



## CSOL Holding Ltd



## Fourth Quarter and Audited Full Year 2019 Report



## Fourth Quarter and Full Year 2019 Highlights

- For the year ended December 31<sup>st</sup>, 2019, EBITDA amounted to USD 120.2 million, down 21.4% compared to 2018 mainly explained by lower volumes of avocado due to a stronger than expected alternancy in 2019, as well as, a higher than expected blueberry price contraction due to increases in supply. EBITDA margin ended the year at 36.8%.
- For the year ended December 31<sup>st</sup>, 2019, Sales amounted to USD 326.6 million, down 12.7% compared to 2018, mainly due to lower volumes of avocado.
- Camposol reached 2,559 planted hectares of blueberries in Peru and continued its international expansion plan, reaching 406 planted hectares of tangerines in Uruguay and 1,721 planted hectares of avocados in Colombia.
- As of December 31<sup>st</sup>, 2019, the company maintained a cash balance of USD 27.8 million and a registered a net leverage ratio of 3.1x.



Key Figures for CSOL Holding Ltd and Subsidiaries (“CAMPOSOL” or the “Company”)

<i>USD thousands (if not otherwise stated)</i>	<b>For the period ended December 31st,</b>	
	<b>2019*</b>	<b>2018*</b>
Volume sold (MT 000)	<b>82.4</b>	<b>105.2</b>
Sales		
Avocado	73,154	112,294
Blueberry	200,484	205,208
Other operations	53,000	56,663
	<b>326,638</b>	<b>374,165</b>
Gross profit		
Avocado	25,480	55,901
Blueberry	97,848	98,769
Other operations	10,445	13,820
	<b>133,773</b>	<b>168,490</b>
Operating profit **	99,043	149,753
Loss / Profit before income tax **	80,791	113,116
Income tax	2,843	(26,405)
<b>Loss / Profit for the period</b>	<b>83,634</b>	<b>86,711</b>
<b>TOTAL EBITDA</b>	<b>120,241</b>	<b>152,917</b>
Gross Margin **	<b>41.0%</b>	<b>45.0%</b>
EBITDA b.f.v.a. Margin **	<b>36.8%</b>	<b>40.9%</b>

All figures according to IFRS

\* Audited



## Financial Review for the Full Year 2019

*The figures below describe developments through December 2019, with figures for the corresponding period of 2018 in parenthesis.*

### Results

Revenues were USD 326.6 million (374.2), down 12.7% from 2018, principally due to lower volumes of avocado, 48.5% lower compared to 2018 caused by the natural alternancy of the avocado plants which was intensified given the fact that we had two good consecutive harvests in 2017 and 2018.

Gross profit was USD 133.8 million (168.5) and the gross margin was 41.0% (45.0%), the decrease in gross profit is mainly explained by (i) the lower volumes of avocado mentioned above, and (ii) lower than expected prices of blueberry given important increases in volumes in the Peruvian commercial window. Therefore, EBITDA for the year closed at USD 120.2 million (152.9).

The net profit for the period was USD 83.6 million (86.7), down USD 3.1 million despite the decrease in EBITDA of 32.7 million. This is mainly explained by the fact that on October 29, 2019, Peruvian Law No.27360 was amended and among other dispositions, it extended the tax rate benefit of 15% for the agricultural industry until December 31<sup>st</sup>, 2031. This amendment has a specific impact on the Deferred income tax over the deemed cost of bearer plants.

### Balance Sheet and Cash Flow

Non-current assets increased to USD 513.6 million compared to USD 404.9 million at the end of 2018, due to an increase in property, plant, and equipment mainly driven by investments made for the acquisition of new land for avocado plantations, and completion of the blueberry planting program in Peru.

Inventories increased to USD 46.1 million compared to USD 26.4 million at the end of 2018, mainly due to an increase in finished products, due to a delay in that year's grape harvesting caused by weather conditions.

Trade accounts receivable decreased to USD 49.9 million from USD 67.7 million at the end of 2018, mainly related to the lower prices of blueberry.

Trade accounts payable slightly increased to USD 51.1 million (47.4).

As a result, operating working capital (accounts receivable + inventories - accounts payable) decreased to USD 44.9 million (46.7). Operating working capital was 13.7% of 2019 sales compared to 12.5% at the end of 2018.

Total liabilities increased to USD 562.3 (449.4). The Company's debt increased to USD 422.9 million (258.2). The increase in financial debt is mainly a consequence of financing part of our expansion plan. As of the end of the year, the company's debt included USD 249 million of a syndicated loan, USD 73.8 million in mid-term debt facilities, USD 56.1 million of working capital credit lines and USD 33.4 million in leases financings.

The Company generated USD 66.2 million of cash from operations (92.4), made net CapEx disbursements of USD 105.7 million (102.7) mainly for the purposes of; i) the acquisition of new land and corresponding planting of avocados in Colombia, and ii) completion of the blueberry expansion plan and corresponding capacity additions in packing facilities in Peru.

