



CSOL Holding Ltd



First Semester 2020 Report



Highlights

- Total volumes sold increased 33.0% reaching 43.3 thousand MT compared to the volumes sold in 1H-2019. This increase is explained primarily by higher yields of mangoes, tangerines (Uruguayan season); and grapes.
- Total sales increased 6.2% and closed the semester at USD 97.0 million compared to USD 91.4 million in 1H-2019, mainly explained by higher volumes.
- EBITDA for the 1H-2020 amounted to USD 12.0 million, up 27.5% compared to USD 9.4 million in 1H-2019. The EBITDA margin for 1H-2020 was 12.3%, up from 10.3% in 1H-2019.
- Total planted area increased 19.8% reaching 9,299 Ha as of 1H-2020. This growth is mainly explained by the avocado expansion in Colombia.
- In June 2020, the Company revaluated its land investments, previously registered at cost, according IAS 16 with an impact of USD 248.7 million, after the revaluation total assets reached USD 1,035 million.
- The company maintained a cash balance of USD 28.1 million and a net leverage ratio of 3.4x.



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

<i>USD thousands (if not otherwise stated)</i>	For the period ended June 30th,	
	2020*	2019*
Volume sold (MT 000)	43.3	32.6
Sales		
Avocado	16,911	23,160
Blueberry	30,782	42,121
Other	49,346	26,136
	97,039	91,416
Gross profit		
Avocado	4,828	6,407
Blueberry	(1,519)	6,354
Other	8,617	1,390
	11,926	14,151
Operating profit	(9,284)	(16,009)
Loss / Profit before income tax	(31,315)	(22,198)
Income tax	(534)	(4,405)
Loss / Profit from discontinued operations	-	-
Loss / Profit for the period	(31,848)	(26,603)
EBITDA TOTAL **	11,961	9,383
Gross Margin	12.3%	15.5%
EBITDA b.f.v.a. Margin	12.3%	10.3%

All figures according to IFRS

* Non audited

** Please refer to Note 13 – Use of Non-GAAP measures for the reconciliation of EBITDA to Total Profit before Income Tax.



Financial Review for the First Half of Year 2020

The figures below describe developments in the first semester of year 2020, with figures for the corresponding period of 2019 in parenthesis.

Results

Revenues as of the end of the 1H-2020 amounted to USD 97.0 million (91.4), up 6.2% from the previous year. This variation is mainly explained by: i) higher volumes of tangerines from Uruguay due to improvements made in the production processes and crops, ii) the delay of the 2019 grape season that translated volumes to early 2020; and iii) an increase in the volumes of mango, due to higher yields.

Gross profit for the period was USD 11.9 million (14.2) and the gross margin was 12.3% (15.5%). This decrease is mainly explained by the early pruning of blueberry crops performed at the beginning of the year that in turn reduced the volumes in the “tail” of the 2019-20 season. Notwithstanding, EBITDA for the 1H-2020 closed at USD 12.0 million (9.4).

Net income/loss for the period was USD -31.8 million (-26.6), down USD 5.2 million, mainly explained by one-time costs related to the prepayment and refinancing of most of the Company’s long-term debt done early in 2020, with the new bond issuance.

Balance Sheet and Cash Flow

Non-current assets increased to USD 766.9 million compared to USD 513.6 million at the end of 2019, mainly explained by the revaluation of the land, previously registered at acquisition cost.

Inventories decreased to USD 32.0 million compared to USD 46.1 million at the end of 2019, mainly explained by seasonality of grape, mango and blueberry.

Trade accounts receivable decreased to USD 18.9 million from USD 49.9 million at

the end of 2019, mainly due to collections made at the end of the grapes, mango and blueberries last season. Trade accounts payable decreased to USD 46.7 million from USD 51.1 million at the end of 2019.

As a result, operating working capital (accounts receivable + inventories - accounts payable) decreased to USD 4.1 million (44.9). Operating working capital was 1.2% of LTM 2Q-2020 sales (13.7%) mainly explained by lower inventory and trade accounts receivable levels related to the finalization of the mango and grape season, as well as, improvements in working capital key metrics.

Other accounts receivable increased to USD 29.7 million compared to USD 12.6 million at the end of 2019, mainly explained by the advanced payment made for the incorporation of Camposol Uruguay according to the provision set forth in the Indenture. Other account payable decreased to USD 13.3 million compared to USD 19.1 million at the end of 2019 mainly explained by the full payment of the workers profit sharing and taxes in the 1H-2020.

