



**EARNINGS  
REPORT  
December  
2020**



# OUR COMPANY

## Vision:

To be the world leader in the Berries category.

## Mission:

Berries for the world, every day.

## Business model:

HORTIFRUT is a global business platform which connects dedicated Berries' producers from both hemispheres, providing the best fruit during the whole year to the most important customers and markets in the world, creating a virtuous circle which grows based on innovation, better genetics, sustainability and the digitalization of its processes.

## Purpose:

To delight the world by enriching the lives of people, offering the most delicious and healthy Berries, with a team of collaborators and partners that generate a positive impact on the environment and our communities.

## Values:



**Innovation**



**Accountability**



**Integrity**



**Associativity**



**Passion & Commitment**



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# Summary of Consolidated Results per 2020/21 and 2019/20 season and as of the closing of 2020 and 2019

## Analysis first 6 months of the 2020-21 season

1. **Total income<sup>1</sup> increased 39.76%** in the first 6 months of the 2020-21 season (“2H20”) in comparison with the same period of the 2019-20 season (“2H19”), **reaching ThUS\$423,267**. Higher income is due to a 35.49% increase in commercialized volume, reaching 51,616 tons, linked to: 1) the excellence of its commercial platforms which provide the best customer service with new and diverse product formats, 2) design to optimize the production curve, which allowed to have an early start-up of the season in Peru, and 3) the increase in average price per kilo of 5.79%, recording prices above the market benchmark.

2. Thereby, during the 2H20, the Company recorded an **EBITDA of ThUS\$129,459, increasing 70.48%** in relation to the ThUS\$75,938 EBITDA recorded in the 2H19. EBITDA mainly increased because of the **35.49% increase in the volume** commercialized during the period, influenced by the aforementioned forwarding of the season in Peru, thanks to the design to optimize its production curve, which meant a distributed volume of approximately 35,100 tons during the 2H20 from this country (+29.78% compared to the 2H19). To this we add the 5.79% increase in the average price of the fruit mix, which contributed to improving margins, especially of own plantations. The EBITDA of the 2H20, without the *Fair Value* impact of fruit on bearer plants, reached ThUS\$130,952, which represented a 72.50% increase compared to the ThUS\$75,914 EBITDA in the 2H19.

During the 2H20 the **Genetics business** generated a **US\$7.45 million EBITDA**, amount equal to 5.75% of the Company’s total EBITDA recorded in the same period, which is favorably compared with the US\$4.10 million EBITDA generated by this business during the 12 months of the 19/20 season (equal to 5.4% of the EBITDA of said season).

3. **Total Operating Costs** in the 2H20 reached **ThUS\$347,800**, which represents a 34.72% increase in relation to the 2H19 mainly due to higher commercialized volumes (+35.49%), higher depreciation due to investments in the last few years, the write-off of bearer plants at the Company’s different operations (ThUS\$12,847), and the accounting recognition of administration expenses due to Naturipe Value Added Foods LLC. (ThUS\$1,908) and Vitafoods SpA (ThUS\$1,128)’s consolidation.

4. **The Operating Result** in the 2H20 reached **ThUS\$75,467**, increasing 68.91% compared to the 2H19. The ThUS\$30,787 increase in the operating result is largely linked to the same reasons that explain the variations in the EBITDA. These effects are slightly offset by the write-off of assets due to re-planting performed this semester (ThUS\$12,847), and due to the higher depreciation of

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<sup>1</sup> Corresponds to the total of Income from operating activities plus Other income, per function.

the period, associated to the start-up of production at the planted hectares in Mexico and China, and a higher volume produced in Peru. Thereby, depreciation and amortization passed from ThUS\$29,511 in 2H19 to ThUS\$41,145 in 2H20.

5. The **Non-operating result** of the 2H20 presented a **negative result of ThUS\$12,919**, which is compared with the negative result of ThUS\$13,422 recorded in the 2H19. The lower non-operating loss is mainly explained by: 1) the lower financial expense for US\$1,503 associated to the lower payment of interests and lower work capital debt; 2) the ThUS\$3,008 increase in result associated to the participation of associated companies and joint business; and 3) the increase in Other profit (loss) of ThUS\$1,189 due to the recognition of expenses due to tax readjustment during 2H19 for ThUS\$1,263. This increase was offset by loss due to exchange rate fluctuation of ThUS\$1,960 in 2H20, compared due to the profit due to exchange rate fluctuation of ThUS\$1,782 in 2H19.

6. **Profit attributable to the parent company shareholders reached ThUS\$51,522** in 2H20 compared with the ThUS\$19,757 recorded in the 2H19 (+160.78%). Higher profit is mainly due to higher sales volumes, increase in average price, efficiency in costs and expenses, and the reduction in financial expenses (-ThUS\$1,503), which was offset by a write-off of assets due to re-planting and varietal changes at the different operations (ThUS\$12,847) and because of loss due to exchange rate fluctuation (ThUS\$1,960).

## Accumulated analysis calendar year as of December 2020

1. Hortifrut's accumulated **Total income**<sup>2</sup> as of December 2020 ("Dec20") reached **ThUS\$688,827**, representing an **18.67% increase** in relation to the same period in 2019 ("Dec19"). This increase is mainly due to the **16.16% increase in sales volume** and the 1.47% increase in the average price per kilo of the fruit mix, which passed from 7.02 US\$/Kg to 7.13 US\$/Kg (average of Dec19 and Dec20, respectively).

Income from the "Fresh Fruit" added segment, which includes blueberries, raspberries, blackberries, strawberries and cherries represented 94.25% of consolidated income as of Dec20, slightly lower than the 94.36% represented as of Dec19. Also, sales income from the "Value Added Products" segment represented 5.75% of consolidated income as of Dec20.

2. Total **operating costs** as of Dec20 reached **ThUS\$589,386**, recording a 9.67% increase compared to Dec19. Higher costs are mainly explained by: 1) the higher commercialized volume as of Dec20 (+16.16%), 2) the maturity of operations where investments have taken place in the last years (mainly Mexico and China); 3) higher depreciation, also associated to higher fruit production; and 4) higher write-off of assets due to varietal turnover and re-planting. Higher costs as of Dec20, were offset by a decrease in Other expenses, by function, associated to the lower reversal of the *Fair Value* adjustment of fruit on bearer plants, reaching ThUS\$1,401 this period, compared with

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<sup>2</sup> Corresponds to the total of Income from operating activities plus Other income, per function

ThUS\$7,357 the previous period. Also, in unit terms, total operating costs (excluding write-offs) decreased from US\$7.44 per kilo as of Dec19 to US\$6.88 per kilo as of Dec20.

**3. EBITDA** reached **ThUS\$175,133** as of Dec20, recording a **75.93% increase compared to the ThUS\$99,549 EBITDA recorded in Dec19**. The higher EBITDA is mainly due to: 1) the execution of the commercial strategy through Hortifrut's platforms at the destination markets, allowing to record a 1.47% increase in the average sale price, 2) the strength of its genetics program, which have contributed to an increase in commercialized volume of 16.16%, mainly blueberries from Mexico and China and raspberries from Mexico and Portugal, most of which have been planted with Hortifrut genetics (own and licensed), 3) innovation and application of technologies in production and operations, generating sale cost efficiencies per kilo and improvement in the quality of the fruit, and 4) the design to optimize the production curve, especially obtaining an early production curve in Peru. It must be stated that as of Dec20 a *Fair Value* adjustment of fruit on bearer plants was recognized for ThUS\$649 (ThUS\$1,401 as of Dec 19), which net of the reversal of the recognized adjustment as of Dec19, impacted the EBITDA of Dec20 by -ThUS\$1,493 (-ThUS\$5,956 as of Dec19).

The accumulated EBITDA as of Dec20 without the *Fair Value* effect of fruit on bearer plants reached ThUS\$175,885, which represents a 66.71% increase, compared with the ThUS\$105,504 obtained in the same period of 2019.

**4. As of Dec20 the Operating result** reached **ThUS\$99,441**, which is compared with the ThUS\$43,041 result presented as of Dec19. Also, the operating margin also experienced an increase from 7.42% to 14.44% in the period under analysis. These increases were mainly explained by the same reasons that explain the variations in the EBITDA of the period, and were offset by the increase in depreciation and amortization, which passed from ThUS\$54,761 as of Dec19 to ThUS\$61,968 as of Dec20, and by the write-off of assets due to varietal turnover and re-planting for ThUS\$13,724 realized as of Dec20.

The operating result excluding the write-off of assets reached ThUS\$113,165 as of Dec20, which represents an increase of 152.67% in relation to Dec19. The operating margin without effect of this write-off reached 16.44%, which represented an increase compared to the 7.72% obtained as of Dec19.

