



**REASONED ANALYSIS OF HORTIFRUT S.A.'S
CONSOLIDATED FINANCIAL STATEMENTS**

As of March 31, 2021
(In thousands of United States dollars)

The current reasoned analysis has been prepared for the period ending March 31, 2021, compared with the financial statements as of December 31, 2020 and March 31, 2020.

Since the Company administers its operations with an agricultural season (July 01 to June 30) point of view, which is the relevant criteria for this type of business, in this analysis we also include the comparison of the first 9 months of the 20/21 and 19/20 seasons (9M S20/21 and 9M S19/20, respectively).

1. HIGHLIGHTS OF THE PERIOD AND SUBSEQUENT FACTS

Significant improvement in the Company's performance and results

	Calendar Year (3 months)		Season (9 months)	
	Jan21 - Mar21	Jan20 - Mar20	Jul20 - Mar21	Jul19 - Mar20
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
EBITDA	51,736	25,067	181,195	101,004
Profit (loss), attributable to the parent company equity holders	17,750	1,382	69,272	21,139

During the 1Q21 and 9M S20/21, Hortifrut showed a relevant improvement in its performance. The main factors of this result are the execution of its commercial strategy through our platforms at the destination markets, the strength of our genetics programs, the innovation and application of production and operation technologies, the design to optimize our production curves, the maturity of fields planted in recent years in China and Mexico, and the Company's financial strength. We must add the constant demand of destination markets which have contributed to the increase in sales prices.

The excellence of our trade platforms allows us to provide better services for our customers with new and diverse product formats, which associated to our genetics (own and licensed) allow us to develop premium programs with fruit with better characteristics, assuring the preference of our customers and third party producers. This, added to the growth of the Value Added Products segment thanks to Vitafoods, allowed to record an increase in distributed volume of 34.20% during the 1Q21 in relation to the 1Q20. In relation to the season, as of March 2021 the Company reached a distributed volume growth of 33.31%, and an increase in average income of 4.61%.

Also, the use of technologies at a field and operations level at origin and destination, as well as the planted proprietary varieties, have allowed us to decrease our costs and optimize our production curve to accomplish a better market supply. Thereby, sales costs of the 30,256 tons distributed in 1Q21 was 6.45 US\$/kg, compared with 6.72 US\$/kg for the 22,546 tons distributed in the 1Q20.



Market knowledge allowed Hortifrut to maximize profitability, through an efficient planning of supply, executed through the pruning strategy, the design of the production curve and the handling of programmed harvests, which allowed an early start-up of the S20/21 in Peru and resulted in commercializing during the 9M S20/21 of approximately 36,300 tons from this country, which represents a 15.90% growth in relation to the same period of the previous season.

We managed to supply part of the demand of our commercial platforms in Asia and North America from fields developed to obtain competitive advantages, such as the blueberry fields in China, and the raspberry and blueberry fields in Mexico. In the case of Mexico, the planted hectares of Centennial, own raspberry variety developed by Hortifrut's genetics program, in own and third party fields, has brought a significant increase in commercialized volumes, passing from 2,002 tons in 9M S19/20 to 4,653 tons in 9M T20/21 (+132.35%).

This has allowed the obtention of a growth in the consolidated EBITDA during the 9M 20/21 of 79.39% in relation to the 9M 19/20, reaching US\$181.20 million.

Favorable Resolution US-ITC

The International Trade Commission of the USA, after investigating the imported blueberries market in this country, determined, by unanimity of its members, that fresh, refrigerated or frozen blueberries from the different countries that export to the United States, among them Chile, Peru and Mexico, do not constitute a substantial cause of serious damage or threat for that country's industry.

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

Change in Agricultural Regime in Peru

At the start of 2021, the Peruvian government approved a change in the country's agricultural regime. The main changes to the previously valid regime are: 1) a special bonus is created for agricultural workers of 30% of minimum vital remuneration, 2) participation in profit for workers will gradually increase from a current 5% to 10% in 2027, 3) the increase in the company's contribution to health insurance of the collaborators has been accelerated and will reach a 9% of taxable salary as of 2025 (before, as of 2029), and 4) there will be a progressive increase in income tax from a current 15% to 29.5% in 2028.

COVID-19 Sanitary Contingency

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

In order to maintain our commitment to supply berries every day of the year, the Company has aimed to assure the continuity of the operations, adopting measures to assure the provision of the necessary supplies for the correct functioning of all our fields. As of the end of 1Q21, the fields where the Company is harvesting are China and Mexico, whose operations have not been greatly affected.

2. SUMMARY OF THE PERIOD

The calculation of the EBITDA is detailed below:

	Calendar Year (3 months)		Season (9 months)	
	Jan21 - Mar21	Jan20 - Mar20	Jul20 - Mar21	Jul19 - Mar20
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
EBITDA DETERMINING				
Income from operating activities	244,071	176,622	668,134	477,546
Other income, per function	3,828	1,774	3,032	3,697
Total Income	247,899	178,396	671,166	481,243
Cost of sales	(195,048)	(151,493)	(498,723)	(381,544)
Administration expenses	(12,977)	(12,243)	(41,566)	(35,540)
Other expenses, per function *	(999)	(2,460)	(3,688)	(5,532)
Total Costs and Expenses	(209,024)	(166,196)	(543,977)	(422,616)
Operating Result	38,875	12,200	127,189	58,627
Depreciation and amortization	12,861	12,867	54,006	42,377
EBITDA	51,736	25,067	181,195	101,004
EBITDA without Fair Value	48,848	25,953	179,800	101,867

