



EARNINGS RELEASE

12M19 - 4Q19

January 01, 2019 – December 31, 2019

SONDA S.A. and subsidiaries report their consolidated financial results for the period from January 01 to December 31, 2019. All figures are expressed in Chilean pesos and have been prepared under International Financial Reporting Standards (IFRS). Translations to US dollars stated in this report are based on the month-end exchange rate as of December 31, 2019 (1 US\$ = 748.74 Chilean Pesos).

EXECUTIVE SUMMARY

SUMMARY: 12M19 - 4Q19

- **CONSOLIDATED REVENUES**
US\$1,130.6 million

- **OPERATING INCOME**
US\$71.4 million

- **EBITDA**
US\$124.5 million

- **NET INCOME**
US\$30.9 million

- **EBITDA MARGIN**
11.0%

- **NET MARGIN**
2.7%

SONDA totaled consolidated revenues of \$846,550 million (US\$1,130.6 million) in 2019. Operating Income reached \$53,469 million (US\$71.4 million) and EBITDA registered \$93,197 million (US\$124.5 million). Net Income attributable to owners totaled \$23,107 million (US\$30.9 million).

In constant currency, revenues increased by 4.5% and EBITDA increased by 1.1%.

Results by region:

| Region | Revenues | | EBITDA | |
|--------|----------|--------|--------|--------|
| | Ch\$M | ΔY/Y | Ch\$M | ΔY/Y |
| Chile | 386,664 | 5.0% | 52,473 | -3.9% |
| Brazil | 259,263 | 13.4% | 19,446 | 39.6% |
| Mexico | 45,073 | -32.4% | 2,599 | -52.4% |
| OPLA | 155,551 | 14.0% | 18,679 | 7.9% |
| Total | 846,550 | 5.8% | 93,197 | 2.1% |

Current ratio was 1.9x, Financial Leverage ratio was 0.6x and Financial Expenses Coverage ratio was 5.2x, reflecting a solid financial position.

Highlights:

- Operations outside Chile totaled revenues of \$459,886 million (US\$614.2 million), which represents 54.3% of the consolidated revenues, and EBITDA of \$40,724 million (US\$54.4 million). In constant currency, revenues and EBITDA grew (YoY) 6.8% and 9.6% respectively.
- In Brazil, in constant currency, revenues increased 11.6% (YoY) and EBITDA increased 35.5% (YoY). Revenues in reporting currency reached \$259,263 million (US\$346.3 million), increasing 13.4% (YoY) and EBITDA reached \$19,446 million (US\$26.0 million), increasing by 39.6% (YoY).
- In Mexico, in constant currency, revenues decreased by 38.5% (YoY) and EBITDA by 56.2% (YoY). Revenues in reporting currency reached \$45,073 million (US\$60.2 million), decreasing by 32.4% (YoY) and EBITDA totaled \$2,599 million (US\$3.5 million), lower by 52.4% (YoY).
- In OPLA, in constant currency, revenues increased by 20.7% (YoY) and EBITDA increased by 9.5% (YoY). Revenues in reporting currency was \$155,551 million (US\$207.7 million), growing by 14.0% (YoY), and EBITDA \$18,679 million (US\$24.9 million), higher by 7.9% (YoY).
- In Chile, in constant currency, revenues increased 1.8% (YoY) and EBITDA decreased 4.5% (YoY). In reporting currency, revenues increased by 5.0% (YoY), totaling \$386,664 million (US\$516.4 million) and EBITDA was slightly lower, decreasing 3.9% (YoY), reaching \$52,473 million (US\$70.1 million).
- Net income attributable to the owners was higher by \$12,421 million (US\$16.6 million) compared to 2018. This result includes an extraordinary effect due the sale of the interest in Transacciones Electronicas Dos S.A. for US\$34.5 million after tax. Also, the net income includes negative foreign exchange effect in the determination of taxes by US\$15.0 million.
- In 2019, deals closed totaled US\$1,387.3 million, higher by 11.0% YoY. At regional level, Brazil contributed with 37.6% of business closed. We highlight the growth in Chile and Brazil, which grew 34.4% and 10.8% respectively (YoY).
- Pipeline of new opportunities amounted US\$3,738.1 million as of December 31, 2019. Of these, Brazil contributed with US\$1,980.1 million.

Figure 1 – Consolidated Financial Statement

| Millions of Ch\$ (Ch\$M) | | | | |
|---|----------------|------------------|----------------|---------------|
| Income Statement | dec-18 | dec-19 | Δ \$ | Δ % |
| Revenues | 800,142 | 846,550 | 46,409 | 5.8% |
| Cost of Sales | -659,449 | -703,613 | -44,164 | 6.7% |
| GROSS PROFIT | 140,693 | 142,938 | 2,245 | 1.6% |
| Administration Expenses | -84,941 | -89,468 | -4,527 | 5.3% |
| OPERATING INCOME ⁽¹⁾ | 55,752 | 53,469 | -2,283 | -4.1% |
| Depreciation and Amortization | 35,538 | 39,728 | 4,189 | 11.8% |
| EBITDA ⁽²⁾ | 91,290 | 93,197 | 1,907 | 2.1% |
| Other Income | 1,885 | 36,875 | 34,990 | - |
| Other Expenses | -10,263 | -14,430 | -4,167 | 40.6% |
| PROFIT (LOSS) FROM OPERATING ACTIVITIES | 47,374 | 75,914 | 28,540 | 60.2% |
| Financial Income | 8,146 | 7,390 | -757 | -9.3% |
| Financial Expenses | -14,157 | -17,852 | -3,695 | 26.1% |
| Share of Profit (Loss) of Associates | 158 | 984 | 826 | 523.3% |
| Foreign Exchange Differences | 452 | -1,085 | -1,537 | -340.0% |
| Income (Loss) for Indexed Assets and Liabilities | -2,142 | -5,063 | -2,920 | 136.3% |
| NET INCOME BEFORE TAXES | 39,831 | 60,288 | 20,457 | 51.4% |
| Income Tax Expense | -28,713 | -35,808 | -7,095 | 24.7% |
| NET INCOME FROM CONTINUING OPERATIONS | 11,118 | 24,480 | 13,362 | 120.2% |
| Net Income Attributable to Minority Interest | 432 | 1,373 | 941 | 217.6% |
| NET INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY | 10,685 | 23,107 | 12,421 | 116.2% |
| Balance Sheet | dec-18 | dec-19 | Δ \$ | Δ % |
| Cash and Cash Equivalents | 49,393 | 138,739 | 89,347 | 180.9% |
| Other Current Financial Assets | 16,078 | 19,345 | 3,267 | 20.3% |
| Trade Accounts Receivable and Other Receivables, Net | 240,001 | 279,005 | 39,004 | 16.3% |
| Accounts Receivable from Related Companies | 764 | 1,710 | 946 | 123.8% |
| Inventories | 54,685 | 40,619 | -14,066 | -25.7% |
| Other Current Assets | 52,148 | 46,320 | -5,828 | -11.2% |
| CURRENT ASSETS | 413,069 | 525,738 | 112,669 | 27.3% |
| Intangibles Assets and Goodwill | 249,061 | 266,325 | 17,264 | 6.9% |
| Property, Plant and Equipment, Net | 122,792 | 165,947 | 43,155 | 35.1% |
| Other Non-currents Assets | 112,846 | 136,563 | 23,717 | 21.0% |
| NON-CURRENT ASSETS | 484,699 | 568,835 | 84,136 | 17.4% |
| ASSETS | 897,768 | 1,094,573 | 196,805 | 21.9% |
| Other Current Financial Liabilities | 113,290 | 89,273 | -24,018 | -21.2% |
| Other Liabilities | 175,910 | 185,243 | 9,333 | 5.3% |
| CURRENT LIABILITIES | 289,201 | 274,516 | -14,685 | -5.1% |
| Other Non-current Financial Liabilities | 70,080 | 228,367 | 158,287 | 225.9% |
| Other Liabilities, Non-Current | 39,660 | 56,762 | 17,102 | 43.1% |
| NON-CURRENT LIABILITIES | 109,740 | 285,129 | 175,389 | 159.8% |
| LIABILITIES | 398,941 | 559,645 | 160,704 | 40.3% |
| Minority Interest | 4,039 | 2,772 | -1,267 | -31.4% |
| TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | 494,788 | 532,156 | 37,368 | 7.6% |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 897,768 | 1,094,573 | 196,805 | 21.9% |

