



# Touching & enlightening the life of the people of the

WORLD BY GROWING THE MOST



through a team

AND PARTNERSHIPS THAT CARE

ABOUT THE ENVironment

and the community ,.



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Chairmon's <u>Letter</u>

Dear Shareholders and Collaborators,

For Hortifrut, 2018 was, without a doubt, a year of many important milestones within its history as a global platform for Berries.

The most relevant milestone was the materialization of the Adquisition and Merger of Grupo Rocio's Blueberries Business in Peru in July 2018, operation through which 50% of Hortifrut Tal S.A.C. was acquired, which completes a 100% participation in that company, plus 100% of Tal S.A.'s Blueberries business, thereby incorporating into Hortifrut's property 1,450 productive hectares of Blueberries, installations and equipment in two packing units, all located in the locality of Chao, Province of Virú, Region of La Libertad.

Thanks to this agreement, together with the over 400 hectares that it has already planted with its partner Atlantic Blue in the locality of Olmos, Province and Region of Lambayeche, Hortifrut could export from Peru a volume estimated at 45,000 tons of Blueberries per year to global markets and consumers, mainly attacking the weeks in the year that are known for having a low supply and high prices for this product, and to continue advancing in its mission to deliver "Berries for the world every day".

Within this same context, the Company advanced in its **plantation project in China**, developed thanks to the strategic alliance signed with its partner Joy Wing Mau (subsidiary of the Legend Group and leader in fruit distribution in China) in 2016, which considers the joint development of the production and distribution business of Berries in China, a market with a growth potential not found in any other region in the world and which is estimated to become as big or bigger than the North American market. To the closing of 2018, 91 hectares have been planted out of a total of 230 hectares approved for this project, surface where the first harvest will be obtained as of March 2019. Thereby, the performance of these plantations will define the growth rhythm that Hortifrut will have as a producer in China during the coming years.

Also, with the objective of formalizing its commitment with **sustainable development** as one of the Company's strategic pillars, in 2018 Hortifrut establishes its new purpose: "Touching and enlightening the life of the people of the world by growing the most wonderful and healthy berries, through a team and partnerships that care about the environment and the community".

In this sense, we are very proud that Hortifrut Chile S.A. (subsidiary of Hortifrut S.A.) obtained in October 2018 the **B Corporation Certification**, thus becoming the biggest Chilean company to obtain this important international recognition, and one of the first agro-industrial companies in the world to obtain this certification. This recognition was obtained after a year-long certification process, where we confirmed that the good practices that we have been implementing in the last few years surpass the highest international standards in relation to Governance and the Company's relationship with the Community, the Environment and its Collaborators.

To be a B Corporation makes us part of a global movement of companies and people with the same objective: to build a new economy, in the search for the wellbeing of people, societies and the environment, as well as reflecting the essence of our purpose. Our long-term desire is to certify each one of our subsidiaries and, in this manner, to continue enhancing Hortifrut's positive impact in the world.

As part of the commitment and focus that Hortifrut has had for several years with **technological innovation and development**, during 2018 the Company continued advancing in this scope, fundamentally consolidating and globalizing the systematic management of innovation. Thereby, since 2017, the Company has measured its **Intensity of innovation (i3)**, which quantifies the percentage of its results (EBITDA) that come from innovation, such as technological solutions, new varieties, new products, services and new production methods. The last measurement showed that 14% of the EBITDA of the 17/18 season corresponds to innovation projects.

With the objective of increasing this index in a sustainable manner in the following years, we began the **systematization of innovation management**, with the definition and development of an organizational structure which facilitates the administration and management of an Innovation Projects Portfolio. Several of Hortifrut's areas participate in this process, identifying opportunities and innovation ideas which could impact on a global scale and at each of the links of the Company's value chain.

Regarding Genetics progress, during 2018 Hortifrut took important steps towards the expansion of the surface planted with new own varieties of Blackberries (Madeleine), Raspberries (Centennial) and Blueberries (Kestrel), which have been qualified as outstanding by our customers and consumers. Specifically, the Company started developing projects of a relevant magnitude in this scope, whose purpose is to provide plants of the own aforementioned varieties to third parties, especially in Mexico, in order to promote the varietal turnover of the industry and thus provide plantations with higher levels of profitability to our producers, and products of an excellent quality that satisfy the constantly more demanding palates of our customers and consumers. In relation to figures, the consolidation of the recent Adquisition and Merger of Grupo Rocio's Blueberries Business in Peru, contributed to the growth that these showed during 2018 compared to the previous year. Thereby, Hortifrut's sales experienced a 38% growth in the period under analysis, associated to a 27% increase in the distributed volume, reaching 58,500 tons, generating an EBITDA of US\$ 109 million during 2018. Likewise, investments for US\$ 54.4 million took place and the Company's assets reached US\$ 1,247 billion, recording a 118% increase in the last year, mostly associated to the incorporation of the societies linked to the sale-purchase and merger operation performed in Peru.

Our success and optimism when facing the future is based on a unique business model, with over 30 global alliances, where genetic innovation in the development of new and better exclusive varieties, the incorporation of state of the art technology in our processes, the development of new and innovative products and the commitment with the land and our over 10,000 workers and their families in 10 countries, counting with over 800 producers in China, South Africa, Morocco, Spain, USA, Mexico, Brazil, Argentina, Peru and Chile, are the fundamental elements that allow us to deliver Berries from both hemispheres, 52 weeks a year.

Once again I would like to give thanks for the permanent commitment and effort made by all our producers, partners and collaborators in the obtention of the Company's objectives and results. This has allowed us to reach a sustained growth in the past and, without a doubt, will be the motor to maintain this tendency towards Hortifrut's future.

Víctor Moller Schiavetti Chairman Hortifrut S.A.









Our Compony

### **COMPANY INFORMATION**

HORTIFRUT S.A. RUT 96.896.990-0

### MAIN OFFICES

Av. Del Cóndor 600, 4th Floor, Huechuraba, Santiago, Chile Tel: +56 2 2479 2610 - Fax: +56 2 2479 2679

### STOCK MARKET CODE

HF: Bolsa de Comercio de Santiago

### FINANCIAL INFORMATION

Gabriela Rojas Violic, Management Control & Investor Relations Manager Av. Del Cóndor 600, 4th floor, Huechuraba, Santiago, Chile Tel: +56 2 2479 2618 Mail: grojas@hortifrut.com

### Verónica Pubill Comadrán

Head of Investor Relations Av. Del Cóndor 600, 4th floor, Huechuraba, Santiago, Chile Tel: +56 2 2368 3603 Mail: vpubill@hortifrut.com

### SHAREHOLDER CONSULTATION

Depósito Central de Valores Huérfanos 770, 22nd floor, Santiago, Chile Tel: +56 2 2393 9003 - Fax: +56 2 2393 9101 Mail: atencionaccionistas@dcv.cl

### INDEPENDENT AUDITORS

KPMG Auditores y Consultores Ltda. Avenida Isidora Goyenechea 3520, 2nd floor Las Condes, Santiago, Chile Tel: +56 2 27981000

### WEBSITE

Complete information regarding Hortifrut: www.hortifrut.com

Purpose

> TOUCHING AND ENLIGHTENING THE LIFE OF THE PEOPLE OF THE WORLD BY GROWING THE MOST WONDERFUL AND HEALTHY BERRIES, THROUGH A TEAM AND PARTNERSHIPS THAT CARE ABOUT THE ENVIROMENT AND THE COMMUNITY.

Vision

> TO BE THE WORLD LEADER IN THE BERRIES CATEGORY.

Mission

> BERRIES FOR THE WORLD, EVERY DAY.





Global Company

HORTIFRUT TOGETHER WITH ITS PARTNERS IS N°1 IN BLUEBERRY SALES AND N°2 IN THE SALE OF BERRIES AT A GLOBAL LEVEL.





# **30 DISTRIBUTION CENTERS** IN THE WORLD

COMMERCIAL PRESENCE IN **37 COUNTRIES** 

# OVER 500 CUSTOMERS

# OVER 800 PRODUCERS

OF BERRIES IN 7 COUNTRIES

# MAIN INVESTMENT FOCUS: INNOVATION & TECHNOLOGY

# **STRATEGIC** ALLIANCES

IN NORTH AMERICA, EUROPE AND ASIA

# **COMMITTED WITH SUSTAINABILITY:**

ENVIRONMENT, COMMUNITIES, COLLABORATORS AND CORPORATE GOVERNANCE







# 1983

> Hortifrut begins its operations in Chile.

# 1984

 Hortifrut becomes the first Chilean Company to export berries to the United States in counter-season.

# 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.
- Berries crop is expanded to Blackberries, Blueberries, Raspberries and Sarsaparillas.

# 1987

> First export of berries to Asia from Chile.

1988

> Hortifrut concretes 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.

# 1990

> Hortifrut invites the main Berries producers from the United States, they purchase the Naturipe® Brand and form Naturipe Farms.

# 1995

>Export and producer subsidiaries are created in Mexico and Guatemala.

# 1999

>Hortifrut Argentina is created.

# 2000

 Hortifrut España is created together with the main Blueberries producer in Spain.

# 2001

Start-up 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

> The President of the Company receives the ICARE award for businessman of the year.

# 2008

- > Hortifrut becomes the largest organic Blueberry producer in the world.
- > It receives the Marketer of the Year award (PMA Produce Marketing Association USA).
- > Opens a distribution office in Brazil.
- > Implementing of 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 Award 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

- > Merger with VitalBerry Marketing SpA, the second largest Blueberries exporter in the Southern Hemisphere, leading Berries supplier to Europe and Asia in counter-season.
- > Hortifrut has been delivering Berries to the world for 30 years, every day of the year.

# 2014

- Entrance into the Peruvian market as producer and exporter of Berries through the Hortifrut-Tal SAC company.
- Association with the Argentine company Expofresh for the production and commercializing of early fruit.
- Signing of Joint-venture in China for genetic – productive development.
- > Development of the 1st Hortifrut Technology and Innovation Fair.

# 2015

- Constitution of a second company in Peru, HFE Berries Perú SAC, for the development of another productive focus in this country.
- > Launching of the Agrinnovation and Blue Challenge Platform.

# 2016

- Entrance into the North American market as a Berries producer through the Company Munger Hortifrut North America, LLC., in association with Munger Brothers.
- > Development of the 2nd Hortifrut Technology and Innovation Fair.

# 2017

> 2017 Entrepreneur of the Year Award for Victor Moller Schiavetti, granted by EY and El Mercurio in Chile, which distinguished him within the EY World Entrepreneur of the Year competition in Monaco. こう こう こう こう たい たい たい たいです

# 2018

- > Materialization of the Adquisition and Merger of Grupo Rocio's Blueberries Business in Peru, consolidating Hortifrut's leadership position in the Berries global market.
- Hortifrut Chile S.A. (subsidiary of Hortifrut S.A.) was certified as a B Corporation, becoming the biggest Chilean company to obtain this important international recognition, linked to Sustainability.









At a global level, the Berries industry is mainly focused on markets with higher fruit consumption. These are North America<sup>1</sup>, Europe and the main emerging markets such as Brazil, Japan, South Korea, China<sup>2</sup>, Mexico and Singapore.

North America

North America is the largest market in the Berries industry, market where the total consumption of the four most relevant Berries<sup>3</sup> categories reached 1,500,000 tons in 2018, with a 4.8% compound annual increase during the 2000-2018 period.

Leaving Strawberries aside, which show a more stable growth since they are a variety in mature regime in North America, the rest of the Berries category increased an annual 11.9% in said period.

The North American market satisfies most of its consumption with internal production and imports mainly from Chile, Mexico, Argentina and Peru<sup>4</sup>. In the Northern Hemisphere, internal production is generated in the summer months and most of the imports from the Southern Hemisphere take place in winter. The latter generate price and volume curves which are attractive for a global producer like Hortifrut, who makes good use of the advantages resulting from the falls in volume in the seasons between April and May and between September and November. The following charts show the behavior of the volumes and prices of the four Berries consumed in North America.

In the specific case of Blueberries, their consumption in the last 18 years has increased at a compound annual rate of 11.0%. Prices have experienced a relatively stable behavior in the last few years despite the growth experienced in volume, which shows the strength of demand for this product.

- North America only includes United States and Canada.
- 2 Mainly Hong Kong.
- 3 Blueberries, Strawberries, Raspberries and Blackberries.
- 4 Hortifrut has export centers in these places.

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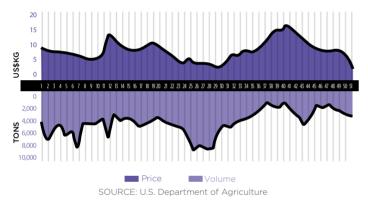
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### EVOLUTION OF CONSUMPTION AND PRICE OF FRESH **BLUEBERRIES IN NORTH AMERICA (THOUSANDS OF TONS)**

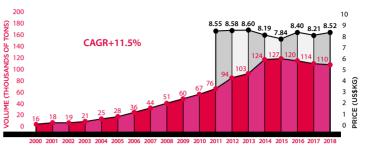


SOURCE: U.S. Department of Agriculture

### WEEKLY VOLUME AND PRICE 2018 OF FRESH **BLUEBERRIES IN NORTH AMERICA**



### EVOLUTION OF CONSUMPTION AND PRICE OF FRESH **RASPBERRIES IN NORTH AMERICA (THOUSANDS OF TONS)**



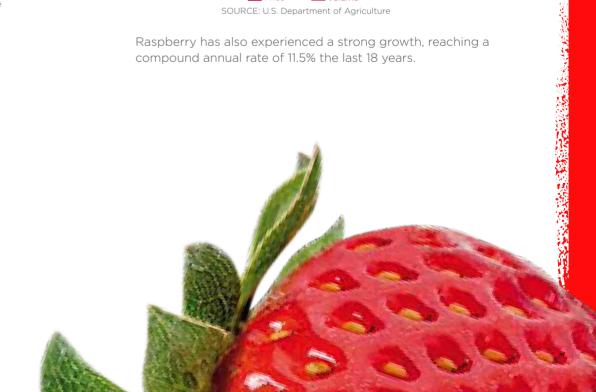
● Volume (Thousands of Tons) ● Price (US\$Kg) SOURCE: U.S. Department of Agriculture

### WEEKLY VOLUME AND PRICE 2018 OF FRESH **RASPBERRIES IN NORTH AMERICA**

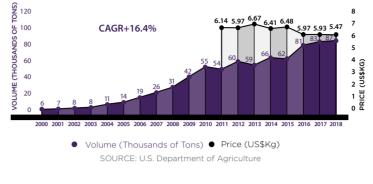


SOURCE: U.S. Department of Agriculture

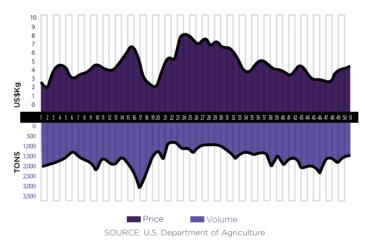
Raspberry has also experienced a strong growth, reaching a compound annual rate of 11.5% the last 18 years.



### EVOLUTION OF CONSUMPTION AND PRICE OF FRESH BLACKBERRIES IN NORTH AMERICA (THOUSANDS OF TONS)



WEEKLY VOLUME AND PRICE 2018 OF FRESH BLACKBERRIES IN NORTH AMERICA

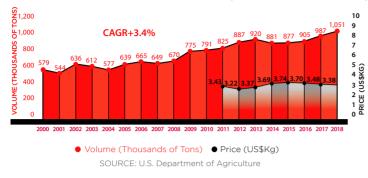


In the case of Blackberries, compound annual growth of the last 18 years in North America was 16.4%.

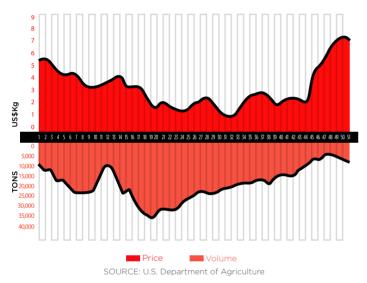
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### EVOLUTION OF CONSUMPTION AND PRICE OF FRESH STRAWBERRIES IN NORTH AMERICA (THOUSANDS OF TONS)



### WEEKLY VOLUME AND PRICE 2018 OF FRESH STRAWBERRIES IN NORTH AMERICA

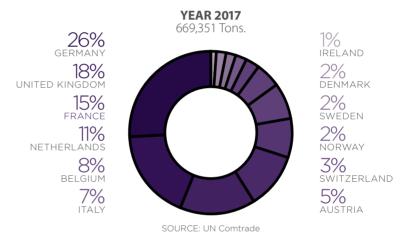


Last of all, Strawberries experienced a 3.4% growth. Its lower growth compared to the other Berries is because the comparison base is very high, since its volume had already experienced a strong growth in the decade of the 90's, reaching its maturity phase. Its high consumption is explained in part by the easiness of locally producing during the whole year.



In Europe, the consumption of Berries is mainly located in eleven countries, which concentrate most of the imports: Germany, Austria, Denmark, France, Ireland, Italy, Norway, Sweden, Switzerland and the United Kingdom, which represent over 95% of the total.

### DISTRIBUTION OF IMPORTED VOLUME OF BERRIES BETWEEN THE TOP 11 IMPORTERS IN EUROPE (2017)

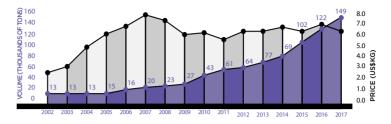


As per the latest information available, in 2017 the European market imported over 669.351 tons of Berries, with a compound annual growth for the 2002-2017 period of 3.8%<sup>5</sup>. Nevertheless, if we separate Strawberries, the compound annual increase of imports and price was 12.1% and 7.7%, respectively.

In the specific case of Blueberries, imports in Europe have increased at a compound annual rate of 17.6%, reaching over 149,000 tons. Considering local production, consumption in Europe reached 204,000 tons<sup>6</sup>, which represents 80% of what is consumed in North America. Likewise, the price of Blueberries has increased at a compound annual rate of 6.9%.

(International Blueberry Organization).

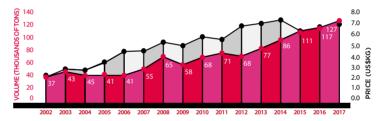
# EVOLUTION OF FRESH BLUEBERRY IMPORTS AND PRICES IN EUROPE



SOURCE: UN Comtrade, imports from Germany, Austria, Belgium, Denmark, France, Ireland, Italy, Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

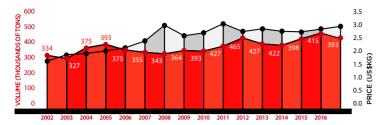
In the last 15 years, the compound annual growth rate of Raspberry production in Europe has been 8.7%, while Strawberry has been 1.1%, with prices growing at compound annual rates of 7.8% and 3.9%, respectively.

### EVOLUTION OF FRESH RASPBERRY IMPORTS AND PRICES IN EUROPE



SOURCE: UN Comtrade, imports from Germany, Austria, Belgium, Denmark, France, Ireland, Italy, Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

### EVOLUTION OF FRESH STRAWBERRY IMPORTS AND PRICES IN EUROPE



SOURCE: UN Comtrade, imports from Germany, Austria, Belgium, Denmark, France, Ireland, Italy, Netherlands, Norway, Sweden, Switzerland, the United Kingdom and exports from Morocco.

Emerging Morkets

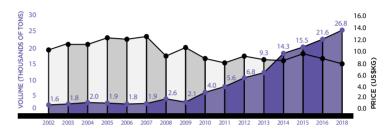
Within these new markets, the countries that concentrate the highest consumption of Berries are Hong Kong, China, Japan, Singapore, South Korea and Brazil. These markets, in relative terms with North America and Europe, are in a very incipient development stage and together represent around 3% of the North American market.

During 2017, these countries imported in total over 47,700 tons of Berries, representing a compound annual growth of 10.6% for the 2002-2017 period. If we also consider the local production which is not exported, implicit consumption in the region was approximately 78,000 tons.

Between 2002 and 2017, the volume of imported fresh Blueberries has increased at a compound annual rate of 20.8%, surpassing the 26,800 tons in 2017. If we consider internal production<sup>7</sup> for said year, this amount reaches slightly over 57,000 tons, which represents 28% of consumption in Europe and 25% of consumption in North America. 言語を行うの語

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# EVOLUTION OF FRESH BLUEBERRY IMPORT AND PRICES IN NEW CONSUMPTION MARKETS



SOURCE: UN Comtrade, imports from Brazil, China, Hong Kong, Japan, South Korea and Singapore.

The volume of fresh Raspberries has grown at a compound annual rate of 10.1% for the same period, reaching almost 2,000 tons. This represents 1.6% of consumption in Europe and 1.8% of consumption in North America. Fresh strawberries reached a volume of 19,000 tons in 2017, recording a compound annual growth of 5.5% in the 2002-2017 period.



7 As per production statistics informed by IBO (International Blueberry Organization).

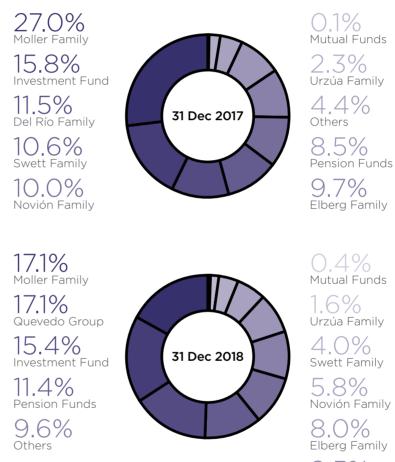






As of December 31, 2018, Hortifrut S.A.'s corporate capital reached US\$ 347,191,087 and is distributed in 525,546,131 shares of a single series, all of which are subscribed and paid by its 117 shareholders.

Ownership Structura



9.5% Del Río Family

12 Main Shareholders

The following table shows the 12 largest shareholders, indicating the number of shares and the percentage of participation that each of them had as of December 31, 2018.

| SHAREHOLDERS  | RUT / ID     | TOTAL       | %       |
|---|--------------|-------------|---------|
| Talsa Chile III SpA   | 76.820.643-0 | 89,125,792  | 16.96%  |
| Inversiones IMG Ltda.   | 77.813.860-3 | 81,792,248  | 15.56%  |
| Inmobiliaria Algeciras Ltda. <sup>8</sup>                     | 86.907.900-6 | 42,243,674  | 8.04%   |
| San José Farms S.A.   | 77.403.750-0 | 36,773,594  | 7.00%   |
| Banco Itau Corpbanca por Cuenta de Inversionistas Extranjeros | 97.023.000-9 | 27,750,121  | 5.28%   |
| Compass Small Cap Chile Fondo de Inversión                    | 96.804.330-7 | 25,064,198  | 4.77%   |
| Inversiones Costanera Ltda.                                   | 86.475.500-3 | 16,239,705  | 3.09%   |
| BTG Pactual Small Cap Chile Fondo de Inversión                | 96.966.250-7 | 14,661,541  | 2.79%   |
| Siglo XXI Fondo de Inversión                                  | 76.100.825-0 | 14,273,620  | 2.72%   |
| Comercial Epysa S.A.  | 93.682.000-K | 13,800,000  | 2.63%   |
| Exportadora San José Trading Ltda.                            | 78.304.640-7 | 13,359,181  | 2.54%   |
| AFP Habitat S.A. para Fondo Tipo C                            | 98.000.100-8 | 10,455,774  | 1.99%   |
| TOTAL MAIN SHAREHOLDERS                                       |              | 385,539,448 | 73.36%  |
| Other 105 Shareholders  |              | 140,006,683 | 26.64%  |
| TOTAL SUBSCRIBED AND PAID SHARES                              |              | 525,546,131 | 100.00% |

Shoveholder's Agreement

The Company is jointly controlled by the Moller Group, Vitalberry Group and Quevedo Group through a Shareholders Agreement, subscribed on July 03, 2018. The Moller 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 270,078,156 of Hortifrut S.A.'s shares, which represent 51.39% of the Company's capital (out of a total of 525,546,131 issued shares), through which they have control of the Company. The agreement establishes that none of the aforementioned groups can reduce their interest in Hortifrut S.A.'s property below 17.13%, interest equal to 90,026,052 shares. The shares that any of the parties have over 17.13% of the Company's share capital are Free Disposal Shares.

### SHAREHOLDERS RELATED TO THE MOLLER GROUP

|              | INVERSIONES<br>IMG LTDA. | SAN JUAN<br>DE VIRQUENCO<br>TRES S.A. | AGRÍCOLA<br>SAN NICOLÁS<br>LTDA. | TOTAL      |
|--------------|--------------------------|---------------------------------------|----------------------------------|------------|
| RUT / ID     | 77.813.860-3             | 76.079.263-2                          | 78.464.610-6                     |            |
| N° OF SHARES | 81,792,248               | 7,344,255                             | 929,550                          | 90,066,053 |
| INTEREST     | 15.56%                   | 1.40%                                 | 0.18%                            | 17.14%     |

### **PROPERTY STRUCTURE OF THE** COMPANIES THAT FORM THE MOLLER GROUP

# INVERSIONES IMG LTDA.

33.33152% Inmobiliaria Fran SpA. 77.909.130-9

33.33152% Inversiones Vemos Ltda. 77.878.580-3

33.33152% Inversiones Alberto SpA. 77.891.580-4

0.00544% Inversiones VM Y Cía. 76.087.607-0

# SAN JUAN DE VIRQUENCO TRES S.A.

99.97% Inversiones IMG Ltda. 77.813.860-3

0.01% Inmobiliaria Fran SpA. 77.909.130-9

0.01% Inversiones Vemos Ltda. 77.878.580-3

0.01% Inversiones Alberto SpA. 77.891.580-4

# INVERSIONES ALBERTO SpA

100.00% Alberto Nicolás Moller Opazo 10.668.356-5

# INMOBILIARIA FRAN SpA.

100.00% Francisca Moller Opazo 16.431.369-7

# AGRÍCOLA SAN NICOLÁS LTDA.

99.975% Inversiones IMG Ltda. 77.813.860-3

0.025% Víctor Moller Schiavetti 4.435.579-5

# INVERSIONES VM Y CÍA.

97.00% Víctor Moller Schiavetti 4.435.579-5

1.00% Francisca Moller Opazo 16.431.369-7

1.00% Víctor E. Moller Opazo 10.668.361-1

1.00% Alberto N. Moller Opazo

INVERSIONES VEMOS LTDA. 99.00% Víctor E. Moller Opazo 10.668.361-1

1.00% Antonia Saber Morandé 12.853.530-6

> All of the aforementioned companies • Francisca Moller Opazo are directly or indirectly controlled • Víctor Edmundo Moller Opazo 10.668.361-1 by members of the Moller Family, • Alberto Nicolás Moller Opazo 10.668.356-5 who are detailed below: • Víctor Moller Schiavetti

- 16.431.369-7
- - 4.435.579-5

### SHAREHOLDERS RELATED TO THE VITALBERRY GROUP

|              | INMOBILIARIA<br>ALGECIRAS<br>LTDA. | SAN JOSÉ<br>FARMS S.A. | EXPORTADORA<br>SAN JOSÉ<br>TRADING LTDA. | TOTAL      |
|--------------|------------------------------------|------------------------|--|------------|
| RUT / ID     | 86.907.900-6                       | 77.403.750-0           | 78.304.640-7                             |            |
| N° OF SHARES | 42,243,674                         | 36,773,594             | 13,359,181                               | 92,376,449 |
| INTEREST     | 8.04%                              | 7.00%                  | 2.54%                                    | 17.58%     |

### **PROPERTY STRUCTURE OF THE** COMPANIES THAT FORM THE VITALBERRY GROUP

### SAN JOSÉ FARMS S.A.

99.90% Inversiones Torca Ltda. 79.875.040-2

0.10% Inversiones Torca Dos Ltda. 76.182.512-7

# INVERSIONES TORCA LTDA.

82.2557% Inversiones Álamos del Río S.A. 99.557.930-8

15.9965% Ignacio del Río Goudie 6.921.717-6

1.7478% Alicia Álamos Jordán 8.213.284-8

aforementioned • María Alicia Álamos Jordán companies are directly or indirectly controlled • Josefina del Río Álamos by those detailed below:

### VALLES DEL SUR SpA.

100.0000% San José Farms S.A. 77.403.750-0

# INVERSIONES TORCA DOS LTDA.

0.0009% Ignacio del Río Goudie 6.921.717-6

0.1010% Inversiones Torca Ltda. 79.875.040-2

0.0001% Alicia Álamos Jordán 8.216.284-8

99.8979% Inversiones Álamos del Río S.A. 99.557.930-8

6.921.717-6

8.213.284-8

13.829.298-3

15.384.386-4

14.120.674-5

17.090.112-6

17.702.965-3

All of the • Ignacio del Río Goudie

- Juan Ignacio del Río Álamos
- Francisco del Río Álamos
- Lucas del Río Álamos
- María Alicia del Río Álamos

## EXPORTADORA SAN JOSÉ TRADING LTDA.

75.00% San José Farms S.A. 77.403.750-0

25.00% **Claudio Contreras Concha** 5.253.501-8

# INVERSIONES ALAMOS DEL RÍO S.A.

20 00% Juan Ignacio del Río Álamos 13.829.298-3

20.00% Josefina del Río Álamos 15.384.386-4

20.00% Francisco del Río Álamos 14.120.674-5

20.00% Lucas del Río Álamos 17.090.112-6

20.00% María Alicia del Río Álamos 7702 965-3

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### **PROPERTY STRUCTURE OF THE** COMPANIES THAT FORM THE VITALBERRY GROUP

# INMOBILIARIA ALGECIRAS LTDA.

61.11% Algeciras Holding SpA. 76.125.318-2

23.04% Eduardo Elberg Simi 6.038.150-K

11.39% Inv. Algeciras Chile Ltda. 76.611.485-7

4.46% Magda Sheward Mardones 5.447.768-6

# INVERSIONES ALGECIRAS CHILE LTDA

99 99% Eduardo Elberg Simi 6.038.150-K

0.01% Magda Sheward Mardones 5.447.768-6

ALGECIRAS HOLDING SpA.

25.00% Inversiones Paula Elberg Ltda. 77.255.150-9

25.00% Inversiones Karla Elberg Ltda. 76.269.400-K

25.00% Inv. y Ases. Javiera Elberg Ltda. 76.336.150-0

25.00%

Inv. y Ases. Andrés Elberg Ltda. 77.244.190-8

# INVERSIONES PAULA ELBERG LTDA.

99.9997% Paula Elberg Sheward 8.806.583-2

0.0003% **Magda Sheward Mardones** 5.447.768-6

6.038.150-K

8.806.583-2

All of the • Eduardo Elberg Simi aforementioned • Magda Sheward Mardones 5.447.768-6

10.009.507-6 those detailed below: • Javiera Elberg Sheward 17.995.778-7 8.548.412-5

# INVERSIONES KARLA ELBERG LTDA.

99.9997% Karla Elberg Sheward 10.009.507-6

0.0003% Magda Sheward Mardones 5.447.768-6

# INV. Y ASESORÍAS ANDRES ELBERG LTDA.

99.9999% Andrés Elberg Sheward 8.548.412-5

0.0001% Magda Sheward Mardones 5.447.768-6

# INV. Y ASESORÍAS JAVIERA ELBERG LTDA.

99.9999% Javiera Elberg Sheward 17.995.778-7

0.0001% Magda Sheward Mardones 5.447.768-6

- indirectly controlled by Karla Elberg Sheward
- companies are directly or Paula Elberg Sheward

  - - Andrés Elberg Sheward

# SHAREHOLDERS RELATED TO THE QUEVEDO GROUP

|              | TALSA CHILE<br>III SpA. | INVERSIONES<br>COPERIMA SpA. | TOTAL      |
|--------------|-------------------------|------------------------------|------------|
| RUT / ID     | 76.820.643-0            | 76.891.084-7                 |            |
| N° OF SHARES | 89,125,792              | 900,260                      | 90,026,052 |
| INTEREST     | 16.96%                  | 0.17%                        | 17.13%     |

### PROPERTY STRUCTURE OF THE COMPANIES THAT FORM THE QUEVEDO GROUP

### TETRAGLOBAL VENTURES INC. TALSA CHILE III SPA. 55.5556% 100.00% Tetraglobal Ventures Inc. **Ulises Quevedo Berastain** 15566029-3 (PAN) 09382988 (PER) 22.2222% María del Rocío Quevedo de Portugal INVERSIONES COPEMIRA SPA. 09817446 (PER) 7.4074% **Rafael Quevedo Sturla** 93.63% 42742594 (PER) Juan Luis Alemparte Rozas 16.096.002-7 7.4074% Paula Quevedo Sturla 6.37% 44846181 (PER) Constanza Maza Paulsen 16.356.758-K 7.4074% Gabriella Quevedo Sturla



46647057 (PER)

| <ul> <li>Ulises Quevedo Berastain</li> </ul>            | 09382988 (PER) |
|---|----------------|
| <ul> <li>María del Rocío Quevedo de Portugal</li> </ul> | 09817446 (PER) |
| <ul> <li>Rafael Quevedo Sturla</li> </ul>               | 42742594 (PER) |
| <ul> <li>Paula Quevedo Sturla</li> </ul>                | 44846181 (PER) |
| <ul> <li>Gabriella Quevedo Sturla</li> </ul>            | 46647057 (PER) |
| <ul> <li>Juan Luis Alemparte Rozas</li> </ul>           | 16.096.002-7   |
| <ul> <li>Constanza Maza Paulsen</li> </ul>              | 16.356.758-K   |

Main Shareholders

Apart from the controllers, there is no natural person or legal entity who on its own or with others with whom it has a joint venture agreement, can designate, at least, one member of Hortifrut's management, or can own 10% or more of its capital.







## HORTIFRUT S.A. IS MANAGED BY A BOARD FORMED BY NINE MEMBERS,

chosen by the Shareholders' Meeting for a period of three years, at the end of which it must be totally renewed and its members can be re-elected indefinitely. The Directors are remunerated for their performance in their positions and the amount of the remuneration is fixed annually by the Ordinary Shareholders' Meeting.

## AS OF DECEMBER 31, 2018, THE COMPANY'S BOARD IS

| VÍCTOR MOLLER<br>SCHIAVETTI   | ANDRÉS SOLARI<br>URQUIETA   |
|---|---|
| CHAIRMAN  | VICE CHAIRMAN   |
| Businessman, Chairman of Hortifrut<br>S.A., Director of Naturipe Farms<br>LLC., Naturipe Foods LLC., Marbella<br>CC., Corporación Cultural Virquenco<br>e Inversiones IMG Ltda., Business<br>Consultant Sistema B and | Business Administration Universidad<br>Adolfo Ibáñez, MBA Universidad de<br>Los Andes. General Manager of<br>Algeciras Ltda. Vice Chairman of<br>Banco Internacional and Grupo Patio.<br>Director of Autosummit S.A., Nexxo |
| Consultant Asociación de<br>Emprendedores de Chile.   | S.A., Inmobiliaria Alquife SAC,<br>Algeciras S.A., Atton S.A.,  |

Mundocrédito S.A. and Vértice SpA.

and Tal S.A.

| ULISES QUEVEDO                        | JUAN LUIS ALEMPARTE                  |
|---------------------------------------|--------------------------------------|
| BERASTAIN                             | ROZAS                                |
| DIRECTOR                              | DIRECTOR                             |
| Industrial Engineer Universidad de    | Civil Industrial Engineer Pontificia |
| Lima, MBA Kellogg School of           | Universidad Católica de Chile,       |
| Management at Northwestern            | Gerente de Inversiones de Algeciras  |
| University. Executive Chairman of the | Ltda. and Director of El Rocío S.A.  |

Grupo Rocío.

At the Ordinary Shareholders' Meeting held on April 26, 2017, a new Board was chosen, naming Messrs Víctor Moller Schiavetti, Francisco Condon Schiavetti, Víctor Moller Opazo, Andrés Carvallo Prieto, Andrés Solari Urquieta, Germán Novion Verdugo, Alfonso Swett Opazo, Marco Comparini Fontecilla and María Verónica Morales Mena, the latter in the position of Independent Director.

Subsequently, at Board meeting held on July 03, 2018, Mr. Ulises Quevedo Berastain was named Company Director, in replacement of Mr. Francisco Condon Schiavetti, who presented his resignation to the position on June 06, 2018. Likewise, at Board meeting held on August 07, Mr. Juan Luis Alemparte Rozas was named Company Director, in replacement of Mr. Alfonso Swett Opazo, who presented his resignation to the position on June 05, 2018. Due to the aforementioned, a new Board must be chosen at the next Ordinary Shareholders' Meeting which the Company holds.

### MADE UP BY MESSRS:

Leasing.

| ANDRÉS CARVALLO<br>PRIETO  | VÍCTOR EDMUNDO<br>MOLLER OPAZO  | GERMÁN<br>NOVION VERDUGO  |
|--|---|---|
| DIRECTOR   | DIRECTOR  | DIRECTOR  |
| Agricultural Engineer and Master in<br>Business Administration<br>Universidad Mayor. General<br>Manager of Exportadora BAIKA<br>S.A. and San José Farms S.A. | Agricultural Administration Escuela<br>Agrícola de Paine, Post Graduate<br>at Pontificia Universidad Católica<br>de Chile. General Manager Hortifrut<br>LATAM, Executive Director Holding<br>IMG. | Business Administration Pontificia<br>Universidad Católica de Chile, MBA<br>Anderson School at UCLA,<br>Businessman, Organic<br>Agriculturist, Managing Partner of<br>family companies. |

| MARCO COMPARINI                    | MARÍA VERÓNICA                     |
|------------------------------------|------------------------------------|
| FONTECILLA                         | MORALES MENA                       |
| DIRECTOR                           | INDEPENDENT DIRECTOR               |
| Business Administration Pontificia | Business Administration Pontificia |
| Universidad Católica de Chile.     | Universidad Católica de Chile.     |
| Director of Investment and         | Currently Director at Compañía     |
| Business Empresas Penta; Director  | Pesquera Camanchaca S.A. and       |
| of Penta Financiero and Gama       | EFE, Empresa de Ferrocarriles      |

del Estado.



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Payment to Board Members

|           | DIRECTOR                                  | VÍCTOR<br>MOLLER<br>SCHIAVETTI | ANDRÉS<br>SOLARI<br>URQUIETA | ANDRÉS<br>CARVALLO<br>PRIETO | VÍCTOR<br>MOLLER<br>OPAZO |
|-----------|---|--------------------------------|------------------------------|------------------------------|---------------------------|
|           | RUT / ID                                  | 4.435.579-5                    | 8.667.254-5                  | 15.383.173-4                 | 10.668.361-1              |
|           | APPOINTMENT/RE-ELECTION                   | 26-apr-17                      | 26-apr-17                    | 26-apr-17                    | 26-apr-17                 |
|           | CESSATION                                 | -                              | -                            | -                            | -                         |
| 018       | ALLOWANCES AND INTEREST IN PROFIT (ThCLP) | 22,792                         | 14,124                       | 11,688                       | 11,396                    |
| YEAR 2018 | REMUNERATION (ThCLP) <sup>9</sup>         | 258,995                        | -                            | -                            | 211,488                   |
| ΥE        | TOTAL (ThCLP)                             | 281,787                        | 14,124                       | 11,688                       | 222,884                   |
| 017       | ALLOWANCES AND INTEREST IN PROFIT (ThCLP) | 26,289                         | 16,610                       | 2,670                        | 13,144                    |
| YEAR 2017 | REMUNERATION (ThCLP) <sup>9</sup>         | 218,935                        | -                            | -                            | 178,856                   |
| Ш́<br>Х   | TOTAL (ThCLP)                             | 245,224                        | 16,610                       | 2,670                        | 192,000                   |
|           | % INTEREST IN<br>THE COMPANY'S PROPERTY   | 0.0009%                        | 0.0002%                      | 0.0000%                      | 5.6551%                   |

The Board, during 2018, incurred in the following expense:

• Hiring of consulting services from the company Deloitte Advisory Ltda., RUT 76.863.650-8, for the amount of ThCLP\$ 16,429, equal to US\$ 24,387.

## ATTENDANCE RATE TO BOARD MEETINGS

Below we present a summary table which shows the percentage of attendance of the Board Members to the Board meetings held during 2018, compared to 2017:

|                           |                         | YEAR 2018               | YEAR 2018       |                         |                         | YEAR 2017       |  |
|---------------------------|-------------------------|-------------------------|-----------------|-------------------------|-------------------------|-----------------|--|
| TYPE OF SESSION           | POTENTIAL<br>ATTENDANCE | EFFECTIVE<br>ATTENDANCE | ATTENDANCE<br>% | POTENCIAL<br>ATTENDANCE | EFFECTIVE<br>ATTENDANCE | ATTENDANCE<br>% |  |
| ORDINARY<br>SESSIONS      | 106                     | 90                      | 85%             | 108                     | 97                      | 90%             |  |
| EXTRAORDINARY<br>SESSIONS | 34                      | 24                      | 71%             | 36                      | 27                      | 75%             |  |
| TOTAL                     | 140                     | 114                     | 81%             | 144                     | 124                     | 86%             |  |

9 This amount considers the total of fixed and variable remunerations.

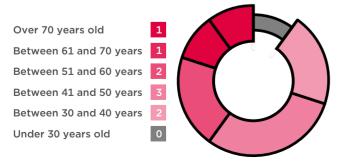
| GERMÁN<br>NOVION<br>VERDUGO | ULISES<br>QUEVEDO<br>BERASTAIN | JUAN LUIS<br>ALEMPARTE<br>ROZAS | MARCO<br>COMPARINI<br>FONTECILLA | M. VERÓNICA<br>MORALES<br>MENA | FRANCISCO<br>CONDON<br>SCHIAVETTI | ALFONSO<br>SWETT<br>OPAZO | IGNACIO<br>DEL RÍO<br>GOUDIE | TOTAL    |
|-----------------------------|--------------------------------|---------------------------------|----------------------------------|--------------------------------|-----------------------------------|---------------------------|------------------------------|----------|
| 6.379.404-K                 | 09382988 (PER)                 | 16.096.002-7                    | 7.731.109-2                      | 6.980.834-4                    | 3.184.816-4                       | 7.016.281-4               | 6.921.717-6                  |          |
| 26-apr-17                   | 03-jul-18                      | 07-aug-18                       | 26-apr-17                        | 26-apr-17                      | 26-apr-17                         | 26-apr-17                 | 30-apr-14                    |          |
| -                           | -                              | -                               | -                                | -                              | 06-jun-18                         | 05-jun-18                 | 26-apr-17                    |          |
| 14,937                      | 1,923                          | 1,650                           | 15,215                           | 15,756                         | 13,561                            | 11,935                    | 3,799                        | 138,775  |
| -                           | -                              | -                               | -                                | -                              | -                                 | -                         | -                            | 470,483  |
| 14,937                      | 1,923                          | 1,650                           | 15,215                           | 15,756                         | 13,561                            | 11,935                    | 3,799                        | 609,258  |
| 16,339                      | -                              | -                               | 17,143                           | 17,408                         | 16,345                            | 16,877                    | 14,205                       | 157,030  |
| -                           | -                              | -                               | -                                | -                              | -                                 | -                         | -                            | 397,791  |
| 16,339                      | -                              | -                               | 17,143                           | 17,408                         | 16,345                            | 16,877                    | 14,205                       | 554,821  |
| 1.9292%                     | 9.4215%                        | 0.1604%                         | 0.0009%                          | 0.0000%                        | N/A                               | N/A                       | N/A                          | 17.1682% |

Boord Diversity

## GENDER

| Female | 1 |   |
|--------|---|---|
| Male   |   | 8 |

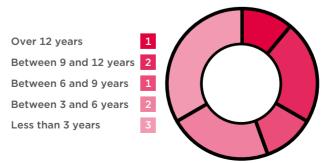
## AGE RANGE



## NATIONALITY



## YEARS IN THE COMPANY







The Board Committee, constituted as per Article 50 Bis of Law N° 18.046, has the faculties and the rights contained in said disposition.

After choosing the Company's Board at the Ordinary Shareholders' Meeting of 2013, at session dated May 07, 2013, the Board nominated Ms. Verónica Morales Mena to integrate the Board Committee as Independent Director. Subsequently, Ms. Morales, using the faculty contemplated in Article 50 Bis of Law N° 18.046, designated Mr. Marco Comparini Fontecilla and Mr. Andrés Solari Urquieta as the remaining members of the Committee, with Ms. Verónica Morales assuming as its Chairman. The Company's Board was subsequently renovated at an Ordinary Shareholders' Meeting in 2017, resulting in the renewal of the Board Committee in the same aforementioned manner, so the Board Committee maintains its original members to date.

The remuneration of the Committee's Directors, was agreed at the Company's Ordinary Shareholders' Meeting held on April 27, 2018 and is equal to 50 *Unidades de Fomento* for each session that they attend, plus an additional participation at the prorate of 1% of the profit fixed for the Board, which is paid in the same manner and on the same opportunities as the remuneration of a Director. During 2018 fees paid to the Directors Committee reached ThCLP\$ 73,683, as per the following detail:

|           | ALLOWANCES AND INTEREST IN PROFIT (ThCLP) |                                  |                              |        |  |  |  |  |
|-----------|---|----------------------------------|------------------------------|--------|--|--|--|--|
| DIRECTOR  | M. VERÓNICA<br>MORALES<br>MENA            | MARCO<br>COMPARINI<br>FONTECILLA | ANDRÉS<br>SOLARI<br>URQUIETA | TOTAL  |  |  |  |  |
| YEAR 2018 | 26,365                                    | 25,017                           | 22,301                       | 73,683 |  |  |  |  |
| YEAR 2017 | 26,460                                    | 26,460                           | 25,127                       | 78,046 |  |  |  |  |

The Directors Committee, during 2018, incurred in the following expenses charged to the Budget approved at the Ordinary Shareholders' Meeting held in April 2018:

- Hiring of legal consulting services from the company Fontaine y Cía., RUT 76.040.130-7, for ThCLP\$ 1,119, equal to US\$ 1,885.
- Hiring of legal consulting services from the company Barros y Errázuriz Abogados Ltda., RUT 79.806.660-9, for ThCLP\$ 6,863, equal to US\$ 11,366.

During 2018, the Committee presided by Ms. Verónica Morales Mena formally held sessions on 11 occasions to revise and treat the matters that correspond as per Article 50 Bis of Law N° 18.046. Below the most relevant topics are described under the optic of said standard, regardless of other matters which are not specifically expressed in it and which the Committee revised within its ordinary management.

The Committee made proposals to the Board with the names of external auditors and proposed the private rating agencies to be suggested to the Ordinary Shareholders' Meeting of 2018, as per what is stated in number 2 of Article 50 Bis of Law N° 18.046. For these effects and in relation to the proposal of external auditors, the proposals of three auditor companies were studied, and it was agreed to hire KPMG Auditores y Consultores Ltda. ("KPMG") mainly based on (i) said company is the Company's current auditor and, therefore, is involved in the merger process with the Grupo Rocío which took place during 2018 and (ii) the Company's Management had evaluated in a positive manner the auditors performance during the previous year. It was also agreed to present Deloitte Auditores y Consultores Ltda. ("Deloitte") as a second alternative. In relation to rating agencies, after analyzing this matter and considering the aforementioned merger process with Peru's Grupo Rocío, the Committee agreed to propose to the Board to maintain ICR Compañía Clasificadora de Riesgo Ltda. ("ICR") and Clasificadora de Riesgo Humphreys Ltda. ("Humphreys").

Reganding to the work of the Company's external auditors, during 2018 the Committee met with KPMG on three opportunities, the first was in February 2018, where they presented the realized work in relation to analyzing the viability and convenience of changing the valuation method of biological assets (bearer plants) from the "Revalued Cost" method, used since the previous year due to changes in IFRS Standards, to the "Historic Cost" model. In this aspect, after a detailed analysis of the matter and after receiving a legal report requested especially for these effects, the Committee followed the suggestion of the external auditors, in relation to recommending said change to the Board. Afterwards, the Committee met with KPMG in March 2018, as part of the examination of the Company's Financial Statements as of December 2017, and then met again in August, to check the Financial Statements as of June 2018.

Regarding the revision of the Company's Financial Statements, at the meeting in March, the auditors informed the revision they made of the work of the previous auditor, especially in relation to the information that was taken as a base for the planning of the Company's audit. At that same meeting, the Committee checked the main accounting variations produced as of that date, among other aspects.

Subsequently, at the May 2018 session, Financial Statements as of March 2018 were reviewed, performing a detailed revision of the amounts of the corporate balance as of that date, including the amounts of the subsidiaries and the forecasted effects in the Company's results due to the merger process with Grupo Rocío in Peru. Regarding the revision of the Financial Statements of June 2018, the external auditors informed regarding the identified risks and control over the procedures applied by the teams of each foreign component. The Committee also took a detailed analysis of the book value as of June 2018 and of the variations experienced at a sales cost level, administration expenses, assets, liabilities and equity. Finally, at the November 2018 session, the Committee examined the Financial Statements as of September 30, 2018, which included the main conclusions as of that date, together with a revision of the main amounts of the Company's subsidiaries as of the same date.

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It was informed that the Committee favorably ruled regarding each of the revised Financial Statements, for their subsequent presentation to the Company's Board.

Regarding operations with related parties, the Committee performed a specific job this year, in the sense that it reviewed the procedure that the Company contemplates for the revision and approval of these. For these effects expert legal advisory was hired, which allowed to develop a Habituality Policy and to determine the adjustments that must be incorporated into the internal procedure, which must be made applicable in the manner that corresponds to the Company's subsidiaries.

Regarding transactions as such, the Committee performed a detailed analysis and recommended for the following transactions to take place, considering that these have as their objective the Company's interest and will be performed as per conditions of similar equity to what takes place in the market, corresponding to operations of regular line of business of the companies:

- Sale contract for plants of the Liberty variety on behalf of Hortifrut Chile S.A., for a total of CLP\$ 61,000,000, to Hortifrut S.A., Agrícola Hortifrut S.A., Agrícola Mataquito S.A., Agrícola Santa Rosa del Parque S.A. and Agrícola El Avellano S.A.
- Financing contract for Expofresh S.A. in Argentina, for the delivery of early fruit (2018 season), for the total amount of US\$ 4,790,000, co-financed between subsidiaries of Hortifrut S.A. (Naturipe Farms Imports Inc. financed US\$ 3,040,000 and Hortifrut Chile S.A. financed US\$ 1,750,000).
- Renegotiation of the adquisition contract of cherry tree plants on behalf of Hortifrut S.A. to Viveros Rancagua SpA, for the amount of CLP\$ 1,022,446,000.
- At session held on September 13, 2018, the Committee checked the modification proposal of the fruit adquisition contract which has been subscribed between Hortifrut Chile S.A. and the related company Valles del Sur S.A., where the Committee suggested the incorporation of certain changes to adjust the transaction to corporate interest, which were incorporated before the approval of the modifications to the contract by the Company's Board.



Regarding to the Company's remuneration and compensation plans, at session held on May 08, 2018, the Committee analyzed a general study of the Company's compensation policy, which was prepared by Human Resources Management and by the company Mercer Consulting Ltda. ("Mercer"). At said session, the representatives of Mercer presented the main conclusions of their study, together with the method to prepare it, suggesting the forms that said study should be implemented, if it is approved. The Committee, considering the relevance of the topic, agreed to work on the proposal directly with the Board, in order to advance in its analysis. Together with the aforementioned, and as per its faculties, the Committee revised Management's proposals in relation to extraordinary bonus' and the annual bonus, in accordance with the valid policy.

The Committee also maintained a follow-up of the internal audit performed by the Company, for which they presented the corresponding internal Audit reports in different sessions, covering the different aspects analyzed in these.

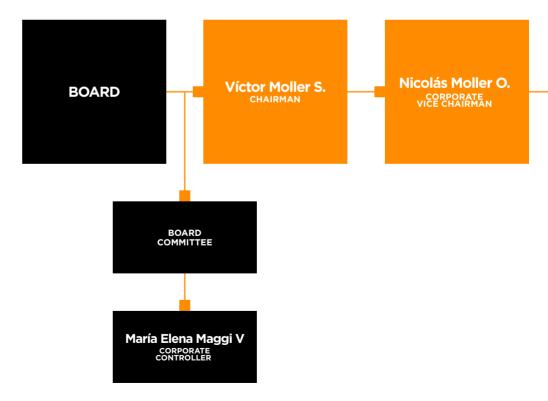
Regarding other matters corresponding to its management, after reviewing the topic in detail, the Committee at its session on July 03, 2018, revised and favorably ruled regarding the hiring of Deloitte for it to advise the Company in the preparing of its Risk Matrix. Likewise, at its session on November 23, 2018, and as part of the examining of the Financial Statements as of September 30, 2018, the Committee met with Deloitte, who have been hired by the Company for it to advise them to determine the assigning of the purchase price of the assets in Peru, which were acquired as a result of the adquisition and Merger of Grupo Rocio's Blueberries Business. At said session, the Committee checked said price assignment, which was incorporated in the mentioned Financial Statements.







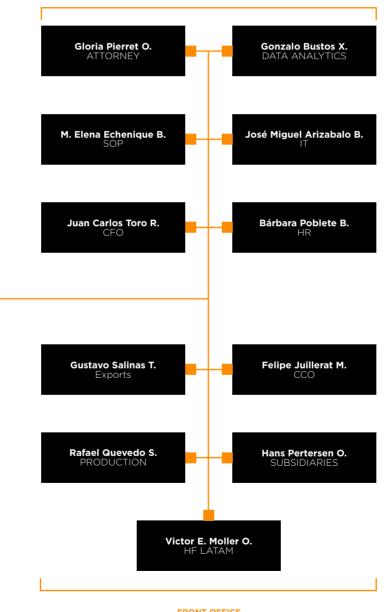
Organization Chart





Juan Ignacio Allende C.

#### BACK-OFFICE STRATEGY



FRONT-OFFICE OPERATION 49

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<u>8</u>

Moin Executives

Hortifrut counts with a management team with wide experience within the Berries market and within the Company.

|   |   | CORPORATE EXECUTIVI                                      |
|---|---|--|
| Alberto Nicolás Moller Opazo                            | Juan Ignacio Allende Connelly                     | Juan Carlos Toro Ruiz-Tagle                              |
| 10.668.356-5  | 6.196.483-5                                       | 13.256.460-4   |
| Corporate Vice Chairman                                 | Chief Executive Officer                           | Chief Financial Officer                                  |
| APP.: 06-sep-16 / INT.: 5.7122%                         | APP.: 06-sep-16 / INT.: 0.1660%                   | APP.: 17-jan-18 / INT.: 0.0000%                          |
| Felipe Juillerat Muñoz                                  | Víctor Edmundo Moller Opazo                       | Hans Petersen Oehninger                                  |
| 7.409.243-8   | 10.668.361-1                                      | 15.384.983-8   |
| Chief Commercial Officer                                | General Manager LATAM                             | Subsidiaries Manager                                     |
| APP.: 06-sep-16 / INT.: 0.0320%                         | APP.: 01-feb-14 / INT.: 5.6551%                   | APP.: 17-jan-18 / INT.: 0.0000%                          |
| María Elena Echenique Braun                             | Bárbara Poblete Bas                               | Gloria Pierret Ortiz                                     |
| 6.966.252-8   | 14.165.464-0                                      | 13.899.089-3   |
| Corporate SOP Manager                                   | Corporate Human                                   | Attorney   |
| APP.: 01-nov-03 / INT.: 0.0035%                         | Resources Manager                                 | APP.: 20-feb-12 / INT.: 0.0029%                          |
|   | APP.: 15-apr-13 / INT.: 0.0009%                   |  |
| José Miguel Arizabalo Barra                             | Rafael Quevedo Sturla                             | Gustavo Salinas Tapia                                    |
| 13.066.136-K  | 42742594 (PER)                                    | 12.864.024-K   |
| Corporate IT Manager<br>APP.: 02-apr-18 / INT.: 0.0000% | Corporate Production                              | Corporate Exports Manager                                |
| APP.: 02-apr-18 / INT.: 0.0000%                         | <b>Manager</b><br>APP.: 01-jul-18 / INT.: 0.6979% | APP.: 01-jul-18 / INT.: 0.0000%                          |
|   | AFF. 01-jul-167 1111. 0.037376                    |  |
| María Elena Maggi Vidaurre                              | Gonzalo Bustos Xaus                               |  |
| 8.512.661-K   | 13.027.231-2                                      |  |
| Corporate Controller                                    | Head of Data Analytics                            |  |
| APP.: 02-jan-19 / INT.: 0.0000%                         | APP.: 20-sep-17 / INT.: 0.0000%                   |  |
|   | SUBSIDI   | ARIES GENERAL MANAGE                                     |
| Ramiro Soffia Moller                                    | Javier Rico Pedrazo                               | Rigoberto Guerrero Acero                                 |
| 7.010.418-0   | 28900882W (ESP)                                   | 830416AL8 (MEX)  |
| General Manager   | General Manager                                   | General Manager  |
| Subsidiary Chile  | Subsidiary Europe                                 | Subsidiary Mexico  |
| APP.: 01-jul-17 / INT.: 0.0003%                         | APP.: 01-jun-06 / INT.: 0.0000%                   | APP.: 01-mar-18 / INT.: 0.0000%                          |
| Pier Giua Castiñeira                                    | Gonzalo Canessa Salvat                            | David Aymans Rojas                                       |
| 22809008 (ARG)  | AAA197045 (ARG)                                   | 13.027.846-9   |
| General Manager   | General Manager                                   | General Manager  |
| Subsidiary Argentina                                    | Subsidiary United States                          | Subsidiary Peru Olmos<br>APP.: 01-jun-15 / INT.: 0.0000% |
| APP.: 31-mar-16 / INT.: 0.0000%                         | APP.: 01-jun-10 / INT.: 0.0202%                   | APP.: 01-jun-15 / INT.: 0.0000%                          |
| Fernando Méndez Gschwend                                | Paulo Pavan                                       | Juan Cristobal Lira Herreros                             |
| 10221355 (PER)<br>General Manager                       | FN235295 (BRA)                                    | 9.388.977-0  |
|   | General Manager<br>Subsidiary Brazil              | General Manager  |
| 5   |   | Hortifrut Comercial (Chile)                              |
| Subsidiary Peru Trujillo                                |   | ΔPP: 27-mar-18 / INIT: 0.0000%                           |
| 5   | APP.: 02-jan-14 / INT.: 0.0000%                   | APP.: 27-mar-18 / INT.: 0.0000%                          |

Remuneration of Main Executives

The total amount of remunerations received by the main executives of the Company and its subsidiaries during 2018 reaches ThCLP\$ 5.381105, of which approximately 28% correspond to variable remunerations. Said amount corresponds to the total of the received remunerations.

Indemnity received by the main managers and executives during 2018 reached ThCLP\$ 589,135.

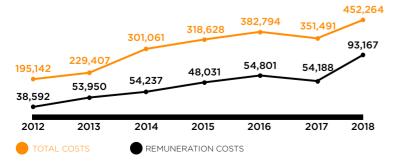
# Collaborators

At 2018 closing, Hortifrut counted with a total number of 1,118 permanent employees, distributed around the world. It must be stated that out of this total, 36% are women.

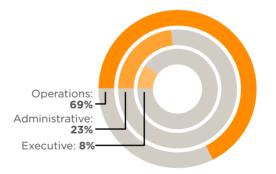
Likewise, to the same date the number of temporary employees participating in harvesting, harvesting support and operation tasks reached 23,128 people, distributed in Chile, Mexico, Spain, Brazil, Peru and China.

| PERMANENT EMPLOY | /EES  | TEMPORARY EMPLO      | OYEES  |
|------------------|-------|----------------------|--------|
| Chile            | 502   | Chile                | 5,293  |
| United States    | 20    | <b>United States</b> | 0      |
| Mexico           | 126   | Mexico               | 892    |
| Spain            | 53    | Spain                | 28     |
| Brazil           | 35    | Brazil               | 60     |
| Argentina        | 13    | Argentina            | 0      |
| Peru             | 354   | Peru                 | 16,777 |
| Germany          | 2     | Germany              | 0      |
| England          | 3     | England              | 0      |
| China            | 10    | China                | 78     |
| TOTAL            | 1,118 | TOTAL                | 23,128 |

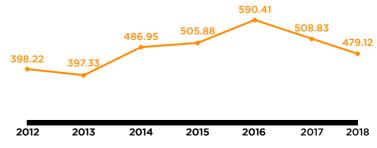
#### EVOLUTION OF TOTAL COSTS AND REMUNERATION COSTS (THOUSANDS OF DOLLARS)



#### COLLABORATORS DISTRIBUTION PER TYPE OF POSITION



#### **RELATIONSHIP BETWEEN SALES (THOUSANDS** OF DOLLARS) AND N° OF PERMANENT EMPLOYEES









Hortifrut connects the best producers with the best customers, delivering the best fruit for global consumers, creating a virtuous circle which grows based on innovation, better varieties, sustainability and the digitalization of our processes.

Both producers and customers enjoy the benefits of being part of our global business platform, because we integrate all of our operations through the whole value chain, with a special emphasis on the two extremes of this chain: genetic development of new and better varieties, and commercialization for the final customer.

Genetics

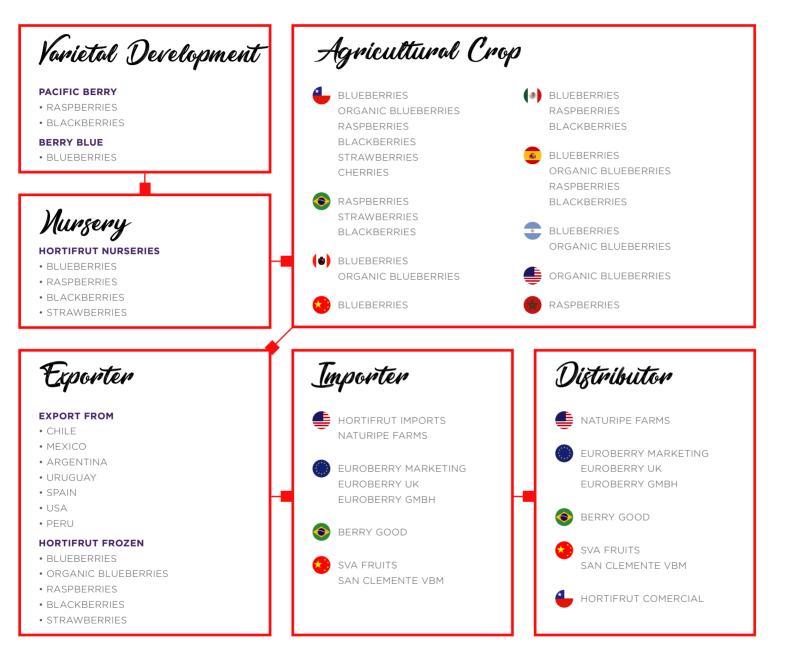
Based on a rigorous program, leader in the world, it contributes to create high efficiency, productivity and quality, which generates preference and fidelity in the best producers and customers in the world

Commercialization

Trade platforms and own brands in the main markets allow to develop the business together with the final customer, obtaining better margins, logistic efficiency, control over key processes and an adequate traceability and food safety

The Hortifrut S.A. parent Company consolidates different trade vehicles in several countries in the world where the Company is present, to operate its genetic, productive, export and trade business in an efficient manner. All these companies are connected through SAP, which allows to obtain a first level operating standard through all the Company's operations in the whole world.

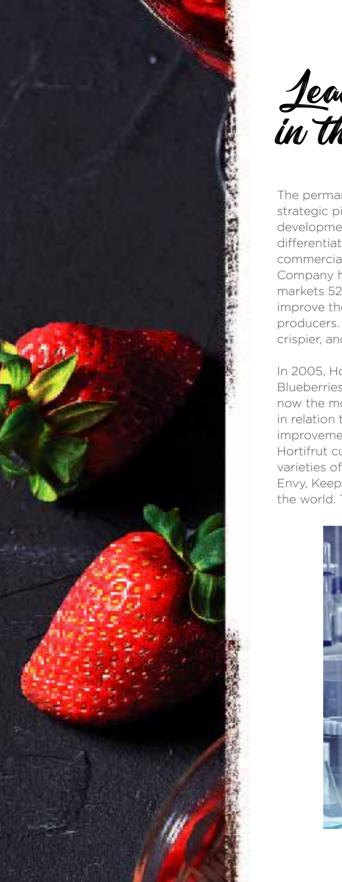
## HORTIFRUT VALUE CHAIN ACTIVITIES (VERTICAL INTEGRATION)



#### Traceability of the product in the whole chain

Hortifrut, thanks to its SAP development program, is able to follow up its products from varietal development to its distribution, allowing it to administer, measure and flexibilize the whole chain





Jeading Genetics Program in the World

The permanent development of new and improved Berries is one of Hortifrut's fundamental strategic pillars. The important investments the Company has performed in the acquisition and development of new varieties of Blueberries, Raspberries and Blackberries have been a differentiating and decisive element for the sustained success in the business of producing and commercializing Berries in Chile, Peru, Mexico, Europe and the world. The great push that the Company has given its program for obtaining new varieties has allowed it to serve the different markets 52 weeks a year and expand to new geographic areas for the production of Berries, improve the quality of the fruit and increase the productivity of its own plants and those of its producers. Hortifrut permanently looks for and selects Berries with a better flavor, firmer and crispier, and fast start up of production.

In 2005, Hortifrut started developing Berry Blue, its genetic improvement program (PMG) for Blueberries, together with its North American partners Michigan Blueberry Growers, which is now the most extensive, genetically diverse and with the program with the greatest importance in relation to the genetic improvement of Blueberries in the world. Through "conventional improvement or breeding" and with selection and testing stations at different latitudes where Hortifrut cultivates Blueberries, Berry Blue has already patented 13 new owned and exclusive varieties of Blueberries: Prelude, Presto, Daybreak, Stellar, Bliss, Robust, Temptation, Apolo, Envy, Keepsake, Charisma and Sensation, with exclusive access for Hortifrut's producers around the world. These new varieties have started gaining space in China, Peru, Morocco and Mexico.



At the same time, and always in its permanent search for the best Berries genetics in the world, Hortifrut has subscribed several agreements with private groups and universities at a worldwide level that count with superior varieties of this Berry. In 2009 the Company signed an exclusive production agreement for early varieties of Blueberries with the Spanish group Royal Berries to plant and produce the varieties Rocio and Corona in South America, United States, Peru and Mexico, whose productive and quality characteristics have made them the favorites in many markets. These two varieties have displaced the old early varieties and have allowed Hortifrut to expand its plantations in Peru. Since 2004 and to this date. Hortifrut also counts with the exclusive license of the varieties of Blueberries with a high requirement of cold from Michigan State University (MSU), highlighting to date the Draper and Liberty varieties, as well as the new promises Calypso and Osorno.

Furthermore, the Company counts with early variety licenses for Blueberries from the University of Florida for Mexico, Peru and Chile, expanding even more the varietal offer for areas with low latitudes, and since 2018 it counts with an agreement for highlighted evaluations of new advanced selections from the same university for Peru.

Searching to expand the variety of products to offer our customers around the world, Hortifrut works and also backs the development of new Berries, such as Murtilla and Maqui, both natives from Chile and in the process of domestication and harvesting at a commercial level.

Apart from Blueberries, in 2004 the Company decided to participate in the development of new varieties of Raspberries and Blackberries, so it counts with multiple agreements and patented variety licenses for these Berries, highlighting the agreements performed during 2018 with Plant Sciences (USA), Advanced Breeding-Viveros Sunnyridge (Netherlands and Peru) and Encocal (USA) to plant Blackberries and Raspberries in Peru and other countries in Latin America. We must also highlight the evaluation agreement for seedling and selections with the University of Arkansas since 2005 for Chile and Mexico, and which was expanded in 2016 for Peru, Argentina and Brazil.

Another milestone in 2018 in this aspect is the purchase, from its partners Naturipe Berry Growers, of a 50% participation in the company Pacific Berry Breeding LLC. (based in Watsonville), company created in 2004 and dedicated to the development of new varieties of Raspberries and Blackberries, operation with which Hortifrut became owner of 100% of the company. To date, this company already counts with several varieties of Raspberries and with advanced selections of Blackberries with excellent flavor, post-harvest and productivity, within which we highlight Pacific Centennial, Pacific Julieta and Pacific Deluxe, already planted in the five continents. To this we must add an exclusive agreement with the University of Arkansas for the evaluation of selections of Blackberries in Chile. This acquisition strengthens Hortifrut's plan for the internationalization of Berries, specially Raspberries and Blackberries.

The challenge that we have as a Company is the permanent development of new genetics and varieties of Berries which adapt to the needs of our constantly more demanding consumers. Every year we identify at Hortifrut new genotypes in our different programs and evaluation sites, in the most diverse environments and where only the best advance. Each one of them is subjected to rigorous tests with investigators, producers and consumers to find new and better state-of-the-art Berries.



Own Plantations and Seasonality

As of December 31, 2018, Hortifrut counted with 3,431 hectares planted with Berries, this is on own land and on land leased from third parties. Of this total, 90% of the hectares are at the productive stage, while the rest is planted but not yet under production, assuring in this manner the necessary productive slack to grow in a sustained manner during the next seasons.

Out of the total planted hectares, the harvesting of Blueberries, both conventional and organic, uses up 93% of the surface. The remaining hectares are distributed between Raspberries (3.1%), Strawberries (1.9%), Blackberries (0.4%) and Cherries (1.5%).

#### PLANTED HECTARES AND THEIR GEOGRAPHIC DISTRIBUTION 2018

| SURFACE (HAS)               | CHILE    | MEXICO | SPAIN | BRAZIL | PERU  | CHINA | TOTAL |
|-----------------------------|----------|--------|-------|--------|-------|-------|-------|
| Conventional Blueberries    | 99       | 133    | 107   | 0      | 2,052 | 91    | 2,482 |
| Organic Blueberries         | 598      | 3      | 0     | 0      | 111   | 0     | 712   |
| Raspberries                 | 7        | 95     | 0     | 4      | 0     | 0     | 106   |
| Blackberries                | 1        | 3      | 1     | 10     | 0     | 0     | 14    |
| Strawberries                | 62       | 0      | 0     | 3      | 0     | 0     | 65    |
| Cherries                    | 52       | 0      | 0     | 0      | 0     | 0     | 52    |
| TOTAL HECTARES              | 819      | 234    | 108   | 16     | 2,164 | 91    | 3,431 |
| Productive Hectares         | 708      | 184    | 107   | 13     | 2,056 | 31    | 3,098 |
| Non Productive Planted Hect | ares 111 | 50     | 0     | 4      | 107   | 60    | 333   |
| Own Hectares                | 448      | 61     | 0     | 0      | 2,061 | 0     | 2,570 |
| Leased Hectares             | 371      | 173    | 108   | 16     | 103   | 91    | 861   |

SOURCE: Hortifrut

Hortifrut's plantations are located in Chile from regions IV to X, in Mexico in the states of Jalisco, Michoacan and Sinaloa, in Spain in the localities of Huelva and Asturias, in Brazil in the municipality of Senador Amaral, in Peru in the regions of Lambayeque and La Libertad and in China in the province of Yunnan, geographic dispersion that, together with the associations that it has in the northern hemisphere, allows it to have a continuous offer of all Berries during 52 weeks of the year.

To the 3,431 total hectares planted at the end of 2018, we must add 331 hectares that, even though they are not administered by Hortifrut, the Company owns 50% of the property of the associated companies that administer them:

- 77 hectares of Blueberries planted in Argentina, all of which are in productive state
- 236 hectares of Blueberries planted in the United States, in Oregon and California, all of which are in productive state

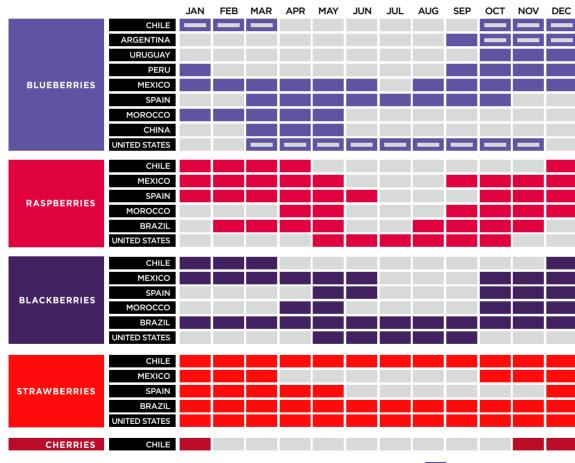
• 18 hectares of Raspberries and Blackberries in Morocco, of which 16 hectares are in productive state and 2 hectares in non-productive state

To count with different productive zones also allows greater closeness with our consumption centers. This is the case of the plantations located in Mexico and the United States, which mainly supply the North American market, the plantations in Spain are able to supply part of the European market, Brazil and China commercialize their production within the local market and Chile provides counter-season production for North America, Europe and Asia, the same as Peru which contributes with early production in high price periods, all of which is complemented with third party producers in Chile, Mexico, Argentina, Uruguay, Morocco and Europe.

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The production business has a great strategic importance, since it allows Hortifrut to count with a secure volume to attend to the requirements of its customers, develop niche markets, such as organic, use in an efficient manner the opportunities to place its production in periods of scarce supply and high prices, and to exercise control over the quality of the fruit.



#### BERRIES PRODUCTION PERIOD OF HORTIFRUT AND ASSOCIATES

Also organic production



Trade Platforms and Strategic Alliances

The Hortifrut business model is based on strategic alliances, joining the best in the southern hemisphere with the best in the northern hemisphere, in order to have a supply all year round.

North America

In the United States, the Company associated with three of the largest Berries producers: Michigan Blueberry Growers Association, Naturipe Berry Growers and Munger Brothers to form Naturipe Farms. Through this company, we supply a wide mix of conventional and organic Berries to the United States and Canada during all days of the year, with an excellent logistic and commercial chain. Commercialization is performed together under the brand Naturipe<sup>®</sup> mainly to the retail and foodservice channels, reaching the main supermarkets in the country.

During 2016, we highlight the creation of a new line of business at our Naturipe Farms platform, called "Naturipe Avocado Farms", formed by excellent Chilean, Peruvian and Mexican avocado producers, who distribute through our platform, thus adding a new and valuable fruit to our pallet, with a huge growth potential in that market.





Hortifrut reaches a relevant participation in the Asian market because, among other aspects, it is supplied from different origins: Chile, Peru, Argentina, Mexico, United States, Canada and Spain.

During 2018, the Company took another step in the attainment of continuous and constant supply for a market as dynamic as China, which was the merger and adquisition of Grupo Rocío's Blueberries business. In this sense, Peru has been a fundamental step by contributing with early supply between August and December, to later on make the transition to supply from Chile until the month of March. To this we must add another milestone, from March 2019, which is the start-up of supply for the Chinese market as a local producer from the Province of Yunnan, China, with the highest quality Hortifrut genetics, managing to extend the quality fruit supply window for another additional 8 to 12 weeks.

Thereby, within Asia, the main destination and the main growth in the last years has been China, followed by South Korea, Taiwan, Japan, Hong Kong and other South East Asian countries, where our customers are attended to under the brands Naturipe<sup>®</sup>, Southern Sun and Berry Collection, with exports and programs that cover the 52 weeks of the year with Blueberries and a large part of the year with other Berries such as Mexican Blackberries and Raspberries.

Together with Naturipe Farms, we directly commercialize with supermarket chains, which both Hortifrut and Naturipe attend in other continents, such as Costco, Tesco, Walmart, Sam's and Wellcome, among others, which places us at the



As a compliment to the Blueberries offer within the Asian market, Hortifrut has been developing the cherries market, a very solicited product within China, market where Hortifrut sends the main part of the exported volume of this fruit, which has been growing year to year and which complements the offer of premium products for our customers.

In 2018, the Company had interesting results in this region, with sales that border US\$ 36 million and volumes of 3,900 tons from different origins.









In Europe, Hortifrut participates directly in the commercialization, production, obtention of fruit from third parties and distribution. Together with Atlantic Blue, the main Blueberries producer in Spain, Euroberry Marketing (EBM) was formed, in charge of commercialization to the European continent. EBM counts with an offer for all Berries during the whole year, under its brands "Southern Sun" and "Berry Collection".

The wide supply of products, access to exclusive varieties of Blueberries and Raspberries, high quality, a unified brand and the commercialization of fruit from both hemispheres, makes us strategic allies of the main wholesalers and supermarket chains in Europe. During 2015 and 2017, two new commercializing subsidiaries were incorporated in Europe, Euroberry GmbH in Germany and Euroberry UK in England, respectively.



Jotin America

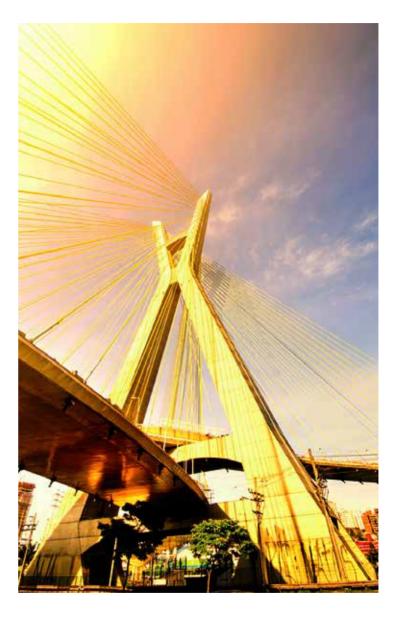
In the Latin American market, Hortifrut has been present since 2008 in Brazil, where it commercializes its products through its subsidiary BerryGood, with commercial offices in Sao Paulo and consolidated commercial operations in states in the center-west, south and south-east of the country, focusing on the cities of Sao Paulo, Río de Janeiro, Brasilia, Campinas, Curitiba, Florianopolis and Porto Alegre. From the start, this subsidiary has focused on the development and growth of the Berries industry in Brazil, strengthening the areas of logistics, sourcing and entrance into the market. In 2018 we began air delivery operations towards the Northeastern region of Brazil, main tourism center in the country, through the cities of Fortaleza and Salvador.

This commercial platform offers fresh and frozen fruit 52 weeks a year to retail customers such as Pao de Azucar, Walmart and Carrefour, as well as other customers of the food service segment such as commercial stores, restaurants and hotels.

Likewise, in order to encourage the consumption of Berries and to forecast its sustained future growth, at the end of the nineties the subsidiary Hortifrut Comercial S.A. was created, continuing to date as a reference in the Chilean market in the Retail and Food Service segments.

So that the different products that are commercialized (Strawberries, Blueberries, Blackberries, Raspberries and Others) in their different formats (fresh, frozen and others) reach customers in optimum condition, we comply with the demanding quality and food safety standards in all the stages of the chain: plantation, harvest, packing and distribution, both at its own fields and third party producers. Among these quality standards we find HACCP, Primus GFS, GlobalGap and BPA Armonizado.

The same as the subsidiary Hortifrut Chile S.A., Hortifrut Comercial S.A. was also certified as a B Corporation in November 2018, thus confirming its commitment with sustainable growth.







## HORTIFRUT AND ITS ASSOCIATES' BRANDS

All the experience in the Berries business that Hortifrut and its Associates have, has been capitalized through its known brands, developed together with its associates and subsidiaries, some with 100 years in the market:



• **Naturipe Farms:** second largest Berries distributor at a worldwide level with its brand Naturipe<sup>®</sup> and the first in the world with Blueberries, with sales for US\$ 759 million during 2018, which represent 158 million commercialized kilos.



• **Euroberry:** sells and distributes Berries through its brand Southern Sun and Berry Collection in all the countries of Continental Europe, as well as England and Ireland.



• **Berry Good:** produces, imports, sells and distributes in Brazil, to the main supermarket chains and Food Service customers. With 8 years in the market, it supplies a mix of Berries 52 weeks of the year, attending over 670 sale points.

Apart from these brands, phrases and mottos are used which allow to commercialize products and services under said names in Chile and overseas. The main advertising sentences are:

- Hortifrut, Berries a todo el mundo, todos los días
- Hortifrut, berries for the world every day
- Fresh Berries Every Day



#### MAIN CUSTOMERS

Hortifrut commercializes fruit to over 400 customers in different destination markets, having as its customers the main supermarket chains and retailers in North America, Latin America, Asia and Europe. This diversification strategy has been a fundamental pillar of the Company's success.

Among Hortifrut's main customers we find:



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## SUPPLIERS

Also, the main providers of supplies for Hortifrut S.A. and its subsidiaries are:

#### SUPPLIER

| IMPRESOS Y CARTONAJES S.A.         |
|------------------------------------|
| FABRICA DE PLASTICOS JCK SPA       |
| DEL MONTE FRESH PRODUCE            |
| EXPORTADORA ANDINEXIA S.A.         |
| TRANSPORTE SANTELICES E HIJO LTDA. |
| SOF SOUTH ORGANICS FRUITS S.A.     |
| FRIGORÍFICO SAN CLEMENTE S.A.      |
| AGRICOLA Y FRUTERA CURACAVI S.A.   |
| JL INGS S.A.C.                     |
| YARA PERÚ S.R.L.                   |
| CARTONES VILLA MARINA S.A.         |
| E&M S.R.L.                         |

#### SUPPLIER

ARIS INDUSTRIAL S.A. J.M.C. MAQUINARIAS S.A.C. TRANSPORTES LÍNEA S.A. ARÁNDANOS LA ESTANCIA S.P.R. LEGRO POTGRONDBEDRIJF B.V. GRAN PEÑÓN ENERGÍA NATURAL S.A. SISTEMAS DE RIEGO DEL PACÍFICO FRÍO EXPRESS S.A. DE C.V. EXPOBERRIES S.A. DE C.V. PANALPINA TRANSPORTES MUNDIALE EDENRED MÉXICO S.A. DE C.V. COMERCIALIZADORA SIMBS S. DE R.L.

Volue Added Products

## FROZEN

During 2018, Hortifrut has continued to develop the frozen Berries area, expanding its customer network around the world, exporting to different markets such as United States, Europe, Asia and Latin America, and maintaining the excellent product quality which characterizes us. With this, it offers producers new forms to commercialize its products around the whole world and every day of the year, which allows it to complement the fresh products area with frozen products, whether it be in bulk for industries or retail format, ready for sale to the final consumer.

The Company produces four types of frozen Berries (Blueberries, Raspberries, Strawberries and Blackberries), as well as products that are born from the different combinations of these. The production process is performed with the highest quality and food safety standards, which allows it to comply with the highest international standards. Some of the certifications that the plants count with are the following: HACCP, Organic, Kosher, Certification SQF-2000 Level 3 and BRC Version 7, as well as certifications that allow us to commercialize with large supermarket chains at a global level.