* Excludes impairment in the value of assets

Accumulated analysis as of March 2021

The EBITDA during the 1Q21 reached US\$51.74 million, which represents a 106.39% increase compared with the US\$25.07 million recorded in the 1Q20. The higher EBITDA is mainly due to: 1) the execution of its commercial strategy through Hortifrut's platforms at destination markets, allowing to record a 4.02% increase in the average sale price of fresh fruit, 2) the strength of its genetics programs and maturing of the fields planted during recent years, which has contributed to the increase in commercialized volume of 34.30%, mainly blueberries from Mexico and China, and raspberries from Mexico, which have mostly been planted with Hortifrut genetics (own and licensed), and 3) the innovation and application of production and operation technologies, generating sales cost per kilo efficiencies and improvements in the quality of the fruit.

The 1Q21 recorded profit attributable to the parent company shareholders for US\$17.75 million, representing a US\$16.37 million increase in relation to the US\$1.38 million profit recorded in the 1Q20. This improvement in gains attributable to the parent company is mainly due to an increase in the operating result of US\$26.68 million as a result of an increase in distributed volumes and the aforementioned average sale price, as well as the already stated reduction in costs and expenses. This was partially offset by the increase in income tax expense of US\$2.55 million linked to the higher before tax result.

Analysis of the July 2020 – March 2021 season

Also, the EBITDA during the 9M S20/21 reached US\$181.20 million, increasing 79.39% compared to the US\$101.00 million EBITDA recorded in the same period of S19/20. The EBITDA mainly increased due to the 33.31% increase in volume commercialized during the period, influenced by the increase in volume of: 1) Blueberries in Peru, Chile, Mexico and China, 2) Raspberries in Mexico, Portugal and Morocco, and 3) Value Added Products segment thanks to the merger that took place during 2020 between Hortifrut and Alifrut. Additionally, there is a 1.57% increase in the average price of the fruit mix, which, together with higher volumes, among other factors, allow for income from operating activities in the 9M S20/21 to reach US\$668.13 million, which represents a US\$190.59 million increase compared to the same period of S19/20, all thanks to the excellence of its commercial platforms that provide customer services with new and diverse product formats.

Profit attributable to the parent company shareholders reached US\$69.27 million in the 9M S20/21 compared to the US\$21.14 million recorded during the 9M S19/20 (+227.70%). The higher profit is mainly due to higher sales volumes, increase in average income, cost and expense efficiency, and the reduction in financial expenses (-US\$1.83 million), which was partially offset by: 1) the higher write-off of bearer plants that reached US\$13.96 million during 9M S20/21 and 2) a higher loss due to exchange rate fluctuation (-US\$4.74 million).

Net financial debt determining	31-Mar-21	31-Dec-20
Items	ThUS\$	ThUS\$
Other current financial liabilities	86,615	111,226
Current lease liabilities*	8,489	8,408
Other non-current financial liabilities	382,914	378,636
Non-current lease liabilities*	64,707	62,972
Total financial liability	542,725	561,242
Minus:		
Cash and cash equivalents	74,331	101,637
Total net financial debt	468,394	459,605

**Operating Leases are considered, which as of 2019 must be recognized as assets and liabilities in it (IFRS 16). To calculate bond covenants, the impact of Operating Lease accounting is not considered (IFRS 16).*

The Company's net financial debt increased from US\$459.61 million as of December 31, 2020 to US\$468.39 million as of March 31, 2021, impacted by debt issued by Vitafoods and Honghe Jiayu Agriculture Ltd. (China) to finance working capital at both operations, and plantations in China. Also, during the 1Q21 a cash decrease was seen which was mainly destined to working capital debt payment in Chile (-US\$36.5 million) and Peru (-US\$18.2 million).

Gross financial debt decreased in relation to December 2020, mainly due to the aforementioned payment of debts in Chile and Peru, which was mainly offset by the financing of working capital for Vitafoods, China and Mexico during the first quarter of 2021. As of March 2021, the liability associated to operating lease contracts which the Company has reach US\$68.78 million, which is compared with US\$65.76 million as of December 2020.

3. ANALYSIS OF INCOME STATEMENT

During the 1Q21, gains attributable to parent company shareholders were recorded for US\$17.75 million, representing a US\$16.37 million increase compared to the US\$1.38 million profit in 1Q20. The increase in profit attributable to the parent company shareholders compared to 1Q20 are mainly due to: 1) an increase in the gross margin of US\$26.68 million due to: i) the development of its commercial strategy through Hortifrut's platform at the destination markets, allowing to record a 4.02% increase in the average fresh fruit sale price, ii) the strength of its genetics programs, which have contributed to the increase in commercialized volume of 34.20%, due to the increase of blueberry volume from Mexico and China, and raspberries from Mexico, since most of this surface has been planted with Hortifrut genetics (own and licensed), and by the increase in value added products segment associated to the merger of Hortifrut with Alifrut, and iii) innovation and application of production and operation technologies, generating sale cost efficiencies per kilo and improving the quality of the fruit.

The aforementioned was offset, to a certain degree, by the increase in gains tax expense of US\$2.55 million, linked to the higher before tax result.

