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

As of June 30, 2024
(In thousands of United States dollars)

The current reasoned analysis has been prepared for the period ending June 30, 2024, compared with the financial statements as of June 30, 2023 (Jun24 and Jun23, 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 twelve-month comparison of the 23/24 and 22/23 seasons ("S23/24" and "S22/23", respectively).

1. HIGHLIGHTS OF THE PERIOD AND SUBSEQUENT FACTS

Ordinary Shareholders Meeting

Dated April 29, 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.

2. SUMMARY OF THE PERIOD

The calculation of the EBITDA is detailed below:

	Jan24 - Jun24	Jan23 - Jun23	Jul23 - Jun24	Jul22 - Jun23
EBITDA DETERMINING	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Income from operating activities	629,781	502,926	1,143,693	1,004,951
Other income, per function	6,393	2,764	12,345	7,339
Total Income	**636,174**	**505,690**	**1,156,038**	**1,012,290**
Cost of sales	(533,534)	(407,948)	(970,201)	(852,835)
Administration expenses	(39,473)	(47,972)	(75,564)	(87,890)
Other expenses, per function *	(5,934)	(2,765)	(8,988)	(5,577)
Total Costs and Expenses	**(578,941)**	**(458,685)**	**(1,054,753)**	**(946,302)**
Operating Result	**57,233**	**47,005**	**101,285**	**65,988**
Depreciation and amortization	44,301	32,272	91,259	85,363
EBITDA	**101,534**	**79,277**	**192,544**	**151,351**
EBITDA without Fair Value	**104,411**	**79,765**	**192,818**	**150,038**

**Excluding impairment in the value of assets.*

Accumulated analysis as of June 2024

EBITDA as of Jun24 reached US$101.53 million, which represents a 28.07% increase compared with US$79.28 million recorded as of Jun23.

This increase in EBITDA is mainly explained by the increase in market prices due to the shortage in the supply of Berries at a global level as a result of the El Niño phenomenon, which impacted the industry's production curves and operations specifically in America. The strong demand at consumer markets and the good commercial positioning of our Company allowed us to capture an important increase in sale prices.

Accumulated EBITDA as of Jun24 without the *fair value* effect of fruit reached US$104.41 million, which represents a 30.90% increase compared with the US$79.77 million obtained in the same period of 2023. The net *fair value* impact as of Jun24 was negative US$2.88 million, while as of Jun23 it was US$0.49 million.

The 26.22% increase in total costs and expenses is mainly explained by the increase in the volume of sold fruit. Also the 25.22% increase in income from operating activities is explained by higher average prices, due to lower supply volumes at an industry level during the period under analysis.

Analysis of the July 2023 – June 2024 season

The S23/24 EBITDA reached US$192.54 million, increasing 27.22% compared to the US$151.35 million EBITDA recorded in S*22/23*. Said increase is mainly explained by higher market prices due to lower volumes produced, as an industry, from Peru and Chile during 2023 because of the climatic effects of the el Niño phenomenon. In the Company's case, productive performance was above what was observed in the industry, which allowed us to obtain good prices with a lower reduction in volume compared with the industry average.

EBITDA without the *fair value* effect of fruit in S*23/24* reached US$192.82 million, which represents a 28.51% increase, compared with the US$150.04 million obtained in S*22/23*, also explained by higher prices reached due to lower industry volumes from Peru.

Gains attributable to parent company shareholders recorded a US$5.48 million profit in S*23/24* compared to the US$14.52 million recorded in S*22/23*. This is explained by higher net financial costs (+US$5.37 million) mainly associated to interest rates remaining high thus increasing average re-financing costs, despite showing a decrease in the company's debt; to other loss for US$11.53 million in S*23/24* compared with a US$6.20 million loss in S*22/23*, due to higher reorganization expenses, and last of all, to a lower participation in the profit of associates which reached US$3.42 million in S*23/24*, compared with a profit of associates of US$6.44 million in S*22/23* mainly due to a lower result at HFE Berries Perú S.A.C. because of the fall in production volumes associated to el Niño phenomenon. The aforementioned is partially offset by a lower loss due to exchange rate fluctuations in S*23/24* compared to the previous period (+US$11.00 million).

