



# Earnings Presentation March 2022

*2 May 2021*

# Agenda

1. HIGHLIGHTS

2. GENETICS

3. CONSOLIDATED RESULTS S21/22

4. CONSOLIDATED RESULTS JAN-MAR22

5. RESULTS PER BUSINESS SEGMENT S21/22



# Highlights



## 1. SALE OF 75% OF HFE BERRIES PERU S.A.C.'S SHARES

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- On May 25, 2022, the sale of 75% of HFE Berries Perú SAC (Olmos) to **PSP (“Public Sector Pension Investment Board”)**, one of the largest pension fund administrators in Canada, was agreed.
  - **The transaction price is US\$88 million** (100% equity value of US\$117.3 million).
  - The price will be paid in two installments: (i) 40%, as soon as the sellers complete the investment accreditation procedures in Peru; and (ii) 60%, on December 30, 2022.
  - This transaction is part of the Company's growth strategy by forming associations and alliances with investors and strategic partners.
- Through these associations, **Hortifrut will remain as managing partner and operator of the field, and marketer of 100% of the fruit**, being able to accelerate its growth based on its strength in scaling and agricultural management, worldwide marketing and its genetic program.

## 2. PARTNERSHIP WITH IG BERRIES IN INDIA

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- Hortifrut acquires **50% of IG Berries**, which will allow expansion in India.
- In exchange, the company has committed a **contribution of US\$20 million to continue growing**.
- IG Berries currently has 34 hectares planted with blueberries and hopes to reach at least 100 hectares in the short-term.
- The Company will have as partners IG International, a leading importer of fruit in India, and Mountain Blue Orchard (MBO), a breeder based in Australia.

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3. CONSOLIDATED RESULTS S21/22

4. CONSOLIDATED RESULTS JAN-MAR22

5. RESULTS PER BUSINESS SEGMENT S21/22

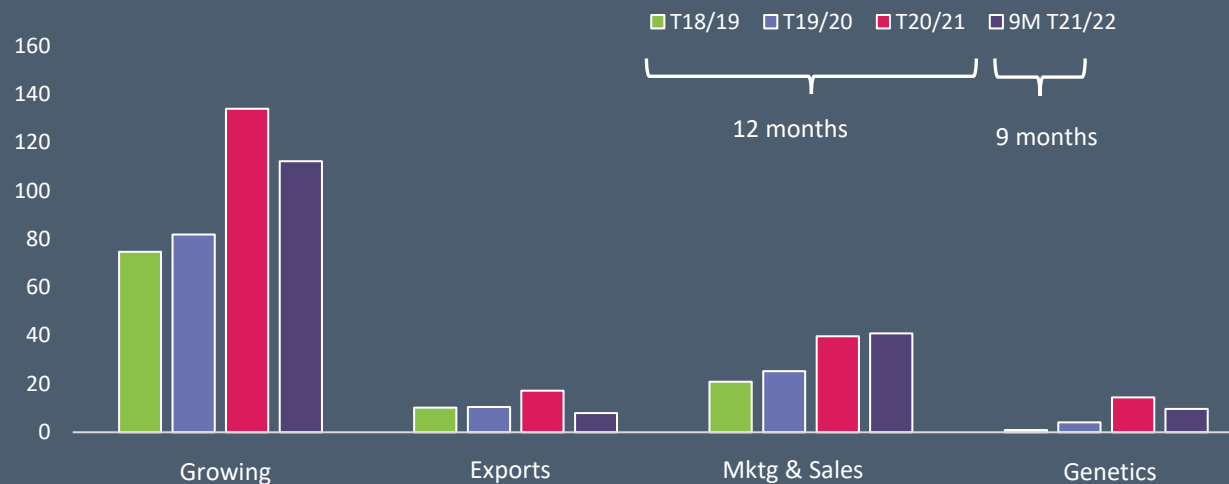
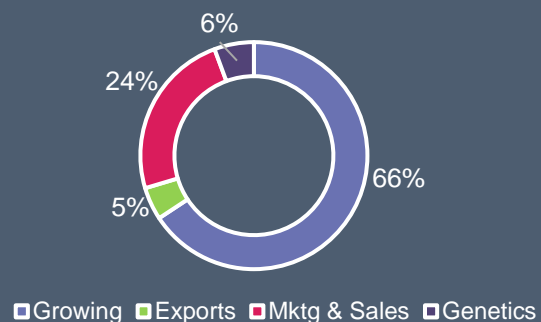


# Genetics' EBITDA



## EBITDA Breakdown

EBITDA per business  
9m S21/22



- During 9M S21/22, the Genetics business generated an EBITDA of US\$9.6 million (equivalent to 5.6% of the total), an amount that is lower than the US\$11.5 million generated in the same period of the previous season .
- This result accounts for the sale of Blueberry, Raspberry and Blackberry variety plants developed by Hortifrut to third-party producers in various countries, in addition to income from royalties, thus accelerating the future growth of the volumes marketed by the Company.
- The reduction in the EBITDA of this business is associated with the change in the royalty collection model, going from a charge per plant (one-time) to one per sales volume (permanent future cashflows).
- The growth of this link in the Hortifrut value chain would be further enhanced as a result of the purchase of Atlantic Blue, also entering the varietal development of Cherries.

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4. CONSOLIDATED RESULTS JAN-MAR22

5. RESULT PER BUSINESS SEGMENT S21/22

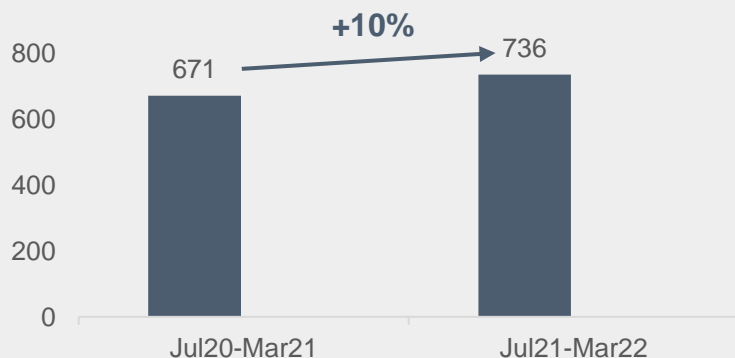




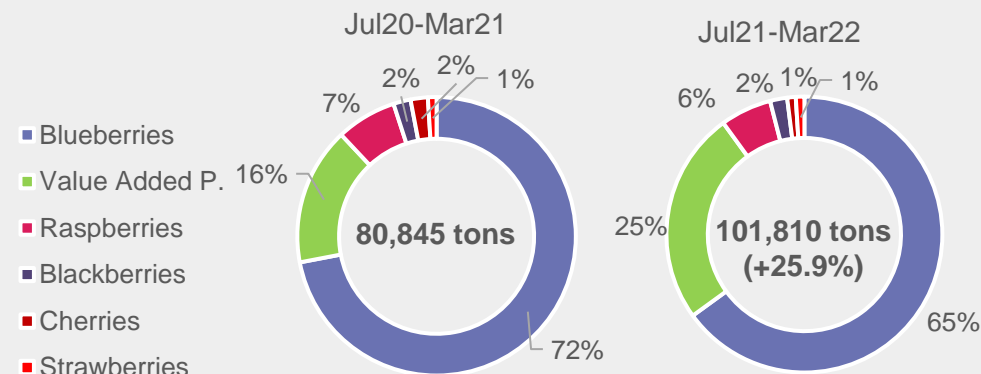
# US\$170.7 mn EBITDA during S21/22 (Jul-Mar)