The EBITDA of the 1Q21 reached US\$51.74 million, which represented a 106.38% increase compared to the US\$25.07 million recorded as of 1Q20. The higher EBITDA is mainly due to the aforementioned operational factors.

a) Main Components of Income

Income from operating activities reached US\$244.07 million during the 1Q21, representing a 38.19% increase compared to 1Q20. This increase is mainly due to the 34.20% increase in sales volume and the 4.02% increase in the average price per kilo of the fresh fruit mix due to the aforementioned factors, with which the average price passed from 7.95 US\$/Kg to 8.27 US\$/Kg (average 1Q20 and 1Q21, respectively).

Income from operating activities of the 9M S20/21 increased 39.91% (+US\$190.59 million) in relation to the previous season, reaching US\$668.13 million, explained by the 33.31% increase in distributed volume to 80,845 tons and the 4.61% increase in average income per kilo.

	31-Mar-21	31-Mar-20	Variation	Jul20- Mar21	Jul19- Mar20	Variation
Total Operating Income	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Income from operating activities	244,071	176,622	38.19%	668,134	477,546	39.91%
Other income, per function	3,828	1,774	115.78%	3,032	3,697	-17.99%
Total Operating Income	247,899	178,396	38.96%	671,166	481,243	39.47%

The following is the detail of total operating income per business segment:

Income per Segment	Mar21 ThUS\$	Mar20 ThUS\$	Variation %	Jul20- Mar21 ThUS\$	Jul19- Mar20 ThUS\$	Variation %
Fresh Fruit	227,943	173,510	31.37%	630,043	462,637	36.19%
Blueberries	198,855	156,692	26.91%	560,677	429,937	30.41%
Raspberries	17,949	8,978	99.92%	48,733	17,618	176.61%
Blackberries	3,790	2,933	29.22%	10,441	8,358	24.92%
Strawberries	871	811	7.40%	2,133	2,187	-2.47%
Cherries	6,478	4,096	58.15%	8,059	4,537	77.63%
Value Added Products	19,956	4,886	308.43%	41,123	18,606	121.02%
Value Added Products	19,956	4,886	308.43%	41,123	18,606	121.02%
Total Operating Income	247,899	178,396	38.96%	671,166	481,243	39.47%

In blueberry sales, during the 1Q21 a 26.91% increase was observed compared with the previous period, explained by a 4.81% increase in commercialized volume, and by the increase in the average price per kilo of 3.73%, passing from 8.09 US\$/kg in 1Q20 to 8.40 US\$/kg in 1Q21.

Raspberries experienced an increase in sales income of 99.92%, due to the higher commercialized volume (+95.09%), mainly because of hectares planted in Mexico with *Centennial*, own raspberry variety developed by Hortifrut's genetics program in own and third-party fields. The commercialized volume passed from 836 tons during 1Q20 to 1,631 tons during 1Q21. Also, the average price per kilo increased 2.48% compared to the previous year.

The blackberries segment recorded a 29.22% increase in income compared to 1Q20, explained by an increase in average price which was offset by a 24.15% decrease in commercialized volume, mainly due to lower availability of quality fruit in Mexico.

Strawberries experienced an increase in sales of 7.40% compared to 1Q20, variation that is mainly explained by an increase in the average price per kilo, which was offset by a 28.88% decrease in distributed volume, mainly associated to a lower availability of fruit in the Mexican and Chilean market.

Cherries recorded an increase in sales income of 58.15% compared to 1Q20. This increase in income is due to an increase in commercialized volumes which passed from 736 tons in 1Q20 to 1,533 tons in 1Q21 (+108.48%), which was offset by a decrease in average price per kilo of 24.15%.

Value added products recorded an increase in sales income of 308.43% compared to income recorded in the same period of 2020. This variation is explained by a 340.33% increase in volume, associated to the merger of the frozen food segment with Alifrut, which started to impact results the last quarter of 2020. This was offset by a decrease in the average price per kilo of 7.24%, due to the change in the product mix.

b) Main Components of Costs and Expenses

Costs and Expenses	Mar21 ThUS\$	Mar20 ThUS\$	Variation %	Jul20- Mar21 ThUS\$	Jul19- Mar20 ThUS\$	Variation %
Cost of sales	(195,048)	(151,493)	28.75%	(498,723)	(381,544)	30.71%
<i>Administration expenses</i>	(12,977)	(12,243)	6.00%	(41,566)	(35,540)	16.96%
<i>Other expenses, per function, excluding impairment of value of assets*</i>	(999)	(2,460)	-59.39%	(3,688)	(5,532)	-33.33%
Other operating costs and expenses	(13,976)	(14,703)	-4.94%	(45,254)	(41,072)	10.18%
<i>Impairment of value of assets</i>	(1,108)	-	-	(13,955)	(1,747)	698.80%
Total Costs and Expenses	(210,132)	(166,196)	26.44%	(557,932)	(424,363)	31.48%

Main Components of Sales Costs

Sales costs as of Mar21 reached US\$195.05 million, presenting a 28.75% increase compared to the US\$151.49 million recorded as of Mar20. Higher costs are mainly explained by the higher commercialized volume as of Mar21 (+34.20%). Sales costs represented 79.91% of income from operating activities as of Mar21, while as of Mar20 it reached 85.77%, which reflects an improvement in the gross margin of 5.86 percent.

