



## Camposol Holding Plc



## Fourth Quarter and Preliminary Full Year 2018 Report



## Fourth Quarter and Full Year 2018 Highlights<sup>1</sup>

- For the year ended December 31<sup>st</sup>, 2018, EBITDA from continuing operations amounted to USD 150.2 million, up 19.7% compared to 2017. EBITDA margin from continued operations was to 33.0%.
- EBITDA record during fourth quarter of 2018 of USD 61.8 million, up 52.3% compared with the same period in 2017, increase mainly explained by a higher volume sold of blueberry.
- For the year ended December 31<sup>st</sup>, 2018, Sales from continuing operations amounted to USD 455.4 million, up 23.6% compared to 2017, mainly due to higher volume of blueberries and other products such as grapes, mangoes and tangerines.
- Camposol reached over 2,000 planted hectares of blueberries in Peru and continues its expansion plan with tangerines in Uruguay, with 480 planted hectares, and with avocado in Colombia, with 300 hectares planted.
- As of December 31<sup>st</sup>, 2018, the company maintained a cash balance of USD 40.9 million and a net leverage ratio of 1.6x.
- On December 13, 2018, Camposol obtained a loan for up to USD 250.0 million due on 2025. A first disbursement of USD 200.0 million was done on December 20, 2018.
- On December 20, 2018 Camposol redeemed its Senior Secured Notes due 2021, receiving a Satisfaction and Discharge of Indenture Notice from The Bank of New York Mellon (Trustee) acknowledging that Camposol obligation under the Indenture had been satisfied and the Indenture was discharged and ceased to be of further effect.
- Fitch Ratings upgraded Camposol's rating to B+ from B on December 18<sup>th</sup>, 2018. Moody's upgraded Camposol's rating to B2 from B3 on February 5<sup>th</sup>, 2018 and S&P Global Ratings upgraded Camposol's rating to B+ from B- on January 18<sup>th</sup> 2018

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<sup>1</sup> These figures do not include discontinued operations



Key Figures for Camposol Holding Plc and Subsidiaries (“CAMPOSOL” or the “Company”)

<i>USD thousands (if not otherwise stated)</i>	<b>For the period ended December 31st,</b>	
	<b>2018*</b>	<b>2017*</b>
Volume sold (MT 000)	<b>116.9</b>	<b>93.3</b>
Sales		
Avocado	112,294	122,042
Blueberry	205,208	121,064
Shrimp	81,219	82,595
Other continued operations	56,663	42,739
	<b>455,384</b>	<b>368,440</b>
Gross profit		
Avocado	55,901	70,111
Blueberry	98,769	57,800
Shrimp	(2,928)	12,071
Other continued operations	13,792	(360)
	<b>165,534</b>	<b>139,622</b>
Operating profit ***	132,049	107,972
Loss / Profit before income tax ***	95,822	87,199
Income tax	(22,824)	(12,087)
Loss / Profit from discontinued operations	-	(915)
<b>Loss / Profit for the period</b>	<b>72,998</b>	<b>74,197</b>
<b>EBITDA</b>		
From continued operations	150,204	125,450
From discontinued operations	-	(999)
<b>EBITDA TOTAL ****</b>	<b>150,204</b>	<b>124,451</b>
Gross Margin ***	<b>36.4%</b>	<b>37.9%</b>
EBITDA b.f.v.a. Margin ***	<b>33.0%</b>	<b>34.0%</b>

All figures according to IFRS

\* Non audited

\*\*\* From continued operations



## Financial Review for the Full Year 2018

*The figures below describe developments through December 2018, with figures for the corresponding period of 2017 in parenthesis. These figures do not include discontinued operations<sup>2</sup>*

### Results

Revenues were USD 455.4 million (368.4), up 23.6% from 2017, principally due to higher volumes of blueberry, 82.1% higher compared to 2017.

Gross profit was USD 165.5 million (139.6) and the gross margin was 36.4% (37.9%), the increase in gross profit is mainly due to higher volumes of blueberry and higher volumes of avocado, amidst lower prices of blueberry and avocado. EBITDA amounted to USD 150.2 million (124.5) and the EBITDA margin was 33.0% (34.0%). Consequently, Net Profit for the period was USD 73.0 million (75.1).

### Balance Sheet and Cash Flow

Non-current assets increased to USD 492.5 million compared to USD 387.5 million at the end of 2017, due to an increase in property, plant and equipment mainly driven by the investments on the fields and on the new equipment on the fruits packing facility.

Inventories increased to USD 45.9 million compared to USD 37.3 million at the end of 2017, mainly due to the volumes from the 2018 blueberry campaign.

