	-	468
Other financial assets	-	913
Total other current financial assets	-	1,411

Non-Current	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Swap Operations	6	308
Forward currency operations	749	9
Total other non-current financial assets	755	317

As of December 31, 2019 and 2018, there are no ineffective hedging instruments recognized in the Company's results, which arise from the aforementioned hedging of derivative operations.

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

ASSETS**Hedging instruments**

Banks	Instruments	Type	Capital	Mark to Market Value	
			ThUS\$	31-Dec-19	31-Dec-18
Scotiabank	Cross Currency Swaps - USD	Rate	-	-	30
Total current			-	-	30
Santander	Cross Currency Swaps EUR/USD	Currency	-	-	187
Crédito e Inversiones	Cross Currency Swaps - USD	Rate	3,479	6	117
Crédito e Inversiones	Cross Currency Swaps - USD	Rate	-	-	4
Total non-current			3,479	6	308

- b) The detail of the current and non-current forward operations, as of December 31, 2019 and 2018 held by Hortifrut S.A. and subsidiaries are the following:

Company	Bank	Contract Type	Fees Type Currency	Liabilities Amount Currency	Closing Value Amount	Net Effect Offsetting	Mark to Market							
							Maturity up to				Total Current	Maturity up to		Total Non-Current
							1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	12/31/2019	1 to 2 years	2 to 3 years	12/31/2019
							ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
							ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Agricola Mataquito SA	BCI	Offsetting	Sale USD	550 CLP	585	35	-	-	-	-	-	20	11	31
Agricola Santa Rosa Del Parque S.A	BCI	Offsetting	Sale USD	280 CLP	300	20	-	-	-	-	-	10	10	20
Agricola Vida Nueva S.A.	BCI	Offsetting	Sale USD	340 CLP	362	22	-	-	-	-	-	7	15	22
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale USD	6,810 CLP	7,300	490	-	-	-	-	-	218	248	466
Hortifrut S.A.	Scotiabank	Offsetting	Sale USD	3,650 CLP	3,874	224	-	-	-	-	-	87	123	210
Total	31-Dec-19			11,630	12,421	791	-	-	-	-	-	342	407	749

										Mark to Market					
Company	Bank	Contract Type	Fees Type Currency	Liabilities		Closing Value Amount ThUS\$	Net Effect Offsetting ThUS\$	Maturity up to				Total Current 12/31/2018 ThUS\$	Maturity up to		Total Non-Current 12/31/2018 ThUS\$
				Amount Currency	Amount Currency			1 to 3 months ThUS\$	3 to 6 months ThUS\$	6 to 9 months ThUS\$	9 to 12 months ThUS\$		1 to 2 years ThUS\$	2 to 3 years ThUS\$	
Agricola Vida Nueva S.A.	BCI	Offsetting	Sale USD	160	CLP	160	-	-	-	-	-	-	1	-	1
Hortifrut Chile S.A.	Estado	Offsetting	Sale USD	7,246	CLP	7,251	5	-	-	1	3	4	5	-	5
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale USD	928	CLP	928	-	2	1	-	-	3	-	-	-
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale EUR	17,439	USD	17,960	521	424	34	-	-	458	-	-	-
Hortifrut S.A.	Estado	Offsetting	Sale USD	3,404	CLP	3,406	2	-	-	1	1	2	3	-	3
Hortifrut S.A.	Scotiabank	Offsetting	Sale USD	517	CLP	517	-	1	-	-	-	1	-	-	-
Total		31-Dec-18		29,694		30,222	528	427	35	2	4	468	9	-	

Type of fees from the company's perspective.

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

The detail of trade debtors and other accounts receivable as of December 31, 2019 and 2018, is as follows:

31-Dec-19						
Current per country of origin	Sales ThUS\$	Receivable documents ThUS\$	Other receivables ThUS\$	Recoverable taxes ThUS\$	Allowance for doubtful accounts ThUS\$	Total ThUS\$
Chile	10,569	3,522	1,868	4,247	(839)	19,367
Spain	34,215	-	48	699	(307)	34,655
Mexico	540	-	10,913	1,668	(1,675)	11,446
United States	-	-	24	-	-	24
Brazil	1,096	-	119	-	-	1,215
Argentina	-	-	177	-	-	177
Asia	3,416	-	-	-	-	3,416
Peru	2,939	-	1,354	22,781	(308)	26,766
Total	52,775	3,522	14,503	29,395	(3,129)	97,066

31-Dec-18						
Current per country of origin	Sales ThUS\$	Receivable documents ThUS\$	Other receivables ThUS\$	Recoverable taxes ThUS\$	Allowance for doubtful accounts ThUS\$	Total ThUS\$
Chile	8,165	1,906	1,714	6,372	(566)	17,591
Spain	34,262	-	248	2,881	(504)	36,887
Mexico	68	-	8,698	-	(3,195)	5,571
United States	-	-	1	-	-	1
Brazil	622	-	108	191	(46)	875
Argentina	67	-	1,441	20	(33)	1,495
Peru	921	-	1,369	17,492	-	19,782
Total	44,105	1,906	13,579	26,956	(4,344)	82,202

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

The detail of non-current fees receivable as of December 31, 2019 and 2018, is as follows:

Non-Current	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Non-current debtors and accounts receivable	2,146	460
Other non-current fees receivable	637	1,086
Recoverable taxes	183	-
Bad debt provision	(6)	-
Total non-current fees receivable	2,960	1,546

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

	31-Dec-19	31-Dec-18
Tax receivable accounts	ThUS\$	ThUS\$
Iva (VAT) tax credit	28,564	25,473
Other recoverable taxes	831	1,483
Total	29,395	26,956

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

Stratification of the portfolio

The Company does not keep a securitized portfolio as of December 31, 2019 and December 31, 2018. Below is an analysis by age of trade debts and accounts receivable:

Terms	31-Dec-19		31-Dec-18	
	NON SECURITIZED PORTFOLIO		NON SECURITIZED PORTFOLIO	
	Customers non-renegotiated portfolio	Amount non-renegotiated portfolio	Customers non-renegotiated portfolio	Amount non-renegotiated portfolio
	Nº	ThUS\$	Nº	ThUS\$
Non past due	646	54,734	648	24,765
From 1 to 30 days	110	1,460	92	20,850
From 31-60 days	41	439	25	83
From 61-90 days	24	989	21	111
From 91-120 days	11	7	13	55
From 121-150 days	26	192	4	60
From 151-180 days	41	36	3	-
From 181-210 days	6	292	21	155
From 211-250 days	9	120	5	-
Over 250 days	57	174	66	392
Total	971	58,443	898	46,471
Provision		(890)		(1,141)
Total (net)		57,553		45,330

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

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

Terms	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Non past due	4,243	3,293
From 1 to 30 days	46,887	44,390
From 31-60 days	19,419	9,574
From 61-90 days	263	1,431
From 91-120 days	781	864
From 121-150 days	1,898	58
From 151-180 days	6,629	7,587
From 181-210 days	604	246
From 211-250 days	23	715
Over 250 days	16,319	14,044
Total	97,066	82,202

Balances of currencies that make-up trade debtors and other current accounts receivable as of December 31, 2019 and 2018, are as follows:

Type of currency	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
United States Dollar	27,254	11,147
Chilean Peso	15,537	10,062
Euro	20,222	44,441
Pound	330	2,335
Mexican Peso	4,575	2,192
Argentine Peso	177	1,495
Brazilian Real	1,211	872
Yuan	3,416	-
Peruvian Nuevo Sol	24,344	9,658
Total	97,066	82,202

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

	As of December 31, 2019			As of December 31, 2018		
	Gross exposure as per balance ThUS\$	Gross impaired exposure ThUS\$	Net exposure concentration of risk ThUS\$	Gross exposure as per balance ThUS\$	Gross impaired exposure ThUS\$	Net exposure concentration of risk ThUS\$
Trade Debtors	52,775	(722)	52,053	44,105	(895)	43,210
Notes receivable	3,522	(168)	3,354	1,906	(246)	1,660
Other accounts receivable	14,503	(2,239)	12,264	13,579	(3,203)	10,376
Recoverable Taxes	29,395	-	29,395	26,956	-	26,956
Total	100,195	(3,129)	97,066	86,546	(4,344)	82,202

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

	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
National trade debtors	722	895
Receivable documents	168	246
Other accounts receivable	2,239	3,203
Total	3,129	4,344

The movement of provision due to loss caused by the impairment of the value of trade debtors and others as of December 31, 2019 and 2018, is as follows:

Movement	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
As of January 01	4,344	2,862
Provision reversal	(2,668)	(170)
Write-offs	(81)	(317)
Equity provision	-	952
Increase provision	1,534	997
Exchange rate difference	-	20
Total	3,129	4,344

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

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

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

Hortifrut estimates the expected credit loss, which results from possible events of non-collectability during the expected life of its assets measured at amortized cost, as the result of the following three components: Exposure at Default (**EAD**), frequency (**PD**) and severity (**LGD**).

Expected Loss (EL): EAD x PD x LGD

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

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

This probability was construed based on information of the last 5 years, accounting date and of the last year, payment date, where the amount of weighted defaults per year was obtained for each one of the debtors.

The company has established to check the model and calculations every three years, regardless if they are previously checked, in case of events that could alter said estimations.

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

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

- **Other Debtors:** The maturity date assigned to other debtors considers an average payment term of 45 days from the date of issuance of the invoice. Due to the aforementioned, it is considered default if the payment date is after the maturity date.
- **Tax Debt:** based on the 100% recovery history or use of said credits (IVA), it was considered non-risky, resulting in a percentage of impairment equal to zero.

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

Classification

- Producers
- Commercial Sale (Local market)
- Sale of Frozen Fruit (Export)
- Sale of Fresh Fruit (Export)
- Others (Other Sales)

Days past due

- 0-30 days
- 31-60 days
- 61-90 days
- 91-120 days
- 121-150 days
- 151-180 days
- >180 days

The probability of average default events determined for the period ending December 31, 2019 and the period ending December 31, 2018, is as follows:

Classification	0 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 to 150 days	151 to 180 days	>180 days
Producers	0.04%	12.54%	20.72%	29.01%	36.89%	45.14%	75.52%
Fresh Fruit Sale (Local Market)	1.52%	11.03%	20.17%	29.09%	37.51%	46.54%	89.04%
Fresh Fruit Sale (Export)	1.52%	11.03%	20.17%	29.09%	37.51%	46.54%	89.04%
Frozen Fruit Sale	2.14%	12.42%	20.54%	29.10%	37.31%	46.64%	68.66%
Others	0.65%	12.56%	19.39%	28.82%	35.42%	44.81%	84.40%

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

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

Even though it is possible to add a prospective sensitivity to the estimation of the expected credit loss, management has decided to maintain this estimation at zero.

In determining the credit risk of a financial asset, Hortifrut and subsidiaries consider reasonable and sustainable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on the historical experience of Hortifrut and on the analysis and expectations of the industry and the economic environment.

Presentation of the correction of value for expected credit losses in the statement of financial position

Value adjustments for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairments

The gross carrying amount of a financial asset is written off when Hortifrut and subsidiaries have no reasonable expectation of recovering a financial asset in whole or in part. In the case of commercial debtors and other accounts receivable, the policy of Hortifrut and subsidiaries is to penalize the gross carrying amount when all the preliminary or judicial collection procedures have been exhausted in the cases in which it is carried out. lower assets against the estimate made.

NOTE 11– BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties include the following entities and individuals:

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

11.1. Accounts receivable from related entities

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

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

Accounts receivable and accounts payable to related entities as of December 31, 2019 and 2018, are detailed as follows:

Current Accounts Receivable	ID	Country of Origin	Nature of the relationship	Type of Currency	31-Dec-19	31-Dec-18
					ThUS\$	ThUS\$
Naturipe Farms LLC	o-E	USA	Associated	USD	41,637	30,681
Naturipe Value Added Foods LLC	o-E	USA	Associated	USD	6,120	1,698
Expofresh S.A.	o-E	Argentina	Common Shareholder	USD	2,808	870
S.A.T. Hortifrut H-0030	o-E	Netherlands	Associated	EUR	2,620	3,137
Hortiblu Logistics BV	o-E	Spain	Associated	EUR	2,471	1,909
Agrícola Valles del Sur SpA	o-E	China	Common Shareholder	USD	2,264	212
Naturipe Value Added Fresh, LLC.	o-E	Argentina	Associated	USD	1,271	1,141
Agrícola Los Hualles SpA	76.914.483-8	Chile	Associated	CLP	747	292
Hortifrut Expofresh S.A.	o-E	Argentina	Common Shareholder	USD	749	1,087
Tierras de Berries S.A.	o-E	USA	Associated	USD	546	516
Agrícola Santa Carmen Ltda	76.923.964-2	Chile	Common Shareholder	USD	415	-
Naturipe Berry Growers, LLC	o-E	USA	Associated	USD	301	-
Tierra de Arándanos S.R.L.	o-E	Argentina	Common shareholder in associated	USD	119	142
Munger Hortifrut North America, LLC	o-E	Argentina	Associated	PAR	-	794
Margesi S.A.	o-E	USA	Common Shareholder	USD	48	-
Berry Blue, LLC	o-E	Spain	Shareholder in associated	EUR	33	-
Talsa Agroexport Perú S.A.C.	o-E	Peru	Common Shareholder	PEN	29	8
Agrícola Nueva Cabildo S.A.	96.761.430-0	Chile	Common Shareholder	CLP	17	-
Juan Luis Navarro	76.404.690-0	Chile	Common Shareholder	CLP	-	29
Avo Peú S.A.C.	o-E	Morocco	Common shareholder in subsidiary	EUR	14	-
Proplantas S.A.	o-E	Peru	Common Shareholder	USD	10	-
Agrícola e Inmobiliaria Lumaco S.A.	76.243.329-k	Chile	Common Shareholder	USD	5	1
Naturipe Avocado Farms	o-E	USA	Associated	USD	5	-
Global Organics S.A.	o-E	China	Common Shareholder	USD	2	5
Tal S.A.C.	o-E	Spain	Subsidiary of common shareholder in subsidiary	EUR	-	2,748
Valles del Sur SpA	o-E	Spain	Common Shareholder	EUR	-	2,717
Golden Wing Mau Agrícola P	76.043.289-K	Chile	Common Shareholder	USD	-	318
Cooperativa de Agricultores Gijon.	o-E	Spain	Subsidiary of common shareholder in subsidiary	EUR	-	5
Atlantic Blue,S.L.	76.849.930-6	Chile	Common Shareholder	CLP	-	4
Agrícola San José de Tilama S.A.	77.813.860-3	Chile	Common Shareholder	CLP	-	3
Total					62,231	48,317

Current accounts receivable corresponds to trade operations whose collection period is between 1 and 12 months.

Non-current accounts receivable corresponds to the financing of investments whose collection period is over 1 year.

Non-current accounts receivable	RUT	Country of Origin	Nature of the relationship	Type of Currency	31-Dec-19	31-Dec-18
					ThUS\$	ThUS\$
Hortifrut Berries Maroc SRL	o-E	Morocco	Associated	EUR	4,417	4,224
Total					4,417	4,224

Accounts receivable held with Hortifrut Berries Maroc SRL correspond to successive working capital loans granted by Hortifrut España Southern Sun SL, while the development stage of this investment lasts. These loans accrue an annual 3.0% interest, with expiry in November 2027.

Impairment in accounts with related parties:

The company has estimated that the risk of default of the Related Parties that consolidate or over which Hortifrut has control or influence in its administration, is immaterial, for which reason, it has considered an impairment percentage of said accounts equivalent to zero. In related cases that do not comply with the above, the same methodology is applied as for a producer financing (see Note 10).

Classification	0 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 to 150 days	151 to 180 days	>180 days
Related non-controlling	0.04%	12.54%	20.72%	29.01%	36.89%	45.14%	75.52%

11.2. Accounts payable to related entities

Accounts payable to related entities as of December 31, 2019 and 2018, are detailed below:

Current Accounts Payable	RUT	Country of Origin	Nature of the relationship	Type of Currency	31-Dec-19	31-Dec-18
					ThUS\$	ThUS\$
Andes Sur Inversiones Ltda.	76.463.392-K	Chile	Common shareholder	CLP	1,969	2,049
Inversiones Jordie S.A.	0-E	Peru	Common shareholder	PEN	486	1,143
Soc. Agr. de Inversiones El Otoñal S.A.	79.598.270-1	Chile	Shareholder in subsidiary	USD	262	-
Atlantic Blue Berries Maroc, SARL	0-E	Morocco	Common shareholder in subsidiary	EUR	224	245
Tal S.A.C.	0-E	Peru	Common shareholder	USD	149	-
Munger Hortifrut North America, LLC	0-E	USA	Associated	USD	109	-
Techagri S.A.R.L.	0-E	Spain	Common shareholder	EUR	48	53
Yapu Solutions S.A.C	0-E	Peru	Affiliate of a Shareholder in associated	PEN	41	-
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Chile	Common shareholder	CLP	25	10
Talsa Apicultura S.A.C.	0-E	Peru	Common shareholder	PEN	22	-
Southern Cone Inversiones Ltda.	77.942.310-7	Chile	Shareholder in subsidiary	CLP	9	-
Hortifrut Berries Maroc SRL	0-E	Morocco	Associated	EUR	4	-
Sociedad Agrícola Catapilco Limitada	78.241.100-4	Chile	Affiliate of a Shareholder in associated	CLP	-	2,002
Aguacates del Perú S.A.C.	0-E	Peru	Common shareholder	PEN	-	672
Qingdao Wolin Blueberry Fruit Industry (0-E	China	Common shareholder	USD	-	415
Monarch Nut Company, LLC	0-E	USA	Common shareholder	USD	-	251
Avo Peú S.A.C.	0-E	Peru	Affiliate of a Shareholder in associated	PEN	-	242
Agrícola Santa Carmen Ltda	86.776.400-3	Chile	Common shareholder	USD	-	237
Naturipe Berry Growers, LLC	0-E	USA	Associated	USD	-	180
El Rocío S.A.	0-E	Peru	Affiliate of a Shareholder in associated	PEN	-	98
Berry Blue, LLC	0-E	USA	Associated	USD	-	48
Munger Bros, LLC	0-E	USA	Common shareholder	USD	-	1
Total					3,348	7,646

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

Non-Current Accounts Payable	RUT	Country of Origin	Nature of the relationship	Type of Currency	31-Dec-19	31-Dec-18
					ThUS\$	ThUS\$
Royal Berries S.L.	0-E	Spain	Affiliate of a shareholder in subsidiary	EUR	4,662	7,353
Inversiones Canihua S.A.	95.526.000-7	Chile	Common shareholder	CLP	735	792
Inversiones Purranque S.A.	96.539.710-8	Chile	Shareholder in subsidiary	CLP	387	417
Total					5,784	8,562

The payable balance held with Royal Berries SL corresponds to the pending instalment payments for the purchase of the berries varietal license to exploit in America. The contract was subscribed in July 2015 for the total amount of US\$20 million, with Hortifrut paying 50% on the spot. The balance is being paid in annual instalments until the year 2022, which will accrue an annual interest of 2.9%, as of December 31, 2019 the amount is US\$4.35 million.