Sales costs of the 9M S20/21 reached US\$498.72 million, increasing 30.71% (+US\$117.18 million) compared to the 9M S19/20. The increase is mainly explained by: 1) higher costs due to the higher commercialized volume, and 2) higher depreciation. As a result of the aforementioned, the gross margin reached US\$169.41 million, increasing 76.47% compared to the US\$96.00 million recorded in 9M S19/20. Sales costs of 9M S20/21 represented 74.64% of income from operating activities, while during 9M S19/20 they reached 79.90%, which reflects an improvement in the gross margin of 5.25 percent.

Main Components of Administrative Expenses

Administrative expenses decreased in relative terms from 6.86% of income in 1Q20, to 5.23% in 1Q21, due to the maturity of investments performed in the last years. Administrative expenses in 1Q21 reached US\$12.98 million, representing a 6.00% increase compared to 1Q20. Higher expenses are due to the growth impact of operations in China and Mexico, and to the accounting recognition of consolidated expenses of Vitafoods and its subsidiaries (US\$0.98 million).

Main Components of Other Expenses, per function

Other expenses, per function, decreased US\$0.4 million, reaching US\$2.1 million in 1Q21. Decrease in expenses is due to the lower adjustment to Fair Value of fruit on bearer plants (-US\$0.75 million) and lower investigation expense (-US\$0.16 million). This decrease was offset by the lower Loss from sale of properties, plants and equipment.

c) Other Components of Income Statement

	Mar21	Mar20	Variation	Jul20- Mar21	Jul19- Mar20	Variation
Other Income (expenses)	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Other profit (loss)	50	(29)	-272.41%	(174)	(1,442)	-87.93%
Financial income	148	216	-31.48%	965	2,488	-61.21%
Financial expenses	(5,011)	(5,338)	-6.13%	(16,881)	(18,711)	-9.78%
Interest in profit (loss) of associated companies	(363)	72	-604.17%	(45)	(2,618)	-98.28%
Exchange rate fluctuations	(73)	929	-107.86%	(2,033)	2,711	-174.99%
Other Income (expenses)	(5,249)	(4,150)	26.48%	(18,168)	(17,572)	3.39%

The other components of the income statement passed from a loss of US\$4.15 million as of Mar20, to a US\$5.25 million loss as of Mar21 (-US\$1.10 million).

The main items that explain this variation are the following:

- a. As of March 2021, a loss due to exchange rate difference was recorded for US\$0.07 million, compared with the US\$0.93 million profit for the same period of 2020. During the 1Q21, the Chilean Peso, Peruvian Nuevo Sol, Mexican Peso and Euro depreciated against the United States dollar.
- b. Interest in profit (loss) of associated companies presented a loss of US\$0.36 million in 1Q21, which is compared with a US\$0.07 million profit in the same period the previous year. The result of the 1Q21 is explained by the participation in negative result of Naturipe Value Added Fresh, LLC for US\$0.22 million.
- c. Decrease of net financial expenses for US\$0.26 million, reaching US\$4.86 million as of Mar21. This variation is mainly explained by the decrease in market interest rates and improved financing conditions.
- d. Increase in Other profit (loss) of US\$0.08 million due to recognition of State Benefits (USA) for US\$0.12 million in 1Q21.

d) Gains tax expense

Gains tax expense reached US\$5.76 million as of Mar21, while it was US\$3.21 million as of Mar20. Tax expense in the period is mainly itemized by current tax expense of US\$4.42 million (-US\$2.14 million as of Mar20), positive deferred tax effect of US\$0.30 million (+US\$1.14 million as of Mar20), and other adjustments for -US\$1.04 million (+US\$0.07 million as of Mar20).

e) Other Result Indicators

Activity Indicators:

Indicator	Unit	31-Mar-21	31-Mar-20
Activity			
Rotation of Assets	Times	0.16	0.13
<i>Operating revenue / Total average assets of the period</i>			
Rotation of Inventory	Times	2.08	2.58
<i>Cost of sales / Average inventory</i>			
Permanence of inventory (days)	Days	43	35
<i>Inventory / Annual cost of sale (360 day base)</i>			

The rotation of assets between the periods ending March 31, 2021 and 2020, increased slightly because income grows in greater proportion than average total assets in the same period (income growth +38.19% vs. average total asset growth +14.25%).

Likewise, the rotation ratio of inventories decreased because of the increase in the inventory of frozen products due to the merger of this segment between Hortifrut and Alifrut, partially offset by an increase in sales costs. Average inventories increased from US\$58.72 million as of Mar20 to US\$93.61 million as of Mar21 (+59.41%), while sales costs passed from US\$151.49 million in the 1Q20 to US\$195.05 million in the 1Q21 (+28.75%).