In the production process, the Company counts with state-of-the-art technology in equipment, color and maturity selectors and calibrators, continuous frozen tunnels, tables to for natural selection and weighing machines to fill the products, reaching a greater efficiency in the production processes. The storage of the finished frozen product is performed in chambers of -20°C, with storage system in racks and personnel trained in the conservation of the product, who are in charge of maintaining the ideal conditions until the final customer.

Hortifrut counts with 2 plants for frozen products, one in Molina and another in Colbún.

## MOLINA PLANT

Together with a strict management system, since 2009 this plant counts with very specific certifications, as well as maintaining at every moment the product's highest quality and food safety standards. Since 2012 we have maintained Certification SQF-2000 Level 3, certification that is a declaration that Hortifrut's food safety plans have been developed with the HACCP method and that the applicable regulatory requirements have been efficiently valued and verified to maintain the safety and quality of the food. The plant can process 5,000 tons of Berries a year and store a total of 5,500 tons, allowing the Company to accede to a higher number of customers and supermarket chains with supply during the whole year.

During 2018, several improvements were made to the plant, decreasing by 30% the energy used during the processing months (between December and February), thus contributing to a better use of energy, decreasing the carbon footprint and helping take care of the environment.

## COLBÚN PLANT

This frozen products plant was built in 2009 and was designed to process high quality Berries, both in bulk format and retail pack, being able to process up to 5,000 tons of Berries a year. Its process lines were imported from the United States, Canada, New Zealand and Japan, which have a high technological level, allowing to pack the retail product in a completely automatic form, even when 4 Berries have to be mixed in the same bag. Due to the higher demand for frozen products, during 2018 a second refrigeration chamber was built, allowing to double the storage positions within the plant. This plant counts with a food safety system based on the BRC (British Retail Consortium) Standard Version 7. の言語の意思







## READY TO EAT

Within the North American market, characterized by its high consumption of Berries, consumers perform nearly 60% of their fruit and vegetable purchases through supermarkets or other retail stores, while the remaining 40% take place at food-service establishments, mainly composed by fast food, restaurant, hotels and convenience store chains. Nevertheless, in the case of Berries, sales through this channel represent less than 5% of total sales.

Therefore, Hortifrut together with the rest of the Berries industry face a great challenge to capture in a massive manner the food-service segment. In this aspect, the Company has a high competitive advantage to attack said market, since it has already developed and is operating the adequate technology, packing and logistics to attend said segment.

After over eight years of investigation and development for the Ready to Eat category, since 2012 Hortifrut and its partners have been the suppliers of fresh Ready to Eat Blueberries for leading companies in the food-service area, marking an important milestone not only for our Company but for the whole Berries industry, since it represents the first step to enter Berries to the food-service channel as a Ready to Eat product.

To date, we count with one processing plant for this product, located in the state of Georgia, United States. Apart from commercializing Blueberries in this format, during 2013 we began commercializing other washed and ready to eat fruits, with the objective of complementing the offer, and, from 2017, we have developed and introduced to the market healthy snacks directed to the final consumer through retail chains.

The Ready to Eat concept is increasing settled in the global demand, which has caused a great motivation at Hortifrut to lead the chopped, washed and ready to eat fruit market. Mainly with retail sales, we aim to back the daily consumption of healthy food for people of all ages, always with an exhaustive product control during the whole production and distribution flow under a high-quality standard corresponding to the Company.





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Consolidate and Globalize the Systematic Management of Innovation: Hortifruit's Challenge

Innovation allows to generate positive impact on society, accelerating a global cultural change which redefines success in business and builds a new more inclusive and sustainable economy. Hortifrut has managed to demonstrate this in its 35 years in the Berries market, having innovation as one of its fundamental pillars, highlighting a labor climate which motivates the entrance into the eco-system of innovation, together with a strongly committed upper management.

Since 2017, Hortifrut has measured its Innovation Intensity (i3), an index developed by innovation accelerator INNSPIRAL, which quantifies the percentage of the Company's results (EBITDA) that come from innovation, in other words, from technological solutions, new varieties, new products, services and new production methods. This year the measurement showed that for the 2017/18 season, 14% of the Company's EBITDA corresponded to innovation projects.

To improve this index in a sustainable manner in the coming years, since 2017 the Company began an innovation systematization management process, process that has been developed from Chile and has addressed three key aspects: Project Portfolio, Innovation Structure and Culture.

At a Project Portfolio level, we performed a process where several of Hortifrut's areas participated in identifying innovation opportunities and ideas, generating during 2018, eleven new initiatives that are incorporated into the innovation portfolio and which will impact at a global scale and at each of the Company's value chain links.

Regarding Structure, we have implemented a formal structure which allows internal innovation, led by an Innovation Committee, which makes strategic decisions in this matter, a Management and an Innovation Chief who leads the management of innovation from Chile, as well as leaders at each of the 5 strategic focus points where Hortifrut has defined to innovate. During 2019, it plans to consolidate the work performed in Chile and encourage the globalization process of innovation management, with the incorporation of this process at the subsidiaries in Peru and Mexico.

Regarding Culture, to evaluate the Company's innovation capacity, from 2017 we have used the Innovation Diagnosis (C3) method, which is a multi-sector instrument oriented to measuring the innovation capacities in companies and to provide indicators that allow to strengthen innovation performance. In 2018 we performed the second diagnosis, where the score obtained by Hortifrut in the survey realized with all the workers was 64 points, within a scale of 0 to 100, increasing 1 point compared to the first measurement performed a year before, placing it 10 points above the average of Benchmark C3 2018, as is shown in the following chart:

# BENCHMARK C3 2018: HORTIFRUT IS 10 UNITS ABOVE AVERAGE



SCORE C<sup>3</sup>

During 2019, Hortifrut will work on the main indicators of this study, in order to decrease the most significant gaps, encouraging the capacities of its workers and making innovation a daily part of the Company at a transversal level.



In May 2018, Hortifrut was awarded in the special category of "Automatism and Innovation" in the Creativity and Innovation C3 Ranking Chile 2018, organized annually by Brinca and Universidad del Desarrollo, where 52 national companies participated.

Hortifrut received this innovation award associated to our projects oriented towards making our processes more technological, with a focus on improving the productivity and quality of our fruit, highlighting the development of an automatic quality control machine , the consulting of a pruning process through augmented reality, and the control of weeds and the application of fertilizers in a robotic manner.





Internal Innovation

Hortifrut is constantly studying new and better solutions for the industry, and this constancy is also thanks to government funding. Currently continuity has been given to investigation and development programs which were started in the 2017/18 season, as well as other adjudications such as the following:

- Consolidate the Systematization Process of Innovation Management at Hortifrut: which aims to accelerate the design, development and implementation of the innovation project portfolio which Hortifrut has, in order to obtain results which steadily increase their innovation intensity.
- **Supplier Development Program (SDP) Precision Agriculture:** together with LB-track and CORFO financing, this SDP began its development stage in December 2017 and during 2018 Hortifrut coordinated the different activities of the program, which help producers use the technological tools to make the best decisions in the rational assignment of resources.

Furthermore, projects based on co-creation have been strengthened:

• **Blueyes:** this machine, developed through a Project with CORFO financing, consists in the automatization of quality control, using state of the art technology in Automatized Optimum Inspection, integrated with a data management software, for an analysis that allows to make solid and well-founded decisions from its diagnosis, since the human eye is replaced by a multi-spectral camera. The automatization of the visual inspection process has generated a complete change in the processing times since this task, traditionally manual, had a high level of subjectivity. Now thanks to Blueyes, an artificial vision intelligence system, a determined defect or condition in the fruit is quantified in an objective and non-destructive manner, allowing to decrease the quantification process costs of the quality and volume of fruit to be discarded, as well as provide greater confidence to the producers that export the fruit.







• AgroID: this technological solution to control harvest in real time has been consolidated in the Chilean industry during 2018, together with having been implemented in Hortifrut's plantations in Peru and China. The functioning of AgroID is based on each harvester receiving just once a wristband with a chip. Then, at the moment the harvester delivers the harvested product on the AgroID scales, a supervisor identifies the harvester using the AgroID App on their mobile phone and records the exact weight of the harvested product. All of the information thus obtained is synchronized in real time and stored in the AgroID server, where total production can be consulted, managed and verified, while the harvester receives the information of their daily production on their mobile phone. During 2018, in addition to the aforementioned functionality, another type of technological solution was implemented in Peru, called "Hortibus", which manages the bus fleet for the transferring of harvesters.





Open Innovation

## HORTIFRUT CHALLENGE

With the support of CORFO, Hortifrut Ventures and MeetLatam (platform that backs the development of entrepreneur eco-systems in Latin America) started up, in August 2017, Hortifrut Challenge, the most integral innovation acceleration challenge in the Berries industry.

During this process we incubated and helped develop a wide variety of projects, mainly focused on:

- Obtaining Berries of a better quality and condition, complying with the demands of the destination markets
- Developing technologies that mitigate the effect of climatic change, and
- Development of products that use Berries as a sub-product

During the Hortifrut Challenge Project, over 50 ideas were presented, and 30 were pre-selected. Finally, 7 were selected to be financed and backed in the development and validation process. Also, several training sessions took place to pass from an idea to a prototype, considering topics such as administration and finance, legal aspects, design and investment, plus the providing of CLP\$15,000,000 in financing for each one of the projects.

Thanks to the first Hortifrut Challenge, some of these entrepreneurships managed to make their idea a reality and take it to the commercialization phase, while others could obtain the know-how to strengthen and enhance their project.

The 7 selected projects were:

| 1. | BLUE PROTECT:    | Vascular and neuronal protective gel with a Blueberry base |
|----|------------------|--|
| 2. | BLUE MONSTER:    | Low cost sensors (-10x)                                    |
| 3. | INTEL PRODUCE:   | Data integration platform and DPV model                    |
| 4. | ALERT FROST:     | Prediction of frost  |
| 5. | SHEL LIFE:       | Organic covering for fruit                                 |
| 6. | MONOG TEA:       | Tea with a Blueberry leaf base                             |
| 7. | HEALTHY PRUNING: | Dispensing device for pruning paste                        |







As Hortifrut we will continue backing open innovation, believing in the challenges that the entrepreneurs propose themselves, encouraging creative solutions in the industry. Through programs such as this, we want to create instances where good ideas are applied and put into practice, considering that opening up innovation to the community is a development and progress motor.



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Producers' Club

Hortifrut's Producers' Club is an initiative that allows its producers to accede to a series of benefits (alliances with producers, field days, technical presentations, among others) to back them in their management through a variety of products, technologies and/or services, generating a support network in areas such as genetic development, access to different markets, technical consultancy in organic and conventional orchards, financial support, information and backing to obtain certifications.

Following the path of 2017, during 2018 Hortifrut Producers' Club focused on the delivery of technical and commercial information for its producers, presenting videos and talks in the central and southern areas of Chile, with the objective that all our producers be informed regarding the Blueberries market and its future, giving a special focus to the topic of quality and the condition of their fruit, to thereby be more competitive and be able to reach different markets.

Furthermore, during 2018, 6 new alliances with providers were incorporated, being able to find all the information related to the Producers' Club in the web page www.clubproductoreshortifrut.com and in the Club's App, ClubHF.

As always, we want to give emphasis to the use of these platforms to accede to these alliances, videos and activities, to thereby make better use of the benefits that Hortifrut's Producers' Club has for them.



Current alliances to date are the following:





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STATES OF







Hortifrut, in its path towards sustainable development, has found in B Corporations or B Corps a clear reference framework to align and encourage its sustainability initiatives and to redefine the sense of success, including the commitment to follow social and environmental results, as well as financial results, always looking to be a contribution to the surroundings where the company operates.

In this path towards sustainability, to obtain B Certification was the main challenge of 2018, and it was the result of an extensive work of implementing better social, environmental and transparency practices. It was decided to begin this path with the subsidiaries in Chile: Hortifrut Chile S.A. and Hortifrut Comercial S.A., with the intention of taking this learning experience to the rest of the Holding's companies.

During the preparation process to obtain the B Certification, several practices that the Company already performed and wanted to encourage, were lifted and formalized. In the same manner, new and/or improved processes were generated, which were aimed at increasing the social-environmental standard of different stages of the Company's value chain. All of this combined, allowed Hortifrut to obtain a score of 108.9 points in this measurement.

A relevant milestone within this process was the re-defining of the corporate purpose realized during 2018, which served as a guideline to align and direct the different initiatives and efforts in matters of sustainability, with the following as the new purpose:

Touching and enlightening the life of the people of the world by growing the most wonderful and healthy berries, through a team and partnerships that care about the enviroment and the community.



Aligned with the main global sustainability tendencies, and to find a common language with other national and international actors, a commitment was aligned with the **Objectives of Sustainable Development (ODS) of Global Pact**, identifying those objectives more linked to Hortifrut's own activities, and with a specific focus on those that it looks to contribute with:



**ODS 2 Hunger Zero:** Improves nutrition and promotes sustainable agriculture

Hortifrut looks to increase agricultural productivity through constant innovation, promoting genetic diversity and sustainable

and resilient agriculture.



### **ODS 12 Responsible Production and Consumption:** To guarantee sustainable consumption and production modalities.

The Company constantly challenges itself regarding the sustainable and efficient use of the natural resources that it employs,

with the responsible treatment of its chemical and dangerous waste and residues, with the use of renewable energies, with recycling and education for sustainable development.



Hortifrut counts with formal policies regarding Corporate Governance and Transparency such as Orientation Handbook for New Directors, Procedure for Replacing Executives, Procedure with Information for Director Candidates, Procedure for Quarterly Meetings with Controller, Procedure for the Analysis and Evaluation that the Company Performs of the Market and Policy for the Hiring of Expert Consultants.

# INDEPENDENT COMMUNICATION AND REPORT FOR CONTROL AREAS

Hortifrut's Board and the Board Committee maintain instances of direct and fluid communication with the following control areas:

a) External Auditors: with them we revise topics such as the External Audit program and its results. Within this, we obtain an independent point of view in relation to the risks that the

Company faces, regarding implemented processes and controls and the quality and consistency of the analyzed data.

**b) Controller:** with whom we are informed regarding the internal audit program, risks in the processes, detected deficiencies, recommendations for improvements, follow up of action plans, strengthening of the control scope and effectiveness of the crime prevention model.

## **COMPLIANCE PROGRAMS**

In response to the demands of Law N° 20.393 which establishes criminal responsibility for legal entities in crimes such as money laundering, financing of terrorism, receipt of stolen goods and bribery, the Company has implemented a Crime Prevention Model, through which it promotes the prevention of said actions which are sanctioned by said law. Said prevention model was duly certified on August 17, 2018 by BH Compliance Ltda. for Hortifrut S.A. and all its subsidiaries in Chile.

The Ethical Behavior Code and the Whistleblower Channel are fundamental components of this Model, which, together with the constant training given to the collaborators, reinforce the commitment that Hortifrut has in matters of complying with these standards. Thereby, during the last quarter of 2017, an e-learning course was imparted for all the permanent collaborators in Chile and audiovisual material was distributed to back the training in the adoption of compliance models and crime prevention at foreign subsidiaries. Together with the aforementioned, we have held internal presentations for executives in other matters regarding compliance of standards such as Free Competition.

#### HORTIFRUT'S COMPLIANCE MODEL AND CRIME PREVENTION MODEL



#### ETHICAL BEHAVIOR CODE

Since 2014, Hortifrut has worked on the base of an Ethical Behavior Code, which constitutes a formal instance that regulates internal and external ethical behavior and business behavior. The Company plans to stand out as a Company that is honest, transparent and consistent in its business behavior, and to acknowledge its collaborators, shareholders, customers, suppliers, authorities and trade partners as people who reach their objectives in a fair and respectful manner.

Within this context, the Company incorporated into its Internal Ruling articles corresponding to the new model, designating a Person in Charge of Crime Prevention, modifying the procedure in case of a denunciation and generating different activities that allow to inform, train and make this new disposition easy for the Hortifrut community.

This document is available on Hortifrut's website **www.hortifrut.com**.





WHISTLEBLOWER CHANNEL MAILING

## TRAINING IN CRIME PREVENTION MODEL

As a complementary measure to the Company's Ethic's Code, there is an annual training for executive and non-executive collaborators regarding the crime prevention model, providing knowledge, rules and orientation to avoid risky situations and to accomplish spotless actions on behalf of our collaborators, directors and trade partners.

#### WHISTLEBLOWER CHANNEL

The Company counts with a technological solution managed by Deloitte professional services consultant, whose platform for denunciations and ethical line is managed in an independent manner; available for the whole Hortifrut community and its suppliers, so that they can inform regarding money laundering crimes, financing of terrorism, receipt of stolen goods and bribery, or regarding infractions and/or suspicions of non-fulfilment of the Crime Prevention Model.

Claims are performed via webpage, email or post office box, which are investigated by the Person in Charge of Crime Prevention and by the Ethics Commission (formed by a Director, General Manager, Human Resources Manager and Attorney), guaranteeing absolute confidentiality in relation to the identity of the denouncing people.

## HANDBOOK FOR HANDLING INFORMATION OF INTEREST

As an issuer of public offering securities and as per what is stated in General Character Norm N°270, in 2012 Hortifrut's Board approved its Handbook for Handling Information of Interest for the Market, which is found at the disposition of the investors in the Company's website, www.hortifrut.com, and at its main offices.

Said handbook has as its objective to establish the norms that rule all the information of interest regarding Hortifrut, establishing policies and procedures for the disclosure of said information, as well as the transactions of Hortifrut's shares which take place, all of which are mainly directed to the Board of Directors of the Company and its subsidiaries; managers, administrators, main executives of Hortifrut and its subsidiaries; independent workers at Hortifrut and its subsidiaries that have access to information of interest, privileged information, reserved information or confidential information; permanent and sporadic advisors with access to said information; and every person that due to their post and/or position have access to privileged information regarding the Company.

Likewise, it establishes the policies and procedures for the safeguarding of said information and its disclosure to the market, assuring its market transparency.

## ANNUAL DECLARATION OF EVENTUAL CONFLICTS OF INTEREST ON BEHALF OF THE DIRECTORS

The commitment with transparency that Hortifrut has not only falls on its directors, but it is manifested in all the executive staff. Due to this, all our Directors and Managers annually declare if they have a conflict of interest or not between their functions with the Company and their personal interests, whether these are economic or not. Together with the aforementioned, they must declare their participation in different companies when they or their relatives own 10% or more of its capital and if they are related with a civil servant, detailing if there is any conflict of interest or devious incentive.

## INCLUSION OF SOCIO-ENVIRONMENTAL INDICATORS AND GOALS IN THE MANAGEMENT, VICE-MANAGEMENT AND CHIEFS PERFORMANCE

This is perhaps one of the most ambitious projects of the year, and which reflects Hortifrut's deep commitment with Sustainable Development. During 2018, we started associating the evaluation of the collaborators' performance with KPIs (Key Performance Indicators), which are objective and quantitative indicators that back the fulfilment of aims for each position, with the additional detail that this evaluation will be associated to the performance bonus received by each collaborator once the season is finished.

The indicators for each position were self-imposed by each person and then validated by their chiefs, encouraging each person to effectively take charge of their results and performance.

A very important point of this new performance and bonus distribution plan evaluation system is that, for management, vice-management and chiefs, at least one of their indicators must promote the Company's sustainability from the functions of their position. In other words, the idea is to align the economic incentives of Hortifrut's executives with its socio-economic purpose and with the contribution that is to be generated in the environment. The understanding that the search for sustainability must be transversal for the whole Company is the main argument behind this decision, which is expected to bear large fruits during its first year of start-up.







The growth of our Company at a global level has had as a consequence a more global view of the functioning of Hortifrut, expanding from a more local focus to a corporate one. Thereby especially during 2018, after the merger with Grupo Rocío in Peru, we focused our efforts on standardizing processes and sharing good practices, working as just one team.

With this aim, Hortifrut's structure has been adapting to these new demands, thus generating an organization chart with managements with a double reporting line, one is administrative/local and the other technical/corporate. To the already existing corporate managements (Attorney, Human Resources, Finance, SOP, IT and Exports), during 2018 we added Subsidiaries Management and Global Production Management, with the aim of standardizing processes and the inclusion of subsidiaries in this corporate view.

## LOCAL HIRING POLICY

In 2018 we implemented the Local Hiring Policy, which consists on the formalizing of a practice that Hortifrut has been performing for many years. In accordance with this, Hortifrut's executives make the commitment that, if there are candidates with similar profiles for a position, preference will be given to local people (within a radius of 322 km from the installation). The objective of the aforementioned is to encourage the development of local families and communities, through the generation of quality employment and, at the same time, enriching the work of each team by including people who contribute a necessary view to better adapt to the environment.

## MINIMUM SALARY ABOVE THE LEGAL

At Hortifrut it is important to grant a fair retribution to each collaborator, therefore our temporary collaborators, both in Chile and in Peru, benefit from a remuneration which is 30% above the minimum legal salary of each of these countries, to thereby contribute to the social growth of our people, who are key actors in the Company's development and growth.

## DIGITAL TRANSFORMATION

A Company with over 1,100 permanent collaborators and with a presence in eight countries, demands that communication be established through a single, collaborative and global instrument, which allows to attract, develop and retain talent, handling an adequate management of compensation information, performance and global vacancies. With this objective three important digitalization projects have begun:

- Documented Digitalization of the collaborators with electronic signature.
- HortiAPP, application which can be downloaded on smartphones, which allows the over 10,000 harvest collaborators in Peru to access to their payroll calculation and to participate in a points program, apart from other relevant information for them, in an immediate manner.



 People Management Digital Project, based on SAP SuccessFactors, this is Hortifrut's first cloud and global project at a worldwide level.

# SAP SuccessFactors 📿

These initiatives will allow a greater agility in the decision making regarding human capital within the Company, an increase in the empowerment of the department chiefs in relation to the performance of their teams, a corporate vision of the key indicators of the labor force, an increase in the collaboration and communicating of the key knowledge of the business, an improvement of the Hortifrut brand by counting on digital services for their collaborators and a reduction in the risks of non fulfilment of standards, among many other benefits.





## "SÚMATE" PROGRAM

During 2018 we began an Inclusion and Diversity Program, which is aimed at generating a more inclusive culture within the Company, watching out for equal opportunities and social inclusion of people with disabilities. Even though we already counted with corresponding initiatives, this project plans to give a sense of greater scope. For this, we generated an internal campaign, based on sensitizing, informing and inviting our collaborators to be part of this new perspective.

As a first step, we performed an on-line diagnosis survey directed at our collaborators, in order to know the actual reality of the Company, identifying opportunities for improvement, searching to generate initiatives to decrease gaps. As a second step, we invited our collaborators to be ambassadors and leaders of the program, to have a more effective approach in the different productive units.

Additionally, we generated a flexible benefits program, focused on encouraging quality of life and the wellbeing of our collaborators with disabilities, including the payment of complementary health insurance, permission during the work schedule destined to do health exams and controls, teleworking and deferred starting time.



HORTIFRUT'S BENEFITS MAILING.

## SERVICE AREA SURVEYS

During 2018, for the first time at Hortifrut, a services survey took place in three areas that provide support to the different areas of the Company's business, which are Human Resources, IT and Attorney.

Within this process we consulted with the internal customers of these areas, regarding the following aspects: attitude, information, service and time, as well as requesting suggestions for improvement and comments and to inform how much they would recommend the received service. In general the final result revealed a satisfactory quality service experience, with this being an index of service recommendation.

Our objective as a Company is to expand this survey to evaluate all the business support areas, to thereby improve the service experience of our internal customers.



## ¡Te invitamos a participar de la primera Encuesta de Servicio Áreas de Hortifrut!

#### ¿En qué consiste?

Es una encuesta en la que medimos la calidad del servicio que entregamos como Aseas de Soporte. En esta oportunidad, comentariemos sólo con algunas áreas como Recursos Humanos (Selección y Taducción), Fiscalía y TL

#### Cómo participo?

Mañana miércoles 21 de noviembre te llegará un correo con el link a la plataforma de Gestión de Desempeño, ahi debetás hacer click en Evaluación Calidad de Servicio Interno.

#### (Hasta cuando tengo plazo?

Hasta el miércoles 28 de noviembre.

Si tienes cualquier ducla comunicate con Alejandra Zamorano al correo azamorano@hortifrut.com o al anexo 3310.



SERVICE AREA SURVEY MAILING.





The second version of the Performance Management process 2018 began with the campaign "Lets talk to sow and harvest", as a tool that aims to plan the performance of our collaborators, directing the individual objectives to the accomplishment of the Company's objectives, in accordance with our transversal and specific corporate competencies, and in accordance with the positions performed by each one of the collaborators and the area to which they belong.

This year we performed the process through a people management web platform, administered by the consultor Rankmi. The use of the technology facilitated the management of the leaders in the evaluation of their team and the corresponding action plan for the development of competencies, recognizing talent and that those evaluated can also grade the quality of the feedback received from their

department chiefs. Before this process, we trained the leaders, in order to familiarize them with the new system and to give them feedback tools, highlighting the importance of calibration in the form of evaluation.

Together with the aforementioned, the managers, vice managers and chiefs defined objectives and goals, with the purpose of adding to the evaluation "how we accomplish the performance" the "what we do" within our management, allowing to reflect in the evaluation the individual alignment to the organization's objectives. In the identification process of KPOs, four workshops were realized where leaders from the different areas at Hortifrut met, working on indicators that reflect objectives related with corporate strategy, within which objectives that are related with sustainability were incorporated.

## TALENT DEVELOPMENT PROGRAM



In the framework of development, motivation, commitment and retention of our collaborators, we have invested in programs that allow a wider vision of the demands of the current world, developing technical specializations, generating instances of networking with peers in the industry and the world, and encouraging the use of technologies. Some of the programs promoted during 2018 are the following:

#### 9TH ANNUAL PROGRAM OF EMERGING LEADERS

Every year Hortifrut, as a member of the Center for Growing Talent by PMA, whose mission is to provide to the industry specific solutions for the attraction, development and retention of talents, sends young professionals that represent the Company to the Annual Program for Emerging Leaders in Tucson, Arizona, so that during an intensive 4 day program they acquire leadership tools and share good practices to face the future challenges in the industry and to establish valuable relationships with colleagues in the whole global supply chain.



#### SINGULARITY UNIVERSITY CHILE SUMMIT 2018

Intensive 2-day executive training program, which encourages innovation and technology initiatives around the impact of corporate disruption, exponential technologies and digital transformation in business, education, public policies and quality of life of people.

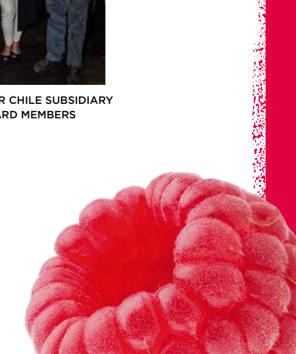
We invite our main Hortifrut leaders and talents to this important program, which includes Directors, Managers and collaborators with a high potential at a corporate level, looking to educate them, inspire them and empower them in exponential technologies to resolve the great challenges of humanity, through knowledge of the latest tendencies in organizational disruption, encouraging critical and creative thought.



SINGULARITY UNIVERSITY CONFERENCE



GRAL. MANAGER CHILE SUBSIDIARY AND BOARD MEMBERS





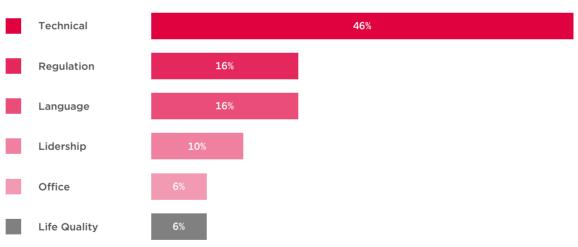
## **CO-FINANCING OF STUDIES**

At a corporate level we count with a benefit of co-financing of studies, oriented to backing our collaborators in their labor specialization. Thereby during 2018, 23 collaborators were benefited with the co-payment on behalf of Hortifrut of 50% of the value of the chosen training program, among which we find MBAs, diplomas, masters and support for the finalizing of the first professional career.

## LEARNING PROGRAM FOR HORTIFRUT COLLABORATORS

Our Development Program for All Personnel looks to manage the learning and perfecting of technical capacities and researched abilities through Performance Management and the detection of training needs with each of the area leaders, in order to prepare the training plan so that it can allow the opportune execution of these formative instances. In Chile, the financing of most of our training plan is performed through SENCE Tax Benefit.

During 2018, the investment in training in Chile, Peru and Mexico was US\$ 334,204, considering 48,018 man hours destined to learning instances. The main areas of training were technical, standards, leadership, languages, office automation and quality of life.



#### MAIN TRAINING AREAS

An important part of our learning comes from ourselves, so we count with different instances focused on the transferring of knowledge, experience and coordination of the different areas and subsidiaries. Among these are the committees, formed by people from each relevant management and representatives that belong to the Company's front line, generating a work table that facilitates the alignment of the different practices with Hortifrut's business strategy and vision.



BROADCASTING OF HORTIFRUT BENEFITS, CHILE



TRAINING PACKING CONTROLLER CHAO, PERU

## **OUR CHILDREN**

We have initiatives that are orientated to our collaborators children to be part of our great Hortifrut family, therefore during 2018 we invited children to participate in the competition "English for children", where minors between 8 and 12 years sent their drawings under the concept What does my Mum/Dad do at Hortifrut?. The winners received an on-line English course, together with a Tablet to make the learning of a language a more enjoyable activity, combining live classes with interactive activities.





DRAWINGS THAT PARTICIPATED IN THE COMPETITION 「たいないないない」

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STEP BY STEP CAMPAIGN WITH MUTUAL DE SEGURIDAD, CHILE



Together with the aforementioned, as in every year the Award for Academic Performance took place, where we reward the collaborators children who obtained an average grade over 6.6 in each educational cycle. This year, the winners received a Lenovo Notebook and the finalists a SmartWatch.



BREAKFAST WITH WINNERS AND THEIR PARENTS



WINNERS TOGETHER WITH THEIR PARENTS AND VICTOR MOLLER

## SPORTS ACTIVITIES

During the year, at our subsidiaries in Chile, Mexico and Peru, different sports activities took place, among them the most popular ones were soccer games in the different championships organized in each country.



SOCCER CHAMPIONSHIP FEMALE LEAGUE, CHILE



MALE SOCCER TEAM, MEXICO



SPORTS NIGHT, PERU



At a corporate level, we have developed new initiatives oriented to having a positive impact on the community, orienting during 2018 our practices and policies to needs related with solidarity, education, health, culture and sport, each one of them organized and backed by our collaborators in a voluntary form. Additionally, new policies have been established regarding the Company's relationship with its suppliers and producers.

## **RELATIONSHIP WITH SUPPLIERS**

Hortifrut Chile S.A. counts with an average duration in the relationship with its suppliers/producers, higher than 8 years, thus showing its long term relationship with them, indicating the capacity to create solid business relationships, with which we generate diverse alliances and labor stability for the supplier and its collaborators.

## SUPPLIER'S SOCIAL PRACTICES

Hortifrut Chile S.A. counts with a series of expected behavior standards on behalf of its suppliers/producers defining specific topics, which are regularly evaluated through different mechanisms, such as for example visits to agricultural fields, which are aimed at, among others, verifying the legal fulfilment and superior standards regarding social practices, fulfilment of work schedule, labor conditions, tax payments, prohibition of child labor, health and safety, among others.

This is one of the ways that Hortifrut uses to assure a fair supply chain and complies with the highest social standards.

## LOCAL SUPPLY POLICY

Hortifrut counts with a Local Supply Policy, which encourages the administrators of the Company's different installations to prefer purchases of products and services which are close to their installations, thereby backing the local economy, promoting committed communities and reducing the environmental impact of the supply chain, avoiding higher greenhouse effect gas emissions generated by long distance deliveries. 「「「「「」」

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## DIVERSITY OF PRODUCERS

During 2018 we realized a study of Hortifrut's significant suppliers in Chile. One of the relevant results to be mentioned is that 40% of them stated that most of their property corresponds to women or sub-represented groups. Even though this was an internal measurement, it is a first step to take actions that promote an inclusive and opportunity filled supply chain.

## SELECTION POLICY FOR SUPPLIERS

Hortifrut Chile S.A. counts with mechanisms to select its suppliers in a more responsible and sustainable manner, without just considering price and quality as its only two attributes at the moment of deciding who to buy from or who to work with. A series of social and environmental criteria that must be complied with to assure a better product or service, more complete and responsible, are also established, giving preference to those suppliers that are responsible with their surroundings, society and the environment, whether it be through environmental or social certification, or through business, circular economy models or others that generate positive social impacts.





On the other hand, some negative criteria are defined, which are unchangeable at the moment of choosing who to work with. We will not work with suppliers who show:

- Public accusations of tax evasion
- Public accusations of non-compliance of labor laws
- Non-payment of salaries
- Non-compliance of schedules
- Child labor
- No respect for maternity and paternity
- Conflict with local communities, at a human and environmental level
- Abuse of small suppliers (payment at 180 days)
- Discrimination

## SOLIDARITY

#### HELP FOR VICTIMS OF HURRICANE WILLA, MEXICO

We realized solidarity campaigns to collect and deliver goods to support the people that were affected by the overflowing of a dam in Peribán, Michoacán, which affected the country in September 2018, mainly affecting the area of Los Mochis, Sinaloa.



DELIVERY OF HELP TO VICTIMS



#### TELETÓN CAMPAIGN, CHILE

Driven by the SÚMATE inclusion program and by our intention to collaborate with the traditional Teletón campaign, we realized several volunteer activities which encouraged the collaboration of our workers to raise funds. Thanks to a committee of volunteers that organized each activity, me managed to carry out a breakfast, sale of paintings made by children from Fundación Teletón, a hotdog sale and a flea market. To close this successful campaign, we were visited by Teletín.



PAINTINGS SALE MADE BY CHILDREN FROM TELETÓN

## CHRISTMAS CELEBRATIONS

The traditional celebration for the children of the Hortifrut's labor community in Chao, Chimbote and other localities where our operations in Peru are located, is known as a Chocolate Christmas. For this we gathered a group of volunteers to be part of Christmas and to be able to share with our collaborators and their children, chocolate, panettone and a Christmas show.

Likewise, in Chile we realized the campaign "The tree of your dreams", where, together with *Desafío Levantemos Chile*, Hortifrut's collaborators sponsored with gifts children of scarce resources from the *Mi Pequeño Mundo* kindergarten in the Maule Region and the Santiago Apóstol school in the Metropolitan Region, benefiting a total of 52 children. Together with this we performed local initiatives in localities near the Company's agricultural and packing operations, as is the case of the party held by Agrícola Santa Rosa S.A. collaborators in Region IX, for the families of the "El Parque" neighborhood.



CHOCOLATE CHRISTMAS, PERU

## VNA NAVIDAD (on SENTIDo. ;Se parte del árbol de los sueños!



Te Invitames a complir el sueño de navidad de raños percenecientes al jardin MI Pequeño Mundo de Empedicado VII Región y aña Escuela Santiago Apóstol de la comuna de Quinta Normal, Santiago, a quienes Hostifiut apadrinará en esta hermosa cauca.

#### (Como hacer restidaet el sueño de los náhos?

 Donando el monto equivalente a el o los regales, el que será descontado per planilla. El plazo para indicar el monto a donar según regalo es hasta el viernes 14 de diciembre.

Adjuntamos 2 archivos, con el nombre de los minos apadrinados, por cada institución, junto al regalo solicitado y el monto asignado por cada uno.

Faca ser parte del sueño de un niño, debes inscribite con Alejandra Araya al correo aarayaeihortifrut.com, indicando el niño al cual sumplirás su sueño y el monto a donat por regalo.

Ayúdanos a hacer posible el sueño de los niños!





**"TREE OF YOUR DREAMS" MAILING** 



## EDUCATION

#### INTERNET ANTENA IN RURAL AREAS, CHILE

Thanks to the contributions of our associated Naturipe Farms<sup>®</sup>, since 2012 we have been worried about contributing to the Digital Literacy of our workers and the community of the locality of Virquenco, VIII Región of Chile, contributing in the purchase of computers, computer courses and the installation of wireless internet. This year we improved the coverage, covering areas that did not previously count with internet access within this locality.

#### LIBRARY IMPLEMENTATION, CHILE

Together with *Desafío Levantemos Chile* and *Eco Libros*, during 2018 we implemented the Library and Center for Learning Resources at the Escuela *Paso Histórico School* of San Felipe, V Región, Chile, which consists of a space aimed at encouraging reading in over 80 children and youths, contributing books, furniture and everything necessary to attract the students to study and learning, which would benefit not only children, parents and teachers of this school, but also the whole community of San Felipe.



LIBRARY IMPLEMENTATION IN SAN FELIPE, CHILE

#### ECOLOGICAL GREENHOUSE, CHILE

Continuing with our support to *Paso Histórico School*, Hortifrut collaborated in the construction of a greenhouse, with the aim that its students obtain a deep learning through the experience of harvesting and generating clean crops, without chemicals and environmentally friendly.



GREENHOUSE CONSTRUCTION IN SAN FELIPE, CHILE

#### **INITIATIVES IN PERU**

The initiative "Teach Peru" consists on providing finance to a state program that aims to develop several projects lead by professionals in the locality of Chao, focused on that students develop academic aptitudes and improve their socio-emotional abilities. Nine of Hortifrut's collaborators participated in workshops with students regarding team-work, agile methodologies and violence prevention.

The program "What a Teacher!", together with "Teach Perú", began in September 2018 and gave 24 teachers the opportunity to perform 7 training sessions in abilities and culture of classrooms. Among the participants there were teachers, coordinators and directors of different schools in the Province of Virú. 14 Hortifrut collaborators participated in the sessions. Together, 1,010 students were impacted, who are benefiting from the education and training processes that their teachers have received.



**"TEACH PERU" INITIATIVE** 



"WHAT A TEACHER!" INITIATIVE

#### DONATION OF SOCIAL SCHOLARSHIPS

Hortifrut made an important donation of its Tax Benefit through Social Scholarships. This year we collaborated with the equivalent of US\$ 10,770 for the OTEC of *Fundación Teletón*, as a contribution to the financing of its Training Plan 2019, which looks to benefit both the young users of the foundation and their parents, with training instances that contribute to their employability.



## HEALTH

### MOBILE DENTAL CLINIC

The sixth version of our Mobile Dental Clinic took place in a successful manner, initiative that since 2013 has been providing dental attention and education in Chile, in relation to dental care and hygiene for our permanent and temporary collaborators and their children, totally free of charge.

Every year this project is financed thanks to the contribution of the "Charity Fund" which Hortifrut's associate Naturipe Farms® created in 2012, to benefit the children of collaborators that work in the Company's fields. The focus of this help is health and education through projects that aim towards the welfare of its workers, children and the community close to our fields and packing operations.

To comply with this objective, we leased a ground vehicle where we implemented all the necessary elements to be able to develop quality dental attention, as well as implement a movable dental clinic to be able to double the attentions within the defined deadlines and thereby reach the most possible people. We count with a first level professionals team who transfer to each of the areas where we offer this benefit.

During this year the Clinic visited our packing in Gorbea, and then transferred to Osorno, considering the agriculture and packing of the locality of *Rio Negro* and the agriculture at *El Pampino* and *El Avellano*. We attended to a total of 249 patients, including children and adults. The patients were favored with preventive exams, fluoride treatment, sealant, fillings and dental extractions, among others. Together with the attention, we gave each patient a set for mouth cleaning (toothbrush, paste) and we realized cleaning education to encourage dental health after our visit.





FAMILY ATTENDED AT THE MOBILE DENTAL CLINIC

#### SPONSORSHIP PARALYMPIC BASKETBALL CHAMPIONSHIP

Hortifrut realized a monetary contribution of US\$ 3,077 to the National Paralympic Basketball League, in order to back the championship that took place in the month of December 2018 in the city of Concepción, Chile, also providing sports t-shirts for such event. This action is part of the *SÚMATE* Inclusion and Diversity Program, focused on encouraging inclusion in all the company's scopes.



PARALYMPIC BASKETBALL LEAGUE CHAMPIONSHIP

## CULTURE

#### SYMPHONY FOR PERU

Hortifrut finances part of the Núcleo Chao project where our operations are located in Peru, with the objective for the children to develop their musical abilities.

Núcleo Chao provides music lessons for children from Monday to Friday, which are organized in choirs and instruments such as guitar and percussion, with specialized teachers, thus using music as a palpable and powerful tool for positive change. Through collective practice, children and youths learn and reinforce values that are essential for life such as respect, discipline, team-work and the search for excellence.

Now Núcleo Chao of Symphony for Peru counts with over 120 children of diverse educational institutions and districts of the Province of Virú, dedicated to learning music, living a real social and artistic transformation of great impact in the community and are part of the over 7,000 children that form the large Symphony for Peru family.



#### HORTIFRUT PLANTS DONATION TO MAPUCHE COMMUNITY, CHILE

In order to provide, encourage and support the Mapuche farming community, Hortifrut made a donation of 6,700 raspberry, blackberry and blueberry plants to *Cooperativa Campesina de Productores Frutícolas Mapuche Rewe Ltda*. This donation was supported by the signing of a contract of usufruct of plants and as an authorized producer to plant and harvest in the area of Coihue, Cholchol, Araucanía Region. With this we aim to contribute with the generation of a positive impact in the area.



## CORPORACIÓN SOCIAL, CULTURAL Y DEPORTIVA VIRQUENCO, CHILE

Since 2004, Hortifrut created the Virquenco Corporation in order to improve the quality of life of the inhabitants of Villa Virquenco, location of the Company's largest organic blueberry plantation field and whose inhabitants mostly work in field harvesting and maintenance tasks. The Corporation is focused on cultural, social and economic aspects, benefiting over 180 people between children and adults.

Some of these initiatives are related with encouraging sport in children and youths in social risk, they count with a Social Assistant in the locality of Santa Fe, helping in the solving and deriving of social risk topics, diagnosis and treatment of psychopedagogical problems in children, advisory regarding the obtaining of benefits provided by the State of Chile and providing information of social and private company projects to improve the infrastructure of the place. Together with the aforementioned, the goal is to encourage the beneficiaries to participate in activities related with Chilean traditions, thanks to their folkloric group.



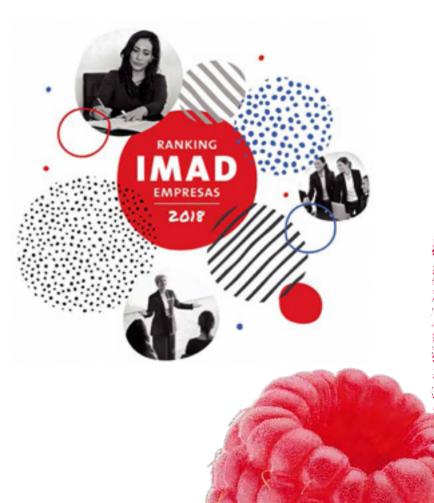
## DIVERSITY

Hortifrut is permanently monitoring the gender gaps that exist within our organization. We currently count with compensation policies that have allowed equity in remunerations to be regulated at each of our companies.

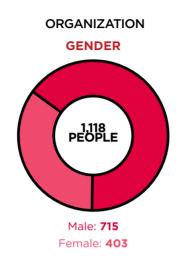
Within this context, with 46 points, Hortifrut reached the fifth place in the IMAD 2018 Ranking (Women in Upper Management), Retail Sector, Consumption and Food, out of a total of 29 companies considered in this segment. 111 companies participated in the general ranking: 63 companies traded in the stock market, 13 multinationals, 10 public, 23 from the bank, insurance and *AFP* (pension fund) sector, and 2 other companies, all with sales over UF 100,000 and with a minimum of 100 collaborators.

The information to prepare this ranking is obtained from the Commission for the Financial Market (CMF), from the companies' annual reports and information provided by them. Regarding the methodology, transparency, traceability and consistency variables are considered.

At Hortifrut we believe that the human resource is our most valuable asset and, in this sense, female participation plays a fundamental role, not only in upper management, but also at all the Company's levels. We know that this ranking is fundamentally focused on the first line executives, but we understand that this must not only remain here, but it must be transferred to all the hierarchy levels in the organization. The contribution of women to work is vital and facilities at the work place so that more women can participate in the labor force must be a focus for all companies in Chile and the world. At Hortifrut we understand that the own characteristics of each gender provide different visions in each area and complement each other, generating a diversity and richness in the views and focus when facing multiple challenges. This is what we want at Hortifrut and what we permanently work towards.



Below is a detail of the diversity of the permanent employees at Hortifrut and its management in relation to number of people per gender, nationality, age range and years in the Company:



#### NATIONALITY

| CHILEAN        | 499 |   |
|----------------|-----|---|
| PERUVIAN       | 350 |   |
| MEXICAN        | 129 |   |
| SPANISH        | 46  |   |
| BRAZILIAN      | 37  | - |
| ARGENTINE      | 14  |   |
| CHINESE        | 9   |   |
| NORTH AMERICAN | 7   |   |
| OTHER          | 27  |   |

#### AGE RANGE

| UNDER 30 YEARS OLD      | 355 |
|-------------------------|-----|
| BETWEEN 30 AND 40 YEARS | 459 |
| BETWEEN 41 AND 50 YEARS | 191 |
| BETWEEN 51 AND 60 YEARS | 91  |
| BETWEEN 61 AND 70 YEARS | 17  |
| OVER 70 YEARS OLD       | 5   |

#### YEARS IN THE COMPANY

| LESS THAN 3 YEARS      | 651 |
|------------------------|-----|
| BETWEEN 3 AND 6 YEARS  | 175 |
| BETWEEN 6 AND 9 YEARS  | 125 |
| BETWEEN 9 AND 12 YEARS | 80  |
| OVER 12 YEARS          | 87  |



#### NATIONALITY

| CHILEAN   | 28 |
|-----------|----|
| PERUVIAN  | 10 |
| ARGENTINE | 4  |
| BRAZILIAN | 4  |
| MEXICAN   | 3  |
| SPANISH   | 3  |

#### AGE RANGE

| UNDER 30 YEARS OLD      | 0  |
|-------------------------|----|
| BETWEEN 30 AND 40 YEARS | 21 |
| BETWEEN 41 AND 50 YEARS | 21 |
| BETWEEN 51 AND 60 YEARS | 12 |
| BETWEEN 61 AND 70 YEARS | 1  |
| OVER 70 YEARS OLD       | 0  |

#### YEARS IN THE COMPANY

| LESS THAN 3 YEARS      | 20 |
|------------------------|----|
| BETWEEN 3 AND 6 YEARS  | 10 |
| BETWEEN 6 AND 9 YEARS  | 2  |
| BETWEEN 9 AND 12 YEARS | 8  |
| OVER 12 YEARS          | 15 |



Within Hortifrut's purpose is to realize all our activities and operations, thinking of preserving our natural resources and to show concern beyond the minimum legal standards.

## GOOD AGRICULTURAL PRACTICES

For Hortifrut, from its agricultural side, and understanding the responsibility that it has from the value chain and the potential impact that it can generate, it demands and encourages the best agricultural practices from all its producers, whether it be own fields or producing partners.

To accomplish this, the Company developed the Good Agricultural Practices Handbook, which it demands and shares with its producers. In this manual environmental knowledge and standards are transmitted, associated to the efficient use of water, the responsible handling of residues, recycling, storage, responsible use and disposing of dangerous materials, the responsible treatment of residual waters, the generation of flora and fauna conservation áreas, among other demanding standards.

In the same manner, the handbook delves into social practices, from legal compliance, good quality spaces for the workers to work and rest, safety and hygiene conditions, among others.

These practices are not only required through a handbook, but they are also verified at site by members of Hortifrut's team, at least four times during the season, for each producer. Thereby, the company can make sure that this part of its supply chain complies with global level standards, not only in terms of quality, but also in social and environmental aspects, which are just as relevant.

## SUPPLY CHAIN

Hortifrut is vertically integrated in the whole supply chain, so the agricultural operation is just part of the cycle.

Therefore, the Company has already established a first line base regarding intensity in the consumption of environmental resources and their corresponding impact. through the realization of the first Life Cycle Assessment study under the method established by ISO 14.040, which has as its first scope Hortifrut Chile's packing and frozen products operation, the transporting process via ship or plane to the different destination markets, and the company's commercial trips. In this aspect, we are gathering information for the 2018/19 season, which incorporates as a scope of the study, the impact generated by the operation at the fields. For this we have coordinated with the whole team of agronomists, to monitor the use of agricultural supplies, water, energy and the disposal of our producers' residues. In this manner we will cover approximately 63% of the life cycle of blueberries commercialized by the company, and this will later on allow us to manage the environmental impact per kilogram of fruit.

Additionally, the first base line of consumption for Hortifrut Chile's water and energy resources and residues has been established, which allows the best use of these resources and to establish focused work plans.





#### WATER

Nowadays the Company has established its first base line in the use of water in packings and frozen products. In addition to this monitoring, investments have been made in sediment tanks to clean the water before it enters the water table, which allows us to water the fields with better quality water than what we were obtaining from the environment.

## 19,922 mts<sup>3</sup> Is the water

Is the water used at Hortifrut Chile's packings during the 2017/18 season.

In the case of frozen product plants, the use is by well water, and we maintain as a challenge to measure its consumption to be able to reduce it.

## ENERGY

The main source of energy is electricity, which allows the operating of machinery, lighting and maintenance of temperatures within the Company's warehouses. An important milestone during 2018, is the signing of the supply contract for photovoltaic energy in the Company's fields, which will contribute to decreasing our carbon footprint due to the concept of the use of electrical energy, replacing it with clean energy. On the other hand, during 2018 we remodeled the machines room at Molina's frozen products plant. Now it is one of the most advanced frozen product installations in Chile and it was modified considering the highest energy efficiency standards suggested for this type of operation. This remodeling has allowed to reduce energy consumption by 38% in the plants freezing process.



3,870,706 kwh was the total electrical energy consumed at Hortifrut Chile S.A.'s packings.



3,754,035 kwh was the total electrical energy consumed at Hortifrut Chile S.A.'s frozen products plants.

# RESIDUES

Regarding the responsible handling of residues generated at our installations, we count with strong alliances that allow us to realize the recycling of a large part of our recyclable residues. Companies specialized in the handling and valuation of residues such as cardboard, paper, film, damaged clamshells, among others, are our allies in this process, such as Sorepa, Ciclo Verde, Greenwalk, Bravo Energy, Vía Limpia Gersa and Disal.

On the other hand, we managed to perform the first Residues and Cultural Diagnosis in topics related to recycling and the treatment of residues, in charge of the company

*Triciclos*, who performed 135 surveys at our installations and administrative offices during the first semester of 2018. This information has allowed us to understand in a deeper manner the disposition of our collaborators to participate in initiatives related with recycling, and also their level of knowledge in the matter. In this sense we are proud to say that 95% of those surveyed considers taking care of the environment highly important, and over 90% are willing to learn about recycling and to participate in the initiatives that the company performs in this matter.

This information opens up fertile ground to advance in the responsible management of residues, so during 2018 we signed a Zero Waste aim for three years, at both frozen products plants of Hortifrut Chile, Molina and Colbún.



113,661 tons of cardboard



15,702 tons of plastic



730 kilograms of steel and aluminum

These are the amounts of recycling monitored at the packing and frozen installations at Hortifrut Chile. It must be highlighted that here the amounts of the Company's fields are not included, which are now also recycling. It is part of the objectives for 2019 to gather this information to present a complete base line in matters of residues for the organization.

In relation to the treatment of our dangerous residues, these are treated as per the required legal standards, so they are discarded in places prepared for their disposal and treatment.

### SUPPLIERS

Just as the preservation of the environment is important for Hortifrut, it is important to know what measures have been taken by our suppliers in this matter, so we executed the first survey for suppliers regarding their sustainable practices. To perform this survey, we considered the Company's main suppliers (80% of the company's costs), both in fields and in packing supplies, with the following result:

#### a) Fields

• 55% have taken measure to reduce their greenhouse gas emissions

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- 98% manage their residues in a responsible manner with entities certified for this, or they recycle
- 100% monitor their water consumption
- 95% manage their dangerous residues with established companies

### b) Packing

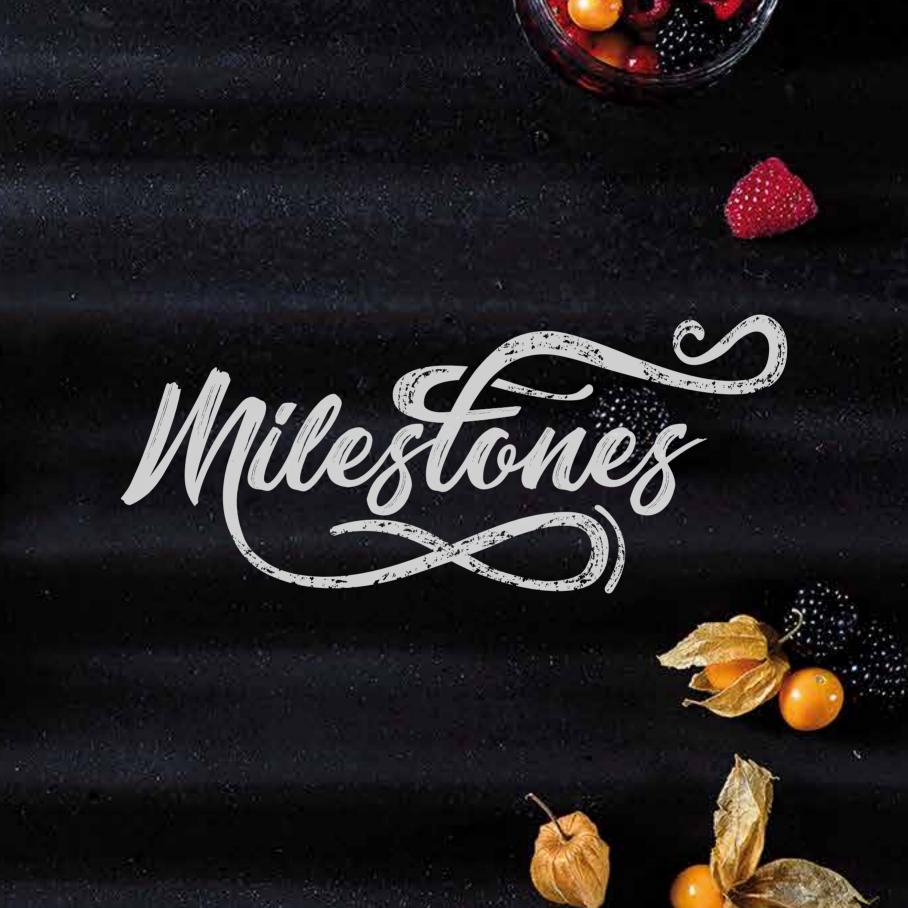
- 60% have taken measures to reduce their greenhouse gas emissions
- 90% manage their residues in a responsible manner with entities certified for this, or they recycle
- 100% monitor their water consumption
- 60% count with a dangerous residues disposal protocol

### ORGANIC PRODUCTS

The production of organic fruit is now constantly more preferred by consumers, who are more demanding in the standards and the way fruit is harvested, respecting the flora and fauna of the areas where the fruit is planted and harvested. In this context, we are pleased to say that 30% of Hortifrut's 2018 invoicing, corresponds to organic Blueberries, and this percentage is divided between Organic Certifications (USDA, Chilean standard, Europe, Japan, Korea, China) and FairTrade.









# 58.5 MILLION KILOS OF COMMERCIALIZED BERRIES



# PERMANENT DEVELOPMENT OF NEW VARIETIES OF BERRIES

10 Correspond to Revenue from operating activities, plus Other revenue, per function.





ADQUISITION AND MERGER HORTIFRUT- GRUPO ROCÍO IN PERU Certified B © Corporation

HORTIFRUT CHILE S.A. WAS CERTIFIED AS A B CORPORATION ではないない。



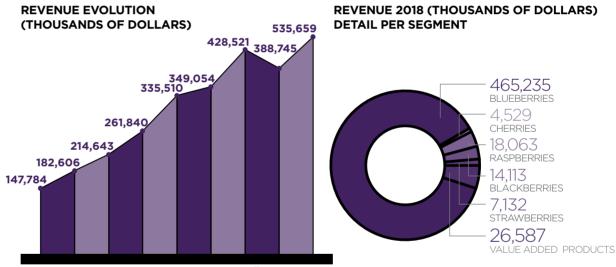


The analysis presented below compares the financial statements as of December 31, 2018, with the financial statements as of December 31, 2017.

Sales Revenue that correspond to Revenue from operating activities, plus Hortifrut's Other revenue per function reached ThUS\$535,660, representing a 37.8% increase compared to 2017. This is explained by a 26.9% increase in the distributed volume, reaching 58,469 tons, while average revenue per kilo experienced an 8.5% increase.

The main factor that explains the increase in revenue during the period under analysis is the increase in the distributed volume of Blueberries from the plantations in Peru, both due to the merger and the purchase of the Blueberries business of the Grupo Rocío in this country, and the maturity of the plantations corresponding to the Olmos Project.

Revenue from the "Fresh Fruit" segment, which includes Blueberries, Raspberries, Blackberries, Strawberries and Cherries represented 95% of the consolidated revenue during 2018, increasing participation 1.1 percent compared to what was recorded in 2017. Likewise, sales revenue from the "Value Added Products" segment represents 5% of consolidated revenue to the same date.



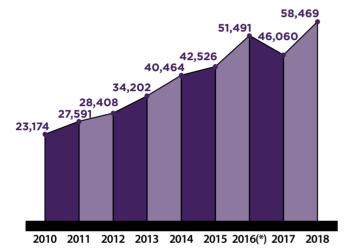
2010 2011 2012 2013 2014 2015 2016<sup>(\*)</sup> 2017 2018

Within the "Fresh Fruit" segment, sales from the Blueberries segment increased 47.9% reaching ThUS\$465,235 in 2018, mainly explained by a 42.8% increase in distributed volume, to which the 3.5% increase in average income per kilo must be added. Raspberries experienced a decrease in income of 1.6% to ThUS\$18,063 due to the reduction recorded in average income per kilo equal to 2.4%, while distributed volume increased 0.8%. In the case of Blackberries, no relevant variation was observed in the sales volume, while average income per kilo was reduced by 12.4%, producing a reduction in revenue of 12.5% to ThUS\$14,113 during 2018. For Strawberries, sales experienced a 44.3% decrease to ThUS\$7,132, variation that is explained by a

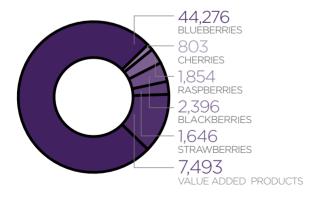
(\*) Due to changes in accounting policies regarding the valuation method of "bearer plants", 2016 figures were adjusted for comparative purposes. For more details see Note 5 of the Consolidated Financial Statements as of December 31, 2017

reduction in the distributed volume of 48.9%, mainly associated to a lower availability of fruit to be harvested in Mexico, while average income per kilo experienced an 8.9% increase. During 2018, Cherries recorded a sales income of ThUS\$4,529, with a 52.0% increase compared to the previous year, due to the increase in distributed kilos of 140.9%, which was partially offset by a 36.9% decrease in average income per kilo.

#### DISTRIBUTED VOLUME EVOLUTION (TONS)

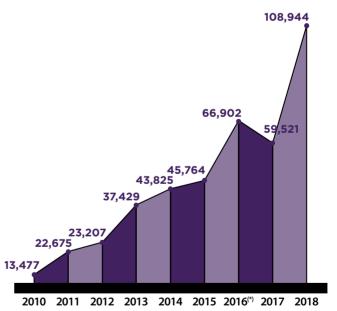


#### DISTRIBUTED VOLUME 2018 (TONS) / DETAIL PER SEGMENT



Value Added Products recorded sales revenue equal to ThUS\$26,588 during 2018, increasing 11.6% compared to revenue recorded in 2017. This variation is explained by an 8.3% increase in average income per kilo, associated to the higher participation of frozen organic fruit within the sales mix, plus a 3.0% increase in the distributed volume.

The 2018 EBITDA reached ThUS\$108,944, recording an 83.0% increase compared to the ThUS\$59,521 EBITDA recorded in 2017. Most of this increase is associated to an increase in operating revenue, associated to the higher volume of distributed fruit mainly from Peru, which must be added to the effect of the valuation of fruit on bearer plants, which reached ThUS\$5,332 as of December 31, 2018, compared with ThUS\$1,640 a year before. Since this valuation corresponds to an estimation, it could vary when fruit sales are perfected. It must be stated that to calculate the EBITDA, the item Impairment in the value of assets was excluded, because it does not constitute flow.



#### EBITDA EVOLUTION (THOUSANDS OF DOLLARS)

NOTE: EBITDA = Operating Result (excluding impairment in the value of assets) + Depreciation



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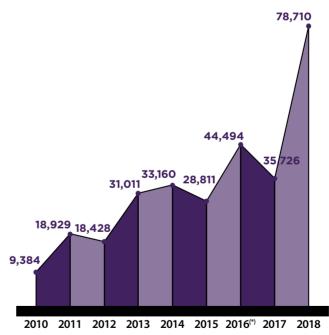


Operating Costs recorded an increase in absolute terms of 28.9% to ThUS\$459,267 during 2018, associated to the following factors: (1) a higher volume of distributed fruit, from the own plantations in Peru, (2) the payment of an extraordinary growth bonus (ThUS\$2,300), (3) indemnity related to restructuring in Chile and Mexico (ThUS\$500), (4) the strengthening of the commercial team in the United States and Europe (ThUS\$1,000), preparing the Company's structure for the higher volume to be commercialized in the following seasons, and (5) increase in administration expenses and depreciation associated to the incorporation of operations in Peru linked to the transaction materialized with the Grupo Rocío at the end of June 2018.

The ThUS\$76,393 Operating Result experienced a 135.0% increase in relation to the previous year, while the operating margin increased from 8.4% to 14.3% between 2017 and 2018. Excluding Impairment in value of assets from this calculation, which increased to ThUS\$2,317 during 2018 and to ThUS\$3,215 a year before, the Operating Result would have reached ThUS\$78,710, which is 120.3% higher than the one recorded in 2017. The operating margin (excluding Impairment in the value of assets) increased from 9.2% in 2017 to 14.7% in 2018.

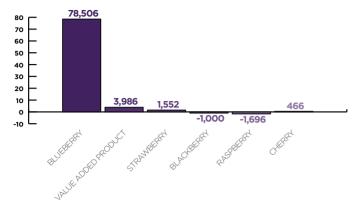
Impairment in the value of assets recorded in 2017 is associated to the pulling up of productive surface in Chile, Mexico and Spain. On its part, during 2018 the pulling up of hectares were only recorded in Chile and Mexico.

#### OPERATING RESULT EVOLUTION (THOUSANDS OF DOLLARS) (EXCLUDING IMPAIRMENT IN VALUE OF ASSETS)





#### OPERATING RESULT 2018 (THOUSANDS OF DOLLARS) / DETAIL PER SEGMENT (EXCLUDING IMPAIRMENT IN VALUE OF ASSETS)



In order to comply with Amendment to IAS 16, the Operating Result for 2018 includes ThUS\$9,522 of depreciation of "bearer plants", which is compared with a ThUS\$5,618 depreciation for this concept in 2017, increase that is explained by the higher volume of Berries produced during 2018.

On the other hand, a significant decrease is recorded in the amortization of Intangible Assets, which passed from ThUS\$5,925 during 2017 to ThUS\$815 a year later, mainly associated to the lower sale of royalties of Blueberry plants, which was higher than usual the previous year, due to new plantations in Peru.

Excluding the Impairment in value of assets of both periods, the Operating Result of the Blueberries segment reached ThUS\$78,506 in 2018, 131.6% higher than what was recorded in 2017, being positively influenced by the increase in the produced and distributed volume from the fields in Peru, both due to the incorporation of the blueberries business of the Grupo Rocío, and due to the maturing of the plantations at Olmos. The depreciation of "bearer plants" considered within this segment reached ThUS\$8,960 in 2018, 67.3% higher than the ThUS\$5,355 recorded in 2017 for this concept, explained by the higher volume of Blueberries produced in 2018.

The Raspberries segment recorded a negative Operating Result of ThUS\$1,696 in 2018, compared with a loss of ThUS\$1,308 in 2017. Depreciation of "bearer plants" considered within this segment in 2018 reached ThUS\$1,051, lower than the ThUS\$1,119 recorded in 2017. The Operating Result of Blackberries was negative by ThUS\$1,000 for the period ending December 31, 2018, which is compared with a loss of ThUS\$464 a year before, because, even though the distributed volume was similar in both periods, the sale price in 2018 was 12.4% lower than what was recorded in 2017.

Strawberries recorded a negative Operating Result equal to ThUS\$1,552 in 2018, compared with a ThUS\$1,194 loss recorded in 2017, impairment that is explained by the decrease in distributed volume, due to the reduction in good quality fruit supply on behalf of third-party producers in Mexico.

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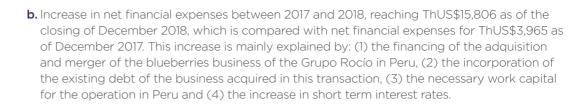
The Cherries segment recorded a positive Operating Result of ThUS\$466 in 2018, a decrease compared to the ThMUS\$700 profit recorded a year before. Due to the aforementioned, the operating margin of this product decreased from 23.5% of income to 10.3% of income during the period under analysis, linked to the reduction in the sale price due to the increase in volume available in the market.

Value Added Products show a positive Operating Result of ThUS\$3,986 in 2018, staying in line with the recorded profit of ThUS\$4,094 in 2017. Also, the operating margin of this segment reached 15.0% of income during 2018, slightly below the 17.2% recorded during 2017.

The Blackberry, Strawberry, Cherry and Value Added Products segments did not record depreciation of "bearer plants".

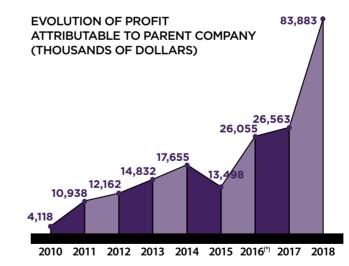
Non Operating Result reached a profit of ThUS\$43,539 during 2018, compared with a ThUS\$116 loss in 2017, mainly explained by the following factors:

**a.** A profit of ThUS\$60,823 recorded during 2018 in the item Other income/expenses, mainly associated to the recognizing of the higher fair value of 50% of the subsidiary Hortifrut Tal S.A.C. which was Hortifrut's property, as a result of the adquisition and merger transaction of Grupo Rocío's blueberries business in Peru. This same item recorded a ThUS\$363 loss last year.



- c. A loss recorded under Interest in profit (loss) of associated and joint Ventures of ThUS\$3,483 during 2018, which is compared with the ThUS\$9,468 profit obtained in 2017. Profit recorded during 2017 is mainly associated to the result generated by Hortifrut Tal S.A.C. (Perú)'s operation, company which entered the consolidation perimeter in Hortifrut's financial statements from July 03, 2018, as a result of the adquisition and merger of Grupo Rocio's blueberry business. Likewise, loss recorded during 2018 is mainly associated to the negative result of the associated Munger Hortifrut NA LLC (United States) for ThUS\$3,543 (ThUS\$ 1,035 of loss during 2017).
- d. A profit generated by Exchange Rate fluctuation of ThUS\$2,005 to the closing as of December 2018 closing, which favorably compares with the ThUS\$5,256 loss recorded in 2017. The higher profit of the period is mainly explained by the appreciation of the dollar in relation to the Euro, Chilean and Mexican peso.

Profits attributable to the Controllers obtained during 2018 increased 215.8% in relation to what was observed in 2017, reaching the amount of ThUS\$83,833, while the net margin was 16% of sales income, increasing compared to the 7% margin obtained a year before. Of the result recorded in 2018, ThUS\$44,500 corresponds to the net tax adjustment of the fair value of the investment in Hortifrut Tal S.A.C. and the rest of the results of the company's same operation.



During 2018, Hortifrut performed investments for US\$ 54.4 million, in new plantations (70% of the total), maintenance of existing plantations (16% of the total) and infrastructure (14% of the total). This represents a 16% reduction compared to investments realized during 2017, mainly due to the decrease in the investment rhythm of projects in Peru and United States, slightly offset by the start-up of plantations in China.

(\*) Due to changes in accounting policies regarding the valuation method of "Bearer Plants", the amounts of 2016 were adjusted for comparative effects. For more details, see Note 5 of the Consolidated Financial Statements as of December 31, 2017.

Peru – Trujillo ond Olmos

### TRUJILLO

At the beginning of 2014, Hortifrut constituted its first Company in Peru, denominated Hortifrut-Tal SAC, in order to produce and commercialize Berries, in association with the Grupo Rocío. Under this company, a project in Valle de Chao, Trujillo Province, La Libertad, Region, is being developed, which contemplates the plantation of 700 hectares of Blueberries and the construction of a packing to process said fruit, investment that is estimated to reach ThUS\$ 90,000 in total. The end of this investment is forecasted for June 2019, since as of December 2018 only 30 hectares were pending plantation.

The entrance into Peru was performed through the search for a Peruvian partner who could provide knowledge of the country and the area, who was located in a strategic productive area and who coincides with Hortifrut in their business philosophy.

It must be stated that on December 06, 2017, Hortifrut and the Grupo Rocío subscribed a Adquisition and Merger Framework Agreement whose objective was the acquisition, through a sale-purchase and merger, of the Blueberries Business of which, directly or indirectly, the Rocio Group shareholders are titleholders of the aforementioned Blueberry Business operations include plantations that are new and under a production regime, installations and equipment, and two packing units with cold lines, and have an added extension of approximately 1,450 cultivable hectares. The Blueberries Business also includes (a) 50% of the shares of the Peruvian company Hortifrut-Tal SAC (which would pass on to be a 100% subsidiary of Hortifrut), and (b) net of cash financial liabilities for approximately ThUS\$ 65,700.

Afterwards, on December 22, 2017, Hortifrut's shareholders met at Extraordinary Meeting and approved said transaction, which was subject to certain terms and conditions, which, once fulfilled, will allow the Merger to be materialized and to start acting. So, on June 28, 2018, one all the agreed terms and conditions were fulfilled, we proceeded to sign the public deed for the materialization of the Merger, which started having legal effect on July 01, 2018.

With this operation, Hortifrut became owner of 1,800 hectares of Blueberries in the Province of Trujillo (including new plantations and those in production regime), as well as 2 packing units with cold lines.

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#### TRUJILLO PLANTATION

### OLMOS

Continuing with the Company's expansion plans, during April 2015 a second company was constituted in Peru, denominated HFE Berries Perú SAC, through which we are developing a project to plant 403 hectares of Blueberries in Olmos District, Lambayeque Province, Lambayeque Region, including the construction of a packing to process said fruit. Total estimated investment for this project reaches ThUS\$ 51,000, which will be completed in June 2019. As of December 31, 2018, all of the hectares of the project have been planted, with only the finalization of minor works still pending.

This project is being performed together with Atlantic Blue, our partners in the Berries commercialization and production operations in Europe, all part of the Irrigación Olmos project, granted in concession to H2Olmos S.A., company that belongs to the Odebrecht organization, which consists on the transfer of water from the Huancabamba river from the Atlantic slope to the Pacific slope through a 20 km trans-andean tunnel, to be used for irrigating arid land in the *Valle de Olmos*, for the benefit of 43,500 hectares of agricultural land.

The objective of the projects in Peru is to supply Hortifrut's different trade platforms around the world with early fruit.



Among the main strengths of these projects is a pro-investment Peruvian government, an accessible power and workforce cost and, the most relevant, a spectacular environment, temperature, climate and availability of water which allows us to increase our participation in early production in the southern hemisphere, consolidating Hortifrut in its leadership position for the commercializing of berries.

These projects are totally aligned with the Company's pioneer vocation, since they make us the first Chilean company that invests in the production of Blueberries in Peru at a very important scale. It is a great initiative that has as its base the experience and knowledge of the fruit business both on behalf of the Company and our partners.



OLMOS PLANTATION

United States - California and Gregon

During 2016 we recorded an important milestone for the Company, which is the entrance into the United States market as a producer of organic Blueberries, in order to have fresh fruit available the whole year.

This was accomplished thanks to the subscription of a joint venture agreement (the "Joint Venture") with Munger Brothers, led by David Munger and Kable Munger, whose objective is to develop and expand the Berries business in the United States, with equal participations of 50% each party.

Munger Brothers is one of the largest Blueberry producers in the west coast of the United States, which stands out because it is a pioneer in the development of this industry through the introduction of exclusive varieties, new harvesting techniques, advanced post-harvest technologies and innovations in the processing and packing installations.

This business is developed through the company Munger Hortifrut North America, LLC. and its investments contemplate the plantation of 277 hectares of organic Blueberries in the states of

California and Oregon, for a total investment of ThUS\$ 80,000, using renewed technologies for plantation, as is the use of plant pots. As of December 31, 2018, all the hectares have been planted, only minor works are pending.



UNITED STATES PLANTATION

China

In March 2017, Hortifrut signed a joint venture agreement with Joy Wing Mau Agricultural Produce Corporation (JWM), the main industrial fruit producer in China and subsidiary of Legend Holding Corporation, to create a new company with the objective of developing and leading the fresh Berries business in continental China.

In this new endeavor Hortifrut owns 51% of the property of the Chinese company Honghe Jiayu Agriculture Ltd., where the parties are investing in Berries plantation projects to strengthen the offer of this product and its strategic position in China and Asia.

As a result of this agreement, Hortifrut will provide high quality varieties of Blueberries, Raspberries, Blackberries and Strawberries to be produced by the new company. Together with this, the Company has the mission to combine and back local production in China with Berries from the whole world in counter-season, thereby providing the most solid offer of the complete Berries category in China during the whole year.

Furthermore, JWM has the mission to provide Hortifrut with the best distribution service, in order to jointly attend to the

best Chinese customers in the industry. JWM counts with over 20 subsidiaries, covering production, storage, logistics, import, export and distribution. Together with this, it has offices in 80 cities including Beijing, Shanghai and Qingdao, 40 distribution centers throughout China, attending over 2,000 sale points, reaching over a billion consumers.

As of December 31, 2018, this joint venture counts with 91 hectares of planted Blueberries, of which 30 hectares were planted in March 2018, with an invested amount of ThUS\$ 7,500. Additionally, during September 2018, 61 additional hectares were planted, with a total investment of ThUS\$ 12,200 for this new stage. Last of all, the plantation of a third stage has been approved, of 139 hectares to be planted between March and June 2019, with an estimated investment of ThUS\$ 27,800 for this last stage.

With these aforementioned four important investments, Hortifrut plans to continue with the objective of assuring secure, opportune and quality supply for our customers, 52 weeks a year.



CHINA PLANTATION







Corporate Purpose

The Company 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 sub-products, as well as the providing of services or consulting in relation to said matters and the other activities that the Board or the board meetings agree, and which are related with the previous activities or ones that complement them; the maintenance of investments in real estate, titles, securities and partnership rights, and the receipt of its results; and, in general, perform and execute all the acts, contracts, business, procedures or actions that have as their aim to comply with the corporate purpose.

Constitutive Documents

Hortifrut S.A. was constituted as a closely held corporation under the corporate name Inversiones Hortisur S.A., through public deed dated June 04, 1999, granted at the Santiago Notary of Mr. Patricio Raby Benavente under Repertoire N°2.076-99. An extract of the stated deed was inscribed in the *Registro de Comercio del Conservador de Bienes Raíces* folio 14.913 number 11.912 of 1999, and was published in the Official Journal dated July 03, 1999.

In 2008, and with the objective of acceding to new forms of financing, the Company was inscribed as a public offer securities issuer in the *Registro de Valores de la Comisión para el Mercado Financiero (CMF)*, under number 997.

Regardless of the aforementioned, as per what is stated in article 7° of Law N°18.045 of the Stock Market, and considering that upon the start-up of validity of said legal disposition the Company had no public offer stocks inscribed, the SVS proceeded to cancel the Company's inscription in the *Registro de Valores*. Thereby the Company became a part of and was inscribed, only by the ministry of the law, under N°181 of the Special Registry of Informing Companies mentioned in stated article 7° of Law N°18.045 of the Stock Market, without this generating a right to withdraw on behalf of the Company's shareholders.

By Extraordinary Shareholders Meeting held on March 15, 2012, reduced to public deed dated March 22 of the same year, at the Santiago Notary of Mr. Patricio Raby Benavente, it was agreed that the Company would be a publicly traded company. An extract of the stated deed was inscribed under Folio 22.699 number 15.912 in the *Registro de Comercio del Conservador de Bienes Raíces* corresponding to 2012 and was published in the Official Journal dated April 11 of the same year.

Dated June 13, 2012, the *Comisión para el Mercado Financiero* inscribed the Company in its corresponding *Registro de Valores* under N°1.096. On this same date, the issuance of the Company's shares was inscribed in the *Registro de Valores* under N°959, shares that were inscribed to be traded on the markets for emerging companies.

To date, the statutes of the Company have been the object of the following modifications:

 By public deed dated October 01, 1999, issued at the Santiago Notary of Mr. Patricio Raby Benavente under Record N°3.843-99 the statutes were modified, the corporate purpose was expanded and corporate capital was increased. An extract from the stated deed was submited at the *Registro de Comercio del Conservador de Bienes Raíces* under Folio 25.222 number 19.995 of 1999, and published in the Official Journal dated October 21, 1999.

2. By public deed dated November 15, 1999, issued at the Santiago Notary of Mr. Patricio Raby Benavente under Record N°4.518-99 the statutes were modified and the corporate capital was increased. An extract from the stated deed was submited at the *Registro de Comercio del Conservador de Bienes Raíces* under Folio 31.020 number 24.739 of 1999, and published in the Official Journal dated December 24, 1999.

**3.** By public deed dated November 07, 2005, issued at the Santiago Notary of Ms. Antonieta Mendoza Escalas under Record N°9.582-05 the statutes were modified and corporate capital was increased. An extract from the stated deed was submited at the *Registro de Comercio del Conservador de Bienes Raíces* under Folio 41.715 number 29.729 of 2005, and published in the Official Journal dated November 16, 2005.

4. By public deed dated December 28, 2006, issued at the Santiago Notary of Ms. Antonieta Mendoza Escalas under Record N°11.965-06 the statutes were reformed as a result of the division of the Company and capital was decreased. An extract of the stated deed was submited in the *Registro de Comercio del Conservador de Bienes Raíces* under Folio 6.910 number 5.091 of 2007, and published in the Official Journal dated February 23, 2007.

5. By public deed dated May 28, 2007, issued at the Santiago Notary of Ms. Antonieta Mendoza Escalas under Record N°4.636-07 the deed dated December 28, 2006, individualized in the previous number, was cleared and rectified. An extract of the stated deed was submited in the *Registro de Comercio del Conservador de Bienes Raíces* under Folio 28.957 number 20.882 of 2007, and published in the Official Journal dated July 20, 2007. 6. By public deed dated May 29, 2007, issued at the Santiago Notary of Mr. Iván Torrealba under Record N°4.859-07 the statutes were reformed as a consequence of the merger and absorption of Hortifrut S.A., corporate capital was increased and the corporate name of Inversiones Hortisur S.A. was changed to Hortifrut S.A. An extract from the stated deed was submited in the *Registro de Comercio del Conservador de Bienes Raíces* under Folio 24.942 number 18.189 of 2007, and published in the Official Journal dated June 25, 2007.

7. By public deed dated June 19, 2007 issued at the Santiago Notary of Mr. Iván Torrealba under Record N°5.726-07 the statutes were reformed and the inscription of the Company's shares at the *Registro de Valores de la Comisión* were approved, thereby making the Company a publicly traded company. An extract of the stated deed was inscribed in the *Registro de Comercio del Conservador de Bienes Raíces* under Folio 26.930 number 19.521 of 2007, and published in the Official Journal dated August 04, 2007.

8. By public deed dated September 26, 2007 issued at the Santiago Notary of Mr. Iván Torrealba under Record N°9.809-07 the statutes were reformed and corporate capital increased. An extract of the stated deed was submited in the *Registro de Comercio del Conservador de Bienes Raíces* under Folio 49.855 number 35.329 of 2007, and published in the Official Journal dated November 21, 2007.

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9. By public deed dated April 14, 2008 issued at the Santiago Notary of Mr. Raúl I. Perry Pefaur under Record N°15.132-08 the statutes were reformed establishing that the Company's Directors will be remunerated. An extract of the stated deed was submited in the *Registro de Comercio del Conservador de Bienes Raíces de Santiago* under Folio 17.749 number 12.067 of 2008, and published in the Official Newspaper (Diario Oficial) dated April 23, 2008. The stated deed was rectified, rectification that was inscribed in the *Registro de Comercio del Conservador de Bienes Raíces de Santiago* under 13.254 of 2008, and published in the Official Journal dated May 06, 2008.

10. By public deed dated September 09, 2008 issued at the Santiago Notary of Mr. Raúl I. Perry Pefaur under Record N°39.116-08 the statutes were reformed, increasing the number of Board Members. An extract of the referred deed was submited at the *Registro de Comercio del Conservador de Bienes Raíces de Santiago* under Folio 45.229 number 31.138 of 2008, and published in the Official Journal dated September 30, 2008.

**11.** By public deed dated December 30, 2008 issued at the Santiago Notary of Mr. Raúl I. Perry Pefaur under Record N°56.575-08 the statutes were reformed and corporate capital was increased. An extract of the stated deed was submited in the *Registro de Comercio del Conservador de Bienes Raíces de Santiago* under Folio 2.870 number 1.903 of 2009, and published in the Official Journal dated January 12, 2009.

**12.** By public deed dated June 22, 2009 issued at the Santiago Notary of Mr. Raúl I. Perry Pefaur under Record N°23.166-09 the statutes were reformed, decreasing capital and modifying the currency in which corporate capital is expressed to United States of America dollars. An extract of the stated deed was submited in the *Registro de Comercio del Conservador de Bienes Raíces de Santiago* under Folio 34.780 number 23.799 of 2009, and published in the Official Journal dated July 28, 2009.

**13.** By public deed dated June 25, 2009 issued at the Santiago Notary of Mr. Raúl I. Perry Pefaur under Record N°23.705-09 the statutes were reformed and corporate capital was modified. An extract of the stated deed was submited in the *Registro de Comercio del Conservador de Bienes Raíces de Santiago* under Folio 34.750 number 23.788 of 2009, and published in the Official Journal dated July 29, 2009.

14. By public deed dated May 06, 2010 issued at the Santiago Notary of Mr. Raúl I. Perry Pefaur under Record N°17.549-10 the statutes were reformed establishing a consolidated text. An extract of the stated deed was submited in the *Registro de Comercio del Conservador de Bienes Raíces de Santiago* under Folio 23.236 number 15.917 of 2010, and published in the Official Journal dated May 14, 2010.

