

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

As of December 31, 2024
(In thousands of United States dollars)

The current reasoned analysis has been prepared for the period ending December 31, 2024, compared with the financial statements as of December 31, 2023 (Dec24 and Dec23, 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 six-month comparison of the 24/25 and 23/24 seasons ("6M S24/25" and "6M S23/24", respectively).

1. HIGHLIGHTS OF THE PERIOD AND SUBSEQUENT FACTS

Ordinary Shareholders Meeting

Dated April 29, 2024, at Hortifrut S.A.'s Ordinary Shareholders Meeting, it was approved to distribute, for the concept of definite dividend, mandatory minimum, the total amount of US\$4,716,883.51, equal to 50% of the net distributable profit obtained by the Company during 2023.

Also, the Annual Report, Balance and Financial Statements corresponding to 2023, the Company's situation and the corresponding report from the External Auditing Company were approved; the Dividends Policy was approved; the Board's remuneration for 2024 was established and the expenses report for 2023 was approved; the remuneration for the Director's Committee was established and its expense budget was approved for 2024, as well as the activities and expenses report for 2023, and EY was designated as the External Auditing Company, and ICR and Humphreys as Risk Classifiers for 2024. Finally, information was provided regarding operations with related parties realized during 2023.

Un-listing of Hortifrut S.A. from the Securities Registry

Dated May 16, 2024, the Commission for the Financial Market has given course to and accepted the request to cancel the inscription of the Company's shares in the Securities Registry, since during 2023 the tender offer was materialized where PSP Investments, together with SJF Investment SpA, reached a 49.74% participation in Hortifrut S.A. The Company maintains the inscriptions of its corporate bonds valid.

Controlling Group's Sale of Shares Option

Dated October 22, 2024, Hortifrut's Controlling Group informed the materializing of the shares sale option established in the contract in English called the Shareholders Agreement, subscribed on December 16, 2022, with 14602889 Canada Inc. (the "Investor"), a company affiliated to the Canadian pension fund investor Public Sector Pension Investment Board.

Due to the aforementioned, on that date the Investor and SJF Investments SpA, purchased shares that represent 12.286% of Hortifrut's share capital.

Since after materializing this transaction, the Controlling Group will continue to be the titleholder of at least 35% of Hortifrut's share capital, the Company's corporate governance regulated in the Shareholders Agreement, and which was informed in Essential Act 2022, remains fully valid.

2. SUMMARY OF THE PERIOD

The calculation of the EBITDA is detailed below:

	CALENDAR YEAR (6 months)		SEASON (12 months)	
	Jan24 - Dec24	Jan23 - Dec23	Jul24 - Dec24	Jul23 - Dec23
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
EBITDA DETERMINING				
Income from operating activities	1,154,618	1,016,838	524,837	513,912
Other income, per function	10,282	8,716	3,889	5,952
Total Income	1,164,900	1,025,554	528,726	519,864
Cost of sales	(977,116)	(844,615)	(443,582)	(436,667)
Administration expenses	(79,553)	(84,063)	(40,080)	(36,091)
Other expenses, per function *	(8,933)	(6,819)	(2,999)	(4,054)
Total Costs and Expenses	(1,065,602)	(935,497)	(486,661)	(476,812)
Operating Result	99,298	90,057	42,065	43,052
Depreciation and amortization	92,969	79,229	48,668	46,957
EBITDA	192,267	169,286	90,733	90,009
EBITDA without Fair Value	191,855	167,171	87,444	87,406

*Excluding impairment in the value of assets.

Accumulated analysis as of December 2024

EBITDA as of Dec24 reached US\$192.27 million, which represents a 13.58% increase compared with the US\$169.29 million recorded as of Dec23.

This increase in EBITDA is mainly explained by the higher income in operating activities (+13.55%) due to higher volumes (+23.39%), explained by the increase in volumes of fresh fruit (+25.06%), and in the value added segment (+18.58%).

Also, total costs and expenses increased 13.91% explained by the increase in sold fruit volume, which was partially offset by the 5.37% reduction in administrative expenses due to lower remuneration expenses associated to improvements in the organizational structure.

Accumulated EBITDA as of Dec24 without the fair value effect of fruit reached US\$191.85 million, which represents a 14.77% increase compared to the US\$167.17 million obtained in the same period of 2023. The net fair value effect as of Dec24 was US\$0.41 million, while as of Dec23 it was US\$2.11 million.

Analysis of the July 2024 – December 2024 season

The 6M S24/25 EBITDA reached US\$90.73 million, in line with the US\$90.01 million EBITDA recorded in 6M S23/24. Both income and Costs and expenses in the 6M S24/25 remained in line compared with the 6M S23/24, increasing 2.13%, and 2.07%, respectively. Even though volumes increased 19.99%, average prices were reduced due to lower market prices.