⁽¹⁾ Operating Income = Gross Profit – Administration Expenses

⁽²⁾ EBITDA = Operating Income + Depreciation and Amortization

MANAGEMENT DISCUSSION AND ANALYSIS ON 2019 CONSOLIDATED RESULTS

I. Consolidated Results for 2019

Revenues

Consolidated Revenues reached \$846,550 million (US\$1,130.6 million) in the period, higher by 5.8% (\$46,409 million / US\$62.0 million) compared to 2018. In constant currency, revenues grew 4.5% YoY.

The main differences are the following:

- Revenues from Platforms increased 12.0% (+\$41,545 million / +US\$55.5 million) YoY, reaching \$387,455 million (US\$517.5 million) in 2019, mainly due to Chile and Brazil associated to infrastructure required by services contracts. In constant currency, the increase was 9.5% (\$32,752 million / US\$43.7 million) YoY.
- Revenues from IT Services decreased 2.0% (-\$7,741 million / -US\$10.3 million) YoY, reaching \$372,957 million (US\$498.1 million) in 2019. In constant currency, the decrease was 2.2% (-\$8,504 million / -US\$11.4 million) YoY.
- Revenues from Applications increased 17.1% (+\$12,604 million / +US\$16.8 million) YoY, reaching \$86,138 million (US\$115.0 million) in 2019, mainly attributable Chile and Brazil. In constant currency, the increase was 15.7% (+\$11,560 million / US\$15.4 million) YoY.

In 2019, the revenues breakdown by business was 45.6% Platforms, 44.1% IT Services, and 10.3% Applications.

Figure 2 – Consolidated Revenues by Business Line

| | dec-18 Ch\$M | dec-19 Ch\$M | Δ \$ | Δ % | dec-19A Ch\$M | Δ \$ (a/a) | Δ % (a/a) |
|---|-----------------|-----------------|---------------|-------------|------------------|---------------|-------------|
| CONSOLIDATED REVENUES BY BUSINESS LINE | | | | | | | |
| Platforms | 345,910 | 387,455 | 41,545 | 12.0% | 378,662 | 32,752 | 9.5% |
| IT Services | 380,698 | 372,957 | -7,741 | -2.0% | 372,194 | -8,504 | -2.2% |
| Applications | 73,534 | 86,138 | 12,604 | 17.1% | 85,094 | 11,560 | 15.7% |
| Total | 800,142 | 846,550 | 46,408 | 5.8% | 835,950 | 35,808 | 4.5% |
| Breakdown | | | | | | | |
| Platforms | 43.3% | 45.6% | | | 45.3% | | |
| IT Services | 47.6% | 44.1% | | | 44.5% | | |
| Applications | 9.1% | 10.3% | | | 10.2% | | |
| Total | 100% | 100% | | | 100% | | |

Note: Dec-19A corresponds to revenues for the period 2019 in constant currency.

Cost of Sales and Selling, General and Administrative Expenses

Cost of sales amounted \$703,613 million (US\$939.7 million) in 2019, registering an increase of 6.7% (YoY), in line with revenues growth.

Administration expenses totaled \$89,468 million (US\$119.5 million) in 2019, 5.3% higher (YoY), originated mainly in Brazil and partially associated to the acquisition of M2M Solutions in January, 2019.

Figure 3 – Income Statement

| | dec-18 Ch\$M | dec-19 Ch\$M | Δ \$ | Δ % | dec-19A Ch\$M | Δ \$ (a/a) | Δ % (a/a) |
|---|-----------------|-----------------|---------------|---------------|------------------|---------------|--------------|
| SUMMARY OF CONSOLIDATED INCOME STATEMENT | | | | | | | |
| Revenues | 800,142 | 846,550 | 46,409 | 5.8% | 835,950 | 35,808 | 4.5% |
| Cost of Sales | -659,449 | -703,613 | -44,164 | 6.7% | -694,591 | -35,142 | 5.3% |
| GROSS PROFIT | 140,693 | 142,938 | 2,245 | 1.6% | 141,360 | 666 | 0.5% |
| Administration Expenses | -84,941 | -89,468 | -4,527 | 5.3% | -88,148 | -3,207 | 3.8% |
| OPERATING INCOME ⁽¹⁾ | 55,752 | 53,469 | -2,283 | -4.1% | 53,212 | -2,540 | -4.6% |
| EBITDA ⁽²⁾ | 91,290 | 93,197 | 1,907 | 2.1% | 92,337 | 1,047 | 1.1% |
| NET INCOME ATTRIBUTABLE TO OWNERS | 10,685 | 23,107 | 12,421 | 116.2% | 20,124 | 9,439 | 88.3% |
| Financial Ratios | | | | | | | |
| Gross Margin | 17.6% | 16.9% | | | 16.9% | | |
| Operating Margin | 7.0% | 6.3% | | | 6.4% | | |
| EBITDA Margin | 11.4% | 11.0% | | | 11.0% | | |
| Net Margin | 1.3% | 2.7% | | | 2.4% | | |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Note: Dec-19A corresponds to revenues for the period 2019 in constant currency.

Operating Income and EBITDA

Operating Income reached \$53,469 million (US\$71.4 million), lower by 4.1% (YoY). Gross Margin reached 16.9%, 70bp lower (YoY) and Operating Margin reached 6.3%, lower by 70bp compared to 2018. In constant currency the Operating Income was lower by 4.6% (YoY).

EBITDA totaled \$93,197 million (US\$124.5 million) in 2019, growing by 2.1% (YoY). In constant currency, EBITDA increased by 1.1% (YoY).

The EBITDA Margin reached 11.0%, lower by 40bp (YoY).

Other Comprehensive Income / Losses (Excluding Administration Expenses)

In 2019, Total Other comprehensive income / losses, excluding Administration expenses, registered an income of \$6,819 million (US\$9.1 millions), compared to the loss of \$15,921 million (US\$21.3 million) registered in 2018. The main variations were higher Other Income (\$34,990 million / US\$46.7 million) explained by the sale of the interest in Transacciones Electronicas Dos S.A (US\$45.3 million), an increase in Other Expenses by Function (\$4,167 million / US\$5.6 million), higher Net Financial Costs (\$4,452 million / US\$5.9 million) and a negative effect on Income (Loss) for Indexed Assets and Liabilities (\$2,920 million / US\$3.9 million).

Net Income

The Net Income attributable to the Parent Company was \$23,107 million (US\$30.9 million) in 2019, increasing by 116.2% (\$12,421 million / US\$16.6 million) (YoY), influenced by the sale of the interest in Transacciones Electronicas Dos S.A. for US\$34.5 million after taxes.

Additionally, there was a negative foreign exchange effect in the determination of taxes by US\$15.0 million during 2019.

II. Consolidated Results for the 4Q2019

Revenues

Consolidated revenues totaled \$237,638 million (US\$317.4 million) in 4Q19, 3.4% higher than in 4Q18 (\$229,736 million / US\$306.8 million).

