



CSOL Holding Ltd



Third Quarter 2020 Report



Highlights

- Total volumes sold increased 30.6%, reaching 80.2 thousand MT, compared to the nine months ended on September 2019. This increase is explained primarily by higher yields of mangoes, tangerines and avocados, and a delay in the 2019-20 grape season.
- Total sales increased 1.8% and closed the third quarter at USD 203.5 million compared to USD 199.9 million for the first nine months of 2019, mainly explained by higher volumes.
- EBITDA as of 3Q-2020 amounted to USD 55.5 million, up 5.8% compared to USD 52.4 million as of 3Q-2019. The EBITDA margin as of 3Q-2020 was 27.3%, up from 26.2% in the same period of 2019.
- Total planted area increased 14.9% reaching 9,477 Ha as of 3Q-2020, compared to 3Q-2019. This growth is mainly explained by the avocado expansion in Colombia.
- In July, amidst the pandemic, Camposol successfully upgraded its current ERP to SAP S/4 HANA.
- The company maintained a cash balance of USD 33.9 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 September 30th,	
	2020*	2019*
Volume sold (MT 000)	80.2	61.4
Sales		
Avocado	68,159	70,569
Blueberry	69,061	92,310
Other	66,273	37,039
	203,493	199,917
Gross profit		
Avocado	28,039	24,439
Blueberry	11,694	34,536
Other	14,762	2,872
	54,475	61,847
Operating profit	22,586	27,139
Loss / Profit before income tax	(5,145)	12,412
Income tax	(1,297)	(2,265)
Loss / Profit from discontinued operations	-	-
Loss / Profit for the period	(6,442)	10,147
EBITDA TOTAL**	55,488	52,430
Gross Margin	26.8%	30.9%
EBITDA b.f.v.a. Margin	27.3%	26.2%

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 Third Quarter of Year 2020

The figures below describe developments during the third quarter of year 2020, with figures for the corresponding period of 2019 in parenthesis.

Results

Revenues as of the end of the 3Q-2020 amounted to USD 203.5 million (199.9), up 1.8% from the previous year. This variation is mainly explained by: i) higher volumes yields and mangoes.

Gross profit for the period was USD 54.5 million (61.8) and gross margin was 26.8% (30.9%). 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 and a delay in the 2020-21 season due to weather conditions. Notwithstanding, EBITDA for the first nine months of 2020 closed at USD 55.5 million (52.4) mainly due to lower administrative expenses.

Net loss for the period was USD 6.4 million (10.1), down USD 16.6 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 780.3 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 36.3 million compared to USD 46.1 million at the end of 2019, mainly explained by seasonality of grape and mango.

Trade accounts receivable decreased to USD 47.5 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 2019-20 season. Trade accounts

payable increased to USD 62.0 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 21.7 million (44.9). Operating working capital was 6.6% of LTM 3Q-2020 sales (13.7%) mainly explained by lower inventory and higher trade accounts payable levels related to improvements in working capital key metrics.

Other accounts receivable increased to USD 33.8 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.

Total liabilities increased to USD 694.6 from USD 562.3 at the end of 2019. The Company’s debt increased to USD 483.7 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 3Q-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 80.0 million of working capital credit lines, and USD 47.0 million in medium to long term leases.

The Company generated USD 21.1 million of cash from operations (-2.9), made net CapEx disbursements of USD 45.8 million (54.7) 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 3Q-2020 reached a total of 2,116 hectares.

As a result, net cash flow from financing activities was USD 30.8 million (60.3); resulting in a cash balance at the end of the year of USD 33.9 million, aligned with the company’s minimum cash policies.



Segment Reporting for the Third Quarter 2020

Period ended September 30th, 2020

USD (000)	Avocado	Blueberry	Other*	Total
Revenues	68,159	69,061	66,273	203,493
Cost of goods sold	(32,520)	(51,281)	(41,168)	(124,969)
Costs associated to sales	(7,620)	(6,086)	(10,343)	(24,049)
Gross profit	28,019	11,694	14,762	54,475
Gross margin %	41.1%	16.9%	22.3%	26.8%
<i>Net million tons</i>				
Volume produced	32,034	12,929	35,842	80,805
Volumes sold	29,315	10,641	40,284	80,240
<i>USD/kg</i>				
Weighted avg price	2.33	6.49	1.65	2.54

