



# Integrated Report 2017 **SONDA**<sup>®</sup>



**SONDA, Leading Latin American IT Service Company**

Regional presence, 10 countries in over 3,000 cities under coverage.

# Index



<b>Presentation</b> .....	1	<b>Appendices</b> .....	81
Letter from the Chairman.....	2	The Sustainability section.....	82
2017 Highlights.....	4	The most important topics .....	83
Relevant figures.....	6	Summary of sustainability performance.....	84
Our company.....	8	Alignment with the United Nation's	
Corporate governance.....	10	Sustainable Development Goals (SDGs).....	87
Board of Directors .....	11	GRI Content Index - Standards.....	89
<b>Regional presence</b> .....	13	<b>Financial information</b> .....	95
Organization and human capital.....	14	2017 Results .....	95
Organizational structure .....	15	2017 Financial Statements .....	100
Our management.....	17	<b>General and additional information</b> .....	107
Regional presence.....	18	Declaration of Responsibility .....	132
<b>Digital transformation for our customers</b> .....	24		
Digital transformation facilitators .....	25		
Differentiators .....	26		
Partners and suppliers.....	28		
SONDA's value proposition .....	29		
Services and solutions that add value.....	30		
Regional competence centers .....	32		
<b>Facing the future</b> .....	34		
Industry.....	35		
SONDA pillars .....	37		
Investment plans .....	39		
<b>Sustainability at SONDA in 2017</b> .....	41		
The Chairman's Vision.....	42		
SONDA from a sustainability perspective .....	44		
Digital transformation for development .....	45		
Sustainability in the business .....	49		
<b>Relevant aspects in sustainability</b> .....	51		
<b>Strategic innovation</b> .....	52		
Strategic innovation .....	52		
<b>Customers</b> .....	55		
Commitment and excellence			
for our customers.....	56		
Information security.....	59		
Service continuity.....	61		
<b>Employees</b> .....	62		
Regional and diverse company .....	63		
Human capital and talent development.....	66		
<b>The Environment</b> .....	68		
Energy efficiency and climate change.....	69		
Electronic waste .....	71		
<b>Corporate governance and ethics</b> .....	72		
Corporate Governance .....	73		
Ethics and transparency.....	75		
Stakeholder engagement.....	77		

Integrated Report 2017

# Presentation



We are the principal Latin American network for IT services. Throughout our 43 year history in this region, we have been characterized by our dedicated service vocation, our wide range of solutions and our solid financial position.

We are an integrated IT service provider, capable of resolving challenges that range from straight-forward problems through to substantial complex projects. Our vision is aligned and unified with our customer's business strategies, and we consistently provide them with high quality solutions, products and services.

**Presentation:**

- [Letter from the Chairman](#)
- [2017 Highlights](#)
- [Relevant figures](#)
- [Our company](#)
- [Corporate governance](#)

Presentation

Letter from the **Chairman**

**Mario Pavón  
Robinson**  
Chairman

**Dear Shareholders,**

2017 presented us with many challenges, both for the IT industry and for our company. We operate in several countries where political and economic confusion persisted, nevertheless, some of them achieved progress, such as Brazil where growth rates recovered and market expectations improved.

Our industry realized that digital transformation is here to stay. The vast majority of companies declared their intention to launch transformation processes and become more agile and competitive. In fact, important national and regional enterprises from a spectrum of industries are preparing to face the challenges imposed by this new digital era.

We grew our sales in 2017 and improved our bottom line, in particular in Chile and OPLA (Other Latin American Countries), where we achieved great performance. Thus our consolidated revenue totaled Ch\$841,541 million (US\$1,368.9 million) in 2017, growing by 3.1% compared to the previous year. EBITDA increased 5.0% to reach Ch\$101,909 million (US\$165.8 million) while net income for the year was Ch\$64,896 million (US\$105.6 million), growing by 145.9% compared to 2016.

These achievements were mainly the result of the gain on selling our interest in I-med, integrating the newly acquired Colombian company Compufacil, and superior operational performance in Chile and OPLA.

Another of this year's highlights was our positive business activity indices, as business contracts closed increased by 24.8%, where IT Services represented 56.6%, and grew by 47.5%.

Business contracts closed in Brazil reached historic growth of over 100% during the year. We introduced various measures to strengthen our business in Brazil and prepare ourselves for the recovery that is beginning to appear.

During 2017, we acquired Compufacil in Colombia, as part of our Three-Year Investment Plan 2016-2018, with an investment of approximately US\$15 million. This strengthened our position as a leading system integrator and IT solution provider in Colombia.

We continued developing our regional competence centers during the year, which form a pillar for our organic growth and an essential component of our Investment Plan. Five competence centers have built a pipeline of over US\$1,000 million in opportunities to date, covering transport, transformational outsourcing, utilities, smart security, and SOC. We are dedicated to developing them, as we are aware of their importance for growth and margin improvement.

Our data center in Santiago was again distinguished in the Data Center Dynamics Awards in Latin America. It has already been certified to Tier III Gold standards in operational sustainability, which together with this new award incorporates it into a select group of data centers across the world that can guarantee excellent, high quality services. This positions us at the leading edge of service providers in this competitive market within the region. As the demand for these services is growing, we want to launch the Santiago data center expansion project during 2018, which will place it in the Tier IV category.

A wave of digital transformation projects has driven us to develop a range of solutions that support our customer's technological transformation processes, where big data, mobility, cloud computing and artificial intelligence are involved, which complement our traditional IT solutions and services.

We published our first Sustainability Report in 2017, which goes beyond financial information to describe SONDA's business from a stakeholder perspective. We joined the Dow Jones Sustainability Index Chile for the first time. This is a prestigious global financial indicator that unites companies with the highest standards of environmental, social and governance responsibility. We also joined the Dow Jones Sustainability Index MILA Pacific Alliance in its first year,



which places us among the top companies in Chile, Mexico, Peru and Colombia, with respect to sustainability. These indices provide investors with an objective benchmark for managing a sustainable investment portfolio for the region.

We are looking to the future with optimism and enthusiasm. The continuous evolution of information technologies, and the role fulfilled by digital transformation in introducing a myriad of benefits and opportunities for companies, organizations and governments, in conjunction with economic recovery and more stable political scenarios in most countries, indicate that tremendous opportunities for growth and development will appear that we hope to grasp and convert into new business.

We are grateful to our customers, shareholders and business partners, and our team of professionals and employees who give their utmost to our customers throughout the region, which has enabled us to consolidate our position as the largest Latin American IT services and solutions company in the region.

Yours sincerely,



**Mario Pavón Robinson**  
Chairman

Presentation

# 2017 Highlights



## SONDA receives a Data Center Dynamics award for "Excellence in Operating Data Centers".

During the sixth edition of the Data Center Dynamics Awards held in October 2017 in Mexico City, our data center in Chile was recognized as the best run data center in the region. The event recognizes the best data center projects in the region, and was attended by 70 organizations.

This data center had already been certified to Tier III Gold standards in "Operational Sustainability", which combine with this new award to incorporate it into a select group of 25 data centers worldwide.



## SONDA has acquired a 100% interest in the Colombian company Compufácil

As a component of our three-year investment plan we acquired a 100% interest in the Colombian Compufacil group during July. Compufacil has over 25 years' experience and comprises Compufacil S.A.S. and Priceless Colombia S.A.S. They cover the principal Colombian cities of Bogota, Medellin and Cali, and enjoy a prestigious market reputation for their IT services and solutions, while focusing on end user support, data centers and outsourcing.

This acquisition enables SONDA Colombia to become a leading IT integration company in the country covering all its significant regions, and to acquire a solid portfolio of first class customers in both the public and private sectors. The services provided and installed capacity associated with this new investment are complementary, and these will strengthen our business strategy in value-added services.



## SONDA S.A. joins the Dow Jones Sustainability Index Chile 2018 and MILA Pacific Alliance 2017

Following the publication of our first Sustainability Report, SONDA was incorporated into the prestigious Standard & Poor's sustainability indices during 2017. These bring together companies with the highest standards of environmental, social and governance responsibility (ESG) in the financial community.

There are currently only 20 companies in the IT Services or Internet Software and Services sectors world-wide that have joined the Dow Jones sustainability indices. SONDA is the only Chilean company from these sectors, and the second in Latin America, to join these prestigious indicators.

Joining the Chile index (DJSI Chile) and the Pacific Alliance index (DJSI MILA), composed of Chile, Colombia, Mexico and Peru, allows us to participate in an objective benchmark for managing a sustainable investment portfolio for the region.



## SONDA Argentina wins a national strategic tender

SONDA Argentina won the largest contract in its history when it was awarded an international public tender by the Ministry of Education and Sports. This a component of the project to provide internet access to public educational institutions in Argentina, called the National School Connectivity Plan.

SONDA Argentina was one of 5 winners from among 19 bidders, and was assigned 33% of the country's schools.



## SONDA arranges a successful seminar "Redefining Business with Digital Transformation" with world class speakers

The "Redefining Business with Digital Transformation" seminar with world class speakers, such as Cesar Hidalgo (Director of the MIT Media Lab) and Bertrand Braunschweig (Director of the INRIA-Saclay Research Center), was an opportunity to discuss the main aspects of digital transformation processes in companies and organizations: strategies, business models and visions, the role of people, theories, learning systems and challenges.



### **SONDA is named "Outstanding Agent Video Intelligence Partner" in 2017.**

Agent Video Intelligence (Agent VI) is a world leader in video solutions and rewarded our company with Outstanding Agent VI Partner in 2017 for demonstrating extensive technical expertise and close collaboration when providing central monitoring service solutions. The award highlighted our "exceptional professionalism on a large scale Agent VI implementation for a prestigious government facility in Uruguay during 2017".

Presentation

# Relevant figures


**Consolidated Revenues**
**\$ 841,541**

Ch.\$ million


**Operating Income**
**\$ 59,509**

Ch.\$ million


**Revenues in Chile**
**\$ 367,446**

Ch.\$ million


**Revenues in Brazil**
**\$ 271,216**

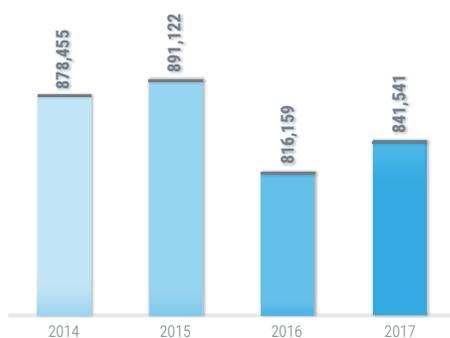
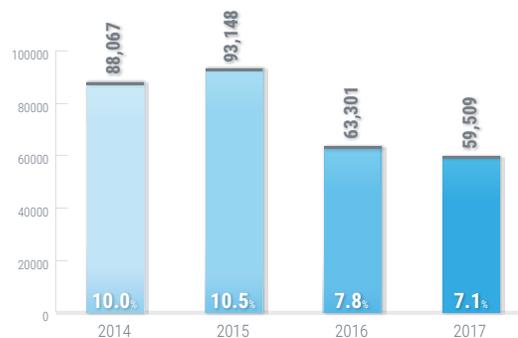
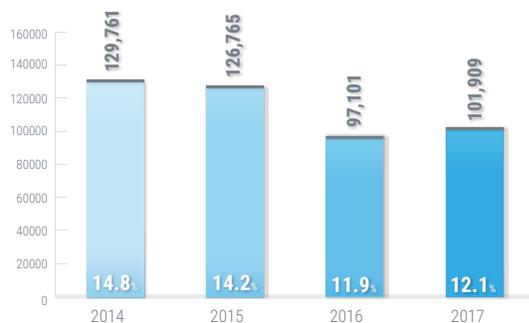
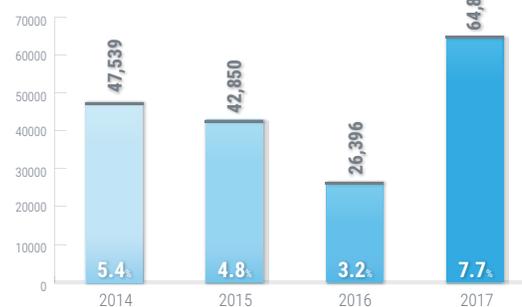
Ch.\$ million


**Revenues in Mexico**
**\$ 69,925**

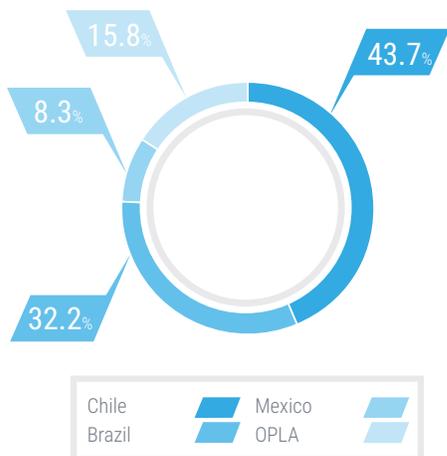
Ch.\$ million


**Revenues in OPLA**
**\$ 132,954**

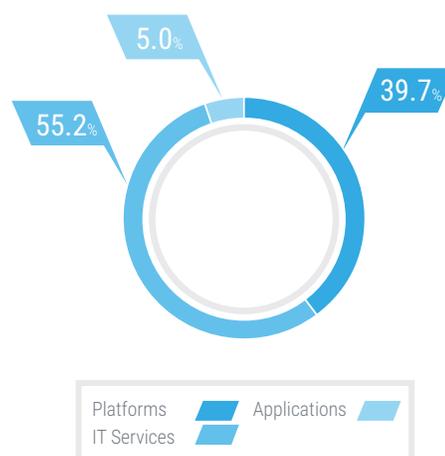
Ch.\$ million

**Consolidated Revenues**  
(Ch.\$ million)

**Operating Income**  
(Ch.\$ million)  
% Operating Margin

**EBITDA**  
(Ch.\$ million)  
% EBITDA Margin

**Net Income**  
(Ch.\$ million)  
% Net Margin


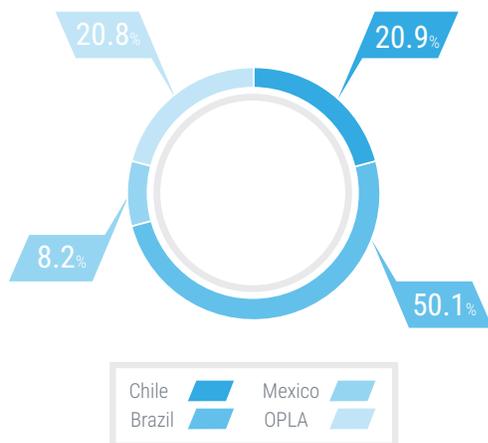
**2017 Revenue Breakdown**  
(by country)



**2017 Revenue Breakdown**  
(by business line)

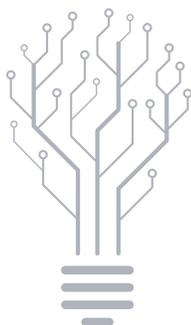


**Headcount Breakdown**  
(by country)



Presentation

# Our company



## About us

We are the principal Latin American network for IT services. Throughout our 43 year history, we have been characterized by our dedicated service vocation, our wide range of solutions and our solid financial position.

