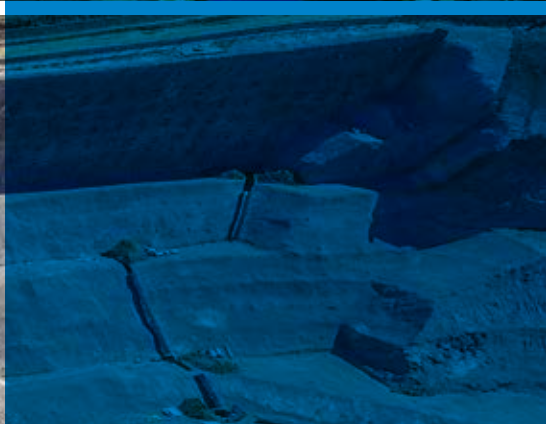


**ECHVERRIA  
IZQUIERDO**



**2019**  
ANNUAL  
REPORT





### COMPANY INFORMATION

**NAME:** Echeverría Izquierdo S.A.

**TAX ID:** 76.005.049-0

**TYPE OF COMPANY:** Open corporation

**ADDRESS:** Rosario Norte 532, 8th floor, Las Condes, Santiago

**PHONE:** +56 2 2631 4600

**E-MAIL:** ei@ei.cl

**WEBSITE:** www.ei.cl

**STOCK EXCHANGE SYMBOL:** EISA

**SVS REGISTRATION NUMBER:** 1095

### SECURITIES REGISTER:

**SHAREHOLDERS DEPARTMENT:** Depósito Centro de Valores

**ADDRESS:** Huérfanos 770, 22nd floor, Downtown Santiago, Santiago

**PHONE:** +56 2 2393 9003

**E-MAIL:** atencionaccionistas@dcv.cl

**WEBSITE:** www.dcv.cl

### INVESTOR RELATIONS

**ADDRESS:** Rosario Norte 532, 8th floor, Las Condes, Santiago

**PHONE:** +56 2 2631 4600

**E-MAIL:** ftecheverria@ei.cl

**EXTERNAL AUDITORS:** PricewaterhouseCoopers (PwC)





## MISSION



Create value for shareholders through services of excellence in the fields of engineering and construction, providing integral and innovative solutions that add value to our clients' projects and make us their best partner.

## MISSION



Our behavior is underpinned by the ongoing search for excellence in service, by the quality of our processes, respect for our clients, suppliers and collaborators, and by the creativity in satisfying the needs of those who entrust us with their projects.

## VISION



Our view is positioned on the Echeverría Izquierdo business group becoming one of the three leading players in the local industry based on the diversification and comprehensiveness of its business areas and the expansion of its operations to the main markets in Latin America to consolidate its internationalization.



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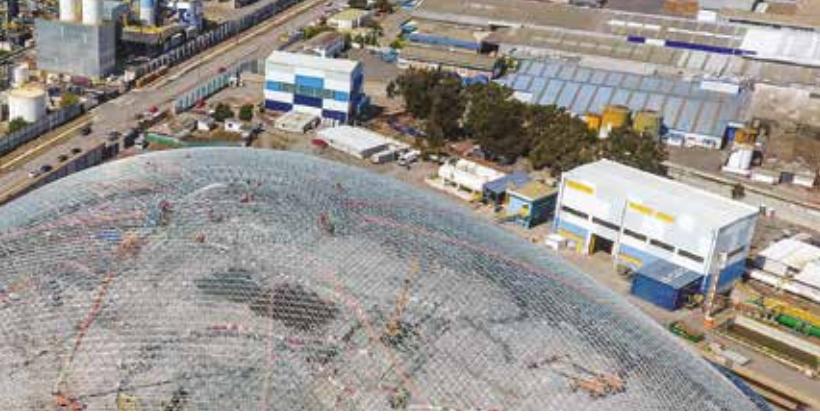
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# 05

## OUTSTANDING PROJECTS IN 2019

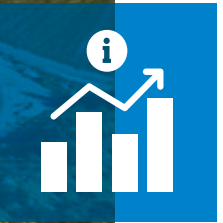
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## SUMMARY FINANCIAL INFORMATION

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# LETTER FROM THE CHAIRMAN



“

Despite local and international contingencies, we are able to forecast a good performance by the company in the coming fiscal years based on the significant backlog and units promised for sale.

It is with great satisfaction that I present the annual report and financial statements for the 2019 fiscal year, a year when the results of Echeverría Izquierdo S.A. were solid and major progress was made in different areas of business.

In operation for more than 40 years, our company has become one of the leading players in the local industry, both because of its sturdy results and because it is a benchmark for innovation and job safety. This latter point is seen in the fact that during this period, our accident rate was one of the lowest in the country. We are involved in large-scale public and social works, so we can assert that our performance and development support the country's growth and the provision of strategic services such as transport, housing, and productive infrastructure.

In general terms, at the end of the 2019 fiscal year, we earned a net profit 20.6% higher than the previous year. The net margin was 4.23% and the return on equity was 10.94%. In December, we also came to have the largest backlog in the company's history, 46.9% higher than at the close of the previous fiscal year. Of note is the good performance in the Industrial Construction and Services segment and in the Property Development segment.

These results go hand in hand with our corporate purpose, grounded on strong ethical values and a commitment to sustainable development. We have set important challenges in environmental and social management and governance. At this time, the construction sector is facing a reality of constant change. Our ability to identify different opportunities in this scenario and to reinforce our position on the market will depend on how quickly we can adapt the organization, its processes and the internal talent to those challenges.

## ANALYSIS BY SEGMENT

### Industrial Construction and Services

Echeverría Izquierdo Montajes Industriales (engaged in Industrial Installations) demonstrated a sound position in the mining and pulp sectors. It executed different projects at the Nueva Aldea and Horcones pulp plants for Celulosa Arauco and at El Teniente for Codelco.

Foremost is that we were awarded major projects in 2019 that created the greatest backlog in the company's history. Of particular importance are the civil works and electromechanical installation of the Recovery Boiler, Power Boiler, Demineralized Water Plant, Air Compressors, Caustification Area and Lime Furnace for Celulosa Arauco's Mapa Project. We also built and installed the Primary Crusher, Overland Belts, Stockpile and Reclaim Tunnel for the Quebrada Blanca mining project. In addition, we were awarded projects for the Celulosa Laja Effluent Plant of CMPC and other different projects for Codelco Teniente.

Echeverría Izquierdo Soluciones Industriales (engaged in Industrial Solutions) — in which we share ownership with Ingeniería Pares & Álvarez — continued developing several EPC projects for the lithium industry.

In our subsidiary Nexxo, which we own jointly with the Jander family, the restructuring in 2018 helped substantially improve all parameters, increasing sales over the previous fiscal year and earning a net margin of 4.5%. Especially relevant were the awards of long-term maintenance contracts for: the Codelco Chuquicamata Smelter, Lomas Bayas Mine and maintenance during the stops of the Enap Bio Bio and Methanex plants. The subsidiary maintained its international presence with work for the petrochemical industry in Peru, Argentina, Colombia, and Bolivia.

### Real Estate

During the 2019 fiscal year, our net sales (deeds + promises) increased 17.6% compared to the previous fiscal year. In 2019, Senda Inmobiliaria, our subsidiary in Peru, was consolidated and came to represent one-third of the sales in this business because of several different projects in Lima. Two properties were also acquired for future projects in the San Isidro Sector.

In Chile, on the other hand, a project was delivered in downtown Santiago that incorporates innovations that include, among others, the largest residential photovoltaic power plant in the country, hot water pumps, prefabricated bathrooms, electric car chargers, an information screen for owners and aluminum forms. Three new properties were also

purchased that will generate sales of close to UF 3.5 million.

A social integration housing area was also created that we expect will account for close to 15% of sales in this segment over the next 5 years.

### **Edification and Civil Works**

Echeverría Izquierdo Edificaciones closed the fiscal year with an increase in sales approaching 20% compared to the previous fiscal year and a backlog above MCLP\$140,000 at the end of December. In the area of innovation, we continued with the digital transformation by adding technologies that automate operating processes as well as an extensive use of the Building Information Modeling (BIM) method in all stages of project development. The collaborative assistance model gained special importance because it facilitated transferring the four decades of the company's experience to our clients, thereby improving productivity and constructability.

In civil works, the Aguas Pirque Pumping and Draining project was concluded for Aguas Andinas that will improve the security of potable water supply to the city of Santiago. In conjunction with our associate Ossa, in Spain, progress was made in a different projects for the Santiago Subway system that included the construction of stations, shafts and tunnels to extend Line 3 of the Santiago Subway to Quilicura, involving more than 3 kms of tunnels and the construction of two stations. Construction of the elevators for Line 5 was also concluded and reconstruction began of the stations in the Maipo sector of that same line.

In the area of special foundations, in Peru we achieved a historic record of sales, accounting for more than one-third of the area, by executing the following projects, among others: civil works in three subway stations and an improvement in the Bajada Escardó (Escardó Downgrade), both in Lima, as well as work on the Chancay Tunnel. In Bolivia, we began the largest project in this subsidiary's history, consisting of piles and slurry walls for the Green Towers project in Santa Cruz.

In Chile, we continued driving piles to enlarge the Santiago Airport. We worked on bracing slopes for

Codelco Teniente and we drove piles for Américo Vespucio Oriente. The first precast concrete piles were also manufactured for a salmon plant in Puerto Natales.

Lastly, VSL Chile, which we own jointly with VSL International, intensified its leadership in post-tensioned slabs. In mining, it participated in the first project using precast and segmented concrete structures to enlarge the Spence Mine. It completed the precast concrete wind towers, 120 meters high, at the San Gabriel and Tolpan wind farms.

### **Corporate**

The organizational restructuring of centralized shared services was completed during the fiscal year in the areas of information technology, finance, accounting, people, and procurement. With this new structure, we will be able to consolidate functions, standardize processes, achieve economies of scale, reduce costs and avoid duplicate efforts so as to prepare the company to face the challenges we see towards the future and take advantage of and develop talent in the areas most strategic to the industry and the business group.

Along these same lines, we formed a corporate innovation committee to design a strategy and work method to innovate in all companies in the group in order to encourage the proposal of initiatives that will allow us to continue to be at the vanguard in the development of our businesses.

Lastly, we issued a bond for UF 500,000 out to 7 years at a rate of UF + 1.85%.

### **People**

We continued forward with special emphasis on implementing initiatives and activities to foster the wellbeing and development of our collaborators.

Our zero-accident policy has made us one of the companies with the lowest accident ratios in the country, which was 0.59 on a group level, comparing favorably to the 3.9 figure in the construction sector in 2018.





Just like the previous year, six of our subsidiaries achieved safety ratios that put them on the honor roll for occupational safety and health of the Chilean Chamber of Construction and of the Mutual Safety Association. Our subsidiary Montajes Industriales received a special mention, which was given 6-star rating for the fifth year.

Moreover, for the fourth consecutive year, our company received a prize in the good safety practices contest of the Chilean Chamber of Construction and the Mutual Safety Association, in addition to two outstanding practices and two honorable mentions.

### **BALANCE SHEET**

The profit attributable to the owners of the controller was MCLP\$13.094 as of December 2019, a significant increase over 2018.

The EBITDA was MCLP\$31.096, a 31.7% increase compared to the previous fiscal year, while consolidated sales totaled MCLP\$309.302.

The engineering and construction backlog reached MCLP\$485.838, the highest in the company's history at the close of a calendar year that allows us to forecast increases in sales for coming fiscal years. The potential sales of the property development segment exceed UF 16 million.

### **FINAL MESSAGE**

Despite local and international contingencies, we are able to forecast a good performance by the company in the coming fiscal years based on the significant

backlog and units promised for sale. In the long term, we will face challenging opportunities where we will be able to contribute to a better quality of life of people, especially in big cities that will grow in the coming decades: by 2050, two-thirds of humanity will live in cities. So, demographic changes, mobility, transport and available technologies pose numerous, demanding opportunities for growth for companies like ours that we must begin to build starting today and plan to be a major actor in growth towards the future. Because of our leadership in mining and productive infrastructure, we can predict a significant contribution to those sectors of the economy in the next few years.

Our good results would not have been possible without the commitment and dedication of our more than 11,000 collaborators and the trust of our clients and suppliers. I want to thank each and every one of them and invite them to contribute to building homes and infrastructure, ready to face the important challenges that we will see in the coming decades. For 2020, our mission will be to continue providing service of excellence in engineering and construction and to offer integral solutions to our clients, especially in the segments of the market where we have competitive advantages. By doing this, we will continue to nurture long-term relationships with our clients based on trust, respect and transparency.

Fernando Echeverría Vial  
Chairman of the Board  
Echeverría Izquierdo S.A.



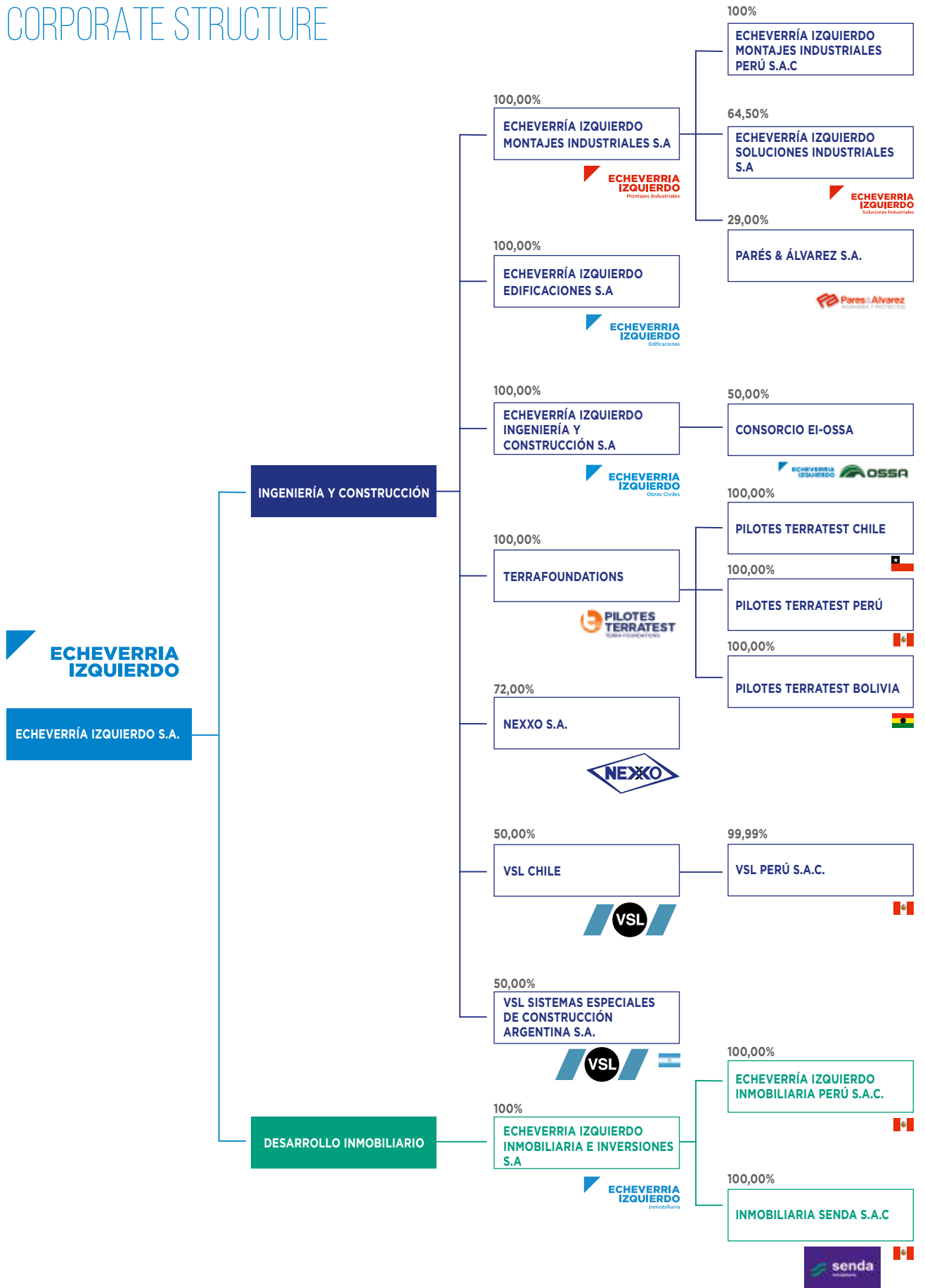
# 01

## ABOUT US





# CORPORATE STRUCTURE





## AN OVERVIEW

**1978**  
YEAR  
FOUNDED

**41**  
YEARS OF  
EXPERIENCE

**9** BUSINESS  
UNITS

**11.014**  
EMPLOYEES

### BUSINESS SEGMENTS

INDUSTRIAL  
CONSTRUCTION  
AND SERVICES

ECHEVERRIA  
IZQUIERDO

EDIFICATION AND  
CIVIL WORKS

PROPERTY  
DEVELOPMENT

MCLP\$ **32.559**  
EBITDA

**\$**

2019 EBITDA  
BREAKDOWN

25%  
PROPERTY  
DEVELOPMENT

19%  
EDIFICATION  
AND CIVIL  
WORKS

56%  
INDUSTRIAL  
CONSTRUCTION  
AND SERVICES

MCLP\$ **309.302**  
CONSOLIDATED  
SALES



### BBB+ RISK RATING



The best risk rating of a construction company in Chile.

Assigned by Humphreys

### CONSTRUCTION COMPANY

Nº 12

IN SIZE IN LATIN AMERICA

Ranking of Revista Construcción Latinoamericana

### 2019 PROFIT

MCLP\$ **13.094**

### EQUITY

MCLP\$ **119.721**

### 2019 NET SALES MARGIN

**4.23%**

### BACKLOG IN ENGINEERING AND CONSTRUCTION


AT DECEMBER 2019

MCLP\$ **485.838**

# BUSINESS SEGMENTS AND ASSOCIATES

INDUSTRIAL CONSTRUCTION AND SERVICES


**INDUSTRIAL CONSTRUCTION AND SERVICES**



Industrial civil works, installation of heavy structures and highly complex electromechanical equipment

- Pulp
- Mining
- Petrochemicals
- Construction and installation of heavy industrial structures

**EPC PROJECTS**




\*Indirect

Integral solutions through EPC projects<sup>(1)</sup>

- EPC Projects - Pulp
- Mining
- Petrochemical

**INDUSTRIAL AND MAINTENANCE SERVICES**




Maintenance of industrial systems, chemical and mechanical cleaning

- Specialized industrial services
- Chemical and mechanical cleaning
- Industrial maintenance

\*Indirect

**ENGINEERING SERVICES**




\*Associate

Engineering services: conceptual studies, detailed engineering, plant and project supply and management

- Conceptual studies
- Engineering consulting
- Plant and project administration

EDIFICATION AND CIVIL WORKS


**RESIDENTIAL/COMMERCIAL BUILDINGS AND OFFICES**



Construction of residential and non-residential buildings

- Class A+/A offices
- Hospitals
- Shopping centers
- Residential buildings - Hotels
- Universities


**CIVIL WORKS AND INFRASTRUCTURE**



Construction of civil and special works

- Underground works (subway tunnels) - public infrastructure


**SPECIAL FOUNDATIONS, PILES AND SPECIAL CONCRETE STRUCTURES**



Construction and installation of special foundations and soil remediation

- Anchoring
- Containment structure - deep foundations
- Soil improvement

**POST-TENSIONING**




\*Associate

Integral engineering and construction solutions

- Tanks
- Bridges
- Design and construction of post-tensioned structures - earth retaining walls
- Slabs

PROPERTY DEVELOPMENT

**RESIDENTIAL AND COMMERCIAL**



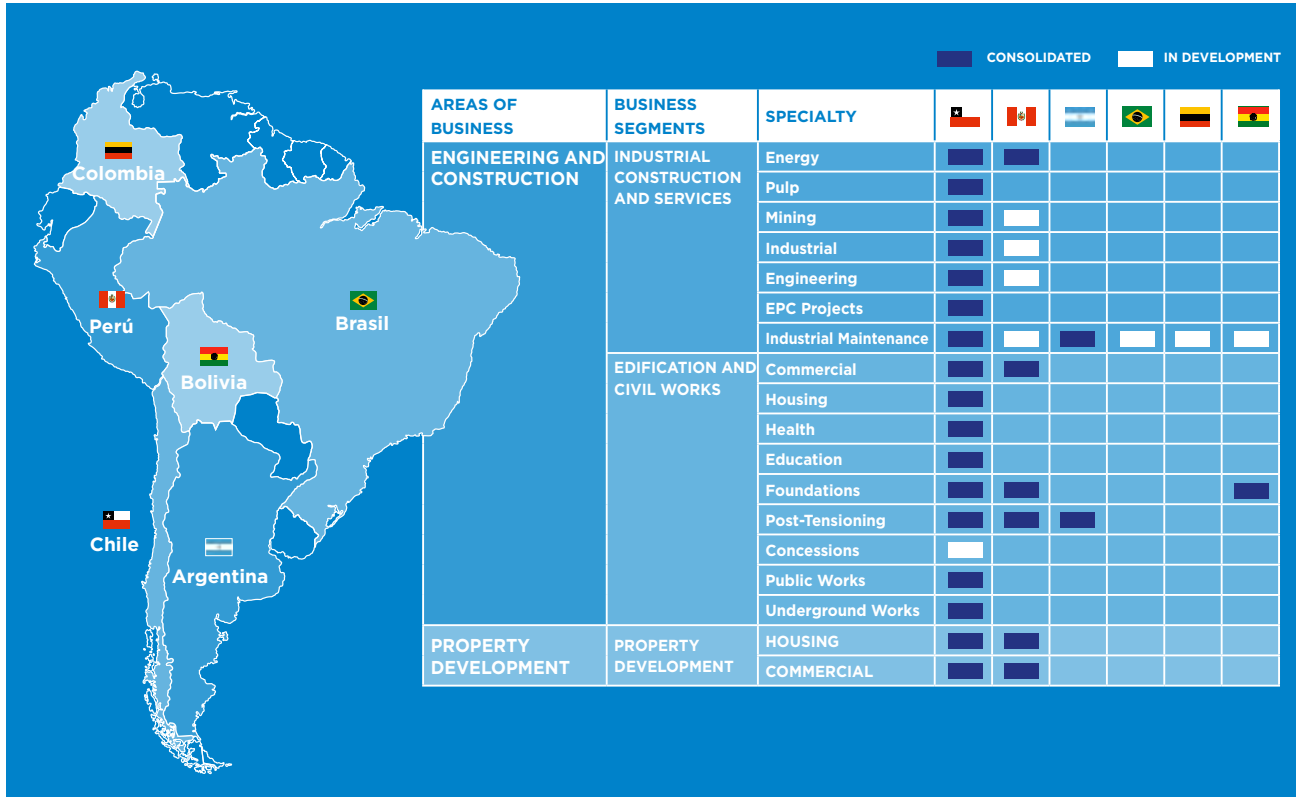
Development and sale of housing, offices, and shopping centers

- Development and sale - Residential
- Offices
- Commercial

(1) Engineering, Procurement and Construction



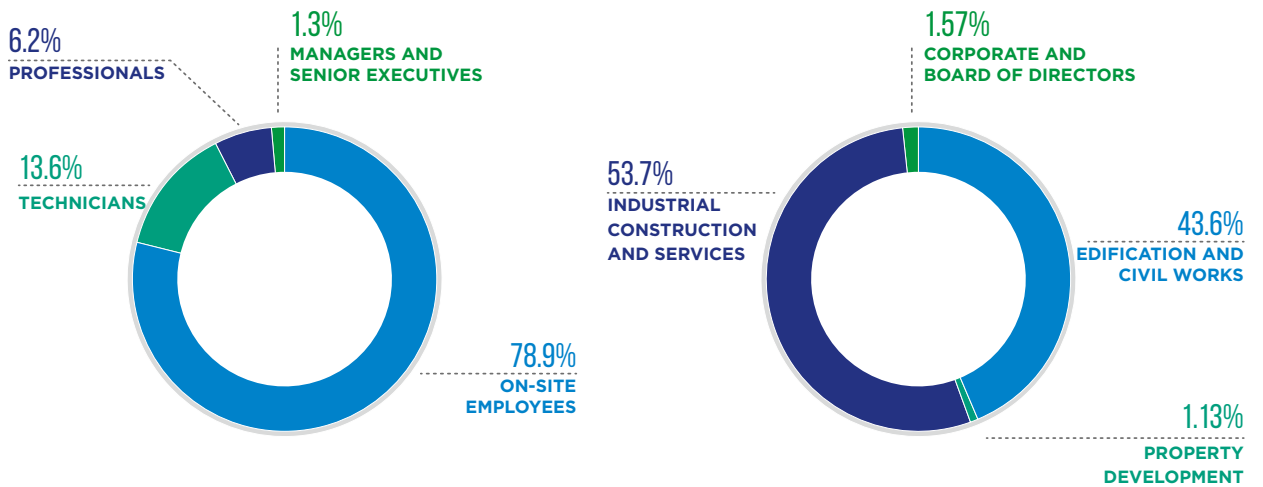
# PRESENCIA REGIONAL



# NUMBER OF EMPLOYEES IN 2019



**11,014**  
EMPLOYEES



## OUR HISTORY

1978 Echeverría Izquierdo is created



1988 It enters the post-tensioned market with VSL



1990 First shopping center in Chile built with post-tensioning.

1995 Pilotes S.A. was created

1996 Property development began operation.

1998 The Industrial Installations subsidiary was created.



The Terratest Group of Spain acquired 50% of Pilotes S.A.



1999 The first anchored containment walls in Chile.

2001 Argentina: international expansion began.



2003 First segmentation of post-tensioned structures in Chile (above-ground Subway line).





2007 Peru: international expansion continued



2008 29% of Pares & Alvarez is acquired.



We entered the infrastructure concessions market.

2011/2012 Pilotes Terratest in Colombia.



2012 Initial public offering (USD 87.4 million)

It entered the Engineering, Procurement and Construction (EPC) market.



2013 The civil works business unit was created.



Peru: industrial division and VSL.



Purchase of 100% of Pilotes Terratest.



Management was professionalized in its entirety.

Entry to the industrial services market.



2015 Pilotes Terratest in Bolivia



2018 The incorporation of Terrafoundations



Echeverría Izquierdo increased its interest in Nexxo to 72%.

- The company achieved its historic backlog of approximately CLP\$550 billion, mainly due to the award of major mining and pulp projects.
- Inmobiliaria Senda was consolidated in Peru and came to have 7 projects simultaneously in different stages of development.



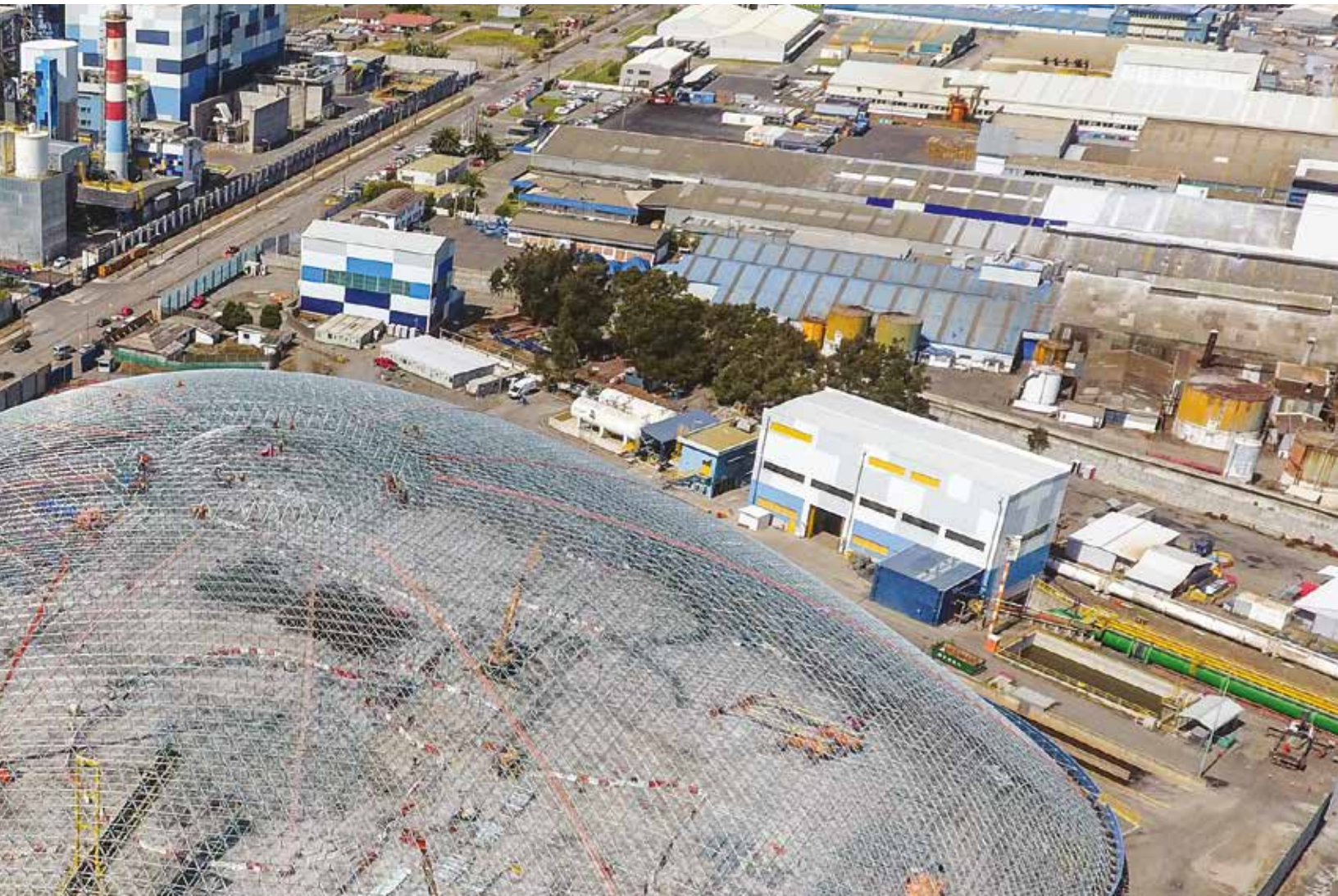


# 02

## CORPORATE GOVERNANCE









## MANAGEMENT AND OWNERSHIP STRUCTURE



1.  
**FRANCISCO GUTIÉRREZ PHILIPPI**  
Director

Civil Engineering Degree, Catholic University of Chile  
MBA at IESE, University of Navarra (1988).

