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

As of March 31, 2022
(In thousands of United States dollars)

The current reasoned analysis has been prepared for the period ending March 31, 2022, compared with the financial statements as of March 31, 2021 (Mar22 and Mar21, respectively).

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 nine months of the 21/22 and 20/21 seasons ("9M S21/22" and "9M S20/21", respectively).

1. HIGHLIGHTS OF THE PERIOD AND SUBSEQUENT FACTS

Sale of 75% of HFE Berries Perú SAC's shares

On May 25, 2022, the sale to PSP ("Public Sector Pension Investment Board") was materialized, one of the largest fund administrators in Canada, of 75% of HFE Berries Perú SAC's property, owner company of 100% of the field at Olmos, located in Peru and which has a planted surface of 397 hectares.

The operation meant an equity value for 100% of HFE Berries Peru of US$117.3 million and it is estimated that there will be a positive result for the company of approximately US$37 million.

Association with IG Berries in India

Hortifrut established an alliance with IG Berries in India, setting the basis for a significant growth in the region. This means an investment commitment by Hortifrut for US$20 million in the following years and a 50% participation in the company, which will allow expansion in said country. IG Berries is a unique company in its type, focused on the production of high technology blueberries in India, offering a large platform for Hortifrut in this new market. IG Berries began its operations in 2017 with the production of blueberries at its three fields in the country.

IG Berries now has 34 hectares planted with blueberries and it is expected to reach, at least, 100 hectares in the short-term. At the beginning, production will be destined to the local market.

Purchase of Atlantic Blue

Dated December 01, Hortifrut Inversiones Internacionales S.A. signed a sale-purchase agreement with Atlantic Blue Group, to purchase 100% of Atlantic Blue, S.L. and its subsidiaries' share capital, a Berries genetics development, processing, producing and commercializing company, with operations in Spain, Morocco and Peru. With said transaction, the Atlantic Blue Group became part of Hortifrut S.A.'s consolidated Financial Statements from the date of the sale-purchase contract.

With this transaction Hortifrut incorporates to its productive assets 400 hectares in Spain, 248 hectares in Morocco, and consolidates the 100% interest in 400 hectares at Olmos, where Hortifrut currently owns 50%. It also consolidates the property of Euroberry Marketing's commercial platform and the SAT Hortifrut processing plant located in Spain. In the transaction the whole berries and cherries genetics program will also be included, where the Rocío and Corona varieties stand out, as well as advanced selections of cherries with a low cold requirement.

For this transaction a price of EUR 258 million was agreed (subject to own adjustments of this type of operations), whose value will be paid in installments in a total term of 10 years. The payment calendar consists of: i) EUR 24 million, paid on September 30, 2021, ii) EUR72.3 million paid on December 01, 2021, closing date of the transaction, and iii) the balance in 10 equal annual installments from the closing, subject to an annual interest rate equal to Spanish inflation plus 0.25%. Furthermore, as of the closing date EUR7.9 million were paid from adjustments corresponding to this type of operations, mainly net cash, work capital and "leakages".

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 Mar22, the fields where the Company is harvesting are Peru, Mexico, China, Spain and Morocco 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)	
	Jan22 - Mar22	Jan21 - Mar21	Jul21 - Mar22	Jul20 - Mar21
EBITDA DETERMINING	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Income from operating activities	286,036	244,071	720,991	668,134
Other income, per function	4,841	3,828	15,209	3,032
Total Income	**290,877**	**247,899**	**736,200**	**671,166**
Cost of sales	(233,837)	(195,048)	(566,204)	(498,723)
Administration expenses	(17,129)	(12,977)	(54,644)	(41,566)
Other expenses, per function *	(5,444)	(999)	(11,477)	(3,688)
Total Costs and Expenses	**(256,410)**	**(209,024)**	**(632,325)**	**(543,977)**
Operating Result	**34,467**	**38,875**	**103,875**	**127,189**
Depreciation and amortization	17,001	12,861	66,805	54,006
EBITDA	**51,468**	**51,736**	**170,680**	**181,195**
EBITDA without Fair Value	**50,550**	**48,848**	**167,555**	**179,800**

**Excluding impairment in the value of assets*

Accumulated analysis as of March 2022

The EBITDA as of Mar22 reached US$51.5 million, which represents a 0.52% reduction compared to the US$51.7 million recorded as of Mar21. This reduction is explained because the 17.34% increase in income was offset by an even greater increase in Costs and Expenses of 22.05% (excluding impairment in assets, depreciations and amortizations) mainly explained by the growth of operations in Mexico and China which have not reached their maturity, as well as higher logistical costs (mainly export freight), and the increase in the cost of some agricultural supplies such as fertilizers. Also, income did not grow in the same proportion because these were decreased by volumes of blueberries below what was expected in Chile and Mexico mainly associated to climatic conditions.

Also, the 17.34% increase in income is explained thanks to the 21.37% increase in the commercialized volume of fresh fruit due to 1) the increase in volumes in Peru associated to the higher productivity of plants and the decision to extend the production curve to the first quarter of 2022, 2) by the maturity of blueberry fields in China and raspberries in Mexico, which have mostly been planted with Hortifrut genetics (own and licensed), and 3) by the commercialization of blueberry volumes in Morocco associated to the acquisition of Atlantic Blue.

Additionally, higher income is also explained by the growth in value added production volume, which increased 62.80% after the creation of Vitafoods. It is also explained by the higher fair value of fruit adjustment (+US$0.43 million) mainly associated to the recognizing of fruit hanging on bearer plants in Morocco due to the purchase of Atlantic Blue Berries Maroc, plus operations in China.

Accumulated EBITDA as of Mar22 without the fair value fo fruit effect reached US$50.55 million, which represents a 3.48% increase compared with the US$48.85 million obtained in the same period of 2021.

As of Mar22 a US$17.59 million profit attributable to the parent company shareholders was recorded, representing a US$0.16 million reduction compared to the US$17.75 million profit recorded as of Mar21 due to 1) the US$0.27 million reduction in EBITDA due to the aforementioned factors, 2) higher depreciation expense (+US$4.14 million) mainly associated to the consolidation of Atlantic Blue purchased companies, and the depreciation of investments recently realized in China and Mexico. Furthermore, net financial costs were recorded as of Mar22 for US$7.49 million, compared with the US$4.86 million in the same period of 2021 (+US$2.63 million) mainly associated to increase in the Net Financial Debt associated to the obtaining of additional financing for the purchase of Atlantic Blue.