Right from the very beginning, the company's mission has been to add value to our customer's businesses through the efficient use of information technology. We have built long-term relationships, which have enabled us to stay in close to their business and its growth.

We are an integrated IT service provider, capable of resolving challenges from straight-forward problems through to substantial complex projects. Our vision is aligned and unified with our customer's business strategies, and we consistently provide them with high quality solutions, products and services.

We have a long history of growth, due to an on-going vocation to provide excellent services. Our business is based on continuous improvement processes that use of the best technological solutions to meet the challenges and needs of those who have chosen us as their strategic partner to implement IT solutions.

From the very beginning, we have developed strategic alliances with major technology manufacturers. In addition, we have the qualifications and credentials to integrate, deploy, develop, manage, support, and operate a wide range of solutions, applications and services related to these technologies, to ensure that our projects adopt the best practices in the industry.

We have forged a set of fundamental values and principles that guide our daily work. These can be observed within the company, as well as when interacting with customers, suppliers, and the business environment. The fundamental values and principles that guide us include respect for people and business agreements, in addition to strict adherence to a business ethic that values the truth, trust and the fulfillment of contractual commitments, and goes beyond complying with current legislation in each country.



## Through the years

### Foundation

Since our foundation in 1974, we have been advocates and active change agents encouraging companies and institutions in the region to incorporate information technology into their daily business operations. This has enabled us to develop large projects throughout Latin America and build a successful track record that has positioned us as the leading Latin American IT services and solutions company. Through the years, we have developed close relationships with our customers, supporting them in identifying greater efficiency and increased competitiveness. This has enabled us to contribute to regional growth and improve the lives of millions of Latin Americans.

### National consolidation phase

The period from 1975 to 1980 was characterized by sustained business growth, which was driven by a strategic partnership with Digital Equipment Corporation (DEC), a leading manufacturer in the 1980s and 1990s.

From 1981 to 1985 we consolidated our leadership in Chile, which enabled us to take the first step in a challenging international expansion process. Significant projects undertaken during this period included automatizing the Registro Civil (Chilean Identification Service), developing solutions for AFPs (Private Pension Funds) and ISAPRES (Private Health Insurance Institutions), and the first ERP designed by SONDA (SGS Management System).

- 1974 – Foundation
- 1978 – Representation of Digital Equipment Corp.
- 1984 – Peru

### International expansion phase

The period from 1986 to 2005 marked the beginning of our international expansion on a larger scale, where we penetrated key IT markets in the region. Our first foray outside of Chile was into Peru in 1984. This was followed by active regional expansion, as businesses were established in markets with the highest IT expenditure in Latin America. During these years, we developed outstanding projects and applications in Chile and Latin America, including an automated betting system and a monitoring solution for environmental indicators in Santiago. Other important technological modernization projects included traffic control in Santiago and Sao Paulo, a new Chilean identification system (Registro Civil in Chile), integrated SAP outsourcing for Codelco (Chile), a high value payments system for the financial industry, taxation collection systems (Brazil), livestock traceability systems (Uruguay and Colombia), pension funds and public procurement portals..

- 1986 – Argentina
- 1990 – Ecuador
- 1994 – Uruguay
- 2000 – Colombia
- 2002 – Brasil
- 2003 – Costa Rica
- 2004 – Mexico

### Latin American consolidation phase

Our successful IPO in 2006 gave us access to new financing sources, which enabled us to strengthen our regional position. Since then, our efficient financial management and ambitious investment plans have encompassed acquiring 13 companies, and these have strengthened our position in important regional markets, such as Brazil and Colombia, and contributed to our sustained growth and consolidated regional position.

Since 2006, we have participated in important modernization projects, in particular public transport tariff collection projects for Santiago and Valparaiso (Chile), Panama City and San Salvador, public procurement portals in Colombia and Panama, IoT projects for Sao Luis de Paraitinga, and Service Desk and SAP projects for Petrobras in Brazil. We launched our enterprise cloud-computing services. We built a new Tier III data center in Chile, and a new corporate building and data center in Sao Paulo (Brazil). We acquired a world-class data center in Belo Horizonte (Brazil), which will strengthen our IT services in Brazil. We acquired the Compufacil group in Colombia during 2017, a leading IT services provider in that country, making us one of the largest IT integrators in Colombia, which will strengthen our business strategy of providing value-added services to that market.

- 2006 – IPO
- 2006 – Acquisition of Qualita's technical support division in Mexico.
- 2006 – Payment, geolocation and user support solution for the public transport system in Santiago, Chile.
- 2008 – Incorporated into the IPSA index
- 2008 – Acquisition of Procwork in Brazil, and Red Colombia in Colombia.
- 2008 – Panama
- 2009 – Series C bonds issued
- 2010 – Acquisition of Telsinc, Softeam and Kaizen in Brazil, Nextira One in Mexico, and Ceitech in Argentina.
- 2011 – OPA for Quintec in Chile, Argentina and Colombia.
- 2012 – Payment and user update network solution for the public transport system in Panama City, Panama.
- 2012 – US\$301 million capital increase.
- 2012 – Acquisition of PARS and Elucid in Brazil.
- 2013 – Inauguration of the new data center in Santiago, Chile.
- 2014 – Acquisition of CTIS.
- 2016 – Acquisition of a majority interest in Ativas.
- 2017 – Acquisition of Compufacil group in Colombia.

Presentation

# Corporate Governance



SONDA has prepared and published a manual called “Manual de Manejo de Información de Interés” (Handling Market Sensitive Information Manual), in order to establish the corporate policies and standards regarding handling information pertinent to the firm, its proper disclosure to the market and best corporate governance when handling confidential information. The latest version is available as a download from our corporate website (<http://www.sonda.com>), or at our headquarters, located at 500 Teatinos, Santiago, Chile.

SONDA's Board of Directors responded to the questionnaire on March 31, 2017 that was issued by the Superintendent of Securities and Insurance (SVS) in the appendix to General Regulation 385. This questionnaire establishes the disclosure standards regarding corporate governance practices adopted by publicly traded companies.



## Board of Directors

The Board of Directors is comprised of nine directors, six of whom are independent. The Board members are elected at an Annual General Shareholders' Meeting for a period of three years. The Board has ordinary meetings every month, and extraordinary meetings as required.

It is responsible for the company's strategic direction and management, approving its policies, monitoring value creation and efficient resource use, and monitoring its performance, risks and management control systems. The Directors' Committee is comprised of three independent directors.

The Annual General Shareholder's Meeting held on April 21, 2017 elected the Board members for the next statutory period.

The Board of Directors delegates management to a Chief Executive Officer, who is in charge of the company's business. All the business units and support units report to him.

The Board did not incur in any consulting fees in 2017. The members of the Board in 2017 were:

Presentation  
**Board of Directors**



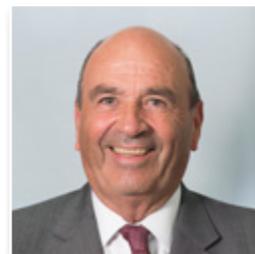
**Mario  
Pavón Robinson**

**Chairman**  
 Civil Industrial Engineer  
 Universidad Católica de Chile  
 RUT 5.386.757-K  
 Last reelection:  
 21/04/2017



**María del Rosario  
Navarro Betteley**

**Vice Chairman**  
 Degree in Aesthetics  
 Universidad Católica de Chile  
 RUT 12.720.922-7  
 Last reelection:  
 21/04/2017



**Enrique  
Bone Soto**

**Director**  
 Civil Industrial Engineer  
 Universidad Católica de Chile  
 RUT 6.056.216-4  
 Date of appointment:  
 21/04/2017



**Mateo  
Budinich Diez**

**Director**  
 Civil Electrical Engineer  
 Universidad de Chile  
 RUT 6.522.204-3  
 Last reelection:  
 21/04/2017



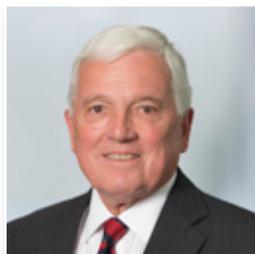
**Alfonso  
Gómez Morales**

**Director**  
 Civil Engineer  
 Universidad Católica de Chile  
 RUT 5.478.723-5  
 Date of appointment:  
 21/04/2017



**Juan Antonio  
Guzmán Molinari**

**Director**  
 Civil Industrial Engineer  
 Universidad Católica de Chile  
 RUT 5.123.918-0  
 Last reelection:  
 21/04/2017



**René Javier  
Lehuede Fuenzalida**

**Director**  
 Civil Constructor  
 Universidad Católica de Chile  
 RUT 5.523.074-9  
 Date of appointment:  
 21/04/2017



**Hernán Carlos  
Marió Lores**

**Director**  
 Business Administration  
 Universidad de Santiago  
 RUT 7.019.964-5  
 Last reelection:  
 21/04/2017



**Andrés  
Navarro Betteley**

**Director**  
 Civil Industrial Engineer  
 Universidad Católica de Chile  
 RUT 13.830.732-8  
 Date of appointment:  
 21/04/2017

\* The following directors were part of the Board of Directors for the period between 24/04/2014 and 21/04/2017, date when the Board was renewed:

i.) Pablo Navarro Haeussler, RUT 6.441.662-6, ii.) Francisco Gutiérrez Philippi, RUT 7.031.728-1, iii.) Jaime Pacheco Matte, RUT 6.371.888-2 y iv.) Christian Samsing Stambuk, RUT 6.731.190-6.

## Directors' Committee

In accordance with Article 50 bis of Law 18,046 on corporations, the Directors' Committee is comprised of three Board members, whose functions are established by the governing legal framework. The Board appointed Messrs. Juan Antonio Guzmán Molinari, Mateo Fernando Budinich Diez and René Javier Lehedé Fuenzalida, all independent directors, as members of the Director's Committee, at a meeting held on April 24, 2017. The Directors' Committee appointed Mr. Juan Antonio Guzmán Molinari as Chairman at a meeting held on May 15, 2017.

The Directors' Committee was composed of three Board members during 2016, Messrs. Hernán Carlos Marió Lores, Mateo Fernando Budinich Diez and Juan Antonio Guzmán Molinari who was the Chairman. They were all independent directors.

## Executive Committee

The Executive Committee is responsible for assisting Management in areas such as analyzing business performance and results, strategy design, investment plans, customer satisfaction, quality management, human resources policies, organizational marketing and corporate communications.

The Executive Committee is composed of Mario Pavón Robinson (Chairman), Raúl Véjar Olea (Corporate Chief Executive Officer) and Rafael Osorio Peña (Corporate Chief Finance Officer).

Integrated Report 2017

# Regional presence



We are the leading Latin American IT services and system integration provider in the region. We began with a period of sustained growth and consolidation in Chile. Years later, our good performance in this country enabled us to begin our regional expansion. Our first foray was to launch operations in Peru (1984), closely followed by Argentina (1986), then Ecuador (1990) and Uruguay (1994). International expansion took on a greater role during the first decade of the new millennium, when operations began in Colombia (2000), Brazil (2002), Costa Rica (2003), Mexico (2004) and Panama (2008).

We currently operate in 10 countries across the region, serving over 5,000 customers in over 3,000 cities in Latin America. Our team has been a key factor in the company's growth, and currently consists of around 17,000 employees, distributed throughout the region.

**Regional presence:**

- [Organization and human capital](#)
- [Organizational structure](#)
- [Our management](#)
- [Regional presence](#)

Regional presence

## Organization and human capital



Our company is committed to the future development of Latin America, as this region has tremendous potential for growth. We are contributing to the enormous challenge of rapidly achieving a development stature that is in harmony with our respective identities and cultures.

Our organization is composed of around seventeen thousand people and over time they have acquired an extensive knowledge of the region's various markets and industries, which is essential to providing the most appropriate solutions that add value to our customer's businesses.

The company's regional expansion and consolidation process has strengthened the exchange and transfer of knowledge and experience between our professionals and executives, which has reinforced our corporate culture and sculpted a cohesive and integrated organization.

Our Board of Directors has experience in various industries and professions. We have multinational management that have worked for many years in the IT industry, and a workforce composed mostly of professionals and technicians who were born, grew up and flourished in the region. They now possess extensive experience in information technology and are familiar with various Latin American industries, cultures and situations.

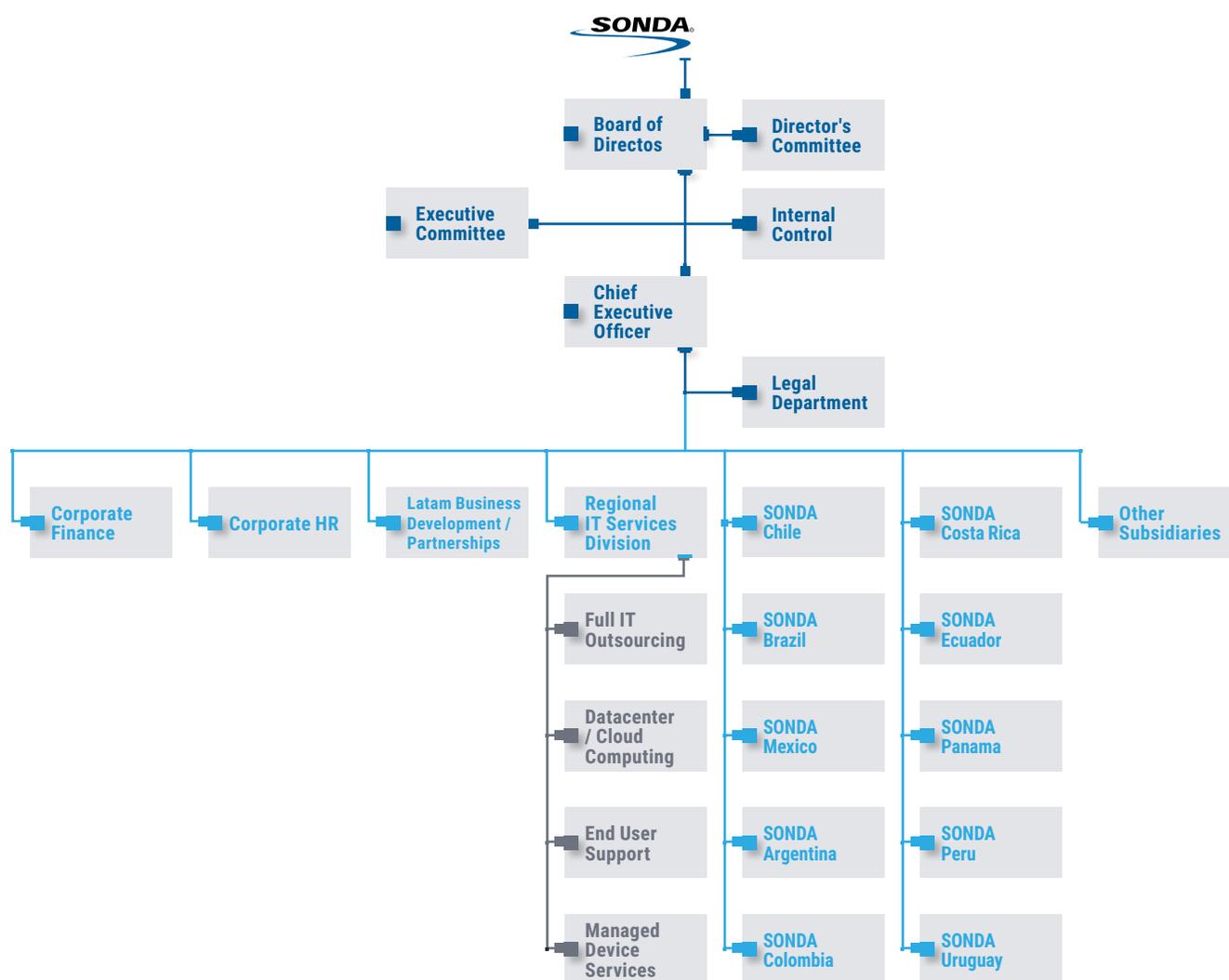
Regional presence

# Organizational structure



Our corporate administration is headquartered in Santiago, Chile, and management of all our business units is distributed throughout Latin America. This enables us to be agile and flexible, whilst maintaining efficient control mechanisms and ensuring that business strategy is correctly executed, as defined by the General Management Division.