The main differences are the following:

- Increase of 7.3% (+\$7,951 million / +US\$10.6 million) (YoY) in revenues from the Platforms Business, totaling \$116,291 million (US\$155.3 million), due to Chile, Brazil and OPLA. In constant currency, the increase was 4.5% (+\$4,880 million / +US\$6.5 million).
- Increase of 1.6% (+\$1,576 million / +US\$2.1 million) (YoY) in the IT Services Business, reaching \$100,897 million (US\$134.8 million), due mainly to Chile, Brazil and OPLA. In constant currency, the increase was 0.1%.
- Decrease of 7.4% (-\$1,627 million / -US\$2.2 million) (YoY) in the Applications Business, reaching \$20,450 million (US\$27.3 million), explained by a decrease in Chile. In constant currency, the decrease was 10.1% (-\$2,220 million / -US\$ 3.0 million).

The revenue breakdown by business line was 48.9% Platforms, 42.5% IT Services and 8.6% Applications.

Figure 4 – Consolidated Revenues
by Business Line

| | 4Q18 Ch\$M | 4Q19 Ch\$M | Δ \$ | Δ % | 4Q19A Ch\$M | Δ \$ (a/a) | Δ % (a/a) |
|---|----------------|----------------|--------------|-------------|----------------|--------------|-------------|
| CONSOLIDATED REVENUES BY BUSINESS LINE | | | | | | | |
| Platforms | 108,340 | 116,291 | 7,951 | 7.3% | 113,219 | 4,880 | 4.5% |
| IT Services | 99,320 | 100,897 | 1,576 | 1.6% | 99,429 | 109 | 0.1% |
| Applications | 22,076 | 20,450 | -1,627 | -7.4% | 19,856 | -2,220 | -10.1% |
| Total | 229,736 | 237,638 | 7,901 | 3.4% | 232,504 | 2,768 | 1.2% |
| Breakdown | | | | | | | |
| Platforms | 47.2% | 48.9% | | | 48.7% | | |
| IT Services | 43.2% | 42.5% | | | 42.8% | | |
| Applications | 9.6% | 8.6% | | | 8.5% | | |
| Total | 100% | 100% | | | 100% | | |

Note: 4Q19A corresponds to revenues for the period 2019 in constant currency.

Cost of Sales and Selling, General and Administrative Expenses

Cost of sales amounted \$196,528 million (US\$262.5 million) in the 4Q of 2019, increasing by 5.6% (YoY).

Administration expenses were \$24,134 million (US\$32.2 million) in the 4Q19, 4.35 higher (YoY).

Figure 5 – Income Statement

| | 4Q18 | 4Q19 | Δ \$ | Δ % | 4Q19A | Δ \$ (t/t) | Δ % (t/t) |
|---|---------------|---------------|---------------|----------------|---------------|---------------|----------------|
| SUMMARY OF CONSOLIDATED INCOME STATEMENT | | | | | | | |
| Revenues | 229,736 | 237,638 | 7,901 | 3.4% | 232,504 | 2,768 | 1.2% |
| Cost of Sales | -186,022 | -196,528 | -10,506 | 5.6% | -192,207 | -6,185 | 3.3% |
| GROSS PROFIT | 43,714 | 41,110 | -2,604 | -6.0% | 40,298 | -3,417 | -7.8% |
| Administration Expenses | -23,147 | -24,134 | -987 | 4.3% | -23,488 | -341 | 1.5% |
| OPERATING INCOME ⁽¹⁾ | 20,567 | 16,976 | -3,591 | -17.5% | 16,810 | -3,758 | -18.3% |
| EBITDA ⁽²⁾ | 28,911 | 27,254 | -1,656 | -5.7% | 26,811 | -2,100 | -7.3% |
| NET INCOME ATTRIBUTABLE TO OWNERS | 3,747 | -84 | -3,832 | -102.2% | -712 | -4,459 | -119.0% |
| Financial Ratios | | | | | | | |
| Gross Margin | 19.0% | 17.3% | | | 17.3% | | |
| Operating Margin | 9.0% | 7.1% | | | 7.2% | | |
| EBITDA Margin | 12.6% | 11.5% | | | 11.5% | | |
| Net Margin | 1.6% | 0.0% | | | -0.3% | | |

Note: 4Q19A corresponds to results for the period 2019 in constant currency.

Operating Income and EBITDA

Operating Income reached \$16,976 million (US\$22.7 million), lower by 17.5% (YoY). Gross Margin was 17.3%, 170 bp lower (YoY), and Operating Margin was 7.1%, lower by 180 bp (YoY). In constant currency, the Operating Income was 18.3% lower.

EBITDA totaled \$27,254 million (US\$36.4 million), decreasing 5.7% compared to the fourth quarter of 2018. In constant currency, EBITDA decreased by 7.3% (YoY).

The EBITDA Margin reached 11.5%, 110bp lower compared to the previous year.

Other Comprehensive Income / Losses (Excluding Administration Expenses)

Other comprehensive income/losses¹, excluding Administration expenses registered a loss of \$7,110 million (US\$9.5 million) in the fourth quarter of 2019, compared to the loss of \$5,455 million (US\$7.3 million) in the same period of 2018. The main variations were higher Other expenses (\$1,199 million / US\$1.6 million), higher losses for Indexed Assets and liabilities (\$1,395 million / US\$1.9 million) net of positive foreign exchange effect (\$1,578 million / US\$2.1 million).

Net Income

Net Income attributable to the owners of the company amounted -\$84 million (US\$0.1 million), 102.2% lower than in the 4Q2018.

Additionally, there was a negative foreign exchange effect in the determination of taxes by US\$5.7 million in the 4Q2019. In the same period of the previous year, the negative foreign exchange effect totaled US\$9.2 million.

¹ Other Comprehensive Income/Losses = Financial Income + Financial Expenses + Share of Profit (Loss) of Associates + Foreign Exchange Differences + Income (Loss) for Indexed Assets and Liabilities + Other Income + Other Expenses.

Regional Results for 2019

Chile

Main changes between 2019 and 2018 are described below:

- Revenues totaled \$386,664 million (US\$516.4 million), showing an increase of 5.0% (YoY). In constant currency, revenues increased 1.8% (YoY). The increase is explained by the Platforms business (+9.3%, in constant currency +4.1%).
- Operating Income totaled \$37,660 million (US\$50.3 million / -11.1% YoY) and EBITDA totaled \$52,473 million (US\$70.1 million / -3.9% YoY). In constant currency, Operating Income and EBITDA were 11.1% and 4.5% respectively lower than in 2018.
- Operating Margin reached 9.7% and EBITDA Margin reached 13.6%, lower by 170bp and 120bp, respectively, compared to 2018.