Trade accounts receivable increased to USD 76.8 million from USD 49.1 million at the end of 2017, mainly related to the completion of 2018 blueberry campaign. Trade accounts payables increased to USD 72.5 million from USD 39.4 million at the

end of 2017, related to investments on operational fields.

As a result, operating working capital (accounts receivable + inventories - accounts payable) increased to USD 50.2 million from USD 47.0 million at the end of 2017. Operating working capital was 11.0% of 2018 sales compared to 12.8% at the end of 2017.

Total liabilities increased to USD 473.7 million from USD 300.4 million at the end of 2017. The Company's debt, grossed up of capitalized fees, increased to USD 287.3 million compared to USD 185.6 million at the end of 2017, mainly explained by a new syndicated loan used for the prepayment of the senior secured notes due 2021, a couple of new mid-term facility with local banks to finance part of the Capex plan and new leases obtained through the year. The Company's debt includes USD 200. Million of syndicated loan (replace the 147.5 million of senior secured notes due 2021), USD 43.3 million in mid-term debt facilities (10.3), USD 26.0 million of working capital credit lines (19.3) and USD 17.6 million in leasing and other (1.4).

The Company generated USD 79.4 million of cash from operations (USD 101.2), made a net disbursement for investment of USD 121.6 million (USD 53.5) in different crops such as blueberry in Peru, tangerine in Uruguay and Peru, avocado in Colombia and Peru, the acquisition of a shrimp company in Peru and the investments in property, plant and equipment on the fruits packing facility, and in the cash flow from financing activities had a net cash inflow of USD 48.9 million (net outflow of USD 98.1); resulting in a cash balance of USD 40.9 MM.

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<sup>2</sup> Discontinued operations refer to products that had been discontinued, such as asparagus and artichokes, and that are registered below the operating line.



## Segment Reporting for the Full Year 2018

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

USD (000)	Avocado	Blueberry	Seafood*	Other**	Total
Revenues	112,294	205,208	81,219	56,663	455,384
Cost of goods sold	(45,028)	(89,395)	(80,571)	(34,579)	(249,573)
Costs associated to sales	(11,365)	(17,044)	(3,576)	(8,292)	(40,277)
<b>Gross profit</b>	<b>55,901</b>	<b>98,769</b>	<b>(2,928)</b>	<b>13,792</b>	<b>165,534</b>
<b>Gross margin %</b>	<b>49.8%</b>	<b>48.1%</b>	<b>-3.6%</b>	<b>24.3%</b>	<b>36.4%</b>
<i>Net million tons</i>					
<b>Volume produced</b>	47,909	26,256	12,010	32,633	118,808
<b>Volumes sold</b>	47,632	24,871	11,709	32,706	116,918
<i>USD/kg</i>					
<b>Weighted avg price</b>	2.36	8.25	6.94	1.73	3.89

### Year ended December 31<sup>st</sup> 2017

USD (000)	Avocado	Blueberry	Seafood*	Other**	Total
Revenues	122,042	121,064	82,595	42,739	368,440
Cost of goods sold	(41,666)	(54,377)	(68,002)	(38,170)	(202,215)
Costs associated to sales	(10,265)	(8,887)	(2,522)	(4,929)	(26,603)
<b>Gross profit</b>	<b>70,111</b>	<b>57,800</b>	<b>12,071</b>	<b>(360)</b>	<b>139,622</b>
<b>Gross margin %</b>	<b>57.4%</b>	<b>47.7%</b>	<b>14.6%</b>	<b>-0.8%</b>	<b>37.9%</b>
<i>Net million tons</i>					
<b>Volume produced</b>	42,146	13,990	11,589	22,230	89,955
<b>Volumes sold</b>	42,506	13,661	11,733	25,410	93,310
<i>USD/kg</i>					
<b>Weighted avg price</b>	2.87	8.86	7.04	1.68	3.95

\*Includes shrimp and other seafood products

\*\* Includes tangerines, grapes and mangoes.

### Blueberries

CAMPOSOL sold 24,871 (13,661) net MTs of fresh blueberries during 2018, at an average price of USD 8.25 (8.86) per net KG and at average cost of USD 4.28 (4.63) per net KG. This represents an increase of 82.1% in volume sold, an decrease of 6.9% in price and a decrease of 7.6% in cost. Increase in volume principally explained by more hectares entering in medium or high yield phase compared to 2017.

During 2018, total gross margin for blueberries was 48.1%, up 0.4 pp (percentage points) compared to 2017.

