



# Earnings Presentation December 2021

*01 April 2021*

# Agenda

1. HIGHLIGHTS

2. GENETICS

3. CONSOLIDATED RESULTS S21/22

4. CONSOLIDATED RESULTS JAN-DEC21

5. RESULTS PER BUSINESS SEGMENT S21/22





# Highlights



## 1. PURCHASE OF 100% OF ATLANTIC BLUE

- Operation materialized on December 1, 2021, date from which the acquired companies began to consolidate in Hortifrut's financial statements.
- **Atlantic Blue:**
  - ✓ Genetic development, processing, production and marketing of berries
  - ✓ Operations in Spain, Morocco and Peru
- **Productive assets:**
  - ✓ 400ha in Spain – blueberries and cherries
  - ✓ 248ha in Morocco – blueberries
  - ✓ 400ha in Peru – consolidation of 200ha of blueberries that were not HF
  - ✓ SAT-Hortifrut processing packing in Spain
  - ✓ Consolidation of the commercial platform Euroberry Marketing for all Europe
- **Incorporated subsidiaries**



- ✓ 100% of Atlantic Blue S.L.U. (Production of blueberries in Spain)
- ✓ 100% of Royal Berries S.L.U. (Genetics)
- ✓ 100% of Atlantic Green S.L. (Production of blueberries and cherries in Spain)
- ✓ 100% of Atlantic Blue Berries Maroc S.A.R.L. (Production of blueberries in Morocco)
- ✓ 74,50% of Hortifrut Berries Maroc – 25,50% before (Production of raspberries in Morocco)
- ✓ 81,50% of SAT Hortifrut H-0030 de R.L. – 16,50% before (Processing of fruit in Spain)
  
- ✓ 50% of Hortifrut España Southern Sun S.L.U. - 50% before (Production of blueberries in Spain)
- ✓ 50% of Euroberry Marketing S.A. - 50% before (Commercialization in Europe)
- ✓ 50% of HFE Berries Perú S.A.C. – 50% before (Production of blueberries in Peru)

**Price Paid**  
EUR 258 mn

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4. CONSOLIDATED RESULTS JAN-DEC21

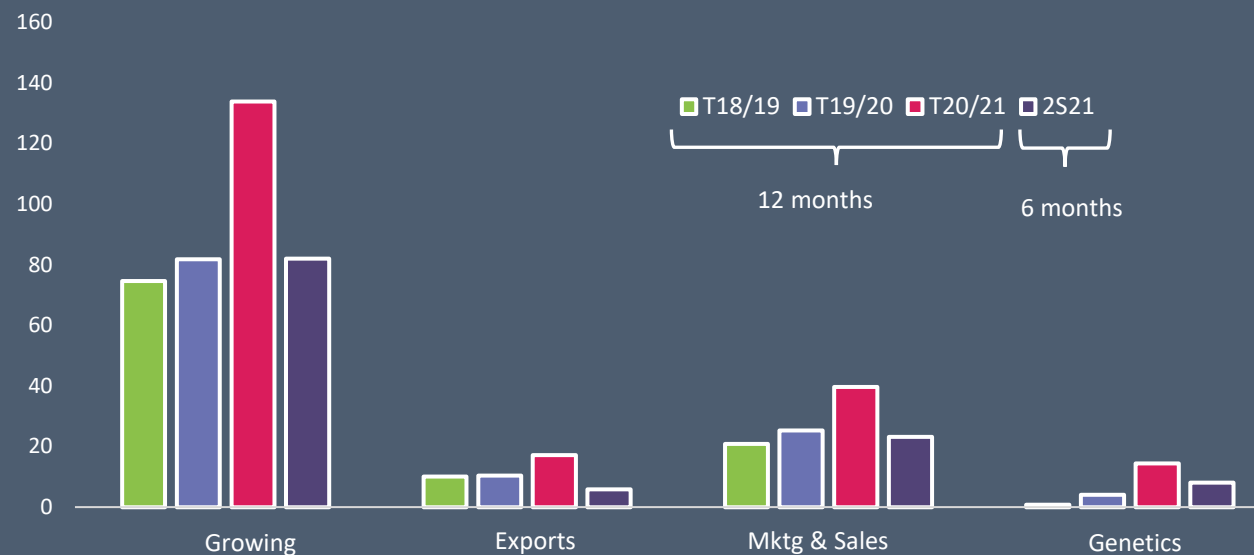
5. RESULTS PER BUSINESS SEGMENT S21/22



# Genetics' EBITDA



## EBITDA Breakdown



- During 2H21, the Genetics' business generated a US\$8.1 million EBITDA (equivalent to 6.8% of the total), an amount that is greater than the US\$7.4 million generated in the same period of the previous year. If we compare the LTM to December, during 2021 this business generated an EBITDA of US\$15 million, growing compared to the US\$14 million registered in the same period of 2020 (+7.1%).
- This result accounts for the sale of plants of varieties of Blueberry, Raspberry and Blackberry developed by Hortifrut to third-party producers in various countries, in addition to income from royalties, thus accelerating the future growth of the volumes marketed by the Company.
- The growth of this link in the Hortifrut value chain would be further enhanced as a result of the purchase of Atlantic Blue, also entering the varietal development of Cherries.

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5. RESULT PER BUSINESS SEGMENT S21/22

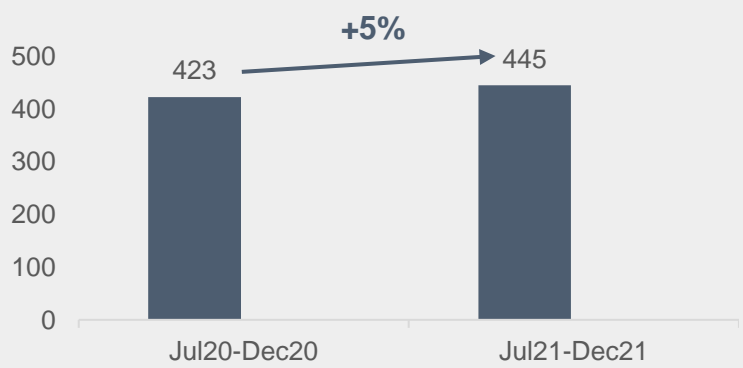




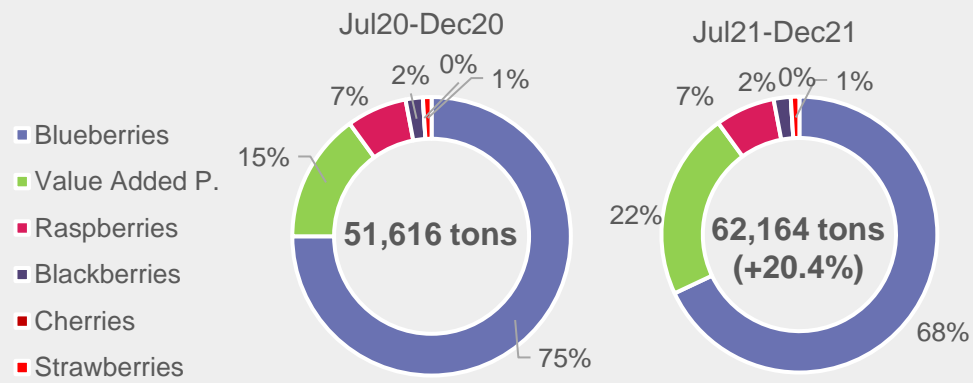
# US\$119.2 mn EBITDA during S21/22 (Jul-Dec)