2.  
**BERNARDO ECHEVERRÍA VIAL**  
Director

Architecture Degree, University of Chile

3.  
**ANDREA REPETTO LISBOA**  
Director

Business Engineering Degree, Catholic University of Chile  
Ph.D. in Economics, MIT

4.  
**FERNANDO ECHEVERRÍA VIAL**  
Chairman of the Board

Civil Engineering Degree, Catholic University of Chile



## DIRECTORS

The Board is comprised of 7 directors who hold office for 3 years and can be reelected. Every three years the Board must be renewed in its entirety. Any vacancy in a directorship requires the renewal of the entire board at the next Regular Shareholders Meeting to be held by the Company. The Board can appoint a replacement in the interim.

5.  
**ÁLVARO IZQUIERDO WACHHOLTZ**  
Director

Civil Engineering Degree, Catholic University of Chile

6.  
**DARÍO BARROS RAMÍREZ**  
Director

Civil Engineering Degree, Catholic University of Chile.

7.  
**MARCELO AWAD AWAD**  
Independent Director

Industrial Engineering Degree, Universidad Técnica del Estado (State Technical University).

## MANAGERS



**PABLO IVELIC**  
Corporate Chief Executive  
Officer Echeverría Izquierdo  
S.A.

Civil Engineering Degree,  
Catholic University of Chile



**CRISTIÁN SAITUA**  
Corporate Chief Financial  
Officer  
Echeverría Izquierdo S.A.

Business Engineering Degree,  
Catholic University of Chile



**DARÍO BARROS**  
Chief Executive Officer  
Echeverría Izquierdo Montajes  
Industriales S.A.

Civil Engineering Degree,  
Major in Hydraulics, Catholic  
University of Chile  
MBA, Catholic University of  
Chile



**ALDO GUZMÁN**  
Regional General Manager  
Pilotes Terratest S.A.

Civil Engineering Degree,  
University of Buenos Aires  
Master in Geotechnics and  
Infrastructure, Hannover  
University, Germany (1993)



**JOSÉ IGNACIO MENCHACA**  
Chief Executive Officer  
Pilotes Terratest S.A.

Civil Engineering Degree,  
Catholic University of Chile



**VÍCTOR ACOSTA**  
Chief Executive Officer  
Echeverría Izquierdo  
Inmobiliaria Perú S.A.C.

Civil Engineering Degree,  
Catholic University of Peru,  
MBA, University of ESAN of Peru



**FERNANDO PINO**  
Chief Executive Officer  
VSL Sistemas Especiales de  
Construcción S.A.

Civil Engineering Degree,  
Catholic University of Chile  
MBA, Catholic University of  
Chile



**MARIANO SAUCEDO**  
Chief Executive Officer  
Pilotes Terratest Bolivia

Civil Engineering Degree and  
Master of Science in Geotechnics  
and Infrastructure at Leibniz  
University in Hannover, Germany





**RAIMUNDO CRUZAT**  
Chief Executive Officer  
Echeverría Izquierdo  
Inmobiliaria e Inv. S.A.

Civil Industrial Engineering  
Degree, Catholic University of  
Chile  
Master of Science in Urban  
Studies & Planning, MIT (2013)



**FRANCISCA CRUZ**  
Chief Executive Officer  
Echeverría Izquierdo  
Edificaciones S.A.  
Echeverría Izquierdo  
Construcciones S.A.

Civil Construction Degree,  
Catholic University of Chile  
MBA, Catholic University of Chile



**ENNIO CAPRILE**  
Chief Executive Officer  
Echeverría Izquierdo Ingeniería  
y Construcción S.A.

Civil Engineering Degree,  
Catholic University of Chile



**FRANCISCO CASAS**  
Chief Executive Officer  
Nexxo S.A.

Civil Engineering Degree,  
Catholic University of Chile  
MBA, Adolfo Ibañez University  
Master in Infrastructure Planning  
and Management, Polytechnic  
University of Madrid



**VÍCTOR CONTRERAS**  
Chief Executive Officer  
Pares y Álvarez

Chemical Engineering Degree,  
University of Concepción



**ÁNGEL GUTIÉRREZ**  
Chief Executive Officer  
Pilotes Terratest Perú S.A.C.

Public Works Technical  
Engineering Degree, Polytechnic  
University of Madrid



**GUILLERMO MALVICINO**  
Chief Executive Officer  
VSL Argentina

Civil Engineering Degree,  
University of Buenos Aires

# MANAGEMENT OF CORPORATE GOVERNANCE



The Corporate Governance Model is the set of rules, principles, policies, and procedures that provide a framework for the administration, management, and control of the Echeverría Izquierdo Business Group. A structure has been defined as well as a regulatory framework of policies, practices, and procedures to regulate the relations between Management, shareholders and the remaining stakeholders to ensure accountability, transparency and the creation of value in the decision-making process.

## 1. CRIME PREVENTION MODEL

The Crime Prevention Model (MPD) is a set of policies, regulations, procedures, practices, protocols, activities, documents and functions that are intended to prevent or detect the crimes of terrorism financing, asset laundering, bribery, concealment, transactional conflict of interests, private-to-private corruption, misappropriation, disloyal management, water contamination causing damage to hydrobiological resources, violation of product bans, illegal fishing in management areas without holding any rights, or the illegal processing of products in a state of collapse or overexploitation in the interest or to the benefit of any of the companies in the Echeverría Izquierdo Group. The MPD is the responsibility of the Crime Prevention Officer (EPD) appointed by the Board of Directors of each company, who must supervise and certify the MPD. The MPD of the Echeverría Izquierdo Group has been certified through May 2020.

## 3. COMPLAINT CHANNEL

The Complaint Channel is a digital medium that has been made available by the Echeverría Izquierdo Group companies through which our clients, shareholders, suppliers, workers and the community in general can report their claims anonymously and confidentially should they suspect that any of the crimes set down in Law 20,393 on the Liability of Legal Entities has been committed or there have been infringements of the Code of Ethics or any other type of offense committed by workers or executives of the Echeverría Izquierdo Companies or by any of their contractors, suppliers and third parties related to the organization.

## 2. CODE OF ETHICS

The Code of Ethics is a document that forms a part of the MPD. Its purpose is to set down and promote general principles of honesty, responsibility and ethical behavior that are expected to guide the actions of directors, managers, executives, collaborators and workers of the companies in the Echeverría Izquierdo Group. The Code contains general principles of conduct that will never address all situations to which an employee may be exposed, but which should guide their daily actions in furtherance of good job environments and safety, and to handle conflicts of interest, bribery, gifts and donations, confidential information, the use and protection of the company's assets, fair competition and the environment.

## 4. EXECUTIVE COMMITTEES

The management and administration have set up different executive committees in conjunction with the divisions of the companies in the Echeverría Izquierdo Group for subjects that have been deemed relevant, the goal being to standardize operating standards, ways to proceed, compliance with policies and procedures, and to analyze new businesses. At this time, the executive committees in operation are the CEO executive committee, compensation committee, occupational health and safety committee, commercial competition committees, a committee on development and growth, and an innovation committee.

# RISK MANAGEMENT



## MARKET RISKS

Risks associated with economic cycles, interest rates and economic variables.

Echeverría Izquierdo S.A. considers that its business units, that is, Property Development and Engineering and Construction and Shared Services, are exposed to changes in economic variables and their cycles. Engineering and Construction is impacted by its dependency on investments, which at the same time depend on the economic cycle and available financing terms. On the other hand, there is exposure to eventual material changes in interest rates, loan facilities and costs or changes in economic expectations and employment. The Property Development unit might experience significant changes due to fluctuations in the demand for units in the target segment.

The interest rate risk arises from the variations that interest rates may experience, which has a direct impact on the Company's assets and liabilities. These variations may impact terms of finance for clients (end consumers of the property business or investments in engineering and construction) as well as the Company, which must finance its projects (especially property developments), property, plant and equipment and other investment needs.

Interest rate risk associated with short-term loans is mitigated by fixing credit terms at the time the loan is received. Long-term loans mainly consist of lease-backs or financial leases, so the respective interest rate risk in these transactions is mitigated by determining the market conditions that are most convenient in each case.

These reasons warrant that the Company be actively concerned and manage strategies that attenuate the effects that may arise in economic cycles. That is why the Company participates in diversified markets in order to overcome eventual crises impacting any market. The Company actively endeavors to be a member of projects in diverse sectors of the economy in which the Company has proven its experience, namely energy, mining, pulp, underground works, construction of

The Company is exposed to the risks inherent to the industry in which it works and to risks related to the economic cycle of its activities.

offices, hospitals, hotels, shopping centers, residential buildings and specialty projects, such as post-tensioning, deep excavations, industrial maintenance services, engineering services and turnkey projects. Managing this risk implies an ongoing control of the interest rate conditions compared to what were considered at the time of evaluation.

## Political and Regulatory Risk

When the authorities decide to make changes to laws, it may be that investments in certain economic sectors are postponed or accelerated. This behavior is common in the Engineering and Construction unit as those changes involve amendments to environmental, tax, investment and competition laws that are critical to determining the economic feasibility of projects.

Moreover, the property business is also impacted by political and regulatory changes. Its business depends on master plans, tax laws, environmental requirements, construction permits and licenses. Any amendment could affect the feasibility and profitability of projects, so they must be taken into consideration without fail.

Mitigation of these risks is aided by the fact that the Company has a high degree of diversification in its areas of business and in the different markets in which it operates, including other countries in South America. However, the Company constantly assesses the changes and the evolution of the political and social situation in each country.

## Competition risk

Although there is a great fragmentation in Chile in the engineering and construction market and in the property development market due to the large number of companies participating in these markets, there is a possibility that some companies in the competition decide to exaggeratedly reduce their prices when there is little activity, which affects the margins and/or profitability of projects in which the Company is a participant.



In the current scenario, more foreign companies could enter the Chilean market. However, the Company maintains a prestigious and consolidated position on the markets where it conducts its activities due to the experience, specialization, and differentiation of its business units. That is why it has continued to operate sustainably under highly competitive conditions.

## OPERATING RISKS

### Risks in the Company's contracts

Given the technical and contractual complexity inherent to the contracts made by the Company, it is of great importance that those contracts be actively managed to attain the defined margins and results in dealing with the effects that operations may have on them.

In order to confront these risks, a strategy is in place that takes different aspects in account. A strict cost control system has been implemented where each business is monitored as an independent unit that must be profitable on a stand-alone basis. Legal and contractual assistance has also been integrated to the daily operation to confront any contractual risk.

The supply of inputs, machinery, manpower and the availability of subcontracts in general must be assured to reduce exposure to operating risks. This is done by arrangements with the leading suppliers on the market. The long years of relationship that the Company has with its different subcontractors is a precedent that reflects the Company's sustainable strategy.

### Labor risks

In its business, the employees of Echeverría Izquierdo perform difficult tasks every day in diverse situations, so there is a risk of work accident, lawsuits, or a claim of a violation of workers' rights. There are also other risks arising for different reasons, such as a shortage of skilled labor.

Aware of these risks, the Company maintains an active and rigorous risk prevention control through its Integrated Management System. The goal is to constantly train its employees, prevent accidents and losses, and minimize the exposure and impact that these risky situations may present to the Company. Risk prevention and training and job climate programs are considered to be critical to caring for the main resources of the Company: its human capital, in the aim of maintaining a knowledge of the business and the know-how that the Company has developed throughout its history.

Of note in this context is the implementation of the Integrated Management Policy in our Engineering and Construction subsidiary and the recognition received from the Chilean Chamber of Construction that put our subsidiaries on its honor roll. Echeverría Izquierdo Montajes Industriales S.A. received 6 stars, the highest honor; Echeverría Izquierdo Soluciones Industriales S.A. and Echeverría Izquierdo Construcciones S.A. received 5 stars; Echeverría Izquierdo Ingeniería y Construcción S.A., Echeverría Izquierdo Edificaciones S.A. and Nexxo S.A. each received 4 stars, all because of their continuing and satisfactory operation of the Organization's Management System.

### Land availability

The availability of land to develop projects is one of the fundamental and critical points in the business of the Property Development unit.

The Company believes that all procedures that have been implanted have allowed appropriate land to be acquired at prices that mean a profitable development of the projects.

The Company is continuously evaluating its inventories, land requirements and potential businesses. There is currently an interest in increasing the number of properties for real estate developments.

### Risk of loss and force majeure

Given the impact that an accident or incident may have on the Company's results, the effect of any accident or incident must be minimized. That is the reason why Echeverría Izquierdo S.A. carries insurance policies for its assets. Its contracts include insurance policies for personal accidents, all risks of construction and civil liability, among others.

This is how it mitigates the adverse effects of major losses.

In situations of force majeure, the Company likewise constantly evaluates how occurrences are developing, potential impacts, and preventive and corrective measures. It sets up formal committees that include members from senior management and expert employees. Committees have been established to handle potential social unrest, health contingencies and other impacts that are more difficult to quantify.

## FINANCIAL RISKS

### Credit risk

The results of the Company are sensitive to the possibility that its accounts receivable are not paid when due. Trade Receivables and Other Receivables are mainly concentrated in the Engineering and Construction unit because operations are concentrated there.

To face this risk, the Company diversifies its activity so as not to depend either on one economic sector in particular or one client or one type of business. Planning diversification also includes liquidity and the payment capacity of the project principals.

In the Property business, sales are recognized only once the deed of sale has been signed, which mitigates sales risk.

When a payment has been delayed by more than 365 days, the situation is assessed by an analysis and review of account impairment. If the outcome of that analysis and review is that the account is impaired, a provision is made for the full amount. This is done in both segments of business.

### Liquidity risk

The possibility that the Company may default on its obligations to third parties due to common or extraordinary situations because of an excessive leverage or an inappropriate forecast or management of cash flow is a risk from which Echeverría Izquierdo protects itself actively by defining policies of little debt for its operations, controlled risk growth forecasts, and an independent cash flow management for each company of the flow from their own operations and internal sources of financing as well as bank loans and factoring.

## RISK OF EXCHANGE RATES AND VARIATIONS IN THE COSTS OF INPUTS

The Company does not believe that its results will be significantly impacted by changes in exchange parities because most of its transactions are performed in Chilean pesos and unidades de fomento (an indexation unit used in Chile). Whenever an exchange rate risk is predicted, the Company's policy is to hedge using financing derivatives and to hedge material currency mismatching occurring in its contracts at the time they are awarded. There is a real and contingent possibility of rises in the cost of construction materials that would

adversely impact the Company's results, in particular when those rises are abrupt and sustained over time. So, the Company has implemented a centralized Procurement Area that is tasked with establishing agreements for the main inputs. On the other hand, the Property Development unit hedges naturally since both construction contracts and housing sale prices are expressed in the same currency and/or unit of exchange.

### Sensitivity analysis

It is noteworthy that financial debt, a risk of loan terms, is largely associated with real estate project development. In these cases, bank financing is based on the bank cost of funding or base rate, plus a spread agreed at the start of the project.

	31-DEC-2019	31-DEC-2018
<b>BANK LOANS</b>	<b>60,624,363</b>	<b>30,428,323</b>

If such variable rate debt were to increase by 100 base points, the adverse impact would be KCLP\$409,411 on pre-tax income for the period.

Obligations in indexation units are in the same currency as flows, so the risk of inflation is kept under control.

### Risk of expansion abroad

The different settings, regulatory frameworks, and conditions in the markets of different countries must always be taken in account. They may transform a known business into an unknown one. There are differences in yields, prices, regulatory or environmental policies and other elements that may affect periods, margins and the profitability of projects performed outside of the country of origin, adding uncertainty to the business.

Echeverría Izquierdo is expanding abroad according to a controlled and gradual growth plan.



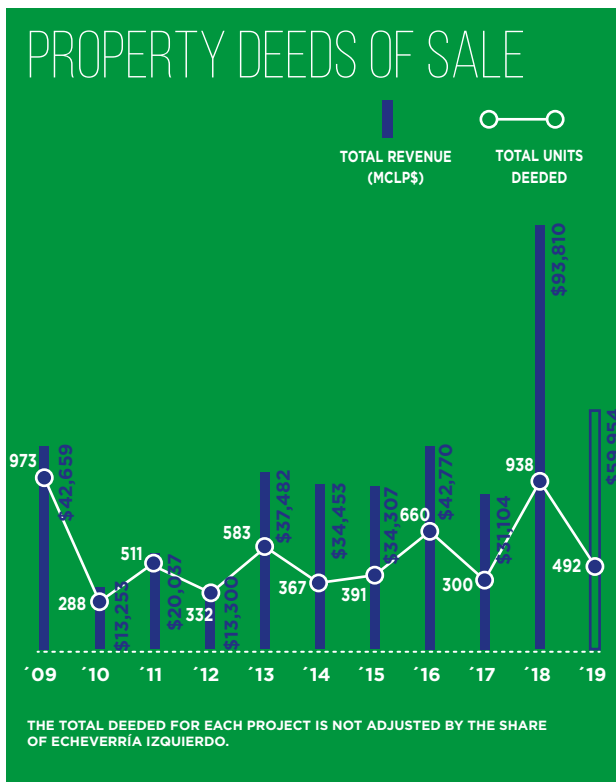
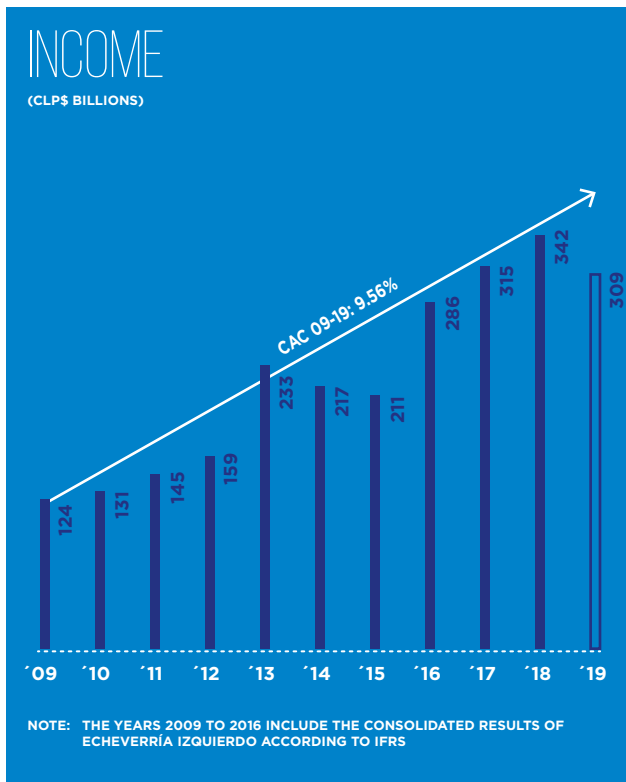
# 03

## EXECUTIVE SUMMARY







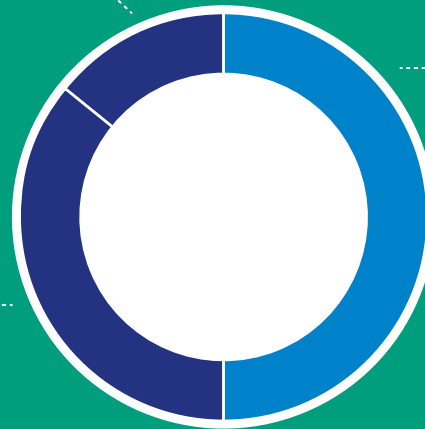


# 2019 INCOME DISTRIBUTION

14%  
PROPERTY  
DEVELOPMENT

50%  
INDUSTRIAL  
CONSTRUCTION  
AND SERVICES

36%  
EDIFICATION AND  
CIVIL WORKS



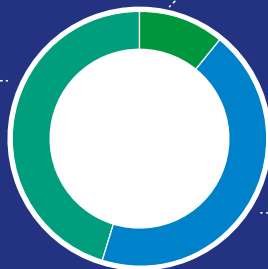
(\*) Includes proporcional income

## EDIFICATION AND CIVIL WORKS

41%  
OFFICES AND  
MIXED WORKS

19%  
CIVIL WORKS

40%  
HOUSING



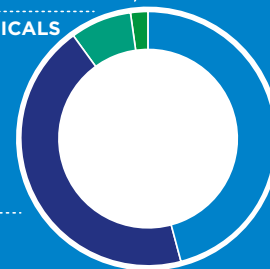
## INDUSTRIAL CONSTRUCTION AND SERVICES

8%  
PETROCHEMICALS

2%  
ENERGY

46%  
MINING

44%  
PULP





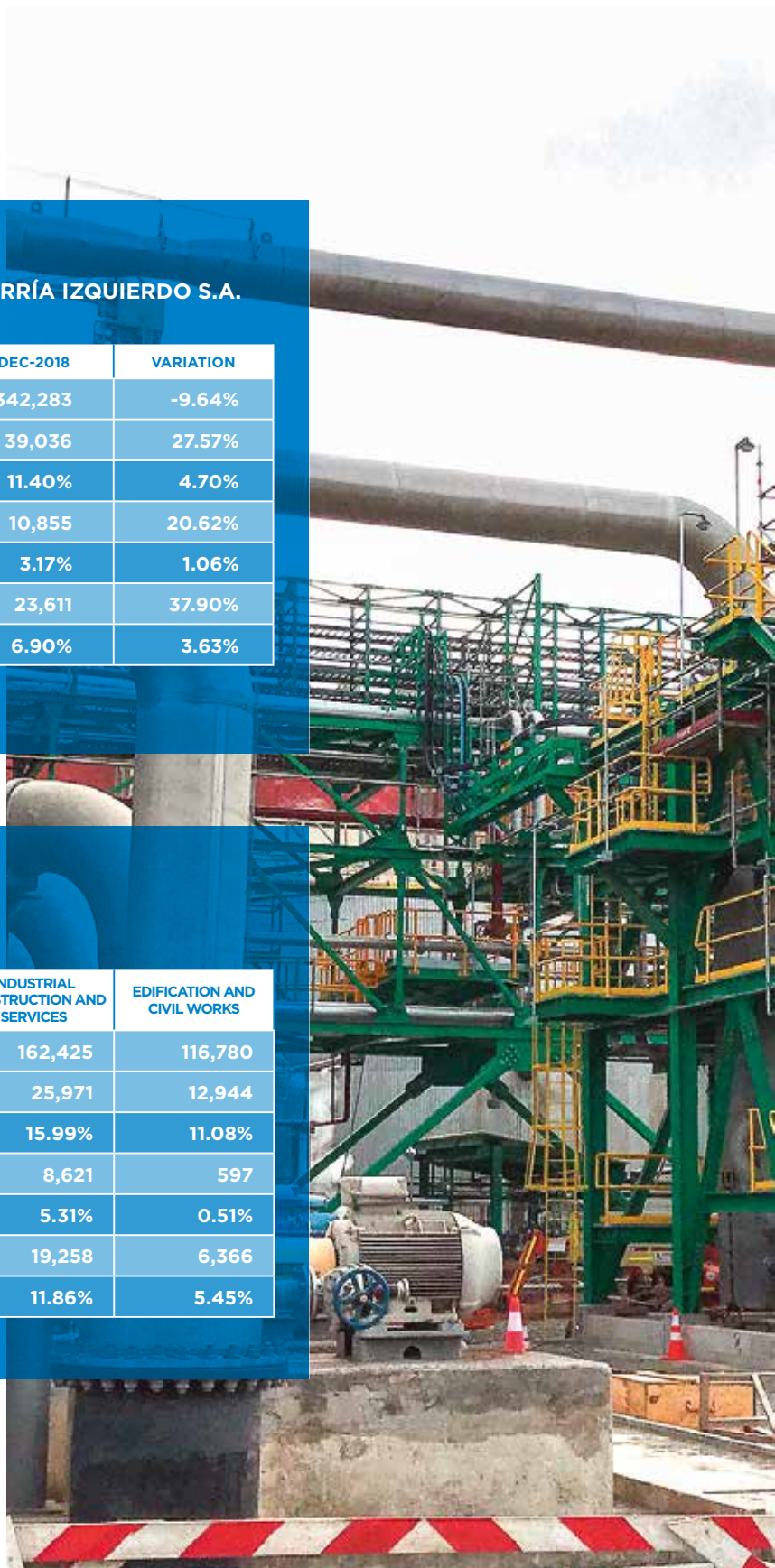
## 2019 RESULTS

### CONSOLIDATED STATEMENT OF INCOME OF ECHEVERRÍA IZQUIERDO S.A.

CLP\$ MILLIONS, EACH PERIOD	DEC-2019	DEC-2018	VARIATION
Revenue	309,302	342,283	-9.64%
Gross Earnings	49,798	39,036	27.57%
Gross Margin	16.10%	11.40%	4.70%
Earnings (loss) of Controllers	13,094	10,855	20.62%
Net Margin	4.23%	3.17%	1.06%
Ebitda	32,559	23,611	37.90%
Ebitda Margin	10.53%	6.90%	3.63%

## RESULTS BY SEGMENT

CLP\$ MILLIONS, EACH PERIOD	PROPERTY DEVELOPMENT	INDUSTRIAL CONSTRUCTION AND SERVICES	EDIFICATION AND CIVIL WORKS
Revenue	30,142	162,425	116,780
Gross Earnings	10,928	25,971	12,944
Gross Margin	36.26%	15.99%	11.08%
Earnings (loss) of Controllers	6,359	8,621	597
Net Margin	21.10%	5.31%	0.51%
Ebitda	8,673	19,258	6,366
Ebitda Margin	28.77%	11.86%	5.45%



## RESULTS OF EDIFICATION AND CIVIL WORKS

CLP\$ MILLIONS, EACH PERIOD	DEC-2019	DEC-2018	VARIATION
Revenue	116,780	91,717	27.33%
Gross Earnings	12,944	2,795	363.12%
Gross Margin	11.08%	3.05%	8.04%
Earnings (loss) of Controllers	597	(3,454)	-
Net Margin	0.51%	-3.77%	4.28%
Ebitda	6,366	(504)	-
Ebitda Margin	5.45%	-0.55%	6.00%

## RESULTS FOR INDUSTRIAL CONSTRUCTION AND SERVICES

CLP\$ MILLIONS, EACH PERIOD	DEC-2019	DEC-2018	VARIATION
Revenue	162,425	215,023	-24.46%
Gross Earnings	25,971	25,725	0.95%
Gross Margin	15.99%	11.96%	4.03%
Earnings (loss) of Controllers	8,621	8,976	-3.95%
Net Margin	5.31%	4.17%	1.13%
Ebitda	19,258	16,679	15.46%
Ebitda Margin	11.86%	7.76%	4.10%

## RESULTS FOR PROPERTY DEVELOPMENT

CLP\$ MILLIONS, EACH PERIOD	DEC-2019	DEC-2018	VARIATION
Revenue	30,142	35,125	-14.19%
Gross Earnings	10,928	9,376	16.56%
Gross Margin	36.26%	26.69%	9.56%
Earnings (loss) of Controllers	6,359	6,724	-5.42%
Net Margin	21.10%	19.14%	1.96%
Ebitda	8,673	9,003	-3.66%
Ebitda Margin	28.77%	25.63%	3.14%





# 04

## SUSTAINABLE BUSINESS DEVELOPMENT







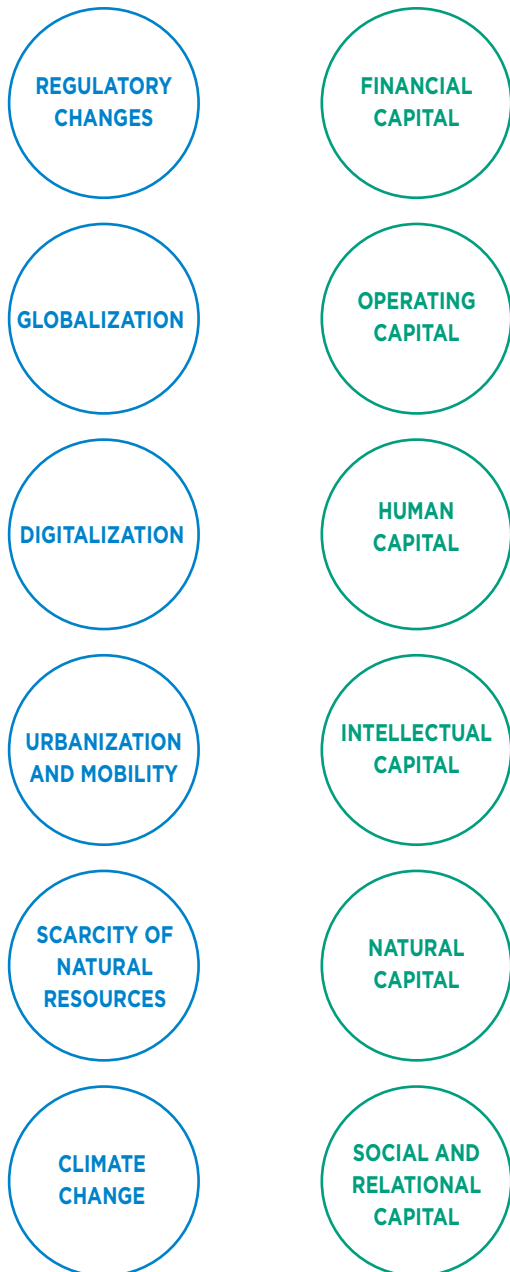


# CREATING VALUE AND IMPACTS ON OUR BUSINESS

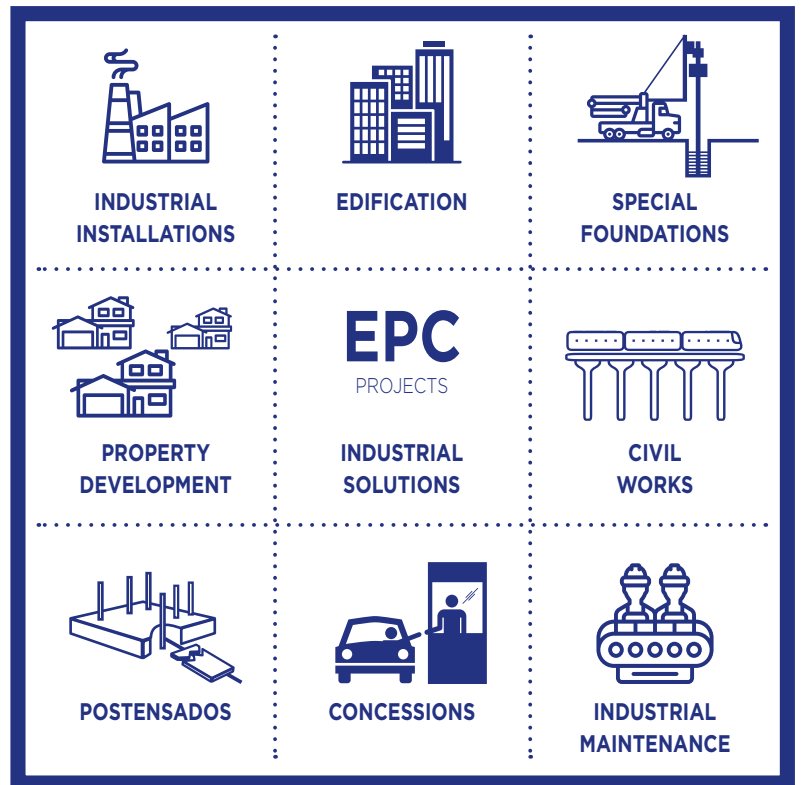
Sustainability is at the core of our projects and operations and it represents both an opportunity as well as a responsibility to protect and reinforce the natural and social systems in which we live. We have established our Strategic Thrusts aligned to the 7 areas of continuing improvement identified by the Chilean Chamber of Construction.

