



GESTAX AUDITORES CONSULTORES

INDEPENDENT MEMBER OF GENEVA GROUP INTERNATIONAL

Decco Chile S.p.A.

Financial Statements for the year ended March 31, 2018 and 2017
and Report of Independent Auditors

Decco Chile SpA

CONTENTS

1. Independent Auditors Report
2. Balance Sheet
3. Income Statement
4. Cash Flow Statement
5. Notes to the Financial Statements

Independent Auditors' Report

To the Shareholders and
Directors of Decco Chile S.p.A.:

Report on the financial statements

We have audited the accompanying financial statements of Decco Chile S.p.A., which comprise the statements of financial position classified as of March 31, 2018 and 2017. The corresponding comprehensive statements of income, changes in equity and cash flows for the years ended March 31, 2018 and 2017, and related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting norms generally accepted in Chile. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

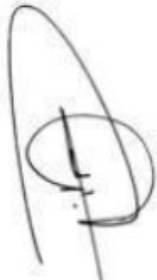
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material miss statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements of the entity in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the entity. Accordingly, we express no such opinion whatsoever. An audit also includes assessing what are the appropriate accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Decco Chile SpA., as of March 31, 2018 and 2017, and the comprehensive results of its operations and its cash flows for the years that ended March 31, 2017 and March 31, 2016, according with accounting principles generally accepted in Chile.

A handwritten signature in black ink, appearing to be 'Eduardo del Campo Rojas', written in a cursive style.

Eduardo del Campo Rojas
Gestax Auditores Consultores Ltda.
Santiago April 14, 2018

The enclosed notes number 1 to 13 form an integral part of these financial statements

Balance Sheet, at march 31, 2018 and march 31, 2017

Assets	Notes	31-03-2018 Ch \$	31-03-2017 Ch \$
Others assets			
Guarantee Rent		1.330.763	1.330.763
Total others assets		1.330.763	1.330.763
Fixed assets			
Plant and Machinery		14.384.380	20.736.328
Computers and Equipments		59.588.560	5.076.922
Vehicles		-	71.159.709
Vehicles on leasing		115.430.000	-
Accumulated Depreciation		(28.939.224)	(48.086.083)
Total fixed assets	4	160.463.716	48.886.876
Current assets			
Stock of Traded Goods	5	627.545.706	486.006.503
Work in process		-	15.941.549
Other current assets		-	-
Sales Tax Receivables		-	-
Debtors – Others		214.185.726	192.515.126
Accounts Receivables - Decco Intergroup	6	34.163.451	-
Accounts Receivables		990.666.272	515.241.230
Cash and Banks		386.383.074	332.493.887
Total current assets		2.252.944.229	1.542.198.295
Total assets		2.414.738.708	1.592.415.934

The enclosed notes number 1 to 13 form an integral part of these financial statements

Balance Sheet, at march 31, 2018 and march 31, 2017

	Notes	31-03-2018 Ch \$	31-03-2017 Ch \$
Liabilities and shareholder's equity			
Shareholder's equity			
Paid – in Capital		1.000.000	1.000.000
Retained Earnings		1.142.826.805	583.700.196
Total shareholder's equity	8	1.143.826.805	584.700.196
Non-Current liabilities			
Sundry Creditors - Decco Intergroup	6	241.911.080	332.116.000
Financial obligations		61.895.992	-
		303.807.072	332.116.000
Current liabilities			
Accruals Liabilities		4.752.968	9.028.044
Sales Tax Payable		36.668.632	16.674.225
Provision for Income Tax	7	215.503.779	80.002.129
Sundry Creditors – General		-	78.756.233
Sundry Creditors - Decco Intergroup	6	290.587.532	225.388.419
Accounts Payable		387.043.962	265.750.688
Financial obligations		32.547.958	-
Total current liabilities		967.104.831	675.599.738
Total current liabilities and shareholder's equity		2.414.738.708	1.592.415.934

The enclosed notes number 1 to 13 form an integral part of these financial statements

Profit & Loss Statement, as of March 31, 2018 and march 31, 2017

	Notes	31-03-2018 Ch \$	31-03-2017 Ch \$
Operating income			
Operating revenue		4.068.013.612	2.962.756.935
Operating cost		(2.796.628.004)	(2.068.618.666)
Gross margin		1.271.385.608	894.138.269
Selling and administrative expenses		(474.704.001)	(381.056.141)
Operating Margin		796.681.607	513.082.128
Other income (expenses)			
Other expenses		(22.370.183)	(56.053.980)
Other incomes		6.921.665	484.406
Other Incomes (Expenses) – Net		(15.448.518)	(55.569.574)
Incomes before income taxes		781.233.089	457.512.554
Income taxes	7	(222.106.480)	(81.569.586)
Net income		559.126.609	375.942.968

