

Sigdo Koppers S.A.

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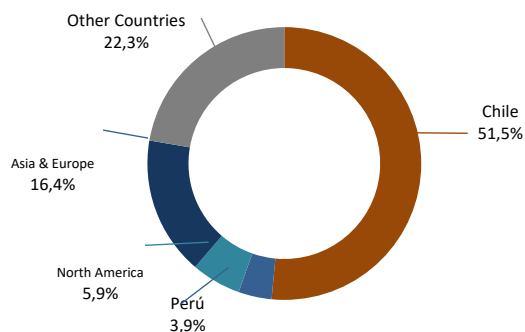
SIGDO KOPPERS S.A. REPORTS RESULTS

SEPTEMBER 2020 HIGHLIGHTS

| Consolidated Income Statement | Figures in ThUS\$ | | |
|-------------------------------------------------|-------------------|---------------|---------------|
| | Sep-19 | Sep-20 | Var. |
| Sales | 1.739.102 | 1.558.941 | -10,4% |
| EBITDA ⁽¹⁾ | 266.397 | 217.807 | -18,2% |
| <i>EBITDA Margin</i> | <i>15,3%</i> | <i>14,0%</i> | |
| EBITDA Pro Forma ⁽²⁾ | 282.509 | 221.405 | -21,6% |
| Profit (Loss) | 106.421 | 67.015 | -37,0% |
| Sigdo Koppers Net Profit (non recurrent) | 69.383 | 38.359 | -44,7% |

| | Sep-19 | Sep-20 | Var. |
|-----------------------------|-----------|-----------|-------|
| Total Assets | 3.811.051 | 3.808.265 | -0,1% |
| Total Equity ⁽³⁾ | 1.738.753 | 1.694.064 | -2,6% |
| Net Debt | 896.417 | 837.605 | -6,6% |
| Net Debt / EBITDA | 2,60 | 2,82 | |
| ROE | 7,79% | 5,73% | |
| ROCE | 7,41% | 5,70% | |

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\$1,558.9 million, a 10.4% decrease compared with September 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 September 2020 was US\$217.8 million, 18.2% lower than September 2019. This result is mainly associated with lower operating results at ICSK, Puerto Ventanas, Magotteaux and SK Comercial. The EBITDA percentage margin in September 2020 fell to 14.0% (September 2019: 15.3%). As of August, a recovery of activity in Chile has been evident, which has allowed to increase the operating results of those businesses that have been most affected by the effects of the pandemic, such as ICSK, SK Comercial and SKBergé.

Net Profit was US\$38.4 million, which was a 44.7% 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. During 3Q20, Sigdo Koppers posted profits of US\$20.1 million.

At September 30, Sigdo Koppers has assets of US\$ 3,808 million. In addition, it maintains high liquidity with a consolidated cash flow of US\$482.2 million, and debt level, not including IFRS 16, Net Financial Debt to consolidated EBITDA of 2.82 times (2.60x in Dec-19).



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

Ingeniería y Construcción SK (ICSK)

- ICSK recorded 16.1 million Man Hours (-9.8%), affected by the stoppage of works due to COVID-19 between April and July. The pro forma EBITDA of ICSK was \$4,637 million, a lower result of 64% compared to September 2019 due to the stoppage of works in Chile and losses in Peru and Brazil. ICSK showed a net loss of **-\$4,304 million (-US\$5.4 million)**, a lower result of CLP\$8,595 million compared to September 2019. **The backlog at September 30, 2020 was US\$668 million.**

Puerto Ventanas (PVSA)

- PVSA transferred a total of 3.8 million tons (-12.5%). Despite this drop, the recovery of copper concentrate during 3Q20 stands out, where 541,640 tons were transferred. Fepasa transported 770.2 million tons-Km (-6.7%), noting an increase in transport of containers. **Consolidated EBITDA of Puerto Ventanas was US\$30.5 million**, a 19.4% drop due mainly to lower operating performance in the port business, due to lower loads, and Fepasa, mainly due to the COVID-19 effects. **Consolidated Net Profit of PVSA was US\$12.4 million**, a 23.8% drop compared to 3Q19.

Enaex

- Enaex had sales of 785,000 tons of explosives (+8%), due to higher sales in Chile and Brazil, together with the incorporation of the new Enaex Africa subsidiary from July. **Consolidated EBITDA of Enaex was US\$126.2 million at September 2020**, a 0.5% slight decrease mainly explained by a lower operating result in Davey Bickford (Initiation systems business). **Net Profit of Enaex was US\$57.2 million**, a 3% drop compared to September 2019.

Magotteaux

Magotteaux achieved sales of US\$428 million (-16%), resulting from lower physical sales (-10.6%), in both the grinding ball and casting business. **EBITDA of Magotteaux was US\$40.9 million at September 2020**, 29% lower than September 2019. The results were affected by COVID-19, due to plant stoppages during the 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, where there is still no evidence of recovery. Magotteaux had a **Net Profit of US\$7.9 million**, a 56.8% drop compared to the third quarter of 2019.

SK Comercial (SKC)

- Income of SK Comercial was US\$160.1 million (-21%), as a result of lower physical sales in the rental and distribution business, which was demonstrated significantly as of March and July 2020 with the restrictions imposed in Chile and Peru due to COVID-19. **EBITDA was US\$21.8 million**, an 35% drop compared to 3Q19. At September 2020, **SKC had a Net Profit of -US\$1.5 millones**, mainly because of lower performance in the machinery rental and distribution business. Despite the above, starting in August there has been a recovery in activity, which allowed us to record a profit of US\$0.7 million during 3Q20.

SKBergé /SK Inver. Automotrices (SKIA)

- Sales of 34,092 units at SKBergé represented a 47.1% decrease compared to September 2019. Despite the above, during 3Q20 sales of 15,879 units were recorded, showing a dynamic recovery, especially in Chile. **SK Inversiones Automotrices had a Net profit of CLP\$221 million** lower than the profit in 2019 but reversing all the losses recorded at the end of June 2020.