As a result, cash flow from financing activities was USD 34.7 million (12.3); resulting in a cash balance at the end of the year of USD 27.8 MM, aligned with the company's minimum cash policies.



## Segment Reporting for the Full Year 2019

### Year ended December 31<sup>st</sup> 2019

USD (000)	Avocado	Blueberry	Other*	Total
Revenues	73,154	200,484	53,000	326,638
Cost of goods sold	(42,100)	(88,440)	(34,925)	(165,465)
Costs associated to sales	(5,574)	(14,196)	(7,630)	(27,400)
Gross profit	25,480	97,848	10,445	133,773
<b>Gross margin %</b>	<b>34.8%</b>	<b>48.8%</b>	<b>19.7%</b>	<b>41.0%</b>
<i>Net million tons</i>				
<b>Volume produced</b>	23,121	30,281	27,135	80,537
<b>Volumes sold</b>	24,528	29,777	28,132	82,437
<i>USD/kg</i>				
<b>Weighted avg price</b>	2.98	6.73	1.88	3.96

### Year ended December 31<sup>st</sup> 2018

USD (000)	Avocado	Blueberry	Other*	Total
Revenues	112,294	205,208	56,663	374,165
Cost of goods sold	(45,027)	(89,395)	(34,587)	(169,009)
Costs associated to sales	(11,366)	(17,044)	(8,256)	(36,666)
Gross profit	55,901	98,769	13,820	168,490
<b>Gross margin %</b>	<b>49.8%</b>	<b>48.1%</b>	<b>24.4%</b>	<b>45.0%</b>
<i>Net million tons</i>				
<b>Volume produced</b>	47,910	26,256	32,632	106,798
<b>Volumes sold</b>	47,632	24,871	32,706	105,209
<i>USD/kg</i>				
<b>Weighted avg price</b>	2.36	8.25	1.73	3.56

\* Includes tangerines, grapes and mangoes.



### Blueberries

CAMPOSOL sold 29,777 (24,871) net MTs of blueberries during 2019, an increase of 19.7% in volumes, mainly explained by more planted hectares entering into high yield phase. In 2019, the average price was USD 6.73 net per kilo (8.25), a reduction of 18.4%, which was higher than the expected for the year and it was the result of important increases in volumes from Peru, mainly by smaller producers. Our average cost for the year was USD 3.45 (4.28), a reduction of 19.4% that partly offset the effect of lower prices, and is mainly explained by; (i) lower costs of the new varieties planted; and (ii) deployment of several efficiencies and cost-saving initiatives that are part of a three-year operational transformation plan devised by the company to consolidate its operations even further.

### Avocados

CAMPOSOL sold 24,528 (47,632) net MTs of avocados during 2019, at an average price of USD 2.98 (2.36) per net KG and at an average cost of USD 1.94 (1.18) per net KG. This represents a decrease of 48.5% in volume sold, and an increase of 26.5% in price. The decrease in volume is explained by the stronger than expected alternance in 2019 after two very strong (one record year) years of productivity. The increase in costs is mainly explained by the scale effect of the volume reduction.

### Other

**Tangerine:** CAMPOSOL sold 7,525 (9,039) net MTs of tangerines during 2019, at an average price of USD 1.43 (1.01) per net KG and at an average cost of USD 1.22 (0.84) per net KG. This represents a decrease of 16.7% in volume sold, and an increase of 41.6% in price. These variations are explained mainly by an aggressive pruning of the trees in order to improve future yields in Uruguay, which reduced volumes and thus increased unitary cost in 2019. Better market conditions in the US explain the prices obtained in this season.

**Grapes:** CAMPOSOL sold 4,766 (5,659) net MTs of grapes during 2019, at an average price of USD 3.17 (2.87) per net KG and at an average cost of USD 1.70 (1.84) per net KG. This represents a decrease of 15.8% in volume sold, and an increase of 10.5% in price. The decrease in volume is explained by the delay in the grape season, with important volumes passing to 1Q2020. The price increase is mainly explained by better market conditions in Europe.

**Mango:** CAMPOSOL sold 15,752 (17,402) net MTs of mangoes during 2019, at an average price of USD 1.62 (1.42) per net KG and at an average cost of USD 1.51 (1.11) per net KG. This represents a decrease of 9.5% in volume sold, and an increase of 14.1% in price. The decrease in volume is explained by lower production mainly due to water stress which also affected unitary costs. The price increase is mainly explained by better market conditions in Europe.