The enclosed notes number 1 to 13 form an integral part of these financial statements

Cash Flow Statement, as of march 31, 2018 and march 31, 2017

	31-03-2018 Ch \$	31-03-2017 Ch \$
Total cash flows for the period		
Cash flows from operating activities:		
Net income (loss) for the period	559.126.609	375.942.968
Charges (credits) to income not representing cash flows :		
Depreciation		16.847.295
Others		(1.300.947)
Decreases (increases) in assets affecting cash flows:		
Stock Of Traded Goods	(141.539.203)	(186.362.050)
Work in process	15.941.549	9.462.967
Sales Tax Receivables	(34.419.332)	-
Other current assets	(12.124.834)	-
Accounts Receivables - Decco Intergroup	(34.163.451)	-
Debtors – Others	182.500.815	(150.258.384)
Accounts Receivable Trade - Bad Debt	(475.425.042)	(133.891.678)
(Decreases) increases in liabilities affecting cash flows:		
Accruals Liabilities	40.410.860	7.153.581
Sales Tax Payable	(16.674.225)	16.539.169
Provision for Income Tax	13.270.190	37.096.532
Sundry Creditors – General	26.754.884	72.253.487
Sundry Creditors - Decco Intergroup	96.145.134	50.244.963
Accounts Payable Accounts Payable Detail	66.813.014	60.933.980
Total net positive (negative) cash flow from operating activities	286.616.968	174.661.883
Cash flows from financing activities:		
Sundry Creditors - Decco Intergroup	(121.150.941)	-
Total net positive (negative) cash flow from financing activities	(121.150.941)	-
Cash flows from investment activities:		
Acquisition of fixed assets	(111.576.840)	(12.818.328)
Guarantee Rent	-	-
Total net positive (negative) cash flow from investment activities	(111.576.840)	(12.818.328)
Net total positive (negative) cash flow for the year	53.889.187	161.843.555
Opening balance of cash and cash equivalents	332.493.887	170.650.332
Closing balance of cash and cash equivalents	386.383.074	332.493.887

The enclosed notes number 1 to 13 form an integral part of these financial statements

Notes to the Financial Statements as of march 31, 2018 and march 31, 2017

Note 1. Constitution and purpose of the Company

Decco Chile S.p.A. was established as a closed corporation by public instrument of May 18, 2011, granted by Notary of Santiago Mr. Cosme Gomila Gatica and registered in the Register of Commerce of the Santiago under the Number 22,895 in 2011.

The purpose of the Company is provide solutions to help and maintain the quality of fresh fruits and vegetables, allowing them to make it to market in good condition through innovative and cost effective products.

Note 2. Accounting principles applied

a) General

The following financial statements have been prepared in accordance with accounting principles generally accepted in Chile.

b) Accounting period

The following financial statements correspond to the period between April 1 2017 and March 31, 2018 and April 1, 2016 and March 31, 2017.

c) Price-level restatements

The financial statements have not been updated by the rules of restatement to reflect the effects of changes in the currency's purchasing power that occurred during the period because Chile is a country with low inflation.

The variation of the consumer price index (CPI) was of 1,80 % for the year 2017 and 2.7% for the year 2016.

d) Basis of translation

Assets and liabilities in dollars are valued to the Corporate Rates currency. The exchange rate as of March 31, 2018 is \$603,39 and \$664,23 for March 31, 2017 per dollar.

e) Fixed assets

The fixed assets are valued at acquisition cost less the accumulated amortizations of the period.

f) Inventory

This item includes those items of inventory within the company's normal business which the company estimates have a rotation of less than one year.

Inventory is valued at acquisition cost, determined in accordance with Chilean tax law. Locally-purchased inventory is valued at its highest cost during the year, and imported products at the latest import price. Inventory is presented net of a provision for obsolete inventory. These values do not exceed the estimated net realizable value.

g) Income and deferred taxes

The company records income taxes based on net taxable income determined in accordance with standards established by the on Income Tax Law.

Deferred taxes for accounting purposes, consider all temporary differences and other events that create differences between the accounting and tax base of assets and liabilities, according to the standards established in Technical Bulletin N° 60 and complementary to the Chilean Association of Accountants.