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

11.3 Transactions with related parties and their effects on results

The operations and their effects on results for the periods ending December 31, 2019 and 2018:

Company	ID	Nature of the relationship	Description of the transaction	31-Dec-19		31-Dec-19	
				Amount	Effect on	Amount	Effect on
				Transaction	(charge)/	Transaction	(charge)/
				ThUS\$	deposit	ThUS\$	deposit
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Common Shareholder	Fruit purchase	121	-	101	-
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Common Shareholder	Income from Packing services, materials and others	49	-	72	-
Agrícola e Inmobiliaria Lumaco S.A.	96.761.430-0	Common Shareholder	Income from Packing services, materials and others	29	-	18	-
Agrícola Los Hualles SpA	76.914.483-8	Associated	Income from Packing services, materials and others	1,089	100	198	28
Agrícola Los Hualles SpA	76.914.483-8	Associated	Remittances (Payments)	(565)	-	-	-
Agrícola Nueva Cabildo S.A.	76.107.465-2	Common Shareholder	Fruit purchase	408	-	484	-
Agrícola Nueva Cabildo S.A.	76.107.465-2	Common Shareholder	Income from Packing services, materials and others	22	-	31	-
Agrícola San José de Tilama S.A.	76.043.289-K	Common Shareholder	Income from Packing services, materials and others	-	-	55	-
Agrícola San José de Tilama S.A.	76.043.289-K	Common Shareholder	Income from plant sales	-	-	2	-
Agrícola Santa Carmen Ltda.	86.776.400-3	Common Shareholder	Fruit purchase	11,718	-	13,071	-
Agrícola Santa Carmen Ltda.	86.776.400-3	Common Shareholder	Income from Packing services, materials and others	557	-	747	-
Agrícola Santa Carmen Ltda.	86.776.400-3	Common Shareholder	Income from plant sales	-	-	47	-
Agrícola Valles del Sur SpA	76.923.964-2	Common Shareholder	Fruit purchase	15,156	-	2,440	-
Andes Sur Inversiones Limitada	76.463.392-K	Shareholder in subsidiary	Paid dividend	168	-	-	-
Atlantic Blue S.L.	0-E	Common shareholder in subsidiary	Interest expenses	-	-	-	-
Avo Pei S.A.C.	0-E	Affiliate of a Shareholder in associated	Purchase of services	159	15	-	-
Euroberry GMBH	0-E	Subsidiary of subsidiary	Fruit sales	-	-	-	-
Euroberry UK Ltd.	0-E	Subsidiary of subsidiary	Fruit sales	-	-	-	-
Expofresh S.A.	0-E	Common Shareholder	Fruit purchase	3,914	-	7,361	-
Hortifrut Berries Maroc SRL	0-E	Associated	Granted loans	-	-	-	-
Hortifrut Berries Maroc SRL	0-E	Associated	Fruit purchase	-	-	-	-
Hortifrut Berries Maroc SRL	0-E	Associated	Fruit sales	-	-	90	13
Hortifrut Expofresh S.A.	0-E	Associated	Fruit purchase	93	-	-	-
Hortifrut Tal S.A.C.	0-E	Associated	Income from plant sales	-	-	-	-
Munger Farm LLC	0-E	Common Shareholder	Income from plant sales	-	-	-	-
Munger Hortifrut North America, LLC	0-E	Associated	Income from plant sales	-	-	123	18
Munger Hortifrut North America, LLC	0-E	Associated	Loan collection	-	-	-	-
Naturipe Berry Growers LLC	0-E	Associated	Purchase of shares	-	-	-	-
Naturipe Berry Growers LLC	0-E	Associated	Income from Packing services, materials and others	-	-	-	-
Naturipe Berry Growers LLC	0-E	Associated	Fruit sales	-	-	2,194	315
Naturipe Value Added Foods LLC	0-E	Associated	Fruit sales	21,731	1,993	19,330	2,778
Naturipe Value Added Fresh LLC	0-E	Associated	Fruit sales	7,970	731	6,046	869
Royal Berries S.L.	0-E	Affiliate of a Shareholder in subsidiary	Income from plant sales	-	-	217	31
Royal Berries S.L.	0-E	Affiliate of a Shareholder in subsidiary	Berries genetics (plants)	-	-	1,030	-
Royal Berries S.L.	0-E	Common Shareholder	Plant purchase (Royalty)	-	-	-	-
S.A.T. Hortifrut H-0030	0-E	Associated	Earned interests	-	-	79	11
S.A.T. Hortifrut H-0030	0-E	Associated	Received services	-	-	835	-
S.A.T. Hortifrut H-0030	0-E	Associated	Fruit purchase	-	-	-	-
San José Farms S.A.	77.403.750-0	Shareholder	Received services	-	-	-	-
Sociedad Agrícola Catapilco Limitada	78.241.100-4	Affiliate of a Shareholder in associated	Income from Packing services, materials and others	23	-	12	-
Sociedad Agrícola Catapilco Limitada	78.241.100-4	Common Shareholder	Received services	-	-	-	-
Tal S.A.C.	0-E	Common Shareholder	Income from Packing services, materials and others	2,396	220	8,858	1,273
Tal S.A.C.	0-E	Common Shareholder	Fruit purchase	2,953	-	17,423	-
Tal S.A.C.	0-E	Common Shareholder	Income from plant sales	-	-	-	-
Talsa Apicultura S.A.C.	0-E	Common Shareholder	Income from Packing services, materials and others	2	-	-	-
El Rocio S.A.	0-E	Common Shareholder	Income from Packing services, materials and others	8	1	-	-
Tierras de Berries S.A.	0-E	Common Shareholder	Income from Packing services, materials and others	-	-	-	-
Tierras de Berries S.A.	0-E	Common Shareholder	Fruit purchase	-	-	-	-
Valles del Sur SpA	76.243.329-k	Common Shareholder	Income from plant sales	-	-	2	-
Vilcun Organics SPA	76.158.225-9	Common Shareholder	Income from Packing services, materials and others	-	-	-	-
Vilcun Organics SPA	76.158.225-9	Common Shareholder	Fruit purchase	-	-	-	-
Soc. Agr. de Inversiones El Otoñal S.A.	79.598.270-1	Shareholder in subsidiary	Received loan	627	-	-	-
Soc. Agr. de Inversiones El Otoñal S.A.	79.598.270-1	Shareholder in subsidiary	Lease	-	-	-	-
Hortiblue Logistics BV	0-E	Associated	Income from Packing services, materials and others	6	-	-	-
Yapu Solutions S.A.C.	0-E	Common shareholder	Purchase of services	447	-	-	-

Hortifrut and subsidiaries, have as their policy to inform the main transactions that are performed with related parties, except for dividends paid by the parent Company and received capital contributions. Transactions with Hortifrut Tal S.A.C., correspond to those performed before the merger.

11.4. Board Remunerations and fees and Remunerations of key executives

The allowances, remunerations and ownership interests of the Board members as of December 31, 2019 reach ThUS\$1,369. For the same period in 2018 the total of allowances, remunerations and ownership interests reached ThUS\$1,073

The total gross remuneration received by the main executives at Hortifrut S.A. and subsidiaries reached ThUS\$3,901 as of December 31, 2019 and ThUS\$8,411 as of December 31, 2018.

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

NOTE 12 – INVENTORIES

The stock detail at the closing of the period ending December 31, 2019 and 2018, is detailed as follows:

Types of inventory	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Finished products	37,743	61,053
Raw material	674	650
Frozen finished products	3,311	2,978
Materials and supplies	29,371	22,893
Provision for obsolescence	(518)	(1,084)
Total	<u>70,581</u>	<u>86,490</u>

	31-Dec-19	31-Dec-18
Provision for obsolescence	ThUS\$	ThUS\$
As of January 01	1,084	1,107
Reversal of provision	(787)	(237)
Increase of provision	221	214
Total	<u>518</u>	<u>1,084</u>

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

Information regarding finished products

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

During the periods ending December 31, 2019 and 2018, no inventory has been pledged as security.

The cost of inventory recognized as cost of sales in the period ending December 31, 2019 and 2018, reaches ThUS\$178,316 and ThUS\$169,618 respectively (see Note 30.1).

In order to mitigate the risk of loss of inventory, the Company maintains insurances as of December 31, 2019 (See Note 4.3).

NOTE 13 – BIOLOGICAL ASSETS, CURRENT

The movements of biological assets, for the periods ending December 31, 2019 and 2018 are the following:

Movement	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Opening biological assets	21,076	9,716
Incorporation due to merger with Rocio Group	-	16,991
Increase due to capitalization of costs	125,932	69,553
Exchange rate adjustment	(37)	(141)
Adjustment to fair value	(5,956)	5,332
Amortization	(168)	(206)
Consumption	(122,622)	(80,169)
Total	18,225	21,076

As described in Note 3.4, the Company performs the valuation of agricultural products that grow on “bearer plants” as of the date of issuance of the financial statements. As of December 31, 2019, the expected margin of the Company’s fruit on bearer plants was recognized for the amount of ThUS\$1,401, which is presented under results in the item Other income per function. The movement due to increase (decrease) of the adjustment to fair value of the current biological asset, is calculated by decreasing from the estimation at the closing of the period the value recorded as of December 31 of the previous year.

The estimation of this same concept recorded as of December 31, 2018 was for the amount of ThUS\$7,357, which was presented in Other income per function, net of the reversal of the amount incorporated in the merger with the Rocio Group of ThUS\$2,025, reaching ThUS\$5,332.

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

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

NOTE 14 – OTHER NON-FINANCIAL ASSETS

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

	31-Dec-19	31-Dec-18
Current	ThUS\$	ThUS\$
Advanced payment of blueberry plants	2,973	1,890
Advanced expenses (lease)	498	1,378
Advanced expenses	2,595	1,058
Advanced payment for water fee collection	-	61
Payments in guarantee	1,266	100
Advanced freight payment	1,378	975
Total	8,710	5,462

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

	31-Dec-19	31-Dec-18
Non-Current	ThUS\$	ThUS\$
Advanced payment for water fee collection	1,158	1,189
Advanced expenses (lease)	28	3
Total	1,186	1,192

NOTE 15 – INVESTMENTS IN SUBSIDIARIES

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

The detail of consolidated subsidiaries as of December 31, 2019 and December 31, 2018, is as follows:

Companies	RUT	Country of Origin	Functional Currency	31-Dec-19			31-Dec-18
				Direct	Indirect	Total	Total
Hortifrut Chile S.A. and subsidiaries	96.923.620-6	Chile	USD	99.990	0.010	100.000	100.000
Hortifrut Comercial S.A.	76.884.880-7	Chile	USD	0.010	99.990	100.000	100.000
Viveros Hortifrut Chile S.A.	76.306.130-2	Chile	USD	-	-	-	51.000
Desarrollos Tecnológicos SpA	99.584.440-0	Chile	USD	-	100.000	100.000	-
Agrícola El Avellano S.A. and subsidiaries	79.764.840-k	Chile	USD	40.000	-	40.000	40.000
Agrícola El Pampino S.A.	78.988.990-2	Chile	USD	-	20.000	20.000	20.000
Agrícola Hortifrut S.A.	96.996.290-k	Chile	USD	99.990	0.010	100.000	100.000
Agrícola Sta. Rosa del Parque S.A.	99.524.450-0	Chile	USD	30.000	-	30.000	30.000
Agrícola Vida Nueva S.A.	99.535.510-8	Chile	CLP	50.000	-	50.000	50.000
Agrícola y Gan. Santa Rebeca Ltda.	99.524.470-5	Chile	CLP	25.000	-	25.000	25.000
Inversiones Hortifrut S.A. and subsidiaries	76.962.886-k	Chile	USD	100.000	0.000	100.000	100.000
Berrygood Comercial Importadora	99.524.540-k	Chile	USD	40.010	59.990	100.000	100.000
Hortifrut Inversiones Int. S.A.	Foreigner	Brazil	BRL	22.670	77.331	100.000	100.000
HFII Perú S.A.C.	76.043.425-6	Chile	USD	-	100.000	100.000	100.000
Talsa Berries S.A.C. and subsidiaries	Foreigner	Argentina	ARS	-	100.000	100.000	100.000
Hortifrut S.A. de C.V. and subsidiaries	Foreigner	USA	USD	-	99.990	99.990	99.990
Hortifrut España Southern Sun SL	Foreigner	USA	USD	-	50.000	50.000	50.000
Asturian Berries SL	Foreigner	Mexico	USD	-	-	-	25.000
HFE Berries Perú S.A.C.	Foreigner	USA	USD	-	50.000	50.000	50.000
Euroberry Marketing S.A. and subsidiaries	Foreigner	USA	USD	-	50.000	50.000	50.000
Euroberry UK Ltd.	Foreigner	Spain	EUR	-	50.000	50.000	50.000
Euroberry GmbH	Foreigner	Spain	EUR	-	50.000	50.000	50.000
Hortifrut Europa SL	Foreigner	España	EUR	0.030	99.970	100.000	100.000
Hortifrut North America Inc. and subsidiary	Foreigner	Peru	USD	-	100.000	100.000	100.000
Pacific Berry Breeding LLC	Foreigner	Spain	EUR	-	100.000	100.000	100.000
Hortifrut Import, Inc.	Foreigner	England	EUR	-	100.000	100.000	100.000
Naturipe Farm Import, Inc.	Foreigner	Germany	GBP	-	100.000	100.000	100.000
Asian Berries Limited and subsidiary	Foreigner	China	USD	-	100.000	100.000	100.000
Honghe Jiayu Agriculture Limited	Foreigner	China	CNY	-	51.000	51.000	51.000
Hortifrut Colombia SAS	Foreigner	Peru	USD	-	75.000	75.000	-
Hortifrut Argentina S.A.	Foreigner	Peru	USD	-	95.900	95.900	95.900

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

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

Movements in Subsidiaries in 2019

During the period ending December 31, 2019, the following companies have been incorporated into the consolidation of Hortifrut group's financial statement:

- Dated September 20, 2019, Hortifrut Inversiones Internacionales S.A. and Proplantas S.A., constituted the company Hortifrut Colombia S.A.S., whose objective is the obtention and commercializing of berries and the additional activities of said line of business. The Company's capital was set at US\$100 thousand, which have been totally paid.

- Dated November 07, 2018, the company Desarrollos Tecnológicos SpA was constituted, whose objective is the realization of activities linked to the development of new technologies or agricultural developments and the activities in addition to this line of business, the company's capital was fixed at \$100 million, which was paid by the parent company Hortifrut Chile S.A. in June 2019, date when activities started.
- Dated July 11, 2019, Hortifrut Chile S.A., proceeded to sell 51% of the property that it maintains in the company Viveros Hortifrut Chile S.A., leaving the consolidation scope.

Movements in Subsidiaries in 2018

During the period ending December 31, 2018, new companies have been incorporated into the consolidation of Hortifrut group's financial statement:

- On July 03, 2018, the merger between Talsa Chile II SpA. and Hortifrut S.A. took place, with the latter as the legal continuance. With this merger, Hortifrut S.A. takes control of 100% of Talsa Chile I SpA company.
- On December 20, 2018, Talsa Chile I SpA., transfers to Hortifrut Inversiones Internacionales S.A. the shares that it has in Talsa Berries S.A.C., company located in Peru.
- On December 28, 2018 the merger between Talsa Chile I SpA., and Hortifrut S.A. took place, with the latter as the legal continuance.
- On January 01, 2018, at the subsidiary Euroberry Marketing S.A., the companies Euroberry UK Ltd. and Euroberry GmbH were incorporated, they are both subsidiaries of Euroberry Marketing, where we have control.
- At the subsidiary Hortifrut North America Inc., the company Pacific Berry Breeding LLC was incorporated, by the acquisition of 50% of its property, with this it came to have a 100% interest.
- Also, the HFII Perú S.A.C. company was incorporated, subsidiary of Hortifrut Inversiones Internacionales S.A.
- As of December 31, 2018, the partners of Asturian Berries SL, affiliate of the subsidiary Hortifrut España Southern Sun SL, have decided to end their operations, because it is a small operation and the company is focused on growing in other regions with higher profitability. Currently in the process of legal closing.

Summarized financial information of significant subsidiaries

Below we present the statements of financial position, income statements and cash flows of subsidiaries as of December 31, 2019 and 2018:

	31-Dec-19						
	Assets		Assets	Liabilities		Liabilities	Equity
	Current	Non-Current	Total	Current	Non-Current	Total	Total
Balance	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile S.A. and Subsidiaries	191,199	164,806	356,005	193,667	80,690	274,357	81,648
Agrícola Vida Nueva S.A.	1,071	9,638	10,709	486	3,229	3,715	6,994
Agrícola El Avellano S.A. and Subsidiaries	1,040	8,695	9,735	2,317	1,690	4,007	5,728
Agrícola Hortifrut S.A.	7,115	41,790	48,905	661	8,572	9,233	39,672
Agrícola Mataquito S.A.	605	18,766	19,371	7,052	8,941	15,993	3,378
Agrícola Santa Rosa del Parque S.A.	676	5,691	6,367	2,060	888	2,948	3,419
Agrícola y Ganadera Sta Rebeca Ltda	66	137	203	26	21	47	156
Total	425,383	1,096,149	1,521,532	491,016	500,193	991,209	530,323

	31-Dec-18						
	Assets		Assets	Liabilities		Liabilities	
	Current	Non-Current	Total	Current	Non-Current	Total	Total
Balance	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile S.A. and Subsidiaries	187,314	135,546	322,860	219,735	26,167	245,902	76,958
Inversiones Hortifrut S.A. and Subsidiaries	210,261	742,609	952,870	201,875	646,486	848,361	104,509
Agrícola Vida Nueva S.A.	1,107	10,657	11,764	860	3,530	4,390	7,374
Agrícola El Avellano S.A. and Subsidiaries	1,101	8,287	9,388	2,594	1,312	3,906	5,482
Agrícola Hortifrut S.A.	8,121	44,522	52,643	893	9,325	10,218	42,425
Agrícola Mataquito S.A.	955	17,957	18,912	4,573	10,353	14,926	3,986
Agrícola Santa Rosa del Parque S.A.	1,329	5,785	7,114	1,107	1,887	2,994	4,120
Agrícola y Ganadera Sta. Rebeca Ltda.	46	151	197	34	10	44	153
Total	410,234	965,514	1,375,748	431,671	699,070	1,130,741	245,007

	31-Dec-19						
	Operating Revenue	Costs and Expenses	Other Results	Taxes	Profit (loss)	Parent Company Result	Non Parent Company Result
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile S.A. and Subsidiaries	186,235	(173,926)	(2,575)	(2,493)	7,241	7,214	27
Inversiones Hortifrut S.A. and Subsidiaries	479,519	(441,059)	(24,414)	(1,182)	12,864	2,337	10,527
Agrícola Vida Nueva S.A.	2,905	(3,404)	45	94	(360)	(360)	0
Agrícola El Avellano S.A. and Subsidiaries	2,436	(2,748)	84	(24)	(252)	(276)	24
Agrícola Hortifrut S.A.	9,035	(12,463)	(31)	706	(2,753)	(2,753)	0
Agrícola Mataquito S.A.	4,448	(5,065)	(83)	129	(571)	(571)	0
Agrícola Santa Rosa del Parque S.A.	1,693	(2,065)	(143)	117	(398)	(398)	0
Agrícola y Ganadera Sta Rebeca Ltda	72	(66)	0	(4)	2	2	0
Total	686,343	(640,796)	(27,117)	(2,657)	15,773	5,195	10,578

31-Dec-18						
	Operating Revenue	Costs and Expenses	Other Results	Taxes	Profit (loss)	Parent Company Result
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Income Statement						
Hortifrut Chile and Subsidiaries	192,378	(178,443)	(3,063)	(2,793)	8,079	7,927
Inversiones Hortifrut S.A. and Subsidiaries	428,527	(361,129)	(4,663)	(25,428)	37,307	4,241
Talsa Chile I SpA and Subsidiaries	0	0	0	0	0	0
Agrícola Vida Nueva S.A.	3,153	(3,803)	233	51	(366)	(366)
Agrícola El Avellano S.A. and Subsidiaries	2,433	(2,518)	215	(239)	(109)	(183)
Agrícola Hortifrut S.A.	12,421	(13,270)	105	(281)	(1,025)	(1,025)
Agrícola Mataquito S.A.	5,668	(4,428)	481	(593)	1,128	1,128
Agrícola Santa Rosa del Parque S.A.	2,324	(2,126)	(119)	(66)	13	13
Agrícola y Ganadera Sta Rebeca Ltda	74	(63)	(2)	(8)	1	1
Total	646,978	(565,780)	(6,813)	(29,357)	45,028	11,736
						33,292