Net financial debt determining Items	**30-Jun-24 ThUS$**	**31-Dec-23 ThUS$**
Other current financial liabilities	249,976	291,610
Current lease liabilities*	11,085	12,585
Other non-current financial liabilities	382,480	435,529
Non-current lease liabilities*	104,551	102,035
Total financial liability	**748,092**	**841,759**
Minus:		
Cash and cash equivalents	59,116	63,894
Total net financial debt	**688,976**	**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$688.98 million as of June 30, 2024, mainly explained by the recovery of work capital due to the natural cycle of the business. As of June 2024, the lease liability reached US$115.64 million, of which US$115.45 million correspond to lease liabilities under IFRS16 and the remaining US$0.19 million to leasing liabilities. Also, as of December 31, 2023 the lease 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. ANALYSIS OF INCOME STATEMENT

During the 6 months ending Jun24, a profit attributable to the parent company shareholders was recorded at US$12.06 million, which represents a US$5.44 million reduction compared to the result recorded as of Jun23 of US$17.50 million. Also, total gains reached US$20.22 million as of Jun24, lower than the US$24.59 million as of Jun23.

The effects that explain the lower result in profit are:

- Higher expense due to depreciation of assets and amortization of intangibles which reached -US$44.30 million as of Jun24, compared with -US$32.27 million as of Jun23, due to the higher value of Property, Plant and Equipment because of investments performed during the period and the start-up of the consolidation of operations in India.
- Higher expense due to impairment in the value of assets as of Jun24, reaching -US$4.88 million, mainly because of varietal turnover in Peru, compared with the -US$1.82 million recorded as of Jun23.
- Higher gains tax expense as of Jun24 reached -US$10.58 million, compared with the positive amount recorded as of Jun23 of US$5.74 million, mainly due to a negative deferred tax effect of US$4.57 million as of Jun24, while as of Jun23 it had a positive effect of US$11.56 million.

Also, the following effects partially offset the lower result as of Jun24:

- During this period the EBITDA increased US$22.26 million compared with the previous period, mainly due to higher average prices that impacted income in a positive manner, in addition to the increase in volumes.
- Also net financial costs were lower than Jun24, reaching US$21.57 million, compared with US$22.89 million in the same period of 2023 (-US$1.32 million).
- Negative exchange rate fluctuation of US$1.30 million, compared with the also negative exchange rate fluctuation as of Jun24 of US$2.54 million.

a) Main Components of Income

Income from operating activities reached US$629.78 million as of Jun24, representing a 25.22% increase compared to Jun23, mainly due to the increase in average price, as well as an increase in total volumes of 26.55%, mainly impacted by the delay in the production curve during the second half of 2023 because of climatic events associated to the el Niño phenomenon, which delayed part of the volumes from Peru as of the first quarter of 2024.

The volume of fresh fruit sales as of Jun24 increased 15.34%, mainly explained by higher volumes in: 1) blueberries from Peru due to the aforementioned delay in the curve, 2) blueberries from Morocco, 3) blackberries from Mexico, and 4) cherries from Chile.

Income from operating activities of the S*23/24* increased 13.81% (+US$138.74 million) compared with the same period of the previous season, reaching US$1.14369 billion, because of the increase in the average price in S*23/24* compared to the average price in S22/23, basically due to higher market prices.

The fresh fruit segment experienced a 9.39% reduction in volumes in S23/24 mainly due to lower blueberry volumes from Peru, and raspberry volumes from Mexico, explained by the el Niño phenomenon. The average price of fresh fruit increased 24.72% in S*23/24* explained by a lower fruit supply.

Also, the value added products segment showed a 51.85% increase in volume and a 13.28% increase in prices, explained by the sustained market demand during the period. In S*23/24*, this segment represented 29.18% of total volume, while in S22/23 it represented 19.74% of total volume.

