



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

As of September 30, 2023
(In thousands of United States dollars)

The current reasoned analysis has been prepared for the period ending September 30, 2023, compared with the financial statements as of September 30, 2022 (Sep23 and Sep22, 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 three-month comparison of the 23/24 and 22/23 seasons ("3M S23/24" and "3M S22/23", respectively).

1. HIGHLIGHTS OF THE PERIOD AND SUBSEQUENT FACTS

Closing of Tender Offer PSP Investment

Dated May 01, 2023, PSP Investment, through the companies 14602889 Canada Inc. (controlled by PSP Investment) and SJF Investment SpA, began the Tender Offer (OPA) for 100% of Hortifrut S.A.

Subsequently, dated June 01, 2023, the Tender Offer was successfully completed, through which PSP Investment reached a participation of 49.56% of Hortifrut S.A.'s share capital.

Summons to Extraordinary Shareholders' Meeting

Dated October 11, 2023, the Company's Board agreed to summon an extraordinary shareholders' meeting for October 30, 2023, with the aim of:

- (a) Cancelling the inscription of the Company's shares in the Securities Registry at the Comisión para el Mercado Financiero ("CMF"), thus no longer being subject to the standards that rule publicly traded companies, since it no longer complies with the conditions to be obligated to inscribe its shares at the Commission's Securities Registry; and
- (b) Total reappointment of the Company's Board (the latter, only as a mechanism to correct the omission to present a candidate for alternate director at the last election and to define the remuneration of alternate directors).

Extraordinary Shareholders' Meeting Agreement

Dated October 30, the Company informed the CMF as a Material Fact of the agreements adopted at the extraordinary shareholders' meeting held on that same date, which were the following:

- (a) Cancelling of the inscription of the Company's shares at the Securities Registry of the CMF.

As per what is stated in Article 2° of the Corporation Law, the previous agreement grants the non-assenting shareholders the right to leave the Company, after its payment of the value of the shares. Non-assenting shareholders are those that, at the Meeting, state their non-assenting in writing to the Company within the 30-day term counted from the date of the Meeting, which is until November 29, 2023. The notice of right to withdraw for non-assenting shareholders was published on October 31, 2023, in the electronic newspaper www.df.cl.

(b) The total renewal of the Company's Board, which is made up of the following people:

Principal	Alternate
Nicolás Moller Opazo	Ignacio Larraín Arroyo
Víctor Moller Opazo	Francisca Moller Opazo
Andrés Solari Urquieta	Piero Bacigalupo Gómez-Lobo
Andrés Carvallo Prieto	María Cristina Effa Raggio
Ulises Quevedo Berastain	Guillermo Miranda
Juan Luis Alemparte Rozas	Luis Hoffman Harrison
Fernando Furtini	Mauricio Czelusniak
Richard Wayne Toman	Marc Drouin
María Patricia Sabag Zarruk	Alberto Cardemil Palacios

2. SUMMARY OF THE PERIOD

The calculation of the EBITDA is detailed below:

	CALENDAR YEAR (9 months)		SEASON (3 months)	
	Jan23 - Sep23	Jan22 - Sep22	Jul23 - Sep23	Jul22 - Sep22
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
EBITDA DETERMINING				
Income from operating activities	647,433	626,725	144,507	172,771
Other income, per function	12,448	6,510	9,684	4,731
Total Income	659,881	633,235	154,191	177,502
Cost of sales	(540,433)	(527,521)	(132,485)	(150,346)
Administration expenses	(64,981)	(53,571)	(17,009)	(16,576)
Other expenses, per function *	(4,412)	(7,804)	(1,647)	(3,195)
Total Costs and Expenses	(609,826)	(588,896)	(151,141)	(170,117)
Operating Result	50,055	44,339	3,050	7,385
Depreciation and amortization	48,720	50,971	16,448	22,186
EBITDA	98,775	95,310	19,498	29,571
EBITDA without Fair Value	90,030	94,583	10,265	25,800

*Excluding impairment in the value of assets

Accumulated analysis as of September 2023

EBITDA as of Sep23 reached US\$98.78 million, which represents a 3.64% increase compared to the US\$95.31 million recorded as of Sep22.

This increase in EBITDA is mainly explained by a higher *fair value* of fruit recorded in Sep23 compared to Sep22 due to the delay in the production curve of Peru because of the El Niño Phenomenon, which results in a higher volume of fruit hanging from bearer plants at the closing of September 2023 and the higher price due to the fall in volumes in the industry.



Accumulated EBITDA as of Sep23 without the *fair value* of fruit effect reached US\$90.03 million, which represents a 4.81% reduction, compared with the US\$94.58 million obtained in the same period of 2022, which is explained by a 3.55% increase in Costs and Expenses, while income from operating activities in the period only increased 3.30%.

The 3.55% total increase in costs and expenses is mainly explained by higher administration expenses due to the reinforcing of the administrative structure (genetics, technology, communications, marketing, regional equipment, among others). Also, the 3.30% increase in income of operating activities is explained by higher average prices (6.99 US\$/Kg as of Sep23 vs 6.72 US\$/Kg as of Sep22) due to lower market values that impacted prices in a positive manner, especially during the 3Q23.

Analysis of the July 2023 – September 2023 season

The 3M S23/24 EBITDA reached US\$19.50 million, decreasing 34.06% compared to the US\$29.57 million EBITDA recorded in the 3M S22/23. Said reduction is mainly explained by lower volumes from Peru (both own and third-party exporters) due to the delay in the production curve associated to climatic conditions because of El Niño Phenomenon, partially offset by higher prices. Furthermore, a higher proportion of sales costs is reflected in relation to income, also explained by lower volumes, situation that is expected to be regularized once volumes are recovered from this country.