### Avocados

CAMPOSOL sold 47,632 (42,506) net MTs of avocados during 2018, at an average price of USD 2.36 (2.87) per net KG and at average cost of USD 1.2 (1.2) per net KG. This represents an increase of 12.1% in volume



sold, a decrease of 17.9% in price. Increase in volume explained by very good weather during last winter which had a positive impact on volumes.

During 2018, total gross margin for avocados was 49.8%, down 7.7 pp (percentage points) compared to the same period last year due to lower prices in Europe.

### **Seafood**

CAMPOSOL sold 11,709 (11,733) net MTs of shrimp and other seafood products during

2018, at an average price of USD 6.94 (7.04) per net KG and at average cost of USD 7.1 (6.0) per net KG. This represents a decrease of 1.5% in the total product mix price. Considering only shrimp, the price was 15.1% lower compared to 2017.

During 2018, total gross margin for seafood was -3.6%, down 18.2 pp (percentage points) compared to 2017.

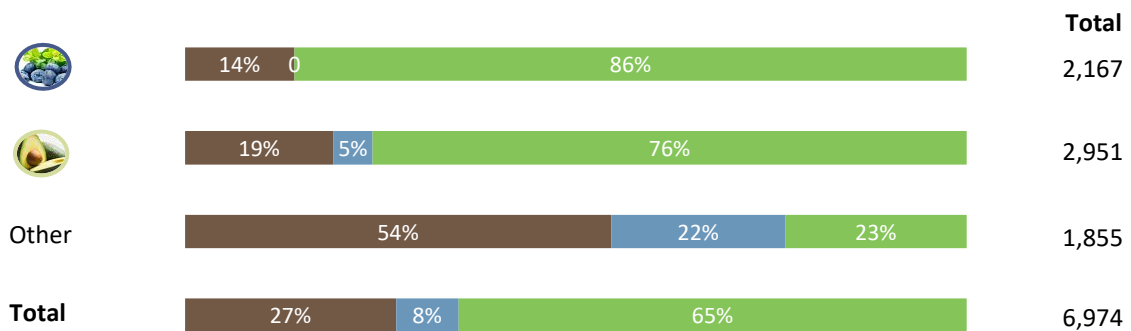


## Investment Program

During 2018, the Company made investment commitments amounting to USD 136.7 million, and had net disbursements of USD 121.6, out of which USD 61.2 million were invested in blueberries, USD 26.5 million were invested in tangerine in Uruguay and Peru, USD 16.4 million were invested in avocados in Colombia and Peru, USD 16.1 million were invested on the seafood segment, USD 8.2 million in grape, among other.

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

As of December 31<sup>st</sup>, 2018



### Marinasol

Semi-intensive Ponds (Ha)	Intensive Ponds (Ha)	Total (Ha)
1,265	148	1,412



## **Important events during 2018**

### **Camposol launched and terminated a Tender Offer and Consent Solicitation for Any and All of its outstanding 10.50% Senior Secured Notes due 2021.**

On January 30<sup>th</sup>, 2018 Camposol announced a Tender Offer and Consent Solicitation for Any and All of Camposol's outstanding 10.50% Senior Secured Notes due 2021. The Tender Offer and Consent Solicitation were subject to the conditions set forth in the Offer to Purchase and Consent Solicitation Statement, within which a Financing Condition was defined, which included the pricing of a New Offering on terms satisfactory to Camposol. On February 12<sup>th</sup>, 2018 the Tender Offer and Consent Solicitation were terminated because the New Offering has been postponed due to volatile market conditions.

### **Camposol continues the internationalization of its agricultural operations.**

Camposol's vision is to become the preferred global supplier of healthy, fresh and convenient food. To achieve this vision, Camposol will expand its existing agricultural operations in and outside of Perú. This will allow the company to extend its presence in the markets to other commercial windows. For this reason, during the first nine months of 2018, Camposol acquired land and plantations in Uruguay for tangerine and kept purchasing land in Colombia for avocado plantations. During the next years we will keep boosting our operations on these countries.

### **Camposol launched and terminated a Tender Offer for Any and All of its outstanding 10.50% Senior Secured Notes due 2021.**

On April 27<sup>th</sup>, 2018 Camposol announced a Tender Offer for Any and All of Camposol's outstanding 10.50% Senior Secured Notes due 2021. The Tender Offer was subject to the conditions set forth in the Offer to Purchase, within which a Financing Condition was defined, which included the pricing of a New Offering on terms satisfactory to Camposol. On May 14<sup>th</sup>, 2018 the Tender Offer was terminated because the New Offering has been postponed.

