

Sigdo Koppers S.A.

Málaga 120, Piso 8
Las Condes, Santiago

Para mayor información contacte a:
Andrés Barriga Martínez
Javiera Muñoz Bravo

(56-2) 837-1111
abm@sk, jmb@sk.cl, ir@sk.cl

www.sigdokoppers.cl



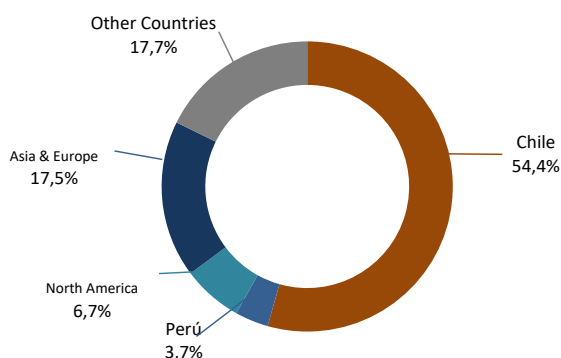
SIGDO KOPPERS S.A. REPORTS RESULTS

JUNE 2020 HIGHLIGHTS

Consolidated Income Statement	Figures in ThUS\$		
	Jun-19	Jun-20	Var.
Sales	1.166.259	985.277	-15,5%
EBITDA ⁽¹⁾	168.985	140.645	-16,8%
<i>EBITDA Margin</i>	<i>14,5%</i>	<i>14,3%</i>	
EBITDA Pro Forma ⁽²⁾	182.012	139.948	-23,1%
Profit (Loss)	69.249	35.536	-48,7%
Sigdo Koppers Net Profit (non recurrent)	45.425	18.299	-59,7%

	Jun-19	Jun-20	Var.
Total Assets	3.811.051	3.761.087	-1,3%
Total Equity ⁽³⁾	1.738.753	1.664.258	-4,3%
Net Debt	896.417	861.551	-3,9%
Net Debt / EBITDA	2,60	2,72	
ROE	7,79%	6,12%	
ROCE	7,41%	6,44%	

Consolidated Income of Sigdo Koppers by Region



(1) EBITDA = Ganancia Bruta + Otros Ingresos por Función - Costos de Distribución - Gastos de Administración - Otros Gastos por Función + Gastos de Depreciación y Amortización

(2) EBITDA Pro-Forma = EBITDA + Utilidades Empresas Relacionada

(3) Patrimonio Total incluye participaciones no controladoras

(4) EBITDA + Utilidad proporcional de consorcios que no consolidan

Consolidated Income of Sigdo Koppers (SK) was US\$985.3 million, a 15.5% decrease compared with June 2019 due to lower physical sales at most of the subsidiaries, which were affected by the initial effects of the spread of COVID-19 throughout the world.

Consolidated EBITDA at June 2020 was US\$140.6 million, 16.8% lower than June 2019. This result is mainly associated with lower operating results at ICSK Puerto Ventanas and SK Comercial. The EBITDA percentage margin in June 2020 fell to 14.3% (June 2019: 14.4%).

Net Profit was US\$18.3 million, which was a 59.7% drop compared with the same period the previous year. This decrease was the result of the combined effect of (1) lower consolidated operating performance, and (2) lower profit in related companies, mainly SKBergé.

Despite the difficult context due to COVID-19, SK maintains high liquidity with a consolidated Cash flow of US\$431.1 million and a debt level, not including IFRS 16, of Net Financial Debt to consolidated EBITDA debt level of 2.72 times (2.60 times in December 2019).



HIGHLIGHTS OF MAIN SUBSIDIARIES OF SIGDO KOPPERS S.A. AT JUNE 2020

Ingeniería y Construcción SK (ICSK)

- ICSK recorded 10.5 million Man Hours (-8.6%), affected by the stoppage of works due to COVID-19. The pro forma EBITDA of ICSK was \$1,510 million, a lower result of 80% compared to June 2019 due to losses in Peru and Brazil. ICSK showed a net loss of **-\$3,741 million (-US\$4.6 million)**, a lower result of CLP\$6,430 million compared to June 2019. **The backlog at June 30, 2020 was US\$678 million.**

Puerto Ventanas (PVSA)

- PVSA transferred a total of 2.5 million tons (-13%) resulting from fewer transfers of coal and copper concentrate as a result of some non-recurring specific issues of the respective clients. Fepasa transported 508.1 million tons-Km (-6.7%), noting an increase in transport of containers. **Consolidated EBITDA of Puerto Ventanas was US\$19.5 million**, a 22.6% drop due mainly to lower operating performance in the port and rail business. **Consolidated Net Profit of PVSA was US\$7.5 million**, a 31.5% drop compared to 2Q19.

Enaex

- Enaex had sales of 443,000 tons of explosives (-8,9%), due to lower sales in the export market. **Consolidated EBITDA of Enaex was US\$80.8 million at June 2020**, a 0.1% slight decrease mainly explained by a lower operating result in Davey Bickford (Initiation systems business), offset by a decrease in SG&A expenses (-13.5%). **Net Profit of Enaex was US\$36.7 million**, a 2% drop compared to June 2019.

Magotteaux

Magotteaux achieved sales of US\$296 million (-15%), resulting from lower physical sales (-8.8%), in both the grinding ball and casting business. **EBITDA of Magotteaux was US\$30.3 million at June 2020**, 13% lower than June 2019 in line with lower income. The results were affected by COVID-19, due to plant stoppages during 2020 and by a lower demand for products from customers, who have also been affected by COVID-19, particularly in the cement industry. Magotteaux had a **Net Profit of US\$7.2 million**, a 61% drop compared to the first semester of 2019.

SK Comercial (SKC)

- Income of SK Comercial was US\$99.7 million (-27%), as a result of lower physical sales in the rental and distribution business, which was demonstrated significantly as of March 2020 with the restrictions imposed in Chile and Peru due to COVID-19. **EBITDA was US\$13.2 million**, an 41% drop compared to the first semester last year. At June 2020, **SKC had a Net Profit of -US\$2.2 millones**, mainly because of lower performance in the machinery rental and distribution business.

SKBergé /SK Inver. Automotrices (SKIA)

- Sales of 18,213 units at SKBergé represented a 56.3% decrease compared to June 2019. The reduction in sales, which was very severe as of March 2020 because of COVID-19, was seen in Chile (-56%), Argentina (-60%), Perú (-55%) and Colombia (-66%). **SK Inversiones Automotrices had a Net profit of -\$2.64 million** lower than the profit in 2019 (CLP -136%), due to a lower operating result at SKBergé.