Period ended September 30th, 2019

USD (000)	Avocado	Blueberry	Other*	Total
Revenues	70,569	92,310	37,039	199,917
Cost of goods sold	(40,717)	(50,140)	(29,065)	(119,921)
Costs associated to sales	(5,413)	(7,634)	(5,103)	(18,150)
Gross profit	24,439	34,536	2,872	61,847
Gross margin %	34.6%	37.4%	7.8%	30.9%
<i>Net million tons</i>				
Volume produced	23,012	16,593	18,318	57,923
Volumes sold	23,790	14,415	23,228	61,433
<i>USD/kg</i>				
Weighted avg price	2.97	6.40	1.59	3.25

* Includes tangerines, grapes and mangoes.



Blueberries

CAMPOSOL sold 10,641 (14,415) net MTs of blueberries during the first nine months, a decrease of 26.2% in volumes explained by the early pruning performed at the tail of the 2019-20 season and the delay of the blueberry season due to unusual cold weather. During this period, the average price was USD 6.49 net per kilo (6.40), an increase of 1.3% due to better market conditions.

Avocados

CAMPOSOL sold 29,315 (23,790) net MTs of avocados during the first nine months, at an average price of USD 2.33 (2.97) per net KG, and at an average cost of USD 1.37 (1.94) per net KG. This represents an increase of 23.2% in volume sold explained by the recovery of the avocado crop closer to usual levels. The decrease of 21.6% 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 12,354 (7,080) net MTs of tangerine during the first nine months, at an average price of USD 1.77 (1.41) per net KG and at an average cost of USD 1.17 (1.22) per net KG. This represents an increase of 74.5% in volume sold, and

an increase of 25.3% 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 the first nine months, at an average price of USD 2.99 (1.33) per net KG, and at an average cost of USD 2.61 (1.78) per net KG. This represents an increase of 829.9% in volume sold, and an increase of 124.4% 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.

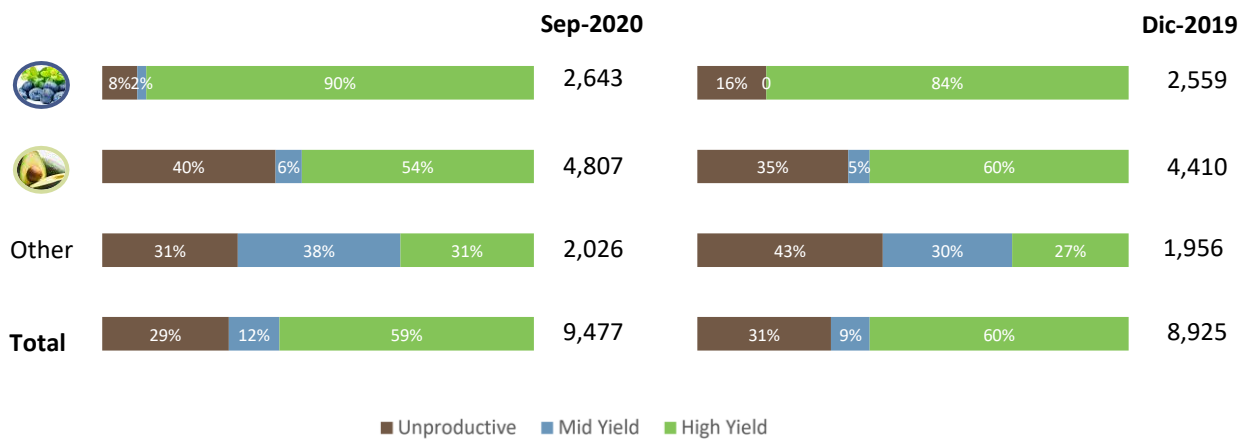
Mango: CAMPOSOL sold 23,808 (15,706) net MTs of mangoes during the first nine months, at an average price of USD 1.31 (1.62) per net KG and at an average cost of USD 1.07 (1.52) per net KG. This represents an increase of 51.6% in volume sold, and a decrease of 19.3% in price. The increase in volume is explained by higher yields which also positively affected unitary costs.