Total Operating Income	Jan24 - Jun24 ThUS$	Jan23 - Jun23 ThUS$	Variation %	Jul23 - Jun24 ThUS$	Jul22 - Jun23 ThUS$	Variation %
Income from operating activities	629,781	502,926	25.22%	1,143,693	1,004,951	13.81%
Other income, per function	6,393	2,764	131.30%	12,345	7,339	68.21%
Total Operating Income	**636,174**	**505,690**	**25.80%**	**1,156,038**	**1,012,290**	**14.20%**

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

Income per Segment	Jan24 - Jun24 ThUS$	Jan23 - Jun23 ThUS$	Variation %	Jul23 - Jun24 ThUS$	Jul22 - Jun23 ThUS$	Variation %
Fresh Fruit	561,268	486,969	15.26%	1,013,590	939,055	7.94%
Value Added Products	74,906	18,721	300.12%	142,448	73,235	94.51%
Total Operating Income	**636,174**	**505,690**	**25.80%**	**1,156,038**	**1,012,290**	**14.20%**

The fresh fruit sales segment as of Jun24 increased 15.26% compared to the previous period, explained by a 15.34% increase in volume, mainly explained by higher blueberry volumes from Peru and blackberries from Mexico, thanks to the higher obtention from third parties and cherries from Chile both from own fields and third party producers.

Value added products recorded an increase in sales income of 300.12% compared to income recorded in the same period of 2023. This variation is explained by a 74.79% increase in volume, plus an increase in the average price per kilo of 128.91%, due to higher demand in this segment.

b) Main Components of Costs and Expenses

Costs and Expenses	Jan24 - Jun24 ThUS$	Jan23 - Jun23 ThUS$	Variation %	Jul23 - Jun24 ThUS$	Jul22 - Jun23 ThUS$	Variation %
Cost of sales	**(533,534)**	**(407,948)**	**30.78%**	**(970,201)**	**(852,835)**	**13.76%**
Administration expenses	*(39,473)*	*(47,972)*	*-17.72%*	*(75,564)*	*(87,890)*	*-14.02%*
Other expenses, per function, excluding impairment of value of assets	*(5,934)*	*(2,765)*	*114.61%*	*(8,988)*	*(5,577)*	*61.16%*
Other operating costs and expenses	**(45,407)**	**(50,737)**	**-10.51%**	**(84,552)**	**(93,467)**	**-9.54%**
Impairment of value of assets	*(4,878)*	*(1,821)*	167.87%	*(35,011)*	*(4,842)*	623.07%
Total Costs and Expenses	**(583,819)**	**(460,506)**	**26.78%**	**(1,089,764)**	**(951,144)**	**14.57%**

Main Components of Sales Costs

Sales costs as of Jun24 reached US$533.53 million, presenting a 30.78% increase compared to the US$407.95 million recorded as of Jun23. Sales costs represented 84.72% of income from operating activities as of Jun24, while as of Jun23 they reached 81.11%, a higher proportion due to a lower volume of production in Mexico during the semester which generated lower efficiencies in terms of costs, all as a result of climatic events associated to El Niño phenomenon.

Sales costs of S*23/24* reached US$970.20 million, increasing 13.76% compared to S*22/23*, explained by the higher commercialized volume (+2.70%), higher costs in Mexico due to fields in closing process to improve efficiencies in operations and consolidation in India. Sales costs represented 84.83% of income from operating activities in *S23/24*, similar to the 84.86% represented in S*22/23*, so the gross margin increased slightly to 15.17% versus the 15.14% in S22/23.

Main Components of Administrative Expenses

Administration expenses as of Jun24 reached US$39.47 million, representing a 17.72% decrease compared to Jun23. Lower expenses are mainly due to a reduction in remuneration expenses as a result of 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$3.17 million, reaching US$5.93 million as of Jun24, mainly explained by a higher adjustment to biological *fair value*, reaching US$3.92 million as of Jun24, compared to the US$1.80 million as of Jun23.

Impairment in the value of assets

As of Jun24, expense due to impairment in the value of assets was US$4.88 million, compared with US$1.82 million as of Jun23, explained by varietal turnover in Peru.

c) Other Components of Income Statement

Other Income (expenses)	Jan24 - Jun24 ThUS$	Jan23 - Jun23 ThUS$	Variation %	Jul23 - Jun24 ThUS$	Jul22 - Jun23 ThUS$	Variation %
Other profit (loss)	(1,141)	(3,353)	-65.97%	(11,526)	(6,202)	85.84%
Financial income	1,128	515	119.03%	2,470	2,378	3.87%
Financial expenses	(22,694)	(23,403)	-3.03%	(48,813)	(43,350)	12.60%
Interest in profit (loss) of associated companies	2,454	2,438	0.66%	3,417	6,438	-46.92%
Exchange rate fluctuations	(1,303)	(2,537)	-48.64%	(774)	(11,776)	-93.43%
Other Income (expenses)	**(21,556)**	**(26,340)**	**-18.16%**	**(55,226)**	**(52,512)**	**5.17%**

The other components of income statement decreased from a US$26.34 million loss as of Jun23 to a US$21.56 million loss as of Jun24 (US$4.78 million).

