



Earnings Presentation June 2020

September 2020

Agenda

1. HIGHLIGHTS
2. CONSOLIDATED RESULTS S19/20
3. CONSOLIDATED RESULTS 1H20
4. RESULTS PER BUSINESS SEGMENT S19/20



Highlights



1. INCREASE OF 93.4% IN EBITDA IN 1H20

- **US\$22.1 mn increase in EBITDA** during 1H20.
- The higher EBITDA is due to the higher prices of Chilean fruit due to better quality, better margins in the frozen food business and the ripening of the fields in China.
- Additionally, a reduction in costs and expenses was obtained as a result of the implementation of savings plans and the better quality of the fruit.

2. COVID-19 PANDEMIC CONTINGENCY

- Hortifrut has taken actions in order to **protect the health of its workers and collaborators**, adopting the home office modality.
- For the workers, whose work is essential to be carried out in person, **all the recommendations and measures established by the government authorities have been taken**.
- To ensure the continuity of operations, **measures** have been taken **to ensure the provision of supplies necessary** for the proper functioning of all our fields, together with the development of a traceability system for workers.
- The fields that are being harvested are Peru, Chile and Mexico, whose operations have not been largely affected to date.

3. START OF VITAFOODS OPERATIONS

- On July 31, 2020, the **merger between Hortifrut and Alifrut was finalized**, to combine their operations of frozen products for export in equal parts, initially **trading ~35 million kilos and with sales of ~US\$100 mn**.
- The new company will **distribute directly to its customers** through the global commercial platforms of Hortifrut and its subsidiary Naturipe Value Added Foods (USA), which will be controlled by Vitafoods.

4. SUCCESSFUL DEBT REFINANCING FOR US\$101 MN

- On August 25, 2020, Hortifrut signed a **syndicated loan agreement and a bilateral agreement for US\$101 mn**.
- Both for a **period of 5 years with 2 years of grace**. The funds from these loans will be used in their entirety to **refinance short-term liabilities**.

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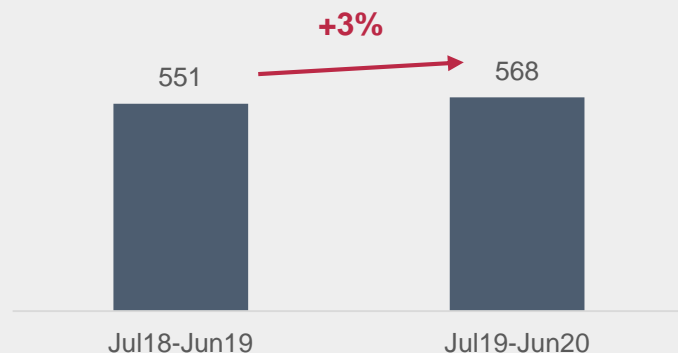


US\$122 mn in EBITDA during S19/20 (Jul-Jun)

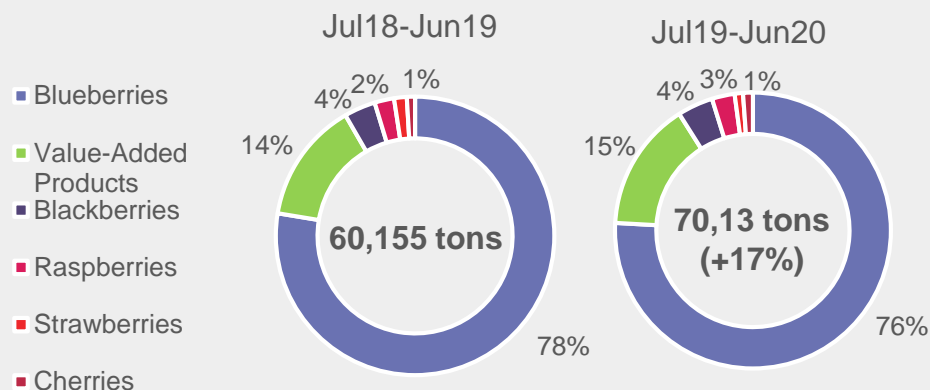
- **EBITDA increases by US\$15.1 mn** compared to S18/19, due to:
 - Increase in marketed volume
 - Increase in revenue larger than increase in sales cost
 - Partly offset by a reduction in the average price
- The **distributed volume increased 16.6%, reaching 70,113 tons**, with growth in segments: Blueberries, Raspberries, Value Added Products and Cherries.
- **Decrease of 11.4% in the average price per kilo**, with falls in the prices of all segments.