1. CONSOLIDATED INCOME STATEMENT

Sigdo Koppers Consolidated Income Statement	Figures in ThUS\$			Cifras en MUS\$		
	Jun-19	Jun-20	Var.	2Q19	2Q20	Var.
Sales	1.166.259	985.277	-15,5%	597.751	472.323	-21,0%
Sales expenses	-894.639	-766.997	14,3%	-460.529	-364.718	20,8%
Gross income	271.620	218.280	-19,6%	137.222	107.605	-21,6%
Other operating income	6.909	4.421	-36,0%	3.418	3.086	-9,7%
Distribution costs	-38.419	-33.029	14,0%	-18.836	-15.975	15,2%
Administrative expenses	-131.004	-111.432	14,9%	-65.940	-52.070	21,0%
Other operating expenses	-2.647	-2.729	-3,1%	-1.756	-1.571	10,5%
Other gains (losses)	-572	4.204	835,0%	1.363	3.324	143,9%
Operating income	105.887	79.715	-24,7%	55.471	44.399	-20,0%
EBITDA	168.985	140.645	-16,8%	86.964	73.870	-15,1%
<i>% EBITDA Margin</i>	<i>14,5%</i>	<i>14,3%</i>		<i>14,5%</i>	<i>15,6%</i>	
Interest income	5.029	3.471	-31,0%	2.922	1.571	-46,2%
Interest expenses	-32.382	-33.616	-3,8%	-17.342	-16.443	5,2%
Impairment losses IFRS 9	10	-487		0	-662	
Related companies income	13.027	-697	-105,4%	5.661	-2.720	-148,0%
Exchange differentials	4.241	1.226	-71,1%	-1.069	273	125,5%
Price - level restatement	-1.437	1.410	198,1%	-903	-683	24,4%
Income before taxes	94.375	51.022	-45,9%	44.740	25.735	-42,5%
Income tax	-25.126	-15.486	38,4%	-10.026	-8.183	18,4%
Income	69.249	35.536	-48,7%	34.714	17.552	-49,4%
Gain (losses) from discontinued operations	-	-		-	-	
Net income	69.249	35.536	-48,7%	34.714	17.552	-49,4%
Income attributable to Sigdo Koppers	45.425	18.299	-59,7%	21.903	8.706	-60,3%
Income attributable to non-controlling interests	23.824	17.237	-27,6%	12.811	8.846	-30,9%
Net income	69.249	35.536	-48,7%	34.714	17.552	-49,4%

⁽¹⁾ EBITDA = Operating Result + Depreciation and Amortization Expenses

Analysis of Income Statement

Consolidated Income of Ordinary Activities

Revenue Business Areas	Figures in ThUS\$			Figures in ThUS\$		
	Jun-19	Jun-20	Var.	2Q19	2Q20	Var.
Services ⁽¹⁾	303.050	252.486	-16,7%	168.577	118.919	-29,5%
Ingeniería y Construcción SK	212.709	181.621	-14,6%	121.907	85.965	-29,5%
Puerto Ventanas	90.341	70.865	-21,6%	46.670	32.954	-29,4%
Industrial	732.322	638.792	-12,8%	362.188	308.213	-14,9%
Enaex	383.975	343.119	-10,6%	196.558	165.461	-15,8%
Magotteaux	348.347	295.673	-15,1%	165.630	142.752	-13,8%
Commercial & Automotive	136.429	99.653	-27,0%	70.412	46.913	-33,4%
SK Comercial	136.429	99.653	-27,0%	70.412	46.913	-33,4%
SKIA ⁽²⁾	-	-	-	-	-	-
Parent company & adjustment⁽³⁾	-5.542	-5.654	-2,0%	-3.426	-1.722	49,7%
Consolidated Sales	1.166.259	985.277	-15,5%	597.751	472.323	-21,0%

⁽¹⁾ Muestra una diferencia con Nota 30 de los Estado Financieros ya que no se incluye SK IT (está representado en Matriz, Eliminaciones y ajustes).

⁽²⁾ SK Inversiones Automotrices S.A. (SKIA) no registra los Ingresos de SKBergé debido a que posee el 40% de sus acciones, y por lo tanto no consolida sus Estados Financieros.

⁽³⁾ Las Eliminaciones y ajustes a septiembre se explican principalmente por eliminaciones intercompany a nivel consolidado.

2Q20 vs. 2Q19. Consolidated Income was US\$985.28 million, a 15.5% drop mainly due to lower physical sales due to the effects of COVID-19.

The main variations in the consolidated income at June 2020 compared to the previous year are the following:

Services Area: sales were US\$252.49 million, a drop of 16.7% compared to June 2019, mainly due to lower income at ICSK and Puerto Ventanas.

- Income at Ingeniería y Construcción Sigdo Koppers (ICSK) decreased 14.6% in line with a 8.6% decrease in man-hours worked, product of temporary work stoppages due to sanitary measures. During the second quarter of 2020 ICSK was awarded projects of US\$ 68 million.

Sales at Puerto Ventanas were US\$70.87 million, a 21.6% decrease mainly due to lower income in the port business as a result of fewer cargo transfers (-13%), specifically coal and copper concentrate cargo due to some non-recurring specific operational issues of the respective clients; and due to lower cargo movements in the rail business (-7%).

Industrial area: sales were US\$638.79 million, a 12.8% decrease.

- Income of Enaex dropped 10.6% compared with June 2019, mainly due to the combined effect of (1) a lower level of income in the Chemicals Division (-11%), in line with the lower level of physical sales for export, (2) a lower price level, resulting from the lower average price of ammonia in line with the indexation of contracts with customers, (3) lower income in the initiation system business (Davey Bickford) and (4) lower representation in USD of

Britanite sales in Brazil because of the significant depreciation of the Real.

- At Magotteaux sales were US\$295.7 million, a 15.1% drop largely due to a lower level of physical sales in grinding balls (-9.0%) and casting (-7.7%). Lower sales were caused by the effects on the operation and the demand of some clients in India, Canada, USA, Europe and South Africa, which have been affected by the operating restrictions imposed in those countries, together with the stoppage of some plants during 1H20.

Commercial and Automobile Area: The income of SK Comercial was US\$99.65 million, a 27% drop compared to June 2019, mainly due to lower physical sales in the Distribution Business, which became very evident in March 2020 with the restrictions imposed in Chile and Peru because of COVID-19. In addition, consolidated sales at June 2020 were affected by the depreciation of the peso in Chile, which affected the representation in USD of the income of SK Rental Chile.

Sales Costs and Distribution, Administration Costs and Other Expenses by function (GAV)

Consolidated Sales Costs showed a 14.3% decrease compared to last year, explained largely by lower direct costs at Puerto Ventanas, Enaex, Magotteaux and SK Comercial.

Distribution, Administration Costs and Other Expenses by function (GAV) were US\$147.19 million at June 30, 2020, a drop of US\$24.97 million (-14.5%) compared to June 2019, mainly due to lower expenses at Ingeniería y Construcción SK, Enaex and SK Comercial.