### **Camposol obtained a mid-term facility from a local bank for up to USD 40 million.**

On July 20<sup>th</sup>, 2018, CAMPOSOL obtained the mid-term facility offered by a local bank for up to USD 40 million. This mid-term facility is a 5-year loan with an annual interest rate of 6.3%. This facility was replaced with a new loan with the same bank.

### **Camposol obtained a syndicated loan for up to USD 250 million.**

On December 13<sup>th</sup>, 2018, CAMPOSOL obtained a syndicated loan for up to USD 250 million. This facility is a 7-year loan with an annual interest rate of Libor 3M + 325. A first disbursement of USD 200 million was done on December 20<sup>th</sup>, 2018.





## **Camposol redeemed its Senior Secured Notes due on 2021.**

On December 20, 2018 Camposol delivered an irrevocable Notice of Redemption relating to all its outstanding Senior Secured Notes due 2021 and irrevocably deposited, with The Bank of New York Mellon (Trustee), the total amount for the payment and discharge of the Notes. On the same day Camposol received a Satisfaction and Discharge of Indenture Notice, where The Trustee acknowledges that Camposol obligation under the Indenture had been satisfied and the Indenture was discharged and ceased to be of further effect.

## **Camposol closed a mid-term facility from a local bank for up to USD 68 million.**

On December 28<sup>th</sup>, 2018, CAMPOSOL obtained the mid-term facility offered by a local bank for up to USD 68 million. This mid-term facility is a 8-year loan with an annual interest rate of 6.6%. A first disbursement of USD 38 million was done on the same date, this procedures were used to replace the remaining balance of the previous loan with the same bank.

## **Market**

The long-term growth prospects for exotic fruits and vegetables markets remain favorable. Avocados, blueberries, and tangerines per capita consumption in the US<sup>3</sup> continue to show solid growth.

The Company expects good demand for all fresh produce in general, and for avocados and blueberries specifically in the United States, Europe and China.

The Company expects to continue its diversification strategy by mainly increasing the production capacity of blueberries, avocados and shrimp.

## **Outlook**

The Company is currently focused on adding value to its clients through commercial, marketing and service initiatives to strengthened its value proposition.

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

CAMPOSOL will continue positioning itself in the fresh and frozen segments in which it has made significant investments in recent years, and thus seek to maximize opportunities for growth and consolidate its business.

The Board of Directors,  
Camposol Holding Plc  
Limassol, Cyprus

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<sup>3</sup> USDA Consumption data



## Financial Tables

**CAMPOSOL HOLDING LTD AND SUBSIDIARIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION USD (000) AS OF DECEMBER 31st, 2018**

	Notes	For the period ended	
		31.12.18*	31.12.17**
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment, net	7	439,001	376,366
Right of use asset		39,442	-
Investments in associated companies		3,280	2,054
Intangibles	10	8,933	4,907
Deferred income tax		1,839	420
Others assets		-	3,780
		<u>492,495</u>	<u>387,527</u>
<b>Current assets</b>			
Prepaid expenses		670	806
Current portion of biological assets		133,711	94,113
Inventories	9	45,883	37,340
Other accounts receivable	8	16,637	10,411
Trade accounts receivable		76,838	49,123
Cash subject to restriction		-	1,285
Cash and cash equivalents		40,955	34,271
		<u>314,694</u>	<u>227,349</u>
<b>Total assets</b>		<u>807,189</u>	<u>614,876</u>
<b>Equity and liabilities Capital and reserve attributable to shareholders of the Company</b>			
Share capital		388	388
Share premium		217,312	217,312
Other reserves		825	825
Retained earnings		114,923	88,636
		<u>333,448</u>	<u>307,161</u>
<b>Minority interests</b>		-	7,285
<b>Total equity</b>		<u>333,448</u>	<u>314,446</u>
<b>Non-current liabilities</b>			
Long-term debt		235,961	149,934
Lease liability		27,752	-
Deferred income tax		56,617	45,985
Other payables		8,838	8,574
		<u>329,168</u>	<u>204,493</u>
<b>Current liabilities</b>			
Accounts payable to related companies		10,000	-
Current portion of long-term debt		4,690	12,407
Current portion of lease liability		6,199	-
Trade payables		72,500	39,397
Other payables		25,166	24,869
Bank loans		26,018	19,264
		<u>144,573</u>	<u>95,937</u>
<b>Total liabilities</b>		<u>473,741</u>	<u>300,430</u>
<b>Total equity and liabilities</b>		<u>807,189</u>	<u>614,876</u>