31-Dec-19				
	Operating Flows	Investment Flows	Financing Flows	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Statement of Cash Flows				
Hortifrut Chile S.A. and Subsidiaries	24,392	(4,524)	(15,863)	4,005
Inversiones Hortifrut S.A. and Subsidiaries	106,134	134,993	(252,046)	(10,919)
Agrícola Vida Nueva S.A.	303	(360)	56	(1)
Agrícola El Avellano S.A. and Subsidiaries	273	(471)	237	39
Agrícola Hortifrut S.A.	480	(519)	-	(39)
Agrícola Mataquito S.A.	1,241	(1,759)	535	17
Agrícola Santa Rosa del Parque S.A.	511	(193)	(293)	25
Agrícola y Ganadera Sta. Rebeca Ltda.	5	0	-	5
Total	133,339	127,167	(267,374)	(6,868)

31-Dec-18				
	Operating Flows	Investment Flows	Financing Flows	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Statement of Cash Flows				
Hortifrut Chile and Subsidiaries	38,945	(4,928)	(31,855)	2,162
Inversiones Hortifrut S.A. and Subsidiaries	120,079	(191,700)	92,067	20,446
Talsa Chile I SpA and Subsidiaries				0
Agrícola Vida Nueva S.A.	932	(706)	230	(4)
Agrícola El Avellano S.A. and Subsidiaries	603	(968)	65	(300)
Agrícola Hortifrut S.A.	810	(1,064)	-	(254)
Agrícola Mataquito S.A.	2,427	(1,662)	(957)	(192)
Agrícola Santa Rosa del Parque S.A.	408	(73)	(376)	(41)
Agrícola y Ganadera Sta. Rebeca Ltda.	10	-	(12)	(2)
Total	164,214	(201,101)	58,702	21,815

NOTE 16 – INVESTMENTS RECORDED USING THE EQUITY METHOD

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

	31-Dec-19	31-Dec-18
Detail per country	ThUS\$	ThUS\$
United States	9,433	28,114
Spain	1	1
Morocco	-	(7 89)
Argentina	802	804
Chile	1,324	1,255
Netherlands	380	-
	11,940	29,385

The Company has recognized as investment in companies the ownership that it has in the following companies and in accordance with the detailed movement as of December 31, 2019 and 2018:

Company	RUT	Country	Functional Currency	Interest % Indirect	01-Jan-19 ThUS\$	Investments ThUS\$	Share of profit of equity-accounted investees ThUS\$	Exchange rate difference ThUS\$	Other Increase (Decrease) ThUS\$	Balance 31-Dec-19 ThUS\$
Berry Blue LLC	o-E	USA	USD	50.00%	82	330	(387)	-	-	25
Munger Hortifrut N.A. LLC	o-E	USA	USD	50.00%	20,961	-	(6,172)	-	(12,948)	1,841
Naturipe Brands LLC	o-E	USA	USD	30.00%	1,754	-	90	-	-	1,844
Naturipe Farms LLC	o-E	USA	USD	30.00%	226	-	146	-	59	431
Naturipe Value Added Foods LLC	o-E	USA	USD	27.00%	193	-	-	-	-	193
Naturipe Value Added Fresh, LLC	o-E	USA	USD	33.33%	4,898	-	201	-	-	5,099
S.A.T. Hortifrut H-0030	o-E	Spain	EUR	33.00%	1	-	-	-	-	1
Hortifrut Berries Maroc S.R.L.	o-E	Morocco	MAD	25.50%	(789)	-	(82)	(28)	899	-
Hortiblue Logistics B.V.	o-E	Netherlands	EUR	50.00%	-	-	383	(3)	-	380
Margesi S.A.	o-E	Argentina	ARS	50.00%	829	-	(22)	(140)	-	667
San Clemente Vitalberry SpA	o-E	Chile	USD	50.00%	1,249	-	38	-	-	1,287
Hortifrut Expofresh S.A.	o-E	Argentina	ARS	50.00%	(25)	-	149	11	-	135
Agrícola los Hualles SpA	76.914.483-8	Chile	USD	40.00%	6	-	31	-	-	37
Total					29,385	330	(5,625)	(160)	(11,990)	11,940

Company	RUT	Country	Functional Currency	Interest % Indirect	1-Jan-18 ThUS\$	Investments ThUS\$	Share of profit of equity-accounted investees ThUS\$	Exchange rate difference ThUS\$	Other Increase (Decrease) ThUS\$	Balance 31-Dec-18 ThUS\$
Berry Blue LLC	o-E	USA	USD	50.00%	47	425	(390)	-	-	82
Pacific Berry Breeding LLC	o-E	USA	USD	50.00%	42	1,440	(73)	-	(1,409)	-
Munger Hortifrut N.A. LLC	o-E	USA	USD	50.00%	24,504	-	(3,543)	-	-	20,961
Naturipe Brands LLC	o-E	USA	USD	30.00%	2,024	37	(307)	-	-	1,754
Naturipe Farms LLC	o-E	USA	USD	30.00%	230	-	120	-	(124)	226
Naturipe Value Added Foods LLC	o-E	USA	USD	27.00%	193	-	-	-	-	193
Naturipe Value Added Fresh, LLC	o-E	USA	USD	33.33%	4,857	-	41	-	-	4,898
S.A.T. Hortifrut H-0030	o-E	Spain	EUR	33.00%	1	-	-	-	-	1
Hortifrut Berries Maroc S.R.L.	o-E	Morocco	MAD	25.50%	(561)	-	(296)	68	-	(789)
Euroberry GmbH	o-E	Germany	EUR	50.00%	15	-	-	-	(15)	-
Margesi S.A.	o-E	Argentina	ARS	50.00%	1,805	-	(7)	(969)	-	829
San Clemente Vitalberry SpA	o-E	Chile	USD	50.00%	1,066	-	183	-	-	1,249
Hortifrut Tal S.A.C	o-E	Peru	USD	50.00%	33,590	-	840	-	(34,430)	-
Hortifrut Expofresh S.A.	o-E	Argentina	ARS	50.00%	28	-	(51)	(2)	-	(25)
Agrícola los Hualles SpA	76.914.483-8	Chile	USD	40.00%	-	6	-	-	-	6
Total					67,841	1,908	(3,483)	(903)	(35,978)	29,385

The detail of movements as of December 31, 2019 and 2018:

Movement	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Opening balance as of January 01	29,385	67,841
Share of profit of equity-accounted investees	(5,625)	(3,483)
Capital contributions (a)	330	1,908
Incorporation due to acquisition (d)	-	(35,839)
Other adjustments	(11,990)	(139)
Adjustment due to exchange rate fluctuations	(160)	(903)
Final Balance	11,940	29,385

a) Capital contributions

Capital contributions during the periods ending December 31, 2019 and 2018 are shown in the following detail:

Capital Contributions (decrease)	31-Dec-19	31-Dec-18
Company	ThUS\$	ThUS\$
Berry Blue LLC	330	425
Pacific Berry Breeding LLC	-	1,440
Naturipe Brands LLC	-	37
Agrícola Los Hualles SpA	-	6
Total contributions	330	1,908

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

b) New investments

During the period ending December 31, 2019, no new companies have been incorporated.

During the period ending December 31, 2018 the company Agrícola Los Hualles SpA was incorporated, an agricultural company formed on August 02, 2018, together with the companies Agrícola Pichimalvén Limitada (60% interest) and Hortifrut S.A. (40% interest), with the main task being the production and commercializing of cherries. The capital contribution realized by Hortifrut S.A. to constitute this company was ThUS\$6.

c) Reclassification of investment for sale

During the period ending December 31, 2019 and the period ending December 31, 2018, no reclassifications of investments for sale were made.

d) Other changes

Dated October 15, 2019, Hortifrut and Alifrut, subsidiary of Duncan Fox, reached an agreement to globally combine and develop their export business of frozen products with added value in equal parts, which is estimated to be materialized in the first half of 2020.

On November 30, 2019, Hortifrut Import, Inc and its partner Munger Brothers, LLC, agreed to a distribution of assets, without causing the dissolution of the company Munger Hortifrut N.A. LLC, the agreement implied that Hortifrut Import, Inc, incorporated US\$28.9 million agricultural assets (Land, Biological assets and equipment) and inventories for US\$1.5 million, reducing its participation by US\$12.9 million, an additional payment of US\$10, 3 million and the settlement of related accounts.

e) Summarized financial information

Summarized financial information as of December 31, 2019 and December 31, 2018, which is presented below, corresponds to the total assets, liabilities and equity and a summary of the results of the associated companies.

	31-Dec-19										
Associated	Current	Non-	Total Assets	Current	Non-	Total	Equity	Operating	Costs and	Other	Net profit (loss)
	Assets	Current		Liabilities	Current	Liabilities				profit or	
	ThUS\$	Assets		ThUS\$	ThUS\$	ThUS\$				loss	
Berry Blue LLC	165	-	165	115	-	115	50	393	(1,167)	-	(774)
Pacific Berry Breeding LLC											-
Munger Hortifrut N.A. LLC	2,735	1,559	4,294	612	-	612	3,682	-	(9,303)	(3,041)	(12,344)
Naturipe Brands LLC	118	8,047	8,165	2,018	-	2,018	6,147	636	(619)	283	300
Naturipe Farms LLC	79,774	1,774	81,548	80,111	-	80,111	1,437	794,335	(793,266)	(582)	487
Naturipe Value Added Foods LLC	12,114	-	12,114	11,399	-	11,399	715	10,745	(10,745)	-	-
Naturipe Value Added Fresh, LLC	7,276	13,047	20,323	5,025	-	5,025	15,298	27,064	(26,564)	103	603
S.A.T. Hortifrut H-0030	9	-	9	3	-	3	6	-	-	-	-
Hortifrut Berries Maroc S.R.L	1,739	1,702	3,441	5,140	-	5,140	(1,699)	1,881	(1,954)	(88)	(161)
Hortiblu Logistics B.V.	2,022	2,773	4,795	980	3,055	4,035	760	6,940	(6,259)	85	766
Hortifrut Colombia SaS											
Margesi S.A.	1,933	1,207	3,140	1,554	252	1,806	1,334	814	(1,129)	271	(44)
Hortifrut Tal S.A.C			-			-	-				-
Hortifrut Expofresh S.A.	957	22	979	709	-	709	270	1,197	(934)	35	298
Agricola Los Hualles SpA	337	1,664	2,001	120	1,789	1,909	92	-	(3)	80	77
Total	112,598	31,893	144,491	108,729	5,096	113,825	30,666	863,008	(870,611)	(3,113)	(10,716)

	31-Dec-18						31-Dec-18							
Associated	Current	Non-	Total	Current	Non-	Total	Equity	Operating	Costs and	Other	Net profit			
	Assets	Current		Assets	Liabilities	Current				Liabilities		Revenue	Expenses	profit or
	ThUS\$	Assets		ThUS\$	ThUS\$	ThUS\$				ThUS\$		ThUS\$	ThUS\$	loss
Berry Blue LLC	118	151	269	105	-	105	164	37	(806)	(11)	(780)			
Pacific Berry Breeding LLC	-	-	-	-	-	-	-	-	(146)	-	(146)			
Munger Hortifrut N.A. LLC	3,139	89,472	92,611	7,953	42,736	50,689	41,922	-	(5,453)	(1,633)	(7,086)			
Naturipe Brands LLC	2,164	5,764	7,928	2,081	-	2,081	5,847	276	(1,212)	(87)	(1,023)			
Naturipe Farms LLC	62,305	1,690	63,995	61,327	1,915	63,242	753	760,626	(760,170)	(56)	400			
Naturipe Value Added Foods LLC	7,062	10	7,072	5,933	424	6,357	715	8,467	(8,139)	(328)	-			
Naturipe Value Added Fresh, LLC	4,804	12,066	16,870	2,175	-	2,175	14,695	23,638	(23,515)	-	123			
S.A.T. Hortifrut H-0030	9	-	9	6	-	6	3	-	-	-	-			
Hortifrut Berries Maroc S.R.L	883	2,272	3,155	828	3,874	4,702	(1,547)	1,259	(1,725)	(114)	(580)			
Margesi S.A.	1,380	1,018	2,398	687	53	740	1,658	182	(76)	(120)	(14)			
San Clemente Vitalberry (Shanghai) SpA	6,680	51	6,731	4,233	-	4,233	2,498	18,758	(18,258)	(134)	366			
Hortifrut Tal S.A.C	-	-	-	-	-	-	-	17,744	(12,120)	(3,944)	1,680			
Hortifrut Expofresh S.A.	934	12	946	994	-	994	(48)	387	(329)	(160)	(102)			
Agricola Los Hualles SpA	99	347	446	244	187	431	15	-	(4,178)	4,178	-			
Total	89,577	112,853	202,430	86,566	49,189	135,755	66,675	831,374	(836,127)	(2,409)	(7,162)			

NOTE 17 – INTANGIBLE ASSETS OTHER THAN GOODWILL

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

		31-Dec-19	31-Dec-18
	Useful Life	ThUS\$	ThUS\$
Varietal License	Finit	4,170	10,408
VBM Brand	Indefinite	977	977
Water Rights	Indefinite	469	469
Relationship with Customers	Finite	2,308	2,575
Software	Finite	931	591
Total		8,855	15,020

a) Varietal licenses

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

The movement of varietal licenses for the period ending December 31, 2019 and 2018, are shown in the following detail:

Movement	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Opening balance as of January 01	10,408	9,887
Investments	-	1,546
Withdrawals	(135)	-
Amortization / consumption	(6,103)	(1,025)
Closing balance	4,170	10,408

b) Software

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

The movement of software for the periods ending December 31, 2019 and 2018, is as follows:

Movement	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Opening balance as of January 01	591	309
Investments	499	357
Withdrawals	(15)	-
Amortization	(144)	(75)
Closing balance	931	591

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

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

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

c) Other intangibles

The identified intangible assets are detailed as follows:

		31-Dec-19	31-Dec-18
	Useful Life	ThUS\$	ThUS\$
VBM Brand	Indefinite	977	977
Water Rights	Indefinite	469	469
Relationship with Customers	Finite	<u>2,308</u>	<u>2,575</u>
Total		<u>3,754</u>	<u>4,021</u>

Movement	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Opening balance as of January 01	4,021	4,287
Amortization	<u>(267)</u>	<u>(266)</u>
Closing Balance	<u>3,754</u>	<u>4,021</u>

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

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

For the period ending December 31, 2019 and the period ending December 31, 2018, Management has not observed signs of impairment in relation to intangible assets denominated water rights, relationship with customers and VBM brand.

d) Intangibles subject to guarantees or restrictions

There are no intangible assets over which there is a restriction in its titles, nor have partial or total guarantees been constituted over them, as of December 31, 2019 and December 31, 2018.

e) Impairment of Intangibles with indefinite useful life

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

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

NOTE 18 - GOODWILL

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

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

Investor	Issuer	31-Dec-19	31-Dec-18
		ThUS\$	ThUS\$
Hortifrut S.A.	Agrícola El Avellano S.A.	344	344
Hortifrut S.A. de C.V.	Hortifrut ABA S.A. de C.V.	342	342
Hortifrut S.A.	VitalBerry Marketing SPA	26,083	26,083
Hortifrut S.A.	Talsa Chile II SpA	153,001	153,001
	Total	179,770	179,770

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

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

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

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

In accordance with standard IFRS 3, it was established that, as of the date of purchase, Hortifrut recognizes, separate from goodwill, the acquired identified assets, the assumed liabilities and any other non controlling interest of the acquired.

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

NOTE 19 – PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2019, the detail of Property, plant and equipment is as follows:

	December 31, 2019		
	Gross Value	Accumulated Depreciation	Net Value
	ThUS\$	ThUS\$	ThUS\$
Construction and infrastructure works	212,954	(65,525)	147,429
Land	79,321	-	79,321
Machinery and equipment	61,772	(26,548)	35,224
Leased equipment	35,786	(10,871)	24,915
Information technology (IT) equipment	4,309	(2,465)	1,844
Furniture and supplies	3,796	(2,014)	1,782
Motor vehicles	11,384	(6,996)	4,388
Bearer plants	516,527	(82,937)	433,590
Works in progress	52,003	-	52,003
Sub-Total Property, plant and equipment	977,852	(197,356)	780,496
Right of use of Leased Assets	25,708	(2,841)	22,867
Total Property, plant and equipment	1,003,560	(200,197)	803,363

As of December 31, 2018, the detail of Property, plant and equipment, is as follows:

	December 31, 2018		
	Gross Value	Accumulated Depreciation	Net Value
	ThUS\$	ThUS\$	ThUS\$
Construction and infrastructure works	178,467	(53,162)	125,305
Land	70,976	-	70,976
Machinery and equipment	54,634	(21,787)	32,847
Leased equipment	32,895	(7,243)	25,652
Information technology (IT) equipment	3,336	(1,954)	1,382
Furniture and supplies	9,946	(1,549)	8,397
Motor vehiclees	10,083	(5,824)	4,259
Bearer plants	481,817	(78,197)	403,620
Works in progress	20,925	-	20,925
Total Property, plant and equipment	863,079	(169,716)	693,363

The detail of different categories of property, plant and equipment and their movements as of December 31, 2019 is as follows:

	Construction and infrastructure works	Land	Machinery and equipment	Leased equipment	IT Equipment	Furniture and supplies	Motor vehicles	Bearer Plants	Works in Progress	Rights of Use	Total property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of January 01, 2019											
Cost	178,467	70,976	54,634	32,895	3,336	9,946	10,083	481,817	20,925	-	863,079
Accumulated depreciation	(53,162)	-	(21,787)	(7,243)	(1,954)	(1,549)	(5,824)	(78,197)	-	-	(169,716)
Net amount as of 01-01-2019	125,305	70,976	32,847	25,652	1,382	8,397	4,259	403,620	20,925	-	693,363
Investments	17,292	8,391	5,019	3,141	742	644	1,281	39,894	60,297	25,581	162,282
Expropriation and write-off	(1,634)	(143)	(736)	(21)	(201)	(43)	(245)	(2,338)	(501)	(140)	(6,002)
Accumulated depreciation decrease	1,151	-	368	143	197	18	(15)	37	-	29	1,928
Reclassification	19,256	195	3,238	(263)	507	(6,731)	267	12,138	(28,607)	-	-
Depreciation	(13,497)	-	(5,452)	(3,734)	(778)	(498)	(1,153)	(19,434)	-	(2,603)	(47,149)
Exchange rate adjustment	(444)	(98)	(60)	(3)	(5)	(5)	(6)	(327)	(111)	-	(1,059)
Net amount as of 31-12-2019	147,429	79,321	35,224	24,915	1,844	1,782	4,388	433,590	52,003	22,867	803,363

The detail of the different categories of property, plant and equipment and their movements as of December 31, 2018 is as follows:

	Construction and infrastructure works	Land	Machinery and equipment	Leased equipment	IT Equipment	Furniture and supplies	Motor vehicles	Bearer Plants	Works in Progress	Total property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of January 01, 2018										
Cost	83,957	20,929	33,489	16,793	2,301	8,837	7,838	145,868	20,351	340,363
Accumulated depreciation	(36,739)	-	(15,052)	(2,858)	(1,552)	(1,133)	(4,834)	(33,135)	-	(95,303)
Net amount as of 01-01-2018	47,218	20,929	18,437	13,935	749	7,704	3,004	112,733	27,249	245,060
Investments	15,731	-	6,005	635	695	535	1,353	24,701	19,293	68,948
Incorporations due to merger	49,370	49,769	11,490	13,521	142	7,353	1,085	267,947	15,887	416,564
Expropriation and write-off	(984)	-	(911)	(11)	(4)	(51)	(201)	(3,587)	(250)	(5,999)
Reclassification	23,985	481	2,746	262	135	82	-	13,005	(40,698)	(2)
Depreciation	(9,134)	-	(4,817)	(2,687)	(329)	(314)	(949)	(10,427)	-	(28,657)
Exchange rate adjustment	(881)	(203)	(103)	(3)	(6)	(14)	(33)	(752)	(556)	(2,551)
Net amount as of 31-12-2018	125,305	70,976	32,847	25,652	1,382	8,397	4,259	403,620	20,925	693,363

The detail of right of use, as per the different Property, plant and equipment categories and their movements as of December 31, 2019 is as follows:

Right of Use Asset	Construction	Land	Machinery	IT Equipment	Motor Vehicles	Total Assets per Right of Use
	ThUS\$	ThUS\$	MUS\$	ThUS\$	ThUS\$	ThUS\$
As of January 01, 2019						
Initial investments	10,662	12,018	577	424	1,900	25,581
Misappropriations and write-offs	(119)	(21)	-	-	-	(140)
Accumulated depreciation decrease	22	7	-	-	-	29
Depreciation	(480)	(1,754)	(96)	(69)	(204)	(2,603)
Net amount as of 31-12-2019	10,085	10,250	481	355	1,696	22,867

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

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

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

a) Estimated economic useful life or depreciation rate

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

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

b) Insurance

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

c) Information regarding “Bearer Plants”

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

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

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

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

Surface in Hectares	<u>31-Dec-19</u>	<u>31-Dec-18</u>
Blueberries	2,634	2,482
Organic Blueberries	705	712
Raspberries	182	106
Blackberries	19	14
Strawberries	63	65
Cherries	52	52
Total Planted Hectares	<u>3,655</u>	<u>3,431</u>
Own Hectares	2,721	2,570
Leased Hectares	934	861
Total Hectares	<u>3,655</u>	<u>3,431</u>
Productive Hectares	3,284	3,116
Non-Productive Planted Hectares	371	315
Total Hectares	<u>3,655</u>	<u>3,431</u>

d) Loss due to impairment in value

As of December 31, 2019, no events or changes in circumstances have taken place in the business that imply that the book value of Property, plant and equipment may not be recoverable, nevertheless, as is natural in assets denominated “bearer plants”, write-offs were realized in the period ending December 31, 2019, since its production is not profitable, for ThUS\$1,747, as of December 31, 2018 write-offs of “bearer plants” were realized for ThUS\$2.317.