4. COMPARATIVE ANALYSIS OF MAIN TENDENCIES

The evolution of the main financial indicators is the following:

Indicator	Unit	31-Mar-21	31-Dec-20	Variations %
Current Liquidity				
<i>Current Asset / Current Liability</i>	times	1.63	1.53	6.46%
Acid Ratio				
<i>Current assets (-) Other non-financial assets, inventories and current biological assets / Current liability</i>	times	1.05	1.09	-4.11%
Debt Ratio				
<i>Total liabilities / Equity attributable to Parent Company</i>	times	1.24	1.26	-1.84%
Short term debt				
<i>Total current liabilities / Total liabilities</i>		31.46%	30.60%	2.81%
Long term debt				
<i>Total non-current liabilities / Total liabilities</i>		68.54%	69.40%	-1.24%
Book value of the share (US\$)	Dollars per share	1.1172	1.0880	2.68%
<i>Equity attributable to parent company / N° shares</i>				

- Current liquidity was 1.63 times as of Mar21, which represents a slight increase in relation to Dec20. The acid ratio reached 1.05 times experiencing a slight decrease of 4.11% in relation with the period ending December 31, 2020. Current liabilities increased US\$8.76 million mainly due to the increase in accounts payable (+US\$20.07 million) due to an increase in sales, while current assets increased due to the increase in accounts receivable and inventory. As was previously mentioned, inventories

increased due to the new frozen foods operation (Vitafoods) which maintains, as of Mar21, a higher stock of frozen fruit to be sold during 2021.

- The debt ratio decreased slightly compared to December 31, 2020, explained by an increase in equity attributable to the parent company (+US\$16.84 million), which is partially offset by an increase in total liabilities of US\$6.2 million due to greater needs for working capital because of the increase in sales in relation to previous periods. Equity attributable to the parent company increased because of the profit attributable to the parent company of the period (+US\$17.75 million), due to a positive operating result during the current period.
- The percentage of current liabilities as of March 2021 was 31.46% in relation to total liabilities, slightly higher than the 30.60% as of December 2020, explained by the aforementioned increase in Current Liabilities during the 1Q21.
- The percentage of non-current liabilities as of March 2021 was 68.54% in relation to total liabilities, lower than the 69.40% as of December 31, 2020, because of the decrease in deferred tax Liabilities (-US\$8,54 million).
- The book value of the share increased 2.68%, passing from 1.0880 US\$/share in December 2020 to 1.1172 US\$/share as of March 2021, mainly associated to the 2.68% increase in parent company equity.

Indicator	Unit	31-Mar-21	31-Mar-20	Variations %
Financial expense coverage <i>(Before tax profit+Financial costs)/Financial costs</i>	times	7.49	2.51	198.61%
Profitability of parent company equity <i>Parent company gains/Parent company equity</i>		2.75%	0.24%	1062.12%
Profitability of equity <i>Profit of the period/Total equity</i>		3.55%	0.74%	377.58%

- The increase in the financial expense hedging index as of March 2021 in relation to the same period in 2020 is due to the increase in the before tax result of US\$24.47 million, which is added to lower financial expenses, which passed from US\$5.34 million as of Mar20 to US\$5.01 million as of Mar21.
- The profitability of parent company equity shows an increase of US\$16.37 million in profit attributable to the parent company shareholders in relation to March 2020, mainly due to the previously explained improved operating result.
- Also, the higher profitability of equity is attributed to the positive result of profit in the period of US\$26.76 million as of March 2021, which is compared with a US\$4.84 million profit in the same period in 2020. The improved results are partially offset by the increase in total equity, mainly associated to the profit obtained in 2020.

5. ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Main items of the consolidated Statement of Financial Position

Statement of Financial Position	31-Mar-21	31-Dec-20	Variation	
	ThUS\$	ThUS\$	ThUS\$	%
Total current assets	407,424	369,339	38,085	10.31%
Total non-current assets	1,142,503	1,148,761	(6,258)	-0.54%
Total assets	1,549,927	1,518,100	31,827	2.10%
Total current liabilities	250,672	241,914	8,758	3.62%
Total non-current liabilities	546,207	548,725	(2,518)	-0.46%
Total liabilities	796,879	790,639	6,240	0.79%
Equity attributable to parent company equity holders	644,974	628,135	16,839	2.68%
Non-controlling interest	108,074	99,326	8,748	8.81%
Total equity	753,048	727,461	25,587	3.52%

As of March 31, 2021, total assets increased US\$31.83 million (+2.10%) in relation to those existing as of December 31, 2020, as a result of:

US\$38.09 million (+10.31%) increase in current assets, mainly due to an increase in: 1) Inventory for US\$26.64 million due to the increase in finished frozen products, 2) Trade debtors and other accounts receivable, current (+US\$21.16 million), and 3) Biological asset (+US\$11.58). These effects are offset by decreases in Cash and cash equivalent (-US\$27.31) due to payment of financial debt in Chile and Peru.

Decrease in non-current assets of US\$6.26 million (-0.54%), due to the decrease in: 1) Deferred tax assets (-US\$9.17 million), and 2) Other financial assets, non-current (-US\$2.03 million), which was offset by an increase in: 1) Right of use assets (+US\$3.93 million) and 2) Property, plant and equipment (+US\$1.59 million).

Current liabilities increased US\$8.76 million (+3.62%), reaching US\$250.67 million as of March 2021. Higher current liabilities are mainly associated to the increase in Trade accounts and other accounts payable, current (+US\$20.07 million) mainly associated to the increase in sales during S20/21 in relation to the previous season, and the increase of Other Provisions (+US\$6.09 million) and Accounts Payable from related entities, current (+US\$4.98 million), which was offset by the decrease in Other financial liabilities, current (-US\$24.61 million) due to payment of working capital debt (PAEs) in Chile.