\* Non audited

\*\* Audited



**CAMPOSOL HOLDING LTD AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION USD (000)**  
**FOR THE PERIOD ENDED DECEMBER 31st, 2018**

	Notes	For the period ended		For the year ended
		31.12.18*	31.12.17*	31.12.17*
<b>CONTINUED OPERATIONS</b>				
Revenue		455,384	368,440	368,440
Cost of sales		(289,850)	(228,818)	(228,818)
<b>Gross profit</b>		<b>165,534</b>	<b>139,622</b>	<b>139,622</b>
Depreciation of assumed cost of bearer plants		(10,989)	(11,239)	(11,239)
Write off assumed cost of bearer plants		(428)	(5,641)	(5,641)
Impairment of assets		-	-	-
Net adjustment from change in fair value of biological assets		29,132	27,797	27,797
<b>Profit after adjustment from biological assets</b>		<b>183,249</b>	<b>150,539</b>	<b>150,539</b>
Administrative expenses	4	(27,830)	(32,828)	(32,828)
Selling expenses	5	(10,535)	(8,130)	(8,130)
Other expenses	6	(15,015)	(2,786)	(2,786)
Other income		2,180	1,177	1,177
<b>Operating profit</b>		<b>132,049</b>	<b>107,972</b>	<b>107,972</b>
Share of gain (loss) of associated companies		1,226	(390)	(390)
Finance income		412	110	110
Finance costs		(34,875)	(20,208)	(20,208)
Currency translation differences		(2,990)	(285)	(285)
<b>Profit (loss) before income tax</b>		<b>95,823</b>	<b>87,199</b>	<b>87,199</b>
Income tax		(15,067)	(10,068)	(10,068)
Deferred income tax		(7,757)	(2,019)	(2,019)
<b>Profit (loss) for the period from continuing operations</b>		<b>72,998</b>	<b>75,112</b>	<b>75,112</b>
<b>DISCONTINUED OPERATIONS</b>		-	<b>(915)</b>	<b>(915)</b>
<b>Profit for the period</b>		<b>72,998</b>	<b>74,197</b>	<b>74,197</b>
EBITDA From continued operations		150,204	125,450	125,450
EBITDA From discontinued operations		-	(999)	(999)
<b>EBITDA before fair value adjustment</b>		<b>150,204</b>	<b>124,451</b>	<b>124,451</b>

\* Non audited.

\*\* Audited



**CAMPOSOL HOLDING LTD AND  
SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGE IN EQUITY  
AS OF DECEMBER 31st, 2018**

	<u>Share capital</u>	<u>Share premium</u>	<u>Share warrants</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Equity attributable to shareholders of the parent</u>	<u>Non- controlling interests</u>	<u>Total equity</u>	
	USD 000	USD 000	US\$000	USD 000	USD 000	USD 000	USD 000	USD 000	
Balance as of 1 January 2018	388	217,312	-	825	88,636	307,161	7,285	314,446	**
CTA	-	-	-	-	687	687	-	687	
Net result	-	-	-	-	72,998	72,998	-	72,998	
Dividends distribution	-	-	-	-	(50,000)	(50,000)	-	(50,000)	
Sale of affiliated	-	-	-	-	319	319	-	319	
Purchase of uncontrolled Shares	-	-	-	-	2,511	2,511	(7,285)	(4,774)	
Adoption of IFRS 16	-	-	-	-	(228)	(228)	-	(228)	
Balance as of December 31st, 2018	<u>388</u>	<u>217,312</u>	<u>-</u>	<u>825</u>	<u>114,923</u>	<u>333,448</u>	<u>-</u>	<u>333,448</u>	*

\* Non audited

\*\* Audited



**CAMPOSOL HOLDING LTD AND SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD**  
**AS OF DECEMBER 31<sup>th</sup>, 2018**