**15.** By public deed dated November 29, 2011 issued at the Notary of Mr. Patricio Raby Benavente under Record N°12.924-11 a decrease of full right of corporate capital was declared, which was noted at the margin of the corporate inscription, dated January 24, 2012.

**16.** By deed dated March 22, 2012 issued at the Notary of Mr. Patricio Raby Benavente under Record N°3.530-12 to which the Extraordinary Shareholders' Meeting Minutes dated March 15, 2012, were reduced, the statutes were reformed establishing a consolidated text and the

Company's capital was increased and the inscription of the Company and its shares in the *Registro de Valores de la CMF* was agreed. An extract of the stated deed was inscribed in the *Registro de Comercio del Conservador de Bienes Raíces de Santiago* under Folio 22.699 number 15.912 of 2012, and published in the Official Journal dated April 11, 2012.

17. By public deed dated May 27, 2013 issued at the Notary of Mr. Raúl Perry Pefaur under Record N°24.601-13 to which the Extraordinary Shareholders' Meeting Minutes dated April 30, 2013 were reduced, the statutes were reformed establishing a consolidated text and the corporate capital was increased in order to allow the entrance of the company VitalBerry Marketing SpA in merger due to its incorporation into Hortifrut S.A. An extract of the stated deed was inscribed in the *Registro de Comercio del Conservador de Bienes Raíces de Santiago* under Folio 44.868 number 29.956 of 2013, and published in the Official Journal dated June 18, 2013.

**18.** By public deed dated December 27, 2017 issued before Mr. Manuel Ramírez Escobar, Substitute Notary to Public Notary Mr. Eduardo Javier Diez Morello, under Record N°29.222-173 to which the Extraordinary Shareholders Meeting Minutes dated December 22, 2017 were reduced, the statutes were reformed establishing a consolidated text and the corporate capital was increased in order to allow the entrance of the company Talsa Chile II SpA in merger due to its incorporation into Hortifrut S.A. An extract of the stated deed was inscribed in the *Registro de Comercio del Conservador de Bienes Raíces de Santiago* under Folio 6.615 number 3.741 of 2018, and published in the Official Journal dated January 31, 2018.

Relevant Facts

### MARCH 06, 2018 ADOPTION OF GENERAL HABITUALITY POLICY FOR OPERATIONS WITH RELATED PARTIES

Through a Material Fact dated March 06, 2018, Hortifrut informed the Commission for the Financial Market (CMF) the following:

- Dated March 06, 2018, the Company's Board agreed the "General Habituality Policy for Operations with Hortifrut S.A's Related Parties." (the "Habituality Policy"), as per what is disposed of in article 147 of Law N°18.046.
- It is stated, that as per what is stated in the aforementioned standard, the habitual operations with related parties referred to in the Habituality Policy are exempt of the compliance of requirements and procedures established in numbers 1) to 7) of that standard, as long as the formalities established for said effect are complied.
- Likewise, it is stated that the current Habituality Policy, also applicable to the Company's subsidiaries, is also at the disposition of the shareholders at the Company's offices and on its web page.



## APRIL 27, 2018 AGREEMENTS ORDINARY SHAREHOLDERS' MEETING

Dated April 27, 2018, the Company's Ordinary Shareholders' Meeting took place, where the following agreements were adopted:

- 1. The Annual Report, the Company's Financial Statements and the External Auditors Report were approved, corresponding to the period ending December 31, 2017;
- 2. The distribution of net income for 2017 and the dividend distribution were approved;
- 3. The Board's remuneration for 2018 and expenses corresponding to 2017 were approved;
- **4.** The remuneration and expense budget for the Board Committee for 2018 were determined;
- 5. KPMG Auditores y Consultores Ltda. were designated as External Auditors for 2018.;
- 6. The companies *Clasificadora de Riesgo Humphreys Ltda.* and *International Credit Rating Clasificadora de Riesgo Ltda.* were designated as Credit Rating Agencies for 2018

### JUNE 20, 2018 NEXT MATERIALIZATION OF MERGER HORTIFRUT S.A. WITH TALSA CHILE II SPA

Through Material Fact dated June 20, 2018, the Company proceeded to inform the Commission for the Financial Market (CMF) of the communication that was sent to the *Bolsa de Comercio de Santiago* regarding the matter in reference. The text contained in said communication is as follows:

- At Hortifrut S.A. (the "Company")'s Extraordinary Shareholders' Meeting held on December 22, 2017, the merger of Hortifrut S.A. with Talsa Chile II SpA (the "Absorbed Company") was approved, by its incorporation in the Company (from hereon, the "Merger"). The Merger is subject to certain terms and conditions; which, once accomplished, will allow the Merger to be materialized and will start having effect. A copy of the legal background information of the Merger was duly provided to the *Bolsa de Comercio de Santiago* before this date, on the opportunity required by General Character Standard N°30 of CMF.
- By the current communication, to comply with what is stated in the Issuer's Rights and Obligations Handbook, of the *Bolsa de Comercio de Santiago*, it was informed that the Company and the Absorbed Company are coordinating the actions that will allow the terms and conditions to which the Merger is subject, to be complied within June 2018, so that the Merger can be materialized from July 01, 2018.

- Regarding to the Merger, the following was informed:
- a) The Company, in order to materialize the Merger, increased its capital from US\$135,148,882.38, divided in 435,520,079 shares, at US\$347,191,087.38, divided in 525,546,131 shares, from the same and only series, without nominal value, through the issuance of 90,026,052 shares, to be given in exchange to the shareholders of the Absorbed Company, at the rate of 0.070860735 of the Company's shares for each integrally subscribed and paid share of the Absorbed Company;
- b) The stated 90,026,052 shares were duly inscribed in the CMF's Values Registry, under N°1,069, dated March 09, 2018. A copy of the inscription certificate was duly provided to the *Bolsa de Comercio de Santiago* before this date, together with the other information, on the opportunity demanded by the quoted General Character Standard N°30;
- c) The capital of the Absorbed Company is divided in 1,273,700,000 shares, integrally subscribed and paid, with which, once the Merger is materialized, the stated 90,026,052 shares of the Company will be given in swap to the titleholders of the stated 1,273,700,000 shares of the Absorbed Company;
- d) The notice of exchange of the Merger that prescribes the stated General Character Standard N°30, was published on July 05, 2018, in the *El Mostrador* newspaper, which corresponds to the official newspaper which publishes the citation notifications of the Absorbed Company; and
- e) The Company maintained its name and corporate purpose.

### JUNE 28, 2018 MATERIALIZATION OF THE MERGER OF HORTIFRUT S.A. WITH TALSA CHILE II SPA

Dated June 20, 2018, the Company proceeded to inform the Commission for the Financial Market (CMF), through an Essential Fact, the following:

- At Hortifrut S.A.'s Extraordinary Shareholders' Meeting, held on December 22, 2017, the merger of the Company with Talsa Chile II SpA (the "Absorbed Company"), by its incorporation in the Company (the "Merger"). The Merger is subject to certain terms and conditions; which, once complied, will allow the Merger to be materialized and will come into effect;
- On this date the Company and the Absorbed Company have issued the public deed of materialization of the Merger. Said public deed (the "Materialization Deed") states the fulfilment of the precedent and copulative conditions that the Merger is subject to; and as a consequence of its granting, and as per what was approved by the Extraordinary Shareholders' Meetings of both companies, the Merger will reach legal effect from July 01, 2018. Copy of the Deed of Materialization was delivered on June 29, 2018.
- The notification of exchange established by General Character Standard N°30 of CMF was published on July 05, 2018, in *El Mostrador* newspaper.



### NOVEMBER 06, 2018 PAYMENT OF PROVISIONAL DIVIDEND

At the Company's Ordinary Board Meeting, held on November 06, 2018, and as per what is stated in second subsection of article 79 of Law N°18.046 for Closely-held Corporations, the Board agreed the payment to the shareholders of a provisional dividend of US\$ 7,357,646 at the rate of US\$ 0.0140 for each subscribed and paid share, charged to the profits of 2018, its equivalent in pesos, as per the observed exchange rate published in the Official Journal on November 19, 2018. The payment of this provisional dividend will take place from November 23, 2018, at the offices of the *Depósito Central de Valores (DCV)*, located at Huérfanos 770, 22nd floor, Santiago, in continuous hours from 9:00am to 5:00pm, from Monday to Friday.

To the shareholders who requested it in writing until November 16, 2018, the aforementioned payment was made to them by deposit in the current account or in the savings account at the Financial Institution indicated by them, or sent by nominative check by certified mail to their address recorded at the Company.

The shareholders who were inscribed in the Company's Shareholders Registry by midnight on November 17, 2018, had the right to receive the aforementioned dividend.

The notice, to which Article 10 of the Closely-held Corporation Ruling refers to, was published in the *Diario Financiero*, within the period established in the regulations.

The dividend of this notice constitutes income for shareholders. The Company will opportunely determine and communicate the credit that due to the aforementioned dividend corresponds to the taxpaying shareholders' complementary global tax and additional tax.

Subsequent Facts

Between December 31, 2018 and the date of issuance of this annual report, no other important facts of character or otherwise have occurred which significantly affect its interpretations.

Shoreholder Comments ond Proposols

During 2018 there were no comments or proposals on behalf of the shareholders.

Jegal Advisors

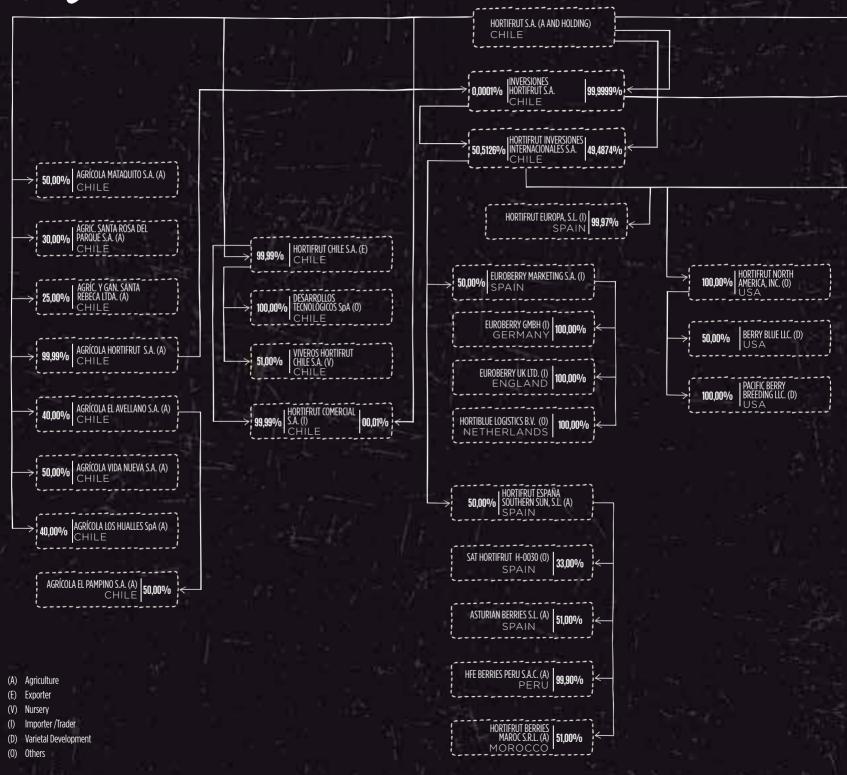
Attorney's hire third legal party services as per the specific needs.

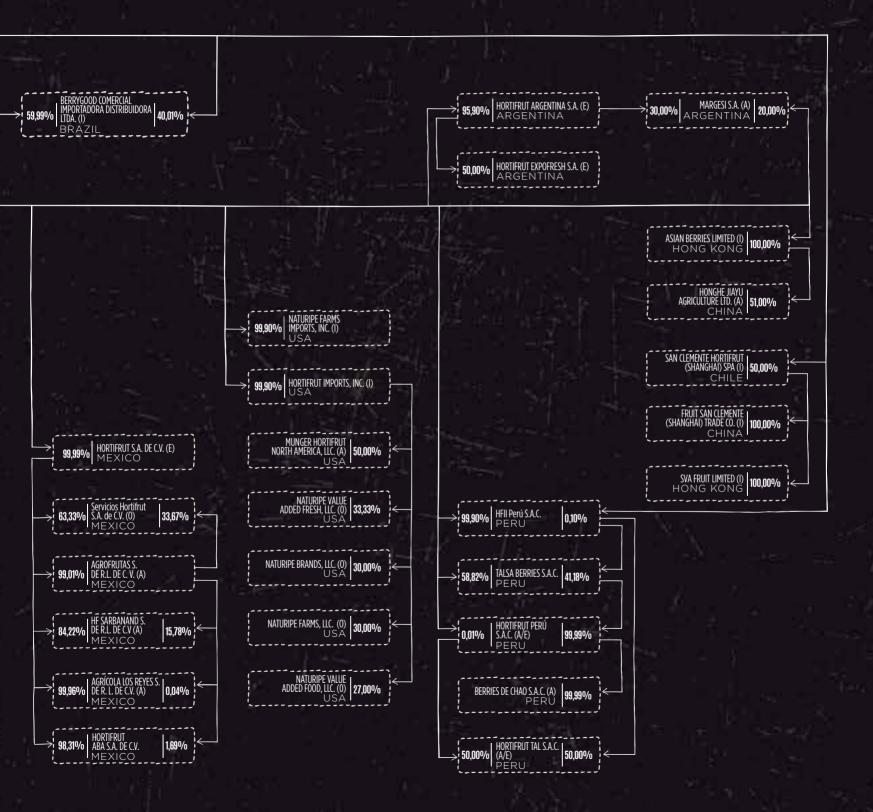
Credit Roting Agencies

*International Credit Rating Clasificadora de Riesgo Ltda.* and *Clasificadora de Riesgo Humphreys Ltda.* 



Organization Chart







#### 2018

- **1.** During 2018, the companies Euroberry GmbH (Germany) and Euroberry UK Ltd. (England) became subsidiaries.
- 2. On March 01, 2018, a 50% additional participation was purchased in the associated Pacific Berry Breeding (United States), thereby owning 100% of it, becoming a subsidiary.
- 3. On July 01, 2018, as a result of the Adquisition and Merger of Grupo Rocío's Blueberry Business in Peru, the following subsidiaries were incorporated into the organization chart: Talsa Chile I SpA (Chile), HFII Perú S.A.C. (Peru), Talsa Berries S.A.C. (Peru), Hortifrut Perú S.A.C. (Peru) and Berries de Chao S.A.C. (Peru).
- **4.** Due to the same transaction stated in the previous point, date July 01, 2018, Hortifrut Tal S.A.C. (Peru) passed from being an associated to a subsidiary.
- 5. On August 02, 2018, the subsidiary Agrícola Los Hualles SpA (Chile) was created.
- 6. On September 25, 2018, the subsidiary Euroberry Marketing S.A. (Spain) formed the company Hortiblue Logistics B.V. (Netherlands).
- 7. Dated December 20, 2018, Talsa Chile I SpA (Chile) transferred to Hortifrut Inversiones Internacionales S.A. (Chile) 58.82% of the property it had over Talsa Berries S.A.C. (Peru), being left without assets, liabilities or equity. Subsequently Talsa Chile I SpA was dissolved.

### 2017

- 1. On November 01, 2017, the subsidiary Top Berries & Fruit SpA (Chile) was absorbed by the subsidiary Hortifrut Chile S.A. (Chile).
- 2. On November 01, 2017, the subsidiary Berries de Panguipulli SpA (Chile) was absorbed by the subsidiary Agrícola Hortifrut S.A. (Chile).
- **3.** On September 30, 2017, the subsidiary Colmenares Hortisur SpA (Chile) was absorbed by the subsidiary Berries de Panguipulli SpA (Chile).
- 4. On June 20, 2017, the subsidiary Honghe Jiayu Agriculture Ltd. (China) was created.
- 5. In April 2017, the subsidiary Euroberry Marketing S.A. (Spain) formed the associated Euroberry UK Ltd. (England).

#### 2016

- In December 2016, a restructuring of the society took place, where 99.9% of the property of the subsidiaries Hortifrut Imports, Inc. (United States) and Naturipe Farms Imports, Inc. (United States) passed from Hortifrut S.A. de C.V. (Mexico) to Hortifrut Inversiones Internacionales S.A. (Chile).
- 2. In November 2016, the subsidiaries Tecnovital S.A. (Argentina) and Vitalpack S.A. (Argentina) were absorbed by the subsidiary Hortifrut Argentina S.A. (Argentina).
- **3.** In September 2016, the subsidiary Euroberry B.V. (Netherlands), owned by Hortifrut Europa S.L. (Spain), was dissolved.
- **4.** On June 21, 2016, the subsidiary Euroberry Marketing S.A. formed the associated company Euroberry GmbH (Germany).

- 5. On April 07, 2016, the subsidiary Euroberry Europa S.L. (Spain) formed the subsidiary Euroberry Ltd. (England), which was later dissolved in January 2017.
- 6. During 2016, the associated Naturipe RTE LLC. changed name to Naturipe Value Added Fresh LLC. (United States).
- 7. During 2016, the associated Naturipe Foods LLC. changed name to Naturipe Value Added Foods LLC. (United States).
- 8. During 2016, 50% of the property of the associated Munger Hortifrut North America LLC. passed from Hortifrut North America LLC. to Hortifrut Imports LLC., all from the United States.

Moin Subsidiaries and Associated Description

### AGRÍCOLA EL AVELLANO S.A.

| 96.923.620-6 (Chile)<br>Avda. Del Cóndor 600, 4th | Floor, Huechuraba, Santiago, Chile.  |
|---|--|
|   | Closely-held corporation   |
| Incorporation documents                           | Public deed dated June 23, 2000, Notary Patricio Raby Benavente. Inscription under folio 1.850 number 14.515 of the <i>Registro de Comercio de Santiago</i> of 2000. Published in the Official Journal dated July 21, 2000.  |
| Corporate capital                                 | US\$ 8,261,935 divided in 3,200,000 shares   |
| Interest  | 40% direct   |
| Corporate purpose                                 | The operation of agricultural fields, whether it be as owner or lessee, the operation, transport, distribution and commercialization, for own account or for others, of all kinds of agricultural products or machinery related with agriculture, import and/or export of these; representation of third parties in all business or activity related with agriculture or its products; to acquire, operate and alienate for own account or for others agricultural, forestry and urban property, and in general to perform all kinds of agricultural business for its own account or for others. |
| Trade relationship                                | The company is administered by Hortifrut S.A. and all of its fruit production is sold to the trade subsidiaries of said parent company.  |
| Board   | Víctor Moller Schiavetti/Chairman, Ricardo Swett Saavedra/Director, Alfonso Swett<br>Opazo/Director, Enrique Acevedo Herl/Director   |
| Senior executives                                 | Ramiro Soffia Moller/General Manager   |



# AGRÍCOLA EL PAMPINO S.A.

|                        | Floor, Huechuraba, Santiago, Chile. Closely-held corporation  |
|------------------------|---|
| Constitutive documents | Public deed dated June 20, 2007, Notary Ricardo Reveco Hormazabal. Inscription under folio 25.382 number 18.480 of the <i>Registro de Comercio de Santiago</i> of 2007. Published in the Official Journal dated June 26, 2007.  |
| Corporate capital      | US\$ 11,076 divided in 1,000 shares   |
| Interest               | 20% indirect  |
| Corporate purpose      | The acquisition, production, elaboration, industrialization, distribution, commercialization, sale, export and import of all kinds of agricultural, fruit, farming and other products or sub-products, in own or third party properties; the investment in shares, titles, securities and rights in capital corporations or partnerships and the receipt of its results, as well as the providing of services or consulting in relation to said matters. The company can totally or partially develop its line of business, for itself or for third parties or through other companies where it participates or which it forms for these effects, even being able to have the position of managing partner. |
| Trade relationship     | The company is managed by Hortifrut S.A. and all of its fruit production is sold to the trade subsidiaries of said parent company.  |
| Board                  | José Ramón Achurra Larraín/Chairman, Víctor Moller Schiavetti/Director, Juan Achurra<br>Montes/Director, Juan Sutil Servoin/Director.   |
| Senior executives      | Ramiro Soffia Moller/General Manager  |

## AGRÍCOLA MATAQUITO S.A.

| 76.306.130-2 (Chile)<br>Avda. Del Cóndor 600, 4th | Floor, Huechuraba, Santiago, Chile.  |
|---|--|
| Type of entity                                    | Closely-held corporation   |
| Constitutive documents                            | Public deed dated June 17, 2005, Notary Antonieta Mendoza Escalas. Inscription under folio 24.329 number 17.664 of the <i>Registro de Comercio de Santiago</i> of 2005. Published in the Official Journal dated July 18, 2005.   |
| Corporate capital                                 | US\$ 5,040,670 divided in 500,000 shares   |
| Interest  | 50% direct   |
| Corporate purpose                                 | The acquisition, production, elaboration, industrialization, distribution, commercialization, sale, export and import of all kinds of agricultural, fruit, farming and other products or sub-products; the investment in shares, titles, securities and rights in capital corporations or partnerships and the receipt of its results, as well as the providing of services or consulting in relation to said matters. |
| Trade relationship                                | The company is managed by Hortifrut S.A. and all of its fruit production is sold to the trade subsidiaries of said parent company.   |
| Board   | Hernán Boher Rosales/Chairman, Víctor Moller Schiavetti/Director, Pablo Boher<br>Elton/Director, Enrique Acevedo Herl/Director.  |
| Senior executives                                 | Ramiro Soffia Moller/General Manager   |

## AGRÍCOLA SANTA ROSA DEL PARQUE S.A.

| Avda. Del Cóndor 600, 4th Floor, Huechuraba, Santiago, Chile.   |  |
|---|--|
| Closely-held corporation  |  |
| Public deed dated January 21, 2005, Notary Antonieta Mendoza Escalas. Inscription<br>under folio 4.138 number 2.932 of the <i>Registro de Comercio de Santiago</i> of 2005.<br>Published in the Official Journal dated February 02, 2005.   |  |
| US\$ 2,600,738 divided in 1,075,810 shares  |  |
| 30% direct  |  |
| The acquisition, production, elaboration, transformation, industrialization,<br>distribution, commercialization, sale, export and import of all kinds of agricultural,<br>horticultural, fruit, farming and other products or sub-products; the investment in<br>shares, titles, securities and rights in capital corporations or partnerships and the<br>receipt of its results, as well as the providing of services or counselling in relation to<br>said matters. |  |
| The company is managed by Hortifrut S.A. and all of its fruit production is sold to the trade subsidiaries of said parent company.  |  |
| Hernán Boher Rosales/Chairman, Pablo Boher Elton/Director, Víctor Moller<br>Schiavetti/Director, Enrique Acevedo Herl/Director, Alejandro Boher Elton/Director,<br>Horacio Schmidt Cortéz/Director.   |  |
| Ramiro Soffia Moller/General Manager  |  |
|   |  |

### AGRÍCOLA HORTIFRUT S.A.

| Type of entity         | Closely-held corporation   |
|------------------------|--|
| Constitutive documents | Public deed dated November 19, 1987, Notary Humberto Quezada Moreno. Inscription<br>under folio 25.656 number 14.839 of the <i>Registro de Comercio de Santiago</i> of 1987.<br>Published in the Official Journal dated December 01, 1987. Modification of the Company,<br>from a limited liability company to a publicly traded company dated December 19, 2011<br>(Repertoire N°13.886-2011). Inscription under folio 198 number 165 of the <i>Registro de<br/>Comercio de Santiago</i> of 2012. Published in the Official Journal dated January 04, 2012. |
| Corporate capital      | US\$ 23,631,534 divided in 4,590,205,576 shares  |
| Interest               | 99.997% direct and 0.003% indirect   |
| Corporate purpose      | The operating and handling of agriculture, fruit, livestock, forestry or in any other form of<br>own or third party agricultural property; the commercialization, distribution, export,<br>processing and alienation of its products and the execution of other activities that are<br>related to the aforementioned, being able to form companies or enter into others that<br>have already been constituted to complement its activities.  |
| Trade relationship     | The company is managed by Hortifrut S.A. and all of its fruit production is sold to the trade subsidiaries of said parent company.   |
| Board                  | Víctor Moller Schiavetti/Chairman, Francisca Moller Opazo/Director, Enrique Acevedo<br>Herl/Director, Osvaldo Erbetta Mattig/Director.   |
| Senior executives      | Ramiro Soffia Moller/General Manager   |





| 78. 988.990-2 (Chile)<br>Avda. Del Cóndor 600, 4th | Floor, Huechuraba, Santiago, Chile.   |
|--|---|
| Type of entity                                     | Limited liability company   |
| Constitutive documents                             | Public deed dated March 26, 1997, Notary Mario Farren Cornejo. Inscription under folio 8.065 number 6.248 of the <i>Registro de Comercio de Santiago</i> of 1997. Published in the Official Journal dated April 10, 1997.   |
| Corporate capital                                  | US\$ 42,141   |
| Interest   | 25% direct  |
| Corporate purpose                                  | The operating of agricultural property, whether it be as owner and/or lessee of these, the operation, transport and commercialization of the products that result from said properties and, in general, the realization of all kinds of agricultural business or related with agriculture, the same with the execution of acts and all kinds of contracts that are for the realization of these aims. |
| Trade relationship                                 | The company is managed by Hortifrut S.A. and all of its fruit production is sold to the trade subsidiaries of said parent company.  |
| Board  | Administration falls on Hortifrut S.A.  |
| Senior executives                                  | Ramiro Soffia Moller/General Manager  |

# AGRÍCOLA VIDA NUEVA S.A.

| 96.996.290-K (Chile)<br>Avda. Del Cóndor 600, 4th | Floor, Huechuraba, Santiago, Chile  |
|---|---|
| Type of entity                                    | Closely-held corporation  |
| Constitutive documents                            | Public deed dated July 10, 2002, Notary Patricio Raby Benavente. Inscription under folio 20.009 number 16.362 of the <i>Registro de Comercio de Santiago</i> of 2002. Published in the Official Journal dated August 09, 2002.  |
| Corporate capital                                 | US\$ 488,179 divided in 76,000 shares   |
| Interest  | 50% direct  |
| Corporate purpose                                 | The operation of agricultural property, whether it be as owner, lessee, usufructuary or any other title, the operation, transport, distribution and commercialization on its own behalf or by third party, of all kinds of agricultural products or machinery related with agriculture, import and/or export of these; representation of third parties in all business or activity related with agriculture or its products; to acquire, operate and alienate on its own behalf or third party agricultural, forestry and urban property, and in general to perform all kinds of agricultural business on its own behalf or by third parties. |
| Trade relationship                                | The company is managed by Hortifrut S.A. and all of its fruit production is sold to the trade subsidiaries of said parent company.  |
| Board   | Heriberto Urzúa Sánchez/Chairman, Víctor Moller Schiavetti/Director, María Angélica Allard<br>Serrano/Director, Enrique Acevedo Herl/Director.  |
| Senior executives                                 | Ramiro Soffia Moller/General Manager  |

# AGRÍCOLA LOS HUALLES SPA

#### 76.914.484-8 (Chile)

| Avda. Del Cóndor 600, 4th | Avda. Del Cóndor 600, 4th Floor, Huechuraba, Santiago, Chile   |  |
|---------------------------|--|--|
| Type of entity            | Closely-held corporation   |  |
| Constitutive documents    | Public deed dated August 02, 2018 Notary Juan Ricardo San Martín Urrejola. Inscription<br>under folio 60.589 number 31.069 of the <i>Registro de Comercio de Santiago</i> of 2018.<br>Published in the Official Journal dated August 16, 2018.   |  |
| Corporate capital         | US\$ 14,739 divided in 1,000 shares  |  |
| Interest                  | 40% direct   |  |
| Corporate purpose         | The operation of agricultural fields, whether it be as owner and/or lessee, the operation<br>and sale of the products derived from said fields and in general the realization of all<br>kinds of agricultural business or related with the agriculture of an extractive character, as<br>well as the execution of acts and all kinds of contracts that are for the realization of<br>these aims. |  |
| Trade relationship        | The company is managed by Hortifrut S.A. and all of its fruit production is sold to the trade subsidiaries of said parent company.   |  |
| Board                     | Victor Moller Schiavetti/Chairman, Victor Moller Opazo/Director, Enrique Acevedo<br>Herl/Director, Juan Ignacio Allende Connelly/Director  |  |
| Senior executives         | Ramiro Soffia Moller/General Manager   |  |

# HORTIFRUT CHILE S.A.

| 99.524.450-0 (Chile)<br>Avda. Del Cóndor 600, 4th | Floor, Huechuraba, Santiago, Chile   |
|---|--|
| Type of entity                                    | Closely-held corporation   |
| Constitutive documents                            | Public deed dated May 20, 2003, Notary Patricio Raby Benavente. Inscription under folio 14.632 number 11.186 of the <i>Registro de Comercio de Santiago</i> of 2003. Published in the Official Journal dated May 30, 2003.   |
| Corporate capital                                 | US\$ 39,759,084 divided in 48,692,898,864 shares   |
| Interest  | 99.99999% direct and 0.00001% indirect   |
| Corporate purpose                                 | The acquisition, production, elaboration, transformation, industrialization, distribution, commercialization, export and import of all kinds of agricultural, horticultural, fruit, farming and other products or sub-products, the investment in shares, titles, securities and rights in capital corporations or partnerships and the receipt of its results, as well as the providing of services or consultancy in relation to said matters. |
| Trade relationship                                | Hortifrut S.A. sells most of its production to Hortifrut Chile S.A. and the latter performs the export. At the same time Hortifrut S.A. provides administration services to said subsidiary.   |
| Board   | Víctor Moller Schiavetti/Chairman, Víctor Moller Opazo/Director, Marìa Elena Echenique<br>Braun/Director, Juan Ignacio Allende Connelly/Director, Enrique Acevedo Herl/Director  |
| Senior executives                                 | Ramiro Soffia Moller/General Manager   |



# HORTIFRUT COMERCIAL S.A.

| 99.535.510-8 (Chile)<br>Avda. Del Cóndor 600, 4th | Floor, Huechuraba, Santiago, Chile  |
|---|---|
| Type of entity                                    | Closely-held corporation  |
| Constitutive documents                            | Public deed dated August 06, 2003, Notary Patricio Raby Benavente. Inscription under folio 24.969 number 18.808 of the <i>Registro de Comercio de Santiago</i> of 2003. Published in the Official Journal dated August 23, 2003.  |
| Corporate capital                                 | US\$ 4,895,645 divided in 19,724,000 shares   |
| Interest  | 0.01% direct and 99.99% indirect  |
| Corporate purpose                                 | The acquisition, sale, production, elaboration, distribution, commercialization, export<br>and import of all kinds of agricultural, horticultural, fruit, farming and other products or<br>sub-products; all kinds of dairy, pastry and bakery, non-alcoholic drinks, food and<br>other products or sub-products; all kinds of clothing, toys, library items, recreation,<br>sports and other items; cosmetic, perfume and other products or sub-products; the<br>operation of commercial, minimarket and similar establishments in own or third party<br>premises and everything related with said activity; investment in tangible, intangible<br>goods, furniture or real estate, even shares, titles, securities and rights in capital<br>companies or partnerships, its administration and the receipt of the revenue that<br>results from the aforementioned, as well as the providing of services or consultancy in<br>relation to said matters. |
| Trade relationship                                | The company sells and trades Hortifrut S.A.'s production in the Chilean market.   |
| Board   | Víctor Moller Schiavetti/Chairman, Victor Moller Opazo/Director, Francisco Condon<br>Schiavetti/Director, Jorge Lima Asencio/Director, Cristian Valck Honorato/Director   |
| Senior executives                                 | Juan Cristobal Lira Herreros/General Manager  |

## INVERSIONES HORTIFRUT S.A.

| 99.524.540-K (Chile)<br>Avda. Del Cóndor 600, 4th | Floor, Huechuraba, Santiago, Chile  |
|---|---|
| Type of entity                                    | Closely-held corporation  |
| Constitutive documents                            | Public deed dated May 28, 2003, Notary Patricio Raby Benavente. Inscription under folio 14.628 number 11.181 of the <i>Registro de Comercio de Santiago</i> of 2003. Published in the Official Journal dated May 30, 2003.  |
| Corporate capital                                 | US\$ 32,824,346 divided in 545,969,508 shares   |
| Interest  | 99.9998% direct and 0.00002% indirect   |
| Corporate purpose                                 | The realization or execution of all kinds of investments, in movable assets or real estate, corporal or incorporal assets or others of any nature; likewise, the company can invest in companies of any type or objective, whether it be through its constitution or incorporation into its interaction of any title. |
|   | into it under any title.  |
| Trade relationship                                | Investment company  |
| Trade relationship<br>Board                       |   |
|   | Investment company<br>Víctor Moller Schiavetti/Chairman, Francisco Condon Schiavetti/Director, Francisca Moller   |

## VIVEROS HORTIFRUT CHILE S.A.

| 9.524.470-5 (Chile)<br>vda. Del Cóndor 600, 4th Floor, Huechuraba, Santiago, Chile |   |  |
|--|---|--|
| Type of entity   | Closely-held corporation  |  |
| Constitutive documents   | Public deed dated May 20, 2003, Notary Patricio Raby Benavente. Inscription under folio 14.631 number 11.185 of the <i>Registro de Comercio de Santiago</i> of 2003. Published in the Official Journal dated May 30, 2003.  |  |
| Corporate capital  | US\$ 736,917 divided in 382,269,763 shares  |  |
| Interest   | 51% indirect  |  |
| Corporate purpose  | The farming, propagation, sale and/or commercialization in any form of vegetable species, whether it be on its own or with third parties, and the providing of technical assistance services in said matters; the operation, commercialization and distribution of materials or grantable mineral substances; the import and export of any vegetable species, prime material related with the farming of vegetable species and/or grantable mineral substances; the representation and/or sale and commercialization of chemical products and any other product in the agricultural field; and investment in shares, titles, securities and rights in capital companies or partnerships and the receipt of its results. |  |
| Trade relationship   | The company produces and harvests plants and sells the different berries plant varieties to Hortifrut S.A.  |  |
| Board  | Victor Moller Schiavetti/Chairman, Roberto Guzmán Lyon/Director, Paul Furniss<br>Maillet/Director, Enrique Acevedo Herl/Director.   |  |
| Senior executives  | Gaspar Goycolea Vial/General Manager  |  |

### BERRYGOOD COMERCIAL IMPORTADORA Y DISTRIBUIDORA DE FRUTAS LTDA.

| 10.325.008/0001-81 (Brazil)<br>Rua Afonso Brás, 900 CJ 175 E 176, Vila Nova Conceicao, Sao Paulo, Brazil |   |  |
|--|---|--|
| Type of entity   | Limited liability company   |  |
| Constitutive documents   | Public deed dated August 21, 2008. Inscription in CNPJ/MF under number<br>10.325.008/0001-81. Recorded at the Commerce Meeting of the State of Sao Paulo under<br>number 35.222.609.957.  |  |
| Corporate capital  | US\$ 11,806,820 divided in 34,269,398 partnership interests   |  |
| Interest   | 40.01% direct and 59.99% indirect   |  |
| Corporate purpose  | The import, commercialization and distribution of fresh, frozen and dehidrated fruit and its derivatives; fresh and canned vegetables and legumes; and the interest in other societies, companies, as a partner or shareholder. |  |
| Trade relationship   | The company receives and sells the products sent from Chile to Brazil.  |  |
| Board  | Management falls on Hortifrut S.A.  |  |
| Senior executives  | Paulo Pavan/General Manager   |  |
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## HORTIFRUT INVERSIONES INTERNACIONALES S.A.

| 76.043.425-6 (Chile)<br>Avda. Del Cóndor 600, 4th Floor, Huechuraba, Santiago, Chile |   |  |
|--|---|--|
| Type of entity   | Closely-held corporation  |  |
| Constitutive documents   | Public deed dated December 22, 2008, Notary Iván Torrealba Acevedo. Inscription under folio 60.468 number 41.897 of the <i>Registro de Comercio de Santiago</i> of 2008. Published in the Official Journal dated March 06, 2009.  |  |
| Corporate capital  | US\$ 66,200,003 divided in 680,664 shares   |  |
| Interest   | 49.4874% direct and 50.5126% indirect   |  |
| Corporate purpose  | The realization of all kinds of investments overseas, in movable assets or real estate, corporal or non-corporal assets, in all kinds of trade effects, in rights of all kinds of companies constituted overseas, whether it be participating in its creation or acquiring rights in them once constituted; administer said investments in foreign currency and receive the results of these, and in general every other act, contract, business, activity or industry that the shareholders agree to realize overseas. |  |
| Trade relationship   | Hortifrut S.A. is a shareholder of Hortifrut Inversiones Internacionales S.A., who performs the investments outside the country.  |  |
| Board  | Víctor Moller Schiavetti/Chairman, Juan Ignacio Allende Connelly/Director, Victor Moller<br>Opazo/Director.   |  |
| Senior executives  | Juan Carlos Toro Ruiz-Tagle/General Manager   |  |

### HORTIFRUT NORTH AMERICA, INC.

| 20-1505721 (United States)<br>9450 Corkcrew Palms Circle, Suite 202, Estero, Florida, United States. |  |  |
|--|--|--|
| Type of entity   | Closely-held corporation   |  |
| Constitutive documents   | Public deed dated June 30, 2004. Inscription recorded in the State of Delaware, United States.   |  |
| Corporate capital  | US\$ 4,318,612 divided in 10,000 shares  |  |
| Interest   | 100% indirect  |  |
| Corporate purpose  | The investment in entities that produce, process, promote, investigate and distribute agricultural products, mainly strawberries, blueberries and blueberry-based products in North America.     |  |
| Trade relationship   | The company mainly receives loans from Hortifrut S.A. and/or its subsidiaries to finance the operations of the different investments that Hortifrut North America Inc. has in the United States. |  |
| Board  | Nicolás Moller Opazo/Director, Gonzalo Canessa/Director, Aribel Beck/Director  |  |
| Senior executives  | Gonzalo Canessa/Chairman, Nicolas Moller Opazo/General Manager,<br>Aribel Beck/Finance Manager   |  |

#### HORTIFRUT ARGENTINA S.A.

| 30-70180143-8 (Argentina)<br>.ibertad 1661, 5th Floor, Appartment H, Ciudad de Buenos Aires, Argentina |   |
|--|---|
| Type of entity   | Closely-held corporation  |
| Constitutive documents   | Public deed dated April 22, 1999, Authorizing Clerk Mr. Arturo Peruzzotti. Inscription under number 5.925 of the <i>Registro de la Inspección General de Justicia</i> .   |
| Corporate capital  | US\$ 599,841 divided in 8,626,024 shares  |
| Interest   | 95.9% indirect  |
| Corporate purpose  | Take care of, for itself or for third parties or associated to third parties, in any part of the República de Argentina or overseas, the following activities: (i) Farming: through exploitation in all its forms, agricultural establishments, livestock, fruit, forestry, owned by the company or third parties, breed, hibernating, mestization, sale, cattle cross, all types or ranch, exploitation of dairy, crops, purchase, sale and storing of cereals, incorporation and recovery of arid land, hunting, fishing, manufacturing, renovation and reconstruction of machinery and agricultural machinery to prepare the ground, planting, recolecting of crops preparing crops for the market, preparation of dairy products or cattle, or the execution of other operations and agricultural and/or livestock processes, as well as the purchase, sale, distribution, import and export of all the raw materials and products derived from agricultural and non-traditional products, whether in their first phase or elaborated. It has the full legal capacity to acquire rights, contract obligations and perform the actions that are not prohibited by law or by the statute of constitution. |
| Trade relationship   | The company exports fruit from Argentina which is sold to Hortifrut S.A.'s trade subsidiaries.  |
| Board  | Pier Giua/Chairman, Gonzalo Canessa/Alternate Director  |
| Senior executives  | Does not apply  |

#### NATURIPE FARMS IMPORTS, INC.

| 26-0546960 (United States)<br>9450 Corkscrew Palms Circle, Suite 202, Estero, Florida, United States |  |
|--|--|
| Type of entity   | Closely-held corporation   |
| Constitutive documents   | Public deed dated July 02, 2007. Inscription recorded in the State of Florida, United States.                              |
| Corporate capital  | US\$ 10,000 divided in 10,000 shares   |
| Interest   | 100% indirect  |
| Corporate purpose  | The import of agricultural products, mainly blueberries, blackberries, raspberries and strawberries, among others.         |
| Trade relationship   | The company imports fruit to the United States from Hortifruta S.A.'s subsidiaries in Chile,<br>Argentina, Peru and Mexico |
| Board  | Nicolás Moller Opazo/Director, Gonzalo Canessa/Director, Aribel Beck/Director  |
| Senior executives  | Gonzalo Canessa/Chairman, Nicolas Moller Opazo/General Manager,<br>Aribel Beck/Finance Manager                             |

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#### HORTIFRUT IMPORTS, INC.

| 26-0547315 (United States)<br>9450 Corkscrew Palms Circle, Suite 202, Estero, Florida, United States |  |
|--|--|
| Type of entity   | Closely-held corporation   |
| Constitutive documents   | Public deed dated July 02, 2007. Inscription recorded in the State of Florida, United States.                          |
| Corporate capital  | US\$ 3,343,333 divided in 10,000 shares  |
| Interest   | 100% indirect  |
| Corporate purpose  | The import of agricultural products, mainly blueberries, blackberries, raspberries and strawberries, among others.     |
| Trade relationship   | The company imports fruit to the United States from Hortifrut S.A.'s subsidiaries in Chile, Argentina, Peru and Mexico |
| Board  | Nicolás Moller Opazo/Director, Gonzalo Canessa/Director, Aribel Beck/Director  |
| Senior executives  | Gonzalo Canessa/Chairman, Nicolas Moller Opazo/General Manager,<br>Aribel Beck/Finance Manager                         |

#### HORTIFRUT EXPOFRESH S.A.

| 30-71457054-0 (Argentina)<br>Av. Sucre 2477 1ro F, Beccar, Provincia de Buenos Aires, Argentina |   |
|---|---|
| Type of entity  | Closely-held corporation  |
| Constitutive documents  | Public deed dated April 03, 2014, Authorizing Clerk Ms Andrea Sack de Iturburu.<br>Inscription under number 11.847 of the <i>Registro de la Inspección General de Justicia</i> .  |
| Corporate capital   | US\$ 5,305 divided in 200,000 shares  |
| Interest  | 50% indirect  |
| Corporate purpose   | Realize on its own account, for third parties or associated to third parties, in the country<br>or overseas, the following activities: a) Commercial: purchase and sale of agricultural<br>products, raw materials related with the agricultural business and elaborated products<br>related with food, its import and export; b) Services: purchase in the country, distribution,<br>refrigeration, fumigation, transport, storage, holding, packing, shipment, supply of<br>materials of a national or imported origin and everything necessary for the sale or<br>purchase in the country or overseas of the agricultural products on its own behalf or for<br>third parties. For said aim the company has full judicial capacity to acquire rights,<br>contract obligations and execute the acts that are not prohibited by the laws or its<br>constitutional status. |
| Trade relationship  | The company exports fruit from Argentina which is sold to Hortifrut S.A.'s trade subsidiaries.  |
| Board   | Luis Alfredo D'Andrea/Chairman, Pier Giua/ViceChairman,<br>Juan Carlos Sardi/Alternate Director   |
| Senior executives   | Does not apply  |

#### HONGHE JIAYU AGRICULTURE LTD.

91532500MA6KWE404E (China)

| Zuntangzi Village, Chache | Zuntangzi Village, Chache Town, Jianshui County, Honghe Prefecture, Yunnan Province, China  |  |
|---------------------------|---|--|
| Type of entity            | Limited liability Company   |  |
| Constitutive documents    | Articles of Association dated June 20, 2017. Registered at the Administration for Industry and Commerce of Honghe Hani & Yi Autonomous Prefecture dated July 28, 2017   |  |
| Corporate capital         | US\$ 26,171,766   |  |
| Interest                  | 51% indirect  |  |
| Corporate purpose         | Growth, harvest and commercialization of any type of Berries and other fresh fruit; use, operation and development of agricultural technology, know-how and other patented vegetable material; import and export of technologies and goods. |  |
| Trade relationship        | To date there is no commercial relationship between the company and Hortifrut S.A.  |  |
| Board                     | Nicolas Moller Opazo/Director, Juan Ignacio Allende Connelly/Director, Zhang Jian/Director,<br>Tian Lichuan/Director  |  |
| Senior executives         | Wan Lang/Supervisor, Jiang Huitie/General Manager   |  |

#### MUNGER HORTIFRUT NORTH AMERICA, LLC.

| Type of entity         | Limited liability company  |
|------------------------|--|
| Constitutive documents | Public deed dated June 07, 2012. Inscription recorded in the State of Delaware, United States.   |
| Corporate capital      | US\$ 49,032,064  |
| Interest               | 50% indirect   |
| Corporate purpose      | The realization of any licit business or another activity allowed by Law, having all the faculties of a limited liability company as per the Law. Said purpose can be accomplished by performing any action allowed by Law, for which the company has and can exercise all the powers and privileges necessary or convenient for the handling, promotion or realization of said business, purpose or activity. Specifically, the company will take care of the growth, harvest and commercialization of any type of berry in the United States of America, whether it be at own or leased lands. |
| Trade relationship     | Hortifrut S.A. is the owner, indirectly, of the company, without counting with trade relationship.   |
| Board                  | Víctor Moller Schiavetti/Director, Nicolás Moller Opazo/Director, Víctor Moller<br>Opazo/Director, Kewel Munger/Director, Baldev Munger/Director, Robert Hawk/Director.  |
| Senior executives      | Robert Hawk/Executive Director (Munger), Nicolás Moller Opazo/Executive Director<br>(Hortifrut), Clif Woolley/Chief Administrative Officer, Aribel Beck/Secretary-Treasurer  |



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#### HORTIFRUT S.A. DE C.V.

| HOR9411237Z4 (Mexico)<br>Vallarta N°6503, 7th Floor, Col. Ciudad Granja, Zapopán, Jalisco, Mexico |   |
|---|---|
| Type of entity  | Closely-held corporation with variable capital  |
| Constitutive documents  | Public deed number 53.370 book 1.213 dated November 23, 1994, Notary Cecilio González<br>Marquéz, City of Mexico, Distrito Federal. Inscription in the <i>Registro Público de Comercio</i><br>under trade folio number 197.899 dated July 26, 1995.   |
| Corporate capital   | US\$ 57,314,541 divided in 739,490,066 shares   |
| Interest  | 99.9999% indirect   |
| Corporate purpose   | The production, purchase, sale, consignment, distribution, transformation, import, export, commercialization and in general the realization of of all kinds of trade acts for fruit, vegetables and other agricultural, forestry and livestock products; purchase, record and dispose of brands and patents; establishment of refrigeration plants and food product packers; manufacturing, production, commercialization of pesticides and their application; provide and receive technical and administrative services and any other service necessary for the realization of its Corporate purpose; constitution of societies and establishment of branches; obtain and grant loans; be agent, representative and commission agent; acquire movable and real estate goods; transport along local and federal roads of the products necessary for its Corporate purpose; in general the execution of all the acts and operations related with the previous items. |
| Trade relationship  | The company exports fruit produced by Hortifrut S.A.'s subsidiaries in Mexico.  |
| Board   | Administration falls on Hortifrut S.A.  |
| Senior executives   | Rigoberto Guerrero Acero/General Director, Rodrigo Orozco Sánchez/Administration and<br>Finance Director  |

#### HF SARBANAND S. DE R.L. DE C.V.

| HSA130531AL7 (Mexico)<br>Vallarta N°6503, 7th Floor, Col. Granja, Zapopán, Jalisco, Mexico |   |
|--|---|
| Type of entity   | Limited liability company with variable capital   |
| Constitutive documents   | Public deed number 768 dated May 31, 2013, Notary Diego Robles Farías, San Pedro<br>Tlaquepaque, Jalisco. Inscription in the <i>Registro Público de Comercio</i> under trade folio<br>74947*1 dated June 14, 2013.  |
| Corporate capital  | US\$ 1,202 divided in 15,000 shares   |
| Interest   | 99,99% indirect   |
| Corporate purpose  | The production, purchase, consignment, import, export, commercialization and trade acts<br>for fruit, vegetables and other agricultural, forestry and livestock products in national and<br>foreign territory; purchase, sale, commercialization and any other act related with the food<br>industry; establishment of refrigeration plants and food product packers; manufacturing,<br>formulation, commercialization of pesticides, fertilizers and providing of related technical<br>services; constitution, administration and operation of companies and establish branches;<br>acquire movable goods, real and personal rights as well as real estate; acquire share and<br>partnership shares; receive and provide services that are necessary to accomplish its aims<br>and corporate purposes; buy, sell, dispose of brands, licenses and trade names; obtain loans<br>or credits; grant financing or loans to companies; perform training programs; give or take in<br>lease or lending movable goods or real estate; act as commission agent: transport of<br>products that are necessary to develop its Corporate purpose; perform all the acts and<br>contracts necessary for the realization of the previous items. |
| Trade relationship   | Hortifrut S.A., through its subsidiaries, purchases the production of HF Sarbanand S. de R.L. de C.V. to export it to North America and Europe.   |
| Board  | Administration falls on Hortifrut S.A.  |
| Senior executives  | Rigoberto Guerrero Acero/General Director, Rodrigo Orozco Sánchez/Administration and<br>Finance Director, Clemente Sandoval/Production Manager  |

#### HORTIFRUT ABA S.A. DE C.V.

| HOR050721B73 (Mexico)<br>Vallarta N°6503, 7th Floor, Col. Granja, Zapopán, Jalisco, Mexico |   |
|--|---|
| Type of entity   | Closely-held corporation with variable capital  |
| Constitutive documents   | Public deed number 6.367 dated July 21, 2005, Notary José Elgar García Rocha, Los Reyes,<br>Michoacán. Inscription in the <i>Registro Público de Comercio</i> under trade folio number<br>12308*2 dated August 05, 2005.  |
| Corporate capital  | US\$ 20,058,764 divided in 258,684,187 shares   |
| Interest   | 99.99% indirect   |
| Corporate purpose  | Realization of agricultural activities; planting, sowing and sale of fruit trees and their production; commercialize agricultural and farming products in national or foreign territory acquire corporate parties; receive and provide services that are necessary for its Corporate purpose; obtain and commercialize patents and brands; obtain loans; grant and receive personal, real and surety guarantees; subscribe, issue and endorse credit titles; perform training, development and investigation programs; give or take land on lease; act as a commission agent and mediator; execute all the acts, contracts and operations that are necessary for the previous objectives. |
| Trade relationship   | Hortifrut S.A., through its subsidiaries, purchases Hortifrut ABA S.A. de C.V.'s production to exploit it to North America and Europe.  |
| Board  | Administration falls on Hortifrut S.A.  |
| Senior executives  | Rigoberto Guerrero Acero/General Director, Rodrigo Orozco Sánchez/Administration and<br>Finance Director, Clemente Sandoval/Production Manager  |

#### EUROBERRY MARKETING S.A.

| A91248922 (Spain)<br>Av. San Francisco Javier 9, Building Sevilla 2, Planta 1, of. 3 y 4, Sevilla, Spain |  |
|--|--|
| Type of entity   | Closely-held corporation   |
| Constitutive documents   | Public deed dated March 11, 2003. Inscription under volume 3,653 folio 62 registry page 51.912, inscription I/A 1, of the <i>Registro Mercantil de Huelva</i> of 2003.                       |
| Corporate capital  | US\$ 70,074 divided in 120,000 shares  |
| Interest   | 50% indirect   |
| Corporate purpose  | The acquisition, import, export, distribution, trade of horticultural products; real estate operations; tenure, management, operating of assets and securities; advisory for the             |
|  | development of companies, and others.  |
| Trade relationship   | development of companies, and others.<br>The company distributes within Continental Europe the fruit sent from Hortifrut S.A.'s<br>subsidiaries in Chile, Argentina, Peru, Mexico and Spain. |
| Trade relationship<br>Board  | The company distributes within Continental Europe the fruit sent from Hortifrut S.A.'s   |



#### EUROBERRY GMBH

| DE306968593 (Germany)<br>Küstersweg 3-7, 47652, Weeze, Germany |   |  |
|--|---|--|
| Type of entity   | Limited Liability Company   |  |
| Constitutive documents   | Public deed dated June 21, 2016. Inscription HRB 14179, of the Trade Registry of Kleve of 2016.   |  |
| Corporate capital  | US\$ 14,313   |  |
| Interest   | 50% indirect  |  |
| Corporate purpose  | Purchase, import, export, distribution and trade of horticultural products. The company can develop any activity that is needed in a direct or indirect manner to execute this objective. Specifically, it can establish branches, constitute subsidiaries or purchase other companies of the same type or similar, or participate in the corporate capital of these, both in Germany and overseas. |  |
| Trade relationship   | The company distributes within Germany the fruit sent from Hortifrut S.A.'s subsidiaries in Chile, Argentina, Peru, Mexico and Spain.   |  |
| Board  | Vicente Jiménez Guijarro/Manager, Alan Wotherspoon/Manager  |  |
| Senior executives  | Ahmet Aktas/General Manager   |  |
|  |   |  |

#### EUROBERRY UK LTD.

| 0714917 (England)<br>0-22 Wenlock Road, London, England |   |
|---|---|
| Type of entity  | Limited Liability Company   |
| Constitutive documents                                  | Public deed dated June 26, 2017. Inscription in the Registry of Companies of England and Wales of 2017.                               |
| Corporate capital                                       | US\$ 1  |
| Interest  | 50% indirect  |
| Corporate purpose                                       | Wholesale trade of fruit and vegetables   |
| Trade relationship                                      | The company distributes within England the fruit sent from Hortifrut S.A.'s subsidiaries in Chile, Argentina, Peru, Mexico and Spain. |
| Board   | Vicente Jiménez Guijarro/Manager, Alan Wotherspoon/Manager  |
| Senior executives                                       | David Salter/General Manager  |

#### HORTIFRUT ESPAÑA SOUTHERN SUN S.L.

#### B21292891 (Spain)

#### Carretera de Almonte - El Rocío, Km. 24,2, Almonte (Huelva), Spain

| Type of entity         | Limited liability company   |
|------------------------|---|
| Constitutive documents | Public deed dated February 03, 2000, Notary Antonio Jaén Banilla, Sevilla. Inscription<br>under volume 574 folio 143 registry page H-8814, first inscription, of the <i>Registro Mercantil</i><br><i>de Huelva</i> of 2000.   |
| Corporate capital      | US\$ 206,448  |
| Interest               | 50% indirect  |
| Corporate purpose      | The commercialization, distribution, import, export and production of all types of plant and agricultural, fruit, vegetable and legume products.  |
| Trade relationship     | There is no trade relationship with the parent company Hortifrut S.A., only long term loans to finance planting projects. Additionally, Hortifrut S.A. has committed with the subsidiary with a financial support letter and it is the company who, for all legal effects, directs the financial and operational policies of Hortifrut España Southern Sun S.L. |
| Board                  | Ricardo Larraín Llona/Chairman, Vicente Jiménez Guijarro/ViceChairman, Carmelo Gabarro<br>Carpio/Secretary, Sebastián Correa Bulnes/Vice Secretary.   |
| Senior executives      | Juan Luis Navarro Sánchez/General Manager   |

#### HORTIFRUT BERRIES MAROC, S.R.L.

| 15251461 (Morocco)<br>Rue Cadi Ayad, Residence I | a Rencontre, immeuble G, 1e étage, n° 552, Tanger, Morocco   |
|--|--|
| Type of entity                                   | Limited Liability Company  |
| Constitutive documents                           | Public deed dated May 26, 2015   |
| Corporate capital                                | US\$ 209,242   |
| Interest   | 25.5% indirect   |
| Corporate purpose                                | The company has as its objective a) Agricultural production, packing and commercializing of agricultural products for export; b) investigation, development and innovation in agriculture and the commercializing of plants and fruit; c) the import, purchase, direct sale or commission, export, representation, distribution, intermediation and commercialization in general of all the products, articles, materials, equipment or services related with agriculture and agroindustry; d) The creation, purchase, direct or indirect operation, lease and management of commercial premises, branches and properties that are used for the aforementioned objectives, the concession, operation and sale of patents, brands, licenses, and processes within the scope of the aforementioned objective; f) the establishment of branches, the purchase of buildings that can be used in any manner for any of the aforementioned objectives, go the aforementioned objective; g) the direct or indirect participation in all transactions or business, the creation of companies, participation in its constitution or the expansion of capital in existing companies, the purchase of securities, subscription, contribution of assets in kind or in another manner; h) in general, to perform any industrial, financial, commercial and civil operation related with the aforementioned topics, which could favor the company's development. |
| Trade relationship                               | The company produces fruit that is sold to the trade subsidiaries of Hortifrut S.A. in Europe.   |
| Board  | Does not apply   |
| Senior executives                                | Juan Luis Navarro Sánchez/General Manager  |

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#### HORTIFRUT EUROPA S.L.

| B91498246 (Spain)<br>Av. San Francisco Javier 9, Building Sevilla 2, 1st Floor, of. 4, Sevilla, Spain |  |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|
| Type of entity Limited liability company  |  |  |  |  |  |  |  |  |  |  |
| Constitutive documents  | Public deed dated October 20, 2005, Notary Javier Fernández Merino, Sevilla. Inscription under volume 4.284 folio 200 registry page 65.112 of the <i>Registro Mercantil de Huelva</i> of 2005. |  |  |  |  |  |  |  |  |  |
| Corporate capital   | US\$ 3,446   |  |  |  |  |  |  |  |  |  |
| Interest  | 0.03% direct and 99.97% indirect   |  |  |  |  |  |  |  |  |  |
| Corporate purpose   | The commercialization, distribution, import, export and production of all types of plant and agricultural, fruit, vegetable and legume products.   |  |  |  |  |  |  |  |  |  |
| Trade relationship  | The company receives and sells the products sent from Chile to Europe.   |  |  |  |  |  |  |  |  |  |
| Board   | Does not apply   |  |  |  |  |  |  |  |  |  |
| Senior executives   | Alan Wotherspoon/Manager   |  |  |  |  |  |  |  |  |  |

| HFE BERRIES PER                                   | ΩÚ S.A.C.   |
|---|---|
| 20600529481 (Peru)<br>Calle Lord Nelson 359, Mira | flores, Lima, Peru  |
| Type of entity                                    | Closely-held corporation  |
| Constitutive documents                            | Public deed dated April 08, 2015, Notary Lucio Alfredo Zambrano Rodríguez. Inscribed<br>under number 201500400766 at the <i>Superintendencia Nacional de los Registros Públicos,</i><br>Registral Area number IX, Cede Lima.  |
| Corporate capital                                 | US\$ 6,184,191 divided in 19,748,393 shares   |
| Interest  | 50% indirect  |
| Corporate purpose                                 | To dedicate itself to the operating of the blueberry business, including but not limited to the following activities a) agriculture: temporary and permanent crops, the production of seeds, nurseries, fruit trees and species; b) agroindustry and commercialization of agricultural products: that cover storing actions, functions and services, classification, packing, storage, sale-purchase, export and commercialization of agricultural products that take place at the production area; c) agricultural services: such as the remunerated benefit of agricultural mechanization, advisory regarding land and the application of fertilizers, use of seeds and other vegetable preparation materials, phytosanitary control and the application of pesticides and herbicides, for special tasks in cultivating or harvesting and veterinary attention and artificial insemination; d) technical advisory: dedicated to agricultural producers, such as reforestation, preparation for the agricultural livestock operation of lands and everything that contributes to an increase of the productive area. |
| Trade relationship                                | The company sells fruit which is sold to Hortifrut S.A.'s trade subsidiaries  |
| Board   | Juan Luis Navarro Sánchez/Director, Vicente Jiménez Guijarro / Director, Ricardo Larraín<br>Llona/Director, Sebastian Correa Bulnes/Director  |
| Senior executives                                 | David Aymans Rojas/General Manager.   |

#### HORTIFRUT TAL S.A.C

| 20559912353 (Peru)<br>Carretera Industrial Alaredo | o km 1.5, Zona Industrial El Palmo. District and Province of Trujillo, Region of La Libertad, Peru.   |  |  |  |  |  |  |  |  |  |
|--|---|--|--|--|--|--|--|--|--|--|
| Type of entity                                     | Closely-held corporation  |  |  |  |  |  |  |  |  |  |
| Constitutive documents                             | Public deed dated March 19, 2014, Notary Ricardo Fernandín Barreda. Inscribed under number 201400028331 at the<br><i>Superintendencia Nacional de los Registros Públicos</i> , Registral Area number V, Sede Trujillo.  |  |  |  |  |  |  |  |  |  |
| Corporate capital                                  | US\$ 9,848,724 divided in 28,512,056 shares   |  |  |  |  |  |  |  |  |  |
| Interest   | 100% indirect   |  |  |  |  |  |  |  |  |  |
| Corporate purpose                                  | The company will be dedicated to: a) agriculture: temporary and permanent crops, the production of seeds, nurseries, fruit trees<br>and species; b) agroindustry and commercialization of agricultural products: that cover storing actions, functions and services,<br>classification, packing, storage, sale-purchase, export and commercialization of agricultural products that take place at the<br>production area; c) agricultural services: such as the remunerated benefit of agricultural mechanization , advisory regarding land<br>and the application of fertilizers, use of seeds and other vegetable preparation materials, phytosanitary control and application of<br>pesticides and herbicides, for special tasks in cultivating or harvesting and veterinary attention and artificial insemination; d)<br>technical advisory: dedicated to agricultural producers, such as reforestation, preparation for the agricultural livestock operation of<br>included in the Corporate purpose, which contribute to the realization of its aims. Likewise, the company, in order to comply with<br>its Corporate purpose it can realize, without reserves or limitation any all the acts and all the civil, trade or corporate acts or of an<br>other nature that Peruvian laws allow closely-held corporations, as well as acquiring movable goods and real estate which is<br>necessary for the development of its corporate aims. |  |  |  |  |  |  |  |  |  |
| Trade relationship                                 | The company produces fruit that is sold to Hortifrut S.A.'s trade subsidiaries  |  |  |  |  |  |  |  |  |  |
| Board  | Victor Moller Opazo/Chairman, Juan Ignacio Allende Connelly/Director, Juan Carlos Toro Ruiz-Tagle/Director, Ulises Quevedo<br>Berastain/Director, Rafael Quevedo Sturia/Director, Juan Luis Alemparte Rozas/Director  |  |  |  |  |  |  |  |  |  |
| Senior executives                                  | Fernando Méndez Gschwend/ General Manager, Eduardo Watson Aurich / Finance Manager  |  |  |  |  |  |  |  |  |  |

| HORTIFRUT PERÚ<br>20602822533 (Peru)<br>Carretera Industrial Alaredo | D S.A.C<br>o km 1.5, Zona Industrial El Palmo. District and Province of Trujillo, Region of La Libertad, Peru.  |
|--|---|
| Type of entity   | Closely-held corporation  |
| Constitutive documents   | Publich deed N°400 dated January 12, 2018. Inscribed under number 11336382 at the <i>Superintendencia Nacional de los Registros Públicos</i> , Registral Area number V, Sede Trujillo.  |
| Corporate capital  | US\$ 42,757,121 divided in 1,000 shares   |
| Interest   | 100% indirect   |
| Corporate purpose  | The company will be dedicated to: a) agriculture: temporary and permanent crops, the production of seeds, nurseries, fruit trees and species; b) agroindustry and commercialization of agricultural products: that cover storing actions, functions and services, classification, packing, storage, sale-purchase, export and commercialization of agricultural products that take place at the production area; c) agricultural services: such as the remunerated benefit of agricultural mechanization , advisory regarding land and the application of fertilizers, use of seeds and other vegetable preparation materials, phytosanitary control and application of pesticides and herbicides, for special tasks in cultivating or harvesting and veterinary attention and artificial insemination; d) technical advisory: dedicated to agricultural producers, such as reforestation, preparation for the agricultural livestock operation or lands and everything that contributes to an increase of the productive area. The acts related with this are understood to be included in the Corporate purpose, which contribute to the realization of its aims. Likewise, the company, in order to comply with its Corporate purpose it can realize, without reserves or limitation any all the acts and all the civil, trade or corporate acts or of any other nature that Peruvian laws allow closely-held corporations, as well as acquiring movable goods and real estate which is necessary for the development of its corporate aims. |
| Trade relationship   | The company produces fruit that is sold to Hortifrut S.A.'s trade subsidiaries  |
| Board  | Víctor Moller Opazo/Chairman, Juan Ignacio Allende Connelly/Director, Juan Carlos Toro Ruiz-Tagle/Director, Ulises Quevedo<br>Berastain/Director, Rafael Quevedo Sturla/Director, Juan Luis Alemparte Rozas/Director  |
| Senior executives  | Fernando Méndez Gschwend/General Manager, Eduardo Watson Aurich/Finance Manager   |

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#### BERRIES DE CHAO S.A.C.

| 20602822207 (Peru)<br>Carretera Industrial Alaredo k | ۲۰۰۲ κm 1.5, Zona Industrial El Palmo. District and Province of Trujillo, Region of La Libertad, Peru  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|
| Type of entity                                       | Closely-held corporation   |  |  |  |  |  |  |  |  |  |  |
| Constitutive documents                               | Public deed N°401 dated January 12, 2018. Inscribed under number 11336360 at the<br><i>Superintendencia Nacional de los Registros Públicos</i> , Registral Area number V, Sede Trujillo.   |  |  |  |  |  |  |  |  |  |  |
| Corporate capital                                    | US\$ 12,078,447 divided in 1,000 shares  |  |  |  |  |  |  |  |  |  |  |
| Interest   | 100% indirect  |  |  |  |  |  |  |  |  |  |  |
| Corporate purpose                                    | The company will be dedicated to: a) agriculture: temporary and permanent crops, the production of seeds, nurseries, fruit trees and species; b) agroindustry and commercialization of agricultural products: that cover storing actions, functions and services, classification, packing, storage, sale-purchase, export and commercialization of agricultural products that take place at the production area; c) agricultural services: such as the remunerated benefit of agricultural mechanization , advisory regarding land and the application of fertilizers, use of seeds and other vegetable preparation materials, phytosanitary control and application of pesticides and herbicides, for special tasks in cultivating or harvesting and veterinary attention and artificial insemination; d) technical advisory: dedicated to agricultural producers, such as reforestation, preparation for the agricultural livestock operation of lands and everything that contributes to an increase of the productive area. The acts related with this are understood to be included in the Corporate purpose, which contribute to the realization of its aims. Likewise, the company, in order to comply with its Corporate purpose it can realize, without reserves or limitation any all the acts and all the civil, trade or corporate acts or of any other nature that Peruvian laws allow closely-held corporations, as well as acquiring movable goods and real estate which is necessary for the development of its corporate goals. |  |  |  |  |  |  |  |  |  |  |
| Trade relationship                                   | The company produces fruit that is sold to Hortifrut S.A.'s trade subsidiaries   |  |  |  |  |  |  |  |  |  |  |
| Board  | Does not apply   |  |  |  |  |  |  |  |  |  |  |
| Senior executives                                    | Fernando Méndez Gschwend/General Manager, Eduardo Watson Aurich/Finance Manager  |  |  |  |  |  |  |  |  |  |  |

Dividend Policy

As per article 26 of the Articles of Association, the Company must annually distribute to the shareholders, as cash dividends and pro-rate to its shares, at least 50% of the net distributable profits for each period, unless otherwise agreed in the corresponding Meeting, by unanimity of the issued shares.

During 2018, the Ordinary Shareholder's Meeting agreed to share a final dividend of US\$0.014192 per share charged to the distributable net income of the period ending December 31, 2017, which together with a interim dividend of US\$0.0140 per share agreed at the Company Board's Ordinary Session held on October 03, 2017, equal to 50% of the distributable profits of 2017.

## Distributable Net Income

To determine the Company's Distributable Net income to be considered to calculate dividends, the following will be excluded from gains attributable to the equity holders of the parent company:

- 1. Non-realized results linked to the fair value record of the biological assets regulated by "IAS 41" accounting standard, reintegrating them to the net profit at the moment they are realized. For these effects, the portion of said increase in fair value corresponding to the assets sold or disposed of by another means will be considered realized.
- 2. The non-realized results generated in the acquisition of other entities and, in general, the non-realized results that are produced due to the application of paragraphs 24, 39, 42 and 58 of IFRS 3 accounting standard, revised, refers to business combination operations. These results will be re-integrated to the net profit at the moment of its realization. For these effects, results will be considered realized when the acquired entities generate profits after their acquisition, or when said entities are alienated.

3. Deferred tax effects associated to the concepts indicated beforehand will follow the same fate as the item that originated them.

Below is the detail of the Distributable Net Profit for the periods ending December 31, 2018 and 2017, as per the previously described dividend policy:

|   | 31-Dec-2018 | 31-Dec-2017 |
|---|-------------|-------------|
| Gains attributable to the Parent Company's equity holders | 83,883      | 26,563      |
| MINUS:  |             |             |
| Non-realized results                                      | (60,995)    | (810)       |
| Increase Biological Assets to Fair Value                  | (3,691)     | (1,640)     |
| Deferred Taxes  | 16,967      | 443         |
| NET DISTRIBUTABLE PROFIT                                  | 36,164      | 24,556      |

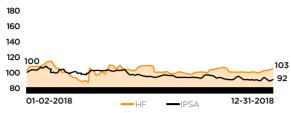
Dividends and Share Transactions

#### PAID DIVIDENDS

| Nº                 | 24          | 25          | 26          | 27          | 28          | 29          | 30          | 31          | 32          |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Payment Date       | 06-07-2010  | 08-04-2011  | 08-07-2011  | 15-04-2012  | 26-10-2012  | 17-04-2013  | 25-10-2013  | 16-05-2014  | 24-10-2014  |
| Series             | Single      |
| N° Shares          | 16,903,986  | 16,903,986  | 16,903.986  | 16,903,986  | 357,126,465 | 357,126,465 | 435,460,523 | 435,520,079 | 435,520,079 |
| Amount (USD)       | 1,859,967   | 1,731,499   | 2,349.783   | 2,944,648   | 2,499,923   | 2,392,747   | 3,048,641   | 3,788,558   | 3,919,681   |
| Amount (USD/share) | 0.1100      | 0.1024      | 0.1390      | 0.1742      | 0.0070      | 0.0067      | 0.0070      | 0.0087      | 0.0090      |
| Type of dividend   | Interim     | Final       | Interim     | Final       | Interim     | Final       | Interim     | Final       | Interim     |
| Nº                 | 33          | 34          | 35          | 36          | 37          | 38          | 39          | 40          |             |
| Payment Date       | 25-05-2015  | 24-10-2015  | 20-05-2016  | 21-10-2016  | 19-05-2017  | 20-10-2017  | 25-05-2018  | 23-11-2018  | -           |
| Series             | Single      |             |
| N° Shares          | 435,520,079 | 435,520,079 | 435,520,079 | 435,520,079 | 435,520,079 | 435,520,079 | 435,520,079 | 525,546,131 |             |
| Amount (USD)       | 2,938,690   | 3,919,681   | 2,873,068   | 5,661,761   | 7,282,599   | 6,097,281   | 6,180,901   | 7,357,646   |             |
| Amount (USD/share) | 0.0067      | 0.0090      | 0.0066      | 0.0130      | 0.0167      | 0.0140      | 0.0142      | 0.0140      |             |
| Type of dividend   | Final       | Interim     | Final       | Interim     | Final       | Interim     | Final       | Interim     |             |

#### **STOCK INFORMATION (BASE 100)**

#### **STOCK VALUE / IPSA VALUE 2018**



SOURCE: Bloomberg. Closing Price adjusted per dividend.

#### STOCK VALUE / IPSA VALUE 2017



#### SHARE TRANSACTIONS

Hortifrut S.A.'s shares are traded on the Santiago Stock Market, Chilean Electronic Stock Exchange and the Valparaiso Stock Market. The following table shows a summary of the transactions performed on these 3 stock markets since the IPO:

| N° Shares<br>Total amount traded (ThCLP)<br>Average price (CLP) |  |  | <b>274,411,484</b><br>87,108,862<br>317.44                              | <b>25,906,006</b><br>8,155,133<br>314.80                               |
|---|--|--|---|--|
| N° Shares<br>Total amount traded (ThCLP)<br>Average price (CLP) | <b>1st Quarter 2013</b><br><b>16,367,216</b><br>5,196,013<br>317.46  | <b>2nd Quarter 2013</b><br><b>4,501,306</b><br>1,433,630<br>318,49     | <b>3rd Quarter 2013</b><br><b>32,430,108</b><br>10,514,598<br>324.22    | 4th Quarter 2013<br>54,345,921<br>18,221,879<br>335.29                 |
| N° Shares<br>Total amount traded (ThCLP)<br>Average price (CLP) | <b>1st Quarter 2014</b><br><b>84,564,593</b><br>35,069,020<br>414.70 | <b>2nd Quarter 2014</b><br><b>16,947,582</b><br>8,487,002<br>500.78    | <b>3rd Quarter 2014</b><br><b>41,738,901</b><br>25,728,070<br>616.41    | <b>4th Quarter 2014</b><br><b>6,338,706</b><br>4,193,585<br>661.58     |
| N° Shares<br>Total amount traded (ThCLP)<br>Average price (CLP) | <b>1st Quarter 2015</b><br><b>3,082,030</b><br>1,863,983<br>604.79   | <b>2nd Quarter 2015</b><br><b>13,800,073</b><br>8,730,410<br>632.64    | <b>3rd Quarter 2015</b><br><b>3,401,245</b><br>2,142,500<br>629.92      | <b>4th Quarter 2015</b><br><b>2,766,263</b><br>1,799,405<br>650.48     |
| N° Shares<br>Total amount traded (ThCLP)<br>Average price (CLP) | <b>1st Quarter 2016</b><br><b>1,392,953</b><br>939,151<br>674.22     | <b>2nd Quarter 2016</b><br><b>6,319,546</b><br>5,361,272<br>848.36     | <b>3rd Quarter 2016</b><br><b>3,828,320</b><br>4,217,148<br>1,101.57    | <b>4th Quarter 2016</b><br><b>39,030,352</b><br>59,211,255<br>1,517.06 |
| N° Shares<br>Total amount traded (ThCLP)<br>Average price (CLP) | <b>1st Quarter 2017</b><br><b>4,523,763</b><br>6,135,105<br>1,356.20 | <b>2nd Quarter 2017</b><br><b>17,275,634</b><br>22,021,353<br>1,274.71 | <b>3rd Quarter 2017</b><br><b>11,325,674</b><br>14,875,596<br>1,313,44  | <b>4th Quarter 2017</b><br><b>7,893,628</b><br>14,858,720<br>1,882.37  |
| N° Shares<br>Total amount traded (ThCLP)<br>Average price (CLP) | <b>1st Quarter 2018</b><br><b>3,053,101</b><br>6,236,834<br>2,042.79 | <b>2nd Quarter 2018</b><br><b>25,413,427</b><br>52,657,914<br>2,072.05 | <b>3rd Quarter 2018</b><br><b>84,626,655</b><br>170,679,143<br>2,016.85 | <b>4th Quarter 2018</b><br><b>9,564,844</b><br>19,758,580<br>2,065.75  |



#### **RELATED SHAREHOLDERS TRANSACTIONS**

| YEAR                | 2018   |                   |                             |    |                     |                     |                                 |                       |                        |               |          |        |                        |                        |                                |  |              |
|---------------------|--|-------------------|-----------------------------|----|---------------------|---------------------|---------------------------------|-----------------------|------------------------|---------------|----------|--------|------------------------|------------------------|--------------------------------|--|--------------|
| TRANSACTION<br>DATE | COMMUNICATION<br>DATE OF THE<br>TRANSACTION<br>TO THE<br>CORPORATION | TYPE OF<br>ENTITY | rut/id<br>Person/<br>Entity | DV | PATERNAL<br>SURNAME | MATERNAL<br>SURNAME | NAME /<br>CORPORATE NAME        | rela-<br>Tion<br>Ship | TYPE OF<br>TRANSACTION | VALUE<br>TYPE | MNEMONIC | SERIES | N°<br>TRADED<br>SHARES | UNIT<br>PRICE<br>(CLP) | AMOUNT<br>TRANSACTION<br>(CLP) | TRANSACTION<br>PERFORMED<br>IN STOCK<br>MARKET | OBSERVATIONS |
| 01/08/2018          | 02/08/2018   | Legal Entity      | 52.003.719                  | 5  |                     |                     | INVERSIONES<br>VISIONARIO SPA   | EDI                   | А                      | ACC           | HF       | SINGLE | 1,000,000              | 2,000.00               | 2,000,000,000                  | S  | MBI CB       |
| 01/08/2018          | 02/08/2018   | Legal Entity      | 76.433.220                  | 2  |                     |                     | INVERSIONES<br>TRICAHUE LTDA    | EDI                   | А                      | ACC           | HF       | SINGLE | 1,000,000              | 2,000.00               | 2,000,000,000                  | S  | MBI CB       |
| 01/08/2018          | 02/08/2018   | Legal Entity      | 77.883.970                  | 9  |                     |                     | INMOBILIARIA<br>BARLOVENTO LTDA | EDI                   | А                      | ACC           | HF       | SINGLE | 1,000,000              | 2,000.00               | 2,000,000,000                  | S  | MBI CB       |
| 01/08/2018          | 02/08/2018   | Legal Entity      | 93.682.000                  | K  |                     |                     | COMERCIAL<br>EPYSA SA           | EDI                   | E                      | ACC           | HF       | SINGLE | 3,000,000              | 2,000.00               | 6,000,000,000                  | S  | MBI CB       |
| 20/07/2018          | 23/07/2018   | Legal Entity      | 52.003.719                  | 5  |                     |                     | INVERSIONES<br>VISIONARIO SPA   | EDI                   | А                      | ACC           | HF       | SINGLE | 1,307,786              | 2,035.00               | 2,661,344,510                  | S  |              |
| 20/07/2018          | 23/07/2018   | Legal Entity      | 76.433.220                  | 2  |                     |                     | INVERSIONES<br>TRICAHUE LTDA    | EDI                   | А                      | ACC           | HF       | SINGLE | 1,307,785              | 2,035.00               | 2,661,342,475                  | S  |              |
| 20/07/2018          | 23/07/2018   | Legal Entity      | 77.883.970                  | 9  |                     |                     | INVERSIONES<br>BARLOVENTO LTDA  | EDI                   | А                      | ACC           | HF       | SINGLE | 1,307,785              | 2,035.00               | 2,661,342,475                  | S  |              |
| 20/07/2018          | 23/07/2018   | Legal Entity      | 79.500.050                  | K  |                     |                     | INVERSIONES<br>ALIANZA SA       | EDI                   | E                      | ACC           | HF       | SINGLE | 3,923,356              | 2,035.00               | 7,984,029,460                  | S  |              |
| 12/07/2018          | 12/07/2018   | Legal Entity      | 77.813.860                  | 3  |                     |                     | INVERSIONES<br>IMG LTDA         | AM                    | E                      | ACC           | HF       | SINGLE | 27,524,372             | 2,000.00               | 55,048,744,000                 | S  | BANCHILE CB  |
| 12/07/2018          | 13/07/2018   | Legal Entity      | 79.500.050                  | K  |                     |                     | INMOBILIARIA<br>ALIANZA SA      | EDI                   | E                      | ACC           | HF       | SINGLE | 13,138,653             | 2,000.00               | 26,277,306                     | S  |              |
| 06/07/2018          | 09/07/2018   | Legal Entity      | 52.003.719                  | 5  |                     |                     | INVERSIONES<br>VISIONARIO SPA   | EDI                   | А                      | ACC           | HF       | SINGLE | 1,670,000              | 2,167.00               | 3,618,890,000                  | S  | MBI CB       |
| 06/07/2018          | 09/07/2018   | Legal Entity      | 76.433.220                  | 2  |                     |                     | ASESORIAS E<br>TRICAHUE LTDA    | EDI                   | А                      | ACC           | HF       | SINGLE | 1,670,000              | 2,167.00               | 3,618,890,000                  | S  | MBI CB       |
| 06/07/2018          | 09/07/2018   | Legal Entity      | 77.883.970                  | 9  |                     |                     | INVERSIONES<br>BARLOVENTO LTDA  | EDI                   | А                      | ACC           | HF       | SINGLE | 1,670,000              | 2,167.00               | 3,618,890,000                  | S  | MBI CB       |
| 06/07/2018          | 06/07/2018   | Legal Entity      | 79.500.050                  | K  |                     |                     | INMOBILIARIA<br>ALIANZA SA      | EDI                   | E                      | ACC           | HF       | SINGLE | 5,010,000              | 2,167.00               | 10,856,670,000                 | S  | MBI          |
| 29/06/2018          | 29/06/2018   | Legal Entity      | 79.500.050                  | K  |                     |                     | INMOBILIARIA<br>ALIANZA SA      | EDI                   | E                      | ACC           | HF       | SINGLE | 4,680,000              | 2,200.00               | 10,296,000,000                 | S  | MBI          |
| 28/06/2018          | 29/06/2018   | Legal Entity      | 52.003.719                  | 5  |                     |                     | INMOBILIARIA<br>VISIONARIO SPA  | EDI                   | А                      | ACC           | HF       | SINGLE | 1,560,000              | 2,200.00               | 1,560,000                      | S  | MBI CB       |
| 28/06/2018          | 29/06/2018   | Legal Entity      | 76.433.220                  | 2  |                     |                     | ASESORIAS E<br>TRICAHUE LTDA    | EDI                   | А                      | ACC           | HF       | SINGLE | 1,560,000              | 2,200.00               | 1,560,000                      | S  | MBI CB       |
| 28/06/2018          | 29/06/2018   | Legal Entity      | 77.883.970                  | 9  |                     |                     | INVERSIONES<br>BARLOVENTO LTDA  | EDI                   | А                      | ACC           | HF       | SINGLE | 1,560,000              | 2,200.00               | 1,560,000                      | S  | MBI CB       |
| 25/06/2018          | 25/06/2018   | Legal Entity      | 93.682.000                  | K  |                     |                     | COMERCIAL<br>EPYSA SA           | EDI                   | А                      | ACC           | HF       | SINGLE | 2,800,000              | 2,170.00               | 6,076,000,000                  | S  | MBI          |
| 21/06/2018          | 25/06/2018   | Legal Entity      | 79.500.050                  | K  |                     |                     | INMOBILIARIA<br>ALIANZA SA      | EDI                   | E                      | ACC           | HF       | SINGLE | 2,800,000              | 2,170.00               | 6,076,000,000                  | S  | MBI CB SA    |
| 05/06/2018          | 07/06/2018   | Legal Entity      | 76.243.329                  | К  |                     |                     | VALLES<br>DEL SUR SPA           | SG                    | E                      | ACC           | HF       | SINGLE | 8,980,494              | 2,030.00               | 18,230,102,820                 | S  |              |
| 05/06/2018          | 07/06/2018   | Legal Entity      | 77.403.750                  | 0  |                     |                     | SAN JOSE<br>FARMS SA            | SG                    | А                      | ACC           | HF       | SINGLE | 8,980,494              | 2,030.00               | 18,230,402,820                 | S  |              |
| 14/05/2018          | 14/05/2018   | Natural perso     | n 13.065.701                | K  | COFRE               | ALONSO              | ANDRES<br>EMILIO                | GA                    | E                      | ACC           | HF       | SINGLE | 3,255                  | 2,200.00               | 7,161,000                      | S  | BTG PACTUAL  |
| 17/04/2018          | 19/04/2018   | Legal Entity      | 76.376.243                  | 2  |                     |                     | VALLES<br>DEL SUR SPA           | SG                    | E                      | ACC           | HF       | SINGLE | 4,500,000              | 1,970.00               | 8,865,000,000                  | S  | BANCHILE CB  |
| 17/04/2018          | 19/04/2018   | Legal Entity      | 77.403.750                  | 0  |                     |                     | SAN JOSE<br>FARMS SA            | SG                    | А                      | ACC           | HF       | SINGLE | 4,500,000              | 1,970.00               | 8,865,000,000                  | S  | BANCHILE CB  |
| 16/04/2018          | 16/04/2018   | Natural perso     | n 13.065.701                | K  | COFRE               | ALONSO              | ANDRES<br>EMILIO                | EJ                    | E                      | ACC           | HF       | SINGLE | 6,000                  | 2,000.00               | 12,000,000                     | S  | BTG PACTUAL  |

#### YEAR 2017

| TRANSACTION<br>DATE | COMMUNICATION<br>DATE OF THE<br>TRANSACTION<br>TO THE<br>CORPORATION | TYPE OF<br>ENTITY | rut/id<br>Person/<br>Entity | DV | PATERNAL<br>SURNAME | MATERNAL<br>SURNAME | NAME/<br>CORPORATE NAME           | RELA-<br>TION<br>SHIP | TYPE OF<br>TRANSACTION | VALUE<br>TYPE | MNEMONIC | SERIES | N°<br>TRADED<br>SHARES | UNIT<br>PRICE<br>(CLP) | AMOUNT<br>TRANSACTION<br>(CLP) | TRANSACTION<br>PERFORMED<br>IN STOCK<br>MARKET | OBSERVATIONS |
|---------------------|--|-------------------|-----------------------------|----|---------------------|---------------------|-----------------------------------|-----------------------|------------------------|---------------|----------|--------|------------------------|------------------------|--------------------------------|--|--------------|
| 16/08/2017          | 17/08/2017   | Natural perso     | on 13.065.701               | К  | COFRE               | ALONSO              | ANDRES EMILIO                     | GA                    | E                      | ACC           | HF       | SINGLE | 14,670                 | 1,310.00               | 19,217,700                     | S  |              |
| 20/07/2017          | 21/07/2017   | Natural perso     | on 7.731.109                | 2  | COMPARINI           | FONTECILL           | A MARCO                           | DI                    | E                      | ACC           | HF       | SINGLE | 51,492                 | 1,323.80               | 68,165,110                     | S  |              |
| 20/07/2017          | 21/07/2017   | Legal Entity      | 76.355.600                  | К  |                     |                     | INV. Y ASESORÍAS<br>EL PLOMO LTD. | EDI                   | А                      | ACC           | HF       | SINGLE | 51,492                 | 1,323.80               | 68,165,110                     | S  |              |
| 21/04/2017          | 25/04/2017   | Legal Entity      | 76.355.600                  | К  |                     |                     | INV. Y ASESORÍAS<br>EL PLOMO LTD. | EDI                   | E                      | ACC           | HF       | SINGLE | 50,900                 | 1,319.50               | 67,162,550                     | S  |              |
| 21/04/2017          | 25/04/2017   | Legal Entity      | 76.355.600                  | К  |                     |                     | INV. Y ASESORÍAS<br>EL PLOMO LTD. | EDI                   | E                      | ACC           | HF       | SINGLE | 70,000                 | 1,318.50               | 92,295,000                     | S  |              |
| 12/04/2017          | 12/04/2017   | Legal Entity      | 77.813.860                  | 3  |                     |                     | INVERSIONES<br>IMG LTDA           | AM                    | E                      | ACC           | HF       | SINGLE | 13,065,602             | 1,270.00               | 16,593,314,540                 | S  |              |



Investment Plans

The Company has structured its future investment plan from the currently valid Strategic Plan, which is based on four strategic pillars: add value to producers, innovation and sustainability, to operate through a global digital platform, and to add value to final customers and consumers.