Also, non-current liabilities decreased US\$2.52 million (-0.46%), mainly due to a decrease in: 1) Deferred tax liabilities (-8.54 million), which was offset by the increase of Other financial liabilities, non-current (+US\$4.28 million) and Lease liabilities, non-current (+1.74 million). The Company's total equity increased US\$25.59 million compared to December 31, 2020, reaching US\$753.05 million (+3.52%). Total equity increased due to the result of the current year.

6. MAIN COMPONENTS OF NET OPERATING INVESTMENT AND FINANCING CASH FLOWS

Main sources and uses of funds in the period (US\$ million)	January-March 2021	January-March 2020	Comments
Charges from the sale of goods and providing of services	224	224	
Payment to suppliers for supplying of goods and services	(151)	(136)	Increase in payments to supplier due to higher sales in S20/21, and maturity of plantations in Mexico and china
Payment for and on behalf of employees	(40)	(27)	
Net interests	(5)	(5)	
Taxes	(4)	(1)	Increase in tax payment due to higher earnings
Others	1	1	
(1) Total Cash Flow for Operating Activities	24	57	
Sale and purchase of property, plant and equipment	(19)	(22)	It mainly considers investments in China, related to new plantations
Other investment activities (sum of all the rest)	(1)	(1)	
(2) Total Cash Flow for Investment Activities	(19)	(22)	
Income from financing	80	102	Reduction in working capital needs due to a higher sale during S20/21
Payment of loans	(112)	(105)	
Income from the issuance of shares	0	0	
Paid dividends and other investment flows	0	0	
(3) Total Cash Flow for Financing Activities	(32)	(3)	
Net Increase of Cash and Cash Equivalents (1) + (2) + (3)	(27)	32	
Effect of exchange rate fluctuation	(0)	0	
Cash and Cash Equivalent at the start of the period	102	42	
Cash and Cash Equivalent at the End of the Period	74	74	



7. **RISK FACTOR ANALYSIS**

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:

7.1. **Financial Risk**

7.1.1. **Credit Risk**

Credit risk is the risk of financial loss that Hortifrut and subsidiaries face if a customer or counterparty in a financial instrument does not comply with his contractual obligations and is mainly originated from customers' accounts receivable.

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 rate 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.



7.1.2. Liquidity and Financing Risk

This risk is associated to the probability that Hortifrut S.A. and its subsidiaries cannot comply with their obligations, because 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 administers these risks from the parent company through an appropriate distribution, extension of terms and by limiting the amount of its debt, as well as the maintenance of an adequate liquidity reserve, constantly monitoring the debt of the Subsidiaries and Associated Companies. Specifically, in the case of subsidiaries such as Hortifrut España Southern Sun SL, Honghe Jiayu Agriculture Ltd in China and associated 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 credit conditions based on the financing needs to face investment plans and requirements for work capital.

The application of IFRS16, means an increase in the company's financial liabilities when recognizing the lease obligation. The company, considering financial safeguards, has agreed with the corresponding financial institutions to not include obligations due to lease in the related calculation formula.

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

Hortifrut has available short-term credit lines, approved and valid for work capital, which as of March 31, 2021 reach the amount of US\$267.41 million (US\$233.66 million as of December 31, 2020) distributed among 17 banks. The used amount reaches US\$35.35 million, with an available balance of US\$232.06 million. Credit lines are distributed among the following companies: Hortifrut Chile S.A. with US\$250.50 million, Agrícola El Pampino S.A. with US\$0.75 million, Agrícola El Avellano S.A. with US\$0.50 million, Agrícola Santa Rosa del Parque S.A. with US\$1.00 million, Agrícola Mataquito S.A. with US\$1.70 million, Agrícola Vida Nueva S.A. with US\$0.40 million, Euroberry Marketing S.A. with US\$7.56 million and Hortifrut Import Inc., with US\$5.00 million.

Based on the current operational performance and its liquidity position, the Company estimates that cash flows from operating activities and available cash will be enough to finance work capital and interest payments, for the next 12 months and the foreseeable future.

To administer short term liquidity, the Company uses as a base its cash flows forecasted for a mobile period of twelve months and maintains cash and cash equivalents which are available to comply with its future obligations.



Below we summarize the maturity of the Company's bank loans and financial leasing as of March 31, 2021, based on undiscounted contractual flows:

	Cash Flows						
	Capital	Interests	From 0 to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Creditor Bank							
Banco Santander Chile	31,933	100	1,747	1,591	32,283	0	35,621
Banco RaboFinance Chile	48,330	279	0	4,673	47,341	1,096	53,110
Banco de Crédito e Inversiones	60,027	1,661	16,687	6,303	24,892	24,447	72,329
GC Rent Chile SpA.	152	0	14	54	89	0	157
Banco Scotiabank	20	0	20	0	0	0	20
Banco China Construction Bank Corp.	5,000	2	5,009	0	0	0	5,009
Banco Latinoamericano de Comercio Exterior, S.A.	12,936	40	0	433	13,974	0	14,407
Banco Santander Central Hispano S.A.	11,290	6	962	6,875	3,761	0	11,598
Banco Bilbao Vizcaya Argentaria	8,281	363	364	4,100	4,367	0	8,831
La Caixa	1,860	5	375	1,125	375	0	1,875
Bankinter	3,240	1	225	3,021	0	0	3,246
Banco Sabadell	891	0	150	450	350	0	950
Banco de Crédito del Perú	10,006	3	10,025	0	0	0	10,025
Coöperatieve Rabobank U.A.	20,000	271	0	592	16,148	5,614	22,354
Scotiabank Perú S.A.	333	0	0	333	0	0	333
Banco Estado	34,930	205	21	9,141	28,113	0	37,275
Banco de Chile	29,744	188	9,025	4,719	17,765	0	31,509
Banco Industrial and Commercial Bank of China Limite	29,853	93	0	999	32,248	0	33,247
Banco de Occidente S.A.	7,961	25	0	266	8,600	0	8,866
HSBC México SA, Institución de Banca Múltiple	372	0	373	0	0	0	373
Banco Internacional del Perú S.A.	248	0	130	59	66	0	255
Banco Continental BBVA	244	0	34	104	113	0	251
Metropolitan Life Insurance Company	9,386	22	108	390	1,846	12,241	14,585
Communications Bank Yunnan Branch	24,348	35	0	6,420	19,259	0	25,679
Credicorp Capital	65	0	65	0	0	0	65
Postal Savings Bank of China	24,911	39	0	1,035	25,035	0	26,070
Banco Santander de Negocios Colombia S.A	294	0	0	303	0	0	303
Banco ITAU	1	0	0	0	0	0	0
Total as of March 31, 2021	376,656	3,338	45,334	52,986	276,625	43,398	418,343

Below is a summary of the maturities of total financial liabilities as of March 31, 2021:

	Cash Flows						
	Capital	Fair Value	From 0 to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Detail							
Bank loans	372,265	375,579	45,311	52,594	274,600	41,193	413,698
Bonds - obligations with the public	93,405	93,950	864	3,395	49,242	58,585	112,086
Leasing Liabilities	4,391	4,415	23	392	2,025	2,205	4,645
Lease Liabilities	65,760	68,781	565	9,018	30,439	97,141	137,163
Trade accounts and other accounts payable	135,341	135,341	120,906	7,929	6,506	-	135,341
Accounts payable to related companies	17,893	17,893	-	7,055	10,838	-	17,893

7.1.3. 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 Chilean companies by contracting derivative instruments. Likewise, in 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, by liquid funds held 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 different to the functional currency

The following table shows exposure in currencies different to the dollar, over the Company's financial assets and liabilities as of March 31, 2021:

As of March 31, 2021	<u>Chilean</u>	<u>Nuevo Sol</u>	<u>Euro</u>	<u>Mexican Pesos</u>	<u>Yuan</u>	<u>Others</u>
	<u>Pesos</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Financial Assets						
Cash and Cash Equivalents	2512	4576	7011	653	12491	739
Current trade debtors and other accounts receivable	21,477	10,085	14,470	11,507	4,500	1,198
Current accounts receivable with related entities	9	-	3,140	-	-	-
Non-current accounts receivable with related entities	-	-	4,821	-	-	-
Total Financial Assets	23,998	14,661	29,442	12,160	16,991	1,937
Financial Liabilities						
Other current financial liabilities	222	-	16,058	-	7,149	-
Current lease liabilities	336	-	466	2,277	479	115
Current trade accounts and other accounts payable	31,142	12,524	5,114	6,258	5,190	478
Current accounts payable to related entities	208	47	3,341	-	-	-
Current provisions for employee benefits	1,486	1,927	-	1,538	-	138
Other non-current financial liabilities	125	-	4,223	-	42,184	-
Non-current lease liabilities	1,874	-	758	6,215	44,202	362
Non-current accounts payable to related entities	7,175	-	2,972	-	-	-
Total Financial Liabilities	42,568	14,498	32,932	16,288	99,204	1,093
Net exposure as of March 31, 2021	(18,570)	163	(3,490)	(4,128)	(82,213)	844

Sensitivity analysis

The potential net effect on financial assets and liabilities of a 10% devaluation of the United States dollar against all the other relevant currencies to which the Company is exposed, would be approximately ThUS\$10,740 (ThUS\$7,924 as of December 31, 2020), 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.

Currencies	<u>Activos</u>	<u>Pasivos</u>	<u>Neto</u>	<u>Neto (10% Devaluación)</u>	<u>Variación</u>
	<u>MUS\$</u>	<u>MUS\$</u>	<u>MUS\$</u>	<u>MUS\$</u>	<u>MUS\$</u>
Chilean Peso	23,998	42,568	(18,570)	(16,713)	1,857
Nuevo Sol	14,661	14,498	163	147	(16)
Euro	29,442	32,932	(3,490)	(3,141)	349
Mexican Peso	12,160	16,288	(4,128)	(3,715)	413
Yuan	16,991	99,204	(82,213)	(73,992)	8,221
Others	1,937	1,093	844	760	(84)
Total as of March 31, 2021	99,189	206,583	(107,394)	(96,654)	10,740

7.1.4. 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.

As of March 31, 2021 the variable debt that Hortifrut maintained was US\$334.51 million (US\$334.79 million as of December 31, 2020), if it maintained this debt level for a one year term and today the rate increased 10%, the impact on the annual financial cost would be ThUS\$0.88 million (US\$0.89 million as of December 31, 2020).

7.2 Operating Risks

Hortifrut's operating risks are administered by each corresponding management, in accordance with the norms and standards defined at a corporate level. Below is a detail of those that management considers to be of greater relevance:

7.2.1. Contingencies/Pandemics at origin or destination markets, which affect the production and commercialization cycle

The Company faces the risk that the different areas of the organization may be affected by natural disasters, unexpected events (fires, criminal attacks) or pandemics, from production to commercialization.