Investment Program

During the first nine months, the Company made investment commitments amounting to USD 32.8 million out of which USD 18.3 million were in the Peruvian operations, 12.4 million in the international expansion, and 2.0 million mainly in information technology projects. Investments made in Peru were USD 6.5 million in blueberries plantations, USD 1.8 million in avocado plantations, and USD 7.4 million in our tangerine, grape and mango plantations mainly for crop maintenance in their unproductive phase. In addition, we committed USD 6.5 million in avocado plantations in Colombia, and USD 2.4 million in tangerine plantations in Uruguay. As a result, we continue to consolidate our planted area, that reached a total of 9,477 Ha at 3Q-2020, of which 41% is still at a nonproductive 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

Camposol successfully upgraded its current ERP to SAP S/4 HANA

In July, amidst the pandemic, Camposol successfully upgraded its current ERP to SAP S/4 HANA. The implementation will help us to meet three key goals: i) optimize the new business processes, ii) increase control and risk management, and iii) support the international expansion plan.

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, 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.

The Board of Directors,
CSOL Holding Ltd

¹ USDA Consumption data



Financial Tables

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

		For the period ended 30.09.20*	For the period ended 31.12.19**
Assets	Notes		
Non-current assets			
Property, plant and equipment, net	7	709,516	447,292
Right of use asset		53,637	52,081
Investments in associated companies		3,373	3,361
Intangibles	10	11,079	8,573
Deferred income tax		2,677	2,290
Other assets		0	0
		<u>780,282</u>	<u>513,597</u>
Current assets			
Assets held for sale		0	0
Prepaid expenses		4,293	1,495
Current portion of biological assets		161,572	138,660
Inventories	9	36,252	46,076
Other accounts receivable	8	33,764	12,610
Trade accounts receivable		47,482	49,857
Cash subject to restriction		0	0
Cash and cash equivalents		33,896	27,788
		<u>317,259</u>	<u>276,486</u>
Total assets		<u>1,097,541</u>	<u>790,083</u>
Equity and liabilities			
Capital and reserve attributable to shareholders of the Company			
Share capital		10,000	10,000
Share premium		0	0
Revaluation of assets		258,767	0
Retained earnings		134,320	218,105
Former parent net investment		0	0
		<u>403,087</u>	<u>228,105</u>
Minority interests		-130	-347
Total equity		<u>402,957</u>	<u>227,758</u>
Non-current liabilities			
Long-term debt		354,319	313,910
Lease liability		33,469	35,311
Deferred income tax		117,680	41,318
Other payables		10,012	11,972
		<u>515,480</u>	<u>402,511</u>
Current liabilities			
Accounts payable to related companies		3,032	16,000
Current portion of long-term debt		2,123	5,403
Current portion of lease liability		13,482	12,180
Trade payables		62,006	51,045
Other payables		18,158	19,055
Bank loans		80,303	56,131
		<u>179,104</u>	<u>159,814</u>
Total liabilities		<u>694,584</u>	<u>562,325</u>
Total equity and liabilities		<u>1,097,541</u>	<u>790,083</u>

* Non audited

** Audited

**CSOL HOLDING LTD AND SUBSIDIARIES
FOR THE PERIOD ENDED SEPTEMBER 30th, 2020**

	Notes	For the period ended	
		30.09.20*	30.09.19*
CONTINUED OPERATIONS			
Revenue		203,493	199,917
Cost of sales		(149,018)	(138,070)
Gross profit		<u>54,475</u>	<u>61,847</u>
Depreciation of assumed cost of bearer plants		(7,166)	(8,100)
Write off assumed cost of bearer plants		-	-
Impairment of assets		-	-
Net adjustment from change in fair value of biological assets		545	544
Profit after adjustment from biological assets		<u>47,854</u>	<u>54,291</u>
Administrative expenses	4	(15,298)	(18,365)
Selling expenses	5	(6,112)	(7,045)
Other expenses		3,352	(3,445)
Other income	6	(7,210)	1,703
Operating profit		<u>22,586</u>	<u>27,139</u>
Share of gain (loss) of associated companies		12	(898)
Finance income		279	430
Finance costs		(28,006)	(15,442)
Currency translation differences		(16)	1,183
Profit (loss) before income tax		<u>(5,145)</u>	<u>12,412</u>
Income tax		(1,683)	(1,893)
Deferred income tax		386	(372)
Profit (loss) for the period from continuing operations		<u>(6,442)</u>	<u>10,147</u>
DISCONTINUED OPERATIONS		-	-
Profit for the period		<u><u>(6,442)</u></u>	<u><u>10,147</u></u>
EBITDA before fair value adjustment		<u>55,488</u>	<u>52,430</u>

* Non audited.