EBITDA

EBITDA Business Areas	Figures in ThUS\$			Figures in ThUS\$		
	Jun-19	Jun-20	Var.	2Q19	2Q20	Var.
Services	34.832	19.509	-44,0%	18.290	14.360	-21,5%
Ingeniería y Construcción SK	9.673	46	-99,5%	5.633	5.335	-5,3%
Puerto Ventanas	25.159	19.463	-22,6%	12.657	9.025	-28,7%
Industrial	115.750	111.104	-4,0%	58.161	57.373	-1,4%
Enaex	80.906	80.824	-0,1%	43.267	41.014	-5,2%
Magotteaux ⁽¹⁾	34.844	30.280	-13,1%	14.894	16.359	9,8%
SK Inv. Petroquímicas	0	-		0	-	
Commercial & Automotive	22.467	13.139	-41,5%	12.040	3.877	-67,8%
SK Comercial	22.506	13.183	-41,4%	12.058	3.904	-67,6%
SKIA ⁽³⁾	-39	-44	-12,8%	-18	-27	-50,0%
Parent company & adjustment	-4.064	-3.107	23,5%	-2.890	-5.064	-75,2%
Consolidated EBITDA	168.985	140.645	-16,8%	85.601	70.546	-17,6%
EBITDA Margin	14,5%	14,3%		14,3%	14,9%	
Consolidated pro-forma EBITDA	182.012	139.948	-23,1%	91.262	67.826	-25,7%

⁽¹⁾ SK Inversiones Automotrices S.A. (SKIA) no registra el EBITDA de SKBergé debido a que posee el 40% de sus acciones, y por lo tanto no consolida sus Estados Financieros.

⁽²⁾ EBITDA Pro-Forma = EBITDA + Utilidades Empresas Relacionadas.

2T20 vs. 2T19. Consolidated EBITDA of Sigdo Koppers was US\$140.65 million, a 16.8% decrease compared to June 2019. This drop occurred because of a lower result in the Services area and Sk Comercial. The Pro Forma Consolidated EBITDA, which includes the profits of the companies that are not consolidated, was US\$139.95 million (-23.1%).

The main variations in the accumulated EBITDA at the first semester of 2020 compared to the same period the previous year are the following:

Services Area: EBITDA was US\$19.51 million, which was a 44.0% drop, due to lower results at Ingeniería y Construcción SK and Puerto Ventanas.

- At ICSK the Pro Forma EBITDA (EBITDA + Related Company Profit), which includes the activity carried out through consortia and affiliates that are not consolidated, was \$1,510 million (equivalent to -US\$1,86 million), representing a decrease of \$5,815

million compared to the first semester of 2019. This is mainly explained by the stoppage of several projects in Chile as a result of COVID-19, , and due to negative operating results at ICSK Peru and Brazil, because of the early termination of some contracts that gave rise to a number of claims that were not recognized in the results at June 2020.

- At Puerto Ventanas consolidated EBITDA was US\$19.46 million (-22,6%). The port business showed a lower level of EBITDA because of fewer transfers of coal and copper concentrate due to some non-recurring specific operational issues of the respective clients. The railway business achieved a lower operating result in line with lower cargo movements.

Industrial Area: EBITDA was US\$111.1 million, showing a drop of 4%.

- At Enaex the EBITDA was US\$80.8 million, a 0.1% decrease, due to a lower operating result in the initiation systems business (Davey Bickford), partially

offset by a reduction in administration and sales expenses (-14%).

- The EBITDA of Magotteaux was US\$30.28 million at June 2020, a 13.1% drop compared to the same period the previous year. This was due to a lower level of physical sales and lower level of productive efficiency. The EBITDA were affected by COVID-19, due to plant stoppages during first semester 2020 and by a lower demand for products from customers, who have also been affected by COVID-19, particularly in the cement industry.

Commercial and Automobile Area:

- SK Comercial had an EBITDA of US\$13.18 million showing an 41.4% drop from 2Q19. The decrease was due to a lower level of performance in the machinery distribution and rental business, which had already felt the initial effects of the shutdown of activity caused by COVID-19. Finally, the reduction in administration and sales expenses (-21%) should be noted.

Non-Operating Results

Income and Financial Costs

Consolidated Financial Income reached US\$3.47 million, a 31% drop compared to 1H19, explained by lower interest rates between the periods compared.

Consolidated Financial Costs were US\$33.62 million, a 3.8% increase compared to June 2019, mainly associated with a higher debt level at ICSK.

Earnings of Partnerships and Joint Ventures

At June 30, 2020, the Share in the Earnings of Partnerships and Joint Ventures was -US\$0.7 million, a 105.4% decrease from 2H19. This was mainly due to a lower result at SKBergé compared to 2H19. It was accompanied by a decrease in sales in all the markets, which was aggravated as of March 2020 by COVID-19. On the basis of those conditions, SK Inversiones Automotrices (SKIA), which recognizes 40% of the Net Profit of SKBergé, showed a profit of US\$2.98 million (-136%).

The 20.4% depreciation in the Chilean peso to the dollar between the two periods compared had a negative effect on the representation in dollars of the results of the two companies (they both keep accounts in pesos).

Exchange Differences and Results by Adjustment Units

The sum of Exchange Earnings (losses) in foreign currency and Results by Adjustment Units (net) at June 2020 had a net positive result of US\$2.64 million, which was a higher result of US\$1.98 million compared to the previous year.

NET PROFIT

Net profit Business Areas	Total Companies Figures in ThUS\$			% SK Jun-20	Attributable to parent company Figures in ThUS\$		
	Jun-19	Jun-20	Var.		Jun-19	Jun-20	Var.
Services	14.910	2.890	-80,6%		8.823	1.394	-84,2%
Ingeniería y Construcción SK	3.982	-4.599	-215,5%	60,43%	2.434	-2.815	-215,7%
Puerto Ventanas	10.928	7.489	-31,5%	50,01%	6.389	4.209	-34,1%
Industrial	48.128	43.931	-8,7%		32.083	28.988	-9,6%
Enaex	37.565	36.736	-2,2%	60,72%	22.810	22.307	-2,2%
Magotteaux ⁽¹⁾	10.563	7.195	-31,9%	95,00%	9.273	6.681	-28,0%
SK Inv. Petroquímicas ⁽²⁾	0	0	0,0%	74,59%	0	0	0,0%
Commercial & Automotive	13.700	-5.358	-139,1%		13.341	-4.941	-137,0%
SK Comercial	2.813	-2.239	-179,6%	87,48%	2.461	-1.959	-179,6%
SKIA	10.887	-3.119	-128,6%	99,99%	10.880	-2.982	-127,4%
SK companies profit	76.738	41.463	-46,0%		54.247	25.441	-53,1%
Parent company & adjustments					-8.822	-7.142	
Total consolidated profit					45.425	18.299	-59,7%

⁽¹⁾ Cifras de Magotteaux, incorporan los ingresos de SK Sabo Chile S.A. La utilidad atribuible a la controladora tiene ajustes originados en las distintas sociedades a través de las cuales Sigdo Koppers controla Magotteaux.