- EBITDA decreases by US\$10.5 mn** compared to the same period of S20/21, associated with:
  - Very concentrated harvest curve for Peru, both in our fields and in the industry, generating high volumes at destination in peak weeks.
  - Decrease in blueberry volumes in Chile and Mexico, mainly associated with quality.
  - Increase in administrative expenses due to growth in operations in Mexico and China, in addition to the incorporation of Vitafoods and Atlantic Blue companies.
  - This was partly offset by a higher volume of raspberries in Mexico and growth in the Value-Added Products segment due to the incorporation of Vitafoods.
- The **distributed volume increased 25.9%, reaching 101,811 tons**, with growth in the segments: Blueberries (+14.4% to 66,494 tons), Raspberries (+22.2% to 6,603 tons), Blackberries (+13.8% to 1,616 tons), Strawberries (+73.8% to 778 tons) and Value-Added Products (+82.4% to 24,981 tons). Cherries volume decreased 23.0% to 1,338 tons.
- 9.07% reduction in the average price per kilo**, influenced by the concentration of the Peruvian fruit curve and by a greater participation of the Value-Added Products segment in the fruit mix (which has a lower sales price than the Fresh Fruit segment). The latter registered an increase of 13.34% in the sales price, while that of Fresh Fruit registered a reduction of 6.08%.

1. CONSOLIDATED INCOME (US\$ mn)



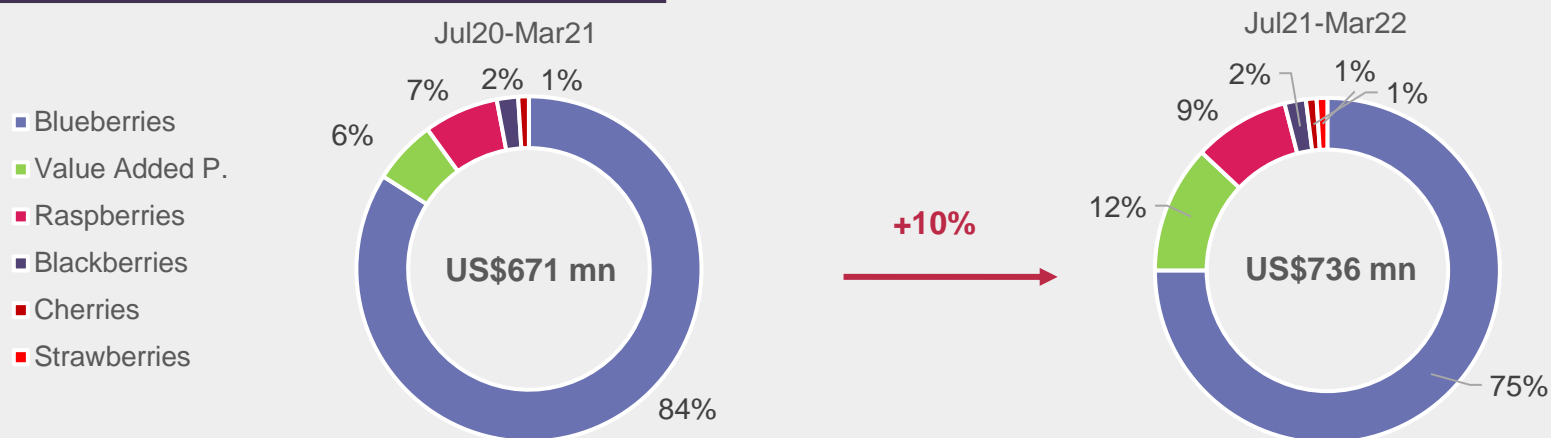
2. DISTRIBUTED VOLUME (%)



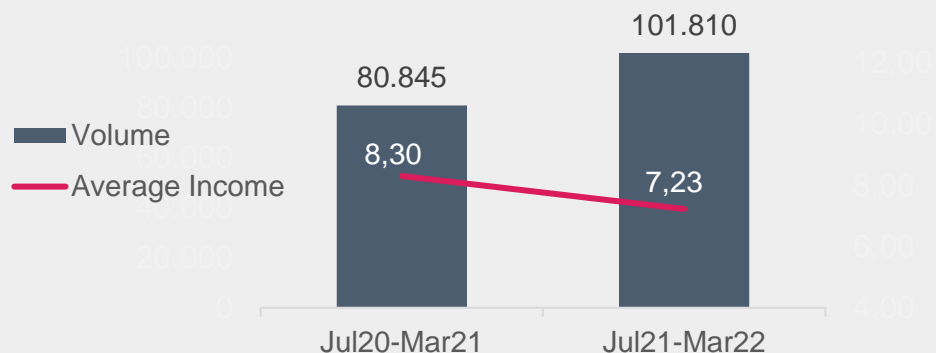


# Income Evolution S20/21 vs. S21/22 (Jul-Mar)

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



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



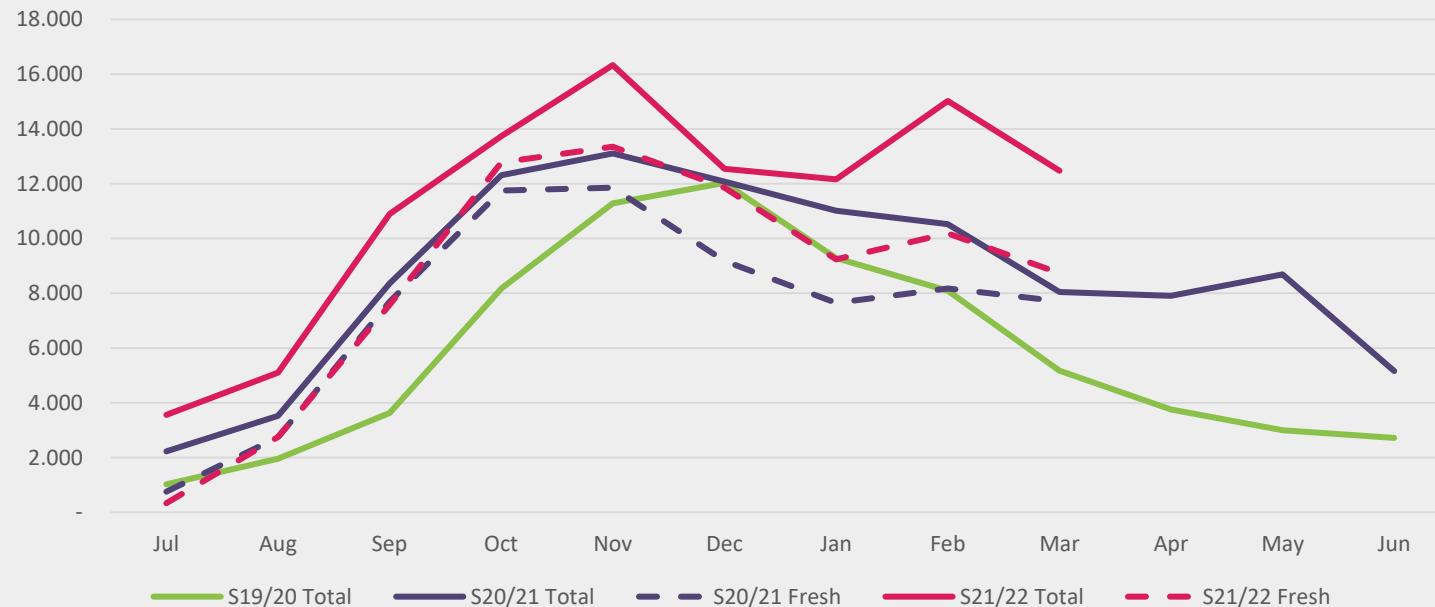
- The higher revenues are associated with the 25.9% increase in the volume sold to 101,810 tons, mainly linked to:
  - Volumes of Vitafoods (+82.4%)
  - Growth in Blueberries from Peru, both in own fields and third-party exporters (with area planted with varieties licensed by Hortifrut).
  - Growth in raspberries from Mexico, mostly with its own genetics.
- This was accompanied by a 9.07% decrease in the average price per kilo, which went from 7.16 US\$/Kg in S20/21 to 6.51 US\$/Kg in S21/22 due to a change in sales mix and concentration of the Peruvian curve. In Fresh Fruit it decreased from 8.01 US\$/Kg to 7.52 US\$/Kg in the same period and in Value Added Products it increased 13.34% to 3.40 US\$/Kg.
- Average income decreased from 8.30 US\$/Kg in S20/21 to 7.23 US\$/Kg in S21/22, due to similar factors to those that explain the drop in the average price.