	<u>31.12.18*</u>	<u>31.12.17**</u>
	USD 000	USD 000
<b>Cash flow from operating activities</b>		
Collections	427,796	363,814
Payment to suppliers and employees	(310,832)	(250,744)
Interest paid	(36,846)	(20,305)
Income tax paid	(4,929)	(590)
Custom duties refund collections	4,249	5,916
Other collections / payments	-	3,076
Other payments	(1,861)	-
<b>Net cash (used in) provided by operating activities</b>	<b><u>77,577</u></b>	<b><u>101,167</u></b>
<b>Cash flow from investing activities</b>		
Transfer to cash subject to restriction	1,285	(1,285)
Purchases of property, plant and equipment	(47,612)	(23,405)
Investment in biological assets	(64,193)	(27,223)
Financial investment	-	-
Purchases of intangibles, excluding goodwill	(2,402)	(1,719)
Acquisition of subsidiary, net of cash acquired	(5,443)	-
Sale of affiliated	3,650	-
Proceeds from sale of property, plant and equipment	1,295	128
<b>Net cash used in investing activities</b>	<b><u>(113,420)</u></b>	<b><u>(53,504)</u></b>
<b>Cash flow from financial activities</b>		
Bank loans proceeds	191,253	88,240
Bank loans payments	(184,550)	(109,890)
Loans to related entity	10,000	-
Acquisition of non-controlling interest in subsidiaries	(4,541)	-
Principal elements of lease liabilities payments	(3,211)	-
Payment of senior bonds	(147,490)	(46,947)
Prepayments of dividends	(50,000)	(20,000)
Long-term debt proceeds	283,278	-
Transaction costs	(1,886)	(1,513)
Payments of long-term debt	(50,326)	(7,982)
<b>Net cash provided by financial activities</b>	<b><u>42,527</u></b>	<b><u>(98,092)</u></b>
Net (decrease) increase in cash and cash equivalents during the period	6,684	(50,429)
Cash and cash equivalents at beginning of period	34,271	84,700
<b>Cash and cash equivalents at end of period</b>	<b><u>40,955</u></b>	<b><u>34,271</u></b>

\* Non-audited

\*\* Audited



**CAMPOSOL HOLDING LTD AND SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE**  
**PERIOD**  
**AS OF DECEMBER 31<sup>th</sup>, 2018**

	<u>31.12.18*</u>	<u>31.12.17**</u>
	USD 000	USD 000
<b>Conciliation</b>		
<b>Operating activities:</b>		
(Loss) / profit before income tax	95,822	87,199
Depreciation if right os use asset and depreciation & amortization	33,852	29,771
Impairment of trade accounts receivable	953	344
Obsolescence of inventories	1,366	360
Writte off of avocado, grapes and tangerine	714	13,895
Workers' profit sharing	5,098	5,902
Fair value of biological assets	(29,132)	(27,797)
Loss / (Gain) on sale of property, plant and equipment	763	327
(Profit)/loss attributable to associate	(1,226)	390
Net exchange difference	(338)	(337)
Net realisable value of inventories	2,071	(1,049)
Gros profit for the period from discontinued operations		(999)
Legal contingecies	1,298	
Increase (decrease) of cash flows from operations due		
Trade accounts receivable	(28,184)	(6,833)
Other accounts receivable	(5,157)	1,883
Inventories	(20,423)	(2,361)
Prepaid expenses	136	182
Trade payables	20,338	1,699
Other payables	(274)	(1,409)
Currents assets held for sale	-	-
<b>Net cash (used in) provided by operating activities</b>	<b><u>77,577</u></b>	<b><u>101,167</u></b>

\* Non-audited

\*\* Audited



## Selected disclosure notes

### 1. Basis of preparation

This condensed consolidated financial information for the third quarter ended September 30<sup>th</sup>, 2018 should be read in conjunction with the annual financial statements for the year ended December 31<sup>st</sup>, 2017 which have been prepared in accordance with IFRS.

### 2. Significant accounting policies

The consolidated financial statements have been prepared on historical cost basis, except for biological assets which have been measured at fair value.

The financial statements are presented in United States dollars (USD) and all monetary amounts are rounded to the nearest thousand (USD '000) except when otherwise indicated. The financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements as of December 31<sup>st</sup>, 2017.



### 3. Segment information

#### Third quarter ended December 31<sup>st</sup>, 2018

	Avocado		Blueberry		Seafood*		Other		Total	
USD thousands	2018 YTD	2017 YTD	2018 YTD	2017 YTD	2018 YTD	2017 YTD	2018 YTD	2017 YTD	2018 YTD	2017 YTD
Revenues	112,294	122,042	205,208	121,064	81,219	82,595	56,663	42,739	455,384	368,440
Cost of goods sold:										
Cost of goods sold	(45,028)	(41,666)	(89,395)	(54,377)	(80,571)	(68,002)	(34,579)	(38,170)	(249,573)	(202,215)
Costs associated to sales	(11,365)	(10,265)	(17,044)	(8,887)	(3,576)	(2,522)	(8,292)	(4,929)	(40,277)	(26,603)
<b>Gross profit</b>	55,901	70,111	98,769	57,800	(2,928)	12,071	13,792	(360)	165,534	139,622
Volumes produced (net MT) (1)	47,909	42,146	26,256	13,990	12,010	11,589	32,633	22,230	118,808	89,955
Volumes sold (net MT)	47,632	42,506	24,871	13,661	11,709	11,733	32,706	25,410	116,918	93,310
Weighted Average prices (US\$ /Kg.)	2.36	2.87	8.25	8.86	6.94	7.04	1.73	1.68	3.89	3.95
Planted area (Ha)	2,645	2,655	2,168	1,862	1,049	988	1,369	1,086	7,232	6,591
Volume Harvested (MT) (2)	52,893	47,616	27,764	14,781	15,317	12,956	31,634	26,204	127,608	101,557
Third party supply (MT)	964	81	-	-	772	1,107	4,371	6,640	6,107	7,828
Fresh % **	93%	94%	100%	100%	0%	0%			72%	79%
Frozen % **	7%	6%	0%	0%	100%	100%			28%	21%

