CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022 AND 2021

Gaveglio Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada.
Av. Santo Toribio 143, Piso 7, San Isidro, Lima, Perú T: +51 (1) 211 6500, F: +51 (1) 211-6565
www.pwc.pe

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USD = United States Dollar
PEN = Sol
€ = Euro

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

OVERVIEW OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2022

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Note

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the board of directors of Camposol Holding PLC

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Camposol Holding PLC and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the auditing standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

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Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Level 3 Biological Assets

As described in Notes 2.11, 4.1 and 10 to the consolidated financial statements, the total fair value of the Company’s level 3 biological assets related to avocados, mangos, grapes, tangerines and blueberries was US$150 million as of December 31, 2022. Fair value of these biological assets is determined by management using net discounted cash flows models which included significant judgements and assumptions relating to management’s cash flow projections including projected sale prices, costs expected to arise through the growth of the asset, an estimated risk adjusted discount rate and estimated yields at the point of harvest and production cycle. Management’s estimates of yields at the point of harvest and production cycle have been developed by employed specialists, specifically agricultural engineers and independently reviewed by external specialists.

The principal considerations for our determination that performing procedures relating to the valuation of the Company’s level 3 biological assets related to avocados, mangos, grapes, tangerines and blueberries is a critical audit matter are (i) the significant judgment by management when developing the fair value measurement including the use of employed specialists; (ii) a high degree of auditor judgement, subjectivity, and effort in performing procedures and evaluating audit evidence related to management’s cash flow projections and significant assumptions related to projected sale prices, costs expected to arise through the growth of the asset, an estimated risk adjusted discount rate and estimated yields at the point of harvest and production cycle; and (iii) the audit effort that involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, evaluating the projections and significant judgements and assumptions used by management in developing these estimates, including projected sale prices, costs expected to arise through the growth of the asset, an estimated risk adjusted discount rate and estimated yields at the point of harvest and production cycle. The work of management's employed specialist was used in performing the procedures to evaluate the reasonableness of certain significant assumptions, including estimated yields at the point of harvest and estimated production cycle. As a basis for using this work, the specialists' competence, capability, and objectivity were assessed. The procedures performed also included tests of the data used by management's employed specialists. Evaluating management's assumptions involved evaluating whether these assumptions were reasonable considering past performance of the Company and testing management's sensitivity analysis of certain significant assumptions. Professionals with specialized skill and knowledge were used to assist us in the evaluation of the Management's net discounted cash flow models and the estimated risk adjusted discount rate.

Gaveglio Aparicio y Asociados

Countersigned by

---(partner)
Christian De La Torre O.
Peruvian Certified Public Accountant
Registration No.01-25517

Lima, Perú
April 25, 2023

We have served as the Company's auditor since 2017.

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IN THOUSANDS OF U.S. DOLLARS)

		At 31 December	
	Note	**2022**	**2021**
ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment and bearer plants	6	727,866	706,966
Right of use assets	9	44,093	52,354
Investments accounted for using the equity method	7	5,701	5,562
Intangible assets	8	13,408	12,438
Deferred tax assets	18	10,269	5,873
Other accounts receivable	14	408	-
Total non-current assets		801,745	783,193
CURRENT ASSETS			
Prepaid expenses		1,741	1,317
Biological assets	10	150,540	184,064
Inventories	13	59,227	48,551
Other accounts receivable	14	20,196	17,477
Trade accounts receivable	15	75,992	42,399
Cash and cash equivalents	16	27,222	30,475
Total current assets		334,918	324,283
Total assets		1,136,663	1,107,476
SHAREHOLDERS EQUITY			
Share capital	17	10,000	10,000
Revaluation surplus	17	170,092	172,418
Retained earnings		97,890	226,427
		277,982	408,845
Non-controlling interest	17	(989)	(984)
Total equity		276,993	407,861
LIABILITIES			
NON-CURRENT LIABILITIES			
Long - term debt	20	356,602	355,874
Lease liability	24	19,490	29,505
Deferred tax liabilities	18	122,855	133,434
Total non-current liabilities		498,947	518,813
CURRENT LIABILITIES			
Accounts payable to related companies	36	30	57
Current portion of long-term debt	20	7,361	7,368
Current portion of lease liability	24	11,268	12,818
Trade accounts payable	21	100,256	64,758
Other accounts payable	22	17,594	11,411
Provisions	23	6,716	5,244
Current tax liabilities		4,270	-
Bank loans	25	213,228	79,146
Total current liabilities		360,723	180,802
Total liabilities		859,670	699,615
Total equity and liabilities		1,136,663	1,107,476

The notes on pages from 9 to 67 are an integral part of these consolidated financial statements.

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(IN THOUSANDS OF U.S. DOLLARS)

	Note	For the year ended 31 December 2022	2021
Revenue	26	464,468	385,798
Cost of sales:	27		
Cost of sales		(310,290)	(219,902)
Depreciation of bearer plants		(29,889)	(28,859)
Gross profit before adjustment for biological assets		124,289	137,037
Net (loss) gain arising from changes in fair value of biological assets	10	(55,057)	40
Gross profit after adjustment for biological assets		69,232	137,077
Selling expenses	28	(88,092)	(49,797)
Administrative expenses	29	(24,066)	(22,219)
Other income	31	941	917
Other expenses	31	(8,393)	(10,257)
Net foreign exchange transactions losses		(8,528)	(4,641)
Operating (loss)/profit		(58,906)	51,080
Share of profit of investments accounted for using the equity method	7	2,055	2,599
Financial income	32	93	175
Financial cost	32	(33,554)	(28,106)
(Loss)/Profit before income tax		(90,312)	25,748
Income tax of the year	34	4,177	1,088
(Loss)/Profit for the year		(86,135)	26,836
Other comprehensive income:			
Item that may be reclassified to profit or loss:			
Currency translation adjustment		(7,407)	(759)
Items that will not be reclassified to profit or loss:			
Devaluation surplus of land, net	6	(2,150)	(255)
Deferred income tax of devaluation surplus	18	(176)	59
Total comprehensive (loss)/income for the year		(95,868)	25,881
(Loss)/Profit attributable to:			
Owners of the parent		(86,130)	27,995
Non-controlling interests		(5)	(1,159)
		(86,135)	26,836
Total comprehensive (loss)/income for the year attributable to:			
Owners of the parent		(95,863)	27,040
Non-controlling interests		(5)	(1,159)
		(95,868)	25,881
Basic and diluted (loss) earnings per share to the equity holders of parent during the year (expressed in U.S. Dollars per share):			
Basic and diluted (loss) earnings per share	38	(0.86)	0.28

Items in other comprehensive income above are disclosed net of tax.

The notes on pages from 9 to 67 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the years ended 31 December 2022 and 2021
(IN THOUSANDS OF U.S. DOLLARS)

	Note	Number of shares	Share capital	Revaluation surplus	Retained earnings	Total equity	Non-controlling interest	Total equity
Balances at 1 January 2021		100,000,000	10,000	172,614	224,191	406,805	175	406,980
Comprehensive income:								
Profit for the year		-	-	-	27,995	27,995	(1,159)	26,836
Other comprehensive income:								
Devaluation of land	17	-	-	(255)	-	(255)	-	(255)
Deferred income tax of devaluation (land)	17	-	-	59	-	59	-	59
Currency translation adjustment		-	-	-	(759)	(759)	-	(759)
Total comprehensive income		-	-	(196)	27,236	27,040	(1,159)	25,881
Transactions with owners:								
Distribution to shareholders	17	-	-	-	(25,000)	(25,000)	-	(25,000)
Total transactions with owners		-	-	-	(25,000)	(25,000)	-	(25,000)
Balances at 31 December 2021		100,000,000	10,000	172,418	226,427	408,845	(984)	407,861
Balances at 1 January 2022		100,000,000	10,000	172,418	226,427	408,845	(984)	407,861
Comprehensive income:								
Profit for the year		-	-	-	(86,130)	(86,130)	(5)	(86,135)
Other comprehensive income:								
Devaluation of land	17	-	-	(2,150)	-	(2,150)	-	(2,150)
Deferred income tax of devaluation (land)	17	-	-	(176)	-	(176)	-	(176)
Currency translation adjustment		-	-	-	(7,407)	(7,407)	-	(7,407)
Total comprehensive income		-	-	(2,326)	(93,537)	(95,863)	(5)	(95,868)
Transactions with owners:								
Distribution to shareholders	17	-	-	-	(35,000)	(35,000)	-	(35,000)
Total transactions with owners		-	-	-	(35,000)	(35,000)	-	(35,000)
Balances at 31 December 2022		100,000,000	10,000	170,092	97,890	277,982	(989)	276,993

The notes on pages from 9 to 67 are an integral part of these consolidated financial statements.

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS OF U.S. DOLLARS)

	Note	For the year ended 31 December 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		431,239	397,076
Cash paid to suppliers and employees		(416,903)	(316,995)
Interest paid		(24,232)	(27,031)
Income tax paid		(6,743)	(4,210)
Custom duties refund collections	14	3,193	3,994
Other payments		(706)	(1,016)
Net cash (used in)/generated from operating activities	33	(14,152)	51,818
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	6	(24,690)	(12,758)
Investment in bearer plants	6	(47,756)	(23,196)
Increase of participation in associate entity		-	(602)
Loans granted to related parties	36	(1,000)	(528)
Dividends from associates		1,864	2,710
Purchase of intangibles	8	(2,499)	(1,561)
Proceeds from sale of property, plant and equipment	31	100	29
Net cash used in investing activities		(73,981)	(35,906)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank loans proceeds	25	439,100	181,160
Bank loans payments	25	(307,050)	(159,960)
Distribution to shareholders	17	(35,000)	(25,000)
Payments related to offering costs	31	-	(2,539)
Principal elements of lease liabilities payments	24	(11,657)	(13,089)
Payments of long-term debt	20	(513)	-
Net cash generated/(used in) financing activities		84,880	(19,428)
Net decrease in cash and cash equivalents		(3,253)	(3,516)
Cash and cash equivalents at beginning of year		30,475	33,991
Cash and cash equivalents at end of year	16	27,222	30,475
Non-cash transactions:			
Devaluation, net of deferred income tax	17	(2,326)	(196)
Right of use asset acquired under finance lease	9	2,367	608
Accrued interest	20	22,019	22,036
Amortization of transaction costs	20	689	698
Purchase of fixed assets under lease liability	24	150	985

The notes on pages from 9 to 67 are an integral part of these consolidated financial statements.

(IN THOUSANDS OF U.S. DOLLARS UNLESS OTHERWISE STATED)

1 GENERAL INFORMATION

a) Business activities -

Camposol Holding PLC (hereinafter the Company) was incorporated as Csol Holding Limited in Cyprus on 22 October 2019, in accordance with the provisions of the Cyprus Companies Law, Cap. 113. On March 30, 2021, the Company changed its name to Camposol Holding PLC.

The Company through its subsidiaries is mainly engaged in investing in the agriculture business in Peru, Colombia, Chile, Uruguay and Mexico and managing the export of agricultural products mainly to the United States, the European Union, Canada and China. Camposol Holding PLC and subsidiaries are hereinafter referred as the Group.

The registered address of the Company is 81-83 Grivas Digenis Ave. 1st Floor, 1090 Jacovides Tower, Nicosia - Cyprus.

The Dyer-Coriat family (comprised of Samuel Barnaby Dyer Coriat, Piero Martin Dyer Coriat and Sheyla Dyer Coriat) is the Company's ultimate controlling party and owns 82.59% of the shares of the Company. Certain other members of the Dyer family own the remainder shares of the Company.

The subsidiaries and their activities are as follows:

Company	Principal activity	Country of incorporation	Direct or indirect interest as of 31 December 2022	2021
Camposol S.A.	Agribusiness	Peru	100%	100%
Nor Agro Perú S.A.C.	Farmland owner	Peru	100%	100%
Muelles y Servicios Paita S.R.L.	Farmland owner	Peru	100%	100%
Inversiones Agrícolas Inmobiliarias S.A.C.	Farmland owner	Peru	-	99.99%
Camposol Europa S.L.	Distribution	Spain	87.27%	87.27%
Camposol Fresh B.V.	Distribution	Netherlands	100%	100%
Grainlens S.A.C	Holding	Peru	100%	100%
Blacklocust S.A.C.	Holding	Peru	100%	100%
Persea, Inc.	Holding	USA	100%	100%
Camposol Fresh U.S.A., Inc.	Distribution	USA	100%	100%
Camposol Foods Trading (Shangai) Co Ltd.	Distribution	China	100%	100%
Camposol Fresh Foods Trading Co Ltd.	Distribution	China	100%	100%
Asociación para la certificación de Prod. Agrícolas proveedores de Camposol	Agribusiness	Peru	100%	100%
Camposol Colombia S.A.S.	Agribusiness	Colombia	100%	100%
Camposol Uruguay S.R.L.	Agribusiness	Uruguay	100%	100%
Camposol Chile SPA	Agribusiness	Chile	100%	100%
Camposol Cyprus Limited	Holding	Cyprus	100%	100%
Camposol Switzerland GmbH	Distribution	Switzerland	100%	100%
Camposol Trade España S.L.U.	Distribution	Spain	100%	100%
Aliria S.A.C.	Project Development	Peru	100%	100%
Arándanos Camposolinos S.A.P.I. de C.V.	Agriculture	Mexico	100%	100%
Camposol I & D S.A.C. (PE)	Project Development	Peru	100%	100%
Camposol Corp. (US)	Services	USA	100%	100%

Camposol S.A. is the main subsidiary of the Group which is a Peruvian agribusiness corporation incorporated in the city of Lima on 31 January 1997.

The legal address of Camposol S.A. is Avenida El Derby 250, Urbanización El Derby de Monterrico, Santiago de Surco, Lima, Peru; its operating and commercial office is located in Carretera Panamericana Norte Km.497.5, Chao, Viru, La Libertad. Three production establishments or agricultural lands are located in Carretera Panamericana Norte Kms. 510, 512 and 527 in the department of La Libertad, Peru. In addition, Camposol S.A. operates one administrative office in the department of Piura.

In addition, the Company has an associate, Empacadora de Frutos Tropicales S.A.C. which is engaged in the processing and commercialization of fresh fruit products (Note 7).