## Organizational chart



We have corporate departments, such as Corporate Finance, Human Resources, Commercial Development, Products and Partnerships and IT Services, that guide each business unit and produce common policies and guidelines, while adopting them to the specific context in each country.

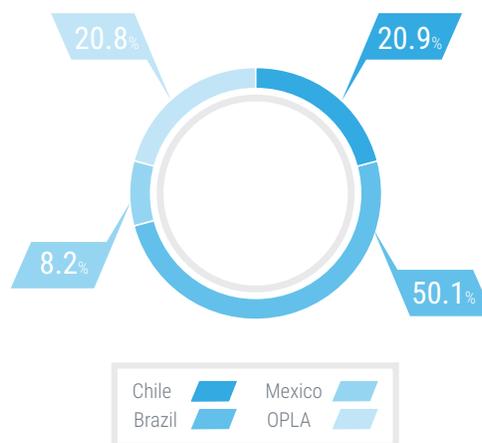
## Employee distribution by country

Employee distribution by country	Chile	Brazil	Mexico	OPLA	Total
Senior Executives	24	17	4	6	51
IT Professionals	2,074	7,121	1,104	3,095	13,394
Administration, sales and operations	1,473	1,406	287	451	3,617
<b>TOTAL</b>	<b>3,571</b>	<b>8,544</b>	<b>1,395</b>	<b>3,552</b>	<b>17,062</b>

2017 Headcount Brakdown  
(by position)



2017 Headcount Brakdown  
(by country)



Senior Executives Administration, sales and operations  
IT Professionals

Chile Mexico  
Brazil OPLA

Regional presence  
**Our management**



**Raúl Véjar Olea**  
 Chief Executive Officer



**Rafael Osorio Peña**  
 Chief Financial Officer



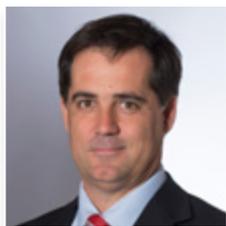
**José Orlandini**  
 Senior Vice President  
 IT Services Division



**Alberto Merino**  
 Vice President Latam  
 Business Development  
 Interim General Manager  
 Mexico



**Roberto Jana**  
 Vice President  
 Human Resources



**Juan Aristizábal**  
 Vice President  
 End User Support



**Juan Carlos Cartes**  
 Vice President  
 Managed Device Services



**Alberto Aguilera**  
 Vice President  
 Outsourcing Division



**Juan Ernesto Landaeta**  
 Vice President  
 Data Center Cloud



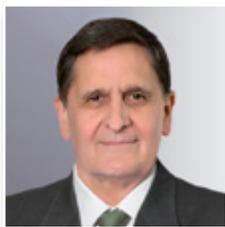
**Raúl Sapunar**  
 General Manager  
 SONDA Chile



**Affonso Nina**  
 General Manager  
 SONDA Brazil



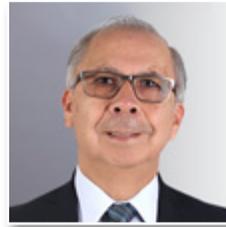
**Gerardo Cruz**  
 General Manager  
 SONDA Argentina - Uruguay



**Jorge Andrade**  
 General Manager  
 SONDA Colombia



**Eduardo Sandoval**  
 General Manager  
 SONDA Costa Rica -  
 Panama



**Fabián Mena**  
 General Manager  
 SONDA Ecuador



**Miguel Ángel Guerrero**  
 General Manager  
 SONDA Peru

Regional presence

## Regional Presence



### Chile

#### Operations began in 1974

We are the leading IT services and solutions provider in Chile, with vast experience in the market and a broad customer base in all industries. We have kept our country leadership position for many years, despite this being one of the most competitive markets in Latin America.

We provide a complete portfolio of solutions and services in each IT industry segment, namely IT services, applications and platforms. Our IT services and solutions resolve our customer's business problems using the best global tools and practices, and we have developed a value proposition that is widely recognized in the country.

Our IT services are based on developing integration and outsourcing projects, as well as data center and cloud computing services, managed device services (MDS), application management services (AMS), IT consulting, infrastructure support and service desks. Our range of applications includes proprietary and third-party products and solutions with a focus on transport, banking & finance, health care and pensions. ERP solutions such as Fin700 and SAP that include project implementation, maintenance and support; significantly open up the strategic market in Chile. Our platform service is based on partnerships with leading global hardware and software manufacturers, such as Autodesk, CA, Cisco, DELL-EMC, HP, HPE, Lenovo, Microsoft, Oracle, Redhat, SAP and VERITAS.

We have become an important partner for our customers by supporting their digital transformation processes, generating new business models, optimizing the experience of their own customers and introducing operational transformations that result in significant productivity improvements.

We work with the principal companies and industries in Chile, in particular the banking & finance, retail, transport, pension, insurance, government, mining, health and education sectors.

Our world-class data center is located in Santiago and has certified Gold category compliance with TIER III standards for design, construction and sustainable operation, all of which were granted by the Uptime Institute, which makes it one of the most important data centers in Latin America.

The renewal and increase in our quality certifications, in conjunction with improvements in our customer service quality indicators and the working climate within our organization were all prominent achievements in 2017. We also added new customers, in particular the Bank of China, which is recognized worldwide and the fourth largest bank in the People's Republic of China.



### Brazil

#### Operations began in 2002

Brazil is the largest IT market in Latin America. Although the SONDA brand has only been in Brazil since 2002, we have over 25 years' experience in the country, as consequence of the number of companies that we have acquired over the years, which together employ over 8,000 people who serve about 1,200 active customers.

We have nationwide coverage and we are dedicated to providing technological solutions covering IT services, applications and infrastructure to medium-sized and large businesses and organizations. Our portfolio includes IT outsourcing services, data center and cloud computing services, systems integration, end user support and consulting services. We are recognized in this competitive market for our integrated IT solutions and for being a leading provider of integrated IT outsourcing services.

We have become the fourth largest IT services company in Brazil, after IBM, Accenture and Capgemini and ahead of DXC, Tivit, Stefanini, Indra and Unisys.

We are one of the top two companies providing taxation management software in Brazil, and a leading company providing invoicing and management systems for the utilities sector.

Our company has an important portfolio of virtualization, cloud computing, storage and security solutions. We are focused on the 1,000 largest companies in the country and have achieved a significant market share. Our customers include Embraer, Natura, Telefonica, Sodexo, Vale, Gol Linhas Aéreas, Petrobras, Ministério da Saúde, Tribunal Superior Eleitoral.

We also have customers in the manufacturing, banking & finance, telecommunications, services, trade and health sectors. Our emblematic projects for 2017 were undertaken for Embraer and Oi. We currently have the largest share of the industrial, manufacturing and telecommunications segments by private sector sales in the São Paulo region, and we are strengthening our share of the retail and utilities segments. We are strong in the public sector at a federal level, with a focus on end user support solutions.

The principal quality certifications secured in Brazil are ISO 9001, ISO 14001, ISO 20000, ISO 27001, FSC (Printing Center) and MPS-BR. Furthermore, the data center located in our corporate building in Santana de Parnaíba is certified as complying with Tier III standards. We also have a world-class data center in Minas Gerais state with Tier III certification, TÜV Rheinland, ISAE 3402 - International Standard on Assurance Engagements and ISO/IEC 20000.

Our principal business partners in Brazil include Cisco, SAP, Microsoft, Dell, SAS, Adobe, Lexmark and Ricoh. Our most prestigious certification awards in 2017 are Cisco Gold Partner, Microsoft Gold Partner and SAP PCoE.

This year we received the "Outstanding Economic Development Business" award from Santana de Parnaíba. Santana de Parnaíba is ranked as the ninth best city for investment in Brazil, and it arranged a ceremony to reward companies that contribute to its development. The City Council, as Semedes (Municipal Department of Employment and Economic and Social Development), awarded SONDA an outstanding business certificate for our impact on growth indicators for the city, which hosts SONDA's headquarters in Brazil.



## Mexico

### Operations began in 2004

Our company has been operating in Mexico since 2004, which is the second largest IT market in Latin America. We have offices in Mexico City, Guadalajara and Monterrey, and cover 32 cities in the Mexican Republic.

We have a wide range of IT services and infrastructure solutions including security, virtualization, data center and cloud computing, managed device services, end user support, transformational outsourcing, integration projects and professional services.

We serve customers in Mexico from various industries such as the telecommunications, retail, manufacturing, financial and public sectors. We have developed emblematic technological projects for our customers, which include Telmex, Coppel, Walmart, Palacio de Hierro, ASA (Airports and Auxiliary Services), Izzzi, Banco Nacional de México, and Central de Corretajes.

The principal quality certifications secured in Mexico are ISO 9001:2008, ISO 20001:2011 and ISO 27000, CISCO Gold Partner (including a wide range of architecture, data center, cloud services, communications, and disaster recovery certifications), and Dell EMC Platinum Partner.

We received important awards in 2017: CISCO Partner of the Year, Architectural Excellence Enterprise Networking Partner of the Year, Architectural Excellence Datacenter Partner.

We have also developed important partnerships with Cisco, Dell EMC, IBM and HP.

This competitive market contains important local and international companies such as IBM, DXC, Indra, Kio and Neoris.



## Argentina

### Operations began in 1986

We have served many customers from the principal industries in Argentina for over 30 years, due to our nationwide coverage across all provinces through a network of field services from 78 technical bases. Recurrent revenue represents over 60% of total revenue for our subsidiary in Argentina, which is mostly end user support services.

We have developed long-term business relationships with key customers who are leaders in the oil, banking & finance, energy, industry, health, automotive, food and telecommunications markets.

Recent important projects include our multi-brand micro-informatics field service solutions for Banco de la Nación Argentina, which covers over 670 branches with close to 50,000 devices throughout the country; end user support services for YPF, which serves 4,000 monthly incidents from 10,000 users at 200 sites; and data center management and operation services for Edenor, which includes mission critical services with 7x24x365 coverage and is operated on site.

The largest contract in the history of SONDA Argentina was signed in 2017. This project covers the installation, integration and commissioning of internet connectivity for 4,800 schools under the Ministry of Education. The aim of this project is to provide internet access to all the state schools in Chaco, Corrientes, Entre Ríos, Formosa, Jujuy, Misiones and Santa Fe.

SONDA Argentina also received the "HPE Argentina Partner Awards 2017", which recognizes innovation and growth for winning the first hyperconverge solution in the country, and for being the fastest growing sales channel.

## Colombia

### Operations began in 2000



SONDA has operated in Colombia since 2000. This country has one of the highest growth rates in IT services expenditure in Latin America.

We began to expand our services in 2006 to encompass infrastructure services, hardware sales and outsourcing services, with the aim of strengthening the SONDA brand and capitalizing on the country's expected growth.

We began to increase our market penetration in 2009 by participating in large proposals and tenders, and we have been awarded important service contracts that have secured a large component of recurring revenue for our business. These contracts are with an important segment of the 100 largest companies in the country.

We achieved organic growth of 90% during 2017, due to an influx of large customers from significant outsourcing contracts that were closed at the end of 2016, including the Family Welfare Institute, the Ministry of Finance, Empresa de Acueductos de Bogotá and Ecopetrol. We also achieved strong growth in infrastructure sales.

We acquired the Compufacil group in July 2017, which positioned us as the second largest technology integration company in Colombia, with direct customer services covering the major cities of the country.

Our business in Colombia has a large component of recurring revenue arising from contracts with the most important companies here. We provide a full range of IT services, especially integrated outsourcing, end user support, printing outsourcing, SAP services, health and finance sector applications, in addition to infrastructure solutions, and data center & cloud computing services. These are all provided by a first-class team of professionals trained in the latest technologies.

Other important customers for our company are the Colsanitas health insurance company, Santa Fe de Bogotá hospital foundation, Sodimac, Postobon, the National Prosecutor's Office and the Higher Judiciary Council.

The principal partnerships and quality certifications secured in Colombia are ISO 20,000, ISO 27,000, ISO 9,001, RUC, OHSAS, SAP Hosting Partner, CISCO Gold Partner, HP Gold Partner, VMware Premier Partner and Citrix Premier Partner.



## Costa Rica

### Operations began in 2003

We have extensive experience of the Costa Rican market, and have risen to become a prominent developer of IT solutions and services, and technological infrastructure supplier.

The trend in global markets is to supply technology as a service. Therefore, we have taken advantage of our extensive experience and knowledge to transform our services, and now place special emphasis on IT outsourcing, enterprise cloud services, monitoring, end user support and providing the support and mission critical services that these services require.

Our principal customers are the most prestigious public and private companies in the country. We have great market coverage in the public sector, and focus on health, education and the provision of basic goods and services (utilities). Meanwhile, in the private sector we are recognized in the banking & finance, manufacturing and trade sectors.

Our emblematic projects in 2017 were: INA (National Learning Institute) with a project to manage the main data center; UNED (National State University at a Distance) with a project to implement the first convergent VBlock 340 system; ALDESA (financial) and CEN-CINAI (Infant Education, Nutrition and Care Centers) with a project to migrate their primary data centers to the SONDA Cloud and manage them; and the Ministry of Health, with a project to supply 102 regional offices with networking equipment.

We negotiated partnerships with technology providers to supply SaaS in 2017, based on our proprietary private Cloud services in Cost Rica. For example SIRA, to control and georeference assets, and ROVER IN, for optical character recognition.