The main items that explain this decrease are the following:

a. A lower loss under other profit (loss) for US$1.14 million as of Jun24, compared with a US$3.35 million loss as of Jun23.

b. A lower loss due to exchange rate fluctuation of US$1.30 million, compared with the US$2.54 million loss as of Jun23.

c. Lower net financial costs as of Jun24 reached US$21.57 million, compared with US$22.89 million in the same period of 2023 (-US$1.32 million).

d) Gains tax expense

As of Jun24 a gains tax expense was recorded, reaching -US$10.58 million, compared with the positive amount recorded as of Jun23 of US$5.74 million, mainly due to a higher current tax expense as of Jun24 of US$6.82 million, compared with US$5.29 million as of Jun23, and a higher deferred tax effect, reaching a negative effect of US$4.57 million as of Jun24, while as of Jun23 it had a positive effect of US$11.56 million.

e) Other Result Indicators

Activity Indicators:

Indicator	Unit	Jan24 - Jun24	Jan23 - Jun23
Activity			
Rotation of Assets	Times	0.34	0.27
Operating revenue / Total average assets of the period			
Rotation of Inventory	Times	3.99	2.70
Cost of sales / Average inventory			
Permanence of inventory (days)	Days	45	67
Inventory / Annual cost of sale (360 day base)			

Rotation of assets between the periods ending June 30, 2024 and 2023 increased because income from operating activities increased 25.22%, while total average assets increased 1.15%. The increase in income is explained by the increase in commercialized volume (+26.65%) and in average price.

Likewise, the inventory rotation ratio increased from 2.70 times as of Jun23 to 3.99 times as of Jun24 because sales costs increased 30.78%, while average inventories decreased 11.51%.

4. COMPARATIVE ANALYSIS OF MAIN TENDENCIES

The evolution of the main financial indicators is as follows:

Indicator	Unit	30-Jun-24	31-Dec-23	Variations %
Current Liquidity *Current Asset / Current Liability*	Times	1.16	1.22	-4.63%
Acid Ratio *Current assets (-) Other non-financial assets, inventories and current biological assets / Current liability*	Times	0.61	0.68	-9.10%
Debt Ratio *Total liabilities / Equity attributable to Parent Company*	Times	1.73	1.99	-13.15%
Short term debt *Total current liabilities / Total liabilities*		34.78%	39.21%	-11.29%
Long term debt *Total non-current liabilities / Total liabilities*		65.22%	60.79%	7.28%
Book value of the share (US$) *Equity attributable to parent company / N° shares*	Dollars per share	0.000011	0.000012	-8.56%

- Current liquidity was 1.16 times as of Jun24, which represents a decrease compared to Dec23 (1.22 times) due to a 25.92% decrease in current assets, while current liabilities decreased 22.32%. Also, the acid ratio reached 0.61 times, experiencing a 9.10% reduction in relation to the period ending December 31, 2023, because of the lower decrease in current liabilities, compared with the decrease in current assets.

  Current assets decreased US$150.45 million (-25.92%), reaching US$430.04 million, mainly explained by lower Accounts receivable with related entities (-US$66.93 million), lower Inventories (-US$58.75 million), and lower Trade Debtors (-US$21.54 million). Also, current liabilities decreased US$106.55 million (-22.32%) mainly due to the decrease in Trade accounts and other accounts payable (-US$50.05 million), lower current financial liabilities (-US$41.63 million), lower accounts payable to related entities (-US$9.32 million).

- The debt ratio decreased 13.15% compared to December 31, 2023, reaching 1.73 times, explained by a 12.43% fall in total liabilities, while controlling equity increased 0.83%.

- The percentage of current liabilities as of Jun24 was 34.78% compared to total liabilities, lower than the 39.21% as of December 2023, mainly explained by the decrease in other current financial liabilities.

- The book value of the share decreased 8.56%, passing from 0.000012 US$/share in December 2023 to 0.000011 US$/share as of June 2024, associated to the issuance of new Series B shares, after the entrance of PSP Investments to the Company's property through a tender offer, without performing an increase in capital.