#### 1. ADD VALUE TO PRODUCERS

Hortifrut is a company of producers for producers, so it must optimize the added value that it provides to its producers through services such as agricultural management and own genetics, among others.

The Company must continue investing in optimizing the services that it currently provides and developing new initiatives that allow it to strengthen the link and increase the loyalty of its third- party producers.

#### 2. INNOVATION AND SUSTAINABILITY

Investments in the development of new crop varieties and technologies have been for years a decisive, innovative and profitable element for Hortifrut. Therefore, the Company must continue working and investing in the development of genetics and in the process of making these genetics reach own and third party producer fields.

This closeness with the field and its people, invites the Company to be an ecological, clean company, which is linked to the communities, so it will continue investing and working to improve its position in environmental topics, food safety and social environments of the different communities with whom it interacts, in line with the International B System standards.

#### 3. GLOBAL DIGITAL PLATFORM

To control, consolidate and develop trade platforms at a global level have been vital in Hortifrut's business model and have constituted one of its most relevant competitive advantages.

To continue growing within this logic it is vital to permanently perfect corporate governance practices and optimize the organization chart, among other aspects, to globally integrate the planning and software systems.

#### 4. ADD VALUE TO FINAL CUSTOMERS AND CONSUMERS

We estimate an important growth in volumes to be commercialized during the following years, this is due to an increase in the demand of current and potential customers in the United States, Europe and Asia.

To be able to capture this growing demand, investments must be made in the development of brands and new distribution channels, incorporate new varieties and implement new business units that allow the growth of trade platforms.



The Company's main financial activities correspond to short and long term credits for the financing of working capital, exports and investments. The banks with whom we have these credits, as well as other instruments such as forwards and swaps, are:

- **Chile:** Banco de Crédito e Inversiones, Banco de Chile, Banco Santander, Banco Estado, Scotiabank, China Construction Bank, Banco Itaú Corpbanca, Banco Consorcio, Banco Bice, Banco Security and Rabofinance.
- Peru: Rabofinance, Metlife and Scotiabank Perú.
- Mexico: Banco HSBC
- **Spain:** Banco Santander Central Hispano, Bankinter, Banco BBVA, La Caixa and Banco Sabadell.
- United States: Fifth Third Bank.



Hortifrut'S financing policy is based on the obtaining of short and long term financial resources, taking into account the Company's capital structure, the long-term financing plan, productive, financial and commercial forecasts, as well as the cost of the debt. Additionally, the following obligations must be fulfilled, over the base of the 12-month consolidated financial statements:

- Maintain an annual Net Financial Debt level divided by EBITDA lower or equal to 5.25 times as of December 31 of each year and lower or equal to 4.0 times as of June 30 of each year.
- Maintain a Financial Cost Coverage (EBITDA divided by net financial costs of the last 12 months) equal or higher than 4.0 times as of June 30 of each year.
- Maintain the Net Financial Debt divided Total Equity ratio lower than 1.0 time as of June 30 of each year.





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| CONTRACT REFERENCE  | SPECIES    | LICENSOR   | LICENSEE  |
|---|------------|--|---|
| Blue Berry  | Blueberry  | Michigan Blueberry Growers   | Hortifrut North America, Inc.                           |
| Programa Atlantic Blue  | Blueberry  | Royal Berries  | Hortifrut S.A.  |
| Programa Atlantic Blue  | Blueberry  | Royal Berries  | Hortifrut S.A.  |
| Aurora, Draper, Liberty, Calypso y Osorno                           | Blueberry  | Michigan State University  | Hortifrut S.A.  |
| Aurora, Draper, Liberty, Calypso y Osorno                           | Blueberry  | Michigan State University  | Hortifrut S.A.  |
| Aurora, Draper, Liberty, Calypso y Osorno<br>(Resto del Mundo)      | Blueberry  | Michigan State University  | Hortifrut S.A.  |
| Chickadee, Bobalink, Raven, and Meadowlak                           | Blueberry  | Florida Foundation Seed Producers,<br>Inc. (University of Florida) | Hortifrut S.A.  |
| Licencia Comercializacion Kestrel                                   | Blueberry  | Florida Foundation Seed Producers,<br>Inc. (University of Florida) | Hortifrut S.A.  |
| Meadowlak and Kestrel   | Blueberry  | Florida Foundation Seed Producers,<br>Inc. (University of Florida) | Hortifrut S.A.  |
| Licencia Comercializacion Kestrel                                   | Blueberry  | Florida Foundation Seed Producers,<br>Inc. (University of Florida) | Hortifrut N.A.  |
| Meadowlark  | Blueberry  | Florida Foundation Seed Producers,<br>Inc. (University of Florida) | Hortifrut S.A.  |
| Farthing, Flicker, Scintilla, FLX-1 y Kestel                        | Blueberry  | Florida Foundation Seed Producers,<br>Inc. (University of Florida) | Hortifrut S.A.  |
| Nuevas Selecciones  | Blueberry  | Florida Foundation Seed Producers,<br>Inc. (University of Florida) | Hortifrut Perú S.A.C. y<br>Hortifrut North America Inc. |
| UGA Advanced Selections   | Blueberry  | University of Georgia  | Hortifrut S.A.  |
| North Carolina State University Trialing<br>Agreement for Blueberry | Blueberry  | North Carolina State University                                    | Hortifrut S.A.  |
| North Carolina State University Hybrid<br>Parental Use Agreement    | Blueberry  | North Carolina State University                                    | Hortifrut S.A.  |
| OZ Varieties Pty  | Blueberry  | United Export  | Hortifrut S.A.  |
| OZ Varieties Pty  | Blueberry  | United Export  | Hortifrut S.A.  |
| Pacific Berry Breeding  | Raspberry  | Naturipe Berry Growers   | Hortifrut North America, Inc.                           |
| Plant Sciences  | Raspberry  | PSI  | Hortifrut Chile S.A<br>y Hortifrut Tal S.A.C.           |
| Advanced Berry Breeding   | Raspberry  | ABB  | Hortifrut Tal S.A.C.                                    |
| Kiwigold Rasperry   | Raspberry  | C. Thomas  | Hortifrut S.A.  |
| Consorcio de la Fruta   | Raspberry  |  | Hortifrut Chile S.A.                                    |
| Sugana Raspberry  | Raspberry  | Lubera   | Hortifrut S.A.  |
| Himbo-Top   | Raspberry  | Promo-Fruit  | Hortifrut S.A.  |
| Breeding Agreement, Chile, México,<br>Argentina, Brasil y Perú      | Blackberry | University of Arkansas   | Hortifrut S.A.  |
| Prime Jim and Prime Jan   | Blackberry | University of Arkansas   | Hortifrut S.A.  |
| ENCOCAL   | Blackberry | ENCOCAL  | Hortifrut S.A.  |
| INIA / Hortifrut  | Murtilla   | INIA   | Hortifrut S.A.  |

Main Assets

The Company's main assets are its productive fields, laboratories for development of varieties, brands and storage centers. Regarding current assets, this is mainly composed of stocks, trade receivable accounts and receivable notes and receivable accounts with related companies.

#### MAIN LAND AND PROPERTY OWNED BY HORTIFRUT S.A. AND SUBSIDIARIES

| COUNTRY        | OWNER                                      | ASSET                | DESCRIPTION   | SURFACE         |
|----------------|--|----------------------|---|-----------------|
| Chile          | Hortifrut Comercial S.A.                   | Property             | Site 1-2, 4-16, 55-84, Plot N°151, Colonia Gabriel González Videla, La Serena, Chile  | 23.00 has       |
| Chile          | Hortifrut Comercial S.A.                   | Water Right          | 2.48 shares, Plot N°151, Colonia Gabriel González Videla, La Serena, Chile  | N/A             |
| Chile          | Agrícola El Pampino S.A.                   | Property             | Lot N°2 Plot N°12, Proyecto Parcelación Los Maitenes, Purranque, Osorno, Chile  | 22.16 has       |
| Chile          | Agrícola El Pampino S.A.                   | Property             | Lot N°2 Retazo Fundo Carihue, Predio La Piedra, Purranque, Osorno, Chile  | 26.18 has       |
| Chile          | Agrícola El Pampino S.A.                   | Water Right          | Underground water, Purranque, Osorno, Chile   | N/A             |
| Chile          | Agrícola Sta. Rosa del Parque S.A.         | Property             | Lot A-1, Hijuela A, Fundo El Parque, Angol, Chile   | 66.84 has       |
| Chile          | Agrícola Sta. Rosa del Parque S.A.         | Water Right          | Canal Ñipaco, Angol, Chile  | N/A             |
| Chile          | Agrícola Hortifrut S.A.                    | Property             | Rustic property, Río Negro, Chile   | 207.00 ha       |
| Chile          | Agrícola Hortifrut S.A.                    | Water Right          | Aguas Río Forrahue, Río Negro, Chile  | N/A             |
| Chile          | Agrícola Hortifrut S.A.                    | Property             | Lot N°12-A Plot N°12, Proyecto Parcelación Santa Isabel, Freire, Chile  | 42.50 has       |
| Chile          | Agrícola Hortifrut S.A.                    | Property             | Plot N°10, Santa Isabel y Los Cipreses, Freire, Chile   | 53.10 has       |
| Chile          | Agrícola Hortifrut S.A.                    | Water Right          | Canal Allipén, 50 of 20 shares and 183 of 25,000 shares, Freire, Chile  | N/A             |
| Chile          | Agrícola Hortifrut S.A.                    | Water Right          | Canal Allipén, 14 risk shares, Freire, Chile  | N/A             |
| Chile          | Agrícola Hortifrut S.A.                    | Water Right          | Canal Allipén, 14 risk shares, Freire, Chile  | N/A             |
| Chile          | Agrícola Hortifrut S.A.                    | Property             | Plot N°4 Proyecto Parcelación Arturo Araya, ex Fundo Curaco, Panguipulli, Chile   | 14.57 has       |
| Chile          | Agrícola Hortifrut S.A.                    | Property             | Plot Nº5 Proyecto Parcelación Arturo Araya, ex Fundo Curaco, Panguipulli, Chile   | 43.40 has       |
| Chile          | Agrícola Hortifrut S.A.                    | Property             | Plot N°6 Proyecto Parcelación Arturo Araya, ex Fundo Curaco, Panguipulli, Chile   | 6.97 has        |
| Chile          | Agrícola Hortifrut S.A.                    | Property             | Plot N°8 Proyecto Parcelación Arturo Araya, ex Fundo Curaco, Panguipulli, Chile   | 22.46 has       |
| Chile          | Agrícola Hortifrut S.A.                    | Property             | Lot A Predio Comohue, Vista Hermosa, Panguipulli, Chile   | 98.53 has       |
| Chile          | Agrícola Hortifrut S.A.                    | Property             | Hijuela N° 1 Predios La Pantalla y El Zarzal, Panguipulli, Chile  | 47.30 has       |
| Chile          | Agrícola Hortifrut S.A.                    | Water Right          | 50 lts/s and annual volume of 1,576,800 m3 well N°2 Fundo El Mirador,<br>Panguipulii, Chile   | N/A             |
| Chile          | Agrícola Hortifrut S.A.                    | Water Right          | 42 lts/s and annual volume of 1,324,512 m3 well N°4 Vista Hermosa, Panguipulli, Chile   | N/A             |
| Chile          | Agrícola Hortifrut S.A.                    | Water Right          | 16 lts/s and annual volume of 504,576 m3 well N°3 Vista Hermosa, Panguipulli, Chile   | N/A             |
| Chile          | Agrícola Hortifrut S.A.                    | Water Right          | 26 lts/s and annual volume of 819,936 m3 well N°1 Vista Hermosa, Panguipulli, Chile   | N/A             |
| Chile          | Agrícola Hortifrut S.A.                    | Water Right          | 28 lts/s and annual volume of 883,008 m3 well, Panguipulli, Chile   | N/A             |
| Chile          | Agrícola Hortifrut S.A.                    | Water Right          | 43 lts/s and annual volume of 1,237,500 m3 well N°1 and N°2, Paguipulli, Chile  | N/A             |
| Chile          | Agrícola Hortifrut S.A.                    | Water Right          | 37 lts/s and annual volume of 1,166,832 m3 well N°3 Fundo Curaco, Chile   | N/A             |
| Chile          | Agrícola Mataguito S.A.                    | Property             | Hijuela Tercera del Fundo Ponunquén, Curepto, Chile   | ,<br>79.00 has  |
| Chile          | Agrícola Mataguito S.A.                    | Property             | Lot B del Plano de Hijuelación Ponunquén, Curepto, Chile  | 20.18 has       |
| Chile          | Agrícola Mataguito S.A.                    | Water Right          | 88 lt/s and 25% de 88 lts, Curepto, Chile   | N/A             |
| Chile          | Hortifrut Chile S.A.                       | Property             | Lot 2 de Hijuela 2da de Lot B, Resto o Reserva Fundo Virquenco,<br>Los Ángeles, Chile   | 5.50 has        |
| Chile          | Hortifrut Chile S.A.                       | Property             | Lot 1-B, Resto de la Parte Norte del Fundo El Congreso, Gorbea, Chile   | 4.83 has        |
| Chile          | Hortifrut Chile S.A.                       | Property             | Hijuela N°2, Granja Nahuel, Lot Sector B, Resto Chacra Santa María, Angol, Chile  | 0.50 has        |
| Chile          | Hortifrut Chile S.A.                       | Property             | Hijuela N°2, Hijuela Central Ñipaco, Angol, Chile   | 0.50 has        |
| Chile          | Hortifrut Chile S.A.                       | Property             | Lot Uno Resto Fundo Coihuecura o Potrero de Afuera, Yerbas Buenas,<br>Linares, Chile  | 6.78 has        |
| Chile          | Hortifrut Chile S.A.                       | Water Right          | 9 shares of Comunidad de Aguas Canal Olivar, San Ignacio, Linares, Chile  | N/A             |
| Chile          | Agrícola Vida Nueva S.A.                   | Property             | Lot Dos, of a surface of approximately 8.02 hectares, Loncoche, Chile   | 8.02 has        |
| Chile          | Agrícola Vida Nueva S.A.                   |                      | Lot Dos, or a surface of approximately 8.02 nectares, concorne, chine   | 4.73 has        |
| Chile          | Agrícola Vida Nueva S.A.                   | Property<br>Property | Lot D-2, located in the area Maintee, Loncoche, Chile   | 4.73 has        |
| Chile          | Agrícola Vida Nueva S.A.                   | Property             | Lot B, resulting from the subdivision of a property of higher extension   | 4.73 has        |
| Chile          | Agrícola Vida Nueva S.A.                   | Property             | located in Huiscapi, Loncoche, Chile<br>Lot Dos of subdivision of property denominated Santa Marta,<br>located in Huiscapi, Loncoche, Chile   | 19.35 has       |
| Chile          | Agrícola Vida Nueva S.A.                   | Property             | Lot C of 9-A1, Proyecto Parcelación Casahue, Loncoche, Chile  | 1.00 has        |
| Chile          | Agrícola Vida Nueva S.A.                   | Property             | Lot C of 9-Al, Proyecto Parcelación Casanue, Loncoche, Chile  | 3.00 has        |
| Chile          | Agrícola Vida Nueva S.A.                   | Property             | Lot 9 AFAZ, Proyecto Parcelación Casande, Londoche, Childe<br>Lot 9-A 1D of the subdivision of property of greater extension denominated<br>Plot N°9, Proyecto Parcelación Casahue, Loncoche, Chile | 16.00 has       |
| Chile          | Agrícola Vida Nueva S.A.                   | Property             | Lot 8-A resulting from the subdivision of a property of greater extension<br>denominated Plot N° 8, Loncoche, Chie  | 20.40 has       |
| Chile          | Agrícola Vida Nueva S.A.                   | Property             | Lot 8-B resulting from the subdivision of a property of greater extension<br>denominated Plot N° 8, Loncoche, Chie  | 2.80 has        |
| ^hilo          | -  | Water Right          | denominated Plot N* 8, Loncocne, Chile<br>Underground water and currents Estero Sin Nombre, Loncoche, Chile   |                 |
| Chile<br>Chile | Agrícola Vida Nueva S.A.<br>Hortifrut S.A. | Property             | Unaergrouna water and currents Estero Sin Nomore, Loncoche, Chile<br>Lot 1-AB, Parque Industrial Vespucio Lo Echevers, located on calle Antillanca Norte,<br>Pudahuel, Santiago, Chile              | N/A<br>3.16 has |
| Chile          | Hortifrut S.A.                             | Property             | Lot 2-AB, Parque Industrial Vespucio Lo Echevers, located on calle Antillanca Norte,<br>Pudahuel, Santiago, Chile   | 3.16 has        |
|                |  | -                    | Fudaridei, Sdiftidgu, Chile   |                 |



| COUNTRY | OWNER  | ASSET       | DESCRIPTION  | SURFACE    |  |
|---------|--|-------------|--|------------|--|
| Chile   | Viveros Hortifrut Chile S.A.   | Property    | Lot N° 4 of Plano de Subdivisión de la Hijuela Montecarlo, Hijuelas, Quillota, Chile   | 2.50 has   |  |
| Chile   | Viveros Hortifrut Chile S.A.   | Water Right | 1.00 share of Canales Coquimbito and Comunidad de la Asociación de Canalistas<br>de Hijuelas y Canal Purutún, Hijuelas, Quillota, Chile                              | N/A        |  |
| Spain   | Hortifrut Spain Southern Sun S.L.  | Property    | Plot 830 of Polígono 258, at site denominated Campo de Aviación, Lugo,<br>Galicia, Spain   | 117.75 has |  |
| Mexico  | HF Sarbanand S. de R.L. de C.V. <sup>11</sup>                            | Property    | Rustic property denominated Camichin Llano, Zapotlán El Grande, Jalisco, Mexico  | 27.85 has  |  |
| Mexico  | HF Sarbanand S. de R.L. de C.V. <sup>11</sup>                            | Property    | Fraction resulting from the subdivision of rustic property denominated<br>Camichin Redondo, Zapotlán El Grande, Jalisco, Mexico                                      | 27.60 has  |  |
| Mexico  | HF Sarbanand S. de R.L. de C.V.11  | Property    | Rustic property "Los Camichines", Zapotlán El Grande, Jalisco, Mexico  | 11.20 has  |  |
| Mexico  | o HF Sarbanand S. de R.L. de C.V. <sup>11</sup> Property Jalisco, Mexico |             | Fraction resulting rustic property "Camichín Redondo", Zapotlán El Grande,<br>Jalisco, Mexico  | 2.14 has   |  |
| Mexico  | Hortifrut S.A. de C.V. Property  |             | Fraction of land deducted from Rustic Property denominated"La Magdalena",<br>located on Rancho La Magdalena, Tacambaro, Municipio y Distrito de Michoacán,<br>Mexico |            |  |
| Mexico  | Hortifrut S.A. de C.V.   | Property    | Fraction of Lot number 39, Parque Industrial Zapotlán 2000, Zapotlán El Grande,<br>Jalisco, Mexico   |            |  |
| Mexico  | Hortifrut ABA S.A. de C.V.   | Property    | Fraction of the Rustic Property denominated "Los Guayabos",<br>located within Municipio de Zapotiltic, Jalisco, Mexico   | 1.50 has   |  |
| Peru    | HFE Berries Peru S.A.C.  | Property    | Lots B6a and B6b of Proyecto de Irrigación Olmos, Peru   |            |  |
| Peru    | Hortifrut Tal S.A.C.   | Property    | Lot 2(1)D, Fundo Armonía, Chao, Virú, Peru   | 9.22 has   |  |
| Peru    | Hortifrut Tal S.A.C.   | Property    | Agonía I, Fundo Agonía, Chao, Virú, Peru   | 644.45 ha  |  |
| Peru    | Hortifrut Tal S.A.C.   | Property    | Reproductora II, Fundo San Luis, Chao, Virú, Peru  | 121.60 has |  |
| Peru    | Hortifrut Tal S.A.C.   | Property    | Reproductora I, Fundo San Luis, Chao, Virú, Peru   | 217.40 has |  |
| Peru    | Hortifrut Peru S.A.C.  | Property    | Lot 2(1)A Sector I, Fundo Armonía, Chao, Virú, Peru  | 16.98 has  |  |
| Peru    | Hortifrut Peru S.A.C.  | Property    | Lot 2(1)B Sector I, Fundo Armonía, Chao, Virú, Peru  | 32.02 has  |  |
| Peru    | Hortifrut Peru S.A.C.  | Property    | Lot 2(1)C, Fundo Armonía, Chao, Virú, Peru   | 164.55 has |  |
| Peru    | Hortifrut Peru S.A.C.  | Property    | Lot 2(1) Sector I U.C. 2-1, Fundo Armonía, Chao, Virú, Peru  | 568.13 has |  |
| Peru    | Hortifrut Peru S.A.C.  | Property    | Sub Lot 02 B Sector I, Quebrada La Agonía, Fundo El Remanso, Chao, Virú, Peru  | 7.61 has   |  |
| Peru    | Hortifrut Peru S.A.C.  | Property    | Planta Salaverry, Salaverry, Trujillo, Peru  | N/A        |  |
| Peru    | Berries de Chao S.A.C.   | Property    | Apsa II Sub Lot A, Fundo El Remanso, Chao, Virú, Peru  | 556.13 has |  |
| Peru    | Berries de Chao S.A.C.   | Property    | Lot 2A(1)B, Fundo Ilusión, Chao, Virú, Peru  | 172.33 has |  |

#### FIELDS AND PROPERTIES LEASE CONTRACTS

| COUNTRY | LESSOR  | LESSEE  | DESCRIPTION OF ASSET  | SURFACE    |
|---------|---|---|---|------------|
| Chile   | Inversiones IMG Ltda.                           | Hortifrut S.A.  | Part of a piece of three, Predio Virquenco, Santa Fe,<br>Fundo Los Robles, Los Ángeles, Chile   | 21.00 has  |
| Chile   | Inversiones IMG Ltda.                           | Hortifrut S.A.  | Lot Nº1 and Nº2, Plot Nº67, Proyecto Parcelación Virquenco,<br>Los Ángeles, Chile               | 3.00 has   |
| Chile   | Inversiones IMG Ltda.                           | Hortifrut S.A.  | Plot N°52 ,Proyecto Parcelación Virquenco, Los Ángeles, Chile                                   | 12.60 has  |
| Chile   | Inversiones IMG Ltda.                           | Hortifrut S.A.  | Plot N°66, Proyecto Parcelación Virquenco, Los Ángeles, Chile                                   | 21.10 has  |
| Chile   | Inversiones IMG Ltda.                           | Hortifrut S.A.  | Plot N°69, Proyecto Parcelación Virquenco, Los Ángeles, Chile                                   | 7.00 has   |
| Chile   | Inversiones IMG Ltda.                           | Hortifrut S.A.  | Plot Nº71, Proyecto Parcelación Virquenco, Los Ángeles, Chile                                   | 16.83 has  |
| Chile   | Inversiones IMG Ltda.                           | a. Hortifrut S.A. Plot N°72, Proyecto Parcelación Virquenco, Los Ángeles, Chile     |   | 8.00 has   |
| Chile   | Inversiones IMG Ltda.                           | ELtda. Hortifrut S.A. Plot N°73, Proyecto Parcelación Virquenco, Los Ángeles, Chile |   | 18.10 has  |
| Chile   | Inversiones IMG Ltda.                           | Hortifrut S.A.  | Plot N°74, Proyecto Parcelación Virquenco, Los Ángeles, Chile                                   |            |
| Chile   | Inversiones IMG Ltda.                           | Hortifrut S.A.  | Hijuela 2da, Lot B, Resto o Reserva Hacienda Virquenco,<br>Los Ángeles, Chile                   | 10.50 has  |
| Chile   | Inversiones IMG Ltda.                           | Hortifrut S.A.  | Plot N°50, Proyecto Parcelación Virquenco, Los Ángeles, Chile                                   | 4.26 has   |
| Chile   | Agrícola e Inmobiliaria<br>Lumaco S.A.          | Hortifrut S.A.  | Plot N°68, Proyecto Parcelación Virquenco, Los Ángeles, Chile                                   | 13.60 has  |
| Chile   | Agrícola e Inmobiliaria<br>Lumaco S.A.          | Hortifrut S.A.  | A part of property denominated Plot Nº51, Proyecto Parcelación<br>Virquenco, Los Ángeles, Chile | 6.22 has   |
| Chile   | Agrícola e Inmobiliaria<br>Lumaco S.A.          | Hortifrut S.A.  | A part of property denominated Plot N°64, Proyecto Parcelación<br>Virquenco, Los Ángeles, Chile | 8.10 has   |
| Chile   | Agrícola e Inmobiliaria<br>Lumaco S.A.          | Hortifrut S.A.  | Plot N°75, Proyecto Parcelación Virquenco, Los Ángeles, Chile                                   | 20.00 has  |
| Chile   | Sociedad Agrícola y Ganadera<br>El Otonal Ltda. | Agrícola El Avellano S.A.   | Fundo El Avellano, Osorno, Chile  | 130.00 has |
| Chile   | Silvia García Salas y Otros                     | Hortifrut S.A.  | Plot №20, Proyecto Parcelación Por la Razón o la Fuerza,<br>Mulchén, Chile                      | 11.00 has  |
| Chile   | Miguel Angel Muñoz Hidalgo<br>y Otros           | Hortifrut S.A. (sub-leased to<br>Hortifrut Comercial S.A.)                          | Piece of land denominated Las Mercedes, Chanco, Chile   | 21.67 has  |

(11) HF Sarbanand S. de R.L. de C.V. is Trustee of the described fields, which constitute the equity of the Trust. In case of its extinction, its equity is transferred to the Trustee.

#### FIELDS AND PROPERTIES LEASE CONTRACTS (CONTINUED)

| COUNTR           | Y LESSOR   | LESSEE   | DESCRIPTION OF ASSET   | SURFACE               |  |
|------------------|--|--|--|-----------------------|--|
| Chile            | Sergio Meza Pérez y Otra   | Hortifrut S.A. (sub-leased to<br>Hortifrut Comercial S.A.) | Part of Fundo San Baldomero, Chanco, Chile   | 50.00 has             |  |
| Chile            | Francisco Cancino Tapia  | Hortifrut S.A. (sub-leased to<br>Hortifrut Comercial S.A.) | Rural property, Sector Punchema, Chanco, Chile   | 8.05 has              |  |
| Chile            | Eliseo Retamal Meza  | Hortifrut Comercial S.A.                                   | Part of property denominated El Recreo, Reloca, Chanco, Chile  | 1.00 has              |  |
| Chile            | Pedro Peñailillo Peralta   | Hortifrut Comercial S.A.                                   | Part of property Punchema, Chanco, Chile   | 5.49 has              |  |
| Chile            | Andreas Wagner<br>Lamers y Otros   | Hortifrut Comercial S.A.                                   | Lot N°2, Plot N°116, Colonia Gabriel González Videla,<br>La Serena, Chile  | 10.00 has             |  |
| Chile            | María Angélica Osorio Cortés   | Hortifrut Comercial S.A.                                   | Part of Plot N°136, Colonia Gabriel González Videla,<br>La Serena, Chile   | 22.30 has             |  |
| Chile            | María Angélica Osorio Cortés   | Hortifrut Comercial S.A.                                   | Water Rights Plot N°136, Colonia Gabriel González Videla,<br>La Serena, Chile  | N/A                   |  |
| Chile            | Sara Eugenia Letelier Letelier   | Hortifrut S.A.   | Resto Hijuela 2da, Fundo Ponunquén and Lot A of Plano<br>de Hijuelación, Fundo Ponunquén, Curepto, Chile   | 76.37 has             |  |
| Chile            | Olga Albina Álvarez Schilling<br>v Otros   | Hortifrut S.A.   | Lot C del Resto de la Hijuela of 160 has, Comuna de Gorbea<br>(4ta faja), IX Región de la Araucanía, Chile   | 19.30 has             |  |
| Chile            | Arándanos del Sur S.A.   | Agrícola Hortifrut S.A.                                    | Resto denominated Lote C, Santa Olga, Comuna<br>Padre Las Casas, Chile   | 92.00 has             |  |
| Chile            | Hortifrut S.A.   | Agrícola y Ganadera<br>Santa Rebeca Ltda.                  | A portion of property denominated Plot N°64,<br>Proyecto Parcelación Virguenco, Los Ángeles, Chile   | 2.50 has              |  |
| Chile            | Alena Sneberger González   | Agrícola Mataquito S.A.                                    | Plots 81, 83, 86, 88 and Lot D of Plot 82,<br>Proyecto Parcelación El Tártaro y Lo Vicuña, Putaendo, Chile   | 42.21 has             |  |
| Chile            | Satel Inversiones Inmobiliarias S.A.   | Hortifrut Chile S.A.                                       | Offices 31 and 33, warehouse 28 and underground parking<br>71, 72, 73, 74, 75 and 76, Building N°1 denominated La Pirámide,<br>Av. Del Condor N°600, Huechuraba, Santiago, Chile | 291 mts²              |  |
| Chile            | Agrícola Hortifrut S.A.  | Hortifrut Chile S.A.                                       | Storage center located inside the Rustic Field Río Negro, Chile  | 0.80 has              |  |
| Chile            | Agrícola Hortifrut S.A.  | Hortifrut Chile S.A.                                       | Portion of land of 1 hectare of Lot 12-A, Plot N°12,<br>Proyecto Parcelación Santa Isabel, Freire, Chile   | 1.00 has              |  |
| Chile            | SOF South Organic Fruits S.A.<br>(propiedad arrendada a<br>Frigorífico Santa Rosa) | Hortifrut Chile S.A.                                       | Warehouse of 1,200 m2 and office of 140 m2, Chillán, Chile   | 1,340 mts²            |  |
| Chile            | SOF South Organic Fruits S.A.<br>(propiedad arrendada a<br>Frigorífico Santa Rosa) | Hortifrut Chile S.A.                                       | Space of 340 m2, cold chamber 1 of 826 m2;<br>cold chamber 2 of 268 m2 and cold chamber 3 of 356 m2,<br>Chillán, Chile   | 1,790 mts²            |  |
| Chile            | Integrity S.A.   | Hortifrut Comercial S.A.                                   | Office, laboratory and warehouse located at San Pablo Antiguo s/n<br>lote R1-A, Km 16,5 Ruta 68, Pudahuel, Chile   |                       |  |
| Mexico           | Guillermo Cortés Santiago  | Hortifrut ABA S.A. de C.V.                                 | Plot 65 Z1 P2/4, Guayabos, Zapotiltic, Jalisco, Mexico   | 9.48 has              |  |
| Mexico           | Abraham Mendoza Gudiño   | Hortifrut ABA S.A. de C.V.                                 | Plot 257 Z1 P2/4, Guayabos, Zapotiltic, Jalisco, Mexico  | 2.84 has              |  |
| Mexico           | Juan José Vargas Mendoza   | Hortifrut ABA S.A. de C.V.                                 | Plot 58 y 75 Z1 P2/4, Guayabos, Zapotiltic, Jalisco, Mexico  | 20.05 has             |  |
| Mexico           | Ramón Villalcazo M.  | Hortifrut ABA S.A. de C.V.                                 | Plot 62 Z1 P2/4, Guayabos, Zapotiltic, Jalisco, Mexico   | 9.41 has              |  |
| Mexico           | Hilario Javier Alcaraz   | Hortifrut ABA S.A. de C.V.                                 | Plot 531 y 61 Z1 P2/4, Guayabos, Zapotiltic, Jalisco, Mexico   | 5.00 has              |  |
| Mexico           | Víctor Morales Aguilar   | Hortifrut ABA S.A. de C.V.                                 | Plot 64 Z1 P2/4, Guayabos, Zapotiltic, Jalisco, Mexico   | 9.71 has              |  |
| Mexico           | Consuelo Ocegueda Cardenas   | Hortifrut ABA S.A. de C.V.                                 | Plot 59 Z1 P2/4, Guayabos, Zapotiltic, Jalisco, Mexico   | 5.00 has              |  |
| Mexico           | Gonzalo Mendoza Villalvazo   | Hortifrut ABA S.A. de C.V.                                 | Plot 78 ZI P2/4, Guayabos, Zapotiltic, Jalisco, Mexico   | 11.28 has             |  |
| Mexico           | Mº Isabel Preciado Sánchez   | Hortifrut ABA S.A. de C.V.                                 | Plot 89 Z1 P2/4, Guayabos, Zapotiltic, Jalisco, Mexico   | 9.62 has              |  |
| Mexico<br>Mexico | Pedro Mendoza Ocegueda<br>Mº del Refugio   | Hortifrut ABA S.A. de C.V.<br>Hortifrut ABA S.A. de C.V.   | Plot 60 Zl P2/4, Guayabos, Zapotiltic, Jalisco, Mexico<br>Plot 67 Zl P2/4, Guayabos, Zapotiltic, Jalisco, Mexico   | 5.03 has<br>9.55 has  |  |
| Mexico           | Preciado Barragán<br>Mº Isabel Preciado Magaña                                     | Hortifrut ABA S.A. de C.V.                                 | Part of rustic property located on Plot 89Z-1 P 2/4,   | 3.43 has              |  |
| Mexico           | N° Isabel Preciado Magana<br>Silvino Hernández Madrid                              | Hortifrut ABA S.A. de C.V.                                 | Guayabos, Zapotiltic, Jalisco, Mexico<br>Plot 1943 ZI P2/7, Ahualulco de Mercado, Jalisco, Mexico  | 3.43 nas<br>12.75 has |  |
| Mexico           | Arturo González Vallejo  | Hortifrut ABA S.A. de C.V.                                 | Plot 1937 Z1 P2/7, Ahualulco de Mercado, Jalisco, Mexico   | 7.99 has              |  |
| Mexico           | José Sandoval Sandoval   | Hortifrut ABA S.A. de C.V.                                 | Precio Coyotes, El Salvador, Tequila, Jalisco, Mexico  | 105.60 has            |  |
| Mexico           | Gerogina del Toro Bayardo<br>y Otros   | Hortifrut ABA S.A. de C.V.                                 | Part of Rustic property denominated Loma de Apango,<br>El Crucero y El Molino, Zapotlán el Grande, Jalisco, Mexico   | 77.57 has             |  |
| Mexico           | Carlos del Toro Figueroa   | Hortifrut ABA S.A. de C.V.                                 | Middle field, Loma de Apango, El Crucero, Rincón del Zapote,<br>Jalisco, Mexico  | 41.27 has             |  |
| Mexico           | Promociones Biogeneticas S.A.<br>de C.V.   | HF Sarbanand S. de R.L. de C.V.                            | Fraction of Rustic Field denominated El Gato, Zapotiltic,<br>Jalisco, Mexico   | 30.00 has             |  |
| Mexico           | Lenin García Torres  | HF Sarbanand S. de R.L. de C.V.                            | Rustic field Los Alamos, Ahome, Sinaloa, Mexico  | 68.81 has             |  |
| Mexico           | Lenin García Torres  | HF Sarbanand S. de R.L. de C.V.                            | Rustic field Los Alamos, Ahome, Sinaloa, Mexico  | 12.19 has             |  |
| Mexico           | Inversiones Corerepe, S.A.<br>de C.V.  |  |  | 101 mts <sup>2</sup>  |  |
| Mexico           | J. Jesus Barragán Plascencia   | Agrícola Los Reyes S. de R.L.<br>de C.V.                   | Fraction of Plot number 99 21 Pl/2, Núcleo Agrario Los Limones,<br>Municipio de Los Reyes, Michoacán, Mexico   | 2.50 has              |  |
| Mexico           | Pablo Martínez González  | Agrícola Los Reyes S. de R.L.<br>de C.V.                   | Plot number 101 ZI PI/2, Núcleo Agrario Los Limones,<br>Municipio de Los Reyes, Michoacán, Mexico  | 14.65 has             |  |





| COUNTR | LESSOR   | LESSEE   | DESCRIPTION OF ASSET   | SURFACE                 |
|--------|--|--|--|-------------------------|
| Mexico | J. Jesus Barragán Oseguera   | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Plot number 220 Zl P1/2, Núcleo Agrario Los Limones,<br>Municipio de Los Reyes, Michoacán, Mexico                | 4.48 has                |
| Mexico | Yolanda Guerrero Camacho   | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Plot number 104 Z1 P1/2, Núcleo Agrario Los Limones,<br>Municipios de Los Reyes, Michoacán, Mexico               | 4.40 has                |
| Mexico | Francisco Javier Gutierrez Torres                                      | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Lot Number 12,13,14,15 Y 16 of Manzana G, Fraccionamiento<br>Pradera Moctezuma, Zapotiltic, Jalisco, Mexico      | 590.32 mts              |
| Mexico | Israel Medrano Davila  | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Land number 14 of Manzana F, Fraccionamiento Puerta del Sol,<br>Zapotiltic, Jalisco, Mexico                      | 147.45 mts <sup>2</sup> |
| Mexico | Maria Aurora Torres Galvan   | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Warehouse located on land number 14 of Manzana F,<br>Fraccionamiento Puerta del Sol, Zapotiltic, Jalisco, Mexico | 40.86 mts <sup>2</sup>  |
| Mexico | Jaime Lares Rangel   | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Store F-56, Condominio Concentro, Avenida Vallarta 6503,<br>Colonia Ciudad Granja, Zapopán, Jalisco, Mexico      | 56.25 mts <sup>2</sup>  |
| Mexico | José Millan Hinojosa   | Hortifrut S.A. de C.V.   | Part of Plot 28 Z-1 Pl/1 located in ejido de Zirimicuaro,<br>Ziracuaretiro, Michoacán, Mexico                    | N/A                     |
| Mexico | Daniel Oregel Madrigal y Otra  | Hortifrut S.A. de C.V.   | Rustic property denominated "El Casco o la Sierrilla",<br>Municipio de Peribán, Michoacán, Mexico                | 1.75 has                |
| Mexico | Victor Mercado Calles  | Hortifrut S.A. de C.V.   | Part of Lot 19, Fraccionamiento Predio Santa Rosa, Ahome,<br>Los Mochis, Sinaloa, Mexico                         | 4.00 has                |
| Mexico | Agrolenin S.A. de C.V.   | Hortifrut S.A. de C.V.   | Warehouse BO1, Module B, Franccionamiento Logística<br>y Distribución Integral Los Mochis, Sinaloa, Mexico       | 160 mts²                |
| Mexico | Santa Balbanera S.P.R. de R.L.   | Hortifrut S.A. de C.V.   | Warehouse BO2, Module B, Franccionamiento Logística y<br>Distribución Integral Los Mochis, Sinaloa, Mexico       | 160 mts <sup>2</sup>    |
| Mexico | Agrícola Famevi, S.P.R. de R.L.  | Agrofrutas, S. de R.L. de C.V.                                     | Fraction of Plot ejidal number 1 Z-1 P1/1, Periban de Ramos,<br>Michoacán, Mexico                                | 3.00 has                |
| Mexico | Agroindustrias<br>de Durango S.P.R de R.L.                             | Agrofrutas, S. de R.L. de C.V.                                     | Land number 6 denominated "Rancho El Carmen", Cantlán,<br>Durando, Mexico  | 2.00 has                |
| Mexico | Heinrich Wolfgang Wulfert  | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Floor 9, Torre Corey, Av. Vallarta 6503, Colonia Ciudad Granja,<br>Zapopán, Jalisco, Mexico                      | 303 mts <sup>2</sup>    |
| Mexico | Loit, S.C.   | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Floor 7, Torre Corey, Av. Vallarta 6503, Colonia Ciudad Granja,<br>Zapopán, Jalisco, Mexico                      | 303 mts²                |
| Mexico | Lucila Sandoval Villalvazo   | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Independencia 104, Zapotiltic, Jalisco, Mexico   | 304 mts <sup>2</sup>    |
| Mexico | Patricia Judith Ceballos Larios  | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Francisco I Madero 77, Zapotiltic, Jalisco, Mexico   | 734 mts <sup>2</sup>    |
| Mexico | Jorge Abel Ceballos Espinoza   | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Zaragoza 24, Zapotiltic, Jalisco, Mexico   | 453 mts <sup>2</sup>    |
| Mexico | Patricia Judith Ceballos Larios  | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Francisco I Madero 75, Zapotiltic, Jalisco, Mexico   | 292 mts <sup>2</sup>    |
| Mexico | Teresa Jiménez Rodríguez   | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | House N°12, Calle Niños Héroes, Colonia Palmita, Tuxpan,<br>Jalisco, Mexico                                      | 853 mts <sup>2</sup>    |
| Mexico | Silvia Gutiérrez Torres  | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Farm N°26, Calle David Ceballos, Interior 1, Colonia Colinde,<br>Zapotiltic, Jalisco, Mexico                     | 1.00 has                |
| Mexico | Aurora Torres Galván y Otro  | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Calle Guerrero №12, Zapotiltic, Jalisco, Mexico  | 385 mts²                |
| Mexico | José Gutiérres Torres y Otra   | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Calle Guerrero №14, Zapotiltic, Jalisco, Mexico  | 325 mts <sup>2</sup>    |
| Mexico | Francisco Gutiérrez Torres   | Agrícola Los Reyes S. de R.L.<br>de C.V.                           | Lot 5 Manzana 5, Fraccionimiento La Presa, Zapotiltic,<br>Jalisco, Mexico  | 125 mts²                |
| Spain  | Destro S.A.  | Hortifrut Spain Southern Sun S.L.                                  | Rustic Farm denominated El Alamillo, Municipio de Almonte,<br>Provincia de Huelva, Andalucía, Spain              | 200.00 ha:              |
| Spain  | Patrimonial Arándalus, S.L.  | Hortifrut Spain Southern Sun S.L.                                  | Rustic farm denominated El Rompido, Municipio de Cartaya,<br>Provincia de Huelva, Andalucía, Spain               | 11.90 has               |
| Spain  | Ayuntamiento de Villaviciosa   | Asturian Berries, S.L.   | Communal Farm, located in Monte La Rasa de Selorio,<br>Ayuntamiento de Villaviciosa, Asturias, Spain             | 13.00 has               |
| Brazil | José Ribeiro de Rezende  | BerryGood Comercial Importadora<br>y Distribuidora de Frutas Ltda. | Rua Joao Silverio N°312, Centro, Senador Amaral,<br>Minas Gerais, Brazil   | N/A                     |
| Brazil | Edson Lopes  | BerryGood Comercial Importadora<br>y Distribuidora de Frutas Ltda. | Commercial shed, Rua Joao Silverio N°220, Centro,<br>Senador Amaral, Minas Gerais, Brazil                        | N/A                     |
| Brazil | Luz Hudson Nogueira  | BerryGood Comercial Importadora<br>y Distribuidora de Frutas Ltda. | Rua Joao Silverio N°332, Centro, Senador Amaral,<br>Minas Gerais, Brazil   | N/A                     |
| Brazil | Antonio Da Conceicao Pereira   | BerryGood Comercial Importadora<br>y Distribuidora de Frutas Ltda. |  | N/A                     |
| Brazil | Ricardo Gianini Filho  | BerryGood Comercial Importadora<br>y Distribuidora de Frutas Ltda. |  | N/A                     |
| Brazil | Ricardo Gianini Filho  | BerryGood Comercial Importadora<br>y Distribuidora de Frutas Ltda. |  | N/A                     |
| Brazil | Espolio de Joao Alves de Rezendey<br>Maria de Lourdes Reodrigues Silva | BerryGood Comercial Importadora<br>y Distribuidora de Frutas Ltda. |  | 6.00 has                |
| Brazil | Espolio de Gilberto<br>Silveiro de Rezende                             | BerryGood Comercial Importadora<br>y Distribuidora de Frutas Ltda. |  | 6.79 has                |



#### FIELDS AND PROPERTIES LEASE CONTRACTS (CONTINUED)

| COUNTRY | LESSOR  | LESSEE   | DESCRIPTION OF ASSET  | SURFACE    |  |
|---------|---|--|---|------------|--|
| Brazil  | Maria Silverio de Mendonca                                  | BerryGood Comercial Importadora<br>y Distribuidora de Frutas Ltda. | Sitio Correntinho, Senador Amaral, Minas Gerais, Brazil   | 42.35 has  |  |
| Brazil  | Armando Merli Junior<br>y Antonio Romualdo<br>Morales Filho | BerryGood Comercial Importadora<br>y Distribuidora de Frutas Ltda. | Offices 512 and 513 of Edificio Capital Corporate Office,<br>Avenida Doutor Chucri Zaidan 1550, Sao Paulo, Brazil | N/A        |  |
| Brazil  | Taffrio Servicos<br>de Armazenagens<br>Refrigeradas Ltda.   | BerryGood Comercial Importadora<br>y Distribuidora de Frutas Ltda. | Commercial room Nº14-externa, Avenida Prefeito Joao<br>Vilallobo Quero 1505, Barueri, Sao Paulo, Brazil           | N/A        |  |
| Peru    | Beatriz Nunura Mío y Otro                                   | HFE Berries Peru S.A.C.  | Floors 1 and 2, Calle Grua N°1028, Olmos, Lambayeque, Peru  | N/A        |  |
| Peru    | aría Emerita Farroñan More HFE Berries Peru S.A.C.          |  | House located in Caserío La Algodonera, Olmos, Lambayeque, Peru   |            |  |
| Peru    | Asencio Tineo Ursinio                                       | HFE Berries Peru S.A.C.  | House locatd in Caserío La Algodonera, Olmos, Lambayeque, Peru  | N/A        |  |
| Peru    | Juan Mío Chunga   | HFE Berries Peru S.A.C.  | House located in Caserío La Algodonera, Olmos, Lambayeque, Peru   | N/A        |  |
| Peru    | Elmer Bances Cajusol  | HFE Berries Peru S.A.C.  | House located in Caserío La Algodonera, Olmos, Lambayeque, Peru   | N/A        |  |
| Peru    | Constructora e Inmobiliaria<br>Brisas del Norte S.A.C.      | HFE Berries Peru S.A.C.  | Apartment N°201, calle Los Zapadores N°135, Urb. Santa Victoria,<br>Chiclayo, Lambayeque, Peru                    |            |  |
| Peru    | Constructora e Inmobiliaria<br>Brisas del Norte S.A.C.      | HFE Berries Peru S.A.C.  | Apartment N°202, calle Los Zapadores N°135, Urb. Santa Victoria,<br>Chiclayo, Lambayeque, Peru                    |            |  |
| Peru    | Constructora e Inmobiliaria<br>Brisas del Norte S.A.C.      | HFE Berries Peru S.A.C.  | Apartment N°203, calle Los Zapadores N°135, Urb. Santa Victoria,<br>Chiclayo, Lambayeque, Peru                    | N/A        |  |
| Peru    | Tal S.A.  | Hortifrut Tal S.A.C.   | Lot VD 3, Puerto Mori 2, Virú, Peru   | 10.00 has  |  |
| Peru    | María Raquel Cerdeña  | Hortifrut Peru S.A.C.  | El Palmar Nº115, Urbanización El Golf, Victor Largo Herrera,<br>Trujillo, Peru                                    | 1,180 mts² |  |
| Peru    | Tal S.A.  | Hortifrut Peru S.A.C.  | Office N°702, N°703 and N°704, Floor 7, Edificio Link Tower,<br>Av. Manuel Olguin N°351, Surco, Lima, Peru        | 167 mts²   |  |

#### MAIN USUFRUCTS

| COUNTRY | USUFRUCTOR               | USUFRUCTUARY             | DESCRIPTION OF ASSET  | SURFACE   |
|---------|--------------------------|--------------------------|---|-----------|
| Chile   | Rosa Villablanca Franco  | Agrícola Vida Nueva S.A. | Plot N°33, Proyecto Parcelación Vida Nueva, Villarrica, Chile       | 10.00 has |
| Chile   | Inversiones Canihua S.A. | Agrícola Vida Nueva S.A. | Resto Plot N°33, Proyecto Parcelación Vida Nueva, Villarrica, Chile | 29.70 has |

#### MAIN GOODS IN LEASING

| COUNTRY | FINANCIAL ENTITY          | DEBTOR                  | DESCRIPTION OF ASSET   |
|---------|---------------------------|-------------------------|--|
| Chile   | BBVA                      | Hortifrut S.A.          | Office 41, 42, 43, 44 and 32, underground parkings 70, 73, 84, 85, 86, 87, 88, 89, 90, 94, 95, 15, 16, 17<br>18, 19, 20, 21, 22, 23 y 24, and warehouses 37, 38, 39 and 40, Building N°1 denominated La Pirámide,<br>Av. Del Cóndor N°600, Huechuraba, Santiago, Chile |
| Chile   | BBVA                      | Hortifrut S.A.          | Warehouse 43, parkings 47,48,49 and 50 of Edificio La Pirámide, Av. Del Valle Nº601, Huechuraba, Santiago, Chile   |
| Chile   | BCI                       | Hortifrut Chile S.A.    | Lot E-2 and underground water exploitation rights , Ex Fundo Viña San Pedro, Molina, Chile   |
| Peru    | Scotiabank Peru S.A.A.    | HFE Berries Peru S.A.C. | Processing and packing plant, located at Fundo "El Algarrobal" Ramal Sur, Lote B6A-B6B,<br>Proyecto de Irrigación Olmos, Olmos, Lambayeque, Peru   |
| Peru    | Banco de Crédito del Peru | Hortifrut Tal S.A.C.    | Equipment for blueberry packing and processing plant , Carretera Industrial Km 1,5, El Palmo,<br>Trujillo, Peru  |
| Peru    | Banco de Crédito del Peru | Hortifrut Tal S.A.C.    | CCTV video surveillance system, Carretera Industrial Km 1,5, El Palmo, Trujillo, Peru  |
| Peru    | Banco de Crédito del Peru | Hortifrut Tal S.A.C.    | 6 trucks Hyundai H100 and 6 bodyworks Halcon Baranda   |
| Peru    | Banco de Crédito del Peru | Hortifrut Peru S.A.C.   | Truck scale and installation, Carretera Industrial N°1, Urbanización El Palmo, Trujillo, Peru  |
| Peru    | Banco de Crédito del Peru | Hortifrut Peru S.A.C.   | 3 trucks Toyota Hilux 4x4 y 6 trucks Hyundai H100  |
| Peru    | Scotiabank Peru S.A.A.    | Hortifrut Peru S.A.C.   | 1 blueberry production line equipment brand A&B, 1 blueberry production line equipment<br>brand BBC, jab washers, callibrators, inspection tables, filling systems and clamshell elevators,<br>packing table and fresh tracker   |
| Peru    | Scotiabank Peru S.A.A.    | Hortifrut Peru S.A.C.   | 3 trucks Nissan Frontier 4x2, 1 tractor Ferrari V65, temperature control system for tunnel,<br>air compressor, agricultural pulverizer, Olympian electrogen group, three-phase transformers,<br>5 label appliers Etan K-50S and 5 coding Video Jet VJ-1220             |
| Peru    | Scotiabank Peru S.A.A.    | Hortifrut Peru S.A.C.   | Civil Works Industrial Blueberry Plant and Machines Room, Autopista Trujillo Salaverry Km 2,5,<br>Trujillo, Peru   |
| Peru    | Scotiabank Peru S.A.A.    | Hortifrut Peru S.A.C.   | Themal isolation system, mechanical and electrical refrigeration system, hall evaporators,<br>Carretera Industrial Km 1,5, El Palmo, Trujillo, Peru  |



| BENEFICIARY COMPANY                 | COUNTRY | TYPE OF INSURANCE                      | ТОРІС  | CURRENCY | COVERED AMOUNT   | VALIDITY   |
|-------------------------------------|---------|--|--|----------|------------------|------------|
| Hortifrut Comercial S.A.            | Chile   | Fire                                   | Building, Machinery and Installations, Content | UF       | 23,600           | 31-05-202  |
| Hortifrut Comercial S.A.            | Chile   | Damages due to stoppage                | Loss due to stoppage                           | UF       | 11,000           | 31-05-202  |
| Hortifrut Comercial S.A.            | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | 18,508           | 31-08-2019 |
| Agrícola Hortifrut S.A.             | Chile   | Fire                                   | Building, Machinery and Installations, Content | UF       | 52,940           | 31-05-202  |
| Agrícola Hortifrut S.A.             | Chile   | Damages due to stoppage                | Loss due to stoppage                           | UF       | 100,000          | 31-05-202  |
| Agrícola Hortifrut S.A.             | Chile   | Agricultural Mobile Equipment          | t Tractors                                     | UF       | 6,042            | 31-08-2019 |
| Agrícola Hortifrut S.A.             | Chile   | Agricultural Mobile Equipment          | t Tractors                                     | UF       | 1,240            | 31-08-2019 |
| Agrícola Hortifrut S.A.             | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | 9,048            | 31-08-2019 |
| Agrícola Hortifrut S.A.             | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | 10,981           | 31-08-2019 |
| Agrícola Hortifrut S.A.             | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | 2,645            | 31-08-2019 |
| Agrícola El Avellano S.A.           | Chile   | Fire                                   | Building, Machinery and Installations, Content | UF       | 7,800            | 31-05-202  |
| Agrícola El Avellano S.A.           | Chile   | Damages due to stoppage                | Loss due to stoppage                           | UF       | 11,000           | 31-05-202  |
| Agrícola El Avellano S.A.           | Chile   |  | t Tractor - Damages and Expenses               | UF       | 5,363            | 31-08-2019 |
| Agrícola El Avellano S.A.           | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | 8,624            | 31-08-2019 |
| Agrícola Vida Nueva S.A.            | Chile   | Fire                                   | Building, Machinery and Installations, Content | UF       | 31,975           | 31-05-202  |
| Agrícola Vida Nueva S.A.            | Chile   | Damages due to stoppage                | Loss due to stoppage                           | UF       | 60,000           | 31-05-202  |
| Agrícola Vida Nueva S.A.            | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | 5,765            | 31-08-201  |
| Agrícola Vida Nueva S.A.            | Chile   |  | t Tractor - Damages and Expenses               | UF       | 2,425            | 31-08-201  |
| Agrícola Santa Rosa del Parque S.A. | Chile   | Fire                                   | Building, Machinery and Installations, Content | UF       | 12.600           | 31-05-202  |
| Agrícola Santa Rosa del Parque S.A. | Chile   | Damages due to stoppage                | Loss due to stoppage                           | UF       | 55,000           | 31-05-202  |
| Agrícola Santa Rosa del Parque S.A. | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | 5,582            | 31-08-201  |
| Agrícola Santa Rosa del Parque S.A. | Chile   |  | t Tractor - Damages and Expenses               | UF       | 7,249            | 31-08-201  |
| Agrícola Mataquito S.A.             | Chile   | Fire                                   | Building, Machinery and Installations, Content | UF       | 30,000           | 31-05-202  |
| Agrícola Mataquito S.A.             | Chile   | Damages due to stoppage                | Loss due to stoppage                           | UF       | 40,000           | 31-05-202  |
| Agrícola Mataquito S.A.             | Chile   |  | t Tractor - Damages and Expenses               | UF       | 3,541            | 31-08-201  |
| Agrícola Mataquito S.A.             | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | 6,486            | 31-08-201  |
| Agrícola El Pampino S.A.            | Chile   | Fire                                   | Building, Machinery and Installations, Content | UF       | 4,150            | 31-05-202  |
| Agrícola El Pampino S.A.            | Chile   | Fire                                   | Plantation Tunnels                             | UF       | 7,687            | 30-11-2019 |
| Agrícola El Pampino S.A.            | Chile   | Damages due to stoppage                | Loss due to stoppage                           | UF       | 25,000           | 31-05-202  |
| Agrícola El Pampino S.A.            | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | 3,202            | 31-08-201  |
| Agrícola El Pampino S.A.            | Chile   |  | t Tractor - Damages and Expenses               | UF       | 2,409            | 31-08-201  |
| Hortifrut Chile S.A.                | Chile   | Fire                                   | Building, Machinery and Installations, Content | UF       | 1,372,700        | 31-08-201  |
|                                     |         |  |  | UF       |                  |            |
| Hortifrut Chile S.A.                | Chile   | Damages due to stoppage                | Loss due to stoppage                           |          | 850,000          | 31-05-202  |
| Hortifrut Chile S.A.                | Chile   | Terrorism                              | Terrorism                                      | UF       | 500,000          | 30-11-2019 |
| Hortifrut Chile S.A.                | Chile   | Fresh Fruit                            | Fresh Fruit, IQF, Materials                    | USD      | 9,810,916        | 30-11-2019 |
| Hortifrut Chile S.A.                | Chile   | Agricultural Mobile Equipment          |  | UF       | 5,245            | 31-08-2019 |
| Hortifrut Chile S.A.                | Chile   | Personal accidents                     | Damages to Officers (Guards)                   | UF       | 3,000            | 30-08-20   |
| Hortifrut Chile S.A.                | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | Commercial Value | 31-08-201  |
| Hortifrut Chile S.A.                | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | Commercial Value | 31-08-201  |
| Hortifrut Chile S.A.                | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | Commercial Value | 31-08-2019 |
| Hortifrut Chile S.A.                | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | 8,178            | 31-08-201  |
| Hortifrut Chile S.A.                | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | 34,946           | 31-08-201  |
| Hortifrut Chile S.A.                | Chile   | Health and Life                        | Health and Life                                | UF       | 400 x pers.      | 31-07-2019 |
| Hortifrut Chile S.A.                | Chile   | General Civil<br>and Product Liability | General Civil and Product Liability            | USD      | 5,000,000        | 04-09-20   |
| Hortifrut Chile S.A.                | Chile   | Credit Insurance                       | Credit Insurance                               | USD      | 20,000,000       | 31-10-2019 |
| Hortifrut Chile S.A.                | Chile   | Maritime Transport Insurance           | Maritime Transport                             | USD      | 7,000,000        | 30-06-20   |
| Hortifrut S.A.                      | Chile   | Fire                                   | Building, Machinery and Installations, Content | UF       | 39,900           | 31-05-202  |
| Hortifrut S.A.                      | Chile   | Damages due to stoppage                | Loss due to stoppage                           | UF       | 75,000           | 31-05-202  |
| Hortifrut S.A.                      | Chile   | Guarantee Insurance                    | Hortifrut Challenge Contract                   | UF       | 2,256            | 27-01-201  |
| Hortifrut S.A.                      | Chile   | Guarantee Insurance                    | Hortifrut Challenge Contract                   | UF       | 136              | 27-01-201  |
| Hortifrut S.A.                      | Chile   | Directors and Officers (D&O)           |  | USD      | 10,000,000       | 10-07-201  |
| Hortifrut S.A.                      | Chile   |  | t Tractor - Damages and Expenses               | UF       | 14,218           | 31-08-201  |
| Hortifrut S.A.                      | Chile   | Vehicles                               | Pick-up Trucks                                 | UF       | 31,322           | 31-08-201  |

### Insurance Policies (CONTINUED)

| BENEFICIARY COMPANY  | COUNTRY | TYPE OF INSURANCE            | ТОРІС  | CURRENCY | COVERED AMOUNT                                    | VALIDITY                 |
|--|---------|------------------------------|--|----------|---|--------------------------|
| Hortifrut Imports Inc. /<br>Naturipe Farms Imports Inc.                    | USA     | Civil Product Liability      | Civil Product Responsibility   | USD      | 20,000,000  | 01-09-2019               |
| Hortifrut S.A. de C.V. /<br>Agrícola Los Reyes S. de R.L. de C.V.          | Mexico  | Transporting of Load         | Land and Maritime Load Transport Insurance   | USD      | 200,000/shipment                                  | 01-11-2019               |
| Hortifrut S.A. de C.V. /<br>Agrícolas Los Reyes S. de R.L. de C.V.         | Mexico  | Protection of Business Goods | Fire, Technology, Machinery, Civil Liability,<br>Electronic Equipment, Theft with Violence | USD      | 35,378,200  | 01-11-2019               |
| Hortifrut ABA S.A de C.V.  | Mexico  | Vehicles                     | Pick-up Trucks   | USD      | Commercial Value                                  | 24-02-2019               |
| Agrícola Los Reyes S. de R.L. de C.V.                                      | Mexico  | Vehicles                     | Pick-up Trucks   | USD      | Commercial Value                                  | 24-02-2019               |
| HF Sarbanand S. de R.L. de C.V.  | Mexico  | Vehicles                     | Pick-up Trucks   | USD      | Commercial Value                                  | 24-02-2019               |
| Hortifrut S.A. de C.V.   | Mexico  | Vehicles                     | Pick-up Trucks   | USD      | Commercial Value                                  | 24-02-2019               |
| Servicios Hortifrut S.A. de C.V.   | Mexico  | Vehicles                     | Pick-up Trucks   | USD      | Commercial Value                                  | 24-02-2019               |
| Agrícola Los Reyes S. de R.L. de C.V.                                      | Mexico  | Major Medical Expenses       | Medical Expenses of fortnightly personnel  | PMEX     | 1,734 times the minimum<br>monthly salary         | 28-05-2019               |
| Agrícola Los Reyes S. de R.L. de C.V.                                      | Mexico  | Major Medical Expenses       | Medical expenses of dependent personnel  | PMEX     | 1,734 times the minimum<br>monthly salary         | 28-05-2019               |
| Agrícola Los Reyes S. de R.L. de C.V.                                      | Mexico  | Life Insurance               | Natural Death, Accidental Death,<br>Total and Permanent Disability                         | PMEX     | 36 months of gross<br>monthly salary              | 24-07-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Tractor - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 31-12-2018               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 31-12-2018               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Tow - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 31-12-2018               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 18-01-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 01-03-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 01-03-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 01-05-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 01-05-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 01-06-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 01-06-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 01-06-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 01-06-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 01-11-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 01-11-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 27-10-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 13-11-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 13-12-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | EUR      | Commercial Value / unlimited                      | 23-12-2019               |
|  |         |                              |  | EUR      |   |                          |
| Hortifrut España Southern Sun, S.L.<br>Hortifrut España Southern Sun, S.L. | Spain   | Vehicles<br>Installations    | Tractor - Daño / Responsabilidad Civil<br>Installations                                    | EUR      | Commercial Value / unlimited<br>360,500 per event | 06-09-2019<br>30-10-2019 |
|  | Spain   |                              |  |          |   |                          |
| Hortifrut España Southern Sun, S.L.  | Spain   | Worker accident insurance    | Fixed Personnel  | EUR      | As per standard                                   | 10-11-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Goods                        | Goods  | EUR      | 50,000 per event                                  | 12-05-2019               |
| Hortifrut España Southern Sun, S.L.  | Spain   | Civil Liability              | Civil Liability  | EUR      | 3,000,000   | 01-07-2019               |
| Euroberry Marketing S.A.   | Spain   | Civil Liability              | Civil Liability  | EUR      | 3,500,000   | 23-08-2019               |
| Euroberry Marketing S.A.   | Spain   | Credit Insurance             | Sales to Customers   | EUR      | 90% unpaid  | 05-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | USD      | 26,730  | 12-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | USD      | 19,440  | 12-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | USD      | 19,440  | 12-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | USD      | 36,765  | 12-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | USD      | 26,730  | 12-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | USD      | 38,700  | 12-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | USD      | 15,291  | 12-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | USD      | 26,991  | 12-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | USD      | 26,991  | 12-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | USD      | 26,991  | 12-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Pick-up Truck - Damage / Civil Liability   | USD      | 26,991  | 12-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Three wheeler - Damage / Civil Liability   | USD      | 4,961   | 12-12-2019               |
| HFE Berries Perú S.A.C.  | Peru    | Vehicles                     | Four wheeler - Damage / Civil Liability  | USD      | 115,920   | 12-12-2019               |



## Insurance Policies (CONTINUED)

| BENEFICIARY COMPANY  | COUNTRY | TYPE OF INSURANCE                            | ТОРІС   | CURRENCY | COVERED AMOUNT   | VALIDITY   |
|--|---------|--|---|----------|------------------|------------|
| HFE Berries Perú S.A.C.  | Peru    | Theft  | Theft   | USD      | 300,000          | 12-12-2019 |
| HFE Berries Perú S.A.C.  | Peru    | Multirisk                                    | Multirisk   | USD      | 5,000,000        | 12-12-2019 |
| HFE Berries Perú S.A.C.  | Peru    | Civil Liability                              | Civil Liability   | USD      | 1,000,000        | 12-12-2019 |
| HFE Berries Perú S.A.C.  | Peru    | Group accident insurance                     | Group Accident Insurance  | USD      | 100,000          | 01-05-2019 |
| Hortifrut Tal S.A.C. / Hortifrut Perú S.A.C.<br>/ Berries de Chao S.A.C. | Peru    | Multirisk                                    | Multirisk   | USD      | 80,000,000       | 01-03-2019 |
| Hortifrut Tal S.A.C. / Hortifrut Perú S.A.C.<br>/ Berries de Chao S.A.C. | Peru    | Dishonesty, Disappearance<br>and Destruction | Loss of Money and/or Securities, Counterfeit<br>Drafts, Purchase Orders, Cheques, Invoices,<br>Bank Documents and Others, Theft and Assault | USD      | 800,000          | 01-03-2019 |
| Hortifrut Tal S.A.C. / Hortifrut Perú S.A.C.<br>/ Berries de Chao S.A.C. | Peru    | Civil Liability                              | Third party damage  | USD      | 500,000          | 01-03-2019 |
| Hortifrut Tal S.A.C. / Hortifrut Perú S.A.C.<br>/ Berries de Chao S.A.C. | Peru    | Transporting of Load                         | Land and Maritime Load Transport Insurance  | USD      | 100,000/shipment | 01-03-2019 |
| Hortifrut Tal S.A.C. / Hortifrut Perú S.A.C.<br>/ Berries de Chao S.A.C. | Peru    | Vehicles                                     | Pick-up Truck - Damage / Civil Liability  | USD      | Commercial Value | 31-03-2019 |
| Hortifrut Perú S.A.C.  | Peru    | Contractors All Risk (CAR)                   | Construction in Process   | USD      | 2,353,103        | 25-03-2019 |
| Hortifrut Perú S.A.C.  | Peru    | Worker accident insurance                    | Health, Pension, Medical Assistance and Life  | USD      | As per standard  | 01-10-2019 |
| Hortifrut Tal S.A.C.   | Peru    | Worker accident insurance                    | Health, Pension, Medical Assistance and Life  | USD      | As per standard  | 01-10-2019 |
| Berries de Chao S.A.C.   | Peru    | Worker accident insurance                    | Health and Life   | USD      | As per standard  | 01-09-2019 |



Wage Gap

During 2018, Hortifrut, with the consultancy of Mercer Consulting Ltda., performed an evaluation of work positions, in order to establish an equal compensation policy, which can be compared at an international level. For this a regional salary structure was defined, in accordance with the Company's knowledge, defining salary bands from A to N.

The following table indicates the remuneration percentage of women in relation to men in the same professional position level, using the existing staff as of December 31, 2018:

| LEVEL | CATEGORY                        | % REMUNERATION<br>WOMEN VS MEN |
|-------|---------------------------------|--------------------------------|
| Ν     | Corporate General Management    | 0%                             |
| Μ     | Senior Executives               | 0%                             |
| K-L   | First Line Executives           | 93%                            |
| J     | Corporate Management            | 81%                            |
|       | Area Managers                   | 67%                            |
|       | Corporate Vice Managers         | 131%                           |
| Н     | Local Market Manager            | 62%                            |
|       | Vice Managers                   | 107%                           |
| G     | First Line Chiefs               | 93%                            |
| F     | Professionals/Functional Chiefs | 101%                           |
|       | Professionals/ Senior Chiefs    | 103%                           |
|       | Support Professionals           | 104%                           |
| E     | Operational Chiefs              | 106%                           |
| D     | Senior Analysts                 | 68%                            |
|       | In Charge of Area               | 95%                            |
| С     | Analysts                        | 100%                           |
|       | Supervisors                     | 113%                           |
|       | Technical                       | 134%                           |
| В     | Assistants                      | 102%                           |
|       | In Charge                       | 97%                            |
|       | Supervisors                     | 0%                             |
| A     | Administrative                  | 91%                            |
|       | Operators                       | 88%                            |
| TOTAL |                                 | 84%                            |

When the percentage corresponds to 100%, it indicates that there is no wage gap or difference in remuneration per gender. Likewise, when the percentage surpasses this value, it indicates that women's remunerations are higher than men's, while below 100% indicates that women's remuneration is lower. Additionally, when the percentage is 0%, it means that there are no women working at that level.

The wage gap at Hortifrut decreased 6 percent in relation to the previous year, identifying 10 levels where men earn more than women, nevertheless, the gaps are minimum compared to previous years, differences that are mainly explained by years of service in the position, educational level and the diversity of responsibilities associated to these. These responsibilities, depending on the area where each person works, will depend on, among other factors, the number of hectares they are in charge of, volumes of fruit to be packed, administration of money, work teams under their charge and access to the Company's strategic information

It is necessary to mention that Hortifrut, in its constant challenge to decrease gender gaps, has shown great progress during the year, which we expect to surpass during 2019. 

Risk factors

#### 1. SIGNIFICANT INCREASE IN SUPPLY

In the case of very significant increases in the hectares planted at a global level, this could generate a scenario of over-supply of Berries which could 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 Berries demand. This is due a combination of (i) a product with very positive effects on health; (ii) the increasing importance of the search for healthy food on behalf of consumers and (iii) a still relatively low consumption of berries per capita.

#### 2. 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 for commercializing during the year. Even though this risk is difficult to control, the Hortifrut Group aims for a greater geographic diversification and invests in infrastructure to assure the availability of water and to face possible weather conditions, such as rain, frost and hail control.

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

#### 5. PLAGUES AND DISEASES

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

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

Since 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.

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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 transgressed) 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 the 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.

#### 5. GENETIC DEVELOPMENT

The lack of modern varieties of plants could affect the competitiveness of the business, both agricultural and export and trade. Hortifrut currently counts with varietal development programs, maintaining at a worldwide level strategic alliances with universities and companies dedicated to this line of business, 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.

#### 6. EXCHANGE RATE

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 variations in the exchange rate of United States Dollar versus Chilean Pesos, Mexican Pesos, Peruvian Nuevo Soles and Euros.

Even though to date Hortifrut has not had problems in relation to the exchange rate risk, it must be taken into account that this fact does not guarantee that Hortifrut will not be exposed to this risk in the future.

#### IIQUIDITY AND FINANCING

This risk is associated to the probability that Hortifrut could not comply with its obligations, as a result of insufficient liquidity or the impossibility to obtain credits. Additionally, there is the risk that, as a result of the impairment of its operations and other circumstances, determined financial ratios could reach higher levels than the limits established in the credit contracts, which could limit the debt capacity or accelerate the maturity of the Company's valid financial liabilities.

To mitigate this risk, Hortifrut continuously monitors its financial ratios and other obligations stipulated in its credit contracts, in order to be able to take opportune actions to avoid potential negative effects associated to this risk. Additionally, Hortifrut manages these risks centrally from the parent company through an appropriate distribution, extension of terms and limits in the amount of its debt, as well as the maintenance of an adequate liquidity reserve, constantly monitoring the debt of its subsidiaries and associates.

Even though to date the Company has not had any problems associated to these risks, it must be taken into account that this fact does not guarantee that the Company will not be exposed to this risk in the future.





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 acknowledgment, 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.

#### **9.** INTERNATIONAL EXPANSION

As an international diversified company, Hortifrut can be affected by the economic, financial, political or cultural events or others that take place in the different countries where its subsidiaries and associated companies are located. The entrance into a new country requires a good understanding of the particularities of each one and of the preferences of its consumers. In this aspect, the Company counts with a Board with a vast experience both in the international scope and in the fruit market, and has always looked for the best partners in each country to start a new incursion.

#### **10** CONTINUITY AND SUPPLY AND SERVICES COSTS

The development of Hortifrut's business involves a complex logistic where the opportune supply of quality services and supplies are fundamental to maintain competitiveness. As in all agricultural business, the availability of water is critical to assure the good result of crops, so Hortifrut invests in infrastructure such as reservoirs and deep wells to partially mitigate this risk. Regarding power 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 restrictions could generate discontinuities in supply and/or higher costs for Hortifrut's plants. It is also important to consider eventual stoppages at ports and transport companies in general, which could affect Hortifrut's performance if these events extend in time.

#### **III.** NEW TECHNOLOGIES

Hortifrut, in its various entrepreneurships around the world, is constantly incorporating new technologies in the whole production process. The aforementioned implies risks associated to the lack of knowledge regarding the complete behavior of these. Even though they are mostly technologies that are widely used in the world, there is not yet an extended history that allows to know all the adverse effects that could result beforehand.

#### AVAILABILITY OF HUMAN RESOURCES

Temporary collaborators are vital for the fruit harvest, so Hortifrut has developed several initiatives to re-hire the temporary collaborators from one season to the next. In addition, people are hired through labor fairs and informative meetings organized with the intermediation of the municipalities corresponding to the zone of each productive unit, so a relationship of mutual collaboration has been built with the community and its municipalities.

#### MERGER AND ACQUISITION PROCESS

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

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 a results level and in the balance, in order to make opportune decisions to remain within the thresholds allowed by its financing contracts.

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



Hortifrut S.A. and Subsidiaries Corresponding to the periods ending December 31, 2018 and December 31, 2017

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#### 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, 2018 and 2017, 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 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, 2018 and 2017, 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 Ltda.



