



## CAMPOSOL



## Third Quarter 2018 Report



## Third Quarter 2018 Highlights<sup>1</sup>

- EBITDA record during third quarter of 2018 of USD 54.0 million, up 10.4% compared with the same period in 2017.
- EBITDA record for the first nine months of 2018 of USD 88.4 million, up 4.2% compared with the same period in 2017. EBITDA margin from continued operations was 30.5% compared with 35.3% in the same period last year.
- LTM EBITDA as of September 30<sup>th</sup>, 2018 of USD 129.0 million, 2.8% higher compared to 2017 EBITDA. LTM EBITDA margin as of September 30<sup>th</sup>, 2018 was 30.9%.
- Sales record for the first nine months of 2018 of USD 290.0 million, up 20.5% compared with the same period in 2017, mainly due to higher volume sold and prices of blueberries.
- LTM Sales as of September 30<sup>th</sup>, 2018 of USD 417.8 million, 13.4% higher compared to year end 2017.
- As of September 30<sup>th</sup>, 2018, the company maintained a cash balance of USD 29.3 million and a net leverage ratio of 1.8x.
- Camposol reached 2,000 planted hectares of blueberries and continues its expansion plan with tangerines in Uruguay and avocado in Colombia.

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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”)

	For the period ended September 30th,		For the year ended 31st December,
	2018*	2017*	2017**
<i>USD thousands (if not otherwise stated)</i>			
Volume sold (MT 000)	<b>89.4</b>	<b>77.5</b>	<b>93.3</b>
Sales			
Avocado	106,199	118,227	122,042
Blueberry	77,548	30,137	121,064
Shrimp	62,277	57,731	82,595
Other continued operations	44,009	34,553	42,739
	<b>290,033</b>	<b>240,648</b>	<b>368,440</b>
Gross profit			
Avocado	56,132	67,485	70,111
Blueberry	33,116	12,748	57,801
Shrimp	1,061	8,590	12,071
Other continued operations	10,762	3,454	(361)
	<b>101,071</b>	<b>92,277</b>	<b>139,622</b>
Operating profit***	65,460	60,212	107,972
Loss / Profit before income tax***	49,346	45,677	87,199
Income tax	(8,675)	(5,951)	(12,087)
Loss / Profit from discontinued operations	-	(915)	(915)
<b>Loss / Profit for the period</b>	<b>40,671</b>	<b>38,811</b>	<b>74,197</b>
<b>EBITDA</b>			
From continued operations	88,377	84,852	125,450
From discontinued operations	-	(999)	(999)
<b>EBITDA TOTAL****</b>	<b>88,377</b>	<b>83,853</b>	<b>124,451</b>
Gross Margin ***	<b>34.8%</b>	<b>38.3%</b>	<b>37.9%</b>
EBITDA b.f.v.a. Margin ***	<b>30.5%</b>	<b>35.3%</b>	<b>34.0%</b>

All figures according to IFRS

\* Non-audited

\*\* Audited

\*\*\* From continued operations

\*\*\*\* 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 2018

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

### Results

Revenues were USD 290.0 million (240.6), up 20.5% from the same period last year, principally due to higher volumes and prices in blueberry net off lower price in avocado.

Gross profit was USD 101.1 million (92.3) and the gross margin was 34.8% (38.3%), the increase in gross profit is mainly due to higher prices and volumes of blueberry and higher volumes of avocado, amidst lower prices of shrimp and avocado. EBITDA amounted to USD 88.4 million (84.9) and the EBITDA margin was 30.5% (35.3%). Consequently, Net Profit for the period was USD 40.7 million (39.7).

### Balance Sheet and Cash Flow

Non-current assets increased to USD 450.0 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 49.1 million compared to USD 37.3 million at the end of 2017, mainly due by last volumes from the 2018 avocado campaign as well as volumes from the current blueberry campaign, as well as higher packing supplies in preparation for the high season of the blueberry campaign.

Trade accounts receivable increased to USD 76.3 million from USD 49.1 million at the

end of 2017, mainly related to the completion of 2018 avocado campaign.

Trade accounts payables increased to USD 64.2 million from USD 39.4 million at the end of 2017, related to investments on operational fields and packing facility.