The aforementioned was partially offset by the lower gains tax expense, which reaches US$-0.46 million as of Mar22, compared with the US$-5.76 million as of Mar21 (-US$5.30 million). Also, impairment in assets increased to US$0.72 million in the first quarter of 2022, corresponding to the write-off due to the stripping of blackberry hectares in Mexico for varietal turnover. This is compared with the impairment in assets for US$1.11 million in the first quarter of 2021.

Analysis of the July 2021 – March 2022 season

EBITDA during the 9M S21/22 reached US$170.68 million, decreasing 5.80% compared to the US$181.20 million EBITDA recorded in the same period of S20/21. The aforementioned is explained by the higher 15.42% increase in Sales Costs and Expenses (without including depreciation, amortization or impairment in assets) while income increased 9.69%.

The higher increase in Costs and Expenses is associated to the consolidation of the purchased companies Atlantic Blue and subsidiaries, higher sales costs and expenses due to the growth of operations in Mexico and China, as well as higher logistics costs, and the increase in the cost of some supplies. Also, income did not grow in the same proportion because it was decreased by blueberry volumes lower than the expected in Chile and Mexico mainly associated to climatic conditions, as well as lower market prices during the second half of 2021 associated to the concentration of fruit volumes in the industry (later and concentrated harvest curve for Peruvian fruit associated to colder weather).

The 9.69% increase in income in the 9M S21/22 versus 9M S20/21 is associated to the 25.93% increase in volumes explained by the increase in fresh fruit volumes (+14.42%) mainly thanks to production decisions that resulted in a higher performance per hectare of plants in Peru, and an increase in raspberry volumes in Mexico due to the maturity of plantations. Also, in the Value-Added Products segment an 82.35% growth was observed thanks to the merger realized during 2020 of the frozen food business (Vitafoods).

The aforementioned is partially offset by a greater net adjustment of fruit fair value, mainly explained by the recognizing of fruit on blueberry plants in Morocco (associated to the purchase of Atlantic Blue Berries Maroc). The EBITDA without the fair value of fruit effect during the 9M S21/22 reached US$167.56 million, which represents a decrease of 6.81% compared to the US$179.80 million obtained in the same period of S20/21 due to the previously mentioned reasons (lower gross margin in the 9M S21/22 compared to the 9M S20/21).

Gains attributable to the parent company shareholder reached US$67.99 million in the 9M S21/22, which represents a US$1.28 million decrease compared to the same period in the 9M S20/21 mainly due to 1) reduction in EBITDA due to the aforementioned reasons (increase in sales costs and administration expenses due to the growth in the Company's operations, while income did not grow in the same proportion associated to lower market prices and lower volumes of blueberries in Chile and Mexico), 2) increase in Depreciation (+US$12.80 million) associated to investments realized in the last year, mainly in China and Mexico, since they depreciate but have not reached productive maturity, also due to consolidation of companies purchased from Atlantic Blue (Spain and Morocco), and 3) increase in net financial expenses (+US$1.02 million) mainly associated to higher Net Financial Debt due to the purchase of Atlantic Blue.

The previous negative effects were partially offset by 1) lower impairment of assets (US$7.74 million in the 9M S21/22 which is compared with US$13.96 million in the 9M S20/21) due to the write-off of bearer plants in the S20/21 associated to varietal turnover plan in Chile and Peru to substitute old varieties for new ones, as well as the stripping in the United States of non-profitable hectares due to the continuous increase of production costs. Also, in S21/22 we continued with the varietal turnover of blueberries in Peru and blackberries in Mexico, 2) Other expenses for US$2.34 million (+US$2.52 million compared to what was recorded in 9M S20/21) mainly associated to the benefit due to the finalizing of the Earn-out payment obligation to the Grupo Rocio, offset by expenses related to the purchase of Atlantic Blue, and 3) Positive exchange rate fluctuation for US$0.99 million (+US$3.0 million compared to what was recorded in 9M S20/21).

Net financial debt determining Items	**31-Mar-22 ThUS$**	**31-Mar-21 ThUS$**
Other current financial liabilities	264,407	210,786
Current lease liabilities*	5,869	5,774
Other non-current financial liabilities	430,535	467,040
Non-current lease liabilities*	87,212	81,874
Total financial liability	**788,023**	**765,474**
Minus:		
Cash and cash equivalents	105,751	104,701
Total net financial debt	**682,272**	**660,773**

**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$660.77 million as of December 31, 2021, to US$682.27 million as of March 31, 2022, mainly explained by the taking of debt to finance working capital (purchase of fruit) for the frozen food business (Vitafoods) and also for the financing of working capital and investments in Mexico. As of March 2022, the liability associated to the operating lease contracts that the Company has reach US$90.91 million, which is compared with US$84.64 million as of December 2021.

3. ANALYSIS OF INCOME STATEMENT

In the 3 months ending March 31, 2022, gains attributable to parent company shareholders were recorded for US$17.59 million, representing a US$0.16 million reduction compared to the US$17.75 million profit recorded as of Mar22 due to 1) the reduction in EBITDA of US$0.27 million since despite the important increase in income of 17.34%, costs experienced a superior increase associated to higher logistical and supply costs, and higher fixed costs and expenses in countries in growth, 2) higher depreciation cost (+US$4.14 million) mainly associated to the consolidation of purchased Atlantic Blue companies and the depreciation of investments realized in recent years in China and Mexico, 3) increase in net financial costs, which reach US$7.49 million in the first quarter of the year, compared with the US$4.86 million in the same period of 2021 (+US$2.63 million) mainly associated to the taking of additional financing for the purchase of Atlantic Blue.

The aforementioned was partially offset by the lower gains tax expense, which reaches US$-0.46 million as of Mar22, compared with the US$-5.76 million as of Mar21 (-US$5.30 million). Also, impairment in assets reached US$0.72 million in the first quarter of 2022, corresponding to the write-off due to stripping of blackberry hectares in Mexico associated to varietal turnover. This is compared with impairment in assets for US$1.11 million in the first quarter of 2021.

a) Main Components of Income

Income from operating activities reached US$286.04 million as of Mar22, representing a 17.19% increase compared to Mar21. This increase is mainly due to the 31.04% increase in sales volume, which offsets the 7.99% fall in the average price per kilo. The average price passed from 7.00 US$/Kg to 6.44 US$/Kg (average 1Q21 to 1Q22, respectively), mainly due to lower market prices and changes in the mix of products (higher proportion of fruit from the Value-Added Products segment, which has a lower sale price).