**5. The Non-operating result** as of Dec20 was **negative ThUS\$22,984**, which is favorable compared with the negative ThUS\$31,418 recorded as of Dec19. The improved result is mainly associated to: 1) the decrease in net financial expenses of ThUS\$2,611 which is explained by the decrease in market interest rates and lower need for work capital financing; 2) the reduction in the negative result associated to the interest of associated companies and joint business, due to recognition of loss for ThUS\$6,172 in the associated Munger Hortifrut NA LLC. in the United States as of Dec19, while as of Dec20 a ThUS\$78 loss was recognized in this company; and 3) the lower expense recognition loss from tax readjustment as of Dec19 for ThUS\$1,263. The most favorable non-operating result was offset, in a certain measure, by an exchange rate fluctuation loss.

6. As of Dec20 the Company recorded a **Profit attributable to parent company shareholders of ThUS\$54,024**, which is favorably compared with a ThUS\$3,556 profit recorded in Dec19. This improvement in gains attributable to parent company shareholders is mainly due to: 1) an increase in the operating margin of ThUS\$56,400 product of the increase in distributed volumes and the average sale price mentioned beforehand, as well as the aforementioned reduction in costs and expenses, and 2) a decrease in non-operating loss of ThUS\$8,434 due to the reduction in financial costs of ThUS\$3,965 and due to lower loss from Interest in gains of associated companies and joint business for ThUS\$5,511. This was partially offset by: 1) the write-off of bearer plants due to replanting recognized in 2020 for ThUS\$13,724, 2) the lower *Fair Value* net adjustment of fruit on bearer plants recorded in Dec20 in relation to Dec19, and 3) by the higher depreciation cost recorded in Dec20 due to the higher volume produced in Peru and start-up of production of new plantations in Mexico and China.

## Highlighted Facts of the Period

### 1. Significant improvement in the Company's performance and results

	JANUARY-DECEMBER		SEASON	
	Dec20 MUS\$	Dec19 MUS\$	2H20 MUS\$	2H19 MUS\$
EBITDA	175.133	99.548	129.459	75.937
Profit (loss), attributable to the parent company equity holders	54.024	3.556	51.522	19.757

During 2020 and 2H20 Hortifrut showed a **relevant improvement in its performance**. The main factors of this result are the execution of the **commercial strategy** through our platforms at the destination markets, the strength of our **genetics programs, innovation and application of technologies in** production and operation, design to optimize our production curves and the Company's financial strength.

The **excellence of our trade platforms** allows us to provide better services for our customers with new and diverse product formats, which associated to our genetics (own and licensed) allow us to develop premium programs for fruit with better characteristics, assuring the preference of our customers and third-party producers, accomplishing during 2020, a **16.16% increase in the distributed volume** and a **1.47% increase in the average sale price**, which were above the market benchmarks.

Also, the use of technologies in fields and operations at origin and destination, as well as the planted proprietary varieties, have allowed us to **decrease our costs and optimize our production curve** in order to accomplish a better market supply. Thereby, the sales cost for the 83,632 tons distributed as of Dec20 was 6.18 US\$/kg, compared with 6.61 US\$/kg for the 72.000 tons distributed as of Dec19.

The **market knowledge** allowed Hortifrut to maximize profitability, through an efficient planning of supply, executed through the pruning strategy, the design of the production curve and the handling of programmed harvests, which allowed an early start-up of the S20/21 in Peru and resulted in commercializing during the 2H20 approximately **35,100 tons from Peru**, which represents a **29.78%** growth in relation to the same half of the previous year.

Hortifrut could supply part of the demand of our commercial platforms in Asia and North America from fields developed to obtain competitive advantages, such as the blueberry fields in China, and the raspberry and blueberry fields in Mexico. In the case of Mexico, the planted hectares of **Centennial**, own raspberry variety **developed by Hortifrut's genetics program**, in own and third party fields, has brought a significant increase in commercialized volumes, passing from 1,356 tons in 2H19 to 3,775 tons in 2H20.



This has allowed the obtention of a growth in the **consolidated EBITDA** during the 2H20 of 70.48% in relation to the 2H19, reaching **US\$129.459 million**.

Finally, the Company has complied with the outlined objectives from the financial point of view, **reducing its debt ratios** (net financial debt/EBITDA) **from 4.3 times as of Dec19 to 2.5 times as of the closing of 2020**.

## **2. Growth of value added products**

In line with the Company's growth strategy, on July 31, 2020, the **merger between Hortifrut and Alifrut**, subsidiary of Duncan Fox, was concremented, to combine its **frozen products** export operations in equal parts, thus forming **Vitafoods**.

The merger process considered the consolidation of five frozen products productive plants, which will start producing and commercializing a volume close to 35 million kilos, making it a very relevant global actor in its category in the international markets.

The new company directly distributes to its customers through the global commercial platforms of Hortifrut and its subsidiary, Naturipe Value Added Foods USA. Also, the industrial and commercial expertise of Alifrut is incorporated as a frozen multi-product processor, which will allow Vitafoods to manage a large part of the business' value chain, thus assuring the best food safety and quality, greater stability in supply and a varied multi-product offer for its global customers, together with the development of new products and formats.

## **3. Strengthening our commercial platform in Europe**

In order to continue strengthening its **leadership position** in the commercializing of berries in Europe, in February 2020 Hortifrut reached **an agreement to purchase a non-controlling interest** in **BFruit** producers' organization in Portugal.

As a result of this agreement, all the **volume of BFruit is commercialized through Hortifrut's commercial platform for Europe**, thus increasing the volume of the already existing vertically integrated business. Also, this allows Hortifrut to perform a **faster commercial escalation of the new varieties of raspberries, blackberries and blueberries** from its own varietal development programs around the world. It is expected that during the 20/21 season, BFruit will provide **1,100 tons** of Berries for Hortifrut.

## **4. Favorable US-ITC Resolution**

The International Trade Commission of the USA, after **investigating the imported blueberries market in this country**, determined, by unanimity of its members, that fresh, refrigerated or frozen blueberries from the different countries that export to the United States, among them Chile, Peru

and Mexico, do not constitute a substantial cause of serious damage or threat for that country's industry.

As a result, dated February 12, 2021, the Commission **determined to close the investigation and therefore no safeguards or restrictions will be applied to the imported products.**

## **5. Change of the Agrarian Regime in Peru**

At the beginning of 2021, the Peruvian government approved a **change in the agrarian regime of that country.** The **main changes** to the previously in force regime are: 1) a special bonus is created for agricultural workers of 30% of the minimum vital remuneration, 2) the participation of the profits to the workers will gradually increase by 5% currently until reaching 10% in 2027, 3) the increase in the company's contribution to the health insurance of employees is accelerated and will reach 9% of the taxable salary by 2025 (before 2029), and 4) there will be a progressive increase in the Income tax from 15% today to 29.5% in 2028.

## **6. Successful debt refinancing for ThUS\$101,000**

Dated August 25, 2020, Hortifrut S.A. subscribed a union credit contract and a **bilateral credit contract for the total of ThS\$101,000**, with the participation of Banco Santander, Industrial and Commercial Bank of China (ICBC Bank), Banco de Occidente, Bladex and Rabobank, both for a **5 year term with a 2 year grace period.** The funds from these credits were totally used to refinance short term liabilities.

These operations show the wide access to the local and international financial market that the company has, which despite the adverse conditions that the market faces due to the pandemic, it has obtained favorable conditions, adjusting its maturity profile and strengthening its financial structure.

## **7. COVID-19 Sanitary Contingency**

In relation to the sanitary contingency due to the COVID-19 pandemic, **Hortifrut has taken actions in order to take care of the health of its workers and collaborators,** adopting the home-office modality for all its workers who can perform their tasks remotely. For the workers, whose task has to be done in person, all the recommendations and measures established by the governmental authorities of each country and global organizations have been applied, a traceability system was developed for the workers and communication campaigns have taken place, as well as support for them.

In order to maintain our **commitment to supply berries every day to the whole world,** the Company has aimed to assure the continuity of the operations, adopting measures to assure the provision of the necessary supplies for the correct functioning of all our fields. As of today, the fields where the Company is harvesting are Chile and Mexico, whose operations have not been greatly affected.