- **EBITDA decreases by US\$10.2 mn** compared to the same period of S20/21, associated with:
  - Very concentrated harvest curve for Peru, both in our fields and in the industry, generating high volumes at destination in peak weeks.
  - Increase in administrative expenses due to growth in operations in Mexico and China, in addition to the incorporation of Vitafoods and Atlantic Blue companies.
  - This was partly offset by a higher volume of raspberries in Mexico and growth in the Value-Added Products segment due to the incorporation of Vitafoods.
- The **distributed volume increased 20.43%, reaching 62,164 tons**, with growth in the segments: Blueberries (+10.9% to 42,978 tons), Raspberries (+8.4% to 4,094 tons), Blackberries (+8.2% to 1,043 tons), Strawberries (+79.5% to 441 tons) and Value-Added Products (+75.9% to 13,490 tons). Cherries volume decreased 41.9% to 119 tons.
- **12.68% reduction in the average price per kilo**, influenced by the concentration of the Peruvian fruit curve and by a greater participation of the Value-Added Products segment in the fruit mix (which has a lower sales price than the Fresh Fruit segment). The latter registered an increase of 21.47% in the sales price, while that of Fresh Fruit registered a reduction of 10.15%.

## 1. CONSOLIDATED INCOME (US\$ mn)

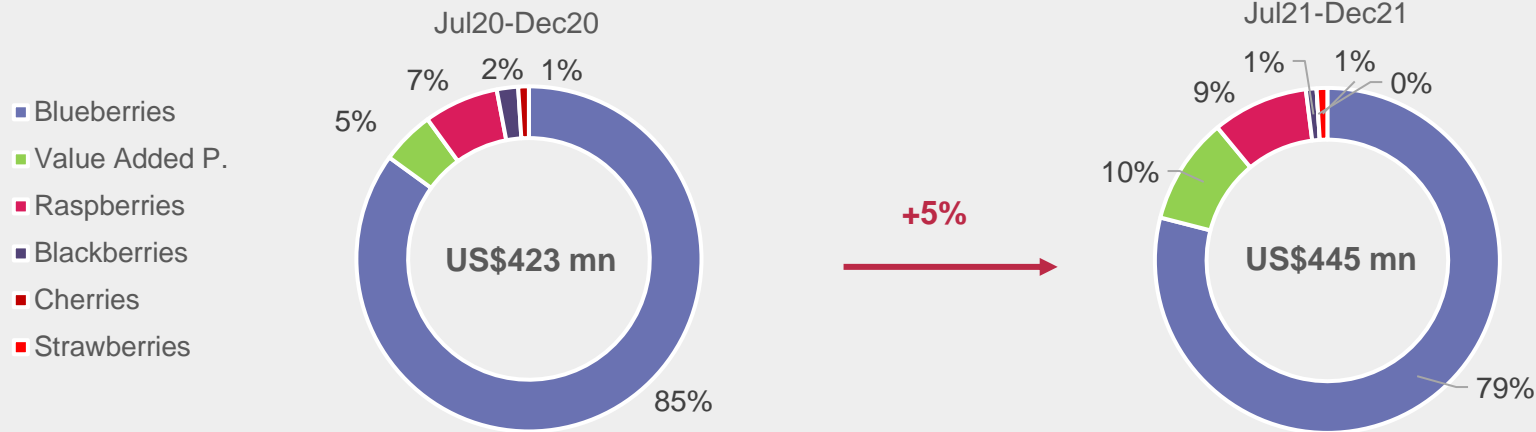


## 2. DISTRIBUTED VOLUME (%)

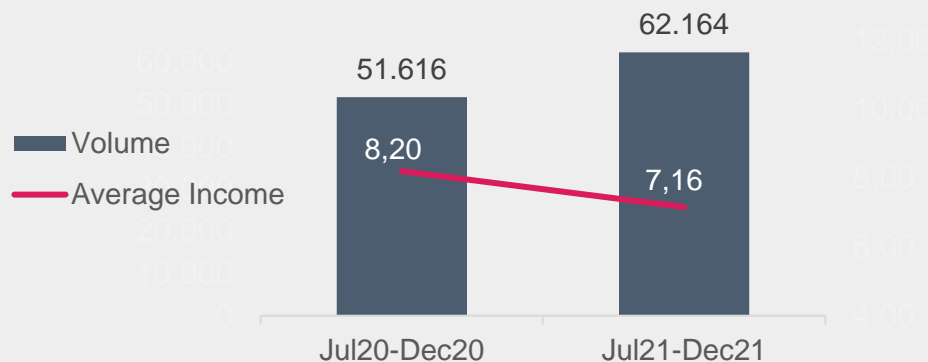


# Income Evolution S20/21 vs. S21/22 (Jul-Dec)

## 1. CONSOLIDATED INCOME, PER SEGMENT (%)



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



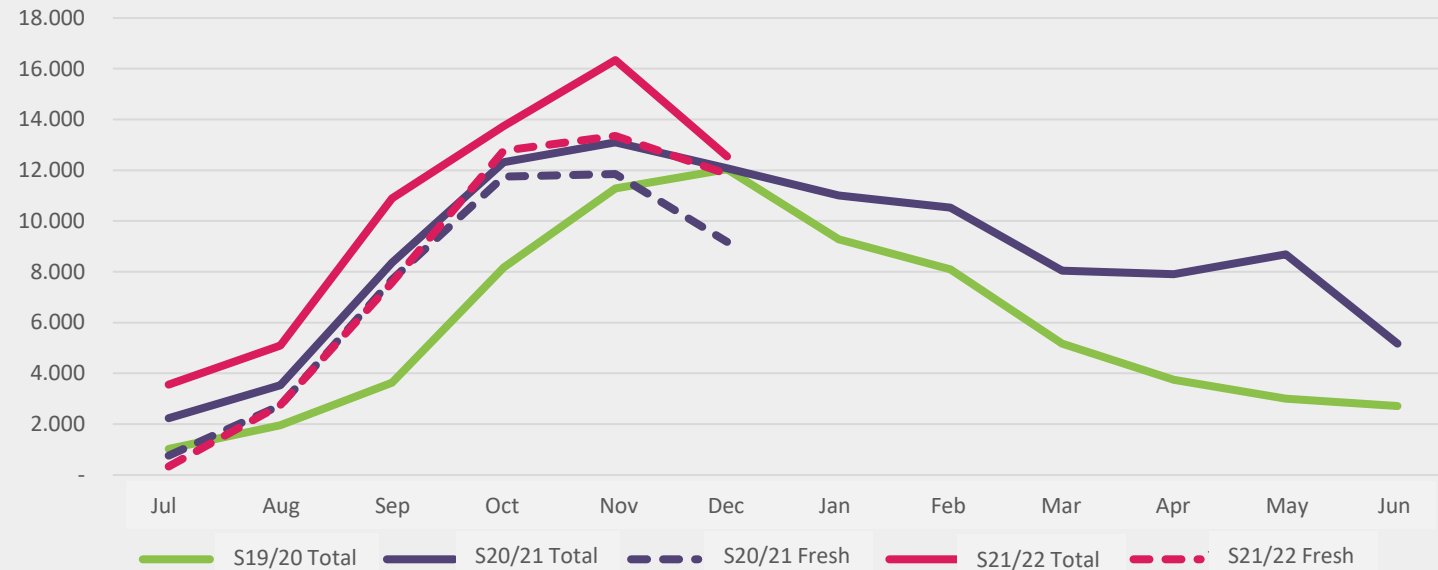
- The higher revenues are associated with the 20.4% increase in the volume sold to 62,164 tons, mainly linked to:
  - Volumes of Vitafoods
  - Growth in Blueberries from Peru, both in own fields and third-party exporters (with area planted with varieties licensed by Hortifrut).
  - Growth in raspberries from Mexico, mostly with its own genetics.
- This was accompanied by a 7.9% decrease in the average price per kilo, which went from 7.11 US\$/Kg in S20/21 to 6.55 US\$/Kg in S21/22 due to a change in sales mix and concentration of the Peruvian curve. In Fresh Fruit it decreased from 9.15 US\$/Kg to 8.22 US\$/Kg in the same period and in Value Added Products it increased 21.5% to 3.35 US\$/Kg.
- Average income decreased from 8.20 US\$/Kg in S20/21 to 7.16 US\$/Kg in S21/22, due to similar factors to those that explain the drop in the average price.