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

e) Financial Lease (Property, plant and equipment on leasing)

The net book value as of December 31, 2019 and 2018 of the assets under financial lease, classified as Assets in Leasing under the item Property, plant and equipment, is as follows:

Denomination	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Construction		
Administrative offices	832	964
Parking administrative offices	33	35
Metallic structure 5.3 hectares	219	233
Metallic structure 2.0 hectares	53	56
Metallic structure roof	220	250
Greenhouse 4.08 hectares	984	1,057
Greenhouse 4.00 hectares	776	833
Molina Plant	3,918	4,010
Total Construction	7,035	7,438
Land		
Land Molina Plant	236	236
Total Land	236	236
Machinery and equipment		
Machinery and Equipment Peru	9,901	12,162
Blueberries processing line	408	452
IQF processing line	65	154
Molina plant processing line and machinery	900	1,056
BBC Filling Machine	534	583
BBC Soft Sorter Machine	557	608
Calibrating and Classifying machine	1,183	1,290
Plant pots for Greenhouse	1,114	1,236
Sulphur burners	26	28
Nebulizer	1,213	-
Total Machinery and Equipment	15,901	17,569
Motor vehicles		
Trucks and vans	316	350
Truck bodywork	48	44
Tractors	1,379	15
Total motor vehicles	1,743	409
General Total	24,915	25,652

Debt associated to these leasings as of December 31, 2019 and 2018, is presented in the item Other current financial liabilities and Other non-current financial liabilities (see Note 21 c).

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

Leasing Liability	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$	Bank or financial institution
Construction	120	312	Banco Scotiabank
Administrative offices	4	15	Banco Scotiabank
Parking administrative offices	36	110	Banco Santander Chile
Metallic structure 5.3 hectares	17	33	Banco Santander Chile
Metallic structure 2.0 hectares	141	208	Banco Santander Chile
Metallic structure roof	566	696	Banco de Crédito e Inversiones
Greenhouse 4.08 hectares	474	733	Banco de Crédito e Inversiones
Greenhouse 4.00 hectares	2,711	3,183	Banco de Crédito e Inversiones
Molina Plant	4,069	5,290	
Total Constructions			
Land	163	187	Banco de Crédito e Inversiones
Land Molina Plant	163	187	
Total Land			
Machinery and equipment	2,556	5,016	Banco de Crédito del Perú
Machinery and Equipment Peru	839	1,085	Banco de Crédito e Inversiones
Plant pots for Greenhouse	2,329	5,153	Scotiabank Perú S.A.
Machinery and Equipment Peru	623	838	Banco de Crédito e Inversiones
Moline Plant processing line and machinery	196	580	Banco de Crédito e Inversiones
Calibrating and classifying machine	21	27	Banco de Crédito e Inversiones
Sulphur burners	50	93	Banco de Crédito del Perú
Others - surveillance system	163	-	Banco de Crédito del Perú
Nebulizer	-	1	GC Rent Chile SPA
Others	6,777	12,793	
Total Machinery and equipment			
Motor vehicles	69	185	Banco de Crédito del Perú
Vans and trucks	3	10	Banco de Crédito e Inversiones
Vans and trucks	196	368	Scotiabank Perú S.A.
Truck bodywork	144	-	Banco Internacional del Perú S.A.
Tractors and equipment	1,578	-	Banco Internacional del Perú S.A.
Tractors	234	8	Banco de Crédito del Perú
Total motor vehicles	2,224	571	
General Total	13,233	18,841	

As of December 31, 2019 and 2018, , there are no Property, plant and equipment temporarily out of service.

f) Property, plant and equipment totally depreciated

As of December 31, 2019, the detail of Property, plant and equipment which are totally depreciated is as follows:

	Gross Value ThUS\$
Construction and infrastructure works	6,652
Machinery and equipment	8,900
Leased equipment	532
Information Technology (IT) equipment	648
Furniture and supplies	457
Motor vehicles	1,321
Total Property, plant and equipment	<u>18,510</u>

Historic costs are considered.

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

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

Bearer Plants	Movement						31-Dec-19
	31-Dec-18	Additions	Amortization	Transfers	Decrease and/or reclassification	Exchange rate adjustment	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
In production	335,799	-	(19,434)	-	(2,301)	(327)	313,737
In development	67,821	39,894	-	12,138	-	-	119,853
Total	403,620	39,894	(19,434)	12,138	(2,301)	(327)	433,590

NOTE 20 – CURRENT INCOME TAX AND DEFERRED TAXES

In the period ending December 31, 2019, we proceeded to calculate and record taxable net income with a 27% rate (as of December 31, 2018 with a 27% rate), based on what was established in Law N° 20.780, Tax Reform, published in the Diario Oficial (Official Newspaper) on September 29, 2014.

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

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

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

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

a) Current income tax

The Company and subsidiaries maintain as of December 31, 2019, a current income tax provision of ThUS\$9,472 (ThUS\$14,127 as of December 31, 2018), which is presented net of credits applicable against income tax as of these same dates for ThUS\$18,764 (ThUS\$16,134 as of December 31, 2018). In this manner, when presented net in the statement of financial position, as of December 31, 2019, a balance is presented in favor of the company for recoverable taxes of ThUS\$9,292 (ThUS\$2,007 as of December 31, 2018).

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

	31-Dec-19	31-Dec-18
Detail Recoverable Tax	ThUS\$	ThUS\$
Monthly provisional payments	18,471	15,627
Personnel training	293	209
Other credits	-	270
Donations Law	-	28
Total Credits	18,764	16,134
Income tax provision	(9,472)	(14,127)
Total Credits (Income Tax Provision)	9,292	2,007

b) Deferred taxes

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

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

Deferred tax assets and liabilities as of December 31, 2019 and 2018, refer to the following concepts:

Detail	31-Dec-19		31-Dec-18	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Manufacturing expenses	-	2,477	-	1,665
Valuation bearer plants	-	73,715	-	77,996
Land appraisals	-	8,205	-	8,052
Advanced revenue	2,747	-	1,760	-
Tax loss	20,219	-	18,157	-
Provisions	3,181	-	2,893	-
Lease (Right of Use)	-	555	-	-
Intangibles	-	990	-	999
Fixed asset	-	12,541	-	17,010
Forward hedging	1,304	-	493	-
Price adjustments	258	-	225	-
Others	-	159	2,814	-
FV Fruit on plants	-	237	-	1,244
Non-realized profits in investments	282	-	295	-
Total	27,991	98,879	26,637	106,966

Deferred tax hedging is presented net of other comprehensive income.

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

As of December 31, 2019 the deferred tax asset originated by tax loss reached ThUS\$20,790 (ThUS\$18,157 as of December 31, 2018) which are chargeable to the profits which could be generated in the future in companies that present said condition, as per the following detail:

		31-Dec-19 ThUS\$	31-Dec-18 ThUS\$	Variation ThUS\$
Hortifrut S.A. de C.V.	Mexico	11,733	12,015	(282)
Hortifrut S.A.	Chile	4,211	2,298	1,913
Ag. El Avellano S.A.	Chile	1,782	1,760	22
Ag. Mataquito S.A.	Chile	1,579	1,191	388
Berrygood Comercial Importadora	Brazil	585	-	585
Hortifrut Chile S.A.	Chile	-	-	-
Ag. Santa Rosa del Parque S.A.	Chile	469	485	(16)
Hortifrut Perú S.A.C.	Peru	203	6	197
Hortifrut Argentina S.A.	Argentina	119	201	(82)
Hortifrut Europa SL	Spain	67	96	(29)
Ag. y Gand. Santa Rebeca Ltda.	Chile	35	52	(17)
Ag. Hortifrut S.A.	Chile	7	3	4
Asian Berries Limited	China	-	28	(28)
Ag. Vida Nueva S.A.	Chile	-	16	(16)
Ag. El Pampino S.A.	Chile	-	6	(6)
Total		20,790	18,157	2,633

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

Movement in deferred tax asset balances as of December 31, 2019 and 2018 is as follows:

	31-Dec-19	31-Dec-18
	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance	26,637	18,591
Provisions	288	36
Tax loss	2,062	5,712
Forward hedging	811	439
Advanced income	987	1,760
Others	(2,814)	154
Price adjustment	33	225
Profit not realized in investments	(13)	(280)
Final balance	<u>27,991</u>	<u>26,637</u>

Movement in deferred tax liabilities as of December 31, 2019 and 2018 is as follows:

	31-Dec-19	31-Dec-18
	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance	106,966	22,495
Manufacturing expenses	812	(464)
Land appraisal	153	8,018
Fixed asset	(4,469)	12,513
Intangibles	(9)	(81)
Lease (Right of Use)	555	-
Valuation bearer plants	(4,281)	63,745
Price adjustment	-	(362)
Others	159	-
FV Fruit on plants	(1,007)	1,102
Final balance	<u>98,879</u>	<u>106,966</u>

Income tax expense (gain) and deferred gains tax for the periods ending December 31, 2019 and 2018 have the following detail:

	31-Dec-19	31-Dec-18
<u>Detail</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Current tax expense	9,348	14,295
Tax benefit for tax loss	(16)	-
Deferred tax effect	(8,630)	13,329
Adjustment previous year	291	(138)
Adjustment of conversion	(73)	(70)
Total	<u>920</u>	<u>27,416</u>

The following is the detail of income tax expense (gain) and deferred gains tax conciliation, using the legal rate with the tax expense, using the effective rate:

	31-Dec-19		31-Dec-18	
	ThUS\$	%	ThUS\$	%
Tax expense (income) using the legal rate	3,138	27.00%	32,382	27.00%
Tax effect of rates in other jurisdictions	(5,423)	(46.66%)	(7,678)	(6.40%)
Tax effect of non-taxable operating income	(2,683)	(23.08%)	587	0.49%
Tax effect of non-deductible tax expense	4,936	42.47%	668	0.56%
Tax effect of fiscal currency other than functional currency	797	6.86%	1,596	1.33%
Tax effect of tax provided in excess previous period	155	1.33%	(139)	(0.12%)
Total tax expense adjustment using the legal rate	(2,218)	(19.08%)	(4,966)	(4.14%)
Tax expense using the effective rate	920	7.92%	27,416	22.86%

NOTE 21 – OTHER FINANCIAL LIABILITIES

As of December 31, 2019 and 2018, Hortifrut and subsidiaries maintain financial liabilities, which are detailed below:

Other current financial liabilities

	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Obligations with banks and financial institutions	171,462	162,718
Bonds	1,481	-
Lease Liabilities	10,614	7,839
Cross Currency Swap Operations	155	321
Forwards currency operations	3,247	1,751
Total current bank obligations	186,959	172,629

Other non-current financial liabilities

	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Obligations with banks and financial institutions	183,364	319,134
Bonds	92,174	-
Lease Liabilities	24,433	11,002
Cross Currency Swap Operations	2,924	929
Forwards currency operations	1,062	378
Total non-current bank obligations	303,957	331,443

Detail of balance and expiries

a) Obligations with Banks and financial institutions, grouped by maturity, as of December 31, 2019 and 2018 are as follows:

																Total Non-Current		
								Current		Total Current	Non-Current							
Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Effective Annual Rate	Nominal Annual Rate	Maturity up to 1 month				31-Dec-19	Maturity 1 to 2 years	Maturity 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years	31-Dec-19
									1 to 3 months	3 to 12 months								
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.55%	3.55%	-	-	403	-	403	-	-	-	-	-	-
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco RaboFinance Chile	US\$	Annual	6.26%	6.03%	-	-	-	1,542	1,542	-	-	-	-	-	-
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	3.55%	3.55%	-	-	503	-	503	-	-	-	-	-	-
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	3.55%	3.55%	-	-	503	-	503	-	-	-	-	-	-
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco RaboFinance Chile	US\$	Annual	5.58%	5.31%	-	-	-	92	92	-	-	-	-	-	-
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco RaboFinance Chile	US\$	Annual	6.23%	6.01%	-	-	-	925	925	-	-	-	-	-	-
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.43%	4.43%	-	-	81	-	81	-	-	-	-	-	-
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Santander Chile	US\$	Annual	3.55%	3.55%	-	-	503	-	503	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.41%	2.41%	-	-	4,010	-	4,010	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.41%	2.41%	-	-	4,010	-	4,010	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.30%	2.30%	-	-	-	5,028	5,028	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.35%	2.35%	-	-	5,016	-	5,016	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.30%	2.30%	-	-	-	5,028	5,028	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.41%	2.41%	-	-	4,010	-	4,010	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	2.61%	2.61%	-	-	5,025	-	5,025	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	2.61%	2.61%	-	-	5,033	-	5,033	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	2.61%	2.61%	-	-	5,033	-	5,033	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	2.61%	2.61%	-	-	5,025	-	5,025	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	2.61%	2.61%	-	-	5,033	-	5,033	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco BICE	US\$	Annual	2.55%	2.55%	-	-	5,027	-	5,027	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco BICE	US\$	Annual	2.55%	2.55%	-	-	5,027	-	5,027	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco BICE	US\$	Annual	2.55%	2.55%	-	-	5,027	-	5,027	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	2.55%	2.55%	5,012	-	-	-	5,012	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco China Construction Bank Corp.	US\$	Annual	2.57%	2.57%	-	-	5,007	-	5,007	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco China Construction Bank Corp.	US\$	Annual	2.57%	2.57%	-	-	5,007	-	5,007	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito del Perú	US\$	Annual	2.61%	2.61%	-	-	4,019	-	4,019	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito del Perú	US\$	Annual	2.60%	2.60%	-	-	6,027	-	6,027	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito del Perú	US\$	Annual	2.51%	2.51%	5,012	-	-	-	5,012	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito del Perú	US\$	Annual	2.59%	2.59%	-	-	3,006	-	3,006	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	2.58%	2.58%	-	-	6,039	-	6,039	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	2.58%	2.58%	-	-	6,039	-	6,039	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	6	6	-	-	-	-	-	-

Continues on the following page

																Total Non-Current	
Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Annual Rate	Annual Rate	Current			Total Current	Non-Current					Total Non-Current
								Maturity up to 1			31-Dec-19	Maturity 1 to	Maturity 2 to	from 3 to 4	from 4 to 5	5 or more	
								month	1 to 3 months	3 to 12 months		2 years	3 years	years	years	years	
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	CLP	Annual	0.35%	0.35%	-	-	140	140	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Itaú	US\$	Annual	2.53%	2.53%	-	5,026	-	5,026	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Itaú	US\$	Annual	2.53%	2.53%	-	5,026	-	5,026	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Itaú	US\$	Annual	2.53%	2.53%	-	5,025	-	5,025	-	-	-	-	-	
Hortifrut Chile S.A.	96.996.290-k	Chile	Banco Santander Chile	US\$	Annual	2.54%	2.54%	-	4,019	-	4,019	-	-	-	-	-	
Hortifrut Chile S.A.	96.996.290-k	Chile	Banco Santander Chile	US\$	Annual	2.54%	2.54%	-	4,019	-	4,019	-	-	-	-	-	
Hortifrut España Southern Sun SL	o-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.40%	1.40%	119	239	-	358	-	-	-	-	-	
Hortifrut España Southern Sun SL	o-E	Spain	Banco Santander Central Hispano S.A.	EUR	Quarterly	1.15%	1.15%	-	700	2,113	2,813	2,846	-	-	-	2,846	
Hortifrut España Southern Sun SL	o-E	Spain	Banco Bilbao Vizcaya Argentaria	EUR	Biannual	1.16%	1.16%	-	1,435	1,403	2,838	2,830	1,427	-	-	4,257	
Hortifrut España Southern Sun SL	o-E	Spain	La Caixa	EUR	Quarterly	1.10%	1.10%	358	-	1,050	1,408	1,414	713	-	-	2,127	
Hortifrut España Southern Sun SL	o-E	Spain	Bankinter	EUR	Monthly	1.10%	1.10%	72	140	632	844	779	287	-	-	1,066	
Hortifrut España Southern Sun SL	o-E	Spain	Banco Sabadell	EUR	Monthly	1.10%	1.10%	46	93	419	558	517	474	-	-	991	
HFE Berries Perú S.A.C.	o-E	Peru	Banco de Crédito del Perú	US\$	Monthly	5.50%	5.50%	4	-	-	4	-	-	-	-	-	
HFE Berries Perú S.A.C.	o-E	Peru	Scotiabank Perú S.A.	US\$	Monthly	5.50%	5.50%	-	2,063	1,800	3,863	3,600	3,600	3,600	-	10,800	
Euroberry Marketing S.A.	o-E	Spain	Banco Santander Central Hispano S.A.	US\$	Monthly	2.39%	2.39%	-	4,361	-	4,361	-	-	-	-	-	
Euroberry Marketing S.A.	o-E	Spain	La Caixa	US\$	Monthly	0.99%	0.99%	-	1,718	-	1,718	-	-	-	-	-	
Euroberry Marketing S.A.	o-E	Spain	Bankinter	EUR	Monthly	2.44%	2.44%	-	1,119	-	1,119	-	-	-	-	-	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	4	4	-	-	-	-	-	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.30%	0.30%	-	-	47	47	-	-	-	-	-	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.30%	0.30%	-	-	54	54	-	-	-	-	-	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	US\$	Annual	5.14%	4.04%	-	-	2	2	326	662	664	665	2,982	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	US\$	Annual	5.14%	4.04%	-	-	8	8	1,468	2,982	2,987	2,992	13,426	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	US\$	Annual	5.14%	4.04%	-	-	8	8	1,468	2,982	2,987	2,992	13,426	
Hortifrut S.A.	96.896.990-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.20%	4.07%	-	-	3,848	3,848	2,634	3,538	3,543	4,450	40,135	
Hortifrut S.A.	96.896.990-0	Chile	Banco de Crédito e Inversiones	CLP	Annual	0.40%	0.40%	-	-	-	-	74	-	-	-	74	
Hortifrut S.A.	96.896.990-0	Chile	Banco de Crédito e Inversiones	CLP	Annual	0.40%	0.40%	-	-	-	-	-	4	-	-	4	
Hortifrut S.A.	96.896.990-0	Chile	Banco de Chile	US\$	Annual	5.39%	4.25%	-	-	4,189	4,189	4,107	4,137	4,145	4,152	20,702	
Hortifrut S.A.	96.896.990-0	Chile	Banco RaboFinance Chile	US\$	Annual	5.67%	4.37%	-	-	-	-	2,838	5,750	5,757	5,765	25,883	
Hortifrut S.A.	96.896.990-0	Chile	Banco Santander Chile	CLP	Annual	0.50%	0.50%	-	-	132	132	-	-	-	-	-	
HF Sarbanand S de R.L.	o-E	Mexico	HSBC México SA, Institución de Banca Múltiple	US\$	Annual	4.08%	4.08%	188	374	1,688	2,250	938	-	-	-	938	
Hortifrut-Peru SAC.	o-E	Peru	Metropolitan Life Insurance Company	US\$	Biannual	5.20%	5.13%	-	397	-	397	-	2,683	3,142	3,142	20,406	
Agrícola Vida Nueva S.A.	96.996.290-k	Chile	Banco Santander Chile	US\$	Annual	3.55%	3.55%	-	302	-	302	-	-	-	-	-	
Asian Berry Ltd	o-E	China	Communications Bank Yunnan Branch	US\$	Annual	5.46%	5.46%	24	-	-	24	4,029	3,358	4,029	2,918	14,334	
Total								10,835	130,469	30,158	171,462	29,868	32,597	30,854	27,076	62,969	183,364

Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Annual Rate	Annual Rate	Current			Total Current	Non-Current					Total Non Current
								Maturity up to 1 month	1 to 3 months	3 to 12 months		Maturity 1 to 2 years	Maturity 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years	31-Dec-18
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.51%	3.51%	403	-	-	403	-	-	-	-	-	-
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco RaboFinance Chile	US\$	Annual	5.52%	5.20%	-	-	154	154	-	-	-	-	-	-
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco RaboFinance Chile	US\$	Annual	6.26%	6.03%	-	-	42	42	1,500	-	-	-	-	1,500
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	3.51%	3.51%	504	-	-	504	-	-	-	-	-	-
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	3.51%	3.51%	504	-	-	504	-	-	-	-	-	-
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco RaboFinance Chile	US\$	Annual	5.58%	5.31%	-	-	89	89	90	-	-	-	-	90
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco RaboFinance Chile	US\$	Annual	6.23%	6.01%	-	-	25	25	900	-	-	-	-	900
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Santander Chile	US\$	Annual	3.51%	3.51%	504	-	-	504	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.88%	2.06%	-	-	2,512	2,512	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	3.19%	3.19%	5,006	-	-	5,006	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	3.19%	3.19%	5,006	-	-	5,006	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	3.07%	3.07%	5,009	-	-	5,009	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	3.07%	3.07%	5,009	-	-	5,009	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco BICE	US\$	Annual	2.99%	2.99%	1,007	-	-	1,007	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco BICE	US\$	Annual	2.99%	2.99%	1,007	-	-	1,007	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco BICE	US\$	Annual	3.06%	3.06%	5,005	-	-	5,005	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	3.90%	3.90%	3,015	-	-	3,015	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	3.90%	3.90%	5,024	-	-	5,024	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	3.90%	3.90%	5,024	-	-	5,024	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	3.90%	3.90%	5,024	-	-	5,024	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	2.83%	2.83%	5,030	-	-	5,030	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco China Construction Bank Corp.	US\$	Annual	2.95%	2.95%	-	5,008	-	5,008	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco China Construction Bank Corp.	US\$	Annual	3.03%	3.03%	-	4,004	-	4,004	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	3.00%	3.00%	5,029	-	-	5,029	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	6	6	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	0.35%	0.35%	-	-	151	151	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	0.35%	0.35%	-	-	94	94	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	102	-	102	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Itaú	US\$	Annual	3.20%	3.20%	-	5,022	-	5,022	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Itaú	US\$	Annual	3.01%	3.01%	5,005	-	-	5,005	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Itaú	US\$	Annual	3.01%	3.01%	5,005	-	-	5,005	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco RaboFinance Chile	US\$	Annual	5.34%	5.34%	-	327	-	327	-	-	1,759	3,621	14,510	19,890
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	3.02%	3.02%	10,052	-	-	10,052	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.82%	2.82%	5,034	-	-	5,034	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.82%	2.82%	5,034	-	-	5,034	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.82%	2.82%	5,034	-	-	5,034	-	-	-	-	-	-

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Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Annual Rate	Annual Rate	Current			Total Current 31-Dec-18	No corrientes					Total Non-Current 31-Dec-18
								Maturity up to 1 month	1 to 3 months	3 to 12 months		Maturity 1 to 2 years	Maturity 2 to 3 years	3 to 4 years	from 4 to 5 years	5 or more years	
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.89%	2.89%	5,029	-	-	5,029	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.94%	2.94%	5,005	-	-	5,005	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.92%	2.92%	5,022	-	-	5,022	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	3.19%	3.19%	5,006	-	-	5,006	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.99%	2.99%	-	3,014	-	3,014	-	-	-	-	-	-
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.40%	1.40%	121	242	1,094	1,457	368	-	-	-	-	368
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Quarterly	1.15%	1.15%	-	708	2,137	2,845	2,879	2,912	-	-	-	5,791
Hortifrut España Southern Sun SL	0-E	Spain	Banco Bilbao Vizcaya Argentaria	EUR	Biannual	1.16%	1.16%	1,459	-	1,419	2,878	2,862	2,896	1,460	-	-	7,218
Hortifrut España Southern Sun SL	0-E	Spain	La Caixa	EUR	Quarterly	1.10%	1.10%	366	-	1,063	1,429	1,431	1,447	729	-	-	3,607
Hortifrut España Southern Sun SL	0-E	Spain	Bankinter	EUR	Monthly	1.10%	1.10%	74	141	639	854	861	870	220	-	-	1,951
Hortifrut España Southern Sun SL	0-E	Spain	Banco Sabadell	EUR	Monthly	1.10%	1.10%	47	94	425	566	571	577	437	-	-	1,585
HFE Berries Perú S.A.C.	0-E	Peru	Banco de Crédito del Perú	PEN	Monthly	5.00%	5.00%	1	-	-	1	-	-	-	-	-	-
HFE Berries Perú S.A.C.	0-E	Peru	Scotiabank Perú S.A.	US\$	Monthly	5.50%	5.50%	-	2,045	1,800	3,845	3,600	3,600	3,600	3,600	-	14,400
Euroberry Marketing S.A.	0-E	Spain	Banco Santander Central Hispano S.A.	US\$	Monthly	3.08%	3.08%	786	-	-	786	-	-	-	-	-	-
Euroberry Marketing S.A.	0-E	Spain	Banco Santander Central Hispano S.A.	US\$	Monthly	3.08%	3.08%	1,256	-	-	1,256	-	-	-	-	-	-
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	93	93	-	-	-	-	-	-
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	5	-	-	-	-	5
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.30%	0.30%	-	-	55	55	-	-	-	-	-	-
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.30%	0.30%	-	-	62	62	-	-	-	-	-	-
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.30%	0.30%	-	136	-	136	-	-	-	-	-	-
Hortifrut S.A.	96.896.990-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.20%	4.22%	-	-	4,354	4,354	2,929	2,934	3,938	3,944	33,822	47,567
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	US\$	Annual	5.14%	4.99%	-	-	1	1	-	323	663	664	1,330	2,980
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	US\$	Annual	5.14%	4.99%	-	-	1	1	-	1,457	2,982	2,987	5,988	13,414
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	US\$	Annual	5.14%	4.99%	-	-	1	1	-	1,457	2,982	2,987	5,988	13,414
Hortifrut S.A.	96.896.990-0	Chile	Banco Chile	US\$	Annual	5.39%	5.23%	-	-	5	5	4,122	4,130	4,137	4,145	8,310	24,844
Hortifrut S.A.	96.896.990-0	Chile	Banco Rabofinance Chile	US\$	Annual	5.67%	5.36%	-	-	19	19	-	2,789	5,750	5,757	11,535	25,831
Hortifrut Inversiones Internacionales S.A 76.043.425-6	Chile	Banco Santander Chile	US\$	Monthly	4.54%	4.20%	-	-	51	51	6,283	13,053	13,104	6,570	-	-	39,010
Hortifrut Inversiones Internacionales S.A 76.043.425-6	Chile	Banco Scotiabank	US\$	Monthly	4.54%	4.20%	-	-	50	50	6,284	13,053	13,104	6,570	-	-	39,011
HF Sarbanand S de R.L.	0-E	Mexico	HSBC México SA, Institución de Banca Múltiple	US\$	Annual	4.08%	4.08%	-	-	1,313	1,313	2,250	938	-	-	-	3,188
Hortifrut Tal S.A.C.	0-E	Peru	Cooperatiev e Rabobank U.A.	US\$	Biannual	4.35%	4.30%	2,070	-	1,644	3,714	3,287	3,287	3,287	3,287	3,306	16,454
Hortifrut-Perú S.A.C.	0-E	Peru	Metlife	US\$	Biannual	5.20%	5.13%	-	2,160	1,600	3,760	3,139	3,139	3,139	3,139	23,560	36,116
Agrícola Vida Nueva S.A.	96.996.290-k	Chile	Banco Santander Chile	US\$	Annual	3.74%	3.74%	300	-	-	300	-	-	-	-	-	-
Total								118,816	23,003	20,899	162,718	43,361	58,862	61,291	47,271	108,349	319,134

b) Bonds – Obligations with the Public

Bonds – Obligations with the Public, grouped by maturity, are detailed below, as of December 31, 2019:

							Current			Total Current	Non-Current					Total Non-Current
							Maturity up to 1 month	1 to 3 months	3 to 12 months	12/31/2019	Maturity 1 to 2 years	Maturity 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years	12/31/2019
<u>Debtor Company</u>	<u>RUT</u>	<u>Country</u>	<u>Currency</u>	<u>Type of Amortization</u>	<u>Effective Annual Rate</u>	<u>Nominal Annual Rate</u>	<u>Type</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Hortifut S.A.	96.896.990	Chile	US\$	Annual	4.06%	4.24%	Bono A	-	469	65	534	130	130	6,857	13,555	19,554
Hortifut S.A.	96.896.990	Chile	US\$	Annual	4.84%	4.94%	Bono B	-	-	947	947	418	419	419	421	50,271
Total								-	469	1,012	1,481	548	549	7,276	13,976	69,825
								-	469	1,012	1,481	548	549	7,276	13,976	69,825

c) Financial Leasing

Obligations with Banks and financial institutions per financial leasing, grouped by maturity, are detailed below, as of December 31, 2019 and 2018:

Debtor Company	Country	Creditor Bank	Currency	Type of Amortization	Effective Annual Rate	Nominal Annual Rate	Current			Total Current	Non-Current					Total Non-Current
							Maturity up to 1 month	1 to 3 months	3 to 12 months		Maturity 1 to 2 years	2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years	
							ThUS\$	ThUS\$	ThUS\$	31-Dec-19	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	31-Dec-19
Agrícola El Pampino S.A.	Chile	Banco Santander Chile	US\$	Annual	3.93%	3.93%	-	36	-	36	-	-	-	-	-	-
Agrícola El Pampino S.A.	Chile	Banco Santander Chile	US\$	Annual	3.91%	3.91%	-	-	17	17	-	-	-	-	-	-
Agrícola Mataquito S.A.	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.29%	4.29%	-	-	237	237	237	-	-	-	-	237
Agrícola Mataquito S.A.	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.10%	5.10%	-	186	-	186	178	202	-	-	-	380
Agrícola Mataquito S.A.	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.54%	5.54%	-	281	-	281	261	297	-	-	-	558
Agrícola Mataquito S.A.	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.45%	5.45%	-	7	-	7	7	7	-	-	-	14
Agrícola Mataquito S.A.	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.30%	4.30%	1	1	1	3	-	-	-	-	-	-
Agrícola Santa Rosa del Parque S.A.	Chile	Banco Santander Chile	US\$	Annual	3.74%	3.74%	-	-	69	69	72	-	-	-	-	72
Hortifrut Chile S.A.	Chile	Banco de Crédito e Inversiones	US\$	Annual	2.79%	3.68%	98	98	-	196	-	-	-	-	-	-
Hortifrut Chile S.A.	Chile	Banco de Crédito e Inversiones	US\$	Quarterly	3.29%	4.05%	-	198	548	746	754	779	805	413	-	2,751
HFE Berries Perú S.A.C.	Peru	Scotiabank Perú S.A.	US\$	Monthly	5.00%	5.00%	-	350	333	683	666	-	-	-	-	666
Hortifrut S.A.	Chile	Banco Scotiabank	US\$	Monthly	9.79%	9.79%	39	36	49	124	-	-	-	-	-	-
Hortifrut TAL SAC	Peru	Banco de Crédito del Perú	US\$	Monthly	3.60%	3.54%	-	-	2,556	2,556	-	-	-	-	-	-
Hortifrut TAL SAC	Peru	Banco de Crédito del Perú	US\$	Monthly	3.70%	3.64%	3	10	18	31	-	-	-	-	-	-
Hortifrut TAL SAC	Peru	Banco de Crédito del Perú	US\$	Monthly	4.55%	4.46%	4	11	30	45	5	-	-	-	-	5
Hortifrut TAL SAC	Peru	Banco de Crédito del Perú	US\$	Monthly	4.29%	4.21%	11	34	94	139	24	-	-	-	-	24
Hortifrut TAL SAC	Peru	Banco Internacional del Perú S.A.	US\$	Monthly	4.00%	3.93%	40	79	364	483	165	-	-	-	-	165
Hortifrut TAL SAC	Peru	Banco Internacional del Perú S.A.	US\$	Monthly	4.00%	3.93%	1	3	13	17	18	26	-	-	-	44
Hortifrut TAL SAC	Peru	Banco Internacional del Perú S.A.	US\$	Monthly	3.64%	3.58%	4	7	32	43	30	-	-	-	-	30
Hortifrut-Peru SAC.	Peru	Banco de Crédito del Perú	US\$	Monthly	3.70%	3.64%	3	7	21	31	-	-	-	-	-	-
Hortifrut-Peru SAC.	Peru	Banco de Crédito del Perú	US\$	Monthly	3.57%	3.51%	1	1	5	7	-	-	-	-	-	-
Hortifrut-Peru SAC.	Peru	Banco de Crédito del Perú	US\$	Monthly	4.29%	4.20%	33	33	134	200	34	-	-	-	-	34
Hortifrut-Peru SAC.	Peru	Scotiabank Perú S.A.	US\$	Monthly	3.90%	3.83%	80	161	244	485	-	-	-	-	-	-
Hortifrut-Peru SAC.	Peru	Scotiabank Perú S.A.	US\$	Monthly	3.90%	3.83%	80	80	-	160	-	-	-	-	-	-
Hortifrut-Peru SAC.	Peru	Scotiabank Perú S.A.	US\$	Monthly	4.25%	4.17%	23	47	216	286	49	-	-	-	-	49
Hortifrut-Peru SAC.	Peru	Scotiabank Perú S.A.	US\$	Monthly	4.10%	4.02%	15	30	136	181	15	-	-	-	-	15
Hortifrut-Peru SAC.	Peru	Banco Internacional del Perú S.A.	US\$	Monthly	4.00%	3.93%	46	90	420	556	189	-	-	-	-	189
Hortifrut-Peru SAC.	Peru	Banco Internacional del Perú S.A.	US\$	Monthly	4.00%	3.92%	3	6	26	35	36	53	-	-	-	89
Hortifrut-Peru SAC.	Peru	Banco Internacional del Perú S.A.	US\$	Monthly	4.61%	4.52%	2	4	16	22	15	-	-	-	-	15
Berries de CHAO S.A.C.	Peru	Banco Internacional del Perú S.A.	US\$	Monthly	3.64%	3.58%	-	-	20	20	14	-	-	-	-	14
Total							487	1,796	5,599	7,882	2,769	1,364	805	413	-	5,351

d) Leasing Liabilities

Leasing Liabilities grouped by maturity are detailed below, as of December 31, 2019:

Debtor Company	Country	Creditor	Currency	Type of Amortization	Effective Annual Rate	Current			Total Current	Non-Current					Total Non-Current
						Maturity up to			31-Dec-19	Maturity 1 to 2 years	from 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years	31-Dec-19
						1 month	1 to 3 months	3 to 12 months							
ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$			
Hortifrut S.A.	Chile	Agrícola e Inmobiliaria Lumaco S.A.	US\$	Annual	4.45%	11	-	-	11	14	17	19	23	440	513
Hortifrut S.A.	Chile	Alfredo Demian Asfura	UF	Annual	4.24%	-	-	44	44	46	48	4	-	-	98
Hortifrut S.A.	Chile	Inversiones IMG DOS Ltda.	US\$	Annual	4.45%	30	-	-	30	38	45	52	58	1,179	1,372
Hortifrut Comercial S.A.	Chile	María Angélica Osorio Cortés	UF	Annual	4.24%	-	12	-	12	12	13	1	-	-	26
Hortifrut Comercial S.A.	Chile	Herminia del Río Perez Guajardo	UF	Annual	4.24%	-	-	1	1	-	-	-	-	-	-
Hortifrut Comercial S.A.	Chile	Sergio Otilio Meza Perez	UF	Annual	4.24%	-	2	-	2	-	-	-	-	-	-
Hortifrut Chile S.A.	Chile	Satel Inversiones Inmobiliarias S.A.	UF	Annual	4.03%	-	-	48	48	52	55	57	23	-	187
Hortifrut Chile S.A.	Chile	SOF South Organic Fruits S.A.	UF	Annual	4.24%	-	-	48	48	51	54	57	60	186	408
Hortifrut Chile S.A.	Chile	SOF South Organic Fruits S.A.	UF	Annual	4.24%	-	-	40	40	43	45	48	50	104	290
Agrícola Vida Nueva	Chile	Inversiones Canihua S.A.	US\$	Annual	4.24%	-	-	9	9	9	9	1	-	-	19
Agrícola Vida Nueva	Chile	Rosa Villablanca Franco	CLP	Annual	4.45%	1	-	-	1	2	2	2	2	16	24
Agrícola Mataquito S.A.	Chile	Alena Sneberger González	UF	Annual	4.45%	54	-	-	54	60	66	71	76	542	815
Agrícola Mataquito S.A.	Chile	Sara Letelier Letelier	UF	Annual	4.45%	-	-	38	38	41	43	46	48	104	282
Agrícola El Avellano S.A.	Chile	Sociedad Agrícola y Ganadera El Otoñal Ltda.	US\$	Annual	4.45%	-	-	20	20	22	24	26	28	245	345
Hortifrut ABA S.A. de C.V.	Mexico	Gonzalo Mendoza Villalvazo	US\$	Annual	6.29%	-	-	26	26	21	21	21	21	104	188
Hortifrut ABA S.A. de C.V.	Mexico	Abraham Mendoza Gudiño y M° Refugio Preciado Barragan	US\$	Annual	5.55%	10	-	-	10	10	-	-	-	-	10
Hortifrut ABA S.A. de C.V.	Mexico	Guillermo Cortés Santiago	US\$	Annual	6.29%	-	-	19	19	16	16	16	16	80	144
Hortifrut ABA S.A. de C.V.	Mexico	Victor Morales Aguilar	US\$	Annual	6.29%	-	-	21	21	18	18	18	18	90	162
Hortifrut ABA S.A. de C.V.	Mexico	Juan José Vargas Mendoza	US\$	Annual	6.29%	18	-	-	18	15	-	-	-	-	15
Hortifrut ABA S.A. de C.V.	Mexico	Ramon Villalvazo Magaña	US\$	Annual	6.29%	-	-	21	21	17	17	17	17	87	155
Hortifrut ABA S.A. de C.V.	Mexico	Pedro Mendoza Ocegüera	US\$	Annual	6.29%	11	-	-	11	9	9	9	9	52	88
Hortifrut ABA S.A. de C.V.	Mexico	Gerogina del Toro Bayardo y Otros	US\$	Annual	5.55%	-	164	-	164	123	123	123	123	986	1,478
Hortifrut ABA S.A. de C.V.	Mexico	Carlos del Toro Figueroa	US\$	Annual	6.29%	-	-	93	93	69	69	69	69	624	900
Hortifrut ABA S.A. de C.V.	Mexico	Consuelo Ocegüeda Cardenas	US\$	Annual	6.29%	-	-	12	12	10	10	10	10	51	91
HF Sarbanand, S. de R.L. de C.V.	Mexico	Promociones Biogenetica, S.A. De C.V./Arturo Silva Mendoza	US\$	Annual	5.92%	-	75	-	75	104	104	-	-	-	208
HF Sarbanand, S. de R.L. de C.V.	Mexico	Antonio Mendoza Ramirez	US\$	Annual	5.55%	-	-	15	15	22	-	-	-	-	22
HF Sarbanand, S. de R.L. de C.V.	Mexico	Lenin García Torres	US\$	Annual	6.29%	-	-	113	113	83	83	83	83	584	916
Agrícola Los Reyes S. de R.L. de C.V.	Mexico	J. Jesus Barragán Plascencia	MXN	Annual	5.92%	-	-	9	9	12	12	12	-	-	36
Agrícola Los Reyes S. de R.L. de C.V.	Mexico	Loit, S.C.	MXN	Annual	5.55%	-	-	45	45	67	-	-	-	-	67
Agrícola Los Reyes S. de R.L. de C.V.	Mexico	Patricia Judith Ceballos Larios y Marissa Ceballos Larios	MXN	Annual	5.92%	-	-	10	10	-	-	-	-	-	-
Agrícola Los Reyes S. de R.L. de C.V.	Mexico	Heinrich Wolfgang Wulfert	MXN	Annual	5.55%	-	-	38	38	57	57	-	-	-	114
Agrícola Los Reyes S. de R.L. de C.V.	Mexico	Jorge Abel Ceballos Espinoza	MXN	Annual	5.55%	-	-	22	22	-	-	-	-	-	-
Agrícola Los Reyes S. de R.L. de C.V.	Mexico	Teresa de Jesús Jimenez Rodriguez	MXN	Annual	5.55%	-	-	15	15	11	-	-	-	-	11
Agrícola Los Reyes S. de R.L. de C.V.	Mexico	José Gutiérrez Torres y Otra	MXN	Annual	5.55%	-	-	21	21	35	-	-	-	-	35
Agrícola Los Reyes S. de R.L. de C.V.	Mexico	Francisco Gutierrez Torrez	MXN	Annual	5.55%	-	36	-	36	21	-	-	-	-	21
Agrícola Los Reyes S. de R.L. de C.V.	Mexico	Silvia Gutierrez Torres	MXN	Annual	5.55%	-	-	36	36	57	-	-	-	-	57