As a result, operating working capital (accounts receivable + inventories - accounts payable) increased to USD 61.2 million from USD 47.0 million at the end of 2017. Operating working capital was 14.7% of LTM 3Q-2018 sales compared to 12.8% at the end of 2017.

Total liabilities increased to USD 401.5 million from USD 300.4 million at the end of 2017. The Company's debt, grossed up of capitalized fees, increased to USD 267.4 million compared to USD 185.6 million at the end of 2017, mainly explained by a higher use of working capital credit lines to finance avocado and blueberry campaign, a new mid-term facility with Interbank to finance part of the Capex plan and new leases obtained through the year. The Company's debt includes USD 147.5 million of senior secured notes due 2021 (147.5), USD 40.0 million in a mid-term debt facility (10.3), USD 63.6 million of working capital credit lines (19.3) and USD 12.5 million in leasing and other (1.4).

The Company generated USD 31.2 million of cash from operations (USD 71.6), made a net disbursement for investment of USD 84.4 million (USD 28.2) in different crops such as blueberry, tangerine and grape, the conversion of semi-intensive ponds to intensive ponds 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 48.7 million (USD 92.0); resulting in a cash balance of USD 29.3 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 Third Quarter 2018

### Third Quarter 2018 Results

Nine months ended September 30<sup>th</sup>, 2018

USD (000)	Avocado	Blueberry	Seafood*	Other**	Total
Revenues	106,199	77,548	62,277	44,009	290,033
Cost of goods sold	(39,205)	(39,299)	(58,602)	(27,727)	(164,833)
Costs associated to sales	(10,862)	(5,133)	(2,614)	(5,520)	(24,129)
Gross profit	56,132	33,116	1,061	10,762	101,071
<b>Gross margin %</b>	<b>52.9%</b>	<b>42.7%</b>	<b>1.7%</b>	<b>24.5%</b>	<b>34.8%</b>
<i>Net million tons</i>					
<b>Volume produced</b>	47,900	11,511	9,031	23,459	91,901
<b>Volumes sold</b>	44,353	9,571	8,898	26,586	89,408
<i>USD/kg</i>					
<b>Weighted avg price</b>	2.39	8.10	7.00	1.66	3.24

### Third Quarter 2017 Results

Nine months ended September 30<sup>th</sup>, 2017

USD (000)	Avocado	Blueberry	Seafood*	Other**	Total
Revenues	118,227	30,137	57,731	34,553	240,648
Cost of goods sold	(40,653)	(15,396)	(47,688)	(27,034)	(130,771)
Costs associated to sales	(10,089)	(1,993)	(1,453)	(4,065)	(17,600)
Gross profit	67,485	12,748	8,590	3,454	92,277
<b>Gross margin %</b>	<b>57.1%</b>	<b>42.3%</b>	<b>14.9%</b>	<b>10.0%</b>	<b>38.3%</b>
<i>Net million tons</i>					
<b>Volume produced</b>	42,141	3,802	7,772	18,969	72,684
<b>Volumes sold</b>	41,883	4,305	8,149	23,135	77,472
<i>USD/kg</i>					
<b>Weighted avg price</b>	2.82	7.00	7.08	1.49	3.11

\*Includes shrimp and other seafood products

\*\* Includes tangerines, grapes and mangoes.

### Blueberries

CAMPOSOL sold 9,571 (4,305) net MTs of fresh blueberries during the first nine months of 2018, at an average price of USD 8.10 (7.0) per net KG and at average cost of USD 4.64 (4.04) per net KG. This represents an increase of 122.3% in volume sold, an increase of 15.7% in price and an increase of

14.9% in cost. Increase in volume principally explained by more hectares entering in medium or high yield phase compared to 3Q-2017.

During the first nine months of 2018, total gross margin for blueberries was 42.7%, up 0.4 pp (percentage points) compared to the same period last year.



### **Avocados**

CAMPOSOL sold 44,353 (41,883) net MTs of avocados during the first nine months of 2018, at an average price of USD 2.39 (2.82) per net KG and at average cost of USD 1.1 (1.2) per net KG. This represents an increase of 5.9% in volume sold, a decrease of 15.2% in price and a decrease of 6.8% in cost. Increase in volume explained by very good weather during last winter which had a positive impact on volumes.