The 31.04% increase in sales volume is explained thanks to the 21.37% increase in the commercialized volume of fresh fruit due to 1) increase in volumes in Peru associated to higher productivity of plants and by the decision to extend the production curve until the first quarter of 2022, 2) the maturity of blueberry fields in China and raspberries from Mexico, which have mostly been planted with Hortifrut genetics (own and licensed), and 3) the commercialization of blueberry volumes from Morocco associated to the purchase of Atlantic Blue. Also, volumes of the Value-Added Products segment increased 62.80% thanks to the merger of the frozen food business - Vitafoods.

Income from operating activities of the 9M S21/22 increased 7.91% (+US$52.86 million) compared to the same period of the previous season, reaching US$720.99 million, explained by the 25.93% increase in distributed volume to 101,811 tons, which offsets the fall in the average price by 9.07%.

Total Operating Income	Jan22 - Mar22 ThUS$	Jan21 - Mar21 ThUS$	Variation %	Jul21 - Mar22 ThUS$	Jul20 - Mar21 ThUS$	Variation %
Income from operating activities	286,036	244,071	17.19%	720,991	668,134	7.91%
Other income, per function	4,841	3,828	26.46%	15,209	3,032	401.62%
Total Operating Income	**290,877**	**247,899**	**17.34%**	**736,200**	**671,166**	**9.69%**

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

Income per Segment	Jan22 - Mar22 ThUS$	Jan21 - Mar21 ThUS$	Variation %	Jul21 - Mar22 ThUS$	Jul20 - Mar21 ThUS$	Variation %
Fresh Fruit	**251,066**	**227,943**	**10.14%**	**651,208**	**630,043**	**3.36%**
Blueberries	210,873	198,855	6.04%	561,912	560,677	0.22%
Raspberries	26,419	17,949	47.19%	64,678	48,733	32.72%
Blackberries	4,647	3,790	22.61%	12,112	10,441	16.00%
Strawberries	1,652	871	89.67%	4,151	2,133	94.61%
Cherries	7,475	6,478	15.39%	8,355	8,059	3.67%
Value Added Products	**39,811**	**19,956**	**99.49%**	**84,992**	**41,123**	**106.68%**
Value Added Products	39,811	19,956	99.49%	84,992	41,123	106.68%
Total Operating Income	**290,877**	**247,899**	**17.34%**	**736,200**	**671,166**	**9.69%**

In blueberry sales, as of Mar22 we observed a 6.04% increase regarding the previous period, explained by a 21.37% increase in commercialized volume associated to higher volumes in Peru, Morocco and China; offset by the decrease in the average price per kilo of 11.24%, passing from 8.40 US$/kg in the 1Q21 to 7.45 US$/kg in the 1Q22 mainly associated to lower market prices for Chilean fruit due to climatic conditions that affected the quality of the fruit.

Raspberries experienced an increase in sales income of 47.19%, due to the higher commercialized volume (+53.91%), mainly because of new 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 1,631 tons in 1Q21 to 2,510 tons in the 1Q22. Despite the important increase in volume, price only decreased 4.37%, passing from 11.01 US$/kg in the 1Q21 to 10.53 US$/kg in the 1Q22, which reflects the important market demand for this segment.

The blackberries segment recorded a 22.61% increase in income compared to 1Q21, explained by a higher commercialized volume (+25.41%) due to the good obtention of third-party fruit in Mexico, which offsets the slight decrease in average price by 2.24%.

Strawberries experienced an 89.67% increase in sales in the 1Q22 compared to the same period the previous year, variation that is explained by the 66.98% increase in distributed volume mainly due to a good productive performance at the fields in Chile, and the increase in the average price per kilo of 13.57% thanks to good market prices and fruit quality.

Cherries recorded a 15.39% increase in sales income compared to 1Q21. This increase in income is due to an increase in the average price per kilo of 45.06%, passing from 4.22 US$/kg to 6.13 US$/kg. This increase is explained by good market prices associated to important demand for this fruit, and because the previous year the price had been affected by rumors of traces of COVID-19 in Chilean cherries imported in China. Also, volumes were reduced by 20.45% mainly associated to lower availability of fruit from third party obtention.

Value-added products recorded an increase in sales income of 99.49% compared to income recorded in the same period of 2021. This variation is explained by the 62.80% increase in volume associated to the growth of the frozen food segment due to the merger with Alifrut. Also, there is an increase in the average price per kilo of 22.54% associated to the strong demand for this segment.

b) Main Components of Costs and Expenses

Costs and Expenses	Jan22 - Mar22 ThUS$	Jan21 - Mar21 ThUS$	Variation %	Jul21 - Mar22 ThUS$	Jul20 - Mar21 ThUS$	Variation %
Cost of sales	**(233,837)**	**(195,048)**	**19.89%**	**(566,204)**	**(498,723)**	**13.53%**
Administration expenses	*(17,129)*	*(12,977)*	*32.00%*	*(54,644)*	*(41,566)*	*31.46%*
Other expenses, per function, excluding impairment of value of assets	*(5,444)*	*(999)*	*444.94%*	*(11,477)*	*(3,688)*	*211.20%*
Other operating costs and expenses	**(22,573)**	**(13,976)**	**61.51%**	**(66,121)**	**(45,254)**	**46.11%**
Impairment of value of assets	*(717)*	*(1,108)*	-35.29%	*(7,737)*	*(13,955)*	-44.56%
Total Costs and Expenses	**(257,127)**	**(210,132)**	**22.36%**	**(640,062)**	**(557,932)**	**14.72%**

Main Components of Sales Costs

During the 1Q22 sales costs reached US$233.84 million, presenting a 19.89% increase compared to the US$195.05 million recorded during the 1Q21. Higher sales costs are explained mainly by the higher commercialized volume during the 1Q22 compared to the same period the previous year (+31.04%). Sales costs represented 81.75% of income from operating activities of the 1Q22, while in the 1Q21 they reached 79.91%, which reflects a slight decrease in the gross margin of 1.84 percent mainly associated to lower average prices (-7.99% compared to the 1Q21) and increase in costs of some supplies and export freight fees.