EBITDA without the *fair value* of fruit effect in the 3M S23/24 reached US\$10.27 million, which represents a 60.21% decrease, compared with the US\$25.80 million obtained in the 3M S22/23, also explained by lower volumes from Peru.

Gains attributable to the parent company shareholders recorded a US\$-12.72 million loss in the 3M S23/24 compared to the US\$8.13 million profit recorded in the 3M S22/23. This is explained by lower EBITDA due to the aforementioned reasons; higher net financial costs (+US\$4.45 million) mainly associated to higher market interest rates; a positive exchange rate fluctuation of US\$4.26 million in the 3M S23/24, compared with a positive exchange rate fluctuation of US\$12.48 million in the 3M S22/23; and other loss of US\$5.27 million in the corresponding 3M S23/24; last of all, a lower participation in profits of associates which reached US\$0.58 million in the 3M S23/24, compared with a profit of associates for US\$2.19 million in the 3M S22/23 mainly due to the lower result of HFE Berries Perú S.A.C. because of lower volume associated to the El Niño Phenomenon.

Net financial debt determining	30-Sep-23	31-Dec-22
Items	ThUS\$	ThUS\$
Other current financial liabilities	238,314	209,938
Current lease liabilities*	8,587	6,939
Other non-current financial liabilities	463,630	430,943
Non-current lease liabilities*	82,648	82,074
Total financial liability	793,179	729,894
Minus:		
Cash and cash equivalents	49,033	63,454
Total net financial debt	744,146	666,440

*Operating Leases are considered, which as of 2019 must be recognized as assets and liabilities in it (IFRS 16).

The Company's net financial debt increased from US\$666.44 million as of December 31, 2022, to US\$744.15 million as of September 30, 2023, mainly explained by financing of growth and varietal turnover investments in several countries (Peru, Chile and Mexico), as well as financing of working capital. As of September 2023, the lease liability reached US\$91.23 million, of which US\$90.45 million correspond to lease liabilities and the remaining US\$0.78 million to leasing liabilities. Also, as of December 31, 2022, the lease liability reached US\$89.01 million, of which US\$87.51 million correspond to lease liabilities and US\$1.50 million were associated to leasing liabilities.

3. ANALYSIS OF INCOME STATEMENT

During the 9 months ending Sep23, a profit attributable to the parent company shareholders was recorded at US\$4.78 million, which represents a US\$24.03 million reduction compared to the result recorded as of Sep22, which reached US\$28.81 million. Also, total gains reached US\$11.86 million as of Sep23, which is compared with US\$35.94 million as of Sep22.

During this period EBITDA increased US\$3.47 million compared with the previous period, mainly due to higher average prices that impacted income in a positive manner, offsetting the lower commercialized volume.

The negative effects that offset and explain the lower result in profit are:

- Loss in the Other profit (loss) item as of Sep23 reached US\$8.62 million mainly associated to reorganization expenses of the company and the process that resulted in the entrance of PSP Investments through a tender offer in May 2023. Also, as of Sep22 profits were obtained in this item for US\$40.89 million, mainly explained by the sales profit of HFE Berries Perú S.A.C. for US\$45.70 million.
- Positive exchange rate difference as of Sep23 for US\$1.72 million, compared with a positive exchange rate difference as of Sep22 of US\$28.13 million (-US\$26.42 million).
- Higher net financial expenses as of Sep23 reached US\$35.36 million, compared with the US\$23.13 million in the same period of 2022 (-US\$12.23 million) associated to the increase in market interest rates.

As of Sep23, positive gains tax was obtained for US\$6.09 million, compared with US\$8.70 million in expenses as of Sep22 (+US\$14.78 million) mainly due to a lower current tax expense (US\$4.22 million as of Sep23, compared with US\$21.43 million as of Sep22).

a) **Main Components of Income**

Income from operating activities reached US\$647.43 million as of Sep23, representing a 3.30% increase compared to Sep22, mainly due to the increase in average prices of 4.01%, which offset the 8.90% reduction in total volumes (impacted by the fall in frozen fruit volumes of 26.62% and blueberries of 7.21%).

The 0.47% slight increase in the sales volume of fresh fruit is explained by 1) higher volumes of blueberries in Mexico associated to higher productivity in relation to the same period of the previous year, though offset by the fall in volume from Peru, Morocco and Chile, 2) higher volumes of raspberries in Mexico thanks to the maturing of plantations with Hortifrut's own variety, *Centennial*, which has had a very good performance at own fields and third party producers, and 3) higher volumes of blackberries in Mexico thanks to the obtaining of fruit from third parties. The aforementioned offsets the lower volumes of blueberries from Peru due to the delay in the production curve during 3Q23, and also lower volumes from Chile and Morocco during 1H23.

Income from operating activities of the 3M S23/24 were reduced 16.36% (-US\$28.26 million) compared to the same period of the previous season, reaching US\$144.51 million, explained by the 17.64% decrease in distributed volume to 21,315 tons associated to the delays in the Peruvian production curve due to the El Niño Phenomenon. Also, the average price for 3M S22/23 reached 6.47US\$/Kg, increasing 0.93% compared to the average price of 6.41 US\$/Kg for the 3M S22/23 due to higher market prices associated to the lower volume from Peru at an industry level.

The reduction in volumes is explained by the decrease in the fresh fruit segment (-41.60%) due to lower volumes from Peru explained by the delay in the production curve at an industry level, affected by climatic events associated to the El Niño Phenomenon. The average price of fresh fruit increased 29.79%, from 7.83 US\$/Kg in the 3M S22/23 to 10.17 US\$/Kg in the 3M S23/24 explained by the low offer during said productive window.