The Company made no provision because the temporary differences are not significant.

h) Statement of cash flow

For purposes of preparing the statement of cash flows, according to what is stated in Technical Bulletin N° 50 of the Chilean Association of Accountants, the Company has considered the cash and cash equivalents and investments.

Note 3. Accounting Changes

During the years 2018 and 2017 there were no changes in the implementation of major accounting principles in relation to the previous year.

Note 4. Fixed Assets

Fixed assets correspond to Vehicles and Technology Equipment, which are shown at their acquisition cost. Depreciation is calculated using the straight-line method based on the remaining useful lives of the individual asset.

The net balance at March 31, 2018 it was of Ch\$160.463.716 and the net balance at March 31, 2017 it is of Ch \$48.886.876.

At March 31, 2018 are included in Computers and Equipment delivered under a through a bailment contract, for an amount of \$36.921.862

The charge for depreciation for the period April, 1 2017 to March, 31 2018 amounted to Ch\$24.021.573 and is presented as Other Expenses in the Profit & Loss Statements.

Note 5. Stock of traded goods

The net balance at March 31, 2018 it is of Ch\$ 627.545.706 and the net balance at March 31, 2017 it was of Ch\$486.006.503.

The composition of inventories as of March 31, 2018 is as follows:

Stock of traded goods	Amount Ch\$
Stock of traded goods	340.137.712
Expired goods	15.941.134
Imported goods to be received	148.397.737
Equipments	123.069.123
Total Stock of traded goods	627.545.706

Note 6. Balances and Transactions with the group companies

1. Names of related parties where control exists irrespective of whether transactions have occurred or not

Ultimate Holding Company	UPL Ltd.
Holding Company of Parent Company	Decco WW Post-Harvest holding B.V.
Parent Company	2280 Decco WW Post-Harvest holding B.V.

2. Names of other related parties with whom transactions have taken place during the year

Fellow Subsidiaries	
Decco Italia srl	2800
Decco Iberica Post Cosecha SAU	2580
Decco Us Post-Harvest, Inc.	3300
Decco WW Post-Harvest Holding B.V.	2280
Decco Jifkins Mexico SAPI de SV	5050
UPL Argentina SA	5630
UPL do Brasil Ind e Com de Insumos Agropec SA	5190
UPL Costa Rica	5300
UPL Colombia SAS	5700

3. At march 31, 2018 and march 31, 2017, the Company had receivables from and payables due to various entities controlled by the Parents as follows:

Receivables to affiliates Related parties	March, 31 2018 Ch\$	March, 31 2017 Ch\$
UPL Costa Rica	5.284.499	-
UPL do Brasil Ind e Com de Insumos Agropec SA	3.813.849	-
UPL Argentina SA	7.117.387	-
Decco Italia SRL	6.608.993	-
Decco Iberica Post Cosecha SAU	6.804.354	-
Decco Jifkins Mexico SAPI de SV	4.534.369	-
Total receivables to affiliates	34.163.451	-

**Payables to affiliates
Related parties**

Decco US Post-Harvest Inc.	210.965.059	168.164.012
Decco WW Post Harvest Holding B.V.	49.866.443	41.283.258
Decco Iberica Postcosecha, S.A.U.	29.756.030	15.941.549
Total payables to affiliates	290.587.532	225.388.819

**Loan from affiliates (Non-current):
Related parties**

Decco WW Post Harvest Holding B.V. (long term)	241.911.080	332.115.600
Total payables to affiliates (non-current)	241.911.080	332.115.600

4. The following are the details of the transactions entered by the Company for the year ended March 31, 2018 and 2017:

	Nature of transactions	Name of related party	March, 31 2018 Ch\$	March, 31 2017 Ch\$
1	Purchases			
	Purchases	Decco Iberica Post Cosecha SAU	55.046.030	33.639.326
	Purchases	Decco US Post-Harvest, Inc.	437.806.860	298.973.058
2	Interest expenses	Decco WW Post Harvest Holding B.V	17.234.539	12.650.091
3	Loan taken	Decco WW Post Harvest Holding B.V	-	664.231.200
		Decco US Post-Harvest, Inc.	604.777.700	
4	Management Fees	Decco WW Post Harvest Holding B.V	50.942.164	39.853.872
5	Sales – Decco Int			
	Sales Decco Intercompany		March, 31 2018 Ch\$	March, 31 2017 Ch\$
	2580 Decco Iberica Post Cosecha SAU		6.576.770	-
	2800 Decco Italia SRL		5.818.356	-
	5050 Decco Jifkins Mexico SAPI de SV		20.082.285	-
	5190 UPL do Brasil Ind e Com de Insumos Agropec SA		3.186.520	-
	5300 UPL Costa Rica SA		4.409.363	-
	5630 UPL Argentina SA		6.436.638	-
	5700 UPL Colombia SAS		3.196.270	-
	Total sales Decco Intercompany		49.706.202	-