Figure 6 – Business in Chile
12M18 – 12M19

| | dec-18 Ch\$M | dec-19 Ch\$M | Δ \$ | Δ % | dec-19A Ch\$M | Δ \$ (a/a) | Δ % (a/a) |
|---------------------------------|-----------------|-----------------|---------|--------|------------------|------------|-----------|
| SUMMARY OF RESULTS CHILE | | | | | | | |
| REVENUES | 368,365 | 386,664 | 18,299 | 5.0% | 375,019 | 6,653 | 1.8% |
| Platforms | 217,307 | 237,483 | 20,176 | 9.3% | 226,265 | 8,958 | 4.1% |
| IT Services | 107,610 | 99,002 | -8,607 | -8.0% | 98,574 | -9,035 | -8.4% |
| Applications | 43,449 | 50,179 | 6,730 | 15.5% | 50,179 | 6,730 | 15.5% |
| Cost of Sales | -283,535 | -304,346 | -20,812 | 7.3% | -293,653 | -10,118 | 3.6% |
| GROSS PROFIT | 84,830 | 82,318 | -2,513 | -3.0% | 81,366 | -3,465 | -4.1% |
| Administration Expenses | -42,780 | -44,658 | -1,878 | 4.4% | -43,966 | -1,186 | 2.8% |
| OPERATING INCOME ⁽¹⁾ | 42,050 | 37,660 | -4,391 | -10.4% | 37,399 | -4,651 | -11.1% |
| EBITDA ⁽²⁾ | 54,584 | 52,473 | -2,110 | -3.9% | 52,117 | -2,466 | -4.5% |
| Operating Margin | 11.4% | 9.7% | | | 10.0% | | |
| EBITDA Margin | 14.8% | 13.6% | | | 13.9% | | |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Note: Dec-19A corresponds to results for the period 2019 in constant currency.

Main changes between 4Q19 and 4Q18 are described below:

- Revenues totaled \$109,641 million (US\$146.4 million), showing an increase of 1.6% (YoY). In constant currency, revenues were lower by 1.9%. The increase is explained by higher revenues in Platforms (+9.0%, in constant currency +3.6%) and IT Services (+1.2%, in constant currency +0.5%) (YoY).
- Operating Income totaled \$11,789 million (US\$15.7 million / -17.0% YoY) and EBITDA totaled \$15,535 million (US\$20.7 million / -7.8% YoY).
- Operating Margin reached 10.8% and EBITDA Margin was 14.2%, 240bp and 140bp lower (YoY), respectively.

Figure 7 – Business in Chile
4Q18 – 4Q19

| | 4Q18 Ch\$M | 4Q19 Ch\$M | Δ \$ | Δ % | 4Q19A Ch\$M | Δ \$ (t/t) 0 | Δ % (t/t) 0 |
|---------------------------------|---------------|---------------|--------|--------|----------------|-----------------|----------------|
| SUMMARY OF RESULTS CHILE | | | | | | | |
| REVENUES | 107,939 | 109,641 | 1,702 | 1.6% | 105,900 | -2,039 | -1.9% |
| Platforms | 66,155 | 72,121 | 5,967 | 9.0% | 68,564 | 2,409 | 3.6% |
| IT Services | 26,898 | 27,223 | 326 | 1.2% | 27,040 | 142 | 0.5% |
| Applications | 14,887 | 10,297 | -4,590 | -30.8% | 10,297 | -4,590 | -30.8% |
| Cost of Sales | -81,845 | -87,394 | -5,548 | 6.8% | -84,025 | -2,180 | 2.7% |
| GROSS PROFIT | 26,094 | 22,248 | -3,846 | -14.7% | 21,875 | -4,219 | -16.2% |
| Administration Expenses | -11,885 | -10,459 | 1,425 | -12.0% | -10,266 | 1,618 | -13.6% |
| OPERATING INCOME ⁽¹⁾ | 14,209 | 11,789 | -2,420 | -17.0% | 11,609 | -2,600 | -18.3% |
| EBITDA ⁽²⁾ | 16,846 | 15,535 | -1,312 | -7.8% | 15,325 | -1,521 | -9.0% |
| Operating Margin | 13.2% | 10.8% | | | 11.0% | | |
| EBITDA Margin | 15.6% | 14.2% | | | 14.5% | | |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Note: 4Q19A corresponds to revenues for the period 2019 in constant currency.

Brazil

Main changes between 2019 and 2018 are described below:

- In constant currency, revenues increased 11.6% (YoY), mainly due to higher revenues from Platforms business (+56.7%, in constant currency) associated with service contracts. In reporting currency, revenues totaled \$259,263 million (US\$346.3 million), 13.4% higher than in 2018.
- Operating Income, in constant currency, increased 324.8% and EBITDA was 35.5% higher (YoY). In reporting currency, the Operating Income reached \$2,982 million (US\$4.0 million / +355.5 % YoY) and EBITDA totaled \$19,446 million (US\$26.0 million / +39.6% YoY).
- Operating Margin was 1.2% and EBITDA Margin was 7.5%, higher by 170bp and 140bp than in 2018, respectively.

Figure 8 – Business in Brazil
12M18 – 12M19

| | dec-18 Ch\$M | dec-19 Ch\$M | Δ \$ | Δ % | dec-19A Ch\$M | Δ \$ (a/a) | Δ % (a/a) |
|----------------------------------|-----------------|-----------------|---------|--------|------------------|------------|-----------|
| SUMMARY OF RESULTS BRAZIL | | | | | | | |
| REVENUES | 228,678 | 259,263 | 30,585 | 13.4% | 255,262 | 26,584 | 11.6% |
| Platforms | 46,547 | 74,726 | 28,179 | 60.5% | 72,929 | 26,382 | 56.7% |
| IT Services | 162,293 | 164,805 | 2,512 | 1.5% | 162,809 | 516 | 0.3% |
| Applications | 19,837 | 19,731 | -106 | -0.5% | 19,523 | -314 | -1.6% |
| Cost of Sales | -207,335 | -229,738 | -22,403 | 10.8% | -226,429 | -19,093 | 9.2% |
| GROSS PROFIT | 21,342 | 29,525 | 8,182 | 38.3% | 28,833 | 7,490 | 35.1% |
| Administration Expenses | -22,510 | -26,542 | -4,033 | 17.9% | -26,209 | -3,699 | 16.4% |
| OPERATING INCOME ⁽¹⁾ | -1,167 | 2,982 | 4,150 | 355.5% | 2,624 | 3,791 | 324.8% |
| EBITDA ⁽²⁾ | 13,931 | 19,446 | 5,515 | 39.6% | 18,871 | 4,940 | 35.5% |
| Operating Margin | -0.5% | 1.2% | | | 1.0% | | |
| EBITDA Margin | 6.1% | 7.5% | | | 7.4% | | |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Note: dec-19A corresponds to results for the period 2019 in constant currency.

Main changes between 4Q19 and 4Q18 are described below:

- In reporting currency, revenues reached \$72,660 million (US\$97.0 million), 12.6% higher compared to 4Q18 explained by higher revenues from Platforms (+29.4%), IT Services (+3.6%) and Applications (+35.6%). In constant currency, revenues increased by 9.2%.
- Operating Income in reporting currency grew in \$695 million (US\$0.9 million / +40.4% YoY) and EBITDA was \$6.766 million (US\$9.0 million / +21.0% YoY). In constant currency, Operating Income and EBITDA were 25.9% and 14.5% higher (YoY), respectively.
- Operating Margin was 3.3% and EBITDA Margin reached 9.3%, both higher by 60bp, compared to the fourth quarter of 2018.

Figure 9 – Business in Brazil
4Q18 – 4Q19

| | 4Q18 Ch\$M | 4Q19 Ch\$M | Δ \$ | Δ % | 4Q19A Ch\$M | Δ \$ (t/t) | Δ % (t/t) |
|----------------------------------|---------------|---------------|--------------|--------------|----------------|------------|--------------|
| SUMMARY OF RESULTS BRAZIL | | | | | | | |
| REVENUES | 64,545 | 72,660 | 8,116 | 12.6% | 70,487 | 5,943 | 9.2% |
| Platforms | 17,496 | 22,632 | 5,136 | 29.4% | 21,974 | 4,478 | 25.6% |
| IT Services | 43,027 | 44,575 | 1,548 | 3.6% | 43,212 | 184 | 0.4% |
| Applications | 4,021 | 5,452 | 1,431 | 35.6% | 5,302 | 1,281 | 31.8% |
| Cost of Sales | -56,709 | -62,782 | -6,073 | 10.7% | -61,064 | -4,355 | 7.7% |
| GROSS PROFIT | 7,835 | 9,878 | 2,042 | 26.1% | 9,423 | 1,588 | 20.3% |
| Administration Expenses | -6,116 | -7,464 | -1,347 | 22.0% | -7,259 | -1,143 | 18.7% |
| OPERATING INCOME ⁽¹⁾ | 1,719 | 2,414 | 695 | 40.4% | 2,164 | 445 | 25.9% |
| EBITDA ⁽²⁾ | 5,594 | 6,766 | 1,172 | 21.0% | 6,403 | 809 | 14.5% |
| Operating Margin | 2.7% | 3.3% | | | 3.1% | | |
| EBITDA Margin | 8.7% | 9.3% | | | 9.1% | | |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Note: 4Q19A corresponds to revenues for the period 2019 in constant currency.