The table below presents details of the owned agricultural land by the Group:

		Area in Hectares (Has)	
Land	**Country / region**	**2022**	**2021**
Mar Verde	Peru / La Libertad	2,496	2,496
Agricultor	Peru / La Libertad	1,570	1,570
Gloria	Peru / La Libertad	1,018	1,018
Agromás	Peru / La Libertad	414	414
Virú - San José	Peru / La Libertad	324	324
Compositan	Peru / La Libertad	3,778	3,778
Yakuy Minka	Peru / La Libertad	2,766	2,766
INAIN	Peru / La Libertad	25	22
Huangala - Terra	Peru / Piura	2,549	2,549
Citricola Salteña/El Tero	Uruguay/Salto	838	838
Jamilco/El Tero	Uruguay/Salto	683	683
Florida	Colombia / Caldas	2,301	2,421
Valle del Cauca/Quindio	Colombia/ Caldas	1,620	1,688
		20,382	20,567

The Group carries out its agriculture activities over the following planted areas:

	Area in Hectares (HS)	
	2022	**2021**
Avocados	4,665	4,554
Blueberries	2,707	2,715
Others	2,663	2,319
	10,035	9,588

b) Approval of the financial statements -

These consolidated financial statements of the Group were approved by the Board of Directors' Meeting held on April 25, 2023

c) Management plans related to negative working capital -

As of 31 December 2022, the Group presents a negative working capital of USD25,805 due to:

- Increase in the cost of maritime freight due to high demand, thus, the increase in accounts payable from 2021 to 2022. In 2023, the demand is stabilizing, which has already generated a decrease in the price of maritime freight.
- Increase in fertilizer prices, due to sanctions against Russia which is an important supplier of nitrogenous fertilizers. This generated shortage and high demand of this product. Due to the shortage of fertilizer, the Group's strategy was to secure this product and increase the inventory level 30 to 120 days in inventory. Also, the Group had to obtain additional bank loans in order to comply with payments in relation to this issue.

The Group’s Management has carried out its own evaluation and considers that there are no significant doubts regarding the Group’s ability to continue its operations normally during the next 12 months, taking into account its future financial capacity in accordance with its cash flow generation expectations for the following year and the actions described below. The main guidelines of the Management plan are the following:

- Increased yields in avocado and blueberries due to preliminary counts made by Company’s engineers and technical advisors for the 2023 campaign.
- In 2023, the Group signed leaseback contracts for an amount of USD60MM and it's concluding the negotiation to sign a leaseback contract for an amount of USD20MM (that management expect will be closed by the end of April 2023); they will expire in the medium term of 5 years due in 2028 and the cash proceeds will be used to pay short debt. These leasebacks contracts include land and machinery.
- The Group has credit lines of short-term for an amount of USD292,100, that expire between October and December 2023, however, are being renegotiated with financial institutions. During the first quarter of 2023, lines of credit already renegotiated amounted to USD67,000 due 2024. The rest of the credit lines will expire in the second semester of the year 2023, which Management will renegotiate between July and August 2023 to extend their terms for one more year. Finally, it is important to mention that during the first quarter of 2023 there were already payments of approximately USD25,000 related to the current portion debt at 31 December 2022.

d) Political situation and exposure to inflation in Peru -

- Since the end of 2022 political tensions were generated in Peru, which caused protests mainly in the south zone of Peru; however, the Group are located in the north zone of Peru.

  On December 7, 2022, former President Pedro Castillo, through a message to the Nation, dissolved the Congress and announced the creation of an emergency government. Congressmen dismiss Castillo's attempt to dissolve Congress and voted to remove him from office for “moral incapacity” to exercise power and Dina Boluarte was designated as President of the Republic of Peru.

  In the following weeks, protesters took to the streets of Lima and called for a national strike. These demonstrations were mostly in the southern sector of Peru. As of the date of the report, protests are minimal in the country.

- In 2022, the Peruvian inflation was 8.56% driven mainly by food and energy costs after the COVID-19 pandemic, the inflation has also been aggravated by the Russian invasion of Ukraine. Although inflation during the previous year is historical, management expects inflation to drop by in the year 2023 and 2024 between 4.5% and 5.5%.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation -

The consolidated financial statements of the Group 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.

The consolidated financial statements have been prepared under the historical cost convention, as modified by land properties and 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 the Group's financial position, results of operations, comprehensive income, and cash flows in accordance with IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2 Adoption of new and revised IFRSs

a) New standards, amendments and interpretations effective for financial statements of annual periods beginning on or after 1 January 2022, which have been adopted by the Group.

The Group has applied the following standards and interpretations for the first time to financial reporting periods commencing on or after 1 January 2022:

- Annual Improvements to IFRS Standards 2018-2020: IFRS 9, Financial Instruments clarifies which fees should be included in the 10% test for derecognition of financial liabilities. Also, certain limited changes to IFRS 16, 'Leases', to IFRS 1, 'First-time Adoption of International Financial Reporting Standards' and to IAS 41, 'Agriculture'.
- Property, Plant and Equipment: Proceeds before intended use - Amendments to IAS 16
- Provisions, contingent liabilities and contingent assets: Cost of Fulfilling a Contract - Amendments to IAS 37.

The Group has assessed the accounting standards effective after 1 January 2022 and determined that none have a material impact on the consolidated financial statements.

b) New standards, amendments and interpretations effective for financial statements of annual periods beginning on or after 1 January 2023, which have not been early adopted.

The following standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group:

- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

  'Making Materiality Judgments' was amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. This amendment is effective from January 1, 2023.

- Definition of Accounting Estimates - Amendments to IAS 8

  This amendment clarifies how to distinguish changes in accounting policies from changes in accounting estimates. This amendment is effective from January 1, 2023.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

  This amendment provides those deferred taxes arising from a single transaction that, on initial recognition, gives rise to taxable and deductible temporary differences of the same value should be recognized. This will generally apply to transactions such as leases (for lessees) and decommissioning or remediation obligations, where deferred tax assets and liabilities will be required to be recognized. Currently, there were different approaches to these types of transactions. Some companies recognized deferred taxes and others did not. This amendment is effective from January 1, 2023.

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1

  The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (eg the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the ‘settlement’ of a liability.

  The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity.

  They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

- Amendment to IFRS 16: Lease Liability in a Sales and Leaseback

  This amendment specifies applicable aspects for the remediation of lease liabilities arising from 'sale with leaseback' transactions, in which the lease payments are variable, but do not depend on an index or a rate. It is specified that the portion of said remediation associated with the retained right of use should not affect results. This amendment is effective from January 1, 2024.

The Group is currently evaluating the impact of these standards on its consolidated financial statements.

2.3 Consolidation -

The consolidated financial statements include the assets, liabilities, results and cash flows of the Group, including the legal entities detailed in Note 1-(a).

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (note 2.7). If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the business acquired, these cases are defined as a bargain purchase, the difference is recognized directly in the consolidated statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group’s accounting policies.

b) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss, where appropriate.

The Group's share of post-acquisition profit or loss of an associate, is recognized in the consolidated statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income of the associate is recognized in other comprehensive income of the Group with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising from changes in the interest on investments in associates are recognized in the consolidated statement of comprehensive income.

The carrying amount of equity-accounted investments in associates is tested for impairment in accordance with the policy described in Note 2.8.

2.4 Segment information -

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM who is responsible for allocating resources, assess performance of the operating segments and makes strategic decisions has been identified as the Board of Directors. These operating segments are blueberries, avocados and others.

2.5 Foreign currency translation -

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). Management has determined the functional currency of the Group's principal operating entities to be the US Dollar. The consolidated financial statements are presented in US Dollars, which is the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents and other accounts are presented in the consolidated statement of comprehensive income within ‘net foreign exchange transactions losses’.

c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
(c) equity balances, except for retained earnings, are translated at the historical exchange rates; and
(d) all resulting exchange differences are recognized in other comprehensive income and included in retained earnings.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6 Property, plant, equipment and bearer plants -

Property, plant and equipment -

Property, plant and equipment, except lands, are stated at cost less accumulated depreciation and impairment losses. Land property is recognized initially at cost and subsequently measured at fair value.

Historical cost comprises the purchase price and any cost directly attributable to bringing the asset into working condition for its intended use. Cost of replacing part of the plant and equipment is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of replaced parts are derecognized.

Construction in progress also includes payments in advance made by banks institutions on behalf of the Group for the construction of an underlying asset within the framework of a lease agreement. As soon as the construction of the underlying asset is finalized and it becomes available for the intended use of Management, the construction in progress will be transferred to right-of-use assets.

The cost less the residual value of each item of property, plant and equipment is depreciated over its useful life.

Land is not depreciated. Depreciation is calculated using the straight-line method over the estimated useful life of individual assets, as follows:

	Years
Buildings and other constructions	Between 10 and 33
Irrigation structure (*)	70
Plant and equipment	Between 5 and 10
Furniture and fixtures	10
Other equipment	Between 3 and 10
Vehicles	5

(*) Irrigation structure is included in Buildings and other constructions.

Revaluation of lands

The Group determines a property's value within a range of reasonable fair value estimation. Land is recognized at fair value and will be evaluated every year or when there are significant changes in its value by external independent valuers. At the end of each reporting period, management updates their assessment of the fair value of each property, taking into account the most recent independent valuations. A revaluation surplus is credited to revaluation surplus in shareholders' equity (note 17).

Increases in the carrying amounts arising on revaluation of land is recognized, net of deferred income tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Bearer Plants -

A bearer plant is a living plant that is used in producing or growing agricultural produce; is expected to be productive for more than one year; and has a remote probability they will be sold as agricultural produce, except for incidental scrap sales. The incidental scrap sales will not prevent a plant to meet the definition of bearer plant. The produce grown on bearer plants is a biological asset.

Upon the adoption of the amendments to IAS 16 and IAS 41 on 1 January 2015, the Group measured bearer plants at deemed cost. Fair value was concluded to be equivalent to deemed cost upon adoption of the amendments.

Costs related to the planting and growth of bearer plants which include seedlings, sowing, irrigation, agrochemicals and fertilizers are capitalized up to the point of maturity. Administrative, selling and other expenses not related to the production of the bearer plants are expensed in the consolidated statement of comprehensive income.

The production plants that are in growing phase before maturity (permanent investment period) are recognized at historical costs and classified as bearer plants (immature), their growing phase before maturity takes from 12 to 36 months depending on the type of plant.

A bearer plant reaches maturity when it is in the location and condition necessary for it to be capable of bearing produce in the manner intended by management (after the permanent investment period ends). The permanent investment period is defined by Management as the plantation growth stage, which starts one day after the transplant to the plot until its first harvest.

At the point that the production plants reach maturity, they are reclassified to bearer plants (mature), and depreciation commences. Any subsequent costs are expensed unless they enhance the future economic benefits of the assets.

Bearer plants are depreciated under the straight-line method over their estimated useful lives. This method considers the actual curves of production which are basically linear over their estimated useful lives, as follows:

	Years
Bearer plants:	
- Avocado	Between 18 and 28
- Mangos	25
- Grapes	20
- Blueberries	10
- Tangerine	28
- Cherry	17
- Others	Between 20 and 30

Depreciation commences when assets are available for use as intended by Management.

The assets residual values and useful lives are reviewed, and adjusted prospectively if appropriate, at each financial year-end. At 31 December 2022, there were changes in the useful life of tangerines (from 20 to 28 years) resulting from the review (no changes at 31 December 2021).

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Management determined one year and a half as substantial period of time. The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the entity’s general borrowings during the year.

An assets’ carrying amount is written-down immediately to its recoverable amount, if the asset’s carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within ‘other income’ or ‘other expenses’, respectively, in the consolidated statement of comprehensive income.

2.7 Intangible assets -

a) Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of ten years.

b) Licenses

Acquired production license is capitalized on basis of the cost incurred to acquire the authorization for using the Tango tangerine. These costs are amortized over their estimated useful lives of twenty years.

2.8 Impairment of non-financial assets -

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Fair value is the price received to sell an asset in an orderly transaction between market participants at measurement date. In assessing the value in use of an asset, its estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.9 Financial assets -

Classification -

The Group's management has assessed which business models apply to the financial assets held by the group and has classified its financial instruments into the appropriate IFRS 9 categories.

According to IFRS 9 on initial recognition, a financial asset is classified into one of two primary measurement categories:

- Amortized cost
- Fair value through profit or loss or other comprehensive income

A financial asset is measured at amortized cost only if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Recognition and derecognition -

Financial assets are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Measurement -

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets at amortised cost -

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Financial assets at amortised cost comprise 'trade accounts receivable', 'other accounts receivable' and 'cash and cash equivalents' in the consolidated statement of financial position (Notes 15, 14 and 16, respectively).

The Group holds financial assets at amortised cost with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2.10 Impairment of financial assets -

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivable and contract assets.

To measure the expected credit losses, trade receivables and other accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on historical data. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivable and other accounts receivable are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written-off are credited against the same line item.

2.11 Biological assets -

Biological assets are growing produce on all bearer plants managed by the Group for sale. These are growing avocados, mangos, grapes, tangerines, blueberries and other minors, which are to be harvested as agricultural produce.

Biological assets are measured at fair value less costs to sell on initial recognition and at each statement of financial position date. The fair value of biological assets excludes the land and the bearer plant upon which the biological assets are harvested.

Costs to sell include all incremental costs directly attributable to the sale of the biological assets, excluding finance costs and income taxes. The fair value of a biological asset in its present location and condition is determined based on the present value of expected net cash flows from the biological asset discounted at a current market-determined pre-tax rate.

In determining the fair value of a biological asset based on the expected net discounted cash flows, the following main factors have been taken into account:

i) The projected sale prices;
ii) The cost expected to arise through the growth of the asset;
iii) An estimated risk adjusted discount rate; and
iv) Estimated yields at the point of harvest (volume produced) and production cycle.

The application of factors mentioned above requires the use of estimates and judgments and assumptions by Management (Note 4).

Projected sale prices for all biological assets are determined by reference to observable data in the relevant market of the harvested produce. Costs expected to arise through the growth of the biological assets are estimated based on historical data. The Company’s estimates of yields at the point of harvest and production cycle have been developed by employed specialists, specifically agricultural engineers.

The gain or loss arising from initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is recognized in the consolidated statement of comprehensive income in the period in which they arise.

Agricultural produce harvested from the Group's biological assets is initially measured at its fair value less costs to sell at the point of harvest. The fair value of agricultural produce is determined based on market prices. The cost of the agricultural produce included in inventories for subsequent sale is deemed to be the fair value of produce less costs to sell at the point of harvest in the local market.

2.12 Inventories -

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the average cost method.

The cost of biological products is determined as the fair value less estimated point of sale costs at the time of harvest (Note 2.11).

Net realizable value is the estimated sale price in the ordinary course of business, less estimated cost to place inventories in selling conditions and commercialization and distributions expenses.

The cost of inventories may not be recovered if: i) the inventories are damaged or become wholly or partially obsolete; or ii) their selling prices decline or the estimated necessary costs to be incurred to produce their sale increase. In such circumstances, inventories are written-off to their net realizable value. The Group determines the provision for obsolescence as follows:

i) Fresh and frozen products 100% of cost at expiration.

ii) The provision for obsolescence is estimated on an item by item basis or for groups of items with similar characteristics (with same crop, market and similar other characteristics).