Sales costs of the 9M S21/22 reached US$566.20 million, increasing 13.53% (+US$67.48 million) compared to the 9M S20/21. The increase is mainly explained by the higher commercialized volume (+25.93%). Sales costs represented 78.53% of income from operating activities in the 9M S21/22, while in the 9M S20/21 they reached 74.64%, resulting in a lower gross margin. As was previously mentioned, this decrease in margin is mainly associated to the reduction in average prices in the accumulated of the season (-9.07% compared to average prices of the 9M S20/21), apart from the increase in the cost of certain supplies and the export freight fees. Also, unit costs are decreasing in 9M S21/22 compared with 9M S20/21 associated to the increase in volumes of Value-Added Products (frozen), whose unit costs are inferior to Fresh Fruit.

<u>Main Components of Administrative Expenses</u>

Administrative expenses during the 1Q22 reached US$17.13 million, representing a 32.00% increase compared to 1Q21. Higher expenses are due to the impact in growth of operations in China, Mexico and Ecuador. Furthermore, from December 2021 the recently acquired companies from the Atlantic Blue Group started to consolidate.

<u>Main Components of Other Expenses, per function</u>

Other expenses, per function, increased US$4.05 million, reaching US$6.16 million during the 1Q22 mainly explained due to the reversal of a higher fair value of fruit adjustment (+US$2.40 million), additionally due to the higher impairment in Accounts Receivable (+US$1.13 million).

c) Other Components of Income Statement

Other Income (expenses)	Jan22 - Mar22 ThUS$	Jan21 - Mar21 ThUS$	Variation %	Jul21 - Mar22 ThUS$	Jul20 - Mar21 ThUS$	Variation %
Other profit (loss)	(832)	50	-1764.00%	2,342	(174)	-1445.98%
Financial income	3,464	148	2240.54%	4,804	965	397.82%
Financial expenses	(10,955)	(5,011)	118.62%	(21,740)	(16,881)	28.78%
Interest in profit (loss) of associated companies	71	(363)	-119.56%	440	(45)	-1077.78%
Exchange rate fluctuations	(54)	(73)	-26.03%	991	(2,033)	-148.75%
Other Income (expenses)	**(8,306)**	**(5,249)**	**58.24%**	**(13,163)**	**(18,168)**	**-27.55%**

The other components of the income statement increased from a US$5.25 million loss in the 1Q21 to a US$8.31 million loss in the 1Q22 (+US$3.06 million).

The main items that explain this variation are the following:

a. US$2.63 million increase in net financial expenses, reaching US$7.49 million in the 1Q22. This variation is mainly explained by the increase in Net Financial Debt associated to additional financing due to the purchase of Atlantic Blue's companies.

b. Other loss for US$0.83 million which mainly corresponds to expenses associated to the purchase of Atlantic Blue.

d) Gains tax expense

Gains tax expense reached -US$0.46 million during the 1Q22, while it was -US$5.76 during the 1Q21. Tax expense of the period is mainly itemized by current tax expense of -US$9.47 million (-US$4.42 million in the 1Q21), deferred tax profit of US$8.29 million (US$0.30 million in the 1Q21), and other adjustments for US$0.72 million (-US$1.04 million in the 1Q21). The US$8.29 million corresponding to deferred tax profit is mainly generated by the impact in the variation of the exchange rate of non-monetary assets in Peru and Mexico, as well as the realization of derivatives during the period.

e) Other Result Indicators

Activity Indicators:

Indicator	Unit	Jan22 - Mar22	Jan21 - Mar21
Activity			
Rotation of Assets	times	0.15	0.16
Operating revenue / Total average assets of the period			
Rotation of Inventory	times	1.59	2.03
Cost of sales / Average inventory			
Permanence of inventory (days)	days	57	44
Inventory / Annual cost of sale (360 day base)			

The rotation of assets between the periods ending March 31, 2022 and 2021 decreased slightly because income increased in lower proportion to the total average assets in the same period (income growth +17.34% vs. average total asset growth +29.56%). This greater growth in assets is mainly due to the consolidation of companies purchased from Atlantic Blue, whose general impact in income will mostly be reflected during the following months in 2022.

Likewise, the inventory rotation ratio decreased due to the increase in inventory of frozen products due to the merger between Hortifrut and Alifrut within this segment, partially offset by an increase in the cost of sales. Average inventories increased from US$95.91 million in Mar21 to US$146.87 million in Mar22 (+53.13%), while sales costs passed from US$195.04 million in the 1Q21 to US$233.84 million in the 1Q22 (+19.89%).

4. COMPARATIVE ANALYSIS OF MAIN TENDENCIES

The evolution of the main financial indicators is the following:

Indicator	Unit	31-Mar-22	31-Dec-21	Variations %
Current Liquidity *Current Asset / Current Liability*	times	1.29	1.33	-3.44%
Acid Ratio *Current assets (-) Other non-financial assets, inventories and current biological assets / Current liability*	times	0.85	0.93	-8.32%
Debt Ratio *Total liabilities / Equity attributable to Parent Company*	times	2.01	2.04	-1.33%
Short term debt *Total current liabilities / Total liabilities*		39.59%	35.92%	10.19%
Long term debt *Total non-current liabilities / Total liabilities*		60.41%	64.08%	-5.71%
Book value of the share (US$) *Equity attributable to parent company / N° shares*	Dollars per share	1.0892	1.0383	4.90%

- Current liquidity was 1.29 times as of Mar22, which represents a slight decrease in relation to Dec21. Also, the acid ratio reached 0.85 times experiencing a decrease of 8.32% in relation to the period ending December 31, 2021. This decrease in liquidity ratios is mainly explained by the increase in current liabilities of US$61.63 million, mainly associated to the increase in Other Financial Liabilities, current (+US$53.62 million) due to the debt for financing of working capital for the frozen food business (Vitafoods) and the season peak in Mexico.

- The debt ratio decreased slightly compared to December 31, 2021, explained by the growth in Parent Company Equity from US$599.45 million in Dec21 to US$628.82 million in Mar22 (+4.90%). This increase is mainly explained by the parent company profit of the 1Q22 for US$ 17.59 million. Also, Total Liabilities grew in lower proportion as of Mar22 compared to Dec21 (+3.50%). Said increase was associated to Other current Financial Liabilities, due to the aforementioned greater need for working capital.

- The percentage of current liabilities as of Mar22 was 39.59% compared to total liabilities, higher compared to the 35.92% as of December 2021, explained by the aforementioned increase in current liabilities for said period. In the meantime, the percentage of non-current liabilities as of Mar22 was 60.41% compared to total liabilities, inferior to the 64.08% as of December 31, 2021.