Also, the value-added products segment showed an increase in volume of 25.16% and a price decrease of 12.34%, reaching 3.38 US\$/Kg explained by lower market prices. In the 3M S23/24, this segment represented 55% of total volume, while in 3M S22/23 it represented 36% of total volume, as a result of lower volumes of fresh fruit from Peru.

	Jan23 - Sep23	Jan22 - Sep22	Variation	Jul23 - Sep23	Jul22 - Sep22	Variation
Total Operating Income	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Income from operating activities	647,433	626,725	3.30%	144,507	172,771	-16.36%
Other income, per function	12,448	6,510	91.21%	9,684	4,731	104.69%
Total Operating Income e	659,881	633,235	4.21%	154,191	177,502	-13.13%

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

Income per Segment	Jan23 - Sep23	Jan22 - Sep22	Variation	Jul23 - Sep23	Jul22 - Sep22	Variation
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Fresh Fruit	601,826	512,941	17.33%	114,857	141,651	-18.92%
Blueberries	462,058	417,070	10.79%	79,474	113,536	-30.00%
Raspberries	108,411	75,992	42.66%	31,636	25,768	22.77%
Blackberries	15,302	9,224	65.89%	2,878	1,583	81.81%
Strawberries	2,828	2,747	2.95%	869	764	13.74%
Cherries	13,227	7,908	67.26%	-	-	0.00%
Value Added Products	58,055	120,294	-51.74%	39,334	35,851	9.72%
Value Added Products	58,055	120,294	-51.74%	39,334	35,851	9.72%
Total Operating Income	<u>659,881</u>	<u>633,235</u>	4.21%	<u>154,191</u>	<u>177,502</u>	-13.13%

In blueberry sales, as of Sep23 we observed an increase of 10.79% compared to the previous period, explained by a 3.97% increase in average price, which offsets the 7.21% fall in volume. Lower commercialized blueberry volumes are associated to Peru, Morocco and Chile, partially offset by an increase in volumes from Mexico.

Raspberries experienced an increase in sales income of 42.66% as of Sep23, due to the higher commercialized volume (+30.12%), mainly from third-party producers in Mexico with plantations of the *Centennial* variety, own raspberry variety developed by Hortifrut's genetics program. Also, price increased (despite higher volumes) 9.64%, which shows the important demand for this product segment.

The blackberries segment recorded a 65.89% increase in income compared to Sep22, explained by higher commercialized volume (+74.95%) associated to the higher obtention of fruit from third parties in Mexico. Also, prices recorded a reduction of 5.18%.

Strawberries experienced a slight 2.95% increase in sales as of Sep23 compared to the previous year, variation that is explained by a 17.67% reduction in commercialized volume associated to lower production at own fields, which is partially offset by the 25.02% increase in price.

Cherries recorded a 67.26% increase in sales income compared to Sep22. This increase is due to an increase in sales volume of 65.62%. Also, average price per kilo increased 0.98%.

Value-added products recorded a decrease in sales income of 51.74% compared to income recorded in the same period of 2022. This variation is explained by the 26.62% decrease in volume and the 34.23% reduction in the average price per kilo, explained by lower demand in this segment.

b) Main Components of Costs and Expenses

Costs and Expenses	Jan23 - Sep23	Jan22 - Sep22	Variation	Jul23 - Sep23	Jul22 - Sep22	Variation
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Cost of sales	(540,433)	(527,521)	2.45%	(132,485)	(150,346)	-11.88%
Administration expenses	(64,981)	(53,571)	21.30%	(17,009)	(16,576)	2.61%
Other expenses, per function, excluding impairment of value of assets	(4,412)	(7,804)	-43.46%	(1,647)	(3,195)	-48.45%
Other operating costs and expenses	(69,393)	(61,375)	13.06%	(18,656)	(19,771)	-5.64%
Impairment of value of assets	(5,024)	(48,117)	-89.56%	(3,203)	0	#iDIV/o!
Total Costs and Expenses	(614,850)	(637,013)	-3.48%	(154,344)	(170,117)	-9.27%

Main Components of Sales Costs

Sales costs as of Sep23 reached US\$540.43 million, presenting a 2.45% increase compared to the US\$527.52 million recorded as of Sep22. Sales costs represented 83.47% of income from operating activities as of Sep23, while as of Sep22 they reached 84.17%, lower proportion due to the increase in prices and the accomplishment of efficiencies in field maintenance, harvesting and packing processes.

Sales costs of the 3M S23/24 reached US\$132.49 million, decreasing 11.88% compared to the 3M S22/23, mainly explained by lower commercialized volume (-17.64%). Sales costs represented 91.68% of income from operating activities in the 3M S23/24, while they reached 87.02% in the 3M S22/23 resulting in a lower gross margin, due to lower volumes in the period, being a temporary effect as long as there is a recovery in volume during the season.

Main Components of Administrative Expenses

Administration expenses as of Sep23 reached US\$64.98 million, representing a 21.30% increase compared to Sep22. Higher expenses are mainly due to the reinforcing of the administrative structure (genetics, technology, communications, marketing, regional teams, among others).

Main Components of Other Expenses, per function

Other expenses, per function (excluding Impairment in the value of assets) decreased US\$3.39 million, reaching US\$4.41 million as of Sep23, explained by the lower reversal (-US\$1.24 million) of the *fair value* of fruit on bearer plants adjustment, reaching -US\$1.80 million as of Sep23, compared with the -US\$3.04 million recorded as of Sep22, explained by the lower recognition of fruit on plant as of Dec22 compared with the *fair value* recognition realized as of Dec21.