Total liabilities increased to USD 665.3 from USD 562.3 at the end of 2019. The Company’s debt increased to USD 475.7 million from USD 422.9 million at the end of 2019. The increase in financial debt is mainly explained by investments made during the period. As of the end of the 2Q-2020, the company’s debt included USD 350 million in senior unsecured notes due 2027, USD 11.0 million in mid-term debt facilities, USD 66.0 million of working capital credit lines, and USD 23.6 million in medium to long term leases.

The Company generated USD 5.7 million of cash from operations (-24.5), made net CapEx disbursements of USD 32.9 million (29.3) mainly for the purposes of



incorporating Camposol Uruguay, as well as increasing the avocado planted area in Colombia, that as of the end of the semester reached a total of 1,978 hectares.

As a result, net cash flow from financing activities was USD 27.5 million (55.7); resulting in a cash balance at the end of the year of USD 28.1 million, aligned with the company's minimum cash policies.



Segment Reporting for the First Semester 2020

Period ended June 30th, 2020

USD (000)	Avocado	Blueberry	Other*	Total
Revenues	16,911	30,782	49,346	97,039
Cost of goods sold	(10,677)	(30,257)	(33,079)	(74,013)
Costs associated to sales	(1,406)	(2,044)	(7,650)	(11,100)
Gross profit	4,828	(1,519)	8,617	11,926
Gross margin %	28.5%	-4.9%	17.5%	12.3%
<i>Net million tons</i>				
Volume produced	21,021	2,594	21,774	45,389
Volumes sold	6,844	5,826	30,660	43,330
<i>USD/kg</i>				
Weighted avg price	2.47	5.28	1.61	2.24

Period ended June 30th, 2019

USD (000)	Avocado	Blueberry	Other*	Total
Revenues	23,160	42,121	26,136	91,416
Cost of goods sold	(14,791)	(31,579)	(21,274)	(67,643)
Costs associated to sales	(1,962)	(4,188)	(3,473)	(9,623)
Gross profit	6,407	6,354	1,390	14,151
Gross margin %	27.7%	15.1%	5.3%	15.5%
<i>Net million tons</i>				
Volume produced	16,707	4,303	13,291	34,301
Volumes sold	8,930	7,867	15,794	32,591
<i>USD/kg</i>				
Weighted avg price	2.59	5.35	1.65	2.80

* Includes tangerines, grapes and mangoes.



Blueberries

CAMPOSOL sold 5,826 (7,866) net MTs of blueberries during 1H-2020, a decrease of 25.9% in volumes explained by the early pruning performed at the tail of the 2019-20 season. In 1H-2020, the average price was USD 5.28 net per kilo (5.35), a reduction of 1.3%.

Avocados

CAMPOSOL sold 6,844 (8,930) net MTs of avocados during 1H-2020, at an average price of USD 2.47 (2.59) per net KG, and at an average cost of USD 1.77 (1.88) per net KG. This represents a decrease of 23.4% in volume sold despite a higher production in 2020. The latter is explained by the delay of the avocado season due to weather conditions. The decrease of 4.7% in price is explained by the strong supply in Europe which put downward pressure on prices at the beginning of the season.

Other crops

Tangerine: CAMPOSOL sold 3,006 (72) net MTs of tangerine during 1H-2020, at an average price of USD 1.92 (1.44) per net KG and at an average cost of USD 1.42 (2.81) per net KG. This represents an increase of 4054.9% in volume sold, and an increase of 33.2% in price. The increase in volume is

explained mainly by the production of the Uruguay fields due to improvements performed in the production processes and crops. The price increase is mainly explained by better market conditions in United States.

Grapes: CAMPOSOL sold 4,123 (443) net MTs of grapes during 1H-2020, at an average price of USD 2.99 (1.33) per net KG, and at an average cost of USD 2.63 (2.22) per net KG. This represents an increase of 829.9% in volume sold, and an increase of 125.2% in price. The increase in volume is explained by the delay in the grape season, with important volumes moving from the 4Q-2019 to the 1Q-2020. The price increase is mainly explained by better market conditions in Europe for the new grape varieties that we planted.