Consolidated Statement of Financial Position (thousands of dollars)

|   | NOTE                             | 12/31/18  | 12/31/17   |
|---|----------------------------------|---|--|
| CURRENT ASSETS  |                                  |   |  |
| Cash and cash equivalents   | 8                                | 48,901  | 27,838   |
| Other current financial assets  | 9                                | 1,411   | 4,473  |
| Other current non-financial assets  | 14                               | 5,462   | 5,614  |
| Current trade debtors and other accounts receivable   | 10                               | 82,202  | 46,092   |
| Current accounts receivable from related entities   | 11                               | 48,317  | 48,132   |
| Inventories   | 12                               | 86,490  | 44,556   |
| Biological assets, current  | 13                               | 21,076  | 9,716  |
| Current tax assets  | 20                               | 2,007   | 1,086  |
| TOTAL CURRENT ASSETS OR GROUPS OF ASSETS FOR DISPOSITION<br>CLASSIFIED AS HELD FOR SALE OR HELD AS DISTRIBUTABLE TO OWNERS  | ;                                | 295,866   | 187,50   |
|   |                                  | -   |  |
| Current assets or proups of assets for its disposition as keep to sale  |                                  |   |  |
| Current assets or proups of assets for its disposition as keep to sale<br>Total non-current assets or groups of assets for disposition clasified<br>as held for sale or held as distributable to owners   |                                  | -   |  |
| Total non-current assets or groups of assets for disposition clasified  |                                  | -<br>295,866  | 187,50   |
| Total non-current assets or groups of assets for disposition clasified<br>as held for sale or held as distributable to owners   |                                  | -<br>295,866  | 187,50   |
| Total non-current assets or groups of assets for disposition clasified<br>as held for sale or held as distributable to owners<br>TOTAL CURRENT ASSETS   | 9                                | -<br><b>295,866</b><br>317                                    | <b>187,50</b> 7  |
| Total non-current assets or groups of assets for disposition clasified<br>as held for sale or held as distributable to owners<br>TOTAL CURRENT ASSETS<br>NON-CURRENT ASSETS   | 9 14                             |   |  |
| Total non-current assets or groups of assets for disposition clasified<br>as held for sale or held as distributable to owners<br>TOTAL CURRENT ASSETS<br>NON-CURRENT ASSETS<br>Other non-current financial assets   | -                                | 317   | 1,345  |
| Total non-current assets or groups of assets for disposition clasified<br>as held for sale or held as distributable to owners<br>TOTAL CURRENT ASSETS<br>NON-CURRENT ASSETS<br>Other non-current financial assets<br>Other non-current non-financial assets   | 14                               | 317<br>1,192  | 1,345  |
| Total non-current assets or groups of assets for disposition clasified<br>as held for sale or held as distributable to owners<br>TOTAL CURRENT ASSETS<br>NON-CURRENT ASSETS<br>Other non-current financial assets<br>Other non-current non-financial assets<br>Non-current fees receivable  | 14<br>10                         | 317<br>1,192<br>1,546   | 1,34<br>1,41<br>1,61                                     |
| Total non-current assets or groups of assets for disposition clasified<br>as held for sale or held as distributable to owners<br>TOTAL CURRENT ASSETS<br>NON-CURRENT ASSETS<br>Other non-current financial assets<br>Other non-current non-financial assets<br>Non-current fees receivable<br>Non-current accounts receivable with related entities   | 14<br>10<br>11                   | 317<br>1.192<br>1,546<br>4,224                                | 1,34<br>1,41<br>1,61<br>8,060                            |
| Total non-current assets or groups of assets for disposition clasified<br>as held for sale or held as distributable to owners<br>TOTAL CURRENT ASSETS<br>NON-CURRENT ASSETS<br>Other non-current financial assets<br>Other non-current non-financial assets<br>Non-current fees receivable<br>Non-current fees receivable<br>Non-current accounts receivable with related entities<br>Equity accounted investees  | 14<br>10<br>11<br>16             | 317<br>1,192<br>1,546<br>4,224<br>29,385                      | 1,34!<br>1,41<br>1,61!<br>8,060<br>67,84                 |
| Total non-current assets or groups of assets for disposition clasified<br>as held for sale or held as distributable to owners<br>TOTAL CURRENT ASSETS<br>NON-CURRENT ASSETS<br>Other non-current financial assets<br>Other non-current non-financial assets<br>Non-current fees receivable<br>Non-current fees receivable<br>Non-current accounts receivable with related entities<br>Equity accounted investees<br>Intangible assets other than goodwill   | 14<br>10<br>11<br>16<br>17       | 317<br>1,192<br>1,546<br>4,224<br>29,385<br>15,020            | 1,34<br>1,41<br>1,61<br>8,060<br>67,84<br>14,48          |
| Total non-current assets or groups of assets for disposition clasified<br>as held for sale or held as distributable to owners<br>TOTAL CURRENT ASSETS<br>NON-CURRENT ASSETS<br>Other non-current financial assets<br>Other non-current non-financial assets<br>Other non-current non-financial assets<br>Non-current fees receivable<br>Non-current fees receivable with related entities<br>Equity accounted investees<br>Intangible assets other than goodwill<br>Goodwill                                      | 14<br>10<br>11<br>16<br>17<br>18 | 317<br>1,192<br>1,546<br>4,224<br>29,385<br>15,020<br>179,770 | 1,34<br>1,41<br>1,61<br>8,060<br>67,84<br>14,48<br>26,76 |
| Total non-current assets or groups of assets for disposition clasified<br>as held for sale or held as distributable to owners<br>TOTAL CURRENT ASSETS<br>NON-CURRENT ASSETS<br>Other non-current financial assets<br>Other non-current non-financial assets<br>Other non-current non-financial assets<br>Non-current fees receivable<br>Non-current accounts receivable with related entities<br>Equity accounted investees<br>Intangible assets other than goodwill<br>Goodwill<br>Property, plant and equipment | 14<br>10<br>11<br>16<br>17<br>18 | 317<br>1,192<br>1,546<br>4,224<br>29,385<br>15,020<br>179,770 | 1,34<br>1,41<br>1,61<br>8,060<br>67,84<br>14,48<br>26,76 |

| TOTAL ASSETS | 1,247,320 | 572,688 |
|--------------|-----------|---------|
|              |           |         |

## Consolidated Statement of Financial Position (thousands of dollars)

|   | NOTE | 12/31/18 | 12/31/17 |
|---|------|----------|----------|
|   |      |          |          |
| CURRENT LIABILITIES                               |      |          |          |
| Other current financial liabilities               | 21   | 172,629  | 151,531  |
| Current trade accounts and other accounts payable | 22   | 88,319   | 49,724   |
| Current accounts payable to related entities      | 11   | 7,646    | 6,142    |
| Other current provisions                          | 23   | 829      | 545      |
| Current provisions for employee benefits          | 23   | 2,926    | 1,612    |
| Other current non-financial liabilities           |      | 2,069    | 992      |
| TOTAL CURRENT LIABILITIES                         |      | 274,418  | 210,546  |
|   |      |          |          |

| NON-CURRENT LIABILITIES                          |    |         |         |
|--|----|---------|---------|
| Other non-current financial liabilities          | 21 | 331,443 | 83,966  |
| Other non-current accounts payable               | 22 | 6,506   | -       |
| Non-current accounts payable to related entities | 11 | 8,562   | 12,071  |
| Other non-current provisions                     |    | -       | 35      |
| Deferred tax liabilities                         | 20 | 106,966 | 22,495  |
| TOTAL NON-CURRENT LIABILITIES                    |    | 453,477 | 118,567 |

| TOTAL LIABILITIES | 727,895 | 329,113 |
|-------------------|---------|---------|
|                   |         |         |

#### EQUITY

| Issued Capital   | 24 | 347,191   | 135,149 |
|--|----|-----------|---------|
| Retained earnings  | 25 | 135,518   | 70,503  |
| Issuance premium   | 24 | (4,221)   | -       |
| Other reserves   | 26 | (11,806)  | 1,165   |
| Equity attributable to the parent company's equity holders |    | 466,682   | 206,817 |
| Non-controlling interest                                   | 27 | 52,743    | 36,758  |
| TOTAL EQUITY   |    | 519,425   | 243,575 |
|  |    |           |         |
|  |    | 1 247 320 | 572 688 |

Consolidated Income Statement (thousands of dollars)

|  |          | 01/01/18             | 01/01/17            |
|--|----------|----------------------|---------------------|
|  | NOTE     | 12/31/18             | 12/31/17            |
| Operating Developue  | 20       | E 20 1E 7            | 700 250             |
| Operating Revenue Cost of sales  | 29<br>30 | 528,157<br>(414,184) | 388,250             |
| GROSS PROFIT   | 30       | 113,973              | (324,718)<br>63,532 |
|  |          |                      |                     |
| Other income, per function   | 29       | 7,503                | 495                 |
| Administrative expenses  | 30       | (38,080)             | (26,773)            |
| Other expenses, per function   | 30       | (7,003)              | (4,743)             |
| Other profit (loss)  | 32       | 60,823               | (363)               |
| Financial income   |          | 1,448                | 1,746               |
| Financial expenses   | 31       | (17,254)             | (5,711)             |
| Interest in the profit (loss) of associated companies and joint ventures which<br>are recorded using the equity method | 16       | (3,483)              | 9,468               |
| Exchange rate differences  | 33       | 2,005                | (5,256)             |
| PROFIT (LOSS) BEFORE TAX   |          | 119,932              | 32,395              |
| Income tax expenses  | 20       | (27,416)             | (4,690)             |
| PROFIT (LOSS) FROM CONTINUED OPERATIONS  |          | 92,516               | 27,705              |
| PROFIT (LOSS)  |          | 92,516               | 27,705              |
| Profit (loss), attributable to parent company equity holders   |          | 83,883               | 26,563              |
| Profit (loss), attributable to non-controlling interests   | 27       | 8,633                | 1,142               |
| PROFIT (LOSS)  |          | 92,516               | 27,705              |
| EARNINGS PER SHARE   |          |                      |                     |
| Basic earnings (loss) per share from continued operations<br>(US\$ per share)  | 28       | 0.174428             | 0.06099             |
| Basic earnings (loss) per share from discontinued operations<br>(US\$ per share)                                       |          | -                    | -                   |
| BASIC EARNINGS (LOSS) PER SHARE  |          | 0.174428             | 0.060991            |
| Diluted earnings (loss) per share from continued operations<br>(US\$ per share)  |          | 0.174428             | 0.,06099            |
| Diluted earnings (loss) per share from discontinued operations<br>(US\$ per share)                                     |          | -                    | -                   |
| DILUTED EARNINGS (LOSS) PER SHARE  |          | 0.174428             | 0.06099             |

# Consolidated Comprehensive Income Statement (thousands of dollars)

|  | 01/01/18 | 01/01/17 |
|--|----------|----------|
|  | 12/31/18 | 12/31/17 |
|  | 00 510   | 07705    |
| Profit (loss)  | 92,516   | 27,705   |
| OTHER COMPREHENSIVE INCOME   |          |          |
| COMPONENTS OF OTHER COMPREHENSIVE INCOME, BEFORE TAX                   |          |          |
| EXCHANGE RATE FLUCTUATIONS   |          |          |
| Profit (loss) due to exchange rate differences, before tax             | (9,467)  | 7,516    |
| OTHER COMPREHENSIVE INCOME, BEFORE TAX, EXCHANGE RATE FLUCTUATIONS     | (9,467)  | 7,516    |
| CASH FLOW COVERAGE   |          |          |
| Profit (loss) due to cash flow coverage, before tax                    | (6,354)  | 1,216    |
| OTHER COMPREHENSIVE INCOME, BEFORE TAX, CASH FLOW COVERAGE             | (6,354)  | 1,216    |
| OTHER COMPONENTS OF OTHER COMPREHENSIVE INCOME, BEFORE TAX             | (15,821) | 8,732    |
| GAINS TAX RELATED WITH COMPONENTS OF OTHER COMPREHENSIVE INCOME        |          |          |
| Gains tax related with cash flow hedging of other comprehensive income | 1,008    | (364)    |
| TOTAL GAINS TAX RELATED WITH COMPONENTS OF OTHER COMPREHENSIVE INCOME  | 1,008    | (364)    |
| OTHER COMPREHENSIVE INCOME   | (14,813) | 8,368    |
| TOTAL COMPREHENSIVE INCOME   | 77,703   | 36,073   |
| COMPREHENSIVE INCOME ATTRIBUTABLE TO                                   |          |          |
|  | 70.010   | 70.047   |

| Comprehensive income attributable to the company equity holders | 70,912 | 32,647 |
|---|--------|--------|
| Comprehensive income attributable to non-controlling interests  | 6,791  | 3,426  |
| TOTAL COMPREHENSIVE RESULT                                      | 77,703 | 36,073 |



Consolidated Statement of Changes in Net Equity (thousands of dollars)

|   | ISSUED<br>CAPITAL | ISSUANCE<br>PREMIUM |
|---|-------------------|---------------------|
|   | NOTE 24           | NOTE 24             |
| OPENING BALANCE AS OF 01/01/2018                        | 135,149           | -                   |
| Decrease due to application of new accounting standards |                   | -                   |
| MODIFIED OPENING BALANCE                                | 135,149           | -                   |
| CHANGES IN EQUITY                                       |                   |                     |
| COMPREHENSIVE INCOME                                    |                   |                     |
| Profit (loss)   | -                 | -                   |
| Other comprehensive income                              | -                 | -                   |
| TOTAL COMPREHENSIVE INCOME                              | · · ·             | -                   |
| Issuance of equity                                      | 212,042           | (4,221)             |
| Dividends   |                   | -                   |
| Increase (decrease) due to transfers and other changes  |                   | -                   |
| TOTAL CHANGES IN EQUITY                                 | 212,042           | (4,221)             |
| CLOSING BALANCE AS OF AL 12/31/2018                     | 347,191           | (4,221)             |

|  | ISSUED<br>CAPITAL | ISSUANCE<br>PREMIUM |
|--|-------------------|---------------------|
|  | NOTE 24           | NOTE 24             |
| OPENING BALANCE AS OF 01/01/2017                       | 136,411           | (1,262)             |
|  |                   |                     |
| CHANGES IN EQUITY                                      |                   |                     |
| COMPREHENSIVE INCOME                                   |                   |                     |
| Profit (loss)  | -                 | -                   |
| Other comprehensive income                             | -                 | -                   |
| TOTAL COMPREHENSIVE INCOME                             | -                 | -                   |
|  |                   |                     |
| Dividends  | -                 | -                   |
| Increase (decrease) due to transfers and other changes | (1,262)           | 1,262               |
| TOTAL CHANGES IN EQUITY                                | (1,262)           | 1,262               |
|  |                   |                     |
| CLOSING BALANCE AS OF 12/31/2017                       | 135,149           | -                   |



| AS OF DECEMBI                             | ER 31, 2018                       |                   |                              |   |                                |              |
|---|-----------------------------------|-------------------|------------------------------|---|--------------------------------|--------------|
| EXCHANGE RATE<br>FLUCTUATIONS<br>RESERVES | CASH FLOW<br>COVERAGE<br>RESERVES | OTHER<br>RESERVES | ACCUMULATED<br>PROFIT (LOSS) | EQUITY<br>ATTRIBUTABLE TO<br>PARENT COMPANY<br>EQUITY HOLDERS | NON<br>CONTROLLING<br>INTEREST | TOTAL EQUITY |
| NOTE 26                                   | NOTE 26                           | NOTE 26           | NOTE 25                      |   | NOTE 27                        |              |
| (2,351)                                   | 3,516                             | 1,165             | 70,503                       | 206,817   | 36,758                         | 243,575      |
|   |                                   |                   | (786)                        | (786)   | (126)                          | (912)        |
| (2,351)                                   | 3,516                             | 1,165             | 69,717                       | 206,031   | 36,632                         | 242,663      |
|   |                                   |                   |                              |   |                                |              |
|   |                                   |                   |                              |   |                                |              |
|   |                                   |                   |                              |   |                                |              |
| -   | -                                 | -                 | 83,883                       | 83,883  | 8,633                          | 92,516       |
| (7,781)                                   | (5,190)                           | (12,971)          | -                            | (12,971)  | (1,842)                        | (14,813)     |
| (7,781)                                   | (5,190)                           | (12,971)          | 83,883                       | 70,912  | 6,791                          | 77,703       |
|   |                                   |                   |                              |   |                                |              |
|   |                                   | -                 | -                            | 207,821   | -                              | 207,821      |
|   |                                   | -                 | (18,082)                     |   | (157)                          | (18,239)     |
|   |                                   | -                 | -                            | _   | 9,477                          | 9,477        |
| -   | •                                 | -                 | (18,082)                     | 189,739   | 9,320                          | 199,059      |
|   |                                   |                   |                              |   |                                |              |
| (10,132)                                  | (1,674)                           | (11,806)          | 135,518                      | 466,682   | 52,743                         | 519,425      |
|   |                                   |                   |                              |   |                                |              |

| AS OF DECEMBI                             | ER 31, 2017                      |                   |                              |   |                                |              |
|---|----------------------------------|-------------------|------------------------------|---|--------------------------------|--------------|
| EXCHANGE RATE<br>FLUCTUATIONS<br>RESERVES | CASH FLOW<br>HEDGING<br>RESERVES | OTHER<br>RESERVES | ACCUMULATED<br>PROFIT (LOSS) | EQUITY<br>ATTRIBUTABLE TO<br>PARENT COMPANY<br>EQUITY HOLDERS | NON<br>CONTROLLING<br>INTEREST | TOTAL EQUITY |
| NOTE 26                                   | NOTE 26                          | NOTE 26           | NOTE 25                      |   | NOTE 27                        |              |
| (7,617)                                   | 2,698                            | (4,919)           | 56,218                       | 186,448   | 29,648                         | 216,096      |
|   |                                  |                   |                              |   |                                |              |
|   |                                  |                   |                              |   |                                |              |
|   |                                  |                   |                              |   |                                |              |
|   |                                  |                   | 26,563                       | 26,563  | 1,142                          | 27,705       |
| 5,266                                     | 818                              | 6,084             | -                            | 6.084   | 2.284                          | 8.368        |
| 5,266                                     | 818                              | 6,084             | 26,563                       | 32,647  | 3,426                          | 36,073       |
|   |                                  |                   |                              |   |                                |              |
| -   | -                                | -                 | (12,278)                     | (12,278)  | (313)                          | (12,591)     |
| -   | -                                | -                 | -                            | -   | 3,997                          | 3,997        |
| -   | -                                | -                 | (12,278)                     | (12,278)  | 3,684                          | (8,594)      |
|   |                                  |                   |                              |   |                                |              |
| (2,351)                                   | 3,516                            | 1,165             | 70,503                       | 206,817   | 36,758                         | 243,575      |

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Consolidated Cash Flour Statement (thousands of dollars)

|  | 01/01/18               | 01/01/17  |
|--|------------------------|-----------|
|  | 12/31/18               | 12/31/17  |
| CASH FLOW FROM (USED IN) OPERATING ACTIVITIES  |                        |           |
| TYPES OF CHARGES PER OPERATING ACTIVITIES  |                        |           |
| Collection from the sale of goods and the providing of services  | 510,895                | 377,214   |
| TYPES OF PAYMENTS  |                        |           |
| Payments to suppliers for the providing of goods and services  | (341,780)              | (274,144) |
| Payments to and on behalf of employees   | (93,756)               | (54,695)  |
| Paid interests   | (13,424)               | (5,711)   |
| Received interests   | 1,448                  | 1,746     |
| Income tax refund (paid)   | (14,954)               | (11,300)  |
| Other received (paid) cash   | (1,900)                | (1,023)   |
| NET CASH FLOW FROM (USED IN) OPERATING ACTIVITIES  | 46,529                 | 32,087    |
| 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  | (1,908)                | (356)     |
| Loans to related entities  | (4,018)                | (9,946)   |
| Income from the sale of property, plant and equipment  | 3,682                  | 1,543     |
| Purchase of property, plant and equipment  | (68,948)               | (58,309)  |
| Purchase of intangible assets  | (1,907)                | (1,568)   |
| Charges to related entities  | 7,366                  | 11,59C    |
| Other received (paid) cash   | 16,542                 | 3,997     |
| NET CASH FLOW FROM (USED IN) INVESTMENT ACTIVTIES  | (196,861)              | (53,049)  |
| CASH FLOW FROM (USED IN) FINANCING ACTIVITIES  |                        |           |
| Income from long term loans  | 318,010                | 44,072    |
| Income from short term loans   | 197,373                | 101,658   |
| TOTAL INCOME FROM LOANS  | 515,383                | 145,730   |
| Loans from related entities  | -                      | 1,204     |
| Payment of loans   | (319,863)              | (117,092) |
| Payment of liabilities for financial lease   | (5,961)                | (1,871)   |
| Paid dividends   | (13,696)               | (13,693)  |
| Other cash income (expense)  | (4,221)                | -         |
| NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES   | 171,642                | 14,278    |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS,<br>BEFORE EXCHANGE RATE FLUCTUATIONS   | 21,310                 | (6,684)   |
|  |                        |           |
|  | (247)                  | (723)     |
|  |                        |           |
| Effects of exchange rate fluctuations on cash and cash equivalents   | (247)                  | (723)     |
| Effects of exchange rate fluctuations on cash and cash equivalents NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS  | (247)<br><b>21,063</b> | (7,407)   |
| EFFECTS OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS<br>Effects of exchange rate fluctuations on cash and cash equivalents<br>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS<br>Cash and cash equivalents, opening balance<br>CASH AND CASH EQUIVALENTS, CLOSING BALANCE | (247)                  | . ,       |

Indicators

| RESULTS INDICATORS (CONSOLIDATED) |                      | 12/31/18    | 12/31/17    |
|-----------------------------------|----------------------|-------------|-------------|
| Operating Revenues                | Thousands of dollars | 528,157     | 388,250     |
| EBITDA (1)                        | Thousands of dollars | 108,895     | 59,520      |
| Profit (loss) (2)                 | Thousands of dollars | 92,516      | 27,705      |
| Number of issued shares           |                      | 525,546,131 | 435,520,079 |
| Earnings per share                | Dollars              | 0.1744      | 0.0610      |

| FINANCIAL POSITION INDICATORS (CONSOLIDATED) |                      | 12/31/18  | 12/31/17 |
|--|----------------------|-----------|----------|
| Total assets                                 | Thousands of dollars | 1,247,320 | 572,688  |
| Total liabilities                            | Thousands of dollars | 727,895   | 329,113  |
| Equity                                       | Thousands of dollars | 519,425   | 243,575  |
| Net financial debt (3)                       | Thousands of dollars | 455,171   | 207,659  |
| Current liquidity(4)                         | Times                | 1.08      | 0.89     |
| Acid-test ratio (5)                          | Times                | 0.67      | 0.61     |
| Debt ratio (6)                               | Times                | 1.56      | 1.59     |
| Solvency ratio (7)                           | Times                | 2.40      | 2.35     |
| Proportion short term debt / total debt (8)  | %                    | 37.70%    | 63.97%   |
| Proportion long term debt / total debt(9)    | %                    | 62.30%    | 36.03%   |
| Profitability of Equity (10)                 | %                    | 17.81%    | 11.37%   |

(1) Operating Result + Depreciation and Amortization, in IFRS

- (2) Corresponds to profit (loss) attributable to parent company equity holders and non parent company interests, in IFRS
- (3) Other current financial liabilities + Other non current financial liabilities Cash and cash equivalents, in IFRS
- (4) Current asset / Current liability, in IFRS
- (5) Available assets (Current asset Inventories Advanced payments) / Current liability, in IFRS
- (6) Total liabilities / Equity attributable to parent company equity holders, in IFRS
- (7) Total assets / Total equity, in IFRS
- (8) Current liabilities / Total liabilities, in IFRS
- (9) Non-current liabilities / Total liabilities, in IFRS
- (10) Profit (loss) of the period / Total equity, in IFRS

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Statement of Financial Position

| AS OF DECEMBER 31, 2018 (THOUSANDS OF DOLLARS) |         |             |         |         |             |         |         |
|--|---------|-------------|---------|---------|-------------|---------|---------|
| COMPANY  |         | ASSETS      |         |         |             | EQUITY  |         |
|  | CURRENT | NON-CURRENT | TOTAL   | CURRENT | NON-CURRENT | TOTAL   | TOTAL   |
| Hortifrut Chile S.A. and Subsidiaries          | 189,679 | 135,546     | 325,225 | 222,038 | 26,167      | 248,205 | 77,020  |
| Inversiones Hortifrut S.A. and Subsidiaries    | 210,261 | 746,195     | 956,456 | 201,871 | 599,405     | 801,276 | 155,180 |
| 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 Santa Rebeca Ltda.         | 46      | 151         | 197     | 34      | 10          | 44      | 153     |

| AS OF DECEMBER 31, 2017 (THOUSANDS OF DOLLARS) |         |             |         |         |             |         |        |
|--|---------|-------------|---------|---------|-------------|---------|--------|
| COMPANY  |         | ASSETS      |         |         | EQUITY      |         |        |
|  | CURRENT | NON-CURRENT | TOTAL   | CURRENT | NON-CURRENT | TOTAL   | TOTAL  |
| Hortifrut Chile S.A. and Subsidiaries          | 156,559 | 143,833     | 300,392 | 179,615 | 47,773      | 227,388 | 73,004 |
| Inversiones Hortifrut S.A. and Subsidiaries    | 97,377  | 186,955     | 284,332 | 19,466  | 181,657     | 201,123 | 83,209 |
| Agrícola Vida Nueva S.A.                       | 1,371   | 11,521      | 12,892  | 3,053   | 1,948       | 5,001   | 7,891  |
| Agrícola El Avellano S.A. and Subsidiaries     | 1,277   | 7,775       | 9,052   | 2,505   | 1,341       | 3,846   | 5,206  |
| Agrícola Hortifrut S.A.                        | 6,970   | 46,971      | 53,941  | 816     | 9,675       | 10,491  | 43,450 |
| Agrícola Mataquito S.A.                        | 1,799   | 16,713      | 18,512  | 10,047  | 5,523       | 15,570  | 2,942  |
| Agrícola Santa Rosa del Parque S.A.            | 1,621   | 5,952       | 7,573   | 1,332   | 1,870       | 3,202   | 4,371  |
| Agrícola y Ganadera Santa Rebeca Ltda.         | 25      | 155         | 180     | 13      | 0           | 13      | 167    |

Income Statement

| AS OF DECEMBER 31, 2018 (THOUSANDS OF DOLLARS)                   |         |           |         |          |         |  |  |  |  |
|--|---------|-----------|---------|----------|---------|--|--|--|--|
| COMPANY OPERATING COSTS AND OTHER<br>INCOME EXPENSES RESULTS TAX |         |           |         |          |         |  |  |  |  |
| Hortifrut Chile S.A. and Subsidiaries                            | 192,464 | (176,925) | (4,581) | (2,816)  | 8,142   |  |  |  |  |
| Inversiones Hortifrut S.A. and Subsidiaries                      | 428,527 | (361,129) | (4,663) | (25,428) | 37,307  |  |  |  |  |
| Agrícola Vida Nueva S.A.   | 3,153   | (3,803)   | 233     | 51       | (366)   |  |  |  |  |
| Agrícola El Avellano S.A. and Subsidiaries                       | 2,433   | (2,518)   | 215     | (239)    | (109)   |  |  |  |  |
| Agrícola Hortifrut S.A.  | 12,421  | (13,270)  | 105     | (281)    | (1,025) |  |  |  |  |
| Agrícola Mataquito S.A.  | 5,668   | (4,428)   | 481     | (593)    | 1,128   |  |  |  |  |
| Agrícola Santa Rosa del Parque S.A.                              | 2,324   | (2,126)   | (119)   | (66)     | 13      |  |  |  |  |
| Agrícola y Ganadera Santa Rebeca Ltda.                           | 74      | (63)      | (2)     | (8)      | 1       |  |  |  |  |

| CONDANN                                     | OPERATING | COSTS AND | OTHER   | TAX     | PROFIT |
|---|-----------|-----------|---------|---------|--------|
| COMPANY                                     | INCOME    | EXPENSES  | RESULTS | TAX     | (LOSS) |
| Hortifrut Chile S.A. and Subsidiaries       | 193,086   | (164,614) | (2,777) | (6,305) | 19,390 |
| Inversiones Hortifrut S.A. and Subsidiaries | 302,918   | (302,307) | 4,482   | 1,098   | 6,191  |
| Agrícola Vida Nueva S.A.                    | 3,426     | (2,993)   | (177)   | 14      | 270    |
| Colmenares Hortisur SpA                     | 4         | (87)      | 2       | 23      | (58)   |
| Agrícola El Avellano S.A. y Subsidiaries    | 2,896     | (3,145)   | (151)   | 322     | (78)   |
| Agrícola Hortifrut S.A.                     | 7,150     | (4,813)   | (33)    | (224)   | 2,080  |
| Agrícola Mataquito S.A.                     | 3,751     | (3,280)   | (706)   | 194     | (41)   |
| Agrícola Santa Rosa del Parque S.A.         | 3,292     | (1,998)   | (96)    | (228)   | 970    |
| Top Berries & Fruit SpA                     | 3,105     | (2,068)   | (143)   | (138)   | 756    |
| Berries de Panguipulli SpA                  | 4,877     | (4,399)   | 2       | (25)    | 455    |
| Agrícola y Ganadera Santa Rebeca Ltda.      | 60        | (67)      | 1       | 8       | 2      |



Statement of Changes in Net Equity

| AS OF DECEMBER 31, 2018 (THOUSANDS OF DOLLARS) |                 |                   |                 |  |  |  |  |
|--|-----------------|-------------------|-----------------|--|--|--|--|
| COMPANY  | OPENING BALANCE | CHANGES IN EQUITY | CLOSING BALANCE |  |  |  |  |
| Hortifrut Chile S.A. and Subsidiaries          | 73,004          | 4,016             | 77,020          |  |  |  |  |
| Inversiones Hortifrut S.A. and Subsidiaries    | 83,209          | 71,971            | 155,180         |  |  |  |  |
| Agrícola Vida Nueva S.A.                       | 7,891           | (517)             | 7,374           |  |  |  |  |
| Agrícola El Avellano S.A. and Subsidiaries     | 5,206           | 276               | 5,482           |  |  |  |  |
| Agrícola Hortifrut S.A.                        | 43,450          | (1,025)           | 42,425          |  |  |  |  |
| Agrícola Mataquito S.A.                        | 2,942           | 1,044             | 3,986           |  |  |  |  |
| Agrícola Santa Rosa del Parque S.A.            | 4,371           | (251)             | 4,120           |  |  |  |  |
| Agrícola y Ganadera Santa Rebeca Ltda.         | 167             | (14)              | 153             |  |  |  |  |

| AS OF DECEMBER 31, 2017 (THOUSANDS OF DOLLARS) |                 |                   |                 |  |  |  |  |
|--|-----------------|-------------------|-----------------|--|--|--|--|
| COMPANY  | OPENING BALANCE | CHANGES IN EQUITY | CLOSING BALANCE |  |  |  |  |
| Hortifrut Chile S.A. and Subsidiaries          | 47,016          | 25,988            | 73,004          |  |  |  |  |
| Inversiones Hortifrut S.A. and Subsidiaries    | 66,263          | 16,946            | 83,209          |  |  |  |  |
| Agrícola Vida Nueva S.A.                       | 7,591           | 300               | 7,891           |  |  |  |  |
| Colmenares Hortisur SpA                        | 406             | (406)             | 0               |  |  |  |  |
| Agrícola El Avellano S.A. and Subsidiaries     | 5,284           | (78)              | 5,206           |  |  |  |  |
| Agrícola Hortifrut S.A.                        | 22,151          | 21,299            | 43,450          |  |  |  |  |
| Agrícola Mataquito S.A.                        | 2,963           | (21)              | 2,942           |  |  |  |  |
| Agrícola Santa Rosa del Parque S.A.            | 3,819           | 552               | 4,371           |  |  |  |  |
| Top Berries & Fruit SpA                        | 4,926           | (4,926)           | 0               |  |  |  |  |
| Berries de Panguipulli SpA                     | 20,533          | (20,533)          | 0               |  |  |  |  |
| Agrícola y Ganadera Santa Rebeca Ltda.         | 177             | (10)              | 167             |  |  |  |  |

Cosh Flow Statements

| AL 31 DE DICIEMBRE DE 2018 (THOUSANDS OF DOLLARS) |  |            |   |   |   |   |        |  |  |
|---|--|------------|---|---|---|---|--------|--|--|
| COMPANY   | NET CASH FLOWS FROM (USED IN)<br>ONE OF THE FOLLOWING ACTIVITIES |            | NET INCREASE (DECREASE)<br>OF CASH AND CASH | EFFECT OF EXCHANGE RATE<br>FLUCTUATION ON CASH AND CASH | CASH AND CASH<br>EQUIVALENTS AT THE START | CASH AND CASH<br>EQUIVALENTS AT THE END |        |  |  |
|   | OPERATING  | INVESTMENT | FINANCING                                   | EQUIVALENTS   | EQUIVALENTS                               | EQUIVALENTS OF THE PERIOD               |        |  |  |
| Hortifrut Chile S.A. and Subsidiaries             | 39,048   | (4,928)    | (31.958)                                    | 2,162   | (130)                                     | 8,255                                   | 10,287 |  |  |
| Inversiones Hortifrut S.A. and Subsidiaries       | 119,991  | (191,700)  | 191,612                                     | 20,445  | (186)                                     | 17,581                                  | 37,839 |  |  |
| Agrícola Vida Nueva S.A.                          | 933  | (706)      | (231)                                       | (4)   | (12)                                      | 33                                      | 17     |  |  |
| Agrícola El Avellano S.A. and Subsidiaries        | 603  | (968)      | 65  | (300)   | (4)                                       | 322                                     | 20     |  |  |
| Agrícola Hortifrut S.A.                           | 810  | (1,064)    | -   | (254)   | 12  | 253                                     | 11     |  |  |
| Agrícola Mataquito S.A.                           | 2,427  | (1,662)    | (957)                                       | (192)   | 15  | 199                                     | 22     |  |  |
| Agrícola Santa Rosa del Parque S.A.               | 408  | (73)       | (375)                                       | (40)  | (1)                                       | 56                                      | 15     |  |  |
| Agrícola y Ganadera Santa Rebeca Ltda.            | 11   | -          | (13)  | (2)   | (2)                                       | 11                                      | 7      |  |  |

| AL 31 DE DICIEMBRE DE 2017 (THOUSANDS OF DOLLARS) |  |            |           |   |   |   |   |  |  |
|---|--|------------|-----------|---|---|---|---|--|--|
| COMPANY   | NET CASH FLOWS FROM (USED IN)<br>ONE OF THE FOLLOWING ACTIVITIES |            |           | NET INCREASE (DECREASE)<br>OF CASH AND CASH | EFFECT OF EXCHANGE RATE<br>FLUCTUATION ON CASH AND CASH | CASH AND CASH<br>EQUIVALENTS AT THE START | CASH AND CASH<br>EQUIVALENTS AT THE END |  |  |
|   | OPERATING  | INVESTMENT | FINANCING | EQUIVALENTS                                 | EQUIVALENTS   | OF THE PERIOD                             | OF THE PERIOD                           |  |  |
| Hortifrut Chile S.A. and Subsidiaries             | 59,411   | (9,660)    | (58,198)  | (8,447)                                     | (373)   | 17,075                                    | 8,255                                   |  |  |
| Inversiones Hortifrut S.A. and Subsidiaries       | (326)  | (22,409)   | 23,511    | 776   | -   | 16,805                                    | 17,581                                  |  |  |
| Agrícola Vida Nueva S.A.                          | 670  | (190)      | (545)     | (65)  | 9   | 89  | 33                                      |  |  |
| Colmenares Hortisur SpA                           | 92   | (196)      | -         | (104)                                       | -   | 103                                       | (1)                                     |  |  |
| Agrícola El Avellano S.A. and Subsidiaries        | 491  | 184        | (392)     | 283   | 8   | 31  | 322                                     |  |  |
| Agrícola Hortifrut S.A.                           | 1,106  | (899)      | -         | 207   | 2   | 44  | 253                                     |  |  |
| Agrícola Mataquito S.A.                           | 17   | (4,143)    | 4,294     | 168   | 9   | 22  | 199                                     |  |  |
| Agrícola Santa Rosa del Parque S.A.               | 572  | (731)      | (175)     | (334)                                       | 8   | 382                                       | 56                                      |  |  |
| Top Berries & Fruit SpA                           | 878  | (382)      | (513)     | (17)  | 3   | 14  | 0                                       |  |  |
| Berries de Panguipulli SpA                        | 1,773  | 2          | (1,799)   | (24)  | 14  | 10  | 0                                       |  |  |
| Agrícola y Ganadera Santa Rebeca Ltda.            | 41   | (25)       | (12)      | 4   | 1   | 6   | 11                                      |  |  |







### HORTIFRUT S.A. AND SUBSIDIARIES

### CLASSIFIED CONSOLIDATED FINANCIAL STATEMENT NOTES

### As of December 31, 2018 and 2017

### **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, enroll 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 registered 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 regulate the Stock Market, 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 counterseasons.

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 concretes 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: "Berries to the World Every Day". Thus, Hortifrut created a global and successful business model.

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

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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 award 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 award (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.

Agricultural Innovation Award 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 award, 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 acquisition and merger with Grupo Rocio, one of the most important producers, exporters and distributors of blueberries in the southern hemisphere.

**2018** – Materialization of the acquisition and merger of Grupo Rocio's blueberries business, with which 1,450 hectares planted in Peru were incorporated into Hortifrut, thus consolidating its position as a leader in the worldwide berries market.

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



### 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 270,078,156 of Hortifrut S.A.'s shares, which represent 51.39% of the Company's capital (out of a total of 525,546,131 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 90,026,052 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, 2018, the FM Group, the Vitalberry Group and the Quevedo Group jointly own 51.85% of the Company's capital, considering the shares they have in custody.

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

| Shareholder's Agreement            | Total Shares | <u>Ownership</u><br>percentage |
|------------------------------------|--------------|--------------------------------|
| FM Group                           |              |                                |
| Inversiones IMG Ltda.              | 81,792,248   | 15.56%                         |
| San Juan de Virquenco Tres S.A.    | 7,344,255    | 1.40%                          |
| Agrícolas San Nicolás Ltda.        | 929,550      | 0.18%                          |
| Total FM Group                     | 90,066,053   | 17.14%                         |
| Vitalberry Group                   |              |                                |
| San José Farms S.A.                | 36,773,594   | 7.00%                          |
| Exportadora San José Trading Ltda. | 13,359,181   | 2.54%                          |
| Inmobiliaria Algeciras Ltda.       | 42,243,674   | 8.04%                          |
| Total Vitalberry Group             | 92,376,449   | 17.58%                         |
| Quevedo Group                      |              |                                |
| Talsa Chile III SpA                | 89,125,792   | 16.96%                         |
| Inversiones Copemira S.p.A.        | 900,260      | 0.17%                          |
| Total Quevedo Group                | 90,026,052   | 17.13%                         |
| Total Shareholder's Agreement      | 272,468,554  | 51.85%                         |

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### 1.2.2. Shares distribution as of December 31, 2018 and 2017

|  | Subscribed and paid shares |                |                          |                |  |  |
|--|----------------------------|----------------|--------------------------|----------------|--|--|
| Shareholders   | 31-Dec-18                  | Percentage     | 31-Dec-17                | Percentage     |  |  |
| Inversiones IMG Limitada   | 81,792,248                 | 15.56%         | 109,316,620              | 25.10%         |  |  |
| Talsa Chile III SpA  | 89,125,792                 | 16.96%         | -                        | 0.00%          |  |  |
| Inmobiliaria Algeciras Ltda.   | 42,243,674                 | 8.04%          | 42,243,674               | 9.70%          |  |  |
| San José Farms S.A.  | 36,773,594                 | 7.00%          | 23,293,100               | 5.35%          |  |  |
| AFP Habitat S.A. para Fondo de Pensiones (A,B,C,D)<br>Compass Small Cap Chile Fondo de Inversión | 24,008,206                 | 4.57%          | 26,795,710               | 6.15%          |  |  |
| Compass Small cap Chile Fondo de Inversion<br>Costanera SACI                                     | 25,560,724<br>4,840,000    | 4.86%<br>0.92% | 24,696,191<br>30,079,545 | 5.67%<br>6.91% |  |  |
| Inversiones Costanera Ltda.  | 16,239,705                 | 3.09%          | 16,239,705               | 3.73%          |  |  |
| BTG Pactual Chile S.A. Administradora General de Fondos  | 14,661,541                 | 2.79%          | 15,439,253               | 3.55%          |  |  |
| Inmobiliaria Alianza S.A.  |                            | 0.00%          | 29,552,009               | 6.79%          |  |  |
| Banco Itaú por Cuenta de Inversionistas Extranjeros  | 27,750,121                 | 5.28%          | 1,631,577                | 0.37%          |  |  |
| Comercial Epysa S.A.   | 13,800,000                 | 2.63%          | 14,000,000               | 3.21%          |  |  |
| Exportadora San José Trading Ltda.   | 13,359,181                 | 2.54%          | 13,359,181               | 3.07%          |  |  |
| AFP Cuprum S.A. para Fondo de Pensiones (A,B,C,D)  | 14,793,830                 | 2.81%          | 10,211,473               | 2.34%          |  |  |
| AFP Provida S.A. Para fondo Pensión  | 21,223,500                 | 4.04%          | -                        | 0.00%          |  |  |
| Chile Fondo de Inversión Small Cap   | 10,605,706                 | 2.02%          | 10,487,906               | 2.41%          |  |  |
| San Juan de Virquenco Tres S.A.  | 7,344,255                  | 1.40%          | 7,344,255                | 1.69%          |  |  |
| Valles del Sur S.P.A.  | -                          | 0.00%          | 13,480,494               | 3.10%          |  |  |
| Siglo XXI Fondo de Inversión   | 14,273,620                 | 2.72%          | 11,182,969               | 2.57%          |  |  |
| Fondo de Inversión Santander Small Cap.  | 7,096,088                  | 1.35%          | 4,035,990                | 0.93%          |  |  |
| Asesorías e Inversiones Pacific Trust Limitada   | 4,732,485                  | 0.90%          | 4,732,485                | 1.09%          |  |  |
| Banchile C de B S.A.   | 7,629,602                  | 1.45%          | 484,948                  | 0.11%          |  |  |
| Banco Santander Chile - on behalf of foreign investors   | 3,280,286                  | 0.62%          | 4,653,029                | 1.07%          |  |  |
| Banco de Chile (on behalf of third parties)<br>Toesca Small Cap Chile Fondo de Inversión         | 5,217,701                  | 0.99%<br>1.02% | 958,903                  | 0.22%<br>0.15% |  |  |
| Inversiones Fural Limitada   | 5,355,406<br>1,982,756     | 0.38%          | 667,966<br>3,905,756     | 0.15%          |  |  |
| Inversiones Visionario SpA   | 5,537,786                  | 1.05%          | 3,905,750                | 0.90%          |  |  |
| Inversiones Tricahue Limitada  | 5,537,785                  | 1.05%          |                          | 0.00%          |  |  |
| Inversiones Barlovento Limitada  | 5,537,785                  | 1.05%          | -                        | 0.00%          |  |  |
| Empresas Penta S.A.  |                            | 0.00%          | 5,306,908                | 1.22%          |  |  |
| BCI Small Cap Chile Fondo de Inversión   | 2,706,959                  | 0.52%          | 2,335,201                | 0.54%          |  |  |
| Inversiones Canihua S.A.   | 1,577,475                  | 0.30%          | 1,577,475                | 0.36%          |  |  |
| Inversiones Alba S.A.  | 1,163,066                  | 0.22%          | 1,163,066                | 0.27%          |  |  |
| BTG Pactual Chile S.A. C de B  | 545,250                    | 0.10%          | 598,087                  | 0.14%          |  |  |
| Agrícola San Nicolás Limitada  | 929,550                    | 0.18%          | 929,550                  | 0.21%          |  |  |
| Inmobiliaria e Inversiones Alqueria Ltda.  | 765,947                    | 0.15%          | 965,947                  | 0.22%          |  |  |
| Asesorías, Inversiones e Inmobiliaria María Elena Ltda.  | 840,618                    | 0.16%          | 1,198,249                | 0.28%          |  |  |
| Valores Security S.A. C de B   | 590,032                    | 0.11%          | 483,199                  | 0.11%          |  |  |
| Inversiones Copemira SpA   | 900,260                    | 0.17%          | -                        | 0.00%          |  |  |
| Fondo de Inversión Larrainvial Small Cap Chile   | 811,022                    | 0.15%          | -                        | 0.00%          |  |  |
| Asesorías e Inversiones A y DS.A.  | 397,483                    | 0.08%          | 397,483                  | 0.09%          |  |  |
| Inversiones FJ   | 330,019                    | 0.06%          | 330,019                  | 0.08%          |  |  |
| BICE Inversiones Corredores de Bolsa S.A.  | 314,993                    | 0.06%          | 165,165                  | 0.04%          |  |  |
| Soc. de Inversiones Santa Isabel Limitada<br>Fondo Mutuo Bice Acciones Chile Mid Cap             | 350,000                    | 0.07%          | 100,000                  | 0.02%          |  |  |
| BBVA Asset Management Administradora General de Fondos S.A.                                      | 437,464                    | 0.08%          | -                        | 0.00%          |  |  |
| Santander Corredores de Bolsa S.A.   | 182,085<br>132,694         | 0.03%<br>0.03% | 207,085<br>152,472       | 0.05%<br>0.04% |  |  |
| Larraín Vial S.A. Corredores de Bolsa  | 132,094                    | 0.03%          | 71,095                   | 0.02%          |  |  |
| FI Credicorp Capital Small Cap Chile   | 234,063                    | 0.03%          | /1,095                   | 0.02%          |  |  |
| FM Toesca Chile Equities   | 234,003                    | 0.04%          | _                        | 0.00%          |  |  |
| BCI Corredores de Bolsa S.A.   | 113,767                    | 0.02%          | 91,965                   | 0.02%          |  |  |
| Fondo de Inversión Privado CCHC-C  | 199,648                    | 0.04%          | 91,905                   | 0.00%          |  |  |
| Fondo Mutuo Sura Acciones Chile MID Cap  | 154,340                    | 0.03%          | -                        | 0.00%          |  |  |
| AFP Planvital S.A. Para Fondo Pensión E  | 142,113                    | 0.03%          | -                        | 0.00%          |  |  |
| Credicorp Capital S.A. Corredores de Bolsa   | 134,316                    | 0.03%          | -                        | 0.00%          |  |  |
| Fondo de Inversión Falcom Small Cap Chile  | 112,676                    | 0.02%          | -                        | 0.00%          |  |  |
| MBI Corredores de Bolsa S.A.   | 103,370                    | 0.02%          | -                        | 0.00%          |  |  |
| Brokering Alacid Karin Lisbeth   |                            | 0.00%          | 86,433                   | 0.02%          |  |  |
| Brokering Alacid Waleter Alexander   | -                          | 0.00%          | 76,649                   | 0.02%          |  |  |
|  |                            |                |                          | 0.0=0/         |  |  |
| Others   | 691,424                    | 0.14%          | 491,292                  | 0.07%          |  |  |

### **Shares in custody**

These shareholders include shares that are in custody at banks and/or brokers, as detailed below as of December 31, 2018:

| Shareholders   | Custodian                             | Paid shares | Ownership<br>percentage |
|--|---------------------------------------|-------------|-------------------------|
| Inmobiliaria Algeciras Ltda.                           | Santander Corredores de Bolsa S.A.    | 5,000,000   | 0.95%                   |
| Asesorías e Inversiones Pacific Trust Limitada         | BCI Corredores de Bolsa S.A.          | 4,732,482   | 0.90%                   |
| Inversiones Fural Limitada                             | BCI Corredores de Bolsa S.A.          | 1,982,756   | 0.38%                   |
| Inversiones Canihua S.A.                               | BCI Corredores de Bolsa S.A.          | 1,577,475   | 0.30%                   |
| Asesorías e Inversiones A y DS.A.                      | Larraín Vial S.A. Corredores de Bolsa | 67,464      | 0.01%                   |
| Asesorías, Inversiones e Inmobiliaria María Elena Ltda | . BTG Pactual Chile S.A. C de B       | 840,618     | 0.16%                   |
|  | Total shares                          | 14,200,795  | 2.70%                   |

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### NOTE 2 – PREPARATION BASES

### 2.1. Compliance Declaration

Hortifrut S.A. and subsidiaries' consolidated financial statements corresponding to the period ending December 31, 2018, were approved by the Board at meeting held on March 28, 2019 and for the period ending December 31, 2017, were approved by the Board at meeting held on March 28, 2018.

### **2.2. Preparation Bases**

The current consolidated financial statements for Hortifrut S.A and Subsidiaries as of December 31, 2018 and December 31, 2017 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

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 or 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, 2018 and 2017.
- Consolidated income statement, for the periods ending December 31, 2018 and 2017.
- Consolidated Cash Flow statement, for the periods ending December 31, 2018 and 2017.
- Consolidated Statement of Changes in Net Equity, for the periods ending December 31, 2018 and 2017.

### 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:

|                    |     | 31-De        | c-18   | 31-De   | ec-17             |  |
|--------------------|-----|--------------|--------|---------|-------------------|--|
| Currency Nemo      |     | Nemo Closing |        | Closing | Annual<br>average |  |
| Chilean Peso       | CLP | 694.77       | 640.29 | 614.75  | 649.33            |  |
| Euro               | EUR | 0.87         | 0.85   | 0.83    | 0.89              |  |
| Mexican Peso       | MXN | 19.68        | 19.23  | 19.74   | 18.92             |  |
| Argentine Peso     | ARS | 37.70        | 28.61  | 18.57   | 16.54             |  |
| Brazilian Real     | RBL | 3.86         | 3.64   | 3.27    | 3.19              |  |
| Peruvian Nuevo sol | PEN | 3.37         | 3.28   | 3.25    | 3.26              |  |
| British Pound      | GBP | 0.78         | 0.75   | 0.74    | 0.78              |  |
| Yuan               | CNY | 6.86         | 6.61   | 6.51    | 6.73              |  |
| Unidad de fomento  | UF  | 0.0252       | 0.0236 | 0.0229  | 0.0244            |  |

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, 2018

| New IFRS  | Mandatory application date   |
|---|--|
| IFRS 9: Financial Instruments   | Annual periods starting on or after January 1, 2018. Allows anticipated adoption.  |
| IFRS 15: Operating Activity Revenue from Contracts with Customers   | Annual periods starting on or after January 1, 2018. Allows anticipated adoption.  |
| New Interpretations   |  |
| IFRIC 22: Foreign Currency Transactions and Advanced Considerations   | Annual periods starting on or after January 1, 2018. Allows anticipated adoption.  |
| Amendments to IFRS  |  |
| IAS 40: Investment Property Transfers (Amendments to IAS40, Investment Properties).   | Annual periods starting on or after January 1, 2018.   |
| IFRS 9, Financial Instruments, and IFRS 4, Insurance Contracts: Amendments to IFRS 4.   | Annual periods starting on or after January 1, 2018, for entities<br>that adopt temporary exemption, entities that apply the overlay<br>focus and entities that apply full IFRS 9. |
| IFRS 2: Payments Based on Shares: Clarifying of the recording of certain types of transactions of share based payments.   | Annual periods starting on or after January 1, 2018. Allows<br>anticipated adoption.   |
| IFRS 15: Revenue from Operating Activities from Contracts with Customers :<br>Amendment clarifying requirements and granting additional transition release for<br>companies that implement this new standard. | Annual periods starting on or after January 1, 2018.   |
| Cycle of annual improvements to IFRS 2014-2016 Standards. Amendments to IFRS 1 and IAS 28.  | Annual periods starting on or after January 1, 2018. Allows anticipated adoption.  |

The aforementioned standards, amendments and interpretations, did not have a significant impact on Hortifrut's and its subsidiaries' consolidated financial statements.

### New accounting pronouncements

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

| New IFRS   | Mandatory application date  |
|--|---|
| IFRS 16: Lease   | Annual periods starting on or after January 1, 2019. Allows<br>anticipated adoption for entities that apply IFRS 15 on or before<br>that date.            |
| IFRS 17 : Insurance Contracts  | Annual periods starting on or after January 1, 2021. Allows<br>anticipated adoption for entities that apply IFRS 9 and IFRS 15 on<br>or before that date. |
| New Interpretations  |   |
| IFRIC 23: Uncertainty over Tax Treatments  | Annual periods starting on or after January 1, 2019. Allows anticipated adoption.   |
| Amendments to IFRS   |   |
| IAS 28: Long term intersts in Associated Companies and Joint Ventures  | Annual periods starting on or after January 1, 2019. Allows anticipated adoption.   |
| IFRS 9: Prepayment clauses with negative compensation  | Annual periods starting on or after January 1, 2019. Allows anticipated adoption.   |
| Modification of Plans, Reductions and Liquidations (Modifications to IAS 19, Employee Benefits).   | Annual periods starting on or after January 1, 2019. Allows anticipated adoption.   |
| IFRS 10, Consolidated Financial Statements, and IAS 28, Investments in Associated<br>Companies and Joint Ventures: Transfer contribution of assets between an investor and<br>its associated company or joint venture. | Effective date indefinitely deferred.   |
| Cycle of annual improvements to IFRS 2015-2017 Standards. Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23.  | Annual periods starting on or after January 1, 2019. Allows anticipated adoption.   |
| Amendments to references in the Conceptual Framework for Finanical Information.  | Annual periods starting on or after January 1, 2020.  |

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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:

### Issued Standards not yet valid

A series of new standards are applicable for the annual periods starting after January 1, 2019 and their anticipated application is allowed; nevertheless, the following standards or their modifications have not been applied beforehand by the Group when preparing these consolidated financial statements.

Out of the standards that are not yet valid, it is expected that Standard IFRS 16 will have a significant impact on the Group's financial statements in the period of its initial application.

### a. Standard IFRS 16 Lease

The Group is expected to adopt Standard IFRS 16 Lease from January 1, 2019. The Group has evaluated the estimated impact that the initial application of Standard IFRS 16 will have on its consolidated financial statements, as is described below. The real impacts of the adopting of the standard as of January 1, 2019 can change due to:

- The Group has not finalized the test and evaluation of controls over its new IT systems; and
- The new accounting policies are subject to change until the Group presents its first financial statements which include the date of initial application.

Standard IFRS 16 introduces a single accounting lease model for lessees. The lessee recognizes an asset for right to use that represents its right to use the underlying asset and a liability for lease which represents its obligation to make lease payments. There are exemptions of recognizing for short term lease and the low value lease items. The accounting of the lessor remains similar to the current standard, in other words, lessors continue to classify the lease as financial or operational.

Standard IFRS 16 replaces the guidelines regarding existing lease including Standard IAS 17 Lease, IFRIC 4 Determining if an Agreement Contains a Lease, Standard SIC-15 Operating Lease – Incentives and Standard SIC 27 Evaluation of the Essence of Transactions that Adopt the Legal Form of a Lease.

### Lease where the Group is the lessee

The Group will recognize new assets and liabilities by their operating lease including agricultural land, warehouses, offices and housing (see Note 37). The nature of expenses related with these leases will now change because the Group will recognize a depreciation charge of assets due to the right of use and interest expenses over lease liabilities.

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

Furthermore, the Group will stop recognizing provisions for operating lease which it evaluates as burdensome as described in Note 37. Instead, the Group will include the payments owed for the lease in its lease liability.

A significant impact is not expected on the Group's financial lease.

Based on the currently available information, the Group estimates that it will recognize lease liabilities for ThUS\$18,761 as of January 1, 2019. The Group does not expect for the adoption of Standard IFRS 16 to affect its capacity to comply with the maximum leverage loan condition limit described in Note 21 e.4).

### Lease where the Group is the Lessor

The Group will reevaluate the classification of sub-lease where it is the lessor. Based on the currently available information, the Group expects to reclassify a sub-lease as financial lease, which would result in the recognizing of an item for financial lease charge of ThUS\$32 as of January 1, 2019.

A significant impact is not expected to exist for other lease where the Group is the lessor.

### Transition

The Group plans to initially apply Standard IFRS 16 on January 1, 2019, using the modified retrospective approach. As a consequence, the accumulated effect of adopting Standard IFRS 16 will be recognized as an adjustment to the initial balance of the gains accumulated as of January 1, 2019, without re-expressing the comparative information.

### Other standards

The following modified standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- IFRIC 23 Uncertainty over Income Tax Treatments.
- Characteristics of Anticipated Payment with Negative Compensation (Modifications to Standard IFRS 9).
- Long Term Investments in Associates and Joint Ventures (Modifications to Standard IAS 28).
- Modification, Reduction or Liquidation of a Plan (Modifications to Standard IAS 19).
- Annual improvements to IFRS Standards, Cycle 2015-2017 several standards.
- Modifications to References to the Conceptual Framework of IFRS Standards.
- Standard IFRS 17 Insurance Contracts.



### 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 Management's best knowledge.

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

### (i) <u>Judgments</u>

- 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).

### (ii) Assumptions and uncertainties in the estimations

Information regarding estimation assumptions and uncertainties that have the significant risk of resulting in a material adjustment in the year ending December 31, 2019, are included in the following note:

- The valuation of Intangible assets other than goodwill and Goodwill, which could affect the determining of loss due to impairment in value (Note 17 and 18)

### (iii) <u>Measurement of fair values</u>

The Company counts with a control framework established regarding 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.

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

The Company recognizes the transfer between the levels of the fair value hierarchy at the end of the informed period during which 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 (increase or decrease) in future periods, which would be done in a prospective manner, recognizing the effects of the change in estimation in the corresponding future consolidated financial statements.

### **2.7.** Changes in accounting policies

From January 1, 2018, the Company records provisions due to impairment over its trade debtors and other accounts receivable, based on the requirements of IFRS 9.

During the period ending December 31, 2018, no other changes have taken place in the Company's accounting policies.

### New accounting pronouncements, IFRS 9 and IFRS 15 Standards

### a. IFRS 9 "Financial instruments"

The final version of this standard was issued in July 2014. It modifies the classification and measurement of financial assets and introduces a "more prospective" model of expected credit loss for impairment accounting and a substantially reformed focus for hedge accounting. The detailed impact of the three aspects of IFRS 9 is described below:

- Classification and measuring of financial instruments: The Group determined that there is not a significant impact on its financial statements when applying the classification and measurement requirements established by IFRS 9.
- Hedge accounting: The Group will maintain the requirements of IAS 39 as an accounting policy for hedging, so no related impacts are generated.
- Impairment: IFRS 9 requires that the group records credit loss expected in its loans and accounts receivable. The criteria used by the Company to apply this standard is described in Note 10.

### b. IFRS 15 "Income from contracts with customers"

Issued on May 28, 2014, this Standard replaces IAS 11 Construction Contracts, IAS 18 Operating Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC 31 Revenue – Barter Transactions which involve advertising services. This new Standard applies to contracts with customers, but does not apply to insurance contracts, financial instruments or lease contracts, which are within the scope of other IFRS. It introduces a single model for recognizing operating revenue which applies to the contracts with customers and two approaches for recognizing revenue: at one moment in time or during a period. The model considers the analysis of the transactions based on five steps to determine if a revenue is recognized, when it is recognized and for what amount:

- 1.- Identify the contract with the customer.
- 2.- Identify the performance obligations in the contract.
- 3.- Determine the transaction price.
- 4.- Allocate the price of the transaction price to the performance obligation in the contract.
- 5.- Recognize revenue when (or as) the entity satisfies the performance obligation.

The application date corresponds to the Financial Statements issued for periods that start on January 1, 2018 or after. It allows anticipated adoption.

During 2017, the Company performed a detailed study and analysis of IFRS 15. Based on this study the Company has determined that there are no material effects due to the adopting of IFRS 15.

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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 this ends.

The acquisition method is used to account for 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.

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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:

|   |              |                      |                        |          | 31-Dec-18  |          | 31-Dec-17 |
|---|--------------|----------------------|------------------------|----------|------------|----------|-----------|
| Companies                                   | RUT          | Country<br>of Origin | Functional<br>Currency | 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

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. takes 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 S.A. took place, with the latter as the legal continuance.

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. is also incorporated into this consolidation, likewise Hortifrut Inversiones Internacionales S.A. and subsidiaries are consolidated in Inversiones Hortifrut S.A.

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

During the period ending December 31, 2017, modifications have been made to the consolidation perimeter, by incorporating the company Asian Berries Limited and Subsidiaries to the consolidation of the subsidiary Inversiones Hortifrut S.A..

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### 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 through the equity method. Hortifrut 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 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 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 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 Management 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

- Blueberry
- Raspberry
- Blackberry
- Strawberry
- Cherry

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

Fresh fruits show similar economic characteristics, which allow the incorporation 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 the administration, customers and distribution channels which are different to those of the "Fresh Fruit" segment, which share similar characteristics in the nature of the products, production processes, customers and distribution methods, as well as if said aggregation results coherent, 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 end 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 it brings, 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:

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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

As of December 31, 2017, a change in accounting policy was made in the valuation of "bearer plants" in production passing from revalued cost to historic cost minus corresponding depreciation and accumulated impairment, in case it exists. It must be stated that the thus determined cost includes the revaluation recorded as of December 31, 2015, date when the amendment to IAS 16 and 41 became valid.

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

### **Blueberry:**

- Chile, Mexico and Spain: a plantation is considered in production 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<br>or Rate<br>Years | Maximum<br>Life or Rate<br>Years |
|---|----------------------------------|----------------------------------|
| Construction and infrastructure works                     |                                  |                                  |
| Steel, reinforced concrete constructions                  | 50                               | 80                               |
| Wooden buildings  | 10                               | 30                               |
| Provisional constructions                                 | 5                                | 10                               |
| Minor agricultural construtions (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                                |

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 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 end 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 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 share 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.

Reviews 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) exist.

Non-financial assets other than goodwill which have suffered a loss due to impairment are subjected to review 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

a) Financial assets at fair value through profit or loss

Financial assets at fair value with changes in profit or loss are financial assets held for negotiation. A financial asset is classified in this category if it is mainly acquired with the purpose of selling it in the short term. Assets in this category are classified as current assets.

b) Loans and accounts receivable

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments, which are not quoted on an active market. Those items with maturity less than 12 months are classified as current assets. Items with maturity over 12 months are classified as non-current assets.

The category loans and accounts receivable includes trade debtors and other accounts receivable, accounts receivable with related entities, term deposits and cash and bank balances.

### 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.

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### 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 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 compensate 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.

(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 expires 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 beginning 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.

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#### 3.12 Trade debtors and other accounts receivable

From January 1, 2018, the Company registers provisions for non-collectability over its trade debts 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.

# 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, 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 if the opportunity to reverse 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 periodically reviewed and quantified, taking into consideration the best information available on the presentation date of the consolidated financial statements.



#### 3.20. Revenue Recognition

# **Revenue Recognition under Standard IFRS 15**

Revenue is recognized when the goods are sent to the customer's installations and accepted by the customer and transferred to control of goods and the recoverability of the consideration is probable, associated costs and possible performance of the goods can be estimated with reliability, the entity does not maintain for itself any implication in the current management of the sold goods, and the amount of revenue from operating activities is measured net of performance, and eventual commercial discounts.

The Company's types of revenue, are described as follows:

a) Sale of products in the local market

The Company generates its income mainly from the sale of fruit, product that is distributed through retailers, wholesale distributors and supermarket chains. None of them acts as a trade agent of the Company. Revenue from sales in local markets, net of value added tax, specific taxes, returns and discounts to customers, are recognized at the moment that the products are delivered together with the transferring of all their risks and benefits.

b) Export

In general, the Company's delivery conditions for export sales are based on Incoterms 2000, with these being the official rules for the interpretation of commercial terms issued by the International Chamber of Commerce.

The structure for revenue recognition is based on the group of Incoterms, mainly in the following groups:

• "FOB (Free on Board) and similar", where the buyer organizes and pays for the transport, so, the point of sale is the delivery of the goods to the transporter hired by the buyer, moment that revenue is recognized.

• "CIF (Cost, Insurance & Freight) and similar", through which the Company organizes and pays the external transport expense and some other expenses, even though the Company ceases to be responsible for the goods once they have been delivered to the maritime or airline Company within the corresponding term. The point of sale is the delivery of the goods to the transporter hired by the seller for transporting to destination, moment that revenue is recognized.

In case there are discrepancies between the trade agreements and the Incoterms defined for the operation, those established in the contracts will apply.

c) Estimating Income

The Company, for those sales that to the closing of the Financial Statements are recorded at the invoicing price at the moment of their dispatch and not their final liquidation, adjust the value of invoicing to the value of the sale price obtained in the markets where its products are commercialized.

d) Income from interests

Income from interests is recognized using the effective interest rate method.

e) Sale of services

Operating income 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 agreement by the customer.

f) Income from dividends

Income from dividends is recognized when the right to receive the payment has been established.

# 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.

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 Leases

#### 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 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.

The leases where the lessor keeps an important part of the risks and rewards derived from the ownership of the good are classified as operating lease. The payments for the concept of operating lease (net of any incentive received from the lessor) are charged in the income statement over a lineal base during the lease period.

# 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 of 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 forms 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 Expenses for insurance of goods and services

The payment of the different insurance policies that 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 after known, net of the amount 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 industry. 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.

b) Risk from sales operations:

Hortifrut has diversified sales in several countries.

The main customers are supermarkets in the United States, where the fresh fruit business is subject to 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 regarding 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 as of December 31, 2018 (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 regarding what to do and what not to do 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 manages 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 working capital.

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

Hortifrut has available short term credit lines, approved and valid for working capital, which as of December 31, 2018 reach US\$238.34 million (US\$222.0 million as of December 31, 2017), distributed among 14 banks. The used amount reaches US\$131.3 million, with an unused balance of US\$ US\$107.04 million. The credit lines are distributed among the following companies: Hortifrut Chile S.A. with US\$217.45 million, Hortifrut S.A. with US\$5 million, Agrícola El Pampino S.A. with US\$0.75 million, Agrícola Santa Rosa del Parque S.A. with US\$0.50 million, Agrícola Vida Nueva S.A. with US\$0.4 million, Agrícola Mataquito S.A. with US\$1.3 million, Agrícola El Avellano with US\$0.5 million, Hortifrut Import Inc., with US\$5 million and Euroberry Marketing S.A. with US\$7.44 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 manage short term liquidity, the Company uses as a base its cash flows forecasted for a mobile period of twelve months and maintains cash and cash equivalents which are available to comply with its future obligations.



Below we summarize the maturity of the Company's bank loans as of December 31, 2018 and 2017, based on undiscounted contractual cash flows:

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|   |         |           | Cash Flows                  |                               |                             |                 |         |
|---|---------|-----------|-----------------------------|-------------------------------|-----------------------------|-----------------|---------|
|   | Capital | Interests | Between<br>0 to 3<br>months | Between<br>3 and 12<br>months | Between 1<br>and 5<br>years | Over 5<br>years | Total   |
| Creditor Bank                                 | ThUS\$  | ThUS\$    | ThUS\$                      | ThUS\$                        | ThUS\$                      | ThUS\$          | ThUS\$  |
| 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, Institucion de Banca Multiple | 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 |

|                                      |         |           | <b>Cash Flows</b> |                   |         |        |         |
|--------------------------------------|---------|-----------|-------------------|-------------------|---------|--------|---------|
|                                      |         |           | Between           | Between           | Between |        |         |
|                                      | Conital | Interests | 0 to 3<br>months  | 3 to 12<br>months | 1 and 5 | Over 5 | Total   |
| Can ditan Dank                       | Capital |           |                   |                   | years   | years  |         |
| Creditor Bank                        | KUS\$   | KUS\$     | KUS\$             | KUS\$             | KUS\$   | KUS\$  | KUS\$   |
| Banco de Crédito e Inversiones       | 57,941  | 657       | 26,885            | 7,624             | 21,831  | 7,748  | 64,088  |
| Banco Santander Chile                | 32,609  | 176       | 32,142            | 355               | 373     | -      | 32,870  |
| Banco Bilbao Vizcaya Argentaria      | 28,187  | 33        | 10,106            | 4,440             | 14,296  | -      | 28,842  |
| Banco Estado                         | 25,425  | 98        | 20,198            | 5,310             | 105     | -      | 25,613  |
| Banco RaboFinance Chile              | 22,960  | 352       | -                 | 1,274             | 8,312   | 20,337 | 29,923  |
| Banco Santander Central Hispano S.A. | 15,883  | -         | 1,351             | 3,668             | 11,218  | -      | 16,237  |
| Banco de Chile                       | 12,000  | 34        | 12,034            | -                 | -       | -      | 12,034  |
| Banco Scotiabank                     | 11,707  | 41        | 11,393            | 361               | -       | -      | 11,754  |
| Banco Itaú                           | 10,296  | 9         | 10,067            | 258               | 59      | -      | 10,384  |
| La Caixa                             | 5,997   | -         | 16                | 784               | 5,370   | -      | 6,170   |
| Banco BICE                           | 5,000   | 5         | 5,007             | -                 | -       | -      | 5,007   |
| Banco Intercontinental Español       | 3,599   | -         | 10                | 690               | 2,991   | -      | 3,691   |
| Banco Sabadell                       | 2,397   | -         | 7                 | 166               | 2,300   | -      | 2,473   |
| Caja Madrid                          | 36      | -         | 6                 | 19                | 11      | -      | 36      |
| Caja Rural Asturias                  | 27      | -         | 7                 | 22                | -       | -      | 29      |
| Financial Services                   | 19      | -         | 1                 | 2                 | 20      | -      | 23      |
| Security                             | 5       | -         | 5                 | -                 | -       | -      | 5       |
| Banco de Crédito Perú                | 4       | -         | 4                 | -                 | -       | -      | 4       |
| Total as of December 31, 2017        | 234,092 | 1,405     | 129,239           | 24,973            | 66,886  | 28,085 | 249,183 |

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

|  |               |            |                              | Cash                          | Flows                       |                 |         |
|--|---------------|------------|------------------------------|-------------------------------|-----------------------------|-----------------|---------|
|  | Capital       | Fair Value | Between<br>0 and 3<br>months | Between<br>3 and 12<br>months | Between 1<br>and 5<br>years | Over 5<br>years | Total   |
| Detail                                   | <u>ThUS\$</u> | ThUS\$     | ThUS\$                       | <u>ThUS\$</u>                 | <u>ThUS</u>                 | <u>ThUS</u>     | ThUS\$  |
| Bank loan                                | 500,178       | 504,072    | 146,334                      | 40,000                        | 274,431                     | 121,718         | 582,483 |
| Trade account 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  |

Below is a summary of the maturity of the total financial liabilities as of December 31, 2017:

|                                     |         | Cash Flows    |                             |                               |                             |                 |         |
|-------------------------------------|---------|---------------|-----------------------------|-------------------------------|-----------------------------|-----------------|---------|
|                                     | Capital | Fair<br>Value | Between<br>o to 3<br>months | Between<br>3 and 12<br>months | Between<br>1 and 5<br>years | Over 5<br>years | Total   |
| Detail                              | KUS\$   | KUS\$         | KUS\$                       | KUS\$                         | KUS\$                       | KUS\$           | KUS\$   |
| Bank loans                          | 234,092 | 235,497       | 129,239                     | 24,973                        | 66,886                      | 28,085          | 249,183 |
| Trade accounts and other accounts   | 49,724  | 49,724        | 41,757                      | 7,967                         | -                           | -               | 49,724  |
| Accounts payable to related entitie | 18,213  | 18,213        | -                           | 6,142                         | 12,071                      | -               | 18,213  |

#### 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 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 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, 2018 and 2017:

| As of December 31, 2018                              | <u>Peso/UF</u><br>ThUS\$ | <u>Nuevo Sol</u><br>ThUS\$ | <u>Euro</u><br>ThUS\$ | <u>Mexican \$</u><br>ThUS\$ | <u>Argentine \$</u><br>ThUS\$ | <u>Real/others</u><br>ThUS\$ |
|--|--------------------------|----------------------------|-----------------------|-----------------------------|-------------------------------|------------------------------|
| Financial Assets                                     | 11039                    | 11039                      | 11055                 | 11039                       | 11035                         | 111055                       |
| Cash and cash Equivalent                             | 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 Relate Entities | -                        | -                          | 4,224                 | -                           | -                             |                              |
| Total Financial Assets                               | 12,234                   | 14,616                     | 63,819                | <b>5,88</b> 7               | 1,517                         | 5,198                        |
| Current Liabilities                                  |                          |                            |                       |                             |                               |                              |
| Other current financial liabilities                  | 455                      | 1                          | 10,029                | -                           | -                             |                              |
| Current trade accounts and other accounts pay able   | 15,723                   | 11,809                     | 6,910                 | 1,238                       | 27                            | 376                          |
| Current accounts payable to Related Entities         | 4,061                    | -                          | 245                   | -                           | -                             |                              |
| Current provisions for employ ee benefits            | 441                      | -                          | -                     | 507                         | -                             |                              |
| Other non-current financial liabilities              | 5                        | -                          | 20,520                | -                           | -                             |                              |
| Non-current accounts payable with Related Entities   | 1,209                    | -                          | 7,353                 | -                           | -                             |                              |
| Total Financial Liabilities                          | 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                        |

|   | Peso/UF | Euro     | <u>Mexican \$</u> | <u>Argentine \$</u> | Real/others   |
|---|---------|----------|-------------------|---------------------|---------------|
| As of December 31, 2017                               | ThUS\$  | ThUS\$   | ThUS\$            | <u>ThUS\$</u>       | <u>ThUS\$</u> |
| Financial Assets                                      |         |          |                   |                     |               |
| Cash and Cash Equivalents                             | 2,313   | 9,770    | 430               | 109                 | 697           |
| Other current non-financial assets                    | 1,359   | 423      | 2,208             | 311                 | 319           |
| Current trade debtors and other accounts receivable   | 9,700   | 15,342   | 2,969             | 240                 | 9,011         |
| Current accounts receivable with Related Entities     | 2       | 8,117    | -                 | -                   | -             |
| Non-current accounts receivable with Related Entities | -       | 6,972    | -                 | -                   | -             |
| Total Financial Assets                                | 13,374  | 40,624   | 5,607             | 660                 | 10,027        |
| Current Liabilities                                   |         |          |                   |                     |               |
| Other current financial liabilities                   | -       | 10,876   | -                 | -                   | 258           |
| Current trade accounts and other accounts payable     | 13,543  | 2,404    | 1,425             | 26                  | 1,236         |
| Current accounts payable to Related Entities          | 2,263   | 39       | -                 | -                   | -             |
| Otras provisiones, corrientes                         | -       | -        | -                 | -                   | -             |
| Current provisions for employee benefits              | 441     | -        | 507               | -                   | -             |
| Other non-current financial liabilities               | 225     | 32,617   | -                 | -                   | 42            |
| Non-current accounts payable with Related Entities    | 1,529   | 10,542   | -                 | -                   | -             |
| Total Financial Liabilities                           | 18,001  | 56,478   | 1,932             | 26                  | 1,536         |
| Net exposure as of December 31, 2017                  | (4,627) | (15,854) | 3,675             | 634                 | 8,491         |

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# Sensitivity analysis

The potential 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\$2,236 (ThUS\$769 as of December 31, 2017) as a higher charge to the Company's results 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>Net (10%</u> |                  |
|-------------------------------|---------|--------------------|------------|-----------------|------------------|
|                               | Assets  | <u>Liabilities</u> | <u>Net</u> | Devaluation)    | <u>Variation</u> |
| <u>Currencies</u>             | ThUS\$  | ThUS\$             | ThUS\$     | ThUS\$          | ThUS\$           |
| Chilean Peso/UF               | 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)            |
| Argentine Peso                | 1,517   | 27                 | 1,490      | 1,341           | (149)            |
| Real / 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)          |

|                               |        |                    |            | <u>Net (10%</u> |                  |
|-------------------------------|--------|--------------------|------------|-----------------|------------------|
|                               | Assets | <u>Liabilities</u> | <u>Net</u> | Devaluation)    | <u>Variation</u> |
| Currencies                    | ThUS\$ | ThUS\$             | ThUS\$     | ThUS\$          | ThUS\$           |
| Chilean Peso/UF               | 13,374 | 18,001             | (4,627)    | (4,164)         | 463              |
| Euro                          | 40,624 | 56,478             | (15,854)   | (14,269)        | 1,585            |
| Mexican \$                    | 5,607  | 1,932              | 3,675      | 3,308           | (367)            |
| Argentine \$                  | 660    | 26                 | 634        | 571             | (63)             |
| Real                          | 10,027 | 1,536              | 8,491      | 7,642           | (849)            |
| Total as of December 31, 2017 | 70,292 | 77,973             | (7,681)    | (6,912)         | 769              |

# 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 working capital are at a fixed rate, an exposure to fluctuations in the market rates at the moment of its contracting and/or renewal is experienced. If Hortifrut held a whole year the debt that it has at a variable rate, which is ThUS\$131,741 as of December 31, 2018 (ThUS\$128,233 as of December 31, 2017) and the rate increased 10%, the impact on the annual financial cost would be ThUS\$406 (ThUS\$221 as of December 31, 2017).

## 4.2 Operating Risks

Hortifrut's operating risks are managed 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 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 Grupo Rocio's blueberries business, the Company's plantations in Peru reached 63.1% of the total of own plantations, increasing the exposure to climatic risks 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.

#### 4.2.5 Plagues and disease

It is unavoidable for a large surface of any 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.

#### 4.2.6 Food-Safety

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

# 4.2.7 Risk of Availability of Human Resources

Temporary workers are critical for fruit harvesting, Hortifrut has developed several initiatives to 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.

# 4.2.8 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.

## 4.2.9 Risk associated to new technologies

Hortifrut, in its varied entrepreneurships, 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, 2018 and 2017 are the following:

|         |  |          | 31-Dec-18                        |          | 31-Dec-17                        |
|---------|--|----------|----------------------------------|----------|----------------------------------|
| COUNTRY | TYPE OF INSURANCE                              | CURRENCY | COVERED AMOUNT                   | CURRENCY | COVERED AMOUNT                   |
| Chile   | Infrastructure Fire                            | UF       | 1,658,152                        | UF       | 1,469,132                        |
| Chile   | Mobile Agricultural Equipment                  | UF       | 48,092                           | UF       | 70,244                           |
| Chile   | Motor vehicles                                 | UF       | 48,563                           | UF       | 131,400                          |
| Chile   | General and Product Civil Liability            | USD      | 5,000,000                        | UF       | 127,144                          |
| Chile   | Maritime Transport                             | USD      | 7,000,000                        | UF       | 305,147                          |
| Chile   | Credit Insurance                               | USD      | 20,000,000                       | UF       | 254,289                          |
| Chile   | Fruit and Materials Insurance                  | USD      | 9,810,916                        | UF       | 249,481                          |
| Chile   | Terrorism                                      | UF       | 500,000                          | UF       | 500,000                          |
| Chile   | Business Interruption                          | UF       | 1,227,000                        | UF       | 250,000                          |
| USA     | Product Civil Liability                        | USD      | 20,000,000                       | USD      | 20,000,000                       |
| Mexico  | Transporting of Load                           | USD      | 200,000/shipment                 | USD      | 200,000/shipment                 |
| Mexico  | Infrastructure Fire, Theft and Civil Liability | USD      | 48,000,000                       | USD      | 48,000,000                       |
| Mexico  | Motor vehicles                                 | USD      | Commercial Value                 | USD      | Commercial Value                 |
| Spain   | Motor vehicles                                 | EUR      | Commercial value / without limit | EUR      | Commercial Value / without limit |
| Spain   | Installations                                  | EUR      | 350,000 per event                | EUR      | 350,000 per event                |
| Spain   | Goods  | EUR      | 50,000 per event                 | EUR      | 50,000 per event                 |
| Spain   | Civil Liability                                | EUR      | 6,500,000                        | EUR      | 6,500,000                        |
| Spain   | Credit Insurance                               | EUR      | 90% unpaid                       | EUR      | 90% unpaid                       |
| Peru    | Fire   | PEN      | 618,320                          | PEN      | 618,320                          |
| Peru    | Motor vehicles                                 | USD      | 261,820                          | USD      | 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, 2018, the recognition for the concept of expected margin from fruit on Hortifrut S.A. and subsidiaries' bearer plants is as follows:

|                         | Fair value<br>adjustment as of | 10% Reduction | 10% Reduction | 10% Reduction    |
|-------------------------|--------------------------------|---------------|---------------|------------------|
| Company                 | 12/31/2018                     | Volume        | Price         | Volume and Price |
|                         | (ThUS\$)                       | (ThUS\$)      | (ThUS\$)      | (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            |

As of December 31, 2018, the expected margin of fruit on the Company's bearer plants was recognized, for the amount of ThUS\$7,357 which is presented in other income, per function net of the amount incorporated by the merger with Grupo Rocio as of July 03, 2018, reaching ThUS\$5,332.

As of December 31, 2017, the expected margin of fruit on Agrícola Hortifrut S.A.'s bearer plants was recognized, for the amount of ThUS\$1,640.

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

|                         | Fair value<br>adjustment as of | 10% Reduction | 10% Reduction | 10% Reduction    |
|-------------------------|--------------------------------|---------------|---------------|------------------|
| Company                 | 31.12.2017                     | Volume        | Price         | Volume and Price |
|                         | (ThUS\$)                       | (ThUS\$)      | (ThUS\$)      | (ThUS\$)         |
| Agrícola Hortifrut S.A. | 1,640                          | 1,476         | 1,016         | 914              |

On its part, within the item Investments recorded using the equity method as of December 31, 2017, the expected margin of fruit on bearer plants of the company Hortifrut Tal S.A.C. (Peru) has been recognized based on the ownership interest that it has in it, amount that reaches ThUS\$953, as of December 31, 2017.

Below is a detail of the effect that a 10% reduction in price and volume would have on that amount:

|                      | Fair value<br>adjustment as of | 10% Reduction | 10% Reduction | 10% Reduction    |
|----------------------|--------------------------------|---------------|---------------|------------------|
| Company              | 31.12.2017                     | Volume        | Price         | Volume and Price |
|                      |                                | (ThUS\$)      | (ThUS\$)      | (ThUS\$)         |
| Hortifrut Tal S.A.C. | 953                            | 877           | 744           | 670              |

#### 4.5 Risk associated to merger and acquisition 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 acquisition 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

From January 01, 2018, the Company records provisions for non-collectability over its trade debtors and other accounts receivable, based on the requirements of IFRS 9 as per what is indicated in Note 2.7 letter (a).

The application of the described focus, is summarized below:

| Initial Application IFRS 9                 | 1-Jan-18<br>ThUS\$ |
|--|--------------------|
| Initial application of impairment in valid |                    |
| accounts receivable                        | (1,271)            |
| Deferred tax                               | 485                |
| Total equity                               | (786)              |
| Minority interest                          | (126)              |
| Equity attributable to the parent          |                    |
| company shareholders                       | (912)              |

During the period ending December 31, 2018, no other changes have taken place in the Company's accounting policies.



#### **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**

|   | Fresh Fruit |            | Value Adde | d Products | Total      |            |
|---|-------------|------------|------------|------------|------------|------------|
|   | 31-12-2018  | 31-12-2017 | 31-12-2018 | 31-12-2017 | 31-12-2018 | 31-12-2017 |
| Operating Results                                 | ThUS\$      | ThUS\$     | ThUS\$     | ThUS\$     | ThUS\$     | ThUS\$     |
| Operating Revenue                                 | 509,072     | 364,911    | 26,588     | 23,834     | 535,660    | 388,74     |
| Operating Costs and Expenses                      | (434,348)   | (333,279)  | (22,602)   | (19,740)   | (456,950)  | (353,019   |
| Other results per segments                        |             |            |            |            |            |            |
| Impairment in value of assets                     | (2,317)     | (3,215)    | -          | -          | (2,317)    | (3,215     |
| Other profit (loss)                               | 60,823      | (363)      | -          | -          | 60,823     | (363       |
| Net financial income (expenses)                   | (15,647)    | (3,789)    | (159)      | (176)      | (15,806)   | (3,965     |
| Interest in profit (loss) of associated companies | (3,483)     | 9,468      | -          | -          | (3,483)    | 9,46       |
| Exchange rate differences                         | 2,005       | (5,256)    | -          | -          | 2,005      | (5,256     |
| Gains tax expense                                 | (26,383)    | (3,691)    | (1,032)    | (999)      | (27,415)   | (4,690     |
|   | 89,722      | 24,786     | 2,795      | 2,919      | 92,517     | 27,70      |

# **6.2.** Results of the operation per segments

The results of the operation per segments as of December 31, 2018 and 2017, are as follows:

|                      |                            | 31-Dec-18                             |                               |                            | 31-Dec-17                             |                               |
|----------------------|----------------------------|---------------------------------------|-------------------------------|----------------------------|---------------------------------------|-------------------------------|
| Segments             | Total<br>revenue<br>ThUS\$ | Total costs and<br>expenses<br>ThUS\$ | Operating<br>Result<br>ThUS\$ | Total<br>revenue<br>ThUS\$ | Total costs and<br>expenses<br>ThUS\$ | Operating<br>Result<br>ThUS\$ |
| Fresh Fruit          | 509,072                    | (434,348)                             | 74,724                        | 364,911                    | (333,279)                             | 31,632                        |
| Blueberries          | 465,235                    | (386,729)                             | 78,506                        | 314,650                    | (280,753)                             | 33,897                        |
| Raspberries          | 18,063                     | (19,759)                              | (1,696)                       | 18,349                     | (19,657)                              | (1,308)                       |
| Blackberries         | 14,113                     | (15,113)                              | (1,000)                       | 16,121                     | (16,585)                              | (464)                         |
| Strawberries         | 7,132                      | (8,684)                               | (1,552)                       | 12,811                     | (14,005)                              | (1,194)                       |
| Cherries             | 4,529                      | (4,063)                               | 466                           | 2,980                      | (2,279)                               | 701                           |
| Value Added Products | 26,588                     | (22,602)                              | 3,986                         | 23,834                     | (19,740)                              | 4,094                         |
| Value added products | 26,588                     | (22,602)                              | 3,986                         | 23,834                     | (19,740)                              | 4,094                         |
| Total                | 535,660                    | (456,950)                             | 78,710                        | 388,745                    | (353,019)                             | 35,726                        |

# **Calculating Total Revenue**

| TOTAL REVENUE                     | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|-----------------------------------|---------------------|---------------------|
| Revenue from operating activities | 528,157             | 388,250             |
| Other revenue, per function       | 7,503               | 495                 |
| Total Revenue                     | 535,660             | 388,745             |

# **Calculating Total Costs and Expenses**

| T OT AL COST S AND EXPENSES             | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|---|---------------------|---------------------|
| Cost of sales                           | 414,184             | 324,718             |
| Administration Expenses                 | 38,080              | 26,773              |
| Other expenses, per function, excluding |                     |                     |
| impairment in the value of assets       | 4,686               | 1,528               |
| <b>Total Costs and Expenses</b>         | 456,950             | 353,019             |



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# 6.3. Assets and liabilities per segments

| Balance per segments                                 | Fresh                | Fruit                | Value Adde           | d Products           | То                   | tal                  |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 31-12-2018<br>ThUS\$ | 31-12-2017<br>ThUS\$ | 31-12-2018<br>ThUS\$ | 31-12-2017<br>ThUS\$ | 31-12-2018<br>ThUS\$ | 31-12-2017<br>ThUS\$ |
| Assets   |                      |                      |                      |                      |                      |                      |
| Related and third party trade debtors                | 127,947              | 81,470               | 2,572                | 12,754               | 130,519              | 94,224               |
| Inventories  | 83,263               | 42,473               | 3,227                | 2,083                | 86,490               | 44,556               |
| Other current assets                                 | 78,857               | 48,727               | -                    | -                    | 78,857               | 48,727               |
| Property, plant and equipment                        | 681,562              | 233,684              | 11,801               | 11,376               | 693,363              | 245,060              |
| Other non-current assets                             | 257,897              | 139,928              | 194                  | 193                  | 258,091              | 140,121              |
| Total Assets   | 1,229,526            | 546,282              | 17,794               | 26,406               | 1,247,320            | 572,688              |
| Liabilities  |                      |                      |                      |                      |                      |                      |
| Commercial, related and third party accounts payable | 93,780               | 55,423               | 2,185                | 443                  | 95,965               | 55,866               |
| Other current and non-current financial liabilities  | 499,864              | 230,605              | 4,208                | 4,892                | 504,072              | 235,497              |
| Other Liabilities                                    | 127,858              | 37,671               | -                    | 79                   | 127,858              | 37,750               |
| Total Liabilities                                    | 721,502              | 323,699              | 6,393                | 5,414                | 727,895              | 329,113              |

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 Adde           | d Products           | Tot                  | al                   |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 31-12-2018<br>ThUS\$ | 31-12-2017<br>ThUS\$ | 31-12-2018<br>ThUS\$ | 31-12-2017<br>ThUS\$ | 31-12-2018<br>ThUS\$ | 31-12-2017<br>ThUS\$ |
| From operating activities                       | 35,680               | 30,957               | 10,849               | 1,130                | 46,529               | 32,087               |
| - Types of collection from operating activities | 474,125              | 355,551              | 36,770               | 21,663               | 510,895              | 377,214              |
| - Types of payments                             | (438,445)            | (324,594)            | (25,921)             | (20,533)             | (464,366)            | (345,127)            |
| From investment activities                      | (196,678)            | (52,619)             | (183)                | (430)                | (196,861)            | (53,049)             |
| From financing activities                       | 172,314              | 14,938               | (672)                | (660)                | 171,642              | 14,278               |



# 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, 2018 and 2017, operating income per geographic location is as follows:

|                                  | 31-Dec-18 |         | 31-Dec  | -17     |
|----------------------------------|-----------|---------|---------|---------|
| Sales per geographic destination | ThUS\$    | %       | ThUS\$  | %       |
| North America                    | 275,252   | 51.39%  | 227,952 | 58.64%  |
| Europe                           | 171,690   | 32.05%  | 98,743  | 25.40%  |
| South America                    | 45,288    | 8.45%   | 29,840  | 7.68%   |
| Asia and others                  | 43,430    | 8.11%   | 32,210  | 8.28%   |
| Total revenue                    | 535,660   | 100.00% | 388,745 | 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.