## EXTERNAL CONTEXT

## OUR ASSETS



## BUSINESS MODEL



## RETAINED ECONOMIC VALUE

KCLP\$ **9,165,583**





Echeverría Izquierdo is committed to a sustainable business development. We conceive our creation of value and impacts in an integrated fashion: our assets and capital are inputs for our operations and the strategic thrusts are facilitators in creating economic growth that is either distributed to our stakeholders or reinvested.

## STRATEGIC THRUSTS



GOVERNANCE



TALENT MANAGEMENT



OCCUPATIONAL HEALTH AND SAFETY



ENVIRONMENT



INNOVATION AND PRODUCTIVITY



CHAIN OF VALUE



COMMUNITIES

## DISTRIBUTED ECONOMIC VALUE

KCLP\$ **306,739,361**



**42%** COLLABORATOR SALARIES AND BENEFITS



**49%** OPERATING COSTS (OUTSOURCING)



**2%** THE STATE



**0.04%** COMMUNITY AND ENVIRONMENT



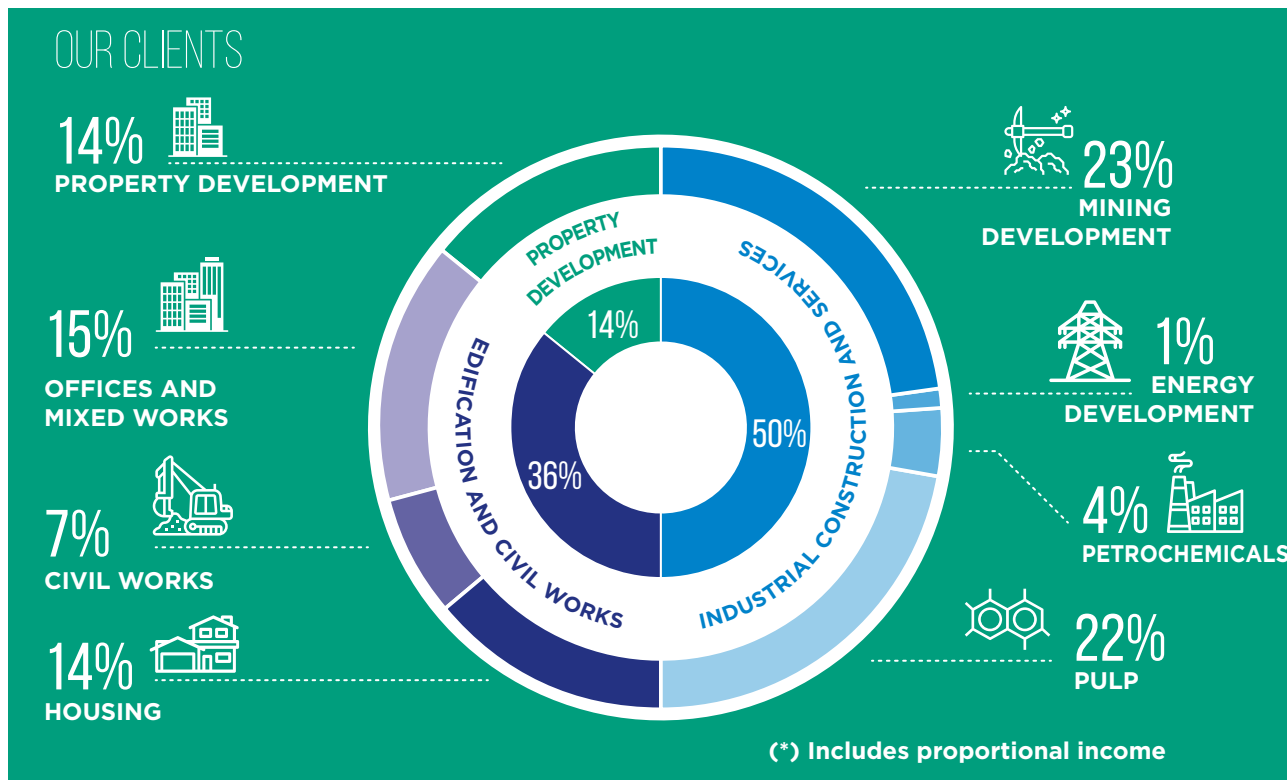
**1%** SHAREHOLDERS (NON-CONTROLLING INTERESTS AND CONTROLLER DIVIDENDS)

KCLP\$ **315,904,944**  
ECONOMIC VALUE GENERATED



# CHAIN OF VALUE: CLIENTS

We add value to our clients by offering innovative, integral solutions. Our efforts are oriented towards offering services of excellence in the fields of engineering and construction to deliver innovative and integral solutions that add value to our clients' projects and thus make us their best partner.



## MANAGEMENT MODEL: OUR PROMISE OF VALUE

We add value to our clients by offering innovative, integral solutions. Our efforts are oriented towards offering services of excellence in the fields of engineering and construction to deliver innovative and integral solutions that add value to our clients' projects and thus make us their best partner.

### OUR APPROACH



In the Property area, we aim to improve the quality of life of individuals and the environment in general. We are concerned about the urban impact of our projects and we endeavor to innovate and promote sustainable lifestyles among our clients.

- Improvements in energy efficiency.
- Inclusion of renewable energy (solar panels)
- Electric car chargers
- Artwork on building facades

On a group level, our priority is the relationship with our corporate clients and users.

In the Edification area, we evaluate the satisfaction of our clients by means of a five-category survey.



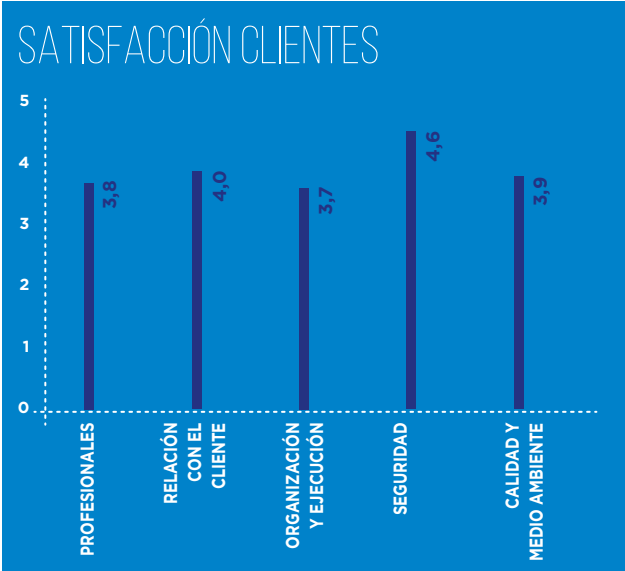
Our commitment to the safety and wellbeing of our clients applies to all our segments and endures throughout the project cycle. In the Industrial and Edification areas, we are known for being close to our clients and for accompanying them early on in each project.



We offer our clients innovative and sustainable solutions that satisfy their present and future needs thanks to the experience of our collaborators in internal and external research and development projects.



In our more than 40 years of experience, we have consolidated ourselves by providing a durable quality product. We deliver quality and value to our clients through high standards of design and construction in our different products and services.



## CHAIN OF VALUE: SUPPLIERS

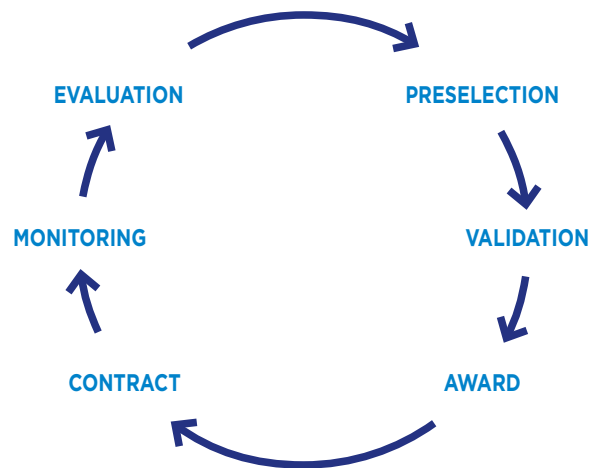
Echeverría Izquierdo promotes excellence in its chain of supply, focused on knowing who we work with, identifying their risks and managing a mutually beneficial relationship. We endeavor for our suppliers to share our principles and values concerning sustainability, innovation, respect for human rights and compliance with labor and environmental laws.

We are currently developing a corporate supplier management strategy so that we can standardize and consolidate our good practices on a group level.

### MANAGEMENT MODEL

The EISA Group promotes high parameters of social and environmental works and good practices in our chain of supply. We have a Policy and Procedures Manual that sets down general guidelines, and we are designing procurement policies and supplier contract procedures.

The Edification and Construction business units are implementing a circular process and setting down criteria in a regulatory framework in the aim of generating value and assuring the supply of good and services in a fair, ethical and honest environment. The risks of entry, operation and exit are evaluated in each stage of the defined flow of the chain of supply, with an emphasis on R + d + i, operating excellence and collaborative work.

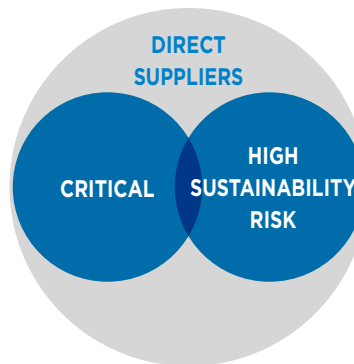


### SUPPLIER CHARACTERIZATION

2019	EISA GROUP
Total number of active suppliers	2,658
Total Expenditure	\$250,381,251,897

**CRITICAL SUPPLIERS** supply goods and services that are important to our operations because of the high volumes, critical components or not easily substitutable goods that they provide, or because they represent a high percentage of our total procurement expense.

**HIGH SUSTAINABILITY RISK SUPPLIERS** are suppliers who are more likely to cause adverse impacts if they act improperly socially (human rights, working conditions), environmentally (waste management) or in their governance (compliance with the law).





## RESPONSIBLE SUPPLIER MANAGEMENT

The EISA Group has implemented procedures to accredit suppliers and outsourcing due diligence protocols that set down the directives and guidelines to be followed by the Company’s employees in relation to knowing suppliers and other outsourced providers in general before contracting or engaging with them. This is a control measure to prevent the offenses listed in Law 20,393 on the Criminal Liability of Legal Entities.

Each business unit is required to comply in full with all governing regulations and to schedule internal audits led by each functional area. This identifies economic, reputational, social, and environmental risks.

	EDIFICATION AND CIVIL WORKS	ASSEMBLY AND EDIFICATION
<b>Fundamental worker's rights and working conditions</b>	The Human Resource Subdivision and employees in each management center verify and control compliance with regulations to manage risks involving working conditions, compensation, freedom of association and child labor, among other factors.	By contract, suppliers and subcontractors are required to comply with all rules of law. We have the authority to request a certificate of employer compliance.
<b>Occupational health and safety and standards of environmental care and protection</b>	The Safety Division and its employees working in each management center confirm that the directives for work performance are followed in accordance with the statements in the regulations and the client's standards.	Before being contracted, suppliers and subcontractors must fill out a form where they state whether they hold ISO occupational health and safety and environmental certification. The environmental officers check that the work is performed according to law and the client's standards. The work under subcontracts is monitored indirectly.



## CHAIN OF VALUE: SUPPLIERS

Integrating Sustainability into our supply chain

### CHALLENGES

As a group, we promote the development of our suppliers and we make an effort to extend our goods sustainability practices to them. This represents several challenges, such as:

**MONITORING THE CAPACITY OF OUR STRATEGIC AND CRITICAL SUPPLIERS TO PROVIDE SERVICES**

**ENCOURAGING THE CONTRACTING OF LOCAL SUPPLIERS AND MANPOWER**

**ENSURING THAT ALL SUPPLIERS ARE TREATED WITH DIGNITY**

**DEVELOPING SUPPLIERS THROUGH LONG-TERM AGREEMENTS**

### OUTSTANDING INITIATIVES

#### SUPPORTING SMBs

Our business units have taken several initiatives to offer favorable conditions to small and mid-sized businesses (SMBs), such as:

**A MONITORING PLAN AND INDICATORS TO ANALYZE INVOICING AND PAYMENT TERMS**

**AUTOMATIC RECONCILIATION OF INVOICES TO ENSURE AN EXPEDITIOUS PAYMENT FLOW**

**ENCOURAGING REVERSE FACTORING AT PREFERENTIAL RATES FOR OUR PREMIUM SMB SUPPLIERS**

#### PUSHING FOR INDUSTRIALIZATION AND CONTINUING IMPROVEMENT

Our business units have taken several initiatives to stabilize, and then optimize, production processes so as to reduce execution times and risk exposure and increase the quality of the product under the continuing improvement philosophy.

In Edification and Constructions, these initiatives are aligned to the Industry 4.0 framework, greatly motivated by industrialization. The risks to which they are exposed are detailed in the HIRA Matrix according to the OHS Management System. We also use a constructability index to evaluate the design and construction processes associated with the impact of skilled and unskilled labor.

**PROMOTING OCCUPATIONAL SAFETY**

For the second year, the Edification and Construction business units implemented the Biz Safe program in conjunction with the Mutual Safety Association to integrate subcontractors to the internal safety management system. A preliminary evaluation is made of the subcontractor’s condition, and then we work with them on overcoming the gaps.



**MAIN CHALLENGES**



During 2019, the Echeverría Izquierdo Group implemented a supplier and subcontractor Portal called IConstruye (I Build, in English) in order to be able to trace invoicing and the respective payments.

The Edification and Construction business units have reinforced and improved the prequalification standard through the Link Bild Platform, to supplement the crime prevention efforts using Neitcom. A committee was set up to draft form contracts, and all procedures of the Logistics, Procurement and Subcontracts Subdivision were updated and implemented in early 2020.

Nexxo implemented the ERP Dynamic AX in the Procurement and Warehousing modules at the end of 2019. The best practices in functionalities that use this system are expected to be consolidated during 2020, which will improve relations with suppliers and help increase quality, timing and cost efficiencies.



## MANAGEMENT SYSTEM

### INTEGRATED MANAGEMENT SYSTEM

















An Occupational Health, Safety and Environmental Management System (SSTMA) has been implemented. Its main purpose is to ensure compliance with the requirements of stakeholders, external and internal clients as the life of our employees and environmental care are important.

### AUDITING AND CERTIFICATION

Echeverría Izquierdo and its business units hold national and international certifications that warrant high standards in their quality systems and foster an integrated management of their operations and processes. These certifications are constantly reviewed and updated.

To confirm its regulatory compliance with certifications, the Company has established a documented procedure to conduct internal audits every year. These audits address the requirements of the SSTMA System and the applicable legal requirements, and are made of all the work centers.

Echeverría Izquierdo has been externally audited according to OHSAS 18001, under which we hold certification since 2010. The Echeverría Izquierdo health and safety system has also been audited and certified each year by Bureau Veritas and by the Mutual Safety Association. All processes are audited, and some representative work centers are selected to verify compliance with the standard and internal requirements.

ISO 9001 QUALITY MANAGEMENT SYSTEM	ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM	OHSAS 18001 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM	ASME S STAMP AMERICAN SOCIETY OF MECHANICAL ENGINEERS
     	  	     	

## HONOR ROLL

During 2019 Construction Week, held from May 6 to 10 at Casa Piedra, the Chilean Chamber of Construction (CChC) and the Mutual Safety Association held the awards ceremony for the “Honor Roll in Occupational, Health and Safety of the CChC,” which recognizes the companies that stood out in occupational health and safety during 2018.

Echeverría Izquierdo has been a part of this honor roll on several occasions, and this year was no exception. El Ingeniería y Construction, El Edificaciones and Nexxo were honored with 4 stars, which means they have an accident ratio less than or equal to 2.50%, and no fatal accidents, among other criteria. El Construcciones and El Soluciones Industriales received 5 stars for being companies with an accident ratio less than or equal to 1.20% and an accident ratio with total temporary disability less than or equal to 20.00%, among other requirements.

Lastly, El Montajes Industriales received 6 stars for suffering no fatal accidents in the last 2 years evaluated (2017-2018), for having earned 5 stars at least three times in the last 5 years, one of which must have been the year being awarded, and for having a CChC safety ratio less than or equal to 24.0 in the last 5 years.

Pablo Ivelic, Corporate Chief Executive Officer, remarked that “this is a recognition of occupational health management by companies in the Echeverría Izquierdo group as it means having standards and results of excellence in safety. The fact that 6 of our business units are on the Honor Roll is recognition of serious, responsible work, and simultaneously encourages us to continue working on what is, for us, a corporate value, namely the safety and life of those who work with us. Our ultimate goal is for employees to return safe and sound to their homes.”



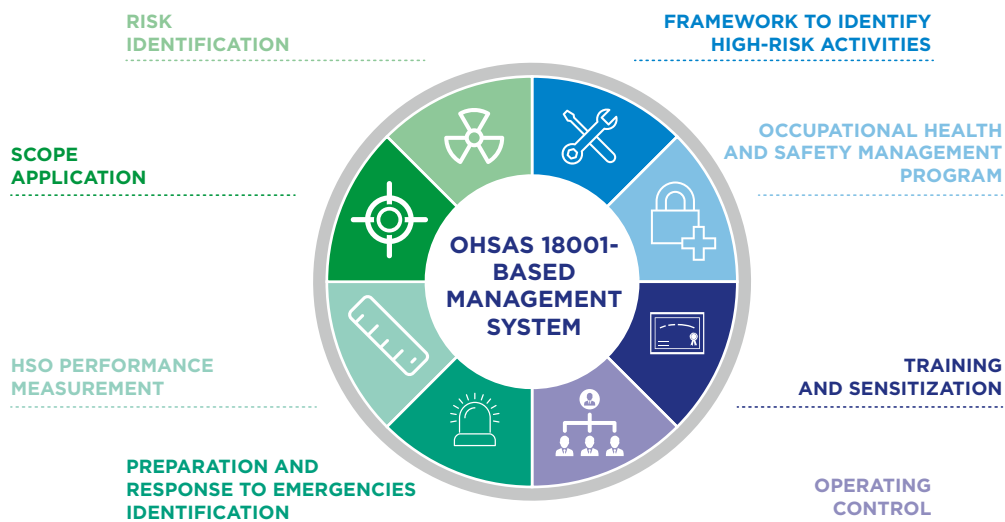
# HEALTH AND SAFETY

## OUR COMMITMENT

We are developing a culture of care that promotes the safety and wellbeing of our employees, contractors, and business partners. This culture facilitates a safe work environment, including all measures necessary to safeguard our people, projects and reputation and ensure that everyone goes home to their families in the same condition in which they came to work.

## MANAGEMENT MODEL

We have established the highest standards in our tasks and facilities in the objective of creating risk-free environments for our employees and clients. Our system is based on the OHSAS 18001, the recognized standard on this subject, which encompasses the following aspects:



1. The dynamic nature of our operations requires constant supervision, so we implemented a risk identification matrix in each of our offices, jobs, headquarters, sites and services.

2. Once our risks are identified, work plans or procedures are designed under the premise of mitigating and managing occurrence of the risk.

3. The Annual Occupational Health and Safety Plan describes the activities and operating controls that will be applied to our activities to conduct a corporate preventive management that includes campaigns, talks and training in regard to critical risks, precursors, and good operating practices.

4. The system includes internal and external audits.

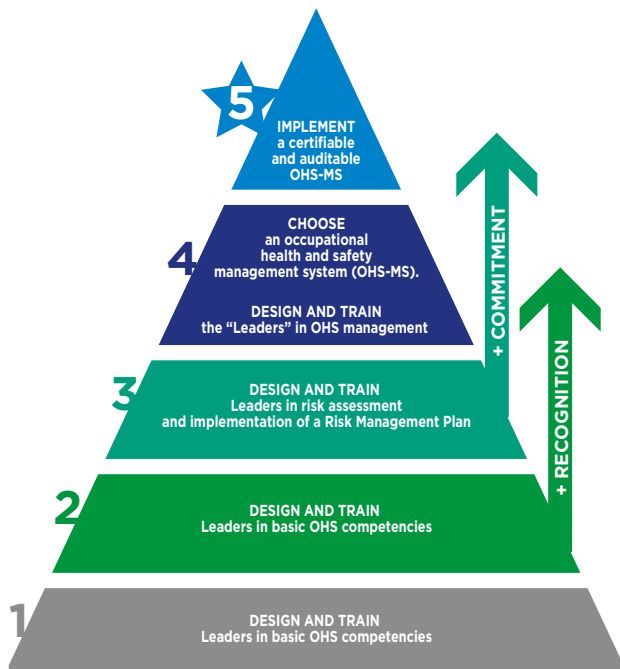
5. Echeverría Izquierdo has a Health and Safety Committee and interdisciplinary occupational health and safety teams who meet regularly to design plans for the improvement of works, training, inspections, behavioral plans, visible leadership, and other matters.



## CONTRACTOR HEALTH AND SAFETY RISK MANAGEMENT

BizSafe Program: Echeverría Izquierdo Edificaciones and the Mutual Safety Association are currently developing a BizSafe Pilot Plan. BizSafe was created in Singapore in 2006 to support small and mid-sized businesses in the Construction sector in developing the competencies in, and a commitment to, Occupational Health and Safety.

There are 5 levels in this program that subcontractors must complete, starting with the commitment by the General Management of each company to implement an Occupational and Health Management System.



We currently have 3 companies actively participating in level 3 of this program and 3 companies certified at the program's highest level (5).

## AWARDS AND ACHIEVEMENTS

In 2019, our organization received the following awards in the annual good practices contest of the CCHC. The recognized good practices were:

**Winning practice (First prize):** Peer-to-Peer Training- A Facilitators Workshop (OHSAS Division) in the category of "Investing in people. Motivating through participation" (Golden Rule 7).

**Outstanding practice:** A rescue-at-height drill (Balmaceda - Antofagasta project) in the category of "Guaranteeing a Safe and Healthy System" (Golden Rule 4).

**Outstanding practice:** The standard for lift entrance doors (Maipu project in Antofagasta; Alvarez project) in the category of "Ensuring the safety and health around machines, equipment and in workplaces" (Golden Rule 5).

**Honorable mention:** Critical risk precursors - unprotected shafts (OHSAS Division, Fernández Albano and Alto Sierra II projects), in the category of identifying hazards and assessing risks (Golden Rule 2).

**Mención honrosa (EIII):** Implementación de visitas a obra por parte de la alta gerencia para el control de accidentes a través de la Guía de Acciones de Liderazgo. Instalación de carteles en obra con código QR que redirigen a un manual de seguridad y de correcta gestión de riesgos en construcción, facilitando que toda visita -al scanear el código- reciba una inducción rápida en aspectos de riesgo y seguridad. (Regla de Oro n°1)



## HEALTH AND SAFETY

### HEALTH / WELFARE SERVICES

We understand our role of employer means responsibility for the health and quality of life of our employees. We have therefore developed several programs and benefits:

Preventive talks and intervention to endeavor to create an awareness of the hazards of alcohol and drugs.

Nexxo offers eye examinations for the nearby population.

VSL has agreements with the CChC Foundation, which visits the projects, meets with employees, and offers them several social benefits (access to loans, price discounts on certain medication, social aid, etc.).

The company is a member of the CChC Mutual Safety Association, which provides all employee benefits in the event of a work accident or occupational disease.

Complementary health insurance is also offered with additional reimbursements and various discounts.

Employee representatives, elected by their peers, are members of Joint Hygiene and Safety Committees that meet monthly to discuss occupational safety matters.

### HEALTH AND SAFETY CULTURE AND TRAINING

In 2019 the following initiatives were notable in meeting our commitment to protect the safety of all employees:

**Onboarding Plan:** New employees attend an interactive induction talk and receive certification issued by their direct superior and the risk prevention manager.

**Training program:** A training program is imparted at each work center under which courses to be taught during the course of the project are defined and their timing.

**Safety campaigns:** The purpose is to train and reinforce, during a month, a particular matter related to occupational health and safety or the environment. These campaigns involve training, workshops, playful activities, inspections, and coexistence activities, among others, which can be chosen at the discretion of each project.

**Integral talks:** All employees at projects are trained at least weekly in practical subjects related to the project, to the business or to the company. The incidents or accidents that have occurred are also discussed, as well as the action plans to avoid any recurrence, and/or relevant information is provided on safety or of importance to all employees.

**5-minute talks:** Short training of the team by the supervisor that relates to the work to be performed during the day. The conditions and corresponding safety measures may change each day, so it is important to use this space and keep each of our employees informed.

## PERFORMANCE INDICATORS

ACCIDENT RATIO	2016	2017	2018	2019
El Montajes Industriales	0.35	0.25	0.16	0.07
El Soluciones Industriales	0.00	0.00	0.00	0.00
Nexxo	0.41	0.43	0.33	0.20
El Edificaciones	2.58	1.15	1.01	1.33
El Construcciones	0.00	0.00	0.94	1.13
El Ingeniería y Construcción	6.72	2.82	0.00	1.45
Pilotest Terratest Chile	3.20	2.39	2.81	2.09
VSL	4.87	0.61	2.08	2.38
Consolidated	1.60	0.74	0.54	0.59

FREQUENCY RATIO	2016	2017	2018	2019
El Montajes Industriales	1.39	0.97	0.63	0.26
El Soluciones Industriales	0.00	0.00	0.00	0.00
Nexxo	1.64	1.72	1.29	0.81
El Edificaciones	10.25	4.56	4.02	5.30
El Construcciones	0.00	0.00	3.71	4.47
El Ingeniería y Construcción	26.69	11.19	0.00	5.74
Pilotest Terratest Chile	12.70	9.49	11.17	8.29
VSL	19.32	2.44	8.27	9.43
Consolidated	6.36	2.95	2.14	2.33

OCCUPATIONAL DISEASE RATIO	2016	2017	2018	2019
El Montajes Industriales	0.00	3.48	0.73	0.00
El Soluciones Industriales	5.94	0.00	0.00	0.00
Nexxo	0.00	0.00	0.00	0.00
El Edificaciones	0.26	0.00	0.00	0.71
El Construcciones	0.00	0.00	0.00	0.00
El Ingeniería y Construcción	0.00	0.00	0.00	0.00
Pilotest Terratest Chile	0.00	0.00	1.24	0.00
VSL	9.66	4.87	3.31	1.35
Consolidated	0.41	1.28	0.50	0.16





EISA has a continuing commitment to improvement

## ENVIRONMENT

### ENVIRONMENTAL MANAGEMENT SYSTEM

We manage our environmental impacts optimally.