1. CONSOLIDATED INCOME STATEMENT

| Sigdo Koppers Consolidated Income Statement | Figures in ThUS\$ | | | Cifras en MUS\$ | | |
|---------------------------------------------------------|-------------------|----------------|---------------|-----------------|----------------|---------------|
| | Sep-19 | Sep-20 | Var. | 3Q19 | 3Q20 | Var. |
| Sales | 1.739.102 | 1.558.941 | -10,4% | 572.843 | 573.664 | 0,1% |
| Sales expenses | -1.335.891 | -1.223.445 | 8,4% | -441.252 | -456.448 | -3,4% |
| Gross income | 403.211 | 335.496 | -16,8% | 131.591 | 117.216 | -10,9% |
| Other operating income | 9.690 | 6.504 | -32,9% | 2.781 | 2.083 | -25,1% |
| Distribution costs | -55.505 | -52.784 | 4,9% | -17.086 | -19.755 | -15,6% |
| Administrative expenses | -193.043 | -170.102 | 11,9% | -62.039 | -58.670 | 5,4% |
| Other operating expenses | -4.122 | -3.961 | 3,9% | -1.475 | -1.232 | 16,5% |
| Other gains (losses) | 9.436 | 9.561 | 1,3% | 10.008 | 5.357 | -46,5% |
| Operating income | 169.667 | 124.714 | -26,5% | 63.780 | 44.999 | -29,4% |
| EBITDA | 266.397 | 217.807 | -18,2% | 97.412 | 77.162 | -20,8% |
| <i>% EBITDA Margin</i> | <i>15,3%</i> | <i>14,0%</i> | | <i>17,0%</i> | <i>13,5%</i> | |
| Interest income | 6.836 | 4.795 | -29,9% | 1.807 | 1.324 | -26,7% |
| Interest expenses | -50.186 | -44.221 | 11,9% | -17.804 | -10.605 | 40,4% |
| Impairment losses IFRS 9 | -401 | -647 | | -411 | -160 | |
| Related companies income | 16.112 | 3.598 | -77,7% | 3.085 | 4.295 | 39,2% |
| Exchange differentials | 3.642 | 1.587 | -56,4% | -599 | 361 | 160,3% |
| Price - level restatement | 476 | 182 | -61,8% | 1.913 | -1.228 | -164,2% |
| Income before taxes | 146.146 | 90.008 | -38,4% | 51.771 | 38.986 | -24,7% |
| Income tax | -39.725 | -22.993 | 42,1% | -14.599 | -7.507 | 48,6% |
| Income | 106.421 | 67.015 | -37,0% | 37.172 | 31.479 | -15,3% |
| Gain (losses) from uncontinued operations | - | - | | - | - | |
| Net income | 106.421 | 67.015 | -37,0% | 37.172 | 31.479 | -15,3% |
| Income attributable to Sigdo Koppers | 69.383 | 38.359 | -44,7% | 23.958 | 20.060 | -16,3% |
| Income attributable to non-controlling interests | 37.038 | 28.656 | -22,6% | 13.214 | 11.419 | -13,6% |
| Net income | 106.421 | 67.015 | -37,0% | 37.172 | 31.479 | -15,3% |

⁽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\$ | | |
|------------------------------------------------------|-------------------|------------------|---------------|-------------------|----------------|--------------|
| | Sep-19 | Sep-20 | Var. | 3Q19 | 3Q20 | Var. |
| Services ⁽¹⁾ | 461.675 | 399.025 | -13,6% | 158.626 | 146.540 | -7,6% |
| Ingeniería y Construcción SK | 326.394 | 291.338 | -10,7% | 113.686 | 109.718 | -3,5% |
| Puerto Ventanas | 135.281 | 107.687 | -20,4% | 44.940 | 36.822 | -18,1% |
| Industrial | 1.083.047 | 1.007.424 | -7,0% | 350.675 | 368.632 | 5,1% |
| Enaex | 574.068 | 579.143 | 0,9% | 190.043 | 236.024 | 24,2% |
| Magotteaux | 508.979 | 428.281 | -15,9% | 160.632 | 132.608 | -17,4% |
| Commercial & Automotive | 203.102 | 160.089 | -21,2% | 66.673 | 60.436 | -9,4% |
| SK Comercial | 203.102 | 160.089 | -21,2% | 66.673 | 60.436 | -9,4% |
| SKIA ⁽²⁾ | - | - | - | - | - | - |
| Parent company & adjustment⁽³⁾ | -8.722 | -7.597 | 12,9% | -3.131 | -1.944 | 37,9% |
| Consolidated Sales | 1.739.102 | 1.558.941 | -10,4% | 572.843 | 573.664 | 0,1% |

⁽¹⁾ Muestra una diferencia con Nota 30 de los Estados 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.

3Q20 vs. 3Q19. Consolidated Income was US\$1,558.92 million, a 10.4% drop mainly due to lower physical sales due to the effects of COVID-19.

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

Services Area: sales were US\$399.03 million, a drop of 13.6% compared to September 2019, mainly due to lower income at ICSK and Puerto Ventanas.

- Income at Ingeniería y Construcción Sigdo Koppers (ICSK) decreased 10.7% in line with a 9.8% decrease in man-hours worked, product of temporary work stoppages due to sanitary measures between April and July. It should be noted that during the third quarter of 2020 ICSK increased its level of activity due to the reactivation of several mining projects and was awarded projects for US\$28 million.

- Sales at Puerto Ventanas were US\$107.69 million, a 20.4% decrease mainly due to lower income in the port business as a result of fewer cargo transfers (-13%). Despite this drop, the recovery of the transfer of copper concentrate during 3Q20 stands out, where 541,640 tons were transferred. Fepasa registered lower cargo movements (-7%), which has been greatly influenced by lower forest charges from the effects of COVID-19.

Industrial area: sales were US\$1,007.42 million, a 7.0% decrease.

- Income of Enaex increased 0.9% compared with September 2019, mainly due to the combined effect of (1) higher explosives sales in both Chile and Brazil, (2) higher level of income due to the incorporation of Enaex Africa, offset by (3) a lower level of income in the Chemicals Division (-11%), in line with a lower level of NA exports, (4) a lower price level, as a result of a lower average price of ammonia, in line with the

indexation of contracts with customers, (5) lower income in the Initiation system business (Davey Bickford), and (6) lower representation in USD of Britanite sales in Brazil because of the significant depreciation of the Real.