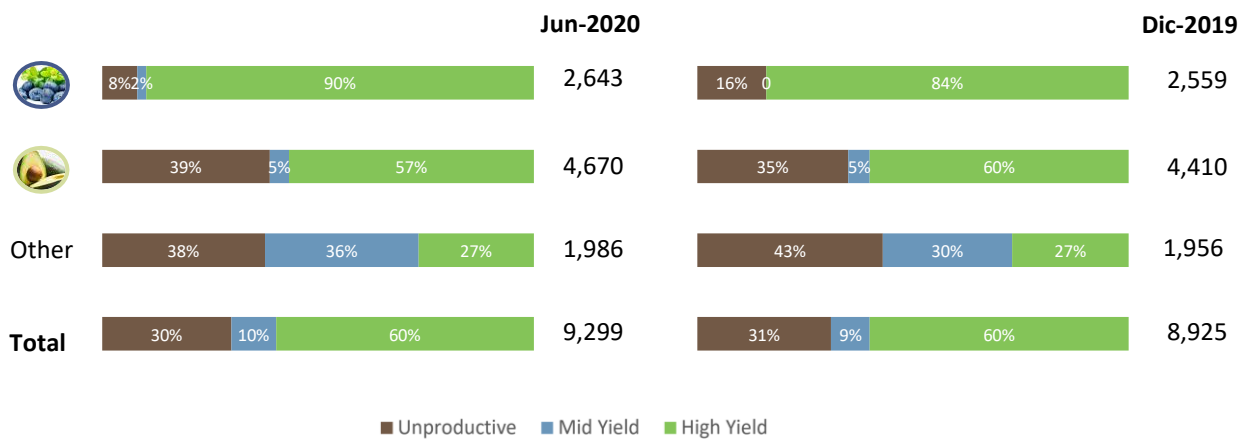
Mango: CAMPOSOL sold 23,532 (15,279) net MTs of mangoes during 1H-2020, at an average price of USD 1.31 (1.62) per net KG and at an average cost of USD 1.07 (1.51) per net KG. This represents an increase of 54.0% in volume sold, and a decrease of 19.5% in price. The increase in volume is explained by higher yields which also positively affected unitary costs.



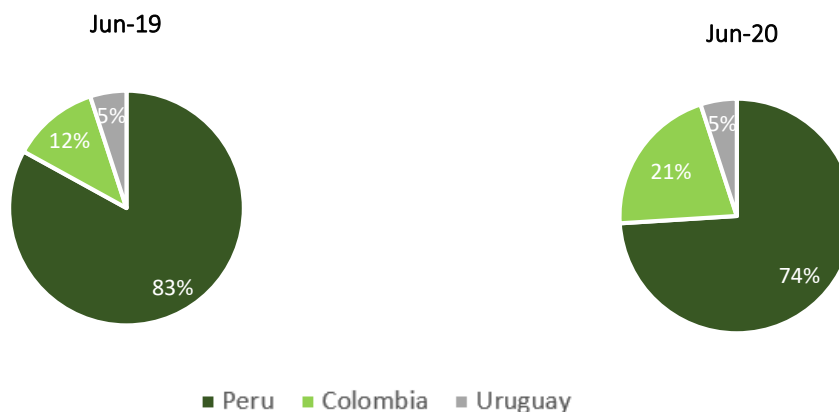
Investment Program

During 1H-2020, the Company made investment commitments amounting to USD 21.7 million out of which USD 12.1 million were in the Peruvian operations, 8.4 million in the international expansion, and 1.2 million mainly in information technology projects. Investments made in Peru were USD 4.8 million in blueberries plantations and USD 4.0 million in our tangerine, grape and mango plantations mainly for crop maintenance in their unproductive phase and 1.5 million in avocado fields. In addition, we committed USD 4.6 million in avocado plantations in Colombia, and USD 1.4 million in tangerine plantations in Uruguay. As a result, we continue to consolidate our planted area, that reached a total of 9,299 Ha at 1H-2020, of which 40% is still at a non productive or mid yield phase, as seen in the chart below.

Age of Fields / Net Ha Planted by product



Planted Area by Geography / Net Ha Planted





Highlights

Incorporation of Camposol Uruguay S.R.L.

In April 20th, 2020, CSOL Holding Ltd., as per the provisions set forth in the senior unsecured notes offering memorandum, acquired Camposol Uruguay SRL at a total consideration of USD 22.0 million.

Land revaluation of CSOL Holding Ltd.