2.13 Trade accounts receivable -

Trade accounts receivable are amounts due from customers for goods sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables was estimated following expected credit losses method (Note 2.10). The amount of the provision is recognized in the consolidated statement of comprehensive income in "other expenses". Accounts receivable provided for are written-off when they are assessed as uncollectible.

2.14 Cash and cash equivalents -

In the consolidated statement of cash flows, cash and cash equivalents includes cash at banks and in hand, deposits held at call with banks, short-term, highly liquid investments funds, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less. Cash and cash equivalents exclude cash subject to restriction, which are subject to regulatory restrictions and therefore are not available for general use by the other entities within the Group.

2.15 Equity -

Share capital

Ordinary shares are classified as equity. Any excess received over the par value of issued shares is classified as share premium. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs are deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Revaluation surplus -

The lands revaluation surplus is used to record increments and decrements on the revaluation of non-current assets such as land property. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings (Note 2.6).

2.16 Trade accounts payable -

Trade accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

In accordance with accounts payable policy of the Group; the payment to suppliers is due between 150 and 180 days

Trade accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.17 Bank loans and long-term debt -

Bank loans and long-term debt are recognized initially at fair value, net of transaction costs incurred. Bank loans and long-term debt are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowing using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Long-term debts are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date.

Bank loans for working capital uses are classified as current liabilities as the settlement of these liabilities are in the short-term.

2.18 Leases -

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group (as lessee) has elected to apply the practical expedient to account for each lease component and non-lease components as a single lease component.

As lessee the Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term, using the straight-line method as this most closely reflects the expected pattern of consumption of the economic future benefits. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company`s incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group`s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it is reasonably certain that it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

The Group has elected to apply the practical expedient not to recognized right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term included in administrative expenses and cost of sales.

2.19 Current and deferred income tax -

Income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the income tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted at the consolidated statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management applies the separate tax return method which aggregates the tax position of the individual entities of the new reporting entity. Current tax expense and tax assets and liabilities are accounted for in accordance with the tax returns. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for when it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets and liabilities arise from the individual book tax differences.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on temporary differences arising on investments in associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference it is not recognized.

Deferred income tax assets are recognized on deductible temporary differences, only to the extent that is it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Other liabilities -

Other liabilities correspond to payments in advance made by banks institutions on behalf of the Group for the construction of an underlying asset within the framework of a lease agreement. As soon as the construction of the underlying asset is finalized and it becomes available for the intended use of Management, the borrowing will be transferred to lease liability.

2.21 Provisions -

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures at fair value expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.22 Employee benefits -

Workers’ profit sharing and other employee benefits -

In accordance with Peruvian Legislation, Peruvian entities of the Group are required to provide for workers’ profit sharing equivalent to 5% of taxable income in Peru of each year. This amount is charged to the consolidated statement of comprehensive income (distributed among cost of sales, administrative expenses and selling expenses, as appropriate). This charge is a deductible expense for income tax purposes.

Statutory bonuses -

The Peruvian Group Companies recognizes the expense in bonuses and the related liabilities under Peruvian legal tax regulations. Statutory bonuses consist of 2 annual one-month salaries paid in July and December every year.

Employees' severance indemnities -

Employees' severance indemnities of Peruvian Group Companies personnel comprise indemnities determined under Peruvian laws and regulations and which has to be credited to bank accounts selected by employees in May and November every year. The annual employees' severance indemnities equal one-month salary. The Group does not have obligations of additional payments once these annual deposits, to which each worker is entitled to, are made.

2.23 Revenue recognition -

Revenue is measured at the transaction price equivalent to the amount of consideration to which the Group expects to be entitled in exchange for transferring goods to a customer. Group estimates the transaction price at contract inception, including any variable consideration (like discounts, returns and price adjustments) and updates the estimate each reporting period for any changes in circumstances.

Revenue is recognized at a point in time when the control of goods has been transferred to the buyer.

An entity has control of a good when it has the ability to direct the use and obtain substantially all of the remaining benefits from the good.

The following specific recognition criteria must also be met before revenue is recognized:

a) Sale of goods -

The Group's agro-industrial activities comprise the selling (exports) of fresh and frozen agricultural products. Sales are recognized when control of the products has transferred, being when the terms and conditions of the sale agreement with the buyer have been completely met, the buyer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Frozen exports are invoiced at a fixed price while fresh exports on a preliminary liquidation basis (provisionally priced). In the case of sales invoiced in a preliminary liquidation basis, the value of the provisionally priced fresh products is re-measured using Management's best-estimated price that is expected to be settled with the customer. The selling price of fresh products can be measured reliably as these products are actively traded on international markets.

No element of financing is deemed present as the sales are made with a credit term between of 30 and 120 days, which is consistent with market practice. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

b) Financing components -

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

2.24 Costs and expenses -

Cost of sales corresponds to the cost of production of goods sold and is recorded simultaneously with the recognition of revenue. Other costs and expenses are recognized on an accrual basis and recorded in the periods to which they are related.

2.25 Contingent liabilities and assets -

Contingent liabilities are not recognized in the financial statements but disclosed in notes to the financial statements unless their occurrence is estimated as remote. Contingent assets are not recognized in the financial statements, unless virtually certain, and are disclosed only if their realization is assessed as probable.

2.26 Custom duties refunds -

Custom duties refunds (drawback) correspond to a tax benefit granted by the Peruvian Government by means of which the Group is reimbursed for the custom duties paid on the importation of goods that are a component of the FOB value of exported products. The refund of these custom duties is credited to the cost of sales in the consolidated statement of comprehensive income when the Group has the right to claim the refund (when the export is completed).

2.27 Non-controlling interest -

The Group recognizes non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For its non-controlling interests, the Group elected to recognize the non-controlling interests at its proportionate share of the acquired net identifiable assets. See Note 2.3 for the Group's accounting policies for consolidation.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors -

The Group's activities expose it to risks arising from climatic changes and financing risks (including foreign exchange risk, fair value interest rate risk, cash flows interest rate risk and price risk), credit risk and liquidity risk.

The Group's geographic spread of agricultural lands allows a high degree of mitigation against adverse climatic conditions such as droughts and temperature changes as result of climatic events. The Group has strong environmental policies and procedures in place to mitigate climatic risk.

The seasonal nature of the agricultural products of the Group requires a high level of cash flow in the second half of the year. The Group actively manages the working capital requirements and has sufficient credit facilities to meet the cash flow requirements.

a) Market risk -

i) Foreign exchange risk -

The Group's entities operate locally and internationally and are exposed to foreign exchange risk arising from other currency exposures, primarily with respect to the Sol and Euros. The Group's entities buy and sell its products and services and obtain funding for its working capital and investments mainly in its functional currency. Some costs are incurred in Sol and some sales are made in Euros. The Group does not carry out a hedging strategy with derivative financial instruments to cover its exchange risk.

As of 31 December 2022 and 2021, the Group had the following assets and liabilities in Sol (PEN) and Euros (€) (expressed in US$000):

	2022		Total	2021		Total
	PEN	€	USD	PEN	€	USD
Assets -						
Cash and cash equivalents	1,724	1,645	3,369	1,479	2,751	4,230
Trade and other accounts receivable	6,096	25,962	32,058	9,709	13,374	23,083
	7,820	27,607	35,427	11,188	16,125	27,313
Liabilities -						
Trade and other accounts payable	25,819	8,225	34,044	17,241	7,087	24,328
(Liability) asset position, net	(17,999)	19,382	1,383	(6,053)	9,038	2,985

The remaining balance of cash and cash equivalents, trade and other accounts receivable amounting to USD87,983 relates to balances mainly denominated in United States Dollar (2021 USD64,355).

The remaining balance of liabilities, except for the deferred income tax, amounting to USD702,771 relates to balances denominated principally in United States Dollar (2021 USD541,853).

The following table demonstrates the sensitivity to a reasonable possible change in Sol exchange rate and Euro exchange rate for twelve months against the US Dollar, with all other variables held constant, on the Group's pre-tax profit:

	Increase/ decrease PEN rate	Effect on loss before tax	Increase/ decrease € rate	Effect on profit before tax
2022	+2%	(288)	+2%	(379)
	-2%	288	-2%	379
2021	+2%	(119)	+2%	(181)
	-2%	119	-2%	181

ii) Fair value interest rate risk and cash flows interest rate risk -

Changes in interest rates impact primarily loans and long-term borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt).

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the group to cash flow interest rate risk. The risk of the interest rate of the Group arises from its long-term borrowings. Long-term borrowings at variable rates exposes the Group to the interest risk in cash flows. Long-term borrowings at fixed rates exposes the Group to the fair value risk at interest rates.

In the case of variable rates, the Group reviews periodically the movement of interest rates and the potential impact on its long-term borrowings and, therefore, on its statement of comprehensive income; based on that, Management considers that it does not have significant exposure to the interest rate risk.

The variable interest rates are presented at market value since they are calculated based on LIBOR plus a Spread, which is a daily reference rate based on the interest rate at which the banks offer non-insured funds to other banks in the wholesale monetary market or interbank market.

Fixed rate borrowings of the Group are negotiated at market rates on a periodic basis, in order to reduce the Group´s exposure to fair value interest rate risk.

The Management considers that the risk of the fair value exposure of the interest rates is not important because the interest rates of the financing contracts are not different from the market interest that is available to the Group.

The Group is exposed to interest rate risk on fair value and cash flow interest rate risk of its borrowings. The Group assumes both risks; therefore, it does not carry out a hedging strategy with derivative financial instruments to cover its fair value interest rate risk nor cash flow interest rate risk. The fair value of borrowings is disclosed in Note 20.

iii) Price risk -

The Group is exposed to the risk of price changes of fresh products. The Group assumes this risk and does not use hedge instruments to manage its price risks.

b) Credit risk -

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk on trade and other receivables and deposits in banks.

The maximum exposure to credit risk is the carrying amount of accounts receivable and its deposits in financial institutions (Note 15 and 16) as shown on the consolidated statement of financial position. Sales transactions are carried out with a number of different counterparties, which mitigates credit risk concentration. The Group seeks for external assistance to evaluate the rating of the possible new customer. With this information, a credit limit for the customer is set. Management makes efforts in building long-lasting relationships with customers (over 6 months). As of 31 December 2022 and 2021, no credit limits were exceeded during the reporting period, and Management does not expect significant losses from non-performance by these counterparties.

The accounts receivable from a single customer represent approximately 22.5 percent of the balance as of 31 December 2022 (9.8 percent as of 31 December 2021). All new transactions with this customer are being executed through credit insurance.

In addition, the Group has a multimarket credit insurance coverage over the exports of fresh and frozen products in an aggregate amount up to USD167,450 at 31 December 2022 (USD92,700 in 2021).

c) Liquidity risk -

The Group has sufficient credit capacity to have access to credit lines with top-ranked financial institutions (institutions with no history of default and prestigious locally) under market terms. In addition, the Group develops new bank relationships in order to have adequate funding available at all times. The Group assumes this risk.

As of 31 December 2022, lines of credit available but not used amount to USD81,000 (USD121,563 as of 31 December 2021). These lines of credit are renewed each year and are available for use of the Group. Renewal plans of the lines of credit and liquidity capacity are further explained in note 1(c).

The table below analyses the Group's non-derivative financial liabilities and allocates them into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months (with the exception of borrowings) equal their carrying balances as the impact of discounting is not significant.

	Within 1 year USD	Between 1 and 2 years USD	Between 2 and 6 years USD	Total USD
At 31 December 2022 -				
Long-term debt (*)(**)	20,259	21,891	401,049	443,199
Lease liability (*)	12,744	6,768	17,972	37,484
Trade accounts payable (Note 21)	100,256	-	-	100,256
Accounts payable to related companies	30	-	-	30
Other accounts payable (Note 11)	1,319	-	-	1,319
Bank loans (Note 25)	218,131	-	-	218,131
	352,739	28,659	419,021	800,419
At 31 December 2021 -				
Long-term debt (*)(**)	20,258	22,445	420,262	462,965
Lease liability (*)	14,522	11,954	22,209	48,685
Trade accounts payable (Note 21)	64,758	-	-	64,758
Accounts payable to related companies	57	-	-	57
Other accounts payable (Note 11)	1,233	-	-	1,233
Bank loans (Note 25)	79,394	-	-	79,394
	180,222	34,399	442,471	657,092

(*) Long-term debt, lease liability and bank loans include interest to be accrued.
(**) Long-term debt with variable interest rate is based on rates applicable at year-end.

3.2 Capital risk management -

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position), less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated statement of financial position plus net debt.

As of 31 December 2022, the Group's strategy was to maintain the gearing ratio within 0.40 to 0.70 (0.40 to 0.60 as of 31 December 2021). The gearing ratios were as follows:

	2022 USD	2021 USD
Bank loans (Note 25)	213,228	79,146
Long-term debt (Note 20)	363,963	363,242
Lease liability (Note 24)	30,758	42,323
Less cash and cash equivalents (Note 16)	(27,222)	(30,475)
Net debt (a)	580,727	454,236
Total equity as per statement of financial position (b)	276,993	407,861
Total capital as defined by management (a) + (b)	857,720	862,097
Gearing ratio (a) / (a) + (b)	0.68	0.53

As of 31 December 2022, the increase in the gearing ratio compared to 31 December 2021 is mainly due to the acquisition of new short term bank loans for working capital.

3.3 Fair value estimation -

The carrying amount of trade accounts receivable and trade accounts payable are similar to their fair values, as the impact of discounting is not significant. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The information used by the Group to estimate the fair value is categorized in following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

See Note 20 for disclosures of the fair value disclosure of long-term debt.
See Note 10 for disclosures of the measurement of the fair value of the biological assets.
See Note 6 for disclosures of the fair value measurement of land.

As of 31 December 2022, and 2021, the Group does not maintain any other financial assets or liabilities measured at fair value since they are measured at amortized cost.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

4.1 Critical accounting estimates and assumptions -

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates made by management are continually evaluated and are based on historical experience and other factors, including expectation of future foreseeable events that are believed to be reasonable under the circumstances. Management performs sensitivity analysis as a way of determining the potential impact of the changes of estimates on the fair value of biological assets.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Estimation of fair value of biological assets - Notes 2.11 and 10.

The most significant use of judgment is the estimation of the fair value of biological assets, including growing produce (avocados, mangos, grapes, tangerine and blueberries). The inputs to the valuation models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The valuation of biological assets is described in more detail in Note 10.

To assess the fair value of biological assets the Group considers the criteria set out in IAS 41 and IFRS 13, which requires that a biological asset should be measured at its fair value. The fair value indicated is determined by using the present value of net cash flows expected to be obtained from the assets. Determining the fair value of an asset requires the application of judgment to decide on the way in which biological asset will be recovered and assumptions to be used in its determination.

In this regard, in determining fair value, the Management uses estimates for projected sale prices, costs expected to arise through the growth of the asset, estimated risk adjusted discount rate and estimated yields at the point of harvest and production cycle. The changes in assumptions or estimates used in the calculations could influence the outcome thereof.