Despite Costa Rica being a small market, it is very attractive in the Central American region. The main participants in the industry are GBM (exclusive distributor for IBM), CMA Group (HP), El Orbe (HP), CESA (ORACLE), ITS (CISCO and services), DESCA (CISCO), SPC (CISCO).

Over the years we have consolidated our business partnerships here with HPE, Cisco, EMC, Oracle and Aranda. At the same time we work to the highest certified standards with manufacturers, which makes us a Cisco Gold Partner, HPE Gold Partner, and Aranda Gold & Cloud Provider, plus we are certified to the ISO 9001 standard.



## Ecuador

### Operations began in 1990

SONDA has operated in Ecuador since 1990, and we quickly reached a significant market position among the principal IT suppliers of the country, due to our robust and diversified customer base.

Right from the very beginning, we have positioned ourselves as a reliable company with a strict service vocation. We have offices in Quito and Guayaquil that enable us to provide solutions and services nation-wide.

We have developed our services and our particular strengths now lie in end user support services (EUS), managed device services (MDS), printing outsourcing, and solutions associated with Cisco, EMC/VCE and HP platforms. We have an important share of the telecommunication, banking & finance, manufacturing, trade and government markets.

Our main customers are multinational companies from the telecommunications and trade sectors, in addition to large industrial corporations, sectoral governments and public enterprises. Our customers include:

Movistar, Banco de Guayaquil, Andes Petroleum, Citibank, Internal Revenue Service, Villaseca Group, Corporación Mavesa, AB INVEB, and the Municipalities of Guayaquil and Quito.

We have secured certified compliance with ISO 9000, ISO 14000, OHSAS 18000, and we have a data center that serves important customers.

We have received an award from Cisco: Service Provider Partner of the Year, and Data Center Partner of the Year, and we have partnerships with SAP, Xerox, EMC, VCE and VMWare, in addition to Cisco.

We implemented important projects during 2017 such as implementing convergent infrastructure for the Municipality of Quito, service desk solutions for the Fybeca corporation and printing outsourcing for AB INVEB.



## Panama

### Operations began in 2008

SONDA has operated here since 2008, when we started developing the Panama Procurement Portal project. Since then, we have developed emblematic projects, which have positioned us as a leading player in the technological modernization of Panama. Our services have national coverage, both in the Republic of Panama, and in the neighboring country of El Salvador.

We have implemented two complex technological solutions in Panama, which are the procurement portal and the financial management and payment system for Metrobus. These two solutions have opened up new business opportunities, including some outside Panama, such as a transport project for San Salvador.

Our strengths in Panama mainly relate to integration and outsourcing projects, data center services, networks, and IT platform supply and support.

We operate in competitive markets, such as the transport, government, construction and energy markets, with significant customers, such as Metro de Panamá, Autoridad de Tránsito y Transporte Terrestre de Panamá, Transporte y de Vivienda y Desarrollo Urbano de El Salvador, CallCenter Affinity, Constellation, Celsia, Rapired, Chec, and Pharma, who are all very satisfied with our services (according to NPS surveys).

We achieved certified compliance with ISO 9001:2015 standards during 2017, as a result of our commitment to process continuity, and to the quality of services for customers. Our engineers have certified skills in technologies from Cisco, HP, Oracle and VMWare.

We have business partnerships with Microsoft, EMC, Aruba Network, VMWare, Cisco and HP, and our services have been certified by the last two manufacturers.

An outstanding project in 2017 was implementing 67 self-service touch screen terminals (TAS), which include software developed by our company to manage all the TAS parameters online, and ensure that any potential error can be immediately rectified.



## Peru

### Operations began in 1984

SONDA has operated here since 1984, the first country in SONDA's internationalization process. Since then, we have achieved sustained growth that has positioned us among the most important providers of IT services and solutions in the country.

We provide a full range of IT services, with a special emphasis on outsourcing, end user support (EUS), managed device services (MDS), printing outsourcing, banking and business application support services, and infrastructure solutions.

We have an outstanding share of the telecommunications, banking and municipal saving, education, construction, industry, retail and government markets.

We have developed a support network that covers the extensive geography of Peru, which enables us to provide services to companies that require nation-wide coverage such as telecommunications, microfinance and retail organizations.

Our principal customers include: Telefónica, Falabella, Kimberly Clark, Scotiabank, Banco Financiero, MiBanco, Deutsche Bank, Caja Municipal de Ahorro y Crédito (CMAC) Arequipa, CMAC Trujillo, CMAC Sullana, CMAC Piura, Protisa – CMPC, Petróleos del Perú, EsSalud, SUNAT, and Fondo MiVivienda.

Our emblematic projects include providing computer equipment for the State National Fund for Financing Business - FONAFE, a security solution for the Ministry of Foreign Affairs, Wifi lighting for the campus of the Universidad Tecnológica del Perú, implementing end user support and field services for Protisa - CMPC, and technological renovation of the data center at the Obrainsa construction company.

Our principal business partnerships in Peru include, Autodesk, HPE, Cisco, Dell EMC, Microsoft, VmWare, Xerox and Lexmark. We have also been recognized as a Cisco Gold Partner, HPE Gold Partner, Microsoft Cloud Solution Provider. We achieved certified compliance with ISO 9001 standards, and we are close to achieving certified compliance with ISO 20000 standards.



## Uruguay

### Operations began in 1994

SONDA has operated here for 23 years, and we have positioned ourselves as a leader in the local IT market by developing a service network that covers the whole country, which ensures that we can deliver full compliance with service level agreements in any part of the country.

We have an important share of the public sector, where we provide infrastructure and solutions to utility service companies owned by the state, banks and ministries.

Emblematic projects include a livestock traceability system for the Ministry of Agriculture and Fisheries, a metropolitan area video surveillance system and 911 incident response system for the Ministry of the Interior, and a technological platform for mortgage loans at the Banco Hipotecario del Uruguay and the National Housing Agency.

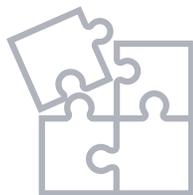
The second stage of installing the smart video surveillance system for the Ministry of the Interior was signed in 2017, which involves 3,500 additional cameras, analytical software and smart monitoring systems for Montevideo and neighboring cities. Our subsidiary hosts the Smart Security Competence Center as a result of successfully implementing these project. This center supports the development of these businesses across the region.

We have our own data center in our central offices in Montevideo. An agreement with the State Telecommunications Company, ANTEL, has facilitated its migration to the only TIER III data center in the country. The principal legal firms, agricultural companies, and trust and pension fund managers in the country operate their systems from this infrastructure.

Since 2004 we have had certified compliance with ISO 9000 standards, since 2008 with ISO 27001 (information security), and since 2013 with ISO 20000. We are planning to achieve certified compliance with environmental management standards (ISO 14001) and Occupational Health and Safety standards (OHSAS 18001) during 2018.

Integrated Report 2017

## Digital transformation for **our customers**



Customer relationships are very important in the IT industry, more so when they become long-term relationships. The latter form part of our value proposition, in conjunction with drawing close to our customers, while maintaining a strong commitment and consistently delivering solutions using quality services and products elaborated by our experienced team of professionals.

Currently, there are over 5,000 medium-sized and large companies and organizations from various industries and locations that have placed their trust in us by choosing us as their supplier and technological partner. These include some of the outstanding companies in the region, who are leaders in their respective markets, but they are all sophisticated and demanding users of information technology.

Thus, we have become technological partners for our customers, we understand their problems, requirements and the business challenges that arise in an increasingly competitive and changing environment, as a consequence of this digital revolution continuously evolving technology and accelerating processes.

Therefore, our company has also become a strategic partner for our customers, where our role is to encourage and promote digital transformation within their organizations. We have been pioneers of initiatives such as the Internet of Things (IoT), as used in our smart transport (automated public transport) and smart citizen safety solutions. We have incorporated artificial intelligence (AI) tools into service desks, and mobile options for our transport, banking and utilities applications, and into mobile device management services (BYOD). We have developed a complete cloud service that manages hybrid environments, conventional infrastructure with private clouds and hyperscale public clouds (Microsoft Azure and Amazon AWS), and developed retail smart screen solutions and other initiatives.

We have developed consulting services to identify business transformation opportunities for our customers using new technologies. For example, a transformational outsourcing service that manages the transformation process within the customer's organization. An application modernization service that addresses transformation processes that require customer's applications to be moved to the cloud (AMS Cloud Ready) and a service that adds mobility to legacy applications (AMS Mobile Ready).

We have also led the transformation process by promoting the use of distributed technology infrastructure as a service (personal computers, notebooks, printers, communications devices, smart screens, telephony, and others), and integrated solutions for the retail market, such as Branch as a Service (BaaS), which adjusts to consumer demand for distributed technology.

We have solutions and services for our customers that use big data tools to analyze business segments. These cover consulting services covering their use, infrastructure and applications, and implementing analysis models, through to big data solutions for industries such as retail and banking.

### **Digital transformation for our customers:**

- Digital transformation facilitators
- Differentiators
- Partners and suppliers
- SONDA's value proposition
- Services and solutions that add value
- Regional competence centers

Digital transformation for our customers

## Digital transformation facilitators



Our value proposition is aimed at establishing close long-term relationships, which requires us to be perpetually in contact with our customers, delivering the business solutions they need in a timely and efficient manner, with support from a specialized team with extensive experience and knowledge of the IT industry.

A value proposition with these features would have been sufficient by itself in a stable context. However, the digital fourth industrial revolution is changing the way we do business and operate. Accordingly, the manner in which companies and organizations interact with their customers and stakeholders is changing at an increasingly faster pace. Therefore, this is where we become more than just a technology partner, we become a change agent by accompanying our customers through the process that digitally transforms their enterprises and institutions.

We innovate in response to market demand for our integrated IT services. This requires us to develop a deep understanding of the problems and opportunities facing our customers' businesses, which in many cases already challenge their digital transformation.

Over the past few years, we have had discussions with customers at formal co-innovation meetings regarding the challenges and problems they face in this digital transformation age and how to jointly address them.

We have prepared a sectoral plan that is focused on sharing digital transformation challenges and agendas for a group of customers. Significant and differential changes to their core or related business can be identified by implementing artificial intelligence, robotics, blockchain, Cloud, 3D printing, IoT, social business, or big data tools.

This is complemented by driving the development of prototype solutions and services that explore the use and application of disruptive technologies, applied to the vertical sectors that our organization has selected for priority innovation, which are banking, retail and health. This process takes place at our facilities at the UC Innovation Center, while accompanied by the Innovation Center Without Limits program.

Therefore, during 2017 we worked on:

- **Smart Portfolio Management Systems:** An investment portfolio management system using artificial intelligence. Managing an investment portfolio requires solid theoretical and practical knowledge and the ability to analyze a large amount of data in real time to make decisions.
- **Virtual insurance contracts:** Virtual contracts for insurers using blockchain technology. We are exploring the use of blockchain technologies and smart contracts to design a smart contract system.

<sup>1</sup> UC Innovation Center - Anacleto Angelini at the Pontificia Universidad Católica de Chile.

Digital transformation for our customers

## Differentiators

The history of our company spans over 43 years, so it is one of the few technology companies that has survived for so many years in Latin America. It has achieved this by evolving and adapting to the political, economic and social circumstances found in each country. Our ability to adapt and flex our processes and services has enabled us to become a continual change agent, with experience in implementing large projects in the region. This has transformed us into a technological partner capable of understanding our customer's requirements, and of helping them to transform their operations and processes by incorporating the benefits of digital transformation in the most efficient manner.

This achievement was based on differentiation with respect to our abilities, which we have secured over the years, and has transformed us into a leading participant in the Latin American IT industry.



### Integrated business model

We can deliver local and regional integrated solutions that resolve issues and challenges with varying degrees of complexity. We can guarantee and certify the quality of our solutions for each of our customers.



### Multi-brand company

Our company is fully independent of trademarks, which enables us to provide the best technological solutions available on the market to add value for our customers, and meet their particular business challenges and circumstances.



### Partnerships with leading technology manufacturers

We have reached significant agreements with world leaders that produce infrastructure and technological applications, in addition to partnerships focused on developing large technology integration and application projects for strategic markets.



### Capacity to undertake large contracts and projects

Since our inception we have been committed to developing large technological projects that modernize public and private enterprises and institutions, improving the quality of life for millions of people in the region.



### Service vocation, commitment and flexibility

We consider ourselves to be our customer's technological partner. Accordingly, we constantly support them, we adapt to their requirements and challenges and can accommodate flexible business and operational models, where necessary.



### Specialized and experienced team

Our teams have vast experience and their professional and technical qualifications enable us to incorporate the best use of information technology, in order to integrate, deploy, develop, manage, support, and operate the wide range of solutions and services required by our customers.



### Our services are subject to continuous innovation and improvement

Innovation has been a key factor from the very beginning. The IT industry is constantly evolving, so we are constantly identifying and developing new technologies and applications that can provide an efficient response to our customer's requirements and challenges, by adding value to their business and improving quality of life for their own customers.



## Financial strength

Our financial strength has characterized the company throughout our history, and has been a differentiating feature, allowing us to develop and sustain our three year investment plans since 2007. These have directed our ambitious expansion strategy based on acquisitions and organic growth, without putting the company's financial stability at risk.

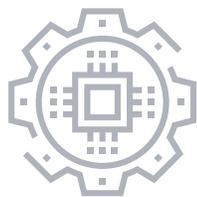


## We operate in emerging markets with a low IT penetration rate

The region in which we operate has tremendous growth opportunities, due to low IT penetration in the public and private sectors.

Digital transformation for our customers

## Partners and suppliers



The nature of our business allows us to negotiate partnerships and agreements with leading global technology manufacturers, facilitating access for both our customers and our professionals to state of the art technology. This also allows us to provide excellent specialized support for these hardware and software platforms, and guarantee that these services and solutions will be developed and integrated into third-party products. We have commercial partnerships with leading global IT product and device brands, who have become our principal suppliers. These include Cisco, Dell-EMC, HP Inc, Hewlett Packard Enterprise, SAP, Microsoft and Autodesk. None of these agreements oblige us to conduct business exclusively with them, so we remain a multi-brand and multi-platform supplier. None of our partners or suppliers individually represent over 10% of purchases during 2017.

We have strategic partnerships with leading companies in this industry, which compliment our experience in designing and supporting information technology, and enable us to smoothly deliver IT solutions to all our customers in the region. The most important partnerships include:

### Cisco

A leading player in the industry with a strong presence in the networks, computing and security markets. We are a leading Cisco partner in the region, and certified to Gold standard in every country. This makes us the IT integrator with the widest regional Gold certification coverage. In addition, we have reached the Master provider level for cloud services and managed services using Cisco.

### Dell-EMC

A leading provider of converged infrastructure, storage, computing and personal computing. We operate as a Platinum partner within the System Integrator category in the region. This allows us to promote Dell-EMC technology for integration projects.