- At Magotteaux sales were US\$428.3 million, a 15.9% drop largely due to a lower level of physical sales in grinding balls (-10.8%) and casting (-9.7%). 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\$160.09 million, a 21% drop compared to September 2019, mainly due to lower physical sales in the Distribution Business, which became very evident in March to July 2020 with the restrictions imposed in Chile and Peru because of COVID-19. In addition, consolidated sales at September 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 8.4% decrease compared to last year, explained largely by lower direct costs at Puerto Ventanas, Magotteaux and SK Comercial.

Distribution, Administration Costs and Other Expenses by function (GAV) were US\$226.85 million at September 30, 2020, a drop of US\$25.82 million (-10.2%) compared to September 2019, mainly due to lower expenses at Ingeniería y Construcción SK and SK Comercial.

EBITDA

| EBITDA Business Areas | Figures in ThUS\$ | | | Figures in ThUS\$ | | |
|----------------------------------------------------|-------------------|----------------|---------------|-------------------|---------------|---------------|
| | Sep-19 | Sep-20 | Var. | 3Q19 | 3Q20 | Var. |
| Services | 53.604 | 33.799 | -36,9% | 19.110 | 14.290 | -25,2% |
| Ingeniería y Construcción SK | 15.723 | 3.261 | -79,3% | 6.388 | 3.215 | -49,7% |
| Puerto Ventanas | 37.881 | 30.538 | -19,4% | 12.722 | 11.075 | -12,9% |
| Industrial | 184.158 | 167.101 | -9,3% | 68.558 | 55.997 | -18,3% |
| Enaex | 126.759 | 126.170 | -0,5% | 45.853 | 45.346 | -1,1% |
| Magotteaux | 57.399 | 40.931 | -28,7% | 22.750 | 10.651 | -53,2% |
| Commercial & Automotive | 33.373 | 21.659 | -35,1% | 10.906 | 8.520 | -21,9% |
| SK Comercial | 33.438 | 21.797 | -34,8% | 10.932 | 8.614 | -21,2% |
| SKIA ⁽¹⁾ | -65 | -138 | -112,3% | -26 | -94 | -261,5% |
| Parent company & adjustment | -4.738 | -4.752 | -0,3% | -1.162 | -1.645 | -41,6% |
| Consolidated EBITDA | 266.397 | 217.807 | -18,2% | 97.412 | 77.162 | -20,8% |
| EBITDA Margin | 15,3% | 14,0% | | 17,0% | 13,5% | |
| Consolidated pro-forma EBITDA⁽²⁾ | 282.509 | 221.405 | -21,6% | 103.073 | 74.442 | -27,8% |

⁽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.

3T20 vs. 3T19. Consolidated EBITDA of Sigdo Koppers was US\$217.81 million, a 18.2% decrease compared to September 2019. This drop occurred because of a lower result in the Services area, Magotteaux and SK Comercial. The Pro Forma Consolidated EBITDA, which includes the profits of the companies that are not consolidated, was US\$221.41 million (-21.6%).

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

Services Area: EBITDA was US\$33.80 million, which was a 36.9% 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 \$4,637 million (equivalent to -US\$5,78 million), representing a decrease of \$8,171 million compared to the third quarter of 2019. This is

mainly explained by the stoppage of several projects in Chile because of COVID-19 during the first semester, and due to negative operating results at ICSK Peru and Brazil.

- At Puerto Ventanas consolidated EBITDA was US\$30.54 million (-19,4%). The port business showed a lower level of EBITDA because of fewer transfers of coal and copper concentrate. During 3Q20 there was evidence of a recovery in EBITDA due to higher copper concentrate loads compared to previous months. The railway business achieved a lower operating result in line with lower cargo movements particularly in the forest area as a result of the effects of COVID-19.

Industrial Area: EBITDA was US\$167.1 million, showing a drop of 9.3%.

- At Enaex the EBITDA was US\$126.2 million, a 0.5% decrease, due to a lower operating result in the initiation systems business (Davey Bickford).

- The EBITDA of Magotteaux was US\$40.93 million at September 2020, a 28.7% drop compared to the same

period the previous year. 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, which has not yet shown a recovery.

Commercial and Automobile Area:

- SK Comercial had an EBITDA of US\$21.8 million showing an 34.8% drop from 3Q19. The decrease was due to a lower level of performance in the machinery distribution and rental business, which had already felt the effects of the shutdown of activity caused by COVID-19. Despite the above, starting in August there has been a recovery in activity, which has allowed us to record a significant recovery in operating results compared to previous months. Finally, the reduction in administration and sales expenses (-19%) should be noted.

Non-Operating Results

Income and Financial Costs

Consolidated Financial Income reached US\$4.79 million, a 30% drop compared to 3Q19, explained by lower interest during 2020.

Consolidated Financial Costs were US\$44.22 million, a 11.9% decrease compared to September 2019. This is explained by (1) a positive result of US\$6.17 million from the refinancing of liabilities in the parent company through the exchange of series C bonds for series K bonds; partially offset by (2) higher financial costs due to a higher level of debt in ICSK, Enaex and the parent company.

Earnings of Partnerships and Joint Ventures

At September 30, 2020, the Share in the Earnings of Partnerships and Joint Ventures was US\$3.6 million, a 77.7% decrease from 3Q19. This was mainly due to a lower result at SKBergé compared to 3Q19. It was accompanied by a decrease in sales in all the markets, which was aggravated between March and July 2020 by COVID-19. Despite the above, during 3Q20 there was a very dynamic recovery of the market, especially in Chile,

which made it possible to reverse all the losses recorded as of June. On the basis of those conditions, SK Inversiones Automotrices (SKIA), which recognizes 40% of the Net Profit of SKBergé, showed a profit of US\$0.52 million (-95.9%). Additionally, the result in companies and consortiums that do not consolidate in ICSK decreased by 16.3% (in CLP).

The 17.0% 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 September 2020 had a net positive result of US\$1.77 million, which was a lower result of US\$2.35 million compared to the previous year.