1. CONSOLIDATED REVENUE (US\$ mn)

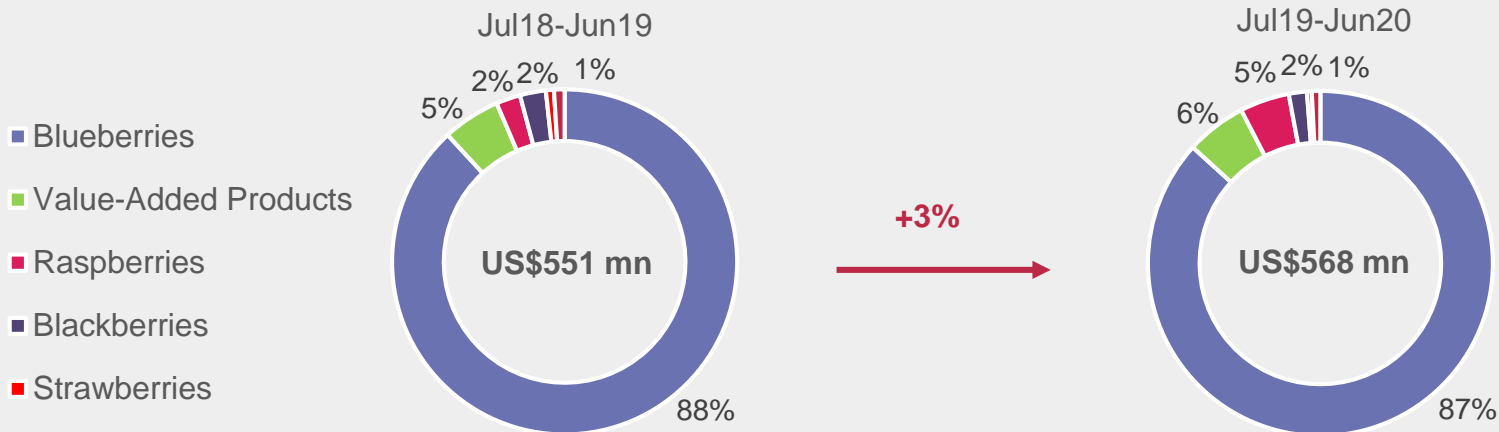


2. DISTRIBUTED VOLUME (%)

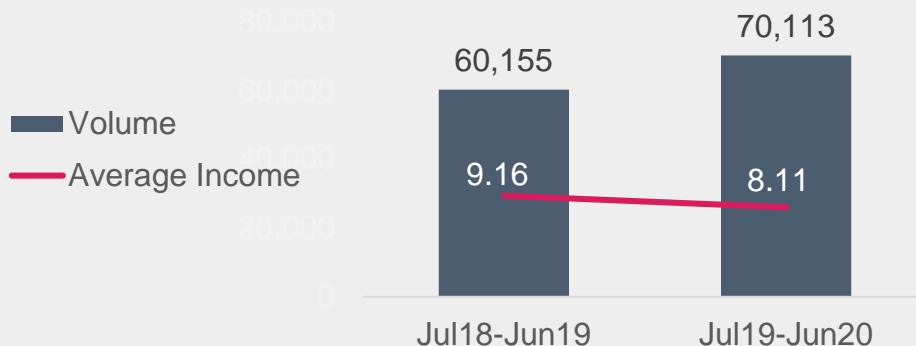


Revenue Evolution S18/19 – S19/20 (Jul-Jun)

1. CONSOLIDATED REVENUE, PER TYPE. (%)



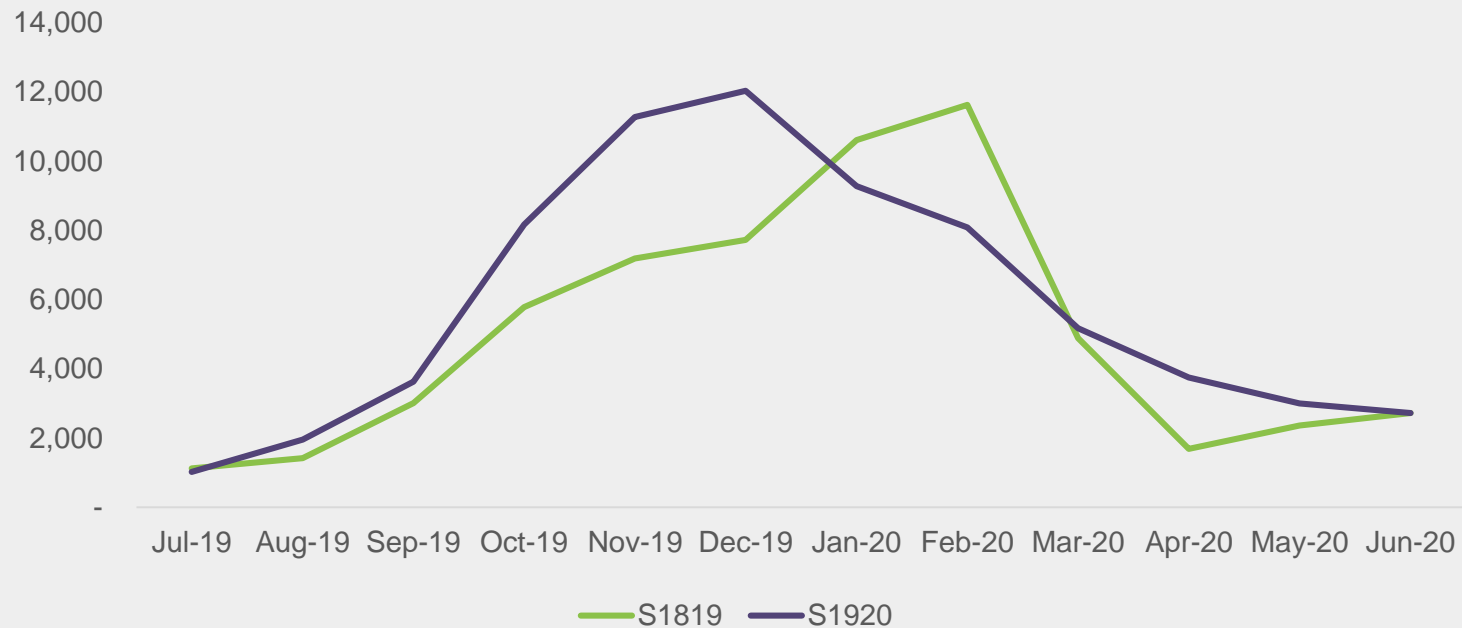
2. VOLUME – AVERAGE REVENUE. (Tons/US\$Kg)