# Analysis of Results 2020/2021 Season

**HORTIFRUT S.A. AND SUBSIDIARIES**  
**Consolidated Integral Income Statement**  
**For Season ending on December 31<sup>st</sup> (July 2020 to December 2020)**

	Jul19-Dec19		Jul20-Dec20		Var %
	ThUS\$	% Rev.	ThUS\$	% Rev.	
Total revenue <sup>3</sup>	302,847		423,267		39.76%
Cost of sales	-200,540	-66.22%	-264,990	-62.61%	32.14%
Administrative Expenses	-26,369	-8.71%	-28,818	-6.81%	9.29%
<b>EBITDA</b>	<b>75,938</b>	<b>25.07%</b>	<b>129,459</b>	<b>30.59%</b>	<b>70.48%</b>
Depreciation Fixed Assests	-21,185	-7.00%	-25,617	-6.05%	20.92%
Depreciation Biological Assets	-3,551	-1.17%	-14,898	-3.52%	319.54%
Amortization Intangible Assets	-4,775	-1.58%	-630	-0.15%	-86.81%
<b>Operating Result (exclude assets impairment)</b>	<b>46,427</b>	<b>15.33%</b>	<b>88,314</b>	<b>20.86%</b>	<b>90.22%</b>
Asset Impairment	-1,747	-0.58%	-12,847	-3.04%	
<b>Operating Result</b>	<b>44,680</b>	<b>14.75%</b>	<b>75,467</b>	<b>17.83%</b>	<b>68.91%</b>
Financial income	2,272		817		-64.04%
Financial expenses	-13,373		-11,870		-11.24%
Share of profit of equity - accounted investees	-2,690		318		-111.82%
Other profit (loss)	-1,413		-224		-84.15%
Exchange rate differences	1,782		-1,960		-209.99%
<b>Non Operatig Result</b>	<b>-13,422</b>	<b>-4.43%</b>	<b>-12,919</b>	<b>-3.05%</b>	<b>-3.75%</b>
<b>Profit before tax</b>	<b>31,258</b>	<b>10.32%</b>	<b>62,548</b>	<b>14.78%</b>	<b>100.10%</b>
Income tax expenses	-4,411		-6,736		52.71%
<b>Profit (loss)</b>	<b>26,847</b>	<b>8.86%</b>	<b>55,812</b>	<b>13.19%</b>	<b>107.89%</b>
Profit (loss), attributable to the parent company equity holders	19,757		51,522		160.78%
Profit (loss), attributable to non-controlling interests	7,090		4,290		-39.49%
<b>Profit (loss)</b>	<b>26,847</b>	<b>8.86%</b>	<b>55,812</b>	<b>13.19%</b>	<b>107.89%</b>
Sales volume (tons)	38,097		51,616		35.49%
EBITDA / kg (US\$)	1.99		2.51		25.83%

<sup>3</sup> Corresponds to the total of Income from Operating activities plus Other income, per function.

During the 2H20, the Company recorded an **EBITDA of ThUS\$129,459**, increasing 70.48% in relation to the ThUS\$75,938 EBITDA recorded in the 2H19. EBITDA mainly increased due to the 35.49% increase in commercialized volume during the period, influenced by the increase in volumes in Peru thanks to the design to optimize its production curve, which meant a distributed volume of approximately 35,100 tons during this semester (+29.78% in relation to the same period of the last year). Also, there is an increase in the average price of the fruit mix of 5.79% which, together with higher volumes, among other factors, allow for income from operating activities to reach ThUS\$424,063 in 2H20, which represents an increase of ThUS\$123,139 compared to the 2H19, this thanks to the excellence of its commercial platforms which provide the best services for customers with new and diverse product formats.

As of the closing of December 2020, the *Fair Value* adjustment of fruit on bearer plants net of the reversal recognized as of June 2020 had an impact on the EBITDA of -ThUS\$1,493 (ThUS\$23 as of Dec19). The EBITDA of the 2H20 without the impact of *Fair Value* of fruit on bearer plants reached ThUS\$130,952, which represents a 72.50% increase in relation to the ThUS\$75,914 EBITDA in the 2H19.

During the 2H20 the **Genetics business generated a US\$7.45 million EBITDA**, amount equal to 5.75% of the Company's total EBITDA recorded in the same period, which is favorably compared to the US\$4.10 million of the EBITDA generated by this business during the 12 months of the 19/20 season (equal to 5.4% of the EBITDA of said season). This result reflects the sale of blueberry and raspberry plant varieties developed by Hortifrut for third party producers in several countries, thus accelerating the future growth of volumes commercialized by the Company.

Also, **total revenue<sup>4</sup> increased 39.76%** in 2H20 compared with 2H19, reaching **ThUS\$423,267**. Higher income is due to: 1) a 35.49% increase in commercialized volume to 51,616 tons, linked to the start-up of the season in Peru and the start-up of production of the raspberry fields in Mexico which were planted in the 2019-20 season; and 2) the higher average price per kilo of 5.79%, which passed from 6.72 US\$/Kg in the 2H19 to 7.11 US\$/Kg in 2H20.

**The average price of blueberries recorded a 7.85% increase** to US\$7.88, linked to the forwarding of the production curve in Peru, to the outstanding quality of said fruit and sale prices over the market benchmark. Also, the price of **raspberries** experienced a 4.23% increase to US\$8.15 (despite the 178.23% increase in commercialized volume), **blackberries** increased 30.73% to US\$6.90, **strawberries** increased 18.17% to US\$5.14, **cherries** increased 27.83% to US\$7.75 and the **value added products** segment experienced a decrease in prices of 7.06% to US\$2.76, mainly due to the change in the products mix due to the merger of the frozen foods business.

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<sup>4</sup> Corresponds to the total of Income from Operating activities plus Other income, per function.

**Total operating costs of the 2H20 reached ThUS\$347,800**, increasing 34.72% (+ThUS\$89,633) compared to the 2H19. The increase is mainly explained by: 1) higher costs due to the increase in commercialized volume, 2) higher depreciation, and 3) write-off of assets due to varietal turnover and re-planting for ThUS\$12,847 (concentrated in Spain, Mexico, Peru and Chile). In the meantime, operating costs per kilo (excluding write-off) decreased from 6.73 US\$/kg in the 2H19 to 6.49 US\$/kg the 2H20, mainly associated to the increase in commercialized volumes and the implementing of efficiencies at a field and packings level.

Also, **Administration and Sales Expenses** (excluding depreciation of this item) recorded a 9.29% increase in the 2H20 associated to the growth of operations in China and Mexico, nevertheless, decreasing in terms of participation over total income, passing from 8.71% to 6.81% within the analysis period.

The following table shows the distributed volume per segment during the 2H19 and 2H20:

Volume Distributed (kilos)	Jul19-Dec19	Jul20-Dec20	Var %
Blueberries	30,729,308	38,759,603	26.13%
Raspberries	1,356,809	3,775,276	178.25%
Blackberries	1,002,230	963,670	-3.85%
Strawberries	316,634	245,676	-22.41%
Cherries	72,710	203,920	0.00%
Value Added Products <sup>5</sup>	4,619,543	7,668,282	66.00%
<b>TOTAL</b>	<b>38,097,235</b>	<b>51,616,426</b>	<b>35.49%</b>

**Non-operating result** of the 2H20 presented a **negative result of de ThUS\$12,919**, which is compared with the negative result of ThUS\$13,422 recorded the 2H19. The higher non-operating result is mainly explained by: 1) the ThUS\$3,008 increase in result associated to the participation of associated companies and joint business, 2) the lower financial expense for US\$1,503 associated to the lower payment of interests and lower work capital debt and 3) the increase in Other expenses (loss) of ThUS\$1,189 due to the recognizing of Expenses for tax readjustment during 2H19 for ThUS\$1,263. This increase was offset by loss due to exchange rate fluctuation of ThUS\$1,960 in the 2H20, compared to the ThUS\$1,782 profit in 2H19.

<sup>5</sup> This volume does not consider kilos processed for third parties.

## Deuda Financiera y Capex

The Company's **net financial debt** increased from ThUS\$448,914 as of December 31, 2019 to **ThUS\$459,605 as of December 31, 2020**, which is mainly explained by the recognizing of lease liabilities for ThUS\$47,612 at the subsidiary Honghe Jiayu Agriculture Ltd. (China). Separating this effect, we observed an associated decrease, in great measure, cash increase due to the cash flows received from the campaign in Peru and the cash flow of the new frozen food operation (Vitafoods), which as of the closing of December 2020 maintains a high balance due to the cash provided by both partners (Hortifrut and Alifrut) for the purchase of fruit to be commercialized during 2021.