# Volumes S19/20, S20/21 y S21/22



## 1. FRESH AND FROZEN MONTHLY VOLUME. (Tons)

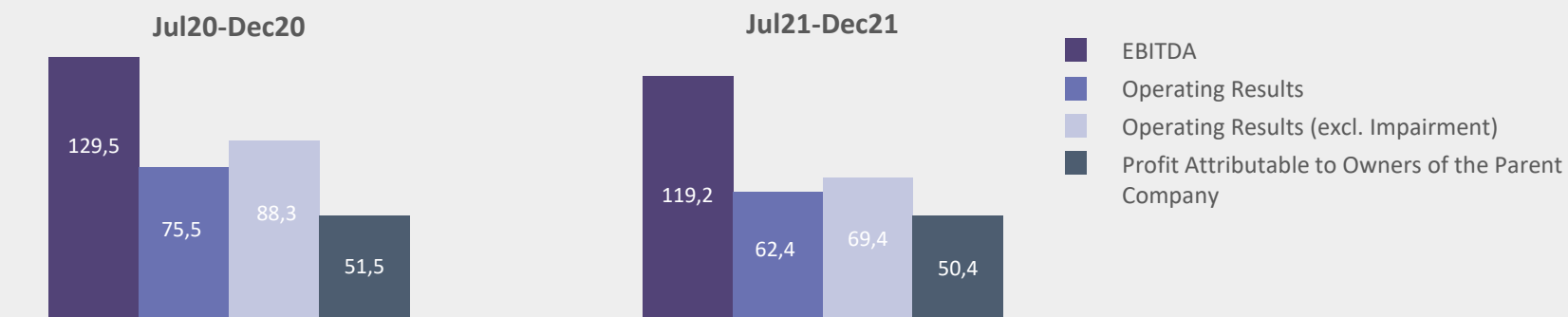


- The total volume curve for the first half of S21/22 shows **volume growth** compared to previous seasons in the same period, showing an increase in both Fresh Fruit volume (Peru) and Value-Added Products (Vitafoods).
- Although volume growth in the Value-Added Products segment was strong through November, it slowed down toward December due to lower stock available for sale; in January, the purchase of relevant volumes of fruit begins to accumulate stock to sell throughout the year 2022. The volume of this segment represented 22% of the total, compared to only 15% in the same period of the previous season.
- For its part, a Fresh Fruit segment curve similar that S20/21 is observed until October, given a slow start-up of the blueberry harvest curve in Peru. However, sales accelerated during November and December as a result of the concentration of the curve, the increase in the productivity of our fields and the maturation of the plantations of varieties licensed by Hortifrut in the fields of third-party producers in Peru.

# Consolidated Results S20/21 vs. S21/22 (Jul-Dec)



## 1. CONSOLIDATED RESULTS. (US\$ mn)



### EBITDA variation

Decreased 7.92% por :

- Harvest curve highly concentrated in the Peruvian industry, to which was added an irregularity in arrivals at destination, especially to the USA, due to shipping traffic problems.
- Increase in administrative expenses due to growth in operations in Mexico and China, in addition to the incorporation of Vitafoods and the Atlantic Blue companies.
- The foregoing was offset, to a certain extent, by a higher volume of raspberries sold from Mexico and growth in the Value-Added Products segment due to the incorporation of Vitafoods.

### Operating Results variation

It decreased 17.33% driven by the same factors that impact EBITDA, in addition to an increase in depreciation and amortization due to the entry into production of investments in Mexico and China, mainly, and the incorporation of Vitafoods into the operation throughout the analyzed semester.

### Profit Attributable to Owners of the Parent Company variation

It decreased by 2.17% as a result of the lower operating results (for the reasons indicated above). This was partially offset by a lower non-operating loss, mainly associated with a profit from the exchange difference (compared to losses in 2H20), lower financial expenses associated with better financing conditions obtained by the Company and a better result in the participation of associates and joint ventures (Naturipe Value Added Fresh, marketer of "Ready to Eat" fruit in the USA). Additionally, a reduction in income tax expenses was recorded due to a deferred tax gain of US\$5.7 mn.

# Non-Operating Result S20/21 vs. S21/22 (Jul-Dec)



	Jul20-Dec20 (ThUS\$)	Jul21-Dec21 (ThUS\$)	Var %
Financial income	817	1,340	+64.0%
Financial expenses	-11,870	-10,785	-9.1%
Share of profit (loss) of equity-accounted associates and joint ventures	318	369	+16.0%
Other income/expenses	-224	3,174	-1,517.0%
Exchange rate differences	-1,960	1,045	-153.3%
<b>Non-Operating Result</b>	<b>-12,919</b>	<b>-4,857</b>	<b>-62.4%</b>



## MAIN VARIATIONS

- **Net financial expenses:** a decrease of 14.55% was recorded, mainly due to the 9.1% drop in financial expenses due to better financing conditions obtained by the Company.
- **Profit (loss) in associated and joint ventures:** during 2H21 a better performance of the Naturipe Value Added Fresh LLC. company was observed ("Ready to Eat" products in the USA) and Naturipe Farms LLC., mainly, regarding 2H20.
- **Other income/expenses:** a significant profit is recorded during 2H21 mainly associated with a benefit related to the termination of the contingent Earn-out with Grupo Rocío (US\$6.5mm), offset, among other things, by expenses related to the purchase of Atlantic Blue.
- **Exchange rate difference:** during 2H21 this result was largely influenced by the appreciation of the Chilean Peso and Peruvian Nuevo Sol against the US Dollar, while during 2H20, the movement of these exchange rates was the opposite, together with other currencies.