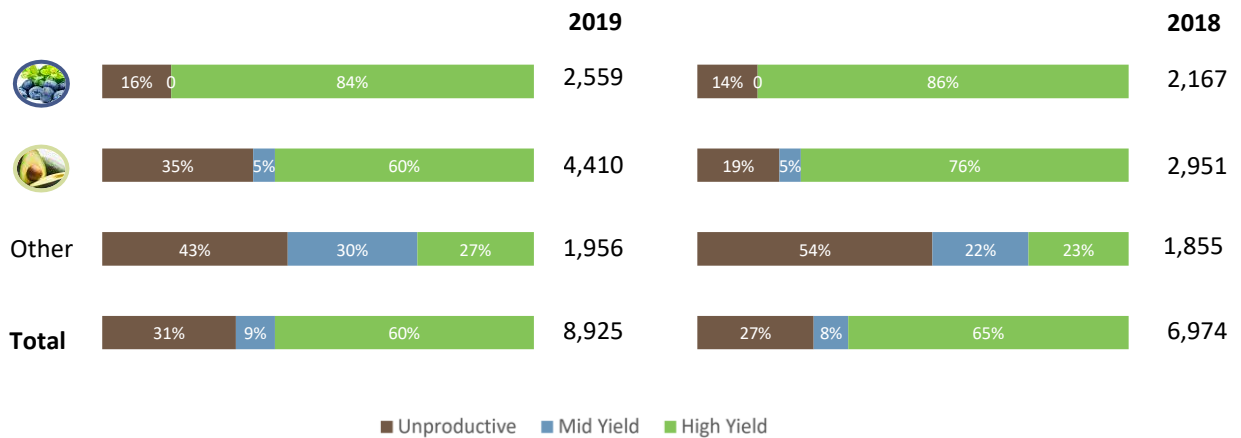


## Investment Program

During 2019, the Company made investment commitments amounting to USD 138.9 million out of which USD 48.4 million were invested in blueberries in Peru, USD 45.0 million in avocado plantations in Colombia, USD 5.2 million in tangerines plantations in Uruguay, and USD 21.0 million were invested in avocados, tangerines, grapes, and mangoes to finish our investment program in Peru. These investments resulted in an increase of 27.9% in our planted hectare base, that amounted to 8,925 Ha at year end. It is important to note that of this total area 40% is still in no productive and mid yield phase, as seen in the chart below. Other investments represent USD 19.2 million mainly to secure water infrastructure, packing, and administrative facilities.

### Age of Fields / Net Ha Planted by product

As of December 31<sup>st</sup>, 2019





## Important events during 2019

### CAMPOSOL reorganization

To face the global competitive environment, Camposol Holding PLC (Former Parent) decided to implement a new legal structure for their global business with the purpose of separating its Agricultural from its Acquaculture businesses in order to attract new investments for the agricultural business, simplify the corporate governance and isolate the risks associated with each one. For the purpose of segregating the agricultural business from the shrimp farming business of Camposol Holding PLC and subsidiaries, the Company was incorporated and then started the process of transferring the main operating companies related to the agricultural business to Csol Holding Limited.

### CAMPOSOL continues its expansion in Colombia

CAMPOSOL continues to execute its plan to increase its product availability throughout the year. An important initiative to reach this objective is acquiring new lands and increasing its planted area in Colombia to produce avocado 52 weeks of the year. In 2019, the planted area in Colombia increased to 1,721 hectares out of which 79% are in the investment phase (unproductive), 6% in mid yield, and 15% in high yield.

### CAMPOSOL obtained the second disbursement of the syndicated loan and mid-term loans.

Camposol has successfully received the second disbursement of the syndicated loan

(USD 49 million) on June 20, 2019; and the second disbursement of the midterm loan with a local bank (USD 38.3 million) on February 29, 2019. Camposol has financed its expansion plan and consolidation.

### Market

The long-term growth prospects for exotic fruits and vegetable markets remain favorable. Avocados, blueberries, and tangerines per capita consumption in the US<sup>1</sup> continues to grow.

The Company expects to continue its diversification strategy by mainly increasing the production capacity of avocados in Colombia and tangerines in Uruguay.

### Outlook

The Company is currently focused on adding value to its clients through commercial, marketing and service initiatives to strengthened the value proposition in particular regarding increasing its production weeks to be able to better serve its clients, while at the same time assuring full traceability of its products.

CAMPOSOL is working to become a lean company through the use of IT. The use of technology and innovative methods will allow us to not only reduce costs and improves the key process in our operations, but also serve our clients better.

Additionally, CAMPOSOL is analyzing new opportunities to consolidate its leadership through additional planting of current products, strategic alliances and acquisitions.

<sup>1</sup> USDA Consumption data





## **CAMPOSOL has successfully issued a senior unsecured note in the international capital markets**

On January 28<sup>th</sup>, 2020 the Company issued USD350MM in senior unsecured notes in the international capital markets. The issue was more than 6x oversubscribed among a well-diversified and strong investor base. The notes were issued at a 6% coupon and have a 7-year maturity (bullet). The main objective of this new bond was to refinance existing debt in order to extend the duration and release all collateral. With this issuance, the Company obtained important financial flexibility to be able to continue its path towards materializing its long term strategy.