Continues on the following page

Debtor Company	Country	Creditor	Currency	Type of Amortization	Effective Annual Rate	Current					Non-Current					Total Non-Current
						Maturity up to			31-Dec-19	Maturity 1 to 2 years	from 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years	31-Dec-19	
						1 month	1 to 3 months	3 to 12 months								
						ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Agrícola Los Reyes S. de R.L. de C.V.	Mexico	Aurora Torres Galván y Francisco Gutiérrez Torres	MXN	Annual	5.55%	-	-	18	18	30	-	-	-	-	-	30
HF Sarbanand, S. de R.L. de C.V.	Mexico	Rodolfo Peña Román	US\$	Annual	6.29%	-	-	-	-	51	51	51	51	512	716	
HF Sarbanand, S. de R.L. de C.V.	Mexico	Zaida Román Castro	US\$	Annual	6.29%	-	-	-	-	36	36	36	36	362	506	
HF Sarbanand, S. de R.L. de C.V.	Mexico	Rodolfo Joaquín Peña Farber	US\$	Annual	6.29%	-	-	-	-	18	18	18	18	184	256	
Hortifrut ABA S.A. de C.V.	Mexico	Silvino Hernandez Madrid	MXN	Annual	6.29%	-	-	-	-	12	12	12	12	87	135	
Hortifrut ABA S.A. de C.V.	Mexico	José de Jesús Sandoval Sandoval	US\$	Annual	6.29%	-	-	-	-	134	134	134	134	936	1,472	
HF Sarbanand, S. de R.L. de C.V.	Mexico	German Daniel Argueso Mendoza	US\$	Annual	6.29%	-	-	-	-	53	53	53	53	584	796	
HF Sarbanand, S. de R.L. de C.V.	Mexico	Joaquín Montaña Yamuni	US\$	Annual	6.29%	-	-	-	-	103	103	103	103	1,136	1,548	
HF Sarbanand, S. de R.L. de C.V.	Mexico	Daniel Montaña Peña	US\$	Annual	6.29%	-	-	-	-	30	30	30	30	329	449	
HF Sarbanand, S. de R.L. de C.V.	Mexico	Victor Raul Mercado Mexia	US\$	Annual	6.29%	-	-	-	-	36	36	36	36	395	539	
HF Sarbanand, S. de R.L. de C.V.	Mexico	Victor Raul Mercado Mexia	US\$	Annual	6.29%	-	-	-	-	31	31	31	31	338	462	
Hortifrut TAL SAC	Peru	CGM Rental Sociedad Anonima	US\$	Annual	3.94%	8	16	63	87	106	50	-	-	-	156	
Hortifrut TAL SAC	Peru	Hewlett-Packard Perú S.R.L.	US\$	Annual	2.52%	-	1	2	3	4	2	-	-	-	6	
Hortifrut TAL SAC	Peru	Rentaequipos leasing Perú S.A.	US\$	Annual	2.50%	1	2	7	10	12	9	-	-	-	21	
Hortifrut TAL SAC	Peru	IBM Capital Perú S.A.C.	US\$	Annual	3.93%	1	1	1	3	-	-	-	-	-	-	
Hortifrut TAL SAC	Peru	Quadtech Perú E.I.R.L.	US\$	Annual	2.50%	4	8	29	41	57	51	35	-	-	143	
Hortifrut-Perú SAC.	Peru	Tal S.A.	US\$	Annual	3.93%	4	8	35	47	8	-	-	5	65	78	
Hortifrut-Perú SAC.	Peru	Quadtech PERU E.I.R.L.	US\$	Annual	2.50%	8	17	77	102	98	108	82	-	-	288	
Hortifrut-Perú SAC.	Peru	CGM Rental Sociedad Anonima	US\$	Annual	3.94%	8	16	71	95	98	50	-	-	-	148	
Hortifrut-Perú SAC.	Peru	Mendieta Genov ez Olivia	US\$	Annual	2.52%	8	18	83	109	112	-	-	-	-	112	
Hortifrut-Perú SAC.	Peru	CSI Renting Perú S.A.C.	US\$	Annual	3.52%	11	22	100	133	135	77	-	-	-	212	
Hortifrut-Perú SAC.	Peru	Rentaequipos leasing Perú S.A.	US\$	Annual	2.50%	16	32	144	192	198	145	-	-	-	343	
Hortifrut-Perú SAC.	Peru	Talsa Apicultuta S.A.C.	US\$	Annual	4.02%	1	2	13	16	16	-	-	-	-	16	
Berries de CHAO S.A.C.	Peru	Quadtech Perú E.I.R.L.	US\$	Annual	4.02%	-	1	4	5	5	6	4	-	-	15	
HFE Berries Perú S.A.C.	Peru	Rentaequipos leasing Perú S.A.	US\$	Annual	2.74%	-	-	182	182	330	54	-	-	-	384	
Berry Good Com Imp E Dist	Brazil	Anadir Helena	BRL	Annual	5.22%	-	-	1	1	-	-	-	-	-	-	
Berry Good Com Imp E Dist	Brazil	Antônio e Romualdo	BRL	Annual	5.22%	-	-	15	15	-	-	-	-	-	-	
Berry Good Com Imp E Dist	Brazil	Antônio Marcos	BRL	Annual	5.22%	-	-	2	2	-	-	-	-	-	-	
Berry Good Com Imp E Dist	Brazil	Edson Lopes	BRL	Annual	5.22%	-	-	4	4	2	-	-	-	-	2	
Berry Good Com Imp E Dist	Brazil	Elisabete Rodrigues Rezende Araujo	BRL	Annual	5.22%	-	-	3	3	-	-	-	-	-	-	
Berry Good Com Imp E Dist	Brazil	Hudson Nogueira	BRL	Annual	5.22%	-	-	6	6	9	-	-	-	-	9	
Berry Good Com Imp E Dist	Brazil	Maria Silverio	BRL	Annual	5.22%	-	-	-	-	-	165	-	-	-	165	
Berry Good Com Imp E Dist	Brazil	Ricardo Gianini Galpão	BRL	Annual	5.22%	-	-	8	8	-	-	-	-	-	-	
Berry Good Com Imp E Dist	Brazil	Taffrio Armazenagem	BRL	Annual	5.22%	-	-	43	43	-	-	-	-	-	-	
Berry Good Com Imp E Dist	Brazil	Taffrio Escritório	BRL	Annual	5.22%	-	-	3	3	-	-	-	-	-	-	
Euroberry Marketing S.A.	Spain	Camilo Lebon, Fco. Paz Barroso, Pilar Blasco, Sara Housing	EUR	Annual	1.30%	3	7	28	38	-	-	-	-	-	-	
Hortifrut España Southern Sun, S.L.	Spain	Destro, S.A.	EUR	Annual	1.30%	29	58	242	329	281	241	206	-	-	728	
Hortifrut España Southern Sun, S.L.	Spain	Patrimonial Arandalus, S.L.	EUR	Annual	1.30%	4	9	36	49	42	36	31	26	115	250	
Sub Total Lease						241	507	1,984	2,732	3,214	2,458	1,624	1,269	10,517	19,082	
Total Letters c + d						728	2,303	7,583	10,614	5,983	3,822	2,429	1,682	10,517	24,433	

a) Cross Currency Swap Operations

The detail of the derivative instruments portfolio as of December 31, 2019 and 2018 are the following:

LIABILITIES			Capital Balance ThUS\$	Mark to Market Value	
Hedging instruments				31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
<u>Entities</u>	<u>Instruments</u>	<u>Type</u>			
Banco Scotiabank	Cross Currency Swaps CLP/USD	Currency	121	5	-
Banco Santander Central Hispano S.A.	Cross Currency Swaps - USD/ EUR	Currency	4,550	150	321
Total Current			4,671	155	321
Banco de Crédito e Inversiones	Cross Currency Swaps - USD	Currency	-	-	-
Banco de Crédito e Inversiones	Cross Currency Swaps - USD	Rate	43,200	2,900	909
Banco Scotiabank	Cross Currency Swaps CLP/USD	Currency	-	-	20
Total Non-Current			43,200	2,924	929

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

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

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

a) Currency Forwards operations:

The details of currency forwards operations held by Hortifrut and subsidiaries as of December 31, 2019 and 2018, is as follows:

Company	Bank	Contract Type	Fees Type	Currency	Liabilities		Closing Value Amount	Net Effect Offsetting ThUS\$	Mark to Market					Total Current 31-Dec-19 ThUS\$	Maturity up to 1 to 2 years ThUS\$	Total Non- Current 31-Dec-19 ThUS\$
					Amount ThUS\$	Currency			Maturity up to							
									1 to 3 months ThUS\$	3 to 6 months ThUS\$	6 to 9 months ThUS\$	9 to 12 months ThUS\$				
Agric. Santa Rosa del Parque S.A.	Credicorp Capital	Offsetting	Sale	USD	672	CLP	635	(37)	2	1	7	14	24	14	14	
Agric. y Gan. Sta. Rebeca Ltd.	Banco Santander Chile	Offsetting	Sale	USD	50	CLP	47	(3)	3	-	-	-	3	-	-	
Agricola Mataquito S.A.	Credicorp Capital	Offsetting	Sale	USD	1,067	CLP	1,007	(60)	-	1	13	23	37	19	19	
Agricola Mataquito S.A.	Banco Santander Chile	Offsetting	Sale	USD	1,938	CLP	1,811	(127)	64	14	9	17	104	19	19	
Agricola Vida Nueva S.A.	Credicorp Capital	Offsetting	Sale	USD	1,167	CLP	1,099	(68)	19	3	6	10	38	29	29	
Agricola Vida Nueva S.A.	Banco Santander Chile	Offsetting	Sale	USD	662	CLP	620	(42)	24	-	-	2	26	14	14	
Hortifrut Chile S.A.	Banco Scotiabank	Offsetting	Sale	USD	-	CLP	-	-	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	Banco de Chile	Offsetting	Sale	USD	5,480	CLP	5,168	(312)	90	42	31	54	217	96	96	
Hortifrut Chile S.A.	Banco Estado	Offsetting	Sale	USD	7,476	CLP	6,966	(510)	186	87	39	63	375	111	111	
Hortifrut Chile S.A.	Credicorp Capital	Offsetting	Sale	USD	13,382	CLP	12,545	(837)	155	127	98	142	522	267	267	
Hortifrut Chile S.A.	Banco Scotiabank	Offsetting	Sale	USD	17,119	CLP	15,969	(1,150)	536	242	72	110	960	203	203	
Hortifrut S.A.	Banco Scotiabank	Offsetting	Sale	USD	5,645	CLP	5,147	(498)	375	58	10	18	461	45	45	
Hortifrut S.A.	Banco de Chile	Offsetting	Sale	USD	2,749	CLP	2,591	(158)	65	10	14	18	107	55	55	
Hortifrut S.A.	Banco Estado	Offsetting	Sale	USD	3,835	CLP	3,572	(263)	131	21	16	21	189	62	62	
Hortifrut S.A.	Credicorp Capital	Offsetting	Sale	USD	2,962	CLP	2,789	(173)	20	2	15	41	78	83	83	
Hortifrut S.A.	Banco Itai	Offsetting	Sale	USD	1,351	CLP	1,286	(65)	-	-	8	12	20	36	36	
Total			31-Dec-19		66,892		62,480	(4,403)	1,743	614	338	552	3,247	1,062	1,062	

										Mark to Market							
Company	Bank	Contract Type	Fees Type	Currency	Liabilities		Closing Value		Net Effect		Maturity up to				Total Current	Maturity up to	Total Non-Current
					Amount	Currency	Amount		Offsetting		1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	31-Dec-18	1 to 2 years	31-Dec-18
					ThUS\$		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Agric. Santa Rosa del Parque S.A.	Banco Santander Chile	Offsetting	Sale	USD	606	CLP	554	(52)			45	7	-	-	52	-	-
Agric. y Gan. Sta. Rebeca Ltd.	Banco Santander Chile	Offsetting	Sale	USD	50	CLP	46	(4)			4	-	-	-	4	-	-
Agricola Mataquito S.A.	Banco Santander Chile	Offsetting	Sale	USD	1,270	CLP	1,175	(95)			79	14	-	-	93	-	-
Agricola Vida Nueva S.A.	Banco de Crédito e Inversiones	Offsetting	Sale	USD	1,428	CLP	1,326	(102)			79	7	2	2	90	9	9
Agricola Vida Nueva S.A.	Banco Santander Chile	Offsetting	Sale	USD	70	CLP	65	(5)			4	-	-	-	4	-	-
Hortifrut Chile S.A.	Banco Scotiabank	Offsetting	Sale	USD	7,003	CLP	6,745	(258)			115	48	13	21	197	43	43
Hortifrut Chile S.A.	Banco de Chile	Offsetting	Sale	USD	813	CLP	741	(72)			50	20	-	-	70	-	-
Hortifrut Chile S.A.	Banco Estado	Offsetting	Sale	USD	2,685	CLP	2,546	(139)			74	61	-	-	135	-	-
Hortifrut Chile S.A.	Banco Santander Chile	Offsetting	Sale	USD	1,175	CLP	1,150	(25)			17	6	-	-	23	-	-
Hortifrut Chile S.A.	Banco Scotiabank	Offsetting	Sale	USD	15,092	CLP	14,289	(803)			274	109	69	112	564	190	190
Hortifrut S.A.	Banco Scotiabank	Offsetting	Sale	USD	3,710	CLP	3,568	(142)			89	10	7	7	113	20	20
Hortifrut S.A.	Banco de Chile	Offsetting	Sale	USD	521	CLP	474	(47)			41	4	-	-	45	-	-
Hortifrut S.A.	Banco Estado	Offsetting	Sale	USD	629	CLP	597	(32)			10	22	-	-	32	-	-
Hortifrut S.A.	Banco Santander Chile	Offsetting	Sale	USD	726	CLP	710	(16)			14	1	-	-	15	-	-
Hortifrut S.A.	Banco Scotiabank	Offsetting	Sale	USD	8,346	CLP	7,890	(456)			226	23	26	39	314	116	116
Total	31-Dec-18				44,124		41,876	(2,248)			1,121	332	117	181	1,751	378	378

b) Additional information regarding financial liabilities

Annual covenant required with June 30th and December 31st, 2019 cut-off date

Company	Bank	Process Date	Opening Balance (US\$mm)	Balance to date (US\$mm)	Covenant			
					Financial debt /EBITDA	Financial debt /EBITDA	EBITDA/ financial costs	Financial debt /Equity
					Cut off as of December 31	Cut off as of June 30	Cut off as of June 30	Cut off as of June 30
					Net financial debt divided by annual EBITDA must be lower than or equal to:	Net financial debt divided by annual EBITDA must be lower than or equal to:	EBITDA divided by net financial costs must be higher than or equal to:	Net financial debt divided by total equity must be equal to or lower than:
Hortifrut Chile S.A.	Scotiabank	05-nov-15	10.00	1.26	<=4.5 times	<=4.5 times	>=4 times	<=1 time
Hortifrut Chile S.A. Nota 2	Coöperatieve Rabobank U.A.	07-sept-17	20.00	20.24	<=4.5 times	<=4.5 times	>=4 times	<=1 time
Hortifrut S.A. Nota 1	BCI	07-feb-18	54.00	47.60	Note 3	Note 3	>=4 times	<=1 time
Hortifrut S.A. Nota 4	Rabobank	20-jun-18	34.00	25.88	<=6.0 times	<=4.5 times	>=4 times	<=1 time
Hortifrut S.A.	Banco Chile	18-dic-18	25.00	24.87	<=6.0 times	<=4.5 times	>=4 times	<=1 time
Hortifrut S.A. Nota 5	Banco Estado	19-dic-18	30.00	29.83	<=6.0 times	<=4.5 times	>=4 times	<=1 time
Hortifrut Inversiones Internacionales S.A.	Santander	20-jun-18	53.00	19.32	<=6.0 times	<=4.5 times	>=4 times	<=1 time
Hortifrut Inversiones Internacionales S.A.	Scotiabank	20-jun-18	53.00	19.32	<=6.0 times	<=4.5 times	>=4 times	<=1 time

	ThUS\$	ThUS\$	ThUS\$	ThUS\$
EBITDA UDM	99.55	106.50	99.55	
Net Financial Debt	448.91	479.28		448.91
Net Financial Cost UDM			24.28	
Total Equity				658.12
Effect IFRS 16 on Net Financial Debt	21.81	13.49		21.81
Effect IFRS 16 on Net Financial Cost			1.21	
EBITDA adjusted UDM	99.55	105.45	99.55	
Adjusted net Financial Debt	427.10	465.79		427.10
Adjusted Financial Cost UDM			23.07	
Covenant determined by the Company	4.29 times	4.42 Times	4.31 times	0.65 times
	Complies	Complies	Complies	Complies

The EBITDA for the periods ending June 30, 2019 and 2018, for the period ending December 31, 2018 and the 12 month period ending June 30, 2019 (UDM) are:

	31-Dec-19	30-Jun-19	31-Dec-18	30-Jun-18	UDM as of 30-Jun-19
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
EBITDA					
Income from operating activities	576,045	275,121	528,157	260,683	542,595
Other income, per function	4,393	2,470	7,503	1,572	8,401
Total Income	580,438	277,591	535,660	262,255	550,996
Cost of sales	(475,881)	(245,830)	(414,184)	(228,908)	(431,106)
Administration Expenses	(47,334)	(24,037)	(38,080)	(17,560)	(44,557)
Other expenses, per function, excluding impairment in the value of assets	(12,435)	(9,363)	(4,686)	(1,161)	(12,888)
Total Costs and Expenses	(535,650)	(279,230)	(456,950)	(247,629)	(488,551)
Operating Result	44,788	(1,639)	78,710	14,626	62,445
Depreciation and amortization	54,760	25,250	30,234	11,433	44,051
EBITDA	99,548	23,611	108,944	26,059	106,496
Depreciation and Amortization IFRS 16	2,603	827	-	-	827
Lease Payments	(2,889)	(1,875)	-	-	(1,875)
Adjusted EBITDA	99,262	22,563	108,944	26,059	105,448