Given the significant increase in the commercial value that the land experienced mainly in Peru in the last 10 years as a result of the implementation of the company's investment plan, it was decided to revalue the assets according to the IAS 16, which resulted in a net impact of almost 250 million that was incorporated into the balance sheet of the company. With this, CSOL Holding Ltd.'s total assets would exceed one billion dollars.

Market

The long-term growth prospects for exotic fruits and vegetable markets remain favorable. Avocados, blueberries, and tangerines per capita consumption in the US¹ continues to grow.

Outlook

The Company is focused on becoming a year round player for which it will continue increasing its operations of avocados in Colombia and tangerines in Uruguay.

CAMPOSOL is currently focused on adding value to its clients through commercial,

The Board of Directors,
CSOL Holding Ltd

marketing and service initiatives to strengthen the value proposition regarding increasing its production weeks to be able to better serve its clients, while at the same time assuring full traceability of its products.

The company has started a digital transformation and lean initiative that involves process optimization, the use of technology and innovative methods in order to reduce costs, improve key controls and strengthen clients 'service levels.

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

COVID-19 pandemic

The Company is taking all measures required to guarantee the safety of its employees, proper care of our biological assets, mitigate impacts on our financial results, and maintain optimum service to our clients worldwide. During this period our operations have not stopped as we are part of a globally interconnected food production system.

Subsequent events

On 24 July 2020, CSOL Holding Ltd appointed Lieneke María Schol Calle as the new independent director. She is an industrial engineer from *Universidad de Lima* and has an MBA from Adolfo Ibañez Management School. She has plenty experience serving as a board member in several leading companies and was the minister of production in 2018.

¹ USDA Consumption data



Financial Tables

CSOL HOLDING LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION USD (000)
AS OF JUNE 30th, 2020

		For the period ended 30.06.20*	For the period ended 31.12.19*
Assets	Notes		
Non-current assets			
Property, plant and equipment, net	7	695,725	694,846
Right of use asset		54,068	52,081
Investments in associated companies		3,483	3,361
Intangibles	10	10,496	8,573
Deferred income tax		3,163	2,290
		<u>766,935</u>	<u>761,151</u>
Current assets			
Prepaid expenses		4,149	1,495
Current portion of biological assets		155,488	138,660
Inventories	9	31,952	46,076
Other accounts receivable	8	29,669	12,610
Trade accounts receivable		18,883	49,857
Cash and cash equivalents		28,079	27,788
		<u>268,220</u>	<u>276,486</u>
Total assets		<u>1,035,155</u>	<u>1,037,637</u>
Equity and liabilities			
Capital and reserve attributable to shareholders of the Company			
Share capital		10,000	10,000
Revaluation of assets		247,554	247,554
Retained earnings		112,692	218,105
		<u>370,246</u>	<u>475,659</u>
Minority interests		<u>-399</u>	<u>-347</u>
Total equity		<u>369,847</u>	<u>475,312</u>
Non-current liabilities			
Long-term debt		354,182	313,910
Lease liability		34,642	35,311
Deferred income tax		114,344	41,318
Other payables		11,212	11,972
		<u>514,380</u>	<u>402,511</u>
Current liabilities			
Accounts payable to related companies		4,041	16,000
Current portion of long-term debt		7,383	5,403
Current portion of lease liability		13,133	12,180
Trade payables		46,708	51,045
Other payables		13,266	19,055
Bank loans		66,397	56,131
		<u>150,928</u>	<u>159,814</u>
Total liabilities		<u>665,308</u>	<u>562,325</u>
Total equity and liabilities		<u>1,035,155</u>	<u>1,037,637</u>
* Non audited			



CSOL HOLDING LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME USD (000)
FOR THE PERIOD ENDED JUNE 30th, 2020

CONTINUED OPERATIONS	Notes	For the period ended	
		30.06.20*	30.06.19*
Revenue		97,039	91,416
Cost of sales		(85,113)	(77,265)
Gross profit		11,926	14,151
Depreciation of assumed cost of bearer plants		(4,787)	(5,430)
Write off assumed cost of bearer plants		-	-
Impairment of assets		-	-
Net adjustment from change in fair value of biological assets		(2,499)	(7,906)
Profit after adjustment from biological assets		4,641	815
Administrative expenses	4	(10,323)	(10,607)
Selling expenses	5	(4,061)	(4,227)
Other expenses		(2,273)	(3,065)
Other income	6	2,733	1,075
Operating profit		(9,284)	(16,009)
Share of gain (loss) of associated companies		72	(721)
Finance income		218	334
Finance costs		(20,228)	(9,528)
Currency translation differences		(2,092)	3,726
Profit (loss) before income tax		(31,315)	(22,198)
Income tax		(1,407)	(4,040)
Deferred income tax		873	(365)
Profit for the period		(31,848)	(26,603)
EBITDA before fair value adjustment		11,961	9,383

* Non audited.