Indicator	Unit	Jan24 - Jun24	Jan23 - Jun23	Variations %
Financial expense coverage *(Before tax profit+Financial costs)/Financial costs*	Times	2.36	1.81	30.58%
Profitability of parent company equity *Parent company gains/Parent company equity*		1.95%	2.78%	-29.75%
Profitability of equity *Profit of the period/Total equity*		2.73%	3.41%	-19.83%

- The increase in the financial expense hedging index as of Jun24 compared to Jun23 is due to the 3.03% reduction in financial expenses, while before tax profit increased 63.33%.

- The profitability of parent company equity was reduced from 2.78% as of Jun23 to 1.95% as of Jun24 explained by a lower controlling profit as of Jun24 of US$12.06 million, compared with parent company profit as of Jun23 of US$17.50 million, mainly due to gains tax expense recorded as of Jun24 of US$10.58 million, while as of Jun23 a US$5.74 million profit was recorded (positive effect of deferred tax as of Jun23 for US$11.56 million).

  Also, profitability of total equity as of Jun24 is located at 2.73%, compared with a 3.41% profitability as of Jun23. This reduction is explained by the reasons stated in previous points.

5. ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Main items of the Consolidated Statement of Financial Position

Statement of Financial Position	30-Jun-24 ThUS$	31-Dec-23 ThUS$	Variation ThUS$	Variation %
Total current assets	430,039	580,487	(150,448)	-25.92%
Total non-current assets	1,375,573	1,364,784	10,789	0.79%
Total assets	**1,805,612**	**1,945,271**	**(139,659)**	**-7.18%**
Total current liabilities	370,780	477,327	(106,547)	-22.32%
Total non-current liabilities	695,353	740,151	(44,798)	-6.05%
Total liabilities	**1,066,133**	**1,217,478**	**(151,345)**	**-12.43%**
Equity attributable to parent company equity holders	617,377	612,288	5,089	0.83%
Non-controlling interest	122,102	115,505	6,597	5.71%
Total equity	**739,479**	**727,793**	**11,686**	**1.61%**

As of June 30, 2024, total assets decreased US$139.66 million (-7.18%) in relation to those existing as of December 31, 2023, explained by the US$150.45 million decrease in current assets, which is mainly explained by lower accounts payable to related entities (-US$66.93 million), lower inventories (-US$58.75 million), and lower Trade Debtors (-US$21.54 million), due to the business cycle.

The aforementioned is partially offset by an increase in non-current assets of US$10.79 million, mainly explained by higher Property, plants and equipment (+US$9.99 million) and higher deferred tax Assets (+US$4.27 million), among others.

Also, current liabilities decreased US$106.55 million (-22.32%) mainly due to the decrease in trade accounts and other accounts payable (-US$50.05 million), lower current financial liabilities (-US$41.63 million), lower accounts payable to related entities (-US$9.32 million). Non-current liabilities decreased US$44.80 million (-6.05%), reaching US$695.35 million as of Jun24. Said decrease is mainly due to the decrease in Other financial liabilities, non-current (-US$53.05 million), partially offset by higher Deferred tax liabilities (+US$7.99 million).

The Company’s total equity increased US$11.69 million (+1.61%) compared to December 31, 2023, reaching US$739.48 million, mainly explained by the increase in accumulated profit (loss) of US$12.06 million, and non-parent company interests for US$6.60 million, mainly explained by higher equity value and the result of the Honghe Jiayu Agriculture company in n China.

MAIN COMPONENTS OF NET OPERATING INVESTMENT AND FINANCING CASH FLOWS

Main sources and uses of funds in the period (US$ million)	January-June 2024	January-June 2023	Comments
Charges from the sale of goods and providing of services	717	558	Higher collections associated with higher sales.
Payment to suppliers for supplying of goods and services	(408)	(352)	Increase in suppliers payments also due to growth in sales.
Payment for and on behalf of employees	(116)	(110)	
Net interests	(20)	(19)	
Taxes	(1)	(13)	
(1) Total Cash Flow for Operating Activities	**176**	**65**	
Sale and purchase of property, plant and equipment	(63)	(47)	
Purchases of intangible assets	(1)	(2)	
(2) Total Cash Flow for Investment Activities	**(64)**	**(54)**	
Income from financing	43	160	
Payment of loans	(150)	(141)	Increase in working capital debt payments due to a delay in the production curve in Peru in 2H23.
Payments of lease liabilities	(5)	(4)	
Paid dividends and other investment flows	(6)	(9)	
(3) Total Cash Flow for Financing Activities	**(117)**	**6**	
Net Increase of Cash and Cash Equivalents (1) + (2) + (3)	**(5)**	**18**	
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	**59**	**80**	

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.