The detail of depreciation and amortization of the periods ending June 30, 2019 and 2018, for the period ending December 31, 2018 and for the 12 month period ending June 30, 2019 (UDM) are as follows:

	31-Dec-19	30-Jun-19	31-Dec-18	30-Jun-18	LTM as of 30-Jun-19
	MUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Depreciation and Amortization					
Property, plant and equipment	44,546	23,412	28,657	20,167	31,902
Assets for rights of use	2,603	827	-	-	827
Intangibles - Software	144	52	75	50	77
Intangibles - Licenses	6,103	1,410	1,025	814	1,621
Relationship with customers	267	134	266	201	199
Amortization biologicals	168	32	206	-	238
Capitalized amortization / others	929	(617)	5	257	(869)
Total	54,760	25,250	30,234	21,489	33,995

The determining of net financial debt as of December 31, 2018 and for the period ending June 30, 2019 and 2018, is as follows:

	31-Dec-19	30-Jun-19
	ThUS\$	ThUS\$
Determining Net Financial Debt		
Other Current Financial Liabilities	186,959	111,642
Other Non-Current Financial Liabilities	303,957	394,544
Total Financial Liability	490,916	506,186
Minus:		
Cash and cash equivalents	42,002	26,909
Total Net Financial Debt	448,914	479,277
Current Operating Lease Obligations	(2,732)	(809)
Non-Current Operating Lease Obligations	(19,082)	(12,677)
Total Net Financial Debt Adjusted	427,100	465,791

a) Financial risk management policies

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

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

b) The conciliation of movements as of December 31, 2019, between financial liabilities (banks) and cash flows for financing activities is as follows:

Concepts	Opening balance	Cash Flows		Payable Interests	Changes in Fair Value	Reclassifications	31-Dec-19
		Loans	Payments				
		ThUS\$	ThUS\$				
Short term loans with financial entities	162,718	206,804	(351,891)	630	-	153,201	171,462
Long term loans with financial entities	319,134	15,761	-	1,670	-	(153,201)	183,364
Bonds issued Short Term	-	416	(1,783)	1,067	-	1,781	1,481
Bonds issued Long Term	-	93,955	-	-	-	(1,781)	92,174
Financial Leasing Liabilities	18,841	2,275	(7,883)	-	-	-	13,233
Leasing Liabilities	-	-	-	966	20,848	-	21,814
Derivative Instruments	3,379	-	-	-	4,009	-	7,388
Total	504,072	319,211	(361,557)	4,333	24,857	-	490,916

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

The detail of this item as of December 31, 2019 and 2018 is as follows:

	31-Dec-19	31-Dec-18
Current	ThUS\$	ThUS\$
Suppliers	58,709	61,466
Payable notes	2,568	3,379
Retentions and payable tax	13,148	12,750
Payable dividend	4,373	10,724
Total	78,798	88,319

	31-Dec-19	31-Dec-18
Non Current	ThUS\$	ThUS\$
Contingent consideration	6,506	6,506
Total	6,506	6,506

Accounts payable per currency as of December 31, 2019 and 2018 are as follows:

	31-Dec-19	31-Dec-18
Current	ThUS\$	ThUS\$
United States Dollar	34,019	52,236
Chilean Peso	19,616	15,723
Euro	3,172	6,910
Mexican Peso	3,536	1,238
Argentine Peso	8	27
Nuevo Sol	13,477	11,809
Pound	1,005	156
Yuan	3,630	-
Brazilian Real	335	220
Total	78,798	88,319

	31-Dec-19	31-Dec-18
Non Current	ThUS\$	ThUS\$
United States Dollar	6,506	6,506
Total	6,506	6,506

Suppliers with payments non past due, as of December 31, 2019

Type of Supplier Goods/Services/Others	Amounts in thousands of dollars, as per payment terms						Total ThUS\$	Average payment period (days)
	up to 30 days	31 - 60	61 - 90	91 - 120	121 - 365	366 and more		
Goods	15,468	21,667	9,663	1,835	1,079	-	49,712	65
Services	8,891	12,654	237	13	1,957	-	23,752	74
Others	949	-	6	-	4,379	6,506	11,840	338
Total as of 31-12-2019	25,308	34,321	9,906	1,848	7,415	6,506	85,304	

Suppliers with payments non past due, as of December 31, 2018

Type of Supplier Goods/Services/Others	Amounts in thousands of dollars, as per payment terms						Total ThUS\$	Average payment period (days)
	up to 30 days	31- 60	61- 90	91- 120	121- 365	366 and more		
Goods	12,170	28,015	7,570	5,923	416	-	54,094	66
Services	15,069	4,301	396	18	3,229	-	23,013	84
Others	484	-	1	10,727	-	6,506	17,718	208
Total as of 31-12-2018	27,723	32,316	7,967	16,668	3,645	6,506	94,825	

The main suppliers are the following:

- Impresos y Cartonajes S.A.	- J.M.C. Maquinarias S.A.C.
- Fábrica de Plásticos JCK SpA	- Transportes Línea S.A.
- Del Monte Fresh Produce	- Arándanos La Estancia, S.P.R.
- Exportadora Andinexia S.A.	- Legro Potgrondbedrijf B.V.
- Transporte Santelices e Hijo Ltda.	- Gran Peñón Energía Natural, S.A.
- Sof South Organics Fruits S.A.	- Sistemas De Riego Del Pacífico
- Frigorífico San Clemente S.A.	- Frio Express S.A. de C.V.
- Agrícola y Frutera Curacaví S.A.	- Expoberries, S.A. de C.V.
- JL Ings S.A.C.	- Panalpina Transportes Mundiale
- Yara Perú S.R.L.	- Edenred México S.A. de C.V.
- Cartones Villa Marina S.A.	- Comercializadora Simbs S de R.L.
- E & M S.R.L.	
- Aris Industrial S.A.	

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

Producing Suppliers

The Company currently maintains over 800 producers in the countries where it has its operations. Due to the level of atomization of said producers, none of them surpasses 2% of the volume purchased from third parties.

NOTE 23 – EMPLOYEE BENEFITS AND OTHER PROVISIONS

The concepts that make up this item are the following:

	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Current provisions		
Other provisions		
Cost provisions	1,409	829
Other provisions	1,409	829
Employee benefits		
Vacations	2,788	2,245
Substitute retirement benefits	829	605
Other benefits for personnel (bonus)	59	76
Employee benefits	3,676	2,926
Total	5,085	3,755

The movement of provisions during the period ending December 31, 2019 and 2018, is as follows:

	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Movement		
Opening balance	3,755	2,157
Incorporation in merger	-	505
Increase in provisions	4,437	2,510
Used provisions	(3,107)	(1,417)
Total	5,085	3,755

NOTE 24 – ISSUED CAPITAL

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

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

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

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

Subscribed and paid capital as of December 31, 2019, reaches ThUS\$472,212 (ThUS\$347,191 as of December 31, 2018) equal to 577,323,671 shares of a single series and without nominal value.

b) Movements of 2019

At the Extraordinary Shareholders Meeting on April 30, 2019, it was agreed to increase the company's capital by ThUS\$160,000, through the issuance of 64,100,000 payment shares, to be issued, subscribed and paid within a 3 year term, counted from the date of the stated Meeting.

Furthermore, it was approved to reduce from the paid capital, the issuance and placement costs of shares issued in 2017, for the amount of ThUS\$4,221.

The stated 64,100,000 shares were inscribed in the Securities Registry of the Commission for the Financial Markets under number N°1.084, dated June 27, 2019.

The Board, at Session held on June 21, 2019, agreed to offer and place, charged to the referred amount, a first installment of 61,000,000 shares, which will be preferentially offered to the company's shareholders, or assignees of the options, during the 30 day period between July 09, 2019 and August 07, 2019, so as of the closing of these financial statements none of these shares had been subscribed and paid.

The preferential option process finalized successfully, subscribing 51,777,540 shares for a nominal value of ThUS\$129,242 and a sale value of ThUS\$133,557, out of a total of 61,000,000 authorized shares, equal to 84.88%, at a fixed value of \$1,820 per share. Out of the aforementioned amount, it must be mentioned that the Controlling Group subscribed the pro-rate corresponding to 51.85% of the total for \$57,588,135,180.

	31-Dec-19	31-Dec-18
<u>Capital Movement</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Capital	347,191	135,149
Issuance of Shares	129,242	212,042
Capital issuance expenses	(4,221)	-
Capital	<u>472,212</u>	<u>347,191</u>
<u>Capital issuance expenses</u>		
Capital issuance premium	4,315	-
Capital issuance expenses	(564)	(4,221)
Share issuance premium (Issuance expense)	<u>3,751</u>	<u>(4,221)</u>

Expenses incurred in for the aforementioned issuance and merger were ThUS\$564, as per the following detail:

	31-Dec-19
<u>Capital issuance expenses</u>	<u>ThUS\$</u>
Financial and Brokerage Advisory	476
Backoffice	86
Legal Advisory	2
Total	<u>564</u>

c) Movements of 2018

During the period ending December 31, 2018, 90,026,052 shares were issued for a value of ThUS\$212,042, shares destined to the swap that originated the merger with the blueberries business of the Peruvian Rocio Group. Expenses incurred in for the aforementioned issuance and merger were ThUS\$4,221, as per the following detail:

	31-Dec-18
<u>Capital issuance expenses</u>	<u>ThUS\$</u>
Financial and Brokerage Advisory	456
Backoffice	2,448
Legal Advisory	1,285
Otros	32
Total	<u>4,221</u>

There are no own shares in portfolio.

NOTE 25 – ACCUMULATED RETAINED EARNINGS (LOSS)

The detail of the accumulated result as of December 31, 2019 and 2018, is as follows:

	31-Dec-19	31-Dec-18
Movement	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance	135,518	70,503
Profit (loss), attributable to the parent company	3,556	83,883
Minimum dividend provision	(4,373)	(10,724)
Reversal minimum dividend provision previous year	10,724	6,181
Definite dividend	(10,724)	(6,181)
Provisional dividend	-	(7,358)
Impact due to change in accounting policy	-	(786)
Total	<u>134,701</u>	<u>135,518</u>

a) Dividend policy

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

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

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

a) Dividend Provision

In the period ending December 31, 2019, the Company recorded a minimum dividend provision of ThUS\$4,373 (ThUS\$10,724 as of December 31, 2018).

Below is the calculation of the result to be distributed for the period ending December 31, 2019 and December 31, 2018:

Concept	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Gains attributable to owners of the parent company	3,556	83,883
Minus:		
Non realized results	i. -	(60,995)
Increase biological assets to fair value	ii. 904	467
Increase biological assets to fair value foreign companies	ii. 5,328	(4,158)
Deferred taxes	(1,043)	16,967
Result to be distributed	8,745	36,164
Minimum dividend %	50.00%	50.00%
Accrued minimum dividend	4,373	18,082
Minus:		
Paid provisional dividend	-	(7,358)
Calculation of minimum dividend	4,373	10,724
Minimum dividend provision	4,373	10,724

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

Paid dividends

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

Month and year of payer	Type	Last 3 years
		ThUS\$
May-17	Definite	7,283
Oct-17	Provisional	6,097
	Total year 2017	13,380
May-18	Definite	6,181
Oct-18	Provisional	7,358
	Total year 2018	13,539
May-19	Definite	10,724
	Total year 2019	10,724

NOTE 26 – OTHER RESERVES

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

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

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

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

Movement	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Opening balance	(11,806)	1,165
Cash flow hedging reserves	(1,807)	(5,190)
Reserves for exchange rate fluctuations	(2,328)	(7,781)
Total	(15,941)	(11,806)

Other Reserves	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Cash flow hedging reserves (*)	(3,481)	(1,674)
Reserves for exchange rate fluctuations	(12,460)	(10,132)
Total	(15,941)	(11,806)

(*) The movement of cash flow hedging reserves in the period ending December 31, 2019 and 2018, is as follows:

	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Movement cash flow hedging reserves		
Opening balance	(1,674)	3,516
Other comprehensive income	(1,807)	(5,190)
Total	(3,481)	(1,674)

Cash Flow hedging reserve is net of deferred tax.

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

	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Cash flow hedging reserves		
Cash flow hedging reserves	(4,768)	(2,292)
Gains tax	1,287	618
Total	(3,481)	(1,674)

The movement of reserves due to Exchange rate fluctuations, in the period ending December 31, 2019 and 2018, is as follows:

	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Movement exchange rate fluctuation reserves		
Opening balance	(10,132)	(2,351)
Other comprehensive income	(2,328)	(7,781)
Total	(12,460)	(10,132)

NOTE 27 – NON-CONTROLLING INTERESTS

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

The detail of the interests of non-parent companies as of December 31, 2019 and 2018, are the following:

Subsidiaries	Non controlling interest percentage		Non controlling interest equity		Non controlling interest in profit (loss) result	
	31-dic-19	31-dic-18	31-dic-19	31-dic-18	31-dic-19	31-dic-18
	%	%	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Agrícola El Avellano S.A.	60.0%	60.0%	2,824	2,689	(165)	(109)
Agrícola El Pampino S.A.	80.0%	80.0%	1,022	1,001	20	74
Agr. y Ganandera Santa Rebeca Ltda.	75.0%	75.0%	117	115	1	1
Agrícola Vida Nueva S.A.	50.0%	50.0%	3,497	3,687	(180)	(183)
Viveros Hortifrut Chile S.A.	-	49.0%	-	280	26	151
Hortifrut Colombia SAS	25.0%	0.0%	22	-	(4)	-
Hortifrut Argentina S.A.	4.1%	4.1%	6	7	1	(1)
Agrofrutas, SRL. de C.V.	1.0%	1.0%	(98)	(24)	(32)	(2)
Hortifrut España Southern Sun S.L.	50.0%	50.0%	29,680	24,465	5,553	7,064
Agrícola Santa Rosa del Parque S.A.	70.0%	70.0%	2,393	2,884	(279)	9
Agrícola Mataquito S.A.	50.0%	50.0%	1,689	1,993	(285)	566
Euroberry Marketing S.A.	50.0%	50.0%	4,268	2,985	1,333	1,246
Asturian Berries S.A.	74.5%	74.5%	-	21	-	-
Total			63,393	52,743	7,147	8,633

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

Movement	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Opening balance	52,743	36,758
Profit	7,147	8,633
Reserves for exchange rate fluctuations	(678)	(1,938)
Cash flow hedging reserves	(39)	(156)
Capital increase (dividends) at subsidiaries	(202)	(157)
Changes in accounting policies	-	126
Sale interest in Nursery	(313)	-
Contributions in subsidiaries (*)	4,735	9,477
Total	63,393	52,743

(*) Contributions at Subsidiaries:

- Corresponds to contributions to Honghe Jiayu Agriculture Limited, on behalf of the minority investor, for the amount of ThUS\$4,410 (ThUS\$9,477 as of December 31st 2018).
- Corresponds to contributions to Agrícola el Avellano S.A., on behalf of the minority investor, for the amount of ThUS\$300.
- Corresponds to contributions to Hortifrut Colombia SAS, on behalf of the minority investor, for ThUS\$25.

NOTE 28 – PROFITS PER SHARE AND DISTRIBUTABLE NET PROFIT**28.1. Profits per share**

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

The detail of profits per share is as follows:

Basic profit (loss) per share	Measuring unit	31-Dec-19	31-Dec-18
Profit (loss) of continued operations after tax	ThUS\$	3,556	83,883
Basic weighted average of number of shares	Unit	550,370,979	480,903,075
Basic profit per share from continued operations	(US\$ per share)	0.006461	0.174428

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

Weighted average of ordinary shares in circulation	N° of days in circulation	N° of shares	% Weighting	Weighted average of ordinary shares in circulation	
				31-Dec-19	31-Dec-18
Opening balance	365	525,546,131	100%	525,546,131	435,520,079
Issuance new payment shares	175	51,777,540	48%	24,824,848	45,382,996
	365	577,323,671		550,370,979	480,903,075

28.2. Distributable net profit

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

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

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

The calculation of the Result to be Distributed for the period ending December 31, 2019 and 2018, is presented in Note 25 b).

NOTE 29 – OPERATING REVENUE AND OTHER REVENUE, PER FUNCTION

The detail of the item for the periods ending December 31, 2019 and 2018 is as follows:

Concept	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Revenue from operating activities	576,045	528,157
Other revenue, per function	4,393	7,503
Total	580,438	535,660

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

Other income, per function	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Adjustment to Biological Fair Value	1,401	5,332
Profit from the sale of property, plant and equipment	1,204	1,232
Other revenue	72	-
Official operating subsidies	118	-
Third party recoveries	1,598	939
Total	4,393	7,503

Below we detail revenue per segment for the periods ending December 31, 2019 and 2018:

Product	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Fruta fresca		
Blueberries	508,523	465,799
Raspberries	16,236	17,845
Blackberries	13,574	13,767
Strawberries	3,599	7,132
Cherries	5,770	4,529
Total Fresh Fruit	547,702	509,072
Value Added Products	32,736	26,588
Total	580,438	535,660

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

NOTE 30 – DETAIL OF RELEVANT RESULTS

The items in the income statement per function for the semesters and quarters ending December 31, 2019 and 2018, are detailed as indicated below:

30.1. Cost of sales

Below are the main concepts that make up the Company's sales costs for the periods ending December 31, 2019 and 2018:

	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Cost of sales		
Cost of sales	178,316	169,618
Materials	38,637	45,838
Remunerations	102,792	73,357
Depreciation	46,243	27,500
Amortization	6,103	1,025
Other general expenses	23,893	24,340
Freight	37,021	26,676
Lease of property, machinery, etc.	3,593	7,196
Third party services	39,283	38,634
Total Cost of Sales	475,881	414,184

Cost of sales, is presented net of the cost and expense activation to inventories.