Information corresponds only for continued operations

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

\*Includes shrimp and other seafood products.

\*\* Considering only shrimp: Price decrease of 16.9% compared to the same period last year.

\*\*\* By net volume sold.





#### 4. Administrative expenses

Administrative expenses decreased from USD 32.8 million during 2017 to USD 27.8 million in 2018. The decrease of USD 5.0 million is mainly explained a decrease in personnel expenses.

	For the period ended	
	31.12.2018 USD 000	31.12.2017 USD 000
Personnel expenses and directors remuneration	12,519	20,050
Professional fees	6,092	4,342
Depreciation & amortization	1,400	1,454
Depreciation of right of use asset	475	
Maintenance	377	453
General services	576	559
Travel and business expenses	989	835
Renting of machinery and equipment	1,213	1,516
Transport and telecommunications	127	277
Material, supplies and utilities	778	650
Insurance	76	84
Back office	1,012	1,003
Other expenses	2,196	1,605
<b>Total</b>	<b>27,830</b>	<b>32,828</b>
<b>Total without depreciation</b>	<b>25,955</b>	<b>31,374</b>

#### 5. Fixed Selling expenses

Fixed selling expenses increased from USD 8.1 million during 2017 to USD 10.5 million in 2018. The increase of USD 2.4 million is mainly explained by an increase of personal expenses and professional fees on consulting related to the operations on the commercial offices and brand development.

	For the period ended	
	31.12.2018 USD 000	31.12.2017 USD 000
Personnel expenses	4,433	4,196
Consulting services	1,650	785
Travel and business expenses	1,008	750
Insurance	1,496	1,201
Selling commissions	1,674	812
General services	161	233
Depreciation of right of use ass	72	-
Other expenses	41	153
<b>Total</b>	<b>10,535</b>	<b>8,130</b>



## 6. Other expense (income)

Total other expense, net of other income decreased from -USD 1.6 million during 2017 to USD -12.8 million in the same period in 2018.

Other expenses in 2018 is mainly explained by USD 8.4 million for capital markets transaction expenses, USD 2.1 million from write off inventories and fixed assets (hectares) and USD 1.4 million from a write off for sale of two subsidiaries.

Other income in 2018 is mainly explained by USD 1.3 million from the sale of the previously mentioned hectares as well as some minor assets and USD 0.3 million from insurance recoveries.

	For the year ended	
	31.12.2018 USD 000	31.12.2017 USD 000
Other expense	(15,015)	(2,786)
Other income	2,180	1,177
<b>Total</b>	<b>(12,835)</b>	<b>(1,609)</b>

## 7. Property, plant and equipment

Additions are composed of part of the equipment investment program, infrastructure and land to improve production facility and fields. The adjustments are principally the net cost of fixed assets from IAS-41.

	As of,	31.12.2018 USD 000
	Opening net book amount as of January 1, 2018	202,764
(+)	Additions	48,908
(-)	Write-off & disposal	(758)
(-)	Depreciation	(11,492)
(-)	Transfer to right of use asset	(6,736)
(-)	Transfer to bearer plants	(13,424)
(-)	Sale of subsidiaries	(5,573)
(+)	Purchase of subsidiaries	8,303
(+/-)	Exchange difference	(2,104)
	<b>Property Plant and equipment</b>	<b>219,888</b>
	Assumed cost of bearer plants	219,113
	<b>Closing net book amount as December 31<sup>st</sup>, 2018</b>	<b>439,001</b>



## 8. Other accounts receivable

Other accounts receivable increased from USD 10.4 million at December 31<sup>st</sup>, 2017, to USD 16.6 million at December 31<sup>st</sup>, 2018. This increase corresponds principally to a higher amount of tax credit.