2T20 vs. 2T19. Net Profit associated with Sigdo Koppers was US\$18.30 million, which was a 59.7% drop compared to June 2019. The result was mainly due to a lower profit in all of the subsidiaries.

The main variations in accumulated Net Profit in the first semester of 2020 compared to the same period the previous year were the following:

Services Area: Net Profit was US\$2.89 million, showing a decrease of 80.60% compared to 1H19.

- ICSK had a Net Loss in pesos of -\$3,741 million (-US\$4.6 million), 239% less than the first semester of 2019. The result was due to the combined effect of (1) the stoppage of some works due to the spread of the COVID-19, (2) negative operating results at ICSK Peru and Brazil because of the early termination of some contracts, which gave rise to a number of claims that were not recognized in the results at June 2020,

offset by (3) a lower level of administrative and sales expenses (-28.9% in pesos).

- Puerto Ventanas showed a Net Profit of US\$7.49 million, which was a 31.5% drop compared to 2Q19. The result was mainly due to fewer cargo transfers in the port and rail business.

Industrial Area: Net profit was US\$43.93 million, a decrease of 8.7% compared to June 2019.

- Enaex had a net Profit of US\$36.7 million, 2.2% less than the same period in 2019. The difference was mainly due to a lower non-operating result, specifically because of higher financial expenses.

- Magotteaux suffered a drop of 31.9% in its Net profit, reaching US\$7.2 million, mainly due to (1) lower physical sales in grinding balls and casting in line with a lower demand from various customers in

Canada, South Africa, USA, India and Europe that have been affected by COVID-19, and (2) higher costs as a result of the stoppage of some plants for a few weeks during 1H20, also due to COVID-19.

Commercial and Automobile Area: Net Loss was US\$5.32 million, showing a 138.9% drop compared to June 2019.

- SK Comercial had a net loss of US\$2.24 million, showing a lower result of US\$5.05 million compared to 1H19. This was mainly due to a drop in the result of the machinery distribution and rental business in Chile, which had already felt the initial effects of the shutdown of activity caused by COVID-19.

- SK Inversiones Automotrices had a Net Loss of US\$2.82 million, 127.4% less than June 2019 (-136.0% en CLP), due to the lower operating result of SKBergé, in line with a lower level of physical sales associated with an important contraction in the markets where it participates due to sanitary restrictions associated with COVID-19. In addition, exchange rate conditions for the import and sale of vehicles were significantly less favorable.

2. CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet	Figures in ThUS\$		
	Dec-19	Jun-20	Var.
Current Assets			
Cash and cash equivalent	290.194	435.110	49,9%
Account and sales receivables	500.222	415.198	-17,0%
Inventories	432.041	426.244	-1,3%
Other current assets	60.602	38.278	-36,8%
Total current assets	1.283.059	1.314.830	2,5%
Long-term assets			
Property, plants & equipment	1.208.695	1.198.103	-0,9%
Other long-term assets	1.319.297	1.248.154	-5,4%
Total long-term assets	2.527.992	2.446.257	-3,2%
Total assets	3.811.051	3.761.087	-1,3%
Current liabilities			
Short-term financial debt	345.728	434.876	25,8%
Accounts payable	380.144	310.891	-18,2%
Other current liabilities	183.103	174.358	-4,8%
Total current liabilities	908.975	920.125	1,2%
Long-term liabilities			
Long-term financial debt	840.883	861.785	2,5%
Other long-term liabilities	322.440	314.919	-2,3%
Total long-term liabilities	1.163.323	1.176.704	1,2%
Total liabilities	2.072.298	2.096.829	1,2%
Equity			
Attributable to the controller	1.326.456	1.246.041	-6,1%
Attributable to non-controlling interests	412.297	418.217	1,4%
Total equity	1.738.753	1.664.258	-4,3%
Total liabilities and equity	3.811.051	3.761.087	-1,3%

Analysis of Consolidated Statement of Financial Position

The main variations in the Consolidated Classified Balance Sheet of Sigdo Koppers at the first quarter of 2020 compared to the closing of 2019 are the following:

Consolidated Assets of Sigdo Koppers:

Total Consolidated Assets of Sigdo Koppers were US\$3,761.09 million, which represented a drop of US\$49.96 million compared to the closing of 2019, including the following:

- The consolidated Cash flow of Sigdo Koppers (Cash and Cash Equivalents) was US\$435.11 million, an increase of US\$144.92 million compared to December 2019. The cash levels of Enaex with US\$177.85 million and Magotteaux with US\$40.44 million were worthy of note. At the level of the parent company, Cash flow was US\$176.12 million (including SK Inv. Petroquímicas S.A., SK Inv. Automotrices S.A. and SK Internacional S.A.).
- Accounts Receivable were US\$415.19 million, a decrease of US\$85.02 million. The average number of days of Accounts Receivable was 70, 8 days less than at the closing of 2019. The subsidiaries with the highest levels of Accounts Receivable were Enaex with US\$184.21 million (-9.1%), Magotteaux with US\$79.44 million (-13.6%), and Ingeniería y Construcción SK with US\$65.29 million (-25.1%).
- The level of Consolidated Inventory was US\$426.24 million, which represented a drop of US\$5.79 million compared with December 2019. This occurred due to lower inventory levels at Magotteaux of US\$18.04 million and at SKC of US\$15.04 million. As a result, the average number of days of the Consolidated Inventory of Sigdo Koppers was 93 days at the first semester of 2020, superior level reached at December 2019.
- Consolidated Fixed Asset (Properties, Plant and Equipment) was US\$1,198.10 million, which was a drop

of US\$10.59 million. That differential was increased by the depreciation of the peso, which affected the representation in dollars of the assets of the companies that keep their accounts in pesos. At Sigdo Koppers, the subsidiaries with the highest level of Fixed Assets were Enaex with US\$567.49 million, Magotteaux with US\$208.29 million, Puerto Ventanas with US\$233.75 million and SK Comercial with US\$138.02 million.

Consolidated Liabilities and Shareholders Equity:

At June 30, 2020 Total Liabilities of Sigdo Koppers were US\$2,096.83 million, reflecting an increase of US\$24.53 million compared to December 2019, mainly explained by:

- Accounts Payable were US\$310.89 million, showing a decrease of US\$69.25 million compared to the amount recorded at the closing of 2019. The average number of days of Accounts Payable was 67 days, showing a drop compared to December 2019 (77 days). The subsidiaries with the highest level of Accounts Payable were Magotteaux with US\$98.52 million (-3.1%), Enaex with US\$91.95 million (-4.1%), and SKC with US\$48.46 million (-22.1%).
- Consolidated Financial Liabilities were US\$1,296.66 million, showing an increase of US\$110.05 million. This occurred because of the higher debt levels at Enaex (US\$46.6 million) and ICSK (US\$11.27 million). At the level of the parent company, Financial Liabilities reached US\$288.1 million, which corresponded to corporate bonds of UF 5.1 million and a bank debt of US\$70 million. In order to redenominate its debt in UF to dollars, the parent company maintains coverage contracts equivalent to UF 4.7 million.
- Total Consolidated Shareholders Equity of Sigdo Koppers was US\$1,664.26 million, which represented a 4.3% drop mainly due to a lower representation in USD of investments that maintain the CLP as their functional currency.