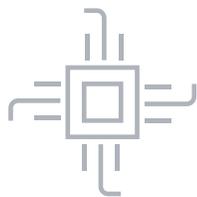
### Microsoft

We have signed cooperation agreements on a regional basis, to promote innovative solutions that use cloud technology from Microsoft, such as Azure and Office 365. Currently, we have access to the Cloud Service Provider category, and various other categories such as Gold Application Development, Gold Cloud Productivity, Gold Windows and Devices, Silver Cloud Platform and Silver Datacenter.

We also have additional partnerships with other leading manufacturers within each country, as appropriate.



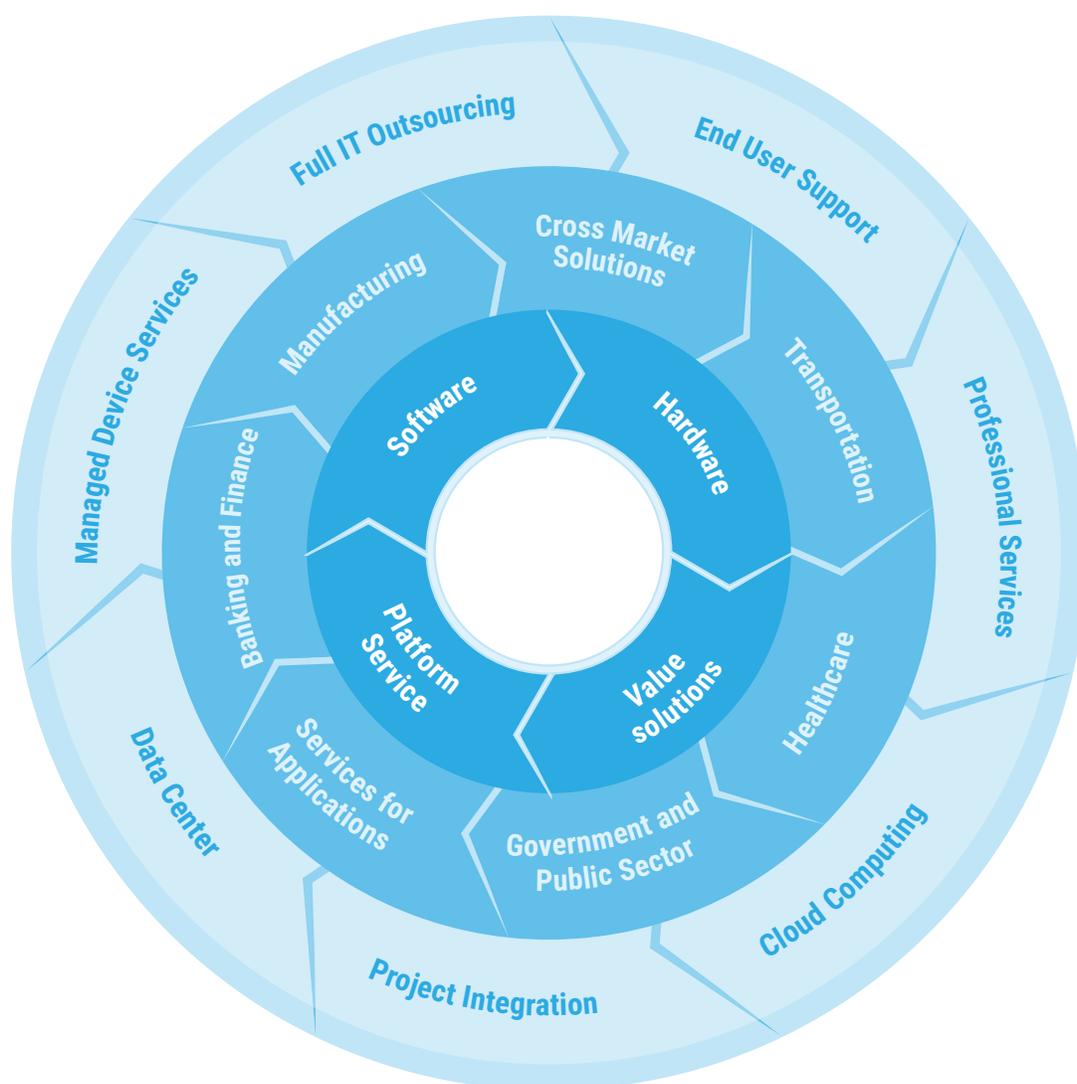
Digital transformation for our customers  
**SONDA's value proposition**



This is focused on resolving customer's business requirements and challenges by providing a wide range of services and solutions based on the best use of available information technologies.

Anticipating the needs of our customers is a key component of this value creation process, in order to provide timely and appropriate IT solutions that help their businesses to grow and strengthen.

Over the years, we have become an integral provider of IT services and solutions with a profound understanding of the requirements and challenges facing organizations and enterprises in Latin America.



Digital transformation for our customers

## Services and solutions that **add value**



We focus all our energy and knowledge on adding value, meeting requirements and resolving the business challenges faced by each of our several thousand customers. Therefore, we have prepared a comprehensive and wide portfolio of services and solutions based on information and communications technology that help our customer's businesses to grow

What differentiates us from our competitors is our regional vocation, which gives us a better understanding of the Latin American context and its business culture. Thus we can ensure that IT is optimally used and that our customers will be more efficient and competitive. This is achieved by developing first class solutions and services, where the efficient use of hardware, software and communications tools is safeguarded, using an integrated business model. Understanding the customer's context and requirements is an essential component of this process, likewise the knowledge gained from our own skills and vast experience. We can provide our customers with access to the best technologies on the market and we are qualified to integrate, deploy, develop, manage, support and operate a comprehensive range of solutions, applications and associated services related to these technologies.

We are an independent provider of IT services, which means that we can configure the best solution based on the requirements and challenges faced by each customer, using the most suitable technology, and not on the basis of hardware or software products in a pre-defined portfolio. Our comprehensive services cover the complete IT cycle for a company or organization. This means that as a business partner, we can take responsibility for virtually every aspect that involves IT, from the simplest issues involving the technological platform, through to more complex and extensive solutions, which require substantial abilities to integrate various technologies, a high degree of specialization, and a solid financial base, to ensure that the project can be completed within the agreed deadlines.

### IT Services

IT Services aim to generate value through the best use of hardware, software and communications tools and business applications. They cover a wide range of services:

#### Full IT outsourcing

These services support business continuity for our customers by outsourcing all or most of their IT functions, allowing them to efficiently allocate their resources to their own business, and take advantage of SONDA's economies of scale. It includes transformational outsourcing, data center services, cloud computing, managed services, and technological infrastructure as a service.

#### End user support

These services include installing, operating, updating and maintaining hardware and software platforms, localization services and problem resolution services. Implementation can involve help desks, technical assistance in the field and managing IT assets. This ensures that our customer's IT department can focus on business challenges, leaving IT platform support in our hands.

#### Integration projects

These are design and development projects based on integrating hardware and software, and business communications and applications, followed by commissioning and operating services. They can also encompass integration projects in functional areas of a company or organization, and high-impact public initiatives implemented through an intensive use of IT.

## Managed device services

This service transforms CAPEX into OPEX for our customers, freeing up capital that can be invested into the core business, in addition to trusting the management of all IT devices to a specialist.

## Data center y cloud computing

These services have been designed to help our customers manage IT risk and maximize performance using various services that are based on three fundamental pillars: security, availability and performance. Our services host, monitor, manage, optimize, operate and maintain servers, communications equipment, data storage, basic software and applications. They ensure operational continuity and information security, by offering both physical and virtual scalable infrastructure on a pay-for-use basis, so that our customers can implement their applications quickly and efficiently, according to their needs.

## Professional services

These services cover a wide range of expertise, from strategic consulting aimed at aligning IT with the business strategies of customers, to proposing specific improvements in operational or administrative processes, or a better use of IT. They include IT scanning, databases, operating systems, information security, infrastructure architecture and communications solutions.

## Applications

Our applications service includes comprehensive SONDA and third party software tools that systematize and automate business processes for our customers, either from an office, desktop or mobile platform, thus ensuring that key business information is managed in an agile, reliable and secure manner.

The service is designed to meet the requirements of all economic sectors, including the financial, social security, construction, manufacturing, retail, basic services, mining, energy, natural resources, government, public institutions, transport and health sectors.

Furthermore, we have a broad portfolio of cross market solutions that address requirements that span all industries. These include asset management, foreign trade, ERP, CRM, BI, logistics, tax administration, and BPM tools.

## Platforms

This service supplies various components of computing infrastructure, covering both hardware and software. These services cover the supply of servers, workstations, PC's, printers, storage and backup equipment, communications equipment and basic software (databases, operating systems, and others). The sale of these technological components can include additional services such as equipment deployment, maintenance and warranty management.

We have agreements with major manufacturers in the industry and we have a team of specialized professionals to provide the most appropriate solutions to meet the needs of our customers.

These agreements ensure that we always provide technology to the highest quality standards. Our independence with respect to these suppliers enables us to impartially advise our customers when recommending the correct platform in each case.

Digital transformation for our customers

## Regional competence centers



Organic growth is critical for a company to remain sustainable over time. In our case, the success we have achieved over the last 43 years has been deeply rooted in our ability to identify, replicate, adapt and sell our already successful projects and solutions to other organizations throughout the length and breadth of the region. This has enabled us to strengthen our position, while generating greater growth potential. SONDA's competence centers gather the knowledge, experience and skills needed to effectively address the challenges and requirements that companies, organizations and countries within our region face every day.

The solutions that we develop and promote through these centers combine several components, such as our experience, leading-edge technologies provided by leading global manufacturers, implementation services, maintenance services for hardware, software and communications components, together with various services that comply with contractual service level agreements (SLA's). There are five centers that complement our value proposition: transport, transformational outsourcing, smart city, information security (SOC) and utilities (Basic Services). These technologies are then adapted to the context found in each country.

The competence centers are led by people with experience in each of these areas. They can fully understand the customer's requirements, they support project development throughout each stage and promote the use of information technologies that are best suited to the customer's requirements.



### Transport projects competence center (smart transport solutions)

This competence center develops, designs and implements IT projects related to transport solutions. We have positioned ourselves in this market as a leading regional participant, based on our experience with projects implemented in Santiago, Panama City, San Salvador, and Valparaiso, together with an in-depth knowledge of the problems and challenges facing public transport in Latin America. Our understanding of the technological tools incorporated into transport systems, and our ability to propose improvements based on trends in this industry and state of the art technology, have enabled us to strengthen our solutions, while ensuring that costs remain appropriate, in order to provide cost-effective and competitive solutions.



### Transformational outsourcing projects competence center

This competence center is responsible for preparing the sales pitch for large outsourcing contracts, using methods based on the experience gained from regional projects, which demonstrate the value creation achieved through outsourcing IT services. A transformational outsourcing contract allows our customers to outsource part or all of their information technology, which simultaneously improves quality and lowers IT costs, and adds further value to their business by improving their efficiency and market competitiveness.



### Smart city projects competence center (smart safety)

This competence center is responsible for providing intelligent monitoring solutions for the entire region. They can process large volumes of information, and integrate data from equipment, sensors and software, in order to identify patterns in the movement of people that may cause their safety to be at risk. They would then raise warnings about potential problems or risks to safety in cities, or in critical environments such as prisons, electricity generating plants, telecommunications, water facilities, or at large events at stadiums or large public venues.



## Information security projects competence center (SOC)

This competence center is responsible for developing security operation center (SOC) services. The services provided by this competence center include monitoring, detecting, isolating, containing and managing computer security incidents, covering workstations, perimeter security, applications and network services.

The IT infrastructure security event monitoring service (including applications and data bases) aims to detect combinations of events that simultaneously represent a security risk that could threaten a customer's IT assets within their infrastructure.

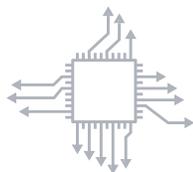


## Utilities projects competence center

This competence center aims to develop complete solutions for utilities companies (electricity, gas, water, sewerage, public sanitation and smart cities) with a special focus on technical, commercial and mobility solutions adapted to the Latin American context, as well as projects and consulting. In parallel, it is responsible for strengthening partnerships in order to make efficient and effective use of the available resources, and generate competitive solutions using a service model that uses regional resources in an efficient manner. It is also responsible for building a business model based on a strategy adapted to customers in the region and to local contexts. It also keeps up-to-date on technological developments, trends, competitors and innovations in this field.

Integrated Report 2017

# Facing the future



We have experienced sustained growth since we began in 1974. This has been driven by our ability to add value for our customers through the best use of information technologies, with support from a team with extensive experience and knowledge of the IT industry, and an integrated proposition that includes IT products, solutions and services. We have therefore become a leading IT company in the regional market. This leadership began in Chile, and given the speed of our success in developing significant projects on the Chilean market, we decided to expand our company internationally, to become the principal Latin American IT services company. We have developed emblematic projects in the region, where the use of IT has been essential to providing an efficient solution that meets the needs and challenges of thousands of companies and institutions across the region.

## Facing the future

- [Industry](#)
- [SONDA pillars](#)
- [Investment plans](#)

Facing the future

# Industry



Over the years, implementing and using information technology has enabled companies from various industries to increase their efficiency, improve the quality of their products and processes, and reduce their costs.

The continuing emergence of better technologies have driven three industrial revolutions. These began with the emergence of mechanized production systems, which was followed by the emergence of electricity, and thirdly by the world-wide adoption of information technologies and telecommunications. They have radically changed the face of the world in which we live.

The constant search for greater efficiency and competitive advantage using information technologies generates an annual investment of approximately US\$6 trillion, comparable to the gross domestic product (GDP) of countries such as Japan and China.

However, merely adopting technology does not deliver immediate results. Business revenue does not grow simply as a result of increasing IT expenditure, but it can achieve reductions in cost and increased operational efficiency, which quickly lead to improved margins. The Boston Consulting Group published the article "Why Technology Matters" in 2016, which introduced the concept of "IT expenditure intensity". It compares the ratio between revenue and operational expenditure with revenue and IT expenditure, where greater IT expenditure intensity enables companies to quickly obtain these improvements, but given its high correlation, when IT expenditure intensity falls, so does the margin. These management indicators help companies to compare their position with respect to their peers, and identify improvement opportunities by introducing better technology.

When the economy contracts, companies could discretionally reduce their IT expenditure, in order to safeguard their short-term profitability. But this decision reduces both production and process efficiency, and eventually the repercussions affect productivity within countries and companies.

Today the "Fourth Industrial Revolution" brings us new challenges in the shape of total production automation through a combination of physical machinery and digital processes that can interact and make decisions. The value it adds to the global economy will be around US\$14 billion over the next 15 years, according to specialist consulting firms, in a transformation that would involve every single industry.

General Electric publish their "Innovation Barometer Report" every year. The report for 2016 collected the opinion of 4,000 leaders in 23 countries regarding innovation and technology issues. It indicated that executives (68%) and citizens (64%) feel optimistic about this Fourth Industrial Revolution, and few believe that will have a negative impact on employment. On the contrary, they believe that it will bring financial benefits to companies that dare to make these changes. Emerging countries would find it less difficult to adopt the disruptive and radical changes promised by this revolution, which are fundamental elements of digital transformation.