Mexico

Main changes between 2019 and 2018 are described below:

- In constant currency, revenues decreased 38.5% (YoY), mainly explained by the Platforms Business (-56.3% in constant currency). Revenues in reporting currency decreased 32.4%, compared to 2018, totaling \$45,073 million (US\$60.2 million).
- Operating Income in reporting currency amounted \$36 million (US\$0.05 million) and EBITDA totaled \$2,599 million (US\$3.5 million), representing a decrease of 99.1% and 52.4% (YoY), respectively due to lower commercial activity. Excluding currency translation effects, Operating Income and EBITDA would have decreased 98.9% and 56.2%, respectively (YoY).
- Operating Margin reached 0.1%, lower in 600bp and EBITDA Margin reached 5.8% lower in 240bp, compared to 2018.

Figure 10 – Business in Mexico
12M18 – 12M19

| | dec-18 Ch\$M | dec-19 Ch\$M | Δ \$ | Δ % | dec-19A Ch\$M | Δ \$ (a/a) | Δ % (a/a) |
|----------------------------------|-----------------|-----------------|---------------|---------------|------------------|---------------|---------------|
| SUMMARY OF RESULTS MEXICO | | | | | | | |
| REVENUES | 66,679 | 45,073 | -21,606 | -32.4% | 41,028 | -25,651 | -38.5% |
| Platforms | 33,458 | 16,114 | -17,344 | -51.8% | 14,626 | -18,831 | -56.3% |
| IT Services | 28,846 | 21,489 | -7,358 | -25.5% | 19,584 | -9,262 | -32.1% |
| Applications | 4,375 | 7,470 | 3,095 | 70.7% | 6,818 | 2,443 | 55.8% |
| Cost of Sales | -56,429 | -40,506 | 15,923 | -28.2% | -36,848 | 19,581 | -34.7% |
| GROSS PROFIT | 10,250 | 4,566 | -5,684 | -55.5% | 4,180 | -6,070 | -59.2% |
| Administration Expenses | -6,172 | -4,531 | 1,641 | -26.6% | -4,135 | 2,036 | -33.0% |
| OPERATING INCOME ⁽¹⁾ | 4,078 | 36 | -4,043 | -99.1% | 45 | -4,033 | -98.9% |
| EBITDA ⁽²⁾ | 5,457 | 2,599 | -2,858 | -52.4% | 2,388 | -3,069 | -56.2% |
| Operating Margin | 6.1% | 0.1% | | | 0.1% | | |
| EBITDA Margin | 8.2% | 5.8% | | | 5.8% | | |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Note: Dec-19A corresponds to results for the period 2019 in constant currency.

Main changes between 4Q19 and 4Q18 are described below:

- In reporting currency, revenues decreased by 43.5% compared to the 4Q18, totaling \$10,329 million (US\$13.8 million). In constant currency, revenues decreased 49.6% (YoY) due to the Platforms and IT Services Businesses.
- In reporting currency, Operating Income registered a loss of \$1,061 million (-US\$1.4 million), 175.5% lower than in 4Q18 and EBITDA totaled -\$377 million (-US\$0.5 million), 121.8% lower than in 4Q18. In constant currency, Operating Income decreased 168.1% and EBITDA decreased 120.3% compared to the fourth quarter of 2018.
- Operating Margin was -10.3% and EBITDA Margin was -3.6%, lower by 1,800bp and 1,310bp, respectively, compared to 4Q18.

Figure 11 – Business in Mexico
4Q18 – 4Q19

| | 4Q18 Ch\$M | 4Q19 Ch\$M | Δ \$ | Δ % | 4Q19A Ch\$M | Δ \$ (t/t) | Δ % (t/t) |
|----------------------------------|---------------|---------------|---------------|----------------|----------------|---------------|----------------|
| SUMMARY OF RESULTS MEXICO | | | | | | | |
| REVENUES | 18,298 | 10,329 | -7,968 | -43.5% | 9,223 | -9,074 | -49.6% |
| Platforms | 9,066 | 2,637 | -6,429 | -70.9% | 2,374 | -6,692 | -73.8% |
| IT Services | 7,669 | 5,690 | -1,979 | -25.8% | 5,106 | -2,564 | -33.4% |
| Applications | 1,562 | 2,002 | 440 | 28.2% | 1,744 | 182 | 11.6% |
| Cost of Sales | -15,548 | -9,622 | 5,926 | -38.1% | -8,601 | 6,946 | -44.7% |
| GROSS PROFIT | 2,750 | 708 | -2,042 | -74.3% | 622 | -2,128 | -77.4% |
| Administration Expenses | -1,344 | -1,769 | -425 | 31.6% | -1,579 | -235 | 17.5% |
| OPERATING INCOME ⁽¹⁾ | 1,406 | -1,061 | -2,467 | -175.5% | -957 | -2,363 | -168.1% |
| EBITDA ⁽²⁾ | 1,726 | -377 | -2,103 | -121.8% | -350 | -2,076 | -120.3% |
| Operating Margin | 7.7% | -10.3% | | | -10.4% | | |
| EBITDA Margin | 9.4% | -3.6% | | | -3.8% | | |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Note: 4Q19A corresponds to revenues for the period 2019 in constant currency.

OPLA (Other Countries in Latin America)

Main changes in OPLA (which includes Argentina, Colombia, Costa Rica, Ecuador, Peru, Panama and Uruguay) between 2019 and 2018 are described below:

- In constant currency, revenues increased 20.7% compared to 2018, mainly explained by the Platforms business (+33.4%) and IT Services (+11.3%). In reporting currency, revenues increased 14.0% YoY, reaching \$155,551 million (US\$ 207.7 million).

- Operating Income in constant currency increased 21.8% (YoY) and EBITDA was 9.5% higher (YoY). In reporting currency, the Operating Income amounted \$12,792 million (US\$17.1 million) and EBITDA \$18,679 million (US\$24.9 million) increasing 18.5% and 7.9% (YoY), respectively.
- Operating and EBITDA Margin reached 8.2% and 12.0%, respectively. The latter represented an increase of 30bp and a decrease of 70bp compared to the previous year, respectively.