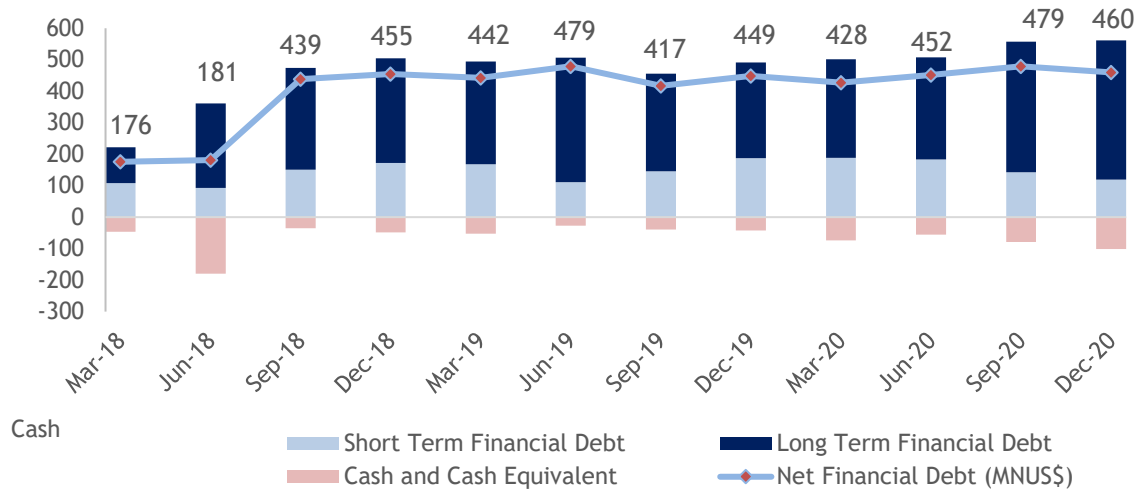
Gross financial debt increased compared to December 2019, mainly due to the aforementioned **recognizing of lease liabilities in China** and the **financing of investments in China and Mexico during 2020**. As of December 2020, the liability associated to the operating lease contracts that the Company has reached ThUS\$65,755, which is compared with ThUS\$21,814 as of December 2019.

During the 2H20, the Company **invested ThUS\$39,937**, mainly at new plantations (Mexico and China), as well as a participation in companies (Vitafoods), maintenance of existing plantations and infrastructure. This represents a **22.73% decrease** compared to the 2H19, mainly due to investments in plantations realized in Mexico in 2019.

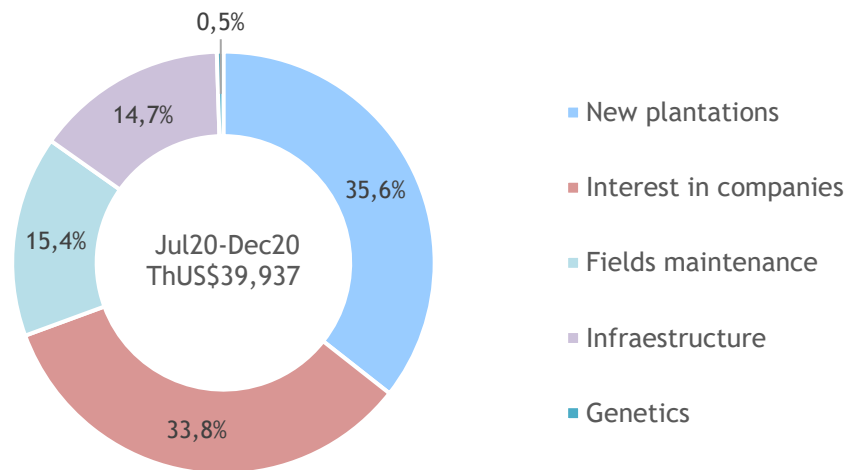
The following tables and charts present the evolution of the net financial debt and the distribution of capital investments during the 2H20:

### Evolution of Net Financial Debt (MNUS\$)

Debt



**Distribution of capital investments S20/21**



## Consolidated Integral Income Statement - IFRS



**HORTIFRUT S.A. AND SUBSIDIARIES**  
**Consolidated Integral Income Statement**  
Accumulated as of December 31<sup>st</sup> 2020 (January to December)

	Jan19-Dec19		Jan20-Dec20		Var %
	ThUS\$	% Rev.	ThUS\$	% Rev.	
Total revenue <sup>6</sup>	580,438		688,827		18.67%
Cost of sales	-421,120	-72.55%	-457,420	-66.41%	8.62%
Administrative Expenses	-59,769	-10.30%	-56,274	-8.17%	-5.85%
<b>EBITDA</b>	<b>99,549</b>	<b>17.15%</b>	<b>175,133</b>	<b>25.42%</b>	<b>75.93%</b>
Depreciation Fixed Assests	-33,853	-5.83%	-35,794	-5.20%	5.73%
Depreciation Biological Assets	-14,911	-2.57%	-24,170	-3.51%	62.10%
Amortization Intangible Assets	-5,997	-1.03%	-2,004	-0.29%	-66.58%
<b>Operating Result (exclude assets impairment)</b>	<b>44,788</b>	<b>7.72%</b>	<b>113,165</b>	<b>16.43%</b>	<b>152.67%</b>
Asset Impairment	-1,747		-13,724		
<b>Operating Result</b>	<b>43,041</b>	<b>7.42%</b>	<b>99,441</b>	<b>14.44%</b>	<b>131.04%</b>
Financial income	2,789		1,435		-48.55%
Financial expenses	-27,070		-23,105		-14.65%
Share of profit of equity - accounted investees	-5,625		-114		-97.97%
Other profit (loss)	-1,759		-558		-68.28%
Exchange rate differences	247		-642		-359.92%
<b>Non Operatig Result</b>	<b>-31,418</b>	<b>-5.41%</b>	<b>-22,984</b>	<b>-3.34%</b>	<b>-26.84%</b>
<b>Profit before tax</b>	<b>11,623</b>	<b>2.00%</b>	<b>76,457</b>	<b>11.10%</b>	<b>557.81%</b>
Income tax expenses	-920		-12,139		1219.46%
<b>Profit (loss)</b>	<b>10,703</b>	<b>1.84%</b>	<b>64,318</b>	<b>9.34%</b>	<b>500.93%</b>
Profit (loss), attributable to the parent company equity holders	3,556	0.61%	54,024	7.84%	1419.24%
Profit (loss), attributable to non-controlling interests	7,147		10,294		44.03%
<b>Profit (loss)</b>	<b>10,703</b>	<b>1.84%</b>	<b>64,318</b>	<b>9.34%</b>	<b>500.93%</b>
Sales volume (tons)	72,000		83,632		16.16%
EBITDA / kg (US\$)	1.38		2.09		51.46%

## Consolidated Income Statement Analysis

### Operating Result

<sup>6</sup> Corresponds to the total of Income from operating activities plus Other income, per function.

**Hortifrut S.A. and Subsidiaries' Total income<sup>7</sup> reached ThUS\$688,827 in Dec20, recording an 18.67% increase in relation to Dec19.**

In the case of **Blueberries**, a **14.75% increase in sales** was observed reaching **ThUS\$583,520** as of Dec20. The increase in sales is explained by an **increase in distributed volume of 8.51% to 61,232 tons**, and due to the increase in average price per kilo of 4.24%, passing from 7.69 US\$/kg in Dec19 to 8.01 US\$/kg in Dec20. The variation in the distributed volume is mainly explained by the design to optimize its production curve, especially obtaining an early production curve in Peru.

Also, income from **Raspberries** increased 186.76% compared to Dec19, reaching **ThUS\$46,557** in Dec20. This increase is explained by an increase in commercialized volume, which passed from 1,880 tons as of Dec19 to 5,347 tons as of Dec20, due to the start-up in production of the new surface in Mexico at own fields and third-party producers, planted with the “Centennial” variety, developed by Hortifrut. Also, income increased due to the increase in average price per kilo of 0.84%, which passed from 8.63 US\$/kg in 2019 to 8.71 US\$/kg in 2020.

The **Blackberries** segment recorded **income for ThUS\$11,004**, decreasing in relation to the ThUS\$13,574 as of Dec19, explained by a 17.63% decrease in commercialized volumes, mainly due to the lower availability of fruit in Mexico, and the 1.58% fall in average price per kilo.

In relation to **Strawberries**, income decreased 32.41% as of Dec20 compared to Dec19, reaching **ThUS\$2,433**. The decrease is explained by a fall in distributed volume of 27.75%, mainly associated to a lower availability of fruit in the Mexican and Chilean market. To this we must add the 6.45% decrease in average price per kilo.

**Cherries** recorded a **sales income of ThUS\$5,677** as of Dec20, decreasing 1.61% compared to Dec19. This decrease in income is due to a decrease in average price per kilo of 34.17%, partly offset by a 49.47% increase in commercialized volumes.

**Value Added Products** recorded a **sales income of ThUS\$39,635** during 2020, increasing 21.07% compared to income recorded the previous year. This variation is explained by an increase in volume of 36.78%, associated to the merger of the frozen food segment with Alifrut, which started to impact results in the last quarter of 2020. This was offset by a decrease in the average price per kilo of 11.48%, associated to the change in the product mix of this business segment.