In the not too distant future, digital transformation will become a strategic objective for companies. This process cannot be simplified by only tackling productive processes, as companies will need to reconfigure their business models, regardless of their sector or industry. It changes the way people and companies interact, which might lead to a profound change in society.

Whether we become a digital society will depend not only on which technology receives our investment and the scale of that investment, but also on the impact of technological changes and the degree to which these technologies are integrated into the practices and capacities of companies, institutions and society. Provided they comply with the strategic objectives of digital transformation, which include operational efficiency, new relationship experiences with customers, significant improvements in productivity and developing new businesses and markets.

There are several potential benefits of such a disruptive change, for example increased revenue, reduced costs, accelerated decision-making and response times, as happened with the first industrial revolution.

IDC (International Data Corporation) forecast that by the year 2020, 40% of the top 3,000 Latin American companies will discover that the majority of their business will depend on their ability to create digitally enhanced products, services and experiences, and over 60% will have teams fully dedicated to digital transformation and innovation. It also points out that by the same year analytics, cloud, mobility and social business services (also known as the third platform) will absorb almost 40% of IT expenditure, and that this expenditure will grow five times faster than traditional expenditure.

Currently, the structure of business segments within the IT industry indicate that in Latin America approximately 60% of IT expenditure is allocated to hardware, and the remaining 40% to IT services and software, including mobile equipment. However, this composition is expected to change, as the IT services and software segment gradually acquires greater importance, thus bringing investment in the region to a level similar to that in developed economies, where approximately 60% is invested in IT services and software.

IDC (International Data Corporation) forecasts for 2018 indicate growth of 3.6% in total IT investment for Latin America, making total IT investment for the region US\$67,239 million, excluding mobile equipment. Longer-term estimates indicate a Compound Annual Growth Rate (CAGR) of 4.8% for overall IT investment in Latin America over the period 2017 to 2021. IDC forecasts the CAGR by business segment for 2017-2021 at 7.7% for IT services, 6.5% for hardware and 6.5% for software. IT services are forecast to grow in Latin America, specifically by 6.6% in Brazil, 8.8% in Mexico, 7.8% in Chile and 5.5% in Colombia. We face global competitors in our markets, such as: IBM, DXC, Accenture, Indra, Telefónica, TCS and local companies such as: Synapsis, Adexus, Entel and Coasin.

### IT expenditure in the Region

Country	IT Expenditure (US\$ million)			
	2017	2021	Total %	CAGR
Brazil	26,031	32,056	40.1%	5.3%
Mexico	14,671	17,486	22.6%	4.5%
Colombia	5,304	6,409	8.2%	4.8%
Chile	4,712	5,448	7.3%	3.7%
Argentina	4,328	4,920	6.7%	3.3%
Peru	2,930	3,933	4.5%	7.6%
Uruguay	291	280	0.4%	-1.0%
The rest of Latin America	6,622	7,812	10.2%	4.2%
<b>Total general</b>	<b>64,889</b>	<b>78,345</b>	<b>100.0%</b>	<b>4.8%</b>

Facing the future

## SONDA pillars



Both acquiring or investing in new companies and expanding our current businesses are equally important for our company. Organic growth enables us to consolidate and increase our experience within SONDA's current businesses, providing room for innovation and continuous improvement. Inorganic growth enables us to generate scale, introduce new business and customers and broaden the range of services we can provide.



### Project replicability

Implementing a huge integration project is a complex process that requires significant investments. Nevertheless, the ability to replicate these projects and adapt them to our customer's requirements results in efficiencies and economies of scale for both our customers and for SONDA.



### Integrated service network

Our company has a unique ability to deliver IT services throughout the region, due to our regional scope and matrix structure. This allows us to deliver certified solutions to a high standard in over 3,000 cities.



### Scalable solutions and services

The solutions and services that we provide to our customers can easily be scaled up, so we can naturally expand our business without major setbacks, by mitigating the risks usually involved in these processes. Our current computing infrastructure is managed by a network of first class professionals who guarantee that customer growth can be managed in a timely and orderly manner.



### Robust corporate governance

Our Board currently consists of nine members and six of them are independent. Three independent directors form the Directors' Committee. Furthermore, we have an Executive Committee composed of senior executives and one board member that support the company's management in various areas.



### Processes and tools

We have certified and mature processes that enable us to appropriately address changing business requirements. We also use the most advanced IT tools on the market, so that we can always respond to our customers in a reliable, agile, effective and timely manner.



### Unique and recognized brand

We have been consolidating our leadership position throughout our 43 year history, which has enabled SONDA to maintain an undisputed leadership position in the Chilean IT services market. We are now recognized in various regional markets as one of the most respected multi-Latin American companies, and the leading IT services company of Latin American origin.

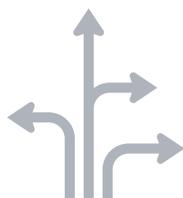


## Experience and service vocation

Our employees have extensive experience of the information technology industry, having successfully completed hundreds of systems integration projects, many of which were highly complex and had a substantial impact. Our employee's service vocation has been cultivated throughout our 43 year history, and is recognized and valued by our customers, in particular their cast iron commitment. Our customer's success is also ours.

Facing the future

## Investment plans



The initial public offering and an ambitious three-year investment plan for 2007 have enabled us to consolidate the regional expansion process started in the 1980s.

Our first investment plan generated a three year growth commitment to our shareholders and the market, which enabled us to strengthen our leadership and regional market penetration, amplify our range of services and increase our customer base.

We have now executed three investment plans, and we are currently implementing the fourth.

### 2007-2009: US\$ 350 million plan

This plan covered a total investment of US\$ 350 million for the period 2007 to 2009, with the purpose of identifying growth opportunities in Chile, Colombia, Brazil and Mexico. Financing was provided by SONDA's IPO, which took place on Santiago's stock exchange and raised US\$ 213 million. SONDA planned to invest US\$ 200 million acquiring companies, while the remaining US\$ 150 million was allocated to replacing investments and developing new projects.

This first plan finalized with the acquisition of Red Colombia and Procwork (Brazil).

### 2010-2012: US\$ 500 million plan

The second plan involved an investment of close to US\$ 500 million between 2010 and 2012. It was financed by issuing debt on the local market for a total of US\$ 150 million, and the remaining finance came from internally generated company profits. The objective of this plan was to integrate projects across Latin America, strengthen SONDA's position in Brazil, develop value added business segments in the region, and acquire companies in Mexico, Brazil and Colombia.

Throughout these years, acquisitions represented 64% of the final investment, while the remaining 36% drove SONDA's organic growth.

Five companies were acquired in Brazil: Telsinc, Kaizen, Softeam, Pars and Elucid. The latter two companies have strengthened our position in the competitive Brazilian market by diversifying the sales mix in areas such as specialized software in engineering, architecture and geographical information systems, by providing software and application solutions to service companies and by adding an attractive customer portfolio.

In Chile, the acquisition of Quintec boosted local sales and expanded our presence in the Colombian and Argentine Markets.

The acquisition of Nextira One strengthened our company's position in Mexico, and expanded our range of services by incorporating visualization, communication and cloud computing services and solutions.

In Argentina, the acquisition of Ceitech expanded our geographical coverage and increased our portfolio of solutions and services.

In addition to these acquisitions, the plan included investments in organic growth, such as the construction of two high-tech data centers in Chile and Brazil, new offices in Brazil and implementing the public transport tariff collection system in Panama.

## 2013-2015: US\$ 700 million plan

The third plan covered the period 2013 to 2015 with an investment of close to US\$ 700 million, which was aligned with expectations for IT expenditure growth in the region. It complemented and reinforced the initiatives and acquisitions executed during the previous investment plans, to become the main driver of SONDA's growth and consolidation strategy as a regional leader.

This plan was executed in a complex macroeconomic context where local currencies were depreciating against the US dollar. US\$ 500 million was channeled into new business acquisitions, and the remaining US\$ 200 million funded organic growth within the company, with an emphasis on Brazil, Mexico and Colombia. The plan was partly financed through issuing 100,000,000 shares of equal nominal value, which were placed in January 2013 and succeeded in raising US\$ 301 million. This source of financing was complemented by the company's own internal resources.

The most important highlight within this three-year plan was the acquisition of the Brazilian company CTIS in May 2014, a strategic acquisition that positioned our company among the four most important IT service companies in Brazil. We also strengthened services, expanded the customer base, extended geographical coverage and increased our presence into new economic sectors.

Significant progress was made in 2015 integrating CTIS into our existing operations in Brazil. In particular, a nine month process resulted in integrating the Back Office services for both organizations into a single shared services department (Centro de Serviços Compartilhados) responsible for attending the requirements of both companies.

## 2016-2018: US\$ 790 million plan

SONDA's fourth investment plan began in 2016 and will continue until 2018. It has enabled us to consolidate our growth with profitability strategy, while maintaining a healthy financial position and taking advantage of the growth opportunities within the regional IT industry. The investment plan for this three year period totals US\$ 790 million, with US\$ 250 million dedicated to organic growth and US\$ 540 million for acquisitions.

The investment dedicated to organic growth aims to develop and deepen initiatives designed to strengthen our operations through investing in large systems integration and outsourcing contracts, bringing innovation to our services, verticalizing and innovating our services, consolidating regional competence centers (RCC), and expanding and consolidating our data center network in Latin America.

The M&A strategy aims to consolidate SONDA's growth in the region with an emphasis on the major markets, by incorporating innovative and complementary IT solutions, penetrating key vertical markets that provide growth opportunities, and looking for companies with an attractive customer base.

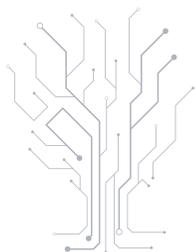
The Brazilian company Ativas was acquired in 2016, which focuses on providing data center and cloud computing services, and owns the only world-class data center in Belo Horizonte, Minas Gerais State. The investment was R\$ 114 million, which is approximately US\$ 35 million, for a 60% stake. The remaining 40% is held by Cemig Telecom and Ativas Participações, which are two of the largest business groups in Minas Gerais State.

We announced the acquisition of Compufacil Group in 2017, a leading provider of IT Services in Colombia. It covers the major cities and has achieved recognized prestige in the market for IT services and solutions, with a special focus on end user support, data centers and outsourcing. The total investment was US\$14 million. Compufácil Group achieved revenues of 116 billion Colombian pesos during 2016, equivalent to approximately US\$39 million.

Both investments were financed with our own resources and financial debt.

Integrated Report 2017

# Sustainability at SONDA in 2017



We are a full-service provider of information technology solutions. We participate in three business segments: IT services, applications and platforms.

## Sustainability at SONDA in 2017:

- [The Chairman's Vision](#)
- [SONDA from a sustainability perspective](#)
- [Digital transformation for development](#)
- [Sustainability in the business](#)
- [Relevant aspects in sustainability](#)
- [Appendices](#)

Sustainability at SONDA in 2017

## The Chairman's Vision



**Mario Pavón  
Robinson**  
Chairman

Since SONDA's foundation in 1974, we have been concerned with the fundamental aspects of sustainability. In fact, our mission is to add value for our customers through the improved use of information technology (IT), which drives us to provide services and solutions that increase their productivity and the quality of their processes and products, thus we have always collaborated with reducing the environmental impact of their businesses. Along with that, our company is committed to inclusion and respect for all staff, for that reason we have developed a management style that considers people at the center of our business regardless of their social origin, gender or academic background.

Our service vocation leads us to establish long term relationships with customers, daily motivating us to cultivate close relationships and respect for their business culture; the same vocation and motivation applies to our suppliers and commercial partners.

We have also developed a reputation for transparency based on robust corporate governance, with a genuine concern for our stakeholders, where an essential requirement is providing timely and reliable information to the market. In fact, SONDA is usually the first or one of the first companies listed on the Santiago stock exchange to report its quarterly and annual financial results. Throughout these years, we have been adapting this intuitive and value-oriented vocation for sustainability, by aligning ourselves with the requirements and standards that the principles of sustainability increasingly impose on modern companies.

This is the SONDA approach to achieving our mission of adding value for our customers and society, by emphasizing respect for people and their dignity, by ensuring that all staff are comprehensively developed, and by promoting an intense service culture, while always fulfilling the company's strategic objectives and our responsibilities to shareholders.

From the very beginning, a pillar of our business approach has been to value integrity, which translates into a commitment to develop local economies using strict ethical practices, based on absolute principles such as honesty, respect for laws, standards and contracts, transparency, human rights and free competition. Therefore, we have developed various tools that complement our cultural values, such as a Code of Ethics, which is available on our web site ([www.sonda.com](http://www.sonda.com)) and applies to all SONDA staff. We even encourage our suppliers to observe and practice the Code of Ethics. We have also developed a Handling Sensitive Market Information Manual and we recently published our first Sustainability Report.

Innovation has been a key component of our growth, accordingly we have developed initiatives and procedures that promote and disseminate innovative practices within the company. Our Innovation Program encourages these capabilities within SONDA, but also promotes innovation within the innovation ecosystem where we operate integrating our customers, the academia and other related institutions. We have arranged presentations, seminars, workshops, competitions and co-innovation opportunities that aim to transform and positively change our society.

We continue to make progress with talent management, which is strategically important in our business. Therefore, we must be able to attract, train and retain those who will become the pillars of our organization, developing them to their full potential, so they can participate in building our future.

SONDA aims to play a critical role in the digital transformation processes that companies and institutions across the whole region are experiencing. Therefore, we actively participate in public, technical and academic discussions regarding key issues such as artificial intelligence, machine learning, big data, and others, which can leverage changes and progress on a scale never seen before.

## Short and medium-term strategic priorities

For a business to be sustainable over the medium and long-term, an inescapable requirement is to achieve adequate growth rates and profit margins.

We continue to incorporate staff that contribute from different cultures and nationalities, and we are addressing the challenge of reducing the gender gap and increasing the inclusion of people with disabilities. We are well aware of the tremendous value attached to mixed work teams that open up various perspectives and add value to our proposals, while giving opportunities to those who face situations that hinder normal participation in society.

Along with our customers, we will keep building long-term relationships, which requires us to become orchestrators of digital transformation strategies that enable them to grow and create new and improved businesses in emerging digital environments. This requires us to continually innovate, by creating services that effectively respond to the current and future digital requirements of companies and organizations in Latin America.

From an environmental perspective, we must continue to provide technological services and solutions that preserve the environment, while securing that our own business is sustainable particularly our data centers and large integration projects, which consume extensive amounts of energy.

We encourage our suppliers to respect their employees and strictly comply with labor legislation, and we try to transmit our corporate culture and values to all involved in SONDA's production cycle.