- The higher revenues are due to an increase of 16.55% in the marketed volume to 70,113 tons, mainly related to:
 - The normalization of the production curve in Peru
 - The ripening of blueberry fields in China
 - The entry into production of the raspberry fields in Mexico that were planted in S18/19.
- The higher volume was partially offset by a reduction in the average price per kilo of 11.44%, which went from 7.81 US\$/Kg in S18/19 to 6.92 US\$/Kg in S19/20.

Volumes S18/19 – S19/20 (Jul-Jun)

1. FRESH AND FROZEN MONTHLY VOLUME. (Tons)

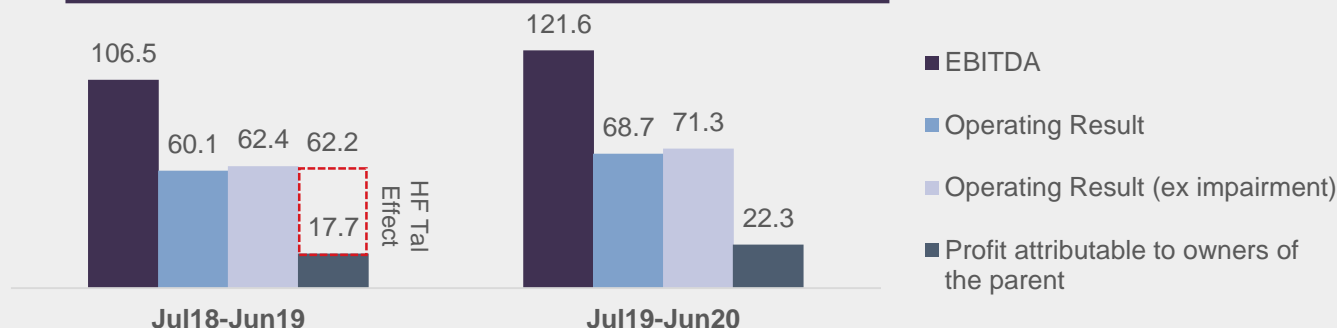


	Jul18-Dec18	Jul19-Dec19	Var %	Jan19-Jun19	Jan20-Jun20	Var %	Jul18-Jun19	Jul19-Jun20	Var %
Sales Volume (kilos)	26,252,102	38,097,235	45.1%	33,902,993	32,015,511	-5.6%	60,155,095	70,112,746	16.6%

Consolidated Results S18/19 – S19/20 (Jul-Jun)



1. CONSOLIDATED RESULTS. (US\$ mn)



EBITDA variation

Increases 14.2% due to:

- Higher volume due to the normalization of the production curve in Peru and ripening of fields in China
- Increase in revenue in larger proportion compared to the increase in costs and expenses, associated with the better production curve
- Better results in the frozen segment

This is offset by the reduction of 11.4% in the average price per kilo.

Operating Result

It increases by 14.2% for the same reasons that explain the variation in EBITDA, partially offset by a higher depreciation associated with the incorporation of hectares planted in Mexico and China and by the increase in amortization of intangible assets.

Profit Attributable to Owners of the Parent

Increase of 26.0% (without effect of adjustment to fair value) mainly associated with:

- Higher operational result.
- Better non-operating result due to lower net financial costs, lower losses in associates and higher gain from exchange difference.
- S18/19 presents the positive effect of ThUS\$60,990 due to the adjustment to fair value of the 50% interest in Hortifrut Tal S.A.C (Peru), which net of taxes amounts to MU\$44,520.

Non-operating Result S18/19 – S19/20 (Jul-Jun)

	Jul18-Jun19 (ThUS\$)	Jul19-Jun20 (ThUS\$)	Var %
Financial Income	790	2,890	265.8%
Finance Expenses	-25,969	-24,608	-5.2%
Share of profit (loss) of equity-accounted associates and joint ventures	-5,979	-3,122	-47.8%
Other income/expenses	60,527	-1,747	-102.9%
Exchange differences	25	3,100	12300.0%
Non-operating result	29,394	-23,487	-179.9%



MAIN VARIATIONS

- **Net financial expense:** decrease by 13.8% mainly due to higher financial income and debt prepayment due to the capital increase carried out in August 2019.
- **Other income/expenses:** one-off positive effect of ThUS\$60,990 in the non-operating result for 2H18, which is recorded in other income/(expenses) outside the operation, due to the adjustment to fair value of the 50% interest in Hortifrut Tal S.A.C. (Peru), which net of taxes amounts to ThUS\$44,520.
- **Exchange rate differences:** during the period, this result was influenced by the positive effect of the depreciation of the Chilean peso against the US dollar.