The following tables and charts summarize the detail of Operating income and its variation as of Dec19 and Dec20:

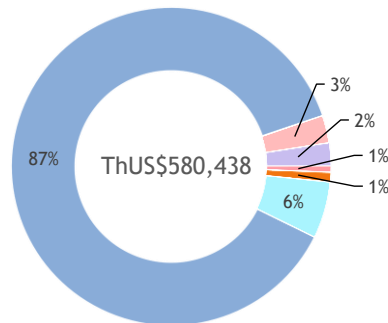
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<sup>7</sup> Corresponds to the total Income from operating activities plus Other income, per function.

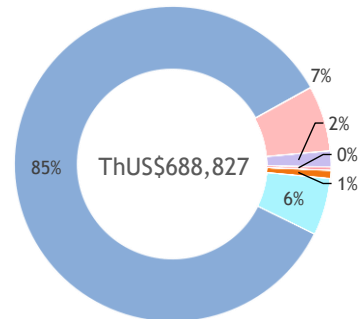
### Revenues (Thousands of dollars)

	Jan19-Dec19	Jan20-Dec20	Var %
Blueberries	508,523	583,520	14.75%
Raspberries	16,236	46,557	186.76%
Blackberries	13,574	11,004	-18.93%
Strawberries	3,599	2,433	-32.41%
Cherries	5,770	5,677	-1.61%
Value Added Products	32,736	39,635	21.08%
<b>TOTAL</b>	<b>580,438</b>	<b>688,827</b>	<b>18.67%</b>

Income per Segment Jan19-Dec19



Income per Segment Jan20-Dec20



■ Blueberries ■ Raspberries ■ Blackberries ■ Strawberries ■ Cherries ■ Value Added Products

The Operating Result recorded a profit of ThUS\$99,441 as of Dec20, which is favorably compared with the ThUS\$43,041 profit obtained as of Dec19.

It must be highlighted that due to the start-up of validity of the amendment to IAS 16 and IAS 41 from January 01, 2016, “bearer plants” are considered a Fixed Asset, so they must be depreciated year by year, among other aspects. Therefore the aforementioned operating income statement includes ThUS\$24,170 of depreciation of “Bearer Plants”, which is compared with a depreciation of ThUS\$14,911 due to this concept as of Dec19.

Also, a decrease is observed in the amortization of the Intangible Asset, which passed from ThUS\$5,997 as of Dec19 to ThUS\$2,004 as of Dec20. Even though more plants have been sold as of Dec20 than as of Dec19, this reduction is explained by a downwards adjustment in the amortization fee per plant due to the reduced balance of remaining intangible asset due to the accelerated plant sale in previous years.

The **Blueberries** business recorded an Operating Result<sup>8</sup> of **ThUS\$101,817 as of Dec20**, increasing ThUS\$60,600 compared to Dec19, explained by the increase in commercialized volumes (+8.51%), the increase in average price (+4.24%), and the decrease in unit costs (-5.01%). As a result of the aforementioned, the operating margin experienced an increase from 8.11% as of Dec19 to 17.45% as of Dec20. Depreciation of “bearer plants” considered within the Blueberries segment during 2020 reaches ThUS\$22,213, 58.61% higher than the ThUS\$14,005 recorded during 2019 for this concept, explained by the higher volume of produced Blueberries.

The **Raspberries** segment recorded a **positive** Operating Result<sup>8</sup> of **ThUS\$6,376 as of Dec20**, which is compared with the ThUS\$748 recorded as of Dec19, mainly associated to the higher income linked to the increase in commercialized volume, which passed from 1,880 tons as of Dec19 to 5,347 tons as of Dec20. The higher income was partially offset by the increase in costs associated to said increase in volumes, even though with a reduction in operating cost per kilo from US\$8.24 as of Dec19 to US\$7.52 as of Dec20. Depreciation of “bearer plants” considered within this segment as of Dec20 reaches ThUS\$1,957, higher compared with the ThUS\$906 depreciation recorded as of Dec19, explained by the higher produced volume.

The Operating Result<sup>8</sup> of **Blackberries** was **positive by ThUS\$928 as of Dec20**, increasing in relation to the ThUS\$187 result in 2019, mainly associated to the fall in unit costs of 8.62%, which is offset by a 17.63% decrease in volumes. This segment does not record depreciation of “bearer plants”.

**Strawberries** recorded a **negative** Operating Result<sup>8</sup> **equal to ThUS\$730 as of Dec20**, compared with a ThUS\$1,200 loss recorded as of Dec19. The lower loss of the period is explained by a reduction in costs. This segment does not record depreciation of “bearer plants”.

The **Cherries** segment recorded a **positive** Operating Result<sup>8</sup> of **ThUS\$1,375** as of Dec20, increasing in relation to the ThUS\$931 profit recorded as of Dec19, linked to the higher own and third party fruit volumes during Dec20, and the decrease in costs. This was partially offset by lower sale prices associated to port congestions in China due to the resulting sanitary pandemic as a result of the COVID-19 outbreak at the start of 2020. Due to the aforementioned, the operating margin of this product increased from 16.14% to 23.90% of income during the period under analysis. This segment does not record depreciation of “bearer plants”.

**Value Added Products** recorded a **positive** Operating Result<sup>8</sup> of **ThUS\$3,417** as of Dec20, which is compared with a positive result of ThUS\$2,905 as of Dec19. During this period there was a 36.78% increase in volumes, associated to the merger of the frozen food segment with Alifrut, which started impacting results in the last quarter of 2020, and there was also a reduction in costs per kilo (-11.24%), being offset by a reduction in average price (-11.48%) due to the change in the mix of products. This segment does not record depreciation of “bearer plants”.

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<sup>8</sup> The Operating Result per Operating Segment does not consider the item Impairment in the value of assets.

## **Non Operating Result**

The other components of the income statement passed from a ThUS\$31,418 loss as of December 2019, to a ThUS\$22,984 loss as of December 2020 (+ThUS\$8,434).

The main items that explain this variation are the following:

- a. **ThUS\$2,611 decrease in net financial expenses**, reaching ThUS\$21,670 as of Dec20, variation that is mainly explained by the **decrease in market interest rates** and improved financing conditions, as well as the **lower need for work capital financing** due to a higher generation of cash in the business.
- b. **Interest in profit (loss) of associated companies** presented a ThUS\$114 loss as of December 2020, which is compared with a ThUS\$5,625 loss the previous year. This difference is mainly explained by the recognizing of loss for ThUS\$6,172 in the associated **Munger Hortifrut NA LLC**. in the United States as of Dec19 as a product of the distribution of this Company's agricultural assets.
- c. ThUS\$1,201 increase in **Other profit (loss)** due to the recognizing of Tax readjustment expenses during 2019 for ThUS\$1,263.
- d. As of December 2020 a loss due to **exchange rate fluctuation of** ThUS\$642 was recorded, compared with the ThUS\$247 profit in 2019. In 2020, the Chilean Peso and the Euro appreciated, while the Mexican Peso and the Peruvian Nuevo Sol depreciated.

## **EBITDA and Profit**

**Accumulated EBITDA as of Dec20 reached ThUS\$175,133**, which represents a 75.93% increase compared with the ThUS\$99,548 recorded as of Dec19. The higher EBITDA is mainly due to: 1) the execution of the commercial strategy through Hortifrut's platforms at the destination markets, allowing to record a **1.47% increase** in the **average sale price**, 2) the strength of its genetics programs, which have contributed to the **16.16% increase in commercialized volume**, mainly blueberries from Mexico and China and raspberries from Mexico and Portugal, most of which have been planted with Hortifrut genetics (owned and licensed), 3) the innovation and application of production and operation technologies, **generating sale cost per kilo efficiencies and improvement in the quality of the fruit**, and 4) the design to optimize its production curve, especially obtaining an early production curve in Peru.

It must be stated that as of Dec20 a *Fair Value* adjustment was recognized for fruit on bearer plants of ThUS\$649 (ThUS\$1,401 as of Dec 19), which net of the reversal of the recognized adjustment in Dec19, impacted the Dec20 EBITDA by -ThUS\$752 (-ThUS\$5,956 as of Dec19).

The accumulated EBITDA as of Dec20 without the fruit *Fair Value* effect reached ThUS\$175,885, which represents a 66.71% increase, compared with the ThUS\$105,504 obtained as of Dec19.