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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 June 30, 2024 reach the amount of US$458.0 million and EUR17.0 million (US$435.0 million and EUR18.6 million as of December 31, 2023) distributed among 20 banks. The used amount reaches US$124.2 million and EUR0.6 million, with an available balance of US$333.8 million and EUR16.4 million. Credit lines in dollars are distributed among the following companies: Hortifrut Perú S.A.C. with US$210.0 million, Hortifrut Chile S.A. with US$208.0 million, Hortifrut Limited with US$28.0 million and Hortifrut Import Inc., with US$12.0 million. Credit lines in euros are distributed among SAT Hortifrut H-0030 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 Southern Sun S.L. with EUR2.0 million and Hortifrut Import Inc., with US$12.0 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 June 30, 2024:

			Cash Flows				
	Capital	Interests	From 0 to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Creditor Bank	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Banco Rabobank	148,659	5,670	-	36,731	121,146	31,232	189,109
Banco Santander Chile	53,331	489	3,801	10,322	50,122	-	64,245
Communications Bank Yunnan Branch	43,100	17	115	14,851	24,700	3,451	43,117
Banco de Crédito del Perú	40,360	1,203	-	37,421	7,021	-	44,442
Banco de Crédito e Inversiones	35,000	135	3,015	10,452	27,434	-	40,901
Banco de Chile	35,000	102	35,331	-	-	-	35,331
Banco ITAU	25,020	73	25,189	-	-	-	25,189
Banco BBVA Perú SA.	19,513	429	-	13,289	7,761	-	21,050
Banco Bilbao Vizcaya Argentaria	18,588	183	216	3,744	18,242	-	22,202
Cooperatieve Rabobank U.A., New York Branch	17,857	316	-	4,374	15,892	-	20,266
Bank of China	13,740	166	-	2,590	14,034	-	16,624
Agricultural Bank of China	10,500	-	-	10,500	-	-	10,500
Banco Estado	10,066	22	10,051	65	-	-	10,116
HSBC México SA, Institución de Banca Múltiple	10,000	68	136	10,204	-	-	10,340
BHD International	9,943	118	-	2,064	10,024	-	12,088
Banco de Occidente S.A.	9,749	98	-	2,064	10,025	-	12,089
Banco Bice	9,001	16	9,070	-	-	-	9,070
CaixaBank, S.A.	5,810	-	833	2,939	2,359	-	6,131
Banco Scotiabank	5,770	2	5,780	-	-	-	5,780
Banco Latinoamericano de Comercio Exterior, S.A.	5,000	72	-	5,212	-	-	5,212
Bankinter	4,967	58	-	1,032	5,012	-	6,044
Banco Santander Central Hispano S.A.	3,820	-	399	1,200	2,065	294	3,958
Banco Scotiabank Perú S.A.	3,382	24	-	3,566	-	-	3,566
Banco de Chile	2,400	66	932	-	1,708	-	2,640
Caja Rural del Sur	2,292	-	140	488	1,716	-	2,344
Banco Pichincha C.A.	997	33	-	1,072	-	-	1,072
Bancolombia S,A.	176	-	-	176	-	-	176
GC Rent Chile SpA.	141	-	27	80	77	-	184
Mercedes-Benz Financial Services Portugal -Sociedade fin	13	-	-	3	15	-	18
Fifth Third Bank	3	-	-	3	-	-	3
Banco Internacional	2	-	2	-	-	-	2
Total as of December 31, 2023	**544,200**	**9,360**	**95,037**	**174,442**	**319,353**	**34,977**	**623,809**

Below is a summary of the maturities of total financial liabilities as of June 30, 2024:

			Cash Flows				
	Capital	Fair Value	From 0 to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Detail	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**	**ThUS$**
Bank loans	544,012	553,372	95,007	174,350	319,230	34,977	623,564
Bonds - obligations with the publich	78,165	79,084	-	16,992	66,869	-	83,861
Leasing Liabilities	188	188	30	92	123	-	245
Operating Lease Liabilities	115,150	115,448	2,333	7,127	45,071	129,321	183,852
Trade accounts and other accounts payable	202,996	202,996	85,854	5,597	111,545	-	202,996
Accounts payable to related companies	6,476	6,476	-	1,447	5,029	-	6,476

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 June 30, 2024:

As of March 31, 2024	Chilean Pesos ThUS$	Nuevo Sol ThUS$	Euro ThUS$	Mexican Pesos ThUS$	Yuan ThUS$	Dirham ThUS$	Indian Rupee ThUS$	Others ThUS$
Financial Assets								
Cash and Cash Equivalents	305	210	9,389	1,430	25,681	2,120	2,720	745
Current trade debtors and other accounts receivable	12,293	5,116	37,568	8,855	1,591	4,610	4,692	9,380
Current accounts receivable with related entities	113	42	1,802	-	2,745	-	-	-
Non-current fees receivable	32	-	165	-	-	-	-	73
Total Financial Assets	**12,743**	**5,368**	**48,924**	**10,285**	**30,017**	**6,730**	**7,412**	**10,198**
Financial Liabilities								
Other current financial liabilities	-	-	3,221	-	19,764	2,739	-	176
Current lease liabilities	186	-	879	518	6,594	143	-	259
Current trade accounts and other accounts payable	4,131	4,338	32,746	6,469	10,965	5,363	802	2,783
Current accounts payable to related entities	-	53	-	-	379	-	381	-
Other current provisions	-	440	1,011	-	-	-	-	-
Current provisions for employee benefits	1,361	1,970	886	1,858	-	-	54	403
Other non-current financial liabilities	-	-	7,830	-	33,853	1,773	-	-
Non-current lease liabilities	902	-	4,599	3,045	73,960	5,098	-	485
Other non-current accounts payable	-	-	111,545	-	-	-	-	-
Non-current accounts payable to related entities	5,029	-	-	-	-	-	-	-
Total Financial Liabilities	**11,609**	**6,801**	**162,717**	**11,890**	**145,515**	**15,116**	**1,237**	**4,106**
Net exposure as of March 31, 2024	**1,134**	**(1,433)**	**(113,793)**	**(1,605)**	**(115,498)**	**(8,386)**	**6,175**	**6,092**

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$22,732 (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.

Currencies	Assets ThUS$	Liabilities ThUS$	Net ThUS$	Net (10% Devaluation) ThUS$	Variation ThUS$
Chilean Peso	12,743	11,609	1,134	1,021	(113)
Nuevo Sol	5,368	6,801	(1,433)	(1,290)	143
Euro	48,924	162,717	(113,793)	(102,414)	11,379
Mexican Peso	10,285	11,890	(1,605)	(1,445)	160
Yuan	30,017	145,515	(115,498)	(103,948)	11,550
Dirham	6,730	15,116	(8,386)	(7,547)	839
Indian Rupee	7,412	1,237	6,175	5,558	(617)
Others	10,198	4,106	6,092	5,483	(609)
Total as of December 31, 2023	**131,677**	**358,991**	**(227,314)**	**(204,582)**	**22,732**

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 June 30, 2024, the debt at variable rate that Hortifrut maintained was ThUS$247,561 (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$1,697 (ThUS$3,951 as of December 31, 2023).

7.1.5. Operating Risks

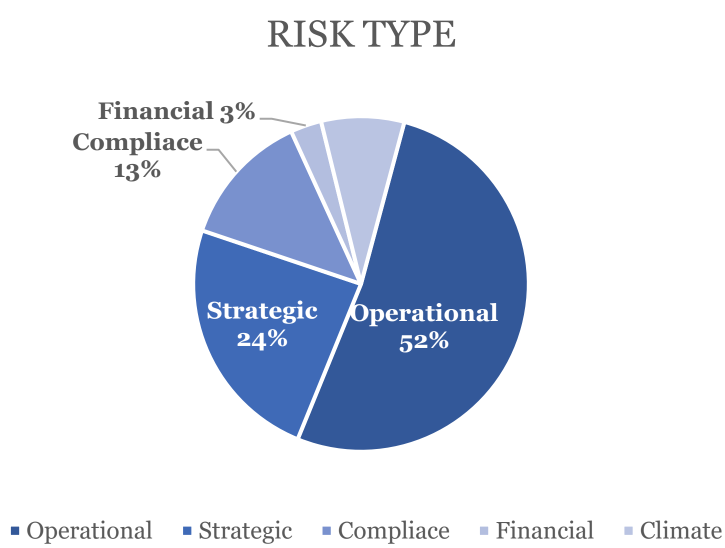
Risk management forms part of Hortifrut's normal activities, from an analysis that considers the Company's internal and external context, the interaction with interest groups, analysis of operations and their continuity, to identify and mitigate the most relevant and significant risks.