Profit (loss) attributable to parent company shareholders recorded a US\$57.52 million loss in 6M S24/25, compared to the US\$6.58 million loss recorded in the 6M S23/24. This higher loss is mainly explained by the higher expense due to impairment, which reached US\$66.73 million mainly associated to varietal turnover in Mexico, Peru, China and Chile, and which is compared with expense due to impairment in the 6M S23/24, which reached US\$29.13 million (-US\$37.60 million). The company, as part of its strategy, has a constant varietal turnover program to maintain its variety portfolio updated.

Determination of Net Financial Debt	30-Dec-24	31-Dec-23
Items	ThUS\$	ThUS\$
Other current financial liabilities	396,508	291,610
Current lease liabilities*	11,742	12,585
Other non-current financial liabilities	323,405	435,529
Non-current lease liabilities*	110,852	102,035
Total financial liability	842,507	841,759
Minus:		
Cash and cash equivalents	67,876	63,894
Total net financial debt	774,631	777,865

**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 decreased from US\$777.87 million as of December 31, 2023, to US\$774.63 million as of December 31, 2024. As of December 31, 2024, the lease liability reached US\$122.59 million, of which US\$121.96 million correspond to lease liabilities under IFRS16 and US\$0.63 million correspond to leasing liabilities. Also, as of December 31, 2023, the leasing liability reached US\$114.62 million, of which US\$113.85 million correspond to lease liabilities under IFRS16 and US\$0.77 million were associated to leasing liabilities.

3. INCOME STATEMENT ANALYSIS

During the 12 months ending Dec24, a loss attributable to the parent company shareholders of US\$45.46 million was recorded, which represents a reduction compared to gains recorded as of Dec23 for US\$10.93 million.

The effects that explain this loss attributable to parent company shareholders, and the reduction compared to Dec23 are:

- Expense due to impairment in the value of assets as of Dec24, reaching US\$71.61 million due to varietal turnover in Mexico, Peru, China and Chile, in order to replace less profitable plantations and maintain the company's varietal portfolio updated as per market

preferences. This result is compared with the US\$30.95 million impairment recorded as of Dec23 (-US\$40.66 million).

- Higher expense due to depreciation of assets and amortization of intangibles, which reached US\$92.97 million as of Dec24, compared with the US\$79.23 million as of Dec23 (-US\$13.74 million).
- Negative exchange rate difference of US\$14.33 million, compared with a negative Exchange rate difference of US\$2.01 million as of Dec23 (-US\$12.32 million) mainly explained by the negative effect of the deferred tax exchange rate in Mexico.
- Higher gains tax expense as of Dec24 reached US\$-7.70 million, compared with the positive amount recorded as of Dec23 of US\$13.91 million, mainly due to a lower positive effect of deferred taxes, which reached US\$-1.29 million as of Dec24, compared to the positive effect of deferred taxes for US\$26.03 million as of Dec23. The lower current tax expense as of Dec24 reached US\$-6.60 million, compared with US\$-13.87 million as of Dec23, which partially offset the aforementioned.

The previous effects were partially offset by:

- Increase in EBITDA from US\$169.29 million as of Dec23 to US\$192.27 million as of Dec24 (+US\$22.98 million), due to higher commercialized volumes, both from fresh fruit and the value added segment.
- Lower loss in Other profit (loss) account which reached US\$-2.84 million as of Dec24, compared with the US\$-13.74 million recorded as of Dec23 (+US\$10.90 million) due to company reorganization expenses incurred during 2023.
- Net financial expenses were lower as of Dec24, reaching US\$46.81 million, compared with US\$47.66 million as of Dec23 (+US\$0.86 million).

a) Main Components of Income

Income from operating activities reached US\$1.155 billion as of Dec24, representing a 13.55% increase compared to Dec23, due to the increase in fresh fruit volumes (+25.06%), and the value added segment (+18,58%).

Income from operating activities of 6M S24/25 was US\$524.84 million, which represents a 2.13% increase compared to the same period of the previous season.

	Jan24 - Dec24	Jan23 - Dec23	Variation	Jul24 - Dec24	Jul23 - Dec23	Variation
Total Operating Income	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Income from operating activities	1,154,618	1,016,838	13.55%	524,837	513,912	2.13%
Other income, per function	10,282	8,716	17.97%	3,889	5,952	-34.66%
Total Operating Income	1,164,900	1,025,554	13.59%	528,726	519,864	1.70%

Sales from the Fresh Fruit segment as of Dec24 increased 7.87% compared to the previous period, explained by an increase in volume of: 1) blueberries from Peru, 2) blueberries from Morocco and Spain, 3) cherries from Chile, both from own fields and from third party producers, and 4) blackberries from Mexico due to a higher obtention from third parties.

Value added products recorded a 75.83% increase in sales income as of Dec24 compared to income recorded in the same period as of Dec23, and represented 13.0% of income as of Dec24, compared with 8.4% as of Dec23.

The fresh fruit segment experienced a slight 0.08% decrease in income in the 6M S24/25 mainly due to lower average prices associated with lower market prices. The decrease in average price was partially offset by the increase in volumes.