- The book value of the share increased 4.90%, passing from 1.0383 US$/share in December 2021 to 1.0892 US$/share as of March 2022, associated to the increase in equal proportion to the parent company.

Indicator	Unit	Jan22 - Mar22	Jan21 - Mar21	Variations %
Financial expense coverage *(Before tax profit+Financial costs)/Financial costs*	times	3.32	7.49	-55.64%
Profitability of parent company equity *Parent company gains/Parent company equity*		2.80%	2.75%	1.65%
Profitability of equity *Profit of the period/Total equity*		3.41%	3.55%	-4.15%

- The reduction in the financial expense hedging index as of Mar22 in relation to Mar21 is due to the increase in financial expenses, which passed from US$5.01 million in the 1Q21 to US$10.96 million in the 1Q22, mainly due to the obtaining of financing for the purchase of Atlantic Blue and the increase in working capital debt. Also, there is the aforementioned reduction in the before tax result of US$7.07 million.

- The profitability of parent company equity for the first quarter increased from 2.75% in 2021 to 2.80% in 2022 mainly explained by the reduction in parent company equity from US$644.97 million in Mar21 to US$ 628.82 million in Mar22 (-US$16.15 million). Also, parent company Profit in the 1Q22 was at US$17.59 million, very similar to the parent company equity in the 1Q21 which was located at US$17.75 million.

  The mentioned reduction in parent company Equity is explained by the record of negative reserves in Dec21 due to the difference between the price assigned to the minority participation purchased from the Euroberry Marketing S.A, Hortifrut España Southern Sun S.L.U. and HFE Berries Perú S.A.C. companies and their book equity value, all of this associated to the purchase of the Atlantic Blue Group. The aforementioned was partially offset by the higher accumulated profit attributable to the parent company shareholders (US$213.72 million as of Mar22, compared to US$179.16 as of Mar21).

- Total Parent Company Profit in the 1Q22 is located at 3.41%, compared to 3.55% in the 1Q21. This reduction is explained by the lower profit in the period in the 1Q22 in relation to the 1Q21 (-US$1.78 million), associated to the lower operating result (lower prices, increase in costs and expenses), and non-operational result (mainly due to higher net financial costs); as was mentioned beforehand.

5.ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Main items of the consolidated Statement of Financial Position

	31-Mar-22	31-Dec-21	Variation	
Statement of Financial Position	**ThUS$**	**ThUS$**	**ThUS$**	**%**
Total current assets	644,845	585,574	59,271	10.12%
Total non-current assets	1,352,378	1,330,664	21,714	1.63%
Total assets	**1,997,223**	**1,916,238**	**80,985**	**4.23%**
Total current liabilities	500,293	438,663	61,630	14.05%
Total non-current liabilities	763,517	782,392	(18,875)	-2.41%
Total liabilities	**1,263,810**	**1,221,055**	**42,755**	**3.50%**
Equity attributable to parent company equity holders	628,820	599,446	29,374	4.90%
Non-controlling interest	104,593	95,737	8,856	9.25%
Total equity	**733,413**	**695,183**	**38,230**	**5.50%**

As of March 31, 2022, total assets increased US$80.99 million (+4.23%) in relation to those existing as of December 31, 2021, as a result of the increase in current assets of US$59.27 million (+10.12%), mainly due to an increase in: 1) Inventories (+US$35.61 million) mainly explained due to higher frozen product inventories in the manufacturing process (Vitafoods) due to the increase in volumes in this business, 2) Trade debtors and Other Accounts receivable (+US$10.80 million) also associated to higher frozen food business sales, 3) Accounts Receivable from related entities (+US$7.09) mainly associated to the sale of fruit in China to subsidiaries of the Joyvio partner, and 4) Other financial assets (+US$6.18 million) mainly explained by the valuation (Mark to Market) of derivative instruments (rate and exchange rate fluctuation hedging) that the Company has.

In the meantime, non-current assets increased US$21.71 million (+1.63%) in relation to December 31, 2021 due to the increase in: 1) Property, Plant and Equipment (+US$54.58 million) associated to the incorporation to fair value of the property, plant and equipment of the companies purchased from the Atlantic Blue Group (+US$49.36 million) and investments mainly realized in China, 2) Intangible Assets different to equity (+US$27.73 million) mainly associated to the incorporation of varietal licenses and genetic programs of blueberries and cherries of the Atlantic Blue Group, and 3) Right of Use Assets (+US$5.47 million) associated to new lease contracts. The aforementioned was offset by the adjustment in Equity from US$324.45 million as of Dec21 to US$266.2 million as of Mar22, since as of the closing of the financial statements as of December 31, 2021, the Company was checking the valuation to fair value of the assets and liabilities purchased from the Atlantic Blue Group, process that was concluded as of March 31, 2022.

- Current liabilities increased US$61.63 million (+14.05%), reaching US$500.29 million as of Mar22. Higher current liabilities are mainly associated to 1) increase in financial liabilities (+US$53.62 million) associated to working capital financing for the frozen food business (Vitafoods) and the peak season in Mexico, 2) increase in accounts payable to related entities (+US$8.04 million) explained by accounts payable to HFE Berries Perú S.A.C. due to the purchase of fruit from this subsidiary (this account is recognized when it is classified as a company available for sale from December 2021). The aforementioned is partially offset by the reduction in Trade Accounts and Other Accounts Payable (-US$8.27 million) associated to lower debt with suppliers in Peru and Chile due to the end of season.

- Non-current liabilities decreased US$18.88 million (-2.41%) explained by the reduction in financial liabilities (-US$36.51 million), partially offset by the increase in deferred tax liability (+US$14.67 million).

- The Company's total equity increased US$38.23 million compared to December 31, 2021, reaching US$733.41 million (+5.50%) mainly explained by the total profit of the 1Q22 for US$26.76 million, plus the positive effect of cash flow hedging reserves and the exchange rate fluctuation for US$11.78 million in the 1Q22.