As of the closing of 2020, **gains attributable to the parent company shareholders of ThUS\$54,024** were recorded, representing a ThUS\$50,468 increase in relation to ThUS\$3,556 profit recorded in Dec19. This improvement in profit attributable to the parent company shareholders is mainly because of: 1) an increase in gross margin of ThUS\$56,400 as a result of an increase in distributed volumes and the aforementioned average sale price, as well as the aforementioned reduction in costs and expenses, and 2) a decrease in non-operating loss of US\$8,434 due to the decrease in financial expenses of ThUS\$3,965 and lower loss in Interest of associated companies and joint business for ThUS\$5,511. This was partially offset by the increase in gains tax expense which passed from ThUS\$920 as of Dec19 to ThUS\$12,139 as of Dec20, associated to a higher before tax result.

## Information per Business Segment

### “Fresh Fruit” Added Segment

#### Blueberries

##### Income Statement per Comparative Calendar Year Jan19/Dec19 - Jan20/Dec20

Blueberries	Jan19-Dec19	% Income	Jan20-Dec20	% Income	Var %
Operating Income (ThUS\$)	508,523		583,520		14.75%
Operating Costs (ThUS\$)	-467,306		-481,703		3.08%
Operating Result (ThUS\$) <sup>9</sup>	41,217	8.11%	101,817	17.45%	147.03%

##### Income Statement per Comparative Season Jul19/Dec19 - Jul20/Dec20

Blueberries	Jul19-Dec19	% Income	Jul20-Dec20	% Income	Var %
Operating Income (ThUS\$)	271,404		361,822		33.31%
Operating Costs (ThUS\$)	-223,469		-276,754		23.84%
Operating Result (ThUS\$) <sup>9</sup>	47,935	17.66%	85,068	23.51%	77.46%

##### Evolution of Sales Volume and Prices

Blueberries	Jan19-Dec19	Jan20-Dec20	Var %	Jul19-Dec19	Jul20-Dec20	Var %
Sales volume (kilos)	56,427,398	61,231,974	8.51%	30,729,308	38,759,603	26.13%
Percentage of the total	78.37%	73.22%		80.66%	75.09%	
Average Income (US\$/kg)	9.01	9.53	5.74%	8.83	9.34	5.69%
Average Price (US\$/kg)	7.69	8.01	4.24%	7.31	7.88	7.85%

<sup>9</sup> Operating Result per Operating Segment does not consider the item Impairment in the value of assets.

## Raspberries

### Income Statement per Comparative Calendar Year Jan19/Dec19 - Jan20/Dec20

Raspberries	Jan19-Dec19	% Income	Jan20-Dec20	% Income	Var %
Operating Income (ThUS\$)	16,236		46,557		186.76%
Operating Costs (ThUS\$)	-15,488		-40,181		159.44%
Operating Result (ThUS\$) <sup>10</sup>	748	4.60%	6,376	13.69%	752.94%

### Income Statement per Comparative Season Jul19/Dec19 - Jul20/Dec20

Raspberries	Jul19-Dec19	% Income	Jul20-Dec20	% Income	Var %
Operating Income (ThUS\$)	10,614		30,784		190.03%
Operating Costs (ThUS\$)	-12,778		-29,607		131.71%
Operating Result (ThUS\$) <sup>10</sup>	-2,164	-20.38%	1,177	3.82%	-154.41%

### Evolution of Sales Volume and Prices

Raspberries	Jan19-Dec19	Jan20-Dec20	Var %	Jul19-Dec19	Jul20-Dec20	Var %
Sales volume (kilos)	1,880,282	5,346,753	184.36%	1,356,809	3,775,276	178.25%
Percentage of the total	2.61%	6.39%		3.56%	7.31%	
Average Income (US\$/kg)	8.63	8.71	0.84%	7.82	8.15	4.23%
Average Price (US\$/kg)	8.63	8.71	0.84%	7.82	8.15	4.23%

<sup>10</sup> Operating Result per Operating Segment does not consider the item Impairment in the value of assets.



## Blackberries

### Income Statement per Comparative Calendar Year Jan19/Dec19 - Jan20/Dec20

Blackberries	Jan19-Dec19	% Income	Jan20-Dec20	% Income	Var %
Operating Income (ThUS\$)	13,574		11,004		-18.93%
Operating Costs (ThUS\$)	-13,387		-10,077		-24.73%
Operating Result (ThUS\$) <sup>12</sup>	187	1.38%	928	8.43%	396.28%

### Income Statement per Comparative Season Jul19/Dec19 - Jul20/Dec20

Blackberries	Jul19-Dec19	% Income	Jul20-Dec20	% Income	Var %
Operating Income (ThUS\$)	5,292		6,652		25.70%
Operating Costs (ThUS\$)	-6,041		-6,680		10.57%
Operating Result (ThUS\$) <sup>12</sup>	-750	-14.17%	-28	-0.43%	-96.22%

### Evolution of Sales Volume and Prices

Blackberries	Jan19-Dec19	Jan20-Dec20	Var %	Jul19-Dec19	Jul20-Dec20	Var %
Sales volume (kilos)	2,220,787	1,829,241	-17.63%	1,002,230	963,670	-3.85%
Percentage of the total	3.08%	2.19%		2.63%	1.87%	
Average Income (US\$/kg)	6.11	6.02	-1.58%	5.28	6.90	30.73%
Average Price (US\$/kg)	6.11	6.02	-1.58%	5.28	6.90	30.73%

<sup>12</sup> Operating Result per Operating Segment does not consider the item Impairment in the value of assets.

## Strawberries

### Income Statement per Comparative Calendar Year Jan19/Dec19 - Jan20/Dec20

Strawberries	Jan19-Dec19	% Income	Jan20-Dec20	% Income	Var %
Operating Income (ThUS\$)	3,599		2,433		-32.41%
Operating Costs (ThUS\$)	-4,799		-3,163		-34.09%
<b>Operating Result (ThUS\$)<sup>13</sup></b>	<b>-1,200</b>	<b>-33.33%</b>	<b>-730</b>	<b>-30.01%</b>	<b>-39.14%</b>

### Income Statement per Comparative Season Jul19/Dec19 - Jul20/Dec20

Strawberries	Jul19-Dec19	% Income	Jul20-Dec20	% Income	Var %
Operating Income (ThUS\$)	1,376		1,262		-8.31%
Operating Costs (ThUS\$)	-2,015		-1,380		-31.48%
<b>Operating Result (ThUS\$)<sup>13</sup></b>	<b>-639</b>	<b>-46.40%</b>	<b>-119</b>	<b>-9.41%</b>	<b>-81.40%</b>

### Evolution of Sales Volume and Prices

Strawberries	Jan19-Dec19	Jan20-Dec20	Var %	Jul19-Dec19	Jul20-Dec20	Var %
Sales volume (kilos)	847,761	612,511	-27.75%	316,634	245,676	-22.41%
Percentage of the total	1.18%	0.73%		0.83%	0.48%	
Average Income (US\$/kg)	4.25	3.97	-6.45%	4.35	5.14	18.17%
Average Price (US\$/kg)	4.25	3.97	-6.45%	4.35	5.14	18.17%

<sup>13</sup> Operating Result per Operating Segment does not consider the item Impairment in the value of assets.

## Cherries

### Income Statement per Comparative Calendar Year Jan19/Dec19 - Jan20/Dec20

Cherries	Jan19-Dec19	% Income	Jan20-Dec20	% Income	Var %
Operating Income (ThUS\$)	5,770		5,677		-1.61%
Operating Costs (ThUS\$)	-4,839		-4,321		-10.71%
Operating Result (ThUS\$) <sup>14</sup>	931	16.14%	1,357	23.90%	45.66%

### Income Statement per Comparative Season Jul19/Dec19 - Jul20/Dec20

Cherries	Jul19-Dec19	% Income	Jul20-Dec20	% Income	Var %
Operating Income (ThUS\$)	441		1,581		258.51%
Operating Costs (ThUS\$)	-327		-496		51.78%
Operating Result (ThUS\$) <sup>14</sup>	114	25.88%	1,085	68.62%	850.63%

### Evolution of Sales Volume and Prices

Cherries	Jan19-Dec19	Jan20-Dec20	Var %	Jul19-Dec19	Jul20-Dec20	Var %
Sales volume (kilos)	628,543	939,476	49.47%	72,710	203,920	180.46%
Percentage of the total	0.87%	1.12%		0.19%	0.40%	
Average Income (US\$/kg)	9.18	6.04	-34.17%	6.07	7.75	27.83%
Average Price (US\$/kg)	9.18	6.04	-34.17%	6.07	7.75	27.83%

<sup>14</sup> Operating Result per Operating Segment does not consider the item Impairment in the value of assets.