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



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

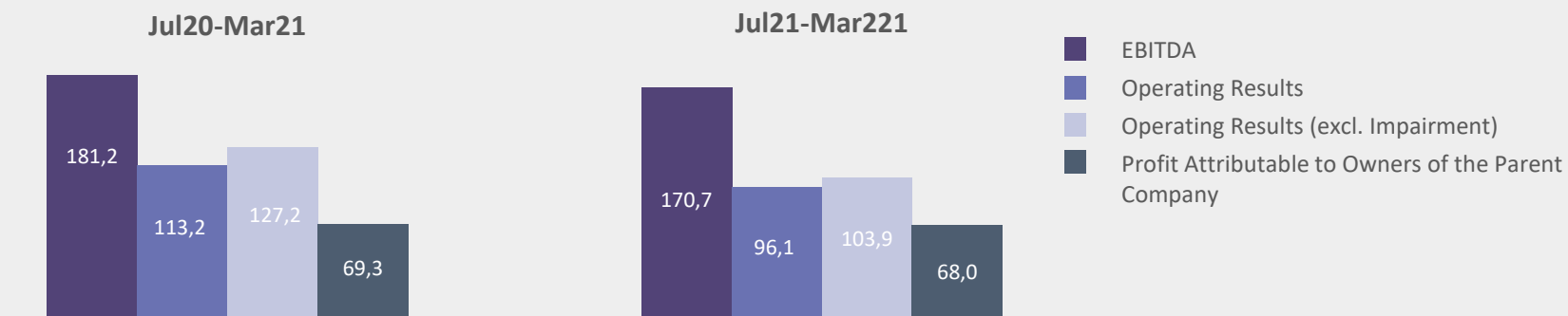


- The total volume curve for the first nine months of S21/22 shows **volume growth** compared to previous seasons in the same period, showing an increase in both Fresh Fruit volume (Blueberries from Peru, Morocco, China and Raspberries from Mexico) and Value-Added Products (Vitafoods).
- The volume of the **Value-Added Products segment** grew significantly during 9M S21/22, representing 25% of the total, compared to 17% in the same period of the previous season.
- For its part, a **Fresh Fruit segment** curve similar that S20/21 is observed until October, given a slow start-up of the blueberry harvest curve in Peru. However, sales accelerated during November and December as a result of the concentration of the curve, the increase in the productivity of our fields and the maturation of the plantations of varieties licensed by Hortifrut in the fields of third-party producers in Peru.

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



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



### EBITDA variation

Decreased 5.80% por :

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

### Operating Results variation

It decreased 15.10% driven by the same factors that impact EBITDA, in addition to an increase in depreciation and amortization due to the entry into production of investments in Mexico and China, mainly, and the incorporation of Vitafoods.

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

It decreased by 1.84% as a result of the lower operating results (for the reasons indicated above).

This was partially offset by a lower non-operating loss, mainly associated with a decrease in tax expense that is explained by the recognition of deferred tax profit in December 2021 for classifying the company HFE Berries Perú S.A.C. as available for sale. Additionally, there is a gain from exchange difference (compared to losses in S20/21) and positive Other Income/Expenses (ThUS\$2,342) mainly explained by the benefit for the termination of the obligation associated with the contingent consideration with Grupo Rocío.

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



	Jul20-Mar21 (ThUS\$)	Jul21-Mar22 (ThUS\$)	Var %
Financial income	965	4,804	+397.8%
Financial expenses	-16,881	-21,740	+28.8%
Share of profit (loss) of equity-accounted associates and joint ventures	-45	440	-1,077.8%
Other income/expenses	-174	2,342	-1,446.0%
Exchange rate differences	-2,033	991	-148.8%
<b>Non-Operating Result</b>	<b>-18,168</b>	<b>-13,163</b>	<b>-27.6%</b>

## MAIN VARIATIONS

- **Net financial expenses:** an increase of 6.41% was recorded, due to the increase in debt associated with financing the purchase of Atlantic Blue and subsidiaries, and for working capital financing mainly for Vitafoods-Fozen (purchase of fruit) and Mexico (seasonal peak).
- **Profit (loss) in associated and joint ventures:** during 9m S21/22 a better performance of the Naturipe Value Added Fresh LLC. company was observed (“Ready to Eat” products in the USA) and Naturipe Farms LLC., mainly, regarding 9m S20/21.
- **Other income/expenses:** a significant profit is recorded during 9m S21/22 mainly associated with a benefit related to the termination of the contingent Earn-out with Grupo Rocío (US\$6.5mn), offset, among other things, by expenses related to the purchase of Atlantic Blue.
- **Exchange rate difference:** during 9m S21/22 this result was largely influenced by the depreciation of the Chilean Peso and an appreciation of the Peruvian Nuevo Sol against the US dollar, while during 9m S20/21 the movement of said exchange rates was the opposite. In addition, there is an impact of movements of other currencies to which the Company has exposure.