Note 7. Income tax

Particular	March, 31 2018		March, 31 2017	
	Amount Ch\$	%	Amount Ch\$	%
Statutory / Fiscal / Federal Tax rate	222.106.480	25,50%	81.569.586	24,00%
Add / (Less)				
Provisional monthly tax payments	-	-	-	-
Expenses Not accepted for tax	-	40,00%	-	35,00%
Effective Tax rate	222.106.480	25,50%	81.569.586	24,00%

The charge to income for income taxes at March 31, 2018 is broken down as follows:

	Ch\$
The income tax provision on result from January to December 2017	
Ch\$\$ 845.112.857 * 25,5 % = \$ 215.503.779	215.503.779
Additional taxes	6.602.701
Total	222.106.480

The charge to income for income taxes at March 31, 2017 is broken down as follows:

	Ch\$
The income tax provision on result from January to December 2016	
Ch\$\$ 332.257.287 * 24 % = \$ 79.741.749	80.000.000
The income tax provision on costs not accepted, year 2016	
Ch\$\$ 6.083 * 35% = \$ 2.129	2.129
Difference by greater expenditure of the income tax year 2014, by evil forms issued	1.567.457
Total	81.569.586

Tax Reform in Chile

On September 29, 2014, was published in the Official Gazette Law No. 20,780 titled "Tax Reform amending the income tax system and presents various adjustments in the tax system."

Among the main changes, the Act adds a new semi integrated taxation system, which can be used as an alternative to attributed income system. Taxpayers are free to choose either to pay their taxes. In the case of Decco Chile S.p.A. and by general rule, the semi integrated taxation system is applied. Such decision may probably change in a future Assembly of Members by choosing the attributed income system.

The semi integrated system establishes the progressive increase in the First Category Income Tax for business years 2014, 2015, 2016, 2017 and 2018 onwards, increasing it to 21%, 22.5%, 24%, 25.5% and 27%, respectively.

Note 8. Shareholder's equity

a) The movement of the shareholder's during the financial period is presented as follows:

	Paid-in Capital	Income (Loss) accumulated	Total
	Ch\$	Ch\$	Ch\$
Initial contribution at of April 01, 2017	1.000.000	583.700.196	584.700.196
(Loss) income for the period		559.126.609	559.126.609
Balance at of March 31, 2018	1.000.000	1.142.826.805	1.143.826.805

b) Creation of the company and initial contribution:

By public deed dated May 18, 2011, granted by Notary of Santiago of Mr. Cosme Gomila Gatica is constituted the closed corporation "Decco Chile SpA".

The initial capital of the company is CH\$1.000.000 divided in one thousand nominative actions, of same serial, without nominal value, which up to date they are completely subscribed and paid.

c) Participation in the property of the society to March 31, 2018 and 2017:

Shareholders	Number of Shares Subscribed	Capital Subscribed Ch\$	Capital Paid Ch\$
Decco Worldwide Post Harvest Holding B.V	1.000	1.000.000	1.000.000
	1.000	1.000.000	1.000.000

Note 9. Staff

At March 31, 2018 and 2017 Decco Chile SpA features 10 persons (8 in 2017):

Post office	2018 Quantity	2017 Quantity
General Manager	1	1
Deputy general manager	1	1
Head of administration and finance	1	1
Foreign trade staff	1	1
Warehouse staff	1	1
Commercial and Technical staff	3	2
Equipment Development and Manufacturing staff	2	1

In addition, Decco Chile S.p.A. has an independent contractor with the permanent and monthly fees.

Note 10. Audit Fees

Audit fee for the period 2018 it is of Ch\$ 5.115.503, and for the period 2017 it was of Ch\$ 3.177.451.

Note 11. Contingencies and commitments

The Company has no contingencies and commitments that affect the financial statements as of March 31, 2018.

Note 12. Subsequent Events

Up to the date of preparation of the present financial statements, Decco Chile S.p.A. doesn't has financial facts that have been produced, or of other aspects that significantly affecting the balances or interpretation of these financial statements.

Note 13. Environment

By the nature of Decco Chile S.p.A. is not affected by expenses for improvement and / or investment of process and any other concept regarding verification and enforcement of ordinances and laws related to industrial processes and facilities which may affect directly or indirectly to environmental protection.