NET PROFIT

| Net profit Business Areas | Total Companies | | | % SK | Attributable to parent company | | | |
|------------------------------------|-------------------|---------------|----------------|--------|-----------------------------------|---------------|----------------|------|
| | Figures in ThUS\$ | | | | Figures in ThUS\$ | | | |
| | Sep-19 | Sep-20 | Var. | | Sep-20 | Sep-19 | Sep-20 | Var. |
| Services | 22.537 | 7.034 | -68,8% | | 13.594 | 3.367 | -75,2% | |
| Ingeniería y Construcción SK | 6.256 | -5.364 | -185,7% | 60,43% | 3.829 | -3.244 | -184,7% | |
| Puerto Ventanas | 16.281 | 12.398 | -23,8% | 50,01% | 9.765 | 6.611 | -32,3% | |
| Industrial | 77.145 | 65.101 | -15,6% | | 52.260 | 41.263 | -21,0% | |
| Enaex | 58.743 | 57.156 | -2,7% | 60,72% | 35.670 | 34.706 | -2,7% | |
| Magotteaux ⁽¹⁾ | 18.402 | 7.945 | -56,8% | 95,00% | 16.590 | 6.557 | -60,5% | |
| Commercial & Automotive | 16.297 | -1.058 | -106,5% | | 15.826 | -832 | -105,3% | |
| SK Comercial | 3.765 | -1.544 | -141,0% | 87,48% | 3.294 | -1.351 | -141,0% | |
| SKIA | 12.532 | 486 | -96,1% | 99,99% | 12.532 | 519 | -95,9% | |
| SK companies profit | 115.979 | 71.076 | -38,7% | | 81.680 | 43.798 | -46,4% | |
| Parent company & adjustments | | | | | -12.297 | -5.439 | | |
| Total consolidated profit | | | | | 69.383 | 38.359 | -44,7% | |

⁽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.

3T20 vs. 3T19. Net Profit associated with Sigdo Koppers was US\$38.36 million, which was a 44.7% drop compared to September 2019. The result was mainly due to a lower profit in all of the subsidiaries.

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

Services Area: Net Profit was US\$7.03 million, showing a decrease of 68.8% compared to 3Q19.

- ICSK had a Net Loss in pesos of -\$4,304 million (-US\$5.4 million), 200% less than the third quarter 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 during 1H20, (2) negative operating results at ICSK Peru and Brazil because COVID-19 and lower operational performances in some works, offset by (3) a lower level of administrative and sales expenses (-17.6% in pesos).

- Puerto Ventanas showed a Net Profit of US\$12.4 million, which was a 23.8% drop compared to 3Q19. The result was mainly due to fewer cargo transfers in the port and rail business.

Industrial Area: Net profit was US\$65.1 million, a decrease of 15.6% compared to September 2019.

- Enaex had a net Profit of US\$57.2 million, 2.7% less than the same period in 2019. The difference was mainly due to a lower operational result in Davey Bickford and by a lower non-operating result.

- Magotteaux suffered a drop of 56.8% in its Net profit, reaching US\$7.9 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\$1.06 million, showing a 106.5% drop compared to September 2019.

- SK Comercial had a net loss of US\$1.54 million, showing a lower result of US\$5.31 million compared to 3Q19. This was mainly due to a drop in the result of the machinery distribution and rental business in Chile, which had already felt the effects of the shutdown of activity caused by COVID-19.
- SK Inversiones Automotrices had a Net Profit of US\$0.52 million, 95.9% less than September 2019 (-97.4% 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. Despite this, during 3Q20 sales of 15,879 units were registered, showing a dynamic recovery in Chile, which allowed reversing the losses recorded as of June 2020.

2. CONSOLIDATED BALANCE SHEET

| Consolidated Balance Sheet | Figures in ThUS\$ | | |
|-------------------------------------------|-------------------|------------------|--------------|
| | Dec-19 | Sep-20 | Var. |
| Current Assets | | | |
| Cash and cash equivalent | 290.194 | 482.241 | 66,2% |
| Account and sales receivables | 500.222 | 423.578 | -15,3% |
| Inventories | 432.041 | 402.628 | -6,8% |
| Other current assets | 60.389 | 35.049 | -42,0% |
| Total current assets | 1.282.846 | 1.343.496 | 4,7% |
| Long-term assets | | | |
| Property, plants & equipment | 1.208.695 | 1.194.118 | -1,2% |
| Other long-term assets | 1.319.510 | 1.270.651 | -3,7% |
| Total long-term assets | 2.528.205 | 2.464.769 | -2,5% |
| Total assets | 3.811.051 | 3.808.265 | -0,1% |
| Current liabilities | | | |
| Short-term financial debt | 345.728 | 416.990 | 20,6% |
| Accounts payable | 380.144 | 282.626 | -25,7% |
| Other current liabilities | 183.103 | 193.470 | 5,7% |
| Total current liabilities | 908.975 | 893.086 | -1,7% |
| Long-term liabilities | | | |
| Long-term financial debt | 840.883 | 902.856 | 7,4% |
| Other long-term liabilities | 322.440 | 318.259 | -1,3% |
| Total long-term liabilities | 1.163.323 | 1.221.115 | 5,0% |
| Total liabilities | 2.072.298 | 2.114.201 | 2,0% |
| Equity | | | |
| Attributable to the controller | 1.326.456 | 1.262.412 | -4,8% |
| Attributable to non-controlling interests | 412.297 | 431.652 | 4,7% |
| Total equity | 1.738.753 | 1.694.064 | -2,6% |
| Total liabilities and equity | 3.811.051 | 3.808.265 | -0,1% |

Analysis of Consolidated Statement of Financial Position

The main variations in the Consolidated Classified Balance Sheet of Sigdo Koppers at the third 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\$3,808.27 million, which represented a drop of US\$2.8 million compared to the closing of 2019, including the following:

- The consolidated Cash flow of Sigdo Koppers (Cash and Cash Equivalents) was US\$482.24 million, an increase of US\$192.05 million compared to December 2019. The cash levels of Enaex with US\$209.82 million and Magotteaux with US\$40.17 million were worthy of note. At the level of the parent company, Cash flow was US\$173.83 million (including SK Inv. Petroquímicas S.A., SK Inv. Automotrices S.A. and SK Internacional S.A.).
- Accounts Receivable were US\$423.59 million, a decrease of US\$76.64 million. The average number of days of Accounts Receivable was 72, 6 days less than at the closing of 2019. The subsidiaries with the highest levels of Accounts Receivable were Enaex with US\$206.99 million (+2.2%), Magotteaux with US\$86.05 million (-6.4%), Puerto Ventanas with US\$43.51 million (-25.7%), SK Comercial with US\$42.16 million (-25.9%) and Ingeniería y Construcción SK with US\$41.1 million (-52.9%).
- The level of Consolidated Inventory was US\$402.63 million, which represented a drop of US\$29.41 million compared with December 2019. This occurred due to lower inventory levels at Magotteaux of US\$18.32 million and at SKC of US\$24.34 million, offset by higher inventory levels at Enaex (+13%). As a result, the average number of days of the Consolidated Inventory of Sigdo Koppers was 87 days at the third quarter of 2020, superior level reached at December 2019.