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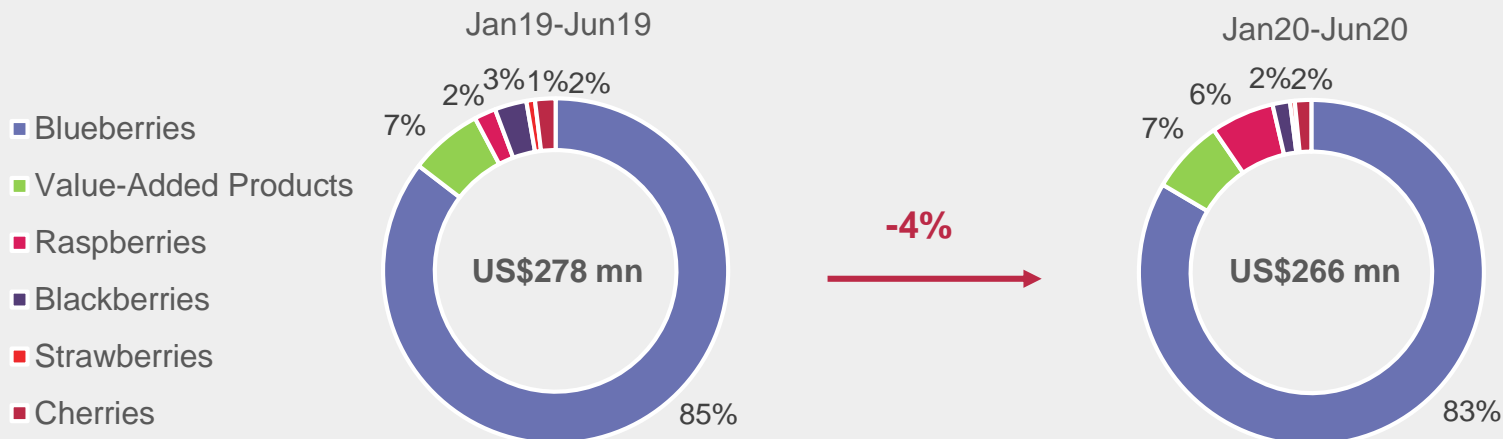
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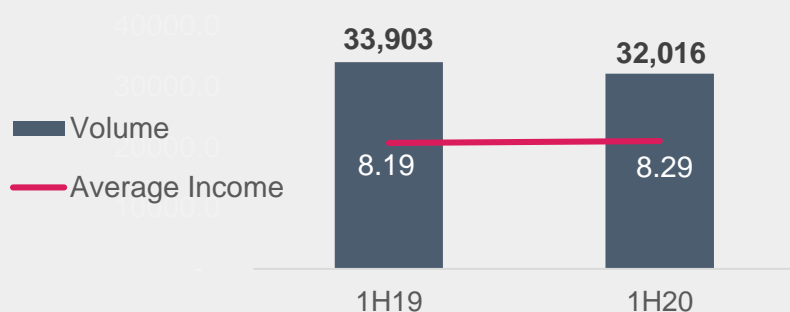
Consolidated Results 1H19 - 1H20



1. CONSOLIDATED REVENUE, PER SEGMENT (%)



2. VOLUME / AVERAGE INCOME. (Tons/US\$Kg)

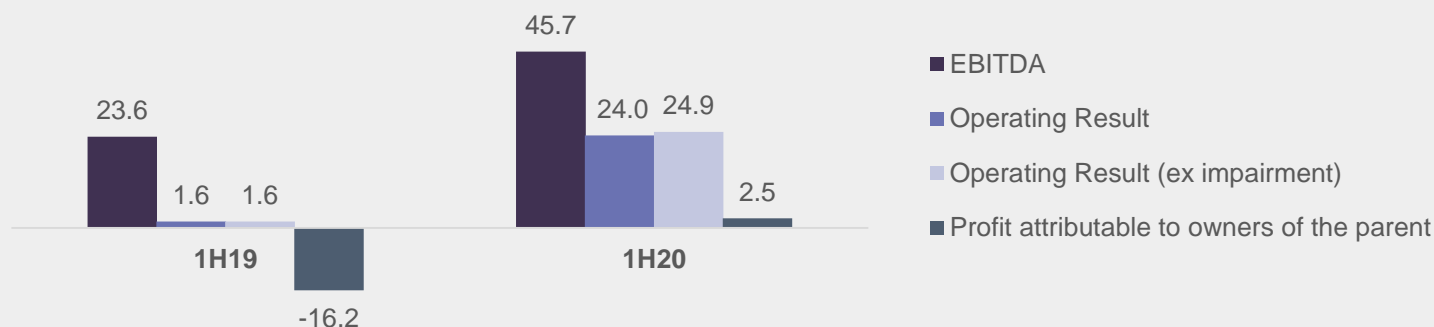


- The lower revenues are mainly explained by:
 - A 5.57% drop in distributed volume in 1H20, due to earlier pruning in Peru, whose supply did not exceed that of Chilean fruit during 1Q20.
 - Better prices in Chilean fruit and a 39.84% increase in the volume commercialized during 2Q20 compared to 2Q19, linked to the ripening of the fields in China, the early start of the harvest in Peru and the entry into production of the raspberry fields in Mexico that were planted in S18/19.