During the first nine months of 2018, total gross margin for avocados was 52.9%, down 4.2 pp (percentage points) compared to the same period last year due to lower prices in Europe.

### **Seafood**

CAMPOSOL sold 8,898 (8,149) net MTs of shrimp and other seafood products during the first nine months of 2018, at an average price of USD 7.00 (7.08) per net KG and at average cost of USD 6.9 (6.0) per net KG. This represents an increase of 9.2% in volume sold, and a decrease of 1.2% in the total product mix price. Considering only shrimp, the price was 16.9% lower compared to the same period last year.

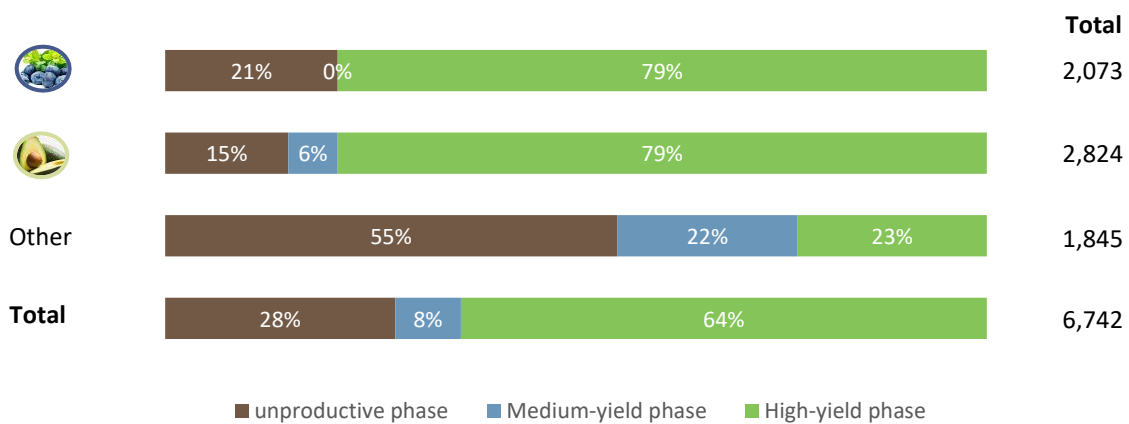
During the first nine months of 2018, total gross margin for seafood was 1.7%, down 13.2 pp (percentage points) compared to the same period last year.

## Investment Program

During the first nine months of 2018, the Company made investment commitments amounting to USD 105.6 million, and had net disbursements of USD 84.4, out of which USD 27.4 million were invested in blueberries, USD 20.8 million were invested in tangerine in Uruguay and Peru, USD 10.8 million were invested in avocados in Colombia and Peru, USD 7.9 million were invested on the conversion of intensive shrimp ponds, USD 5.6 million in grape and USD 0.7 million in mango, among other.

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

As of September 30<sup>th</sup>, 2018



### Marinasol

Semi-intensive Ponds (Ha)	Intensive Ponds (Ha)	Total (Ha)
1,155	109	1,264



## 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 closed 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%.

## 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.

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<sup>3</sup> USDA Consumption data





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 is 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



## Financial Tables

**CAMPOSOL HOLDING PLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION USD (000)**  
**AS OF SEPTEMBER 30th, 2018**

	Notes	For the period ended	
		30.09.18*	31.12.17**
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment, net	7	436,999	376,366
Investments in associated companies		2,509	2,054
Intangibles	10	6,151	4,907
Deferred income tax		2,574	420
Other assets		1,780	3,780
		<u>450,013</u>	<u>387,527</u>
<b>Current assets</b>			
Prepaid expenses		2,353	806
Current portion of biological assets		104,073	94,113
Inventories	9	49,125	37,340
Other accounts receivable	8	41,434	10,411
Trade accounts receivable		76,326	49,123
Cash subject to restriction		-	1,285
Cash and cash equivalents		29,340	34,271
		<u>302,651</u>	<u>227,349</u>
<b>Total assets</b>		<u>752,664</u>	<u>614,876</u>
<b>Equity and liabilities</b>			
<b>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		132,613	88,636
		<u>351,138</u>	<u>307,161</u>
<b>Minority interests</b>		-	7,285
<b>Total equity</b>		<u>351,138</u>	<u>314,446</u>
<b>Non-current liabilities</b>			
Long-term debt		188,218	149,934
Deferred income tax		46,772	45,985
Other payables		8,725	8,574
		<u>243,715</u>	<u>204,493</u>
<b>Current liabilities</b>			
Current portion of long-term debt		11,902	12,407
Trade payables		64,211	39,397
Other payables		18,124	24,869
Bank loans		63,574	19,264
		<u>157,811</u>	<u>95,937</u>
<b>Total liabilities</b>		<u>401,526</u>	<u>300,430</u>
<b>Total equity and liabilities</b>		<u>752,664</u>	<u>614,876</u>