MAIN COMPONENTS OF NET OPERATING INVESTMENT AND FINANCING CASH FLOWS

Main sources and uses of funds of the period (US$ million)	**January - March 2022**	**January - March 2021**	**Comments**
Charges from the sale of goods and providing of services	269	224	Increase due to higher sales in Peru, maturity of investments in China and Mexico, and growth of the value-added business (Vitafoods).
Payment to suppliers for the providing of goods and services	(207)	(151)	Increase in payment to suppliers due to maturity of investments in China and Mexico, and growth of the value-added business (Vitafoods).
Payment to and on behalf of employees	(47)	(40)	
Net interests	(7)	(5)	
Taxes	(1)	(4)	
Others	(2)	1	
(1) Total Cash Flow for Operating Activities	**5**	**24**	
Sale and purchase of property, plant and equipment	(30)	(19)	Mainly investments due to plantations in China.
Other investment activities (total of the rest)	1	(1)	
(2) Total Cash Flow for Investment Activities	**(29)**	**(19)**	
Financing income	173	80	Higher income from debt to finance greater working capital needs.
Loan payments	(151)	(112)	
(3) Total Cash Flow for Financing Activities	**22**	**(32)**	
Net Increase of Cash and Cash Equivalents (1) + (2) + (3)	**(2)**	**(27)**	
Exchange rate fluctuation effect	3	(0)	
Cash and Cash Equivalent at the start of the period	105	102	
Cash and Cash Equivalent at the End of the Period	**106**	**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 S.A. sells fresh fruit and others, diversified in several countries with an important presence in the North American, European and Asian markets.

The accounts receivable portfolio is mainly made up of large retail chains, its 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.

To mitigate the risks of international fresh fruit sales and considering the behavior of trade relationships with its customers, Hortifrut S.A. can administer other credit management instruments, such as advanced payments, guarantees or letters of credit obtained on behalf of the customers to assure the exporting of the products to the different destinations where the fruit is commercialized. Commercial reality indicates that the use of these mechanisms is specifically used for sales to some markets and that, in general, the Company performs credit management with control over the sending of fruit overseas, considering that a non-payment behavior on behalf of customers, results in the immediate suspension of new overseas deliveries.

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. As a means to mitigate this risk, the Company has contracted credit insurances for the parent company and subsidiaries.

In order to mitigate this risk, the Company has contracted credit insurance for the parent company and subsidiaries.

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, 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 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 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 working capital, which as of March 31, 2022, reach the amount of US$257.56 million (US$277.68 million as of December 31, 2021), distributed among 17 banks. The used amount reaches US$129.35 million, with an available balance of US$128.21 million. Credit lines are distributed among the following companies: Hortifrut Chile S.A. with US$241.00 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$7.21 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, 2022, 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
Creditor Bank	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Banco de Crédito e Inversiones	80,355	1,686	17,228	13,810	42,061	17,910	91,009
Banco Santander Chile	56,957	118	27,251	6,211	26,491	-	59,953
Banco de Crédito del Perú	55,018	285	118	25,388	30,880	-	56,386
Banco RaboFinance Chile	45,236	284	32	13,225	34,729	767	48,753
Banco Scotiabank	40,000	21	34,636	8,059	-	-	42,695
Banco de Chile	42,603	226	15,024	12,589	16,587	-	44,200
Banco Latinoamericano de Comercio Exterior, S.A.	32,956	48	-	2,684	33,391	-	36,075
Banco Estado	31,585	190	-	12,325	20,865	-	33,190
Banco Industrial and Commercial Bank of China Lim	32,567	111	37	6,222	26,482	-	32,741
Postal Savings Bank of China	28,490	-	-	5,324	24,361	-	29,685
Cooperatieve Rabobank U.A., New York Branch	25,000	-	-	-	28,240	-	28,240
Banco Internacional del Perú S.A.	24,097	142	72	4,137	20,606	-	24,815
Banco ITAU	22,000	5	22,026	-	-	-	22,026
Communications Bank Yunnan Branch	18,945	-	12	9,476	12,578	-	22,066
CaixaBank, S.A.	13,106	1	1,138	2,601	10,099	320	14,158
Banco Santander Central Hispano S.A.	11,080	-	309	5,554	5,075	426	11,364
HSBC México SA, Institución de Banca Múltiple	10,453	-	-	10,453	-	-	10,453
Banco China Construction Bank Corp.	10,000	2	10,009	-	-	-	10,009
Banco de Occidente S.A.	7,973	30	-	1,652	7,061	-	8,713
Banco BICE	4,000	2	2,002	2,013	-	-	4,015
Caja Rural del Sur	3,797	-	57	616	2,580	704	3,957
Bankinter	2,222	-	-	2,222	-	-	2,222
Banco Bilbao Vizcaya Argentaria	1,589	-	21	228	996	415	1,660
Banco Sabadell	283	-	142	142	-	-	284
GC Rent Chile SpA.	112	-	19	57	54	-	130
Banco BBVA Perú SA.	110	-	36	78	-	-	114
Credicorp Capital	19	-	1	16	2	-	19
Bancolombia S,A.	2	-	-	2	-	-	2
Total as of March 31, 2022	**600,555**	**3,151**	**130,170**	**145,084**	**343,138**	**20,542**	**638,934**

Below is a summary of the maturities of total financial liabilities as of March 31, 2022:

			Cash Flows				
	Capital	Fair Value	From 0 to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Detail	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Bank loans	598,391	601,533	129,818	144,288	342,019	20,542	636,667
Bonds - obligations with the publich	92,856	93,409	1,260	3,000	102,703	-	106,963
Leasing Liabilities	2,164	2,173	352	796	1,119	-	2,267
Operating Lease Liabilities	82,741	90,908	1,135	6,216	31,687	107,444	146,482
Trade accounts and other accounts payable	292,047	292,047	132,226	19,655	140,166	-	292,047
Accounts payable to related companies	27,924	27,924	-	19,930	7,994	-	27,924

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, Euros Moroccan Dirhams.

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, costs of the agricultural operation in Continental Europe, bank obligations and liquid funds held in financial instruments. Hortifrut constantly evaluates the need to perform actions to mitigate this risk.