Even though all governments consider the agricultural industry as an essential activity, the Company has the risk of seeing its operations affected at point of origin, affecting its fruit harvest or processing in a negative manner. Hortifrut complies with the measures imposed by government organisms and global organizations. In the case of pandemics, due to the imminent possibility of contagion, frequent emergency committees are held, where action plans are adjusted, and a constant monitoring of its operations is maintained, counting with different harvesting techniques at origin and packing options at the destination markets which allow to somewhat mitigate this risk.

Furthermore, there is the risk that destination markets may not be able to receive the planned fruit, under expected conditions. To face this risk, the Company maintains fluid communication with commercial platforms and continuously monitors its shipments, being able to re-destine part of the fruit to other markets when protocols and demand allow it. The aforementioned does not imply that the Company will not be affected by eventual contingencies at destination markets.

7.2.2. 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.



7.2.3 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 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.

7.2.4. 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.

7.2.5. 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 possible climatic risks, such as rain, hail and frost control.

With the acquisition of Rocio Group's blueberries business, the Company's plantations in Peru reached 47.0% of the total plantations as of March 31, 2021, 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.

7.2.6. Plagues and Disease

It is unavoidable for part of the crop to be affected by some plagues and/or disease. 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 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 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. Since the 2020/2021 season, the regions of Bio Bio and Ñuble are part of an inspection process of its fruit and farms (System approach) which allows blueberries from these regions to be able to enter the USA without having to be fumigated.



7.2.7 Food-Safety

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

7.2.8. Risks of Availability of Human Resources

Temporary collaborators are vital for fruit harvest, so Hortifrut has developed several initiatives to attract, retain and maintain the temporary collaborators from one season to the next. Additionally, people are recruited through labor fairs and informative meetings organized with the intermediation of 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. Due to the extension of operations in Peru, the human resources factor is especially critical, especially in the main production weeks. To assure the necessary quantity of collaborators for the harvesting periods, Hortifrut has implemented initiatives that create loyalty with the temporary collaborators and has developed attention channels.

7.2.9 Continuity and Costs of Supplies and Services

The development of Hortifrut’s business involves a complex logistic where the opportune availability 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.

7.2.10. 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 in 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.

7.2.11. Regulatory risks of origin and destination markets

The Company, due to its production and export operations, as well as importing and sales in different countries, is exposed to different regulations applied at each of them and the potential changes that they could suffer.

To mitigate this risk, the Company maintains constant monitoring of the applicable regulations and their fulfilment, as well as potential changes that are under discussion. Also, the geographic diversity of the destination markets and productive operations, mitigates these risks by being able to destine fruit from different origins, fruit to different markets, taking into account the applicable regulations and safeguards.

An example of regulatory risk at origin was the derogation of the Agricultural Regime in Peru, which in the short term is translated into higher costs and an increase in tax rate. Also, an example of regulatory risk at destination was the investigation performed by the United States International Trade Commission (USITC), due to the petition of local blueberry producers. In this investigation we worked with lawyers, economists, producers from different origins and importers and it was demonstrated that the importing of blueberries has generated permanent availability of blueberries for the American consumer, thus generating an increase in demand, benefitting the complete industry, including local producers. This was ratified by the pronouncement of the USITC in February 2021.

7.3 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 March 31, 2021 and December 31, 2020 are the following:

<u>COUNTRY</u>	<u>TYPE OF INSURANCE</u>	<u>CURRENCY</u>	<u>31-Mar-21</u>	<u>CURRENCY</u>	<u>31-Dec-20</u>
			<u>COVERED AMOUNT</u>		<u>COVERED AMOUNT</u>
Chile	Infrastructure fire	UF	1,595,352	UF	1,595,352
Chile	Mobile Agricultural Equipment	UF	47,732	UF	47,732
Chile	Motor Vehicles	UF	74,200	UF	74,200
Chile	General and Product Civil Liability	USD	5,000,000	USD	5,000,000
Chile	Maritime Transport	USD	7,000,000	USD	7,000,000
Chile	Credit Insurance	USD	50,000,000	USD	50,000,000
Chile	Fruit and Materials Insurance	USD	14,400,000	USD	14,400,000
Chile	Terrorism	UF	500,000	UF	500,000
Chile	Business Interruption	UF	1,227,000	UF	1,227,000
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 lim	EUR	Commercial Value / without lim
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

7.4 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 March 31, 2021, the expected margin of fruit on the Company’s bearer plants was recognized, for the amount of US\$3.54 million, which is presented in the income statement under the item Other revenue per function.

The estimation of this same concept recorded as of December 31, 2020, was for the value of US\$0.65 million, which is presented in Other income per function.

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

Company	Fair Value adjustment as of 31-03-2021 (ThUS\$)	10% Reduction Volume (ThUS\$)	10% Reduction Price (ThUS\$)	10% Reduction Volume and Price (ThUS\$)
Hortifrut ABA S. de C.V. de R.L.	120	108	0	0
Hortifrut España Southern Sun S.L.	420	378	94	85
Honghe Jiayu Agriculture Limited	2,997	2,697	2,210	1,989
Total	3,537	3,183	2,304	2,074

7.5. 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 an income statement 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.