Figure 12 – Business in OPLA
12M18 – 12M19

| | dec-18 Ch\$M | dec-19 Ch\$M | Δ \$ | Δ % | dec-19A Ch\$M | Δ \$ (a/a) | Δ % (a/a) |
|---------------------------------|-----------------|-----------------|--------------|-------------|------------------|--------------|-------------|
| SUMMARY OF RESULTS OPLA | | | | | | | |
| REVENUES | 136,420 | 155,551 | 19,131 | 14.0% | 164,642 | 28,222 | 20.7% |
| Platforms | 48,598 | 59,131 | 10,533 | 21.7% | 64,841 | 16,243 | 33.4% |
| IT Services | 81,948 | 87,661 | 5,713 | 7.0% | 91,227 | 9,278 | 11.3% |
| Applications | 5,873 | 8,758 | 2,885 | 49.1% | 8,574 | 2,701 | 46.0% |
| Cost of Sales | -112,150 | -129,022 | -16,872 | 15.0% | -137,661 | -25,512 | 22.7% |
| GROSS PROFIT | 24,270 | 26,529 | 2,259 | 9.3% | 26,981 | 2,711 | 11.2% |
| Administration Expenses | -13,480 | -13,737 | -258 | 1.9% | -13,838 | -358 | 2.7% |
| OPERATING INCOME ⁽¹⁾ | 10,790 | 12,792 | 2,001 | 18.5% | 13,143 | 2,352 | 21.8% |
| EBITDA ⁽²⁾ | 17,319 | 18,679 | 1,360 | 7.9% | 18,961 | 1,643 | 9.5% |
| Operating Margin | 7.9% | 8.2% | | | 8.0% | | |
| EBITDA Margin | 12.7% | 12.0% | | | 11.5% | | |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Note: Dec-19A corresponds to results for the period 2019 in constant currency.

Main changes in OPLA (which includes Argentina, Colombia, Costa Rica, Ecuador, Peru, Panama and Uruguay) between 4Q19 and 4Q18 are described below:

- In constant currency, revenues increased 20.4% (YoY). Revenues in reporting currency increased 15.5% (YoY), reaching \$45,007 million (US\$60.1 million) in 2019.
- In constant currency, Operating Income increased by 23.5% (YoY) and EBITDA increased by 14.5% (YoY). In reporting currency, the Operating Income totaled \$3,834 million (US\$5.1 million) and EBITDA \$5,331 million (US\$7.1 million), growing by 18.6% and 12.4% (YoY), respectively.
- Operating Margin reached 8.5%, 20bp higher than 2018 and EBITDA Margin was 11.8%, 40bp lower than 2018.

Figure 13 – Business in OPLA
4Q18 – 4Q19

| | 4Q18 Ch\$M | 4Q19 Ch\$M | Δ \$ | Δ % | 4Q19A Ch\$M | Δ \$ (t/t) | Δ % (t/t) |
|---------------------------------|---------------|---------------|------------|--------------|----------------|------------|--------------|
| SUMMARY OF RESULTS OPLA | | | | | | | |
| REVENUES | 38,955 | 45,007 | 6,051 | 15.5% | 46,894 | 7,938 | 20.4% |
| Platforms | 15,623 | 18,901 | 3,278 | 21.0% | 20,308 | 4,685 | 30.0% |
| IT Services | 21,726 | 23,408 | 1,681 | 7.7% | 24,072 | 2,346 | 10.8% |
| Applications | 1,606 | 2,698 | 1,092 | 68.0% | 2,514 | 907 | 56.5% |
| Cost of Sales | -31,920 | -36,730 | -4,810 | 15.1% | -38,516 | -6,596 | 20.7% |
| GROSS PROFIT | 7,035 | 8,276 | 1,241 | 17.6% | 8,378 | 1,342 | 19.1% |
| Administration Expenses | -3,802 | -4,442 | -640 | 16.8% | -4,384 | -581 | 15.3% |
| OPERATING INCOME ⁽¹⁾ | 3,233 | 3,834 | 601 | 18.6% | 3,994 | 761 | 23.5% |
| EBITDA ⁽²⁾ | 4,744 | 5,331 | 587 | 12.4% | 5,432 | 688 | 14.5% |
| Operating Margin | 8.3% | 8.5% | | | 8.5% | | |
| EBITDA Margin | 12.2% | 11.8% | | | 11.6% | | |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Note: 4Q19A corresponds to revenues for the period 2019 in constant currency.

Figure 14 – Regional Summary

| Regional Summary | dec-18 Ch\$M | dec-19 Ch\$M | Δ \$ | Δ % | dec-19A Ch\$M | Δ \$ (a/a) | Δ % (a/a) |
|---------------------------------|-----------------|-----------------|---------------|---------------|------------------|---------------|---------------|
| CHILE | | | | | | | |
| REVENUES | 368,365 | 386,664 | 18,299 | 5.0% | 375,019 | 6,653 | 1.8% |
| Platforms | 217,307 | 237,483 | 20,176 | 9.3% | 226,265 | 8,958 | 4.1% |
| IT Services | 107,610 | 99,002 | -8,607 | -8.0% | 98,574 | -9,035 | -8.4% |
| Applications | 43,449 | 50,179 | 6,730 | 15.5% | 50,179 | 6,730 | 15.5% |
| Cost of Sales | -283,535 | -304,346 | -20,812 | 7.3% | -293,653 | -10,118 | 3.6% |
| GROSS PROFIT | 84,830 | 82,318 | -2,513 | -3.0% | 81,366 | -3,465 | -4.1% |
| Administration Expenses | -42,780 | -44,658 | -1,878 | 4.4% | -43,966 | -1,186 | 2.8% |
| OPERATING INCOME ⁽¹⁾ | 42,050 | 37,660 | -4,391 | -10.4% | 37,399 | -4,651 | -11.1% |
| EBITDA ⁽²⁾ | 54,584 | 52,473 | -2,110 | -3.9% | 52,117 | -2,466 | -4.5% |
| Operating Margin | 11.4% | 9.7% | | | 10.0% | | |
| EBITDA Margin | 14.8% | 13.6% | | | 13.9% | | |
| BRAZIL | | | | | | | |
| REVENUES | 228,678 | 259,263 | 30,585 | 13.4% | 255,262 | 26,584 | 11.6% |
| Platforms | 46,547 | 74,726 | 28,179 | 60.5% | 72,929 | 26,382 | 56.7% |
| IT Services | 162,293 | 164,805 | 2,512 | 1.5% | 162,809 | 516 | 0.3% |
| Applications | 19,837 | 19,731 | -106 | -0.5% | 19,523 | -314 | -1.6% |
| Cost of Sales | -207,335 | -229,738 | -22,403 | 10.8% | -226,429 | -19,093 | 9.2% |
| GROSS PROFIT | 21,342 | 29,525 | 8,182 | 38.3% | 28,833 | 7,490 | 35.1% |
| Administration Expenses | -22,510 | -26,542 | -4,033 | 17.9% | -26,209 | -3,699 | 16.4% |
| OPERATING INCOME ⁽¹⁾ | -1,167 | 2,982 | 4,150 | 355.5% | 2,624 | 3,791 | 324.8% |
| EBITDA ⁽²⁾ | 13,931 | 19,446 | 5,515 | 39.6% | 18,871 | 4,940 | 35.5% |
| Operating Margin | -0.5% | 1.2% | | | 1.0% | | |
| EBITDA Margin | 6.1% | 7.5% | | | 7.4% | | |
| MEXICO | | | | | | | |
| REVENUES | 66,679 | 45,073 | -21,606 | -32.4% | 41,028 | -25,651 | -38.5% |
| Platforms | 33,458 | 16,114 | -17,344 | -51.8% | 14,626 | -18,831 | -56.3% |
| IT Services | 28,846 | 21,489 | -7,358 | -25.5% | 19,584 | -9,262 | -32.1% |
| Applications | 4,375 | 7,470 | 3,095 | 70.7% | 6,818 | 2,443 | 55.8% |
| Cost of Sales | -56,429 | -40,506 | 15,923 | -28.2% | -36,848 | 19,581 | -34.7% |
| GROSS PROFIT | 10,250 | 4,566 | -5,684 | -55.5% | 4,180 | -6,070 | -59.2% |
| Administration Expenses | -6,172 | -4,531 | 1,641 | -26.6% | -4,135 | 2,036 | -33.0% |
| OPERATING INCOME ⁽¹⁾ | 4,078 | 36 | -4,043 | -99.1% | 45 | -4,033 | -98.9% |
| EBITDA ⁽²⁾ | 5,457 | 2,599 | -2,858 | -52.4% | 2,388 | -3,069 | -56.2% |
| Operating Margin | 6.1% | 0.1% | | | 0.1% | | |
| EBITDA Margin | 8.2% | 5.8% | | | 5.8% | | |
| OPLA | | | | | | | |
| REVENUES | 136,420 | 155,551 | 19,131 | 14.0% | 164,642 | 28,222 | 20.7% |
| Platforms | 48,598 | 59,131 | 10,533 | 21.7% | 64,841 | 16,243 | 33.4% |
| IT Services | 81,948 | 87,661 | 5,713 | 7.0% | 91,227 | 9,278 | 11.3% |
| Applications | 5,873 | 8,758 | 2,885 | 49.1% | 8,574 | 2,701 | 46.0% |
| Cost of Sales | -112,150 | -129,022 | -16,872 | 15.0% | -137,661 | -25,512 | 22.7% |
| GROSS PROFIT | 24,270 | 26,529 | 2,259 | 9.3% | 26,981 | 2,711 | 11.2% |
| Administration Expenses | -13,480 | -13,737 | -258 | 1.9% | -13,838 | -358 | 2.7% |
| OPERATING INCOME ⁽¹⁾ | 10,790 | 12,792 | 2,001 | 18.5% | 13,143 | 2,352 | 21.8% |
| EBITDA ⁽²⁾ | 17,319 | 18,679 | 1,360 | 7.9% | 18,961 | 1,643 | 9.5% |
| Operating Margin | 7.9% | 8.2% | | | 8.0% | | |
| EBITDA Margin | 12.7% | 12.0% | | | 11.5% | | |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Figure 15 – Regional Summary 2Q18-2Q19