\* Non-audited

\*\* Audited



**CAMPOSOL HOLDING PLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME USD (000)**  
**FOR THE PERIOD ENDED SEPTEMBER 30th, 2018**

	Notes	For the period ended		For the year ended
		30.09.18*	30.09.17*	31.12.17*
<b>CONTINUED OPERATIONS</b>				
Revenue		290,033	240,648	368,440
Cost of sales		(188,962)	(148,371)	(228,818)
<b>Gross profit</b>		101,071	92,277	139,622
Depreciation of assumed cost of bearer plants		(8,247)	(9,877)	(11,239)
Write off assumed cost of bearer plants		(428)	(4,883)	(5,641)
Impairment of assets		-	-	-
Net adjustment from change in fair value of biological assets		6,952	10,499	27,797
<b>Profit after adjustment from biological assets</b>		99,348	88,016	150,539
Administrative expenses	4	(19,949)	(20,961)	(32,828)
Selling expenses	5	(7,690)	(5,794)	(8,130)
Other expenses	6	(7,954)	(2,099)	(2,786)
Other income		1,705	1,050	1,177
<b>Operating profit</b>		65,460	60,212	107,972
Share of gain (loss) of associated companies		455	(749)	(390)
Finance income		205	356	110
Finance costs		(15,699)	(15,421)	(20,208)
Currency translation differences		(1,075)	1,279	(285)
<b>Profit (loss) before income tax</b>		49,346	45,677	87,199
Income tax		(10,042)	(4,326)	(10,068)
Deferred income tax		1,367	(1,625)	(2,019)
<b>Profit (loss) for the period from continuing operations</b>		<b>40,671</b>	<b>39,726</b>	<b>75,112</b>
<b>DISCONTINUED OPERATIONS</b>		-	(915)	(915)
<b>Profit for the period</b>		40,671	38,811	74,197
EBITDA from continued operations		88,377	84,852	125,450
EBITDA from discontinued operations		-	(999)	(999)
<b>EBITDA before fair value adjustment</b>		88,377	83,853	124,451

\* Non-audited.

\*\* Audited



**CAMPOSOL HOLDING PLC AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY USD (000)**  
**AS OF SEPTEMBER 30th, 2018**

	<u>Share capital</u>	<u>Share premium</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>
Balance as of 1 January 2018	388	217,312	825	88,636	307,161	7,285	314,446 **
CTA	-	-	-	475	475	-	475
Net result	-	-	-	40,671	40,671	-	40,671
Sale of affiliated	-	-	-	320	320	-	320
Purchase of uncontrolled Shares	-	-	-	2,511	2,511	(7,285)	(4,774)
Balance as of September 30th, 2018	<u>388</u>	<u>217,312</u>	<u>825</u>	<u>132,613</u>	<u>351,138</u>	<u>-</u>	<u>351,138 *</u>

\* Non-audited

\*\* Audited



**CAMPOSOL HOLDING PLC AND SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD**  
**AS OF SEPTEMBER 30<sup>th</sup>, 2018**