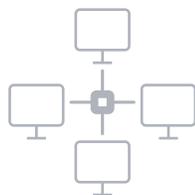
### Sustainability achievements in 2017

#### Sustainability highlights during the last year include:

- Publishing our first Sustainability Report.
- Joining the Dow Jones Sustainability Indices: Dow Jones Sustainability Index Chile 2018 and Dow Jones Sustainability Index Pacific Alliance 2017 (MILA).
- "Operational Excellence" award for our data center in Quilicura.
- SONDA Talks Seminar, where customers and partners were invited to reflect on digital transformation along with world-class experts on issues such as Big Data, Artificial Intelligence and the Internet of Things.
- The working climate survey was rolled-out to new countries such as Brazil and Colombia. In 2016 it only took place in Chile and Mexico. This helped it to reach 78% of all Company employees.

Sustainability at SONDA in 2017

# SONDA from a sustainability perspective



## What inspires us?

Our primary motivation is to create innovative technological solutions for our customers in Latin America, thus helping these companies to achieve greater development and well-being.

We are a full IT services and solutions supplier, participating in three business segments:

### IT services, applications and platforms

Our headquarter are located in Santiago (Chile) and we have operations in 10 Latin American countries: Chile, Brazil, Mexico, Argentina, Colombia, Costa Rica, Ecuador, Panama, Peru and Uruguay. In 2017 we joined the DJSI Chile 2018 and DJSI MILA 2017<sup>3</sup>.

### More information about SONDA:

- [Description of SONDA's business, markets, activities and services.](#) (See pages 6, 7, 24, 29 & 31)
- [Significant changes during 2017 in the size, structure or ownership of SONDA.](#) (See pages 4 & 40)

## SONDA joins the Dow Jones Sustainability Index 2017

Since last year SONDA has been a member of the Dow Jones Sustainability Index Chile 2018 and MILA 2017. Globally only 20 companies in the IT Services or Internet Services and Software sectors have joined any of the Dow Jones Sustainability Indices, which include reputable companies such as IBM, Accenture, Fujitsu, Capgemini, Atos, TCS, Visa and Teradata. SONDA is the only Chilean company from this sector, and the second in Latin America, to join these well-known indicators.

SONDA's highlight in the following categories: Customer Relationship Management, IT Security & System Availability and Codes of Business Conduct. In the latter categories, SONDA's performance were well above average and close to those of industry leaders.

## SONDA in numbers (2017)



2. The Dow Jones Sustainability Index Chile (DJSI Chile) is composed of companies that are sustainability leaders, according to their sustainability score measured by RobecoSAM based on its annual survey, whose shares form part of the IGPA Index on the Santiago Stock Exchange and whose market capitalization is over US\$ 100 million.
3. The Dow Jones Sustainability MILA Pacific Alliance Index measures the performance of companies considered to be best in class, who form part of the S&P MILA Pacific Alliance Composite and who comply with specific sustainability requirements in a superior manner compared to their peers within a given industry.

Sustainability at SONDA in 2017

# Digital transformation for development



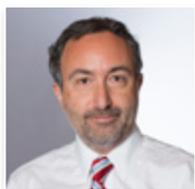
## The impact of digital transformation on society and people's daily lives

The steam engine took 100 years from its invention as an external combustion engine to being used as a means of transport; the television took 60 years to cover the entire planet and then 13 years to become profitable; Instagram attracted 18 million users in only 18 months; and SnapChat captured 100 million users in three years.

Each generation has managed its change processes: the 19th century was focused on industrialization, the 20th century on internationalization and now our challenge is integrated business digitalization, where the speed and magnitude of these changes are remarkable.

The four critical technological pillars that support any digital transformation process are: mobility, which enhances and increases online interaction; cloud computing, which provides greater flexibility, scalability and reduces the time-to-market; big data, which generates value from data ("the new oil," according to experts); and, finally, social networks, which provide new ways to connect and interact, both internally within companies, and between companies and their customers or their business partners or by empowering more personalized and targeted direct marketing campaigns, which are essential for the success of products and services associated with this new disruptive process.

We have reached an historic moment, where the digital society is radically transforming the manner in which knowledge and ideas are transmitted, how productive systems function, and how society itself works, which includes changes in the way that we learn, how we distribute work and how we interact.



**Alberto Merino**  
Vice President  
Latam Business  
Development

### "Digital transformation is causing significant changes to various sections of the economy and society"

Digital transformation is changing the demand for products and services, access to markets, and our daily lives. New ways to use technology to benefit organizations and people are being discovered and developed in all these areas. However, they present threats and opportunities that organizations have to overcome now, if they want to continue being relevant to their markets and areas of expertise.

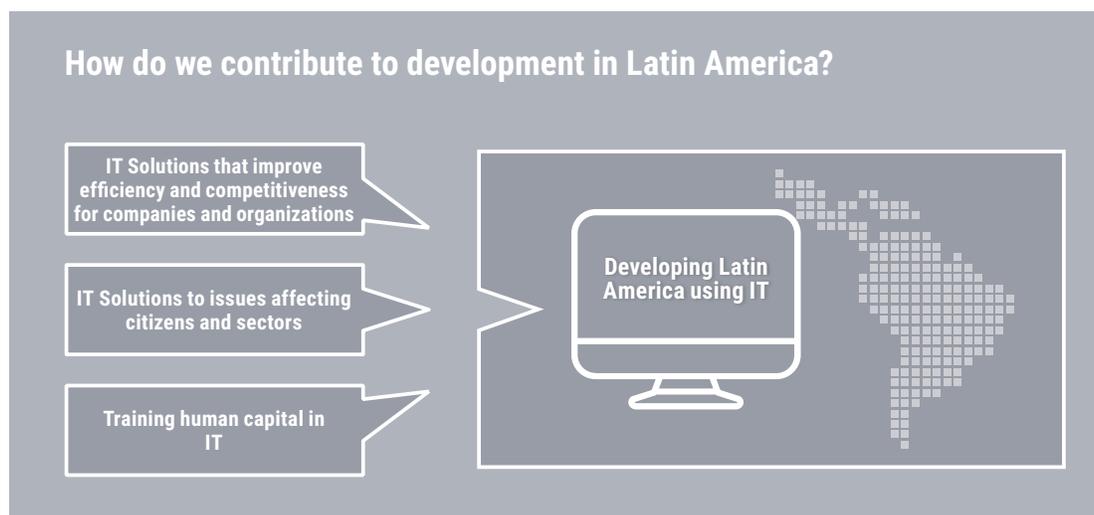
Mobility generates new business opportunities, such as performing banking transactions on my smartphone, checking the weather forecast, communicating with friends, or purchasing. Access to the Cloud accelerates the implementation of new initiatives, dramatically increasing the speed at which new services can be developed for the community or for consumers.

Social networks provide an unprecedented opportunity to achieve collaborative work, which improves teamwork within our organizations and with our suppliers, not forgetting our customers and consumers. The possibilities for people to learn or relate to each other have virtually no limits and this has never happened before in the history of mankind.

## Committed to Latin American development and progress through improving the use of IT

Since its inception, our company has been a crucial ingredient for our customers to achieve modernization and technological change. Deeply rooted in Latin America and operating in 10 countries across this region, we have developed high impact projects in both the public and private sectors throughout our history, which have benefited over 5,000 customers in over 3,000 cities.

Since our inception, we have developed projects that have improved efficiency and competitiveness for thousands of customers, including governmental organizations. We also provide solutions to problems in society and in productive and service sectors, which benefit millions of citizens. Some of our projects in the region include public transport solutions in Chile, Panama and El Salvador, livestock traceability projects in Uruguay and Colombia, video surveillance systems in Montevideo that help to prevent and combat crime. These solutions improve the quality of life of millions of Latin Americans.



### Improving efficiency and competitiveness for companies and organizations

SONDA is energized by the idea of being more than just a technological partner for our customers. We want to become a change agent for them and guide them throughout their digital transformation processes. We want to help them take advantage of the benefits provided by digitally transforming their processes, operations and organizations, together with improving their competitiveness and efficiency, in order to succeed in markets where digital disruption can present significant challenges.



#### Elektro - Brazil

We implemented a smart grid solution using smart meters for our customer Elektro, one of the largest electricity distributors in Brazil. This solution consisted of an integrated system that allowed both consumers and Elektro to remotely access detailed consumption information. It also provided higher quality information regarding maintenance, troubleshooting and fault repair, while detecting energy losses.



#### Banco BCI - Chile

SONDA provided field services for the bank across the entire services platform, which included MDA, managing equipment storage, and the problems associated with adding and removing branches, the technological renewal of computer equipment, managing hardware and software assets, automating the CA suite for the service desk, and other IT services.



### **Hospital Fundación Santa Fe - Colombia**

SONDA has been meeting technology requirements at the Santa Fe de Bogota Hospital Foundation for several years. We implemented the HIS-ISIS hospital software and the Grexco ERP, which are integrated with other operational applications at the hospital. We also provided a comprehensive IT outsourcing service, SOITI. These services will be replicated at the Serena del Mar Hospital in Cartagena, under an agreement between that institution and the Santa Fe Hospital.

## **Solutions to citizens and sectors issues**

Throughout the last 43 years our original inspiration has continued to guide our behavior. Therefore, we have played a significant role in developing major infrastructure projects in the region, which have had a positive effect on the quality of life of millions of Latin Americans, and contributed to regional development.



### **Public Transport - Chile, Panama**

SONDA provided a technological solution to Transantiago in Chile, which is a benchmark public transport project in Latin America. We provided electronic payment methods that integrated the tariffs for various modes of transport, together with a fleet management support system. This covered development services, supplying equipment, installation, commissioning and systems support. We process over 5 million electronic payment transactions every day and over 12 million GPS transactions every day.

We implemented our first substantial transport project outside Chile in Panama. We have worked on service continuity and expansion with an initial contract of 1,200 buses, which has now grown to over 1,500. We have also provided a financial management service for the Integrated Urban Public Transport System for the Panama Metropolitan Area, which comprises the Panama and San Miguelito districts.



### **Livestock Traceability - Uruguay**

Historically, livestock has been the main source of wealth in Uruguay, to the extent that their national coat of arms includes a cow to symbolize abundance. A foot-and-mouth epidemic in 2000 forced them to sacrifice thousands of animals and pull the country out of the meat market. However, in order to reintegrate into this global market, Uruguay implemented a surveillance and monitoring system for epizootic diseases based on compulsory individual traceability for each animal from birth to slaughter. It began with cattle, followed by sheep and other species. The technology implemented by SONDA is based on caravans with RFID technology, which not only introduced sanitary control, but also added value to Uruguayan beef by giving them access to markets with strict food quality requirements, and made Uruguay a world leader in animal traceability systems.



### **Civil Registry - Chile**

We implemented a system to issue identity cards and passports that uses the latest global quality and security technology, according to the ICAO standards. These documents can be read mechanically and incorporate biometric identity verification (AFIS) with a high quality picture.

In particular, SONDA built the first digital biometric database in Chile during this project, in order to introduce on-line identity checks.

The solution integrates the latest technologies and we developed the software for the central process and for over 400 work-stations throughout Chile that capture requests for these documents. Furthermore, 70 work-stations were installed at Chilean consulates around the world, which enabled requests to be captured with the same quality and security as in Chile. Mobile stations were also designed to capture requests in hospitals, schools, and other points.



### Citizen Safety - Uruguay

Few people lived in the historical quarter of Montevideo “La Ciudad Vieja” in 2013, which contained mostly banks, ministries, public offices, courts and law firms. The port that gave birth to the city is where tourists disembark from cruise ships in search of its famous market to eat the best meat in the world, beef roasted over firewood. However, the historical center of the city was an unsafe place, where tourists and traders were assaulted, banking customers walked the streets with fear, and at sunset the area was a no man’s land.

The Interior Ministry awarded SONDA a tender to install a saturation video surveillance system with 500 cameras, including real time monitoring and response. This project brought the area back to life, people came back to live there, real estate appreciated, and cultural activities awaked. The project was so successful that within five years of its implementation there were 4,500 cameras installed in various city districts and across the entire metropolitan area.



### Better Health - Mexico

SONDA formed an alliance with BESTEL, a leading provider of telecommunications services in Mexico, to win a multi-year contract for the second largest public health institution in the country, the State Social Security Services Institute (ISSSTE in Spanish) that required voice, data and online video communication for its 1,200 clinics and hospitals throughout the country. The objective was that medical services, the supply chain, the budget and expenditure control system and the payroll system, among others, will operate effectively and improve their response time for patients.

A service with a substantial impact for citizens was implementing a telemedicine system that gave patients rapid access to specialist diagnoses. The system was installed at 400 points across the country bringing medical services much closer to many communities. These were unprotected at that time, where the time taken to travel to a specialty clinic could make the difference between a speedy recovery and their condition deteriorating.



### EDUCAR - Argentina

The National School Connectivity Plan is being implemented by the Republic of Argentina to provide internet service to all public educational institutions. Within this plan SONDA is implementing a solution to provide equipment, logistics, and technological implementation and support services for all the components required to provide internet access to all the educational establishments in the geographical area covering Chaco, Corrientes, Entre Ríos, Formosa, Jujuy, Misiones and Santa Fe.



### Human Capital in IT

We are the principal Latin American IT Services Network and we are committed to the thousands of employees who belong to our organization. We understand our company’s guiding role in developing their talents, which will enable our region to travel the long road to the developed world. 79% of our employees are IT Professionals, which is equivalent to over 13,000 talented people dedicated to serving our customers across the region, whose service vocation and ability to deal with the various challenges presented to us in this digital transformation age are exemplary.

Sustainability at SONDA in 2017

## Sustainability in the Business



### Our perspective of sustainability

We understand the critical role that companies play in the development and well-being of countries and society. Therefore, we believe that sustainability is the ability of companies and countries to develop and meet their requirements, without compromising the ability of future generations to do the same. This leads us to seek a balance between financial growth, caring for the environment, and social welfare. A company or country can only be sustainable over the long term, when it has a genuine concern for all three pillars.

We believe that the specific role of sustainable companies is to lead and spread knowledge through their best practices, while caring for the environment and ensuring the wellbeing of their employees, customers and neighboring communities. They should also be able to innovate and adapt to the continuous changes required by our world. A sustainable company should always assess the added value of its business for its various stakeholders, regardless of whether they have a financial interest, because if it cannot create value for its stakeholders, then it probably has an inauspicious future.

Our company is immersed in the IT industry, which presents significant challenges, particularly in a continually changing environment driven by the new digital technologies that have emerged over recent decades. Technological drivers such as mobility, big data, cloud computing and social networks, are causing disruptive changes to business models, to how things are achieved, to how we relate, so we need to be prepared to effectively respond to such forthcoming challenges.

We are a company composed of thousands of people. Our employees are motivated and committed and have a high service vocation. They have those talents required by each country to implement flagship projects across the region, and have provided technological solutions that exceed the expectations of over 5,000 customers in Latin America. This has been achieved through a genuine concern for one of our corporate pillars: People and their well-being.

SONDA is responsible for the environment. In fact, we add value and strengthen policies and initiatives that protect the environment using our technological solutions, in order to help our customers reduce their environmental impact by making their businesses more efficient. In parallel, our behavior complies with the highest standards of governance and ethics, and we are constantly innovating and reinventing new ways of doing things.