Consolidated Results 1H19 - 1H20



1. CONSOLIDATED RESULTS. (US\$ mn)



EBITDA variation

+ThUS\$22,063 due to: 1) better prices in Chile as a result of better fruit quality and the non-overlap of production with Peru; 2) better results in the frozen business; 3) the ripening of the fields in China; 4) decrease in sales costs per kilo and SG&A, linked to the implementation of efficiencies at the field level and obtaining a better quality of fruit, and 5) the reduction in other expenses, per function, as a result of the lower fair value of fruit in bearer plants recorded at the end of 2019, compared to the end of 2018, which is reversed in this quarter.

Operating Result

+ThUS\$25,613 due to variations in EBITDA for the period, added to a 17.5% decrease in the depreciation of bearer plants for the period, mainly due to the lower volume traded. Additionally, SG&A expenses for the period decreased by 17.80%.

Profit Attributable to Owners of the Parent

+ThUS\$18,703 mainly due to higher EBITDA due to a decrease in costs larger than the decrease in income, due to the reduction in the volume of Peruvian fruit sold during 1H20 as a result of earlier pruning to cycle the plants for the following season, and due to a decrease of ThUS\$6,529 in other expenses, per function, associated with the lower reversal of the fair value adjustment of fruit in bearer plants registered at the end of 2019, compared to the end of 2018 (ThUS\$1,401 in 1H20 vs. ThUS\$6,327 in 1H19).

Non-operating Result 1H19 - 1H20

	1H19 (ThUS\$)	1H20 (ThUS\$)	Var %
Financial Income	517	618	19.5%
Finance Expenses	-13,697	-11,235	-18.0%
Share of profit (loss) of equity-accounted associates and joint ventures	-2,935	-432	-85.3%
Other income/expenses	-346	-334	-3.5%
Exchange differences	-1,535	1,318	-185.9%
Non-operating result	-17,996	-10,065	-44.1%



MAIN VARIATIONS

- **Net financial expenses:** decreased by ThUS\$2,563 mainly due to bank debt prepayments associated with debt refinancing carried out in 2019.
- **Share profit in associates and joint ventures:** increase by ThUS\$2,503 mainly due to a profit of ThUS\$4555 recorded in 1H20 in the associate Munger Hortifrut NA LLC in the United States compared to a loss of ThUS\$2,802 during 1H19.
- **Exchange differences:** a positive result due to exchange differences for ThUS\$1,318, as a result of the appreciation of the US Dollar against the Chilean peso.

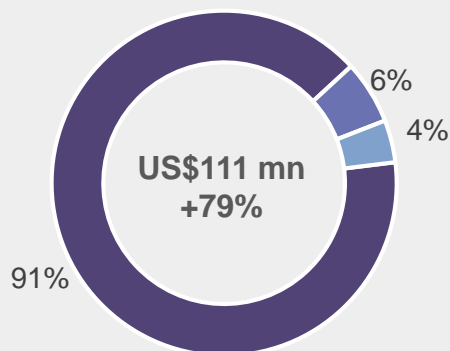
Investments & Net Financial Debt Evolution



1. INVESTMENTS, PER TYPE. (%)

Jul19-Jun20

- New Plantations
- Infrastructure
- Field Maintenance



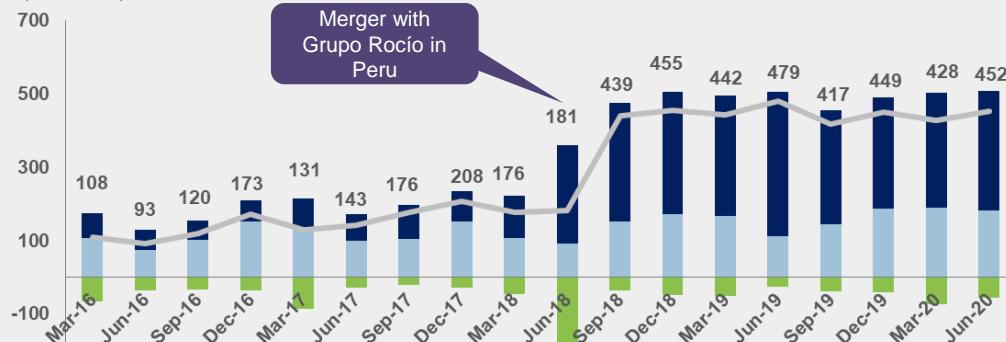
- Investment in new plantations mainly correspond to projects in China and Mexico.
- Infrastructure investments correspond to the construction of a reservoir in Trujillo and to the strengthening of commercial platforms.



2. FINANCIAL DEBT. (US\$ mn)

Debt (US\$ mn)

Merger with
Grupo Rocío in
Peru



Cash (US\$ mn)

- ST Financial Debt
- LT Financial Debt
- Cash and Cash Equivalents
- Net Financial Debt

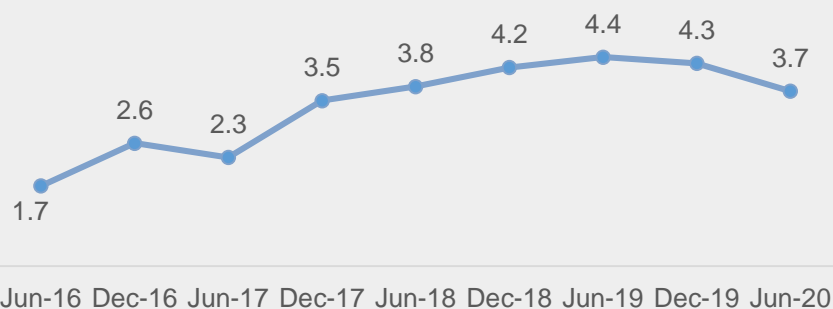
- Increase in NFD compared to Dec19 due to the increase in PAEs credits as a measure to have additional sources of liquidity in the face of potential requirements associated with the COVID-19 pandemic, added to the negative effect of the MTM linked to Derivates as a result of the appreciation of the American dollar.
- These effects were partially offset by a higher cash balance, also associated with needs that could arise from the contingency.