	<b>30.09.18*</b>	<b>30.09.17*</b>	<b>31.12.17**</b>
	<b>USD 000</b>	<b>USD 000</b>	<b>USD 000</b>
<b>Cash flow from operating activities</b>			
Collections	262,666	254,166	363,814
Payment to suppliers and employees	(211,707)	(167,903)	(250,744)
Interest paid	(17,443)	(19,883)	(20,305)
Income tax paid	(5,003)	(274)	(590)
Custom duties refund collections	2,035	4,554	5,916
Other collections / payments	622	936	3,076
<b>Net cash (used in) provided by operating activities</b>	<b>31,170</b>	<b>71,596</b>	<b>101,167</b>
<b>Cash flow from investing activities</b>			
Transfer to cash subject to restriction	1,285	-	(1,285)
Purchases of property, plant and equipment	(51,889)	(10,897)	(23,405)
Investment in biological assets	(32,484)	(15,964)	(27,223)
Purchases of intangibles, excluding goodwill	-	(1,418)	(1,719)
Acquisition of subsidiary, net of cash acquired	(4,541)	-	-
Sale of affiliated	2,800	-	-
Proceeds from sale of property, plant and equipment	421	119	128
<b>Net cash used in investing activities</b>	<b>(84,408)</b>	<b>(28,160)</b>	<b>(53,504)</b>
<b>Cash flow from financial activities</b>			
Bank loans proceeds	151,907	69,040	88,240
Bank loans payments	(107,597)	(104,890)	(109,890)
Payment of senior bonds	-	(46,947)	(46,947)
Prepayments of dividends / Loans to shareholders	(22,736)	(3,000)	(20,000)
Transaction costs	(1,729)	-	(1,513)
New long-term proceeds	40,000	-	-
Payments of long-term debt	(11,538)	(6,262)	(7,982)
<b>Net cash provided by financial activities</b>	<b>48,307</b>	<b>(92,059)</b>	<b>(98,092)</b>
Net (decrease) increase in cash and cash equivalents during the period	(4,931)	(48,623)	(50,429)
Cash and cash equivalents at beginning of period	34,271	84,700	84,700
<b>Cash and cash equivalents at end of period</b>	<b>29,340</b>	<b>36,077</b>	<b>34,271</b>

\* Non-audited

\*\* Audited



**CAMPOSOL HOLDING PLC AND SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD USD (000)**  
**AS OF SEPTEMBER 30th, 2018**

	<u>30.09.18*</u>	<u>30.09.17*</u>	<u>31.12.17**</u>
<b>Conciliation</b>			
<b>Operating activities:</b>			
(Loss) / profit before income tax	49,346	45,677	87,199
Depreciation and amortization	22,994	24,037	29,771
Impairment of trade accounts receivable	777	10	344
Obsolescence of inventories	283	289	360
Disposal of avocado, grapes an asparagus	626	-	13,895
Workers' profit sharing	3,226	1,983	5,902
Fair value of biological assets	(6,952)	(10,499)	(27,797)
Loss / (Gain) on sale of property, plant and equipment	1,041	136	327
Write of assumed cost of bearer plants	-	10,483	-
Interest expenses from past year and paid in the month	(1,744)	(4,461)	-
(Profit)/loss attributable to associate	(455)	749	390
Gain on leaseback	18	(24)	-
Net exchange difference	211	(781)	(337)
Write off trade accounts receivable	(597)	(414)	-
Write off inventories	(922)	(1,259)	-
Reversion of EMRF accounts	-	(20)	-
Adjustment	727	(544)	-
Net realizable value of inventories	149	(982)	(1,049)
Gros profit for the period from discontinued operations	-	(999)	(999)
Legal contingencies	872	-	-
Increase (decrease) of cash flows from operations due to			
Changes in assets and liabilities:			
Trade accounts receivable	(27,367)	12,059	(6,833)
Other accounts receivable	(11,895)	518	1,883
Inventories	(4,773)	(5,423)	(2,361)
Prepaid expenses	(1,547)	(178)	182
Trade payables	22,523	(1,784)	1,699
Other payables	(15,371)	3,023	(1,409)
<b>Net cash (used in) provided by operating activities</b>	<b>31,170</b>	<b>71,596</b>	<b>101,167</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 September 30<sup>th</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	106,199	118,227	77,548	30,137	62,277	57,731	44,009	34,553	290,033	240,648
Cost of goods sold:										
Cost of goods sold	(39,205)	(40,653)	(39,299)	(15,396)	(58,602)	(47,688)	(27,727)	(27,034)	(164,833)	(130,771)
Costs associated to sales	(10,862)	(10,089)	(5,133)	(1,993)	(2,614)	(1,453)	(5,520)	(4,065)	(24,129)	(17,600)
<b>Gross profit</b>	<b>56,132</b>	<b>67,485</b>	<b>33,116</b>	<b>12,748</b>	<b>1,061</b>	<b>8,590</b>	<b>10,762</b>	<b>3,454</b>	<b>101,071</b>	<b>92,277</b>
Volumes produced (net MT) (1)	47,900	42,141	11,511	3,802	9,031	7,772	23,459	18,969	91,901	72,684
Volumes sold (net MT)	44,353	41,883	9,571	4,305	8,898	8,149	26,586	23,135	89,408	77,472
Weighted Average prices (US\$/Kg.)	2.39	2.82	8.10	7.00	7.00**	7.08	1.66	1.49	3.24	3.11
Planted area (Ha)	2,824	2,655	2,073	1,628	1,264	1,150	1,845	960	7,124	6,393
Volume Harvested (MT) (2)	52,893	47,616	12,303	3,957	11,396	8,630	23,212	21,368	99,804	81,571
Third party supply (MT)	953	77	-	-	772	1,058	2,542	5,875	4,267	7,010
Fresh % ***	96%	95%	100%	100%	0%	0%			81%	79%
Frozen % ***	4%	5%	0%	0%	100%	100%			19%	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 20.9 million during the first nine months of 2017 to USD 19.9 million in the same period in 2018. The decrease of USD 1.0 million is mainly explained a decrease in personnel expenses.