The model inputs involve estimates that are calculated for every growing produce to be harvested. The fair value has been determined in US dollars and the discounted net cash flows included in estimates of management consider a risk adjusted discount rate affected by the specific industry and market risks; therefore, it represents the rate that a market participant would use. The Group uses a short-term discount rate for biological assets.

The Group carries out a sensitivity analysis of the biological assets taking into consideration volatility levels that would give rise to a material effect in profit before tax. The variables used in the determination of the fair values of the biological assets that may be subject to variance are included in note 2.11.

With respect to the revenue and costs forecasts, it should be noted that it has been determined based on the harvest and investment forecast for the next campaign, which Management considers their changes of estimates depend on quality factors of the produce. These quality factors are monitored by Management through a detailed ongoing follow-up. With respect to the discount rate that is used for the calculation of the fair value of biological assets, a sensitivity analysis has been performed by increasing/decreasing it by 5% as follows:

	Increase/ decrease rate	Effect on profit before tax USD
2022	+5%	(1,154)
	-5%	1,154
2021	+5%	(1,228)
	-5%	1,228

Sensitivity analysis for all other variables is included in Note 10.

- Estimation of fair value of land - Notes 2.6, 6 and 17.

The Group obtains independent valuations for its land (classified in property, plant and equipment and bearer plants) at least every year or when there are significant changes in its value.

At the end of each reporting period, management updates their assessment of the fair value of each land property, taking into account the most recent independent valuations. The management determines a property’s value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

The Group carries out a sensitivity analysis of its land property taking into consideration volatility levels that would give rise to a material effect in revaluation surplus. The key inputs under this approach are the price per hectare from current year sales of comparable lots of land in the area (location and size). The Group estimated that, other factors being constant, a 5% reduction on the sales price for the period ended 31 December 2022 would have reduced the value of the land property in the amount of US$12,062 (US$12,169 reduction in 2021), which would have impacted, net of its tax effect the "Revaluation surplus" line item in the consolidated statement of financial position.

- Review of long-lived assets carrying amounts and impairment charges - Notes 6 and 8.

The Group assesses annually whether a provision for impairment is required to be made under the accounting policy described in Note 2. This determination requires Management's judgment in analyzing evidence of impairment as well as in determining value in use. For the latter, judgment is required in preparing the expected future cash flows, including forecasts of the Group's future operation, forecasts of economic factors that may impact revenue and costs as well as in determining the discount rate to be applied to those cash flows.

- Estimation of income tax - Notes 2.19, 18 and 34.

Determination of the tax obligations and expenses requires interpretations of the applicable tax laws and regulations. The Group receives advice from its professional legal tax counsel before making any decision on tax matters. Even though Management considers its estimates are prudent and appropriate, differences of interpretation may arise with Tax Authorities that may require future tax adjustments. The Group recognizes liabilities for situations observed in preliminary tax audits based on estimates as to whether the payment of additional taxes is required. When the final tax result of these situations is different from the amounts that were initially recorded, the differences are charged to the current and deferred income tax assets and liabilities in the period in which this fact is determined. The Group performed sensitivity analysis on the possibility of inappropriate interpretations of tax law. In this it has assessed the probability of change of estimates to quantify its impact on the financial statements.

Where the actual final outcome (on the judgment areas such as changes in fair value of biological assets and fixed assets, depreciation and amortization, among others) differs by 10% from management's estimates, the Group would need to:

	Effect on income tax	
	2022	**2021**
	USD	**USD**
Decrease the income tax liability	104	26
Increase the income tax liability	(104)	(26)

4.2 Critical judgments in applying the Group´s accounting policies -

Determination of functional currency (Note 2.5)

Management has determined the functional currency of the Group's principal operating entities to be the US Dollar. These entities sell their products in international markets to customers in a number of countries and sales are influenced by a number of currencies. Most operating costs are incurred in Perú but many are defined in US Dollars and the price of some raw materials and supplies are influenced by the US Dollar. The borrowings and cash balances of these entities are held in US Dollars. Management has used its judgment to determine the functional currency, taking into account the secondary factors and concluded that the currency that most faithfully represents the economic environment and conditions of these entities is the US Dollar.

Bearer plants (Note 2.6 and 6)

Critical judgement is applied when Management establishes when bearer plants are available for use, which is the end of the permanent investment period (point of maturity), and they are transferred to Bearer plants (mature) and depreciation commences. The permanent investment period starts one day after the transplant to the plot until the first harvest.

Lease liability (Note 2.18 and 24)

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

5 SEGMENT INFORMATION

The Group has three reportable segments namely blueberries, avocados and others. The segment of others includes those products relevant to the business whose sales occur in months and seasons in which blueberries and avocados generally do not export products, due to seasonality of the harvest.

The three reportable operating segments are engaged in producing, processing and commercializing a number of agricultural products, presented in fresh and frozen, which are mainly exported to European markets and the United States of America.

Production and related assets are in Peru, Colombia, Chile, Mexico and Uruguay.

The following shows sales from continuing operations based on the country/area in which the customer is located:

	2022 USD	2021 USD
USA	211,161	190,446
Europe	151,225	123,985
Asia	61,834	37,819
Canada	31,569	27,483
South America	7,136	5,562
Other	1,543	503
	464,468	385,798

The following table shows revenues, gross profit and gross profit after adjustment for biological assets by segment, excluding the unallocated revenues and costs of products not reviewed separately by the CODM:

	Blueberries USD	Avocados USD	Others USD	Total USD
2022 -				
Revenues	286,566	64,648	111,287	462,501
Cost of sales	(191,836)	(53,576)	(92,803)	(338,215)
Gross profit before adjustment for biological assets	94,730	11,072	18,484	124,286
Loss arising from changes in fair value of biological assets	(38,458)	(3,001)	(13,598)	(55,057)
Gross profit after adjustment for biological assets by segment	56,272	8,071	4,886	69,229
2021 -				
Revenues	209,788	76,036	98,553	384,377
Cost of sales	(125,027)	(47,782)	(74,487)	(247,296)
Gross profit before adjustment for biological assets	84,761	28,254	24,066	137,081
Gain (loss) arising from changes in fair value of biological assets	11,252	(13,217)	2,005	40
Gross profit after adjustment for biological assets by segment	96,013	15,037	26,071	137,121

The following table shows assets by segment, excluding unallocated assets:

	Blueberries USD	Avocados USD	Others USD	Total USD
At 31 December 2022 -				
Biological assets	103,286	35,460	11,794	150,540
Finished products	29,252	1,063	15,919	46,234
Property, plant and equipment	273,342	262,488	187,299	723,129
Right of use asset	19,027	6,624	11,166	36,817
Total assets by segment	424,907	305,635	226,178	956,720
Planted area (Hectares)	2,708	4,665	2,662	10,035
At 31 December 2021 -				
Biological assets	131,422	33,085	19,557	184,064
Finished products	20,519	1,301	16,106	37,926
Property, plant and equipment	261,521	262,564	177,648	701,733
Right of use asset	21,426	7,875	13,777	43,078
Total assets by segment	434,888	304,825	227,088	966,801
Planted area (Hectares)	2,715	4,554	2,319	9,588

At 31 December 2022 and 2021, no transactions between reportable segments were carried out.

Disclosure of segment profit measurement is made using the gross profit and profit and loss after adjustment for biological assets, which is used in assessing the performance of each segment.

Administrative expenses, selling expenses, other income and other expenses are not considered as expenses and income of the segments, and therefore are not allocated to any segment.

Unallocated revenues and cost of sales correspond to minor products not reported to the CODM. Total assets presented by segment include the asset information provided to the CODM, namely biological assets, finished products inventory, right of use assets and property, plant and equipment.

Following is a reconciliation of revenue of reportable segments with the total revenue of the Group:

	2022 USD	2021 USD
Total revenue of reportable segments	462,501	384,377
Unallocated revenue (i)	1,967	1,421
Total revenue of the Group	464,468	385,798

(i) Unallocated items correspond to minor activities not reported to the chief operating decision maker, such as packaging and other minor services provided by the Company.

Following is a reconciliation of profit after adjustment for biological assets by segments with the profit after adjustment for biological assets:

	2022 USD	2021 USD
Profit after adjustment for biological assets by segments	69,229	137,121
Unallocated revenue	1,967	1,421
Unallocated cost of sales	(1,964)	(1,465)
Profit after adjustment for biological assets	69,232	137,077

Following is a reconciliation of total assets by segments with total assets:

	2022 USD	2021 USD
Total assets by segments	956,720	966,801
Unallocated inventories	12,993	10,625
Unallocated property, plant and equipment	4,737	5,233
Unallocated right of use asset	7,276	9,276
Intangible assets	13,408	12,438
Investments accounted for using the equity method	5,701	5,562
Deferred tax assets	10,269	5,873
Prepaid expenses	1,741	1,317
Other accounts receivable	20,604	17,477
Trade accounts receivable	75,992	42,399
Cash and cash equivalents	27,222	30,475
Total assets	1,136,663	1,107,476

The following table shows revenues and gross profit before adjustment for biological assets by customer:

	Major 10 customers USD	Major 11 to 20 customers USD	Major 21 to 30 customers USD	Other customers USD	Total USD
2022					
Revenues	225,815	62,696	34,008	141,949	464,468
Gross profit	58,901	20,100	8,175	37,113	124,289
2021					
Revenues	181,193	49,526	38,721	116,358	385,798
Gross profit	80,189	18,798	11,126	26,924	137,037

Gross profit before adjustment for biological assets by type of produce for the year ended 31 December is as follows:

	2022			2021		
	Revenue USD	Cost of sales USD	Gross profit USD	Revenue USD	Cost of sales USD	Gross profit USD
Fresh	420,465	(319,105)	101,360	349,216	(226,266)	122,950
Frozen	38,269	(18,666)	19,603	32,356	(20,036)	12,320
Others	5,734	(2,408)	3,326	4,226	(2,459)	1,767
	464,468	(340,179)	124,289	385,798	(248,761)	137,037

6 PROPERTY, PLANT, EQUIPMENT AND BEARER PLANTS

	Land	Building and other construction	Plant and equipment	Furniture, fixtures and equipment	Vehicles	Bearer plants (mature)	Bearer plants (immature)	Construction in progress	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD
31 December 2021									
Opening net book amount	311,916	50,454	25,293	11,686	275	229,558	66,133	15,513	710,828
Additions	-	687	1,372	693	150	-	23,196	9,856	35,954
Devaluation	(255)	-	-	-	-	-	-	-	(255)
Transfers of bearer plants	-	-	-	-	-	26,927	(26,927)	-	-
Transfers of other assets	-	4,636	1,865	588	-	-	363	(7,452)	-
Impairment	(137)	-	-	-	-	-	-	-	(137)
Write off	-	-	-	(640)	(14)	(537)	-	-	(1,191)
Depreciation charge	-	(3,523)	(4,386)	(1,367)	(98)	(28,859)	-	-	(38,233)
Closing net book amount	311,524	52,254	24,144	10,960	313	227,089	62,765	17,917	706,966
At 31 December 2021									
Cost or fair value	311,661	74,895	91,206	19,507	2,107	382,127	62,765	17,917	962,185
Accumulated impairment	(137)	-	(619)	-	-	(6,216)	-	-	(6,972)
Accumulated depreciation	-	(22,641)	(66,443)	(8,547)	(1,794)	(148,822)	-	-	(248,247)
Net book amount	311,524	52,254	24,144	10,960	313	227,089	62,765	17,917	706,966
31 December 2022									
Opening net book amount	311,524	52,254	24,144	10,960	313	227,089	62,765	17,917	706,966
Additions	-	2,186	5,757	1,426	237	-	47,756	15,084	72,446
Devaluation	(2,150)	-	-	-	-	-	-	-	(2,150)
Transfers of bearer plants	-	-	-	-	-	35,536	(35,536)	-	-
Transfers of other assets	-	12,486	2,292	828	-	-	443	(16,049)	-
Impairment	(1,530)	-	-	-	-	-	-	-	(1,530)
Write off	-	-	(30)	(720)	-	(1,015)	-	-	(1,765)
Exchange difference	(724)	(869)	19	42	(47)	777	(5,078)	(163)	(6,043)
Depreciation charge	-	(4,127)	(4,549)	(1,399)	(94)	(29,889)	-	-	(40,058)
Closing net book amount	307,120	61,930	27,633	11,137	409	232,498	70,350	16,789	727,866
At 31 December 2022									
Cost or fair value	308,787	88,613	98,931	21,779	2,264	416,410	70,350	16,789	1,023,923
Accumulated impairment	(1,667)	-	(619)	-	-	(6,216)	-	-	(8,502)
Accumulated depreciation	-	(26,683)	(70,679)	(10,642)	(1,855)	(177,696)	-	-	(287,555)
Net book amount	307,120	61,930	27,633	11,137	409	232,498	70,350	16,789	727,866

For the year ended 31 December 2022 loss on write-off of property, plant and equipment amounts to USD1,765 (loss of USD1,191 for the year ended 31 December 2021).

a) For the year ended 31 December 2022 and 2021 the Group don't have additions of land.

b) As of 31 December 2022, property, plant and equipment are insured up to a value of USD75,000 (USD75,000 as of 31 December 2021). Management believes that this policy is consistent with international practices in the industry and takes into account the risk of eventual losses due to the nature of the assets.

c) The allocation of the depreciation charge is as follows:

	2022 USD	2021 USD
Cost of sales (Note 27)	9,321	8,458
Depreciation of bearer plant (Note 27)	29,889	28,859
Administrative expenses (Note 29)	798	869
Selling expenses (Note 28)	50	47
	40,058	38,233

d) Bank borrowings are secured by fixed assets with a total carrying amount of USD18,585 in 2022 (USD23,794 in 2021).

e) As of 31 December 2022, if land were stated on the historical cost basis, the amount would be USD66,510 (USD68,140 as of 31 December 2021).

Bearer Plants -

During 2022 and 2021, the Company prepared 10,035 and 9,588 hectares land for cultivation, respectively. During 2022 the Company planted 313 hectares (111 hectares of avocado, 50 hectares of tangerine, 92 hectares of lemon, 30 of pitahaya and 30 hectares of khaki) and reduction of 15 hectares (7 hectares of grapes and 8 hectares of blueberry). During 2021, the Company planted 85 hectares (63 hectares of blueberry and 22 hectares of tangerine) and reduction of 265 hectares (262 hectares of avocado and 3 hectares of grapes).

Bearer plants additions in 2022 are related to investments in avocado, tangerine, cherry, blueberry, grapes, lemon, pitahaya and khaki and mangos (avocado, tangerine, cherry, blueberry and mangos in 2021).