We manage and assume responsibility for our environmental impacts.

EISA is aware that its central business sectors (construction of buildings and infrastructure) have an impact on the natural resources of Earth, namely material, soil, water, air, and biodiversity.

We assign special importance to compliance with regulations and the requirements in the certifications we hold, like ISO 14001 that addresses the environmental management system.

In line with the environmental challenges in the MENA region, we apply programs to mitigate impacts to focus on the sustainable management of resources and the use of energy. As a leading contractor, we are also increasingly concentrating on the principles of sustainable construction and we have a solid record in executing ecologically constructed projects.

### MANAGEMENT PROCESS

Echeverría Izquierdo Montajes Industriales manages environmental matters through an environment department that applies a management system based on studying each of the projects and their scopes to comply with governing regulations and ensure the commitment of each employee to the environmental aspects in which they are involved, and to environmental protection and the prevention of environmental contamination.

The main environmental issues in the organization are the processing of Environmental and Sectorial Permits for each of our projects and/or works to be performed.

The company has an Integrated Management Policy that addresses occupational health and safety, the environment and quality.

Corporate: Environmental matters are managed through the project risk prevention departments. Their objective is to implement work plans for the management of any waste, and to prioritize prevention, reduction, reutilization, recycling and disposal (removal by authorized companies that dispose of waste in certificated locations).

The environmental aspects are evaluated in a matrix that follows the guidelines of a procedure to identify environmental considerations and assess environmental impacts. The matrix is designed and updated for each project.

The environmental objectives are communicated to the actors involved, are reviewed at management meetings, and training is conducted throughout the year.

### INNOVATION MANAGEMENT

For 2020, campaigns are planned on reducing hazardous and non-hazardous industrial waste and household waste by encouraging recycling and an awareness of the consumption of resources.

We also intend to propose technological measures to reduce and optimize the consumption of industrial water used in our productive activities.

No substantial fines have been imposed upon Echeverría Izquierdo for environmental violations in the last 4 years.



## ENVIRONMENT

### IMPACT MANAGEMENT

We are focused mainly on:

**Identifying environmental considerations and impacts** caused by our activities by means of identification matrixes for each of our tasks, both at our Home Office as well as in our Headquarters, Contracts, sites, and services.

**Operating controls:** After identifying our significant environmental considerations, work plans or procedures are designed to minimize their impact on the environment.

**Annual Environmental Protection Plan:** This plan describes the activities and operating controls that will be applied to our activities to conduct a corporate environmental management that includes campaigns, talks and training in regard to impacts and the company's environmental requirements.

The Plan includes, for **Contracts, projects and services**, the requirements of each client.

**Compliance with the law:** The applicable legal requirements are identified through the Legal Matrix together with implementation and verification measures.

### MAIN MILESTONES

**Maintaining certification/audits:** Environmental audits were made periodically throughout 2019 of all work centers. The external auditor was Geprema, who visits the site and conducts an administrative review to verify environmental compliance.

Having **zero environmental fines**.

**Completing the legal matrix** associated with each of our projects and their environmental approval (RCA)

**Efficiency** in the use of paper, water, and electricity.

**Reducing the quantity of waste generated (household, non-hazardous and hazardous):** The environmental campaign held in 2019 was focused on managing solid household waste. A campaign was conducted as part of the World Environment Day and was replicated in all branches, contracts, and sites throughout the nation. A safety campaign was implemented to reinforce compliance with waste management and recycling (by holding practical workshops for employees), and roles were defined within each project team to control waste management.

**Disposal of hazardous waste according** to national regulations.

**ConSentido Program (With Meaning Program).** 7 work centers began to participate in a program of the Chilean Chamber of Construction called With Meaning, which aims to reinforce waste management in the Company's different projects.



## OPERATING ECOEFFICIENCY

TOTAL WASTE GENERATED	2016	2017	2018	2019
CORPORATE				
NEXXO	87.16 TONS	158.1 TONS	62.46 TONS	71.12 TONS
VSL	Non-hazardous: 30,460 kg Hazardous: No information	Non-hazardous: 26,920 kg Hazardous: 16,650 kg	Non-hazardous: 32,590 kg Hazardous: 963 kg	Non-hazardous: 34,260 kg Hazardous: 1,888 kg
INMOBILIARIA	N/I	N/I	N/I	N/I
MONTAJES	Household: 7,384 kg Industrial: 69,141 kg Hazardous: 8,479 kg	Household: 120,045 kg Industrial: 141,256 kg Hazardous: 20,612 kg	Household: Industrial: 3,132,367 kg Hazardous: 8,479 kg	Household: 26,911 kg Industrial: 291,060 kg Hazardous: 16,750 kg

WATER CONSUMPTION (MILLIONS OF CUBIC METERS)	2016	2017	2018	2019
CORPORATE	N/I	N/I	N/I	N/I
NEXXO	1.552 X10-6	2.389 X10-6	2.427 X10-6	PENDING
VSL	N/I	N/I	N/I	N/I
INMOBILIARIA	N/I	N/I	N/I	N/I
MONTAJES	N/I	33,706 m3	37,442 m3	37,723 m3

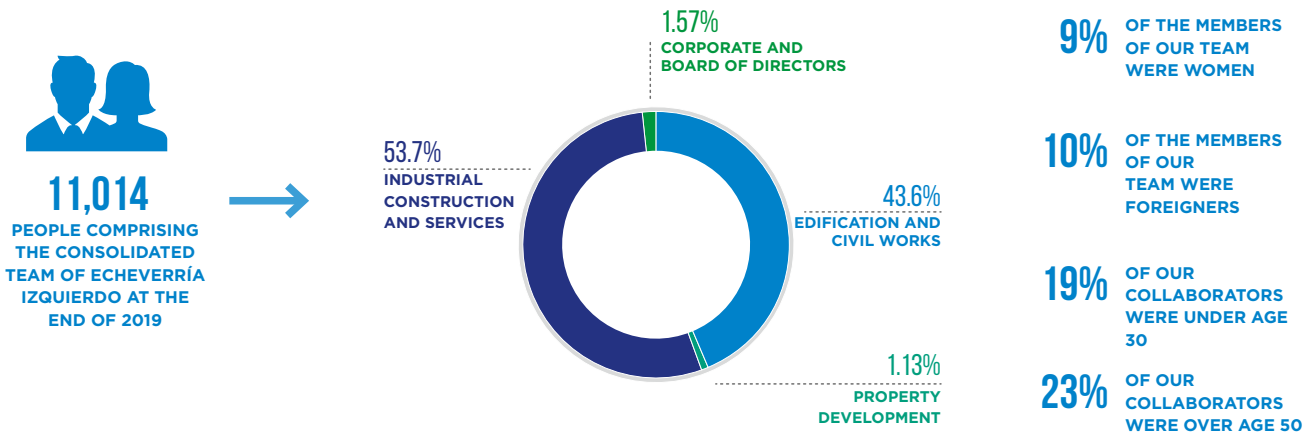
# HUMAN CAPITAL

## OUR APPROACH

We are committed to equal opportunity, diversity, and inclusion, and to promoting a discrimination-free culture.

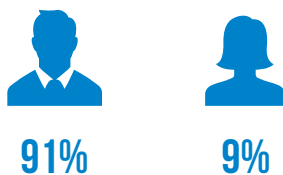
So, we are focusing our efforts on hiring the disabled, young women, senior citizens, and immigrants. Apart from diversity and inclusion, our focus in 2019 was mainly people development.

## DIVERSE TEAM



### DIVERSITY BY GENDER IN THE TOTAL NUMBER OF EMPLOYEES

We are concerned that women be on the different teams so that our percentage is above the business average. We have made strategic alliances with foundations that work with female prisoners under which the company offers them jobs and monitoring.



6.5% of all working women in Chile work in the construction sector.

## DIVERSITY AND INCLUSION

We have made a commitment to diversity and inclusion of all types, such as hiring women, the disabled and foreigners.

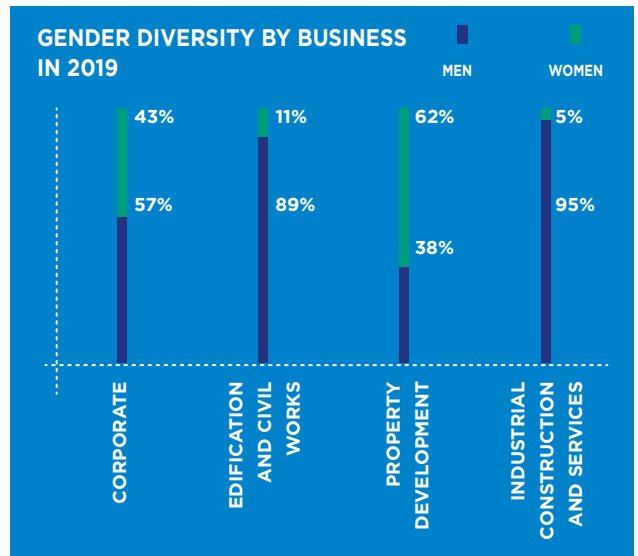
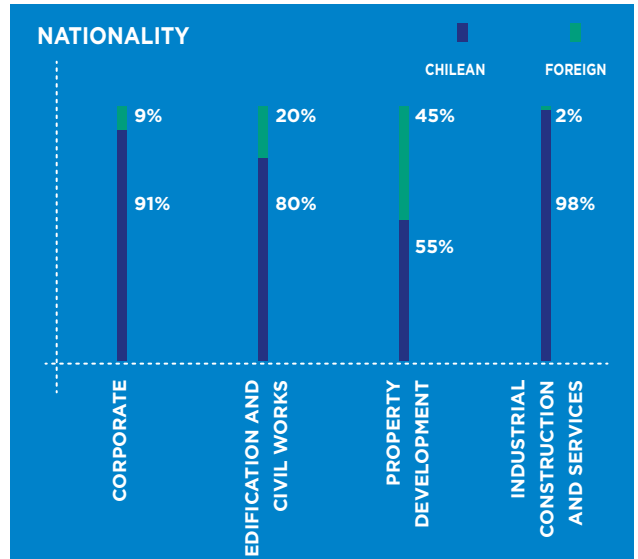
Our diversity effort is not only to comply with the law but also in the positive understanding that it is an opportunity and not a problem, so we base our efforts mainly on the following commitments.

Any vacancy to be filled is not previously restricted by gender in defining the position profile. It is made explicit that the candidate, whether male or female, must meet the technical profile.

We promote diversity on our teams through the integration of foreigners. Echeverría Izquierdo Edificaciones is part of the committee of intercultural companies of the Jesuit Migrant Service with whom measures to include migrants in the working environment are reviewed and implemented, such as teaching Spanish to Haitian project workers.

We have a vision of inclusion in our organization, understood to be an opportunity to create better work spaces where understanding, and not discrimination, prevails and where fair, across-the-board opportunities are made available to all members of our community. Echeverría Izquierdo Montajes Industriales started up a pilot sign language education plan during 2019 to foster the inclusion of the hearing-disabled. Workshops and integral talks were held on site and at offices to promote all aspects of inclusion.

	2017	2018	2019
Average number of workers	13,015	12,259	11,014
Female directors and executive committee members	8%	12%	13%
Female managers	11%	14%	15%
Disabled employees	22	41	48
Unionized employees	3,476	3,538	2,972





## HUMAN CAPITAL

### NON-DISCRIMINATION – SALARY GAP

One of the most important aspects in matters relating to gender diversity is guaranteeing compliance with the principle of equal pay among men and women who perform one same job. Differences may exist only on the basis of objective and non-arbitrary criteria. So, companies like Echeverría Izquierdo Edificaciones have salary collars by position that are constructed on market information and internal consistency in which the gender variable has no place.

That is the company's method, and if there are situations where male or female employees believe that there may be an arbitrary difference, the Company has a complaint channel that will trigger an investigation of the situation. We have been actively working to close the gender salary gap. We can emphasize the following results in 2019:

CORPORATE	2018	2019	INDUSTRIAL CONSTRUCTION AND SERVICES	2018	2019
Managers and Executives	N/I	-3.8%	Managers and Executives	-5.4%	-5.1%
Professionals	N/I	-1.6%	Professionals	-7.2%	-6.5%
Technicians	N/I	6.9%	Technicians	-18.3%	-9.5%
Field personnel	N/I	N/A	Field personnel	-14.6%	-9.3%
EDIFICACION AND CIVIL WORKS	2018	2019	PROPERTY DEVELOPMENT	2018	2019
Managers and Executives	-4.3%	-4.2%	Managers and Executives	-20.3%	-15.1%
Professionals	-8.2%	-7.9%	Professionals	-28.4%	-9.4%
Technicians	-3.1%	-1.5%	Technicians	-12.6%	-7.1
Field personnel	-2.2%	1.2%	Field personnel	N/A	N/A

### LABOR RELATIONS

Echeverría Izquierdo is focused on maintaining a work climate of respect and trust while always strengthening relations between employees, union leaders and the company. During 2019, we worked on maintaining a direct, fluid communication throughout the hierarchy. For example, releases were issued on contract awards and changes in the organization, internal newsletters were posted, an intranet section was created to publicize peer recognition of collaborators, emphasizing merits such as support and collaboration, exceeded my expectations and an amiable and courteous attitude. There were also strategic planning meetings and workplace camaraderie gatherings, among other activities.

The Human Resources area works on the basis of 8 fundamental pillars to strengthen labor relations. Those pillars are:



## BUILDING TALENT

We are part of an industry where an adequate formation and knowledge of our teams are indispensable to maintaining a high level of professionalism. Moreover, the world of technology development and the digital transformation require having unique competencies and talents. The ongoing proactive search to drive the business and to establish innovative collaboration and interaction dynamics is key to fostering an environment where people have the possibility of developing professionally. As important as attracting new talent and visions is working together with people on developing their transforming potential to the utmost.

Although we always wish to attract the most innovative talent, developing internal capacities in Echeverría Izquierdo and motivating the members of our team to take on new challenges and to make up for existing gaps is even more important. So, each year we review the training needs on a national level. At the same time, we conduct an analysis of the organization and its annual goals to design a Training Plan that guarantees that all employees receive the necessary instruction. In parallel, there is an option for collaborators to present a course that they would like to take, which is authorized by arranging for the course with the provider and verifying with the collaborator's superiors that it bears a relation to the employee's functions and/or career development.



In 2019, training was imparted to all segments of employees, emphasizing project workers. They received mostly technical training in construction processes and specialized machinery operation, design and quantification for the engineering team and ongoing instruction in matters related to risk prevention. The training was mostly imparted in classrooms, and in specific cases by E-Learning.

## HUMAN CAPITAL

In the efforts made for our project workers, the “On-Site Leadership” program stands out, oriented towards improving leadership skills in our employees who hold supervisory positions. Work has been done specifically on key issues like the importance of communication, improvement of work methods, motivating, evaluating and promoting teamwork. 10 projects participated in the program in 2019.

Echeverría Izquierdo Edificacions also has annual training plan in line with the strategic objectives of the Company, after which satisfaction surveys are conducted. The programs implemented on site during 2019 include:

### REMEDIAL EDUCATION PROGRAM

This version was held at the Territoria project. All of the Company’s employees who had not completed grade school or high school were invited to participate.

The Instituto Insieme imparted the classes - which were held at the end of each workday -, taught by professors expert in the subjects mandatory according to the Ministry of Education, namely math, history and English, among others. Two members of the team at that project completed their education and received their high school degree.



### FOREMAN PLAN

Training was conducted internally by the Safety Division and Planning Subdivision. Each course lasted 8 hours, divided into two 4-hour modules per day. 57 foremen from the Planning area and 27 from the Safety area participated in the 2019 version, all of whom completed their training.



	HOURS OF TRAINING	NUMBER OF PARTICIPANTS	INVESTMENT IN TRAINING
<b>Pilotes Terratest</b>	8,898	299	\$30,000,000
<b>Echeverría Izquierdo Edificaciones S.A.</b>	28,149	2,373	\$121,669,487
<b>Nexxo</b>	29,614	1,523	\$140,063,383
<b>VSL</b>	1,086	74	\$4,840,000
<b>Inmobiliaria</b>	946	40	\$24,900,000
<b>Montajes Industriales</b>	52,983	9,759	\$200,496,871

## TALENT ATTRACTION AND RETENTION

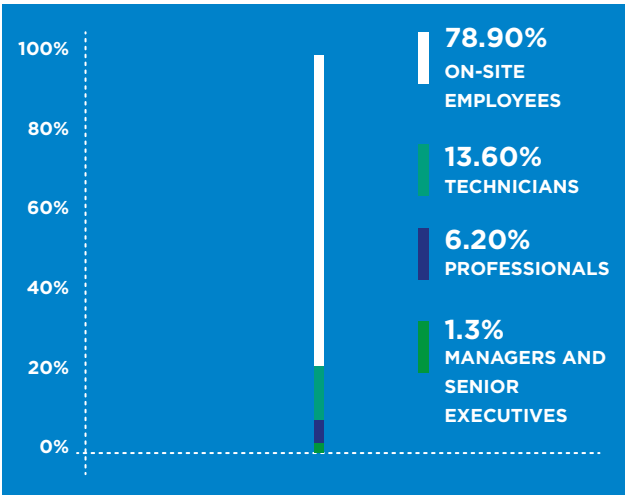
We emphasize the following objectives in fulfilling our mission of being a leader in infrastructure and construction. This guarantees that the human potential within the organization will be managed properly:

1. Retain and attract professionals trained and committed to the mission and vision of EISA.

2. Integrate people in the organization so that they connect with the business strategy, the purpose being to mobilize the capacities and talent towards achieving objectives. This will generate a greater sense of belonging and strengthen our organizational culture.

3. Encourage internal mobility by giving employees opportunities for development.

One of the challenges we face in this respect is the shortage of available talent and the little development of competencies critical to the positions we need because we are a specialized business. In many cases, the search for that expertise is made abroad. Another challenge related to the nature of this industry is the short-term projection because employees are mostly hired per project. So, there is a great probability of losing specialized employees when we are unable to provide job continuity.



In the search for attracting potential talent, the main projects of Echeverría Izquierdo have been advertised on job portals and by participation in job congresses and fairs. Echeverría Izquierdo Montajes Industriales has a Trainee Engineer Formation plan. Trainees who complete a collaboration plan with prestigious universities in the country then join the company. Added to that initiative, we have a practices program with the Pontifical Catholic University of Chile for the Civil Construction Program and an agreement for thesis students of the Pontifical Catholic University of Valparaíso, as well as an agreement with DUOC UC to attract technical talent to projects.

Moreover, the company is constantly meeting with the Employment Office (OMIL) of different municipalities in the search for workers with adequate competencies for our project. This fosters inclusion of the disabled to the working world.



## INNOVACIÓN Y PRODUCTIVIDAD

Echeverría Izquierdo is dedicated to offering its clients innovative and sustainable solutions that satisfy their present and future needs, thanks to the experience of its employees in internal and external research and development projects.

### PURPOSE AND FOCUS

We understand that innovation is a critical structural need of the business. In line with that goal, we have developed an innovation strategy that contains three focal points:

#### 1. Industrialization:

Serial production of construction elements in controlled environments, just as specified and by the deadline.

#### 2. The digital transformation:

Change processes leveraged on disruptive solutions and digital technologies for the resolution of complex problems.

#### 3. Ecoefficiency (construction sustainability):

A reduction in the impact on materials, waste, the carbon footprint and/or energy in production – a circular economy.

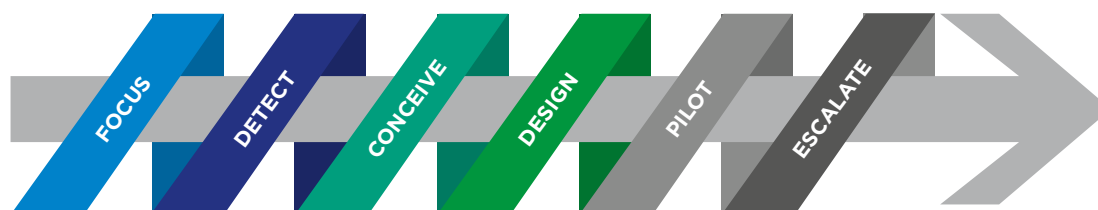
### INNOVATION STRATEGY

Although we have been working on innovation since 2016, in 2020 we plan to develop an innovation management system as a key pillar to the EISA Group's innovation strategy. This will ensure that every company innovates as part of its daily work. External innovation options already implemented and/or detected in 2019 will be evaluated to decide on the best alternative for the group.

Efforts in 2019 were focused on creating a governance structure for this strategy and the management system. The Innovation and Digital Transformation Committee was set up, chaired by Bernardo Echeverría (EISA Director), whose members are Pablo Ivelic (Corporate CEO), Rodrigo Sánchez (Chief Planning and Process Officer) and representatives from the 3 business segments.

An innovation council was also created, comprised of the directors in the different companies in the group. And lastly, a leaders committee was established, whose members are the leaders of innovation in each unit.

The other stage that began in 2019 was determining what the innovation management system will be, meaning all work policies and processes that will facilitate developing innovation projects in the group. The EI innovation process contains 6 stages:



## INITIATIVES IN 2019 WORTHY OF MENTION

There are many innovation initiatives that are in different stages of the innovation process. Some examples of internal and external innovations by us in 2019 are highlighted below:

A survey was made of processes and improvements to review 3 key aspects: People, Processes and Technologies. The focus was on the areas related to corporativization of the Group (example: Finance, Accounting, Procurement, People) and on project control improvements. It therefore follows that there are requirements and initiatives that are decided by technological developments where the goal is to make them more efficient (some examples are progress control using drones, systematization of machinery maintenance, a new supplier portal, and the project control dashboard).

One innovation in the structure segmentation (VSL) transfers the segments to the project and unifies them in one single structure through post-tensioned cables. This reduces the project construction time by at least 30%.

Installation of prefabricated restrooms in the Vicuña Mackenna project is part of the focus on industrialization. This caused a decrease in the times of execution and installation in these projects.

The progress in payment to suppliers through online systems and the automation of key processes has reduced the average period of payment from 65 days to 40 days.

The implementation of the Supplier Portal, which functions as self-query platform, has resulted in a decrease of 60% in the time dedicated to answering questions by suppliers.

## RESULTS

We measure our projects by the Constructability Index, which shows whether the contractor has performed well in adopting construction methods and technologies that save on manpower in their projects. The higher the number, the better the performance.

CONSTRUCTABILITY SCORE INDEX	2018(*)	2019(*)
A standard project in Chile	22	36
Minimum score to receive a building permit in Singapore (**)	88	88
First project developed with initiatives and industrialization	65	70
Highest constructability score earned in an Echeverría Izquierdo project	68 (FERNÁNDEZ ALBANO)	75 (Victorino)

(\*) For 2018, a base of 100 was used, code 2015; for 2019, the base was 110, code 2017.

(\*\*) In non-landed residential projects larger than 20,000 m<sup>2</sup>.

## INNOVATION AND PRODUCTIVITY

### PHOTOGRAMMETRY PROJECT

In order to always have a complete and latest vision of the progress in our projects, Echeverría Izquierdo has implemented new technologies like photogrammetry and drones.

A daily flight over the project site generates a summary video with the progress in the project that includes a measurement and exact calculation of distances, surfaces, and volumes. All coordination meetings start with these videos, which results in more agile and resolute processes.

In the future, we expect to use 3D models built from photos taken by drones, which is an even more visual solution useful in keeping a control of, and tracking the, progress in complex projects.

#### BENEFITS OF THE PHOTOGRAMMETRY PROJECT

Support in recording changes in the work

Detection of delays

Greater progress control

More effective communication

Savings of 43% in the time it takes an employee to measure structural work progress

Savings of 39 hours weekly for technical office personnel.



## COLLABORATION

Like previous years, we are constantly searching for alternative ways to leverage or reinforce the group's innovation initiatives through alliances, funds or any possible ally in the innovation ecosystem.

**LET'S BUILD THE FUTURE** (a convocation to work with external institutions; CORFO; CIUC; CIPYCS, INCUBA UC, Startups):

In 2018 we applied for flexible seed funding (SSAF) that was granted during 2019. This money is being used to encourage entrepreneurship. Solutions are sought during the conception stage that help industrialize and innovate in the real estate and construction sector processes in Chile. These solutions must improve product and service productivity, interaction, collaboration or information management to anticipate today the challenges of tomorrow. The challenges were focused on the digitalization and industrialization of construction. We were the implementers of this funding, together with the UC innovation center (CIUC) and the Interdisciplinary Center for Sustainability Productivity and Construction (CIPYCS).

Installation of the first **PUBLIC-PRIVATE ELECTRIC CAR CHARGERS** in conjunction with Engie and the Ministry of Energy and Transportation. This is part of our commitment to foster a more sustainable form of transportation that we hope will become a trend in the coming years.

### **BUILD BY INNOVATING:**

We are one of the founders of an innovation community in the property and construction businesses. It was born from the union of efforts among three organizations that awarded the construction seed funding implemented in 2019. The goal of this community is to encourage open innovation in companies in the business while simultaneously making startups visible in the industry to encourage technology transfer.

### **INDUSTRIALIZED CONSTRUCTION COUNCIL:**

This group was formed under the wing of Build 2025 that aims to foster industrialized construction. The EI GROUP was a founding member of this organization and it is currently chairing its board of directors. One benefit of this collaboration is that because we are directly involved in Build 2025 and in the Industrialized Construction Council, we learn of the impacts of new trends in industrialization and we can be at the vanguard of this method.

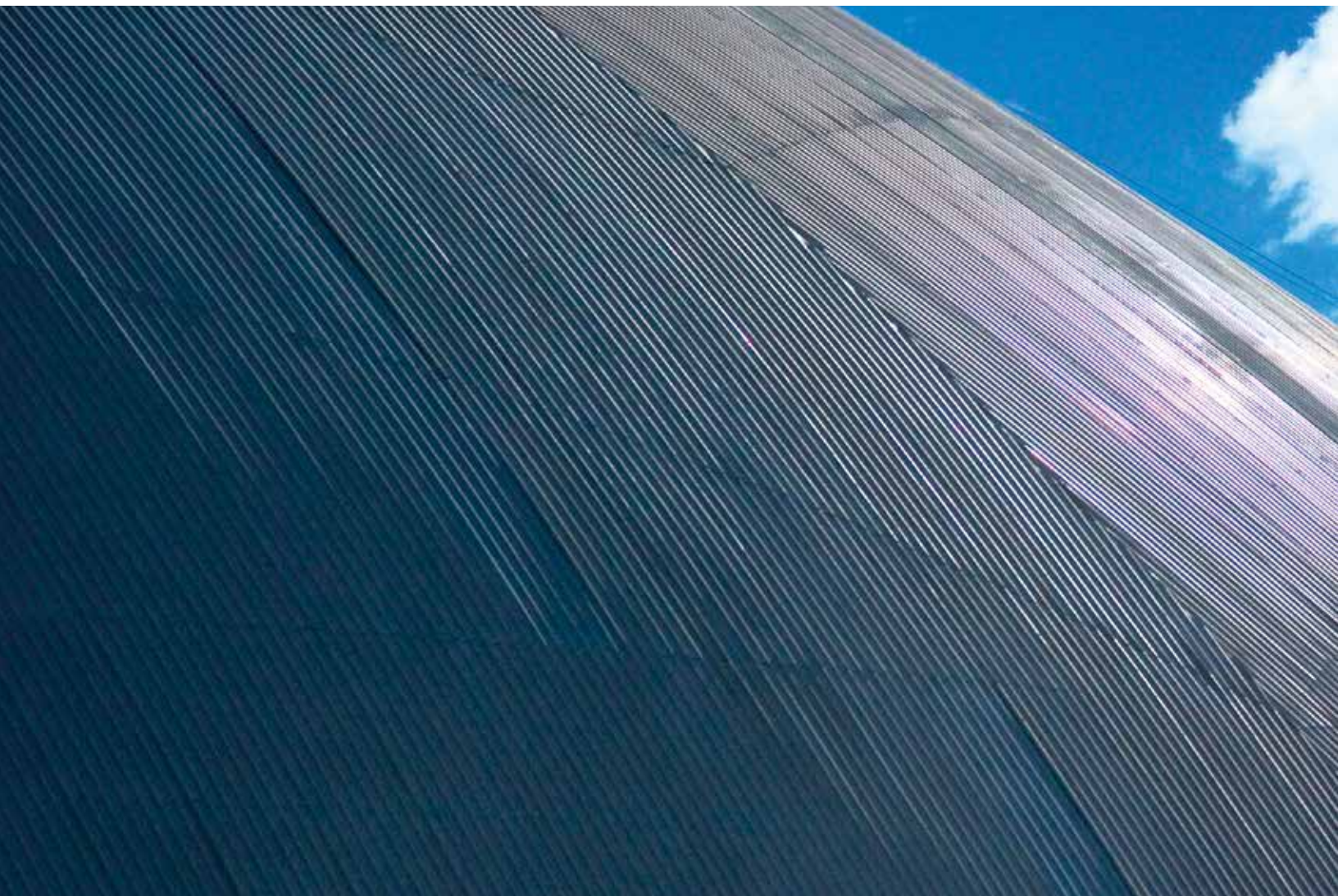






# 05

## OUTSTANDING PROJECTS









**ELECTROMECHANICAL INSTALLATION OF RECOVERY BOILER, POWER BOILER, CAUSTIFICATION AREA AND LIME FURNACE (MAPA PROJECT) – CELULOSA ARAUCO Y CONSTITUCIÓN, ARAUCO HORCONES PLANT, CHILE.**

Arauco is implementing the MAPA project that consists of a new pulp production line called Line 3 (L3). This new line will have a capacity to produce 1,500,000 tons of pulp per year. The scope of the work encompasses civil and mechanical works, piping, electricity and instrumentation of the recovery boiler, power boiler, demineralized water plant, air compressors, fuel, caustification area and lime furnaces.