**CSOL HOLDING LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
AS OF SEPTEMBER 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 31 December 2019	10,000	-	-	-	218,105	228,105	(347)	227,758	**
Revaluation of assets	-	-	257,844	-	(76,090)	181,754	-	181,754	
Balance as of 1 January 2020	<u>10,000</u>	<u>-</u>	<u>257,844</u>	<u>-</u>	<u>142,015</u>	<u>409,859</u>	<u>(347)</u>	<u>409,512</u>	*
Capital contribution	-	-	-	-	-	-	-	-	
Revaluation of assets	-	-	923	-	-272.00	651	-	651	
CTA	-	-	-	-	-764.00	(764)	-	(764)	
Profit for the year	-	-	-	-	-6,659.00	(6,659)	217	(6,442)	
Dividends distribution	-	-	-	-	-	-	-	-	
Movements of financing provided to former parent, net	-	-	-	-	-	-	-	-	
Distribution by former parent of share capital	-	-	-	-	-	-	-	-	
Balance as of September 30th, 2020	<u>10,000</u>	<u>-</u>	<u>258,767</u>	<u>-</u>	<u>134,320.00</u>	<u>403,087</u>	<u>(130)</u>	<u>402,957</u>	*
	-	-	-	-	-	-	-	-	

* Non audited

** Audited



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

	30.09.20*	30.09.19*
	USD 000	USD 000
Cash flow from operating activities		
Collections	205,868	190,810
Payment to suppliers and employees	(164,263)	(176,500)
Interest paid	(20,327)	(14,961)
Income tax paid	(3,146)	(4,018)
Custom duties refund collections	2,816	1,492
Other collections / payments	103	322
Other payments	-	-
Net cash (used in) provided by operating activities	21,051	(2,855)
Cash flow from investing activities		
Transfer to cash subject to restriction	-	-
Purchases of property, plant and equipment	(4,638)	(20,623)
Investments in leasing and others	-	-
Investment in biological assets	(19,261)	(33,313)
Purchases of intangibles, excluding goodwill	(3,772)	(776)
Acquisition of subsidiary, net of cash acquired	-	-
Sale of affiliated	-	-
Loans granted to related parties	(18,218)	-
Proceeds from sale of property, plant and equipment	119	-
Net cash used in investing activities	(45,770)	(54,712)
Cash flow from financial activities		
Bank loans proceeds	135,000	63,500
Bank loans payments	(119,284)	(38,000)
Payments to related parties	(8,000)	(36,000)
Dividends distribution	-	-
Capital contribution	-	-
Contributions from (distributions to) parents	-	(799)
Principal elements of lease liabilities payments	(6,406)	(1,862)
Transaction costs	(4,707)	(1,378)
Long-term debt proceeds	346,073	79,000
Payment of bonds	-	-
Payments of long-term debt	(311,849)	(4,122)
Net cash provided by financial activities	30,827	60,339
Net (decrease) increase in cash and cash equivalents during the period	6,108	2,772
Cash and cash equivalents at beginning of period	27,788	32,505
Cash and cash equivalents at end of period	33,896	35,277

* 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

Third quarter ended September 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	68,159	70,569	69,061	92,310	66,276	37,039	203,493	199,917
Cost of goods sold:								
Cost of goods sold	(32,520)	(40,717)	(51,281)	(50,140)	(41,168)	(29,065)	(124,969)	(119,921)
Costs associated to sales	(7,620)	(5,413)	(6,086)	(7,634)	(10,343)	(5,103)	(24,049)	(18,150)
Gross profit	28,019	24,439	11,694	34,536	14,762	2,872	54,475	61,847
Volumes produced (net MT) (1)	32,034	23,012	12,929	16,593	35,842	18,318	80,805	57,923
Volumes sold (net MT)	29,315	23,790	10,641	14,415	40,284	23,228	80,240	61,433
Weighted Average prices (US\$ /Kg.)	2.33	2.97	6.49	6.40	1.65	1.59	2.54	3.25
Planted area (Ha)	4,807	4,056	2,643	2,422	2,027	1,769	9,477	8,247
Volume Harvested (MT) (2)	37,794	19,851	17,038	18,055	33,581	12,692	88,413	50,598
Third party supply (MT)	-	7,306	-	-	10,074	13,851	10,074	21,157
Fresh % **	92%	86%	98%	98%			90%	88%
Frozen % **	8%	14%	2%	2%			10%	12%

Information corresponds to actual operations

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



4. Administrative expenses

Administrative expenses decreased from USD 18.4 million during the first nine months of 2019 to USD 15.3 million in the same period of 2020.