## **CAMPOSOL has been able to continue operating amidst the restrictions of the COVID-19 pandemic**

Given the fact that Camposol is part of a globally interconnected food production system, we have been able to continue operating amidst the restrictions of the COVID-19 pandemic. Moreover, as of today the impact of the pandemic in the company's results has not been material so far since we are in between harvesting seasons in our main operation (Peru). In this regards, the Company is taking all measures required to guarantee the safety of its employees, proper care of our biological assets, and maintain optimum service to our clients worldwide.

The Board of Directors,  
CSOL Holding Ltd



## Financial Tables

### CSOL HOLDING LTD AND SUBSIDIARIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION USD (000) AS OF DECEMBER 31st, 2019

	Notes	For the period ended	
		31.12.19*	31.12.18*
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment, net	7	447,292	368,338
Right of use asset		52,081	27,825
Investments in associated companies		3,361	3,280
Intangibles	10	8,573	5,180
Deferred income tax		2,290	242
Others assets		0	0
		<u>513,597</u>	<u>404,865</u>
<b>Current assets</b>			
Assets held for sale		0	0
Prepaid expenses		1,495	481
Current portion of biological assets		138,660	120,525
Inventories	9	46,076	26,422
Other accounts receivable	8	12,610	8,161
Trade accounts receivable		49,857	67,674
Cash subject to restriction		0	0
Cash and cash equivalents		27,788	32,505
		<u>276,486</u>	<u>255,768</u>
<b>Total assets</b>		<u>790,083</u>	<u>660,633</u>
<b>Equity and liabilities Capital and reserve attributable to shareholders of the Company</b>			
Share capital		0	0
Share premium		10,000	0
Retained earnings		218,105	0
Former parent net investment		0	211,752
		<u>228,105</u>	<u>211,752</u>
<b>Minority interests</b>		-347	-528
<b>Total equity</b>		<u>227,758</u>	<u>211,224</u>
<b>Non-current liabilities</b>			
Long-term debt		313,910	231,841
Lease liability		35,311	17,155
Deferred income tax		41,318	53,840
Other payables		11,972	9,368
		<u>402,511</u>	<u>312,204</u>
<b>Current liabilities</b>			
Accounts payable to related companies		16,000	50,831
Current portion of long-term debt		5,403	3,811
Current portion of lease liability		12,180	5,415
Trade payables		51,045	47,382
Other payables		19,055	29,766
Bank loans		56,131	0
		<u>159,814</u>	<u>137,205</u>
<b>Total liabilities</b>		<u>562,325</u>	<u>449,409</u>
<b>Total equity and liabilities</b>		<u>790,083</u>	<u>660,633</u>
<b>* Audited</b>			



**CSOL HOLDING LTD AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME USD (000)**  
**FOR THE PERIOD ENDED DECEMBER 31st, 2019**

		For the period ended	
	Notes	31.12.19*	31.12.18*
Revenue		326,638	374,165
Cost of sales		(192,865)	(205,675)
<b>Gross profit</b>		<b>133,773</b>	<b>168,490</b>
Depreciation of assumed cost of bearer plants		(10,607)	(10,988)
Write off assumed cost of bearer plants		-	(428)
Impairment of assets		-	-
Net adjustment from change in fair value of biological assets		10,163	31,548
<b>Profit after adjustment from biological assets</b>		<b>133,329</b>	<b>188,622</b>
Administrative expenses	4	(25,428)	(23,389)
Selling expenses	5	(10,259)	(9,657)
Other expenses	6	(5,009)	(7,150)
Other income		6,410	1,327
<b>Operating profit</b>		<b>99,043</b>	<b>149,753</b>
Share of gain (loss) of associated companies		81	1,225
Finance income		1,001	91
Finance costs		(21,851)	(33,617)
Currency translation differences		2,517	(4,336)
<b>Profit (loss) before income tax</b>		<b>80,791</b>	<b>113,116</b>
Income tax		(11,727)	(15,481)
Deferred income tax		14,570	(10,924)
<b>Profit (loss) for the period</b>		<b>83,634</b>	<b>86,711</b>
<b>EBITDA before fair value adjustment</b>		<b>120,241</b>	<b>152,917</b>

\* Audited



**CSOL HOLDING LTD AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGE IN EQUITY  
AS OF DECEMBER 31st, 2019**

	<u>Share capital</u> USD 000	<u>Share premium</u> USD 000	<u>Former parent net investment</u> USD 000	<u>Retained earnings</u> USD 000	<u>Equity Attributable to shareholders of the parent</u> USD 000	<u>Non- controlling interests</u> USD 000	<u>Total equity</u> USD 000
Balance as of 1 January 2019	-	-	211,752	-	210,178	(528)	211,224
Capital contribution	-	10,000	-	-	10,000	-	10,000
CTA	-	-	(1,707)	(234)	(1,941)	(190)	(2,131)
Profit for the year	-	-	28,607	54,656	83,263	(371)	83,634
Dividends distribution	-	-	-	(10,000)	(10,000)	-	(10,000)
Movements of financing provided to former parent, net			(64,969)	-	(64,969)		(64,969)
Distribution by former parent of share capital	-	-	(173,683)	173,683	-	-	-
Balance as of December 31st, 2019	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>218,105</u>	<u>228,105</u>	<u>(2,662)</u>	<u>227,758</u>
	-	-	-	-	-	-	-