Impairment in the value of assets

Impairment in the value of assets reached US\$5.02 million as of Sep23, compared with US\$48.12 million as of Sep22. Impairment as of Sep23 corresponds to impairments in Peru for US\$3.58 million, explained by varietal turnover, impairment of plants in Portugal for US\$0.50 million, stripping due to varietal turnover in Chile for US\$0.39 million, impairments in China for US\$0.33 million and impairment in Atlantic Blue companies for US\$ 0.23 million due to the elimination of surface. Also, impairment as of Sep22 corresponds to stripping due to varietal turnover in Peru, Chile and Mexico.

c) Other Components of Income Statement

	Jan23 - Sep23	Jan22 - Sep22	Variation	Jul23 - Sep23	Jul22 - Sep22	Variation
Other Income (expenses)	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Other profit (loss)	(8,622)	40,885	-121.09%	(5,269)	(1,124)	368.77%
Financial income	1,345	694	93.80%	830	652	27.30%
Financial expenses	(36,709)	(23,823)	54.09%	(13,306)	(8,675)	53.38%
Interest in profit (loss) of associated companies	3,014	2,523	19.46%	576	2,193	-73.73%
Exchange rate fluctuations	1,718	28,134	-93.89%	4,255	12,482	-65.91%
Other Income (expenses)	(39,254)	48,413	-181.08%	(12,914)	5,528	-333.61%

The other components of income decreased from a US\$48.41 million profit as of Sep22 to a US\$39.25 million loss as of Sep23 (-US\$87.67 million).

The main items that explain this decrease are the following:

- Other profit (loss) for US\$-8.62 million as of Sep23, compared with a US\$40.89 million profit as of Sep22 (-US\$49.51 million). The other profit (loss) as of Sep23 mainly correspond to reorganization expenses and the M&A process that finalized with the launched tender offer for PSP Investments in May 2023, while profit as of Sep22 is mainly associated to profit from the sale of 75% of HFE Berries Perú S.A.C.
- Profit due to exchange rate fluctuations for US\$1.72 million as of Sep23, compared with a US\$28.13 million profit recorded in the same period of 2022, due to the impact of the exchange rate variations over balances in currencies different to the functional currency.
- US\$12.24 million increase in net financial expenses, reaching US\$35.36 million as of Sep23. This variation is mainly explained by the increase in market interest rates.
- Increase in profit due to participation in profit of associates for US\$0.49 million, reaching US\$3.01 million as of Sep23, mainly due to profit generated by the Honghe Joyvio Berry Co. Ltd, packing company in China, and the Hortifrut IG Berries Private Limited company in India.

d) Gains tax expense

Gains tax expense reached US\$6.09 million in profits as of Sep23, compared with an US\$8.70 million loss as of Sep22. Tax expense of the period is mainly itemized by current tax expense of US\$4.22 million (US\$21.43 million as of Sep22); offset by deferred tax gains for US\$10.56 million (US\$10.16 million as of Sep22), among other concepts.

e) Other Result Indicators

Activity Indicators:

Indicator	Unit	Jan23 - Sep23	Jan22 - Sep22
Activity			
Rotation of Assets	Times	0.36	0.33
<i>Operating revenue / Total average assets of the period</i>			
Rotation of Inventory	Times	3.68	3.71
<i>Cost of sales / Average inventory</i>			
Permanence of inventory (days)	Days	73	73
<i>Inventory / Annual cost of sale (360 day base)</i>			

Rotation of assets between the periods ending September 30, 2023, and 2022 increased because income increased 4.21%, while total average assets were reduced by 3.20%. The reduction in total average assets is explained by the sale of 75% of HFE Berries Perú S.A.C. in May 2022 and, therefore, the de-consolidation of its assets.

Likewise, the inventory rotation ratio decreased from 3.71 times as of Sep22 to 3.68 times as of Sep23 because average inventories increased 3.09%, while sales costs increased in lower proportion (+2.45%).

4. COMPARATIVE ANALYSIS OF MAIN TENDENCIES

The evolution of the main financial indicators is as follows:

Indicator	Unit	30-Sep-23	31-Dec-22	Variations %
Current Liquidity	Times	1.38	1.31	5.22%
<i>Current Asset / Current Liability</i>				
Acid Ratio	Times	0.69	0.73	-6.20%
<i>Current assets (-) Other non-financial assets, inventories and current biological assets / Current liability</i>				
Debt Ratio	Times	1.83	1.84	-0.34%
<i>Total liabilities / Equity attributable to Parent Company</i>				
Short term debt		31.77%	34.43%	-7.71%
<i>Total current liabilities / Total liabilities</i>				
Long term debt		68.23%	65.57%	4.05%
<i>Total non-current liabilities / Total liabilities</i>				
Book value of the share (US\$)	Dollars per share	0.000012	1.0543	-100.00%
<i>Equity attributable to parent company / N° shares</i>				

- Current liquidity was 1.38 times as of Sep23, which represents an increase in relation to Dec22 (1.31 times) due to the 3.14% reduction in current assets, lower than the 7.95% reduction in current liabilities. Also, the acid ratio reached 0.69 times experiencing a 6.20% reduction in relation to the period ending December 31, 2022, because current assets, excluding inventories, biological assets and other non-financial assets were reduced by 13.65%.

Current assets decreased US\$15.89 million (-3.14%), reaching US\$ 489.69 million, mainly explained by the reduction in trade debtors and other accounts receivable (-US\$25.54 million), decrease in Inventories (-US\$14.62 million), reduction in Cash and Equivalents (-US\$14.42 million), partially offset by the increase in current biological assets for US\$37.97 million. Also, current liabilities decreased US\$30.66 million (-7.95%) mainly due to the reduction in Trade Accounts and Other accounts payable. The reduction in current assets and current liabilities is mainly explained by the end of the production and commercialization cycle of the 22/23 season, and the delay in the start-up of the 23/24 season due to late volumes in Peru.