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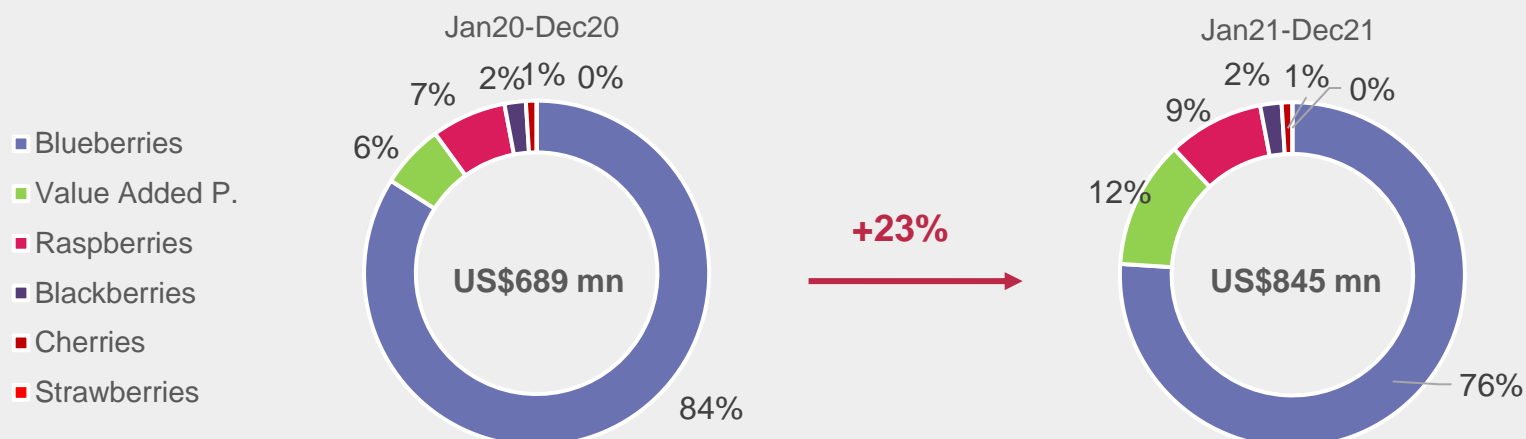




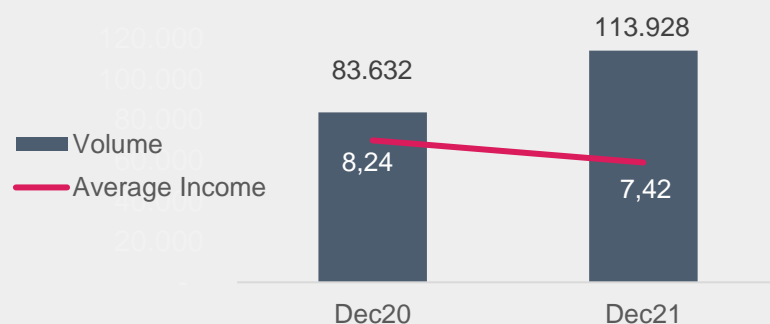
# Consolidated Results Dec20 vs. Dec21 (Jan-Dec)



## 1. CONSOLIDATED INCOME, PER SEGMENT (%)



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

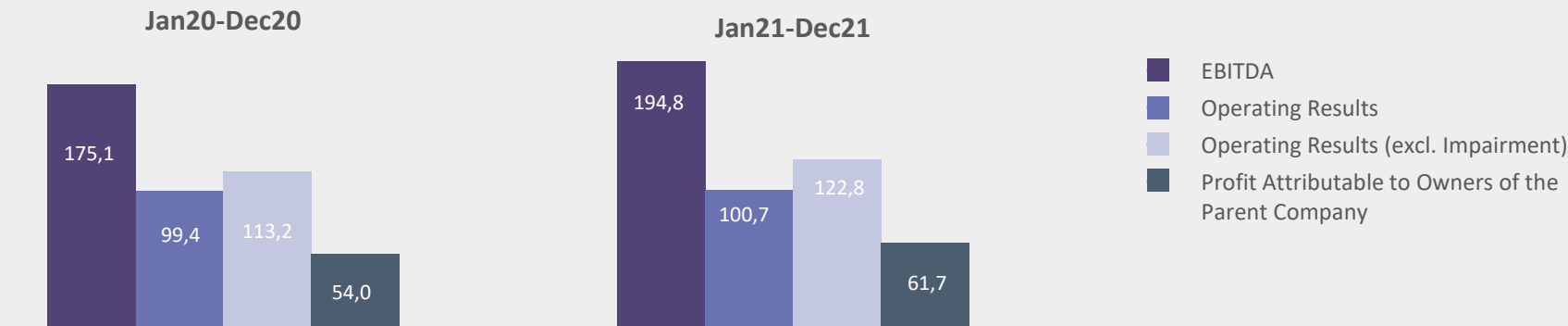


- The higher revenues are due to a 36.2% increase in the volume sold to 113,928 tons, mainly linked to:
  - The entry into production and maturation of the new blueberry fields in Mexico and China
  - Incorporation of Vitafoods to Hortifrut
  - Mexican raspberry volume
- The higher volume was accompanied by a 2.68% reduction in the average price per kilo of the added Fresh Fruit segment, going from 9.28 US\$/Kg in Dec20 to 9.03 US\$/Kg in Dec21, while the Value Added Products segment increased their price by 12.13% to 3.26 US\$/Kg as of Dec21.
- The average income decreases from 8.24 US\$/Kg as of Dec20 to 7.42 US\$/Kg as of Dec21 due to similar factors to those that explain the reduction in the average price per kilo.

# Consolidated Results Dec20 vs. Dec21 (Jan-Dec)



## 1. CONSOLIDATED RESULTS. (US\$ mn)



### EBITDA variation

Increases 11.2% by:

- 36.2% increase in the volume sold, mainly of Blueberries from China and Mexico, of Raspberries from Mexico, which have largely been planted with Hortifrut genetics (own and licensed), and of frozen products due to the incorporation of Vitafoods.
- High demand and execution of the commercial strategy in the HF platforms at destination.
- Implementation of an efficiency plan for field and packing costs during S20/21, thanks to the innovation and application of production and operations technologies, which impacted 2H21.

### Operating Results variation

It increased by 1.2% for the same reasons that explain the variation in EBITDA, offset in part by a higher depreciation associated with the incorporation of the hectares planted in Mexico and China, in addition to a greater impairment in the value of assets (varietal replacement in Chile and pull out in USA). Excluding impairments, a growth of 8.6% was recorded in this figure.

### Profit Attributable to Owners of the Parent Company variation

Increases 14.2% associated with the increase in operating results and the reduction of non-operating losses. The non-operating results reduced its loss mainly due to lower net financial expenses and the recording of profits in the item Other income/expenses due to the extinction of the contingent related with the Earn-out with Grupo Rocío. These improvements were partially offset by an increase in exchange rate losses. On the other hand, there is a reduction in tax expenses associated with a deferred tax profit amounting to US\$5.7 mn.

# Non-Operating Result Dec20 vs. Dec21 (Jan-Dec)



	Jan20-Dec20 (ThUS\$)	Jan21-Dec21 (ThUS\$)	Var %
Financial income	1,435	2,002	+39.5%
Financial expenses	-23,105	-17,578	-23.9%
Share of profit (loss) of equity-accounted associates and joint ventures	-114	448	-493.0%
Other income/expenses	-558	3,357	-701.6%
Exchange rate differences	-642	-3,704	+477.0%
<b>Non-Operating Result</b>	<b>-22,984</b>	<b>-15,475</b>	<b>-32.7%</b>