**\* Audited**



**CSOL HOLDING LTD AND SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD**  
**AS OF DECEMBER 31st, 2019**

	<u>31.12.19*</u>	<u>31.12.18*</u>
	USD 000	USD 000
<b>Cash flow from operating activities</b>		
Collections	344,455	326,958
Payment to suppliers and employees	(252,793)	(195,932)
Interest paid	(21,092)	(35,619)
Income tax paid	(5,781)	(4,412)
Custom duties refund collections	2,090	2,032
Other collections / payments	-	-
Other payments	(639)	(634)
<b>Net cash (used in) provided by operating activities</b>	<b>66,240</b>	<b>92,393</b>
<b>Cash flow from investing activities</b>		
Transfer to cash subject to restriction	-	1,227
Purchases of property, plant and equipment	(40,145)	(38,607)
Investment in biological assets	(61,561)	(64,193)
Purchases of intangibles, excluding goodwill	(4,016)	(2,402)
Acquisition of subsidiary, net of cash acquired	-	-
Sale of affiliated	-	-
Proceeds from sale of property, plant and equipment	64	1,277
<b>Net cash used in investing activities</b>	<b>(105,658)</b>	<b>(102,698)</b>
<b>Cash flow from financial activities</b>		
Bank loans proceeds	111,500	109,250
Bank loans payments	(55,500)	(119,250)
Payments to related parties	(42,000)	-
Dividends distribution	(10,000)	-
Capital contribution	10,000	22,065
Contributions from (distributions to) parents	(56,969)	(75,832)
Principal elements of lease liabilities payments	(5,392)	(2,553)
Transaction costs	(1,510)	(1,886)
Long-term debt proceeds	90,000	278,278
Payment of bonds	-	(147,490)
Payments of long-term debt	(5,428)	(50,326)
<b>Net cash provided by financial activities</b>	<b>34,701</b>	<b>12,256</b>
Net (decrease) increase in cash and cash equivalents during the period	(4,717)	1,951
Cash and cash equivalents at beginning of period	32,505	30,554
<b>Cash and cash equivalents at end of period</b>	<b>27,788</b>	<b>32,505</b>

\* Audited



**CSOL HOLDING LTD AND SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD**  
**AS OF DECEMBER 31st, 2019**

<u>Conciliation</u>	<u>31.12.19*</u>	<u>31.12.18*</u>
	USD 000	USD 000
<b>Operating activities:</b>		
(Loss) / profit before income tax	80,791	113,116
Depreciation	26,815	24,482
Depreciation of right of use asset	5,322	3,022
Amortization	623	760
Impairment of trade accounts receivable	627	469
Impairment of plant and equipment	-	-
Obsolescence of inventories	461	189
Disposal of avocado, grapes and tangerine	-	-
Write down off inventories	-	714
Workers' profit sharing	3,798	5,098
Fair value of biological assets	(10,163)	(31,548)
Loss / (Gain) on sale of property, plant and equipment	(45)	(143)
Impairment of goodwill and fixed assets	-	-
Interest expenses from past year and paid in the month	-	-
(Profit)/loss attributable to associate	(81)	(1,225)
Gain on leaseback	-	-
Laboral participation	-	-
Low of products in process	-	-
Net exchange difference	(1,731)	4,312
Write down off trade accounts receivable	(86)	(594)
Write down off inventories	(592)	(3,039)
Operating loss for the year from discontinued operations	-	-
Recovery of impairment of fixed assets	(2,501)	-
Net realisable value of inventories	177	180
Legal contingencies	1,054	926
<b>Increase (decrease) of cash flows from operations due</b>		
to changes in assets and liabilities:	-	-
Trade accounts receivable	17,545	(27,504)
Other accounts receivable	(8,292)	(1,537)
Inventories	(27,673)	(6,703)
Cash subject to restriction	-	-
Prepaid expenses	(1,014)	(11)
Trade payables	3,663	3,535
Other payables	(22,458)	7,894
Currents assets held for sale	-	-
<b>Net cash (used in) provided by operating activities</b>	<b>66,240</b>	<b>92,393</b>
	-	-

\* Audited



## Selected disclosure notes

### 1. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the IASB.

### 2. Significant accounting policies

The consolidated financial statements have been prepared under the historical cost convention, as modified by biological assets recognized at fair value and investment in associate recognized under the equity method accounting. The financial statements are expressed in thousands of United States Dollars, unless otherwise stated.