### PRIMARY CRUSHER, OVERLAND CONVEYOR, STOCKPILE AND RECLAIM TUNNELS – TECK / QUEBRADA BLANCA, CHILE

Quebrada Blanca is an open pit mine located in the Region of Tarapacá, at an elevation of 4,400 meters above sea level and 165 km to the southeast of Iquique. The Primary Crusher, Overland Conveyor, Stockpile and Reclaim Tunnels project is comprised of a 60" x 110" Primary Crusher (one of the largest in the world), 1,200 meters of 72" overland conveyor, a storage dome, two reclaim tunnels and their conveyor belts to mills, and a lime plant. The scope of the work encompasses the fields of civil works, structural works, mechanical works, piping, electricity, and instrumentation.





### ELECTROMECHANICAL INSTALLATION OF THE RECOVERY BOILER ELECTROSTATIC PRECIPITATOR UPGRADE PROJECT – CELULOSA ARAUCO Y CONSTITUCIÓN, VALDIVIA PLANT, CHILE.

As part of a set of improvements to the recovery boiler, Arauco decided to make improvements to three existing precipitators by adding a fourth one that will operate in parallel with the other 3. It also is making improvements to the ash management system in the zone of the actual precipitators. The scope of the work encompasses civil and mechanical works, piping, electricity, and instrumentation, among others.



### COMPLEMENTARY WORK UNDER EXECUTIVE DECREE 28 – CODELCO, EL TENIENTE, CHILE

The project consists of activities in the fields of civil works, structures, mechanical works, piping, electricity, and instrumentation, and it involves completing the activities pending under contracts performed by other companies at the El Teniente Division. The work has been on structures, the repair of the FRP, SS and CS lines, firefighting systems, maintenance of the lubrication system of the ball mill crown, mechanical maintenance of the ball mill seals and SAG, touch-ups, lighting, minor civil works and access roads, replacement of damaged elements and liners, among others.





### CIVIL WORKS AND ELECTROMECHANICAL INSTALLATION OF THE EFFLUENT PLANT EXPANSION PROJECT – CMPC, LAJA, CHILE

The project involves improving the quality of the effluent from the Laja Plant by modifying some existing areas and adding new equipment. Among the main works is the construction of a new Secondary Clarifier, a new Activated Sludge Reactor, a new Effluent Cooling Tower, and the installation of the electrical equipment in the new electric room. The scope of the work encompasses the civil, mechanical, piping, electricity, and instrumentation specialties.



## NUEVA CÓRDOVA BUILDINGS SANTIAGO, CHILE

This project is being built for Sencorp and Sura Asset, and it consists of 2 20-floor towers for Class A+ offices and stores, in addition to 6 underground levels. They will measure more than 46,000 built m<sup>2</sup> on 4,200 m<sup>2</sup> of land located at the corner of Alonso de Córdova and Cerro El Plomo in the Municipality of Las Condes. It will be the first building with photovoltaic façade in the a curtain wall.





## TERRITORIA BUILDINGS SANTIAGO, CHILE

The Inmobiliaria Territoria Project consists of building 3 office towers, one of 20 floors, another of 21 and the other of 22 floors, plus a commercial plaza, 9 common underground levels and a total of 140,000 built m<sup>2</sup>. The project is emplaced on land measuring 120,000 m<sup>2</sup> between Avenida Apoquindo, Avenida El Bosque, Encomenderos y Roger de la Flor. Territoria Apoquindo also has a connection to the subway system. This project is in the process of obtaining LEED Platinum certification.



### **ZAÑARTU BUILDING SANTIAGO, CHILE**

This project is comprised of two residential towers, each with 13 floors. There are total of 298 apartments and the towers are connected by a metal bridge where the building amenities are located. The project measures 20,900 built m<sup>2</sup>, is located in Ñuñoa, and the client is Inmobiliaria Norte Verde.





**SAN JOSÉ DE LA SIERRA BUILDING 2  
SANTIAGO, CHILE**

This is the second stage of the 30,400 m<sup>2</sup> residential project that consists of a 15-floor tower and one underground level. There are 163 apartments in this second stage. The project is located on Avenida Las Condes in the municipality of the same name.





### PRECAST DRIVEN PILES, AUSTRALIS PLANT PUERTO Natales, CHILE

Pilotes Terratest built the foundations of the plant using precast driven piles, the first time this technology was used in Chile. The project consists of more than 11,000 linear meters of precast piles, both vertical and tilted. The solution was selected because of the complex geotechnical conditions in the plant area and the logistics in the work zone. It was the best solution in terms of cost and periods for the project.



### SLOPE BRACING AT THE SLAG PLANT EL TENIENTE MINE, CODELCO, CHILE

Pilotes Terratest performed a slope bracing contract made directly with Codelco. The project consisted of approximately 10,000 m<sup>2</sup> of a soil nailing wall, involving a bit more than 13,000 lm of self-piercing screws, 300 lm of permanent post-tensioned anchors, 900 lm of a California drain and 9,700 m<sup>3</sup> of shotcrete. It also executed earthwork and various water drainage of the slopes and built a slope crown road. The project involved around 181,000 man-hours and 70,000 machine-hours. The objectives achieved included finishing the project with no accidents or environmental incidents, in addition to meeting the deadlines and quality standards.





### MICROPILES AND PILES FOR AVO 1 TOLL ROAD SANTIAGO, CHILE

Pilotes Terratest began three contracts for the AVO 1 Toll Road in 2019: Driven piles for containment of the trench or false tunnels that form the underground toll road, micropiles for the foundation for the new El Salto Viaduct, and micropiles as umbrellas for the branch tunnels at the Kennedy Loop and Apoquindo Loop. The main work consisted of approximately 29,000 lm of driven piles and more than 17,000 lm of micropiles of different types and capacities.





**SLURRY WALLS AND PIERS-PILES FOR STATIONS 18, 19 AND 20 OF THE NEW LINE 2 OF THE LIMA SUBWAY SYSTEM.  
LIMA, PERU**

In 2019, Pilotes Terratest Peru continued to build this important project for Peru. Specifically in 2019, it built approximately 31,000 m<sup>2</sup> of slurry wall with a thickness of 1.00 m and approximately 1,200 lm of piles for the pier-pile, with maximum depths of approximately 42 m and diameters of 1.80 m. New works are predicted for this project in 2020.



### IMPROVEMENT OF BAJADA ESCARDO (ESCARDO DOWNGRADE) LIMA, PERU

Piotes Terratest Peru built piles for this project for the foundation of ramps at a highway interchange along Costa Verde in Lima. It built approximately 8,300 lm of piles with a diameter of 1 m and a bit more than 700 lm of piles with a diameter of 1.5 m. It also conducted numerous integrity and dynamic assays of those piles.



## PORTAL FOR THE CHANCAY TUNNEL PERU

Pilotes Terrast Peru began the construction of an anchored pile slurry wall and slope reinforcement for the portal to the tunnel that connects the Entry Complex to the port zone of the new Port Terminal in Chancay (approximately 80 km to the north of Lima). All piles comprising the wall were built in 2019 (around 2,000 lm). In 2020, shotcrete, beams and anchors will be built in the containment system (approximately 5,000 lm of mostly permanent anchors).





## FOUNDATIONS FOR THE GREEN TOWERS BUILDING LA PAZ, BOLIVIA

In September 2019, Pilotes Terratest began the construction in Bolivia of the foundations for two 33-floor towers and two underground levels of the Green Towers in the city of La Paz. The project entails installing approximately 15,000 piles for the towers' foundation and close to 3,800 m<sup>2</sup> of an anchored slurry wall that will act as a containment structure and the final wall of the underground levels. The project will continue in the first few months of 2020.



### FIBRA PROJECT CONCEPCIÓN, CHILE

Fibra is a 24-floor building with 169 apartments located in Chacabuco III, Concepción. It holds an energy efficiency energy rating and photovoltaic panels have been installed for self-generation. It also has stores on the first floor, optimizing the privileged location of the project. The architecture of this project is unique both in terms of its façade as well as the design of its interior spaces, a lounge, music room, barbecue area, laundry facilities, multiple-use room and gym with a panoramic view of the Bio Bio River and Mount Caracola. It is one of the most complete projects in the region.





**FAM PROJECT  
LA CISTERNA, SANTIAGO, CHILE**

Located in the municipality of La Cisterna, FAM is a family-oriented project that aims to provide quality spaces in the heart of an easily accessible residential neighborhood. It has 167 apartments on 13 floors and a furnished double-height hall, gym, multiple-use room exiting into a garden, pool and green areas on the first floor. The panoramic upper terrace and barbecue area provide a unique space. This project also stands out for its energy efficiency because it has received MINVU energy certification, it uses photovoltaic panels and has a hot water plant with heat pumps, which allows residents to save significantly. This makes it a one-of-a-kind project in its segment.





**ALTO SIERRA 2 PROJECT  
LAS CONDES, SANTIAGO, CHILE**

Alto Sierra is a 15-floor building on Avenida Las Condes measuring almost 30,000 m<sup>2</sup>. It is a prime building conceived for today's life, emplaced in a privileged location of the municipality of Lo Barnechea. Given the success of its first stage, the formula is repeated in the second one, albeit with some improvements that boost its modern architecture, complete infrastructure and the quality of its 2- and 3-bedroom apartments. The design and exclusivity of this project are combined with a functional distribution of space.



**LINE PROJECT  
LA FLORIDA, SANTIAGO, CHILE**

Located in the municipality of La Florida, Line is an innovative housing proposal connected to a series of mobility solutions where the location is as important as its modern architecture or construction quality. In fact, the Rojas Magallanes subway station is just one block away. Line is a 10-floor building that has 161 apartments of either 1, 2 or 3 bedrooms and an optimal distribution, equipped with energy efficiency systems and other innovations.



**SIDE PROJECT  
LIMA, PERU**

Located in the center of the Jesús María District, Side easily connects to the main financial, cultural, and business centers of the city of Lima. The project is comprised of 176 apartments on 20 floors and is famous in the market for being eco-sustainable. The main attributes are My Green Home Certification (issued by Bono Verde), a centralized hot water system, photovoltaic panels, 1 visitor parking space with an electric charger, a roofed area with a TV, a terrace with a grill and theme rooms (Soccer box, Movie box, BBQ box, Lounge Bar box).





### AUDACITY PROJECT LIMA, PERU

Audacity is a 36-floor building containing 342 apartments. As its name indicates, it is an audacious project located along Avenida Javier Prado in the La Victoria district. With a privileged size and views, the project stands out for its urban DNA, with excellent access to centers of interest in Lima. It holds My Green Home certification (issued by Bono Verde), has a centralized hot water system, 180° lookout between the 26th and 27th floors, 2 visitor parking spaces with electric car chargers, 77 bicycle stands and stores on the first floor.



### VEMIA PROJECT LIMA, PERU

This project entails two similar buildings, one with 37 apartments and the other with 32 apartments, distributed on 5 floors. The project is located in the Surco District, near large avenues and surrounded by a low-density residential neighborhood.



**CONSTRUCTION OF CIVIL WORKS FOR SHAFTS, GALLERIES, TUNNELS AND STATIONS IN THE EXTENSION OF LINE 3, SEGMENTS B AND C, OF THE SANTIAGO SUBWAY SYSTEM. SANTIAGO, CHILE**

This is a 42-month contract that entails building the civil works for shafts and ventilation galleries, station tunnels, inter-station tunnels and stations in the extension of line 3 of the Santiago subway system in the municipality of Quilicura. The work is comprised of a total of more than 2,500 meters of tunnels and the construction of the Lo Cruzat and Plaza Quilicura Stations.





### ENGINEERING, PROCUREMENT AND CONSTRUCTION OF THE SUBWAY SYSTEM LINE 5 ELEVATOR PROJECT SANTIAGO, CHILE

The contract was finished in 2019. Its purpose was to install elevators in 9 stations of Line 5 of the Santiago Subway system to allow access by mobility-impaired people to those stations. It involved the civil works, finishes and installations to adapt the stations and install elevators from the street to the ticket offices and between the platform and mezzanine levels.



**PUMP AND DRAINAGE WORKS OF POTABLE WATER STORAGE TANKS, AGUAS ANDINAS S.A.  
SANTIAGO, CHILE**

This is hydraulic infrastructure located in the municipality of Pirque, province of Santiago, that will pump the water impounded at the intake at the Maipo River to the storage tanks with a capacity of 1.5 million m<sup>3</sup>, and then drain that water from those tanks to the aqueduct that conveys the water to the Las Vizcachas potable water treatment plant. This work forms part of a large-scale project to improve the security of potable water supply to the city of Santiago and keep the treatment plants in operation when there is an increase in turbidity of the Maipo River. The plants will be able to continue to supply potable water for 32 hours after an event before having to stop. It entails the civil works for the pump plant, control, dissipation and overflow chamber, electric room and generator sets, mechanical installation, shafts and tunnels for the pumping, draining and overflow lines, electrical installation, automation and control, and roadworks.





#### MECHANICAL MAINTENANCE CONTRACT FOR THE CHUQUICAMATA SMELTER OF CODELCO

This is a 36-month maintenance service contract under which general civil, mechanical and piping maintenance will be performed at Codelco's Chuquicamata Smelter in the Region of Antofagasta. An average of 230 workers worked on this project in 2019 that included work during the associated plant stops.



## INDUSTRIAL CLEANING CONTRACT COMPAÑÍA MINERA LOMAS BAYAS

This 36-month industrial cleaning contract is to provide industrial maintenance in the crushing areas and for the belt systems of the Compañía Minera Lomas Bayas Mine located in the country's Second Region. An average of 50 workers were assigned to this contract in 2019.





### MAINTENANCE SERVICE DURING THE STOP OF THE ENAP BIO BIO PLANT.

Mechanical and civil works maintenance was performed on static equipment during the stops of the Enap Refinerías Bio Bio plant. This took place during the second half of 2019 and involved maintaining heat exchangers, air coolers, process towers, accumulators, filters, and furnaces. The service was provided over three months using more than 150 workers working different shifts.





### MAJOR MAINTENANCE CONTRACT DURING THE STOP OF THE TURNAROUND PLANT / METHANEX

This 3-month service used 280 employees on different shifts to perform the scheduled major maintenance on one of the production trains of the plant located in Magallanes. The contract was for maintenance and cleaning of all equipment, including the replacement of a heat exchanger and work on catalysts and reactors.





#### MAJOR INTERNATIONAL WORK PERFORMED BY NEXXO.

Work of diverse importance was performed in Latin America during 2019. Of note is the Decoking of the Visbreaker of the Repsol Pampilla Planta in Peru, the replacement of the molecular sieve in the reactors of the Melchorita LNG plant in Peru. Nexxo also performed different types of work in Bolivia and Colombia.



**REINFORCED CONCRETE TOWERS AT THE TOLPAN WIND FARM, ACCIONA ENERGÍA.**

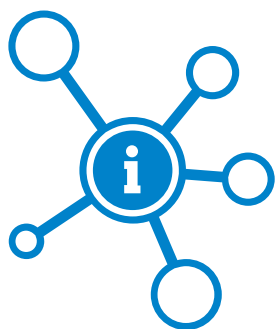
This wind farm is the second in Chile that uses concrete towers. The consortium continues to be VSL and Windtechnic and VSL's client is Nordex Acciona Windpower. It is comprised of 28 concrete towers, each 120 m high. The scope is identical to the San Gabriel farm. Precasting and supply, in this case, of 616 pieces of reinforced concrete delivered on trucks at our plants. This farm will generate unconventional renewable energy equal to the consumption of 124,000 Chilean homes, and will avoid the emission of around 290,000 tons of CO2 annually.



**POST-TENSIONING OF THE CHACAO SUSPENSION BRIDGE, HYUNDAI ENGINEERING & CONSTRUCTION AND THE MINISTRY OF PUBLIC WORKS (MOP).**

The project is the first large-scale suspension bridge in Chile and the third largest in the world. It will unite the Chilean continent with the Grand Island of Chiloe from Punta Coronel to Punta San Gallán. It will be a total of 2,800 m long. VSL was awarded Package 1 of the post-tensioning, which means the pre-stressing of the foundation pillars and the pylon tie beams. The contract is for 22 months during which systems related to 470 tons of post-tensioned steel must be supplied and installed. The end client is the Ministry of Public Works of Chile and VSL's client is Hyundai Engineering and Construction.





# 06

## GENERAL INFORMATION AND ASSOCIATES







## ESSENTIAL FACTS IN 2019

### **APRIL 20, 2019 DISCLOSURE OF CONVOCAION OF A REGULAR SHAREHOLDERS MEETING**

At its meeting held April 9, 2019, the Board of Directors of Echeverría Izquierdo S.A. resolved to convene a Regular Shareholders Meeting of the shareholders in Echeverría Izquierdo S.A. at 9:00 a.m. on April 25, 2019, to decide on matters inherent to Regular Shareholders Meetings. The Board unanimously decided to propose payment of a final dividend of CLP\$3,256,519,054 to the regular shareholders meeting on account of profits from the fiscal year ending December 31, 2018, which was equal to 30% of such profits. This dividend corresponds to CLP\$5.4181 per share for the shares entitled to such dividend as of March 31, 2019.

### **APRIL 10, 2019 DISCLOSURE OF CONVOCAION OF A SPECIAL SHAREHOLDERS MEETING**

At its meeting held April 9, 2019, the Board of Directors of Echeverría Izquierdo S.A. resolved to convene a Special Shareholders Meeting of the shareholders in Echeverría Izquierdo S.A. for April 25, 2019, after the Regular Shareholders Meeting. The purpose of the convocation is to submit a new treasury stock purchase plan to the shareholders for 1,733,320 shares in order to set up a strategic officer compensation and retention plan in the company, set the duration of the program, the minimum and maximum prices payable and approve other matters needed to implement the program.

### **APRIL 25, 2019 DISCLOSURE OF RESOLUTIONS OF THE REGULAR SHAREHOLDERS MEETING**

The Regular Shareholders Meeting held April 25, 2019 approved payment of a final dividend totaling

CLP\$3,256,519,054 on account of profits from the fiscal year ending December 31, 2018, equal to 30% of those profits. The dividend was for CLP\$5.4181 per share for the shares entitled to such dividend as of March 31, 2019. Said dividend was paid starting May 16, 2019. It was also disclosed that the meeting elected new members of the Company's Board of Directors, now comprised of Fernando Echeverría Vial, Alvaro Izquierdo Wachholtz, Dario Barros Ramírez, Bernardo Echeverría Vial, Francisco Gutiérrez Philippi, Andrea Repetto Lisboa and Marcelo Awad Awad, these latter two as independent directors.

### **APRIL 25, 2019 DISCLOSURE OF RESOLUTIONS OF SPECIAL SHAREHOLDERS MEETING**

A new treasury stock purchase plan was approved by the Special Shareholders Meeting of the Company for 1,733,320 shares in order to set up a strategic officer compensation and retention plan in the company. The Meeting decided that as much as 1% of the capital stock could be purchased and that the purchase program would be for one year. The Board of Directors was also authorized to set the minimum and maximum price payable for the shares and to acquire directly on the stock exchange as much as 1% of the capital stock in any 12-month period without having to apply the pro rata procedure. Lastly, it was disclosed that the stock purchase period began on April 26, 2019.

### **APRIL 29, 2019 DISCLOSURE OF CHANGES IN MANAGEMENT**

The company reported that its subsidiary, Echeverría Izquierdo Montajes Industriales S.A. decided to appoint Dario Barros Izquierdo as Chief Executive Officer of that company. Mr. Barros took office on May 1, 2019.

### **JUNE 18, 2019 DISCLOSURE OF SERIES A BOND PLACEMENT**

The Company reported the second placement of the book-entry Series A bearer bonds on account of the bond facility registered under number 918 in the CMF's Securities Register. The second Series A Bond placement was made for a total of UF 500,000, expiring November 1, 2025, at an annual face rate of 2.6% while the placement rate was 1.85%. The money from this placement will be allocated to refinancing the liabilities of the Company and its subsidiaries.

### **AUGUST 19, 2019 DISCLOSURE OF NOTICE OF SPECIAL SHAREHOLDERS MEETING**

At its meeting held August 19, 2019, the Board of Directors of Echeverría Izquierdo S.A. resolved to convene a Special Shareholders Meeting of the shareholders in Echeverría Izquierdo S.A. at 9:00 a.m. on September 4, 2019. The purpose of the convocation was to submit to approval of the shareholders an increase in the company's capital of CLP\$80,395,003,701, divided into 605,364,800 registered common shares of the same value, in one single series, and of no par value, that are fully subscribed and paid in, to the sum of CLP\$112,095,003,701, through the issuance of new cash shares.

### **SEPTEMBER 4, 2019 DISCLOSURE OF RESOLUTIONS OF SPECIAL SHAREHOLDERS MEETING**

The company disclosed that the Special Shareholders Meeting of the company held September 4, 2019 agreed and approved an increase in the company's capital of CLP\$80,395,003,701, divided into 605,364,800 registered common shares, of the same value, in one single series and of no par value, fully subscribed and paid-in, to the sum of CLP\$112,095,003,701, that

is, the sum of CLP\$31,700,000,000, through the issuance of 110,000,000 new cash shares, allocating a total of 5,500,000 shares to strategic officer compensation and retention plans of the company and its subsidiaries. The meeting also decided to authorize the Company's Board of Directors to issue the cash shares representing the capital increase on the dates that it determines and to delegate to the Board the final pricing and other terms of placement of the shares in the approved capital increase.

### **DECEMBER 27, 2019 DISCLOSURE**

The company reported that the placement of shares to be issued in the capital increase approved at the Shareholders Meeting held September 4, 2019 was suspended given the situation prevailing in the nation



## INVESTMENT POLICIES



The development and expansion plans of Echeverría Izquierdo in Chile and abroad are expected to be implemented under the following investment policies for each of its areas of business:

## FINANCE POLICY



The finance policy of Echeverría Izquierdo consists of internal cash generation and external financing. This policy ensure that there is a financial structure that will minimize capital costs, periods, and indebtedness. This policy is guided by the following criteria in each of the business unit:

### ENGINEERING AND CONSTRUCTION

In this area, the Company allocates its resources by procuring a normal replacement of its operating assets, which includes new facilities, machinery, equipment, and modernization to be able to increase and improve the quality of production. Along the same lines, it always maintains the option of inorganic growth (through domestic or foreign companies) that represents a strategic and/or profitable opportunity according to technical and economic criteria.

### PROPERTY DEVELOPMENT

In this business unit, investments made by real estate companies in which the Company has an interest are oriented towards lands that will be used to develop future real estate projects, the purpose being to have the assets required to satisfy target markets.

### ENGINEERING AND CONSTRUCTION

In this business unit, the Company uses leasebacks or internal cash generation to invest in machinery and equipment. Construction of projects is financed in two stages: the first uses the client's advances to begin the contract work while in the second phase, the real progress is invoiced to the principal once a month until completing the entire contract price.

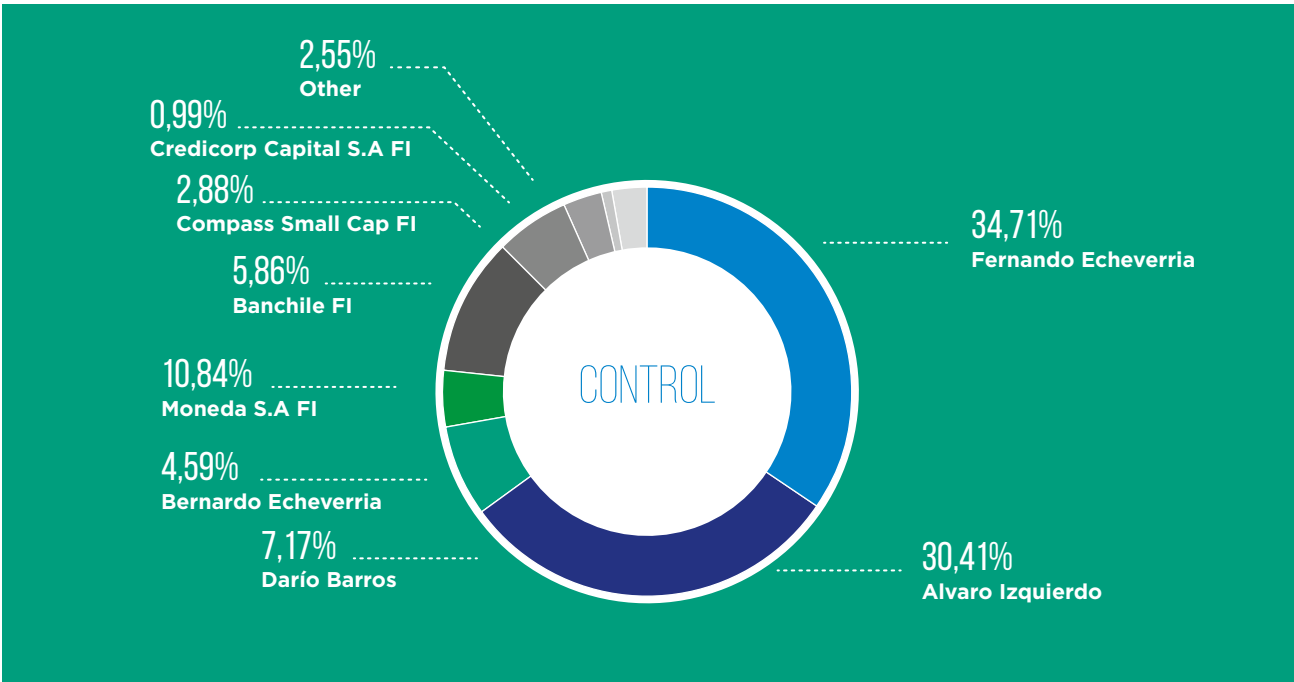
Whenever there are contracts that do not involve advances and, therefore, there is a relevant mismatching of outflows and inflows, the Company uses internal cash generation and working capital facilities to pay for such work.

### PROPERTY DEVELOPMENT

In this business unit, Echeverría Izquierdo has a policy where the land for project development is funded with its own capital, in joint ventures with third parties, or through specific transactions with financial institutions. In the construction of projects, bank financing is used for the project and the land is mortgaged to the bank.

# OWNERSHIP AND CONTROL

The Company has issued 605,364,800 shares in one series, subscribed, paid, and distributed among 46 shareholders as of December 2019. There is no controlling individual or group. As of December 31, 2019, the main shareholders in Echeverría Izquierdo S.A. were:



## OWNERSHIP

MAJORITY SHAREHOLDER/MAIN SHAREHOLDERS	TAX ID	FERNANDO ECHEVERRIA IZQUIERDO VIAL	ALVARO IZQUIERDO WACHOLTZ	DARÍO BARRROS RAMÍREZ	BERNARDO ECHEVERRÍA	MONEDA S.A	BANCHILE	COMPASS	CREDICORP CAPITAL S.A	BTG	OTHER	TREASURY STOCK	TOTAL	NUMBER OF SHARES
INMOBILIARIA E INVERSIONES VEGAS NEGRAS LTDA	78.292.690-K		30.29%										30.29%	183,358,126
INV. E INV. PERGUE LTDA.	78.292.700-0	25.98%											25.98%	157,245,794
MONEDA SA AFI PARA PIONERO FONDO DE INVERSION	96.684.990-8					10.59%							10.59%	64,106,000
INVERSIONES LAGO KAMI DOS SPA	76.166.463-8	8.74%											8.74%	52,890,200
BANCHILE C DE B S A	96.571.220-8						5.85%						5.85%	35,435,228
INVERSIONES BAIZ LTDA	76.044.550-4			4.52%									4.52%	27,352,100
COMPASS SMALL CAP CHILE FONDO DE INVERSION	96.804.330-7							2.88%					2.88%	17,485,121
INVERSIONES BAIZ DOS LTDA	76.166.434-4			2.65%									2.65%	16,025,499
INMOBILIARIA E INVERSIONES ABANICO LTDA	78.292.710-8				2.31%								2.31%	13,965,668
INVERSIONES CONFLUENCIA LTDA	76.163.198-5				2.29%								2.29%	13,834,855
BCI SMALL CAP CHILE FONDO DE INVERSION	76.418.822-5								0.70%				0.70%	4,236,336
CREDICORP CAPITAL SA CORREDORES DE BOLSA	96.489.000-5								0.60%				0.60%	3,640,069
BTG PACTUAL SMALL CAP CHILE FONDO DE INVERSION	96.966.250-7									0.62%			0.62%	3,728,059
FI CREDICORP CAPITAL SMALL CAP CHILE	76.095.601-5								0.25%				0.25%	1,517,333
MONEDA SA AFI PARA MONEDA CHILE FUND LTD	96.684.990-8					0.25%							0.25%	1,486,925
FFMM Credicorp Capital Acciones Estrategicas	76.729.937-0								0.14%				0.14%	851,835
BCI C DE B S A	96.519.800-8												0.02%	116,831
BTG PACTUAL CHILE S A C DE B	84.177.300-4									0.02%			0.02%	98,748
BANCHILE ADM GENERAL DE FONDOS S A	96.767.630-6						0.004%						0.004%	26,809
Other	-										0.56%		0.56%	3,392,950
Treasury Stock	-											0.64%	0.64%	3,867,700
Alvaro Gabriel Izquierdo Wacholtz	6.686.307-7		0.12%										0.12%	742,624
TOTAL		34.71%	30.41%	7.17%	4.59%	10.84%	5.86%	2.88%	0.99%	0.63%	0.56%	0.64%	100.00%	605,354,800



## AREAS OF BUSINESS AND SPECIALTIES

### ECHEVERRÍA IZQUIERDO INMOBILIARIA E INVERSIONES



Echeverría Izquierdo Inmobiliaria was formally founded in 1996 and has become one of the most important lines of business in the group. Its first steps were exclusively as an investor in companies, but today the subsidiary has a team of around 90 people, counting collaborators in Chile and at its subsidiary in Peru, and it directly manages most of the projects in which it is involved. Over the years, this company has improved its margins because it knows how to develop, manage and sell housing projects priced from UF 1,800 to UF 10,000, in addition to taking advantage of a vertical integration with other subsidiaries in the group, like Echeverría Izquierdo Edificaciones.