- Consolidated Fixed Asset (Properties, Plant and Equipment) was US\$1,194.12 million, which was a drop of US\$14.58 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\$570.45 million, Puerto Ventanas with US\$236.06 million, Magotteaux with US\$204.89 million y SK Comercial with US\$133.44 million.

Consolidated Liabilities and Shareholders Equity:

At September 30, 2020 Total Liabilities of Sigdo Koppers were US\$2,114.2 million, reflecting an increase of US\$41.9 million compared to December 2019, mainly explained by:

- Accounts Payable were US\$282.63 million, showing a decrease of US\$97.52 million compared to the amount recorded at the closing of 2019. The average number of days of Accounts Payable was 61 days, showing a drop compared to December 2019 (77 days). The subsidiaries with the highest level of Accounts Payable were Enaex with US\$94.16 million (-1.8%), Magotteaux with US\$82.28 million (-19.0%), and Ingeniería y Construcción SK with US\$44.71 million (-47.6%).
- Consolidated Financial Liabilities were US\$1,319.85 million, showing an increase of US\$133.24 million. This occurred because of the higher debt levels at the parent company (US\$70 million), Enaex (US\$57.16 million) and ICSK (US\$3.28 million). At the level of the parent company, Financial Liabilities reached US\$276.1 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\$1,694.06 million, which represented a 2.6% 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 September 30, 2020 and December 31, 2019.

| Liquidity Ratios | Unit | Dec-19 | Sep-20 |
|----------------------------------|--------|---------|---------|
| Current Liquidity ⁽¹⁾ | times | 1,41 | 1,50 |
| Acid-Test Ratio ⁽²⁾ | times | 0,87 | 1,01 |
| Working Capital ⁽³⁾ | ThUS\$ | 552.119 | 543.580 |

⁽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 1.50 times and the Acid Test ratio was 1.01 times at September 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\$8.54 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 92 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 | Sep-20 |
|--------------------------------------------|-------|--------|--------|
| Leverage ⁽¹⁾ | times | 1,19 | 1,25 |
| Financial expenses coverage ⁽²⁾ | times | 5,10 | 4,80 |
| Financial debt / EBITDA | times | 3,44 | 4,45 |
| Net financial debt / EBITDA | times | 2,60 | 2,82 |
| Net financial leverage ⁽³⁾ | times | 0,48 | 0,48 |

⁽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 September 30, 2020, the net Financial Debt ratio over consolidated EBITDA was 2.82 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 September 30, 2020, the debt ratio (leverage) was 1.25 times, showing a slight increase compared to December 2019. Net financial leverage (corporate bond covenant) was 0.48 times at September 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\$ | | |
|----------------------------------------|-------------------|-----------------|-----------------|
| | Sep-19 | Sep-20 | Var. |
| Operating cash flow | 116.363 | 227.181 | 95,2% |
| Investment cash flow | -136.730 | -104.360 | 17,5% |
| Capex | -116.228 | -72.388 | 222,7% |
| Fixed assets sales | 2.707 | 8.064 | 31,8% |
| Other | -23.209 | -40.036 | 260,0% |
| Finance cash flow | 21.868 | 75.059 | 113,6% |
| Net variation in financial liabilities | 125.733 | 178.105 | 42% |
| Interest | -33.431 | -46.356 | -112,5% |
| Payment of Lease Liabilities | -12.778 | -14.802 | 24,7% |
| Dividends | -59.956 | -42.657 | -85,9% |
| Capital increased | 3.760 | 244 | |
| Other | -1.460 | 525 | 23,7% |
| Total net cash flow | 1.501 | 197.880 | 13083,2% |
| Effect of exchange rate changes | -5.330 | -5.334 | -0,1% |
| Cash and cash equivalent | 263.255 | 481.333 | 82,8% |

The consolidated **Operating Flow** showed a positive flow of US\$227.18 million at September 2020, which represented a 95.2% increase over 3Q19. The main increases in operating flow were seen at Enaex, Puerto Ventanas, Magotteaux, and SKC.

variation of (net) financial liabilities including corporate bonds showed a positive flow of US\$178.11 million. This was mainly due to an increase in the financial liabilities at ICSK, Enaex and Sigdo Koppers.

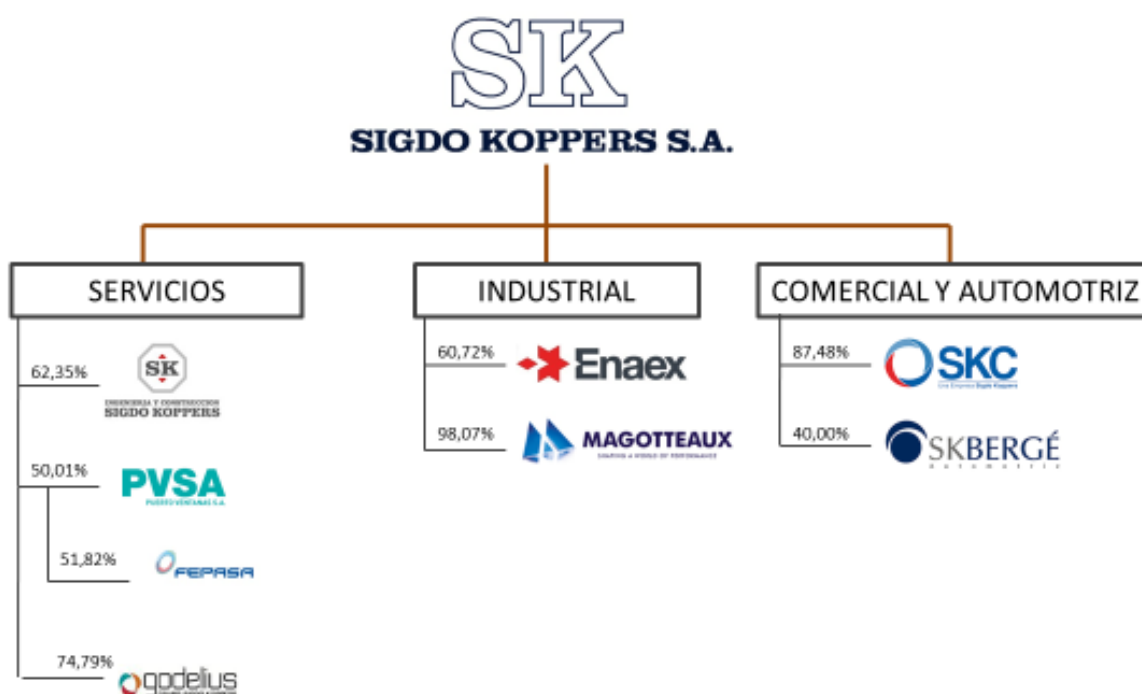
The consolidated **Investment Flow** in the third quarter of 2020 was a negative flow of US\$104.36 million. Investment in Fixed Asset (Capex) was US\$72.39 million, featuring investments made by Enaex (US\$38.24 million) and Puerto Ventanas (US\$10.21 million) mainly associated with maintenance Capex. 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 September 30, 2020 the **Financing Flow** was US\$75.06 million (+243%). In particular, the