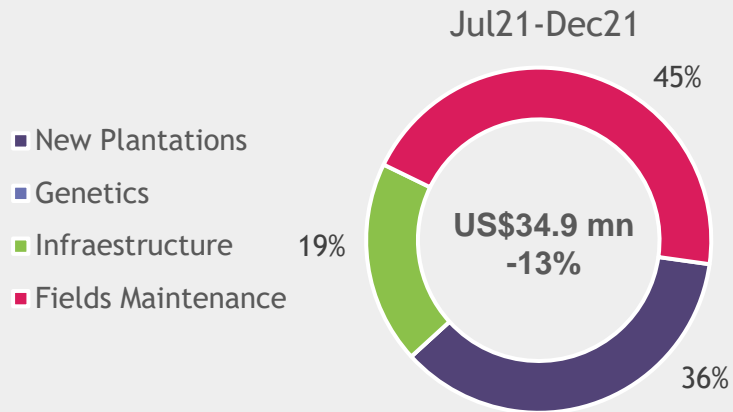


## MAIN VARIATIONS

- **Net financial expenses:** decreased by ThUS\$6,094 to ThUS\$15,576 as of Dec21, mainly due to better financing conditions and the reversal of a provision for financial expenses associated with tax for non-residents in Peru (ThUS\$2,729).
- **Profit (los) in associates and joint ventures:** improvement of ThUS\$562 mainly due to better performance of Naturipe Value Added Fresh LLC. ("Ready to Eat" products in the USA) and Naturipe Farms LLC.
- **Other income/expenses:** a profit of ThUS\$3,357 was recorded as of Dec21, associated, to a large extent, with a profit from the extinction of the contingent Earn-out with Grupo Rocío (US\$6.5 mn). This was partially offset by expenses associated with the purchase of Atlantic Blue.
- **Exchange rate differences:** a negative result was recorded as of Dec21 influenced by the depreciation of the Chilean Peso and the Peruvian Nuevo Sol, mainly.

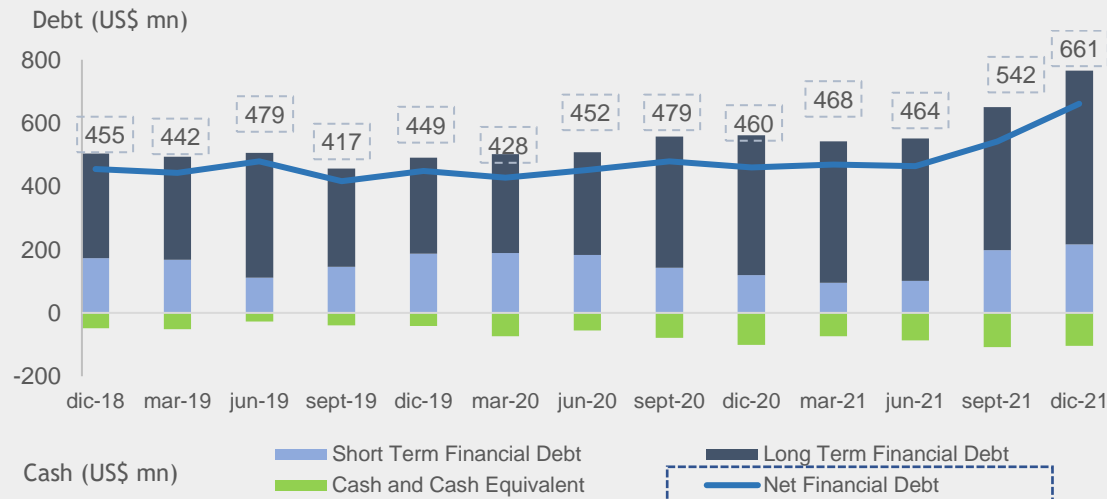
# Investments & Net Financial Debt Evolution

## 1. INVESTMENTS, PER TYPE. (%)



- The investment in new plantations corresponds to the project in China (completion of the 500ha project), Ecuador (new 50ha blueberry project) and Portugal (new 100ha raspberry project), mainly.
- The investment in infrastructure is largely related to the purchase of an additional processing plant in Chile by Vitafoods.
- For its part, the maintenance of current fields is mainly associated with plantations in Peru and Mexico.

## 2. NET FINANCIAL DEBT EVOLUTION. (US\$ mn)



- The NFD increased compared to Dec20, mainly due to the indebtedness of US\$126.6 million to Finance the initial payment for the purchase of Atlantic Blue, in addition to the increase in PAEs associated with working capital financing and the financing of investments in China. Added to this is the constitution of a collateral for the increase in the MtM of the cross-currency swaps of the bonds.

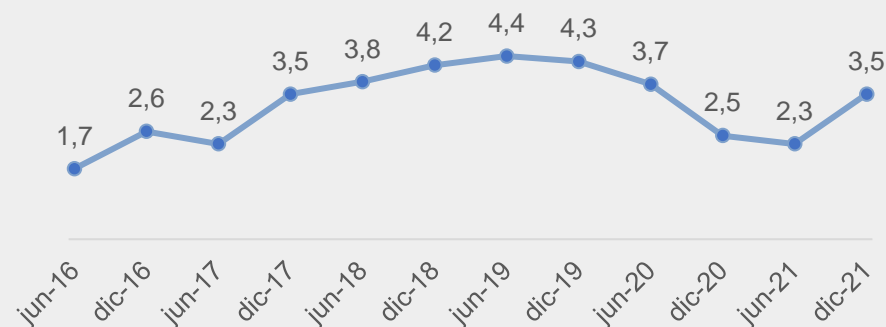


# Debt Covenants



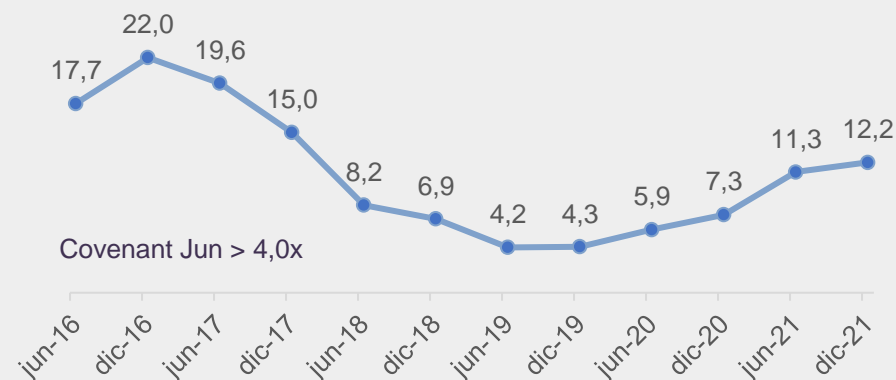
## 1. NET FINANCIAL DEBT / EBITDA. (times)

Covenant Dec < 6,0x  
Covenant Jun < 4,5x



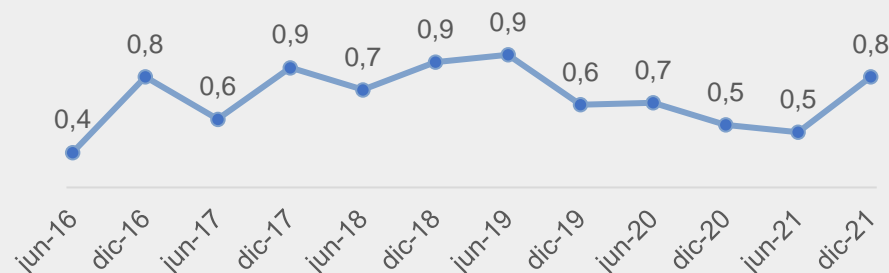
## 2. EBITDA / NET FINANCIAL EXPENSES. (times)

Covenant Jun > 4,0x



## 3. NET FINANCIAL DEBT / TOTAL EQUITY. (times)

Covenant Jun < 1,0x



- The financial ratios showed an improvement trend during the last two years, according to the cash generation of the Operations in Peru after the purchase of the Grupo Rocío operations.
- As of Dec21, a deterioration of the ratios is observed as a result of the impacts of the purchase of the Atlantic Blue Group, which will approach the target ranges of the Administration to the extent that said operation generates its cashflows.