Main Indicators of Liquidity and Indebtedness at June 30, 2020 and December 31, 2019.

Liquidity Ratios	Unit	Dec-19	Jun-20
Current Liquidity ⁽¹⁾	times	1,41	1,43
Acid-Test Ratio ⁽²⁾	times	0,87	0,92
Working Capital ⁽³⁾	ThUS\$	552.119	530.551

⁽¹⁾ Liquidez Corriente = Activos Corrientes / Pasivos Corriente

⁽²⁾ Razón Ácida = (Caja y Equivalentes al Efectivo + Cuentas por Cobrar y Deudores por Venta) / Pasivos Corrientes

⁽³⁾ Capital de Trabajo = Cuentas por Cobrar y Deudores por Venta + Inventarios – Cuentas por Pagar

- The Consolidated Current Liquidity Index was 1.43 times and the Acid Test ratio was 0.92 times at June 30, 2020, better levels compared to the closing of 2019. Those indicators reflected the good liquidity position of Sigdo Koppers at the consolidated level, which was due partly to the fact it held short-term fixed-income financial instruments.

- Consolidated Working Capital showed a decrease of US\$21.57 million compared to the closing of 2019 showing a positive sign in the context of COVID-19. The average number of days of Working Capital reached 90 days, an increase over the number recorded in December 2019 (86 days), mainly due to a reduction in the days of accounts payable.

Debt Ratios	Unit	Dec-19	Jun-20
Leverage ⁽¹⁾	times	1,19	1,26
Financial expenses coverage ⁽²⁾	times	5,10	4,59
Financial debt / EBITDA	times	3,44	4,09
Net financial debt / EBITDA	times	2,60	2,72
Net financial leverage ⁽³⁾	times	0,48	0,49

⁽¹⁾ Razón de Endeudamiento = Total Pasivos / Patrimonio Total

⁽²⁾ Cobertura Gastos Financieros = EBITDA acumulado / Costos Financieros acumulados

⁽³⁾ EBITDA + Utilidad proporcional de consorcios de filiales que no consolidan (sin efecto IFRS 16)

⁽⁴⁾ Uno de los covenant de los Bonos Corporativos de SK define que el leverage financiero neto debe ser inferior a 1,2 veces

- At June 30, 2020, the net Financial Debt ratio over consolidated EBITDA was 2.72 times (2.60 x in December 2019). The indebtedness indicators of Sigdo Koppers showed an adequate financial position as a whole, with comfortable margins to meet its obligations in the short and long term. Despite the difficult context due to COVID-19, the company has maintained its debt levels at very conservative levels.

- At June 30, 2020, the debt ratio (leverage) was 1.26 times, showing a slight increase compared to December 2019. Net financial leverage (corporate bond covenant) was 0.49 times at June 30, 2020, which reflected comfortable margins compared to the covenant established at 1.2 times.

3. CONSOLIDATED CASH FLOW

Consolidated Cash Flow	Figures in ThUS\$		
	Jun-19	Jun-20	Var.
Operating cash flow	105.842	147.581	39,4%
Investment cash flow	-90.313	-72.935	28,4%
Capex	-75.775	-49.008	206,7%
Fixed assets sales	1.459	7.322	17,6%
Other	-15.997	-31.249	244,7%
Finance cash flow	15.858	79.189	808,3%
Net variation in financial liabilities	91.983	153.745	-2095%
Interest	-18.738	-30.068	-50,0%
Payment of Lease Liabilities	-7.526	-9.381	25,9%
Dividends	-46.321	-34.600	-132,9%
Capital increased	1.545	244	
Other	-5.085	-751	19,2%
Total net cash flow	31.387	153.835	390,1%
Effect of exchange rate changes	611	-8.922	-1560,2%
Cash and cash equivalent	299.082	433.700	45,0%

The consolidated **Operating Flow** showed a positive flow of US\$147.58 million at June 2020, which represented a 39.4% increase over 1H19. The main increases in operating flow were seen at Enaex, Puerto Ventanas, Magotteaux, and SKC.

corporate bonds showed a positive flow of US\$153.75 million. This was mainly due to an increase in the financial liabilities at ICSK, Enaex and Sigdo Koppers.

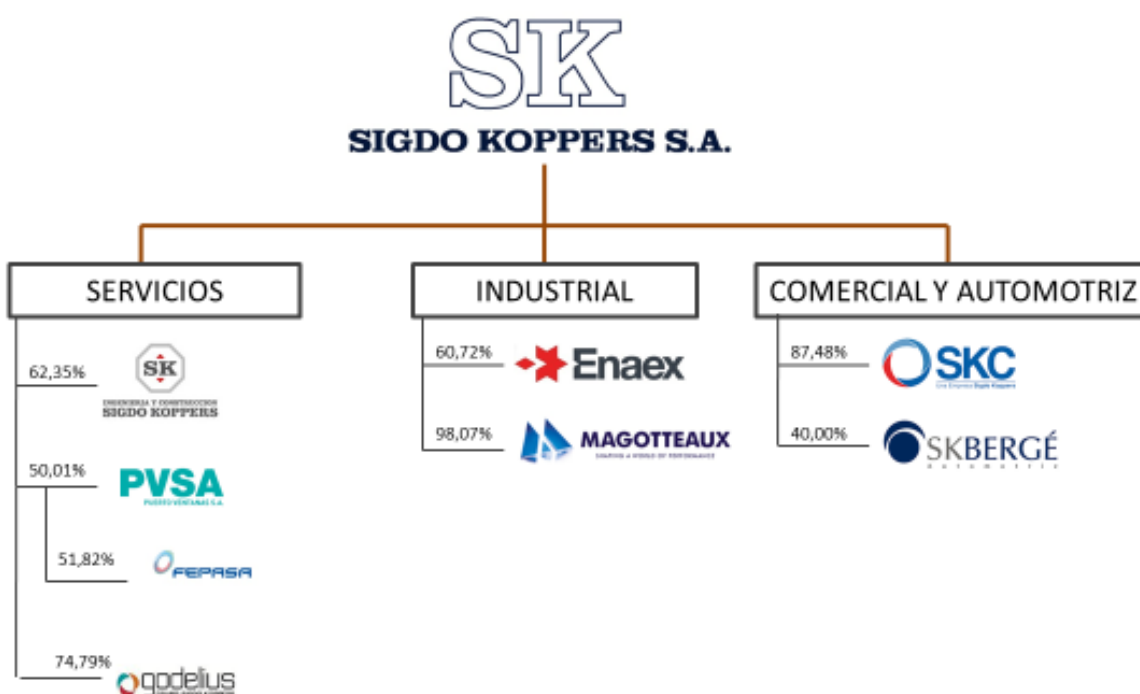
The consolidated **Investment Flow** in the first semester of 2020 was a negative flow of US\$72.94 million. Investment in Fixed Asset (Capex) was US\$49.0 million, featuring investments made by Enaex (US\$25.76 million) and Puerto Ventanas (US\$7.62 million) mainly associated with maintenance Capex. Sale of Fixed Asset at Magotteaux worth US\$5.81 million (land in Chile and China) was also noted. Finally, the investment made by Enaex of US\$30.8 million stands out, corresponding to the 51% stake in the Joint Venture developed with Sasol South Africa Limited.