Debt Covenants

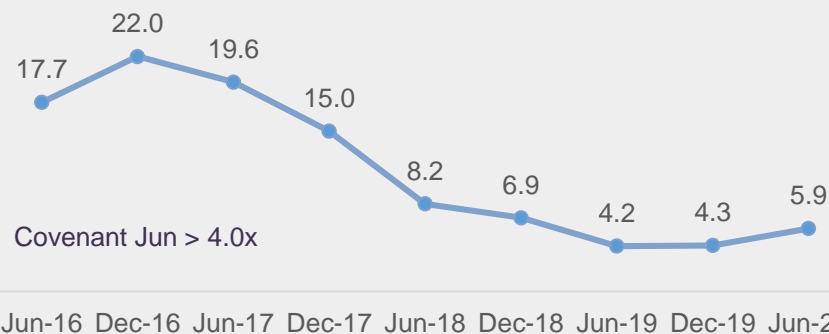


1. NET FINANCIAL DEBT / EBITDA. (x)

Covenant Dec < 6.0x
Covenant Jun < 4.5x

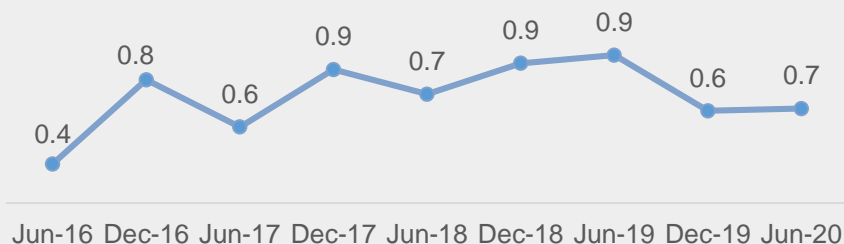


2. EBITDA/NET FINANCIAL EXPENSES. (X)



3. NET FINANCIAL DEBT / TOTAL EQUITY. (x)

Covenant Jun < 1.0x



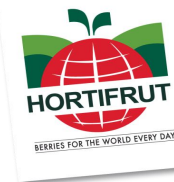
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Blueberries

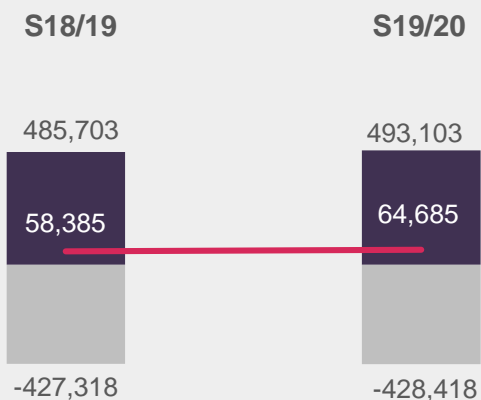
S19/20 (Jul – Jun)



- **1.5% increase in revenue:** +14.0% in volume offset by -11.1% average price per kilo.
- The higher volume is mainly due to an increase in the volumes produced in Peru compared to S18/19, added to a higher volume from China associated with the ripening of the fields and the consolidation of the fields in the USA (93 has).
- The decrease in price is associated with lower prices in the destination markets, linked to the higher supply of fruit, mainly from Peru, and to lower prices in the organic segment. Partially offset by better Chilean fruit prices.



OPERATING RESULT. (ThUS\$)



Blueberries	S18/19	S19/20	Var (%)
Sales volumen (Kg)	46,682,648	53,201,680	14.0%
Share of total	77.6%	75.9%	-
Average price (US\$/Kg)	8.67	7.70	-11.1%

Costs (ThUS\$)
 Revenue (ThUS\$)
 Operating Result (ThUS\$)

Raspberries

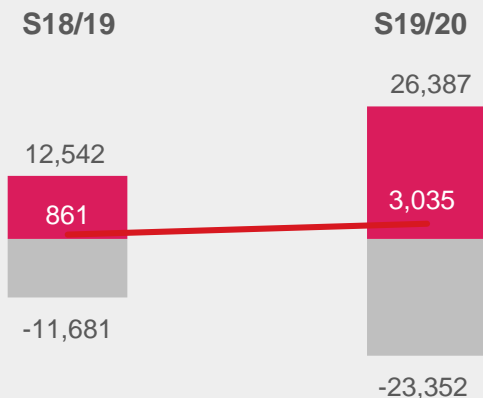
S19/20 (Jul – Jun)



- **Increase in revenue of 110%:** +115.0% in volume and -2.2% in average price per kilo.
- The increase in volume is explained by the entry into production of the raspberry fields in Mexico that were planted in S18/19.
- The average price per kilo decreased due to higher availability of fruit in the US market.
- The operating margin went from a profit of ThUS\$861 to one of ThUS\$3,035, as a result of higher revenues, partially offset by operating costs in line with the higher volume.