A healthy leveraging policy added to a rigorous study of markets and a strategy for project development in consolidated zones in the main cities in the region has enabled Echeverría Izquierdo Inmobiliaria to engage in the property industry with little exposure to market volatilities, successfully weathering the economic and social crises that the country has faced. Some years ago Echeverría Izquierdo Inmobiliaria decided to use its own brand in projects in the middle-income residential market to take advantage of the positive attributes of quality, seriousness and prestige that the Echeverría Izquierdo seal has given to other subsidiaries for so many years. Moreover, participation in higher-income residential segments has been generally hedged by joint ventures with excellent results. Consequently, the company has consolidated a profitable business with high levels of reliability, innovation and quality standards.

At the same time, as part of its diversification policy, Echeverría Izquierdo Inmobiliaria also participates in office and commerce projects in the main markets in the country and through the consolidated operation in Lima where Senda, its subsidiary, has already delivered two residential buildings successfully to clients and has 6 other projects in different stages of development.

During 2019, the social integration housing area was formally created to develop residential projects under Executive Decree 19 of the Ministry of Housing and Urbanism. It is expected that the first projects of this kind will begin in 2020.

Additionally, specific alternatives are under study for the income-generating building segment or multifamily projects, which means it would be engaged in practically all areas of the residential property business.

Finally, the results of the Innovation and Sustainability area launched in the company in 2017 are already showing interesting initiatives proposed by the company's departments, ranging from innovation in product designs to constructability, energy efficiency, safety and other subjects.

Since its creation, Echeverría Izquierdo Inmobiliaria has participated in more than 80 projects in diverse locations: downtown Santiago, La Florida, Ñuñoa, Macul, La Cisterna, Providencia, Lo Barnechea, Antofagasta, Concepción, Viña del Mar and Lima; and it is now involved in more than 25 projects at the same time.



ALTO SIERRA LAS CONDES PROJECT, SANTIAGO, CHILE

## ECHEVERRÍA IZQUIERDO MONTAJES INDUSTRIALES



Echeverría Izquierdo Montajes Industriales continues to have a solid presence in the mining sector. In that sector, the company is positioned as one of the most relevant actors in the country. It also continues to be actively involved in the industrial installations area of the pulp sector.

In 2019, it completed the following projects, among others: Civil Works and Electromechanical Installation of the New Aldea Fiber Line Stabilization Project and the Civil and Electromechanical Upgrades of the Electrostatic Precipitators in the Recovery Boiler in Horcones, both contracts with Celulosa Arauco. In the mining area, it completed for Codelco El Teniente, among other projects, the Construction and Installation of the Anode Furnace Smoke Opacity Reduction Project (ROHHA) and the Installation of New Bridge Cranes in the Converter Bay.

In 2019, Echeverría Izquierdo Montajes Industriales was awarded several major contracts, which led to the highest backlog in its history at the end of the year. Of particular note is the award of the Civil Works and Electromechanical Installation of the Recovery Boiler, Power Boiler, Demineralized Water Plant, Air Compressors, Caustification Area and Lime Furnace of the MAPA Project of Celulosa Arauco y Constitución. It was also awarded the Electromechanical Installation and Civil Works of the

Recovery Boiler Electrostatic Precipitator Upgrade Project for the Celulosa Arauco Valdivia Plant. The Civil Works and Electromechanical Installation for CMPC Laja began under the Effluent Plant Enlargement Project.

In the mining sector, it is performing the Executive Decree 28 Complementary Works for Codelco El Teniente and the Civil Works and Electromechanical Installation of the Primary Crusher, Overland Conveyors, Stockpile and Reclaim Tunnel finally began for the Quebrada Blanca 2 project.

It is noteworthy that in order to adequately complete the large-scale projects awarded in 2019, Echeverría Izquierdo Montaje Industriales decided to acquire a new fleet of cranes and major equipment, in particular a Demag CC 3800 650-ton crane, 4 cranes of 200 to 300 tons and a 40-ton tower crane.

Finally, it is with great pride that we underscore that the company continues to maintain safety standards of excellence. In recent years, it has been consecutively honored with 6 stars by the Chilean Chamber of Construction. This special recognition is the result of continuing to have indicators of excellence in Risk Prevention in the terms established by the CCHC. This demonstrates that the company shows special concern for the integrity of its workers.



CIVIL WORKS AND ELECTROMECHANICAL INSTALLATION OF ACID PLANTS 3 AND 4, CHUIQUICAMATA, CODELCO, CALAMA, CHILE

## ECHVERRÍA IZQUIERDO SOLUCIONES INDUSTRIALES



Echeverría Izquierdo Soluciones Industriales has positioned itself as a recognized leader in the development of EPC projects in response to the need of its clients to limit their projects in terms of cost, time and performance. Echeverría Izquierdo Soluciones Industriales has therefore become an attractive alternative for mining projects (in particular large-scale projects for the lithium and copper industries), and for energy, pulp, petrochemical and industrial processing projects in general.

Thanks to a cohesive and skilled team comprised of professionals, technicians and collaborators with different skills, Echeverría Izquierdo Soluciones Industriales has been able to give value to the projects it develops by providing innovative solutions focused from the start on safety and constructability.

An important part of the business of Echeverría Izquierdo Soluciones Industriales are the agreements with foreign suppliers of prime technology so that we can deliver complete solutions and warrant their quality.





## ECHEVERRÍA IZQUIERDO EDIFICACIONES



Echeverría Izquierdo Edificaciones is an EISA subsidiary whose mission is to build construction projects, either in the office, housing or infrastructure sectors. Edificaciones is a leader in the office sector, especially in Downtown Santiago and in the El Golf, Nueva Las Condes and Eje Apoquindo sectors. Its vast experience and the high standards achieved in its work have also enabled it to develop more complex projects, such as shopping centers, hotels, underground parking lots, universities, hospitals and airports, to name a few. This important progress has been possible thanks to the collaboration of a cohesive team and quality solutions that exceed our clients' expectations. Today, the company holds ISO 9001 and ISO 45001 certification, reflecting the emphasis on the operational quality of projects and care for the safety and health of its workers.

The focus of Echeverría Izquierdo Edificaciones is on the client, in the aim of meeting the client's expectations and delivering projects with a high standard of quality. As a result, the company has established long-term relations with important clients in the real estate sector and has

even become involved early on in third-party projects to contribute its experience and create improvements.

One of the major competencies of Echeverría Izquierdo Edificaciones is its focus on innovation. It is a pioneer in industrialized solutions like modular bathrooms. The company has also systematized its know-how by implementing a constructability score index that facilitates assessing how efficient the design of a project is in the construction stage and provides a structure to find optimization.

Finally, the safety vision of Echeverría Izquierdo Edificaciones is grounded on an appreciation for the life and integrity of its collaborators. Of note in this vision is the development of leadership skills in the managerial staff, the incorporation of safety to construction through planning, the integration of subcontractors as strategic partners, and the creation of an organizational setting that fosters changes in our workers' conduct. We have received diverse honors from the Chilean Chamber of Construction.



THE BUILDING AT APOQUINDO 5858, SANTIAGO, CHILE

## TERRAFFOUNDATIONS

Terrafoundations is a part of the Echeverría Izquierdo Group. It engages mainly in applied geotechnics, and it is highly diversified, covering a large part of the range of specialized excavation, drilling and land treatment systems now existing. Its capacity and commitment to provide integral solutions have made it a leader in the business, holding an approximately 40% market share. It is the largest and most well-known specialist in geotechnics in the markets where it does business. Its strategy aims to service the entire special foundations and land treatment market in Chile and neighboring countries like Peru and Bolivia in the role of a highly specialized collaborator that has a proven ability for the integration of new technologies, know-how and continuing growth.

Since 2017, Pilotes Terratest S.A. has been a member of the Terra Foundations Group together with Latin American subsidiaries in Peru and Bolivia. This business group fosters know-how exchange and technology innovation in the region to offer its clients the best solutions in the field of applied geotechnics.



PILES IN THE TALARA REFINERY PROJECT – TALARA, PERU

## POST-TENSIONING

VSL Sistemas Especiales de Construcción S.A. was formed in 1988 by Echeverría Izquierdo and VSL Internacional. With the support of an international company with more than 50 years on the world market and the same innovative spirit that the parent company inculcates in its subsidiaries, VSL has developed and brought to Chile innovative construction systems and special solutions, especially through its main technique, post-tensioning.

It currently offers countless solutions to the market and construction companies in the areas of engineering, special projects, mining and the like. It also supplies materials, suppresses and installs each of the technologies it develops.

Some of its best known solutions are: Post-Tensioning for Civil Works, Edification and Paving; Heavy Lifting & Handling; Mechanically Stabilized Earth Walls – Vsol Wall; the Repair, Reinforcement and Reconditioning of Structures; Construction System for Bridges and other diverse special projects for mining, industry and civil works.

It has implemented over the years large-scale projects new to Chile: the voussoir viaduct for Line 4 of the



Subway System; the Amolanas Bridge, built according to the Incremental Launching Method; LNG Tank Post-Tensioning; Span-by-Span Bridge in Huasco; the Suspended Building at Alcántara 99; the rotation of the Cau Cau Bridge in Valdivia; and the Mechanically Stabilized Earth Wall at Esperanza that had, at the time built, the highest polymer band ever.



POST-TENSIONED SLABS IN STAGE 2 OF THE GABRIELA MISTRAL CULTURAL CENTER, SANTIAGO, CHILE



## CONCESSIONS

Thanks to its recognized trajectory and experience, its capacity to create innovative solutions and its solvency, throughout its history, Echeverría Izquierdo has participated in important construction projects, both public and private.

Some examples of these projects are the Citizen Square, the Cultural Center and Underground Parking at the Moneda Palace, the Underground Parking below Mekis Square, across from the Municipal Theater, and the Catedral Underground Parking below the Main Square in Concepción.

Lately, the Concessions area has been focused on forming alliances with major local and foreign companies to compete better for the leading public works concession projects.



UNDERGROUND PARKING AT MEKIS SQUARE, SANTIAGO, CHILE

## ECHEVERRÍA IZQUIERDO OBRAS CIVILES

This division is oriented toward executing mid- to large-scale projects for public and private clients. The services have been developed in the infrastructure (public and private), energy and mining industries. It has participated in varied works like bridges, hydraulic works, roads, reservoirs, mining and highway tunnels, wind farms and run-of-river power plants.

Echeverría Izquierdo Obras Civiles aims to guarantee client satisfaction by meeting the highest standards of quality, safety and times of execution through an ongoing search and implementation of innovation and new technologies, making use of its renowned experience through diverse subsidiaries, always looking for the best synergies among them to thus provide optimal solutions to the different types of needs.

Echeverría Izquierdo Obras Civiles has built varied works for the Santiago Subway System in a consortium with Ossa, namely the Los Leones Station, the civil works in Line 6, shafts, galleries and tunnels in segments 2b, 3 and 4 of Line 3, segments 2 and 3 north, and the tunnel connecting both lines. The tunnel works involved approximately 12 kilometers of excavation and soil bracing. It also handled the engineering, supply and construction of the Line 5 elevator project of Metro S.A.



In the past it performed varied works for Line 4 of the Subway System.

All these works were built with the most modern excavation and bracing technology, in compliance with the standards of quality, deadlines and safety required by the client.



CIVIL WORKS FOR SHAFTS, GALLERIES AND TUNNELS IN SEGMENTS 2 AND 3, NORTH OF LINE 3 OF THE SANTIAGO SUBWAY SYSTEM, CHILE



## NEXXO S.A.



Nexxo S.A. has cumulative experience in a large number of works performed throughout its history in the mining, petrochemical, pulp and power generation industries. This means it is a recognized supplier of innovative, high-tech, specialized mechanical and industrial maintenance services that stand out on both the domestic and international markets.

It engages in three lines of business: electromechanical and industrial maintenance, minor electromechanical installations, and specialized industrial services like chemical cleaning and high-pressure water cleaning, flushing, dredging, replacement of catalysts and decoking.

Nexxo's leadership and solid expertise in its areas of specialization have transcended national borders. It is now present in nearly all of Latin America, in countries such as Argentina, Bolivia, Brazil, Colombia, Peru and Uruguay.

In mid-2017, in the aim of strengthening working capital and allowing new investments and growth in

its subsidiary, Echeverría Izquierdo S.A. subscribed a capital increase in Nexxo, going from a 51% interest to a 61% interest. This share rose to 72% at the end of 2018. During 2019, changes in the company's management begun during 2018 were consolidated, that included a change in administration and the restructuring of the operations area, all in the goal of reversing the losses in 2017 and 2018. These changes and a better commercial management resulted in a profit in 2019.

Thanks to the great commitment to safety, the environment, sustainability and operations, quality and efficiency in its processes and its permanent focus on the client, Nexxo currently offers a variety of integral services, focused on satisfying its clients' needs under a seal of quality and reliability that comes from its 39 years of knowing its clients in depth. Its innovative capacity gives the company the tools to be able to respond on a timely basis to its clients. All this has enabled Nexxo to grow and consolidate as a very reliable leader in the industrial sector.



SCHEDULED STOP OF THE METHANEX PLANT, PUNTA ARENAS, CHILE

## COMPENSATION OF THE BOARD OF DIRECTORS AND MANAGEMENT

### BOARD COMPENSATION

Pursuant to Companies Law 18,046, the Company's Regular Shareholders Meeting must decide annually on the Board's compensation.

The Regular Shareholders Meeting held April 25, 2019,

resolved that the Board receive compensation in the form of fees for attending meetings until the Regular 2019 Shareholders Meeting is held. A monthly fee of 100 Unidades de Fomento was set, the only compensation for attending Board of Directors Meetings.

### BOARD OF DIRECTORS DURING 2019

TAX ID	NAME	POSITION	DATE OF APPOINTMENT
6.065.433-6	FERNANDO JOSE ECHEVERRÍA VIAL	Chairman of the board	29/APR/2019
4.599.313-2	DARIO ARTURO BARROS RAMIREZ	Director	25/APR/2019
6.374.984-2	MARCELO AWAD AWAD	Independent Director	25/APR/2019
6.638.550-7	BERNARDO ALBERTO ECHEVERRÍA VIAL	Director	25/APR/2019
6.686.307-7	ALVARO GABRIEL IZQUIERDO WACCHOLTZ	Director	25/APR/2019
7.031.728-1	FRANCISCO RAMON GUTIERREZ PHILIPPI	Director	25/APR/2019
8.795.355-6	ANDREA ISABEL REPETTO LISBOA	Director	25/APR/2019

### BOARD OF DIRECTORS DURING 2018

TAX ID	NAME	POSITION	DATE OF APPOINTMENT
6.065.433-6	FERNANDO JOSE ECHEVERRÍA VIAL	Chairman of the board	20/APR/2016
6.686.307-7	ALVARO GABRIEL IZQUIERDO WACCHOLTZ	DIRECTOR	20/APR/2016
6.638.550-7	BERNARDO ALBERTO ECHEVERRÍA VIAL	Director	20/APR/2016
4.599.313-2	DARIO ARTURO BARROS RAMIREZ	Director	20/APR/2016
6.866.516-7	PABLO IHNEN DE LA FUENTE	Director	20/APR/2016
6.374.984-2	MARCELO AWAD AWAD	Independent Director	20/APR/2016
7.031.728-1	FRANCISCO RAMON GUTIERREZ PHILIPPI	DIRECTOR	20/APR/2016

### COMPENSATION OF MANAGERS AND SENIOR EXECUTIVES

The compensation received by the Management Team and Senior Executives of Echeverría Izquierdo totaled KCLP\$6,363,441 (KCLP\$4,244,302 were fixed and KCLP\$2,199,139 were variable) during the fiscal year ending December 31, 2019. For 2018, that amount was KCLP\$6,550,767 (KCLP\$4,268,530 were fixed and KCLP\$2,282,237 were variable).

## INCENTIVE PLAN

Echeverría Izquierdo and its subsidiaries have economic incentive plans in place for all their executives and professionals. These incentives are associated with performance and results. They are determined by management indicators and meeting individually defined goals. Additionally, a stock option program has

been implemented to acquire shares in EISA as part of certain executives' compensation plan. This program offers options where 20% can be exercised the first year, 30% the second year and 50% the third year. Under that program, 2,254,600 shares had been sold to company executives as of December 31, 2019.

## INFORMATION ON OUR SENIOR EXECUTIVES

TAX ID	NAME	POSITION	TITLE	DATE OF APPOINTMENT
10.426.202-3	DARÍO BARROS IZQUIERDO	Senior Executive	Chief Executive Officer of Echeverría Izquierdo Montajes Industriales S.A.	01/MAY/2019
9.787.963-K	LUIS ENNIO CAPRILE VENDRELL	Senior Executive	Chief Executive Officer of Echeverría Izquierdo Ingeniería y Construcción S.A.	15/DEC/2017
10.689.120-6	PABLO ANDRES IVELIC ZULUETA	Chief Executive Officer		15/DEC/2017
11.833.589-9	CRISTIAN ANDRES SAITUA DOREN	Senior Executive	Chief Corporate Finance Officer of Echeverría Izquierdo S.A.	15/DEC/2017
13.658.290-9	MARÍA FRANCISCA CRUZ URRRA	Senior Executive	Chief Executive Officer of Echeverría Izquierdo Edificaciones S.A.	15/DEC/2017
13.657.810-3	RAIMUNDO CRUZAT CORREA	Senior Executive	Chief Executive Officer of Echeverría Izquierdo Inmobiliaria e Inversiones S.A.	01/AUG/2013
10.476.201-8	JUAN FERNANDO PINO HURTADO	Senior Executive	Chief Executive Officer of VSL Sistemas Especiales de Construcción S.A.	01/JUL/2005
14.632.337-5	ALDO GUZMAN GIULIANI	Senior Executive	Chief Executive Officer of Pilotest Terratest S.A.	03/FEB/1998

## BOARD COMPENSATION

NAME		POSITION	MEETING ATTENDANCE (KCLP\$)		OTHER FEES (KCLP\$)		DIRECTORS COMMITTEE (KCLP\$)		TOTAL (KCLP\$)	
			12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018	12/31/2019	12/31/2018
Fernando Echeverría Vial	1-2-3-4	Chairman	92,072	65,267	25,371	89,742	-	-	117,443	155,099
Alvaro Izquierdo Waccholtz	1-4	Director	58,613	32,633	36,404	122,376	-	-	95,017	155,009
Darío Barros Ramírez	1-4-5	Director	70,631	38,622	88,300	114,872	-	-	158,931	153,494
Bernardo Echeverría Vial	1-2-3-4	Director	92,072	65,265	66,859	89,742	-	-	158,931	155,007
Pablo Ihnen de la Fuente	1	Director	8,267	32,633	-	-	2,893	11,422	11,160	44,055
Francisco Gutiérrez Philippí	1-6	Director	37,690	32,633	12,500	16,317	11,710	11,422	61,900	60,372
Andrea Isabel Respetto Lisboa	1	Director	25,193	-	-	-	8,817	-	34,010	-
Marcelo Awad Awad	1	Director	33,464	32,627	16,732	16,313	11,712	11,418	61,908	60,358
<b>TOTAL</b>			<b>418,002</b>	<b>299,680</b>	<b>246,166</b>	<b>449,362</b>	<b>35,132</b>	<b>34,262</b>	<b>699,300</b>	<b>783,304</b>

1) Echeverría Izquierdo S.A.

2) Echeverría Izquierdo Inmobiliaria e Inversiones S.A.

3) Echeverría Izquierdo Edificaciones S.A.

4) Gestiona Servicios Compartidos Echeverría Izquierdo S.A.

5) Echeverría Izquierdo Montajes Industriales S.A.

6) Pilotest Terratest S.A.

7) Echeverría Izquierdo Mantenciones Industriales S.A. (Nexxo S.A.)



## QUARTERLY STATISTICS ON THE SHARES OF ECHEVERRÍA IZQUIERDO S.A.

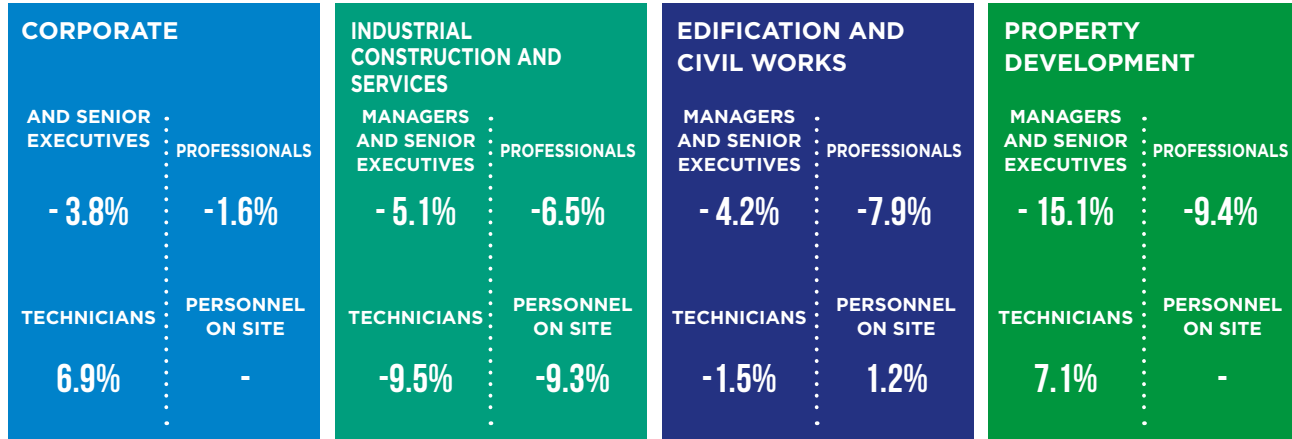
	NUMBER OF SHARES	AMOUNTED TRADED (CLP\$)	AVERAGE PRICE (CLP\$/ SHARE)	PERCENTAGE OF STOCK TRADED AT THE CLOSE OF EACH QUARTER
<b>2018</b>	17,251,699	4,581,674,586	265.6	
FIRST QUARTER	3,715,683	1,080,369,013	290.8	23.89%
SECOND QUARTER	5,248,283	1,437,892,591	274.0	21.11%
THIRD QUARTER	4,790,230	1,215,091,490	253.7	20.00%
FOURTH QUARTER	3,497,503	848,321,492	242.6	16.67%
<b>2019</b>	11,099,526	2,994,312,324	269.8	
FIRST QUARTER	2,840,726	838,811,197	295.3	23.89%
SECOND QUARTER	1,493,994	417,793,027	279.6	16.67%
THIRD QUARTER	1,886,391	528,231,089	280.0	17,78%
FOURTH QUARTER	4,878,415	1,209,477,011	247.9	17.78%

## SHARES OF THE COMPANY TRADED BY RELATED PERSONS IN 2019

NAME	RELATIONSHIP	TRANSACTION DATE	DATE OF NOTICE OF THE TRANSACTION TO THE COMPANY	TRANSACTION TYPE	NUMBER OF SHARES TRADED	UNIT PRICE	TRANSACTION AMOUNT
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	30/Dec/2019	30/DEC/2019	P	9,000	242	2,178,000
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	27/Dec/2019	30/DEC/2019	P	9,000	241	2,169,000
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	26/Dec/2019	26/DEC/2019	P	10,100	236.25	2,386,125
ALVARO IZQUIERDO WACCHOLTZ	MS	20/Dec/2019	20/DEC/2019	P	11,000	232	2,552,000
ALVARO IZQUIERDO WACCHOLTZ	MS	19/Dec/2019	20/DEC/2019	P	7,000	230.98	1,616,860
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	16/Dec/2019	17/DEC/2019	P	49,400	235.05	11,612,340
ALVARO IZQUIERDO WACCHOLTZ	MS	12/Dec/2019	12/Dec/2019	P	13,000	228	2,964,000
ALVARO IZQUIERDO WACCHOLTZ	MS	22/Nov/2019	25/Nov/2019	P	15,000	225.44	3,381,600
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	21/Nov/2019	25/Nov/2019	P	16,000	224.49	3,591,840
CRISTIAN SAITUA DOREN	CFO	04/Nov/2019	04/Nov/2019	S	51,200	273.79	14,018,048
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	28/Oct/2019	28/Oct/2019	P	10,000	289.93	2,899,300
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	25/Oct/2019	28/Oct/2019	P	20,737	288.99	5,992,786
ALVARO IZQUIERDO WACCHOLTZ	MS	23/Oct/2019	23/Oct/2019	P	10,000	298.99	2,989,900
CRISTIAN SAITUA DOREN	CFO	17/Oct/2019	18/Oct/2019	P	360,000	247.1	88,956,000
ALVARO IZQUIERDO WACCHOLTZ	MS	14/Oct/2019	14/Oct/2019	P	200,000	294.99	58,999,200
CRISTIAN SAITUA DOREN	CFO	08/Oct/2019	09/Oct/2019	S	6,460	295	1,905,700
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	08/Oct/2019	08/Oct/2019	P	11,900	295	3,510,500
ALVARO IZQUIERDO WACCHOLTZ	MS	07/Oct/2019	14/Oct/2019	P	168,639	293	49,411,227
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	04/Oct/2019	04/Oct/2019	P	12,500	291.99	3,649,875
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	03/Oct/2019	04/Oct/2019	P	14,000	289.99	4,059,860
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	01/Oct/2019	01/Oct/2019	P	14,000	287.9	4,030,600
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	30/Sep/2019	01/Oct/2019	P	14,500	285.21	4,135,890
ALVARO IZQUIERDO WACCHOLTZ	MS	26/Sep/2019	14/Oct/2019	P	100,000	281.4	28,140,000
ALVARO IZQUIERDO WACCHOLTZ	MS	25/Sep/2019	14/Oct/2019	P	217,985	281.39	61,339,516
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	25/Sep/2019	25/Sep/2019	P	14,200	281.9	4,002,980
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	17/Sep/2019	17/Sep/2019	P	20,500	277.9	5,696,950
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	16/Sep/2019	16/Sep/2019	P	14,900	272.99	4,067,551
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	13/Sep/2019	16/Sep/2019	P	5,000	272	1,360,000
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	12/Sep/2019	13/Sep/2019	P	15,000	272	4,080,000
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	10/Sep/2019	11/Sep/2019	P	7,000	269.93	1,889,510
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	09/Sep/2019	10/Sep/2019	P	7,000	270	1,890,000
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	06/Sep/2019	10/Sep/2019	P	7,000	267	1,869,000
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	05/Sep/2019	05/Sep/2019	P	7,000	263.16	1,842,120
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	02/Sep/2019	02/Sep/2019	P	23,000	262	6,026,000
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	29/Jul/2019	29/Jul/2019	P	20,000	290.16	5,803,200
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	10/Apr/2019	10/Apr/2019	P	21,479	279	5,992,641
INMOBILIARIA E INVERSIONES PERGUE LTDA.	MS	30/Jan/2019	30/Jan/2019	S	18,000	302	5,436,000

### SALARY GAP BY GENDER

The gap is the percentage of the average gross salaries of women as compared to men. Below is the percentage difference in the gross salaries of women as compared to men:



### DIVERSITY ON THE EISA BOARD OF DIRECTORS

	BOARD OF DIRECTORS	GENERAL MANAGEMENT AND OTHER DIVISIONS REPORTING TO THE BOARD
<b>GENDER</b>		
MEN	6	7
WOMEN	1	1
<b>NATIONALITY</b>		
CHILEAN	7	7
FOREIGN	-	1
<b>AGE RANGE</b>		
YOUNGER THAN 30	-	-
FROM 30 TO 40	-	1
FROM 41 TO 50	1	5
FROM 51 TO 60	1	2
FROM 61 TO 70	4	-
OVER AGE 70	1	-
<b>RANGE BY TIME IN OFFICE</b>		
LESS THAN 3 YEARS	1	5
FROM 3 TO 6 YEARS	-	-
MORE THAN 6 AND LESS THAN 9 YEARS	2	1
FROM 9 TO 12 YEARS	4	1
MORE THAN 12 YEARS	-	1