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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.

# <u>Asia</u>

The Asian market continues to grow at two-digit rates for the Company, 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

| Assets<br>December 31, 2018                           | Financial assets<br>and accounts<br>receivable<br>ThUS\$ | Assets at fair<br>value through<br>profit or loss<br>ThUS\$ | Hedging<br>instruments<br>ThUS\$ | Total<br>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 from related entities     | 48,317   | -   | -                                | 48,317          |
| Other non-current financial assets                    | -  | -   | 317                              | 317             |
| Non-current accounts receivable from related entities | 4,224  | -   | -                                | 4,224           |
| Non-current fees receivable                           | 1,546  | -   | -                                | 1,546           |
| Total   | 174,954  | 11,149  | 815                              | 186,918         |

| Liabilities<br>December 31, 2018                   | Other financial<br>liabilities<br>ThUS\$ | Liabilities at fair<br>value through<br>profit or loss<br>ThUS\$ | Hedging<br>instruments<br>ThUS\$ | Total<br>ThUS\$ |
|--|--|--|----------------------------------|-----------------|
| Current trade accounts and other accounts pay able | 88,319                                   | -  | -                                | 88,319          |
| Current accounts payable to related entities       | 7,646                                    | -  | -                                | 7,646           |
| Non-current accounts pay able to related entities  | 8,562                                    | -  | -                                | 8,562           |
| Other current financial liabilities                | 170,557                                  | -  | 2,072                            | 172,629         |
| Other non-current accounts payable                 | 6,506                                    | -  | -                                | 6,506           |
| Other non-current financial liabilities            | 330,136                                  | -  | 1,307                            | 331,443         |
| Total  | 611,726                                  | -  | 3,379                            | 615,105         |

| Assets<br>December 31, 2017                           | Financial assets<br>and accounts<br>receivable<br>ThUS\$ | Assets at fair<br>value through<br>profit or loss<br>ThUS\$ | Hedging<br>instruments<br>ThUS\$ | Total<br>ThUS\$ |
|---|--|---|----------------------------------|-----------------|
| Cash and cash equivalents                             | 20,752   | 7,086   | -                                | 27,838          |
| Other current financial assets                        | 31   | -   | 4,442                            | 4,473           |
| Current trade debtors and other accounts receivable   | 46,092   | -   | -                                | 46,092          |
| Current accounts receivable from related entities     | 48,132   | -   | -                                | 48,132          |
| Other non-current financial assets                    | 244  | -   | 1,101                            | 1,345           |
| Non-current accounts receivable from related entities | 8,060  | -   | -                                | 8,060           |
| Non-current fees receivable                           | 1,615  | -   | -                                | 1,615           |
| Total   | 124,926  | 7,086   | 5,543                            | 137,555         |

| Liabilities<br>December 31, 2017                   | Other financial<br>liabilities<br>ThUS\$ | Liabilities at fair<br>value through<br>profit or loss<br>ThUS\$ | Hedging<br>instruments<br>ThUS\$ | Total<br>ThUS\$ |
|--|--|--|----------------------------------|-----------------|
| Current trade accounts and other accounts pay able | 49,724                                   | -  | -                                | 49,724          |
| Current accounts pay able to related entities      | 6,142                                    | -  | -                                | 6,142           |
| Non-current accounts pay able to related entities  | 12,071                                   | -  | -                                | 12,071          |
| Other current financial liabilities                | 150,819                                  | -  | 712                              | 151,531         |
| Other non-current financial liabilities            | 83,686                                   | -  | 280                              | 83,966          |
| Total  | 302,442                                  |  | 992                              | 303,434         |

# 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-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|---|---------------------|---------------------|
| Mutual Funds and term deposits classification |                     |                     |
| AA+fm/M1                                      | 11,149              | 7,086               |
| Current Bank Accounts AAA                     | 37,752              | 20,752              |
| Sub-total Cash and cash equivalents           | 48,901              | 27,838              |
| Swap rate operations                          | 30                  | 2                   |
| Forwards currency operations                  | 468                 | 3,606               |
| Hedging operations - options                  | -                   | 834                 |
| Other financial assets                        | 913                 | 31                  |
| Total other current financial assets          | 1,411               | 4,473               |
| Trade debtors and other accounts receivable   |                     |                     |
| without credit rating                         | 82,202              | 46,092              |
| Sub-total current trade debtors and other     |                     |                     |
| accounts reeivable                            | 82,202              | 46,092              |
| Total   | 132,514             | 78,403              |

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 FAIR VALUE ESTIMATION

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 that is not based on observable market data.

The following table presents the financial assets and liabilities that are measured at fair value as of December 31, 2018 and December 31, 2017:

| Assets /(Liabilities)                      | <b>Fair value</b> | Fair value measurements using values<br>considered as |          |           |  |  |  |  |
|--|-------------------|---|----------|-----------|--|--|--|--|
|  | 31-Dec-18         | Level I   | Level II | Level III |  |  |  |  |
|  | ThUS\$            | ThUS\$  | ThUS\$   | ThUS\$    |  |  |  |  |
| Assets                                     |                   |   |          |           |  |  |  |  |
| 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)    | -         |  |  |  |  |

| Assets/(Liabilities)                       | <b>Fair value</b> | Fair value measurements using values<br>considered as |         |         |  |  |  |
|--|-------------------|---|---------|---------|--|--|--|
| Assets/(Liabilities)                       | 31-Dec-17         | Level I   | Level I | Level I |  |  |  |
|  | ThUS\$            | ThUS\$  | ThUS\$  | ThUS\$  |  |  |  |
| Assets                                     |                   |   |         |         |  |  |  |
| Short term mutual funds                    | 7,086             | 7,086   | -       | -       |  |  |  |
| Cross Currency Swap Operations             | 2                 | -   | 2       | -       |  |  |  |
| Forwards currency swap operations          | 3,606             | -   | 3,606   | -       |  |  |  |
| Hedging operaitons-options                 | 834               | -   | 834     | -       |  |  |  |
| Other financial assets                     | 31                | -   | 31      | -       |  |  |  |
| Non-current forwards currency operations   | 1,126             | -   | 1,126   | -       |  |  |  |
| Non-current Cross Currency Swap operations | 219               | -   | 219     | -       |  |  |  |
| Liabilities                                |                   |   |         |         |  |  |  |
| Forwards currency operations               | (712)             | -   | (712)   | -       |  |  |  |
| Non-current Cross Currency Swap operations | (280)             | -   | (280)   | -       |  |  |  |



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# 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:

|   |       | 31-I                 | Dec-18               | 31-Dec-17            |                      |  |  |
|---|-------|----------------------|----------------------|----------------------|----------------------|--|--|
|   | Notes | Book value<br>ThUS\$ | Fair value<br>ThUS\$ | Book value<br>ThUS\$ | Fair value<br>ThUS\$ |  |  |
| Assets  |       |                      |                      |                      |                      |  |  |
| Cash and cash equivalents                               | 8     |                      |                      |                      |                      |  |  |
| Bank balances   |       | 37,752               | 37,752               | 20,752               | 20,752               |  |  |
| Term deposits   |       | 6,549                | 6,549                | -                    | -                    |  |  |
| Mutual funds  |       | 4,600                | 4,600                | 7,086                | 7,086                |  |  |
| Other current financial assets                          | 9     | 1,411                | 1,411                | 4,473                | 4,473                |  |  |
| Current trade debtors and other accounts receivable and | 1     |                      |                      |                      |                      |  |  |
| non-current fees receivable                             | 10    | 83,748               | 83,748               | 47,707               | 47,707               |  |  |
| Current accounts receivable from related entities       | 11    | 48,317               | 48,317               | 48,132               | 48,132               |  |  |
| Other non-current financial assets                      | 9     | 317                  | 317                  | 1,345                | 1,345                |  |  |
| Non-current accounts receivable from related entities   | 11    | 4,224                | 4,224                | 8,060                | 8,060                |  |  |
| Liabilities   |       |                      |                      |                      |                      |  |  |
| Other current financial liabilities                     | 21    | 172,629              | 172,629              | 151,531              | 151,531              |  |  |
| Other non-current financial liabilities                 | 21    | 331,443              | 331,443              | 83,966               | 83,966               |  |  |
| Current trade accounts and other accounts payable       | 22    | 88,319               | 88,319               | 49,724               | 49,724               |  |  |
| Other non-current accounts payable                      |       | 6,506                | 6,506                | -                    | -                    |  |  |
| Current accounts payable to related entities            | 11    | 7,646                | 7,646                | 6,142                | 6,142                |  |  |
| Non-current accounts payable to related entities        | 11    | 8,562                | 8,562                | 12,071               | 12,071               |  |  |

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, and December 31, 2017, is as follows:

| Types of Cash and Cash Equivalents | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br> |
|------------------------------------|---------------------|---------------|
| Bank balances                      | 37,752              | 20,752        |
| Term deposits                      | 6,549               | -             |
| Mutual funds                       | 4,600               | 7,086         |
| Total cash and cash equivalents    | 48,901              | 27,838        |

The detail per currency of cash and cash equivalent as of December 31, 2018 and December 31, 2017, is as follows:

| Type of currency     | 31-Dec-18<br> | 31-Dec-17<br>ThUS\$ |
|----------------------|---------------|---------------------|
| United States Dollar | 31,355        | 14,519              |
| Chilean Peso         | 505           | 2,313               |
| Mexican Peso         | 234           | 430                 |
| Euro                 | 9,878         | 9,770               |
| Pound                | 1,467         | -                   |
| Brazilian Real       | 502           | 89                  |
| Peruvian Nuevo Sol   | 4,958         | 608                 |
| Argentine Peso       | 2             | 109                 |
| Total                | 48,901        | 27,838              |

The detail of term deposits per bank as of December 31, 2018 and December 31, 2017, is as follows:

| Investments in term deposits       | 31-Dec-18<br> | 31-Dec-17<br>ThUS\$ |
|------------------------------------|---------------|---------------------|
| Banco de Crédito del Perú          | 6,549         | -                   |
| Total investments in term deposits | 6,549         |                     |

The detail of mutual funds per bank as of December 31, 2018 and December 31, 2017, is as follows:

| Investments in mutual funds       | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|-----------------------------------|---------------------|---------------------|
| Banco Crédito e Inversiones       | 4,437               | 5,085               |
| Banco Santander Chile             | 163                 | 1,801               |
| Banco Estado                      | -                   | 116                 |
| Itaú - Brasil                     |                     | 84                  |
| Total investments in mutual funds | 4,600               | 7,086               |

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, 2018 and December 31, 2017, is as follows:

| Current                                  | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|--|---------------------|---------------------|
| Swap rate operations                     | 30                  | 2                   |
| Forward currency operations              | 468                 | 3,606               |
| Hedging operations - options             | -                   | 834                 |
| Other financial assets                   | 913                 | 31                  |
| Total other current financial assets     | 1,411               | 4,473               |
| Non Gramout                              | od Dag 19           |                     |
| Non-Current                              | 31-Dec-18           | 31-Dec-17           |
|  | ThUS\$              | ThUS\$              |
| Swap Operations                          | 308                 | 219                 |
| Forward currency operations              | 9                   | 1,126               |
| Total other non-current financial assets | 317                 | 1,345               |

As of December 31, 2018 and December 31, 2017, there are no ineffective hedging instruments recognized in the Company's results, which arise from the aforementioned hedging of derivative operations.

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

| <u>ASSETS</u><br>Hedging instruments |                              |          |                   | Mark to Ma          | rket Value          |
|--------------------------------------|------------------------------|----------|-------------------|---------------------|---------------------|
| Banks                                | Instruments                  | Туре     | Capital<br>ThUS\$ | 31-dic-18<br>ThUS\$ | 31-dic-17<br>ThUS\$ |
| Scotiabank                           | Cross Currency Swaps CLP/USD | Rate     | 2,500             | 30                  | -                   |
| Estado                               | Cross Currency Swaps - USD   | Rate     | 5,200             |                     | 2                   |
| Total current                        |                              |          | 7,700             |                     | 2                   |
| Crédito e Inversiones                | Cross Currency Swaps - USD   | Rate     | 576               | 4                   | 7                   |
| Scotiabank                           | Cross Currency Swaps - USD   | Rate     | 5,000             | -                   | 40                  |
| Scotiabank                           | Cross Currency Swaps CLP/USD | Currency | 559               | -                   | 55                  |
| Crédito e Inversiones                | Cross Currency Swaps - USD   | Rate     | 4,184             | 117                 | 117                 |
| Santander                            | Cross Currency Swaps EUR/USD | Currency | 5,000             | 187                 |                     |
| Total non-current                    |                              |          | 15,319            | 308                 | 219                 |

b) The detail of the current and non-current forward operations, as of December 31, 2018 and December 31, 2017 held by Hortifrut S.A. and subsidiaries are the following:

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|                          |            |                  |      |                    |               |                    |                         | Mark to Market           |                                |        |               |                |                             |                                |                                 |
|--------------------------|------------|------------------|------|--------------------|---------------|--------------------|-------------------------|--------------------------|--------------------------------|--------|---------------|----------------|-----------------------------|--------------------------------|---------------------------------|
| Company                  | Bank       | Contract<br>Type | Тур  | Fees<br>e Currency | Liabi<br>Type | lities<br>Currency | Closing Value<br>Amount | Net Effect<br>Offsetting | Maturity up t<br>1 to 3 months |        | 6 to 9 months | 9 to 12 months | Total current<br>12/31/2018 | Maturity up to<br>1 to 2 years | Total non-current<br>12/31/2018 |
|                          |            |                  |      |                    | ThUS\$        |                    | ThUS\$                  | ThUS\$                   | ThUS\$                         | ThUS\$ | ThUS\$        | ThUS\$         | ThUS\$                      | ThUS\$                         | ThUS\$                          |
| Agrícola Vida Nueva S.A. | BCI        | Offsetting       | Sale | USD                | 160           | CLP                | 160                     |                          |                                | -      |               |                |                             | 1                              | . 1                             |
| Hortifrut Chile S.A.     | Estado     | Offsetting       | Sale | USD                | 7,246         | CLP                | 7,246                   |                          |                                | -      | 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                | 17,439                  |                          | 424                            | 34     | -             |                | 458                         |                                | · ·                             |
| Hortifrut S.A.           | Estado     | Offsetting       | Sale | USD                | 3,404         | CLP                | 3,404                   |                          |                                | -      | 1             | 1              | 2                           | 3                              | 3                               |
| Hortifrut S.A.           | Scotiabank | Offsetting       | Sale | USD                | 517           | CLP                | 517                     |                          | 1                              | -      | -             | -              | 1                           |                                |                                 |
|                          | Total      | 31-Dec-18        |      | -                  | 29,694        |                    | 29,694                  |                          | <b>42</b> 7                    | 35     | 2             | 4              | 468                         | 9                              | 9                               |

|                                     |            |            |      |            |        |          |               |            | Mark to Market |               |               |                |               |                |                   |
|-------------------------------------|------------|------------|------|------------|--------|----------|---------------|------------|----------------|---------------|---------------|----------------|---------------|----------------|-------------------|
|                                     |            | Contract   |      | Fees       | Liabi  | lities   | Closing Value | Net Effect | Maturity up t  | 0             |               |                | Total current | Maturity up to | Total non-current |
| Company                             | Bank       | Туре       | Туре | e Currency | Amount | Currency | Amount        | Offsetting | 1 to 3 months  | 3 to 6 months | 6 to 9 months | 9 to 12 months | 12/31/2017    | 1 to 2 years   | 12/31/2017        |
|                                     |            |            |      |            | ThUS\$ |          | ThUS\$        | ThUS\$     | ThUS\$         | ThUS\$        | ThUS\$        | ThUS\$         | ThUS\$        | ThUS\$         | ThUS\$            |
| Agr. Vida Nueva S.A.                | BCI        | Offsetting | Sale | USD        | 1,681  | CLP      | 1,7 87        | 106        | 96             | 7             | -             |                | 103           | -              | -                 |
| Hortifrut Chile S.A.                | BBVA       | Offsetting | Sale | USD        | 4,948  | CLP      | 5,570         | 622        | 251            | 107           | 90            | 151            | 599           | 251            | 251               |
| Hortifrut Chile S.A.                | BCI        | Offsetting | Sale | USD        | 3,308  | CLP      | 4,023         | 715        | 496            | 210           | -             |                | 706           | -              | -                 |
| Hortifrut Chile S.A.                | Estado     | Offsetting | Sale | USD        | 2,352  | CLP      | 2,593         | 241        | 168            | 70            | -             |                | 238           | -              | -                 |
| Hortifrut Chile S.A.                | Santander  | Offsetting | Sale | USD        | 3,495  | CLP      | 3,831         | 336        | 160            | 67            | 38            | 62             | 327           | 112            | 112               |
| Hortifrut Chile S.A.                | Scotiabank | Offsetting | Sale | USD        | 6,279  | CLP      | 6,679         | 400        | 37             | 15            | 117           | 194            | 363           | 325            | 325               |
| Hortifrut S.A.                      | BBVA       | Offsetting | Sale | USD        | 2,276  | CLP      | 2,616         | 340        | 227            | 22            | 30            | 53             | 332           | 162            | 162               |
| Hortifrut S.A.                      | BCI        | Offsetting | Sale | USD        | 2,318  | CLP      | 2,815         | 497        | 449            | 43            | -             |                | 492           | -              | -                 |
| Hortifrut S.A.                      | Estado     | Offsetting | Sale | USD        | 1,022  | CLP      | 1,125         | 103        | 84             | 18            | -             |                | 102           | -              | -                 |
| Hortifrut S.A.                      | Santander  | Offsetting | Sale | USD        | 1,775  | CLP      | 1,943         | 168        | 110            | 16            | 18            | 22             | 166           | 69             | 69                |
| Hortifrut S.A.                      | Scotiabank | Offsetting | Sale | USD        | 2,256  | CLP      | 2,401         | 145        | 18             | 4             | 41            | 69             | 132           | 207            | 207               |
| Agrícola Mataquito S.A.             | Santander  | Offsetting | Sale | USD        | 516    | CLP      | 543           | 27         | 22             | 4             | -             |                | 26            | -              | -                 |
| Agrícola Santa Rosa del Parque S.A. | Santander  | Offsetting | Sale | USD        | 383    | CLP      | 403           | 20         | 17             | 3             | -             |                | 20            | -              |                   |
|                                     | Total      | 31-Dec-17  |      | -          | 32,609 |          | 36,329        | 3,720      | 2,135          | 586           | 334           | 551            | 3,606         | 1,126          | 1,126             |

Type of fees from the company's perspective.

c) As of December 31, 2018, the Company does not maintain option operations, as of December 31, 2017, the detail of the current options held by Hortifrut S.A. and subsidiaries is as follows:

|                      |      | Contract   | Fe         | es       | Liabi            | lities   | Closing Value    | Net Effect           | Mark to<br>Market Closing | g                |
|----------------------|------|------------|------------|----------|------------------|----------|------------------|----------------------|---------------------------|------------------|
| Company              | Bank | Туре       | Туре       | Currency | Amount<br>ThUS\$ | Currency | Amount<br>ThUS\$ | Offsetting<br>ThUS\$ | Exch. Rate<br>ThUS\$      | Maturity<br>Date |
| Hortifrut Chile S.A. | BCI  | Offsetting | ZCC        | CLP      | 851              | USD      | 691              | 160                  | 158                       | 19-Jan-18        |
| Hortifrut Chile S.A. | BCI  | Offsetting | ZCC        | CLP      | 616              | USD      | 501              | 115                  | 114                       | 20-Feb-18        |
| Hortifrut Chile S.A. | BCI  | Offsetting | ZCC        | CLP      | 402              | USD      | 327              | 75                   | 74                        | 20-Mar-18        |
| Hortifrut Chile S.A. | BCI  | Offsetting | ZCC        | CLP      | 286              | USD      | 232              | 54                   | 53                        | 20-Apr-18        |
| Hortifrut Chile S.A. | BCI  | Offsetting | ZCC        | CLP      | 259              | USD      | 210              | 49                   | 48                        | 18-May-18        |
| Hortifrut Chile S.A. | BCI  | Offsetting | ZCC        | CLP      | 232              | USD      | 189              | 43                   | 43                        | 20-Jun-18        |
| Hortifrut S.A.       | BCI  | Offsetting | ZCC        | CLP      | 982              | USD      | 798              | 184                  | 183                       | 19-Jan-18        |
| Hortifrut S.A.       | BCI  | Offsetting | ZCC        | CLP      | 552              | USD      | 449              | 103                  | 102                       | 20-Feb-18        |
| Hortifrut S.A.       | BCI  | Offsetting | ZCC        | CLP      | 162              | USD      | 132              | 30                   | 30                        | 20-Mar-18        |
| Hortifrut S.A.       | BCI  | Offsetting | ZCC        | CLP      | 69               | USD      | 56               | 13                   | 13                        | 20-Apr-18        |
| Hortifrut S.A.       | BCI  | Offsetting | ZCC        | CLP      | 42               | USD      | 34               | 8                    | 8                         | 18-May-18        |
| Hortifrut S.A.       | BCI  | Offsetting | ZCC        | CLP      | 48               | USD      | 39               | 9                    | 8                         | 20-Jun-18        |
|                      |      | Total      | Offsetting | -        | 4,501            | _        | 3,658            | 843                  | 834                       |                  |



# 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, 2018 and as of December 31, 2017, is as follows:

|                               | 31-Dec-18       |                                   |                                |                                |   |           |  |  |
|-------------------------------|-----------------|-----------------------------------|--------------------------------|--------------------------------|---|-----------|--|--|
| Current per country of origin | Sales<br>ThUS\$ | Receivable<br>documents<br>ThUS\$ | Other<br>receivables<br>ThUS\$ | Recoverable<br>taxes<br>ThUS\$ | Allowance for<br>doubtful<br>accounts<br>ThUS\$ | Total<br> |  |  |
| 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    |  |  |

|                               | <b>31-Dec-1</b> 7 |                                   |                                |                                |   |                 |  |  |
|-------------------------------|-------------------|-----------------------------------|--------------------------------|--------------------------------|---|-----------------|--|--|
| Current per country of origin | Sales<br>ThUS\$   | Receivable<br>documents<br>ThUS\$ | Other<br>receivables<br>ThUS\$ | Recoverable<br>taxes<br>ThUS\$ | Allowance for<br>doubtful<br>accounts<br>ThUS\$ | Total<br>ThUS\$ |  |  |
| Chile                         | 5,870             | 2,546                             | 1,393                          | 6,035                          | (239)   | 15,605          |  |  |
| Spain                         | 14,124            | -                                 | 918                            | 1,070                          | (13)  | 16,099          |  |  |
| Mexico                        | 94                | -                                 | 5,331                          | 1,376                          | (2,531)   | 4,270           |  |  |
| United States                 | 2                 | -                                 | -                              | -                              | -   | 2               |  |  |
| Brazil                        | 548               | -                                 | 179                            | 242                            | (79)  | 890             |  |  |
| Argentina                     | -                 | -                                 | 210                            | 30                             | -   | 240             |  |  |
| Peru                          | 1                 |                                   | 917                            | 8,068                          |   | 8,986           |  |  |
| Total                         | 20,639            | 2,546                             | 8,948                          | 16,821                         | (2,862)   | 46,092          |  |  |

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, 2018 and December 31, 2017, is as follows:

| Non-current                                 | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|---|---------------------|---------------------|
| Non-current debtors and accounts receivable | 460                 | 660                 |
| Other non-current fees receivable           | 1,086               | 955                 |
| Total non-current fees receivable           | 1,546               | 1,615               |

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

|                         | 31-Dec-18 | 31-Dec-17 |
|-------------------------|-----------|-----------|
| Tax receivable accounts | ThUS\$    | ThUS\$    |
| Iva (VAT) tax credit    | 25,473    | 16,526    |
| Other recoverable taxes | 1,483     | 295       |
| Total                   | 26,956    | 16,821    |

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, 2018 and December 31, 2017. Below is an analysis by age of trade debts and accounts receivable:

|                   | 31-Dec-18                                      |  | 31-Dec-17                                       |  |  |
|-------------------|--|--|---|--|--|
| NON SECURIT       |  | ZED PORTFOLIO                            | IO NON SECURITIZED PORTF                        |  |  |
| Terms             | Customers<br>non-<br>renegotiated<br>portfolio | Amount non-<br>renegotiated<br>portfolio | Customers<br>non re-<br>negotiated<br>portfolio | Amount non-<br>renegotiated<br>portfolio |  |
|                   | N°   | ThUS\$                                   | N°  | ThUS\$                                   |  |
| Non past due      | 648  | 24,765                                   | 503   | 20,797                                   |  |
| From 1 to 30 days | 92   | 20,850                                   | 164   | 764                                      |  |
| From 31-60 days   | 25   | 83                                       | 50  | 575                                      |  |
| From 61-90 days   | 21   | 111                                      | 24  | 839                                      |  |
| From 91-120 days  | 13   | 55                                       | 7   | 51                                       |  |
| From 121-150 days | 4  | 60                                       | 6   | 8  |  |
| From 151-180 days | 3  | -  | 4   | 1  |  |
| From 181-210 days | 21   | 155                                      | 7   | 6  |  |
| From 211-250 days | 5  | -  | 17  | 176                                      |  |
| Over 250 days     | 66   | 392                                      | 109   | 628                                      |  |
| Total             | 898  | 46,471                                   | 891   | 23,845                                   |  |
| Provision         |  | (1,141)                                  |   | (412)                                    |  |
| Total (net)       |  | 45,330                                   |   | 23,433                                   |  |

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-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|-------------------|---------------------|---------------------|
| Non past due      | 3,293               | 7,569               |
| From 1 a 30 days  | 44,390              | 19,368              |
| From 31-60 days   | 9,574               | 7,380               |
| From 61-90 days   | 1,431               | 353                 |
| From 91-120 days  | 864                 | 2,570               |
| From 121-150 days | 58                  | 139                 |
| From 151-180 days | 7,587               | 79                  |
| From 181-210 days | 246                 | 6                   |
| From 211-250 days | 715                 | -                   |
| Over 250 days     | 14,044              | 8,628               |
| Total             | 82,202              | 46,092              |

Balances of currencies that make-up trade debtors and other current accounts receivable as of December 31, 2018 and December 31, 2017, are as follows:

| Type of currency     | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|----------------------|---------------------|---------------------|
| United States dollar | 11,147              | 8,830               |
| Chilean Peso         | 10,062              | 9,700               |
| Euro                 | 44,441              | 15,342              |
| Pound                | 2,335               | -                   |
| Mexican Peso         | 2,192               | 2,969               |
| Argentine Peso       | 1,495               | 240                 |
| Brazilian Real       | 872                 | 801                 |
| Peruvian Nuevo Sol   | 9,658               | 8,210               |
| Total                | 82,202              | 46,092              |

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,                         | 2018   | As of December 31, 2017                       |   |  |  |
|---------------------------|---|---|--|---|---|--|--|
|                           | Gross<br>exposure as<br>per balance<br>ThUS\$ | Gross<br>impaired<br>exposure<br>ThUS\$ | Net exposure<br>concentration of<br>risk<br>ThUS\$ | Gross<br>exposure as<br>per balance<br>ThUS\$ | Gross<br>impaired<br>exposure<br>ThUS\$ | Net exposure<br>concentration of<br>risk<br>ThUS\$ |  |
| Trade Debtors             | 44,105  | (895)                                   | 43,210   | 20,639  | (202)                                   | 20,437   |  |
| Notes receivable          | 1,906   | (246)                                   | 1,660  | 2,546   | (210)                                   | 2,336  |  |
| Other accounts receivable | 13,579  | (3,203)                                 | 10,376   | 8,948   | (2,450)                                 | 6,498  |  |
| Recoverable taxes         | 26,956  | -                                       | 26,956   | 16,821  | -                                       | 16,821   |  |
| Total                     | 86,546  | (4,344)                                 | 82,202   | 48,954  | (2,862)                                 | 46,092   |  |

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

|                           | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|---------------------------|---------------------|---------------------|
| National trade debtors    | 895                 | 202                 |
| Receivable documents      | 246                 | 210                 |
| Other accounts receivable | 3,203               | 2,450               |
| Total                     | 4,344               | 2,862               |

The movement of provision due to loss caused by the impairment of the value of trade debtors and others as of December 31, 2018 and December 31, 2017, is as follows:

| Movement                 | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|--------------------------|---------------------|---------------------|
| As of January 01         | 2,862               | 2,119               |
| Provision reversal       | (170)               | -                   |
| Write-offs               | (317)               | (356)               |
| Equity provision         | 952                 | -                   |
| Increase in provision    | 997                 | 1,058               |
| Exchange rate difference | 20                  | 41                  |
| Total                    | 4,344               | 2,862               |

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 in accordance with what is indicated in Note 2.7 letter (a).

Until December 31, 2017, the Company constituted provisions for non-collectability based on estimations and considering evidence of impairment of trade debtors and others. The criteria used to determine the existence of objective evidence for loss due to impairment was the maturity of the portfolio, concrete acts of impairment (default) and specific market signs.

Standard IFRS 9 replaces the "incurred loss" model of Standard IAS 39 previously used, by a model of "expected credit loss" (ECL). Based on the aforementioned, from January 1, 2018, Hortifrut will estimate 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 built based on historic information of 4 years, where the amount of weighted defaults per year was obtained for each one of the debtors.

To perform this calculation, 2 definitions of default have been determined.

- <u>Producers:</u> 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).
- <u>Other Debtors:</u> 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.

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.

| <u>Classification</u> |                                | Days | <u>s past due</u> |
|-----------------------|--------------------------------|------|-------------------|
| -                     | Producers                      | -    | <b>0-30</b> days  |
| -                     | Commercial Sale (Local market) | -    | 31-60 days        |
| -                     | Sale of Frozen Fruit (Export)  | -    | 61-90 days        |
| -                     | Sale of Fresh Fruit (Export)   | -    | 91-120 days       |
| -                     | Others (Other Sales)           | -    | 121-150 days      |
|                       |                                | -    | 151-180 days      |
|                       |                                | -    | > 180 days        |

The probability of average default events determined for the period ending December 31, 2018 and the period ending January 01, 2018 is as follows:

|               | Probability of Probability of Default Default |            |  |
|---------------|---|------------|--|
| Days past due | 31.12.2018                                    | 01.01.2018 |  |
| 0-30          | 0.86%   | 1.12%      |  |
| 31-60         | 11.95%  | 12.14%     |  |
| 61-90         | 20.28%  | 20.28%     |  |
| 91-120        | 29.44%  | 28.88%     |  |
| 121-150       | 37.03%  | 36.99%     |  |
| 151-180       | 45.83%  | 45.79%     |  |
| >180          | 81.05%  | 80.34%     |  |

**(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 incurred 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.

The determined expected loss at the end of the period as of December 31, 2018 is ThUS\$4,344 (ThUS\$2,862 as of December 31, 2017) and the adjustment as of January 01, 2018 is ThUS\$1,380.



#### 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<sup>o</sup> 18.046, regarding Closely-held Corporations and in Title XV of law N<sup>o</sup>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, 2018 and 2017, are detailed as follows:

|                                     |              |                      |  |                     | 31-Dec-18 | 31-Dec-17 |
|-------------------------------------|--------------|----------------------|--|---------------------|-----------|-----------|
| Current Accounts Receivable         | RUT          | Country of<br>Origin | Nature of the relationship                     | Type of<br>Currency | ThUS\$    | ThUS\$    |
| Naturipe Farms LLC                  | о-Е          | USA                  | Associated                                     | USD                 | 30,681    | 22,707    |
| S.A.T. Hortifrut H-0030             | o-E          | Spain                | Associated                                     | EUR                 | 3,137     | -         |
| Tal S.A.C.                          | o-E          | Peru                 | Common shareholder                             | USD                 | 2,748     | -         |
| Valles del Sur SpA                  | 76.243.329-k | Chile                | Accionista en común                            | USD                 | 2,717     | 3,394     |
| Hortiblue Logistics BV              | o-E          | Spain                | Associated                                     | EUR                 | 1,909     | -         |
| Naturipe Value Added Foods LLC      | o-E          | USA                  | Associated                                     | USD                 | 1,698     | 12,181    |
| Expofresh S.A.                      | o-E          | Argentina            | Common shareholder                             | USD                 | 870       | -         |
| Naturipe Value Added Fresh, LLC.    | о-Е          | USA                  | Associated                                     | USD                 | 1,141     | -         |
| Hortifrut Expofresh S.A.            | o-E          | Argentina            | Associated                                     | USD                 | 1,087     | 993       |
| Munger Hortifrut North America, LLC | o-E          | USA                  | Associated                                     | USD                 | 794       | 3         |
| Tierras de Berries S.A.             | o-E          | Argentina            | Common shareholder                             | USD                 | 516       | -         |
| Golden Wing Mau Agricultural P      | o-E          | China                | Common shareholder                             | USD                 | 318       | -         |
| Agrícola Los Hualles SpA            | 76.914.483-8 | Chile                | Associated                                     | CLP                 | 292       | -         |
| Cooperativa de Agricultores Gijon.  | o-E          | Spain                | Affiliate of a common shareholder in subsidiar | EUR                 | 5         | 47        |
| Agrícola del Valle del Sur SpA      | 76.923.964-2 | Chile                | Common shareholder                             | USD                 | 212       | -         |
| Tierra de Arándanos S.R.L.          | o-E          | Argentina            | Common sharehoder in associated                | USD                 | 142       | 43        |
| Juan Luis Navarro                   | o-E          | Spain                | Shareholder in associated                      | EUR                 | 29        | -         |
| Juan Carlos Garcia                  | o-E          | Spain                | Common shareholder                             | EUR                 | -         | 28        |
| Talsa Agroexport Perú S.A.C.        | o-E          | Peru                 | Common shareholder                             | USD                 | 8         | -         |
| Global Organics S.A.                | 76.404.690-0 | Chile                | Common shareholder                             | CLP                 | 5         | 2         |
| Atlantic Blue,S.L.                  | o-E          | Spain                | Common shareholder                             | EUR                 | 4         | 1         |
| Agrícola San José de Tilama S.A.    | 76.043.289-K | Chile                | Common shareholder                             | USD                 | 3         | 25        |
| Agrícola e Inmobiliaria Lumaco S.A. | 96.761.430-0 | Chile                | Common shareholder                             | CLP                 | 1         | -         |
| Euroberry GmbH                      | o-E          | Germany              | Subsidiary of subsidiary                       | EUR                 | -         | 4,714     |
| Euroberry UK Ltd.                   | o-E          | England              | Subsidiary of subsidiary                       | EUR                 | -         | 3,320     |
| Naturipe Berry Growers, LLC         | o-E          | USA                  | Associated                                     | USD                 | -         | 615       |
| Atlantic Green S.L.                 | o-E          | Spain                | Common shareholder                             | EUR                 | -         | 35        |
| Agrícola Nueva Cabildo S.A.         | 76.107.465-2 | Chile                | Common shareholder                             | USD                 | -         | 24        |
| Total                               |              |                      |  |                     | 48,317    | 48,132    |
|                                     |              |                      |  |                     |           |           |

Current accounts receivable correspond to trade operations whose collection period is between 1 and 3 months.

Non-current accounts receivable correspond to the financing of investments whose collection period is over 3 years.

| Non-current accounts receivable | RUT | Country of<br>Origin | Nature of the relationship       | Type of<br>Currency | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|---------------------------------|-----|----------------------|----------------------------------|---------------------|---------------------|---------------------|
| Hortifrut Berries Maroc SRL     | 0-E | Morocco              | Associated                       | EUR                 | 4,224               | 4,243               |
| S.A.T. Hortifrut H-0030         | o-E | Spain                | Associated                       | EUR                 |                     | 2,729               |
| Tierras de Berries S.A.         | o-E | Argentina            | Common shareholder in associated | USD                 | -                   | 1,088               |
| Total                           |     |                      |                                  |                     | 4,224               | 8,060               |

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% interest, with expiry in November 2027.

## 11.2. Accounts payable to related entities

Accounts payable to related entities as of December 31, 2018 and December 31, 2017, are detailed below:

|  |              |                      |   |                     | 31-Dec-18 | 31-Dec-17 |
|--|--------------|----------------------|---|---------------------|-----------|-----------|
| Current accounts payable                 | RUT          | Country of<br>Origin | Nature of the relationship                | Type of<br>Currency | ThUS\$    | ThUS\$    |
| Andes Sur Inversiones Ltda.              | 76.463.392-K | Chile                | Common shareholder                        | CLP                 | 2,049     | 2,192     |
| Sociedad Agrícola Catapilco Limitada     | 78.241.100-4 | Chile                | Subsidiary of a shareholder in associated | CLP                 | 2,002     | -         |
| Inversiones Jordie S.A.                  | o-E          | Peru                 | Common shareholder                        | PEN                 | 1,143     | -         |
| Aguacates del Perú S.A.C.                | o-E          | Peru                 | Common shareholder                        | PEN                 | 672       | -         |
| Qingdao Wolin Blueberry Fruit Industry   | o-E          | China                | Common shareholder                        | USD                 | 415       | -         |
| Monarch Nut Company, LLC                 | o-E          | USA                  | Common shareholder                        | USD                 | 251       | 113       |
| Atlantic Blue Berries Maroc, SARL        | 0-E          | Spain                | Common shareholder in subsidiary          | EUR                 | 245       | 39        |
| Avo Peú S.A.C.                           | o-E          | Peru                 | Affiliate of a Shareholder in associated  | PEN                 | 242       | -         |
| Agrícola Santa Carmen Ltda               | 86.776.400-3 | Chile                | Common shareholder                        | USD                 | 237       | 724       |
| Naturipe Berry Growers, LLC              | 0-E          | USA                  | Associated                                | USD                 | 180       | -         |
| El Rocio S.A.                            | o-E          | Peru                 | Affiliate of a Shareholder in associated  | PEN                 | 98        | -         |
| Techagri                                 | o-E          | Spain                | Common shareholder                        | USD                 | 53        | -         |
| Berry Blue, LLC                          | o-E          | USA                  | Associated                                | USD                 | 48        | 7         |
| S.A.T. Hortifrut H-0030                  | o-E          | Spain                | Associated                                | EUR                 | -         | -         |
| Agrícola e Inmobiliaria Don Vitoco Ltda. | 76.849.930-6 | Chile                | Common shareholder                        | CLP                 | 10        | 45        |
| Munger Bros, LLC                         | o-E          | USA                  | Common shareholder                        | USD                 | 1         | 125       |
| Hortifrut Tal S.A.C                      | o-E          | Peru                 | Associated                                | USD                 | -         | 1,124     |
| Expofresh S.A.                           | o-E          | Argentina            | Common shareholder                        | USD                 | -         | 1,002     |
| Tal S.A.C.                               | 0-E          | Peru                 | Affiliate of a Shareholder in associated  | USD                 | -         | 736       |
| Santa María de Gorbea S.A.               | 99.567.570-6 | Chile                | Common shareholder                        | CLP                 | -         | 26        |
| Pacific Berry Breeding, LLC              | o-E          | USA                  | Associated                                | USD                 | -         | 9         |
| Total                                    |              |                      |   |                     | 7,646     | 6,142     |

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

| Non-current accounts payable | RUT          | Country of<br>Origin | Nature of the relationship               | Type of<br>Currency | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|------------------------------|--------------|----------------------|--|---------------------|---------------------|---------------------|
| Royal Berries S.L.           | o-E          | Spain                | Affiliate of a Shareholder in subsidiary | EUR                 | 7,353               | 10,542              |
| Inversiones Canihua S.A.     | 95.526.000-7 | Chile                | Common shareholder                       | CLP                 | 792                 | 1,057               |
| Inversiones Purranque S.A.   | 96.539.710-8 | Chile                | Shareholder in subsidiary                | CLP                 | 417                 | 472                 |
| Total                        |              |                      |  |                     | 8,562               | 12,071              |

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%.

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.

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## 11.3. Transactions with related parties and their effects on results

The operations and their effects on results for the periods ending December 31, 2018 and December 31, 2017:

|  |              |   |  | <u>31-Dec</u><br>Amount<br>transaction | Effect on<br>profit or<br>loss<br>(charge) /<br>deposit | <u>31-De</u><br>Amount<br>transaction | Effect on<br>profit or<br>loss<br>(charge) /<br>deposit |
|--|--------------|---|--|--|---|---------------------------------------|---|
| Company                                  | <u>RUT</u>   |   | Description of the transaction                       | ThUS\$                                 | ThUS\$  | ThUS\$                                | ThUS\$  |
| Naturipe Farms LLC                       | 0-E          | Associated                              | Fruit sales  | 233,812                                | 33,597  | 183,177                               | 17,343  |
| Naturipe Farms LLC                       | 0-E          | Associated                              | Income from Packing services, materials and others   | 195                                    | -   | 97                                    | -   |
| Naturipe Farms LLC                       | 0-E          | Associated                              | Fruit purchases                                      | 286                                    | 41  | 115                                   | 11  |
| S.A.T. Hortifrut H-0030                  | 0-E          | Associated                              | Fruit sales  | 14,528                                 | 2,088   | 14,376                                | 1,361   |
| S.A.T. Hortifrut H-0030                  | 0-E          | Associated                              | Earned interests                                     | 79                                     | 11  | 85                                    | (85)  |
| S.A.T. Hortifrut H-0030                  | 0-E          | Associated                              | Received services                                    | 835                                    | -   | -                                     | -   |
| Agrícola Santa Carmen Ltda.              | 86.776.400-3 | Common shareholder                      | Fruit purchases                                      | 13,071                                 | -   | 10,112                                | -   |
| Agrícola Santa Carmen Ltda.              | 86.776.400-3 | Common shareholder                      | Income from Packing services, materials and others   | 747                                    | -   | 807                                   |   |
| Agrícola Santa Carmen Ltda.              | 86.776.400-3 | Common shareholder                      | Income from plant sales                              | 47                                     | -   | 116                                   | 11  |
| Naturipe Value Added Foods LLC           | 0-E          | Associated                              | Fruit sales  | 19,330                                 | 2,778   | 15,917                                | 1,507   |
| Naturipe Berry Growers LLC               | 0-E          | Associated                              | Fruit sales  | 2,194                                  | 315   | 3,860                                 | 365   |
| Sociedad Agrícola Catapilco Limitada     | 78.241.100-4 | Afiliate of a Shareholder in associated | l Advanced purchase of plants (Nursery)              | 6,017                                  | -   | -                                     | -   |
| Sociedad Agrícola Catapilco Limitada     | 78.241.100-4 | Afiliate of a Shareholder in associated | l Income from Packing services, materials and others | 12                                     | -   | -                                     |   |
| Agrícola e Inmobiliaria Don Vitoco Ltda. |              | Common shareholder                      | Fruit purchases                                      | 101                                    | -   | 71                                    |   |
| Agrícola e Inmobiliaria Don Vitoco Ltda. |              | Common shareholder                      | Income from Packing services, materials and others   | 72                                     | -   | 36                                    |   |
| Valles del Sur SpA                       | 1000         | Common shareholder                      | Fruit purchases                                      | 9,488                                  | -   | 6,783                                 |   |
| Valles del Sur SpA                       | 76.243.329-k | Common shareholder                      | Income from Packing services, materials and others   | 219                                    | -   | 818                                   | -   |
| Valles del Sur SpA                       |              | Common shareholder                      | Income from plant sales                              | 2                                      | -   | 634                                   | 60  |
| Agrícola San José de Tilama S.A.         |              | Common shareholder                      | Fruit purchases                                      | 1,566                                  | -   | 1,866                                 | -   |
| Agrícola San José de Tilama S.A.         |              | 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                                      | -   | 132                                   | 12  |
| Vilcun Organics SPA                      | 76.158.225-9 | Common shareholder                      | Income from Packing services, materials and others   | -                                      | -   | 135                                   | -   |
| Santa Maria de Gorbea S.A.               | 99.567.570-6 | Common shareholder                      | Income from Packing services, materials and others   | 27                                     | -   | -                                     | -   |
| Santa Maria de Gorbea S.A.               | 99.567.570-6 | Common shareholder                      | Fruit purchases                                      | 307                                    | -   | 80                                    |   |
| Agrícola Nueva Cabildo S.A.              | 76.107.465-2 | Common shareholder                      | Fruit purchases                                      | 484                                    | -   | 320                                   |   |
| Agrícola Nueva Cabildo S.A.              | 76.107.465-2 | Common shareholder                      | Income from Packing services, materials and others   | 31                                     | -   | 31                                    |   |
| Agrícola Nueva Cabildo S.A.              | 76.107.465-2 | Common shareholder                      | Income from plant sales                              | -                                      | -   | 25                                    | 2   |
| Andes Sur Inversiones Limitada           | 76.463.392-K | Shareholder in subsidiary               | Received loan  | -                                      | -   | 1,204                                 | -   |
| Hortifrut Tal S.A.C                      | o-E          | Associated                              | Fruit purchases                                      | 16,509                                 | -   | 55,466                                | -   |
| Techagri                                 | o-E          | Common shareholder                      | Fruit purchases                                      | 1,979                                  | -   | -                                     | -   |
|  |              |   |  |  |   |                                       |   |



## 11.4. Board Remunerations and fees and Remunerations of main executives

The allowances, remunerations and ownership interests of the Board members as of December 31, 2018 reach ThUS\$1,073. For the same period in 2017 the total of allowances, remunerations and ownership interests reached ThUS\$971. The total gross remuneration received by the main executives at Hortifrut S.A. and subsidiaries reached ThUS\$8,411 as of December 31, 2018 and ThUS\$4,221 as of December 31, 2017. The main executives 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 (executive 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, 2018 and the period ending December 31, 2017, is as follows:

| Types of inventory         | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|----------------------------|---------------------|---------------------|
| Finished products          | 61,053              | 29,016              |
| Raw material               | 650                 | 1,352               |
| Frozen finished products   | 2,978               | 1,937               |
| Materials and supplies     | 22,893              | 13,358              |
| Provision for obsolescence | (1,084)             | (1,107)             |
| Total                      | 86,490              | 44,556              |

|                            | 31-Dec-18 | 31-Dec-17 |
|----------------------------|-----------|-----------|
| Provision for obsolescence | ThUS\$    | ThUS\$    |
| As of January 01           | 1,107     | 917       |
| Reversal of provision      | (237)     | -         |
| Increase of provision      | 214       | 190       |
| Total                      | 1,084     | 1,107     |

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 period ending December 31, 2018 and the period ending December 31, 2017, no inventory has been pledged as security.

The cost of inventory recognized as costs of sale in the periods ending December 31, 2018 and 2017, reaches ThUS\$169,618 and ThUS\$180,961 respectively (see Note 30.1).

In order to mitigate the risk of loss of inventory, the Company maintains insurances as of December 31, 2018 (See Note 4.3).

#### NOTE 13 - BIOLOGICAL ASSETS, CURRENT

The movements of biological assets, for the period ending December 31, 2018 and the period ending December 31, 2017 are the following:

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| Movement                                | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|---|---------------------|---------------------|
| Opening biological assets               | 9,716               | 6,856               |
| Incorporation due to merger Rocio Group | 16,991              | -                   |
| Increase due to capitalization of costs | 69,553              | 21,538              |
| Exchange rate adjustment                | (141)               | (10)                |
| Adjustment to fair value                | 5,332               | 1,640               |
| Amortization                            | (206)               | (234)               |
| Consumption                             | (80,169)            | (20,074)            |
| Total                                   | 21,076              | 9,716               |

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, 2018, the expected margin of fruit on "bearer plants" reaches ThUS\$5,332 (ThUS\$1,640 as of December 31, 2017) see detail in Note 4.4.

It must be stated that this valuation corresponds to an estimation, which could vary when the sale of the fruit is 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-18 | 31-Dec-17 |
|---|-----------|-----------|
| Current                                   | ThUS\$    | ThUS\$    |
| Advanced payment of blueberry plants      | 1,890     | 2,326     |
| Advanced expenses (lease)                 | 1,378     | 826       |
| Advanced expenses                         | 1,058     | 2,368     |
| Advanced payment for water fee collection | 61        | -         |
| Payments in guarantee                     | 100       | 94        |
| Advanced freight payment                  | 975       |           |
| Total                                     | 5,462     | 5,614     |

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

|   | 31-Dec-18 | 31-Dec-17 |
|---|-----------|-----------|
| Non-Current                               | ThUS\$    | ThUS\$    |
| Advanced payment for water fee collection | 1,189     | 1,361     |
| Advanced expenses (lease)                 | 3         | 56        |
| Total                                     | 1,192     | 1,417     |



#### 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.

|   |              |                      |                        |         | 31-Dec-18 |         |         |
|---|--------------|----------------------|------------------------|---------|-----------|---------|---------|
| Companies                                   | RUT          | Country<br>of Origin | Functional<br>Currency | Direct  | Indirect  | Total   | Total   |
| Agrícola El Avellano S.A. and subsidiaries  | 96.923.620-6 | Chile                | USD                    | 40.000  | -         | 40.000  | 40.000  |
| Agrícola El Pampino S.A.                    | 76.884.880-7 | Chile                | USD                    | -       | 20.000    | 20.000  | 20.000  |
| Agrícola Mataquito S.A.                     | 76.306.130-2 | Chile                | USD                    | 50.000  | -         | 50.000  | 50.000  |
| Agrícola Sta. Rosa del Parque S.A.          | 99.584.440-0 | Chile                | USD                    | 30.000  | -         | 30.000  | 30.000  |
| Agrícola Hortifrut S.A.                     | 79.764.840-k | Chile                | USD                    | 99.990  | 0.010     | 100.000 | 100.000 |
| Agrícola y Gan. Santa Rebeca Ltda.          | 78.988.990-2 | Chile                | USD                    | 25.000  | -         | 25.000  | 25.000  |
| Agrícola Vida Nueva S.A.                    | 96.996.290-k | Chile                | USD                    | 50.000  | -         | 50.000  | 50.000  |
| Colmenares Hortisur SPA                     | 99.568.520-5 | Chile                | CLP                    | -       | -         | -       | 100.000 |
| Hortifrut Chile S.A. and subsidiaries       | 99.524.450-0 | Chile                | USD                    | 99.990  | 0.010     | 100.000 | 100.000 |
| Hortifrut Comercial S.A.                    | 99.535.510-8 | Chile                | CLP                    | 0.010   | 99.990    | 100.000 | 100.000 |
| Viveros Hortifrut Chile S.A.                | 99.524.470-5 | Chile                | CLP                    | -       | 51.000    | 51.000  | 51.000  |
| Inversiones Hortifrut S.A. and subsidiaries | 99.524.540-k | Chile                | USD                    | 100.000 | 0.000     | 100.000 | 100.000 |
| Berry good Comercial Importadora            | Foreigner    | Brazil               | BRL                    | 40.010  | 59.990    | 100.000 | 100.000 |
| Hortifrut Inversiones Int. S.A.             | 76.043.425-6 | Chile                | USD                    | 49.487  | 50.513    | 100.000 | 100.000 |
| Hortifrut Argentina S.A.                    | Foreigner    | Argentina            | ARS                    | -       | 95.900    | 95.900  | 95.900  |
| Hortifrut North America Inc. and subsidiary | Foreigner    | USA                  | USD                    | -       | 100.000   | 100.000 | 100.000 |
| Pacific Berry Breending LLC                 | Foreigner    | USA                  | USD                    | -       | 100.000   | 100.000 | -       |
| Hortifrut S.A. de C.V. and subsidiaries     | Foreigner    | Mexico               | USD                    | -       | 99.990    | 99.990  | 99.990  |
| Hortifrut Import, Inc.                      | Foreigner    | USA                  | USD                    | -       | 100.000   | 100.000 | 100.000 |
| Naturipe Farm Import, Inc.                  | Foreigner    | USA                  | USD                    | -       | 100.000   | 100.000 | 100.000 |
| Hortifrut Europa SL                         | Foreigner    | Spain                | EUR                    | 0.030   | 99.970    | 100.000 | 100.000 |
| Hortifrut España Southern Sun SL            | Foreigner    | Spain                | EUR                    | -       | 50.000    | 50.000  | 50.000  |
| Asturian Berries SL                         | Foreigner    | Spain                | EUR                    | -       | 25.000    | 25.000  | 25.500  |
| HFE Berries Perú S.A.C.                     | Foreigner    | Peru                 | USD                    | -       | 50.000    | 50.000  | 50.000  |
| Euroberry Marketing S.A. and subsidiaries   | Foreigner    | Spain                | EUR                    | -       | 50.000    | 50.000  | 50.000  |
| Euroberry UK Ltd.                           | Foreigner    | England              | EUR                    | -       | 50.000    | 50.000  | -       |
| Euroberry GmbH                              | Foreigner    | Germany              | GBP                    | -       | 50.000    | 50.000  | -       |
| 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  |
| HFII Perú S.A.C.                            | Foreigner    | Peru                 | USD                    | -       | 100.000   | 100.000 | -       |
| Talsa Berries S.A.C. and subsidiaries       | Foreigner    | Peru                 | USD                    | -       | 100.000   | 100.000 | -       |

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 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 subsidiry 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.

#### Movements in Subsidiaries in 2017

During the period ending December 31, 2017, the Asian Berries Limited company was incorporated to the consolidation of the financial statements of the Hortifrut group.

On November 01, 2017, the Berries de Panguipulli SpA. company was absorbed by the Agrícola Hortifrut S.A. company.

On November 01, 2017, the Top Berries & Fruit SpA. company was absorbed by the Hortifrut Chile S.A. company.

On December 31, 2017, the Colmenares Hortisur SpA, company was absorbed by the Berries de Panguipulli SpA. Company.

#### Summarized financial information of significant subsidiaries

Below we present the statements of financial position, income statements and cash flow statements of the subsidiaries as of December 31, 2018 and 2017:

|   |                   |                       | 3               | 1-Dec-18          |                       |                 |                 |  |  |  |
|---|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|-----------------|--|--|--|
|   | A                 | ssets                 | Assets          | Lia               | abilities             | Liabilities     | Equity          |  |  |  |
| Statement of Financial Position             | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Total<br>ThUS\$ | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Total<br>ThUS\$ | Total<br>ThUS\$ |  |  |  |
| Hortifrut Chile and Subsidiaries            | 189,679           | 135,546               | 325,225         | 222,038           | 26,167                | 248,205         | 77,020          |  |  |  |
| 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                                       | 412,599           | 965,514               | 1,378,113       | 433,974           | 699,070               | 1,133,044       | 245,069         |  |  |  |

|   | 31-Dec-17         |                       |                 |                   |                       |                 |                 |  |  |  |
|---|-------------------|-----------------------|-----------------|-------------------|-----------------------|-----------------|-----------------|--|--|--|
|   | A                 | ssets                 | Assets          | Lia               | abilities             | Liabilities     | Equity          |  |  |  |
| Statement of Financial Position             | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Total<br>ThUS\$ | Current<br>ThUS\$ | Non-current<br>ThUS\$ | Total<br>ThUS\$ | Total<br>ThUS\$ |  |  |  |
| Hortifrut Chile and Subsidiaries            | 156,559           | 143,833               | 300,392         | 179,615           | 47,773                | 227,388         | 73,004          |  |  |  |
| Inversiones Hortifrut S.A. and Subsidiaries | 97,377            | 186,955               | 284,332         | 19,466            | 181,657               | 201,123         | 83,209          |  |  |  |
| Agrícola Vida Nueva S.A.                    | 1,371             | 11,521                | 12,892          | 818               | 4,183                 | 5,001           | 7,891           |  |  |  |
| Agrícola El Avellano S.A. and Subsidiaries  | 1,277             | 7,775                 | 9,052           | 2,505             | 1,341                 | 3,846           | 5,206           |  |  |  |
| Agrícola Hortifrut S.A.                     | 6,970             | 46,971                | 53,941          | 935               | 9,556                 | 10,491          | 43,450          |  |  |  |
| Agrícola Mataquito S.A.                     | 1,799             | 16,713                | 18,512          | 4,331             | 11,239                | 15,570          | 2,942           |  |  |  |
| Agrícola Santa Rosa del Parque S.A.         | 1,621             | 5,981                 | 7,602           | 1,332             | 1,899                 | 3,231           | 4,371           |  |  |  |
| Agrícola y Ganadera Sta. Rebeca Ltda.       | 24                | 159                   | 183             | 12                | 4                     | 16              | 167             |  |  |  |
| Total                                       | 266,998           | 419,908               | 686,906         | 209,014           | 257,652               | 466,666         | 220,240         |  |  |  |

|   | 31-Dec-18                      |                                 |                            |                 |                        |  |  |  |  |
|---|--------------------------------|---------------------------------|----------------------------|-----------------|------------------------|--|--|--|--|
| Income Statement                            | Operating<br>Revenue<br>ThUS\$ | Costs and<br>Expenses<br>ThUS\$ | Other<br>Results<br>ThUS\$ | Taxes<br>ThUS\$ | Gains (loss)<br>ThUS\$ |  |  |  |  |
| Hortifrut Chile and Subsidiaries            | 192,464                        | (176,925)                       | (4,581)                    | (2,816)         | 8,142                  |  |  |  |  |
| Inversiones Hortifrut S.A. and Subsidiaries | 428,527                        | (361,129)                       | (4,663)                    | (25,428)        | 37,307                 |  |  |  |  |
| Agrícola Vida Nueva S.A.                    | 3,153                          | (3,803)                         | 233                        | 51              | (366)                  |  |  |  |  |
| Agrícola El Avellano S.A. and Subsidiaries  | 2,433                          | (2,518)                         | 215                        | (239)           | (109)                  |  |  |  |  |
| Agrícola Hortifrut S.A.                     | 12,421                         | (13,270)                        | 105                        | (281)           | (1,025)                |  |  |  |  |
| Agrícola Mataquito S.A.                     | 5,668                          | (4,428)                         | 481                        | (593)           | 1,128                  |  |  |  |  |
| Agrícola Santa Rosa del Parque S.A.         | 2,324                          | (2,126)                         | (119)                      | (66)            | 13                     |  |  |  |  |
| Agrícola y Ganadera Sta Rebeca Ltda         | 74                             | (63)                            | (2)                        | (8)             | 1                      |  |  |  |  |
| Total                                       | 647,064                        | (564,262)                       | (8,331)                    | (29,380)        | 45,091                 |  |  |  |  |

|   | 31-Dec-17                      |                                 |                            |                 |                        |  |  |  |  |
|---|--------------------------------|---------------------------------|----------------------------|-----------------|------------------------|--|--|--|--|
| Income Statement                            | Operating<br>Revenue<br>ThUS\$ | Costs and<br>Expenses<br>ThUS\$ | Other<br>Results<br>ThUS\$ | Taxes<br>ThUS\$ | Gains (loss)<br>ThUS\$ |  |  |  |  |
| Hortifrut Chile and Subsidiaries            | 193,086                        | (164,614)                       | (2,777)                    | (6,305)         | 19,390                 |  |  |  |  |
| Inversiones Hortifrut S.A. and Subsidiaries | 302,918                        | (302, 307)                      | 4,482                      | 1,098           | 6,191                  |  |  |  |  |
| Agrícola Vida Nueva S.A.                    | 3,426                          | (2,993)                         | (176)                      | 14              | 271                    |  |  |  |  |
| Colmenares Hortisur SpA                     | 4                              | (87)                            | 2                          | 23              | (58)                   |  |  |  |  |
| Agrícola El Avellano S.A. and Subsidiaries  | 2,896                          | (3,145)                         | (151)                      | 322             | (78)                   |  |  |  |  |
| Agrícola Hortifrut S.A.                     | 7,150                          | (4,813)                         | (32)                       | (224)           | 2,081                  |  |  |  |  |
| Agrícola Mataquito S.A.                     | 3,751                          | (3,280)                         | (706)                      | 194             | (41)                   |  |  |  |  |
| Agrícola Santa Rosa del Parque S.A.         | 3,292                          | (1,998)                         | (96)                       | (228)           | 970                    |  |  |  |  |
| Top Berries & Fruit SpA                     | 3,105                          | (2,068)                         | (143)                      | (138)           | 756                    |  |  |  |  |
| Berries de Panguipulli SpA                  | 4,877                          | (4,399)                         | 2                          | (25)            | 455                    |  |  |  |  |
| Agrícola y Ganadera Sta. Rebeca Ltda.       | 45                             | (53)                            | 1                          | 8               | 1                      |  |  |  |  |
| Total                                       | 524,550                        | (489,757)                       | 406                        | (5,261)         | 29,938                 |  |  |  |  |

|   |                    | 31-Dec-1            | 8                  |        |
|---|--------------------|---------------------|--------------------|--------|
|   | Operating<br>Flows | Investment<br>Flows | Financing<br>Flows | Total  |
| Statement of Cash Flows                     | ThUS\$             | ThUS\$              | ThUS\$             | ThUS\$ |
| Hortifrut Chile and Subsidiaries            | 39,048             | (4,928)             | (31,958)           | 2,162  |
| Inversiones Hortifrut S.A. and Subsidiaries | 119,991            | (191,612)           | 92,067             | 20,446 |
| Agrícola Vida Nueva S.A.                    | 933                | (706)               | (231)              | (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)                | (375)              | (40)   |
| Agrícola y Ganadera Sta. Rebeca Ltda.       | 11                 | -                   | (13)               | (2)    |
| Total                                       | 164,231            | (201,013)           | 58,598             | 21,816 |

|   | 31-Dec-17                    |                               |                              |                 |  |  |  |  |
|---|------------------------------|-------------------------------|------------------------------|-----------------|--|--|--|--|
| Statement of Cash Flows                     | Operating<br>Flows<br>ThUS\$ | Investment<br>Flows<br>ThUS\$ | Financing<br>Flows<br>ThUS\$ | Total<br>ThUS\$ |  |  |  |  |
| Hortifrut Chile and Subsidiaries            | 59,411                       | (9,660)                       | (58,198)                     | (8,447)         |  |  |  |  |
| Inversiones Hortifrut S.A. and Subsidiaries | (326)                        | (22,409)                      | 23,511                       | 776             |  |  |  |  |
| Agrícola Vida Nueva S.A.                    | 670                          | (190)                         | (545)                        | (65)            |  |  |  |  |
| Colmenares Hortisur SpA                     | 92                           | (196)                         | -                            | (104)           |  |  |  |  |
| Agrícola El Avellano S.A. and Subsidiaries  | 491                          | 184                           | (392)                        | 283             |  |  |  |  |
| Agrícola Hortifrut S.A.                     | 1,106                        | (899)                         | -                            | 207             |  |  |  |  |
| Agrícola Mataquito S.A.                     | 17                           | (4,143)                       | 4,294                        | 168             |  |  |  |  |
| Agrícola Santa Rosa del Parque S.A.         | 572                          | (731)                         | (175)                        | (334)           |  |  |  |  |
| Top Berries & Fruit SpA                     | 878                          | (382)                         | (513)                        | (17)            |  |  |  |  |
| Berries de Panguipulli SpA                  | 1,773                        | 2                             | (1,799)                      | (24)            |  |  |  |  |
| Agrícola y Ganadera Sta. Rebeca Ltda.       | 41                           | (25)                          | (12)                         | 4               |  |  |  |  |
| Total                                       | 64,725                       | (38,449)                      | (33,829)                     | (7,553)         |  |  |  |  |

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#### Note IAS 29 Hortifrut Argentina

Argentine hyperinflationary economy during 2018, the International Practice Task Force (IPFT) for the Center for Audit Quality (CAQ) declared that the Argentine economy was hyperinflationary from July 01, 2018, considering that Argentina's accumulated inflation during the last 3 years surpassed 100%.

Considering this information, IAS 29 "Financial Reporting in Hyperinflationary Economies" must be applied. In the current Consolidated Financial Statements, since the functional currency of the subsidiary Hortifrut Argentina S.A. is the Argentine Peso (Ars\$), the non-monetary items have been re-expressed from the year 2012 (year when it stopped having USD as its functional currency). According to what is established in IAS 29, the financial statements of our subsidiary in Argentina have been retrospectively re-expressed applying a general price index to the historic cost, in order to reflect the changes in the purchasing power of the Argentine Peso, as of the closing date of the current Financial Statements. Nevertheless, in the current Financial Statements, the comparative information of 2017 related with the subsidiary in Argentina, has not been re-expressed, as per what is established in IAS 21.

The consolidated financial statements present an equity charge during 2018 in the item "Other Reserves" reaching ThUS\$620 due to the accumulated effect as of the date when Argentina was defined as a hyperinflationary economy.



### 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-18 | 31-Dec-17 |
|--------------------|-----------|-----------|
| Detail per country | ThUS\$    | ThUS\$    |
| United States      | 28,114    | 31,897    |
| Spain              | 1         | 1         |
| Morocco            | (789)     | (561)     |
| Germany            | -         | 15        |
| Argentina          | 804       | 1,833     |
| Chile              | 1,255     | 1,066     |
| Peru               | -         | 33,590    |
|                    | 29,385    | 67,841    |

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, 2018 and December 31, 2017:

| Company                         | RUT        | Country   | Functional<br>currency | Interest %<br>Indirect | 1-Jan-18 | Investment | Share of profit of<br>equity-accounted<br>investees | Exchange<br>rate<br>differences | Other Increase<br>(decrease) | Balance<br>31-Dec-18 |
|---------------------------------|------------|-----------|------------------------|------------------------|----------|------------|---|---------------------------------|------------------------------|----------------------|
|                                 |            |           |                        |                        | ThUS\$   | ThUS\$     | ThUS\$  | ThUS\$                          | ThUS\$                       | ThUS\$               |
| Berry Blue LLC                  | 0-E        | USA       | USD                    | 50.00%                 | 47       | 425        | (390)   | -                               | -                            | 82                   |
| Pacific Berry Breeding LLC      | 0-E        | USA       | USD                    | 50.00%                 | 42       | 1,440      | (73)  | -                               | (1,409)                      | -                    |
| Munger Hortifrut N.A. LLC       | 0-E        | USA       | USD                    | 50.00%                 | 24,504   | -          | (3,543)   | -                               | -                            | 20,961               |
| Naturipe Brands LLC             | 0-E        | USA       | USD                    | 30.00%                 | 2,024    | 37         | (307)   | -                               | -                            | 1,754                |
| Naturipe Farms LLC              | 0-E        | USA       | USD                    | 30.00%                 | 230      | -          | 120   | -                               | (124)                        | 226                  |
| Naturipe Value Added Foods LLC  | 0-E        | USA       | USD                    | 27.00%                 | 193      | -          | -   | -                               | -                            | 193                  |
| Naturipe Value Added Fresh, LLC | 0-E        | USA       | USD                    | 33.33%                 | 4,857    | -          | 41  | -                               | -                            | 4,898                |
| S.A.T. Hortifrut H-0030         | о-Е        | Spain     | EUR                    | 33.00%                 | 1        | -          | -   | -                               | -                            | 1                    |
| Hortifrut Berries Maroc S.R.L.  | о-Е        | Morocco   | MAD                    | 25.50%                 | (561)    | -          | (296)   | 68                              | -                            | (789)                |
| Euroberry GmbH                  | 0-E        | Germany   | EUR                    | 50.00%                 | 15       | -          | -   | -                               | (15)                         | -                    |
| Margesi S.A.                    | 0-E        | Argentina | ARS                    | 50.00%                 | 1,805    | -          | (7)   | (969)                           | -                            | 829                  |
| San Clemente Vitalberry SpA     | о-Е        | Chile     | USD                    | 50.00%                 | 1,066    | -          | 183   | -                               | -                            | 1,249                |
| Hortifrut Tal S.A.C             | 0-E        | Peru      | USD                    | 50.00%                 | 33,590   | -          | 840   | -                               | (34,430)                     | -                    |
| Hortifrut Expofresh S.A.        | 0-E        | Argentina | ARS                    | 50.00%                 | 28       | -          | (51)  | (2)                             | -                            | (25)                 |
| Agricola 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               |

| Company                         | RUT | Country   | Functional<br>currency | Interest %<br>Indirect | 1-Jan-17 | Investment | Share of profit of<br>equity-accounted<br>investees | Exchange rate<br>difference | Other increase<br>(decrease) | Balance<br>31-Dec-17 |
|---------------------------------|-----|-----------|------------------------|------------------------|----------|------------|---|-----------------------------|------------------------------|----------------------|
|                                 |     |           |                        |                        | ThUS\$   | ThUS\$     | ThUS\$  | ThUS\$                      | ThUS\$                       | ThUS\$               |
| Berry Blue LLC                  | 0-E | USA       | USD                    | 50.00%                 | (5)      | 380        | (328)   | -                           | -                            | 47                   |
| Pacific Berry Breeding LLC      | 0-E | USA       | USD                    | 50.00%                 | 243      | 100        | (301)   | -                           | -                            | 42                   |
| Munger Hortifrut N.A. LLC       | o-E | USA       | USD                    | 50.00%                 | 25,539   | -          | (1,035)   | -                           | -                            | 24,504               |
| Naturipe Brands LLC             | o-E | USA       | USD                    | 30.00%                 | 855      | 1,167      | 2   | -                           | -                            | 2,024                |
| Naturipe Farms LLC              | 0-E | USA       | USD                    | 30.00%                 | 1,432    | (1,291)    | 89  | -                           | -                            | 230                  |
| Naturipe Value Added Foods LLC  | 0-E | USA       | USD                    | 27.00%                 | 193      | -          | -   | -                           | -                            | 193                  |
| Naturipe Value Added Fresh, LLC | 0-E | USA       | USD                    | 33.33%                 | 4,491    | -          | 366   | -                           | -                            | 4,857                |
| S.A.T. Hortifrut H-0030         | o-E | Spain     | EUR                    | 33.00%                 | 1        | -          | -   | -                           | -                            | 1                    |
| Hortifrut Berries Maroc S.R.L.  | 0-E | Morocco   | MAD                    | 51.00%                 | 64       | -          | (601)   | (24)                        | -                            | (561)                |
| Euroberry GmbH                  | 0-E | Germany   | EUR                    | 50.00%                 | 13       | -          | -   | 2                           | -                            | 15                   |
| Margesi S.A.                    | 0-E | Argentina | ARS                    | 50.00%                 | 2,441    | -          | (368)   | (268)                       | -                            | 1,805                |
| San Clemente Vitalberry SpA     | 0-E | Chile     | USD                    | 50.00%                 | 853      | -          | 213   | -                           | -                            | 1,066                |
| Hortifrut Tal S.A.C             | 0-E | Peru      | USD                    | 50.00%                 | 19,547   | -          | 11,211  | 2,832                       | -                            | 33,590               |
| Hortifrut Expofresh S.A.        | 0-E | Argentina | ARS                    | 50.00%                 | (193)    | -          | 220   | 1                           |                              | 28                   |
| Total                           |     |           |                        |                        | 55,474   | 356        | 9,468   | 2,543                       | -                            | 67,841               |

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The detail of movements as of December 31, 2018 and December 31, 2017:

| Movement                                      |     | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|---|-----|---------------------|---------------------|
| Opening balance as of January 01              |     | 67,841              | 55,474              |
| Share of profit of equity-accounted investees |     | (3,483)             | 9,468               |
| Capital contributions                         | (a) | 1,908               | 356                 |
| Incorporation due to acquisition              | (d) | (35, 839)           | -                   |
| Other adjustments                             |     | (139)               | -                   |
| Adjustment due to exchange rate fluctuation   |     | (903)               | 2,543               |
| Final Balance                                 |     | 29,385              | 67,841              |

#### a) Capital contributions

Capital contributions during the period ending December 31, 2018 and the period ending December 31, 2017 are shown in the following detail:

| Capital contributions (decrease) | 31-Dec-18 | 31-Dec-17 |
|----------------------------------|-----------|-----------|
| Company                          | ThUS\$    | ThUS\$    |
| Berry Blue LLC                   | 425       | 380       |
| Pacific Berry Breeding LLC       | 1,440     | 100       |
| Naturipe Brands LLC              | 37        | 1,167     |
| Naturipe Farms LLC               | -         | (1,291)   |
| Agrícola Los Hualles SpA         | 6         |           |
| Total contributions              | 1,908     | 356       |

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, 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, 2018 and the period ending December 31, 2017 no reclassifications of investments for sale were made.

d) Other changes

On October 03, 2017 a sale-purchase and merger agreement was signed with the Rocio Group, one of the most important producers, exporters and distributors of blueberries in the southern hemisphere. The aforementioned implies that once the agreement has been materialized, the Hortifrut Tal S.A.C. company together with other companies of the Rocio group, will be incorporated to the consolidation of the Company's financial statements. This was performed as of July 01, 2018, date when Hortifrut Inversiones Internacionales S.A., maintained US\$35.84 million in investments in Hortifrut Tal S.A.C.

Due to the acquisition of the remaining 50% of the investment over Pacific Berry Breeding LLC, on behalf of the subsidiary Hortifrut North America, Inc., this company came to be included within the consolidation perimeter, during the second quarter of 2018.

#### e) Summarized financial information

Summarized financial information as of December 31, 2018 and December 31, 2017, which is presented below corresponds to the total assets, liabilities and equity and a summary of the results of the associated companies as of December 31, 2018 and 2017:

|  | 31-Dec-18 |         |         |             |                    |             |               |                  |           |         |            |
|--|-----------|---------|---------|-------------|--------------------|-------------|---------------|------------------|-----------|---------|------------|
|  |           | Non-    |         |             |                    |             |               |                  |           |         |            |
|  | Current   | current | Total   | Current     | Non-current        | Total       |               | <b>Operating</b> | Costs and | Other   | Net Profit |
| Associated                             | Assets    | Assets  | Assets  | Liabilities | <u>Liabilities</u> | Liabilities | <u>Equity</u> | Revenue          | Expenses  | Results | (Loss)     |
|  | ThUS\$    | ThUS\$  | ThUS\$  | ThUS\$      | ThUS\$             | ThUS\$      | ThUS\$        | ThUS\$           | ThUS\$    | ThUS\$  | ThUS\$     |
| 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)      |
| Agríola 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)    |

|  | 31-Dec-17 |         |         |             |             |                    |         |           |           |         |            |
|--|-----------|---------|---------|-------------|-------------|--------------------|---------|-----------|-----------|---------|------------|
|  |           | Non-    |         |             |             |                    |         |           |           |         |            |
|  | Current   | current | Total   | Current     | Non-current | Total              |         | Operating | Costs and | Other   | Net Profit |
| Associated                             | Assets    | Assets  | Assets  | Liabilities | Liabilities | <b>Liabilities</b> | Equity  | Revenue   | Expenses  | Results | (Loss)     |
|  | ThUS\$    | ThUS\$  | ThUS\$  | ThUS\$      | ThUS\$      | ThUS\$             | ThUS\$  | ThUS\$    | ThUS\$    | ThUS\$  | ThUS\$     |
| Berry Blue LLC                         | 197       | -       | 197     | 103         | -           | 103                | 94      | 73        | (729)     | -       | (656)      |
| Pacific Berry Breeding LLC             | 102       | 98      | 200     | 116         | -           | 116                | 84      | 571       | (1,173)   | -       | (602)      |
| Munger Hortifrut N.A. LLC              | 7,600     | 86,811  | 94,411  | 4,938       | 40,465      | 45,403             | 49,008  | -         | (1,971)   | (99)    | (2,070)    |
| Naturipe Brands LLC                    | 628       | 7,730   | 8,358   | 1,611       | -           | 1,611              | 6,747   | 1,000     | (995)     | 2       | 7          |
| Naturipe Farms LLC                     | 50,550    | 1,783   | 52,333  | 51,566      | -           | 51,566             | 767     | 718,903   | (718,583) | (23)    | 297        |
| Naturipe Value Added Foods LLC         | 14,637    | 31      | 14,668  | 13,953      | -           | 13,953             | 715     | 9,195     | (9,195)   | -       | -          |
| Naturipe Value Added Fresh, LLC        | 5,209     | 12,156  | 17,365  | 2,793       | -           | 2,793              | 14,572  | 23,207    | (22,136)  | 27      | 1,098      |
| S.A.T. Hortifrut H-0030                | 9         | -       | 9       | 6           | -           | 6                  | 3       | -         | -         | -       | -          |
| Hortifrut Berries Maroc S.R.L          | 746       | 2,736   | 3,482   | 647         | 3,935       | 4,582              | (1,100) | 526       | (1,621)   | (83)    | (1,178)    |
| Euroberry GmbH                         | 7,496     | -       | 7,496   | 7,466       | -           | 7,466              | 30      | 14,200    | (14,015)  | (185)   | -          |
| Margesi S.A.                           | 2,635     | 2,714   | 5,349   | 1,391       | 348         | 1,739              | 3,610   | 3,138     | (3,660)   | (214)   | (736)      |
| San Clemente Vitalberry (Shanghai) SpA | 6,675     | 46      | 6,721   | 4,589       | -           | 4,589              | 2,132   | 14,038    | (13,401)  | (211)   | 426        |
| Hortifrut Tal S.A.C                    | 46,175    | 71,487  | 117,662 | 17,748      | 32,734      | 50,482             | 67,180  | 58,736    | (29,578)  | (6,736) | 22,422     |
| Hortifrut Expofresh S.A.               | 985       | 49      | 1,034   | 978         | -           | 978                | 56      | 1,386     | (886)     | (60)    | 440        |
| Total                                  | 143,644   | 185,641 | 329,285 | 107,905     | 77,482      | 185,387            | 143,898 | 844,973   | (817,943) | (7,582) | 19,448     |

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#### NOTE 17 – INTANGIBLE ASSETS OTHER THAN GOODWILL

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

|                             | Useful Life | 31-Dec-18<br> | 31-Dec-17<br> |
|-----------------------------|-------------|---------------|---------------|
| Varietal license            | Finite      | 10,408        | 9,887         |
| VBM Brand                   | Indefinite  | 977           | 977           |
| Water Rights                | Indefinite  | 469           | 469           |
| Relationship with Customers | Finite      | 2,575         | 2,841         |
| Software                    | Finite      | 591           | 309           |
| Total                       |             | 15,020        | 14,483        |

#### 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, 2018 and the period ending December 31, 2017, is as follows:

| Movement                         | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br> |
|----------------------------------|---------------------|---------------|
| Opening balance as of January 01 | 9,887               | 16,969        |
| Investments                      | 1,546               | -             |
| Amortization /consumption        | (1,025)             | (7,082)       |
| Closing balance                  | 10,408              | 9,887         |

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 period ending December 31, 2018 and 2017, is as follows:

| Movement                         | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br> |
|----------------------------------|---------------------|---------------|
| Opening balance as of January 01 | 309                 | 272           |
| Investments                      | 357                 | 139           |
| Amortization                     | (75)                | (102)         |
| Closing balance                  | 591                 | 309           |

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:

|                             | Useful l  | Life         | 31-Dec-1<br>ThUS\$ | 8  | 31-Dec-17<br>ThUS\$ |
|-----------------------------|-----------|--------------|--------------------|----|---------------------|
| VBM Brand                   | Indefinit | e            | 92                 | 77 | 977                 |
| Water Rights                | Indefinit | e            | 4                  | 69 | 469                 |
| Relationship with Customers | Finite    | _            | 2,5                | 75 | 2,841               |
| Total                       |           |              | 4,0                | 21 | 4,287               |
| Movement                    | _         | 31-De<br>ThU |                    |    | -Dec-17<br>ThUS\$   |
| Opening balance as of Jan   | uary 01   |              | 4,287              |    | 4,553               |
| Amortization                | _         |              | (266)              |    | (266)               |
| Closing Balance             | _         |              | 4,021              |    | 4,287               |

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, 2018 and the period ending December 31, 2017, 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, 2018 and 2017.