- The debt ratio decreased slightly by 0.34% compared to December 31, 2022, reaching 1.83 times, explained by a 0.26% reduction in total liabilities, while controlling equity increased 0.08% due to accumulated gains in the period for US\$4.78 million.
- The percentage of current liabilities as of Sep23 was 31.77% in relation to total liabilities, lower than 34.43% as of December 2022, mainly explained by the reduction in trade accounts and other accounts payable due to lower work capital needs.
- The book value of the share decreased 100%, passing from 1.0543 US\$/share in December 2022 to 0.000012 US\$/share as of September 2023, associated to the issuance of new shares.

Indicator	Unit	Jan23 - Sep23	Jan22 - Sep22	Variations %
Financial expense coverage <i>(Before tax profit+Financial costs)/Financial costs</i>	Times	1.16	2.87	-59.72%
Profitability of parent company equity <i>Parent company gains/Parent company equity</i>		0.78%	4.74%	-83.45%
Profitability of equity <i>Profit of the period/Total equity</i>		1.68%	5.14%	-67.40%

- The reduction in the financial expense hedging index as of Sep23 compared to Sep22 is mainly because of the increase in financial costs mainly due to higher market interest rates, also before tax profit decreased 87.06%.
- The profitability of parent company equity was reduced from 4.74% as of Sep22 to 0.78% as of Sep23 explained by lower profit of the parent company as of Sep23 to US\$4.78 million, compared to controlling gains as of Sep22 which reached US\$28.81 million, mainly due to higher net financial expenses and other loss as of Sep23 for US\$8.62 million.

Also, the profitability of total equity as of Sep23 is 1.68%, compared with the 5.14% profitability as of Sep22. This reduction is explained by the lower Profit of the period, which reached US\$11.86 million, lower than the US\$35.94 million profit as of Sep22 due to the reasons explained in the previous point.

5. ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Main items of the Consolidated Statement of Financial Position

Statement of Financial Position	30-Sep-23	31-Dec-22	Variation	
	ThUS\$	ThUS\$	ThUS\$	%
Total current assets	489,693	505,578	(15,885)	-3.14%
Total non-current assets	1,335,122	1,315,186	19,936	1.52%
Total assets	1,824,815	1,820,764	4,051	0.22%
Total current liabilities	355,047	385,711	(30,664)	-7.95%
Total non-current liabilities	762,410	734,625	27,785	3.78%
Total liabilities	1,117,457	1,120,336	(2,879)	-0.26%
Equity attributable to parent company equity holders	609,183	608,692	491	0.08%
Non-controlling interest	98,175	91,736	6,439	7.02%
Total equity	707,358	700,428	6,930	0.99%

As of September 30, 2023, total assets increased US\$4.05 million (+0.22%) in relation to those existing as of December 31, 2022, explained by an increase in non-current assets of US\$19.94 million mainly due to an increase in deferred tax assets and investments in associates' assets. Also, current assets decreased US\$15.89 million due to lower trade debtors, inventories, and cash and equivalents, due to the business cycle (only 3 months of the new harvesting season and start-up of sales).

Current assets were reduced by US\$15.89 million, which is mainly explained by 1) reduction in trade Debtors and Other accounts receivable (-US\$25.55 million) explained by the recovery of the portfolio associated to fruit sales of the 22/23 season and recent start-up of the 23/24 season cycle, 2) reduction in Inventories (-US\$14.62 million) also associated to lower fresh fruit stock per business cycle and delay in fruit production from Peru, and 3) lower Cash and Equivalents (-US\$14.42 million). The aforementioned was partially offset by higher current biological assets due to activated seasonal costs still not recognized.

In the meantime, non-current assets increased US\$19.94 million (+1.52%) in relation to December 31, 2022, due to 1) increase in deferred tax assets of US\$11.96 million mainly associated to tax loss, and 2) increase in investments recorded using the participation method (+US\$8.70 million) mainly associated to the recognizing of a capital contribution of US\$9.58 million for Hortifrut IG Berries Private Ltd. company in India.

Current liabilities decreased US\$30.66 million (-7.95%), reaching US\$355.05 million as of Sep23. The reduction in current liabilities is mainly associated to 1) reduction in trade accounts and other accounts payable (-US\$58.09 million) for payment to suppliers. The aforementioned is partially offset by the US\$28.38 million increase in Other current financial liabilities mainly due to the obtaining of financing for work capital.

Non-current liabilities increased US\$27.79 million (+3.78%), reaching US\$762.41 million as of Sep23. Said increase is mostly due to the increase in non-current financial liabilities (+US\$32.69 million) due to restructuring of debt executed in the period, partially offset by reduction in accounts payable to non-current related entities (-US\$7.76 million).



The Company's total equity increased US\$6.93 million (+0.99%) compared to December 31, 2022, reaching US\$707.36 million, mainly explained by the increase in accumulated profit (loss) of US\$4.78 million, and non-controlling participations of US\$6.44 million.

MAIN COMPONENTS OF NET OPERATING INVESTMENT AND FINANCING CASH FLOWS

Main sources and uses of funds in the period (US\$ million)	January-September 2023	January-September 2022	Comments
Charges from the sale of goods and providing of services	675	599	Higher collections associated with higher sales.
Payment to suppliers for supplying of goods and services	(463)	(412)	Increase in suppliers payments also due to growth in sales.
Payment for and on behalf of employees	(151)	(135)	
Net interests	(22)	(23)	
Taxes	(13)	(7)	
Others	(1)	(2)	
(1) Total Cash Flow for Operating Activities	26	20	
Cashflows from loss of control of subsidiaries or other businesses	0	35	Corresponds to the collection of 40% of the sale price of Olmos.
Cashflows used in the purchase of non-controlling interests	(10)	(5)	Corresponds to the capital contribution made to enter the property of IG Berries (India).
Sale and purchase of property, plant and equipment	(54)	(79)	Decrease due to less investments.
Purchases of intangible assets	(4)	(0)	
Dividends received	4	0	
(2) Total Cash Flow for Investment Activities	(64)	(49)	
Loans from related entities	(6)	7	Temporary loan from partners in Ecuador, which will be capitalized later.
Income from financing	270	313	
Payment of loans	(229)	(298)	
Paid dividends and other investment flows	(11)	(29)	
(3) Total Cash Flow for Financing Activities	25	(8)	
Net Increase of Cash and Cash Equivalents (1) + (2) + (3)	(13)	(36)	
Effect of exchange rate fluctuation	(1)	2	
Cash and Cash Equivalent at the start of the period	63	105	
Cash and Cash Equivalent at the End of the Period	49	70	



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 Risks

7.1.1 Credit Risks

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 its 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 its 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 these mechanisms are 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.