## “Value Added Products” Segment

### Income Statement per Comparative Calendar Year Jan19/Dec19 - Jan20/Dec20

Value Added Products	Jan19-Dec19	% Income	Jan20-Dec20	% Income	% Ingresos
Operating Income (ThUS\$)	32,736		39,635		21.07%
Operating Costs (ThUS\$)	-29,831		-36,217		21.41%
Operating Result (ThUS\$) <sup>15</sup>	2,905	8.87%	3,417	8.62%	17.65%

### Income Statement per Comparative Season Jul19/Dec19 - Jul20/Dec20

Value Added Products	Jul19-Dec19	% Income	Jul20-Dec20	% Income	Var %
Operating Income (ThUS\$)	13,720		21,166		54.27%
Operating Costs (ThUS\$)	-11,791		-20,036		69.93%
Operating Result (ThUS\$) <sup>15</sup>	1,929	14.06%	1,131	5.34%	-41.39%

### Evolution of Sales Volume and Prices

Value Added Products	Jan19-Dec19	Jan20-Dec20	Var %	Jul19-Dec19	Jul20-Dec20	Var %
Sales volume (kilos) <sup>16</sup>	9,995,457	13,671,982	36.78%	4,619,543	7,668,282	66.00%
Percentage of the total	13.88%	16.35%		12.13%	14.86%	
Average Income (US\$/kg)	3.28	2.90	-11.48%	2.97	2.76	-7.06%
Average Price (US\$/kg)	3.28	2.90	-11.48%	2.97	2.76	-7.06%

<sup>15</sup> Operating Result per Operating Segment does not consider the item Impairment in the value of assets

<sup>16</sup> This volume does not consider kilos processed for third parties.

## Variation Planted Hectares

Planted Surface	Productive			Non Productive <sup>17</sup>		
	Dec-19	Dec-20	Var. %	Dec-19	Dec-20	Var. %
<b>Blueberries</b>						
Surface (Hectares)	3,214	3,513	9.32%	219	537	145.29%
Percentage of the total	95.15%	89.87%		59.01%	80.92%	
<b>Raspberries</b>						
Surface (Hectares)	92	229	148.17%	90	4	-96.12%
Percentage of the total	2.73%	5.85%		24.34%	0.53%	
<b>Blackberries</b>						
Surface (Hectares)	8	11	43.63%	11	35	231.76%
Percentage of the total	0.24%	0.29%		2.85%	5.29%	
<b>Strawberries</b>						
Surface (Hectares)	57	15	-73.68%	6	12	100.00%
Percentage of the total	1.69%	0.38%		1.62%	1.81%	
<b>Cherries</b>						
Surface (Hectares)	7	141	2012.01%	45	76	68.25%
Percentage of the total	0.20%	3.60%		12.18%	11.46%	
<b>TOTAL Hortifrut</b>	<b>3,377</b>	<b>3,909</b>	<b>15.74%</b>	<b>371</b>	<b>664</b>	<b>78.87%</b>

<sup>17</sup> The total hectares correspond to the hectares consolidated by Hortifrut S.A.

# Financial and Profitability Index

## Liquidity Index

<b>Liquidity (times)</b>	<b>Dec-19</b>	<b>Dec-20</b>
<b>Current Liquidity</b> <i>Current asset / Current liability</i>	1.12	1.53
<b>Acid-test Ratio</b> <i>Available asset (Current asset - Stock - Prepayments) / Current liability</i>	0.77	1.09

## Debt Index

<b>Leverage</b>	<b>Dec-19</b>	<b>Dec-20</b>
<b>Leverage Ratio</b> <i>Total liabilities / Equity attributable to Parent Company</i>	1.15	1.26
<b>Short Term Debt</b> <i>Total current liabilities / Total liabilities</i>	40.32%	30.60%
<b>Long Term Debt</b> <i>Total non-current liabilities / Total liabilities</i>	59.68%	69.40%
<b>Financial Expenses Hedging</b> <i>(Before tax profit - Financial expenses) / Financial expenses</i>	1.43	4.31
<b>Book value of the Share (US\$)</b> <i>Equity attributable to Parent Company / N° of shares</i>	1.0806	1.0880
<b>Net Financial Debt over Equity<sup>18</sup></b> <i>(Financial Debt - Cash and Cash Equivalents) / Equity</i>	0.65	0.54

<sup>18</sup> Net Financial Debt excludes operating lease liabilities (IFRS 16).

## Profitability Index

<b>Equity Profitability</b>	<b>Dec-19</b>	<b>Dec-20</b>
<b>Profitability of Parent Company's Equity</b>	<b>0.60%</b>	<b>8.60%</b>
<i>Parent Company's Profit / Parent Company's Equity</i>		
<b>Profitability of the Equity</b>	<b>1.63%</b>	<b>8.84%</b>
<i>Profit for the year / Total equity</i>		

## Activity Index

<b>Activity</b>	<b>Dec-19</b>	<b>Dec-20</b>
<b>Rotation of Assets (times)</b>	<b>0.46</b>	<b>0.49</b>
<i>Operating Income / Total assets year average</i>		
<b>Rotation of Stock (times)</b>	<b>7.96</b>	<b>8.29</b>
<i>Cost of sales / Average stock</i>		
<b>Permanence of Stock (days)</b>	<b>45</b>	<b>43</b>
<i>Stock / Annualized cost of sales (360 days base)</i>		

# Consolidated Financial Statements - IFRS

## Consolidated Statement of Financial Position - Assets

		31-Dec-20	31-Dec-19
Statement of Financial Position	Note	ThUS\$	ThUS\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	101,637	42,002
Other current financial assets	9	1,806	-
Other current non-financial assets	15	8,393	8,710
Current trade debtors and other accounts receivable	10	99,165	97,066
Current accounts receivable from related entities	11	59,203	62,231
Inventories	12	76,008	70,581
Biological assets, current	13	20,243	18,225
Current tax assets	22	-	9,292
<b>Total current assets other than assets or disposal group held for sale</b>		<b>366,455</b>	<b>308,107</b>
Non-current assets or disposal groups held for sale	14	2,884	-
<b>Total Current Assets</b>		<b>369,339</b>	<b>308,107</b>
<b>Non-current assets</b>			
Other non-current financial assets	9	3,145	755
Other non-current non-financial assets	15	1,718	1,186
Non-current fees receivable	10	2,820	2,960
Non-current accounts receivable with related entities	11	5,026	4,417
Equity accounted investees	17	10,991	11,940
Intangible assets other than goodwill	18	7,854	8,855
Goodwill	19	179,770	179,770
Property, plant and equipment	20	842,433	780,496
Right of use assets	21	74,539	22,867
Deferred tax assets	22	20,465	18,451
<b>Total Non-Current Assets</b>		<b>1,148,761</b>	<b>1,031,697</b>
<b>Total Assets</b>		<b>1,518,100</b>	<b>1,339,804</b>

The attached notes number 1 to 41 form an integral part of these consolidated financial statements.



## Consolidated Statement of Financial Position - Liabilities and Equity

		31-Dec-20	31-Dec-19
	Note	<u>ThUS\$</u>	<u>ThUS\$</u>
<b>Equity and Liabilities</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other current financial liabilities	23	111,226	176,345
Current lease liabilities	24	8,408	10,614
Current trade accounts and other accounts payable	25	108,769	78,798
Current accounts payable to related entities	11	2,079	3,348
Other current provisions	26	1,459	1,409
Tax liabilities, current	22	93	-
Current provisions for employee benefits	26	8,774	3,676
Other current non-financial liabilities		1,106	690
<b>Total Current Liabilities</b>		<u><b>241,914</b></u>	<u><b>274,880</b></u>
<b>Non-Current Liabilities</b>			
Other non-current financial liabilities	23	378,636	279,524
Non-current lease liabilities	24	62,972	24,433
Other non-current accounts payable	25	6,711	6,506
Non-current accounts payable to related entities	11	10,782	5,784
Other provisions, non-current	26	873	1,222
Deferred tax liabilities	22	88,751	89,339
<b>Total Non-Current Liabilities</b>		<u><b>548,725</b></u>	<u><b>406,808</b></u>
<b>Total Liabilities</b>		<u><b>790,639</b></u>	<u><b>681,688</b></u>
<b>Equity</b>			
Issued capital	27	472,212	472,212
Retained earnings	28	161,414	134,701
Issuance premium	27	3,751	3,751
Other reserves	29	(9,242)	(15,941)
<b>Equity attributable to the parent company's equity</b>		<u><b>628,135</b></u>	<u><b>594,723</b></u>
Non-controlling interest	30	99,326	63,393
<b>Total Equity</b>		<u><b>727,461</b></u>	<u><b>658,116</b></u>
<b>Total Equity and Liabilities</b>		<u><b>1,518,100</b></u>	<u><b>1,339,804</b></u>

The attached notes number 1 to 41 form an integral part of these consolidated financial statements.