| Regional Summary | 4Q18 Ch\$M | 4Q19 Ch\$M | Δ \$ | Δ % | 4Q19A Ch\$M | Δ \$ (t/t) | Δ % (t/t) |
|---------------------------------|---------------|---------------|---------------|----------------|----------------|---------------|----------------|
| CHILE | | | | | | | |
| REVENUES | 107,939 | 109,641 | 1,702 | 1.6% | 105,900 | -2,039 | -1.9% |
| Platforms | 66,155 | 72,121 | 5,967 | 9.0% | 68,564 | 2,409 | 3.6% |
| IT Services | 26,898 | 27,223 | 326 | 1.2% | 27,040 | 142 | 0.5% |
| Applications | 14,887 | 10,297 | -4,590 | -30.8% | 10,297 | -4,590 | -30.8% |
| Cost of Sales | -81,845 | -87,394 | -5,548 | 6.8% | -84,025 | -2,180 | 2.7% |
| GROSS PROFIT | 26,094 | 22,248 | -3,846 | -14.7% | 21,875 | -4,219 | -16.2% |
| Administration Expenses | -11,885 | -10,459 | 1,425 | -12.0% | -10,266 | 1,618 | -13.6% |
| OPERATING INCOME ⁽¹⁾ | 14,209 | 11,789 | -2,420 | -17.0% | 11,609 | -2,600 | -18.3% |
| EBITDA ⁽²⁾ | 16,846 | 15,535 | -1,312 | -7.8% | 15,325 | -1,521 | -9.0% |
| Operating Margin | 13.2% | 10.8% | | | 11.0% | | |
| EBITDA Margin | 15.6% | 14.2% | | | 14.5% | | |
| BRAZIL | | | | | | | |
| REVENUES | 64,545 | 72,660 | 8,116 | 12.6% | 70,487 | 5,943 | 9.2% |
| Platforms | 17,496 | 22,632 | 5,136 | 29.4% | 21,974 | 4,478 | 25.6% |
| IT Services | 43,027 | 44,575 | 1,548 | 3.6% | 43,212 | 184 | 0.4% |
| Applications | 4,021 | 5,452 | 1,431 | 35.6% | 5,302 | 1,281 | 31.8% |
| Cost of Sales | -56,709 | -62,782 | -6,073 | 10.7% | -61,064 | -4,355 | 7.7% |
| GROSS PROFIT | 7,835 | 9,878 | 2,043 | 26.1% | 9,423 | 1,588 | 20.3% |
| Administration Expenses | -6,116 | -7,464 | -1,347 | 22.0% | -7,259 | -1,143 | 18.7% |
| OPERATING INCOME ⁽¹⁾ | 1,719 | 2,415 | 695 | 40.4% | 2,164 | 445 | 25.9% |
| EBITDA ⁽²⁾ | 5,594 | 6,766 | 1,172 | 21.0% | 6,403 | 809 | 14.5% |
| Operating Margin | 2.7% | 3.3% | | | 3.1% | | |
| EBITDA Margin | 8.7% | 9.3% | | | 9.1% | | |
| MEXICO | | | | | | | |
| REVENUES | 18,298 | 10,329 | -7,968 | -43.5% | 9,223 | -9,074 | -49.6% |
| Platforms | 9,066 | 2,637 | -6,429 | -70.9% | 2,374 | -6,692 | -73.8% |
| IT Services | 7,669 | 5,690 | -1,979 | -25.8% | 5,106 | -2,564 | -33.4% |
| Applications | 1,562 | 2,002 | 440 | 28.2% | 1,744 | 182 | 11.6% |
| Cost of Sales | -15,548 | -9,622 | 5,926 | -38.1% | -8,601 | 6,946 | -44.7% |
| GROSS PROFIT | 2,750 | 708 | -2,042 | -74.3% | 622 | -2,128 | -77.4% |
| Administration Expenses | -1,344 | -1,769 | -425 | 31.6% | -1,579 | -235 | 17.5% |
| OPERATING INCOME ⁽¹⁾ | 1,406 | -1,061 | -2,467 | -175.5% | -957 | -2,363 | -168.1% |
| EBITDA ⁽²⁾ | 1,726 | -377 | -2,103 | -121.8% | -350 | -2,076 | -120.3% |
| Operating Margin | 7.7% | -10.3% | | | -10.4% | | |
| EBITDA Margin | 9.4% | -3.6% | | | -3.8% | | |
| OPLA | | | | | | | |
| REVENUES | 38,955 | 45,007 | 6,051 | 15.5% | 46,894 | 7,938 | 20.4% |
| Platforms | 15,623 | 18,901 | 3,278 | 21.0% | 20,308 | 4,685 | 30.0% |
| IT Services | 21,726 | 23,408 | 1,681 | 7.7% | 24,072 | 2,346 | 10.8% |
| Applications | 1,606 | 2,698 | 1,092 | 68.0% | 2,514 | 907 | 56.5% |
| Cost of Sales | -31,920 | -36,730 | -4,810 | 15.1% | -38,516 | -6,596 | 20.7% |
| GROSS PROFIT | 7,035 | 8,276 | 1,241 | 17.6% | 8,378 | 1,342 | 19.1% |
| Administration Expenses | -3,802 | -4,442 | -640 | 16.8% | -4,384 | -581 | 15.3% |
| OPERATING INCOME ⁽¹⁾ | 3,233 | 3,834 | 601 | 18.6% | 3,994 | 761 | 23.5% |
| EBITDA ⁽²⁾ | 4,744 | 5,331 | 587 | 12.4% | 5,432 | 688 | 14.5% |
| Operating Margin | 8.3% | 8.5% | | | 8.5% | | |
| EBITDA Margin | 12.2% | 11.8% | | | 11.6% | | |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

Note: 4Q19A corresponds to revenues for the period 2019 in constant currency.