Although to date Hortifrut has not had any significant 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. To mitigate this risk, the Company has contracted credit insurance for the parent company and subsidiaries.

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 HFE Berries Perú S.A.C. in Peru, 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.

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

Hortifrut has available short-term credit lines, approved and valid for work capital, which as of September 30, 2023, reach US\$422.5 million and EUR18.6 million (US\$434.95 million and EUR16.18 million as of December 31, 2022) distributed among 20 banks. The used amount reaches US\$156.21 million and EUR4.13 million, with an available balance of US\$266.29 million and EUR14.47 million. Credit lines are distributed among the following companies: Hortifrut Chile S.A. with US\$217.5 million, Hortifrut Perú S.A.C. with US\$200.0 million, Euroberry Marketing S.A. with EUR11.1 million, SAT Hortifrut H-300 de R.L. with EUR2.0 million, Atlantic Blue S.L.U. with EUR2.0 million, Atlantic Green S.L. with EUR1.5 million, Hortifrut España with EUR2.0 million and Hortifrut Import Inc., with US\$5.0 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 September 30, 2023:

	Cash Flows						
	Capital	Interests	From 0 to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
<u>Creditor Bank</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Banco Rabobank	148,099	2,352	214	11,355	132,647	54,096	198,312
Banco Santander Chile	62,257	881	13,085	3,954	60,115	-	77,154
Banco de Crédito e Inversiones	58,577	1,031	8,953	18,323	41,341	-	68,617
Banco de Crédito del Perú	57,907	968	8,380	33,720	19,447	-	61,547
Banco ITAU	37,021	348	37,519	-	-	-	37,519
Communications Bank Yunnan Branch	31,335	34	410	20,417	14,408	-	35,235
Banco Internacional del Perú S.A.	29,229	644	5,071	11,539	14,982	-	31,592
Cooperatieve Rabobank U.A., New York Branch	25,000	927	4,672	4,490	20,153	-	29,315
Banco Bilbao Vizcaya Argentaria	18,646	99	378	1,145	20,985	708	23,216
Banco de Chile	18,189	626	16,252	1,060	1,670	-	18,982
Banco Latinoamericano de Comercio Exterior, S.A.	15,000	574	5,642	5,425	5,213	-	16,280
Bank of China	13,801	327	-	1,107	16,832	-	17,939
Agricultural Bank of China	12,293	20	121	12,526	-	-	12,647
HSBC México SA, Institución de Banca Múltiple	10,000	70	70	10,066	-	-	10,136
BHD International	9,962	66	155	416	12,139	-	12,710
CaixaBank, S.A.	9,722	214	796	4,699	5,040	-	10,535
Banco de Occidente S.A.	9,674	274	-	791	12,023	-	12,814
Banco Bice	7,000	29	7,039	-	-	-	7,039
Banco Scotiabank	6,087	146	6,292	-	-	-	6,292
Bankinter	5,983	33	1,083	208	6,070	-	7,361
Banco Estado	5,122	33	5,200	-	-	-	5,200
Banco Santander Central Hispano S.A.	5,051	178	597	1,823	2,829	343	5,592
Banco Scotiabank Perú S.A.	5,000	60	-	5,148	22,178	-	27,326
Caja Rural del Sur	3,740	-	138	1,081	2,605	443	4,267
Banco Pichincha C.A.	997	27	-	1,072	-	-	1,072
Banco RaboFinance Chile	975	19	-	265	972	-	1,237
Banco Internacional	138	-	138	-	-	-	138
GC Rent Chile SpA.	53	-	10	35	8	-	53
Mercedes-Benz Financial Services Portugal -Sociedade fin	14	-	-	3	15	-	18
Bancolombia S.A.	8	-	-	8	-	-	8
Fifth Third Bank	2	-	-	2	-	-	2
Total as of September 30, 2023	606,882	9,980	122,215	150,678	411,672	55,590	740,155

Below is a summary of the maturities of total financial liabilities as of September 30, 2023:

<u>Detail</u>	<u>Cash Flows</u>						<u>Total</u> <u>ThUS\$</u>
	<u>Capital</u> <u>ThUS\$</u>	<u>Fair</u> <u>Value</u> <u>ThUS\$</u>	<u>From 0</u> <u>to 3</u> <u>months</u> <u>ThUS\$</u>	<u>Between</u> <u>3 and 12</u> <u>months</u> <u>ThUS\$</u>	<u>Between</u> <u>1 and 5</u> <u>years</u> <u>ThUS\$</u>	<u>Over 5</u> <u>years</u> <u>ThUS\$</u>	
Bank loans	606,124	616,080	121,568	150,589	411,612	55,590	739,359
Bonds - obligations with the public	85,303	85,864	1,267	16,024	76,554	-	93,845
Leasing Liabilities	758	782	647	89	60	-	796
Operating Lease Liabilities	86,201	90,453	1,769	7,279	31,625	103,417	144,091
Trade accounts and other accounts payable	214,466	214,466	81,006	10,881	122,579	-	214,466
Accounts payable to related companies	10,946	10,946	-	4,308	6,638	-	10,946

7.1.3. Exchange Rate Risk

The international character of its business and its operations in different countries expose Hortifrut to risks due to exchange rate fluctuations. The main exposures refer to exchange rate fluctuations in US Dollar versus Chilean Pesos, Mexican Pesos, Peruvian Nuevo Sol and Euros.

a) Exposure to Chilean Pesos

The source of exposure to Chilean Pesos comes from the costs of the Chilean companies denominated in said currency, trade accounts receivable with national customers and liquid funds held in financial instruments and bank obligations.