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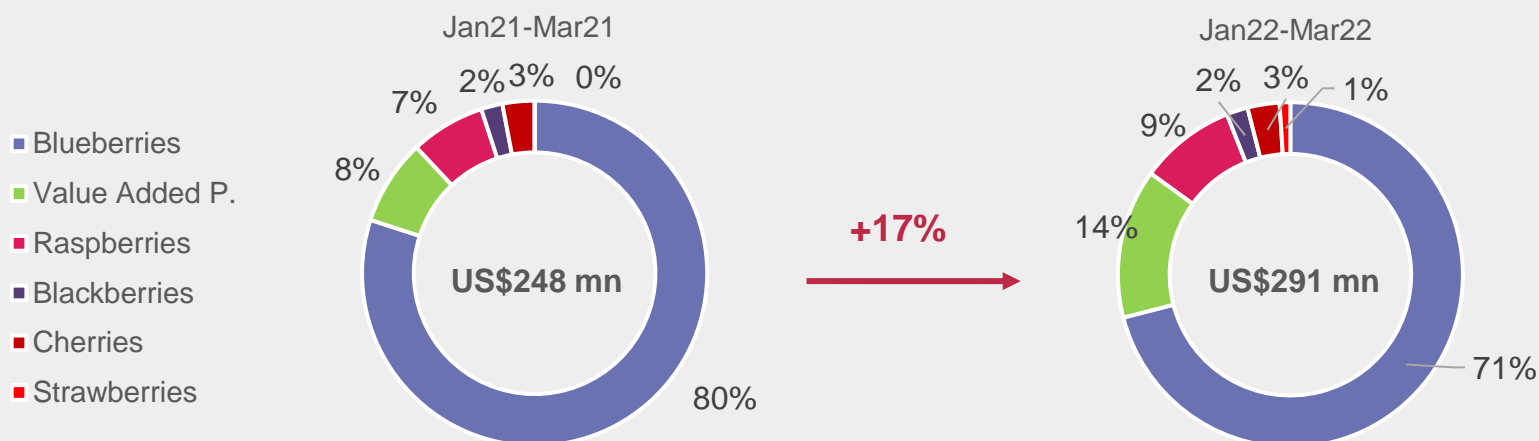
5. RESULTS PER BUSINESS SEGMENT S21/22



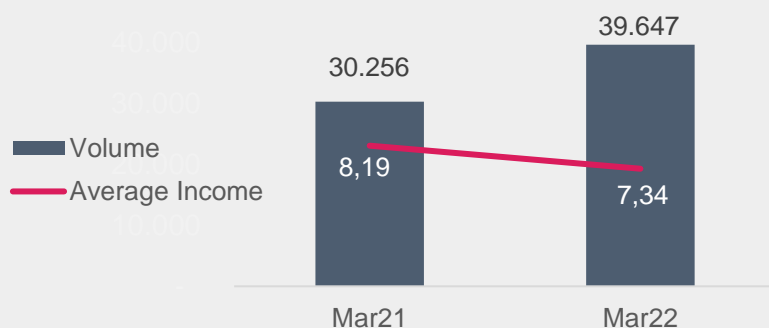


# Consolidated Results Mar21 vs. Mar22 (Jan-Mar)

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



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

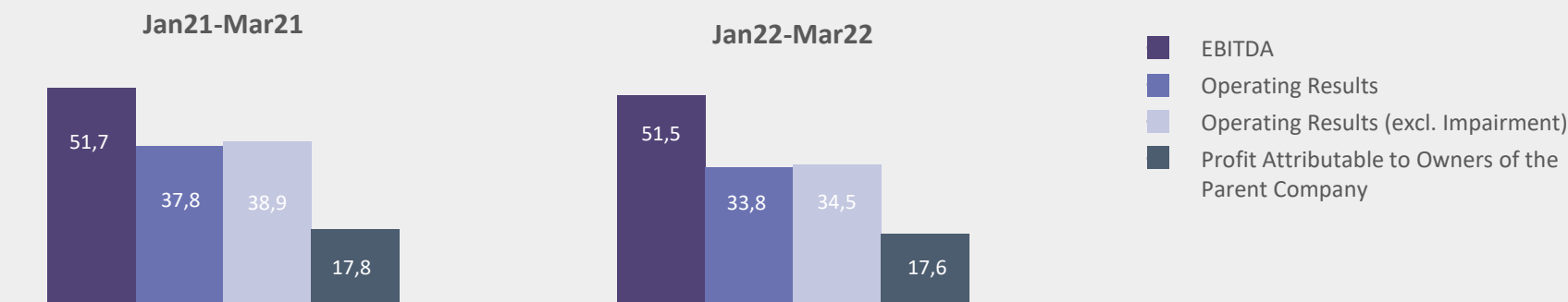


- The higher revenues are due to a 30.04% increase in the volume sold to 39,647 tons, mainly linked to:
  - Increase in volumes in Peru due to the decision to extend the harvest curve until 1Q22.
  - The entry into production and maturation of the new blueberry fields in and China.
  - Incorporation of Vitafoods to Hortifrut.
  - Mexican raspberry volume.
- The higher volume was accompanied by a 7.43% reduction in the average price per kilo of the added Fresh Fruit segment, going from 8.27 US\$/Kg in Mar21 to 7,65 US\$/Kg in Mar22, while the Value-Added Products segment increased their price by 22.54% to 3.46 US\$/Kg as of Mar22.
- The average income decreases from 8.19 US\$/Kg as of Mar21 to 7.34 US\$/Kg as of Mar22 due to similar factors to those that explain the reduction in the average price per kilo.

# Consolidated Results Mar21 vs. Mar22 (Jan-Mar)



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



### EBITDA variation

Decreases 0.52% by:

- Decrease in blueberry volumes in Chile and Mexico, mainly associated with weather conditions and diseases.
- Increase in administrative expenses due to growth in operations in Mexico and China, in addition to the incorporation of Vitafoods and Atlantic Blue companies.
- Higher logistics costs and the rise in the cost of some supplies.
- This was offset by a 31.0% increase in volume sold, mainly blueberries from Peru and China, raspberries from Mexico, which have been largely planted with Hortifrut genetics (own and licensed), and frozen products due to the incorporation of Vitafoods.

### Operating Results variation

Decreases by 10.64%, mainly due to the increase in depreciation (+US\$4.1mn), associated with the incorporation of hectares planted in Mexico and China, and the consolidation of Atlantic Blue.

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

Decreases by 0.90% due to a decrease in income tax expense (US\$5.3mn) due to a deferred tax gain of ThUS\$8,289 as of Mar22, which is generated mainly by the impact of the exchange rate variation on non-monetary assets in Peru and Mexico, in addition to the realization of derivatives during the period.

# Non-Operating Result Mar21 vs. Mar22 (Jan-Mar)



	Jan21- Mar21 (ThUS\$)	Jan22- Mar22 (ThUS\$)	Var %
Financial income	148	3,464	+2,240.5%
Financial expenses	-5,011	-10,955	+118.6%
Share of profit (loss) of equity-accounted associates and joint ventures	-363	71	+119.6%
Other income/expenses	50	-832	-1,764.0%
Exchange rate differences	-73	-54	-26.0%
<b>Non-Operating Result</b>	<b>-5,249</b>	<b>-8,306</b>	<b>+58.2%</b>