Write-offs in 2022 are related mainly to avocado, grapes and tangerine bearer plants, based on decision by management to replace plantations in order to increase yields in future harvests (blueberry, grapes and tangerine in 2021).

Valuation processes of the Group -

The Group engages external, independent and qualified valuers to determine the fair value of land at least every year. Between July and November 2022, the Group performed valuations of its lands, being most of them revalued in July 2022.

All resulting fair value estimates for land are included in level 3 and has been derived using the sales comparison approach. Sale prices of comparable land properties are adjusted considering the specific aspects of each land property, the most relevant premise being the price per hectare (Level 3). The key inputs under this approach are the price per hectare from current year sales of comparable lots of land in the area (location and size). There were no transfers between any levels during the year.

7 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2022 USD	% share in the capital %	2021 USD	% share in the capital %
Empacadora de Frutos Tropicales S.A.C	5,701	39.77	5,556	39.77
Pro Aguas del Norte S.A.C	-	-	6	16.67
	5,701	-	5,562	-

On 30 September 2006 the Company participated in the incorporation of Empacadora de Frutos Tropicales S.A.C (Empafrut), a Peruvian company engaged in the processing and commercialization of fresh fruit products, mainly mangos. The cost of the investment amounted to USD600. Empafrut is not a listed entity.

The Group's share in the 2022 income of this company amounted to USD2,055 (USD2,599 in 2021) which are shown separately in the consolidated statement of comprehensive income.

On 4 June 2021 the Company participated in the incorporation of Pro Aguas del Norte S.A.C, a Peruvian company engaged in the management consulting activities. The cost of the investment amounted to USD6 with a 16.67% of participation. On 23 November 2022 the Pro Aguas del Norte S.A.C was liquidated, and the Group recognized the loss of the investment by USD6.

The summarized financial information at 100% for the most significant associated entity (Empafrut) is as follows:

	2022 USD	2021 USD
Total assets	23,112	18,516
Total liabilities	8,777	4,552
Total revenue	17,834	16,847
Profit for the year	5,057	7,562
Total equity	14,335	13,964

8 INTANGIBLE ASSETS

The movement of the cost and the accumulated amortization of intangibles assets is as follows:

	Software USD	Licenses USD	Total USD
Year ended 31 December 2021			
Opening net book amount	11,023	1,286	12,309
Additions	913	648	1,561
Write off	(30)	-	(30)
Amortization charge	(1,307)	(95)	(1,402)
Closing net book amount	10,599	1,839	12,438
As at 31 December 2021			
Cost	17,923	2,135	20,058
Accumulated amortization	(7,324)	(296)	(7,620)
Net book amount	10,599	1,839	12,438

	Software USD	Licenses USD	Total USD
Year ended 31 December 2022			
Opening net book amount	10,599	1,839	12,438
Additions	2,499	-	2,499
Amortization charge	(1,414)	(115)	(1,529)
Closing net book amount	11,684	1,724	13,408
As at 31 December 2022			
Cost	20,422	2,135	22,557
Accumulated amortization	(8,738)	(411)	(9,149)
Net book amount	11,684	1,724	13,408

In 2022 and 2021, additions mainly correspond to the implementation of the SAP project.

The allocation of the amortization charge is as follows:

	2022 USD	2021 USD
Cost of sales (Note 27)	622	600
Selling expenses (Note 28)	10	11
Administrative expenses (Note 29)	897	791
	1,529	1,402

9 RIGHT-OF-USE ASSETS

The following table presents the right-of-use assets for the Company:

	Property USD	Building and other construction USD	Plant and equipment USD	Furniture, fixtures and equipment USD	Vehicles USD	Total USD
Year ended 31 December 2021						
Opening net book amount	15,144	13,245	29,386	1,854	1,535	61,164
Additions	273	188	-	109	38	608
Write off	-	(181)	(2)	-	(380)	(563)
Adjustments	(617)	527	-	(3)	11	(82)
Depreciation charge	(1,666)	(2,178)	(3,646)	(511)	(772)	(8,773)
Closing net book amount	13,134	11,601	25,738	1,449	432	52,354
As at 31 December 2021						
Cost	18,669	19,397	36,938	3,542	3,843	82,389
Accumulated depreciation	(5,535)	(7,796)	(11,200)	(2,093)	(3,411)	(30,035)
Net book amount	13,134	11,601	25,738	1,449	432	52,354
Year ended 31 December 2022						
Opening net book amount	13,134	11,601	25,738	1,449	432	52,354
Additions	1,133	858	-	189	187	2,367
Write off	-	(6)	-	(172)	(74)	(252)
Exchange difference	(1,463)	(412)	-	(70)	(27)	(1,972)
Depreciation charge	(1,607)	(2,377)	(3,647)	(399)	(374)	(8,404)
Closing net book amount	11,197	9,664	22,091	997	144	44,093
As at 31 December 2022						
Cost	18,251	19,800	36,938	2,656	3,858	81,503
Accumulated depreciation	(7,054)	(10,136)	(14,847)	(1,659)	(3,714)	(37,410)
Net book amount	11,197	9,664	22,091	997	144	44,093

Additions in 2022 are related mainly to new leasing contracts signed with suppliers and banks for leased assets such property, buildings (new offices in Costa Rica and the Netherlands), equipment of computer and vehicles. In 2021, additions are related to contracts signed with suppliers and banks for leased assets such as property, edifications, irrigation systems and vehicles.

The Group leases various properties, equipment, furniture and vehicles. Rental contracts are typically made for fixed periods but may have extension. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate, the weighted average lessee's incremental borrowing rate applied to the lease liabilities was 5.64% (4.72% in 2021). The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis

The allocation of the depreciation charge is as follows:

	2022 USD	2021 USD
Cost of sales (Note 27)	7,737	8,308
Selling expenses (Note 28)	165	151
Administrative expenses (Note 29)	502	314
	8,404	8,773

10 BIOLOGICAL ASSETS

The Group measures the value of biological assets using the expected cash flows for the production of each of them. The cash flows included in the projections are discounted at the risk adjusted rates between the range of 8.59% and 12.56% over different products for 2022 (between the range of 7.76% and 11.22% over different products for 2021).

The movement for the period in the fair value of biological assets is as follows:

	Opening balance		Additions and deductions		Closing balance	
	Area Has	Market value USD	Area Has	Market value USD	Area Has	Final balance USD
At 31 December 2022						
Avocados	4,554	33,085	111	2,375	4,665	35,460
Mangos	562	5,510	-	(1,838)	562	3,672
Grapes	567	8,102	(7)	(2,601)	560	5,501
Tangerines	1,190	5,946	50	(4,155)	1,240	1,791
Blueberries	2,715	131,421	(8)	(28,135)	2,707	103,286
Others	-	-	301	830	301	830
	9,588	184,064	447	(33,524)	10,035	150,540

	Opening balance		Additions and deductions		Closing balance	
	Area	Market value	Area	Market value	Area	Final balance
	Has	USD	Has	USD	Has	USD
At 31 December 2021						
Avocados	4,816	44,284	(262)	(11,199)	4,554	33,085
Mangos	562	2,908	-	2,602	562	5,510
Grapes	570	7,581	(3)	521	567	8,102
Tangerines	1,168	5,712	22	233	1,190	5,945
Blueberries	2,652	102,979	63	28,443	2,715	131,422
	9,768	163,464	(180)	20,600	9,588	184,064

The number of plots and main assumptions used to estimate the fair values of the biological assets were as follows:

Avocados:

- 113 plots in Agromás, Marverde, Frusol, Terra, Agricultor, Yakuy Minka, La Moravia, Salento, La Bretaña and El Castillo. (115 plots in 2021).
- In Peru and Colombia, production cycle is one harvest per year for 2022 and 2021.
- Risk adjusted discount rate of 9.68% in Peru and 12.56% in Colombia for 2022 (8.86% in Peru and 11.22% in Colombia for 2021).
- The harvest period is mainly during the months of March to January.

Mangos:

- 15 plots in Atypsa, Balfass and Dunas in 2022 and 2021.
- Production cycle is one harvest per year for 2022 and 2021.
- Risk adjusted discount rate of 9.14% for 2022 (8.00% for 2021).
- The harvest period is mainly during December to March.

Grapes:

- 33 plots in Agroalegre in 2022 and 2021.
- Production cycle is one harvest per year for 2022 and 2021.
- Risk adjusted discount rate of 9.14% for 2022 (9.23% for 2021).
- The harvest period is mainly during the months of November and December.

Blueberries:

- 71 plots in Agromas, Marverde, Gloria, Agricultor, Oro azul and Yakuy Minka (70 plots in 2021).
- Production cycle is one harvest per year for 2022 and 2021.
- Risk adjusted discount rate of 9.14% in Peru and 11.39% in Mexico for 2022 (7.76% in Peru and 10.62% in Mexico for 2021).
- The harvest period is during all the year.

Tangerines:

- 31 plots in Yakuy Minka and El Tero (19 plots in 2021).
- Production cycle is one harvest per year for 2022 and 2021.
- Risk adjusted discount rate of 9.14% in Peru and 9.26% in Uruguay for 2021 (8.86% in Peru and 9.09% in Uruguay for 2021).
- The harvest period is mainly during the months of April to September.

Others:

- 301 hectares (149 hectares of Cherry, 92 hectares of Lemon, 30 hectares of Pitahaya and 30 hectares of Khaki.
- Production cycle is one harvest per year; and it will begin in 2023.
- Risk adjusted discount rate is between 8.59% and 9.14%.
- The harvest period is mainly during the months of February to November.

The following table demonstrates the sensitivity to a reasonably possible change in the projected yields at the point of harvest, with all other variables held constant, on the Group's pre-tax profit:

Increase/decrease production	**Effect on profit (loss) before tax USD**
At 31 December 2022	
+10%	25,414
-10%	(25,414)
At 31 December 2021	
+10%	28,280
-10%	(28,280)

The following table demonstrates the sensitivity to a reasonably possible change in the projected prices for each biological asset, with all other variables held constant, on the Group's pre-tax profit:

Increase/decrease prices	**Effect on profit (loss) before tax USD**
At 31 December 2022	
+10%	34,909
-10%	(34,909)
At 31 December 2021	
+10%	37,640
-10%	(37,640)

The following table demonstrates the sensitivity to a reasonably possible change in the projected maintenance costs of growing and harvesting, with all other variables held constant, on the Group's pre-tax profit:

Increase/decrease costs	**Effect on profit (loss) before tax USD**
At 31 December 2022	
+10%	(16,169)
-10%	16,169
At 31 December 2021	
+10%	(15,785)
-10%	15,785

The reconciliation in the fair value of the biological assets within level 3 of the hierarchy is as follows:

	Avocados USD	Mangos USD	Grapes USD	Tangerines USD	Blueberries USD	Others USD	Total USD
At 31 December 2022							
Initial balance of fair value	33,085	5,510	8,102	5,946	131,421	-	184,064
Harvest	(28,572)	(5,702)	(21,807)	(9,801)	(57,806)	-	(123,688)
Price change	(5,790)	(1,272)	(491)	(3,134)	(55,706)	-	(66,393)
Change in fair value due to biological transformation	2,789	(1,215)	(4,698)	(3,296)	17,648	108	11,336
Increase due to purchases	33,948	6,351	24,395	12,076	67,729	722	145,221
Final balance of fair value	35,460	3,672	5,501	1,791	103,286	830	150,540
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period, under net loss arising from changes in, fair value of biological assets	(3,001)	(2,487)	(5,189)	(6,430)	(38,058)	108	(55,057)
At 31 December 2021							
Initial balance of fair value	44,284	2,908	7,581	5,712	102,979	-	163,464
Harvest	(33,444)	(4,476)	(17,486)	(8,322)	(29,750)	-	(93,478)
Price change	1,376	1,483	488	(1,725)	6,726	-	8,348
Change in fair value due to biological transformation	(14,593)	576	(396)	1,579	4,526	-	(8,308)
Increase due to purchases	35,462	5,019	17,915	8,701	46,941	-	114,038
Final balance of fair value	33,085	5,510	8,102	5,945	131,422	-	184,064
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting period, under net gain arising from changes in, fair value of biological assets	(13,217)	2,059	92	(146)	11,252	-	40

Valuation processes of the Group -

The Group's finance department includes a team that performs the valuations of biological assets required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and Chief Executive Officer (CEO).

Discussions of valuation processes and results are held between the CFO and CEO and the valuation team at least once every quarter, in line with the Group's quarterly reporting dates. Valuation inputs for biological assets correspond to level 3 of the hierarchy defined in Note 3.3. There were no transfers between any levels during the year.

The following unobservable inputs were used to measure the Group's biological assets:

Description	Fair value 31 December 2022 USD	Fair value 31 December 2021 USD	Valuation technique	Unobservable inputs	Range of unobservable inputs probability- (weighted average)	Relationship of unobservable inputs to fair value
Avocados produce	35,460	33,085	Discounted cash flows	Crop yield - tonnes Per hectare (*)	0.7 - 31.7 (16.4) in 2022 (14.3 in 2021)	The higher the crop yield, the higher the fair value
				Avocados average price	31.12.2022 (1,436 in Peru and 1,066 in Colombia) 31.12.2021 (1,578 in Peru and 1.340 in Colombia) per tonne	The higher the market price, the higher the fair value
				Risk adjusted discounted rate	31.12.22 (9.68% in Peru and 12.56% in Colombia) 31.12.21 (8.86% in Peru and 11.22% in Colombia)	The higher the discount rate the lower the fair value
Mangos produce	3,672	5,510	Discounted cash flows	Crop yield - tonnes Per hectare (*)	2.9 - 34 (20.9) in 2022 (20.9 in 2021)	The higher the crop yield, the higher the fair value
				Mangos average price	31.12.2022 (537) 31.12.2021 (601) per tonne	The higher the market price, the higher the fair value
				Risk adjusted discounted rate	31.12.22 (9.14%) 31.12.21 (8.00%)	The higher the discount rate the lower the fair value
Grapes produce	5,501	8,102	Discounted cash flows	Crop yield - tonnes Per hectare (*)	15.6 - 30.0 (27.3) in 2022 (27.3 in 2021)	The higher the crop yield, the higher the fair value
				Grapes average price	31.12.2022 (1,781) 31.12.2021 (1,810) per tonne	The higher the market price, the higher the fair value
				Risk adjusted discounted rate	31.12.22 (9.14%) 31.12.21 (9.23%)	The higher the discount rate, the lower the fair value
Tangerines produce	1,791	5,945	Discounted cash flows	Crop yield - tonnes Per hectare (*)	2.0 - 80 (39.8) in 2022 (39.8 in 2021)	The higher the crop yield, the higher the fair value
				Tangerine average price	31.12.2022 (633 in Peru and 605 in Uruguay) 31.12.2021 (760 in Peru and 769 in Uruguay) per tonne	The higher the market price, the higher the fair value
				Risk adjusted discounted rate	31.12.22 (9.14% in Peru and 9.26% in Uruguay) 31.12.21 (8.86% in Peru and 9.09% in Uruguay)	The higher the discount rate, the lower the fair value

Description	Fair value 31 December 2022 USD	2021 USD	Valuation technique	Unobservable inputs	Range of unobservable inputs probability- (weighted average)	Relationship of unobservable inputs to fair value
Blueberries produce	103,286	131,422	Discounted cash flows	Crop yield - tonnes Per hectare (*)	9.1 - 24.5 (15.0) in 2022 (14.8 in 2021)	The higher the crop yield, the higher the fair value
				Blueberry average price	31.12.2022 (4,479 in Peru and 4,284 in Mexico) 31.12.2021 (5,592 in Peru and 3,915 in Mexico) per tonne	The higher the market price, the higher the fair value
				Risk adjusted discounted rate	31.12.22 (9.14% in Peru and 11.39% in Mexico) 31.12.21 (7.76% In Peru and 10.62% in Mexico)	The higher the discount rate, the lower the fair value
Others produce	830	-	Discounted cash flows	Crop yield - tonnes Per hectare (*)	2.0 - 70.0 (27.5) in 2022	The higher the crop yield, the higher the fair value
				Average price	31.12.2022 (7,215) in Cherry, (717) in Lemon, (2,379) in Pitahaya and (2,762) in Khaki per tonne	The higher the market price, the higher the fair value
				Risk adjusted discounted rate	31.12.22 (8.89%) in Cherry, (8.73%) in Lemon, (8.59%) in Pitahaya and (9.14%) Khahi	The higher the discount rate, the lower the fair value
	150,540	184,064				

(*) The amounts in brackets correspond to the weighted average of crop yields for all hectares.