	For the period ended	
	30.09.2018 USD 000	30.09.2017 USD 000
Personnel expenses and director's remuneration	9,648	12,151
Professional fees	3,602	2,592
Depreciation & amortization	1,084	1,073
Maintenance	294	343
General services	648	607
Travel and business expenses	672	541
Renting of machinery and equipment	1,256	1,161
Transport and telecommunications	109	176
Material supplies and utilities	462	346
Insurance	70	58
Back office	760	752
Other expenses	1,344	1,161
<b>Total</b>	<b>19,949</b>	<b>20,961</b>
<b>Total without depreciation</b>	<b>18,865</b>	<b>19,888</b>

#### 5. Fixed Selling expenses

Fixed selling expenses increased from USD 5.8 million during the first nine months of 2017 to USD 7.7 million in the same period in 2018. The increase of USD 1.9 million is mainly explained by an increase of personal expenses and professional fees on consulting related to the operations on the commercial offices.

	For the period ended	
	30.09.2018 USD 000	30.09.2017 USD 000
Personnel expenses	3,514.0	2,954.0
Consulting services	1,350.0	570.0
Travel and business expenses	727.0	478.0
Insurance	907.0	775.0
General services	765.0	487.0
Other expenses	427.0	530.0
<b>Total</b>	<b>7,690</b>	<b>5,794</b>



## 6. Other expense (income)

Total other expense, net of other income decreased from -USD 1.0 million during the first nine months of 2017 to USD -6.2 million in the same period in 2018.

Other expenses in 2018 is mainly explained by USD 3.3 million for capital markets transaction expenses, USD 1.4 million from a write off a sale of two subsidiaries and USD 0.7 million from disposal for the sale of 224.2 hectares.

Other income in 2018 is mainly explained by USD 1.0 million from the sale of the previously mentioned hectares as well as some minor assets and USD 0.2 million from insurance recoveries.

	For the year ended	
	30.09.2018 USD 000	30.09.2017 USD 000
Other expense	(7,954)	(2,099)
Other income	1,705	1,050
Total	<b>(6,249)</b>	<b>(1,049)</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,	30.09.2018 USD 000
	Opening net book amount as of January 1, 2018	202,764
( + )	Additions	62,101
( - )	Write -off	(683)
( - )	Depreciation	(9,011)
( - )	Sale of subsidiaries	(5,573)
( - )	Transfers from construction in progress to bearer plants	(13,311)
	Property Plant and equipment	236,287
	Assumed cost of bearer plants	200,712
	<b>Closing net book amount as September 30th,2018</b>	<b>436,999</b>



## 8. Other accounts receivable

Other accounts receivable increased from USD 10.4 million at December 31<sup>st</sup>, 2017, to USD 41.4 million at September 30<sup>th</sup>, 2018. This increase corresponds principally to a higher amount of tax credit and a loan to shareholders.