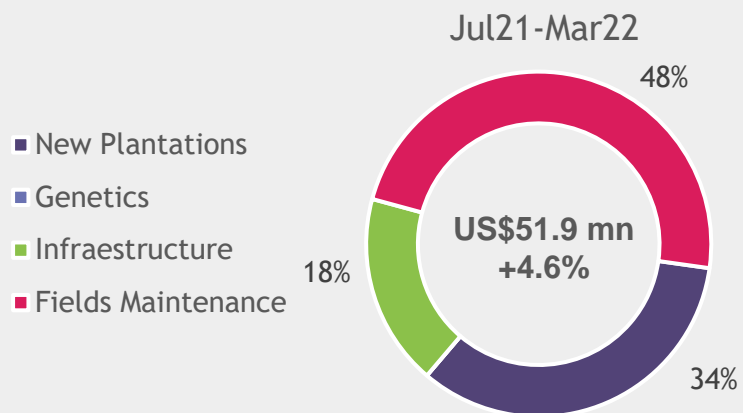
## MAIN VARIATIONS

- **Net financial expenses:** an increase of 54.0% was recorded due to the increase in debt associated with financing the purchase of Atlantic Blue and subsidiaries, and for working capital financing mainly for Vitafoods-Frozen (purchase of fruit) and Mexico (seasonal peak).
- **Profit (los) in associates and joint ventures:** an increase of US\$0.4mn was recorded due to the better performance of the associate Naturipe Value Added Fresh (sales of “Ready to Eat” fruit in the USA) and Berry Blue LLC (genetics).
- **Other income/expenses:** expenses of ThUS\$832 are recorded, mainly for legal and advisory expenses associated with the purchase of Atlantic Blue.
- **Exchange rate differences:** a negative result was recorded as of Mar22 mainly influenced by the appreciation of the Peruvian Nuevo Sol, which was partially offset by the appreciation of the Chilean peso and depreciation of the Euro.



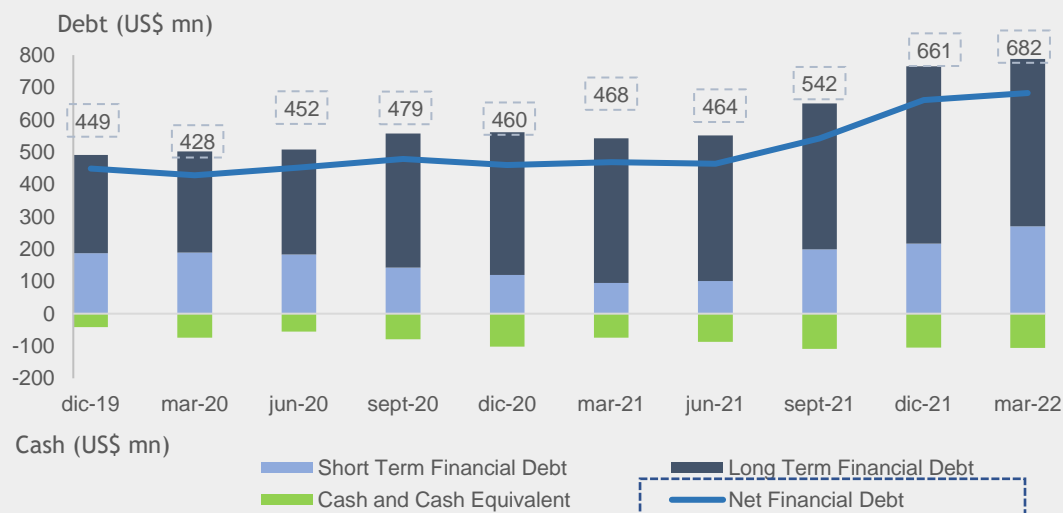
# Investments & Net Financial Debt Evolution

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



- The investment in new plantations corresponds mainly to the project in China (completion of the 570ha project), Ecuador (new 50ha blueberry project) and Portugal (new 100ha raspberry project).
- The investment in infrastructure is largely related to the purchase of an additional processing plant in Chile by Vitafoods.
- For its part, the maintenance of current fields is mainly associated with plantations in Peru and Mexico.

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



- The NFD increases compared to Dec21, mainly due to taking on debt to finance working capital for the frozen-Vitafoods business, and for operations in Mexico and China due to peak season.

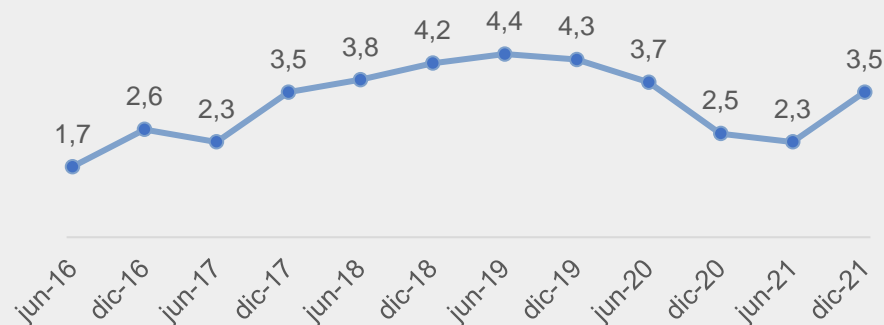


# Debt Covenants



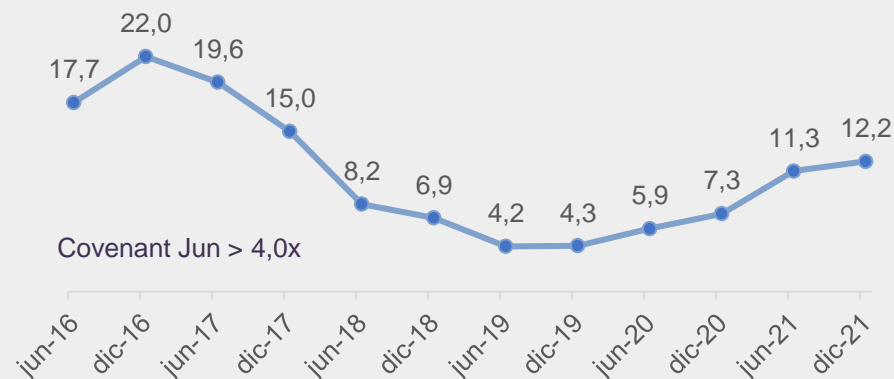
## 1. NET FINANCIAL DEBT / EBITDA. (times)

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



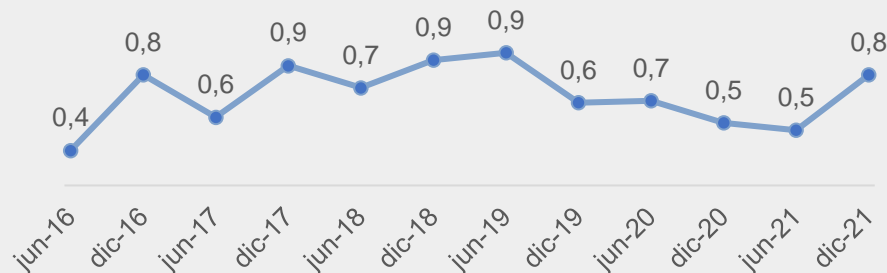
## 2. EBITDA / NET FINANCIAL EXPENSES. (times)