	For the period ended	
	30.09.20*	30.09.19*
	USD 000	USD 000
Personnel expenses and directors remuneration	8,399	9,444
Professional fees	1,987	2,636
Depreciation & amortization	1,006	872
Depreciation of right of use asset	255	165
Maintenance	202	223
General services	189	318
Travel and business expenses	208	896
Renting of machinery and equipment	566	1,039
Transport and telecommunications	19	31
Material, supplies and utilities	261	433
Insurance	115	25
Back office	784	784
Licenses and license renewals	358	265
Other expenses	949	1,234
Total	15,298	18,365
Total without depreciation	14,037	17,328

5. Fixed Selling expenses

Fixed selling expenses decreased from USD 7.0 million during the first nine months of 2019 to USD 6.1 million in the same period of 2020. The decrease is mainly explained by a decrease in consulting services, travel, insurance and other expenses related to commercial offices.

	For the period ended	
	30.09.20*	30.09.19*
	USD 000	USD 000
Personnel expenses	3,777	3,423
Consulting services	459	853
Travel and business expenses	214	607
Insurance	583	938
Renting of machinery and equipment	137	164
Transport and telecommunications	112	33
General services	239	461
Depreciation & amortization	131	88
Depreciation of right of use asset	-	-
Material, supplies and utilities	21	5
Other expenses	439	473
Total	6,112	7,045



6. Other expense (income)

Other expenses during the first nine months of 2020 are mainly explained by USD 3.7 million in one-time expenses related to COVID-19 restrictions and USD 1.2 million in the organizational restructuring, among others (donations, supplies sold, legal contingencies, and other minor expenses).

Other income increased from USD 1.7 million during the first nine months of 2019 to USD 3.4 million in the same period in 2020. The increase is mainly explained by an insurance compensation recovery of USD 2.0 million.

	For the year ended	
	30.09.20*	30.09.19*
	USD 000	USD 000
Other expense	(7,210)	(3,445)
Other income	3,352	1,703
Total	(3,858)	(1,742)

7. Property, plant and equipment

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

	As of,	30.09.20*
		USD 000
	Opening net book amounts of December 31, 2019	181,431
(+ / -)	Revaluation of assets	257,700
	Opening net book amounts of January 1, 2020	439,131
(+)	Additions	7,116
(-)	Write -off	14
(-)	Depreciation	(6,270)
(-)	Transfers	(3,651)
(-)	Impairment reversal	-
(+ / -)	Revaluation of assets	923
(+)	Purchase of subsidiaries	-
(+ / -)	Exchange difference	-
	Property Plant and equipment	437,263
	Assumed cost of bearer plants	272,109
	Closing net book amount as September 30th, 2020	709,372



8. Other accounts receivable

Other accounts receivable increased from USD 12.6 million at December 31st, 2019 to USD 33.8 million at September 30th, 2020. This increase corresponds principally to the advanced payment made for the acquisition of Uruguay for USD 12 million.

As of,	30.09.20*	31.12.19**
	USD 000	USD 000
Custom duties refund (Drawback in Perú)	2,468	3,087
Value added tax (IGV in Peru)	5,615	5,810
Income tax credit	3,479	-
Prepayments to suppliers	1,060	619
Services rendered to third parties	1,695	1,697
Due from employees	130	139
Loans to third parties	854	760
Claims to third parties	579	434
Receivables from government health entity	242	264
Related companies	19,331	1,113
Other	6	384
	35,459	14,307
Less :		
Allowance to doubtful accounts	(1,695)	(1,697)
	33,764	12,610

9. Inventories

Total inventories decreased from USD 46.1 million at December 31st, 2019 to USD 36.3 million at September 30th, 2020. This decrease is mainly due to the selling of finished products related to grapes and mangoes.

As of:	30.09.20*	31.12.19**
	USD 000	USD 000
Finished product	23,324	32,316
Supplies	5,930	6,922
Packaging	5,430	4,753
Raw material and others	1,377	1,153
Product in process	-	-
In-transit raw material and supplies	943	2,135
	37,004	47,279
Less:		
Impairment of finished products	(752)	(1,203)
	36,252	46,076

**10. Intangible assets**

Total intangible assets increased from USD 8.6 million at December 31st, 2019 to USD 11.1 million at September 30th, 2020, mainly related to software products developed during the first nine months.