The accompanying consolidated financial statements present our historical financial position, results of operations, comprehensive income, and cash flows in accordance with IFRS. The financial statements for periods prior to the Corporate reorganization were derived from Camposol Agribusiness' carve-out financial statements and accounting records and prepared in accordance with IFRS for the preparation of carved-out financial statements. Through the date of the Corporate reorganization, all revenues and costs as well as assets and liabilities directly associated with Camposol Agribusiness have been included in the carve-out financial statements. Prior to the Corporate reorganization, the carve-out financial statements also included allocations of certain costs incurred by Former Parent related to the Camposol Agribusiness, primarily related to the compensation of certain members of senior management and its supervisory board. The allocations have primarily been made based on percentage of time usage by senior management and supervisory board, which management believes represents a reasonable allocation methodology.



### 3. Segment information

#### Full year ended December 31<sup>st</sup>, 2019

	Avocado		Blueberry		Other		Total	
	2019 YTD	2018 YTD	2019 YTD	2018 YTD	2019 YTD	2018 YTD	2019 YTD	2018 YTD
Revenues	73,154	112,294	200,484	205,208	53,000	56,663	326,638	374,165
Cost of goods sold:								
Cost of goods sold	(42,100)	(45,027)	(88,440)	(89,395)	(34,925)	(34,587)	(165,465)	(169,009)
Costs associated to sales	(5,574)	(11,366)	(14,196)	(17,044)	(7,630)	(8,256)	(27,400)	(36,666)
<b>Gross profit</b>	25,480	55,901	97,848	98,769	10,445	13,820	133,773	168,490
Volumes produced (net MT) (1)	23,121	47,910	30,281	26,256	27,135	32,632	80,537	106,798
Volumes sold (net MT)	24,528	47,632	29,777	24,871	28,132	32,706	82,437	105,209
Weighted Average prices (US\$ /Kg.)	2.98	2.36	6.73	8.25	1.88	1.73	3.96	3.56
Planted area (Ha)	4,410	2,643	2,559	2,073	2,058	1,359	9,027	6,075
Volume Harvested (MT) (2)	19,851	52,893	18,056	12,303	12,691	23,212	50,598	88,408
Third party supply (MT)	7,305	953	-	-	3,277	2,542	10,582	3,495
Fresh %	86%	95%	98%	100%			64%	72%
Frozen %	14%	5%	2%	0%			36%	28%

Information corresponds of actual operations

- (1) Includes processed raw material from suppliers.
- (2) Only own production.





#### 4. Administrative expenses

Administrative expenses increased from USD 23.4 million during 2018 to USD 25.4 million in 2019, mainly explained by personnel expenses mainly for international operations.

	For the period ended	
	31.12.2019 USD 000	31.12.2018 USD 000
Personnel expenses and directors remuneration	12,154	10,339
Professional fees	4,598	4,778
Depreciation & amortization	1,194	1,328
Depreciation of right of use asset	237	475
Maintenance	354	271
General services	484	200
Travel and business expenses	1,234	929
Renting of machinery and equipment	1,197	1,028
Transport and telecommunications	128	59
Material, supplies and utilities	757	675
Insurance	27	63
Back office	1,045	1,102
Other expenses	2,019	2,142
<b>Total</b>	<b>25,428</b>	<b>23,389</b>
<b>Total without depreciation</b>	<b>23,997</b>	<b>21,586</b>

#### 5. Fixed Selling expenses

Fixed selling expenses increased from USD 9.7 million during 2018 to USD 10.3 million in 2019. The increase of USD 0.6 million is mainly explained by an increase of personal expenses and general services related to the operations on the commercial offices and brand development.

	For the period ended	
	31.12.2019 USD 000	31.12.2018 USD 000
Personnel expenses	4,371	4,040
Consulting services	1,425	1,470
Travel and business expenses	803	962
Insurance	1,534	1,364
Renting of machinery and equipment	263	164
Transport and telecommunications	276	249
General services	733	161
Depreciation & amortization	33	44
Depreciation of right of use asset	93	72
Material, supplies and utilities	48	178
Other expenses	680	953
<b>Total</b>	<b>10,259</b>	<b>9,657</b>



## 6. Other expense (income)

Other net income increased from -USD 5.8 million during 2018 to USD 1.4 million in the same period in 2019. The increase is mainly explained by an increase of impairment reversal on fixed assets of USD 2.5 million and indemnity of insurance of USD 2.0 million.

Other expenses in 2019 is mainly explained by USD 1.5 million in contingencies and USD 1.0 million in write-off of fixed assets related to discontinued operations. Other income in 2019 is mainly explained by USD 2.3 million in indemnity of insurance and USD 2.5 million impairment reversal on fixed assets.

	For the year ended	
	31.12.2019 USD 000	31.12.2018 USD 000
Other expense	(5,009)	(7,150)
Other income	6,410	1,327
<b>Total</b>	<b>1,401</b>	<b>(5,823)</b>

## 7. Property, plant and equipment

Main additions are part of the investment in the irrigation and equipment for the new planted areas.