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.

e) Exposure to Moroccan Dirhams

The source of exposure to Moroccan Dirhams mainly comes from agricultural operating costs in Morocco, which are mostly denominated in said currency and, at a lower measure, from liquid funds held in financial instruments. 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, 2022:

As of March 31, 2022	Chilean Pesos ThUS$	Nuevo Sol ThUS$	Euro ThUS$	Mexican Pesos ThUS$	Yuan ThUS$	Dirham ThUS$	Others ThUS$
Financial Assets							
Cash and Cash Equivalents	2,693	1,455	15,249	886	2,678	2,417	780
Current trade debtors and other accounts receivable	29,660	7,956	28,783	13,743	8,634	4,587	1,951
Current accounts receivable with related entities	72	11	775	-	-	-	-
Non-current fees receivable	755	-	136	-	-	-	114
Total Financial Assets	**33,180**	**9,422**	**44,943**	**14,629**	**11,312**	**7,004**	**2,845**
Financial Liabilities							
Other current financial liabilities	4	-	9,852	-	14,805	2,588	2
Current lease liabilities	371	-	705	442	798	364	115
Current trade accounts and other accounts payable	38,653	4,189	26,787	10,965	5,327	5,867	6,097
Current accounts payable to related entities	64	224	-	-	-	-	-
Other current provisions	9,039	305	-	-	-	-	-
Current provisions for employee benefits	1,522	2,333	-	1,886	-	-	212
Other non-current financial liabilities	-	-	11,634	-	32,617	8,004	-
Non-current lease liabilities	1,571	-	2,590	1,365	55,836	5,001	675
Other non-current accounts payable	-	-	140,166	-	-	-	-
Non-current accounts payable to related entities	7,809	-	-	-	-	-	-
Total Financial Liabilities	**59,033**	**7,051**	**191,734**	**14,658**	**109,383**	**21,824**	**7,101**
Net exposure as of March 31, 2022	**(25,853)**	**2,371**	**(146,791)**	**(29)**	**(98,071)**	**(14,820)**	**(4,256)**

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 US$28.75 million (US$28.70 million as of December 31, 2021), 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	Assets ThUS$	Liabilities ThUS$	Net ThUS$	Net (10% Devaluation) ThUS$	Variation ThUS$
Chilean Peso	33,180	59,033	(25,853)	(23,268)	2,585
Nuevo Sol	9,422	7,051	2,371	2,134	(237)
Euro	44,943	191,734	(146,791)	(132,112)	14,679
Mexican Peso	14,629	14,658	(29)	(26)	3
Yuan	11,312	109,383	(98,071)	(88,264)	9,807
Dirham	7,004	21,824	(14,820)	(13,338)	1,482
Others	2,845	7,101	(4,256)	(3,830)	426
Total as of March 31, 2022	**123,335**	**410,784**	**(287,449)**	**(258,704)**	**28,745**

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 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.

As of March 31, 2022, the variable debt that Hortifrut maintained was US$462.68 million (US$527.53 million as of December 31, 2021). 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 US$1.08 million (US$1.05 million as of December 31, 2021).

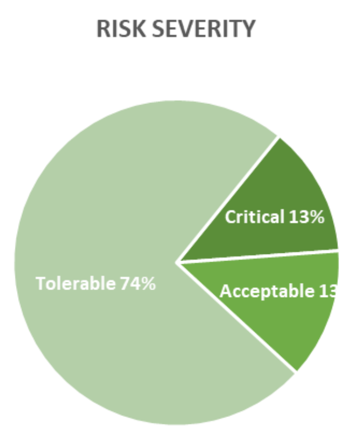
7.2. Operating Risks

Risk management forms part of Hortifrut's normal activities, from an analysis that considers the Company's internal and external context, the interaction with interest groups, analysis of operations and their continuity, to identify and mitigate the most relevant and significant risks.

At Hortifrut there is a quarterly follow up of the action plans associated to all the risk, and a monthly follow up of the action plans associated to critical risks, which is reported with the same regularity to the Board.

Hortifrut's **Risk Matrix** contains the risks which it faces, classified in 4 large groups: Strategic, Financial, Operational and Compliance. Also, each risk is classified as per its impact in case it is materialized and the probability of occurrence. Implemented controls and action plans in process for its mitigation are identified.

As stated beforehand, as of March 31, 2022, risks identified by Hortifrut are distributed in the following manner:



The main risks faced as of March 31, 2022, were:

RISK	TYPE	DESCRIPTION	CONTROLS AND MITIGATION
Country Risk	Strategic	Financial, political, cultural or other macro-economic events that originate in the different countries where Hortifrut has subsidiaries, which could negatively impact the fulfillment of the business plan (e.g. decrease in investment, contraction of demand and unemployment, among others). Also changes in labor and tax legislation that affect the criteria considered when it was decided to invest in another country.	When Hortifrut enters a new country, it looks for local strategic partners to minimize introduction and adapting costs to local idiosyncrasies. During the process to search for local partners, a detailed investigation takes place, using market references, professional advisory and local lawyers. Once it has established in the country, an exhaustive work is done with the Human Resources area to integrate the new partners into the Company and permanently monitor, in a centralized manner, the performance of each of the overseas operations. Also, it counts with a geographic diversification of operations, but with a certain agricultural concentration in Peru, which it aims to reduce by focusing on the future growth in the genetics, distribution and sales business, and outside Latin America.
Political Risk due to Russian war in Ukraine	Operational	The Russian war in Ukraine has increased the price of supplies such as petroleum, which affects transport, packing materials, as well as fertilizers.	Hortifrut has increased the stock of the most relevant supplies to assure operational continuance.
Food Safety	Compliance	Non-compliance of MRL (Maximum Residue Limit) of pesticides and/or use of non-allowed products.	Hortifrut counts with varied mitigation measures such as: (1) analysis of pesticides before beginning the commercial harvest, as per program at the start of the campaign; subsequently, a routine fortnightly analysis will take place to evaluate subsequent applications; (2) the Food Safety web platform available for customers will be used, which includes a record of the valid certifications and results of the analysis of several producers; (3) count with a restriction software, which allows to block producers in case of any non-compliance; (4) count with a Product Approval Corporate Protocol as per sanitary programs previously approved by the Food Safety area in relation with the corresponding record and other requirements; (5) before beginning the season, producers are given a list of phytosanitary products that are allowed for the destination countries and authorized at origin for their use, with the dose, objective plague, application method, and safety and harvest intervals.
Plant Supply	Strategic	Depend on few plant/plug suppliers to cater for Hortifrut's growth plan	Hortifrut realizes a detailed planning to assure the plants/plugs necessary for the growth plan.
Operational Continuance	Strategic	The blueberries industry in Chile is facing several risks: climatic change, old varieties, location that causes loss of competitiveness in front of other countries.	Hortifrut is working in the varietal turnover to assure that the fruit is of better quality to reach destination markets.