As of:	30.09.20* USD 000	31.12.19** USD 000
Goodwill	-	-
Customer relationship	-	-
Software	9,773	7,206
Licenses	1,306	1,367
Others	-	-
Total	11,079	8,573



11. Transactions with related parties

The main transactions between related companies are as follows:

	For the period ended	
	30.09.20* USD 000	30.09.19* USD 000
Empacadora de Frutos Tropicales S.A.C.		
Sales of services	-	4
Sale of finished products	-	-
Purchase of services and fixes	3,522	1,406
Gestora del Pacifico S.A.C.		
Sales of services	98	494
Sale of finished products	-	1
Purchase of services and fixes	809	813
Desarrollo Inmobiliario Mar Verde		
Sales of services	-	-
Purchase of services and fixes	524	5,267
Asoc. para la certif. de productores agricolas proveedores Camposol.-		
Purchase of raw material	-	-
Marinasol S.A.-		
Sales of services	112	-
Loans granted	35	-
Corporación Refrigerados Iny S.A.-		
Sales of services	1,689	-
Congelados y Frescos S.A.C.-		
Sales of services	23	-
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 and fixes	-	-
Purchase of supplies	1,401	3,855
Ecopacking Cartones S.A.		
Sales of services	-	-
Purchase of services and fixes	-	-
Purchase of supplies	2,020	11,312
Camposol Holding PLC -		
Loans granted	17,050	-
Capital contribution	-	-
Sociedad Oceanica Blue S.A.C. -		
Loans granted	50	-
Capital contribution	-	-
Dividend distribution:		
Dividends to shareholders	-	-



Amount dues / from to related parties

	As of	
	30.09.20*	30.09.19*
	USD 000	USD 000
Other accounts receivable		
Empacadora de Frutos Tropicales S.A.C	-	-
Gestora del Pacifico S.A.C.	-	40
Campoinca S.A.	134	-
Camposol Holding PLC	17,144	-
Congelados y Frescos S.A.	45	-
Corporacion Refrigerados INY SA	1,781	-
Marinasol S.A.	177	-
Sociedad Oceanica Blue S.A.C.	50	-
Other accounts payable		
Marinasol S.A.	3,032	-
Siboure Holdings S.A.C.	-	14,000
Trade accounts payable		
Empacadora de Frutos Tropicales S.A.C	27	-
Gestora del Pacifico S.A.C.	891	1
Desarrollo Inmobiliario Mar Verde S.A.C.	-	-
Ecopacking Clasmshells S.A. (formerly Integrity Packing)	1,102	682
Ecopacking Cartones S.A.	1,693	-
Apoyo consultoria 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	
	30.09.20*	30.09.19*
	USD 000	USD 000
Interest and cost on bank loans (Syndicate)	5,858	9,889
Interest and cost on bank loans (IBK)	1,732	3,034
Interest and cost on bank loans (BBVA)	395	-
Interest and cost on bonds	14,620	-
Interest on financial lease	1,226	891
Interest on operating liability	627	580
Tax on financial transactions	1,664	664
Loss in investment funds	-	-
Interest on accounts payable to suppliers	1,158	148
Waiver IBK	314	-
Other finance costs	412	236
Total	28,006	15,442

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	
	30.09.20*	30.09.19*
	USD 000	USD 000
EBITDA before fair value adjustment	55,488	52,430
Depreciation & Amortization	(13,111)	(9,661)
Amortization of bearer plant	(16,478)	(14,432)
Low of assumed cost of bearer plants	-	-
Low of historical cost of bearer plants	-	-
Impairment of assets	-	-
Stock options expense	-	-
Other income expenses	(3,858)	(1,742)
Change in fair value of Biological assets	545	544
Operating profit	22,586	27,139
Gain (loss) of associated companies	12	(898)
Finance income	279	430
Finance costs	(28,006)	(15,442)
Currency translation differences	(16)	1,183
Profit before income tax	(5,145)	12,412



For further information, please contact:

Andrés Colichón Sas, CFO
acolichon@camposol.com.pe

Milagritos Olivero, Controller
molivero@camposol.com.pe

Phone: +511 621 0800 Ext.: 7171

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