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 September 30, 2020.

4.1 Ingeniería y Construcción Sigdo Koppers S.A.

| Ingeniería y Construcción Sigdo Koppers | Sep-19 | Sep-20 | Var. | 3Q19 | 3Q20 | Var. |
|--------------------------------------------|---------|---------|---------|--------|--------|---------|
| | MM\$ | MM\$ | % | MM\$ | MM\$ | % |
| Revenue | 223.858 | 233.776 | 4,4% | 80.205 | 86.044 | 7,3% |
| EBITDA | 10.396 | 2.617 | -74,8% | 4.580 | -1.408 | - |
| <i>EBITDA Margin</i> | 4,6% | 1,1% | | 5,7% | -1,6% | 130,8% |
| Pro-Forma EBITDA(*) | 12.809 | 4.637 | -63,8% | 5.591 | -860 | - |
| <i>Pro-Forma EBITDA Margin</i> | 5,7% | 2,0% | | 7,0% | -1,0% | 115,4% |
| Controller's net profit | 4.291 | -4.304 | -200,3% | 1.601 | -564 | -135,2% |

| | Horas (Miles) | Horas (Miles) | Var. | Horas (Miles) | Horas (Miles) | Var. |
|--------------------------|------------------|------------------|-------|------------------|------------------|--------|
| Total man-hours executed | 17.864 | 16.114 | -9,8% | 6.339 | 5.578 | -12,0% |

(*) 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.

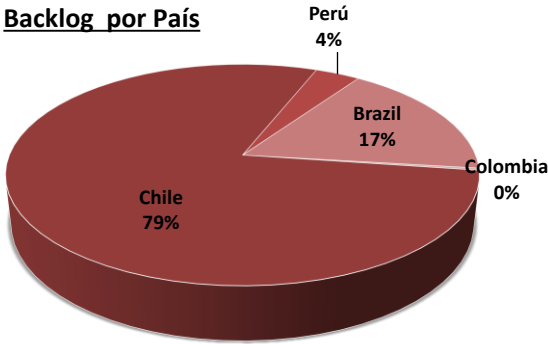
- At September 30, 2020, ICSK and the consortia it participates in executed a total of **16.11 million man-hours**, an 9.8% decrease over the previous year. The main projects executed in the third quarter of 2020 were (1) the Codelco Andina Transfer project, (2) Crushing Rooms and Intermediate Transportation 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 and (5) Salares Norte (Concentrator Plant) project of Goldfields.
- Consolidated Income of ICSK was \$233,776 million** (US\$291.3 million), an increase of 4.4%. This increase is mainly explained by the billing of the final stage of the contract status of some projects.

- Consolidated EBITDA of ICSK showed a result of \$2,617 million** at the third quarter of 2020, which represented a decrease of \$7.779 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 \$4,637 million, representing a drop of \$8,171 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, offset by (3) a decrease in administrative and selling expenses (-17.6%).

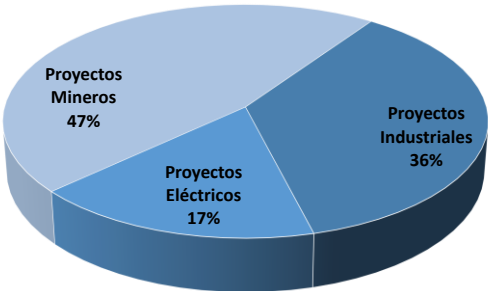
- Net loss** of ICSK at September 30, 2020 was - \$4,304 million, which represented a decrease of \$8,595 million compared to 2019.

- At September 30, 2020, ICSK maintained a backlog of US\$668 million**, which should be executed largely between 2020 and 2022. The backlog is 1.5% lower than the backlog in 2Q20. It should be noted that during the third quarter of 2020, ICSK increased its level of activity due to the reactivation of several mining projects that were paralyzed and was also awarded projects for US\$ 28 million.

During 2020 ICSK was awarded works of US\$188 million, with the Concentrator Plant for the Salares Norte project of Goldfields (Fluor), Cylinder change in BHP's Laguna Seca project, and additional works in Teck's Quebrada Blanca 2 and Codelco Andina Traspaso projects.