**CAMPOSOL HOLDING LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
AS OF JUNE 30th, 2020**

	Share capital	Share premium	Revaluation of assets	Former parent net investment	Retained earnings	Equity Attributable to shareholders of the parent	Non- controlling interests	Total equity	
	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	
Balance as of 1 January 2020	10,000	-	247,554	-	145,078.10	402,632	(347)	402,285	*
Capital contribution	-	-	-	-	-	-	-	-	
CTA	-	-	-	-	-590.00	(590)	-	(590)	
Profit for the year	-	-	-	-	-31,796.10	(31,796)	(52)	(31,848)	
Dividends distribution	-	-	-	-	-	-	-	-	
Balance as of June 30th, 2020	<u>10,000</u>	<u>-</u>	<u>247,554</u>	<u>-</u>	<u>112,692.00</u>	<u>370,246</u>	<u>(399)</u>	<u>369,847</u>	*
	-	-	-	-	-	-	-	-	

* Non audited



CSOL HOLDING LTD AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD
AS OF JUNE 30th, 2020

	<u>30.06.20*</u>	<u>30.06.19**</u>
	USD 000	USD 000
Cash flow from operating activities		
Collections	128,013	139,347
Payment to suppliers and employees	(116,070)	(143,080)
Interest paid	(7,534)	(8,600)
Income tax paid	(1,859)	(3,752)
Custom duties refund collections	1,877	1,024
Other collections / payments	64	1,148
Other payments	-	-
Net cash (used in) provided by operating activities	4,491	(13,913)
Cash flow from investing activities		
Transfer to cash subject to restriction	-	-
Purchases of property, plant and equipment	(6,029)	(3,934)
Net investments in leasings and others	(4,674)	(5,051)
Investment in biological assets	(11,745)	(25,260)
Purchases of intangibles, excluding goodwill	(2,212)	(124)
Acquisition of subsidiary, net of cash acquired	-	-
Sale of affiliated	-	-
Loans granted to related parties	(13,027)	-
Proceeds from sale of property, plant and equipment	87	-
Net cash used in investing activities	(37,600)	(34,369)
Cash flow from financial activities		
Bank loans proceeds	101,000	20,000
Bank loans payments	(91,000)	(10,000)
Payments to related parties	(8,000)	(28,000)
Dividends distribution	-	-
Capital contribution	-	-
Contributions from (distributions to) parents	-	569
Principal elements of lease liabilities payments, net	1,658	(7,220)
Transaction costs	(4,482)	(1,350)
Long-term debt proceeds	346,073	79,000
Payment of bonds	-	-
Payments of long-term debt	(311,849)	(2,837)
Net cash provided by financial activities	33,400	50,162
Net (decrease) increase in cash and cash equivalents during the period	291	1,880
Cash and cash equivalents at beginning of period	27,788	32,505
Cash and cash equivalents at end of period	28,079	34,385

* Non-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

First half ended June 30th, 2020

	Avocado		Blueberry		Other		Total	
USD thousands	2020 YTD	2019 YTD	2020 YTD	2019 YTD	2020 YTD	2019 YTD	2020 YTD	2019 YTD
Revenues	16,911	23,160	30,782	42,121	49,346	26,136	97,039	91,416
Cost of goods sold:								
Cost of goods sold	(10,677)	(14,791)	(30,257)	(31,579)	(33,079)	(21,274)	(74,013)	(67,643)
Costs associated to sales	(1,406)	(1,962)	(2,044)	(4,188)	(7,650)	(3,473)	(11,100)	(9,623)
Gross profit	4,828	6,407	(1,519)	6,354	8,617	1,390	11,926	14,151
Volumes produced (net MT) (1)	21,021	16,707	2,594	4,303	21,774	13,291	45,389	34,301
Volumes sold (net MT)	6,844	8,930	5,826	7,867	30,660	15,794	43,330	32,591
Weighted Average prices (US\$ /Kg.)	2.47	2.59	5.28	5.35	1.61	1.65	2.24	2.80
Planted area (Ha)	4,670	3,601	2,643	2,392	1,986	1,769	9,299	7,762
Volume Harvested (MT) (2)	26,707	13,740	3,712	4,897	25,800	10,113	56,219	28,750
Third party supply (MT)	-	7,006	-	-	10,074	13,851	10,074	20,857
Fresh % **	95%	88%	96%	97%	81%	71%	85%	82%
Frozen % **	5%	12%	4%	3%	19%	29%	15%	18%