### Corporate

	DIVERSITY AND OTHER DIVISIONS		DIVERSITY IN THE ORGANIZATION	
	Men	Women	Men	Women
<b>GENDER</b>				
	8	3	89	66
<b>NATIONALITY</b>				
CHILEAN	8	3	81	59
FOREIGN	0	0	8	7
<b>AGE RANGE</b>				
YOUNGER THAN 30	-	-	24	18
FROM 30 TO 40	3	-	29	21
FROM 41 TO 50	5	3	23	15
FROM 51 TO 60	-	-	6	8
FROM 61 TO 70	-	-	4	4
OVER AGE 70	-	-	3	-
<b>RANGE BY TIME IN OFFICE</b>				
LESS THAN 3 YEARS	1	1	28	27
FROM 3 TO 6 YEARS	4	2	18	21
MORE THAN 6 AND LESS THAN 9 YEARS	-	-	17	8
FROM 9 TO 12 YEARS	3	-	12	4
MORE THAN 12 YEARS	-	-	14	6







## DIVERSITY IN THE BUSINESS UNITS





### Diversity in Edification and Civil Works

	DIVERSITY IN OTHER DIVISIONS		DIVERSITY IN THE ORGANIZATION	
				
<b>GENDER</b>				
	26	8	4,221	547
<b>NATIONALITY</b>				
CHILENOS	19	7	3,396	413
EXTRANJEROS	7	1	825	134
<b>AGE RANGE</b>				
YOUNGER THAN 30	-	-	1,121	214
FROM 30 TO 40	10	3	1,205	192
FROM 41 TO 50	9	3	1,108	84
FROM 51 TO 60	7	2	645	47
FROM 61 TO 70	-	-	121	10
OVER AGE 70	-	-	21	-
<b>RANGE BY TIME IN OFFICE</b>				
LESS THAN 3 YEARS	4	3	3,961	470
FROM 3 TO 6 YEARS	4	3	145	54
MORE THAN 6 AND LESS THAN 9 YEARS	5	2	71	14
FROM 9 TO 12 YEARS	8	-	32	7
MORE THAN 12 YEARS	5	-	12	2

### Property Development

	DIVERSITY IN OTHER DIVISIONS		DIVERSITY IN THE ORGANIZATION	
				
<b>GENDER</b>				
	9	2	39	64
<b>NATIONALITY</b>				
CHILEAN	6	1	25	30
FOREIGN	3	1	14	34
<b>AGE RANGE</b>				
YOUNGER THAN 30	-	-	13	25
FROM 30 TO 40	5	1	13	23
FROM 41 TO 50	3	1	11	13
FROM 51 TO 60	1	-	2	3
FROM 61 TO 70	-	-	-	-
OVER AGE 70	-	-	-	-
<b>RANGE BY TIME IN OFFICE</b>				
LESS THAN 3 YEARS	2	1	26	43
FROM 3 TO 6 YEARS	5	1	9	18
MORE THAN 6 AND LESS THAN 9 YEARS	1	-	2	2
FROM 9 TO 12 YEARS	1	-	1	1
MORE THAN 12 YEARS	-	-	1	0

### Industrial Construction and Services

	DIVERSITY IN OTHER DIVISIONS		DIVERSITY IN THE ORGANIZATION	
				
<b>GENDER</b>				
	35	1	5,607	274
<b>NATIONALITY</b>				
CHILEAN	35	1	5,533	259
FOREIGN	-	-	74	15
<b>AGE RANGE</b>				
YOUNGER THAN 30	--	-	598	35
FROM 30 TO 40	5	-	1,902	156
FROM 41 TO 50	15	-	1,478	53
FROM 51 TO 60	13	1	1,111	27
FROM 61 TO 70	2	-	489	3
OVER AGE 70	-	-	29	-
<b>RANGE BY TIME IN OFFICE</b>				
LESS THAN 3 YEARS	9	-	4,538	209
FROM 3 TO 6 YEARS	9	1	821	39
MORE THAN 6 AND LESS THAN 9 YEARS	8	-	121	17
FROM 9 TO 12 YEARS	6	-	82	7
MORE THAN 12 YEARS	3	-	45	2

## THE INDUSTRY

The outbreak of the political and social crisis on October 18, 2019, brought with it a cumulus of severe consequences to our economy. The first acts of violence in the country caused the destruction of a quite significant part of the productive capital stock, appraised at more than US\$5 billion, accounting for 70% of the net capital stock devastated by the earthquake and tsunami on February 27, 2010. This situation seems to have not yet ended, so it is very likely that the private capital stock will take more time to recover due to the high and persistent risk scenario faced by the business sector. It is forecasted that investment levels, household consumption and GDP growth capacity will be lower in the short and medium term as compared to the patterns of behavior in the last 10 years. Another consequence of the crisis has been the evident stoppage or discontinuity of activities, which quantitatively means a contraction of 3.4% annually in the Monthly Economic Activity Index (Imacec) as of October 2019, the sectors most affected being services, commerce and the manufacturing industry. This result was a bad surprise to the market that expected a drop of just 0.4% annually, as shown from the economic expectation survey by the Central Bank. On the margin, the deseasonalized Imacec retreated 5.4% monthly, thus exceeding the month-to-month contractions observed during the 2009 recession and the effect of the earthquake and tsunami on economic activity in March 2010. We assume that consumers and entrepreneurs will tend to be more pessimistic about their outlook for the economy in the short and medium term since the acts of violence continue and there is insufficient information to explain, to a certain extent, the market rules that will be debated in the drafting of the new constitution. In fact, the great local uncertainty and downtrend in economic expectations were immediately seen in a significant increase in the volatility and depreciation of the nominal exchange rate that went above 800 pesos per dollar in mid-November 2019, in response to a greater risk aversion on the part of investors.

The greatest adverse effect of the social crisis is predicted for 2020, with a drop ranging from -9.7% to -5.7% annually in investment in the construction sector. This scenario is consistent with the effect of the highly demanding basis for comparison in the first three quarters of 2019 and with the assumption that the market expectations will continue to drop in the coming months, mainly because of the great uncertainty surrounding the drafting of the new constitution

and the potential acts of violence that might continue to occur during this process. In fact, the greatest risk of investment irreversibility will encourage the stoppage or postponement of productive investment projects that have not yet begun. For example, when combining the information from the Capital Goods Association (CBC) record with the records of the Environmental Assessment System, around 36% of the productive investment scheduled for 2020 is pending execution. Also important to note is that 42% of that expenditure has not yet received an Environmental Approval (RCA), which impresses a downward bias on the investments predicted for the coming year in the most recent record of the CBC for the third quarter of 2019.

So, since the aggregate GDP of the economy and investment in the construction sector markedly trended upwards during the third quarter of 2019 (in line with estimations of 3.3% annually and growth of 7.4% annually), it is believed that the impact of the social crisis will be seen in a drop in sectorial production and investment during the last quarter of 2019 as compared to the same period in 2018.

Therefore, an average annual growth of 0.9% is estimated for the GDP in 2019, while sectorial investment will see a rise of 3.3% annually in the same period, consistent with the greater push for investment in engineering works and edification during the first three quarters of the year.

The private housing situation is not much different in that a good part of the real estate projects that were going to be launched at the end of 2019 and beginning of 2020 will very likely be postponed until the constitutional reform is clear. In this context, in October, housing building permits fell 9.5% annually, partially due to administrative problems of the municipalities during the social unrest. Added to this is the effect of a highly exigent basis of comparison and the greater volatility in the property business to the avatars of the economy as concerns longer term investments, which means a substantial drop in property investment during 2020 as compared to 2019.

In this context, the estimated base scenario contains a prolonged and profound recession in construction. This scenario was comparable to the confidence crisis that ended up being the reason for a large part of the 2009 recession (with sectorial investment dropping -8.8% annually). However,

please note that unlike the 2009 recession and during a large part of the last term of President Michelle Bachelet (where investment was negative, dropping more than 4% annually during 35% of her term), the actual situation seems to have no precedent as it combines two adverse effects that point forecasts to a contraction: one is the declining trust of businesses given the persistent acts of violence and their obvious economic impacts that have created a greater

aversion to risks in investors and motivated the postponement of the start of works in the short and medium term. The other impact is the uncertainty surrounding the discussion of the new rules of the game in the constitutional reform. So, it is predicted that investment levels will be lower in the short and medium term compared to their patterns of behavior in the last 10 years (Source: MACH 51 Report, CChC).



CIVIL WORKS AND ELECTROMECHANICAL INSTALLATION OF THE ACID 3 AND 4 PLANTS OF CODELCO, CHUCHICATAMA, CHILE



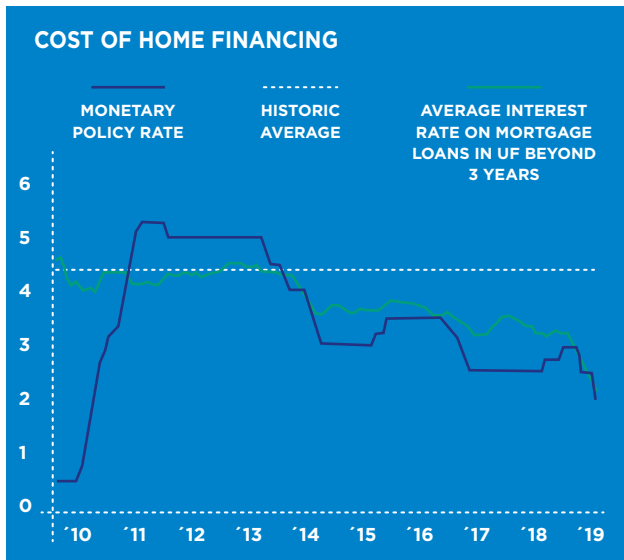
### MAIN SOURCES OF GROWTH IN THE INDUSTRY

Engineering and Construction are linked to variables like the Gross Domestic Product and interest rates. These variables have a direct impact on investment in fixed capital and on obtainable terms of financing.

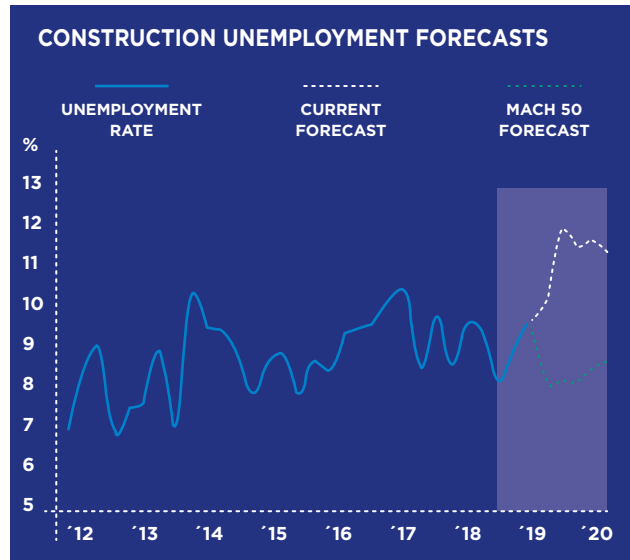
This market is characterized as being procyclical and, therefore, more sensitive than other industries to variations in the economic activity. The number of projects to be executed depends directly on market, growth and cost expectations and, at the same time, margins also depend on interest rates,

unemployment and inflation and the trend in these indicators over time.

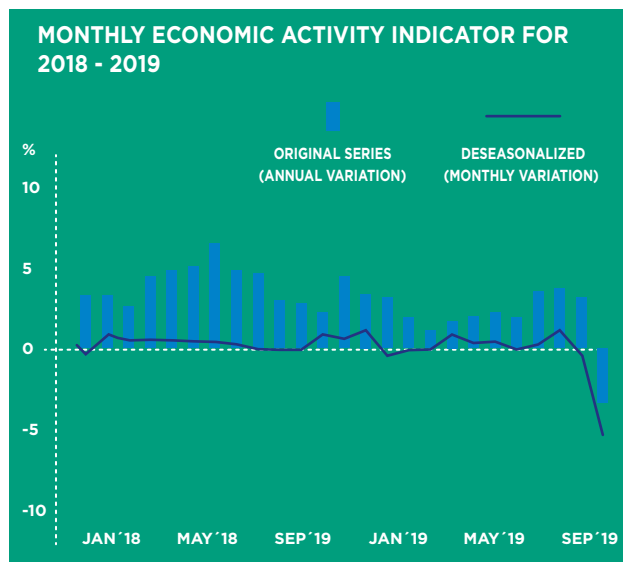
The activity of the property development sector is correlated to variations in unemployment and inflation rates. These rates sensitize the decisions to purchase and narrow relations between such variables and the behavior of the industry. Development of this area depends on the terms of financing that are obtained, which is determined, among other factors, by interest rates.



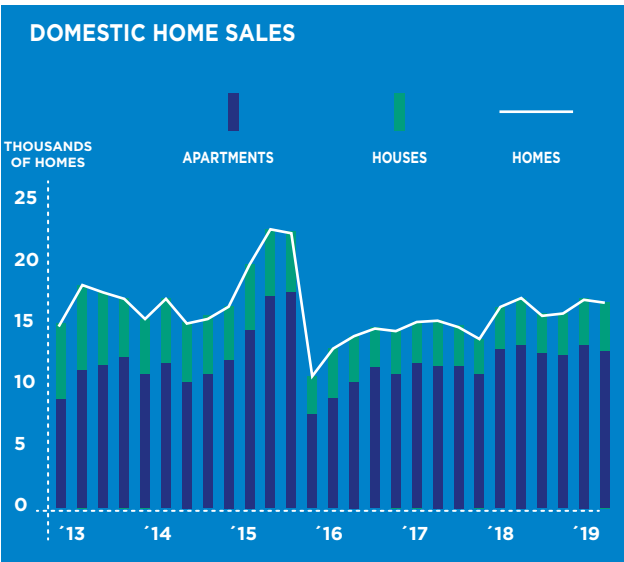
SOURCE: CENTRAL BANK OF CHILE.



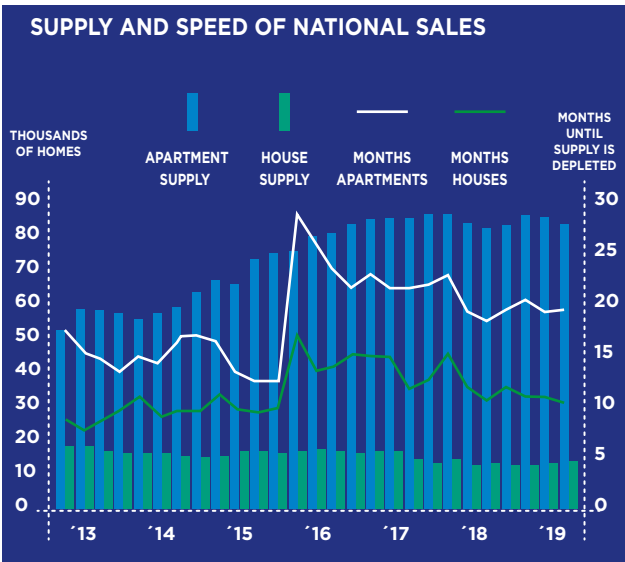
SOURCE: CChC BASED ON STATISTICS OF THE NATIONAL STATISTICS BUREAU (INE)



SOURCE: CENTRAL BANK OF CHILE



SOURCE: CChC



SOURCE: CChC

**SECTORS IN THE INDUSTRY**

The activity of the construction industry can be separated into two sectors: housing and infrastructure. Investment in infrastructure encompasses the entire investment in public and private infrastructure in the nation and is divided into two areas: public and productive. Echeverría Izquierdo participates in the public infrastructure area through its subsidiaries and associates Echeverría Izquierdo Ingeniería y Construcción, Pilotes Terratest and VSL Sistemas Especiales de Construcción, while in the area of productive infrastructure, it does so through the subsidiaries and associates Echeverría

Izquierdo Montajes Industriales, Echeverría Izquierdo Ingeniería y Construcción, Echeverría Izquierdo Edificaciones, Pilotes Terratest, Nexxo S.A. and VSL Sistemas Especiales de Construcción.

Housing investment encompasses all of the public and private investment in housing and the company is a participant on this market mainly through the subsidiaries Echeverría Izquierdo Inmobiliaria e Inversiones and Echeverría Izquierdo Edificaciones.

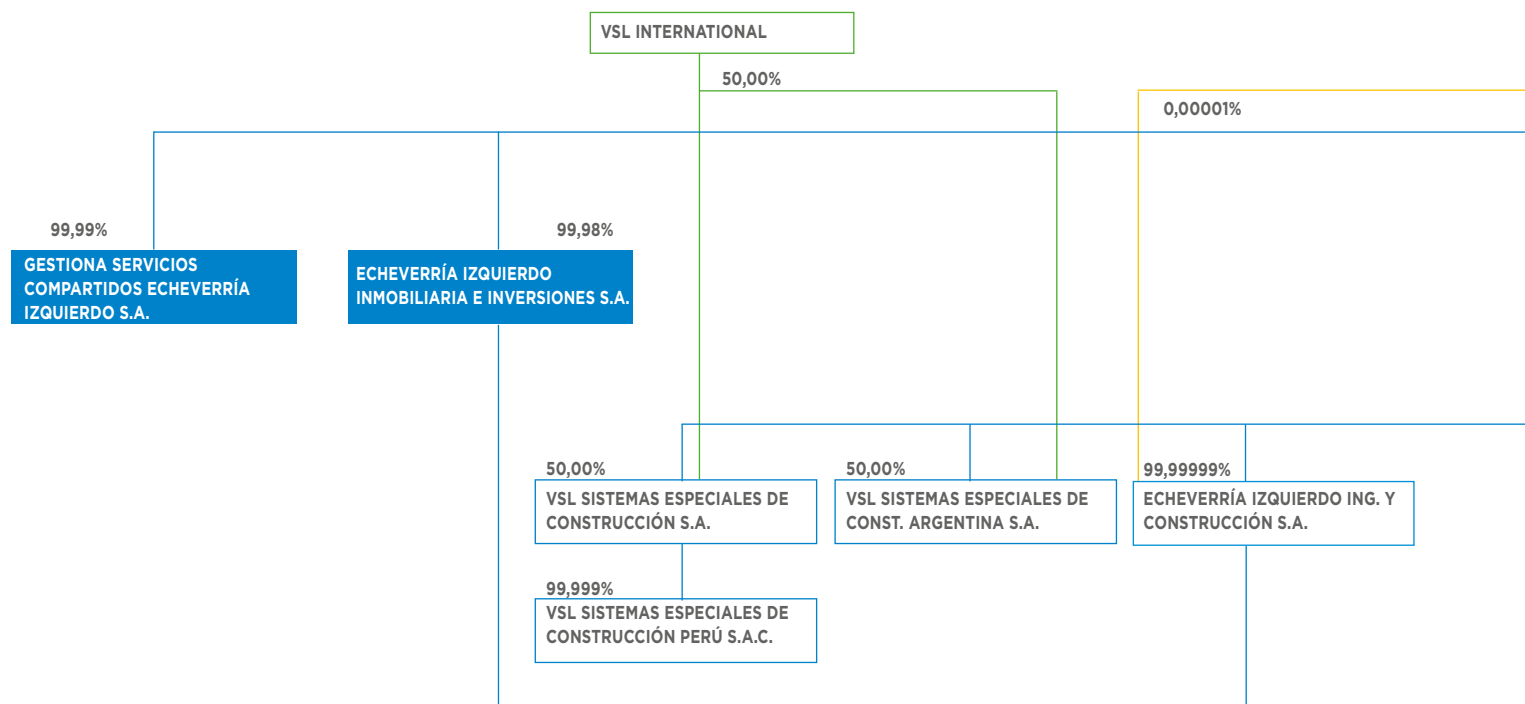
**DISAGGREGATED INVESTMENT AND CONSTRUCTION**

SECTOR	2017	2018	ESTIMATED FOR 2019	FORECASTED FOR 2020	2017	2018	ESTIMATED FOR 2019	FORECASTED FOR 2020
	MILLIONS OF UF				ANNUAL VARIATION (%)			
<b>Housing</b>	221.1	228.9	236.8	208.8	0.5	3.5	3.5	-11.9
Public (a)	45.9	45.0	47.6	48.8	-2.0	-2.0	5.6	2.6
Private	175.2	183.9	189.3	160.0	1.2	5.0	2.9	-15.5
Social program copayment	33.6	34.1	33.1	29.7	0.2	1.5	-3.0	-10.2
Unsubsidized developments	141.5	149.7	156.2	130.3	1.4	5.8	4.3	-16.6
<b>Infrastructure</b>	414.5	423.9	437.7	414.0	-7.1	2.3	3.3	-5.4
Public	162.1	165.7	171.4	195.7	0.8	2.2	3.4	14.2
Public (b)	114.2	113.1	115.6	131.1	1.6	-1.0	2.2	13.4
Autonomous companies (c)	32.5	38.1	39.9	44.1	-2.0	17.0	4.9	10.5
Public Works Concessions	15.3	14.6	15.8	20.5	0.8	-5.0	8.9	29.4
Productive	252.4	258.2	266.4	281.3	-11.5	2.3	3.2	-18.1
Government Companies (d)	18.3	19.4	15.7	13.0	7.4	6.5	-19.5	-17.2
Private Companies (e)	234.1	238.8	250.7	205.3	-12.7	2.0	5.0	-18.1
<b>Investment in Construction</b>	<b>635.6</b>	<b>652.8</b>	<b>674.6</b>	<b>622.8</b>	<b>-4.6</b>	<b>2.7</b>	<b>3.3</b>	<b>-7.7</b>

(a) Investment in housing programs of the Ministry of Housing and Urbanism (MINVU), the Regional Development Fund (FNDR) and neighborhood Improvements.  
 (b) Real investment by the MOP, investment by MINVU in infrastructure (urban roads and paving), Education (investment in infrastructure), Justice and the Office of the Public Prosecutor (Investment in infrastructure), the Sports Institute, the Civil Aviation Administration (DNAC), the FNDR program and urban improvements.  
 (c) Investment in the Subway system, sanitary services company, ports, the National Railroad Company (EFE) and the Valparaiso Railway System (Merval).  
 (d) Investment by CODELCO, ENAMI, Gas (ENAP).  
 (e) Investment in the forestry sector, industrial sector, mining (excluding ENAMI and CODELCO), energy (excluding ENAP), commerce, offices, private ports and investment in the construction of other productive sectors.  
 SOURCE: CChC

# CORPORATE STRUCTURE OF ECHEVERRÍA IZQUIERDO S.A.

AS OF DECEMBER 31, 2019



**CHILEAN COMPANIES**

- 100% INMOB. EL CANAL SPA.
- 100% INMOB. UNIÓN SPA.
- 100% INMOB. EL COMBATE SPA.
- 100% INMOB. EL MARQUÉS SPA
- 50% INMOB. ISABEL SPA.
- 100% INMOB. EL CANELA SPA.
- 100% INMOB. EL MINERO SPA
- 100% INMOB. ALTAZOR SPA.
- 100% INMOB. VICTORINO SPA.
- 99,90% INMOB. MIGUEL CLARO S.A.
- 99,90% INMOB. JPA S.A.
- 99,90% INMOB. ARGOMEDO S.A.
- 99,90% INMOB. LAS TORRES 200 S.A.
- 99,90% INMOB. MACUL S.A.
- 99,90% INMOB. CERRO DEL MAR S.A.
- 99,99% INMOB. SANTA ROSA ESQUINA S.A.
- 99,99% INMOB. BRIGADIER DE LA CRUZ S.A.
- 99,99% INMOB. INDEPENDENCIA- ZAÑARTU S.A.
- 99,99% INMOB. MONEDA S.A.
- 99,99% INMOB. INES RIVAS LA CISTERNA S.A.
- 99,90% INMOB. VICMAC S.A.
- 50,00% INMOB. LA CAPILLA S.A.
- 50,00% INMOB. RECOLETA 5200 LTDA.
- 50,00% INMOB. VATICANO ALCÁNTARA LTDA.
- 40,00% INMOB. VESPUCIO SUR S.A.
- 40,00% INMOB. BH S.A.
- 33,40% ADM. PUERTO NUEVO ANTOFAGASTA S.A.
- 34,00% CONST. E INMOB. HERMANOS AMUNÁTEGUI S.A.
- 33,33% INMOB. PUERTO NUEVO ANTOFAGASTA S.A.
- 33,30% INMOB. SJS S.A.
- 30,00% INMOB. VICTOR LAMAS S.A.
- 25,00% INMOB. COUGAR S.A.

**PRIVATE INVESTMENT FUND**

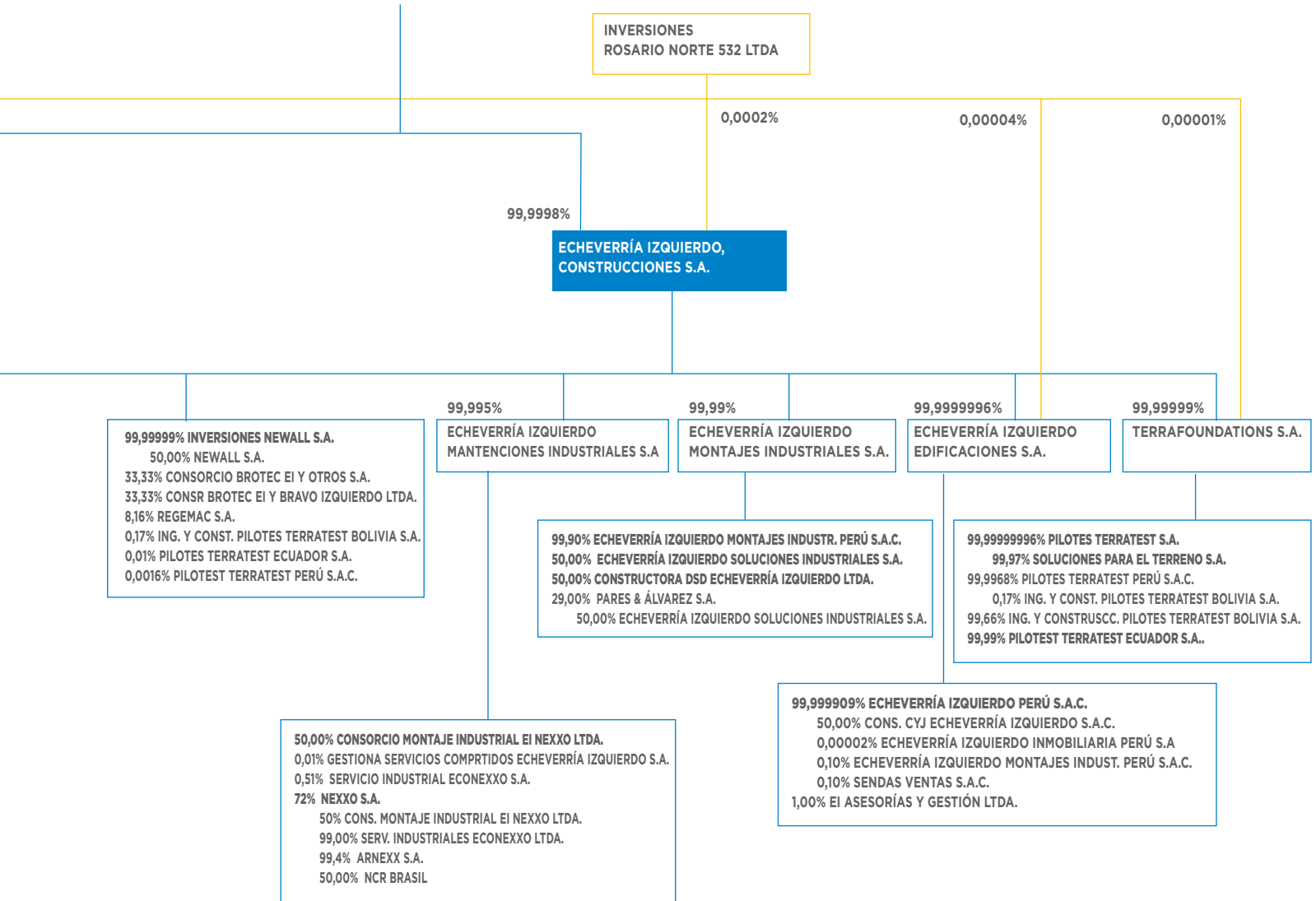
- 78,29% CUMBRES BLANCAS S.A. PARA FIP PLAZA BULNES
- 37,57% CUMBRES BLANCAS S.A. PARA FIP GABRIELA MISTRAL.

**COMPANIES IN PERU**

- 99,99998% ECHEVERRÍA IZQUIERDO INMOB. PERÚ S.A.C.
- 99,9% INVERSIONES INMOBILIARIAS OCHO S.A.C.
- 99,9% INVERSIONES INMOBILIARIAS SIETE S.A.C.
- 99,9% INVERSIONES INMOBILIARIAS SEIS S.A.C.
- 99,99999% INVERSIONES EL PLOMO S.A.C
- 0,10% SENDA VENTAS S.A.C (1 ACCS
- 99,99998% BUENAS INVERSIONES S.A.C.
- 99,9% INVERSIONES INMOBILIARIAS CUBA S.A.C
- 99,99998% FLY SAN FELIPE S.A.C
- 99,99996% INVERSIONES INMOBILIARIAS CUATRO S.A.C.
- 99,90% SENDA VENTAS S.A.C (999 ACCS.
- 0,00001% INVERSIONES EL PLOMO S.A.C.
- 0,00002% BUENAS INVERSIONES S.A.C.
- 0,00002% FLY SAN FELIPE S.A.C.
- 0,00004% INVERSIONES INMOBILIARIAS CUATRO S.A.C.
- 0,1% INVERSIONES INMOBILIARIAS CUBA S.A.C.
- 0,1% INVERSIONES INMOBILIARIAS SEIS S.A.C.
- 0,1% INVERSIONES INMOBILIARIAS SIETE S.A.C.
- 0,1% INVERSIONES INMOBILIARIAS OCHO S.A.C.