OPERATING RESULT. (ThUS\$)

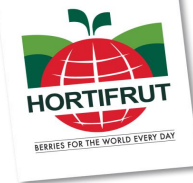


Raspberries	S18/19	S19/20	Var (%)
Sales volumen (Kg)	1,361,713	2,928,285	115.0%
Share of total	2.3%	4.2%	-
Average price (US\$/Kg)	9.21	9.01	-2.2%

■ Costs (ThUS\$)
 ■ Revenue (ThUS\$)
 — Operating Result (ThUS\$)

Blackberries

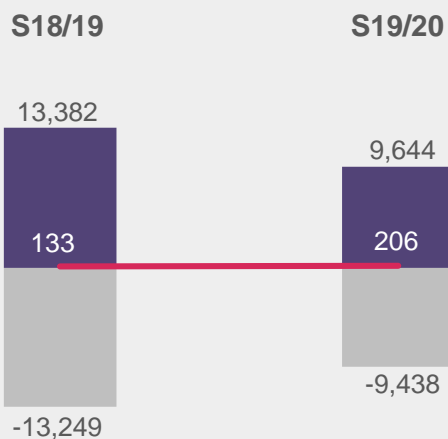
S19/20 (Jul – Jun)



- **Decrease of 28% in revenue:** -14.8% in volume and -15.4% in average price per kilo.
- The decrease in volume is explained by lower volume captured from third-party producers in Mexico.
- The operating margin went from a profit of ThUS\$133 to one of ThUS\$206, associated with the decrease in operating costs larger than the one in revenue.



OPERATING RESULT. (ThUS\$)



■ Costs (ThUS\$) ■ Revenue (ThUS\$) — Operating Result (ThUS\$)

Blackberries	S18/19	S19/20	Var (%)
Sales volumen (Kg)	2,192,991	1,867,802	-14.8%
Share of total	3.6%	2.7%	-
Average price (US\$/Kg)	6.10	5.16	-15.4%

Strawberries

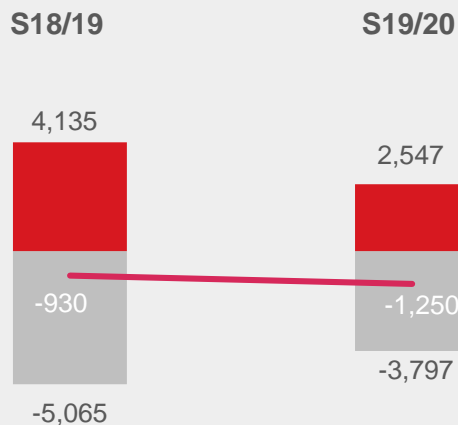
S19/20 (Jul – Jun)



- **Decrease of 38% in revenue:** -22.8% in volume and -20.2% in average price per kilo.
- The decrease in the marketed volume is explained by a lower availability in the volume of third-party fruit uptake from Chile, as a result of unfavorable hydrological conditions and lower volume from Mexico.
- The price decreased compared to S18/19 mainly to maintain competitiveness in the market.



OPERATING RESULT. (ThUS\$)



■ Costs (ThUS\$) ■ Revenue (ThUS\$) — Operating Result (ThUS\$)

Strawberries	S18/19	S19/20	Var (%)
Sales volumen (Kg)	884,876	683,470	-22.8%
Share of total	1.5%	1.0%	-
Average price (US\$/Kg)	4.67	3.73	-20.2%

Value-Added Products

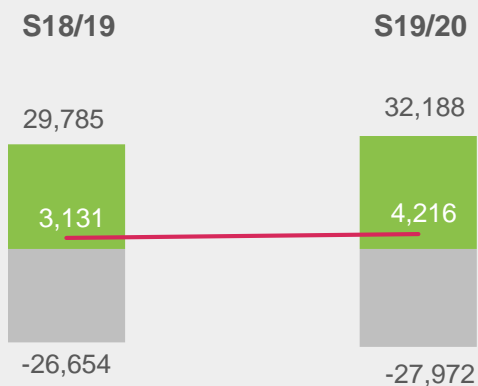
S19/20 (Jul – Jun)



- **Increase of 8% in revenue:** +25.6% in volume and -13.9% in average price per kilo.
- The higher volume is mainly explained by a higher demand for frozen products in the North American market.
- Fall in prices due to the increase in the share of conventional fruit in the sales mix, which is sold at lower prices than organic fruit.
- The operating income went from a profit of ThUS\$3,131 to one of ThUS\$4,306, as a result of the higher volume.