Covenant Jun > 4,0x



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

Covenant Jun < 1,0x



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

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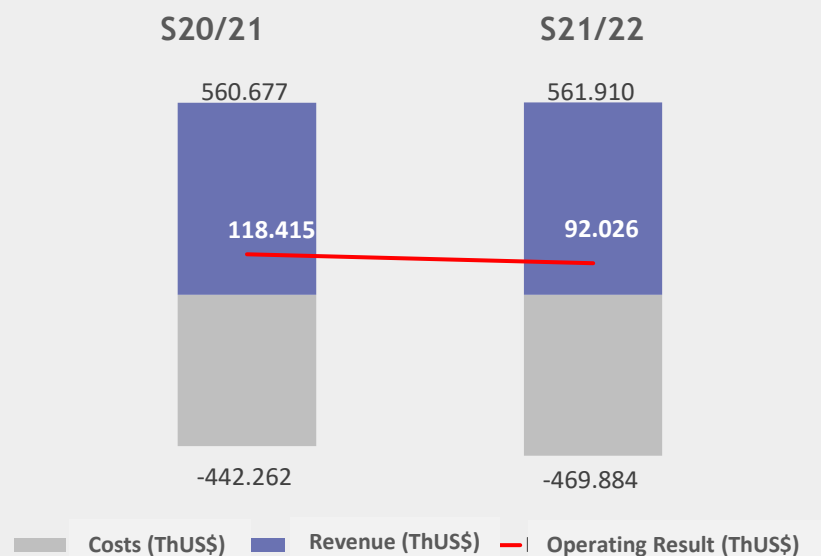
# Blueberries

## S21/22 (Jul – Mar)



- **0.2% increase in revenue:** +14.4% in volume and -8.8% in average price per kilo.
- The higher volume is mainly due to the increase in the volume coming from Peru, both from its own fields and from third-party exporters that have varieties licensed by Hortifrut planted. During 9m S21/22, 46,704 tons of blueberries from this country were sold, registering a 28.7% growth compared to the previous season. Of the total volume of 9m S21/22, 87% corresponds to own production, compared to 97% in the same period of the previous year. On the other hand, volumes from Chile decreased due to long transits that did not allow a greater volume of fruit to be exported.
- The reduction in the average price is associated with a strong concentration of the production curve of the Peruvian industry during the peak weeks, which added to the irregularity of the arrivals of maritime shipments to the USA due to shipping problems worldwide, generated oversupply for several weeks, leading to a drop in market prices. However, Hortifrut's sales prices remained above the benchmark.

### OPERATING RESULTS. (ThUS\$)



Blueberries	S20/21	S21/22	Var (%)
Sales volume (Tons)	58,135	66,494	+14.4%
Share of total	71.9%	65.3%	-
Average price (US\$/Kg)	8.05	7.34	-8.8%

# Raspberries

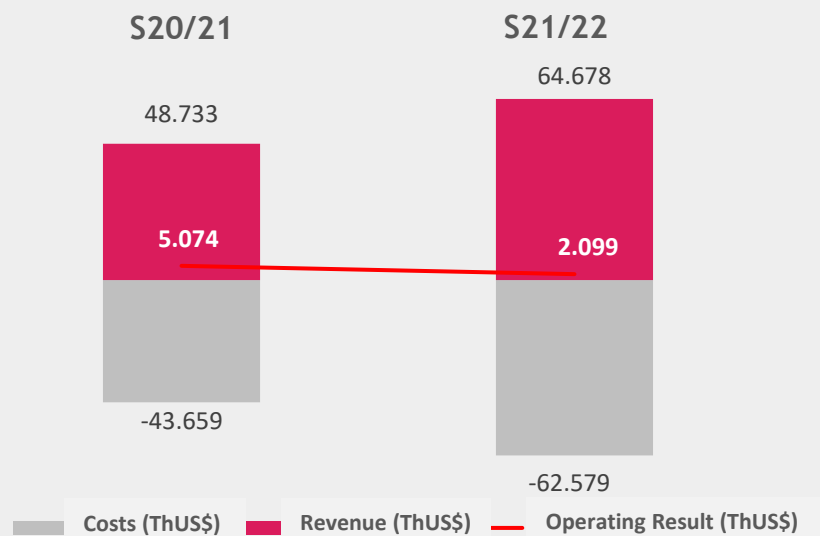
## S21/22 (Jul – Mar)



- **Revenue increase of 32.7%:** +22.2% volume and +8.7% average price per kilo.
- This increase in volume is mainly explained by a good season from the raspberry fields in Mexico of the *Centennial* variety (developed by Hortifrut and with which the entire new surface has been planted), mainly in fields of third-party producers that predominate with production in this part of the curve.
- The average price per kilo increased 8.7% even with the volume growth registered, associated with a good demand for the *Centennial* variety by customers, thanks to its outstanding quality and consumer preference. This genetics allows us to develop premium programs with fruit with excellent characteristics.
- Operating income decreased due to higher costs of some inputs and a lower volume of blueberries from Mexico in 1Q22, which reduced the economy of scale of operations in that country.



### OPERATING RESULTS. (ThUS\$)



Raspberries	S20/21	S21/22	Var (%)
Sales volume (Tons)	5,406	6,603	+22.2%
Share of total	6.5%	6.5%	-
Average price (US\$/Kg)	9.01	9.79	+8.7%

Note: Operating Result by operating segment does not consider the item Impairment of assets.

# Blackberries

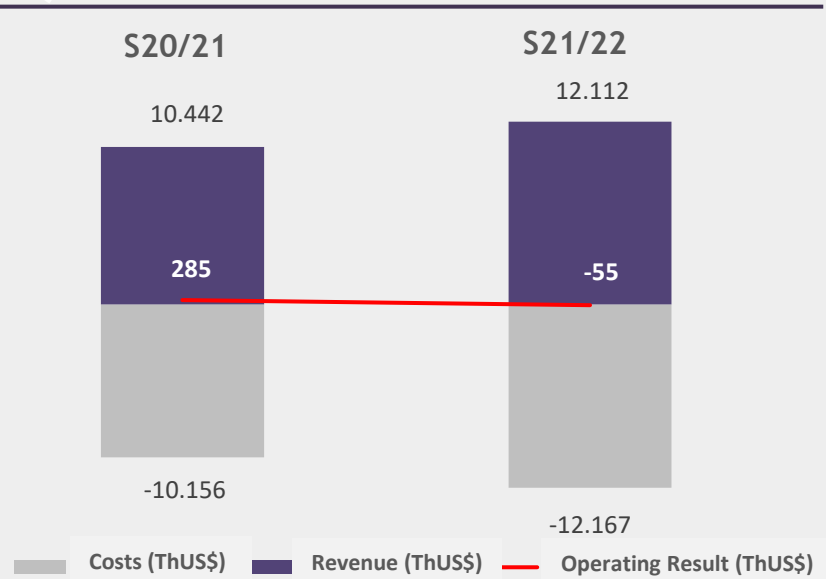
## S21/22 (Jul – Mar)



- **Increase of 16.0% in revenue:** +13.8% volume and +2.0% average price per kilo.
- The growth in the volume sold is associated with a greater availability of good quality fruit in the Mexican market to capture from third-party producers.
- The rise in the average price per kilo is associated with the better quality of fruit marketed by Hortifrut, although the industry was characterized by irregular quality for this species, impacting its rotation and prices at the market level.