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.

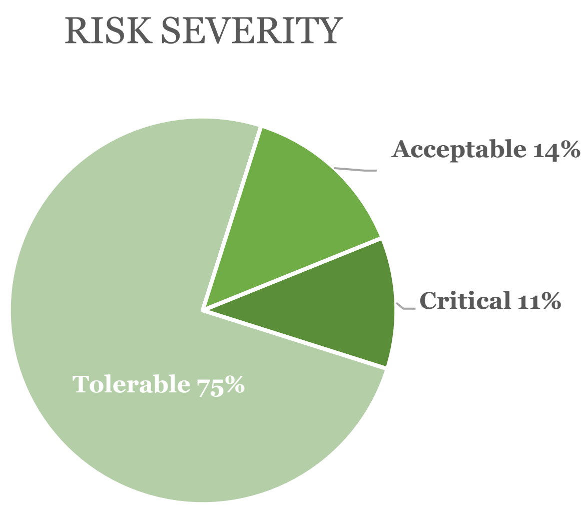
Hortifrut's Risk Matrix contains the risks which it faces, classified into 5 large groups: Strategic, Financial, Operational, Compliance and Climatic. Also, each risk is classified as per its impact in case it is materialized and the probability of occurrence. Implemented controls and action plans in process for its mitigation are identified.

As stated beforehand, as of June 30, 2024, risks identified by Hortifrut are distributed in the following manner:

	Operational	Strategic	Compliance	Financial	Climate
Type of risk	52%	24%	13%	3%	8%



	Critical	Tolerable	Acceptable
Risk Severity	11%	75%	14%



Critical risks faced as of June 30, 2024 are the following:

Type	Risk	Description	Control and Mitigation
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. The severity of climatic risk has significantly increased, the el Niño phenomenon affects Peru, Ecuador, Colombia and Chile until May-24.	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. 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. 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.
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.	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.
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.	The company's commitment in ethical compliance matters is informed through ethical standards. 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.

Strategic	Third party Exporters that do not comply with Hortifrut's quality standards, that its fruit impacts trade programs.		Direct Exporters were informed of the demands and legal requirements of Food Safety (FVSP) and the Compliance Program in USA (FSMA) that must be fulfilled. They directly present on the platforms (USA AND EUROPE) for the final evaluation before being approved for export.
Compliance	Food Safety	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	Strategic project management.	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.

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 June 30, 2024 and December 31, 2023 are the following:

			30-Jun-24		31-Dec-23
COUNTRY	TYPE OF INSURANCE	CURRENCY	COVERED AMOUNT	CURRENCY	COVERED AMOUNT
Chile	Infrastructure fire	UF	1,211,265	UF	1,211,265
Chile	Mobile Agricultural Equipment	UF	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	Infraestructure 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
Morocco	Fixed Assets	DAM	2,000,000	DAM	2,000,000
China	Fixed Assets and Inventory	CYN	524,707,230	CYN	524,707,230
China	Vehicles	CYN	186,995	CYN	186,995

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 June 30, 2024, the expected margin of the Company's bearer plants was recognized, for an amount that reaches ThUS1,039 (ThUS$3,916 as of December 31, 2023), which 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 June 30, 2024:

Company	Fair Value adjustment as of 31-Mar-24 (ThUS$)	10% Reduction Volume (ThUS$)	10% Reduction Price (ThUS$)	10% Reduction Volume and Price (ThUS$)
Hortifrut Perú S.A.C.	1,039	935	744	670
Total	**1,039**	**935**	**744**	**670**

As of June 30, 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.