Finally, at June 30, 2020 the **Financing Flow** was US\$79.2 million (+399.4%). In particular, the variation of (net) financial liabilities including

4. RESULTS BY COMPANY

Description of the Sigdo Koppers Group

Sigdo Koppers S.A. is the parent company of a corporate group engaged in the **Services, Industrial, Commercial, and Automobile sectors** through its subsidiary and affiliated companies. It participates in the **Services** Area through the following companies: Ingeniería y Construcción Sigdo Koppers S.A., Puerto Ventanas S.A. and its subsidiary Fepasa S.A., and SK Godelius. It is present in the **Industrial** Area through Enaex S.A. and Magotteaux Group S.A. In the **Commercial and Automobile** areas it participates through SK Comercial S.A. (SKC) and SKBergé S.A., which is a strategic partnership with the Spanish group, Bergé.



Note: Simplified corporate structure at June 30, 2020.

4.1 Ingeniería y Construcción Sigdo Koppers S.A.

Ingeniería y Construcción Sigdo Koppers	Jun-19	Jun-20	Var.	2Q19	2Q20	Var.
	MM\$	MM\$	%	MM\$	MM\$	%
Revenue	143.653	147.732	2,8%	83.108	70.786	-14,8%
EBITDA	5.922	37	-99,4%	3.152	3.966	25,8%
<i>EBITDA Margin</i>	<i>4,1%</i>	<i>0,0%</i>		<i>3,8%</i>	<i>5,6%</i>	
Pro-Forma EBITDA(*)	7.324	1.510	-79,4%	4.119	4.233	2,8%
<i>Pro-Forma EBITDA Margin</i>	<i>5,1%</i>	<i>1,0%</i>		<i>5,0%</i>	<i>6,0%</i>	
Controller's net profit	2.689	-3.741	-239,1%	1.686	-1.010	-159,9%

	Horas (Miles)	Horas (Miles)	Var.	Horas (Miles)	Horas (Miles)	Var.
Total man-hours executed	11.525	10.536	-8,6%	5.901	4.396	-25,5%

(*) Pro-Forma EBITDA: EBITDA + Related company profit

Ingeniería y Construcción Sigdo Koppers Group S.A. (ICSK) is a leading company in the execution of medium and large construction, engineering, and industrial assembly projects, with solid prestige in Chile and abroad. Ingeniería y Construcción Sigdo Koppers develops industrial projects in the areas of Mining and Metallurgy, Energy Generation and Transmission, Civil Works, and Industrial Construction.

- At June 30, 2020, ICSK and the consortia it participates in executed a total of **10.54 million man-hours**, an 8.6% decrease over the previous year. The main projects executed in the first quarter of 2020 were (1) the Codelco Andina Transfer project, (2) Crushing Rooms and Intermediate Transportation System for Codelco, (3) the Quebrada Blanca 2 project for Teck, and (4) the Textil Pulp projects for the Valdivia Plant and MAPA of Celulosa Arauco.
- Consolidated Income of ICSK was \$147,732 million** (US\$181.6 million), which was a 2.8%. This increase, which is not in line with the drop in man-hours worked, is related to the type of contracts that are being executed, which have a greater component of materials between the periods compared.

- Consolidated EBITDA of ICSK showed a result of \$37 million** at the first semester of 2020, which represented a decrease of \$5.885 million compared to the previous year. The Pro forma EBITDA (EBITDA + Related Company Profit), where the activity carried out through consortia and affiliates that are not consolidated is included, was \$1,510 million, representing a drop of \$5,815 million. This result was mainly due to (1) the stoppage of some works due to the spread of the COVID-19, and (2) operating losses at ICSK Peru and Brazil resulting from the early termination of some contracts, which has given rise to a number of claims that were not recognized in the results at June 2020.

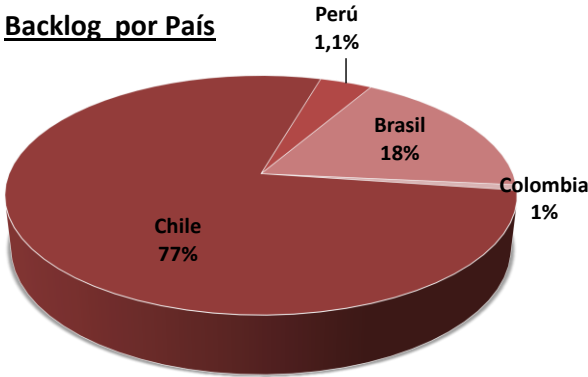
- Net profit** of ICSK at June 30, 2020 was -\$3,741 million, which represented a decrease of \$6,430 million compared to 2019.

- At June 30, 2020, ICSK maintained a backlog of US\$678 million**, which should be executed largely between 2020 and 2022. The backlog is 8% higher than the backlog in 1Q20.

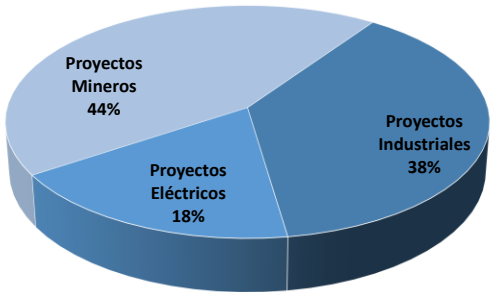
During the first semester of 2020 ICSK was awarded works of US\$160 million, with the Concentrator Plant for the Salares Norte project of Goldfields, General Services Contract Las Bambas

(Chalcobamba) in Peru, and additional works to the Data Center DataLuna project in Chile and new electricity transmission lines for Alupar and Engie in Brazil.

During the first semester of 2020, some projects that ICSK was executing had temporarily shut down their works because of COVID-19 (mainly Quebrada Blanca II and Chuquicamata), some of the projects gradually started, but it is not possible to anticipate today the dates when all of the contracts will be reestablished normally.