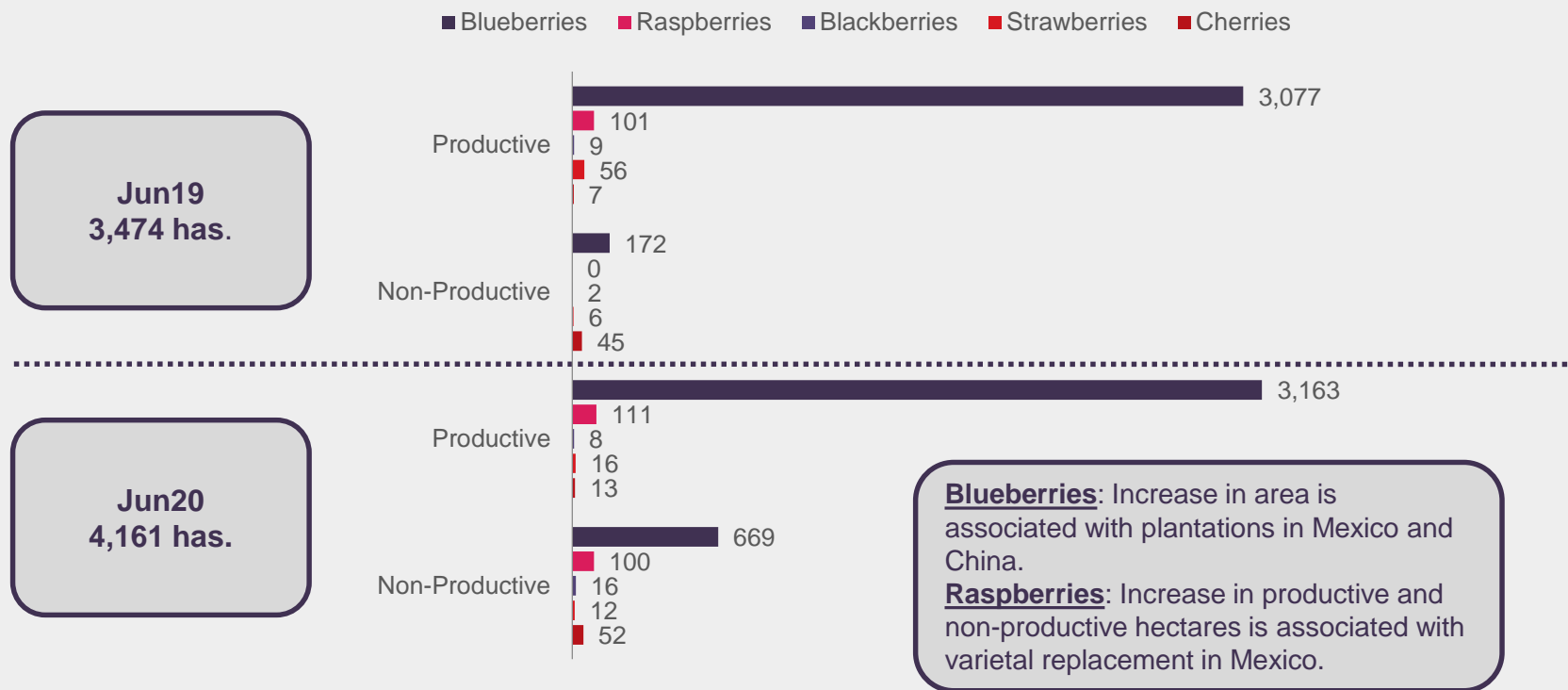
OPERATING RESULT. (ThUS\$)



■ Costs (ThUS\$) ■ Revenue (ThUS\$) — Operating Result (ThUS\$)

Value-Added Perproducts	S18/19	S19/20	Var (%)
Sales volumen (Kg)	8,461,649	10,623,244	25.6%
Share of total	14.1%	15.2%	-
Average price (US\$/Kg)	3.52	3.03	-13.9%

Planted Hectares Evolution



- In addition to the surface area above, there are 102 hectares planted (all of which are in productive stage) in projects that belong to associates, which do not consolidate in Hortifrut:
 - 25 hectares of raspberries at Hortifrut Berries Maroc S.R.L. (Morocco), all of which are in productive stage.
 - 77 hectares of blueberries at Margesi S.A. (Argentina), all of which are in productive stage.

Closing Remarks



EBITDA

ThUS\$45,674 in 1H20 (+US\$22,063 mn) due to:

- Normalization of the production curve in Peru and ripening of fields in China
- Decrease in costs per kilo and SG&A due to efficiencies
- Lower other expenses, per function due to lower fair value as of Dec19

ThUS\$121,612 between in S19/20 (+ThUS\$15,116)

- Higher volume
- Increase in revenue (+ThUS\$17,411) larger than the increase in costs and expenses before depreciation (+ThUS\$2,295)

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

ThUS\$2,502 in 1H20 (+ThUS\$18,703) due to:

- Higher EBITDA
- Lower net financial costs
- Increase of ThUS\$2,503 in share of profit (loss) in accounted investees
- Positive result from exchange difference of ThUS\$1,318

ThUS\$22,259 in S19/20 (+ThUS\$4,595¹) due to:

- Higher operating and non operating result

PROJECT IN CHINA

Three stages of planting have already been carried out, totaling 255 hectares planted as of June 20. The remaining 245 hectares to complete the project will be planted between S20/21 and S21/22. ~ 2,000 tons were marketed in S19/20 and it is expected to increase to ~ 2,700 tons by S20/21.

PROJECT IN MEXICO

In blueberries, 491 has planted as of Jul20, in addition to 200 has of raspberries and 25 has of blackberries. During S20/21 all this area will be productive.

NEW DEVELOPMENTS

Breeding, Licensing and Business Services

- Bfruit Alliance
- Variety licensing in Peru
- Increase in the participation of the Genetics business in Hortifrut's EBITDA

¹ Excludes the adjustment to fair value of the 50% interest in Hortifrut Tal which net of taxes amounts to MU\$44,520



Earnings Presentation
June 2020

September 2020