- 99,00% EI ASESORIAS Y GESTIÓN LTDA.
- 50,00% CONSORCIO EI OSSA S.A.
- 33,33% CONSORCIO CERRO PROVINCIA S.A.
- 0,000091% ECHEVERRÍA IZQUIERDO PERÚ S.A.C.
- 0,02% ECHEVERRÍA IZQUIERDO INMOBILIARIA E INVERSIONES S.A.
- 0,01% ECHEVERRÍA IZQUIERDO MONTAJES INDUSTRIALES S.A.
- 0,005% ECHEVERRÍA IZQUIERDO MANTENCIONES INDUSTRIALES S.A.
- 0,03% SOLUCIONES PARA EL TERRENO S.A.
- 0,0016% PILOTES TERRATEST PERÚ S.A.C.





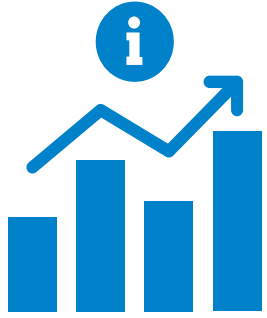
NAME <b>Echeverría Izquierdo Construcciones S.A.</b>	NAME <b>Echeverría Izquierdo Inmobiliaria e Inversiones S.A.</b>	NAME <b>Gestiona Servicios Compartidos Echeverría Izquierdo S.A.</b>
<p><b>Type of Company:</b> Closed Corporation</p> <p><b>Tax ID:</b> 76.081.976-K</p> <p><b>Business Purpose:</b> The construction of other engineering and construction works.</p> <p><b>Direct and indirect interest of Echeverría Izquierdo S.A.:</b> 100%</p> <p><b>Subscribed and paid-in capital as of December 31, 2019:</b> CLP\$93,952,090,198</p> <p><b>Board of Directors:</b> Fernando Echeverría Vial (*) Bernardo Echeverría Vial (*) Pablo Ivelic Zulueta (**)</p> <p><b>Chief Executive Officer:</b> Francisca Cruz Urra</p> <p><b>Board members with positions in Echeverría Izquierdo S.A.</b> (*) Director (**) Chief Executive Officer</p> <p><b>Commercial relationship with Echeverría Izquierdo S.A.</b> Ownership</p> <p><b>Percentage that the investment represents as compared to all individual assets of the parent company:</b> 49.33%</p>	<p><b>Type of Company:</b> Closed Corporation</p> <p><b>Tax ID:</b> 96.816.220-9</p> <p><b>Business Purpose:</b> Securities and property investments in Chile and abroad, in particular in stocks, bonds, debentures, credits, interests, commercial paper, real estate, shares in the latter; the purchase, sale or keeping of such investments, acquisition of an interest or share as a partner in enterprises or companies of any nature. It may also create, finance, promise to create and administrate any type of business, enterprise or company for its own account or for third parties and receive and invest the returns on investments; purchase, sell, manufacture, elaborate, import, export, for its own account or others, chattels and real estate, items, products and raw materials; assume representations, agencies, commissions and powers of attorney; promote and export and engage in other activities that are related or conducive to the aforesaid.</p> <p><b>Direct and indirect interest of Echeverría Izquierdo S.A.:</b> 100%</p> <p><b>Subscribed and paid-in capital as of December 31, 2019:</b> CLP\$25,834,240,146</p> <p><b>Board of Directors:</b> Bernardo Echeverría Vial (*) Fernando Echeverría Vial (*) Pablo Ivelic Zulueta (**) Ricardo Levy Guarda Pablo Allard Serrano</p> <p><b>Chief Executive Officer:</b> Raimundo Cruzat Correa</p> <p><b>Board members with positions in Echeverría Izquierdo S.A.</b> (*) Director (**) Chief Executive Officer</p> <p><b>Commercial relationship with Echeverría Izquierdo S.A.</b> Ownership</p> <p><b>Percentage that the investment represents as compared to all individual assets of the parent company:</b> 25.18%</p>	<p><b>Type of Company:</b> Closed Corporation</p> <p><b>Tax ID:</b> 76.984.506-2</p> <p><b>Business Purpose:</b> The Company's business is to provide administration and management services to companies that in turn provide commercial services for their own account or others, whether Chilean or foreign. These administrative services include: a) Treasury and finance: collection, scheduling and making payments, cash flow management, issuing and settling documents, managing guarantees, inputting and processing information and issuing regular reports; (b) Administration: preparation and distribution of management reports, the management of purchases and sales in the administrative business, drafting of powers of attorney, preparation of budgets, etc.; (c) Human resources: Selecting employees, organization of internal activities, employee training and compensation management; (d) Information Technology: Administrating and maintaining servers and computers, administration and technical support of network, phone and internet infrastructure, development and maintenance of systems, among others; (e) Accounting and taxes: Application of accounting policies, representation of clients to tax, custom and exchange authorities; management of the company for internal control, audits and accounting, issuance of reports and financial statements, among others; (f) Project development and implementation: An ongoing supply of commercial information, creation of commercial relations and the implementation of new projects on site; and (g) Purchases and acquisitions, negotiations and contracts, pricing, foreign trade, purchase order processing for companies to conduct their activities, among others, and any other activities required for its business.</p> <p><b>Direct and indirect interest of Echeverría Izquierdo S.A.:</b> 100%</p> <p><b>Subscribed and paid-in capital as of December 31, 2019:</b> CLP\$10,000,000</p> <p><b>Board of Directors:</b> Fernando Echeverría Vial (*) Álvaro Izquierdo (*) Bernardo Echeverría Vial (*) Dario Barros Ramírez (*)</p> <p><b>Chief Executive Officer:</b> Cristián Saitua Doren</p> <p><b>Board members with positions in Echeverría Izquierdo S.A.</b> (*) Director</p> <p><b>Commercial relationship with Echeverría Izquierdo S.A.</b> Ownership and service provider</p> <p><b>Percentage that the investment represents as compared to all individual assets of the parent company:</b> 0.01%</p>





**ELECTROMECHANICAL INSTALLATION OF THE RECOVERY BOILER, POWER BOILER, CAUSTIFICATION AREA AND LIME FURNACE (MAPA PROJECT) FOR CELULOSA ARAUCO Y CONSTITUCIÓN AT THE ARAUCA HORCONES PLANT IN CHILE**





# 07

## SUMMARY FINANCIAL INFORMATION









PWC Chile  
Av. Andrés Bello 2711, piso 5  
Las Condes  
Santiago - Chile  
Tax I.D.: 81.513.400-1  
Phone: (56 2) 2940 0000  
[www.pwc.cl](http://www.pwc.cl)

## INDEPENDENT AUDITOR'S OPINION

Santiago, March 18, 2020

### **TO THE SHAREHOLDERS AND DIRECTORS IN ECHEVERRÍA IZQUIERDO S.A.**

We have audited the accompanying consolidated financial statements of Echeverría Izquierdo S.A. and subsidiaries that are comprised of the consolidated statements of financial position as at December 31, 2019 and 2018 and the corresponding consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ending on those dates, as well as the corresponding notes to the financial statements.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and keeping the pertinent internal control for the preparation and fair presentation of consolidated financial statements that are free from material misstatements due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated financial statements on the basis of our audits. We did not audit the financial statements of certain associates that have total net assets of 1.932 billion pesos as of December 31, 2019 and of 1.722 billion pesos as of December 31, 2018, and a share in the net earnings of associates recognized by the equity method amounting to 861 million pesos and 879 million pesos for the years ending December 31, 2019 and 2018, respectively. These financial statements were audited by other auditors whose opinions we received, and in our opinion, our reliance on those amounts is based solely on those auditors' opinions. We conduct our audits according to generally accepted auditing standards of Chile. Those standards require that we plan and perform our work to obtain reasonable assurance that the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence of the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including





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the assessment of the risks of material misstatements in the consolidated financial statements due either to fraud or error. In making these risk assessments, the auditor considers the pertinent internal control for the preparation and fair presentation of the entity's consolidated financial statements in order to devise audit procedures appropriate to the circumstances, but without the intent to express an opinion on the effectiveness of the entity's internal control. Consequently, we express no such opinion. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of the material accounting estimations made by Management, as well as an evaluation of the general presentation of the consolidated financial statements.

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

## OPINION

In our opinion, based on our audits and on the opinions of other auditors, said consolidated financial statements fairly present, in all material respects, the financial position of Echeverría Izquierdo S.A. and subsidiaries as at December 31, 2019 and 2018, the results of its operations and cash flows for the years ended on those dates, according to International Financial Reporting Standards (IFRS).

A handwritten signature in blue ink, appearing to read 'Renzo Piero Corona', enclosed in a thin black rectangular border.

A handwritten signature in blue ink, appearing to read 'Juan Antonio Cooper', enclosed in a thin black rectangular border.

## ANNUAL REPORT ON EISA DIRECTORS COMMITTEE

### BACKGROUND

In compliance with article 50-bis of Companies Law 18,046, as amended, below is a description of the activities undertaken by the Company's Directors Committee, their work in the year, and the expenses defrayed during the 2019 fiscal year.

### CONSTITUTION OF THE COMMITTEE AND MEMBERS

The members of the actual Board of Directors were elected at the Regular Shareholders Meeting of the Company held April 25, 2019. Those directors were elected for a three-year term and at that meeting, Andrea Repetto Lisboa and Marcelo Awad Awad were elected independent directors of the Company.

Moreover, in accordance with the aforesaid article 50-bis of Companies Law 18,046 and Circular 1956 of the Financial Market Commission, Francisco Gutiérrez Philippi, Marcelo Awad Awad and Andrea Repetto Lisboa were members of the Directors Committee during the 2019 fiscal year. Mrs. Repetto was elected Chairman of the Committee on October 29, 2019.

### GENERAL ASPECTS OF THE COMMITTEE'S WORK DURING THE 2019 FISCAL YEAR

During the course of 2019, the Directors Committee met on 6 occasions and held one additional meeting in March 2020. At those meetings, the Committee engaged in the duties entrusted by law, which are to:

- review the balance sheet, financial statements and opinions provided by the external auditors and external regulatory entities;
- propose candidates to the Board for the external auditing of the company;
- examine the information on the Company's transactions with related parties;
- review the compensation and salary plans for managers and executives;
- analyze whether or not an external auditing firm should be retained to provide services apart from the external audit.
- review management activities in the Crime Prevention Model.

Please note that the Corporate Chief Executive Officer, the Chief Administration and Finance Officer, the Senior Counsel and Chief Corporate Auditing Officer of the Company were invited to attend each Committee Meeting and the latter officer acted as Secretary. Each of such meetings was recorded in the corresponding minutes, all of which have been signed opportunely by the Committee members.

The matters summarized below were discussed at each meeting:

- The installation of the Directors Committee was formalized at the meeting held April 20, 2019, and Mr. Marcelo Awad Awad was appointed Chairman. The Consolidated Interim Financial Statements of Echeverría Izquierdo as of March 31, 2019 were reviewed. The independent external auditors reported the scopes and relevant aspects of their audit of the Consolidated Financial Statements of EISA as of December 31, 2018. The activities of the Internal Audit area in 2019 were reviewed.

- At the meeting held July 10, 2018, the Committee met with the independent external auditors to learn their objectives and the scopes of their 2019 Annual Audit Plan. The hiring of a consultant by the external auditors was reviewed and authorized, which is according to governing regulations. The Committee met with the Company's Crime Prevention Officer to hear his report on the activities and processes conducted during the first half of 2019 under the Crime Prevention Model. The activities of the Internal Audit Area were reviewed as well as the progress in the 2019 Audit Plan.

- The Crime Prevention Officer attended the meeting held July 29, 2009 to report on the Crime Prevention Model activities and how the complaint channel was working. The Company's Consolidated Interim Financial Statements as of June 30, 2019 were reviewed, a progress report was provided on the progress in, and compliance with, the Audit Plan. The internal auditing area activity report was also reviewed.

- At the meeting held October 29, 2019, Mr. Marcelo Awad, Director, resigned from the position of Committee Chairman that he had held for more than 6 years. Mrs. Andrea Repetto L. was appointed Chairman of the Directors Committee and took office on that same date. A meeting was held with the external auditors to learn about the scopes and relevant aspects of their audit of the consolidated interim financial statements of EISA as of June 30, 2019. The Consolidated Interim Financial Statements of the Company as of September 30, 2019, were reviewed, a report was provided on the progress in, and compliance with, the audit plan. The internal auditing area activity report was also reviewed. Lastly, the managerial activities of the Crime Prevention Plan and any complaints were reviewed.

- At the meeting held December 9, 2019, the Directors Committee met with the external auditors to understand the relevant aspects of their work and review their internal control observations for 2019. The annual internal auditing activity report was reviewed as well as compliance with the audit plan. A report was given on the activities under the 2019 Crime Prevention Model. The Annual Internal Audit Plan and Crime Prevention Model Management Plan were approved as well as the budget for 2020.

- At the meeting held March 4, 2020, the compensation and compensation plans of managers and senior executives of the Company were reviewed. The information on the Company's transactions with related parties was analyzed and it was decided to propose to the Company's Board of Directors that PricewaterhouseCoopers

be retained as external auditors for 2020 so that the Board could make such a proposal to the General Regular Shareholders Meeting. This proposal was made based on the quality of the auditing team, the reasonableness of the economic offer, their experience and knowledge of the areas and businesses in which the Company is engaged. The financial statements of the Company as of December 31, 2019 were then reviewed as well as the text of this annual management report. Finally, the answers to General Rule 385 of the Financial Market Commission were analyzed.

### COMMITTEE COMPENSATION AND EXPENSES

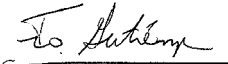
The members of the Committee receive a fee equal to 35 UF monthly, additional to their compensation as Board Members, in accordance with the Companies Law. That fee was approved by the 2019 Regular Shareholders Meeting.

Finally, the Directors Committee has not defrayed any extraordinary expenses during the 2019 fiscal year.

### RECOMMENDATIONS TO SHAREHOLDERS

The Directors Committee states that it has no recommendations to make to the Company's shareholders.

  
**Andrea Repetto Lisboa**  
 Chairman

  
**Francisco Gutiérrez Philippi**  
 Director

  
**Marcelo Awad Awad**  
 Director



# ECHEVERRÍA IZQUIERDO S.A. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2019 AND 2018  
(In thousands of pesos - KCLP\$)

ASSETS	NOTE	12/31/2019 KCLP\$	12/31/2018 KCLP\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		49,703,015	31,691,002
Other financial assets	6	490,232	-
Other non-financial assets, current	7	17,552	82,049
Trade receivables and other accounts receivable	10	133,028,492	103,393,525
Intercompany receivables	8	11,598,087	13,686,486
Inventories, current	11	39,854,017	34,666,052
Tax assets, current	12	7,958,809	7,203,876
<b>TOTAL CURRENT ASSETS</b>		<b>242,650,204</b>	<b>190,722,990</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets, non-current	9	26,788	45,388
Inventories, non-current	12	71,518,003	17,469,430
Investments using the equity method	15	9,609,622	11,911,317
Property, plant and equipment	17	57,556,997	26,280,839
Goodwill	19	2,906,584	2,906,584
Intangible assets other than goodwill	20	3,516,767	3,664,422
Investment properties	18	-	2,216,372
Deferred tax assets	21.3	19,038,433	22,155,857
<b>TOTAL NON-CURRENT ASSETS</b>		<b>164,173,194</b>	<b>86,650,209</b>
<b>TOTAL ASSETS</b>		<b>406,823,398</b>	<b>277,373,199</b>

Accompanying notes 1 to 35 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2019 AND 2018  
(In thousands of pesos - KCLP\$)

LIABILITIES AND EQUITY	NOTE	12/31/2019 KCLP\$	12/31/2018 KCLP\$
<b>CURRENT LIABILITIES</b>			
Other financial liabilities, current		49,703,015	31,691,002
Trade payables and other accounts payable	6	490,232	-
Intercompany payables	7	17,552	82,049
Current provisions	10	133,028,492	103,393,525
Tax liabilities, current	8	11,598,087	13,686,486
Other non-financial liabilities, current	11	39,854,017	34,666,052
<b>TOTAL CURRENT LIABILITIES</b>		<b>242,650,204</b>	<b>190,722,990</b>
<b>NON-CURRENT LIABILITIES</b>			
Other financial liabilities, non-current	9	26,788	45,388
Trade payables and other accounts payable	12	71,518,003	17,469,430
Deferred tax liabilities	15	9,609,622	11,911,317
Other non-financial liabilities, non-current	17	57,556,997	26,280,839
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>164,173,194</b>	<b>86,650,209</b>
<b>TOTAL LIABILITIES</b>		<b>406,823,398</b>	<b>277,373,199</b>
<b>EQUITY</b>			
Outstanding capital stock	26	80,395,004	80,395,004
Treasury stock	26	(1,100,448)	(1,560,167)
Other reserves	26	(713,738)	(1,377,823)
Retained earnings	26	41,140,519	31,772,490
Equity attributable to owners of the controller		119,721,357	109,229,504
Non-controlling interests	30	7,209,707	4,122,181
<b>TOTAL EQUITY</b>		<b>126,931,044</b>	<b>113,351,685</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>406,823,398</b>	<b>277,373,199</b>

Accompanying notes 1 to 35 are an integral part of these consolidated financial statements.

# ECHEVERRÍA IZQUIERDO S.A. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDING DECEMBER 31, 2019 AND 2018

(In thousands of pesos - KCLP\$)

CONSOLIDATED STATEMENT OF INCOME BY FUNCTION	NOTE	ACCUMULATED 1/1/2019 12/31/2019 KCLP\$	ACCUMULATED 1/1/2018 12/31/2018 KCLP\$
<b>STATEMENT OF INCOME</b>			
Revenue	28.1	309,301,680	342,282,650
Cost of sales	29.1	(259,503,990)	(303,246,530)
<b>GROSS MARGIN</b>		<b>49,797,690</b>	<b>39,036,120</b>
Administrative expenses	29.2	(31,091,590)	(27,044,314)
Other expenses	29.3	(1,236,782)	(1,494,737)
Financial income	29.4	601,782	731,782
Financial expenses	29.5	(4,243,933)	(4,092,477)
Income (loss) from indexation units	29.6	(1,497,007)	115,218
Exchange differential	29.7	(208,357)	(415,155)
Other income	28.2	3,470,607	2,487,818
Earnings (loss) on share in associates and joint ventures	15	2,530,875	4,030,128
<b>PRE-TAX PROFIT</b>		<b>18,123,285</b>	<b>13,354,383</b>
Gain (expense) for income tax	21.1	(4,435,342)	(3,225,817)
Profit on continuing operations		13,687,943	10,128,566
Profit on discontinued operations		-	-
Fiscal year profit		13,687,943	10,128,566
<b>PROFIT (LOSS) ATTRIBUTABLE TO:</b>			
Owners of the controller		13,093,690	10,854,890
Non-controlling interests	30	594,253	(726,324)
<b>FISCAL YEAR PROFIT</b>		<b>13,687,943</b>	<b>10,128,566</b>
<b>EARNINGS PER SHARE</b>			
<b>BASIC EARNINGS PER SHARE</b>			
Basic earnings (loss) per share in continuing operations, CLP\$/share	26.2	21.77	18.09
<b>DILUTED EARNINGS PER SHARE</b>			
Diluted earnings (loss) per share from continuing operations, CLP\$/share	26.2	21.77	18.09

Accompanying notes 1 to 35 are an integral part of these consolidated financial statements.



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDING DECEMBER 31, 2019 AND 2018

(In thousands of pesos - KCLP\$)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	ACCUMULATED 1/1/2019 12/31/2019 KCLP\$	ACCUMULATED 1/1/2018 12/31/2018 KCLP\$
Fiscal year profit	309,301,680	342,282,650
<b>COMPONENTS OF OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED THROUGH PROFIT OR LOSS IN THE PERIOD, BEFORE TAXES</b>		
Earnings (losses) for translation differences, before taxes	411,817	221,173
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>14,099,760</b>	<b>10,349,739</b>
<b>COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>		
Owners of the controller	13,505,507	11,076,063
Non-controlling interests	594,253	(726,324)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>14,099,760</b>	<b>10,349,739</b>

Accompanying notes 1 to 35 are an integral part of these consolidated financial statements.

# ECHEVERRÍA IZQUIERDO S.A. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDING DECEMBER 31, 2019 AND 2018

(In thousands of pesos - KCLP\$)

CONSOLIDATED STATEMENT OF CASH FLOWS, DIRECT METHOD	NOTE	01/01/2019 12/31/2019 KCLP\$	01/01/2018 12/31/2018 KCLP\$
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>			
Types of collections in operating activities			
Collections from the sale of goods and provision of services		396,529,719	414,164,387
Other collections in operating activities		-	750,332
Types of payments			
Payments to suppliers for the supply of goods and services		(254,838,482)	(252,139,048)
Payments to and for account of employees		(115,711,642)	(131,550,442)
Other payments in operating activities		(22,645,059)	(314,046)
Income taxes (paid) refunded		(1,599,608)	(188,782)
Other cash inflows (outflows)		(831,105)	(509,306)
Dividends paid		(3,665,245)	(302,284)
Dividends received	11.2	1,242,646	1,926,116
<b>NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		<b>(1,518,776)</b>	<b>31,836,927</b>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>			
Loans to related entities	11.2	(1,175,682)	(559,805)
Proceeds from the sale of property, plant and equipment	20.2	93,851	1,766,851
Lease payments	22.d	(6,445,116)	(2,764,538)
Purchases of property, plant and equipment	17.2	(5,033,201)	(3,350,680)
Purchases of intangible assets	20.2	(356,059)	-
Interest received		555,657	692,893
Collections from related entities	11.2	2,974,987	697,453
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(9,385,563)</b>	<b>(3,517,826)</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>			
Proceeds from loans	22.d	109,049,763	147,357,329
<b>TOTAL PROCEEDS FROM LOANS</b>		<b>109,049,763</b>	<b>147,357,329</b>
Payment of loans	22.d	(79,674,148)	(153,259,015)
Capital increase	11.2	2,274,196	1,571,799
Collection for changes in equity interests in subsidiaries that do not cause a loss of control		-	-
Interest paid	22.d	(2,733,459)	(3,464,366)
Proceeds from stock issues		-	-
<b>TOTAL OTHER SUMS FOR LOAN PAYMENTS</b>		<b>(80,133,411)</b>	<b>(153,970,835)</b>
<b>NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		<b>28,916,352</b>	<b>(6,613,506)</b>
<b>EFFECTS OF THE VARIATION IN THE EXCHANGE RATE ON CASH AND CASH EQUIVALENTS</b>			
Effects of the variation in the exchange rate on cash and cash equivalents		-	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>18,012,013</b>	<b>21,705,595</b>
Cash and cash equivalents at the start of the year		31,691,002	9,985,407
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6</b>	<b>49,703,015</b>	<b>31,691,002</b>

Accompanying notes 1 to 35 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDING DECEMBER 31, 2019 AND 2018  
(In thousands of pesos - KCLP\$)

STATEMENT OF CHANGES IN NET EQUITY	PAID-IN CAPITAL KCLP\$	PREMIUM ON STOCK ISSUE KCLP\$	TOTAL CAPITAL KCLP\$	TREASURY STOCK KCLP\$	RESERVES FOR TRANSLATION DIFFERENTIALS KCLP\$	OTHER MISCELLANEOUS RESERVES KCLP\$	TOTAL OTHER RESERVES KCLP\$	CUMULATIVE PROFIT (LOSS) KCLP\$	EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER KCLP\$	NON-CONTROLLING INTERESTS KCLP\$	TOTAL EQUITY KCLP\$
<b>FINAL BALANCE AT 1/1/2019</b>	<b>51,754,216</b>	<b>28,640,788</b>	<b>80,395,004</b>	<b>(1,560,167)</b>	<b>84,027</b>	<b>(1,461,850)</b>	<b>(1,377,823)</b>	<b>31,772,490</b>	<b>109,229,504</b>	<b>4,122,181</b>	<b>113,351,685</b>
Fiscal year profit (loss)	-	-	-	-	-	-	-	13,093,690	13,093,690	594,253	13,687,943
Other comprehensive income	-	-	-	-	411,817	-	411,817	-	411,817	-	411,817
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>411,817</b>	<b>-</b>	<b>411,817</b>	<b>13,093,690</b>	<b>13,505,507</b>	<b>594,253</b>	<b>14,099,760</b>
Increment from capital increase	-	-	-	-	-	-	-	-	-	2,274,196	2,274,196
Dividends	-	-	-	-	-	-	-	(3,928,107)	(3,928,107)	-	(3,928,107)
Decrease from the purchase of treasury stock	-	-	-	(196,767)	-	-	-	-	(196,767)	-	(196,767)
Increase (decrease) from transfers and other changes	-	-	-	656,486	-	252,268	252,268	202,446	1,111,200	219,077	1,330,277
<b>Total changes in net equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>459,719</b>	<b>411,817</b>	<b>252,268</b>	<b>644,085</b>	<b>9,368,029</b>	<b>10,491,833</b>	<b>3,087,526</b>	<b>13,579,359</b>
<b>FINAL BALANCE AT 12/31/2019</b>	<b>51,754,216</b>	<b>28,640,788</b>	<b>80,395,004</b>	<b>(1,100,448)</b>	<b>495,844</b>	<b>(1,209,582)</b>	<b>(713,738)</b>	<b>41,140,519</b>	<b>119,721,337</b>	<b>7,209,707</b>	<b>126,931,044</b>
<b>STATEMENT OF CHANGES IN NET EQUITY</b>	<b>PAID-IN CAPITAL KCLP\$</b>	<b>PREMIUM ON STOCK ISSUE KCLP\$</b>	<b>TOTAL CAPITAL KCLP\$</b>	<b>TREASURY STOCK KCLP\$</b>	<b>RESERVES FOR TRANSLATION DIFFERENTIALS KCLP\$</b>	<b>OTHER MISCELLANEOUS RESERVES KCLP\$</b>	<b>TOTAL OTHER RESERVES KCLP\$</b>	<b>CUMULATIVE PROFIT (LOSS) KCLP\$</b>	<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER KCLP\$</b>	<b>NON-CONTROLLING INTERESTS KCLP\$</b>	<b>TOTAL EQUITY KCLP\$</b>
<b>FINAL BALANCE AT 1/1/2018</b>	<b>51,754,216</b>	<b>28,640,788</b>	<b>80,395,004</b>	<b>(1,695,082)</b>	<b>(137,146)</b>	<b>(2,573,974)</b>	<b>(2,711,120)</b>	<b>32,025,422</b>	<b>108,014,224</b>	<b>6,336,482</b>	<b>114,350,706</b>
Increase (decrease) from application of new IFRS	-	-	-	-	-	-	-	(7,465,980)	(7,465,980)	(1,788,244)	(9,254,224)
Fiscal year profit (loss)	-	-	-	-	-	-	-	10,854,890	10,854,890	(726,324)	10,128,566
Other comprehensive income	-	-	-	-	221,173	-	221,173	-	221,173	-	221,173
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>221,173</b>	<b>-</b>	<b>221,173</b>	<b>10,854,890</b>	<b>11,076,063</b>	<b>(726,324)</b>	<b>10,349,739</b>
Dividends	-	-	-	-	-	-	-	(3,256,495)	(3,256,495)	-	(3,256,495)
Decrease from the purchase of treasury stock	-	-	-	(18,193)	-	-	-	-	(18,193)	-	(18,193)
Increase (decrease) from transfers and other changes	-	-	-	153,915	-	1,112,124	1,112,124	(385,347)	879,885	300,267	1,180,152
<b>Total changes in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134,915</b>	<b>221,173</b>	<b>1,112,124</b>	<b>1,333,297</b>	<b>7,213,048</b>	<b>8,681,260</b>	<b>(426,057)</b>	<b>8,255,203</b>
<b>FINAL BALANCE AT 12/31/2018</b>	<b>51,754,216</b>	<b>28,640,788</b>	<b>80,395,004</b>	<b>(1,560,167)</b>	<b>84,027</b>	<b>(1,461,850)</b>	<b>(1,377,823)</b>	<b>31,772,490</b>	<b>109,229,504</b>	<b>4,221,181</b>	<b>113,351,685</b>



## STATEMENT OF LIABILITY OF ECHEVERRÍA IZQUIERDO S.A.

The undersigned directors and Chief Executive Officer of Echeverría Izquierdo S.A., as the case may be, declare under oath that the information contained in the 2019 Annual Report of Echeverría Izquierdo S.A. is true.

This statement is made in compliance with Circular 1924 of the Financial Market Commission.

Santiago, March 18, 2020



**FERNANDO ECHEVERRÍA VIAL**

Chairman

TAX ID 6.065.433-6



**ÁLVARO IZQUIERDWACHHOLTZ**

Director

TAX ID 6.686.307-7



**DARÍO BARROS RAMÍREZ**

Director

TAX ID 4.599.313-2



**BERNARDO ECHEVERRÍA VIAL**

Director

TAX ID 6.638.550-7



**FRANCISCO GUTIÉRREZ PHILIPPI**

Director

TAX ID 7.031.728-1



**MARCELO AWAD AWAD**

Director

TAX ID 6.374.984-2



**PABLO IVELIC ZULUETA**

Gerente General

TAX ID 10.689.120-6



**ANDREA REPETTO LISBOA**

Director

TAX ID 8.795.355-6





**ECHEVERRIA  
IZQUIERDO**