The value added products segment recorded a 13.67% increase in income during the 6M S24/25, compared with the 6M S23/24 due to higher obtained prices. This segment represented 14.5% of income in the 6M S24/25, compared with 13.0% represented in the 6M S23/24.

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

Income per Segment	Jan24 - Dec24	Jan23 - Dec23	Variation	Jul24 - Dec24	Jul23 - Dec23	Variation
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Fresh Fruit	1,013,221	939,291	7.87%	451,953	452,322	-0.08%
Value Added Products	151,679	86,263	75.83%	76,773	67,542	13.67%
Total Operating Income	1,164,900	1,025,554	13.59%	528,726	519,864	1.70%

b) Main Components of Costs and Expenses

Costs and Expenses	Jan24 - Dec24	Jan23 - Dec23	Variation	Jul24 - Dec24	Jul23 - Dec23	Variation
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Cost of sales	(977,116)	(844,615)	15.69%	(443,582)	(436,667)	1.58%
Administration expenses	(79,553)	(84,063)	-5.37%	(40,080)	(36,091)	11.05%
Other expenses, per function, excluding impairment of value of assets	(8,933)	(6,819)	31.00%	(2,999)	(4,054)	-26.02%
Other operating costs and expenses	(88,486)	(90,882)	-2.64%	(43,079)	(40,145)	7.31%
Impairment of value of assets	(71,612)	(30,954)	131.35%	(66,734)	(29,133)	129.07%
Total Costs and Expenses	(1,137,214)	(966,451)	17.67%	(553,395)	(505,945)	9.38%

Main Components of Sales Costs

Sales costs as of Dec24 reached US\$977.12 million, presenting a 15.69% increase compared to the US\$844.62 million recorded as of Dec23, which is explained by higher sales volumes (+23.39%). Sales costs represented 84.63% of income from operating activities as of Dec24, while as of Dec23 they reached 83.06%.

Sales costs of the 6M S24/25 reached US\$443.58 million, representing a slight 1.58% increase compared to the US\$436.67 million recorded in the same period of the 6M S23/24, mainly explained by higher commercialized volumes. Sales costs represented 84.52% of income from operating activities in the 6M S24/25, compared with 84.97% in the 6M S23/24.

Main Components of Administrative Expenses

Administrative expenses as of Dec24 reached US\$79.55 million, representing a 5.37% decrease compared to Dec23. The decrease is mainly due to a reduction in remuneration expenses derived from improvements in the organizational structure.

Main Components of Other Expenses, per function

Other expenses, per function (excluding impairment in the value of assets) increased US\$2.11 million, reaching US\$8.93 million as of Dec24, mainly explained by a higher adjustment to the fair value of biological assets, reaching US\$3.92 million as of Dec24, compared with US\$1.80 million as of Dec23.

Impairment in the value of assets

As of Dec24, expense due to impairment in the value of assets was US\$71.61 million, compared with US\$30.95 million as of Dec23, explained by varietal turnover especially in Mexico, Peru, China and Chile, with the objective of substituting less profitable plantations with more productive and desired varieties in the market.

c) Other Components of Income Statement

	Jan24 - Dec24	Jan23 - Dec23	Variation	Jul24 - Dec24	Jul23 - Dec23	Variation
Other Income (expenses)	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Other profit (loss)	(2,843)	(13,738)	-79.31%	(1,702)	(10,385)	-83.61%
Financial income	2,042	1,857	9.96%	914	1,342	-31.89%
Financial expenses	(48,849)	(49,522)	-1.36%	(26,155)	(26,119)	0.14%
Interest in profit (loss) of associated companies	2,832	3,401	-16.73%	378	963	-60.75%
Exchange rate fluctuations	(14,326)	(2,008)	613.45%	(13,023)	529	-2561.81%
Other Income (expenses)	(61,144)	(60,010)	1.89%	(39,588)	(33,670)	17.58%

The other components of income statement recorded a US\$61.14 million loss as of Dec24, compared with a US\$60.01 million loss as of Dec23. The main variations are presented in the following items:

- Lower loss in the account Other profit (loss) was recorded at US\$-2.84 million as of Dec24, compared with US\$-13.74 million recorded as of Dec23 (+US\$10.90 million) due to company reorganization expenses incurred during 2023.
- Negative exchange rate difference of US\$14.33 million, compared with a negative exchange rate difference of US\$2.01 million as of Dec23 (-US\$12.32 million) mainly explained by deferred tax effect in Mexico.
- Lower net financial expenses as of Dec24, reaching US\$46.81 million, compared with US\$47.66 million as of Dec23 (+US\$0.86 million).

d) Gains tax expense

As of Dec24, a gains tax expense was recorded, reaching US\$-7.70 million, compared with the positive amount recorded as of Dec23 of US\$13.91 million, mainly due to a lower positive deferred tax effect, which reached US\$-1.29 million as of Dec24, compared with the positive deferred tax effect of US\$26.03 million as of Dec23.