Backlog por Sector



4.2 Puerto Ventanas S.A.

Puerto Ventanas Consolidated	Jun-19	Jun-20	Var.	2Q19	2Q20	Var.
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Revenue	90.341	70.865	-21,6%	46.670	32.954	-29,4%
EBITDA	25.159	19.463	-22,6%	12.657	9.025	-28,7%
<i>EBITDA Margin</i>	<i>27,8%</i>	<i>27,5%</i>		<i>27,1%</i>	<i>27,4%</i>	
Controller's net profit	10.928	7.489	-31,5%	5.566	3.476	-37,5%
PVSA - Tons transferred	2.853.840	2.481.999	-13,0%	1.324.472	1.210.256	-8,6%
Fepasa - Th Ton-Km	544.577	508.106	-6,7%	273.917	251.376	-8,2%

The business of Puerto Ventanas consists of the transfer of bulk cargo in the central zone of Chile, including the loading and unloading of vessels and storage of cargo if necessary. It participates in the cargo transportation industry in Chile through its affiliate Ferrocarril del Pacífico S.A. (Fepasa).

Fepasa transported a total of 508.1 million tons-Km of cargo at June 2020, a 6.7% decrease compared to the previous year. The increase in container cargo (+26.9%) should be noted. On the other hand, there was a reduction in transportation in the areas of forestry, mining, industrial, bulk, and solid waste.

Puerto Ventanas	Figures in Tons		
	Jun-19	Jun-20	Var.
Coal	1.011.346	890.639	-11,9%
Concentrate	1.146.540	855.752	-25,4%
Acids	143.100	140.732	-1,7%
Grains	207.410	217.068	4,7%
Clinker - Slag - Bauxita	192.860	177.201	-8,1%
Petcoke	77.727	98.135	26,3%
Asphalt	15.098	36.231	140,0%
Fuels	59.758	66.240	10,8%
Total	2.853.840	2.481.999	-13,0%

Fepasa	Figures in Th- Ton-Km		
	Jun-19	Jun-20	Var.
Pulp	268.021	247.639	-7,6%
Mining	193.368	188.612	-2,5%
Solid waste	45.123	37.503	-16,9%
Grain	7.071	3.585	-49,3%
Industrial	6.798	72	-98,9%
Containers	24.195	30.694	26,9%
Total	544.577	508.106	-6,7%

In the first semester of 2020 Puerto Ventanas transferred **2,481,999 tons**, which represented a 13.0% drop compared to June 2019. This was mainly due to smaller transfers of coal and copper concentrate, as a result of some non-recurring specific issues of the respective clients and due to the delay of loads from June to July, because during June there were 22 days of swells, where the port could not operate.

At June 30, 2020, the **Consolidated EBITDA of Puerto Ventanas was US\$19.5 million**, a 22.6% drop compared to 2019, reflecting a lower operating result in the port and rail business. Fepasa, in particular, accumulated an EBITDA of MM\$4,041 (US\$4.69 million), which represented 14% drop compared to 1H19.

Valued income of the Port Business was US\$70.87 million, 21.6% less than the amount reported in June 2019, in line with the lower levels of cargo transfer, specifically coal and copper concentrate cargo.

At June 30, 2020, the **Consolidated Net Profit of Puerto Ventanas was US\$7.49 million**, showing a 31.5% drop compared to 2019. The lower result was mainly due to fewer cargo transfers in the port business and a smaller representation of the profit of Fepasa in dollars.

4.3 Enaex S.A.

Enaex	Jun-19	Jun-20	Var.	2Q19	2Q20	Var.
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Revenue	384.025	343.119	-10,7%	196.558	165.461	-15,8%
EBITDA	80.906	80.824	-0,1%	43.267	41.014	-5,2%
<i>EBITDA Margin</i>	<i>21,1%</i>	<i>23,6%</i>		<i>22,0%</i>	<i>24,8%</i>	
Controller's net profit	37.565	36.736	-2,2%	19.502	19.042	-2,4%

Enaex S.A. is the most important company in Latin America that produces ammonium nitrate, explosives for the mining sector, and provides comprehensive rock fragmentation services. It has business operations in the most important mining markets in the world (Latin America, North America, Australasia, and Europe). Enaex has an ammonium nitrate plant in Mejillones producing 850,000 tons per year, one of the biggest complexes in the world of its kind. Through its subsidiary Davey Bickford (DB), it manufactures detonators and electronic blasting systems.

Enaex	Figures in Tons		
	Jun-19	Jun-20	%
High Explosives	5.030	6.833	35,9%
A.N. Export	123.620	65.362	-47,1%
A.N. National	292.420	300.960	2,9%
Britanite	66.564	69.983	
Total	487.634	443.139	-9,1%
Avg. NH3 Price (US\$/Ton)	280	240	-14,3%

Physical sales of Enaex were 443.14 thousand tons, a 9% decrease compared to the first semester of 2019. The drop was due to lower sales of ammonium nitrate (N.A.) in exports (-58.26 Mtons), offset by higher sales in the local market (+8,5 Mtons). The higher level of sales at Enaex Brasil (Britanite), +3,4 Mtons compared to 1H19, to new operations in the mining sector in Brazil should be noted.

Income of Enaex was US\$343.12 million, a 10.7% drop compared to June 2019 due to the combined effect of (1) a lower level of income in the Chemicals Division (-11%), because of a reduction in the price of ammonia, together with a lower level of exports mainly from Australia, Peru and Mexico, (2) lower income in the initiation systems business (Davey Bickford), and (3) a smaller representation in USD of sales of Britanite in Brazil because of the significant depreciation of the real.

Consolidated EBITDA of Enaex was US\$80.82 million at the first semester of 2020, showing a 0.1% slight decrease mainly due to a lower operating result in the initiation systems business (Davey Bickford), in line with a decrease in physical sales (-12.9%) and offset by a lower administration and sales expenses (-13%).

There was a loss of US\$6.37 million at the Non-Operating level showing a lower result of US\$2.09 million compared to June 2019. In particular, a higher level of Financial Expenses and a lower result due to Exchange Difference were noted.

As a result of the above, at June 30, 2020 the Net Profit of Enaex was US\$36.7 million, which was a 2.2% drop compared to 1Q19. The lower result was mainly due to the lower Non-Operating result.

4.4 Magotteaux Group S.A.

Magotteaux Group	Jun-19	Jun-20	%	2Q19	2Q20	Var.
	MUS\$	MUS\$	%	MUS\$	MUS\$	%
Revenue	348.347	295.673	-15,1%	165.630	142.752	-13,8%
EBITDA	34.844	30.280	-13,1%	14.894	16.359	9,8%
<i>EBITDA Margin</i>	<i>10,0%</i>	<i>10,2%</i>		<i>9,0%</i>	<i>11,5%</i>	<i>0,0%</i>
Controller's net profit	10.563	7.195	-31,9%	3.580	4.475	25,0%

Magotteaux Group S.A. is a company of Belgian origin, world leader in the production, marketing, and sale of high-chromium casting products. The main products manufactured by Magotteaux are high-chromium grinding balls and castings. The most important markets where Magotteaux products are sold are the Mining and Cement industries.