Backlog por Sector



4.2 Puerto Ventanas S.A.

| Puerto Ventanas Consolidated | Sep-19 | Sep-20 | Var. | 3Q19 | 3Q20 | Var. |
|--------------------------------|---------------|---------------|---------------|--------------|--------------|--------------|
| | ThUS\$ | ThUS\$ | % | ThUS\$ | ThUS\$ | % |
| Revenue | 135.281 | 107.687 | -20,4% | 44.940 | 36.822 | -18,1% |
| EBITDA | 37.881 | 30.538 | -19,4% | 12.722 | 11.075 | -12,9% |
| <i>EBITDA Margin</i> | <i>28,0%</i> | <i>28,4%</i> | | <i>28,3%</i> | <i>30,1%</i> | |
| Controller's net profit | 16.281 | 12.398 | -23,8% | 5.353 | 4.909 | -8,3% |
| PVSA - Tons transferred | 4.379.042 | 3.832.082 | -12,5% | 1.525.202 | 1.350.083 | -11,5% |
| Fepasa - Th Ton-Km | 825.191 | 770.169 | -6,7% | 280.615 | 262.063 | -6,6% |

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).

| Puerto Ventanas | Figures in Tons | | |
|--------------------------|------------------|------------------|-------------|
| | Sep-19 | Sep-20 | Var. |
| Coal | 1.575.061 | 1.221.818 | -22,4% |
| Concentrate | 1.678.852 | 1.397.392 | -16,8% |
| Acids | 337.850 | 414.471 | 22,7% |
| Grains | 340.420 | 274.751 | -19,3% |
| Clinker - Slag - Bauxita | 134.314 | 112.189 | -16,5% |
| Petcoke | 27.434 | 54.808 | 99,8% |
| Asphalt | 59.758 | 115.815 | 93,8% |
| Fuels | 4.379.042 | 3.832.082 | -12,5% |
| Total | 8.532.731 | 7.423.326 | -13% |

■ In the third quarter of 2020 Puerto Ventanas transferred **7,423,326 tons**, which represented a 13% drop compared to September 2019. This was mainly due to smaller transfers of coal, copper concentrate and clinker. Despite this drop, the recovery of the transfer of copper concentrate during 3Q20 stands out, where 541,640 tons were transferred.

■ Valued income of the Port Business was US\$107.69 million, 20.4% less than the amount reported in September 2019, in line with the lower levels of cargo transfer, specifically coal and copper concentrate cargo.

■ Fepasa transported a total of 770.2 million tons-Km of cargo at September 2020, a 6.7% decrease compared to the previous year. The increase in container cargo (+25.7%) should be noted. On the other hand, transportation in the forest area (mainly due to the effects of COVID-19), industrial, bulk and solid waste decreased.

| Fepasa | Figures in Th- Ton-Km | | |
|-----------------|-----------------------|----------------|--------------|
| | Sep-19 | Sep-20 | Var. |
| Pulp | 415.021 | 367.166 | -11,5% |
| Mining | 293.299 | 294.617 | 0,4% |
| Solid waste | 65.293 | 55.216 | -15,4% |
| Grain and Indus | 15.434 | 7.734 | -49,9% |
| Containers | 36.144 | 45.436 | 25,7% |
| Total | 825.191 | 770.169 | -6,7% |

■ At 3Q20, the **Consolidated EBITDA of Puerto Ventanas was US\$30.5 million**, a 19.4% drop compared to 2019, reflecting a lower operating result in the port (-13.2%) and rail business. Fepasa, in particular, accumulated an EBITDA of MM\$5,641 (US\$7.03 million), which represented 22% drop compared to 3Q19, and whose main effect is the drop in loads in the forest area as a result of the effects of COVID-19.

■ At September 30, 2020, the **Consolidated Net Profit of Puerto Ventanas was US\$12.39 million**, showing a 23.8% drop compared to 2019. The lower result was mainly due to fewer cargo transfers in the port and rail business and a smaller representation of the profit of Fepasa in dollars.

4.3 Enaex S.A.

| Enaex | Sep-19 | Sep-20 | Var. | 3Q19 | 3Q20 | Var. |
|--------------------------------|---------------|---------------|--------------|---------------|---------------|--------------|
| | ThUS\$ | ThUS\$ | % | ThUS\$ | ThUS\$ | % |
| Revenue | 574.068 | 579.143 | 0,9% | 190.043 | 236.024 | 24,2% |
| EBITDA | 126.759 | 126.170 | -0,5% | 45.853 | 45.346 | -1,1% |
| <i>EBITDA Margin</i> | 22,1% | 21,8% | | 24,1% | 19,2% | |
| Controller's net profit | 58.743 | 57.156 | -2,7% | 21.178 | 20.420 | -3,6% |

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.

combined effect of (1) higher explosives sales in both Chile and Brazil, (2) higher level of income due to the incorporation of Enaex Africa, offset by (3) a lower level of income in the Chemicals Division (-11%), in line with a lower level of NA exports, (4) a lower price level, as a result of a lower average price of ammonia, in line with the indexation of contracts with customers, (5) lower income in the Initiation system business (Davey Bickford), and (6) lower representation in USD of Britanite sales in Brazil because of the significant depreciation of the Real.

| Enaex | Figures in Tons | | |
|------------------------------|-----------------|----------------|-------------|
| | Sep-19 | Sep-20 | % |
| High Explosives | 7.261 | 12.790 | 76,2% |
| A.N. Export | 173.017 | 107.057 | -38,1% |
| A.N. National | 445.930 | 454.001 | 1,8% |
| Britanite | 99.702 | 112.748 | 13,1% |
| Enaex Africa | - | 98.809 | |
| Total | 725.910 | 785.404 | 8,2% |
| NH3 average price (US\$/Ton) | 281 | 230 | -18,1% |

- Physical sales of Enaex were 785.4 thousand tons, an 8% increase compared to the third quarter of 2019. This increase is explained by higher sales in Chile (+8,1 Mtons) and Brazil (+13 Mtons), from sales from the new Enaex Africa subsidiary; and partially offset by lower sales of ammonium nitrate (N.A.) in exports (-65.96 Mtons).

- Income of Enaex was US\$579.14 million**, a 0.9% increase compared to September 2019 due to the

- Consolidated EBITDA of Enaex was US\$126.17 million at the third quarter of 2020**, showing a 0.5% slight decrease mainly due to a lower operating result in the initiation systems business (Davey Bickford), in line with a decrease in physical sales (-1.9%) and due to a lower operating result in Other subsidiaries (Enaex Argentina and Enaex Peru) mainly affected by COVID-19.

- There was a loss of US\$10.02 million at the Non-Operating level showing a lower result of US\$1.94 million compared to September 2019.

- As a result of the above, at September 30, 2020 **the Net Profit of Enaex was US\$57.2 million**, which was a 2.7% drop compared to 3Q19. The lower result was mainly due to the lower Operational and Non-Operating result.