Information corresponds to actual operations

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



4. Administrative expenses

Administrative expenses slightly decreased from USD 10.6 million during 1H-2019 to USD 10.3 million in 1H-2020.

	For the period ended	
	30.06.20 USD 000	30.06.19 USD 000
Personnel expenses and directors remuneration	5,667	5,050
Professional fees	1,364	1,656
Depreciation & amortization	618	587
Depreciation of right of use asset	173	232
Maintenance	128	119
General services	185	230
Travel and business expenses	242	503
Renting of machinery and equipment	431	480
Transport and telecommunications	17	23
Material, supplies and utilities	202	224
Insurance	9	15
Back office	523	523
Licenses and license renewals	220	167
Other expenses	544	798
Total	10,323	10,607
Total without depreciation	9,532	9,788

5. Fixed Selling expenses

Fixed selling expenses decreased slightly from USD 4.2 million during 1H-2019 to USD 4.1 million in 1H-2020. The decrease is mainly explained by a decrease in consulting services, insurance and other expenses related to commercial offices and brand development.

	For the period ended	
	30.06.20 USD 000	30.06.19* USD 000
Personnel expenses	2,577	2,183
Consulting services	297	439
Travel and business expenses	160	196
Insurance	355	472
Renting of machinery and equipment	100	180
Transport and telecommunications	65	85
General services	166	239
Depreciation & amortization	84	52
Depreciation of right of use asset	-	-
Material, supplies and utilities	16	1
Other expenses	241	380
Total	4,061	4,227

**6. Other expense (income)**

Other expenses in 1H-2020 are mainly explained by USD 1.2 million in the organizational restructuring and the balance related to donations, supplies sold, legal contingencies, and other minor expenses .

Other income increased from USD 1.1 million during 1H-2019 to USD 2.7 million in the same period in 2020. The increase is mainly explained by an insurance compensation recovery of USD 1.7 million.

	For the year ended	
	30.06.20 USD 000	30.06.19 USD 000
Other expense	(2,273)	(3,065)
Other income	2,733	1,075
Total	460	(1,990)

7. Property, plant and equipment

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

	As of,	30.06.20 USD 000
	Opening net book amounts of January 1, 2020	428,985
(+)	Additions	4,471
(-)	Write -off	(146)
(-)	Depreciation	(3,971)
(-)	Transfers	(257)
(-)	Impairment reversal	-
(+)	Purchase of subsidiaries	-
(+ / -)	Exchange difference	-
	Property Plant and equipment	429,082
	Assumed cost of bearer plants	266,643
	Closing net book amount as June 30th, 2020	695,725



8. Other accounts receivable

Other accounts receivable increased from USD 12.6 million at December 31st, 2019 to USD 29.7 million at June 30th, 2020. This increase corresponds principally to the advanced payment made for the acquisition of Uruguay for USD 12 million.

As of,	30.06.20 USD 000	31.12.19 USD 000
Custom duties refund (Drawback in Perú)	2,901	3,087
Value added tax (IGV in Peru)	9,324	5,810
Income tax credit	633	-
Prepayments to suppliers	795	619
Services rendered to third parties	1,695	1,697
Due from employees	205	139
Loans to third parties	792	760
Claims to third parties	433	434
Receivables from government health entity	278	264
Related companies	14,140	1,113
Other	168	384
	31,364	14,307
Less :		
Allowance to doubtful accounts	(1,695)	(1,697)
	29,669	12,610

9. Inventories

Total inventories decreased from USD 46.1 million at December 31st, 2019 to USD 32.0 million at June 30th, 2020. This decrease is mainly due to the selling of finished products related to grapes, blueberries, and mangoes.