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# Blueberries

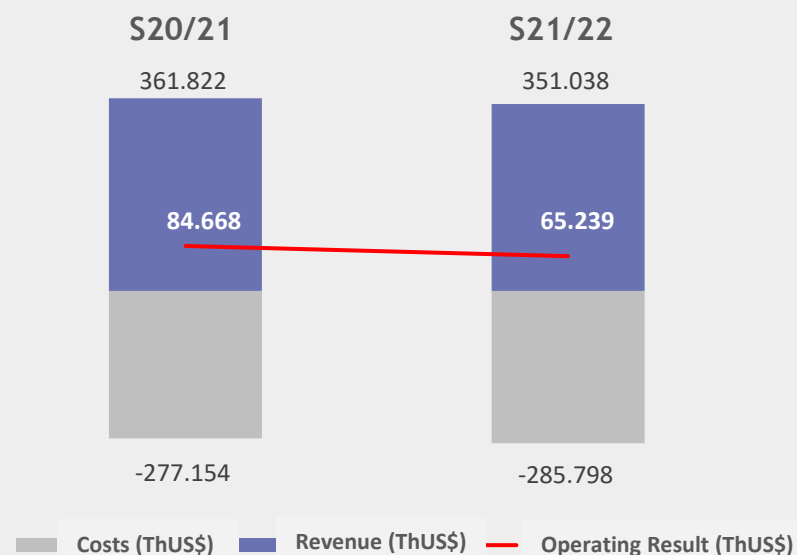
## S21/22 (Jul – Dec)



- **3.0% decrease in revenue:** +10.9% in volume and -7.6% in average price per kilo.
- The higher volume is mainly due to the increase in the volume coming from Peru, both from its own fields and from third-party exporters that have planted varieties licensed by Hortifrut. Thus, during 2H21, 40,266 tons of Blueberries from this country were marketed, registering a 14.8% growth compared to the previous season. Of the total volume of 2H21, 88% corresponds to own production, compared to 97% in the same period of the previous year.
- The reduction in the average price is associated with a strong concentration of the production curve of the Peruvian industry during the peak weeks, which added to the irregularity of the arrivals of maritime shipments to the USA due to shipping problems worldwide, generated oversupply for several weeks, leading to a drop in market prices. However, Hortifrut's sales prices remained above the benchmark



### OPERATING RESULTS. (ThUS\$)



Blueberries	S20/21	S21/22	Var (%)
Sales volume (Tons)	38,759	42,978	+10.9%
Share of total	75.1%	69.1%	-
Average price (US\$/Kg)	7.88	7.29	-7.6%

# Raspberries

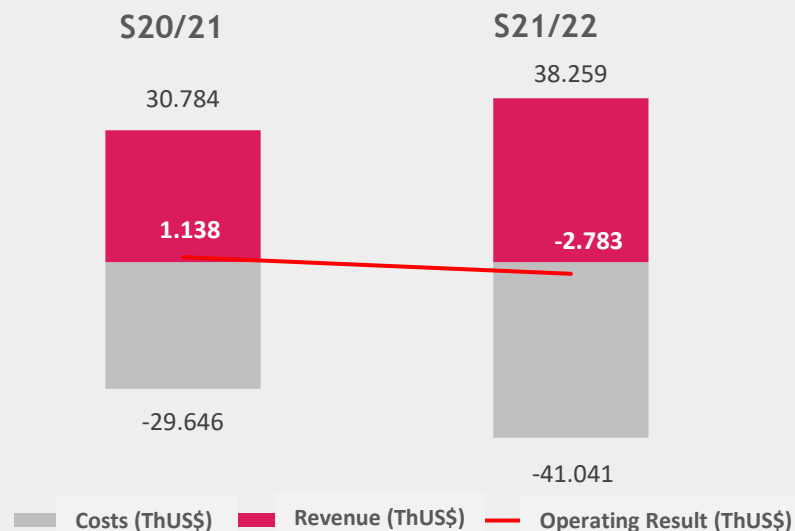
## S21/22 (Jul – Dec)



- **Revenue increase of 24.3%:** +8.4% volume and +14.6% average price per kilo.
- This increase in volume is mainly explained by a good first flower from the raspberry fields in Mexico of the *Centennial* variety (developed by Hortifrut and with which the entire new surface has been planted), mainly in fields of third-party producers that predominate with production in this part of the curve.
- The average price per kilo increased 14.6% even with the volume growth registered, associated with a good demand for the *Centennial* variety by customers, thanks to its outstanding quality and consumer preference. This genetics allows us to develop premium programs with fruit with excellent characteristics.
- Despite the above, the operating result was negative in 2H21 because the volume produced in said semester is not enough to cover the fixed costs of the period, which will be reversed in the next semester of the season.



### OPERATING RESULTS. (ThUS\$)



Raspberries	S20/21	S21/22	Var (%)
Sales volume (Tons)	3,775	4,094	+8.4%
Share of total	7.3%	6.6%	-
Average price (US\$/Kg)	8.15	9.35	+14.6%



# Blackberries

## S21/22 (Jul – Dec)



**Increase of 12.2% in revenue:** +8.2% volume and +3.7% average price per kilo.

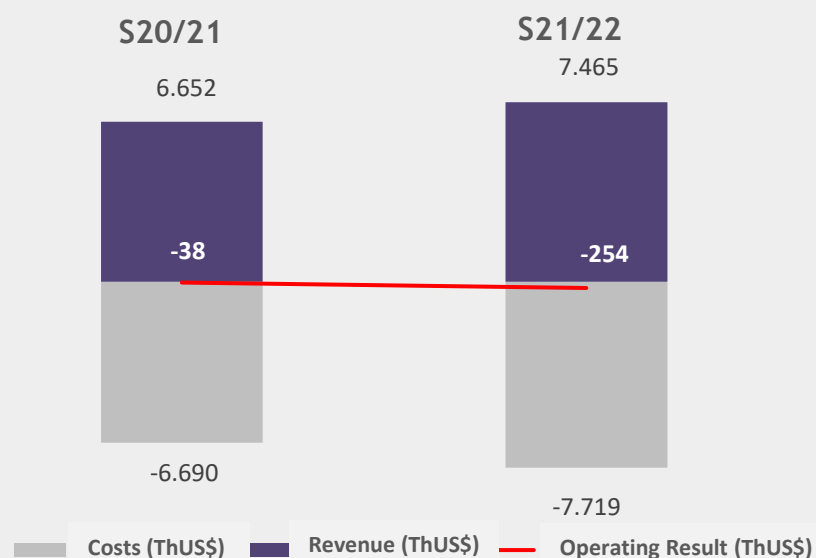
The growth in the volume sold is associated with a greater availability of good quality fruit in the Mexican market to capture from third-party producers.

The rise in the average price per kilo is associated with the better quality of fruit marketed by Hortifrut, although the industry was characterized by irregular quality for this species, impacting its rotation and prices at the market level.

During S20/21 a new logistics center was opened in Texas, which has contributed to considerably improve transit times for this fruit, benefiting its quality at destination.