Magotteaux Group	Jun-19	Jun-20	%
Grinding Media	164.091	149.250	-9,0%
Casting	28.619	26.427	-7,7%
Total	192.709	175.677	-8,8%

At the first quarter of 2020, physical sales were 175,677 tons, an 8.8% drop compared to June 2019. Physical sales of grinding balls (GM) decreased 9.0%, mainly due to a decrease in sales of forged steel balls for mining and high chromium balls for cement. Physical sales of castings dropped 7.7%, because of lower sales mainly in the Mining and Cement segment. Lower sales originated by the effects of COVID -19 on the demand of some customers, which have been affected by the operating restrictions imposed in those countries.

At the first semester of 2020 the **consolidated income of Magotteaux was US\$295.67 million**, a 15.1% drop compared to 2019. This decrease is explained by the COVID-19 effect, which was reflected in lower physical sales together with the temporary stoppage of production plants.

EBITDA of Magotteaux was US\$30.28 million at June 2020, decreasing 13.1% compared to the same period in 2019. This result was mainly due to a lower operating result by the COVID-19 effect in (1) the grinding ball business in mining and casting in the Mining and Cement segment and (2) the temporary closure of Magotteaux operations in China (24 days), India (25 days), Spain (6 days) and South Africa (10 days).

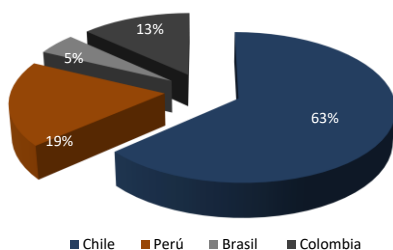
The company had a **Net Profit of US\$7.19 million** at June 30, 2020, which was a 32% decrease compared with the first semester of 2019.

4.5 SK Comercial S.A.

SK Comercial	Jun-19	Jun-20	Var.	2Q19	2Q20	Var.
	ThUS\$	ThUS\$	%	ThUS\$	ThUS\$	%
Revenue	136.429	99.653	-27,0%	70.412	46.913	-33,4%
<i>Distribution Business</i>	94.507	65.353	-30,8%	49.153	33.316	-32,2%
<i>Rental Business</i>	52.350	36.994	-29,3%	27.454	14.416	-47,5%
<i>Consolidation adjust</i>	-10.428	-2.693	0,0%	-6.195	-819	0,0%
EBITDA	22.506	13.183	-41,4%	12.058	3.904	-67,6%
<i>EBITDA Margin</i>	16,5%	13,2%		17,1%	8,3%	
Controller's net profit	2.813	-2.239	-179,6%	2.253	-2.468	-209,5%

SK Comercial S.A. (“SK Comercial” or “SKC”) participates in the representation, import, distribution, and leasing of machinery and equipment. SKC is present in markets in Chile, Peru, Brazil, and Colombia. SK Comercial represents prestigious world brands like Toyota, Volvo, Manitu, Iveco, New Holland, Bridgestone, Firestone, Kenworth, DAF and JMC, and it has maintained a steady leadership position with these brands in the markets where it participates.

Distribución por país de la Flota de SK Rental (US\$)



■ The **machinery distribution business had sales of 708 units**, which was a 36% drop compared to 2019. The decrease was seen clearly as of March 2020 when restrictions were imposed in Chile and Peru as a result of COVID-19. Regarding valued sales, the Distribution business showed a drop of 30.8% in line with lower physical sales. The **machinery leasing business had a fleet valued nominally at US\$139 million**, 2% less than December 2019 (US\$142).

■ At June 2020, **SK Comercial had consolidated income of US\$99.65 million**, a drop of 27% compared

to June 2019, mainly due to lower sales in the machinery distribution and rental business. In addition, sales at June 2020 were affected by the depreciation of the peso in Chile, which affected the representation in USD of the income of SK Rental Chile.

■ **Consolidated EBITDA of SK Comercial was US\$13.18 million** at June 2020, which was an 41.4% lower result compared to 1H19. This result was due to a diminished performance in the machinery distribution and rental business, which had already felt the effects of the shutdown of activity caused by COVID-19. The reduction in administration and sales expenses (-20.9%) should be noted, which has partially offset the drop in business volume.

■ At the first semester of 2020, **SK Comercial had a Net Profit of -US\$2.24 millones**, showing a lower result by US\$5.05 million compared to June 2019. The result was due to a lower operating result in the machinery distribution and rental business in Chile.

4.6 SK Inversiones Automotrices S.A.

SK Inversiones Automotrices	Jun-19 MM\$	Jun-20 MM\$	Var. %	2Q19 MM\$	2Q20 MM\$	Var. %
Controller's net profit	7.348	-2.643	-136,0%	2.963	-3.075	-203,8%

Sigdo Koppers S.A. controls SK Inversiones Automotrices S.A. (SKIA) with 99.99% of its shares. SKIA, in turn, owns 40% of the shares in SKBergé S.A. SKIA does not consolidate the Financial Statements of SKBergé. As a result, the Net profit of SKBergé S.A. is recognized as Share in the Earnings of Partnerships and Joint Ventures.

- SKBergé is present in Chile, Peru, Argentina, and Colombia. In Chile it represents the following brands: Chrysler, Jeep, Dodge, Fiat, Ferrari, Alfa Romeo, Infiniti, Mitsubishi Motors, Maserati, MG, SsangYong, JMC, and Chery. In Peru it represents Kia, Peugeot, Chery, MG, Fuso, and Mitsubishi Motors. In Colombia it represents Chrysler, Dodge, Jeep, Volvo, and Peugeot. Finally, in Argentina it represents Kia. It should be noted that the main sources of growth for SKBergé are the organic growth of the markets where it participates (mainly foreign countries).

- At June 30, 2020 SKBergé showed sales of 18,213 units, which was a 56.3% decrease compared to June 2019. Those sales already

included a very severe decline as of March 2020 caused by COVID-19. 11,174 units were sold in Chile, which represented a 55.8% decrease compared to June 2019. Sales abroad reached 7,039 units, showing a drop of 57% compared to 2Q19. The decrease in sales was evident in all brands both in Chile and abroad.

- At the first semester of 2020, **SKIA showed a result of -\$2.64 million**, which was a 136% decrease compared to June 2019. The lower result was due to fewer physical sales and a lower operating margin, associated with a contraction in the markets where it participated due to the change in the world economy caused by the propagation of COVID-19, together with less favorable exchange rate conditions.

- The National Automobile Association of Chile (ANAC) reported that in Chile, as in the rest of the world, the number of units sold will continue to fall due to the effect of the pandemic on the automobile industry, which should reactivate after the propagation of COVID-19 declines.