To partially offset the previous effect, lower current tax expense as of Dec24 reached US\$-6.60 million, compared with US\$-13.19 million as of Dec23.

e) Other Result Indicators

Activity Indicators:

Indicator	Unit	Jan24 - Dec24	Jan23 - Dec23
Activity			
Rotation of Assets	Times	0.62	0.55
<i>Operating revenue / Total average assets of the period</i>			
Rotation of Inventory	Times	7.34	5.60
<i>Cost of sales / Average inventory</i>			
Permanence of inventory (days)	Days	49	64
<i>Inventory / Annual cost of sale (360 day base)</i>			

Rotation of assets between the periods ending December 31, 2024 and 2023 increased because income from operating activities increased 13.59%, while total average assets increased 0.44%. The increase in income is explained by the increase in commercialized volume.

Likewise, the inventory rotation ratio increased from 5.60 times as of Dec23 to 7.34 times as of Dec24. This is because sales costs increased 15.69%, while average inventories decreased 11.77%.

4. COMPARATIVE ANALYSIS OF MAIN TENDENCIES

The evolution of the main financial indicators is as follows:

Indicator	Unit	30-Dec-24	31-Dec-23	Variations %
Current Liquidity	Times	0.97	1.22	-20.61%
<i>Current Asset / Current Liability</i>				
Acid Ratio	Times	0.56	0.68	-17.81%
<i>Current assets (-) Other non-financial assets, inventories and current biological assets / Current liability</i>				
Debt Ratio	Times	2.13	1.99	7.30%
<i>Total liabilities / Equity attributable to Parent Company</i>				
Short term debt		47.85%	39.21%	22.04%
<i>Total current liabilities / Total liabilities</i>				
Long term debt		52.15%	60.79%	-14.21%
<i>Total non-current liabilities / Total liabilities</i>				
Book value of the share (US\$)	Dollars per share	0.000010	0.000012	-17.53%
<i>Equity attributable to parent company / N° shares</i>				

- Current liquidity was 0.97 times as of Dec24, which represents a decrease compared to Dec23 (1.22 times) due to a 5.48% decrease in current assets while current liabilities increased 19.06%. Also, the acid ratio reached 0.56 times, experiencing a 17.81% reduction in relation to the period ending December 31, 2023.

Current assets decreased US\$31.80 million (-5.48%), reaching a total of US\$548.69 million, mainly explained by the reduction in Accounts Receivable with related entities (-US\$14.63 million), Inventories (-US\$10.54 million), and Other current non-financial assets (-US\$9.98 million). Also, current liabilities increased US\$90.96 million (+16.01%) mainly due to the increase in other current financial liabilities (+US\$104.90 million), partially offset by the reduction in trade accounts and other accounts payable (-US\$ 15.92 million).

- The debt ratio increased 7.30% compared to December 31, 2023, reaching 2.13 times, explained by a 9.08% fall in controlling equity (associated to loss in the period), while total liabilities decreased 2.44%.
- The percentage of current liabilities as of Dec24 was 47.85% compared to total liabilities, higher than the 39.21% recorded as of December 31, 2023.
- The book value of the share decreased 17.53%, passing from 0.000012 US\$/share as of Dec23 to 0.000010 US\$/share as of Dec24, associated to the issuance of new Series B shares, after the entrance of PSP Investments to the Company's property through a Public tender offer, without performing an increase in capital, and to the previously explained reduction in Controlling Equity.

Indicator	Unit	Jan24 - Dec24	Jan23 - Dec23	Variations %
Financial expense coverage <i>(Before tax profit+Financial costs)/Financial costs</i>	Times	0.32	0.98	-67.90%
Profitability of parent company equity <i>Parent company gains/Parent company equity</i>		-8.17%	1.78%	-557.65%
Profitability of equity <i>Profit of the period/Total equity</i>		-6.14%	1.79%	-443.62%

- The reduction in the financial expense hedging index as of Dec24 compared to Dec23 is due to a lower before tax profit (passing from -US\$0.91 million as of Dec23 to -US\$33.46 million as of Dec24) mainly as a result of impairments in the period.
- The profitability of parent company equity was reduced from 1.78% as of Dec23 to -8.17% as of Dec24, explained by the controlling loss as of Dec24 of -US\$45.46 million, compared with the controlling profit as of Dec23 of US\$10.93 million.
- Also, the profitability of total equity as of Dec24 is located at -6.14%, compared with the 1.79% profitability as of Dec23.

5. ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Main items of the Consolidated Statement of Financial Position

Statement of Financial Position	30-Dec-24	31-Dec-23	Variation	
	ThUS\$	ThUS\$	ThUS\$	%
Total current assets	548,690	580,487	(31,797)	-5.48%
Total non-current assets	1,309,677	1,364,784	(55,107)	-4.04%
Total assets	1,858,367	1,945,271	(86,904)	-4.47%
Total current liabilities	568,286	477,327	90,959	19.06%
Total non-current liabilities	619,456	740,151	(120,695)	-16.31%
Total liabilities	1,187,742	1,217,478	(29,736)	-2.44%
Equity attributable to parent company equity holders	556,675	612,288	(55,613)	-9.08%
Non-controlling interest	113,950	115,505	(1,555)	-1.35%
Total equity	670,625	727,793	(57,168)	-7.85%

As of December 31, 2024, total assets decreased US\$86.90 million (-4.47%) in relation to those existing as of December 31, 2023, mainly explained by the US\$55.11 million decrease in non-current assets, which is mainly due to a reduction in Property, Plant and Equipment (-US\$50.51 million), partially offset by the increase in Right of Use Assets (+US\$10.16 million), among other minor variations.

Also, current assets decreased US\$31.80 million compared to Dec23, which is mainly due to lower Accounts receivable with related entities (-US\$14.63 million), lower Inventories (-US\$10.50 million), lower current non-financial assets (-US\$9.97 million), among other minor changes.

Liabilities were reduced US\$ 29.74 million, mainly explained by the reduction in trade accounts and other accounts payable, both current and non-current (-US\$27.14 million), and in short and long term financial liabilities (-US\$7.23 million). The aforementioned, is slightly offset by the increase in leasing liabilities (+US\$7.97 million), among other minor variations.

The Company's total equity was reduced by US\$57.17 million compared to December 31, 2023, reaching US\$670.63 million, mainly explained by the accumulated loss in the period especially due to realized impairment, and other already mentioned reasons. Furthermore, an increase in Other reserves was recorded for US\$10.15 million, mainly explained by the increase in Reserves due to exchange rate fluctuations.

MAIN COMPONENTS OF NET OPERATING INVESTMENT AND FINANCING CASH FLOWS

Main sources and uses of funds in the period (US\$ million)	January-September 2024	January-September 2023	Comments
Charges from the sale of goods and providing of services	1,167	980	Higher collections associated with higher sales.
Payment to suppliers for supplying of goods and services	(746)	(693)	
Payment for and on behalf of employees	(209)	(197)	
Net interests	(32)	(35)	
Taxes	(3)	(14)	
(1) Total Cash Flow for Operating Activities	178	41	
Sale and purchase of property, plant and equipment	(131)	(77)	Increased mainly explained because of investments in China
Purchases of intangible assets	(3)	(4)	
(2) Total Cash Flow for Investment Activities	(130)	(92)	
Income from financing	315	366	
Payment of loans	(346)	(295)	
Payments of lease liabilities	(5)	(8)	
Paid dividends and other investment flows	(9)	(11)	
(3) Total Cash Flow for Financing Activities	(45)	52	
Net Increase of Cash and Cash Equivalents (1) + (2) + (3)	4	1	
Effect of exchange rate fluctuation	0	(1)	
Cash and Cash Equivalent at the start of the period	64	63	
Cash and Cash Equivalent at the End of the Period	68	64	

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 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 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. These insurances operate in case of customer's bad debt and allow them to mitigate the probability of the Company's loss due to non-collectability, reducing the determined impact by applying the expected credit loss model.

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.

Although 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 December 31, 2024 reach the amount of US\$487.4 million and EUR17.0 million (US\$435.0 million and EUR18.6 million as of 2023) distributed among 20 banks. The used amount reaches US\$248.56 million and EUR9.13 million, with an available balance of US\$238.84 million and EUR7.87 million. Credit lines in dollars are distributed among the following companies: Hortifrut Perú S.A.C. with US\$217.4 million, Hortifrut Chile S.A. with US\$205.0 million, Hortifrut Limited with US\$53.0 million and Hortifrut Import Inc., with US\$12.0 million. Credit lines in Euros are distributed among the following companies: Hortifrut Marketing EMEA S.A. with EUR10.5 million, Atlantic Blue with EUR4.0 million, Hortifrut España Southern Sun S.L.U. with EUR2.0 million and Atlantic Green S.L. with EURO.5 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 December 31, 2024:

	Cash Flows						
	Capital	Interests	From 0 to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Creditor Bank							
Banco Rabobank	142,838	320	5,394	35,106	134,732	-	175,232
Banco de Crédito del Perú	73,279	1,352	17,182	10,075	46,765	3,267	77,289
Banco Santander Chile *	46,985	6,401	3,235	16,093	42,077	-	61,405
Communications Bank Yunnan Branch	42,181	1,921	12,123	8,131	11,321	11,004	42,579
Banco de Crédito e Inversiones	41,019	339	13,273	10,124	22,451	-	45,848
Banco ITAU	39,257	358	39,812	-	-	-	39,812
Banco BBVA Perú SA.	27,425	685	-	-	23,934	5,174	29,108
Banco Scotiabank Perú S.A.	22,327	170	5,018	4,115	14,002	-	23,135
Banco Scotiabank	20,179	165	20,424	-	-	-	20,424
Banco Bilbao Vizcaya Argentaria	16,352	1,955	72	5,033	15,016	680	20,801
Cooperatieve Rabobank U.A., New York Branch	14,286	202	-	9,559	7,569	-	17,128
Banco Estado	14,219	65	14,351	-	-	-	14,351
Banco Internacional Del Peru S.A.A.	14,000	62	-	10,120	4,183	-	14,303
Bank of China	12,250	1,713	-	4,506	11,782	-	16,288
Agricultural Bank of China	12,033	6	12,045	-	-	-	12,045
HSBC México SA, Institución de Banca Múltiple	10,000	66	198	10,263	-	-	10,461
Banco de Occidente S.A.	8,750	1,127	-	3,218	8,415	-	11,633
BHD International	8,750	1,301	-	3,218	8,415	-	11,633
Banco Santander Central Hispano S.A.	7,689	11	2,382	4,249	929	255	7,815
Industrial and Commercial Bank of China	5,486	4	5,494	-	-	-	5,494
Banco Itaú Chile New York Branch	20,000	114	20,136	-	-	-	20,136
Banco Bice	5,018	37	5,067	-	-	-	5,067
Bankinter	4,375	644	-	1,609	4,208	-	5,817
CaixaBank, S.A.	4,168	48	814	2,410	1,140	-	4,364
Banco de la Producción S.A.	3,000	127	-	-	2,945	1,897	4,842
Hua Xia Bank	2,906	4	2,914	-	-	-	2,914
Caja Rural	2,078	-	-	2,078	-	-	2,078
Caja Rural del Sur	1,920	1	122	408	748	716	1,994
Banco de Chile	1,609	20	9	820	800	-	1,629
Banco BBVA	1,040	-	-	1,040	-	-	1,040
CaixaBank	1,015	-	-	1,015	-	-	1,015
Banco Pichincha C.A.	1,000	34	-	1,093	-	-	1,093
Bancolombia S.A.	872	-	-	10	-	862	872
Compañía de Leasing Tattersall S.A.	372	-	31	90	362	-	483
Banco Internacional	298	-	298	-	-	-	298
Arrendadora de vehiculos S.A	189	-	20	61	246	-	327
GC Rent Chile SpA.	60	-	25	74	63	-	162
Mercedes-Benz Financial Services Portugal -Sociedade fin	11	-	-	3	15	-	18
Fifth Third Bank	2	2	-	2	-	-	2
Total as of December 31, 2024	629,238	19,254	180,439	144,523	362,118	23,855	710,933

* Novation of 37% of the syndicate credit corresponding to the part of Banco Santander transferred to Banco Mega Bank ThUS\$8,000 (8%) and Banco BTG Pactual TUS\$30,000 (29%).

Below is a summary of the maturities of total financial liabilities as of December 31, 2024:

Detail	Capital ThUS\$	Fair Value ThUS\$	Cash Flows				Total ThUS\$
			From 0 to 3 months ThUS\$	Between 3 and 12 months ThUS\$	Between 1 and 5 years ThUS\$	Over 5 years ThUS\$	
Bank loans	628,606	647,860	180,363	144,295	361,432	23,855	709,945
Bonds - obligations with the public	71,204	72,053	7,159	9,554	58,587	-	75,300
Leasing Liabilities	632	632	76	228	686	-	990
Operating Lease Liabilities	121,392	121,962	38,887	5,312	20,697	85,058	149,955
Trade accounts and other accounts payable	227,789	227,789	118,260	7,316	102,213	-	227,789
Accounts payable to related companies	18,831	18,831	-	13,944	4,887	-	18,831

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, Euros, 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 December 31, 2024:

	<u>Chilean</u> <u>Pesos</u> <u>ThUS\$</u>	<u>Nuevo Sol</u> <u>ThUS\$</u>	<u>Euro</u> <u>ThUS\$</u>	<u>Mexican Pesos</u> <u>ThUS\$</u>	<u>Yuan</u> <u>ThUS\$</u>	<u>Dirham</u> <u>ThUS\$</u>	<u>Indian</u> <u>Rupee</u> <u>ThUS\$</u>	<u>Others</u> <u>ThUS\$</u>
Financial Assets								
Cash and Cash Equivalents	1,266	776	8,836	935	5,611	1,392	3,266	1,201
Current trade debtors and other accounts receivable	26,078	6,532	24,811	10,424	440	4,663	30	11,098
Current accounts receivable with related entities	96	20	3,909	-	3,028	-	-	-
Non-current fees receivable	32	-	165	-	-	-	-	56
Total Financial Assets	27,472	7,328	37,721	11,359	9,079	6,055	3,296	12,355
Financial Liabilities								
Other current financial liabilities	-	-	12,694	-	32,738	2,288	-	10
Current lease liabilities	69	-	1,338	277	6,468	136	-	218
Current trade accounts and other accounts payable	30,059	12,899	5,196	8,082	5,082	3,479	424	6,576
Current accounts payable to related entities	-	29	-	-	4,383	-	-	-
Other current provisions	461	563	1,668	-	-	-	-	-
Current provisions for employee benefits	2,226	3,195	330	1,673	-	-	62	244
Other non-current financial liabilities	-	-	5,374	-	31,803	842	-	862
Non-current lease liabilities	854	-	4,543	2,016	79,951	4,529	-	946
Other non-current accounts payable	-	-	102,213	-	-	-	-	-
Non-current accounts payable to related entities	4,887	-	-	-	-	-	-	-
Total Financial Liabilities	38,556	16,686	133,356	12,048	160,425	11,274	486	8,856
Net exposure as of December 31th, 2024	(11,084)	(9,358)	(95,635)	(689)	(151,346)	(5,219)	2,810	3,499