As of,	31.12.2019 USD 000
Opening net book amount as of January 1, 2019	149,225
( + ) Additions	40,145
( - ) Write -off	(1,042)
( - ) Depreciation	(7,651)
( - ) Transfers	(7,516)
( - ) Impairment reversal	617
( + ) Purchase of subsidiaries	-
( + / - ) Exchange difference	-
<b>Property Plant and equipment</b>	<b>181,431</b>
<b>Assumed cost of bearer plants</b>	<b>265,861</b>
<b>Closing net book amount as December 31<sup>st</sup>,2019</b>	<b>447,292</b>



## 8. Other accounts receivable

Other accounts receivable increased from USD 8.2 million at December 31<sup>st</sup>, 2018, to USD 12.6 million at December 31<sup>st</sup>, 2019. This increase corresponds principally to a higher amount of tax credit (ITAN) compared to 2018.

As of,	31.12.2019 USD 000	31.12.2018 USD 000
Custom duties refund (Drawback in Perú)	3,087	2,121
Value added tax (IGV in Peru)	5,810	3,646
Income tax credit	-	-
Prepayments to suppliers	619	730
Services rendered to third parties	1,697	1,690
Due from employees	139	163
Loans to third parties	760	488
Claims to third parties	434	374
Receivables from government health entity	264	211
Related companies	1,113	19
Other	384	409
	<b>14,307</b>	<b>9,851</b>
Less :		
Allowance to doubtful accounts	(1,697)	(1,690)
	<b>12,610</b>	<b>8,161</b>

## 9. Inventories

Total inventories increased from USD 26.4 million at December 31<sup>st</sup>, 2018 to USD 46.1 million at December 31<sup>st</sup>, 2019. This increase is mainly explained by an increase in finished products and supplies related to grapes which is explained by the delay of the campaign.

As of:	31.12.2019 USD 000	31.12.18 USD 000
Finished product	32,316	18,327
Supplies	6,922	4,327
Packaging	4,753	4,373
Raw material and others	1,153	517
Product in process	-	-
In-transit raw material and supplies	2,135	35
	<b>47,279</b>	<b>27,579</b>
Less:		
Impairment of finished products	(1,203)	(1,157)
	<b>46,076</b>	<b>26,422</b>

**10. Intangible assets**

Total intangible assets increased from USD 5.2 million at December 31<sup>st</sup>, 2018 to USD 8.6 million at December 31<sup>st</sup>, 2019, mainly related with software products acquired during the year.

As of:	<b>31.12.2019</b> <b>USD 000</b>	<b>31.12.18</b> <b>USD 000</b>
Goodwill	-	-
Customer relationship	-	-
Software	7,206	3,733
Licences	1,367	1,447
Others	-	-
<b>Total</b>	<b>8,573</b>	<b>5,180</b>

**11. Transactions with related parties**

The main transactions between related companies are as follows:

	<b>For the period ended</b>	
	<b>31.12.2019</b> <b>USD 000</b>	<b>31.12.2018</b> <b>USD 000</b>
<b>Empacadora de Frutos Tropicales S.A.C.</b>		
Sales of services and fixes	6	2
Sale of finish product	-	4
Purchase of services and fixes	4,289	3,258
<b>Gestora del Pacifico S.A.C.</b>		
Sales of services and fixes	543	213
Sale of finish product	1	1
Purchase of services and fixes	1,099	720
<b>Desarrollo Inmobiliario Mar Verde</b>		
Sales of services and fixes	-	-
Purchase of services and fixes	5,309	-
<b>Asoc. para la certif. de productores agricolas proveedores Camposol.-</b>		
Purchase of raw material	-	16
<b>Marinasol S.A.-</b>		
Sales of services	61	-
<b>Corporación Refrigerados Iny S.A.-</b>		
Sales of services	1,510	-
<b>Congelados y Frescos S.A.C.-</b>		
Sales of services	18	-



	For the period ended	
	31.12.2019 USD 000	31.12.2018 USD 000
<b>Campoinca S.A.-</b> Loans granted	142	-
<b>Siboure Holdings S.A.C.-</b> Loans granted	2	-
<b>Ecopacking Clasmshells S.A. (formerly Integrity Packing)</b> Sales of services and fixes	-	-
Purchase of services and fixes	-	43
Purchase of supplies	4,956	1,580
<b>Camposol Holding PLC -</b> Loans granted	80	-
Capital contribution	-	22,065
<b>Dividend distribution:</b> Dividends to shareholders	10,000	-