Hortifrut performs actions to mitigate the exposure to costs of Chilean companies by contracting derivative instruments. Likewise, in Chilean companies, Cross Currency Swap instruments are used to mitigate the exchange rate risk in bank obligations denominated in Chilean Pesos.

b) Exposure to Mexican Pesos

The source of exposure to Mexican Pesos mainly comes from agricultural operating costs in Mexico which are mostly denominated in said currency and, at a lower scale, trade accounts receivable with Mexican customers.

Hortifrut performs mitigation measures over the exposure to costs of Mexican companies, through the contracting of derivative instruments.

c) Exposure to Euros

The source of exposure to Euros comes from sales performed in said currency, 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 September 30, 2023:

As of September 30, 2023	<u>Chilean</u>						
	<u>Pesos</u>	<u>Nuevo Sol</u>	<u>Euro</u>	<u>Mexican Pesos</u>	<u>Yuan</u>	<u>Dirham</u>	<u>Others</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Financial Assets							
Cash and Cash Equivalents	793	535	8,649	675	17,393	2,018	1,058
Current trade debtors and other accounts receivable	17,536	10,844	19,349	10,010	2,327	4,705	2,610
Current accounts receivable with related entities	79	65	-	-	5,563	-	-
Non-current fees receivable	8	-	100	-	-	-	87
Total Financial Assets	18,416	11,444	28,098	10,685	25,283	6,723	3,755
Financial Liabilities							
Other current financial liabilities	-	-	7,611	-	18,643	2,583	8
Current lease liabilities	289	-	916	368	2,768	283	106
Current trade accounts and other accounts payable	11,106	8,021	21,539	12,915	2,632	3,640	857
Current accounts payable to related entities	300	523	1,109	-	-	-	-
Other current provisions	782	545	597	-	-	-	-
Current provisions for employee benefits	1,474	2,242	235	2,332	-	-	406
Other non-current financial liabilities	-	-	9,667	-	25,039	3,702	-
Non-current lease liabilities	1,155	-	2,800	2,387	52,419	4,991	426
Other non-current accounts payable	-	-	122,579	-	-	-	-
Non-current accounts payable to related entities	5,307	-	-	-	-	-	-
Total Financial Liabilities	20,413	11,331	167,053	18,002	101,501	15,199	1,803
Net exposure as of September 30, 2023	(1,997)	113	(138,955)	(7,317)	(76,218)	(8,476)	1,952

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\$23.09 million (US\$28.57 million as of December 31, 2022), the aforementioned maintaining all the other variables constant. The calculation considers the Company's exposure to financial assets and liabilities denominated in currency different to the dollar.



<u>Currencies</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>	<u>Net (10% Devaluation)</u>	<u>Variation</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Chilean Peso	18,416	20,413	(1,997)	(1,797)	200
Nuevo Sol	11,444	11,331	113	102	(11)
Euro	28,098	167,053	(138,955)	(125,060)	13,895
Mexican Peso	10,685	18,002	(7,317)	(6,585)	732
Yuan	25,283	101,501	(76,218)	(68,596)	7,622
Dirham	6,723	15,199	(8,476)	(7,628)	848
Others	3,755	1,803	1,952	1,757	(195)
Total as of September 30, 2023	104,404	335,302	(230,898)	(207,807)	23,091

7.1.4. Interest Rate Risk

The Hortifrut Group has its long-term financial liabilities linked to long-term investments.

Long-term liabilities are both at fixed and variable rates and mostly in dollars to avoid cost variations and to be aligned with the Company's functional currency. Even though short-term financial liabilities linked to temporary work capital are at a fixed rate, exposure to fluctuations in the market rates at the moment of its contracting and/or renewal is experienced.

As of September 30, 2023, the debt at variable rate that Hortifrut maintained was US\$602.29 million (US\$544.39 million as of December 31, 2022), if this debt level is maintained for a one year term and today the rate increased 10%, the impact on the annual financial cost would be US\$3.43 million (US\$2.52 million as of December 31, 2022).

7.1.5. 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.

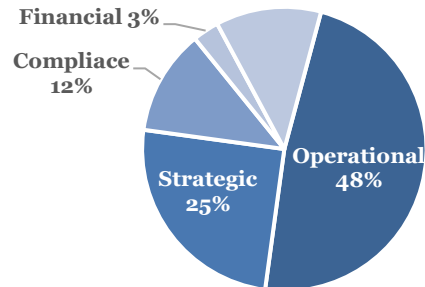
At Hortifrut there is a quarterly follow up of the action plans associated to all the risks, and a monthly follow up of the action plans associated to critical risks, which is reported with the same regularity to the Board.