4.4 Magotteaux Group S.A.

| Magotteaux Group | Sep-19 | Sep-20 | % | 3Q19 | 3Q20 | Var. |
|-------------------------|--------------|-------------|--------|--------------|-------------|-------------|
| | MUS\$ | MUS\$ | % | | MUS\$ | MUS\$ |
| Revenue | 508.979 | 428.281 | -15,9% | 160.632 | 132.608 | -17,4% |
| EBITDA | 57.399 | 40.931 | -28,7% | 22.750 | 10.651 | -53,2% |
| <i>EBITDA Margin</i> | <i>11,3%</i> | <i>9,6%</i> | | <i>14,2%</i> | <i>8,0%</i> | <i>0,0%</i> |
| Controller's net profit | 18.402 | 7.945 | -56,8% | 7.839 | 750 | -90,4% |

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 | Sep-19 | Sep-20 | % |
|------------------|----------------|----------------|---------------|
| Grinding Media | 243.208 | 217.003 | -10,8% |
| Casting | 42.079 | 38.006 | -9,7% |
| Total | 285.288 | 255.009 | -10,6% |

- At the third quarter of 2020, physical sales were 255,009 tons, an 10.6% drop compared to September 2019. Physical sales of grinding balls (GM) decreased 10.8%, mainly due to a decrease in sales of forged steel balls for mining and high chromium balls for cement. Physical sales of castings dropped 9.7%, 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 third quarter of 2020 the **consolidated income of Magotteaux was US\$428.28 million**, a

15.9% drop compared to 2019. This decrease is explained by the COVID-19 effect, which was reflected in lower physical sales particularly in the cement market, which has not yet shown a recovery.

- EBITDA of Magotteaux was US\$40.93 million** at September 2020, decreasing 28.7% compared to the same period in 2019. This result was mainly due to (1) a lower operating result by the COVID-19 effect on a lower demand for grinding balls and casting, mainly in the Mining and Cement markets and (2) the temporary closure of Magotteaux operations during the first semester. As of September, all the plants are operating, but sanitary protocols are still in place that affect their productivity.

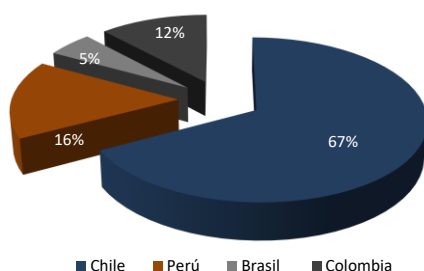
- The company had a **Net Profit of US\$7.95 million** at September 30, 2020, which was a 56.8% decrease compared with the third quarter of 2019.

4.5 SK Comercial S.A.

| SK Comercial | Sep-19 | Sep-20 | Var. | 3Q19 | 3Q20 | Var. |
|------------------------------|---------|---------|---------|--------|--------|--------|
| | ThUS\$ | ThUS\$ | % | ThUS\$ | ThUS\$ | % |
| Revenue | 203.102 | 160.089 | -21,2% | 66.673 | 60.436 | -9,4% |
| <i>Distribution Business</i> | 137.684 | 107.694 | -21,8% | 43.177 | 40.977 | -5,1% |
| <i>Rental Business</i> | 78.092 | 58.681 | -24,9% | 25.742 | 21.687 | -15,8% |
| <i>Consolidation adjust</i> | -12.674 | -6.286 | 0,0% | -2.246 | -2.228 | 0,0% |
| EBITDA | 33.438 | 21.797 | -34,8% | 10.932 | 8.614 | -21,2% |
| <i>EBITDA Margin</i> | 16,5% | 13,6% | | 16,4% | 14,3% | |
| Controller's net profit | 3.765 | -1.544 | -141,0% | 952 | 695 | -27,0% |

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, Manitou, 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 **1,908 units**, which was a 34% drop compared to 2019. The decrease was seen clearly between March and August 2020 when restrictions were imposed in Chile as a result of COVID-19. Regarding valued sales, the Distribution business showed a drop of 21.2% in line with lower physical sales. The **machinery leasing** business had a fleet valued nominally at US\$130 million, 8% less than December 2019 (US\$142).

■ At September 2020, **SK Comercial** had **consolidated income of US\$160.09 million**, a drop of

21% compared to September 2019, mainly due to lower sales in the machinery distribution and rental business. In addition, sales in 3Q20 are affected by the depreciation of the currencies where SK Rental operates, particularly in Chile (CLP), Brazil (Real) and Colombia (COP), which affects the representation in USD of SK Rental's sales.

■ **Consolidated EBITDA of SK Comercial was US\$21.8 million** at September 2020, which was a 34.8% lower result compared to 3Q19. 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. However, as of August there has been a greater activity which has allowed us to register a significant recovery in operating results compared to previous months. The reduction in administration and sales expenses (-19%) should be noted, which has partially offset the drop in business volume.

■ At the third quarter of 2020, **SK Comercial** had a **Net Profit of -US\$1.54 millones**, showing a lower result by US\$5.31 million compared to September 2019. Despite the above, starting in August there has been a recovery in activity, which allowed us to record a net profit of US\$0.7 million during 3Q20.

4.6 SK Inversiones Automotrices S.A.

| SK Inversiones Automotrices | Sep-19 MM\$ | Sep-20 MM\$ | Var. % | 3Q19 MM\$ | 3Q20 MM\$ | Var. % |
|-----------------------------|----------------|----------------|-----------|--------------|--------------|-----------|
| Controller's net profit | 8.524 | 221 | -97,4% | 1.176 | 2.864 | 143,5% |

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 September 30, 2020 SKBergé showed sales of 34,092 units, which was a 47.1% decrease compared to September 2019, and which is

directly linked to the stoppage of activities in this industry between April and July as a result of COVID-19. 21,560 units were sold in Chile, which represented a 45.0% decrease compared to September 2019. Sales abroad reached 12,532 units, showing a drop of 50% compared to 3Q19. Despite the above, during 3Q20 sales of 15,879 units were recorded, showing a dynamic recovery, especially in Chile.

- At the third quarter of 2020, **SKIA showed a result of CLP\$221 million**, which was a 97.4% decrease compared to September 2019. The lower result was due to fewer physical sales and a lower operating margin. Despite the above, starting in August there was a very dynamic market recovery, especially in Chile, which made it possible to reverse all the losses recorded in June.

- The National Automobile Association of Chile (ANAC) reported in its October-20 report that it is expected that in Chile about 240 thousand units will be sold during 2020 (-36% vs. 2019).