As of:	30.06.20 USD 000	31.12.19 USD 000
Finished product	18,404	32,316
Supplies	5,637	6,922
Packaging	5,395	4,753
Raw material and others	1,652	1,153
Product in process	-	-
In-transit raw material and supplies	1,709	2,135
	32,797	47,279
Less:		
Impairment of finished products	(845)	(1,203)
	31,952	46,076

**10. Intangible assets**

Total intangible assets increased from USD 8.6 million at December 31st, 2019 to USD 10.5 million at June 30th, 2020, mainly related to software products developed during 1H-2020.

As of:	30.06.20 USD 000	31.12.19 USD 000
Goodwill	-	-
Customer relationship	-	-
Software	9,170	7,206
Licenses	1,326	1,367
Others	-	-
Total	10,496	8,573



11. Transactions with related parties

The main transactions between related companies are as follows:

	For the period ended	
	30.06.20 USD 000	30.06.19 USD 000
Empacadora de Frutos Tropicales S.A.C.		
Sales of services	-	4
Sale of finished products	-	-
Purchase of services	3,530	1,406
Gestora del Pacifico S.A.C.		
Sales of services	98	98
Sale of finished products	-	1
Purchase of services	549	551
Desarrollo Inmobiliario Mar Verde		
Sales of services	-	-
Purchase of services	484	251
Asoc. para la certif. de productores agricolas proveedores Camposol		
Purchase of raw material	-	-
Marinasol S.A.-		
Sales of services	95	-
Loans granted	35	-
Corporación Refrigerados Iny S.A.-		
Sales of services	1,351	-
Congelados y Frescos S.A.C.-		
Sales of services	22	-
Campoinca S.A.-		
Loans granted	-	-
Siboure Holdings S.A.C.-		
Loans granted	-	-
Ecopacking Clasmshells S.A. (formerly Integrity Packing)		
Sales of services	-	-
Purchase of services	-	-
Purchase of supplies	494	1,531
Camposol Holding PLC -		
Loans granted	12,050	-
Capital contribution	-	-
Dividend distribution:		
Dividends to shareholders	-	-



Amount dues / from to related parties

	As of	
	30.06.20	30.06.19
	USD 000	USD 000
Other accounts receivable		
Empacadora de Frutos Tropicales S.A.C	1	-
Gestora del Pacifico S.A.C.	41	19
Campoinca S.A.	135	-
Camposol Holding PLC	12,142	-
Congelados y Frescos S.A.	46	-
Corporacion Refrigerados INY SA	1,593	-
Marinasol S.A.	182	-
Other accounts payable		
Marinasol S.A.	4,041	-
Siboure Holdings S.A.C.	-	50,000
Trade accounts payable		
Empacadora de Frutos Tropicales S.A.C	3,070	2
Gestora del Pacifico S.A.C.	786	-
Desarrollo Inmobiliario Mar Verde S.A.C.	-	-
Ecopacking Clasmshells S.A. (formerly Integrity Packing)	-	869
Apoyo Consultoría S.A.C.	-	-

12. Finance costs

The increase is mainly explained by one-time costs related to the prepayment of the previous debt and the costs related to the bond issuance.

	For the period ended	
	30.06.20	30.06.19
	USD 000	USD 000
Interest and cost on bank loans (Sindicado)	5,858	8,101
Interest and cost on bank loans (IBK)	1,732	46
Interest and cost on bank loans (BBVA)	289	-
Interest and cost on bonds	9,025	-
Interest on financial lease	856	455
Interest on operating liability	396	415
Tax on financial transactions	884	395
Loss in investment funds	-	-
Interest on accounts payable to suppliers	652	-
Waiver IBK	314	-
Other finance costs	222	116
Total	20,228	9,528

12. Seasonality

Company production is subject to seasonal fluctuations, with peak production in the third to the 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 year ended	
	30.06.20 USD 000	30.06.19 USD 000
EBITDA before fair value adjustment	11,961	9,383
Depreciation & Amortization	(8,429)	(6,014)
Amortization of bearer plant	(10,777)	(9,482)
Low of assumed cost of bearer plants	-	-
Low of historical cost of bearer plants	-	-
Impairment of assets	-	-
Stock options expense	-	-
Other income expenses	460	(1,990)
Change in fair value of Biological assets	(2,499)	(7,906)
Operating profit	(9,284)	(16,009)
Gain (loss) of associated companies	72	(721)
Finance income	218	334
Finance costs	(20,228)	(9,528)
Currency translation differences	(2,092)	3,726
Profit before income tax	(31,315)	(22,198)



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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