Hortifrut's **Risk Matrix** contains the risks which it faces, classified into 5 large groups: Strategic, Financial, Operational, Compliance and Climatic. 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 September 30, 2023, risks identified by Hortifrut are distributed in the following manner:

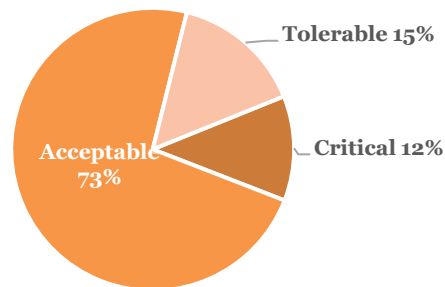
	Operational	Strategic	Compliance	Financial	Climatic
Type of risk	48%	25%	12%	3%	12%

RISK TYPE



	Critical	Tolerable	Acceptable
Risk Severity	12%	73%	15%

RISK SEVERITY



Critical risks faced as of September 30, 2023, are the following:

RISK	TYPE	DESCRIPTION	CONTROLS AND MITIGACIÓN
Water supply	Operational	To not count with the necessary water to irrigate the plantations, because of droughts and/or groundwater that could dry out.	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 allows to assure water for an average 25 days, with a reserve of 2.5 million m3. In Mexico, reservoirs have also been built in the different fields. In Chile, dams are maintained to store water, which allows to irrigate for a prudent time, and water is purchased from neighboring owners that count with duly accredited shares. Furthermore, in certain geographic areas, soil plantations are complemented with plantations in pots, which use approximately 30% less water than soil plantations.

Third party producers that do not comply with Hortifrut's ethical standards.	Compliance	Third party producers that do not comply with Hortifrut's ethical standards, risking Hortifrut's reputation and thereby its trade programs.	The company's commitment in ethical compliance matters is informed through contract annexes. Also, the Ethics Codes of the 23/24 season were revised and will be informed to all producers in a global manner. SMETA audits are requested from subsidiaries with a higher risk and higher volume producers, as well as performing internal controls directed at sub-contracts and lodging.
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.
Strategic project management.	Strategic	Errors in the design or definition of assumptions, inadequate management and/or performance of the total strategic projects that the organization has, being able to derive in significant loss for the Company due to errors in the estimation, affecting the general objectives of the business.	There is an investment policy, which establishes the procedure to evaluate and monitor projects with Capex equal to or higher than US\$1,000,000. The fulfilment of the assumptions at all the investment projects are monitored on a quarterly basis.
Plant Supply	Strategic	Depend on few plant/plug suppliers to cater for Hortifrut's growth plan.	Hortifrut counts with few plant/plug suppliers, it performs detailed planning to assure the necessary plants/plugs for the growth plan.
Infringement of the Personal Data Protection Law	Compliance	If it is proven that the Personal Data Protection Law has been infringed, the fine could reach the highest amount between EUR 20 million and 4% of global sales (EUR 38 million).	The Data Protection Owner (DPO) is defined at a corporate level. An email was enabled to channel all the requirements: dataprotection@hortifrut.com. We have a Data Protection Committee. Hortifrut's Corporate Personal Data Protection Policy has been published.
Climate change, natural disasters, accidents or pandemics	Operational	Natural disasters (e.g.: earthquakes and landslides), unfavorable climatic conditions (e.g.: storms) or unexpected events (e.g.: fires, floods or attacks) that damage plantations and/or installations, affecting production.	The Company has plantations and operations at different geographic locations, which allow it to partially mitigate this risk. The different subsidiaries have developed different mitigation plans to fight this risk. For example, in Peru fire-fighting systems have been installed and firewalls built at the packings, dividing the process line, the finished product chamber and the security doors to isolate the materials warehouse. It also counts with protection works at the waterways and critical points have been reinforced to protect plantations from the El Niño Phenomenon.

		With the purchase of Rocio Group's blueberries business in Peru, the Company's plantations in said country reached 42.2% of the total as of December 31, 2021.	In Mexico to mitigate the climatic contingencies, different actions have been implemented, for example, drains, nets and purchase of an electric energy plant, among others.
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7.2. 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 September 30, 2023, and December 31, 2022, are the following:

<u>COUNTRY</u>	<u>TYPE OF INSURANCE</u>	<u>CURRENCY</u>	<u>30-Sep-23 COVERED AMOUNT</u>	<u>CURRENCY</u>	<u>31-Dec-22 COVERED AMOUNT</u>
Chile	Infrastructure fire	UF	1,211,265	UF	1,211,265
Chile	Mobile Agricultural Equipment	UF	45,369	UF	45,369
Chile	Motor Vehicles	UF	28,812	UF	28,812
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	59,000,000	USD	59,000,000
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
Spain	Infrastructure Fire	EUR	24,618,824	EUR	24,618,824
Spain	Motor Vehicles	EUR	514,000	EUR	514,000
Spain	General and Product Civil Liability	EUR	48,450,000	EUR	48,450,000
Spain	Fruit and Materials Insurance	EUR	50,000	EUR	50,000
Peru	Civil Liability	USD	1,000,000	USD	1,000,000
Peru	Dishonesty, Disappearance and Destruction	USD	100,000	USD	100,000
Peru	Patrimonial: Fire, Riesgo of Nature, Political Risk	USD	40,000,000	USD	40,000,000
Peru	Fire	PEN	618,320	PEN	618,320
Peru	Motor Vehicles	USD	2,136,124	USD	2,136,124

7.3. 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 September 30, 2023, the expected margin of the Company's bearer plants was recognized, for an amount that reaches US\$10.55 million (US\$1.80 million as of December 31, 2022), which is presented under results in the item Other income, per function.

Below is the detail of the effect that a 10% reduction in price and volume would have had on the adjustment as of September 30, 2023:

Company	Fair Value adjustment as of 30-Sep-23 (ThUS\$)	10% Reduction Volume (ThUS\$)	10% Reduction Price (ThUS\$)	10% Reduction Volume and Price (ThUS\$)
Hortifrut Perú S.A.C.	10,546	9,491	7,965	7,169
Total	10,546	9,491	7,965	7,169

As of September 30, 2023, the other agricultural companies did not present relevant amounts for this calculation, remaining outside the adjustment as per what is established in Hortifrut's policy.

7.4. 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.