Amount dues / from to related parties

	As of	
	31.12.2019 USD 000	31.12.2018 USD 000
<b>Other accounts receivable</b>		
Empacadora de Frutos Tropicales S.A.C	2	-
Gestora del Pacifico S.A.C.	41	19
Campoinca S.A.	144	-
Camposol Holding PLC	93	-
Congelados y Frescos S.A.	19	-
Corporacion Refrigerados INY SA	752	-
Marinasol S.A.	62	-
<b>Other accounts payable</b>		
Marinasol S.A.	8,000	-
Siboure Holdings S.A.C.	8,000	50,831
<b>Trade accounts payable</b>		
Empacadora de Frutos Tropicales S.A.C	1,282	508
Gestora del Pacifico S.A.C.	130	186
Desarrollo Inmobiliario Mar Verde S.A.C.	-	-
Ecopacking Clasmshells S.A. (formerly Integrity Packing)	65	3,183
Apoyo consultoria S.A.C. **	-	-

As of	
31.12.2019	31.12.2018



	USD 000	USD 000
<b>Other accounts receivable</b>		
Empacadora de Frutos Tropicales S.A.C	2	-
Gestora del Pacifico S.A.C.	41	19
Campoinca S.A.	144	-
Camposol Holding PLC	93	-
Congelados y Frescos S.A.	19	-
Corporacion Refrigerados INY SA	752	-
Marinasol S.A.	62	-
<b>Other accounts payable</b>		
Marinasol S.A.	8,000	-
Siboure Holdings S.A.C.	8,000	50,831
<b>Trade accounts payable</b>		
Empacadora de Frutos Tropicales S.A.C	1,282	508
Gestora del Pacifico S.A.C.	130	186
Desarrollo Inmobiliario Mar Verde S.A.C.	-	-
Ecopacking Clasmshells S.A. (formerly Integrity Packing)	65	3,183
Apoyo consultoria S.A.C. **	-	-

## 12. Seasonality

Company production is subject to seasonal fluctuations, with peak production in the third to fourth quarter of the year. This is due to seasonal weather conditions which affect production.

## 13. Use of NON-GAAP measures

In the discussion of operating results, CAMPOSOL refers to certain non-GAAP financial measures such as EBITDA. CAMPOSOL's management makes regular use of these measures to evaluate the performance, both in absolute terms and comparatively from period to period. EBITDA, which CAMPOSOL defines as sales minus cost of goods sold, administrative and selling expenses plus depreciation and amortization, is an approximation of cash flow from continuing operating activities before tax and net operating capital changes.

CAMPOSOL's definition of EBITDA may differ from that of other companies. EBITDA should not be considered as an alternative to operating income and income before tax as an indicator of the Company's operations in accordance with IFRS. Nor is EBITDA an alternative to cash flow from operating activities in accordance with IFRS. A reconciliation of EBITDA to total profit before income tax is provided as follows:



	For the quarter ended to		For the year ended	
	31.12.2019 USD 000	31.12.2018 USD 000	31.12.2019 USD 000	31.12.2018 USD 000
<b>EBITDA before fair value adjustment</b>	<b>67,811</b>	<b>63,863</b>	<b>120,241</b>	<b>152,917</b>
Depreciation & Amortization	(3,937)	(2,609)	(13,598)	(10,295)
Amortization of bearer plant	(4,732)	(4,682)	(19,164)	(17,968)
Low of assumed cost of bearer plants	-	-	-	(428)
Low of historical cost of bearer plants	-	-	-	(198)
Impairment of assets	-	-	-	-
Stock options expense	-	-	-	-
Other income expenses	3,143	(3,005)	1,401	(5,823)
Change in fair value of Biological assets	9,619	25,167	10,163	31,548
<b>Operating profit</b>	<b>71,904</b>	<b>78,734</b>	<b>99,043</b>	<b>149,753</b>
Gain (loss) of associated companies	979	770	81	1,225
Finance income	609	35	1,001	91
Finance costs	(6,447)	(18,304)	(21,851)	(33,617)
Currency translation differences	1,334	(5,121)	2,517	(4,336)
<b>Profit before income tax</b>	<b>68,379</b>	<b>56,114</b>	<b>80,791</b>	<b>113,116</b>



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**About CAMPOSOL**

CAMPOSOL is a vertically integrated producer of branded fresh and healthy food that offers high quality, healthy and fresh food to consumers around the world, based on a sustainable management model. Its portfolio includes superfoods like blueberries, avocados, mandarins, among others. Additionally, our international commercial platform is responsible for the commercialization of the products of these two units, with offices in the US, The Netherlands and China.

CAMPOSOL guarantees the full traceability of its products and is committed to supporting sustainable development through social and environmental responsibility policies and projects intended to increase the shared-value for all its stakeholders. On the strength of this value proposition, CAMPOSOL's commercial offices have established long-term relationships with the top worldwide supermarket chains and service them directly.

CAMPOSOL is also an active member of the Global Compact since 2008. It presents annual Sustainability Reports aligned to the GRI Methodology and has achieved the following international certifications: BSCI, Global Gap, IFS, HACCP and BRC among others.

**To learn more about CAMPOSOL please visit:** [www.camposol.com.pe](http://www.camposol.com.pe)