30.2. Administrative expenses

Below is the detail of administrative expenses for the periods ending December 31, 2019 and 2018:

	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Administration expenses		
Remunerations	21,942	19,810
Depreciation	1,936	1,313
Amortization	411	341
Other general expenses	12,721	10,910
Lease of property, machinery, etc.	1,252	722
Third party services	9,072	4,984
Total Administration Expenses	47,334	38,080

30.3 Other expenses, per function

Below is the detail of Other expenses, per function for the periods ending December 31, 2019 and 2018:

Other expenses, per function	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Impairment value of assets	1,747	2,317
Adjustment to Fair Value Biologicals	7,357	-
Sub-total impairment	9,104	2,317
Research expenses		
Cost of Sales	143	11
Materials	99	8
Remunerations	364	589
Depreciation	67	55
Other general expenses	271	274
Freight	7	33
Lease of property, machinery, etc	51	17
Third party services	609	791
Received contributions	(309)	(190)
Sub-total investigation expenses	1,302	1,588
Other expenses		
Loss from the sale of property, plants and equipment and materials	876	916
Asset write-offs	19	1,315
Impairment accounts receivable	1,129	239
Other expenses	1,752	628
Sub-total Otros expenses	3,776	3,098
Total Other expenses, per function	14,182	7,003

NOTE 31 – FINANCIAL EXPENSES

Below is a detail of financial expenses for the periods ending December 31, 2019 and 2018:

Financial Expenses	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Bank loans	18,940	14,865
Bonds	3,203	-
Other financial expenses	2,673	1,464
Interests with related parties	291	188
Leasing interests under IFRS 16	1,207	-
Leasing interests	756	737
Total Financial Expenses	27,070	17,254

NOTE 32 – OTHER REVENUE - EXPENSE

Below is a detail of Other Revenue – Expense for the periods ending December 31, 2019 and 2018:

	31-Dec-19	31-Dec-18
	ThUS\$	ThUS\$
Other revenue (expenses)		
Profit from FV acquisition Hortifrut Tal S.A.C (*)	-	60,823
Expenses due to fines and tax readjustments	(1,263)	-
Donations	(754)	-
Otros Revenue (expenses)	258	-
Total Other Revenue (expenses)	(1,759)	60,823

NOTE 33 – EXCHANGE RATE DIFFERENCE

Below is a detail of the Exchange rate difference for the periods ending December 31, 2019 and 2018:

	Currency	31-Dec-19	31-Dec-18
		ThUS\$	ThUS\$
Assets			
Cash and cash equivalents	CLP	406	125
Cash and cash equivalents	USD	2,441	(297)
Cash and cash equivalents	EUR	(365)	(33)
Cash and cash equivalents	MXN	(160)	(42)
Cash and cash equivalents	PEN	76	-
Trade debtors and other accounts receivable	CLP	496	510
Trade debtors and other accounts receivable	USD	584	664
Trade debtors and other accounts receivable	EUR	8	9
Trade debtors and other accounts receivable	MXN	189	(111)
Trade debtors and other accounts receivable	GBP	-	-
Trade debtors and other accounts receivable	PEN	54	-
Accounts receivable from related entities	EUR	102	469
Accounts receivable from related entities	GBP	166	-
Current tax assets	CLP	(221)	(545)
Current tax assets	MXN	-	2,441
Current tax assets	EUR	1	-
Current tax assets	PEN	(139)	-
Current tax assets	USD	105	(1,711)
Sub-total		3,854	1,479
Liabilities			
Other financial liabilities	CLP	9	53
Other financial liabilities	EUR	52	10
Other financial liabilities	USD	(125)	7
Other financial liabilities	PEN	(10)	-
Trade accounts and other accounts payable	CLP	(1,604)	683
Trade accounts and other accounts payable	USD	(826)	(1,960)
Trade accounts and other accounts payable	EUR	43	3
Trade accounts and other accounts payable	MXN	(269)	-
Trade accounts and other accounts payable	PEN	(218)	-
Accounts payable to related entities	CLP	219	(397)
Accounts payable to related entities	USD	(890)	2,151
Accounts payable to related entities	MXN	1	(24)
Accounts payable to related entities	PEN	(13)	-
Other liabilities	MXN	181	-
Other liabilities	PEN	(167)	-
Sub-total		(3,607)	526
Total exchange rate difference		247	2,005

NOTE 34 – FOREIGN CURRENCY

34.1. Foreign Currency Current Assets

Current Assets	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Cash and Cash Equivalents		
Dollar	26,990	31,355
Euros	6,164	9,878
Chilean Pesos	1,053	505
Mexican Pesos	538	234
Peruvian Nuevo sol	4,816	4,958
Other currencies	2,441	1,971
Other current financial assets		
Dollar	-	1,411
Other current non-financial assets		
Dollar	4,377	398
Euros	141	192
Chilean Pesos	1,052	1,369
Mexican Pesos	2,139	3,461
Peruvian Nuevo sol	934	
Other currencies	67	42
Current trade debtors and other accounts receivable		
Dollar	27,254	11,147
Euros	20,222	44,441
Chilean Pesos	15,537	10,062
Mexican Pesos	4,575	2,192
Peruvian Nuevo sol	24,344	9,658
Yuan	3,593	-
Other currencies	1,541	4,702
Current accounts receivable from related entities		
Dollar	56,338	42,935
Euros	5,091	5,084
Chilean Pesos	754	298
Other currencies	48	-
Inventories		
Dollar	67,835	81,450
Euros	1,250	3,946
Chilean Pesos	421	623
Other currencies	1,075	471
Biological assets, current		
Dollar	16,756	18,687
Euros	899	1,828
Chilean Pesos	422	460
Other currencies	148	101
Current tax assets		
Dollar	3,316	2,007
Euros	584	-
Chilean Pesos	574	-
Peruvian Nuevo sol	4,818	-
Total Current Assets	308,107	295,866

34.2. Foreign Currency Non-Current Assets

Non-Current Assets	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Other non-current financial assets		
Dollar	755	317
Other non-current non-financial assets		
Dollar	1,158	1,189
Euros	28	-
Other currencies	-	3
Non-current fees receivable		
Dollar	2,682	1,500
Chilean Pesos	85	46
Other currencies	193	-
Non-current accounts receivable from related entities		
Euros	4,417	4,224
Investments recorded using the equity method		
Dollar	10,757	29,369
Euros	381	-
Other currencies	802	804
Intangible assets other than goodwill		
Dollar	8,855	15,020
Goodwill		
Dollar	179,770	179,770
Property, plant and equipment		
Dollar	733,618	674,775
Euros	12,871	11,458
Chilean Pesos	3,260	4,005
Other currencies	53,614	3,125
Deferred tax assets		
Dollar	27,991	26,637
Total Non-Current Assets	1,041,237	951,454
Total Assets	1,349,344	1,247,320
Dollar	1,168,452	1,117,967
Euros	52,048	80,263
Chilean Pesos	23,158	17,368
Mexican Pesos	7,252	5,887
Peruvian Nuevo Sol	34,912	14,616
Yuan	3,593	-
Other currencies	59,929	11,219
Total Assets per Currency	1,349,344	1,247,320

34.3. Foreign Currency Current Liabilities

Current Liabilities	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Other current financial liabilities		
Dollar	173,991	162,144
Euros	10,354	10,029
Chilean Pesos	671	455
Mexican Pesos	250	-
Peruvian Nuevo Sol	-	1
Other currencies	1,693	-
Current trade accounts and other accounts payable		
Dollar	37,649	52,236
Euros	3,172	6,910
Chilean Pesos	19,616	15,723
Mexican Pesos	3,536	1,238
Peruvian Nuevo Sol	13,477	11,809
Other currencies	1,348	403
Current accounts payable to related entities		
Dollar	520	3,340
Euros	276	245
Chilean Pesos	2,003	4,061
Peruvian Nuevo Sol	549	-
Other current provisions		
Dollar	1,409	829
Current provisions for employee benefits		
Dollar	2,728	1,978
Chilean Pesos	441	441
Mexican Pesos	507	507
Other current non-financial liabilities		
Dollar	690	1,638
Euros	-	431
Total current liabilities	274,880	274,418

34.4. Foreign Currency Non-Current Liabilities

Non-Current Liabilities	31-Dec-19 ThUS\$	31-Dec-18 ThUS\$
Other non-current financial liabilities		
Dollar	273,686	310,918
Euros	12,265	20,520
Chilean Pesos	2,208	5
Mexican Pesos	506	-
Other currencies	15,292	-
Other non-current accounts payable		
Dollar	6,506	6,506
Non-current accounts payable to related entities		
Euros	4,662	7,353
Chilean Pesos	1,122	1,209
Other provisions, non current		
Dollar	1,222	-
Deferred tax liabilities		
Dollar	98,879	106,966
Total Non-Current Liabilities	416,348	453,477
Total Liabilities	691,228	727,895
Dollar	597,280	646,555
Euros	30,729	45,488
Chilean Pesos	26,061	21,894
Mexican Pesos	4,799	1,745
Peruvian Nuevo Sol	14,026	11,810
Other Currencies	18,333	403
Total liabilities per currencies	691,228	727,895
Summary of thousands of dollars per currency		
Dollar	571,172	471,412
Euros	21,319	34,775
Chilean Pesos	(2,903)	(4,526)
Mexican Pesos	2,453	4,142
Peruvian Nuevo Sol	20,886	2,806
Yuan	3,593	-
Other Currencies	41,596	10,816
Total net per currencies	658,116	519,425

NOTE 35- CONTINGENCIES

a) Pledged shares

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

b) Direct guarantees

Dated February 12, 2015, a Stand By Letter was issued with Banco Estado bank in order to guarantee the faithful compliance of the payment commitment with Royal Berries S.L. for the purchase of an operating license for varieties of berries. As of December 31, 2018, the balance of the Stand By Letter was at US\$4.35 million.

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

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

<u>Company</u>	<u>Bearer Plants</u>	<u>Other Properties</u>	<u>Associated Debt</u>	<u>Bank</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	
Agrícola Santa Rosa del Parque S.A	2,839	2,573	1,017	Banco RaboFinance Chile
Agrícola Mataquito S.A. (Curepto field)	4,005	1,877	1,542	Banco RaboFinance Chile
Agrícola Hortifrut S.A.	-	2,304		
Hortifrut Chile S.A. (Colbún plant)	-	4,428		
Hortifrut S.A. (Antillanca plant)	-	865		
Hortifrut Comercial S.A. (La Serena field)	-	2,168	43,983	Banco Credito e Inversiones
Hortifrut Chile S.A. (Angol-Gorbea-Los Angeles plant)	-	12,346		
Total	6,844	26,561	72,828	

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

<u>Company</u>	<u>Surface</u>		<u>Land</u>	<u>Associated Debt</u>	
			<u>ThUS\$</u>	<u>ThUS\$</u>	
Berries de Chao SAC - Remanso 1 y 2	566	has	10,429	11,085	Metlife
Hortifrut-Perú SAC. - Armonia 1,2 y 3	568	has	10,086	11,124	Metlife
Hortifrut-Perú SAC. - Ilusion Tal y Avo	172	has	1,845	3,369	Metlife
Hortifrut-Perú SAC. - El Tumi	214	has	2,127	4,191	Metlife
Hortifrut-Perú SAC. - Planta Salaverry	39,981	m2	3,534	-	Scotiabank
Hortifrut Tal SAC. - San Luis	122	has	2,361	-	Rabobank
Hortifrut Tal SAC. - Planta Chao	9	has	450	-	Scotiabank
Hortifrut Tal SAC. - Esperanza 1,2 y 3	644	has	8,254	-	Rabobank
			39,086	29,769	

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

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

b.1.1) Mortgage in favor of RaboFinance over: (i) Higuera A, resulting from the division of the “El Parque” estate, Angol, (ii) water use rights corresponding to 10 water irrigators from the Parque Ñipado channel which water the aforementioned branch drain and (iii) permanent and continuous consumptive water use rights for 75 liters/sec. at Huequén River (EP 24.08.12, Not. Gloria Acharán). The amount of the used credit is ThUS\$1,017.

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

b.2) Agrícola Mataquito S.A.

b.2.1) Mortgages in favor of the RaboFinance on: (i) Higuera Tercera del Fundo Ponunquén, commune of Curepto; (ii) Lot B of the Higuera Report plan, with an area of 20.18 hectares, Curepto Commune and (iii) Water rights that irrigate the aforementioned properties (EP.27.08.12, Not. Gloria Acharán). The amount of the credit used is ThUS\$1,542.

b.2.2) Pledge without displacement in favor of the RaboFinance on the movable property located in the properties singled out in letter b.4.1) (EP.27.08.12, Not. Gloria Acharán).

b.3) Agrícola Hortifrut S.A.

b.3.1) Mortgages in favor of the BCI on: Lot A, Predio Vista Hermosa; Higuera N° 1, The Screen and El Zarzal; Lot 4-1 Arturo Araya; Plot No. 5 Arturo Araya; Lot 6-1 Arturo Araya; Lot 8-1 Arturo Araya; and their respective water rights; all corresponding to Comuna de Panguipulli (EP 28.07.14., Not. José Musalem S.).

As of December 31, 2019, the Company has no legal or contractual obligation to dismantle, remove or rehabilitate sites where it operates, which is why its assets do not incorporate costs associated with said requirements.

b.4) Hortifrut Chile S.A.

b.4.1) Mortgages in favor of BCI over: (i) Lot One - B, part of El Congreso Farm, Commune of Gorbea (EP 28.07.14., Not. José Musalem S.).

b.4.2) Pledge without displacement in favor of BCI over the movable goods located on the property detailed in letter b.6.1) (EP.02.09.14, Not. José Musalem S.).

b.4.3) Mortgages in favor of BCI over: Lot Two of Higuera Segunda of Lot B of the Property denominated Resto Hacienda Virquenco (EP 09.12.2014, Not. José Musalem S.).

b.4.4) Pledge without displacement in favor of BCI over the movable goods located on the property detailed in letter b.6.3) (EP 13.11.2014, Not. José Musalem S.).

b.4.5) Mortgages in favor of BCI over: (i) property located in Lot One of Resto of Farm Coihuecura, Commune of Yervas Buenas and its water rights (EP 05.08.14., and EP 17.10.14. Not. José Musalem S.).

b.4.6) Pledge without displacement in favor of BCI over the movable goods located on the property detailed in letter b.9.1) (EP.02 09.14, Not. José Musalem S.).

b.5) Hortifrut S.A.

b.5.1) Mortgages in favor of BCI over: property located on Antillanca street N° 370 (Lot 4-B) and N° 540 (Lot 5-B), both located in the Commune of Pudahuel (EP 28.07.14., Not. José Musalem S.).

b.6) Hortifrut Comercial S.A.

b.6.1) Mortgages in favor of BCI over: (i) Lots 1, 2, 4 to 16 and 55 to 84 and water rights, of the sub-division of Farm 151, of Colonia Gabriel Gonzalez Videla, Vegas Norte Sector, La Serena, (EP 18.08.14., Not. José Musalem S.).

The credit received by BCI, for the mortgages individualized in letters b.6 to b.8 and b.5.3, correspond to the amount of US\$54 million. The amount of used credit is ThUS\$43,983.-

c) Indirect guarantees

Below we detail the Guarantees directly managed by the subsidiaries.

d) Guarantees obtained from third parties

To the closing of the current financial statement, the Company has not received relevant guarantees from third parties.

e) Restrictions

Management restrictions or limit of financial indicators are presented detailed in Note 21.

f) Lawsuits

Below we present the main valid lawsuits:

<u>Plaintiff</u>	<u>Defendant</u>	<u>Type of Lawsuit</u>	<u>Claimed Amount</u>	<u>Probable Resolution</u>	<u>Provision</u>
Hortifrut S.A. de CV	Agrícola Gavilanes	Executory Commercial (*)	USD 173,420	Favorable for Hortifrut	50% provisioned
Hortifrut S.A. (Ex VBM)	Marchant Morales	Executory Commercial	USD 138,694	Uncertain	Provisioned
Confederación Hidrográfica de Guadalquivir	Hortifrut España Southern Sun S.L	Water law infringement	EUR 127,039	Uncertain	Provisioned

(*) Net provisions have been constituted of the seizable guarantees.

g) Other contingencies

The Company, to the closing of these Financial Statements, does not maintain other contingencies that could significantly affect the current financial statements

NOTE 36 - ENVIRONMENT

Hortifrut is a Company that is concerned with the environment. Most of its production has been converted into organic production, thus becoming the largest organic blueberry producer in the world.

For the period ending December 31, 2019, the Company has not performed disbursements related with protecting the environment, and there are no future commitments regarding this matter.

In the future, the Company and its subsidiaries reiterate their commitment for taking care of the environment by constantly training its workers and subscribing agreements that allow it to advance towards sustainable development in order to obtain a harmonic progress between its operations and its surroundings.

NOTE 37 – FINANCIAL LEASE

The flows were determined based on the contractually agreed lease terms, without considering the negotiations that are maintained to date to extend the validity term of said contracts.

The main financial leasing contracts are:

Bank or financial institution	Description of leased goods	Minimum Payment		
		Up to one	Between	Total
		year	one and four years	
		ThUS\$	ThUS\$	ThUS\$
L-Banco de Crédito e Inversiones	Sulfurer	7	15	22
L-Banco de Crédito del Perú	Trucks	31	-	31
L-Banco de Crédito del Perú	Trucks and accessories	7	-	7
L-Banco de Crédito e Inversiones	Trucks	4	-	4
L-Banco Internacional del Perú S.A.	Truck bodywork	89	59	148
L-Scotiabank Perú S.A.	Several Equipment	295	49	344
L-Banco Santander Chile	Roof Structure	73	73	146
L-Banco de Crédito e Inversiones	Greenhouse	445	657	1,102
L-Banco de Crédito e Inversiones	Plant pots	291	605	896
L-Banco Santander Chile	Macro-tunnels	37	-	37
L-Banco de Crédito del Perú	Machinery and Equipment	2,653	-	2,653
L-Scotiabank Perú S.A.	Machinery and Equipment Peru	726	692	1,418
L-Scotiabank Perú S.A.	Machinery-Equipment and Others	160	-	160
L-Banco de Crédito del Perú	Nebulizer	144	24	168
L-Banco Internacional del Perú S.A.	Nebulizers	576	192	768
L-Banco Scotiabank	Offices and parking	142	-	142
L-Banco de Crédito e Inversiones	Molina Plant	836	2,926	3,762
L-Scotiabank Perú S.A.	Processing system	490	-	490
L-Banco de Crédito del Perú	Sistema Video Vigilancia	47	5	52
L-Banco de Crédito del Perú	Tractors	205	34	239
L-Banco Internacional del Perú S.A.	Tractors	58	139	197
L-Banco Internacional del Perú S.A.	Tractors-Nebulizers	500	167	667
L-Banco Santander Chile	Tunnels	17	-	17
L-Banco de Crédito e Inversiones	UNITEC	196	-	196
L-Banco de Crédito del Perú	Vehicles	31	-	31
L-Scotiabank Perú S.A.	Vehicles and others	185	15	200
	General Total	8,245	5,652	13,897

Bank or financial institution	Description of leased good	Future financial burden		
		Up to one	Between	Total
		year	one and four years	
		ThUS\$	ThUS\$	ThUS\$
L-Banco de Crédito e Inversiones	Sulfurer	-	1	1
L-Banco de Crédito e Inversiones	Truck	1	-	1
L-Banco Internacional del Perú S.A.	Truck bodywork	4	-	4
L-Scotiabank Perú S.A.	Several Equipment	9	-	9
L-Banco Santander Chile	Roof Structure	4	1	5
L-Banco de Crédito e Inversiones	Greenhouse	22	40	62
L-Banco de Crédito e Inversiones	Plant pots	10	47	57
L-Banco Santander Chile	Macro-tunnels	1	-	1
L-Banco de Crédito del Perú	Machinery and Equipment	97	-	97
L-Scotiabank Perú S.A.	Machinery and Equipment Peru	43	26	69
L-Banco de Crédito del Perú	Nebulizer	5	-	5
L-Banco Internacional del Perú S.A.	Nebulizers	20	3	23
L-Banco Scotiabank	Offices and parking	18	-	18
L-Banco de Crédito e Inversiones	Molina Plant	90	175	265
L-Scotiabank Perú S.A.	Processing plant	5	-	5
L-Banco de Crédito del Perú	Video Surveillance System	2	-	2
L-Banco de Crédito del Perú	Tractors	5	-	5
L-Banco Internacional del Perú S.A.	Tractors	6	6	12
L-Banco Internacional del Perú S.A.	Tractors-Nebulizers	17	2	19
L-Scotiabank Perú S.A.	Vehicles and Others	4	-	4
	General Total	363	301	664

NOTE 38 – SUBSEQUENT EVENTS

As of the date of issuance of these financial statements, the Government has decreed various measures to stop the spread of the COVID-19 virus (Coronavirus) among the population. COVID-19 (Coronavirus), has generated volatility and uncertainty in the markets worldwide, since the extent of the problem and the impacts that the measures implemented by the countries will have cannot be foreseen.

Regarding the Company's operations, it has hygiene and safety protocols that comply with the provisions of the health authority in order to safeguard the safety of its workers. The Company's Administration will keep track of this situation considering that such events could impact economic activity, which could affect operations and financial results.

Between December 31, 2019 and the date of issuance of these consolidated financial statements, no other events of a financial or other nature have occurred that significantly affect their interpretations.

NOTE 39 – OTHER INFORMATION

The number of Hortifrut and subsidiaries employees per category is as follows:

	<u>31-Dec-19</u>	<u>31-Dec-18</u>
Indefinite contracts	1,310	1,118
Temporary contracts	<u>23,210</u>	<u>23,128</u>
Total contracts	<u>24,520</u>	<u>24,246</u>

Detail per country

Indefinite Contracts	<u>31-Dec-19</u>	<u>31-Dec-18</u>
Chile	485	502
United States	23	20
Mexico	168	126
Spain	63	53
Brazil	40	35
Argentina	10	13
Peru	480	354
Germany	4	2
England	5	3
China	<u>32</u>	<u>10</u>
Total	<u>1,310</u>	<u>1,118</u>

Temporary Contracts	<u>31-Dec-19</u>	<u>31-Dec-18</u>
Chile	5,634	5,293
Mexico	1,708	892
Spain	45	28
Brazil	75	60
Peru	20,549	16,777
China	<u>246</u>	<u>78</u>
Total	<u>28,257</u>	<u>23,128</u>