Lack of Manpower	Operational	Lack of harvesters at fields and temporary personnel that work at packings.	At Hortifrut there is the Temporary Human Resources Regional Management, which is in charge of hiring temporary personnel in Peru, Chile and Mexico. Strong communication campaigns take place to encourage the enrollment and hiring of said personnel and, during 2021, a digital inscription file was implemented to follow-up the candidates. Furthermore, we participate in work fairs in different areas and perform active recruitment in the communities near the operations. An incentives program was also implemented for the already hired personnel, in order to reduce rotation during the campaign.
Origin-destination logistics chain	Operational	Maritime/land logistics problems at a global level, which impacts the transfer of fruit from the country of origin to the destination markets.	Specifically, during the 2020/21 and 2021/22 seasons there have been problems in the shipping services to the United States and Asia as a consequence of the COVID-19 pandemic. To mitigate said risk, Hortifrut executes a diversification strategy in the transit services (by supplier and destination market) to arrive with the fruit to the market in the lowest time possible considering contingency.
Loss of competitiveness	Strategic	Loss of competitiveness in relevant markets as a result of more competitive actors, new products or genetic development of these, which could impede the increase in market interest expected by the Company.	In Blueberries, Raspberries and Blackberries, Hortifrut works to permanently produce state of the art genetics, focusing on quality, productivity, post-harvest life and market acceptance, among other factors, for fruit from all origins. On the other hand, geographic diversification and of different Berries species, with the objective of supplying customers the whole year with the complete Berries category is boosted. High levels of agricultural and operational costs efficiency are maintained. Debt ratios are monitored on a monthly basis to assure competitiveness in financing. We are constantly looking for good new customers, as well as developing new market segments (e.g.: *online* sales and value-added products).
Plagues or disease of the harvests	Operational	High cost or hard to control plagues or disease within the harvests, which could alter the development of the offered products, shorten the productive life and/or affect the quality and quantity of the harvested fruit.	All of Hortifrut's subsidiaries count with plague and disease monitoring systems to be able to detect and attend to the phytosanitary problems when they arise or when favorable conditions are present for their development. We currently count with phytosanitary programs developed for each field/harvest, based on the requirements, always aligned with the food safety compliance required by customers. These phytosanitary programs are approved by the Sanitation area and, also, count with the approval of the phytopathology and entomology advisors. With this, the sanitation of harvests is assured without having residuality and Food Safety problems. On the other hand, we count with a Global Sanitation Committee, which meets weekly and gathers all those responsible for sanitation at each operation and the global sanitation advisors; this Committee serves as a guide for the making of phytosanitary decisions and to share the experiences and practices that have worked at the different subsidiaries. Additionally, the Company performs quality control during the whole process, from the receipt of the fruit at the stockpiles to the receipt on behalf of the client at destination. Our operating standards are oriented to maintaining optimum quality during the whole export process and stock control is applied at destination

			to assure that the rotation of fruit allows to maintain the demanded quality. Last of all, there are salvaging programs at destination which allow to reduce the risk of arriving with deficient quality to the final customer, in case some of the previous controls fail.
Sell quality fruit as per the standard agreed with customers	Compliance	Non-compliance of the quality standard agreed with the customer, as per the market or defined strategy.	Corporate Quality Management directly depends on Corporate General Management, thus reinforcing independence to make decisions in terms of quality. Count with quality corporate reports for the different subsidiaries, which are permanently monitored. In this report immediate tracing can take place of the evaluations of the inspected lots from origin to destination and vice versa, as well as the evolution of quality by producer, farm and variety.
Climate change, natural disasters, accidents or pandemics	Operational	Natural disasters (e.g.: earthquakes and flash floods), unfavorable climate conditions (e.g.: strong gales) or unexpected events (e.g.: fires, floods or attacks) that damage the plantations and/or installations, affecting production. With the acquisition of Rocio Group's blueberries business in Peru, the Company's plantations in said country reach 42.2% of the total as of December 31, 2021.	The Company has plantations and operations at various geographic locations, that allow it to partially mitigate this risk. The various subsidiaries have developed different mitigation plans to overcome this risk. For example, in Peru firefighting systems and fire walls have been installed at the packings, dividing the processing room, the finished product chamber and security doors to isolate the storage of materials. There are also protection works for the water courses and the critical points are reinforced to protect plantations from the El Nino phenomenon. In Chile, Hortifrut has invested in frost control, shade mesh, hail protection and protection tunnels in case of climate factors. The climate threat and natural disaster areas are constantly evaluated, to propose preventive measures that grant production protection. In Mexico, a business insurance policy has been contracted to assure the assets in the fields, except plantations. To mitigate climate contingencies, different implementations have been performed, for example, drains, mesh and purchase of electrical energy plant, among others.
Water supply	Operational	To not count with the water necessary to water the plantations, due to droughts and/or underground aquifers that have dried up.	The different subsidiaries develop their strategy to follow up this risk and implement mitigation measures. For example, plantations in Peru count with reservoirs in different areas, which allow to assure water for an average 25 days, with a reserve of 2.5 million m3. In Mexico, reservoirs have also been built at the various fields. In Chile, dams are maintained to store water, which allows to irrigate for a reasonable time, and water is purchased from neighboring owners that count with duly accredited shares. Furthermore, in certain geographic areas, ground plantations are complemented with plantations in pots, which use up approximately 30% less water than ground plantations.

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, 2022, and December 31, 2021, are the following:

			31-Mar-22		31-Dec-21
COUNTRY	TYPE OF INSURANCE	CURRENCY	COVERED AMOUNT	CURRENCY	COVERED AMOUNT
Chile	Infrastructure fire	UF	1,211,265	UF	1,211,265
Chile	Mobile Agricultural Equipment	UF	42,487	UF	42,487
Chile	Motor Vehicles	UF	27,477	UF	27,477
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	8,500,000	USD	8,500,000
Chile	Terrorism	UF	500,000	UF	500,000
Chile	Business Interruption	UF	1,227,000	UF	1,227,000
USA	Product Civil Liability	USD	5,000,000	USD	5,000,000
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

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, 2022, the expected margin of fruit on the Company's bearer plants was recognized, for the amount of US$3.96 million (US$3.54 million as of March 31, 2021), which is presented in income statement under the item Other income, per function.

The estimation of this same concept recorded as of December 31, 2021, was for the value of US$3.04 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-Mar-22 (ThUS$)	10% Reduction Volume (ThUS$)	10% Reduction Price (ThUS$)	10% Reduction Volume and Price (ThUS$)
Honghe Jiayu Agriculture Ltd.	3,056	2,750	2,052	1,847
Atlantic Blue Berries Maroc S.A.R.L.	906	816	319	287
Total	**3,962**	**3,566**	**2,371**	**2,134**

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.