11 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per the consolidated statement of financial position as of 31 December 2022 and 2021 are as follows:

	2022 USD	2021 USD
Financial assets at amortized cost:		
Trade accounts receivable (Note 15)	75,992	42,399
Other accounts receivable (*) (Note 14)	5,427	4,589
Cash and cash equivalents (Note 16)	27,222	30,475
	108,641	77,463

(*) This item excludes Value added tax, Custom duties refund and Prepayment to suppliers.

Financial liabilities as per the consolidated statement of financial position as of 31 December 2022 and 2021 are as follow:

	2022 USD	2021 USD
Financial liabilities at amortized cost:		
Trade accounts payable (Note 21)	100,256	64,758
Other accounts payable (excluding statutory liabilities and non-financial liabilities) (Note 22)	1,319	1,235
Bank loans (Note 25)	213,228	79,146
Lease liability (Note 24)	30,758	42,323
Long-term debt (Note 20)	363,963	363,242
	709,524	550,704

12 CREDIT QUALITY OF FINANCIAL ASSETS

The Group assesses the credit quality of its accounts receivable by reference to historical information about the counterparties' default rates as follows:

	2022 USD	2021 USD
Trade accounts receivable		
New customers (less than 6 months as a customer)	2,118	1,920
Existing customers (more than 6 months) without non-compliance experience in the past	73,774	40,421
Existing customers (more than 6 months) with some non-compliance experience in the past	100	58
	75,992	42,399
Other accounts receivable		
Existing customers (more than 6 months) without non-compliance experience in the past	5,423	4,167
Existing customers (more than 6 months) with some non-compliance experience in the past	4	422
	5,427	4,589

See credit quality of deposits in banks in Note 16.

13 INVENTORIES

	2022 USD	2021 USD
Finished products:		
- Avocados	1,063	1,301
- Mangos	3,403	4,544
- Grapes	12,516	11,462
- Blueberries	29,252	20,519
- Tangerine	-	100
Supplies	10,838	6,745
Packs	6,577	3,433
Seeds, seedlings and others	541	756
In-transit raw material and supplies	154	217
	64,344	49,077
Provision for obsolescence of inventories	(5,117)	(526)
	59,227	48,551

Finished products by type of produce as of 31 December is as follows:

	2022 USD	2021 USD
Fresh	42,712	32,562
Frozen	3,522	5,364
	46,234	37,926

As of 31 December 2022 and 2021, inventories are free of any pledges as guarantee on liabilities.

The cost of inventories recognized as expense and included in the cost of sales amounted to USD170,450 (2021: USD103,453) (Note 27).

Movement in the provision for obsolescence of inventories:

	2022 USD	2021 USD
Opening balance	(526)	(769)
Additions (Note 31)	(400)	(165)
Net realizable value (Note 27)	(4,524)	198
Write-off	333	210
Balance at the end of the year	(5,117)	(526)

The additions correspond mainly to impaired supplies and net realizable value impairment is related to finished products. Additions are recognized in other expenses amounts to USD400 (2021: USD165) (Note 31). Net realizable value is mainly due decrease in price of sales in grapes and mangoes.

14 OTHER ACCOUNTS RECEIVABLE

	2022 USD	2021 USD
Value added tax (IGV in Peru)	12,217	9,979
Custom duties refund (Drawback in Peru and Uruguay)	2,054	2,405
Services rendered to third parties	1,700	1,691
Loans to third parties	1,059	897
Related companies (Note 36)	2,917	1,957
Prepayments to suppliers	906	504
Claims to third parties	510	527
Receivables from government health entity	397	573
Due from employees	544	635
	22,304	19,168
Less: Provision for impairment of other accounts receivable	(1,700)	(1,691)
	20,604	17,477
Less current portion	(20,196)	(17,477)
	408	-

Loans to third parties corresponds to loans granted to minor farmers, that Camposol makes to incentivize the agricultural activity in the region. These loans are short term and are not guaranteed.

The movement of the provision for impairment of other accounts receivable is as follows:

	2022 USD	2021 USD
Opening balance	(1,691)	(1,694)
Reclassification	(9)	3
Balance at the end of the year	(1,700)	(1,691)

Other accounts receivables not provisioned are current and are not impaired.

The drawback (custom duties refund) recovered during the year 2022 amounted to USD 3,193 (USD3,994 in 2021). Receivables from employees are not interest-bearing and are unsecured.

The rental of the pepper plant corresponds to a contract signed with Sociedad Agricola Virú S.A. for the lease of the Nor Agro plant and equipment located in Piura, Peru with a contract that was renewed on 11 July 2022, until 31 December 2024.

The minimum lease payments receivable on the lease of the plant are as follows:

	2022 USD	2021 USD
Minimum lease payments under non-cancellable operating lease of the plant not recognised in the financial statements as receivables are as follows: -		
Within one year	740	320
	740	320

15 TRADE ACCOUNTS RECEIVABLE

	2022 USD	2021 USD
Third parties	77,093	43,289
Less: Provision for impairment of trade accounts receivable	(1,101)	(890)
	75,992	42,399

Trade accounts receivable mainly comprise invoices for the sale of fresh and frozen products. Turnover ranges between 30 and 120 days and are not interest - bearing.

Trade accounts receivable in foreign currency amounts to USD23,677 in Euros (2021: USD10,759) and USD243 in Sol (2021: USD0 in Sol). The remaining balances are denominated in US Dollars.

The movement of the provision for impairment of trade accounts receivable is as follows:

	2022 USD	2021 USD
Opening balance	(890)	(894)
Additions (Notes 31 and 33)	(298)	(266)
Recoveries (Note 31)	43	275
Adjustments	44	(5)
Balance at the end of the year	(1,101)	(890)

The Group does not ask for collaterals to secure the full collection of its trade accounts receivable.

As of 31 December 2022 and 2021, the ageing analysis of trade accounts receivable, net of provision is as follows:

	Total	Current	31-90 days	91-180 days	181-360 days	More than 360 days
	USD	USD	USD	USD	USD	USD
At 31 December 2022	75,992	66,416	8,975	601	-	-
At 31 December 2021	42,399	41,921	178	300	-	-

Accounts receivable past due for more than 181 days are overdue. As of 31 December 2022, trade accounts receivable amounting to USD1,101 (USD890 in 2021) are provisioned; for which the Group has recognized a provision for the expected credit loss. The individually impaired accounts relate to customers who are in unexpected difficult economic situations or / and under litigation. As of 31 December 2022, and 2021, these impaired customers have not pledged any security for their debt.

The fair value of accounts receivable approximates their carrying amounts due to their short-term maturities.

16 CASH AND CASH EQUIVALENTS

	2022	2021
	USD	USD
Cash in hand	18	18
Cash at banks	18,262	20,260
Short-term deposits	3,000	6,150
Short-term investments	5,942	4,047
	27,222	30,475

The Group's cash and cash equivalents, except cash in hand, amounts to USD23,835, USD1,724 and USD1,645 (in 2021 to USD26,223, USD1,479 and USD2,751) in U.S. Dollars, Sol and Euros, respectively. The 2022 and 2021 short-term deposits are denominated in U.S. Dollars.

The short-term deposits as of 31 December 2022 and 2021 comprise balance in banks with original maturities of less than three months. As of 31 December 2022, the time deposits have generated interest of USD87 (USD99 to 31 December 2021) (Note 32).

The short-term investments correspond to a fixed portfolio of highly liquid short-term high-quality instruments and debt instruments which can be withdrawn upon demand with insignificant potential change in value.

The credit classification of cash and cash equivalents are as follows:

	2022	2021
	USD	USD
Bank deposits (*)		
Classification AAA	306	126
Classification A +	22,246	26,132
Classification A	4,652	4,199
	27,204	30,457

(*) The balances above do not include the balance of cash in hand.

17 SHAREHOLDERS EQUITY

Share capital -

As of 31 December 2022 and 2021, the total authorized number of ordinary issued shares is 100,000,000 shares with a par value of USD0.1 per share. All shares issued have been fully paid-in.

On April 16, 2021, the authorized share capital was increased to USD15,000,000.

Shareholder -

As of 31 December 2022, and 2021 the Dyer-Coriat family (comprised of Samuel Barnaby Dyer Coriat, Piero Martin Dyer Coriat and Sheyla Dyer Coriat) is the Group's ultimate controlling party and owns 82.59% of the shares of the Company. Certain other members of the Dyer family own the remainder shares of the Company.

Revaluation surplus -

The Group has recognized a revaluation surplus of its land properties (classified in property, plant, bearer plants and equipment) included in other comprehensive income, net of deferred tax liability. The Group engaged external independent valuers to determine the fair value estimation. As of 31 December 2022, the revaluation surplus, net of deferred tax liability, amounted to USD170,192 (USD172,418 as of 31 December 2021).

The movement of revaluation surplus is as follows:

	2022 USD	2021 USD
Opening balance	172,418	172,614
Devaluation (Note 6)	(2,150)	(255)
Other comprehensive income	(176)	59
Closing balance	170,092	172,418

Distribution to shareholders (Note 36) -

In December 2021, the Company distributed a total amount of USD25,000 to its shareholders.
In June 2022, the Company distributed a total amount of USD15,000 to its shareholders.
In August 2022, the Company distributed a total amount of USD20,000 to its shareholders.

Non-controlling interest -

As of 31 December 2022, and 2021, the non-controlling interest is related to the shareholding in Camposol Europa S.L.

Retained earnings -

Dividends on behalf of shareholders, other than domiciled legal entities, are subject to a 5% income tax, which should be withheld and settled by the Group. Dividends paid to non-domiciled investors are subject to withholding tax.

Currency translation adjustment -

It corresponds mainly to the exchange difference resulting from the translation of the financial statements of the subsidiary Camposol Colombia S.A.S. to the Group's presentation currency. In 2022, the loss for currency translation adjustment is of USD7,407 (USD759 in 2021).

18 DEFERRED INCOME TAX

The net movement in the deferred income tax liabilities is as follows:

	2022 USD	2021 USD
Opening balance	127,561	133,980
Benefit for the year (Note 34)	(15,151)	(6,360)
Deferred income tax of devaluation surplus	176	(59)
Closing balance	112,586	127,561

Deferred tax relates to the following items:

	Opening balance USD	Income statement USD	Other comprehensive income USD	Closing balance USD
At 31 December 2022 -				
Deferred tax assets -				
Tax losses carried-forward	3,037	2,422	-	5,459
EBITDA Tax	1,449	(64)	-	1,385
Provisions	966	1,220	-	2,186
Effect IFRS 16	91	232	-	323
Trade accounts receivable	330	586	-	916
	5,873	4,733	-	10,269
Deferred tax liabilities				
Withholding tax on dividends	6,980	(2,416)	-	4,564
Fair value of biological assets	21,883	(1,864)	-	20,019
Deemed cost - bearer plants	18,658	(3,313)	-	15,345
Fair value of revalued land	70,966	-	176	71,142
Fair value of fixed assets	14,439	(2,465)	-	11,974
Gain on investments in associates	567	59	-	626
Fair value of inventories (NRV)	(59)	(786)	-	(845)
Others	-	30	-	30
	133,434	(10,755)	176	122,855
Deferred tax	(127,561)	15,151	(176)	(112,586)
At 31 December 2021 -				
Deferred tax assets -				
Tax losses carried-forward	2,792	245	-	3,037
EBITDA Tax	-	1,449	-	1,449
Provisions	868	98	-	966
Effect IFRS 16	83	8	-	91
Trade accounts receivable	356	(26)	-	330
	4,099	1,774	-	5,873
Deferred tax liabilities				
Withholding tax on dividends	7,849	(869)	-	6,980
Fair value of biological assets	21,481	402	-	21,883
Deemed cost - bearer plants	25,925	(7,267)	-	18,658
Fair value of revalued land	71,025	-	(59)	70,966
Fair value of fixed assets	11,314	3,125	-	14,439
Gain on investments in associates	584	(17)	-	567
Fair value of inventories (NRV)	(99)	40	-	(59)
	138,079	(4,586)	(59)	133,434
Deferred tax	(133,980)	6,360	59	(127,561)

Deferred income tax assets are recognized for tax losses carried-forward to the extent that the realization of the related tax benefit through future taxable profits is probable.

Management expects that remaining balance of tax loss will be recovered in the coming years considering the projections of taxable income.

In 2022 the Group recognized a write-off of USD2,416 (the Group recognized USD869 in 2021) as deferred income tax liability for unremitted earnings from Peruvian subsidiaries to Cyprus companies.

The deferred income tax from tax losses carried forward is expected to be applied to taxable income to be generated in the coming years, as follows:

	2022 USD	2021 USD
2025	2,263	980
2024	1,206	1,824
2023	1,990	-
2022	-	233
	5,459	3,037

In Peru, tax losses can be carried forward by choosing one of the two tax-loss offsetting regimes available; by one of them, tax losses may be carried forward over 4 consecutive years after the year in which they have been obtained and then they expire; by the second offsetting regime; tax losses are offset at a 50% of the taxable income obtained year after year and they do not expire. The Group has selected the first regime; and at the reporting date; based on Management's estimate of its future tax losses, no tax loss would expire.