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.



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#### **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:

|                        |                            | 31-Dec-18 | 31-Dec-17 |
|------------------------|----------------------------|-----------|-----------|
| Investor               | Issuer                     | 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   |           |
|                        | Total                      | 179,770   | 26,769    |

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 salepurchase 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 Grupo Rocio'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 Blueberry Business, as per the Expert Report. Due to the agreed price per share, as of 30.09.2017, the amount reaches a total of USD 212 million.
- Earn-out (contingent payment) 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, nevertheless and in accordance with the same Standard, the Company will consider the 1 year term that it has to adjust the assignment.

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

Below are the main effects as a result of the business combination, which was materialized on July 03, 2018:

| Detail distribution of purchase price       | <u>ThUS\$</u> |
|---|---------------|
| Cash  | 147,674       |
| Hortifrut Shares                            | 212,042       |
| Contingent Considerations                   | 6,506         |
| Paid Price Acquired Equity                  | 366,222       |
| Non-controlling Interest                    | 77,865        |
| Paid Price Equity at 100%                   | 444,087       |
| Minus:                                      |               |
| Net historical assets                       | (107,052)     |
| Adjustments at fair value:                  | . ,,          |
| Estimation of fair value of acquired assets |               |
| Land  | (11,164)      |
| Construction and Infrastructure works       | (10,661)      |
| Machinery and equipment                     | (1,189)       |
| Plantations                                 | (222,189)     |
| Others                                      | (6,898)       |
| Deferred tax liability                      | 68,067        |
| Total adjustments                           | (184,034)     |
| Total net assets at fair value              | (291,086)     |
| Goodwill as of July 03, 2018                | 153,001       |

Below is the effect of the updating to fair value of assets and liabilities of the blueberry business subject to this transaction:

|   |                     | Fair value as of July 01,<br>2018 |                                |
|---|---------------------|-----------------------------------|--------------------------------|
|   | Financial<br>Values | Fair<br>Values                    | Modifications<br>to fair value |
| Detail  | ThUS\$              | <u>ThUS\$</u>                     | ThUS\$                         |
| Assets  |                     |                                   |                                |
| Cash and cash equivalents                           | 7,065               | 7,065                             | _                              |
| Other current non-financial assets                  | 2,126               | 2,126                             | -                              |
| Current trade debtors and other accounts receivable | 2,680               | 2,680                             | -                              |
| Current accounts receivable from related entities   | 13,550              | 13,550                            | -                              |
| Inventories   | 23,725              | 23,725                            | -                              |
| Biological assets, current                          | -                   | -                                 | -                              |
| Current tax assets                                  | 2,684               | 2,684                             | -                              |
| Property, plant and equipment                       | 121,097             | 151,009                           | 29,912                         |
| Non-current biological assets                       | 43,366              | 265,555                           | 222,189                        |
| Deferred tax assets                                 | 5                   | 5                                 | -                              |
| Liabilities   |                     |                                   |                                |
| Other current financial liabilities                 | (70,423)            | (70,423)                          | -                              |
| Current trade accounts and other accounts payable   | (6,408)             | (6,408)                           | -                              |
| Other current provisions                            | (15,402)            | (15,402)                          | -                              |
| Current provisions for employee benefits            | (505)               | (505)                             | -                              |
| Other non-current financial liabilities             | (2,376)             | (2,376)                           | -                              |
| Deferred tax liabilities                            | (14,132)            | (82,199)                          | (68,067)                       |
| Net assets at fair value                            | 107,052             | 291,086                           | 184,034                        |

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## NOTE 19 - PROPERTY, PLANT AND EQUIPMENT

The detail of the different categories of Property, Plant and Equipment and their movements as of December 31, 2018 is as follows:

|                             | Construction<br>and<br>infrastructure<br>works | Land    | Machinery<br>and<br>equipment | Leased<br>equipment | IT Equipment | Furniture<br>and<br>supplies | Motor<br>vehicles | Bearer<br>Plants | Works in<br>Progress | Total other<br>property, plant<br>and equipment |
|-----------------------------|--|---------|-------------------------------|---------------------|--------------|------------------------------|-------------------|------------------|----------------------|---|
|                             | ThUS\$   | Th US\$ | ThUS\$                        | ThUS\$              | Th US\$      | ThUS\$                       | ThUS\$            | ThUS\$           | Th US\$              | ThUS\$  |
| As of January 1, 2018       |  |         |                               |                     |              |                              |                   |                  |                      |   |
| Cost                        | 83,957   | 20,929  | 33,489                        | 16,793              | 2,301        | 1,939                        | 7,838             | 145,868          | 27,249               | 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          | 806                          | 3,004             | 112,733          | 27,249               | 245,060   |
| In v estm ents              | 15,731   | -       | 6,005                         | 635                 | 695          | 535                          | 1 959             | 24,701           | 19,293               | 68,948  |
|                             |  |         | 0,005                         |                     |              |                              | 1,353             |                  |                      |   |
| Incorporation 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  | <b>32,84</b> 7                | 25,652              | 1,382        | 8,397                        | 4,259             | 403,620          | 20,925               | 693,363   |

The detail of the different categories of property, plant and equipment and their movements as of December 31, 2017 is as follows:

|                              | Construction<br>and<br>infrastructure | Land    | Machinery<br>and<br>equipment | Leased<br>Equipment | IT Equipment | Furniture<br>and<br>Supplies | Motor<br>Vehicles | Bearer<br>Plants | Works in<br>Progress | Total other<br>property, plant<br>and equipment |
|------------------------------|---------------------------------------|---------|-------------------------------|---------------------|--------------|------------------------------|-------------------|------------------|----------------------|---|
|                              | Th US\$                               | Th US\$ | Th US\$                       | Th US\$             | Th US\$      | ThUS\$                       | Th US\$           | Th US\$          | ThUS\$               | Th US\$   |
| As of January 1, 2017        |                                       |         |                               |                     |              |                              |                   |                  |                      |   |
| Cost                         | 74,483                                | 20,507  | 24,152                        | 14,334              | 2,602        | 1,899                        | 7,045             | 126,909          | 13,725               | 285,656   |
| Accumulated depreciation     | (31,085)                              | -       | (14,210)                      | (2,132)             | (1,898)      | (1,071)                      | (4,316)           | (26,081)         | -                    | (80,793)  |
| Net amount as of 01-01-2017  | 43,398                                | 20,507  | 9,942                         | 12,202              | 704          | 828                          | 2,729             | 100,828          | 13,725               | 204,863   |
| Investments                  | 1,282                                 | 158     | 5,714                         | 2,453               | 288          | 232                          | 1,119             | 20,498           | 26,564               | 58,308  |
| Revaluation (Impairment)     | -                                     | -       | -                             | -                   | -            | -                            | -                 | -                | -                    | -   |
| Expropriations and write-off | (210)                                 | (255)   | (698)                         | -                   | (1)          | (122)                        | (73)              | (3,224)          | (184)                | (4,767)   |
| Reclassification             | 7,491                                 | -       | 5,526                         | -                   | -            | 63                           | -                 | 30               | (13,110)             | -   |
| Depreciation                 | (5,396)                               | -       | (2,122)                       | (721)               | (248)        | (234)                        | (813)             | (6,938)          | -                    | (16,472)  |
| Exchange rate adjustment     | 653                                   | 519     | 75                            | 1                   | 6            | 39                           | 42                | 1,539            | 254                  | 3,128   |
| Net amount as of 31-12-2017  | 47,218                                | 20,929  | 18,437                        | 13,935              | 749          | 806                          | 3,004             | 112,733          | 27,249               | 245,060   |

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).

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 vehicles                        | 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   |  |  |

As of December 31, 2017, the detail of Property, plant and equipment is as follows:

|                                       | De          | cember 31, 201           | 7         |
|---------------------------------------|-------------|--------------------------|-----------|
|                                       | Gross Value | Accumulated depreciation | Net value |
|                                       | ThUS\$      | ThUS\$                   | ThUS\$    |
| Construction and infrastructure works | 83,957      | (36,739)                 | 47,218    |
| Land                                  | 20,929      | -                        | 20,929    |
| Machinery and equipment               | 33,489      | (15,052)                 | 18,437    |
| Leased equipment                      | 16,793      | (2,858)                  | 13,935    |
| Information technology (IT) equipment | 2,301       | (1,552)                  | 749       |
| Furniture and supplies                | 1,939       | (1,133)                  | 806       |
| Motor vehicles                        | 7,838       | (4,834)                  | 3,004     |
| Bearer plants                         | 145,868     | (33,135)                 | 112,733   |
| Works in progress                     | 27,249      | -                        | 27,249    |
| Total Property, plant and equipment   | 340,363     | (95,303)                 | 245,060   |

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 and Michoacán, in Brazil in Barrio Lagoa Grande, Sn - Senador Amaral, in Spain in the locality of Huelva, and 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-18</u> | <u>31-Dec-17</u> |
|---------------------------------|------------------|------------------|
|                                 |                  |                  |
| Blueberries                     | 2,482            | 590              |
| Organic Blueberries             | 712              | 630              |
| Raspberries                     | 106              | 136              |
| Blackberries                    | 14               | 13               |
| Strawberries                    | 65               | 65               |
| Cherries                        | 52               | 7                |
| <b>Total Planted Hectares</b>   | 3,431            | 1,441            |
|                                 |                  |                  |
| Own Hectares                    | 2,570            | 792              |
| Leased Hectares                 | 861              | 649              |
| Total Hectares                  | 3,431            | 1,441            |
| Productive Hectares             | 3,116            | 1,176            |
| Non-Productive Planted Hectares | 315              | 265              |
| Total Hectares                  | 3,431            | 1,441            |

d) Loss due to impairment in value

As of December 31, 2018, 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, during the period and as is natural in this type of asset, write-offs of "bearer plants" have been realized since its production is not profitable, the write-off during the year wasThUS\$2,317.

During 2017, in the specific case of "bearer plants", there were changes in the circumstances of the business which generated an impairment in their book value. The recognized impairments are associated with the pulling up of hectares in Chile, Mexico and Spain, with a total of ThUS\$3,215 in write-off in this period.

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.

As per the aforementioned criteria, the effect of the previously mentioned impairment was recorded in the financial statements as of December 31, 2018 and 2017, as detailed below:

|        | 31-Dec-18 | 31-Dec-17     |
|--------|-----------|---------------|
|        | ThUS\$    | <u>ThUS\$</u> |
| Chile  | 2,194     | 641           |
| Mexico | 123       | 1,768         |
| Spain  |           | 806           |
| Total  | 2,317     | 3,215         |

## e) Financial lease

The net book value as of December 31, 2018 and 2017 of the assets under financial lease, classified as Assets in Leasing under the item Property, plant and equipment, is as follows:

|  | 31-Dec-18 | 31-Dec-17 |
|--|-----------|-----------|
| Denomination                               | ThUS\$    | ThUS\$    |
| Construction                               |           |           |
| Administrative office                      | 964       | 1,008     |
| Parking administrative offices             | 35        | 36        |
| Metallic structure 5.3 hectares            | 233       | 246       |
| Metallic structure 2.0 hectares            | 56        | 59        |
| Metallic Structure Roof                    | 250       | 279       |
| Greenhouse 4.08 hectares                   | 1,057     | 1,093     |
| Greenhouse 4.00 hectares                   | 833       | 862       |
| Molina Plant                               | 4,010     | 4,102     |
| Total Constructions                        | 7,438     | 7,685     |
| Land                                       |           |           |
| Land Molina Plant                          | 236       | 236       |
| Total Land                                 | 236       | 236       |
| Machinery and Equipment                    |           |           |
| Machinery and Equipment Peru               | 12,531    | -         |
| Blueberries processing line                | 452       | 503       |
| IQF processing line                        | 154       | 243       |
| Molina plant processing line and machinery | 1,056     | 1,203     |
| BBC Filling Machine                        | 583       | 632       |
| BBC Soft Sorter Machine                    | 608       | 659       |
| Calibrating and classifying machine        | 1,290     | 1,396     |
| Plant pots for greenhouse                  | 1,236     | 1,260     |
| Fertigation machinery                      | -         | 9         |
| Sulphur burners                            | 28        | 31        |
| Miscellaneous equipment                    | -         | 3         |
| Total Machinery and euqipment              | 17,938    | 5,939     |
| Motor vehicles                             |           |           |
| Vans                                       | 25        | 56        |
| Tractors                                   | 15        | 19        |
| Total motor vehicles                       | 40        | 75        |
| General total                              | 25,652    | 13,935    |



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Debt associated to these leasings as of December 31, 2018 and 2017, is presented in the item Other current financial liabilities and Other non-current financial liabilities.

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

| Leasing Liability                          | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|--|---------------------|---------------------|
| Construction                               |                     |                     |
| Administrative offices                     | 312                 | 488                 |
| Parking administrative offices             | 15                  | 19                  |
| Metallic structure 5.3 hectares            | 110                 | 178                 |
| Metallic structure 2.0 hectares            | 33                  | 48                  |
| Metallic structure roof                    | 208                 | 273                 |
| Greenhouse 4.08 hectares                   | 696                 | 910                 |
| Greenhouse 4.00 hectares                   | 733                 | 901                 |
| Molina Plant                               | 3,183               | 3,622               |
| Total Construction                         | 5,290               | 6,439               |
| Land                                       |                     |                     |
| Land Molina Plant                          | 187                 | 208                 |
| Total Land                                 | 187                 | 208                 |
| Machinery and equipment                    |                     |                     |
| Machinery and equipment Peru               | 5,016               | -                   |
| Plant pots for greenhouse                  | 1,085               | 1,316               |
| Machinery and equipment Peru               | 5,153               | -                   |
| Molina plant processing line and machinery | 838                 | 1,062               |
| Calibrating and classifying machine        | 580                 | 953                 |
| Sulfur burners                             | 27                  | 32                  |
| Others-Surveillance system                 | 93                  | -                   |
| Others                                     | 1                   | -                   |
| Total Machinery and equipment              | 12,793              | 3,363               |
| Motor vehicles                             |                     |                     |
| Vans and trucks                            | 195                 | 18                  |
| Vans and trucks                            | 368                 | -                   |
| Tractors                                   | 8                   | 16                  |
| Total motor vehicles                       | 571                 | 34                  |
| General Total                              | 18,841              | 10,044              |
|  |                     | <u> </u>            |

As of December 31, 2018 and 2017, there are no Property, plant and equipment temporarily out of service.



## f) Property, plant and equipment totally depreciated

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

|                                       | Gross<br>Value<br><u>ThUS\$</u> |
|---------------------------------------|---------------------------------|
| Construction and infrastructure works | 4,568                           |
| Machinery and equipment               | 5,620                           |
| Leased equipment                      | 33                              |
| Information Technology (IT) equipment | 293                             |
| Furniture and supplies                | 282                             |
| Motor vehicles                        | 1,000                           |
| Total Property, plant and equipment   | 11,796                          |

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:

|                      |           |               |           |               | Movement  |                   |               |           |
|----------------------|-----------|---------------|-----------|---------------|-----------|-------------------|---------------|-----------|
|                      |           | -             |           |               |           | Decreases         |               |           |
|                      |           | Incorporation |           |               |           | and/or            | Exchange rate |           |
| <b>Bearer Plants</b> | 31-Dec-17 | due to merger | Additions | Amortizations | Transfers | Reclassifications | adjustment    | 31-Dec-18 |
|                      | ThUS\$    |               | ThUS\$    | ThUS\$        | ThUS\$    | ThUS\$            | ThUS\$        | ThUS\$    |
| In production        | 82,618    | 267,947       | -         | (10,427)      | -         | (3,587)           | (752)         | 335,799   |
| In development       | 30,115    | -             | 24,701    | -             | 13,005    | -                 | -             | 67,821    |
| Total                | 112,733   | 267,947       | 24,701    | (10,427)      | 13,005    | (3,587)           | (752)         | 403,620   |



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#### NOTE 20 - CURRENT INCOME TAX AND DEFERRED TAXES

In the period ending December 31, 2018, we proceeded to calculate and record taxable net income with a 27% rate (as of December 31, 2017 with a 25.5% 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, 2018, a current income tax provision of ThUS\$14,127 (ThUS\$9,236 as of December 31, 2017), which is presented net of credits applicable against income tax as of these same dates for ThUS\$16,134 (ThUS\$10,322 as of December 31, 2017). In this manner, when presented net of the statement of financial position, as of December 31, 2018, a balance is presented in favor of the company for recoverable taxes for ThUS\$2,007 (ThUS\$1,086 as of December 31, 2017).

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

|                                      | 31-Dec-18 | 31-Dec-17 |
|--------------------------------------|-----------|-----------|
| Detail Recoverable Tax               | ThUS\$    | ThUS\$    |
| Monthly provisional payments         | 15,627    | 9,883     |
| Personnel training                   | 209       | 194       |
| Other Credits                        | 270       | 42        |
| Donations Law                        | 28        | 203       |
| Total Credits                        | 16,134    | 10,322    |
| Income tax provision                 | (14,127)  | (9,236)   |
| Total Credits (Income Tax Provision) | 2,007     | 1,086     |

#### 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 as of December 31, 2018 and December 31, 2017, refer to the following concepts:

|                                    | 31-Dec-18              |                             | 31-De                  | ec-17                       |
|------------------------------------|------------------------|-----------------------------|------------------------|-----------------------------|
|                                    | Deferred tax<br>assets | Deferred tax<br>liabilities | Deferred tax<br>assets | Deferred tax<br>liabilities |
| Detail                             | ThUS\$                 | ThUS\$                      | ThUS\$                 | ThUS\$                      |
| Manufacturing expenses             | -                      | 1,982                       | -                      | 2,129                       |
| Valuation bearer plants            | -                      | 77,996                      | -                      | 14,251                      |
| Land appraisals                    | -                      | 8,052                       | -                      | 34                          |
| Advanced revenue                   | 1,760                  | -                           | -                      | -                           |
| Tax loss                           | 18,157                 | -                           | 12,445                 | -                           |
| Provisions                         | 2,893                  | -                           | 2,857                  | -                           |
| Functional currency                | -                      | -                           | -                      | -                           |
| Intangibles                        | -                      | 999                         | -                      | 1,080                       |
| Fixed asset                        | -                      | 17,937                      | -                      | 4,639                       |
| Forward hedging                    | 493                    | -                           | 54                     | -                           |
| Price adjustment                   | 225                    | -                           | -                      | 362                         |
| Others                             | 2,814                  | -                           | 2,660                  | -                           |
| Non-realized profit in investments | 295                    | -                           | 575                    | -                           |
| Total                              | 26,637                 | 106,966                     | 18,591                 | 22,495                      |

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, 2018 the deferred tax asset originated by tax loss reached ThUS\$18,157 (ThUS\$12,445 as of December 31, 2017) which is chargeable to the profits which could be generated in the future in the companies that present said condition, as per the following detail:

|   |           | 31-Dec-18<br> | 31-Dec-17<br> | Variation<br> |
|---|-----------|---------------|---------------|---------------|
| Hortifrut S.A.                                    | Chile     | 2,298         | -             | 2,298         |
| Ag. Santa Rosa del Parque S.A.                    | Chile     | 6             | -             | 6             |
| Ag. Mataquito S.A.                                | Chile     | 1,191         | 1,288         | (97)          |
| Ag. El Avellano S.A.                              | Chile     | 1,760         | 1,865         | (105)         |
| Ag. El Pampino S.A.                               | Chile     | 6             | -             | 6             |
| Ag. y Gand. Santa Rebeca Ltda.                    | Chile     | 3             | 5             | (2)           |
| Ag. Hortifrut S.A.                                | Chile     | 201           | 714           | (513)         |
| Ag. Vida Nueva S.A.                               | Chile     | 16            | -             | 16            |
| Hortifrut S.A. de C.V.                            | Mexico    | 12,015        | 7,620         | 4,395         |
| Berrygood Comercial Importadora                   | Brazil    | 485           | 573           | (88)          |
| Hortifrut Europa SL                               | Spain     | 52            | 55            | (3)           |
| Hortifrut España Southern Sun SL and Subsidiaries | Spain     | -             | 106           | (106)         |
| Hortifrut Argentina S.A.                          | Argentina | 96            | 214           | (118)         |
| Asian Berries Limited                             | China     | 28            | -             | 28            |
| Viveros Hortifrut Chile S.A.                      | Chile     | -             | 5             | (5)           |
| Total   |           | 18,157        | 12,445        | 5,712         |

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.

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Movement in deferred tax asset balances as of December 31, 2018 and 2017 is as follows:

|                                    | 31-dic-18<br><u>ThUS\$</u> | 31-dic-17<br><u>ThUS\$</u> |
|------------------------------------|----------------------------|----------------------------|
| Opening balance                    | 18,591                     | 14,950                     |
| Provisions                         | 36                         | 616                        |
| Tax loss                           | 5,712                      | 2,963                      |
| Forward hedging                    | 439                        | (77)                       |
| Advanced income                    | 1,760                      | -                          |
| Others                             | 154                        | (257)                      |
| Price adjustment                   | 225                        | -                          |
| Profit not realized in investments | (280)                      | 396                        |
| Final balance                      | 26,637                     | 18,591                     |

Movement in deferred tax liabilities as of December 31, 2018 and 2017 is as follows:

|                         | 31-Dec-18<br><u>ThUS\$</u> | 31-Dec-17<br><u>ThUS\$</u> |
|-------------------------|----------------------------|----------------------------|
| Opening balance         | 22,495                     | 22,680                     |
| Manufacturing expenses  | (147)                      | 835                        |
| Land appraisal          | 8,018                      | -                          |
| Fixed asset             | 13,298                     | (4,347)                    |
| Intangibles             | (81)                       | (23)                       |
| Advanced income         | -                          | (151)                      |
| Valuation bearer plants | 63,745                     | 3,139                      |
| Price adjustment        | (362)                      | 362                        |
| Functional currency     | -                          | -                          |
| Final balance           | 106,966                    | 22,495                     |

Income tax expense for the periods ending December 31, 2018 and 2017 have the following detail:

|                          | 31-Dec-18     | 31-Dec-17     |
|--------------------------|---------------|---------------|
| <u>Detail</u>            | <u>ThUS\$</u> | <u>ThUS\$</u> |
| Current tax expense      | 14,295        | 8,975         |
| Tax benefit for tax loss | -             | (207)         |
| Deferred tax effect      | 13,329        | (3,904)       |
| Adjustment previous year | (138)         | (228)         |
| Adjustment of conversion | (70)          | 54            |
| Total                    | 27,416        | 4,690         |

The following is the detail of income tax expense conciliation, using the legal rate with the tax expense, using the effective rate:

|  | 31-Dec-18 |         | 31-Dec  | :-17     |
|--|-----------|---------|---------|----------|
|  | ThUS\$    | %       | ThUS\$  | %        |
| Tax expense (income) using the legal rate                    | 32,382    | 27.00%  | 8,261   | 25.50%   |
| Tax effect of rates in other jurisdictions                   | (7,678)   | (6.40%) | (259)   | (0.80%)  |
| Tax effect of non-taxable operating income                   | 587       | 0.49%   | (2,654) | (8.19%)  |
| Tax effect of non-deductible tax expense                     | 668       | 0.56%   | 806     | 2.49%    |
| Tax effect of fiscal currency other than functional currency | 1,596     | 1.33%   | (1,276) | (3.94%)  |
| Tax effect of tax provided in excess previous period         | (139)     | (0.12%) | (188)   | (0.58%)  |
| Total tax expense adjustment using the legal rate            | (4,966)   | (4.14%) | (3,571) | (11.02%) |
| Tax expense using the effective rate                         | 27,416    | 22.86%  | 4,690   | 14.48%   |



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## NOTE 21 – OTHER FINANCIAL LIABILITIES

As of December 31, 2018 and December 31, 2017, Hortifrut and subsidiaries maintain financial liabilities which are detailed below:

## **Other current financial liabilities**

|   | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|---|---------------------|---------------------|
| Obligations with banks and financial institutions | 162,718             | 148,691             |
| Financial Leasing                                 | 7,839               | 2,128               |
| Cross Currency Swap operations                    | 321                 | -                   |
| Forwards currency operations                      | 1,751               | 712                 |
| Total current bank obligations                    | 172,629             | 151,531             |

## Other non-current financial liabilities

|   | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|---|---------------------|---------------------|
| Obligations with banks and financial institutions | 319,134             | 75,770              |
| Financial Leasing                                 | 11,002              | 7,916               |
| Cross Currency Swap operations                    | 929                 | 280                 |
| Forwards currency operations                      | 378                 | -                   |
| Total non-current obligations                     | 331,443             | 83,966              |



## **Composition of balance and maturities**

a) Obligations with banks and financial institutions. Grouped by maturity, as of December 31, 2018 and December 31, 2017 are as follows:

|                                     |              |         |                                     |          |                                |       |                                  |                           | Current Total current Non-current |                |           |                          |                          |                      |                      | current            |                |
|-------------------------------------|--------------|---------|-------------------------------------|----------|--------------------------------|-------|----------------------------------|---------------------------|-----------------------------------|----------------|-----------|--------------------------|--------------------------|----------------------|----------------------|--------------------|----------------|
|                                     |              |         |                                     |          | <u>Type of</u><br>Amortization |       | <u>Nominal</u><br>annual<br>rate | Maturity up to 1<br>month | 1 to 3 months                     | 3 to 12 months | 31-Dec-18 | Maturity 1 to<br>2 years | Maturity 2 to<br>3 years | from 3 to 4<br>years | from 4 to 5<br>years | 5 or more<br>years | -<br>31-Dec-18 |
| Debtor Company                      | RUT          | Country | Creditor Bank                       | Currency |                                |       | _                                | ThUS\$                    | ThUS\$                            | ThUS\$         | ThUS\$    | ThUS\$                   | ThUS\$                   | ThUS\$               | ThUS\$               | ThUS\$             | ThUS\$         |
| Agrícola El Pampino S.A.            | 76.884.880-7 |         | Banco Santander Chile               | US\$     | Annual                         | 3.51% | 3.51%                            | 403                       |                                   |                | 403       |                          | <u></u> .                |                      |                      |                    |                |
| Agrícola Mataquito S.A.             | 76.306.130-2 |         | Banco RaboFinance Chile             | US\$     | Annual                         | 5.52% | 5.20%                            | -                         |                                   | 154            | 154       |                          |                          |                      |                      | -                  |                |
| Agrícola Mataquito S.A.             | 76.306.130-2 |         | Banco RaboFinance Chile             | US\$     | Annual                         | 6.26% | 6.03%                            |                           |                                   | 42             | 42        | 1,500                    | -                        |                      |                      | -                  | 1,50           |
| Agrícola Mataquito S.A.             | 76.306.130-2 |         | Banco Santander Chile               | US\$     | Annual                         | 3.51% | 3.51%                            | 504                       |                                   | -              | 504       | -                        | -                        |                      |                      | -                  | -              |
| Agrícola Mataquito S.A.             | 76.306.130-2 |         | Banco Santander Chile               | US\$     | Annual                         | 3.51% | 3.51%                            | 504                       |                                   |                | 504       |                          | -                        |                      |                      | -                  |                |
| Agrícola Santa Rosa del Parque S.A. | 99.584.440-0 |         | Banco RaboFinance Chile             | US\$     | Annual                         | 5.58% | 5.31%                            | -                         |                                   | 89             | 89        | 90                       | -                        | -                    |                      | -                  | 9              |
| Agrícola Santa Rosa del Parque S.A. | 99.584.440-0 |         | Banco RaboFinance Chile             | US\$     | Annual                         | 6.23% | 6.01%                            |                           | -                                 | 25             | 25        | 900                      | -                        |                      |                      | -                  | 90             |
| Agrícola Santa Rosa del Parque S.A. | 99.584.440-0 |         | 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 |         | 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 |         | 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 |         | Banco China Construction Bank Corp. | US\$     | Annual                         | 3.03% | 3.03%                            |                           | 4,004                             | -              | 4,004     | -                        | -                        | -                    | -                    | -                  | -              |
| Hortifrut Chile S.A.                | 99.524.450-0 |         | Banco Estado                        | US\$     | Annual                         | 3.00% | 3.00%                            | 5,029                     | -                                 | -              | 5,029     | -                        | -                        | -                    | -                    | -                  | -              |
| Hortifrut Chile S.A.                | 99.524.450-0 |         | Banco Estado                        | CLP      | Annual                         | 0.70% | 0.70%                            | -                         | -                                 | 6              | 6         | -                        | -                        | -                    | -                    | -                  | -              |
| Hortifrut Chile S.A.                | 99.524.450-0 |         | Banco Estado                        | US\$     | Annual                         | 0.35% | 0.35%                            | -                         | -                                 | 151            | 151       | -                        | -                        | -                    | -                    | -                  | -              |
| Hortifrut Chile S.A.                | 99.524.450-0 |         | Banco Estado                        | US\$     | Annual                         | 0.35% | 0.35%                            | -                         | -                                 | 94             | 94        | -                        | -                        | -                    | -                    | -                  | -              |
| Hortifrut Chile S.A.                | 99.524.450-0 |         | Banco Estado                        | CLP      | Annual                         | 0.70% | 0.70%                            | -                         | 102                               | -              | 102       | -                        | -                        | -                    | -                    | -                  | -              |
| Hortifrut Chile S.A.                | 99.524.450-0 |         | Banco Itaú                          | US\$     | Annual                         | 3.20% | 3.20%                            | -                         | 5,022                             | -              | 5,022     | -                        | -                        | -                    | -                    | -                  | -              |
| Hortifrut Chile S.A.                | 99.524.450-0 |         | Banco Itaú                          | US\$     | Annual                         | 3.01% | 3.01%                            | 5,005                     | -                                 | -              | 5,005     | -                        | -                        | -                    | -                    | -                  | -              |
| Hortifrut Chile S.A.                | 99.524.450-0 |         | Banco Itaú                          | US\$     | Annual                         | 3.01% | 3.01%                            | 5,005                     | -                                 | -              | 5,005     | -                        | -                        | -                    | -                    | -                  | -              |
| Hortifrut Chile S.A.                | 99.524.450-0 |         | Banco RaboFinance Chile             | US\$     | Annual                         | 5.34% | 5.34%                            | -                         | 327                               | -              | 327       | -                        | -                        | 1,759                | 3,621                | 14,510             | 19,89          |
| Hortifrut Chile S.A.                | 99.524.450-0 |         | Banco Santander Chile               | US\$     | Annual                         | 3.02% | 3.02%                            | 10,052                    | -                                 | -              | 10,052    | -                        | -                        | -                    | -                    |                    | -              |
| Hortifrut Chile S.A.                | 99.524.450-0 |         | Banco Santander Chile               | US\$     | Annual                         | 2.82% | 2.82%                            | 5,034                     | -                                 | -              | 5,034     | -                        | -                        | -                    | -                    |                    | -              |
| Hortifrut Chile S.A.                | 99.524.450-0 |         | 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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|                                       |                 |         |   |          |                                |       |                                  | Current                   |                                       |        | Total current Non-current |                          |                          |                      |                      |                    | current   |
|---------------------------------------|-----------------|---------|---|----------|--------------------------------|-------|----------------------------------|---------------------------|---------------------------------------|--------|---------------------------|--------------------------|--------------------------|----------------------|----------------------|--------------------|-----------|
|                                       |                 |         |   |          | <u>Type of</u><br>Amortization |       | <u>Nominal</u><br>annual<br>rate | Maturity up to 1<br>month | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |        | 31-Dec-18                 | Maturity 1 to<br>2 years | Maturity 2 to<br>3 years | from 3 to 4<br>years | from 4 to 5<br>years | 5 or more<br>years | 31-Dec-18 |
| Debtor Company                        | RUT             | Country | Creditor Bank                                 | Currency |                                |       |                                  | ThUS\$                    | 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 Vizcay a 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 Peru 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                     | -                        | -                        | -                    | -                    | -                  | -         |
| Hortiftut S.A.                        | 96.896.990-0    | Chile   | Banco Estado                                  | CLP      | Annual                         | 0.70% | 0.70%                            | -                         | -                                     | 93     | 93                        | -                        | -                        | -                    | -                    | -                  |           |
| Hortiftut S.A.                        | 96.896.990-0    |         | Banco Estado                                  | CLP      | Annual                         | 0.70% | 0.70%                            | -                         | -                                     | -      | -                         | 5                        | -                        | -                    | -                    |                    | 5         |
| Hortiftut S.A.                        | 96.896.990-0    |         | Banco Estado                                  | CLP      | Annual                         | 0.30% | 0.30%                            | -                         | -                                     | 55     | 55                        | -                        | -                        | -                    | -                    |                    | -         |
| Hortiftut S.A.                        | 96.896.990-0    |         | Banco Estado                                  | CLP      | Annual                         | 0.30% | 0.30%                            | -                         | -                                     | 62     | 62                        | -                        | -                        | -                    | -                    |                    |           |
| Hortiftut S.A.                        | 96.896.990-0    | Chile   | Banco Estado                                  | CLP      | Annual                         | 0.30% | 0.30%                            | -                         | 136                                   | -      | 136                       | -                        | -                        | -                    | -                    | -                  | -         |
| Hortiftut 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    |
| Hortiftut S.A.                        | 96.896.990-0    | Chile   | Banco Estado                                  | US\$     | Annual                         | 5.14% | 4.99%                            | -                         | -                                     | 1      | 1                         | -                        | 323                      | 663                  | 664                  | 1,330              | 2,980     |
| Hortiftut S.A.                        | 96.896.990-0    |         | Banco Estado                                  | US\$     | Annual                         | 5.14% | 4.99%                            | -                         | -                                     | 1      | 1                         | -                        | 1,457                    | 2,982                | 2,987                | 5,988              | 13,414    |
| Hortiftut S.A.                        | 96.896.990-0    |         | Banco Estado                                  | US\$     | Annual                         | 5.14% | 4.99%                            | -                         | -                                     | 1      | 1                         | -                        | 1,457                    | 2,982                | 2,987                | 5,988              | 13,414    |
| Hortiftut S.A.                        |                 |         | Banco Chile                                   | US\$     | Annual                         | 5.39% | 5.23%                            | -                         | -                                     | 5      | 5                         | 4,122                    | 4,130                    | 4,137                | 4,145                | 8,310              | 24,844    |
| Hortiftut 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.A76.043.425-6 | 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.A76.043.425-6 | 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, Institucion de Banca Multiple | e US\$   | Annual                         | 4.08% | 4.08%                            | -                         | -                                     | 1,313  | 1,313                     | 2,250                    | 938                      | -                    | -                    | -                  | 3,188     |
| Hortifrut Tal S.A.C.                  | 0-E             | Perú    | Coöperatieve 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             | Perú    | Metlife                                       | US\$     | Biannual                       | 5.20% | 5.13%                            | -                         | 2,160                                 | 1,600  | 3,760                     | 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   |

Total Non-

Total Non Current **Total Current** Non-current Current Effective Nominal 5 or more Type of Maturity up to 1 Maturity 1 to Maturity 2 to from 3 to 4 from 4 to 5 Annual Annual Amortization month 2 years 3 years years vears years Rate Rate 1 to 3 months 3 to 12 months 31-Dec-17 31-Dec-17 Debtor Company RUT Country Creditor Bank ThUS\$ Currency Agrícola El Pampino S.A Agrícola El Pampino S.A 76.884.880-7 Chile Banco Santander Chile Banco Santander Chile US Annua 6.06% 6.06% 217 212 76.884.880-7 Chile US\$ 2.68% 2.68% Annua 401 40 US\$ Agrícola Mataquito S.A. 76.306.130-2 Chile Banco RaboFinance Chile Annua 5.52% 5.20% 157 157 150 150 76.306.130-2 76.306.130-2 6.03% 2.68% Agrícola Mataquito S.A Chile Banco RaboFinance Chile US\$ US\$ Annua 6.26% 42 42 1,500 1,500 Agrícola Mataquito S.A Chile Banco Santander Chile 2.68% Annua 501 501 US\$ Agrícola Mataquito S.A. 76.306.130-2 Chile Banco Santander Chile Annua 2.68% 2.68% 501 501 Agrícola Santa Rosa del Parque S.A. Agrícola Santa Rosa del Parque S.A. 99.584.440-0 Chile Chile Banco RaboFinance Chile Banco RaboFinance Chile US\$ US\$ 5.58% 6.23% 5.31% 6.01% 9 Annua 85 90 175 900 91 25 99.584.440-0 Annua 25 900 501 85 99.584.440-0 o-E Agrícola Santa Rosa del Parque S.A. Chile Banco Santander Chile US\$ Annual 2.68% 2.68% 501 Berry Good Com Imp E Dist Brazil Banco Itaú BRL Monthly 2.02% 2.02% 85 BRL Berry Good Com Imp E Dist o-E Brazil Banco Itaú Monthly 1.66% 1.66% 13 17 17 21 Berry Good Com Imp E Dist o-E Brazil Banco Itaú BRL Monthl 1.66% 1.66% 13 17 21 Berry Good Com Imp E Dist 0-E BRL Banco Itaú Monthly 2.11% 2.11% Brazi 11 Berry Good Com Imp E Dist o-E Brazil Banco Itaú BRL Monthly 2.14% 2.14% 26 35 Berry Good Com Imp E Dist Berry Good Com Imp E Dist Brazil Brazil Banco Itaú Banco Itaú 2.02% 2.02% о-Е о-Е BRL BRL Monthl 24 33 Monthl 50 50 Hortifrut Chile S.A. 99.524.450-0 Chile Banco Bilbao Vizcay a Argentaria US\$ Annual 2.88% 2.06% 2,525 2.525 2,500 2,500 Hortifrut Chile S.A 99.524.450-0 Chile Banco Bilbao Vizcay a Argentaria US\$ US\$ Annual 1.99% 1.99% 5,004 5,004 Banco Bilbao Vizcay a Argentaria Hortifrut Chile S.A 99.524.450-0 Chile Annua 1.99% 1.99% 5,004 5,004 99.524.450-0 99.524.450-0 Hortifrut Chile S.A Chile Banco Bilbao Vizcay a Argentaria US\$ Annua 1.20% 1.20% 110 110 1.77% Hortifrut Chile S.A Chile Banco Bice US\$ Annual 1.77% 1.78% 5,005 5,005 Banco de Crédito e Inversiones Hortifrut Chile S.A 99.524.450-0 Chile US\$ Annua 5,015 5,015 Hortifrut Chile S.A 99.524.450-0 99.524.450-0 Chile Banco de Crédito e Inversiones US\$ US\$ Annua 5.42% 1.78% 3.02% 1.78% 3,581 3,581 2,661 3,000 3,000 3,000 6,000 17,661 Banco de Crédito e Inversiones Hortifrut Chile S.A Chile Annua 5,015 5,015 Hortifrut Chile S.A 99.524.450-0 Chile Banco de Crédito e Inversiones US\$ Annua 1.78% 1.78% 5.015 5.015 Hortifrut Chile S.A 99.524.450-0 Chile Banco de Crédito e Inversiones US\$ EUR Annua 1.78% 1.78% 10,028 10,028 Hortifrut Chile S.A Banco de Crédito e Inversiones Chile 2,038 Annua 0.41% 0.41% 99.524.450-0 2,03 Hortifrut Chile S.A 99.524.450-0 Chile Banco de Crédito e Inversiones EUR Annua 0.75% 0.75% 927 92 Hortifrut Chile S.A. Hortifrut Chile S.A. Chile 1.70% 1.70% 1.70% 99.524.450-0 Banco de Chile US\$ US\$ Annual 6,017 6,017 Banco de Chile 99.524.450-0 Annua 6,017 6,017 99.524.450-0 99.524.450-0 2.20% 0.70% 5.03% 0.70% Hortifrut Chile S.A Chile Banco Estado US\$ Annua 5,227 5,227 Hortifrut Chile S.A Chile Banco Estado CLP Annua Hortifrut Chile S.A 99.524.450-0 Chile Banco Estado US\$ Annua 1.66% 1.66% 5.018 5.018 Hortifrut Chile S.A 99.524.450-0 Chile Banco Estado US\$ US\$ Annua 1.66% 1.66% 5,015 5,015 Hortifrut Chile S.A 99.524.450-0 Chile Banco Estado Annua 1.66% 1.66% 10,038 10,038 99.524.450-0 99.524.450-0 Hortifrut Chile S.A Chile Banco Estado CLF Annual 0.70% 0.70% 114 114 Hortifrut Chile S.A US\$ US\$ 1.83% 1.83% Chile Banco Itaú Annua 5,005 5,005 Hortifrut Chile S.A 99.524.450-0 Chile Banco Itaú Annua 1.99% 1.99% 5,004 5,004 Hortifrut Chile S A 99.524.450-0 99.524.450-0 Chile Banco RaboFinance Chile US\$ Annual 4.26% 1.66% 4.26% 1.66% 272 271 1,819 18.181 20,000 Hortifrut Chile S.A Chile Banco Santander Chile US\$ Annua 3,021 3,021 5,035 7,058 Hortifrut Chile S.A 99.524.450-0 Chile Banco Santander Chile US\$ Annual 1.66% 1.66% 5.035 Hortifrut Chile S A 99.524.450-0 Chile Banco Santander Chile US\$ US\$ Annua 1.66% 1.68% 1 66% 7,058 Hortifrut Chile S.A Chile 1.68% Banco Santander Chil Annua 99.524.450-0 10,031 10,031 Hortifrut Chile S.A. 99.524.450-0 Chile Banco Santander Chile US\$ Annua 1.76% 1.76% 5,020 5,020 Hortifrut Chile S.A 99.524.450-0 Chile Banco Scotiabank US\$ US\$ 1.70% 1.70% 1.70% 3,011 Annua 3,011 Hortifrut Chile S.A 99.524.450-0 Chile Banco Scotiabank Annua 3,011 3,011 99.524.450-0 o-E 1.70% 2.96% 5,019 249 5,019 1,629 Hortifrut Chile S.A. Chile Banco Scotiabank US\$ Annual 1.70% Hortifrut España Southern Sun SL Banco Santander Central Hispano S.A EUR Monthly 2.96% Spain 250 1,130 1,525 385 1,910 Hortifrut España Southern Sun SL o-E Spain Banco Santander Central Hispano S.A EUR Quarterly 1.15% 1.15% 734 2,213 2,947 2,981 3,015 3,050 9,046 1,469 735 663 Hortifrut España Southern Sun SL o-F Spair Banco Bilbao Vizcaya Argentaria EUR Riannaul 1.16% 1.16% 1,469 2,965 1,483 2,998 3,033 1,516 1,530 10,526 5,262 o-E Hortifrut España Southern Sun SL La Caixa EUR 1.10% 1.10% Quarterly Spain 735 1,499 764 Banco Intercontinental Español Hortifrut España Southern Sun SL o-E Spain EUR Monthly 1.10% 1.10% 663 817 901 911 307 2,936 Hortifrut España Southern Sun SI Asturian Berries SL. Banco Sabadell Banco Santander Central Hispano S.A Monthly Monthly 1.10% 1.10% 1.38% 2,250 54 о-Е о-Е Spain EUR EUR 147 72 147 108 591 . 597 604 458 Spain 27 54 1.50% 0.87% 29 11 Asturian Berries SL o-E Spain Banco Santander Central Hispano S.A EUR Monthl 1.50% 13 40 107 160 29 11 Asturian Berries SL o-E Spain Caja Madrid EUR Monthl 0.87% 19 25 Asturian Berries SL o-E Spain Caja Rural Asturias EUR Monthly 5.00% 5.00% 19 27 Asturian Berries SL o-E Spain Financial Services EUR Monthly 9.20% 9.20% 2 16 18 Asturian Berries SL o-E Spain Banco Bilbao Vizcay a Argentaria EUR Monthly 1.40% 1.40% 129 287 159 575 Berries Peru o-E Peru Banco de Crédito Perú SOL Monthly 5.00% 5.00% Hortiftut S.A 96.896.990-0 Chile Banco Estado CLP Annua 0.70% 0.70% 99 99 Hortiftut S.A. CLP 96.896.990-0 Chile Banco Estado Annua 0.70% Total 115,57 14,454 18.662 148,691 16,237 15,201 12,273 7.878 24,181

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# b) Financial Leasing Obligations

Obligations with banks and financial institutions per financial leasing, grouped by maturity, as of December 31, 2018 and December 31, 2017, are as follows:

|                                     |            |                |                                |                 |                                |                             |   |                | Current       |                | Total current |                   |                 | Non-current   |               |               | Total Non-<br>current |
|-------------------------------------|------------|----------------|--------------------------------|-----------------|--------------------------------|-----------------------------|---|----------------|---------------|----------------|---------------|-------------------|-----------------|---------------|---------------|---------------|-----------------------|
|                                     |            |                |                                |                 |                                |                             |   | M              |               |                |               | Maturality etc. o | Maturalta       |               | £             |               | current               |
|                                     |            |                |                                |                 |                                |                             |   | Maturity up to |               |                | a. D 10       | Maturity 1 to 2   | Maturity 2 to 3 | from 3 to 4   | from 4 to 5   | -             | a. D0                 |
|                                     |            |                |                                |                 |                                |                             |   | 1 month        | 1 to 3 months | 3 to 12 months | 31-Dec-18     | years             | years           | years         | years         | years         | 31-Dec-18             |
| <u>Debtor Company</u>               | <u>RUT</u> | <u>Country</u> | Creditor Bank                  | <u>Currency</u> | <u>Type of</u><br>Amortization | Effective<br>Annual<br>Rate | <u>Nominal</u><br>Annual<br><u>Rate</u> | <u>ThUS\$</u>  | <u>ThUS\$</u> | <u>ThUS\$</u>  | <u>ThUS\$</u> | ThUS\$            | <u>ThUS\$</u>   | <u>ThUS\$</u> | <u>ThUS\$</u> | <u>ThUS\$</u> | <u>ThUS\$</u>         |
| Agrícola El Pampino S.A.            | 76.884.8   | 80-7 Chile     | Banco Santander Chile          | US\$            | Annual                         | 3.93%                       | 3.93%                                   | -              | 37            | 36             | 73            | 37                | -               | -             | -             | -             | 37                    |
| Agrícola El Pampino S.A.            | 76.884.8   | ,              | Banco Santander Chile          | US\$            | Annual                         | 3.91%                       |   |                | -             | 16             | 16            | 17                | -               | -             | -             | -             | 17                    |
| Agrícola Mataquito S.A.             | 76.306.1   | -              | Banco de Crédito e Inversiones | US\$            | Annual                         | 4.29%                       |   |                | -             | 231            | 231           | 228               | 237             | -             | -             | -             | 465                   |
| Agrícola Mataquito S.A.             | 76.306.1   |                | Banco de Crédito e Inversiones | US\$            | Annual                         | 5.10%                       | -                                       |                | 184           | -              | 184           | 169               | 178             | 202           | -             | -             | 549                   |
| Agrícola Mataquito S.A.             | 76.306.1   |                | Banco de Crédito e Inversiones | US\$            | Annual                         | 5.54%                       |   |                | 280           | -              | 280           | 247               | 261             | 297           | -             | -             | 805                   |
| Agrícola Mataquito S.A.             | 76.306.1   |                | Banco de Crédito e Inversiones | US\$            | Annual                         | 5.33%                       |   |                | 1             | 6              | 8             | -                 | -               | -             | -             | -             | -                     |
| Agrícola Mataquito S.A.             | 76.306.1   | •              | Banco de Crédito e Inversiones | US\$            | Annual                         | 5.45%                       | 5.45%                                   | -              | 7             | -              | 7             | 6                 | 7               | 7             | -             | -             | 20                    |
| Agrícola Mataquito S.A.             | 76.306.1   |                | Banco de Crédito e Inversiones | US\$            | Annual                         | 4.30%                       | 4.30%                                   | 1              | 1             | 5              | 7             | 3                 | -               | -             | -             | -             | 3                     |
| Agrícola Santa Rosa del Parque S.A. | 99.584.4   | 40-0 Chile     | Banco Santander Chile          | US\$            | Annual                         | 3.74%                       | 3.74%                                   | -              | -             | 67             | 67            | 69                | 72              | -             | -             | -             | 141                   |
| Hortifrut Chile S.A.                | 99.524.4   | 50-0 Chile     | Banco de Crédito e Inversiones | US\$            | Annual                         | 2.79%                       | 3.68%                                   | 98             | -             | 288            | 386           | 194               | -               | -             | -             | -             | 194                   |
| Hortifrut Chile S.A.                | 99.524.4   | 50-0 Chile     | Banco de Crédito e Inversiones | US\$            | Quarterly                      | 3.29%                       | 4.05%                                   | -              | 196           | 532            | 728           | 728               | 754             | 779           | 805           | 414           | 3,480                 |
| HFE Berries Perú S.A.C.             | 0-E        | Peru           | Scotiabank Peru S.A.           | US\$            | Monthly                        | 5.00%                       | 5.00%                                   | -              | 354           | 333            | 687           | 667               | 667             | -             | -             | -             | 1,334                 |
| Hortiftut S.A.                      | 96.896.9   | 90-0Chile      | Banco Scotiabank               | US\$            | Monthly                        | 9.79%                       | 9.79%                                   | 16             | 32            | 171            | 219           | 108               | -               | -             | -             | -             | 108                   |
| Hortifrut Comercial S.A.            | 99.535.51  | 0-8 Chile      | GC Rent Chile SPA              | CLP             | Annual                         | 16.93%                      | 16.93%                                  | -              | -             | 1              | 1             |                   | -               | -             | -             | -             | -                     |
| Hortifrut TAL SAC                   | 0-E        | Peru           | Banco de Crédito del Perú      | US\$            | Monthly                        | 3.60%                       | 3.54%                                   | -              | -             | 2,445          | 2,445         | 2,556             | -               | -             | -             | -             | 2,556                 |
| Hortifrut TAL SAC                   | 0-E        | Peru           | Banco de Crédito del Perú      | US\$            | Monthly                        | 3.70%                       | 3.64%                                   |                | 6             | 29             | 38            | 31                | -               | -             | -             | -             | 31                    |
| Hortifrut TAL SAC                   | 0-E        | Peru           | Banco de Crédito del Perú      | US\$            | Monthly                        | 3.86%                       |   |                | . 7           | 33             | 44            | 49                | -               | -             | -             | -             | 49                    |
| Hortifrut-Peru SAC.                 | 0-E        | Peru           | Banco de Crédito del Perú      | US\$            | Monthly                        | 3.57%                       |   |                | 1             | 6              | 8             | 7                 |                 | -             | -             | -             | 7                     |
| Hortifrut-Peru SAC.                 | 0-E        | Peru           | Banco de Crédito del Perú      | US\$            | Monthly                        | 3.57%                       | 3.51%                                   |                | 13            | 27             | 47            | -                 | -               | -             | -             | -             | -                     |
| Hortifrut-Peru SAC.                 | 0-E        | Peru           | Banco de Crédito del Perú      | US\$            | Monthly                        | 3.70%                       |   | ,              | -5            | -, 29          | 38            | 31                | -               | -             | -             | -             | 31                    |
| Hortifrut-Peru SAC.                 | 0-E        | Peru           | Scotiabank Peru S.A.           | US\$            | Monthly                        | 4.10%                       | 0 1                                     |                | 28            | 131            | 173           | 180               | 15              | -             | -             | -             | 195                   |
| Hortifrut-Peru SAC.                 | 0-E        | Peru           | Scotiabank Peru S.A.           | US\$            | Monthly                        | 4.25%                       |   |                |               | 207            | 274           | 286               | 40              |               | -             | -             | 335                   |
| Hortifrut-Peru SAC.                 | 0-E        | Peru           | Scotiabank Peru S.A.           | US\$            | Monthly                        | 3.90%                       |   |                | 10            | _0/<br>710     | <i>,</i> .    | 485               | -               | _             | -             | -             | 485                   |
| Hortifrut-Peru SAC.                 | 0-E        | Peru           | Scotiabank Peru S.A.           | US\$            | Monthly                        | 3.90%                       |   |                |               | 705            | 94-           | 160               | _               | -             |               |               | 403<br>160            |
| normat for a bill.                  | 01         | 1010           | Total                          | 000             | montary                        | 3.90%                       | 5.03/0                                  | 324            | \$1           | 6,008          | 7,839         | 6,258             | 2,240           | 1,285         | 805           | 414           | 11,002                |

|                                     |                    |                                  |          |  |       |                           |  | Current |                  | Total<br>current | Non-current              |                          |        |                      |                    | Total Non-<br>current |
|-------------------------------------|--------------------|----------------------------------|----------|--|-------|---------------------------|--|---------|------------------|------------------|--------------------------|--------------------------|--------|----------------------|--------------------|-----------------------|
|                                     |                    |                                  |          | Type of Effective<br>Amortization Rate |       | Nominal<br>Annual<br>Rate | Maturity up to<br>1 month 1 to 3 months 3 to 12 months |         | s 3 to 12 months |                  | Maturity 1 to 2<br>years | Maturity 2 to 3<br>years |        | from 4 to 5<br>years | 5 or more<br>years | •                     |
| Debtor Company                      | RUT Country        | Creditor Bank                    | Currency |  |       |                           | 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                                 | 3.93% | 3.93%                     |  | - 34    | 34               | 68               | 73                       | 37                       | -      | -                    | -                  | 110                   |
| Agrícola El Pampino S.A.            | 76.884.880-7 Chile | Banco Santander Chile            | US\$     | Annual                                 | 3.91% | 3.91%                     |  |         | 16               | 16               | 16                       | 16                       | -      | -                    | -                  | 32                    |
| Agrícola Mataquito S.A.             | 76.306.130-2 Chile | Banco de Crédito e Inversiones   | US\$     | Annual                                 | 4.29% | 4.29%                     |  |         | 227              | 227              | 218                      | 228                      | 237    | -                    | -                  | 683                   |
| Agrícola Mataquito S.A.             | 76.306.130-2 Chile | Banco de Crédito e Inversiones   | US\$     | Annual                                 | 5.10% | 5.10%                     |  | - 191   | -                | 191              | 161                      | 169                      | 178    | 202                  | -                  | 710                   |
| Agrícola Mataquito S.A.             | 76.306.130-2 Chile | Banco de Crédito e Inversiones   | US\$     | Annual                                 | 5.54% | 5.54%                     |  | - 277   | -                | <b>2</b> 77      | 234                      | 247                      | 261    | 297                  | -                  | 1,039                 |
| Agrícola Mataquito S.A.             | 76.306.130-2 Chile | Banco de Crédito e Inversiones   | US\$     | Annual                                 | 5.33% | 5.33%                     |  | 1 1     | 6                | 8                | 8                        | -                        | -      | -                    | -                  | 8                     |
| Agrícola Mataquito S.A.             | 76.306.130-2 Chile | Banco de Crédito e Inversiones   | US\$     | Annual                                 | 5.45% | 5.45%                     |  | - 7     | -                | 7                | 6                        | 6                        | 6      | 7                    | -                  | 25                    |
| Agrícola Mataquito S.A.             | 76.306.130-2 Chile | Banco de Crédito e Inversiones   | US\$     | Annual                                 | 4.30% | 4.30%                     |  | 1 1     | 5                | 7                | 7                        | 4                        | -      | -                    | -                  | 11                    |
| Agrícola Santa Rosa del Parque S.A. | 99.584.440-0 Chile | Banco Santander Chile            | US\$     | Annual                                 | 3.74% | 3.74%                     |  |         | 65               | 65               | 67                       | 69                       | 72     |                      | -                  | 208                   |
| Hortifrut Chile S.A.                | 99.524.450-0 Chile | Banco de Crédito e Inversiones   | US\$     | Annual                                 | 2.79% | 2.79%                     | 9  | 3 -     | 279              | 377              | 381                      | 195                      | -      |                      | -                  | 576                   |
| Hortifrut Chile S.A.                | 99.524.450-0 Chile | Banco de Crédito e Inversiones   | US\$     | Quarterly                              | 3.29% | 3.29%                     |  | - 193   | 514              | 707              | 705                      | 729                      | 754    | 779                  | 1,218              | 4,185                 |
| Hortiftut S.A.                      | 96.896.990-0Chile  | Banco Bilbao Vizcay a Argentaria | US\$     | Monthly                                | 9.79% | 9.79%                     |  |         | 135              | 178              | 195                      | 134                      | -      | -                    | -                  | 329                   |
|                                     |                    | Total                            |          | -                                      |       |                           | 114  | 733     | 1,281            | 2,128            | 2,071                    | 1,834                    | 1,508  | 1,285                | 1,218              | 7,916                 |

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#### c) Cross Currency Swap Operations

The detail of the derivative instruments portfolio as of December 31, 2018 and December 31, 2017 are the following:

| LIABILITIES                          |                                |          | Balance       | Mark to Market Value |               |  |  |  |
|--------------------------------------|--------------------------------|----------|---------------|----------------------|---------------|--|--|--|
| Hedging Instruments                  |                                |          | Capital       | 31-Dec-18            | 31-Dec-17     |  |  |  |
| Entities                             | Instruments                    | Туре     | <u>ThUS\$</u> | ThUS\$               | <u>ThUS\$</u> |  |  |  |
| Banco Santander Central Hispano S.A. | Cross Currency Swaps - USD/EUH |          | 10,000        | 321                  |               |  |  |  |
| Total Current                        |                                |          | 10,000        | 321                  |               |  |  |  |
| Banco de Crédito e Inversiones       | Cross Currency Swaps - USD     | Rate     | 21,000        | -                    | 280           |  |  |  |
| Banco de Crédito e Inversiones       | Cross Currency Swaps - USD     | Rate     | 51,000        | 909                  | -             |  |  |  |
| Banco Scotiabank                     | Cross Currency Swaps CLP/USD   | Currency | 364           | 20                   |               |  |  |  |
| Total Non-Current                    |                                |          | 72,364        | 929                  | 280           |  |  |  |

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.

d) Currency Forwards operations:

The details of currency forwards operations held by Hortifrut and subsidiaries as of December 31, 2018 and December 31, 2017, is as follows:

|                         |                                |                 |           |         |                   |          |               |            | Mark to Market |               |                 |              |           |                |            |  |
|-------------------------|--------------------------------|-----------------|-----------|---------|-------------------|----------|---------------|------------|----------------|---------------|-----------------|--------------|-----------|----------------|------------|--|
|                         |                                |                 |           |         |                   |          |               |            |                |               |                 |              | Total     |                | Total non- |  |
|                         |                                | <u>Contract</u> | F         | ees     | Liabil            | ities    | Closing Value | Net Effect |                | Maturity      | upto            |              | current   | Maturity up to | current    |  |
| <u>Company</u>          | <u>Bank</u>                    | Туре            | Type      | Currenc | <u>y Amount C</u> | 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\$     |  |
| Agríc. Santa Rosa del P | <b>Baque Sah</b> tander Chile  | Offsetting      | Sale      | USD     | 606               | CLP      | 554           | (52)       | 45             | 7             |                 |              | 52        |                |            |  |
| Agríc. y Gan. Sta. Rebe | Bailtd.Santander Chile         | Offsetting      | Sale      | USD     | 50                | CLP      | 46            | (4)        | 4              |               |                 |              | 4         |                |            |  |
| Agrícola Mataquito S.A  | ABanco Santander Chile         | Offsetting      | Sale      | USD     | 1,270             | CLP      | 1,175         | (95)       | 79             | 14            | -               |              | 93        |                |            |  |
| Agrícola Vida Nueva S.  | Banco de Crédito e Inversiones | Offsetting      | Sale      | USD     | 1,428             | CLP      | 1,326         | (102)      | 79             | 7             | 2               | 2            | 90        | 9              | 9          |  |
| Agrícola Vida Nueva S.  | 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          | <u>332</u>    | 117             | 181          | 1,751     | 378            | 378        |  |

|                      |            |                 |           |          |          |         |               |            |                |               | I             | Mark to Market |                  |                |                       |
|----------------------|------------|-----------------|-----------|----------|----------|---------|---------------|------------|----------------|---------------|---------------|----------------|------------------|----------------|-----------------------|
|                      |            | <u>Contract</u> | F         | ees      | Liabil   | ities   | Closing Value | Net Effect | Maturity up to |               |               |                | Total<br>current | Maturity up to | Total non-<br>current |
| Company              | Bank       | Type            | Type      | Currency | Amount ( | urrency | Amount        | Offsetting | 1 to 3 months  | 3 to 6 months | 6 to 9 months | ) to 12 months | 31-Dec-17        | 1 to 2 years   | 31-Dec-17             |
|                      |            |                 |           |          | ThUS\$   |         | ThUS\$        | ThUS\$     | ThUS\$         | ThUS\$        | ThUS\$        | ThUS\$         | ThUS\$           | ThUS\$         | ThUS\$                |
| Hortifrut Chile S.A. | Security   | Offsetting      | Purchase  | USD      | 2,200    | CLP     | 2,197         | (3)        | 5              | -             |               | -              | 5                |                |                       |
| Hortifrut Chile S.A. | Scotiabank | Offsetting      | Sale      | EUR      | 15,345   | USD     | 15,999        | (654)      | 324            | 361           |               | -              | 685              |                | -                     |
| Hortifrut Chile S.A. | Scotiabank | Offsetting      | Sale      | USD      | 2,000    | CLP     | 2,020         | (20)       | 22             | -             |               | -              | 22               |                | -                     |
|                      |            | Total           | 31-Dec-17 |          | 19,545   |         | 20,216        | (677)      | 351            | 361           | •             | •              | 712              | · ·            | <u> </u>              |

- e) Additional information regarding financial liabilities
- e.1) Hortifrut Chile S.A.

e.1.1) Dated November 05, 2015, Banco Scotiabank (Ex - BBVA) granted Hortifrut Chile S.A. a credit for US\$10 million and to date US\$2.51 million are owed.

The Company assumes the following obligations over the base of its consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 6 times as of December 31 of each year;
  - lower or equal to 4.5 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses of the last 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.

e.1.2) With date September 7, 2017, Coöperatieve Rabobank U.A. granted Hortifrut Chile S.A. a credit for US\$20 million.

Hortifrut S.A. maintains the security and co-debt for the loan with Rabobank for US\$ 20 million, of which to date Hortifrut Chile S.A. owes the total.

The Company assumes the following obligations over the base of its consolidated financial statements:

- To maintain a Net Financial Debt divided by annual EBITDA
  - lower or equal to 6 times as of December 31 of each year;
  - lower or equal to 4.5 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.
- To maintain a hedge ratio of the assets at trade value over the owed capital balance
  - higher or equal to 1 time.



e.2) Hortifrut S.A.

e.2.1) Dated February 07, 2018, Banco de Crédito e Inversiones granted financing for Hortifrut S.A. for a credit for US\$54 million, of which US\$51.92 million are owed.

Hortifrut Chile S.A. maintains the security and co-debt for the loans with Banco de Crédito e Inversiones, indicated in the previous paragraph.

The Company assumes the following obligations, over the base of its consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 5.25 times as of December 31 of each year;
  - lower or equal to 4.0 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.

e.2.2) Dated June 20, 2018, Rabobank granted Hortifrut Inversiones Internacionales S.A. a credit for US\$ 34 million, as of December 26, 2018, said debt was transferred to Hortifrut S.A., with previous amortization to date the owed amount is US\$25.85 million.

The Company assumes the following obligations over the base of its consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 6.0 times as of December 31 of each year;
  - lower or equal to 4.5 tiems as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.
- e.2.3) Dated December 18, 2018, Banco de Chile granted Hortifrut S.A. a credit for US\$25 million.

The Company assumes the following obligations, over the base of its consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 6.0 times as of December 31 of each year;
  - lower or equal to 4.5 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.

e.2.4) Dated December 19, 2018, Banco Estado granted 3 credits to Hortifrut S.A., for a total of US\$30 million.

The Company assumes the following obligations, over the base of its consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 6.0 times as of December 31 of each year;
  - lower or equal to 4.5 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months)
   higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - Lower or equal to 1 time as of June 30 of each year.

e.3) Hortifrut Inversiones Internacionales S.A.

e.3.1) Dated June 20, 2018, Banco Santander granted Hortifrut Inversiones Internacionales S.A. a credit for US\$53 million of which to date it owes US\$39.06 million.

The Company assumes the following obligations, over the base of its consolidated financial statements

- To maintain a Net Financial Debt level divided by annual EBITDA Lower or equal to 4.5 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months) higher or equal to 4 times as of June 30 of each year.

Non-Constant Party

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- To maintain a Net Financial Debt divided by Total Equity level lower or equal to 1 time as of June 30 of each year.

e.3.2) Dated June 20, 2018, Scotiabank granted Hortifrut Inversiones Internacionales S.A. a credit for US\$53 million of which to date it owes US\$39.06 million.

The Company assumes the following obligations, over the base of its consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA lower or equal to 4.5 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months) higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level lower or equal to 1 time as of June 30 of each year.

#### e.4) Compliance of Covenants

#### e.4.1) Net financial debt divided by annual EBITDA

Net financial debt divided by annual EBITDA was 3.75 for the 12-month period ending June 30, 2018, (lower than the 4 times requested by BCI, 4.5 times requested by Rabobank, Santander, Scotiabank and BBVA).

Dated June 12, 2018, the non-measurement of this obligation as of June 30, 2018, was agreed with Banco del Estado de Chile.

Net financial debt divided by annual EBITDA was 4.18 for the 12-month period ending December 31, 2018, (lower than the 5.25 times requested by BCI and lower than the 6.0 times requested by Rabobank, Banco de Chile and Banco Estado).

|                             | 31-Dec-18<br><u>ThUS\$</u> | 30-Jun-18<br><u>ThUS\$</u> | 31-Dec-17<br><u>ThUS\$</u> | 30-Jun-17<br><u>ThUS\$</u> | 1-Jul-18<br>30-Jun-18<br><u>ThUS\$</u> |
|-----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--|
| EBITDA                      | 108,944                    | 26,059                     | 59,520                     | 37,266                     | 48,313                                 |
| Net Financial Debt          | 455,171                    | 181,287                    | 207,659                    | 142,968                    | 181,287                                |
| Net Financial Debt / EBITDA | 4.18                       | 6.96                       | 3.49                       | 3.84                       | 3.75                                   |

e.4.2) Financial cost hedging (EBITDA divided by net financial costs of the last 12 months)

Financial cost hedging for a 12-month period ending on June 30, 2018, was 8.2 times, (higher than the 4 required by BCI, BBVA, Banco del Estado, Scotiabank, Santander and Rabobank).

|                             | 30-Jun-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ | 30-Jun-17<br>ThUS\$ | 1-Jul-18<br>30-Jun-18<br>ThUS\$ |
|-----------------------------|---------------------|---------------------|---------------------|---------------------------------|
| EBITDA                      | 26,059              | 59,520              | 37,266              | 48,313                          |
| Net Financial Cost          | 3,807               | 3,965               | 1,879               | 5,893                           |
| EBITDA / Net Financial Cost | 6.8                 | 15.0                | 19.8                | 8.2                             |

e.4.3) Net Financial Debt divided by Total Equity

As of June 30, 2018 it was 0.73 times (lower than 1 time required by BCI, BBVA, Banco del Estado, Scotiabank, Santander and Rabobank).

|                                    | 30-Jun-18<br>ThUS\$ | 30-Jun-17<br>ThUS\$ |
|------------------------------------|---------------------|---------------------|
| Total Equity<br>Net Financial Debt | 247,541<br>181,287  | 236,305<br>142,968  |
| Net Financial Debt / Total Equity  | 0.73                | 0.61                |

e.4.4) Assets at commercial value over the owed capital balance

As of June 30, 2018 it was 2.2 times (higher than 1 time required by Coöperatieve Rabobank U.A.).

#### e.4.4) Parameters to calculate ratios

The EBITDA of the periods ending December 31, 2018 and 2017 and for the periods ending June 30, 2018 and 2017, are the following:

| DETERMINING EBITDA   | 31-Dec-18<br>ThUS\$ | 30-Jun-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ | 30-Jun-17<br>ThUS\$ | 1-Jul-18<br>30-Jun-18<br>ThUS\$ |
|--|---------------------|---------------------|---------------------|---------------------|---------------------------------|
| Income from operating activities                                   | 528,157             | 260,683             | 388,250             | 203,588             | 445,345                         |
| Other income, per function   | 7,503               | 1,572               | 495                 | <del>2</del> 34     | 1,833                           |
| Total Income   | 535,660             | 262,255             | 388,745             | 203,822             | 447,178                         |
| Cost of sales  | (414,184)           | (228,908)           | (324,718)           | (167,211)           | (386,415)                       |
| Administration expenses<br>Other expenses, per function, excluding | (38,080)            | (17,560)            | (26,773)            | (14,109)            | (30,224)                        |
| impairment in the value of assets                                  | (4,686)             | (1,161)             | (1,528)             | (718)               | (1,971)                         |
| Total Costs and Expenses   | (456,950)           | (247,629)           | (353,019)           | (182,038)           | (418,610)                       |
| Operating Result   | 78,710              | 14,626              | 35,726              | 21,784              | 28,568                          |
| Depreciation and amortization                                      | 30,234              | 11,433              | 23,794              | 15,482              | 19,745                          |
| EBITDA   | 108,944             | 26,059              | 59,520              | 37,266              | 48,313                          |

The detail of depreciation and amortization as of December 31, 2018 and 2017 and for the periods ending June 30, 2018 and 2017, are as follows:

|                                   | 31-Dec-18 | 30-Jun-18 | 31-Dec-17 | 30-Jun-17 |
|-----------------------------------|-----------|-----------|-----------|-----------|
| Depreciation and Amortization     | ThUS\$    | ThUS\$    | ThUS\$    | ThUS\$    |
| Property, plant and equipment     | 28,657    | 5,188     | 9,300     | 4,487     |
| Intangibles - Software            | 75        | 33        | 102       | 60        |
| Intangibles - Licenses            | 1,025     | 706       | 7,082     | 5,080     |
| Relationship with customers       | 266       | 133       | 266       | 133       |
| Amortization biologicals          | 206       | 5,193     | 7,172     | 5,650     |
| Capitalized amortization / others | 5         | 180       | (128)     | 72        |
| Total                             | 30,234    | 11,433    | 23,794    | 15,482    |

The determining of net financial debt as of December 31, 2018 and 2017 and for the periods ending June 30, 2018 and 2017, is as follows:

| Determining net financial debt          | 31-Dec-18 | 30-Jun-18     | 31-Dec-17       | 30-Jun-17 |
|---|-----------|---------------|-----------------|-----------|
| Items                                   | ThUS\$    | <u>ThUS\$</u> | <u>ThUS\$</u>   | ThUS\$    |
| Other current financial liabilities     | 172,629   | 92,361        | 151,531         | 99,660    |
| Other non-current financial liabilities | 331,443   | 268,408       | 83,966          | 72,824    |
| Total financial liability               | 504,072   | 360,769       | <b>235,49</b> 7 | 172,484   |
| Minus:                                  |           |               |                 |           |
| Cash and cash equivalents               | 48,901    | 179,482       | 27,838          | 29,516    |
| Total net financial debt                | 455,171   | 181,287       | 207,659         | 142,968   |

e.5) 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.

e.6) The conciliation of movements as of December 31, 2018, between financial liabilities and cash flows for financing activities is as follows:

| Concepts                                 | 31-Dec-17 | Incorporation<br>merger | Cash    | Cash Flows |        | Cash Flows |           | Cash Flows |  | Changes<br>in fair<br>value | Reclassifications | 31-Dec-18 |
|--|-----------|-------------------------|---------|------------|--------|------------|-----------|------------|--|-----------------------------|-------------------|-----------|
|  |           |                         | Loans   | Payments   |        |            |           |            |  |                             |                   |           |
|  | ThUS\$    | ThUS\$                  | Th\$    | ThUS\$     | ThUS\$ | ThUS\$     | ThUS\$    | ThUS\$     |  |                             |                   |           |
| Short term loans with financial entities | 148,691   | 62                      | 195,373 | (319,863)  | 729    | -          | 137,726   | 162,718    |  |                             |                   |           |
| Long term loans with financial entities  | 75,770    | 60,000                  | 318,010 | -          | 3,080  | -          | (137,726) | 319,134    |  |                             |                   |           |
| Financial leasing liabilities            | 10,044    | 12,737                  | 2,000   | (5,961)    | 21     | -          | -         | 18,841     |  |                             |                   |           |
| Derivative instruments                   | 992       | -                       | -       | -          | -      | 2,387      | -         | 3,379      |  |                             |                   |           |
| Total                                    | 235,497   | 72,799                  | 515,383 | (325,824)  | 3,830  | 2,387      | -         | 504,072    |  |                             |                   |           |



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

The detail of this item as of December 31, 2018 and 2017 is as follows:

| Current                     | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|-----------------------------|---------------------|---------------------|
| Suppliers                   | 61,466              | 37,657              |
| Pay able notes              | 3,379               | 33                  |
| Retentions and pay able tax | 12,750              | 5,853               |
| Pay able dividend           | 10,724              | 6,181               |
| Total                       | 88,319              | 49,724              |
|                             | 31-Dec-18           | 31-Dec-17           |
| Non-Current                 | ThUS\$              | ThUS\$              |
| Contingent Consideration    | 6,506               |                     |
| Total                       | 6,506               | -                   |

Accounts payable per currency are as follows:

| Current              | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|----------------------|---------------------|---------------------|
| United States Dollar | 52,236              | 31,090              |
| Chilean Peso         | 15,723              | 13,543              |
| Euro                 | 6,910               | 2,404               |
| Mexican Peso         | 1,238               | 1,425               |
| Argentine Peso       | 27                  | 26                  |
| Nuevo Sol            | 11,809              | 1,021               |
| Pound                | 156                 | -                   |
| Brazilian Real       | 220                 | 215                 |
| Total                | 88,319              | 49,724              |
| Non-Current          | 31-Dec-18<br>       | 31-Dec-17<br>ThUS\$ |
| United States Dollar | 6,506               | -                   |
| Total                | 6,506               |                     |

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

| Type of Supplier<br>Goods/Services/Others |               | <b>Amounts in</b> | thousands of do | ollars, as per pay | mentterms |              | Total  | Average<br>payment<br>period (days) |
|---|---------------|-------------------|-----------------|--------------------|-----------|--------------|--------|-------------------------------------|
|   | up to 30 days | 31-60             | 61-90           | 91 - 120           | 121-365   | 366 and more | ThUS\$ |                                     |
| 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 |                                     |

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Suppliers with payments non past due, as of December 31, 2017

| Type of Supplier<br>Goods/Services/Others |               | Amounts in | thousands of do | ollars, as per pay | mentterms |              | Total  | Average<br>payment<br>period (days) |
|---|---------------|------------|-----------------|--------------------|-----------|--------------|--------|-------------------------------------|
|   | up to 30 days | 31-60      | 61-90           | 91 - 120           | 121 - 365 | 366 and more | ThUS\$ |                                     |
| Goods                                     | 8,516         | 17,990     | 3,364           | 1,772              | -         | -            | 31,642 | 58                                  |
| Services                                  | 11,238        | 477        | -               | -                  | -         | -            | 11,715 | 31                                  |
| Others                                    | 169           | -          | 3               | 6,181              | 14        | -            | 6,367  | 118                                 |
| Total as of 31-12-2017                    | 19,923        | 18,467     | 3,367           | 7,953              | 14        | -            | 49,724 |                                     |

The main suppliers are the following:

| - Impresos y Cartonajes S.A.                           | - J.M.C. Maquinarias S.A.C.                          |
|--|--|
| <ul> <li>Fábrica de Plásticos JCK SpA</li> </ul>       | <ul> <li>Transportes Línea S.A.</li> </ul>           |
| <ul> <li>Del Monte Fresh Produce</li> </ul>            | <ul> <li>Arándanos La Estancia, S.P.R.</li> </ul>    |
| <ul> <li>Exportadora Andinexia S.A.</li> </ul>         | <ul> <li>Legro Potgrondbedrijf B.V.</li> </ul>       |
| <ul> <li>Transporte Santelices e Hijo Ltda.</li> </ul> | <ul> <li>Gran Peñón Energía Natural, S.A.</li> </ul> |
| <ul> <li>Sof South Orgnanics Fruits S.A.</li> </ul>    | <ul> <li>Sistemas De Riego Del Pacifico</li> </ul>   |
| <ul> <li>Frigorífico San Clemente S.A.</li> </ul>      | - Frio Express S.A. de C.V.                          |
| <ul> <li>Agrícola y Frutera Curacaví S.A.</li> </ul>   | - Expoberries, S.A. de C.V.                          |
| - JL Ings S.A.C.                                       | <ul> <li>Panalpina Transportes Mundiale</li> </ul>   |
| - Yara Perú S.R.L.                                     | <ul> <li>Edenred México S.A. de C.V.</li> </ul>      |
| - 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 700 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:

| Current provisions                   | 31-Dec-18<br> | 31-Dec-17<br> |
|--------------------------------------|---------------|---------------|
| Other provisions                     |               |               |
| Cost provisions                      | 829           | 545           |
| Other provisions                     | 829           | 545           |
| Employee benefits                    |               |               |
| Vacations                            | 2,245         | 1,142         |
| Substitute retirement benefits       | 605           | 470           |
| Other benefits for personnel (bonus) | 76            | -             |
| Employee benefits                    | 2,926         | 1,612         |
| Total                                | 3,755         | 2,157         |

The movement of provisions during the period ending December 31, 2018 and the period ending December 31, 2017, is as follows:

| Movement                | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|-------------------------|---------------------|---------------------|
| Opening balance         | 2,157               | 1,752               |
| Incorporation in merger | 505                 | -                   |
| Increase in provisions  | 2,510               | 1,870               |
| Used provisions         | (1,417)             | (1,465)             |
| Total                   | 3,755               | 2,157               |



#### 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, 2018, reaches ThUS\$347,191 (ThUS\$135,149 as of December 31, 2017) equal to 525,546,131 shares of a single series and without nominal value.

b) Movements of the year

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 |
|----------------------------------|-----------|
| Capital issuance expenses        | ThUS\$    |
| Financial and Brokerage Advisory | 456       |
| Backoffice                       | 2,448     |
| Legal Advisory                   | 1,285     |
| Others                           | 32        |
| Total                            | 4,221     |

In 2017, at extraordinary shareholder's meeting, it was authorized to legally decrease the Company's capital, by the amount of ThUS\$1,262 which was kept as a share issuance expense.

There are no own shares in portfolio.

### **Number of Subscribed Shares**

|   |                           |              |             | Weighted average of ordin<br>shares in circulation |             |  |
|---|---------------------------|--------------|-------------|--|-------------|--|
| Weighted average of ordinary<br>shares in circulation | Nº of days in circulation | N° of Shares | % Weighting | 31-Dec-18  | 31-Dec-17   |  |
| Opening balance                                       | 365                       | 435,520,079  | 100%        | 435,520,079  | 435,520,079 |  |
| Issuance of new shares for Swap                       | 184                       | 90,026,052   | 100%        | 45,382,996   | -           |  |
|   | 365                       | 525,546,131  |             | 480,903,075  | 435,520,079 |  |

### NOTE 25 - ACCUMULATED RETAINED EARNINGS (LOSS)

The detail of the accumulated result as of December 31, 2018 and 2017, is as follows:

|   | 31-Dec-18 | 31-Dec-17 |
|---|-----------|-----------|
| Movement  | ThUS\$    | ThUS\$    |
| Opening balance                                   | 70,503    | 56,218    |
| Profit (loss), attributable to the parent company | 83,883    | 26,563    |
| Minimum dividend provision                        | (10,724)  | (6,181)   |
| Reversal minimum dividend provision               |           |           |
| previous year                                     | 6,181     | 7,283     |
| Definite dividend                                 | (6,181)   | (7,283)   |
| Provisional dividend                              | (7,358)   | (6,097)   |
| Impact due to change in accounting policy         | (786)     | -         |
| Total   | 135,518   | 70,503    |



### 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.

### b) Dividend Provision

In the period ending December 31, 2018, the Company recorded a provision for minimum dividend of ThUS\$10,724 (ThUS\$6,181 as of December 31, 2017).

Below is the calculation of the accrued dividend for the period ending December 31, 2018 and 2017:

| Concept   | -   | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|---|-----|---------------------|---------------------|
| Gains attributable to owners of the parent company <b>Minus:</b>            |     | 83,883              | 26,563              |
| Non realized results  | i.  | (60,995)            | (810)               |
| Increase biological assets to fair value                                    | ii. | 467                 | (1,640)             |
| Increase biological asset to fair value foreign companies<br>Deferred taxes | ii. | (4,158)<br>16,967   | 443                 |
| Result to be Distributed  | -   | 36,164              | 24,556              |
| Minimum dividend %  |     | 50.00%              | 50.00%              |
| Accrued minimum dividend<br>Minus:  |     | 18,082              | 12,278              |
| Paid provisional dividend   |     | (7,358)             | (6,097)             |
| Calculation of minimum dividend   |     | 10,724              | 6,181               |
| Minimum dividend provision  |     | 10,724              | 6,181               |

- 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 payment | Туре            | Last 3 years<br>ThUS\$ |
|---------------------------|-----------------|------------------------|
| May-16                    | Definite        | 2,873                  |
| Oct-16                    | Provisional     | 5,662                  |
|                           | Total year 2016 | 8,535                  |
| 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                 |

### 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-18<br>       | 31-Dec-17<br>ThUS\$ |
|---|---------------------|---------------------|
| Opening balance                         | 1,165               | (4,919)             |
| Cash flow hedging reserves              | (5,190)             | 818                 |
| Reserves for exchange rate fluctuations | (7,781)             | 5,266               |
| Total                                   | (11,806)            | 1,165               |
| Other Reserves                          | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
| Cash flow hedging reserves (*)          | (1,674)             | 3,516               |
| Reserves for exchange rate fluctuations | (10,132)            | (2,351)             |
| Total                                   | (11,806)            | 1,165               |

(\*) The movement of cash flow hedging reserves in the period ending December 31, 2018 and 2017 is as follows:

| Movement cash flow hedging reserves | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|-------------------------------------|---------------------|---------------------|
| Opening balance                     | 3,516               | 2,698               |
| Other comprehensive income          | (5,190)             | 818                 |
| Total                               | (1,674)             | 3,516               |

Cash Flow hedging reserve is net of deferred tax.