### OPERATING RESULTS. (ThUS\$)



Blackberries	S20/21	S21/22	Var (%)
Sales volume (Tons)	1,420	1,615	+13.8%
Share of total	1.8%	1.6%	-
Average price (US\$/Kg)	7.35	7.50	+2.0%

**Note:** Operating Result by operating segment does not consider the item Impairment of assets.

# Strawberries

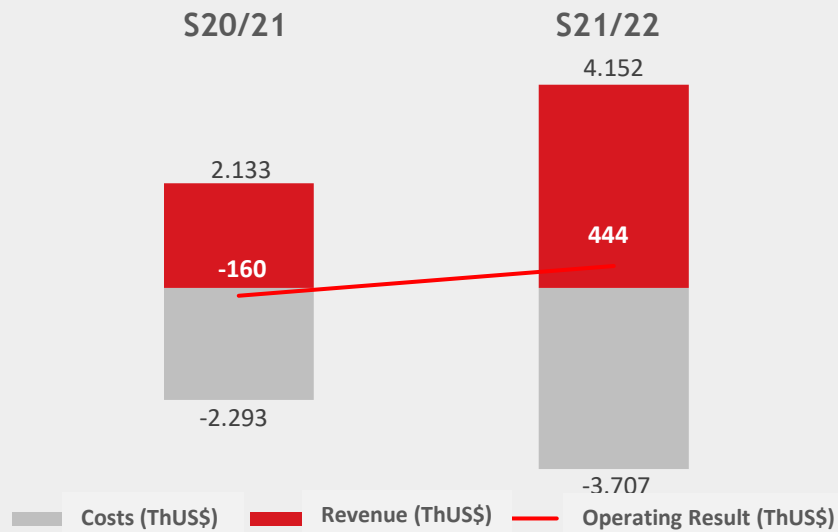
## S21/22 (Jul – Mar)



- **94.6% increase in revenue:** +73.8% volume and +12.0% average price per kilo.
- The growth in the volume sold is explained by the good productive performance of the fields in Chile.
- The price increased compared to 9m S20/21 mainly due to better conditions in the Chilean market and a Hortifrut supply curve focused on the winter months (time when prices are higher due to reduced competition).
- Thus, this segment recorded a positive operating result of ThUS\$444, compared to losses in the same period last season.



### OPERATING RESULTS. (ThUS\$)



Strawberries	S20/21	S21/22	Var (%)
Sales volume (Tons)	447	777	+73.8%
Share of total	0.6%	0.8%	-
Average price (US\$/Kg)	4.77	5.34	+12.0%

# Cherries

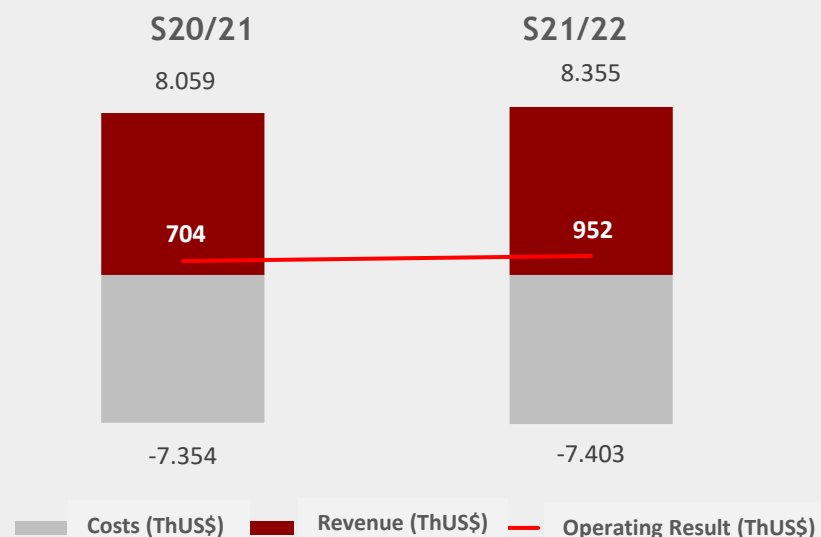
## S21/22 (Jul – Mar)



- **Increase of 3.7% in revenue:** -23.0% volume and +34.6% average price per kilo.
- The reduction in the volume sold is explained by the Company's decision not to grant working capital financing to cherry producers during S21/22.
- The price increased compared to 9m S20/21 due to good market prices associated with significant demand, also in S20/21 it was affected by rumors of traces of COVID-19 in Chilean cherries imported into China.
- Thus, this segment recorded a positive operating result of ThUS\$952, more than the profit generated in the same period last season.



### OPERATING RESULTS. (ThUS\$)



Cherries	S20/21	S21/22	Var (%)
Sales volume (Tons)	1,737	1,338	-23.0%
Share of total	2.2%	1.2%	-
Average price (US\$/Kg)	4.64	6.24	+34.6%

# Value Added Products

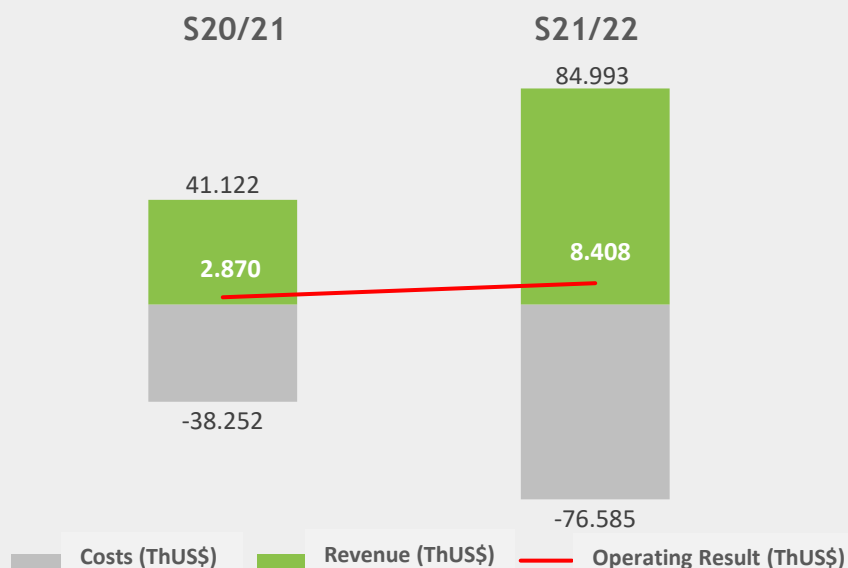
## S21/22 (Jul – Mar)



- **106.7% increase in revenue:** +82.4% volume and +13.3% average price per kilo.
- The higher volume is mainly explained by the incorporation of the Vitafoods frozen business to Hortifrut.
- The average sales price increased due to strong demand in consumer markets.
- Operating result went from a profit of ThUS\$2,870 in 9m S20/21 to ThUS\$8,408 in 9m S21/22, due to the greater volume sold by the incorporation of Vitafoods, added to the higher average price associated with the strong demand in the consumer markets for this product.