## Consolidated Integral Income Statement

		<b>01-Jan-20</b>	<b>01-Jan-19</b>
		<b>31-Dec-20</b>	<b>31-Dec-19</b>
<b>Income Statement</b>	<b>Note</b>	<b>ThUS\$</b>	<b>ThUS\$</b>
<b>Profit (loss)</b>			
Operating revenue	32	683,366	576,045
Cost of sales	33	(516,928)	(475,881)
<b>Gross Profit</b>		<b>166,438</b>	<b>100,164</b>
Other income, per function	32	5,461	4,393
Administration expenses	33	(53,211)	(47,334)
Other expenses, per function	33	(19,247)	(14,182)
Other profit (loss)	35	(558)	(1,759)
Financial income		1,435	2,789
Financial expenses	34	(23,105)	(27,070)
Share of profit (loss) of equity accounted investees	17	(114)	(5,625)
Exchange rate differences	36	(642)	247
<b>Profit (loss) before tax</b>		<b>76,457</b>	<b>11,623</b>
Income tax expense	22	(12,139)	(920)
<b>Profit (loss) from continued operations</b>		<b>64,318</b>	<b>10,703</b>
<b>Profit (loss)</b>		<b>64,318</b>	<b>10,703</b>
<b>Profit (loss) attributable to</b>			
Profit (loss), attributable to parent company equity holders		54,024	3,556
Profit (loss), attributable to non-controlling interests	29	10,294	7,147
<b>Profit (loss)</b>		<b>64,318</b>	<b>10,703</b>
<b>Earnings per share</b>			
<b>Basic earnings per share</b>			
Basic earnings (loss) per share from continued operations (US\$ per share)	30	0.093577	0.006461
<b>Basic earnings (loss) per share</b>		<b>0.093577</b>	<b>0.006461</b>
<b>Profit per diluted share</b>			
Diluted earnings (loss) per share from continued operations ((S\$ per share)		0.093577	0.006461
<b>Diluted earnings (loss) per share</b>		<b>0.093577</b>	<b>0.006461</b>

The attached notes number 1 to 41 form an integral part of these consolidated financial statements.

## Consolidated Statement of Changes in Net Equity

	Issued capital Note 27 ThUS\$	Issuance premium Note 27 MUS\$	Reserves due to exchange rate differences and others Note 29 ThUS\$	Cash flow hedging reserves Note 29 ThUS\$	Other reserves Note 29 ThUS\$	Accumulated profit (loss) Note 28 ThUS\$	Equity attributable to parent company equity holders ThUS\$	Non controlling interest Note 30 ThUS\$	Total Equity ThUS\$
<b>Opening balance as of 01/01/2020</b>	<b>472,212</b>	<b>3,751</b>	<b>(12,460)</b>	<b>(3,481)</b>	<b>(15,941)</b>	<b>134,701</b>	<b>594,723</b>	<b>63,393</b>	<b>658,116</b>
<b>Changes in equity</b>									
<b>Comprehensive income</b>									
Profit (loss)	-	-	-	-	-	54,024	54,024	10,294	64,318
Other comprehensive income	-	-	4,495	2,204	6,699	-	6,699	(1,692)	5,007
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>4,495</b>	<b>2,204</b>	<b>6,699</b>	<b>54,024</b>	<b>60,723</b>	<b>8,602</b>	<b>69,325</b>
Dividend	-	-	-	-	-	(27,311)	(27,311)	(13,224)	(40,535)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	-	40,555	40,555
<b>Total changes in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,311)</b>	<b>(27,311)</b>	<b>27,331</b>	<b>20</b>
<b>Closing balance as of 31/12/2020</b>	<b>472,212</b>	<b>3,751</b>	<b>(7,965)</b>	<b>(1,277)</b>	<b>(9,242)</b>	<b>161,414</b>	<b>628,135</b>	<b>99,326</b>	<b>727,461</b>

	Issued capital Note 27 ThUS\$	Issuance premium Note 27 ThUS\$	Reserves due to exchange rate differences and others Note 29 ThUS\$	Cash flow hedging reserves Note 29 ThUS\$	Other reserves Note 29 ThUS\$	Accumulated profit (loss) Note 28 ThUS\$	Equity attributable to parent company equity holders ThUS\$	Non controlling interest Note 30 ThUS\$	Total Equity ThUS\$
<b>Opening balance as of 01/01/20219</b>	<b>347,191</b>	<b>(4,221)</b>	<b>(10,132)</b>	<b>(1,674)</b>	<b>(11,806)</b>	<b>135,518</b>	<b>466,682</b>	<b>52,743</b>	<b>519,425</b>
<b>Changes in equity</b>									
<b>Comprehensive income</b>									
Profit (loss)	-	-	-	-	-	3,556	3,556	7,147	10,703
Other comprehensive income	-	-	(2,328)	(1,807)	(4,135)	-	(4,135)	(717)	(4,852)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(2,328)</b>	<b>(1,807)</b>	<b>(4,135)</b>	<b>3,556</b>	<b>(579)</b>	<b>6,430</b>	<b>5,851</b>
Issuance of equity	129,242	-	-	-	-	-	129,242	-	133,557
Dividends	-	-	-	-	-	(4,373)	(4,373)	(202)	(4,575)
Increase (decrease) due to transfers and other changes	(4,221)	4,221	-	-	-	-	-	4,735	4,171
Increase (decrease) due to transactions of shares in portfolio	-	3,751	-	-	-	-	3,751	(313)	(313)
<b>Total changes in equity</b>	<b>125,021</b>	<b>7,972</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,373)</b>	<b>128,620</b>	<b>4,220</b>	<b>132,840</b>
<b>Closing balance as of 31/12/2019</b>	<b>472,212</b>	<b>3,751</b>	<b>(12,460)</b>	<b>(3,481)</b>	<b>(15,941)</b>	<b>134,701</b>	<b>594,723</b>	<b>63,393</b>	<b>658,116</b>

## Consolidated Cash Flow Statement

<b>Direct Cash Flow Statement</b>	<b>01-Jan-20 31-Dec-20 ThUS\$</b>	<b>01-Jan-19 31-Dec-19 ThUS\$</b>
<b>Cash Flow Statement</b>		
<b>Cash flow from (used in) operating activities</b>		
<b>Types of charges per operating activities</b>		
Collection from the sale of goods and the providing of services	697,550	544,709
<b>Types of payments</b>		
Payment to suppliers for the providing of goods and services	(375,601)	(347,889)
Payments to and on behalf of employees	(134,129)	(125,098)
Paid interests	(15,829)	(23,202)
Received interests	1,435	2,789
Gains tax refund (paid)	(8,183)	(17,646)
Other received (paid) cash	(62)	(1,154)
<b>Net cash flow from (used in) operating activities</b>	<b>165,181</b>	<b>32,509</b>
<b>Cash flow from (used in) investment activities</b>		
Cash Flow from loss of control of subsidiaries or other business	-	12,948
Cash flow used to gain control over subsidiaries or other business	(0)	-
Other payments to purchase equity or debt instruments from other entities	(1,555)	(330)
Préstamos a entidades relacionadas	(609)	-
Income from the sale of property, plant and equipment	3,002	2,327
Purchase of property, plant and equipment	(112,990)	(162,282)
Purchase of intangible assets	(1,592)	(349)
Other cash income (expense)	13,731	4,735
<b>Net cash flow from (used in) investment activities</b>	<b>(100,013)</b>	<b>(142,951)</b>
<b>Cash flow from (used in) financing activities</b>		
Income from the issuance of shares	-	132,993
Income from long term loans	139,191	206,804
Income from short term loans	250,876	133,720
<b>Total income from loans</b>	<b>390,067</b>	<b>340,524</b>
Payment of loans	(362,252)	(353,674)
Payment of liabilities for financial lease	(13,991)	(7,883)
Paid dividends	(17,597)	(10,926)
<b>Net cash flow from (used in) financing activities</b>	<b>(3,773)</b>	<b>101,034</b>
<b>Net increase (decrease) of cash and cash equivalents, before exchange rate fluctuations</b>	<b>61,395</b>	<b>(9,408)</b>
<b>Effects of exchange rate fluctuations on cash and cash equivalents</b>	<b>(1,760)</b>	<b>2,509</b>
Effects of exchange rate fluctuations on cash and cash equivalents	(1,760)	2,509
<b>Net increase (decrease) of cash and cash equivalents</b>	<b>59,635</b>	<b>(6,899)</b>
Cash and cash equivalents, opening balance	42,002	48,901
<b>Cash and cash equivalents, closing balance</b>	<b>101,637</b>	<b>42,002</b>

The attached notes number 1 to 41 form an integral part of these consolidated financial statements.