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

| Cash flow hedging reserves | 31-Dec-18<br> | 31-Dec-17<br>ThUS\$ |
|----------------------------|---------------|---------------------|
| Cash flow hedging reserves | (2,292)       | 4,735               |
| Gains tax                  | 618           | (1,219)             |
| Total                      | (1,674)       | 3,516               |

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The movement of reserves due to Exchange rate fluctuations, in the period ending December 31, 2018 and 2017, is as follows:

|                                     | 31-Dec-18 | 31-Dec-17 |
|-------------------------------------|-----------|-----------|
| Movement exchange rate fluctuations |           |           |
| reserve                             | ThUS\$    | ThUS\$    |
| Opening balance                     | (2,351)   | (7,617)   |
| Other comprehensive income          | (7,781)   | 5,266     |
| Total                               | (10,132)  | (2,351)   |



### NOTE 27 – NON-CONTROLLING INTERESTS

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

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The detail of the interests of non-parent companies as of December 31, 2018 and 2017 and the interest of non-parent companies in results for the periods ending December 31, 2018 and 2017, are the following:

|                                     | Non controlling interest<br>Percentage |                | Non controlling interest<br>Equity |                     | Non controll<br>in profit (lo | 0                   |
|-------------------------------------|--|----------------|------------------------------------|---------------------|-------------------------------|---------------------|
| Subsidiaries                        | 31-Dec-18<br>%                         | 31-Dec-17<br>% | 31-Dec-18<br>ThUS\$                | 31-Dec-17<br>ThUS\$ | 31-Dec-18<br>ThUS\$           | 31-Dec-17<br>ThUS\$ |
| Agrícola El Avellano S.A.           | 60.0%                                  | 60.0%          | 2,689                              | 2,568               | (109)                         | (119)               |
| Agrícola El Pampino S.A.            | 80.0%                                  | 80.0%          | 1,001                              | 927                 | 74                            | 120                 |
| Agr. y Ganandera Santa Rebeca Ltda. | 75.0%                                  | 75.0%          | 115                                | 125                 | 1                             | 2                   |
| Agrícola Vida Nueva S.A.            | 50.0%                                  | 50.0%          | 3,687                              | 3,945               | (183)                         | 135                 |
| Viveros Hortifrut Chile S.A.        | 49.0%                                  | 49.0%          | 280                                | 149                 | 151                           | (4)                 |
| Hortifrut Argentina S.A.            | 4.1%                                   | 4.1%           | 7                                  | 14                  | (1)                           | -                   |
| Agrofrutas, SRL. de C.V.            | 1.0%                                   | 1.0%           | (24)                               | (8)                 | (2)                           | (4)                 |
| Hortifrut España Southern Sun S.L.  | 50.0%                                  | 50.0%          | 24,465                             | 18,653              | 7,064                         | (55)                |
| Agrícola Santa Rosa del Parque S.A. | 70.0%                                  | 70.0%          | 2,884                              | 3,059               | 9                             | 679                 |
| Agrícola Mataquito S.A.             | 50.0%                                  | 50.0%          | 1,993                              | 1,470               | 566                           | (21)                |
| Euroberry Marketing S.A.            | 50.0%                                  | 50.0%          | 2,985                              | 1,904               | 1,246                         | 613                 |
| Asturian Berries S.A.               | 74.5%                                  | 74.5%          | 21                                 | -                   | -                             | (159)               |
| Honghe Jiayu Agriculture Limited    | 49.0%                                  | 49.0%          | 12,640                             | 3,952               | (183)                         | (45)                |
| Total                               |  |                | 52,743                             | 36,758              | 8,633                         | 1,142               |

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

|                                   | 31-Dec-18 | 31-Dec-17 |
|-----------------------------------|-----------|-----------|
|                                   | ThUS\$    | ThUS\$    |
| Movement                          |           |           |
| Opening balance                   | 36,758    | 29,648    |
| Profit                            | 8,633     | 1,142     |
| Reserves for exchange rate        |           |           |
| fluctuations                      | (1,938)   | 2,298     |
| Cash flow hedging reserves        | (156)     | (14)      |
| Capital increase (dividends) at   |           |           |
| subsidiaries                      | (157)     | (313)     |
| Changes in accounting policy      | 126       | -         |
| Contributions in subsidiaries (*) | 9,477     | 3,997     |
| Total                             | 52,743    | 36,758    |

(\*) Correspond to contributions to Honghe Jiayu Agriculture Limited, on behalf of the minority investor.

#### 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-18   | 31-Dec-17   |
|--|------------------|-------------|-------------|
| Profit (loss) of continued operations after tax  | ThUS\$           | 83,883      | 26,563      |
| Basic weighted average of number of shares       | Unit             | 480,903,075 | 435,520,079 |
| Basic profit per share from continued operations | (US\$ per share) | 0.174428    | 0.060991    |

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

|  |                              |             |             | Weighted avera<br>shares in ci | 0 1         |
|--|------------------------------|-------------|-------------|--------------------------------|-------------|
| Weighted average of ordinary shares in circulation | N° of days in<br>circulation | N° Shares   | % Weighting | 31-Dec-18                      | 31-Dec-17   |
| Opening balance                                    | 365                          | 435,520,079 | 100%        | 435,520,079                    | 435,520,079 |
| Issuance new shares for Swap                       | 184                          | 90,026,052  | 100%        | 45,382,996                     | -           |
|  | 365                          | 525,546,131 |             | 480,903,075                    | 435,520,079 |

#### 28.2. Distributable net income

The dividend policy consists on distributing as dividend 50% of the period's net income, 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 reentered 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, 2018 and the period ending December 31, 2017, is presented in Note 25 b).

### NOTE 29 - OPERATING REVENUE AND OTHER REVENUE, PER FUNCTION

The detail of the item as of December 31, 2018 and 2017 is as follows:

|                                   | 31-Dec-18 | 31-Dec-17 |
|-----------------------------------|-----------|-----------|
| Concept                           | ThUS\$    | ThUS\$    |
| Revenue from operating activities | 528,157   | 388,250   |
| Other revenue, per function       | 7,503     | 495       |
| Total                             | 535,660   | 388,745   |

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

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| Other income, per function                               | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|--|---------------------|---------------------|
| Adjustment to Fair Value Biologicals                     | 5,332               | -                   |
| Profit from the sale of Property, plant<br>and equipment | 1,232               | 495                 |
| Third party recoveries                                   | 939                 | -                   |
| Total  | 7,503               | 495                 |

Below we detail revenue per segment for the periods ending December 31, 2018 and 2017:

| Product               | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|-----------------------|---------------------|---------------------|
| Fresh fruit           |                     |                     |
| Blueberries           | 465,235             | 314,650             |
| Raspberries           | 18,063              | 18,349              |
| Blackberries          | 14,113              | 16,121              |
| Strawberries          | 7,132               | 12,811              |
| Cherries              | 4,529               | 2,980               |
| Total Fresh Fruit     | 509,072             | 364,911             |
| Valued Added Products | 26,588              | 23,834              |
| Total                 | 535,660             | 388,745             |

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 periods ending December 31, 2018 and 2017, are detailed as indicated below:

### 30.1. Cost of sales

Below are the main sales costs that the Company maintains as of December 31, 2018 and 2017:

| Cost of sales                      | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|------------------------------------|---------------------|---------------------|
| Cost of sales                      | 169,618             | 180,961             |
| Materials                          | 45,838              | 20,753              |
| Remunerations                      | 73,357              | 40,124              |
| Depreciations and amortizations    | 28,525              | 22,326              |
| Other general expenses             | 24,340              | 17,100              |
| Freight                            | 26,676              | 21,175              |
| Lease of property, machinery, etc. | 7,196               | 6,774               |
| Third party services               | 38,634              | 15,505              |
| Total Cost of Sales                | 414,184             | 324,718             |

### 30.2. Administrative expenses

Below is the detail of administrative expenses as of December 31, 2018 and 2017:

|                                    | 31-Dec-18 | 31-Dec-17 |
|------------------------------------|-----------|-----------|
| Administration expenses            | ThUS\$    | ThUS\$    |
| Remunerations                      | 19,810    | 14,064    |
| Depreciations and amortizations    | 1,654     | 1,443     |
| Other general expenses             | 10,910    | 5,866     |
| Lease of property, machinery, etc. | 722       | 836       |
| Third party services               | 4,984     | 4,564     |
| Total Administration Expenses      | 38,080    | 26,773    |



### **30.3.** Other expenses, per function

| Joigi other expenses, per funct        | 31-Dec-18 | 31-Dec-17 |
|--|-----------|-----------|
| Other expenses, per function           | ThUS\$    | ThUS\$    |
| Impairment value of assets             | 2,317     | 3,215     |
| Sub-total impairments                  | 2,317     | 3,215     |
| Research expenses                      |           |           |
| Cost of Sales                          | 11        | 42        |
| Materials                              | 8         | 17        |
| Remunerations                          | 589       | 507       |
| Depreciations and amortizations        | 55        | 25        |
| Other general expenses                 | 274       | 269       |
| Freight                                | 33        | 42        |
| Lease of property, machinery, etc.     | 17        | 21        |
| Third party services                   | 791       | 289       |
| Received contributions                 | (190)     | (200)     |
| Sub-total Investigation expenses       | 1,588     | 1,012     |
| Other expenses                         |           |           |
| Loss from sale of property, plants and |           |           |
| equipment and materials                | 916       | 516       |
| Asset write-offs                       | 1,315     | -         |
| Impairment accounts receivable         | 239       | -         |
| Other expenses                         | 628       | -         |
| Sub-total Other expenses               | 3,098     | 516       |
| Total Other expenses, per function     | 7,003     | 4,743     |

### NOTE 31 – FINANCIAL EXPENSES

Financial expenses for the periods ending December 31, 2018 and 2017, are detailed below:

|                                | 31-Dec-18 | 31-Dec-17 |
|--------------------------------|-----------|-----------|
| Financial Expenses             | ThUS\$    | ThUS\$    |
| Bank loans                     | 14,865    | 4,668     |
| Other financial expenses       | 1,464     | 402       |
| Interests with related parties | 188       | 241       |
| Leasing interests              | 737       | 400       |
| Total Financial Expenses       | 17,254    | 5,711     |

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### NOTE 32 - OTHER REVENUE - EXPENSE

Other Revenue – Expenses for the periods ending December 31, 2018 and 2017, are detailed as follows:

|  | 31-Dec-18 | 31-Dec-17 |
|--|-----------|-----------|
| Other revenue (expense)                              | ThUS\$    | ThUS\$    |
| Profit due to FV acquisition Hortifrut Tal S.A.C (*) | 60,995    | -         |
| Other expenses                                       | (172)     | (363)     |
| Total Other Revenue (expense)                        | 60,823    | (363)     |

(\*) Corresponds to the adjustments to fair value of interests in Hortifrut Tal S.A.C. (Peru), which was originated due to the purchase and merger of Grupo Rocio's blueberry business in Peru.

### NOTE 33 – EXCHANGE RATE DIFFERENCE

The detail of the Exchange rate difference for the periods ending December 31, 2018 and 2017, are detailed as follows:

|   | Currency | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ |
|---|----------|---------------------|---------------------|
| Assets                                      |          |                     |                     |
| Cash and cash equivalents                   | CLP      | 125                 | (229)               |
| Cash and cash equivalents                   | USD      | (297)               | (332)               |
| Cash and cash equivalents                   | EUR      | (33)                | (93)                |
| Cash and cash equivalents                   | MXN      | (42)                | (69)                |
| Trade debtors and other accounts receivable | CLP      | 510                 | 232                 |
| Trade debtors and other accounts receivable | USD      | 664                 | (101)               |
| Trade debtors and other accounts receivable | EUR      | 9                   | 103                 |
| Trade debtors and other accounts receivable | MXN      | (111)               | 200                 |
| Accounts receivable from related entities   | EUR      | 469                 | (4,866)             |
| Current tax assets                          | CLP      | (545)               | 900                 |
| Current tax assets                          | MXN      | 2,441               | (38)                |
| Current tax assets                          | USD      | (1,711)             | 87                  |
| Sub-total                                   |          | 1,479               | (4,206)             |
| Liabilities                                 |          |                     |                     |
| Other financial liabilities                 | CLP      | 53                  | 5                   |
| Other financial liabilities                 | EUR      | 10                  | (20)                |
| Other financial liabilities                 | MXN      | -                   | (463)               |
| Other financial liabilities                 | USD      | 7                   | (11)                |
| Trade accounts and other accounts payable   | CLP      | 683                 | (790)               |
| Trade accounts and other accounts payable   | USD      | (1,960)             | (477)               |
| Trade accounts and other accounts payable   | EUR      | 3                   | (683)               |
| Trade accounts and other accounts payable   | MXN      | -                   | (174)               |
| Accounts payable to related entities        | CLP      | (397)               | 91                  |
| Accounts payable to related entities        | USD      | 2,151               | 1,443               |
| Accounts payable to related entities        | MXN      | (24)                | 29                  |
| Sub-total                                   |          | 526                 | (1,050)             |
| Total exchange rate difference              |          | 2,005               | (5,256)             |

### NOTE 34 – FOREIGN CURRENCY

### 34.1. Foreign Current Assets

| Current Assets                                      | 31-Dec-18<br>ThUS\$ | 31-Dec-1<br>ThUS\$ |
|---|---------------------|--------------------|
| Cash and Cash Equivalents                           |                     |                    |
| Dollar  | 31,355              | 14,51              |
| Euros   | 9,878               | 9,770              |
| Chilean Pesos                                       | 505                 | 2,31               |
| Mexican Pesos                                       | 234                 | 430                |
| Peruvian Nuevo sol                                  | 4,958               |                    |
| Other currencies                                    | 1,971               | 80                 |
| Other current financial assets                      |                     |                    |
| Dollar  | 1,411               | 4,47               |
| Other current non-financial assets                  |                     |                    |
| Dollar  | 398                 | 99                 |
| Euros   | 192                 | 42                 |
| Chilean Pesos                                       | 1,369               | 1,35               |
| Mexican Pesos                                       | 3,461               | 2,20               |
| Other currencies                                    | 42                  | 63                 |
| Current trade debtors and other accounts receivable |                     | Ū                  |
| Dollar  | 11,147              | 8,83               |
| Euros   | 44,441              | 15,34              |
| Chilean pesos                                       | 10,062              | 9,70               |
| Mexican pesos                                       | 2,192               | 2,96               |
| Peruvian Nuevo sol                                  | 9,658               |                    |
| Other currencies                                    | 4,702               | 9,25               |
| Current accounts receivable from related entities   |                     | ,, ,               |
| Dollar  | 42,935              | 40,01              |
| Euros   | 5,084               | 8,11               |
| Chilean pesos                                       | 298                 |                    |
| Inventory   |                     |                    |
| Dollar  | 81,450              | 41,11              |
| Euros   | 3,946               | 64                 |
| Chilean Pesos                                       | 623                 | 74                 |
| Other currencies                                    | 471                 | 2,05               |
| Current biological assets                           |                     |                    |
| Dollar  | 18,687              | 7,34               |
| Euros   | 1,828               | 1,19               |
| Chilean pesos                                       | 460                 | 1,04               |
| Other currencies                                    | 101                 | 13                 |
| Current tax assets                                  |                     | 0                  |
| Dollar  | 2,007               | 1,08               |
| Total Current Assets                                | 295,866             | 187,50             |

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| Non-Current Assets                                    | 31-Dec-18<br>ThUS\$ | 31-Dec-1<br>ThUS\$ |
|---|---------------------|--------------------|
|   | 1 n U S\$           | 1 n U 5 \$         |
| Other non-current financial assets<br>Dollar          |                     |                    |
|   | 317                 | 1,34               |
| Other non-current non-financial assets<br>Euros       |                     |                    |
| Euros<br>Chilean Pesos                                | 1,190               | 1,37               |
|   | -                   |                    |
| Other currencies<br>Non-current fees receivable       | 3                   | 2                  |
| Dollar  | 1 500               | 1 4 4              |
| Euros   | 1,500               | 1,44               |
| Chilean Pesos   | -                   |                    |
|   | 46                  | 16                 |
| Non-current accounts receivable from related entities |                     | 1.00               |
| Dollar  | -                   | 1,08               |
| Euros   | 4,224               | 6,97               |
| Investments recorded using the equity method          |                     |                    |
| Dollar  | 29,369              | 32,96              |
| Euros   | - 788               | - 54               |
| Other currencies                                      | 804                 | 35,42              |
| Intangible assets other than goodwill                 |                     |                    |
| Dollar  | 15,020              | 14,48              |
| Goodwill  |                     |                    |
| Dollar  | 179,770             | 26,76              |
| Property, Plant and Equipment                         | (                   |                    |
| Dollar  | 674,775             | 176,88             |
| Euros   | 11,458              | 15,74              |
| Chilean Pesos   | 4,005               | 4,81               |
| Other currencies                                      | 3,125               | 47,60              |
| Deferred tax assets                                   |                     |                    |
| Dollar  | 26,637              | 18,59              |
| Total Non-Current Assets                              | 951,454             | 385,18             |
| Γotal assets  | 1,247,320           | 572,68             |
| Dollar  | 1,116,778           | 201.04             |
| Euros   | 81,453              | 391,94             |
| Chilean Pesos   | 17,368              | 59,05              |
| Mexican Pesos   |                     | 20,15              |
| Mexican Pesos<br>Peruvian Nuevo Sol                   | 5,887<br>14,616     | 5,60               |
| Other currencies                                      | ••                  | 05.00              |
| Total Assets per currencies                           | 11,218              | 95,93              |
| i otal Assets per currencies                          | 1,247,320           | 572,68             |

### 34.2. Foreign Currency Non-Current Assets

| Current Liabilities                               | 31-Dec-18<br>ThUS\$ | 31-Dec-1<br>ThUS\$ |
|---|---------------------|--------------------|
| Other current financial liabilities               | •                   |                    |
| Dollar  | 162,144             | 140,39             |
| Euros   | 10,029              | 10,87              |
| Chilean pesos                                     | 455                 | ,-,                |
| Mexican pesos                                     | -                   |                    |
| Peruvian nuevo sol                                | 1                   |                    |
| Other currencies                                  | -                   | 25                 |
| Current trade accounts and other accounts payable |                     |                    |
| Dollar  | 52,236              | 31,09              |
| Euros   | 6,910               | 2,40               |
| Chilean pesos                                     | 15,723              | 13,54              |
| Mexican pesos                                     | 1,238               | 1,42               |
| Peruvian nuevo sol                                | 11,809              |                    |
| Other currencies                                  | 403                 | 1,26               |
| Current accounts payable to related entities      |                     |                    |
| Dollar  | 3,340               | 3,84               |
| Euros   | 245                 | 3                  |
| Chilean pesos                                     | 4,061               | 2,26               |
| Other current provisions                          |                     |                    |
| Dollar  | 829                 | 54                 |
| Current provisions for employee benefits          |                     |                    |
| Dollar  | 1,978               | 66                 |
| Chilean pesos                                     | 441                 | 44                 |
| Mexican pesos                                     | 507                 | 50                 |
| Other current non-financial liabilities           |                     |                    |
| Dollar  | 1,638               | 56                 |
| Euros   | 431                 | 43                 |
| Fotal current liabilities                         | 274,418             | 210,54             |

## 34.3. Foreign Currency Current Liabilities



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| Non-Current Liabilities                          | 31-Dec-18<br>ThUS\$ | 31-Dec-1<br>ThUS\$ |
|--|---------------------|--------------------|
| Other non-current financial liabilities          | THOSE               | 11000              |
| Dollar   | 310,918             | 51,08              |
| Euros  | 20,520              | 32,617             |
| Chilean pesos                                    | ,5                  | 22!                |
| Other currencies                                 | -                   |                    |
| Other non-current accounts payable               |                     | •                  |
| Dollar   | 6,506               |                    |
| Non-current accounts payable to related entities |                     |                    |
| Euros  | 7,353               | 10,54              |
| Chilean pesos                                    | 1,209               | 1,52               |
| Other non-current provisions                     |                     |                    |
| Dollar   | -                   | 3                  |
| Deferred tax liabiliites                         |                     |                    |
| Dollar   | 106,966             | 22,49              |
| Fotal Non-Current Liabilities                    | <b>453,4</b> 77     | 118,56             |
| Fotal Liabilities                                | 727,895             | 329,11             |
| Dollar   | 646,555             | 250,70             |
| Euros  | 45,488              | 56,90              |
| Chilean pesos                                    | 21,894              | 18,00              |
| Mexican pesos                                    | 1,745               | 1,93               |
| Peruvian nuevo sol                               | 11,810              | 1,93               |
| Other currencies                                 | 403                 | 1,56               |
| Fotal liabilities per currencies                 | 727,895             | 329,11             |
| *  | , ,, ,,             | 0 ,, ,             |
| ummary of thousands of dollars per currency      |                     |                    |
| Dollar   | 470,223             | 141,24             |
| Euros  | 35,965              | 2,14               |
| Chilean pesos                                    | (4,526)             | 2,15               |
| Mexican pesos                                    | 4,142               | 3,67               |
| Peruvian nuevo sol                               | 2,806               | 0, ,               |
| Other currencies                                 | 10,815              | 94,36              |
| Total net per currencies                         | 519,425             | 243,57             |

### 34.4. Foreign Currency Non-Current Liabilities

### **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\$5.71 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:

|   | Bearer Plants | <u>Other</u><br><u>Properties</u> | <u>Associated</u><br><u>Debt</u> |                             |
|---|---------------|-----------------------------------|----------------------------------|-----------------------------|
| Company   | ThUS\$        | ThUS\$                            | ThUS\$                           | Bank                        |
| Agrícola Santa Rosa del Parque S.A                    | 3,012         | 2,666                             | 1,104                            | Banco RaboFinance Chile     |
| Agrícola Mataquito S.A. (Curepto Field)               | 4,005         | 1,877                             | 1,696                            | Banco RaboFinance Chile     |
| Agrícola El Pampino S.A.                              | 2,800         | 1,053                             | 403                              | Banco Santander Chile       |
| Agrícola Hortifrut S.A.                               | 30,452        | 13,377                            | 25,850                           | Banco RaboFinance Chile     |
| Agrícola Hortifrut S.A. (Curaco Field)                | -             | 2,304                             |                                  |                             |
| Hortifrut Chile S.A. (Colbun plant)                   | -             | 4,428                             |                                  |                             |
| Hortiftut S.A. (Antillanca plant)                     | -             | 865                               | 51,919                           | Banco Credito e Inversiones |
| Hortifrut Comercial S.A. (La Serena Field)            | -             | 2,168                             |                                  |                             |
| Hortifrut Chile S.A. (Angol-Gorbea-Los Angeles Plant) |               | 12,346                            |                                  | _                           |
| Total   | 40,269        | 41,084                            | 80,972                           | -                           |
|   |               |                                   |                                  |                             |

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:

|  |         |     | Land          | Associated    |          |
|--|---------|-----|---------------|---------------|----------|
|  |         |     |               | <u>Debt</u>   |          |
| <u>Company</u>                         | Surface |     | <u>ThUS\$</u> | <u>ThUS\$</u> |          |
| Berries de Chao S.A.C Remanso 1 y 2    | 566     | has | 10,429        | 14,848        | Metlife  |
| Hortifrut Perú S.A.C Armonia 1,2 y 3   | 568     | has | 10,086        | 14,901        | Metlife  |
| Hortifrut Perú S.A.C Ilusión Tal y Avo | 172     | has | 1,845         | 4,512         | Metlife  |
| Hortifrut Perú S.A.C El Tumi           | 214     | has | 2,127         | 5,614         | Metlife  |
| Hortifrut Tal S.A.C Fundo San Luis     | 122     | has | 2,361         | 3,212         | Rabobank |
| Hortifrut Tal S.A.C Esperanza 1,2 y 3  | 644     | has | 8,254         | 16,955        | Rabobank |
|  |         |     | 35,102        | 60,042        | =        |

### 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) Hijuela 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\$1,104.

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 El Pampino S.A.

b.2.1) Mortgages in favor of Banco Santander-Chile over: (i) Lot N°.2 of the subdivision of a piece of land denominated Fundo Carihue, which forms part of the resulting of the property called "La Piedra", located in the locality of Oromo, Purranque and (ii) Lot N°.2 of the subdivision of Farm N°12 of the "Los Maitenes" Subdivision Project, Purranque (EP 10.07.08, Not. C.Gomila). The amount of the used credit is ThUS\$403.

b.3) Agrícola Vida Nueva S.A.

b.3.1) Pledge in favor of Banco Crédito e Inversiones without displacement over movable goods located in the property denominated "Fundo Las Encinas", locality of Santa Fe, Los Angeles (EP 24.11.05, Not. P.Zaldívar). To date the amount of the credit is at ThUS\$0.

b.3.2) Pledge in favor of Banco Crédito e Inversiones without displacement over movable goods located on the property denominated Resto de la Parcela N° 33, which forms part of the Vida Nueva Subdivision Project, camino Loncovaca, Villarica (EP 09.11.05, Not. P.Zaldívar).

b.4) Agrícola Mataquito S.A.

b.4.1) Mortgages in favor of RaboFinance over: (i) Hijuela Tercera of the Fundo Ponunquén Estate, commune of Curepto; (ii) Lot B of the Informe de Hijuelación map, out of a surface of 20.18 hectares, Commune of Curepto and (iii) Water rights which water the aforementioned properties (EP.27.08.12, Not. Gloria Acharán). The amount of the used credit is ThUS\$1,696.

b.4.2) Pledge without displacement in favor of RaboFinance over the movable goods located on the properties described in letter b.4.1) (EP.27.08.12, Not. Gloria Acharán).

b.5) Agrícola Hortifrut S.A.

b.5.1) Mortgage in favor of Coöperatieve Rabobank U.A. over:

- i. Subdivision N° 10 of a surface of 53.1 hectares, of the "Santa Isabel" and "Los Cipreses" Subdivision Project, commune of Cunco;
- Lot N° 12-A out of a surface of 42.50 hectares of the subdivision plan of Subdivision 12 of the "Santa Isabel" Subdivision Project, Commune of Cunco; (EP 02.11.17, Not. Eduardo Avello Concha, Rep. N°39.141-2017; and Rectifications dated 11.01.18, Not. Eduardo Avello Concha, Rep. N°1.283-2018; 13.02.18, Not. Eduardo Diez Morello, Rep. N°2.740-2018 and 28.03.18, Not. Eduardo Diez Morello, Rep. N°5.858-2018);
- Water rights that irrigate the aforementioned land, which covers: a) 50 shares of the Asociación de Canalistas del Canal Allipén; b) 14 irrigation shares of Canal Allipén, for use and exclusive Benefit of Lot 12-A; and c) 14 irrigation shares of Canal Allipén, for use and exclusive benefit of Subdivision N°10 (EP 02.11.2017 Not. Eduardo Avello Concha, Rep N°39.143-2017, and its Rectifications dated 11.01.2018, Not. Eduardo Avello Concha, Rep N°1.284-2018 and 13.02.2018, Not. Eduardo Diez Morello, Rep. N°2.741-2018);

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- iv. Rustic land, located in the commune of Río Negro, with a surface of 207 hectares (EP 02.11.2017 Not. Eduardo Avello Concha, Rep. N°39.142-2017, and its Rectification dated 13.02.2018, Not. Eduardo Diez Morello, Rep. N°2.738-2018);
- v. Water rights that irrigate the aforementioned land, which includes: Rights of consumptive use of water of Forrahue River (EP 02.11.2017, Not. Eduardo Avello Concha, Rep. N°39.144-2017, and its Rectification dated 13.02.2018, Not. Eduardo Diez Morello, Rep. N°2.739-2018).

b.5.2) Pledge without displacement in favor of Coöperatieve Rabobank U.A. over the movable goods located on land detailed in letter b.5.1) (Public deed dated 02.11.2017, Rep. N°39.145-2017; date 0.11.2017, Rep. N°39.146-2017; date 02.11.2017, Rep. N°39.147-2017; and date 02.11.2017, Rep. N°39.148-2017, all issued at the Notary of Eduardo Avello Concha). The amount of the credit is ThUS25,850.

b.5.3) Mortgage in favor of BCI over: Lot A, Vista Hermosa Subdivision; Hijuela N°1, La Pantalla y El Zarzal; Lot 4-1 Arturo Araya; Farm N° 5 Arturo Araya; Lot 6-1 Arturo Araya; Lot 8-1 Arturo Araya; and its respective water rights; all corresponding to the commune of Panguipulli (EP 28.07.14., Not. José Musalem S.).

As of December 31, 2018, the Company does not have a legal or contractual obligation to disassemble, remove or rehabilitate sites where its operations are developed, reason why its assets do not incorporate costs associated to said requirements.

b.6) Hortifrut Chile S.A.

b.6.1) 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.6.2) Pledge without displacement in favor of BCI over the movable goods located on the properties detailed in letter b.6.1) (EP.02.09.14, Not. José Musalem S.).

b.6.3) Mortgages in favor of BCI over: Lot Two of Hijuela Segunda of Lot B of the Property denominated Resto Hacienda Virquenco (EP 09.12.2014, Not. José Musalem S.).

b.6.4) 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.6.5) Mortgages in favor of BCI over: (i) property located in Lot One of Resto of Farm Coihuecura, Commune of Yerbas Buenas and its water rights (EP 05.08.14., y EP 17.10.14. Not. José Musalem S.).

b.6.6) 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.7) Hortifrut S.A.

b.7.1) 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.8) Hortifrut Comercial S.A.

b.8.1) 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 \$51,919.-

c) Indirect guarantees

Below we detail the Guarantees directly managed by the subsidiaries:

| <u>Creditor of the Guarantee</u> | Debtor Name                       | <u>Relationship</u> | <u>Type of Guarantee</u> | <u>ThUS\$</u> |
|----------------------------------|-----------------------------------|---------------------|--------------------------|---------------|
| Banco Santander (1)              | Hortifrut España Southern Sun S.L | Subsidiary          | Guarantor                | 435           |
| Banco Santander (2)              | Hortifrut España Southern Sun S.L | Subsidiary          | Guarantor                | 50            |

- (1) Surety granted for the contracted obligations (Stand By Letter of credit), by Hortifrut Berries Perú S.A.C., for the contract for the providing of water collection services, which the Company contracted with the company H2 Olmos.
- (2) Mortgage surety for loans granted for the amount of EUR 1,400,000, in favor of the associated S.A.T. Hortifrut H-0030, in proportion to its 33% interest.
- 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 current lawsuits:

| Plaintiff                     | Defendant                     | Type of Lawsuit          | Claimed<br>Amount | Probable Resolution     | Provision       |
|-------------------------------|-------------------------------|--------------------------|-------------------|-------------------------|-----------------|
| Hortifrut S.A. de CV          | Agrícola Gavilanes            | Executory Commercial (*) | USD 173,420       | Favorable for Hortifrut | 50% provisioned |
| Hortifrut S.A.                | Cristina Ortiz y Otro         | Misappropriation         | CLP 100,002,477   | Uncertain               | Does not apply  |
| Hortifrut S.A. (Ex VBM)       | Marchant Morales              | Executory Commercial     | USD 138,694       | Uncertain               | Provisioned     |
| Confederación Hidrográfica de | Hortifrut España Southern Sun | Water Law Infringement   | EUR 127,039       | Uncertain               | Provisioned     |
| Guadalquivir                  | S.L                           | water Law Infilingement  | EUK 12/,039       | Uncertain               | FIOVISIONEU     |

(\*) 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, 2018, 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 will 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.



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### NOTE 37 - OPERATING AND FINANCIAL LEASES

### The main operating lease contracts are:

|         |  |                          |                   |         |            |                              | Future Cash Flows      |                      |                 |        |
|---------|--|--------------------------|-------------------|---------|------------|------------------------------|------------------------|----------------------|-----------------|--------|
|         |  |                          |                   |         | Annual Fee | Expenses<br>of the<br>period | Less<br>than 1<br>year | from 1 to<br>5 years | Over 5<br>years | Total  |
| Country | Company  | Туре                     | Measuring<br>unit | Surface | ThUS\$     | ThUS\$                       | ThUS\$                 | ThUS\$               | ThUS\$          | ThUS\$ |
| Brazil  | BerryGood Comercial Importadora y Distribuidora d R  |                          | m2                | 153     | 2          | 2                            | 1                      | -                    | -               | 1      |
| Brazil  | BerryGood Comercial Importadora y Distribuidora d O  |                          | has               | 6.79    | 7          | 7                            | 7                      | 7                    |                 | 14     |
| Brazil  | BerryGood Comercial Importadora y Distribuidora d O  |                          | m2                | 18.2    | 8          | 59                           | 8                      | 3                    |                 | 11     |
| Brazil  | BerryGood Comercial Importadora y Distribuidora d A  |                          | has               | 61.35   | 91         | 91                           | 91                     | 97                   | -               | 188    |
| Brazil  | BerryGood Comercial Importadora y Distribuidora d Pe |                          | m2                | 180     | 31         | 31                           | 17                     | -                    | -               | 17     |
| Chile   | · · · ·  | gricultural land         | has               | 130     | 40         | 40                           | 40                     | 160                  | 340             | 540    |
| Chile   | 0  | gricultural land         | has               | 42.21   | 104        | 104                          | 104                    | 416                  | 761             | 1,281  |
| Chile   | 0 1  | gricultural land         | has               | 39.7    | 13         | 13                           | 13                     | 45                   | 24              | 82     |
| Chile   |  | ollection center         | m2                | 3130    | 64         | 64                           | 64                     | 256                  | 240             | 560    |
| Chile   | Hortifrut Chile S.A. O                               | ffices                   | m2                | 4500    | 1          | 1                            | 1                      | 4                    | . 7             | 12     |
| Chile   | Hortifrut Chile S.A. As                              | gricultural land         | m2                | 201     | 57         | 57                           | 11                     | -                    | -               | 11     |
| Chile   | Hortifrut Comercial S.A. A                           | gricultural land         | has               | 27.79   | 17         | 17                           | 17                     | 49                   |                 | 66     |
| Chile   | Hortifrut S.A.                                       | gricultural land         | has               | 428.83  | 472        | 502                          | 439                    | 1,553                | 2,405           | 4,397  |
| Chile   |  | gricultural land         | has               | 92      | 42         | 54                           | 42                     | 76                   | -               | 118    |
| Chile   | 0  | ffices                   | m2                | 2       | 1          | -                            | 1                      | -                    |                 | 1      |
| Chile   | Inversiones Internacionales S.A O                    | ffices                   | m2                | 2       | 1          |                              | 1                      |                      |                 | 1      |
| Spain   | Asturian Berries S.L A                               | gricultural land         | has               | 13      | 2          | 2                            | 2                      | 8                    | 16              | 26     |
| Spain   |  | emporary laborer housing | has               | 200     | 448        | 448                          | 448                    | 1,792                | -               | 2,240  |
| Mexico  |  | aterials Warehouse       | m2                | 945-45  | 3          | 3                            | 1                      | -                    | -               | 1      |
| Mexico  |  | ffices                   | m2                | 758.98  | 79         | 79                           | 78                     | 184                  |                 | 262    |
| Mexico  |  | gricultural land         | has               | 39.75   | 82         | 68                           | 63                     | 45                   | 5               | 113    |
| Mexico  | Agrícola Los Reyes S. de R.L. de C.V.                | emporary laborer housing | has               | 1       | 37         | 37                           | 37                     | 74                   | -               | 111    |
| Mexico  | Agrícola Los Reyes S. de R.L. de C.V. Te             | emporary laborer housing | m2                | 4104.19 | 162        | 162                          | 146                    | 132                  | -               | 278    |
| Mexico  | Agrofrutas, S. de R.L. de C.V. A                     | gricultural land         | has               | 5       | 5          | 5                            | 5                      | 1                    | -               | 6      |
| Mexico  | HF Sarbanand, S. de R.L. de C.V. O                   | ffices                   | m2                | 101     | 101        | 92                           | 10                     |                      | -               | 10     |
| Mexico  | HF Sarbanand, S. de R.L. de C.V. A                   | gricultural land         | has               | 243.31  | 449        | 449                          | 449                    | 1,082                | 979             | 2,510  |
| Mexico  | Hortifrut S.A. de C.V. A                             | gricultural land         | has               | 4.81    | 5          | 5                            | 3                      | -                    | -               | 3      |
| Mexico  | Hortifrut ABA S.A. de C.V.                           | arehouse                 | m2                | 400     | 1          | 1                            | 1                      | 4                    | 6               | 11     |
| Mexico  | Hortifrut ABA S.A. de C.V.                           | ollection center         | has               | 9.48    | 17         | 17                           | 17                     | 68                   | 108             | 193    |
| Mexico  | Hortifrut ABA S.A. de C.V. A                         | gricultural land         | has               | 259.34  | 420        | 420                          | 420                    | 1,587                | 3,410           | 5,417  |
| Peru    | Hortifrut Tal S.A. A                                 | gricultural land         | has               | 10      | . 1        | 1                            | 2                      | -                    | -               | 2      |
| Peru    | Hortifrut Perú S.A. O                                | ffices                   | m2                | 1347.01 | 87         | 41                           | 40                     | 36                   |                 | 76     |
| Peru    | Hortifrut Perú S.A. A                                | gricultural land         | m2                | 3679.91 | 21         | 10                           | 21                     | 84                   | 89              | 194    |
| Peru    | HFE Berries Peru S.A.C O                             | ffices                   | m2                | 231.73  | 18         | 6                            | 11                     | -                    | -               | 11     |
|         | D  | ecember 31, 2018         |                   |         | 2,889      | 2,888                        | 2,611                  | 7,763                | 8,390           | 18,764 |

The flows were determined based on the contractually agreed lease terms, without considering the negotiations that are maintained to this date to extend the validity term of said contracts.

The expense for consumed lease as of December 31, 2018 is ThUS\$2,888 (ThUS\$2,337 as of December 31, 2017).

|                                 |                                | Minimum Payment   |                                  |                    |
|---------------------------------|--------------------------------|-------------------|----------------------------------|--------------------|
|                                 |                                | Up to one<br>year | Between<br>one and<br>four years | Over five<br>years |
| Bank or Financial Institution   | Description of Leased Goods    | ThUS\$            | ThUS\$                           | ThUS\$ThUS\$       |
| Banco Santander Chile           | Macro-tunnels                  | 76                | 38                               | -                  |
| Banco Santander Chile           | Tunnels                        | 17                | 17                               | -                  |
| Banco de Crédito e Inversiones  | Greenhouse                     | 445               | 1,102                            | -                  |
| Banco Santander Chile           | Roof structure                 | 73                | 146                              | -                  |
| Banco de Crédito e Inversiones  | Plant pots                     | 291               | 896                              | -                  |
| Banco de Crédito e Inversiones  | Sulfurer                       | 7                 | 22                               | -                  |
| Banco de Crédito e Inversiones  | Van                            | 7                 | 3                                | -                  |
| Banco de Crédito e Inversiones  | Tractor                        | 8                 | -                                | -                  |
| L-GC Rent Chile SPA             | Refrigerator                   | 1                 | -                                | -                  |
| Banco de Crédito e Inversiones  | Unitec                         | 393               | 197                              | -                  |
| Banco Bilbao Vizcaya Argentaria | Offices and parking            | 220               | 128                              | -                  |
| Banco de Crédito e Inversiones  | Molina Plant                   | 836               | 3,344                            | 418                |
| Banco de Crèdito                | Machinery and equipment        | 3,407             | 4,070                            | -                  |
| Banco de Crèdito                | Trucks                         | 41                | 31                               | -                  |
| Banco de Crèdito                | Video surveillance system      | 47                | 51                               | -                  |
| Banco de Credito del Peru       | Truck scale                    | 8                 | 7                                | -                  |
| Banco de Credito del Peru       | Vehicles                       | 48                | -                                | -                  |
| Banco de Credito del Peru       | Trucks-Accesories              | 40                | 32                               | -                  |
| Scotiabank Peru S.A.            | Vehicles and others            | 185               | 200                              | -                  |
| Scotiabank Peru S.A.            | Equipment                      | 295               | 344                              | -                  |
| Scotiabank Peru S.A.            | Processing equipment           | 981               | 490                              | -                  |
| Scotiabank Peru S.A.            | Machinery-Equipment and others | 963               | 160                              | -                  |
|                                 | General Total                  | 8,389             | 11,278                           | 418                |

|                                 |                                | Future financial burden |                                  |                    |
|---------------------------------|--------------------------------|-------------------------|----------------------------------|--------------------|
|                                 |                                | Up to one<br>year       | Between<br>one and<br>four years | Over five<br>years |
| Bank or Financial Institution   | Description of Leased Good     | ThUS\$                  | ThUS\$                           | ThUS\$ThUS\$       |
| Banco Santander Chile           | Macro-tunnels                  | 3                       | 1                                | -                  |
| Banco Santander Chile           | Tunnels                        | 1                       | -                                | -                  |
| Banco de Crédito e Inversiones  | Greenhouse                     | 30                      | 88                               | -                  |
| Banco Santander Chile           | Roof structure                 | 6                       | 5                                | -                  |
| Banco de Crédito e Inversiones  | Plant pots                     | 11                      | 91                               | -                  |
| Banco de Crédito e Inversiones  | Sulfurer                       | -                       | 2                                | -                  |
| Banco de Crédito e Inversiones  | Unitec                         | 7                       | 3                                | -                  |
| Banco Bilbao Vizcaya Argentaria | Offices and parking            | 1                       | 20                               | -                  |
| Banco de Crédito e Inversiones  | Molina plant                   | 108                     | 278                              | 4                  |
| Banco de Crèdito                | Machinery and Equipment        | 275                     | 180                              | -                  |
| Banco de Crèdito                | Trucks                         | 3                       | -                                | -                  |
| Banco de Crèdito                | Video Surveillance System      | 3                       | 2                                | -                  |
| Banco de Credito del Peru       | Truck scale                    | -                       | -                                | -                  |
| Banco de Credito del Peru       | Vehicles                       | 1                       | -                                | -                  |
| Banco de Credito del Peru       | Trucks-Accesories              | 2                       | 1                                | -                  |
| Scotiabank Peru S.A.            | Vehicles and others            | 12                      | 5                                | -                  |
| Scotiabank Peru S.A.            | Equipment                      | 21                      | 9                                | -                  |
| Scotiabank Peru S.A.            | Processing system              | 39                      | 5                                | -                  |
| Scotiabank Peru S.A.            | Machinery-equipment and others | 27                      | -                                | -                  |
|                                 | General Total                  | 550                     | 690                              | 4                  |

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### NOTE 38 - SUBSEQUENT EVENTS

Between December 31, 2018 and the date of issuance of these consolidated financial statements, no other events of a financial or other nature have taken place which significantly affect the interpretations of these.



### NOTE 39 – OTHER INFORMATION

The number of Hortifrut and subsidiaries employees per category is as follows:

|                      | 31-Dec-18 | 31-Dec-17 |
|----------------------|-----------|-----------|
| Indefinite contracts | 1,118     | 764       |
| Temporary contracts  | 23,128    | 7,777     |
| Total contracts      | 24,246    | 8,541     |

### **Detail per country**

Total

| Indefinite Contracts | 31-dic-18 | 31-dic-17 |  |  |
|----------------------|-----------|-----------|--|--|
| Chile                | 502       | 489       |  |  |
| United States        | 20        | 23        |  |  |
| Mexico               | 126       | 141       |  |  |
| Spain                | 53        | 47        |  |  |
| Brazil               | 35        | 36        |  |  |
| Argentina            | 13        | 12        |  |  |
| Peru                 | 354       | 12        |  |  |
| Germany              | 2         | 2         |  |  |
| England              | 3         | 2         |  |  |
| China                | 10        | -         |  |  |
| Total                | 1,118     | 764       |  |  |
| Temporary contracts  | 31-Dec-18 | 31-Dec-17 |  |  |
| Chile                | 5,293     | 4,857     |  |  |
| Mexico               | 892       | 824       |  |  |
| Spain                | 28        | 60        |  |  |
| Brazil               | 60        | 38        |  |  |
| Peru                 | 16,777    | 1,998     |  |  |
| China                | 78        | -         |  |  |

23,128

7,777

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

#### As of December 31, 2018 (In thousands of United States dollars)

The current earnings report has been prepared as of December 31, 2018, and compared with the financial statements as of December 31, 2017.

### 1. <u>HIGHLIGHTS OF THE PERIOD</u>

### Acquisition-Merger Process with Grupo Rocio in Peru

As of June 28, 2018 the preceding conditions for the closing of the acquisition and merger of the blueberries business belonging to Grupo Rocio in Peru were fulfilled, successfully concluding the transaction on July 03, 2018. As a result of this transaction, Hortifrut incorporated 1,450 hectares planted in Peru, reaching a total of 2,200 hectares planted in that country and thus consolidating its leadership position in the global berries market.

At the same time, the Company proceeded to integrate the blueberries business belonging to the Grupo Rocio in Peru to the consolidated financial statements. As per what is established in IFRS3-Business Combinations, we proceeded to distribute the purchase price among the acquired identifiable assets, according to the following detail:

Thursd

| Detail purchase price distribution              | <u>ThUS\$</u> |
|---|---------------|
| Cash  | 147,674       |
| Hortifrut Shares                                | 212,042       |
| Contingent Considerations                       | 6,506         |
| Paid Price Acquired Equity                      | 366,222       |
| Minority Interest                               | 77,865        |
| Paid Equity Price at 100%                       | 444,087       |
| <u>Minus:</u>                                   |               |
| Net historic assets                             | (107,052)     |
| Adjustment to fair value :                      |               |
| Estimation of fair value of the acquired assets |               |
| Land  | (11,164)      |
| Construction and Infrastructure Works           | (10,661)      |
| Machinery and Equipment                         | (1,189)       |
| Plantations                                     | (222,189)     |
| Others  | (6,898)       |
| Deferred tax liabilities                        | 68,067        |
| T otal adjustments                              | (184,034)     |
| Total net assets at fair value                  | (291,086)     |
| Equity as of July 03, 2018                      | 153,001       |



Below, is the effect of the updating to fair value of assets and liabilities of the blueberries business subject to this transaction:

|   | Fair value as of July 01,<br>2018 |                |                               |  |
|---|-----------------------------------|----------------|-------------------------------|--|
|   | Financial<br>Values               | Fair<br>Values | Modification<br>to fair value |  |
| Detail  | ThUS\$                            | ThUS\$         | ThUS\$                        |  |
| Assets  |                                   |                |                               |  |
| Cash and cash equivalents                           | 7,065                             | 7,065          | -                             |  |
| Other current non-financial assets                  | 2,126                             | 2,126          | -                             |  |
| Current trade debtors and other accounts receivable | 2,680                             | 2,680          | -                             |  |
| Current accounts receivable with related entities   | 13,550                            | 13,550         | -                             |  |
| Inventories   | 23,725                            | 23,725         | -                             |  |
| Biological Assets, current                          | -                                 | -              | -                             |  |
| Current tax assets                                  | 2,684                             | 2,684          | -                             |  |
| Property, plant and equipment                       | 121,097                           | 151,009        | 29,912                        |  |
| Non-current biological assets                       | 43,366                            | 265,555        | 222,189                       |  |
| Deferred tax assets                                 | 5                                 | 5              | -                             |  |
| <u>Liabilities</u>                                  |                                   |                |                               |  |
| Other current financial liabilities                 | (70,423)                          | (70,423)       | -                             |  |
| Current trade accounts and other accounts payable   | (6,408)                           | (6,408)        | -                             |  |
| Other current provisions                            | (15,402)                          | (15,402)       | -                             |  |
| Current provisions for employee benefits            | (505)                             | (505)          | -                             |  |
| Other non-current financial liabilities             | (2,376)                           | (2,376)        | -                             |  |
| Deferred tax liabilities                            | (14,132)                          | (82,199)       | (68,067)                      |  |
| Net assets at fair value                            | 107,052                           | 291,086        | 184,034                       |  |

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### 2. SUMMARY OF THE SECOND SEMESTER OF 2018

The 2018-2019 season began on July 03, 2018, which covers the period between July 2018 and June 2019.

During the first six months of the season, the Company recorded a profit attributable to the parent company shareholders of US\$78.39 million, amount US\$66.52 million higher than what was recorded during the same period of the previous season, which is mainly due to the US\$51.04 million increase in operating result, mostly linked to the operation in Peru, after the acquisition of Grupo Rocio's blueberries business, and the US\$43,29 million increase in other income /(expense) outside the operation, mostly due to the adjustment to fair value of the 50% interest in Hortifrut Tal S.A.C. (Peru), adjustment which reached US\$60.99 million, which net of tax reaches US\$44.52 million. These positive effects were partially offset by a higher tax profit of US\$22.12 million as a result of the Company's improved results and a higher financial expense of US\$9.14 million, due to the increase in financial debt associated to the transaction in Peru, the increase in short term interest rates and the financing of working capital for the season.

Operating income reached US\$273.41 million, reflecting a 47.8% increase compared to the previous season, boosted by the 59.6% increase in distributed fruit volume, mainly from a Peruvian origin, slightly offset by the 7.4% reduction in average income per kilo.

Also, EBITDA reached US\$82.89 million between July and December 2018, experiencing an increase of US\$60.63 million compared to what was recorded in the same period of 2017, mainly due to the results obtained in the operations acquired in Peru, which includes US\$5.33 million that correspond to the valuation of fruit on bearer plants (see detail in 8.4).

Due to the acquisition and merger operation of the blueberries business belonging to Grupo Rocio in Peru and its need for working capital, the Company increased its net financial debt by US\$257.39 million, which meant higher financial expenses for US\$4.23 million.

### 3. <u>SUMMARY OF THE PERIOD</u>

In the period ending December 31, 2018, profit attributable to the parent company shareholders reached US\$83.88 million, a US\$57.32 million increase compared to the previous year. This increase is mostly due to a higher operating result of US\$43.88 million, mainly due to operations in Peru, and the one time effect in other income /(expense) outside the operation of US\$43.66 million due to the adjustment to fair value of Hortifrut Tal S.A.C. (Peru)'s interest, adjustment which reached US\$60.99 million, which net of taxes reaches US\$44.52 million, that were partially offset by a higher tax profit of US\$22.73 million, due to improved results and a higher financial expense of US\$11.54 million, as a result of the higher financial debt associated to the acquisition and merger of Grupo Rocio's blueberries business in Peru and the increase in average short term interest rates and financing of working capital for the season.

Revenue from operating activities reached US\$528.16 million as of December 31, 2018, representing a 36.04% increase compared with the same in 2017. This increase is mainly due to a 26.9% increase in sales volume, mainly due to fruit from Peru, accompanied by a higher average income of 8.5% per kilo for the period. Also, operating costs reached US\$414.18 million, a 27.55% increase as a result of the aforementioned increase in distributed volume. As a result of the latter, the gross margin reached US\$113.97 million, which is 79.39% higher than the US\$63.53 million as of December 31, 2017.

In the case of the EBITDA, it reached US\$108.94 million as of December 31, 2018, which represents an 83.04% increase compared with the US\$59.52 million reached as of December 31, 2017. The increase in EBITDA is mainly due to the incorporation of the operation in Peru and the aforementioned valuation of fruit on bearer plants.

The EBITDA calculation is detailed below:

|   | 31-Dec-2018 | 31-Dec-2017 |
|---|-------------|-------------|
| EBITDA Calculation                      | ThUS\$      | ThUS\$      |
| Operating Income                        | 528,157     | 388,250     |
| Other income, per function              | 7,503       | 495         |
| Total Income                            | 535,660     | 388,745     |
| Sales Cost                              | (414,184)   | (324,718)   |
| Administration Expenses                 | (38,080)    | (26,773)    |
| Other expenses, per function, excluding |             |             |
| impairment in the value of assets       | (4,686)     | (1,528)     |
| Total Costs and Expenses                | (456,950)   | (353,019)   |
| Operating Result                        | 78,710      | 35,726      |
| Depreciation and amortization           | 30,234      | 23,794      |
| EBITDA                                  | 108,944     | 59,520      |

The Company's net financial debt increased from US\$207.66 million as of December 31, 2017 to US\$455.17 million as of December 31, 2018, variation explained by the financing of the acquisition and merger of Grupo Rocio's blueberries business in Peru and the working capital necessary for this new operation.

| Net Financial Debt Calculation          | 31-Dec-2018 | 31-Dec-2017     |
|---|-------------|-----------------|
| Items                                   | ThUS\$      | ThUS\$          |
| Other current financial liabilities     | 172,629     | 151,531         |
| Other non-current financial liabilities | 331,443     | 83,966          |
| Total financial liability               | 504,072     | <b>235,49</b> 7 |
| Minus:                                  |             |                 |
| Cash and cash equivalent                | 48,901      | 27,838          |
| Total net financial debt                | 455,171     | 207,659         |

## 4. ANALYSIS OF INCOME STATEMENT

Profits that can be attributed to the parent company shareholders reached US\$83.88 million, a 215.79% increase compared to the US\$26.56 million reached last year, increase which is explained in detail below:

#### a) Main Components of Income

The Company's Income includes income from operating activities and other income, per function, which increased 37.79% to US\$535.66 million, as is shown in the following table:

| Total Operating Revenue           | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ | Variation<br>% |
|-----------------------------------|---------------------|---------------------|----------------|
| Revenue from operating activities | 528,157             | 388,250             | 36.04%         |
| Other revenue, per function       | 7,503               | 495                 | 1415.76%       |
| Operating Revenue, Total          | 535,660             | 388,745             | 37.79%         |

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

|                      | 31-Dec-18     | 31-Dec-17 |
|----------------------|---------------|-----------|
| Segment              | <u>ThUS\$</u> | ThUS\$    |
| <u>Fresh Fruit</u>   | 509,072       | 364,911   |
| Blueberries          | 465,235       | 314,650   |
| Raspberries          | 18,063        | 18,349    |
| Blackberries         | 14,113        | 16,121    |
| Strawberries         | 7,132         | 12,811    |
| Cherries             | 4,529         | 2,980     |
| Value Added Products | 26,588        | 23,834    |
| Value Added Products | 26,588        | 23,834    |
| Total                | 535,660       | 388,745   |

In blueberry sales, a 47.86% increase was observed compared to the previous period, which shows an increase of 42.8% in commercialized volume and 3.5% of average income per kilo as to the period ending December 31, 2018. This amount considers the valuation of fruit on bearer plants as of December 31, 2018 of US\$5.33 million. Isolating this effect, average income per kilo experienced a 2.3% increase.

Raspberries experienced a decrease in sales income of 1.56%, as a result of a slight increase in commercialized volume of 0.8%, while average income per kilo experienced a 2.4% decrease.

Blackberries experienced a decrease in sales income of 12.46%, which is explained by an almost unchanged distributed volume compared to 2017, together with a decrease in average income per kilo of 12.4%.

Strawberries experienced a decrease in sales of 44.33% compared to the previous period, variation that is explained by a 48.9% decrease in distributed volume, a lower availability of fruit in the Mexican market, partially offset by the 8.9% increase of average income per kilo.

Cherries recorded a sales income of US\$4.53 million during 2018, compared to the US\$2.98 million of the previous period. This increase in income is due to a 140.9% increase in kilos commercialized from Chile, offset by the 36.9% decrease experienced by average income per kilo.

Value added products recorded sales income of US\$26.59 million during 2018, increasing 11.55% compared to income recorded during the previous year. This variation is explained by a 3.0% increase in sold volume and by the increase in average income per kilo of 8.3%.

| Total Expenses and Costs           | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ | Variation<br>% |
|------------------------------------|---------------------|---------------------|----------------|
| Cost of Sale                       | (414,184)           | (324,718)           | 27.55%         |
| Administration expense             | (38,080)            | (26,773)            | 42.239         |
| Other expenses, per function       | (7,003)             | (4,743)             | 47.65%         |
| Other operating costs and expenses | (45,083)            | (31,516)            | 43.05%         |
| Minus:                             |                     |                     |                |
| Impairment in value of assets      | 2,317               | 3,215               | -27.93%        |
| Total Expenses and Costs           | (456,950)           | (353,019)           | 29.44%         |

## b) Main Components of Costs and Expenses

#### Main Components of Sales Cost

Sales costs corresponding to 2018 increased 27.55% compared to what was recorded in 2017. This increase is mainly due to the incorporation of Grupo Rocio's blueberries business in Peru, through which the total volume of commercialized fruit increased 26.9%, from 46.1 million kilos in 2017 to 58.5 million kilos in 2018.

#### **Main Components of Administrative Expenses**

Administrative expenses increased US\$11.31 million, reaching US\$38.08 million. The increase in this concept is mainly due to the one time effect on remunerations associated to an extraordinary growth bonus (+US\$1.0 million), indemnity due to restructuring in Chile and Mexico (+US\$0.35 million), strengthening of the commercial team in the United States and Europe (+US\$2.0 million) and the incorporation of the blueberries business belonging to Grupo Rocio in Peru (+US\$2.64 million).



#### c) Other Components of Income Statement

| Other Income (expenses)                 | 31-Dec-18<br>ThUS\$ | 31-Dec-17<br>ThUS\$ | Variation<br>% |
|---|---------------------|---------------------|----------------|
| Other profit (loss)                     | 60,823              | (363)               | -16855.65%     |
| Financial income                        | 1,448               | 1,746               | -17.07%        |
| Financial costs                         | (17,254)            | (5,711)             | 202.12%        |
| Interest in profit (loss) of associated |                     |                     |                |
| companies                               | (3,483)             | 9,468               | -136.79%       |
| Exchange rate fluctuations              | 2,005               | (5,256)             | -138.15%       |
| )ther Income (expense)                  | 43,539              | (116)               | -37633.62%     |

The other components of the income statement passed from a loss of US\$0.12 million as of December 31, 2017 to a profit of US\$43.54 million as of December 31, 2018.

The main items that explain this variation are the following:

- a. Profit in other profit (loss) reached US\$60.82 million, due to an adjustment to fair value of interest in Hortifrut Tal S.A.C. (US\$60.99 million, US\$44.52 million net of tax), originated from the acquisition and merger operation of Grupo Rocio's blueberries business in Peru.
- b. The loss due to interest in profit (loss) of associated companies reached US\$3.48 million, a US\$12.95 million decrease compared to the previous year. This difference is mainly composed of a lower profit of US\$10.37 million in the associated company Hortifrut Tal S.A.C. (Peru) due to the incorporation of this company to the consolidation of the Hortifrut Group from the purchase and merger of Grupo Rocio's blueberries business in Peru, and a higher loss of US\$2.51 million in the associated company Munger Hortifrut NA LLC in the United States.
- c. Profit generated by Exchange Rate Difference of US\$2.01 million during the period ending December 31, 2018 (US\$5.26 million loss as of December 31, 2017), originated by the depreciation of the Euro, the Chilean Peso and the Mexican Peso, in relation to the dollar.
- d. Financial expenses increased from US\$5.71 million in 2017 to US\$17.25 million during 2018, variation which is mainly explained by the financing of the acquisition and merger of Grupo Rocio's blueberries business in Peru, the existing debt of the business acquired in this transaction, higher working capital necessary for the operation in Peru and the increase in short term interest rates.

#### d) Income tax expense

Income tax expense was US\$27.42 million (US\$4.69 million as of December 31, 2017), which is subtracted as a current tax expense of US\$14.30 million (US\$8.98 million as of December 31, 2017), deferred tax expense of US\$13.33 million (US\$3.90 million in profit as of December 31, 2017) and other adjustments that offset the other items, of US\$0.21 million (US\$0.17 million as of December 31, 2017). The difference in deferred tax expense between 2018 and 2017 is mainly explained by US\$16.47 million associated to the adjustment to fair value of the interest in Hortifrut Tal S.A.C. due to the merger with Grupo Rocio in Peru.

# e) Other Indicators of Results

# **Equity Profitability:**

| Indicator                                      | Unit      | 31-Dec-18 | 31-Dec-17 |
|--|-----------|-----------|-----------|
| Profitability of the parent company equity     | %         | 17.97%    | 12.84%    |
| Profit of parent company / Equity of the paren | t company |           |           |
| Profitability of equity                        | %         | 17.81%    | 11.37%    |
| Profit of the period /Total equity             |           |           |           |

This index confirms the higher increase experienced by both total income and what can be attributed to the parent company shareholders, in relation to the increase in total equity and attributable to the parent company shareholders.

## **Activity Indicators:**

| Indicator   | Unit  | 31-Dec-18 | 31-Dec-17 |
|---|-------|-----------|-----------|
| Activity  |       |           |           |
| Rotation of Assets                                    | Times | 0.62      | 0.73      |
| Operating Revenue/ Total average assets of the period |       |           |           |
| Rotation of inventories                               | Times | 9.44      | 11.74     |
| Cost of sales / Average inventory                     |       |           |           |
| Permanence of inventory (days)                        | Days  | 38        | 31        |
| Inventory / Annual cost of sale (base 360 dUng)       |       |           |           |
|   |       |           |           |

The rotation of assets between the periods 2018 and 2017, decreased influenced by the increase in total operating income (+37.79%) which was proportionally lower than the increase in average total assets in the same period (+62.18%).

Likewise, the rotation of inventories decreased due to the increase in average inventories passing from US\$27.67 million in 2017 to US\$43.88 million in 2018, variation that was proportionally higher than the increase in sales costs previously explained.

## 5. COMPARATIVE ANALYSIS OF MAIN TENDENCIES

The evolution of main financial indicators is as follows:

Current liquidity, defined as the current asset to current liability ratio, increased as of December 31, 2018, showing an increase in current assets higher than the increase in current liabilities, mainly due to the increase in long term debt associated with the acquisition of the blueberries business of the Grupo Rocio in Peru.

The acid ratio increased compared to the previous year, which is explained by the movements of the aforementioned current assets and current liabilities.

| Indicator  | Unit                             | 31-Dec-18           | 31-Dec-17     |
|--|----------------------------------|---------------------|---------------|
| Liquidity (times)  |                                  |                     |               |
| Current Liquidity  | Times                            | 1.08                | 0.89          |
| Current Asset / Current Liability                            |                                  |                     |               |
| Acid Ratio   | Times                            | 0.67                | 0.61          |
| (Total current assets minus: Other non-financia<br>Liability | al assets, inventories and curre | ent biological asse | ts) / Current |
| 5  |                                  |                     |               |

| Indicator   | Unit               | 31-Dec-18 | 31-Dec-17 |
|---|--------------------|-----------|-----------|
| Debt  |                    |           |           |
| Debt Ratio  | Times              | 1.56      | 1.59      |
| Total liabilities / Equity attributable to Parent Company         |                    |           |           |
| Short Term Debt   | %                  | 37.70%    | 63.97%    |
| Total current liabilities /Total liabilities                      |                    |           |           |
| Long term debt  | %                  | 62.30%    | 36.03%    |
| Total non-current liabilities /Total liabilities                  |                    |           |           |
| Book value of the share (US\$)                                    | Dollars per action | 0.9704    | 0.4749    |
| Equity attributable to the parent company $/ N^{\circ}$ average s | shares             |           |           |

The debt ratio decreased in relation to December 31, 2017, explained by an increase in total liabilities of US\$398.78 million (121.17%), proportionally lower than the increase in equity attributable to the parent company of US\$259.87 million (125.65%). Both effects are mainly due to the transaction with Grupo Rocio in Peru.

| Indicator  | Unit  | 01-Jan-2018<br>31-Dec-2018 | 01-Jan-2017<br>31-Dec-2017 |
|--|-------|----------------------------|----------------------------|
| Financial expense coverage                                   | Times | 7.95                       | 6.67                       |
| (Before tax profit - Financial expenses )/Financial expenses |       |                            |                            |
|  |       |                            |                            |

The increase in the financial expense coverage index as of December 31, 2018, compared to the previous year, is because the increase in the income before tax of US\$87.54 million (270.22%) was proportionally higher than what was experienced in financial expenses, which passed from US\$5.71 million during 2017 to US\$17.25 million in 2018.

#### 6. <u>ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION</u>

As of December 31, 2018, total assets increased by US\$674.63 million compared to the existing as of December 31, 2017, which is equal to a 117.80% variation.

Current assets increased US\$108.36 million (+57.79%), with an increase in cash and cash equivalents of US\$21.06 million (+75.66%), trade and other receivables US\$36.11 million (+78.34%), current biological assets US\$11.36 million (+116.92%), inventories US\$41.93 million (+94.12%), accounts receivable with related entities US\$0.19 million (+0.38%), and current tax assets US\$0.92 million (+84.81%). These increases were partially offset by the reduction of other current financial assets for US\$3.06 million (-68.46%), by the valuation of derivative financial instruments and other current non-financial assets for US\$0.15 million (-2.71%).

Non-current assets experienced an increase of US\$566.27 million (+147.01%), mainly due to the increase in property, plants and equipment of US\$448.30 million (+182.94%) linked to the execution of the Company's investment plan and the incorporation of Grupo Rocio's blueberries business in Peru, due to which we can see an increase in Equity of US\$153.0 million (+571.56%). The aforementioned is slightly offset by the decrease of investments recorded using the equity method of US\$38.46 million (-56.69%) because Hortifrut Tal S.A.C. (Peru) was incorporated in the consolidation, recognition of the interest in results and reserves of the associated companies, accounts receivable with related entities for US\$3.84 million (-47.59%) and other non-current financial assets for US\$1.03 million (-76.43%).

Current liabilities increased US\$63.87 million (+30.34%), due to an increase in trade accounts and other accounts payable of US\$38.60 million (+77.62%), other non-financial liabilities US\$1.08 million (+108.57%), other financial liabilities US\$21.10 million (+13.92%) and accounts payable to related entities US\$1.50 million (+24.49%).

Also, non-current liabilities increased US\$334.91 million (+282.46%), with the items with the highest increase being within the same other financial liabilities for US\$247.48 million (+294.73%), mainly associated to the financing of the transaction with Grupo Rocio's blueberries business in Peru and the restructuring of the financial debt from short to long term, deferred tax liabilities for US\$84.47 million (+375.51%), increase that is mainly due to the adjustment to fair value of properties, plants and equipment recorded due to the assigning of the price paid in the acquisition and merger transaction of the blueberries business belonging to Grupo Rocio in Peru and an increase in other accounts payable of US\$6.51 million for the recording of the estimation of the current value of the "earn-out" agreed with Grupo Rocio. This increase is partially offset with the decrease in accounts payable to related entities of US\$3.51 million (-29.07%) and other provisions for US\$0.04 (-100.00%).

The Company's total equity increased US\$275.85 million during the period, mainly explained by:

- a) The increase in capital issued for US\$212.04 million, associated to the share swap due to the merger with Grupo Rocio's blueberries business in Peru, specifically with the company Talsa Chile II SpA.
- b) The increase in accumulated profit (loss) of US\$65.02 million, composed of the recorded profit of US\$83.88 million minus a dividend of US\$18.08 million and an adjustment in the provision of uncollectables associated to the application of standard IFRS9 for US\$0.79 million.
- c) The decrease of other reserves for US\$12.97 million, linked to a lower reserve due to exchange rate fluctuations, which decreased US\$7.78 million due to the effect of equity on the subsidiaries with a functional currency different to the dollar, and to the fall in cash flow hedging reserve of US\$5.19 million associated to the application of hedge accounting over derivative instruments.

d) The increase in non-parent company interests of US\$15.99 million (+43.49%), mainly due to the increase in capital at the subsidiary Honghe Jiayu Agriculture Limited.

| Financial Position Statement                         | 31-Dec-18<br><u>ThUS</u> \$ | 31-Dec-17<br><u>ThUS\$</u> |
|--|-----------------------------|----------------------------|
|  |                             |                            |
| Total current assets                                 | 295,866                     | 187,507                    |
| Total non-current assets                             | 951,454                     | 385,181                    |
| Total assets   | 1,247,320                   | 572,688                    |
| Total current liabilities                            | 274,418                     | 210,546                    |
| Total non-current liabilities                        | 453,477                     | 118,567                    |
| Total liabilities                                    | 727,895                     | 329,113                    |
| Equity attributable to parent company equity holders | 466,682                     | 206,817                    |
| Non-controlling interest                             | 52,743                      | 36,758                     |
| <b>Total equity</b>                                  | 519,425                     | 243,575                    |



# 7. <u>MAIN COMPONENTS OF NET OPERATIONG INVESTMENT AND FINANCING</u> <u>CASH FLOWS</u>

| Main sources and uses of funds in the period (US\$<br>million) | January-<br>December<br>2018 | January -<br>December<br>2017 | Comments  |
|--|------------------------------|-------------------------------|---|
| Charges from the sale of goods and providing of services       | 511                          | 377                           | Increase of sales income due to a higher average price<br>and higher volume from Peru                     |
| Payment to suppliers for supplying of goods and services       | (342)                        | (274)                         |   |
| Payment for and on behalf of employees                         | (94)                         | (55)                          | Increase of remunerations of harvest and packing in<br>Chile and Peru and payment of extraordinary bonus. |
| Net interests  | (12)                         | (4)                           |   |
| Taxes  | (15)                         | (11)                          |   |
| Others   | (1)                          | (1)                           |   |
| (1) Total Cash Flow for Operating Activities                   | 47                           | 32                            |   |
| Sale and purchase of property, plant and equipment             | (65)                         | (57)                          |   |
| Other investment activities (sum of all the rest)              | (132)                        | 4                             | Mainly purchase and merger of Grupo Rocío's blueberry<br>business in Peru                                 |
| (2) Total Cash Flow for Investment Activities                  | (197)                        | (53)                          |   |
| Net financing  | 515                          | 146                           | Restructuring of the debt and financing of the purchase of Grupo Rocío's blueberry business in Peru       |
| Payments of loans  | (326)                        | (119)                         | Restructuring of the debt   |
| Paid dividends and other investment flows                      | (18)                         | (12)                          |   |
| (3) Total Cash Flow for Financing Activities                   | 171                          | 15                            |   |
| Net Increase of Cash and Cash Equivalents (1) +                | ,                            | ý                             |   |
| (2) + (3)  | 21                           | (6)                           |   |
| Effect due to exchange rate fluctuation                        | -                            | (1)                           |   |
| Cash and Cash Equivalents at the start of the period           | 28                           | 35                            |   |
| Cash and Cash Equivalent at the End of the Period              | 49                           | 28                            |   |

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## 8. <u>RISK FACTORS ANALYSIS</u>

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

# 8.1 Financial Risk

# 8.1.1 Credit Risk

a) Investment risk of cash surpluses:

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

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

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

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

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

b) Risk from sales operations:

Hortifrut has diversified sales in several countries.

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

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

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

In order to mitigate this risk, the Company has credit insurance for the parent company and subsidiaries as of December 31, 2018.

## 8.1.2 Liquidity Risk and Financing

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

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

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

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

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

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

Hortifrut has available short-term credit lines, approved and valid for working capital, which as of December 31, 2018 reach US\$238.34 million (US\$222.0 million as of December 31, 2017), distributed among 14 banks. The used amount reaches US\$131.34 million, with an unused balance of US\$107.04 million. The credit lines are distributed among the following companies: Hortifrut Chile S.A. with US\$217.45 million, Hortifrut S.A. with US\$5 million, Agrícola El Pampino S.A. with US\$0.75 million, Agrícola Santa Rosa del Parque S.A. with US\$0.50 million, Agrícola Vida Nueva S.A. with US\$0.5 million, Hortifrut Import Inc., with US\$5 million and Euroberry Marketing S.A. with US\$7.44 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 manage short term liquidity, the Company uses as a base its cash flows forecasted for a mobile period of twelve months and maintains cash and cash equivalents which are available to comply with its future obligations.

Below we summarize the maturity of the Company's bank loans as of December 31, 2018, based on undiscounted contractual flows:

|   |         |           | Cash Flows     |                    |                |                 |         |
|---|---------|-----------|----------------|--------------------|----------------|-----------------|---------|
|   |         | -         | From o         | Between            | Between 1      |                 |         |
|   | Capital | Interests | to 3<br>months | 3 and 12<br>months | and 5<br>years | Over 5<br>years | Total   |
| Creditor Bank                                 | ThUS\$  | ThUS\$    | ThUS\$         | ThUS\$             | ThUS\$         | ThUS\$          | ThUS\$  |
| 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, Institucion de Banca Multiple | 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 maturities of the total financial liabilities as of December 31, 2018:

|   |         |           | Cash Flows               |                               |                             |                 |         |
|---|---------|-----------|--------------------------|-------------------------------|-----------------------------|-----------------|---------|
|   | Capital | Interests | From o<br>to 3<br>months | Between<br>3 and 12<br>months | Between 1<br>and 5<br>years | Over 5<br>years | Total   |
| Detail                                    | ThUS\$  | ThUS\$    | ThUS\$                   | ThUS\$                        | ThUS\$                      | ThUS\$          | ThUS\$  |
| Bank loans                                | 500,178 | 504,072   | 146,334                  | 40,000                        | 274,431                     | 121,718         | 582,483 |
| Trade accounts and other accounts payable | 88,319  | 88,319    | 68,006                   | 20,313                        | -                           | -               | 88,319  |
| Accounts payable to related companies     | 16,208  | 16,208    | -                        | 7,646                         | 8,562                       | -               | 16,208  |

## 8.1.3 Exchange rate risk

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

a) Exposure to Chilean Pesos

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

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

b) Exposure to Mexican Pesos

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

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

c) Exposure to Euros

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

d) Exposure to Peruvian Soles

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

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

## Exposure in currencies other than dollar

The following table shows exposure in currencies other than dollar, over the Company's financial assets and liabilities as of December 31, 2018:

|   | Peso/UF | Nuevo Sol | <u>Euro</u> | Mexican \$ | Argentine \$ 1 | Real/others |
|---|---------|-----------|-------------|------------|----------------|-------------|
| As of December 31, 2018                               | ThUS\$  | ThUS\$    | ThUS\$      | ThUS\$     | ThUS\$         | ThUS\$      |
| Financial Assets                                      |         |           |             |            |                |             |
| 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       |
| Current Liabilities                                   |         |           |             |            |                |             |
| 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 paay ble to Related Entities     | 1,209   | -         | 7,353       | -          | -              | -           |
| Total Financial Liabilities                           | 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       |

## Effects on a potential change in the exchange rate in the balance sheet monetary accounts

The potential net effect in financial assets and liabilities of a 10% devaluation of the United States dollar against all the other relevant currencies to which the Company is exposed, would be approximately ThUS\$2,236 (ThUS\$769 as of December 31, 2017) as a higher charge to the company's results 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.

|                        |         |             |         | Net (10%     |           |
|------------------------|---------|-------------|---------|--------------|-----------|
|                        | Assets  | Liabilities | Net     | Devaluation) | Variation |
| Currencies             | ThUS\$  | ThUS\$      | ThUS\$  | ThUS\$       | ThUS\$    |
| Chilean Peso / UF      | 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)     |
| Argentine Peso         | 1,517   | 27          | 1,490   | 1,341        | (149)     |
| Real / Others          | 5,198   | 376         | 4,822   | 4,340        | (482)     |
| Total as of 31-12-2018 | 103,271 | 80,909      | 22,362  | 20,126       | (2,236)   |

## 8.1.4 Interest Rate Risk

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

Long term liabilities are both at fixed and variable rates and mostly in dollars to avoid cost variations and to be aligned with the Company's functional currency. Even though short term financial liabilities, linked to temporary 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.

If Hortifrut held for a whole year the debt that it has at a variable rate, which is ThUS\$131,741 as of December 31, 2018 (ThUS\$128,233 as of December 31, 2017) and the rate increased 10%, the impact on the annual financial cost would be ThUS\$406 (ThUS\$221 as of December 31, 2017).

## 8.2 Operating Risks

Hortifrut's operating risks are managed 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 higher relevance:

#### 8.2.1 Genetic development

The lack of modern varieties of plants could affect the competitiveness of the business, both agricultural, 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.

#### 8.2.2 Significant increase in Supply

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

## 8.2.3 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.



# 8.2.4 Climatic risks

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

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

# 8.2.5 Plagues and disease

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

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

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.

## 8.2.6 Food-Safety

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

## 8.2.7 Risks of Availability of Human Resources

Temporary collaborators are vital for fruit harvest, so Hortifrut has developed several initiatives to maintain the temporary collaborators from one season to the next. Additionally, people are recruited through labor fairs and informative meetings organized with the intermediation the regional governments corresponding to the area of each productive unit, so a relationship of mutual collaboration with the community and its municipalities has been built.

## 8.2.8 Continuity and Costs of Supplies and Services

The development of Hortifrut's business involves a complex logistic regarding the opportune supply of quality supplies and services which are fundamental to maintain competitiveness. As in all agricultural business, the availability of water is critical to assure the good result of the harvest, Hortifrut invests in infrastructure such as reservoirs and deep wells to partially mitigate this risk. Regarding power 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.

#### 8.2.9 Risk associated to New Technologies

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

#### 8.3 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, 2018 and 2017 are the following:

|         |  | 31-Dec-2018 31-Dec-2017 |                                  |          |                                  |  |
|---------|--|-------------------------|----------------------------------|----------|----------------------------------|--|
| COUNTRY | TYPE OF INSURANCE                              | CURRENCY                | COVERED AMOUNT                   | CURRENCY | COVERED AMOUNT                   |  |
| Chile   | Infrastructure Fire                            | UF                      | 1,658,152                        | UF       | 1,469,132                        |  |
| Chile   | Mobile Agricultural Equipment                  | UF                      | 48,092                           | UF       | 70,244                           |  |
| Chile   | Motor Vehicles                                 | UF                      | 48,563                           | UF       | 131,400                          |  |
| Chile   | General and Product Civil Responsibility       | USD                     | 5,000,000                        | UF       | 127,144                          |  |
| Chile   | Maritime Transport                             | USD                     | 7,000,000                        | UF       | 305,147                          |  |
| Chile   | Credit Insurance                               | USD                     | 20,000,000                       | UF       | 254,289                          |  |
| Chile   | Fruit and Materials Insurance                  | USD                     | 9,810,916                        | UF       | 249,481                          |  |
| Chile   | Terrorism                                      | UF                      | 500,000                          | UF       | 500,000                          |  |
| Chile   | Business Interruption                          | UF                      | 1,227,000                        | UF       | 250,000                          |  |
| USA     | Product Civil Responsibility                   | USD                     | 20,000,000                       | USD      | 20,000,000                       |  |
| Mexico  | Transporting of Load                           | USD                     | 200,000/shipment                 | USD      | 200,000/shipment                 |  |
| Mexico  | Infrastructure Fire, Theft and Civil Liability | USD                     | 48,000,000                       | USD      | 48,000,000                       |  |
| Mexico  | Motor Vehicles                                 | USD                     | Commercial Value                 | USD      | Commercial Value                 |  |
| Spain   | Motor Vehicles                                 | EUR                     | Commercial Value / without limit | EUR      | Commercial Value / without limit |  |
| Spain   | Installations                                  | EUR                     | 350,000 per event                | EUR      | 350,000 per event                |  |
| Spain   | Goods  | EUR                     | 50,000 per event                 | EUR      | 50,000 per event                 |  |
| Spain   | Civil Liaibility                               | EUR                     | 6,500,000                        | EUR      | 6,500,000                        |  |
| Spain   | Credit Insurance                               | EUR                     | 90% unpaid                       | EUR      | 90% unpaid                       |  |
| Peru    | Fire   | PEN                     | 618,320                          | PEN      | 618,320                          |  |
| Peru    | Motor Vehicles                                 | USD                     | 261,820                          | USD      | 261,820                          |  |

## 8.4 Risk in the Estimations

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

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

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

As of December 31, 2018, the recognition, due to the concept of the expected margin of fruit on Hortifrut S.A. and subsidiaries' bearer plants, is as follows:

|                         | Fair Value<br>Adjustment as of | 10% Reduction | 10% Reduction | 10% Reduction    |
|-------------------------|--------------------------------|---------------|---------------|------------------|
| Company                 | 12/31/2018                     | Volume        | Price         | Volume and Price |
|                         | (ThUS\$)                       | (ThUS\$)      | (ThUS\$)      | (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            |

As of December 31, 2018, the expected margin of the fruit on the Company's bearer plants was recognized, for the amount of ThUS\$7,357 which is presented under other income, per function and net of the amount incorporated due to the merger with the Grupo Rocío on July 03, 2018, reaching ThUS\$5.332.

As of December 31, 2017, the expected margin of fruit on Agrícola Hortifrut S.A.'s bearer plants was recognized, for the amount of ThUS\$1,640.

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

|                         | Fair Value<br>Adjustment as of | 10% Reduction | 10% Reduction | 10% Reduction    |  |
|-------------------------|--------------------------------|---------------|---------------|------------------|--|
| Company                 | 31.12.2017                     | Volume        | Price         | Volume and Price |  |
|                         | (ThUS\$)                       | (ThUS\$)      | (ThUS\$)      | (ThUS\$)         |  |
| Agrícola Hortifrut S.A. | 1,640                          | 1,476         | 1,016         | 914              |  |

Also, within the item Investments recorded using the equity method as of December 31, 2017, the expected margin of fruit on Hortifrut Tal S.A.C. (Peru)'s bearer plants was recognized based on the interest percentage that it had in it, amount that reached ThUS\$953, as of December 31, 2017.

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

|                      | Fair Value<br>Adjustment as of | 10% Reduction | 10% Reduction | 10% Reduction    |
|----------------------|--------------------------------|---------------|---------------|------------------|
| Company              | 31.12.2017                     | Volume        | Price         | Volume and Price |
|                      | (ThUS\$)                       | (ThUS\$)      | (ThUS\$)      | (ThUS\$)         |
| Hortifrut Tal S.A.C. | 953                            | 877           | 744           | 670              |

## 8.5 Risk Associated to Merger and Acquisition Process

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

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

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









The Board of Directors and General Manager of Hortifrut S.A., detailed below, under oath declare themselves responsible regarding the veracity of all the information incorporated in the current Annual Report, which they subscribe<sup>12</sup>.

Víctor Moller Schiavetti Chairman 4.435.579-5 (Chile)

Andrés Solari Urquieta Vice-chairman 8.667.254-5 (Chile)



Andrés Carvallo Prieto Director 15.383.173-4 (Chile)

**Víctor Edmundo Moller Opazo** Director 10.668.361-1 (Chile)

Germán Novión Verdugo Director 6.379.404-K (Chile)

Ulises Quevedo Berastain Director 09382988 (Peru)

Juan Luis Alemparte Rozas Director 16.096.002-7 (Chile)

Marco Comparini Fontecilla Director 7.731.109-2 (Chile)

M. Verónica Morales Mena Independent Director 6.980.834-4 (Chile)

Juan Ignacio Allende Connelly General Manager 6.196.483-5 (Chile)

12 The current Declaration of Responsibility has been subscribed by the Directors and the General Manager, as per what is stated in General Character Standard N°283, whose signatures feature in the copies that have been sent to the Superintendencia de Valores y Seguros, thereby complying with the requirement contained in Section II literal C.16) of General Character Standard N°30.v

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Corporate Name: Hortifrut S.A. Type of entity: Publicly traded company Legal residence and address: Av. Del Cóndor N°600, 4th floor, Huechuraba, Santiago Telephone: +56 2 24792610 Fax: +56 2 24792679 RUT: 96.896.990-0 Duration of the company: Indefinite Inscription number *Registro de Valores*: 1.096

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