Sensitivity analysis

The potential net effect on financial assets and liabilities of a 10% devaluation of the United States dollar against all the other relevant currencies to which the Company is exposed, would be approximately ThUS\$26,702 (ThUS\$23,496 as of December 31, 2023), 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>Assets</u> <u>ThUS\$</u>	<u>Liabilities</u> <u>ThUS\$</u>	<u>Net</u> <u>ThUS\$</u>	<u>Net (10% Devaluation)</u> <u>ThUS\$</u>	<u>Variation</u> <u>ThUS\$</u>
Currencies					
Chilean Peso	27,472	38,556	(11,084)	(9,976)	1,108
Nuevo Sol	7,328	16,686	(9,358)	(8,422)	936
Euro	37,721	133,356	(95,635)	(86,072)	9,563
Mexican Peso	11,359	12,048	(689)	(620)	69
Yuan	9,079	160,425	(151,346)	(136,211)	15,135
Dirham	6,055	11,274	(5,219)	(4,697)	522
Indian Rupee	3,296	486	2,810	2,529	(281)
Others	12,355	8,856	3,499	3,149	(350)
Total as of December 31th, 2024	114,665	381,687	(267,022)	(240,320)	26,702

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 December 31, 2024, the debt at variable rate that Hortifrut maintained was ThUS\$619,044 (ThUS\$625,071 as of December 31, 2023), 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 ThUS\$2,131(ThUS\$3,951 as of December 31, 2023).

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.

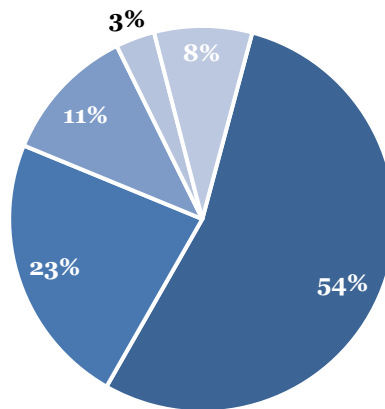
At Hortifrut there is a quarterly follow up of the action plans associated to all the risks, and a monthly follow up of the action plans associated to critical risks, which is reported with the same regularity to the Board.

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 December 31, 2024, risks identified by Hortifrut are distributed in the following manner:

Type of Risk	Identified Risks	Strategic	Operational	Financial	Compliance	Climate
Risk Matrix	61	14	33	2	7	5
%	100%	25%	54%	3%	12%	8%

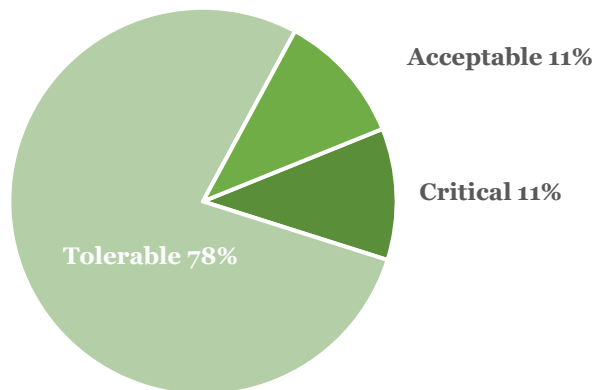
RISK TYPE



■ Operational
 ■ Strategic
 ■ Compliance
 ■ Financial
 ■ Climate

	Critical Level	Tolerable Level	Acceptable Level
Risk Severity	11%	78%	11%

RISK SEVERITY



Critical risks faced as of December 31, 2024 are the following:

Type of Risk	Name of the Risk	Description of the Risk	Corporate Controls Implemented
Climatic	Climate change, natural disasters, accidents or pandemics	Natural disasters (e.g. earthquakes and landslides), unfavorable climatic conditions (e.g. storms) or unexpected events (e.g. fires, floods or attacks) that damage fields and/or installations, affecting production.	<p>The Company has plantations and operations at different geographic locations, which allow it to partially mitigate this risk. Apart from genetic diversification implemented by Hortifrut to help mitigate the effects of climate change.</p> <p>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.</p> <p>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.</p>
Operational	Water supply availability	To not count with the necessary water to irrigate the plantations, because of droughts and/or groundwater that could dry up.	<p>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.</p> <p>Furthermore, in certain geographic areas, soil plantations are complemented with plantations in pots, which use approximately 30% less water than soil plantations.</p>
Compliance	Third party Producers that do not comply with Hortifrut's ethical standards.	Third party Producers that do not comply with Hortifrut's ethical standards, risking Hortifrut's reputation and thereby its trade programs.	<p>The company's commitment in ethical compliance matters is informed through ethical standards. Also, the Ethics Codes of the 24/25 season were revised and will be informed to all producers in a global manner.</p> <p>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.</p> <p>In 2024 the Business Ethics policy was published, where we establish our commitment at Hortifrut with the compliance of valid laws and/or standards. All the collaborators are trained in labor, social, prevention and environmental ethics matters, to ensure Hortifrut's correct communication with third parties.</p>
Compliance	Food Safety	Non-compliance of MRL (Maximum Residue Limit) of pesticides and/or use of non-allowed products.	<p>At Hortifrut we count 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.</p>
Operational	Cybersecurity attacks	Impact on the technological platforms and/or information networks that support the key business processes. Theft or exposure of information or sensitive company information.	<p>If due to a cybersecurity incident, corporate platforms are affected, contingency procedures have been defined to support critical processes in a manual manner.</p> <p>Corporate IT Management performs an annual cybersecurity revision and exercise at a corporate level, for which a specialized external company is hired. The annual revision considers Ethical Hacking, Ethical Phishing and the finding of critical platform vulnerabilities exposed to internet.</p>

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 December 31, 2024 and December 31, 2023 are the following:

<u>COUNTRY</u>	<u>TYPE OF INSURANCE</u>	<u>CURRENCY</u>	<u>31-Dec-24 COVERED AMOUNT</u>	<u>31-Dec-23 COVERED AMOUNT</u>
Chile	Infrastructure fire	UF	1,118,950	1,211,265
Chile	Mobile Agricultural Equipment	UF	20,161	45,369
Chile	Motor Vehicles	UF	25,460	28,812
Chile	General and Product Civil Liability	USD	5,000,000	5,000,000
Chile	Maritime Transport	USD	7,000,000	7,000,000
Chile	Credit Insurance	USD	50,000,000	59,000,000
Chile	Fruit and Materials Insurance	USD	8,500,000	8,500,000
Chile	Terrorism	UF	1,973,950	500,000
Chile	Business Interruption	UF	855,000	1,227,000
USA	Product Civil Liability	USD	5,000,000	5,000,000
Mexico	Transporting of Load	USD	200,000/shipment	200,000/shipment
Mexico	Infrastructure Fire, Theft and Civil Liability	USD	19,530	48,000,000
Mexico	Motor Vehicles	USD	Commercial Value	Commercial Value
Spain	Motor Vehicles	EUR	Between 10.000 and 30.000	between 10.000 and 30.000
Spain	Installations	EUR	350,000 per event	350,000 per event
Spain	Goods	EUR	50,000 per event	50,000 per event
Spain	Civil Liability	EUR	6,500,000	6,500,000
Spain	Credit Insurance	EUR	90% unpaid	90% unpaid
Spain	Infrastructure Fire	EUR	24,618,824	24,618,824
Spain	Motor Vehicles	EUR	514,000	514,000
Spain	General and Product Civil Liability	EUR	48,450,000	48,450,000
Spain	Fruit and Materials Insurance	EUR	50,000	50,000
Peru	Civil Liability	USD	1,000,000	1,000,000
Peru	Dishonesty, Disappearance and Destruction	USD	100,000	100,000
Peru	Patrimonial: Fire, Riesgo of Nature, Political Risk	USD	40,000,000	40,000,000
Peru	Fire	PEN	618,320	618,320
Peru	Motor Vehicles	USD	2,136,124	2,136,124
Morocco	Fixed Assets	COP	20,000,000,000	0
China	Fixed Assets and Inventory	DAM	2,000,000	2,000,000
China	Vehicles	CYN	524,707,230	524,707,230

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 December 31, 2024, the expected margin of the Company's bearer plants was recognized, for an amount that reaches ThUS\$4,328 (ThUS\$3,916 as of December 31, 2023), which in results is presented 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 December 31, 2024:

Company	Fair Value adjustment as of 31-Dec-24 (ThUS\$)	10% Reduction Volume (ThUS\$)	10% Reduction Price (ThUS\$)	10% Reduction Volume and Price (ThUS\$)
Hortifrut Perú S.A.C.	2,558	2,302	1,433	1,289
Honghe Jiayu Agriculture Co., Ltd	1,541	1,387	1,102	992
Binchuan County Yunberry Agriculture Development Co., Ltd	229	206	168	152
Total	4,328	3,895	2,703	2,433

As of December 31, 2024, 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.