ANALYSIS OF CONSOLIDATED BALANCE SHEET

Assets

As of December 31, 2019, Total Assets amounted \$1,094,573 million (US\$1,461.9 million), increasing by 21.9% compared to December 2018. Main variations are:

Increase in:

- Cash and Cash Equivalent by \$89,347 million (US\$119.3 million), whose balance as of December 31, 2019 was \$138,739 million (US\$185.3 million), mainly due to the Series H and series J bond issuance in July and October 2019 respectively, and due to the sale of the interest in the subsidiary Transacciones Electronicas Dos S.A.
- Property, Plant and Equipment by \$43,155 million (US\$57.6 million), whose balance as of December 31, 2019 was \$165,947 million (US\$221.6 million), mainly explained by the IFRS 16 effects (\$19,490 million / US\$26.0 million), investment in two new data center in Chile and Colombia, and other investments in fixed asset (\$23,665 million / US\$31.6 million).
- Current Accounts Receivable by \$39,004 million (US\$52.1 million), whose balance as of December 31, 2019 was \$279,005 million (US\$372.6 million), originated mainly in Chile.
- Non-Current Accounts receivables by \$24,460 million (US\$32.7 million), whose balance as of December 31, 2019 was \$75,888 million (US\$101.4 million), coming mainly from Brazil and associated to leasing contracts.

Liabilities

Liabilities totaled \$559,645 million (US\$747.4 million) as of December 2019, increasing by 40.3% compared to December 2018. Main variations are:

Increase in:

- Other Non-Current Financial Liabilities by \$158,287 million (US\$211.4 million), whose balance as of December 31, 2019 was \$228,367 million (US\$305.0 million), due to an increase in bond financing activities (\$125,254 million / US\$167.3 million) and the IFRS16 adoption (\$14,289 million / US\$19.1 million).

Shareholder's Equity

Consolidated shareholders' equity attributable to owners amounted \$532,156 million (US\$710.7 million) as of December 2019, increasing 7.6% compared to December 2018 (\$37,368 million / US\$49.9 million). The main variations are explained by the results of the period, net of dividends, and by positive effects in the Reserve of Exchange Difference translations (\$22,791 million / US\$30.4 million).

Figure 16 – Financial Ratios Summary

| Financial Ratios | | dec-18 | dec-19 | Δ | dec-18 | Δ |
|--|----------|---------|---------|-----------------|---------|-----------------|
| | | | | dec-19 / dec-18 | | dec-19 / dec-18 |
| LIQUIDITY | | | | | | |
| Current Ratio (Current Assets / Current Liabilities) | (times) | 1.4 | 1.9 | 34.1% | 1.4 | 34.1% |
| Quick Ratio ((Current Assets - Inventories) / Current Liabilities) | (times) | 1.2 | 1.8 | 42.6% | 1.2 | 42.6% |
| Working Capital (Current Assets - Current Liabilities) | (Ch M\$) | 123,868 | 251,222 | 102.8% | 123,868 | 102.8% |
| INDEBTEDNESS | | | | | | |
| Leverage ((Current Liabilities + Non-current Liabilities) / Equity) | (times) | 0.8 | 1.0 | 30.8% | 0.8 | 30.8% |
| Financial Leverage ((Other Current Financial Liabilities + Other Non-current Financial Liabilities) / Equity) | (times) | 0.4 | 0.6 | 61.5% | 0.4 | 61.5% |
| Short-Term Debt (Current Liabilities / Total Liabilities) | (times) | 0.7 | 0.5 | -32.3% | 0.7 | -32.3% |
| Long-Term Debt (Non-Current Liabilities / Total Liabilities) | (times) | 0.3 | 0.5 | 85.2% | 0.3 | 85.2% |
| Financial-Expenses-Coverage Ratio (EBITDA / Financial Expenses) | (times) | 6.4 | 5.2 | -19.0% | 6.4 | -19.0% |
| Financial Debt to EBITDA Ratio ((Current Liabilities + Non-current Liabilities) / EBITDA ^{1,2}) | (times) | 2.0 | 3.4 | 69.7% | 2.0 | 69.7% |
| Net Financial Debt to EBITDA Ratio ((Current Liabilities + Non-current Liabilities - Cash and Cash Equivalents - Other Current Financial Assets) / EBITDA ^{1,2}) | (times) | 1.3 | 1.7 | 32.6% | 1.3 | 32.6% |
| PROFITABILITY | | | | | | |
| ROE (Net Income attrib.to Owners ² / Equity attrib.to Owners ³) | % | 2.2% | 4.5% | 230 pb | 2.2% | 230 pb |
| ROA (Net Income attrib.to Owners ² / Equity attrib.to Owners ³) | % | 1.2% | 2.3% | 110 pb | 1.2% | 110 pb |
| Earnings per Share (Net Income attrib.to Owners of Comp. / Total Shares ⁴) | (Ch\$) | 12.3 | 26.5 | 116.2% | 12.3 | 116.2% |
| Dividend Yield (Dividends Paid ⁵ / Closing Market Stock Price) | % | 2.9% | 1.9% | -100 pb | 2.9% | -100 pb |

1 EBITDA = Operating Income + Depreciation and Amortization

2 Annual Base

3 Calculated as an average:

- dec-19: average between dec-19 and dec-18

- dec-18: average between dec-18 and dec-17

- dec-18: average between dec-18 y dec-17

4 Numbers of shares considered:

- dec-19 = 871.057.175

- dec-18 = 871.057.175

- dec-18 = 871.057.175

5 Last 12 months

Statements of Cash Flow

Cash and Cash Equivalents reached \$138,739 million (US\$185.3 million) as of December 31, 2019 compared to \$49,393 million (US\$66.0 million) as of December 31, 2018.

Net cash flow from operating activities totaled \$50,862 million in 2019 (US\$67.9 million), higher than the \$39,657 million (US\$53.0 million) generated in 2018.

The net cash flow used in investment activities as of December 31, 2019 was \$35,253 million (US\$47.1 million).

Capital Expenditures (CAPEX) totaled \$71,473 million (US\$95.5 million) in 2019, and included \$60,251 million (US\$80.5 million) invested in the purchase of fixed assets for internal use, contracts with customers and construction of the new Data Center in Chile and Colombia, \$7,598 million (US\$10.1 million) in permanent investments, and \$3,624 million (US\$4.8 million) in intangibles.

The net cash flow from financing activities reached \$70,642 million (US\$94.3 million), compared to the \$29,778 million (US\$39.8 million) used in 2018, a variation associated with a higher dividend payment in the previous period, higher net bank loans and bonds issuance in 2019.

Figure 17 – Statements of Cash Flow

| | dec-18 Ch\$M | dec-19 Ch\$M | Δ \$ | Δ % |
|---|-----------------|-----------------|---------------|---------------|
| Statements of Cash Flow | | | | |
| Net Cash Flows from (used in) Operating Activities | 39,657 | 50,862 | 11,204 | 28.3% |
| Net Cash Flows from (used in) Investing Activities | (2,770) | (35,253) | (32,482) | - |
| Net Cash Flows from (used in) Financing Activities | (29,778) | 70,642 | 100,420 | 337.2% |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATES | 7,109 | 86,251 | 79,142 | - |
| Effect of Exchange Rate changes on Cash and Cash Equivalents | 1,439 | 3,096 | 1,657 | 115.2% |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 8,548 | 89,347 | 80,799 | 945.3% |
| Cash and Cash Equivalents at beginning of period | 40,845 | 49,393 | 8,548 | 20.9% |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 49,393 | 138,739 | 89,347 | 180.9% |