### OPERATING RESULTS. (ThUS\$)



Blackberries	S20/21	S21/22	Var (%)
Sales volume (Tons)	964	1,043	+8.2%
Share of total	1.9%	1.7%	-
Average price (US\$/Kg)	6.90	7.16	+3.7%

# Strawberries

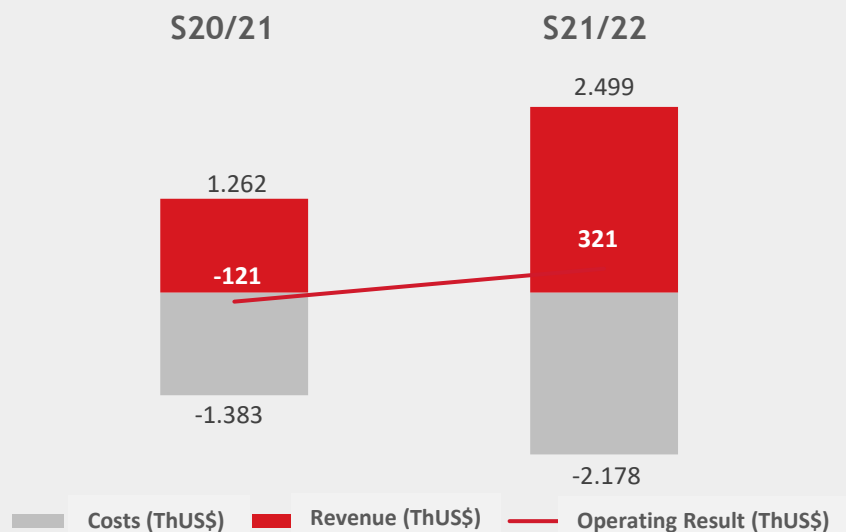
## S21/22 (Jul – Dec)



- **98.1% increase in revenue:** +79.5% volume and +10.4% average Price per kilo.
- The growth in the volume sold is explained by the good productive performance of the fields in Chile.
- The price increased compared to 2H20 mainly due to better conditions in the Chilean market and a Hortifrut supply curve focused on the winter months (time when prices are higher due to reduced competition).
- Thus, this segment recorded a positive operating result of ThUS\$321, compared to losses in the same period last season.



### OPERATING RESULTS. (ThUS\$)



Strawberries	S20/21	S21/22	Var (%)
Sales volume (Tons)	246	441	+79.5%
Share of total	0.5%	0.7%	-
Average price (US\$/Kg)	5.14	5.67	+10.4%

# Cherries

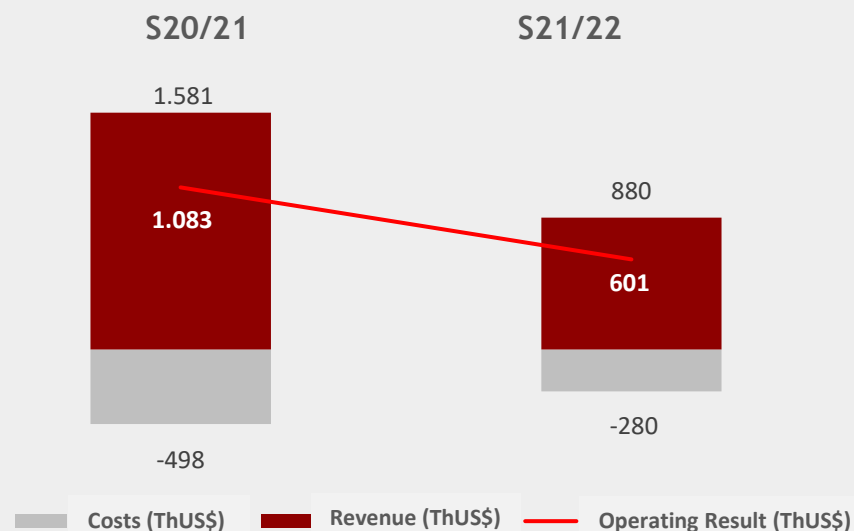
## S21/22 (Jul – Dec)



- **Decrease of 44.3% in revenue:** -41.9% volume and -4.3% average price per kilo.
- The reduction in the volume sold is explained by the Company's decision not to grant working capital financing to cherry producers during S21/22.
- The price decreased compared to 2H20 mainly due to a growth in supply at the industry level.
- Thus, this segment recorded a positive operating result of ThUS\$601, less than the profit generated in the same period last season.



### OPERATING RESULTS. (ThUS\$)



Cherries	S20/21	S21/22	Var (%)
Sales volume (Tons)	204	119	-41.9%
Share of total	0.4%	0.2%	-
Average price (US\$/Kg)	7.75	7.43	-4.3%

# Value Added Products

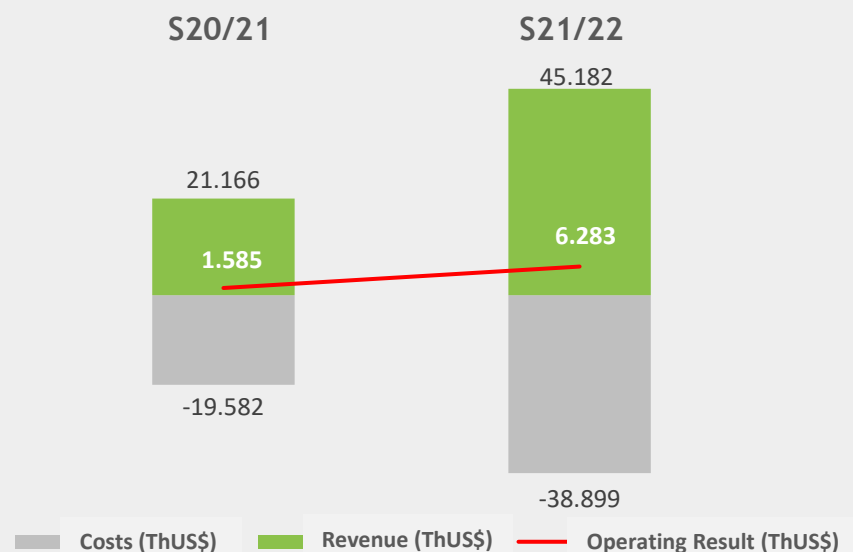
## S21/22 (Jul – Dec)



- **113.5% increase in revenue:** +75.9% volume and +21.5% average price per kilo.
- The higher volume is mainly explained by the incorporation of the Vitafoods frozen business to Hortifrut.
- The average sales price increased due to strong demand in consumer markets.
- Operating result went from a profit of ThUS\$1,585 in 2H20 to ThUS\$6,283 in 2H21, as a result of the higher volume traded, offset, to a certain extent, by a higher level of administration and depreciation expenses associated with a larger operation.