19 WORKERS' PROFIT SHARING

In accordance with Peruvian Law, Camposol S.A. recorded a provision for workers' profit sharing equivalent to 5% of the taxable income of the Peruvian subsidiaries for 2022 and 2021. The profit sharing was communicated to the affected employees prior to year-end. The amount of the workers' profit sharing must be paid during the second quarter of the following year of its determination (Note 2.22).

The distribution is as follow:

	2022 USD	2021 USD
Cost of sales (Note 27)	2,606	1,149
Selling expenses (Note 28)	3	1
Administrative expenses (Note 29)	158	61
	2,767	1,211

20 LONG-TERM DEBT

Type of debt	Issuer	Annual interest rate	31 December 2022 USD	31 December 2021 USD
Bonds	Camposol S.A.	6.0%	353,507	352,273
Bank borrowings	Camposol S.A.	6.6%	10,456	10,969
			363,963	363,242
Less-current portion			(7,361)	(7,368)
			356,602	355,874

All loans are denominated in United States Dollars.

For purposes of reconciliation with the information provided in the statement of cash flows, following is the movement of long-term borrowings:

	Bonds USD	Bank borrowings USD	Total long-term debt USD
Balance as of 1 January 2021	351,040	10,943	361,983
Cash transactions:			
Payment of interest	(21,407)	(67)	(21,474)
Non-cash transactions:			
Amortization of transaction costs	671	26	698
Accrued interest	21,969	67	22,036
Balance as of 31 December 2021	352,273	10,969	363,242
Balance as of 1 January 2022	352,273	10,969	363,242
Cash transactions:			
Repayment of long-term borrowings	-	(513)	(513)
Payment of interest	(21,407)	(67)	(21,474)
Non-cash transactions:			
Amortization of transactions costs	672	17	689
Accrued interest	21,969	50	22,019
Balance as of 31 December 2022	353,507	10,456	363,963

Transaction costs are related to the issuance of new debt. No significant transaction cost raised from the acquisition of other borrowings.

The maturity of the non - current portion of long-term debt is as follows:

	2022 USD	2021 USD
1 - 2 years	407	1,034
2 - 3 years	708	791
3 - 4 years	708	797
More than 4 years	354,779	353,252
	356,602	355,874

Fair values -

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying amount At 31 December		Fair value At 31 December	
	2022 USD	2021 USD	2021 USD	2021 USD
Bank borrowings	10,421	10,927	9,252	9,336
Bonds	346,181	344,947	304,605	318,964
	356,602	355,874	313,857	328,300

At 31 December 2022 and 2021 valuation inputs for calculating fair value of long-term debt correspond to level 2 of the hierarchy defined in Note 3.3. There were no transfers between any levels during the year.

a) Bonds -

USD350,000 6.000% Senior Secured Notes due 2027 -

On 28 January 2020, Camposol S.A., Csol Holding Limited’s subsidiary, issued USD350,000 6.000% senior unsecured notes due 2027, which are guaranteed by Csol Holding Limited as parent guarantor.

Settlement of the bond issue occurred on 3 February 2020. The net proceeds from the bond issue were used to repay long term debt, to finance capital expenditures and for general corporate purposes.

With this transaction, the Company extended the maturity of its long term debt to 6.6 years under better conditions than the previous long-term debt facility, which allowed it to refinance existing debt in order to extend the duration releasing all collateral.

These Notes include certain restrictive covenants based on the consolidated financial statements of Camposol Holding PLC, as described below.

As of 31 December 2022, the Consolidated Leverage Ratio is 8.9 (2021: 3.76), which exceeds the agreed Consolidated Leverage Ratio under the Indenture 2027; however, it is worth mentioning that such situation is not considered an Event of Default and the Group is in compliance of its covenants under the Indenture 2027.

At any time the Notes are assigned Investment Grade Ratings by two Rating Agencies and no payment default or Event of Default has occurred and is continuing, the Issuer, the Parent Guarantor and its Restricted Subsidiaries will cease to be subject to the following covenants in the Indenture:

i. Limitation on Indebtedness and Disqualified Stock.

   a. The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness) or Disqualified Stock; provided that the Parent Guarantor, the Issuer and any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) if, immediately after giving effect on a pro forma basis to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the Consolidated Leverage Ratio of the Parent Guarantor is less than 3.50 to 1.0.

ii. Limitation on Restricted Payments, which are to:

   a. Declare or pay any dividend or make any distribution on or with respect to the Parent Guarantor's or any Restricted Subsidiary's Capital Stock, subject to certain exceptions.
   b. Purchase, redeem, retire or otherwise acquire for value any shares of Capital Stock.
   c. Make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness.
   d. Make any Investment, other than a Permitted Investment

iii. Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries. Subject to certain exceptions, the Parent Guarantor will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

   a. Pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Parent Guarantor or any other Restricted Subsidiary.
   b. Pay any Indebtedness owed to the Parent Guarantor or any other Restricted Subsidiary.
   c. Make loans or advances to the Parent Guarantor or any other Restricted Subsidiary.
   d. Sell, lease or transfer any of its property or assets to the Parent Guarantor or any other Restricted Subsidiary.

iv. Limitation on Issuances of Guarantees by Restricted Subsidiaries.

v. Limitation on Transactions with Affiliates.

   a. The Affiliate Transaction will not be permitted unless it is on terms that are not materially less favorable to the Parent Guarantor or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Parent Guarantor or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Parent Guarantor or such Restricted Subsidiary and other requirements are satisfied.

vi. Limitation on Liens.

   The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind, except for certain permitted liens.

vii. Limitation on Sale of Assets. The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, consummate an Asset Sale, unless, amongst other conditions:

   a. At least 75% of the consideration received consists of cash or Temporary Cash Investments.

viii. Limitation on Business Activities.

   The Parent Guarantor and its Restricted Subsidiaries, taken as a whole, will continue to be primarily engaged in Permitted Businesses; provided that the Parent Guarantor or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Businesses as long as any investment therein was not prohibited when made under the Indenture.

ix. Maintenance of Insurance.

   The Parent Guarantor will cause all properties used or useful in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order as in the judgment of the Parent Guarantor may be necessary so that the business of the Parent Guarantor and its Restricted Subsidiaries may be properly conducted at all time, except to the extent the failure to do so would not have a material adverse effect on the business and results of operations of the Parent Guarantor and its Restricted subsidiaries taken as a whole.

x. Designation of Restricted and Unrestricted Subsidiaries.

   The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; provided that (i) such designation would not cause a Default and (ii) one of the following: (a) the Subsidiary to be so designated has total assets of USD1,000 or less or (b) if such Subsidiary has total assets greater than USD1,000, the Issuer would be permitted make a Restricted Payment in the amount equal to the aggregate Fair Market Value of all Investments by the Parent Guarantor, the Issuer or any Restricted Subsidiary in such Subsidiary.

xi. Government Approvals and Licenses; Compliance with Law.

   The Parent Guarantor will, and will cause each Restricted Subsidiary to, obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses.

b) Bank borrowings -

USD20,000 6.6% Banco BBVA Peru Long-Term Loan due 2026

On 12 November 2019, Camposol S.A. obtained a borrowing from Banco BBVA Peru for up to USD20,000 (The New BBVA Long-Term Loan) at an Annual Interest Rate of Libo Rate for a period equal to three months plus 3.20% due December 2026. A first disbursement of USD11,000 was made on 18 November 2019, these proceeds were used for corporate purposes.

The BBVA Long-Term Loan includes certain restrictive covenants:

a. Leverage ratio less than or equal to 3.5

According to Management evaluation at 31 December 2022, the Group was in compliance with these covenants.

21 TRADE ACCOUNTS PAYABLE

	2022 USD	2021 USD
Suppliers	71,086	45,477
Bills of exchange payable	10,967	6,198
Payables to related parties (Note 36)	18,203	13,083
	100,256	64,758

Trade accounts payables to suppliers are mainly in US Dollars, are due within 12 months and are not interest-bearing.

Bills of exchange represent payables to suppliers mainly in US dollars are due within 3 months and bear interest at an annual average rate of 9%.

The average payment terms of trade payables are between 150 to 180 days.

22 OTHER ACCOUNTS PAYABLE

	2022 USD	2021 USD
Vacations and other payables to employees	12,522	8,189
Workers' profit sharing	3,753	1,987
Workers' pension fund payable	671	604
Other	648	631
	17,594	11,411

Workers' profit sharing pending of payment include USD2,767 of the period 2022 and USD986 of the period 2021 (Note 19). Other accounts payable are due within 12 months, not interest-bearing and are mainly denominated in Sol.

23 PROVISIONS

	Legal claims	Other provisions	Total
	USD	USD	USD
At 1 January 2021	3,632	3,193	6,825
Additional provisions	-	2,213	2,213
Write-off	(372)	-	(372)
Payments	(654)	(2,768)	(3,422)
At 31 December 2021	2,606	2,638	5,244
At 1 January 2022	2,606	2,638	5,244
Additional provisions	3,711	373	4,084
Payments	(399)	(2,213)	(2,612)
At 31 December 2022	5,918	798	6,716

New provisions in 2022 of USD3,711 correspond mainly to legal claims for employee benefits (USD2,213 in 2021 for bonus performance to employees for results of the year).

24 LEASE LIABILITY

Type of debt	Guarantee	Annual interest rate	2022	2021
			USD	USD
Lease liabilities	Property subject to financial lease	Between 3.43% and 10.07%	30,758	42,323
Less - current portion			(11,268)	(12,818)
Non-current portion			19,490	29,505

All leases are denominated in United States Dollars.

For purposes of reconciliation with the information provided in the consolidated statement of cash flows, following is the movement of leases liabilities:

	USD
Balance as of 1 January 2021	54,453
Cash transactions:	
Repayment of leases liabilities	(13,089)
Payment of interest	(1,600)
Non-cash transactions:	
Accrued interest	1,574
Purchase of fixed assets under finance lease	985
Balance as of 31 December 2021	42,323
Balance as of 1 January 2022	42,323
Cash transactions:	
Repayment of leases liabilities	(11,657)
Payment of interest	(1,367)
Non-cash transactions:	
Accrued interest	1,309
Purchase of fixed assets under finance lease	150
Balance as of 31 December 2022	30,758

The maturity of the non-current portion of lease liability is as follows:

	2022 USD	2021 USD
1 - 2 years	5,735	10,799
2 - 3 years	3,840	5,521
3 - 4 years	2,513	3,538
More than 4 years	7,402	9,647
	19,490	29,505

The future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	2022		2021	
	Minimum payments USD	Present value of payments USD	Minimum payments USD	Present value of payments USD
Within one year	12,744	11,268	14,522	12,818
After one year but no more than seven years	24,740	19,490	34,163	29,505
Total minimum lease payments	37,484	30,758	48,685	42,323
less amounts representing finance charges	(6,726)		(6,362)	
Present value of minimum lease payments	30,758		42,323	

25 BANK LOANS

	2022 USD	2021 USD
Loans -		
Banco BBVA (Peru)	50,000	-
Banco Scotiabank (Peru)	47,100	45,050
Banco Interbank (Peru)	21,000	25,000
Banco ICBC (Peru)	10,000	9,000
Banco BCI (EEUU)	20,000	-
Banco Bladex	30,000	-
Banco Rabobank U.A. (Netherlands)	33,000	-
Accrued interest to pay	2,128	96
	213,228	79,146

For purposes of reconciliation with the information provided in the consolidated statement of cash flows, following is the movement of bank loans for the years ended 31 December:

	2022 USD	2021 USD
Initial balance	79,146	57,922
Accrued interest in the year	4,790	970
Bank loans proceeds	439,100	181,160
Bank loans payments	(307,050)	(159,960)
Interest paid in the year	(2,758)	(946)
Closing balance	213,228	79,146

Bank loans represent promissory notes with maturities up to 210 days, which were obtained for working capital. These loans bear fixed annual interest rates between 3.98 per cent and 7.31 per cent (between 0.63 per cent and 1.35 per cent in 2021).

26 REVENUE

Revenue represents mainly the sale of fresh and frozen biological products.

For the years ended 31 December, comprise the following (Note 5):

	2022	2021
	USD	USD
Blueberries	286,566	209,788
Avocado	64,648	76,036
Grapes	43,569	45,638
Mangos	39,664	36,654
Tangerine	28,054	16,261
Others	1,967	1,421
	464,468	385,798

27 COST OF SALES

	2022	2021
	USD	USD
Cost of inventories recognized as expenses (Note 13)	170,450	103,453
Personnel expenses (Note 30)	124,989	102,147
Depreciation of bearer plants (Note 6)	29,889	28,859
Depreciation of property, plant and equipment (Note 6)	9,321	8,458
Depreciation of right of use asset (Note 9)	7,737	8,308
Write-off of bearer plant (Note 6)	1,015	537
Writte-off of property, plant and equipment (Note 6)	-	137
Amortization of computer software (Note 8)	622	600
Custom duties refund	(3,844)	(3,738)
	340,179	248,761

In Peru, Camposol S.A. is beneficiary of a simplified procedure for custom duties refunding (Drawback), at a rate of 3% of FOB value of exports (3% in 2021).

Personnel expenses include USD2,606 of workers profit sharing (USD1,149 in 2021) (Note 19).

In 2022, the Group recognized in cost of sale a reduction in the book value of the inventories by carrying them at the net realizable value amounting to USD4,524 (USD198 reversal in 2021) (Note 13 and 33).

28 SELLING EXPENSES

Selling expenses for the years ended 31 December comprise the following:

	2022 USD	2021 USD
Freight (*)	63,949	28,608
Exportation custom duties	13,459	10,739
Personnel expenses (Note 30)	5,382	5,140
Insurances	1,100	1,088
Consulting services	1,125	895
Travel and business expenses	587	230
Subscriptions to associations	285	554
Selling commissions	1,343	1,733
Depreciation of right of use asset (Note 9)	165	151
Depreciation (Note 6)	50	47
Amortization of computer software (Note 8)	10	11
Other expenses	637	601
	88,092	49,797

Personnel expenses include USD3 of workers' profit sharing (USD1 in 2021) (Note 19).

(*) The increase in freight is due to the rise in the rate of sea and air freight as a consequence of the worldwide increase of fuel. In 2021, the range's sea freight price per container was $3,500 - $5,000; while in 2022 was $8,000 - $10,000. This situation was caused due to the increase in demand and the reduction in supply related to freight from June 2022 onwards.

29 ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended 31 December are comprised of the following:

	2022 USD	2021 USD
Personnel expenses (Note 30)	12,098	10,965
Professional fees	4,049	4,612
Renting of machinery and equipment	655	819
Travel and business expenses	799	288
Amortization of computer software (Note 8)	897	791
Depreciation (Note 6)	798	869
Materials and supplies	181	152
Depreciation of right of use asset (Note 9)	502	314
Audit services and others	373	283
Directors' remuneration (Note 30)	428	452
Maintenance	541	625
Subscriptions to associations	236	337
Insurances	138	77
Other taxes	542	153
Transport and telecommunications	78	68
Utilities	39	61
Other expenses	1,712	1,353
	24,066	22,219

Personal expenses include USD158 of workers' profit sharing (USD61 in 2021) (Note 19).