As of,	31.12.2018 USD 000	31.12.2017 USD 000
Custom duties refund (Drawback in Perú)	2,165	378
Value added tax (IGV in Peru)	10,772	5,247
Prepayments to suppliers	767	2,158
Services rendered to third parties	1,690	1,693
Due from employees	176	192
Loans to third parties	1,623	1,044
Claims to third parties	384	529
Receivables from government health entity	248	235
Other	945	915
	<b>18,770</b>	<b>12,391</b>
Less :		
Allowance to doubtful accounts	(2,133)	(1,980)
	<b>16,637</b>	<b>10,411</b>

## 9. Inventories

Total inventories increased from USD 37.3 million at December 31<sup>st</sup>, 2017 to USD 45.9 million at December 31<sup>st</sup>, 2018. This increase is mainly explained by an increase in finished products and packing implements inventory.

As of:	31.12.2018 USD 000	31.12.17 USD 000
Finished product	29,509	18,994
Supplies	9,734	13,878
Packaging	5,481	3,613
Raw material and others	4,973	3,822
Product in process	829	1,032
In-transit raw material and supplies	191	447
	<b>50,717</b>	<b>41,786</b>
Less:		
Impairment of finished products	(4,834)	(4,446)
	<b>45,883</b>	<b>37,340</b>

**10. Intangible assets**

As of:	31.12.2018 USD 000	31.12.17 USD 000
Goodwill	1,687	95
Customer relationship	869	-
Software	4,558	4,812
Licences	1,447	-
Others	372	-
<b>Total</b>	<b>8,933</b>	<b>4,907</b>

**11. Transactions with related parties**

The main transactions carried out between the Group and related companies are as follows:

	For the period ended	
	31.12.2018 USD 000	31.12.2017 USD 000
<b>Empacadora de Frutos Tropicales S.A.C.</b>		
Sales of services	2	1
Sale of finish product	4	4
Purchase of services	3,258	2,751
<b>Gestora del Pacifico S.A.C.</b>		
Sales of services	213	146
Sale of finish product	1	1
Purchase of services	720	969
<b>Asoc. para la certif. de productores agricolas proveedores Camposol.-</b>		
Purchase of raw material	16	51
<b>Integrity Packing S.A.</b>		
Sales of services	-	1
Purchase of services	43	-
Purchase of supplies	1,580	2,651
Dividend distribution:		
Generación del Pacifico S.L. -	43,037	16,519
Other shareholders	6,963	3,481



Amount dues / from to related parties

	As of	
	31.12.2018	31.12.2017
	USD 000	USD 000
<b>Other accounts receivable</b>		
Empacadora de Frutos Tropicales S.A.C	-	1
Gestión del Pacifico S.A.C.	19	-
Desarrollo Inmobiliario Mar Verde S.A.C.	-	45
CSOL Holding Ltda.	10,000	
<b>Trade accounts payable</b>		
Empacadora de Frutos Tropicales S.A.C	508	297
Gestora del Pacifico S.A.C.	186	-
Integrity Packing S.A.	3,183	1,073

## 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, amortization and amortization without IAS-41, is an approximation of cash flow from continuing operating activities before tax and net operating capital changes. Amortization without IAS-41 is the cost assigned to cost of goods sold that under an accounting without IAS-41 would be considered amortization.

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		For the period ended
	31.12.2018 USD 000	31.12.2017 USD 000	2017 USD 000
<b>EBITDA before fair value adjustment</b>	<b>150,204</b>	<b>125,450</b>	<b>125,450</b>
Depreciation & Amortization	(15,858)	(13,405)	(13,405)
Amortization of bearer plant	(17,968)	(16,366)	(16,366)
Low of assumed cost of bearer plants	(428)	(5,641)	(5,641)
Low of historical cost of bearer plants	(198)	(8,254)	(8,254)
Impairment of assets	-	-	-
Stock options expense	-	-	-
Other income expenses	(12,835)	(1,609)	(1,609)
Change in fair value of Biological assets	29,132	27,797	27,797
<b>Operating profit</b>	<b>132,049</b>	<b>107,972</b>	<b>107,972</b>
Gain (loss) of associated companies	1,226	(390)	(390)
Finance income	412	110	110
Finance costs	(34,875)	(20,208)	(20,208)
Currency translation differences	(2,989)	(285)	(285)
<b>Profit before income tax</b>	<b>95,823</b>	<b>87,199</b>	<b>87,199</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. CAMPOSOL is organized into two main business units: Camposol Fruits and Vegetables (fresh produce) and Marinasol (aquaculture) and its portfolio includes superfoods like blueberries, avocados, shrimp, 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)