### OPERATING RESULTS. (ThUS\$)

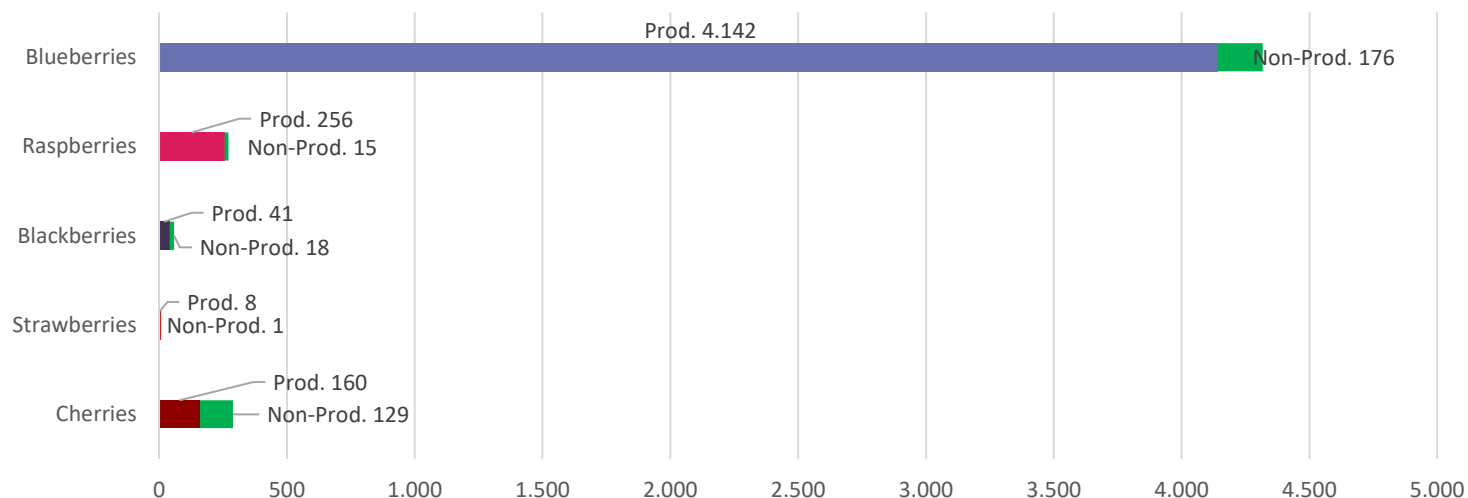


Value-Added Products	S20/21	S21/22	Var (%)
Sales volume (Tons)	7,668	13,490	+75,.2%
Share of total	14.9%	21.7%	-
Average price (US\$/Kg)	2.76	3.35	+21.5%

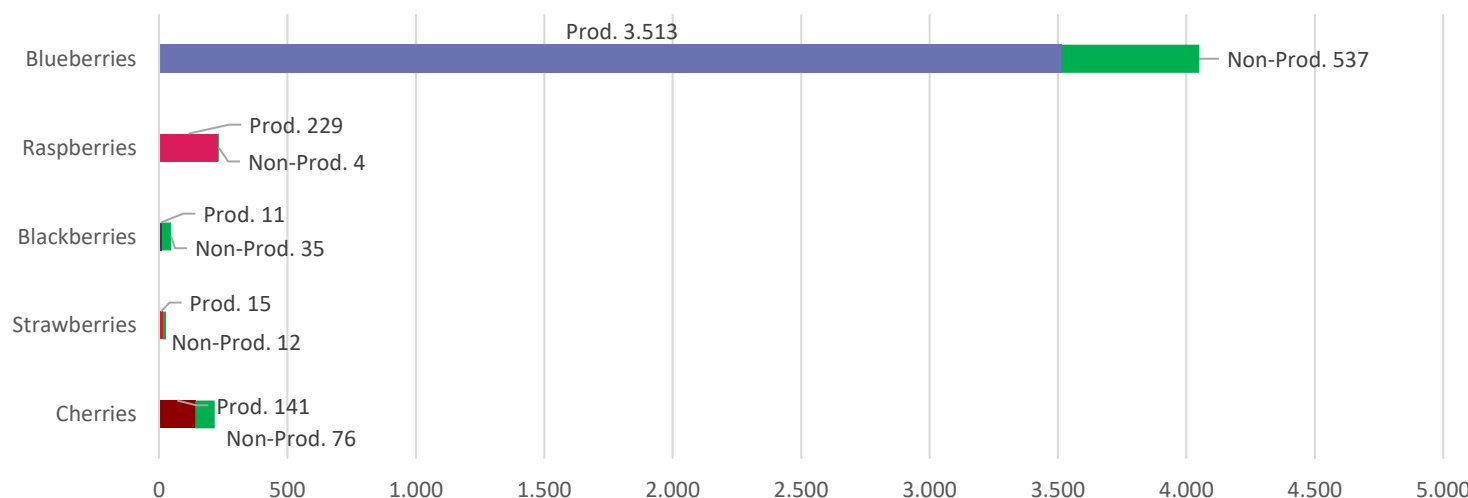
# Planted Hectares Evaluation



**Dec21**  
4,946 ha  
(4,606 ha productive)



**Dec20**  
4,573 ha  
(3,909 ha productive)



- **Blueberries:** increase of 267ha in total area due to plantations in China (+119ha), and Spain and Morocco (+368ha), offset by the pull up of plantations in Chile, Peru and the USA (-224ha). The change from non-productive to productive surface took place mainly in Mexico and China.
- **Raspberries:** 40 additional hectares are registered in Morocco and Spain as a result of the purchase of the Atlantic Blue Group.
- **Blackberries:** new plantations in Mexico (+12ha) and planted area became productive during 2020.
- **Cherries:** incorporation of 73ha planted, of which 28ha correspond to a larger area of fields under administration in Chile and 45ha correspond to the operations in Spain incorporated into HF through the purchase of Atlantic Blue.

- In addition to the previous area, there are 77 hectares planted with blueberries in the company Margesi S.A. (Argentina), all of which are in a productive state. This company is associated, for which it does not consolidate in Hortifrut's financial statements.

# Closing Remarks

## EBITDA

US\$194.6mn during 2021 (+US\$19.7mn) due to:

- Increase volumen sold (Chinese and Mexican Blueberries, Mexican Raspberries and incorporation of Vitafoods)
- Reduction in “Fresh Fruit” prices due to the concentration of the harvest curve in Peru at the industry level, despite which Hortifrut maintained its positive gap with respect to the benchmark
- Cost efficiency and good fruit quality/condition

US\$119.2mm during 6mS21/22 (-US\$10.3mm) due to:

- Very concentrated harvest curve in Peru, although with a higher volume of Value-Added Products (Vitafoods) and raspberries in Mexico.

## PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY

US\$61.7mm during 2021 (+US\$7.7mm) por:

- Higher EBITDA, offset by asset value impairment due to replanting and pull ups
- Lower net financial expenses
- Profits in Other income/expenses due to termination of the Earn-out obligation with Grupo Rocío
- Adverse impact difference of Exchange rate (depreciation of various currencies vs USD)
- Positive impact from deferred tax gains as a result of having classified Olmos as available for sale

US\$50.4mm during 6mS21/22 (-US\$1.mm) due to:

- Lower EBITDA due to lower prices that offset the higher volume, in addition to impairments due to pull ups
- Lower net financial expenses
- Favorable impact on deferred taxes for the same reasons as during 2021

## ATLANTIC BLUE PURCHASE

- **Materialization of the purchase** was executed on December 1, beginning to consolidate the companies as of that date.
- Operation **will boost** the Hortifrut business in **all the links of the value chain**: varietal development, production, operations and marketing.
- It opens up huge new growth and investment opportunities for Hortifrut in Europe and North Africa and provides it with a solid base to satisfy the growing demand of European customers and consumers for the best berries.

## GENETICS

- **Genetics' EBITDA** was US\$8.1mn during 6mS21/22 (6.8% of the total), compared to US\$7.4mm during 6mS20/21.
- This result accounts for the sale of Hortifrut varieties to third-party producers, which will bring an increase in the volume exported and marketed by the Company in the future, accelerating its future growth.





# Earnings Presentation December 2021

*01 April 2021*