30 PERSONNEL EXPENSES

	2022 USD	2021 USD
Salaries and wages	91,615	72,408
Vacations	6,851	4,705
Other employees' benefits	39,992	26,977
Other expenses	4,439	14,614
	142,897	118,704
Average number of staff employed during the year	20,558	16,975

Personnel expenses are allocated as follows:

	2022 USD	2021 USD
Cost of sales (Note 27)	124,989	102,147
Selling expenses (Note 28)	5,382	5,140
Administrative expenses (Note 29)	12,098	10,965
Directors' remuneration (Note 29)	428	452
	142,897	118,704

31 OTHER INCOME AND EXPENSES

	2022 USD	2021 USD
Other income -		
Indemnity of insurance	196	94
Gain on sale of supplies	241	71
Services to third parties	-	70
Gain on sale of property, plant and equipment (Note 33)	100	27
Recovery of written-off accounts receivable (Note 15)	43	275
Other	361	380
	941	917
Other expenses -		
Organizational restructuring expenses	-	(2,886)
Contingencies (Note 23)	(3,711)	-
Impairment of fixed assets (Note 6)	(1,530)	-
Write-off of fixed assets and intangibles (Note 6 and 8)	(750)	(684)
Default interest and fines	(135)	(293)
Impairment of trade receivable (Note 15)	(298)	(266)
Donations and samples	(581)	(445)
Obsolescence of inventories (Note 13)	(400)	(165)
Write-off of project (a)	-	(3,779)
Loss on sale of supplies	(104)	(440)
Other	(681)	(1,299)
	(8,393)	(10,257)

(a) In 2021, it includes the write-off of the offering costs related to the IPO project of USD2,539.

32 FINANCIAL INCOME AND COSTS

	2022 USD	2021 USD
Income -		
Interest (Note 16)	87	99
Gain in investment funds	-	70
Other income	6	6
	93	175
Costs -		
Interest on bonds and bank loans	(23,797)	(23,145)
Interest on lease liability	(2,554)	(1,690)
Tax on financial transactions	(1,525)	(1,863)
Interest on accounts payable to suppliers	(4,790)	(970)
Other finance costs	(888)	(438)
	(33,554)	(28,106)

33 CASH GENERATED FROM OPERATIONS

	Note	2022 USD	2021 USD
Reconciliation of (loss) profit for the year to net cash generated from operating activities:			
(Loss)/Profit before income tax		(90,312)	25,748
Depreciation	6	40,058	38,233
Depreciation of right of use asset	9	8,404	8,773
Amortization	8	1,529	1,402
Impairment of accounts receivable	15	298	266
Obsolescence of inventories	13	400	165
Write-off and impairment of bearer plant	6	3,295	1,328
Net gain in change of fair value of biological assets	10	55,057	(40)
Gain on sale of fixed assets	31	(100)	(27)
Gain attributable to associate	7	(2,055)	(2,599)
Net exchange difference		8,528	4,641
Net realizable value of inventories	13 and 27	4,524	(198)
Workers' profit sharing	19	2,767	1,211
Increase (decrease) of cash flows from operations due to changes in assets and liabilities:			
Trade accounts receivable		(33,440)	11,282
Other accounts receivable		(2,205)	(3,643)
Inventories		(15,267)	1,453
Biological assets		(21,532)	(20,561)
Prepaid expenses		(424)	106
Trade accounts payable		26,958	(12,729)
Other accounts payable and provisions		(635)	(2,993)
Net cash (used in) generated from operating activities		(14,152)	51,818

34 INCOME TAX EXPENSE

a) According to the Peruvian law, the income tax is determined on separate basis. Management has determined the taxable income under the general income tax regime, which requires adding to and deducting from the result derived from the accounting records maintained in Sol those items considered as taxable and non-taxable, respectively.

The standard rate for the Peruvian subsidiaries ranges between 29.5% and 15% for 2022 and 2021. The standard tax rate for other subsidiaries ranges between 30% and 7%.

	2022 USD	2021 USD
Current income tax	10,974	5,272
Deferred income tax (Note 18)	(15,151)	(6,360)
Income tax of the year	(4,177)	(1,088)

b) For the years 2022 and 2021 the income tax credited to income differs from the theoretical amount that would arise using the tax rate applicable to profit before workers' profit sharing and income tax as follows:

	2022 USD	2021 USD
(Loss)/Profit before income tax	(90,312)	25,748
Relevant theoretical income tax 15%	(13,547)	3,862
Income not subject to tax	(797)	(721)
Expenses not deductible for tax purposes	688	899
Foreign exchange differences	2,259	(3,741)
Impact of change in tax rate	6,032	(632)
Difference in tax rates from other jurisdictions	594	589
Changes in Peruvian tax legislation	64	(1,449)
Other	530	105
Income tax of the year	(4,177)	(1,088)

c) Until 30 December 2020, the peruvian Company (Camposol S.A.) was framed within Law No. 27360 "Ley de Promoción del Sector Agrario", enacted on October 31, 2000. Among the tax benefits of this Law, some of which the Company had adopted, the highlight was the application of an income tax rate of 15%, subject to the Income Tax Law and its corresponding regulations.

On 31 December 2020, Peruvian Congress issued an agricultural Law No. 31110, the Agricultural Labor Regime and Incentives under the Agrarian and Irrigation, Agro-exporter and Agro-industrial Sector Law (Ley del Régimen Laboral Agrario y de Incentivos para el Sector Agrario y Riego, Agroexportador y Agroindustrial) (the "New Agricultural Law") which aims to introduce changes in the standards of working conditions of the sector.

On 1 January 2021, this significant new law went into effect in Peru. The New Agricultural Law has reduced benefits granted to agricultural companies, such as the Company, by the repealed Agricultural Sector Promotion Law (Ley de Promoción del Sector Agrario). Under the New Agricultural Law, companies may qualify for certain benefits, such us (i) a discounted health insurance contribution (EsSalud) of 7% of the monthly salary until 31 December 2022 (it will be further increased to 8% as of 1 January 2023 and to 9% as of 1 January 2025), and (ii) until 31 December 2025, 20% depreciation rate for hydraulic infrastructure. Further, from 2021 to 2023 employees will be entitled to receive 5% of the company's profit (it will be further increased to 7.5% from 2024 and to 10% from 2027). Also, the New Agricultural Law establishes a gradual reduction of the tax rate benefit for the agricultural industry until 31 December 2027. A tax rate of 15% for years 2021-2022, 20% for years 2023-2024, 25% for years 2025-2027. After the year 2028 the tax rate will be 29.5%. This increase may significantly impact the profitability and net income of the Company.

d) The Peruvian Tax Authority may review and, if required, amend the income tax or the tax loss carry forward determined by the Company and its subsidiaries for four years, as from January 1 of the following year in which the tax return of the corresponding income tax was filed (years open to examination). Since discrepancies may arise over the proper interpretation of the tax law applicable to the Group, it is not possible to anticipate at this date whether additional tax liabilities will arise as a result of eventual examinations. Additional tax, fines and interest, if any, will be recognized in results of the period in which the disagreement with the Peruvian tax authorities arises and they will be probable to be settled. Management considers that no significant liabilities will arise as a result of any eventual tax examinations.

The following table shows the income tax and value-added tax returns subject to review by the Tax Authority corresponding to the Company and its subsidiaries.

	Years open to tax review	
Company	**Income Tax**	**Value Added Tax**
Camposol S.A.	2017-2022	December 2017-2022
Muelles y Servicios Paita S.A.C.	2017-2022	December 2017-2022
Nor Agro Perú S.A.	2017-2022	December 2017-2022
Camposol Europa S.L.	2017-2022	December 2017-2022
Camposol Fresh B.V.	2017-2022	December 2017-2022
Persea, Inc	2013-2022	December 2013-2022
Camposol Fresh U.S.A Inc	2013-2022	December 2013-2022
Blacklocust S.A.C.	2017-2022	December 2017-2022
Grainlens S.A.C.	2017-2022	December 2017-2022
Camposol Fresh Foods Trading Co., Limited	2019-2022	December 2019-2022
Camposol Foods Trading (Shanghai) Co., Ltd.	2019-2022	December 2019-2022
Camposol Colombia S.A.S.	2019-2022	December 2019-2022
Camposol Uruguay, S.R.L.	2019-2022	December 2019-2022
Camposol Chile	2020-2022	December 2020-2022
Camposol Holding PLC	2020-2022	December 2020-2022
Camposol Cyprus Limited	2020-2022	December 2020-2022
Camposol Switzerland GmbH	2020-2022	December 2020-2022
Camposol Trade España S.L.	2020-2022	December 2020-2022
Aliria S.A.C.	2020-2022	December 2020-2022
Arándanos Camposolinos S.A.P.I. de C.V.	2020-2022	December 2020-2022
Camposol I & D S.A.C.	2021-2022	December 2021-2022
Camposol Corp.	2021-2022	December 2021-2022

35 CONTINGENT LIABILITIES

As of 31 December 2022, the Group has administrative and labor-related contingencies and other claims amounting to USD29,919 (USD2,827 as of 31 December 2021) mainly due to previous claims that were considered remote in the 2021. No provision has been made since legal advice indicates that it is not probable that a material liability will arise.

Below is a description of the main legal contingency at 31 December 2022 for an amount of USD26,764 (which is the same as the carrying value of the related assets subject to claim):

In 2003, the Company acquired title to the Fundo Gloria, a 1,018 hectare parcel of land in the Viru district in Perú (where the Company currently has 595 hectares planted with blueberries). Due to a criminal proceeding for illicit enrichment against a prior owner the Peruvian public prosecuting office for money laundering offenses and asset forfeiture (Primera Fiscalía Supraprovincial Corporativa Especializada en Delitos de Lavado de Activos y Pérdida de Dominio) filed a lawsuit to recovering title of Fundo Gloria. The claim s for forfeiture of the assets included in the blueberries segment.

On 1 September 2022 the Company was notified with judicial resolution which ruled in favor of the Peruvian government and the ruling was to declare founded the demand for extinction of domain. The Company appealed the sentence on 16 September 2022 and, on 12 January 2023, the Superior Court declared null and voided the judicial resolution, making the case return to the Specialized Court for Asset Forfeiture of Lima, Perú. A new hearing is pending to be scheduled.

In the view of the Management in consultation with their legal advisors, the Group considers that Camposol's ownership of this parcel is protected under Peruvian law because the company has legal arguments to obtain a favorable ruling.

36 TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES

a) Transactions -

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

	2022 USD	2021 USD
i) Associate -		
Empacadora de Frutos Tropicales S.A.C. -		
Sale of services	275	225
Purchase of services	8,743	8,500
ii) Entities related to Directors -		
Gestora del Pacífico S.A.C -		
Sale of services	41	139
Purchase of services	-	40

	2022 USD	2021 USD
Desarrollo Inmobiliario Mar Verde S.A.C.-		
Sale of services	48	-
Purchase of services	449	466
Marinasol S.A.-		
Sales of services	-	20
Loans granted	1,000	-
Purchase of services	4	52
Corporación Refrigerados Iny S.A.-		
Sales of services	87	441
Congelados y Frescos S.A.C.-		
Sales of services	-	2
Transportes Ecobus S.A.C.-		
Purchase of services	10,055	7,025
D & C inmobiliaria S.A.C.-		
Sales of services	199	30
Purchase of services	524	510
Generacion Del Pacifico Grupo SL.-		
Purchase of services	-	200
DC Capital S.A.C.-		
Purchase of services	1,937	812
Ecopacking Clasmshells S.A. -		
Purchase of supplies	7,665	4,998
Ecopacking Cartones S.A. -		
Sales of services	6	1
Purchase of supplies	15,540	12,655
Marinasol Holding PLC -		
Loans granted	-	528
iii) Shareholders -		
Distribution to shareholders (Note 17)	35,000	25,000

b) Amounts due from/to related parties -

- Other accounts receivable (Note 14)

	2022 USD	2021 USD
i) Entities related to shareholders -		
Campoinca S.A.	127	121
Marinasol S.A.	1,036	143
Marinasol Holding PLC	671	672
Congelados y Frescos S.A.	7	7
Corporacion Refrigerados INY S.A.	1,026	964
Sociedad Oceanica Blue S.A.C.	50	50
	2,917	1,957

- Accounts payable to related companies

	2022 USD	2021 USD
i) Entities related -		
Marinasol S.A.	30	57
	30	57

- Trade payables (Note 21)

	2022 USD	2021 USD
i) Associates		
Empacadora de Frutos Tropicales S.A.C.	5,986	5,418
ii) Entities related to Directors		
Gestora del Pacífico S.A.C	23	30
Marinasol S.A.	39	34
Ecopacking Cartones S.A.	7,051	4,198
Transportes Ecobus S.A.C.	1,204	915
Desarrollo Inmobiliario Mar Verde S.A.C.	-	42
DC Capital S.A.C.	443	437
D & C Inmobiliaria S.A.C.	52	-
Ecopacking Clasmshells S.A.	3,405	2,009
	18,203	13,083

c) Compensation of the Group key management

	2022 USD	2021 USD
Short-term employee benefits		
Salaries of key management (excluding remuneration of Directors)	10,484	12,987
Remuneration of Directors (all of which are non - executives)	428	452
Post-employment benefits		
Employees' severance indemnities of Key management	380	2,104

There were no other post-employment benefits, long-term benefits, termination benefits and share-based payments in 2022 and 2021.

37 COMMITMENTS AND GUARANTEES

Commitments and guarantees in respect of the bonds and bank borrowings are described in Note 20.

38 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share -

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year.

	2022	2021
(Loss) Profit for the year attributable to owners of the Company (USD)	(86,130)	27,995
Weighted average number of ordinary outstanding shares (thousands)	100,000	100,000
Basic earnings per share (expressed in USD)	(0.86)	0.28

For the year ended 31 December 2022 and 2021, the weighted average number of shares outstanding was 100,000,000 shares.

Diluted earnings per share -

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has no transactions which are dilutive.

39 EVENTS AFTER THE REPORTING PERIOD

At the end of 2022, due to the attempted coup by former president Pedro Castillo, which lead to his impeachment process and immediate imprisonment, several riots arose in Peru, mainly in the south of Peru. These protests continued at the beginning of the year 2023; however, there has not been a significant impact in the consolidated financial statements, mainly due to the fact that the Peruvian operations and lands are located in the north of Peru.

Between 31 December 2022 and the approval date of the consolidated financial statements, there have been no other subsequent events that may have a significant impact on the reasonableness of the financial statements issued and/or that require to be disclosed in notes.