As of,	30.09.2018 USD 000	31.12.2017 USD 000
Custom duties refund - Drawback	3,471	378
Value added tax (IGV in Peru)	8,947	5,247
Prepayments to suppliers	1,343	2,158
Doubtful accounts	1,977	1,980
Loans to Employees	199	192
Loans to Third parties	218	364
Deposits in guarantee	348	381
Accounts receivable from shareholders	22,736	-
Subsidies	207	235
Accounts receivable from sale of affiliate	1,700	-
Other	2,265	1,456
	<b>43,411</b>	<b>12,391</b>
Less:		
Provision for impairment of accounts receivable	(1,977)	(1,980)
	<b>41,434</b>	<b>10,411</b>

## 9. Inventories

Total inventories increased from USD 37.3 million at December 31<sup>st</sup>, 2017 to USD 49.1 million at September 30<sup>th</sup>, 2018. This increase is mainly explained by an increase in finished products and packing implements inventory.

As of:	30.09.2018 USD 000	31.12.17 USD 000
Finished product	30,042	18,994
Supplies	11,931	13,878
Packaging	5,480	3,613
Raw material and others	4,306	3,822
Product in process	1,117	1,032
In-transit raw material and supplies	198	447
	<b>53,074</b>	<b>41,786</b>
Less:		
Provision for obsolescence of inventories	(3,949)	(4,446)
	<b>49,125</b>	<b>37,340</b>



## 10. Intangible assets

As of:	30.09.2018 USD 000	31.12.17 USD 000
Goodwill	95	95
Software	6,056	4,812
<b>Total</b>	<b>6,151</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	
	30.09.2018 USD 000	30.09.2017 USD 000
<b>Empacadora de Frutos Tropicales S.A.C.</b>		
Sales of services and fixes	2	1
Sale of finish product	4	4
Purchase of services and fixes	3,258	2,102
<b>Gestora del Pacífico S.A.C.</b>		
Sales of services and fixes	164	117
Sale of finish product	1	1
Purchase of services and fixes	720	720
<b>Asoc. para la certif. de productores agrícolas proveedores Camposol.-</b>		
Purchase of raw material	16	51
<b>Integrity Packing S.A.</b>		
Sales of services and fixes	-	1
Purchase of services and fixes	59	-
Purchase of supplies	2,198	1,706

Amount dues / from to related parties

	As of	
	30.09.2018 USD 000	30.09.2017 USD 000
<b>Other accounts receivable</b>		
Empacadora de Frutos Tropicales S.A.C	4	1
Desarrollo Inmobiliario Mar Verde S.A.C.	-	45
<b>Trade accounts payable</b>		
Empacadora de Frutos Tropicales S.A.C	105	297
Gestora del Pacífico S.A.C.	89	-
Integrity Packing S.A.	1,089	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 period ended		For the period ended
	30.09.2018 USD 000	30.09.2017 USD 000	2017 USD 000
<b>EBITDA before fair value adjustment</b>	<b>88,377</b>	<b>84,852</b>	<b>125,450</b>
Depreciation & Amortization	(9,708)	(10,256)	(13,405)
Amortization of bearer plant	(13,286)	(13,781)	(16,366)
Low of assumed cost of bearer plants	(428)	(4,883)	(5,641)
Low of historical cost of bearer plants	(198)	(5,170)	(8,254)
Impairment of assets	-	-	-
Stock options expense	-	-	-
Other income net off other expenses	(6,249)	(1,049)	(1,609)
Change in fair value of Biological assets	6,952	10,499	27,797
<b>Operating profit</b>	<b>65,460</b>	<b>60,212</b>	<b>107,972</b>
Gain (loss) of associated companies	455	(749)	(390)
Finance income	205	356	110
Finance costs	(15,699)	(15,421)	(20,208)
Currency translation differences	(1,075)	1,279	(285)
<b>Profit before income tax</b>	<b>49,346</b>	<b>45,677</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)