### OPERATING RESULTS. (ThUS\$)



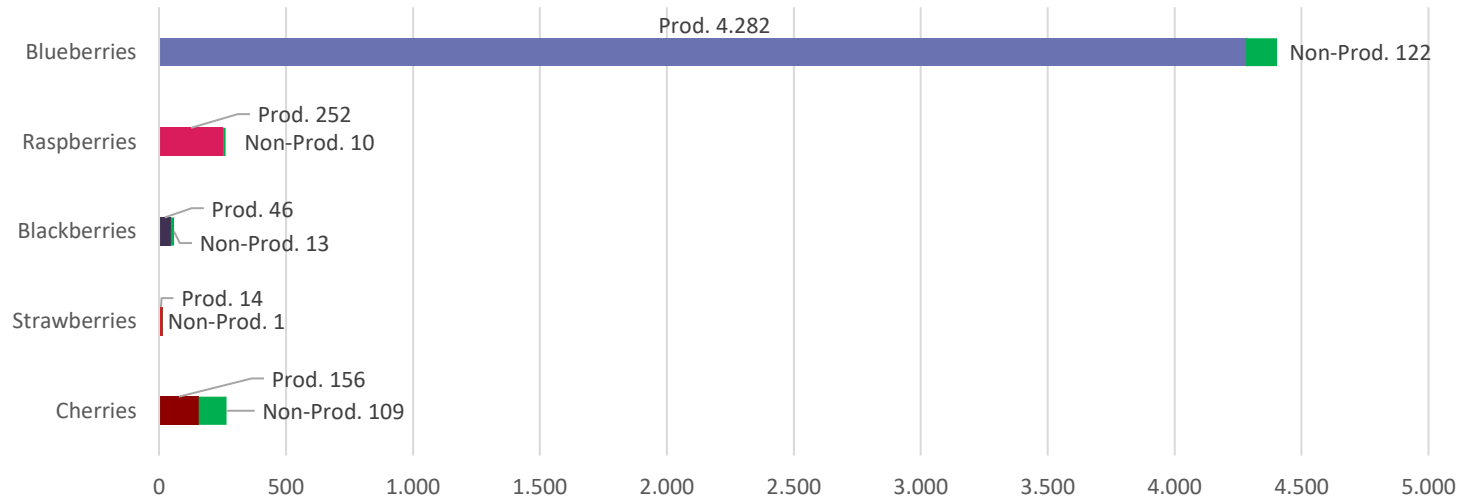
Value-Added Products	S20/21	S21/22	Var (%)
Sales volume (Tons)	13,670	24,982	+82.4%
Share of total	16.9%	24.5%	-
Average price (US\$/Kg)	3.00	3.40	+13.3%



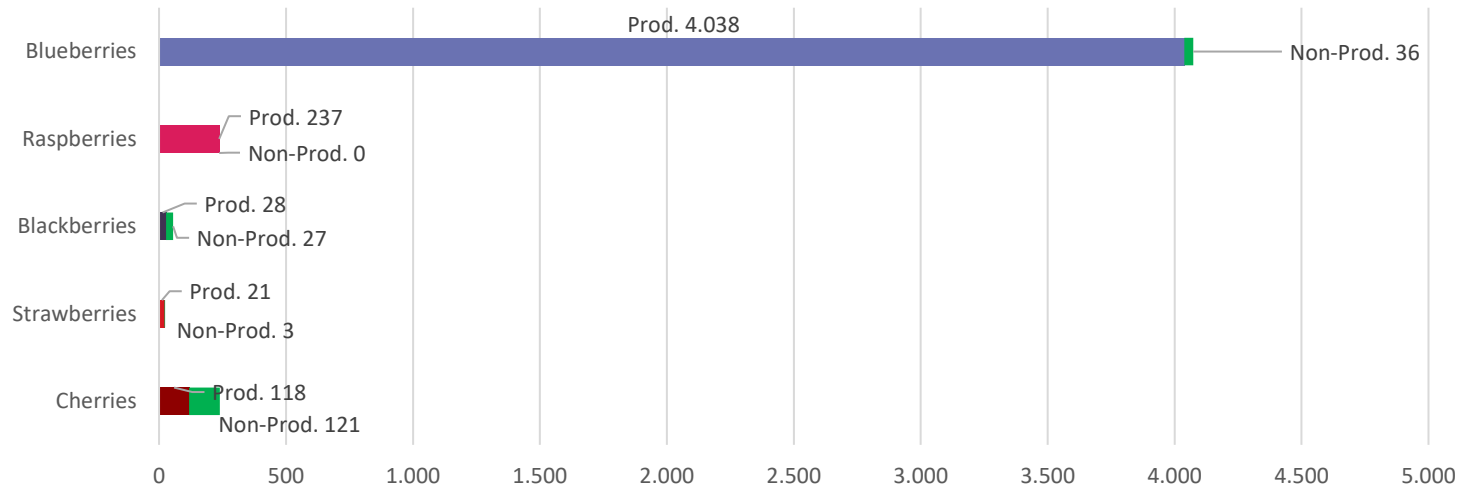
# Planted Hectares Evaluation



**Mar22**  
5,004 ha  
(4,749 ha productive)



**Mar21**  
4,629 ha  
(4,441 ha productive)



- **Blueberries:** increase of 329has in total area due to plantations in China (+119ha), and Spain and Morocco (+378ha), offset by the pull up of plantations in Chile, Peru and the USA (-224ha). The increase in non-productive surface is mainly associated with new plantations in Peru due to varietal turnover.
- **Raspberries:** 28 additional hectares are registered in Morocco as a result of the purchase of the Atlantic Blue Group. Non-productive area is associated with new plantations in Mexico.
- **Blackberries:** new plantations in Mexico and transition to production of planted area during 2020 (+10has). In addition, the transition to productive surface in Brazil (+9has).
- **Cherries:** incorporation of 27has planted, of which 21ha correspond to the operations in Spain incorporated into HF due to the purchase of Atlantic Blue. Additionally, there are 6 additional hectares in Chile.

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

# Closing Remarks

## EBITDA

US\$51.5mn during 1Q22 (-US\$0.3mn) due to:

- Increase in volumen sold (Blueberries from Peru and Raspberries from Mexico and increase in Vitafoods).
- Reduction in “Fresh Fruit” prices due to the quality of Chilean fruit (long maritime transits).
- Administrative expenses due to growth of Operations in Mexico and China, in addition to Atlantic Blue companies.

US\$170.7mn during 9mS21/22 (-US\$10.5mn) due to:

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

## PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY

US\$17.8mn during 1Q22 (+US\$0.1mn) due to:

- Higher depreciation for new operations.
- Higher net financial expenses due to indebtedness for the purchase of Atlantic Blue.
- Offset by a decrease in tax expense due to deferred tax profit, which is generated mainly by the impact of the exchange rate variation on non-monetary balance sheet items (especially in Peru and Mexico).

US\$68.0mn during 9mS21/22 (-US\$1.3mn) due to:

- Lower EBITDA due to lower prices that offset the higher volume.
- Higher depreciation.
- Higher net financial expenses.
- Offset by lower impairments and profits in Other income/expenses due to termination of the Earn-out obligation with Grupo Rocío.

## ASSOCIATION IN INDIA

- Partnership with IG Berries in India will allow us to continue our global expansion and diversification in a very attractive market.

## SALE OF OLMOS STAKE

- This transaction is part of the Company's growth strategy by forming associations and alliances with investors and strategic partners.
- Hortifrut will remain as managing partner and operator of the fields and marketing 100% of the fruit from this operation.

## GENETICS

- Genetics' EBITDA was US\$9.6mn during 9mS21/22 (5.6% of the total).
- The royalty collection model has begun to change from a charge per plant (one-time) to a charge per fruit (permanent future cashflow).



# Earnings Presentation March 2022

*2 May 2021*