Finally, we have never forgotten the original inspiration that has guided us since SONDA was incorporated in 1974: "Improve the quality of life of millions of Latin Americans using IT, so contributing to Latin America's development". We were born for this, and we continue to strive for it every day, it is what drives us and fires our passion.



### Supply chain

SONDA provides a wide range of IT solutions and services that add value to our customer's businesses, as they progress through the various stages of information technology absorption. This begins with setting out their business strategy, continuing with designing solutions, acquiring infrastructure, integrating systems, through to operations and maintenance.

Our supply chain contains critical service suppliers, such as technical agents, communications and connection experts, IT consultants and software developers, among others. The most important consumables are spare parts for equipment, hardware and software, and management and monitoring tools.

We use processes based on standards and best practices that we have adopted, to identify our supply chain risks and assess their potential impact. We also systematically evaluate supplier behavior, in order to identify any risks that may affect the fulfillment of our business plan or the quality of goods and services supplied to our customers.

## Awards and recognition



### SONDA S.A.

- Joining the DJSI Chile 2018 and DJSI MILA 2017 indices.



### SONDA Chile

- "2016 Outstanding External Collaborator", granted by the bank BCI, which recognizes SONDA's commitment to providing services.
- Cisco Systems rewarded SONDA for implementing the best Cisco One project.
- HP Inc rewarded SONDA for the greatest volume of Work-Station sales.



### SONDA Mexico

- At the CISCO "Partner Summit 2017" SONDA was awarded "Partner of the Year" for its capabilities and purchase volumes; "Data Center" as best performing partner with these solutions; "Enterprise Networking" as the best partner for network solutions and services.



### SONDA Colombia

- "2016 Highest Sales Growth", awarded by HP Inc.
- "Gold Partner" by HPE; "Platinum Partner" by HP Inc; "Premier" by VMWare and "Dell Platinum Partner".



### SONDA Peru

- "Partner with highest personal computer sales", awarded by HP Inc.
- "Partner with largest number of personal computers at final customers leased through HPFS", awarded by HP Inc.
- "Gold partner application development", awarded by Microsoft, which recognizes best practice using Microsoft tools.



### SONDA Argentina / Uruguay

- "HPE Argentina Partner Awards 2017", which recognizes our innovation and growth, winning the first hyperconverge solution in the country, and being the fastest growing sales channel.
- "Gorosito" awarded to the SAP team at YPF for their contribution to the best project in 2016, which was the Bill Digitalization project.
- New Projects Partner Award of the Year", awarded by VMware in Las Vegas for our 2016 results.

Sustainability at SONDA in 2017

## Relevant aspects in **sustainability**



We have developed a strategic process that selects the topics with the greatest relevance for SONDA's sustainability. This was led by senior management and considered the expectations of our stakeholders, the challenges and guidelines for the information technology sector, and the values, policies and development priorities for the company.

- **Strategic innovation**
  - Strategic innovation
- **Customers**
  - Commitment and excellence for our customers
  - Information security
  - Service continuity
- **Employees**
  - Regional and diverse company
  - Human capital and talent development
- **The Environment**
  - Energy efficiency and climate change
  - Electronic waste
- **Corporate governance and ethics**
  - Corporate Governance
  - Ethics and transparency
  - Stakeholder engagement

Sustainability at SONDA in 2017 / Relevant aspects in sustainability

# Strategic innovation



## Strategic innovation

### Why is it important?

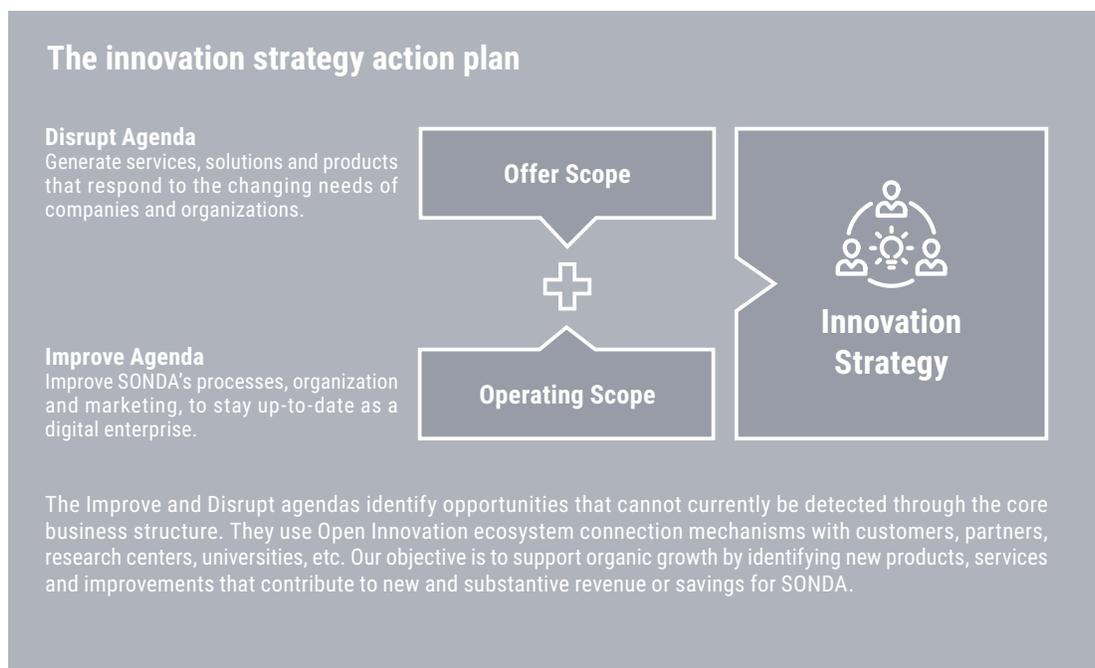
Continual technological innovation has been a key factor in the evolution, growth and success of SONDA and a driver that persistently challenges us to renew our services, solutions and business processes for the benefit of our customers. It promises to differentiate them from their competitors, as it can secure significant competitive advantages. Therefore, we appreciate the knowledge that we find both within and outside the company and fertilize the latent innovation at the base of the organization, in order to construct a model that reflects years of work and experience, reinforcing behaviors such as effort, perseverance, resilience and self-motivation. Innovation enables us to find new solutions. We welcome techniques that train the organization to dare to experiment without fear of making mistakes, because we see innovation as a learning process that is necessary to achieve success. An organization that does not dare to innovate, is condemned to disappear.

### Context

Technological change, the power of networks and globalization have given way to emerging new business relationships that are based on new value solutions, new business models or new ways of doing things. We are faced with complex problems where multiple audiences and disciplines interact, therefore, we must find solutions considering the stakeholders involved. As a Company, we no longer compete based on our abilities, but also through our collaboration systems and networks.

### How do we manage this issue?

SONDA's innovation model has developed from market demand. We designed an innovation strategy in 2014, which has since undergone several improvement processes. The 2017 - 2018 plan is focused on reinforcing and intensifying innovation, both within and outside the company, by improving alignment between the value offer (Disrupt Agenda) and new performance targets (Improve Agenda), with organic growth challenges proposed for the period 2018 - 2021.



## Organization and responsibilities

Strategic decisions are channeled through the Innovation Board, led by the SONDA Corporate CEO. The Board's role is to ensure that initiatives are aligned with Management's objectives, and provide political sponsorship and program management.

The program is implemented by the Innovation Division with a corporate scope, and directly reports to the General Management Division.

Strategic innovation planning is undertaken by all business units, who also incubate and prototype their initiatives. There are innovation leaders in every company department, who monitor compliance with the goals, foci and challenges defined by the Innovation Board, in conjunction with SONDA's business unit managers.

## Action Plans

We are implementing a selection of our own tools using advanced Open Corporate Innovation techniques, which can potentially affect our organization and the business over the short and medium-term.

We are building new relationships that may identify opportunities to address digital transformation processes.

### Tools that build and capture value

#### Collective vision construction

- Connects SONDA's vision with the company's core or with the exterior ecosystem.

#### SONDA Innovation Days

- Innovate collaboratively with customers, by exploring business and market drivers.

#### SONDA Labs

*Fin Lab / Health Lab / Retail Lab*

- Stimulate prototypes for initiatives that explore the application of disruptive technologies to banking, retail and health.

#### SONDA Talks

- Transfer best innovation practices and new disruptive technologies to employees, through presentations by industry experts in innovation and disruptive business models.

#### SONDA DDX

*Digital Disruptive Experiences*

- Bring digital transformation players from banking, retail, transport and health industries closer to the business units.

#### SONDA Game Changers

- Explore new portfolios by identifying changes in SONDA's operational models, technologies and business models.

## Monitoring and results

We measure the ISC (Innovation Scorecard©) index every year, which evaluates an organization's<sup>4</sup> innovation profile. We achieved our best result in 2017, putting us in the "Innovation Leaders" category, with an ISC score of 22.2, far above our score for 2016 of 9.5 and score for 2015 of 3.5. These last two scores put us in the "Innovative" category.

### Offering Framework

- 6% of the innovation projects was related with the customer experience.
- 19% of the innovation projects was related with products.

### Operating Framework

- 75% operating improvement in SONDA.

- 1.0% of revenues represents the investment in innovation within SONDA.
- **US\$900 mil** thousand totaled the investment in innovation that was financed by CORFO (Corporación de Fomento de la Producción).
- **+ de 2,000** ideas.
- **12% of the ideas were incubated** (over the benchmark of 8% in the Chilean ecosystem).
- **+60%** of employees have participated in the innovation program.



Through **innovation and technology**, we are committed with **the challenges of Latinamerica.**

<sup>4</sup>. It is based on six dimensions: Competitive pressure to innovate, Strategic vision and impact on the business, Structure and organization to innovate, Human profile to innovate, Internal processes to innovate, and Internal climate to innovate.



Sustainability at SONDA in 2017 / Relevant aspects in sustainability

## Customers



We want to be the best digital transformation partner for our customers. We use our innovation experience and vision to identify appropriate solutions to resolve the current and future challenges facing organizations, and contribute IT solutions that add value to their business.



Sustainability at SONDA in 2017 / Relevant aspects in sustainability

## Commitment and excellence for our customers



### Why is it important?

Our mission is focused on adding value for our customers through the best use of information technology. Technology is currently advancing in an overwhelming manner, revolutionizing how markets operate, generating new industries, redefining business models and forming new ways to interact and relate. Therefore, it is essential that we help our customers to benefit from the technologies that are driving digital transformation, which are mobility, big data, cloud computing and social networks. Our customers are as important as our employees, without them our company would not exist. Therefore, we build long-term and close customer-focused relationships, in order to provide technological solutions that meet their requirements, and consistently provide high quality products and services. We currently operate in 10 countries across Latin America, and provide our services to over 5,000 customers in over 3,000 cities.

We want to build close links to our customers, through a combination of IT services, technological infrastructure and business applications. Therefore, we have specialized in specific productive and service sectors, and offer high value-added solutions in various sectors of the economy, such as trade, financial services, government institutions, manufacturing, telecommunications, utilities, energy and mining.

### Context

We have addressed great challenges facing the organization in 2017, within an increasingly dynamic environment, where political, economic, social and technological changes occur in ever shorter cycles. Technology is changing humanity and society, and digital transformation is disrupting our customers in Latin America. (More information can be found on page 45)

Our customers are aware that such changes are already threatening their business or are providing opportunities for new products, services, processes or improvements.

### How do we manage this issue?

Our commercial relationship with customers is led by executives in every country. We focus on the principal public and private companies in each country, and we have developed a Corporate Quality Strategy, to ensure that we deliver high quality services and customer experience. This strategy sets the guidelines that define an appropriate service attitude (service dedication) and service suitability (service technique).

Business relationships with customers develop mainly through service and project contracts, which aim to become long-term relationships, in the majority of cases. Every business unit in each country has sufficient professionals and specialists to develop projects and provide services. They ensure compliance with agreed objectives and service level agreements (SLAs), and most importantly, they use technological solutions to solve our customer's business problems.

We have several management systems in each country that ensure service quality. The Panama office was awarded certified compliance with QMS ISO 9001:2015. In fact, all countries changed their version of ISO 9001 between 2008 and 2015. The Information Security Management System in Mexico was awarded certified compliance with ISO 27001:2013.



## SONDA's Certifications

Modelo	Argentina	Brazil	Chile	Colombia	Costa Rica	Ecuador	Mexico	Panama	Peru	Uruguay
ISO 9001	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ISO 20000-1	●	✓	✓	✓	●	●	✓		✓	✓
ISO 27001		✓	✓	✓			✓		●	✓
ISO 22301 (sólo en PCN)	●	✓	✓	✓	●	●	✓	●	✓	✓
ISO 14001		●	✓	✓		✓	●		●	
OHSAS 18001		●	✓	✓		✓	●		●	
CISCO Resale Gold	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SAP (Hosting)			✓	✓		✓				
AT 801; I y II			✓							
ISAE 3402; I y II		✓	✓							
SMETA (R. Social)			✓							
CMMi, nivel 3			✓							

Certified   
 In certification process   
 Implemented

### Glossary

- SONDA's IMS** integrates three standard models (ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007) across the whole of SONDA. Briefly, the purpose of the good quality practices in ISO 9001 is to achieve satisfied customers and efficiently use resources (profitability); the purpose of the good environmental practices in ISO 14001 is production that does not harm the environment; and the purpose of the good Occupational Health and Safety practices in OHSAS 18001 is production that does not harm people. ISO 22301: Business continuity management system.
- AT 801:** Attestation audit. Reports on a service organization's controls. It was approved by the National Council of the Colegio de Contadores de Chile A.G. (Chilean Institute of Accountants) on July 21, 2011.
- ISAE 3402:** International Standard on Assurance Engagements. This standard replaces the Statement on Auditing Standards 70 (SAS 70), Service Organizations, which was published by the International Auditing and Assurance Standards Board (IAASB) in December 2009, to standardize the requirements and use of reports from service organizations. This was supported by the IFAC (International Federation of Accountants), who agreed that the new standard should be adopted for all reporting on reviews that were completed on or after June 15, 2011, and replace the previous standards. Therefore, we have been unable to issue reports under the SAS 70 standard or similar since this date.
- SMETA:** Sedex Members Ethical Trade Audit. Sedex is an on-line platform that enables companies to publish information on ethical and responsible business practices. SMETA requirements are based on the ETI (Ethical Trade) code and other aspects such as the environment.



## Monitoring and results

Customer performance and management improvements are evaluated using established indicators and the fulfillment of objectives, which include:

- **Fulfillment of sales plans.**
- **Contract renewal rates.**
- **Capture of new customers.**
- **Meeting service level agreements (SLAs) specified in contracts.**
- **Results of the Customer Satisfaction Survey (NPS) carried out in all countries.**

Customer satisfaction is measured using the NPS survey, which separates customers into three categories: Promoters, Passives and Detractors. The index can be between -100% and +100%. If the index is positive, it means that promoters outweigh the

detractors, and if it is negative, it indicates that detractors outweigh the promoters. We obtained a positive NPS in 2017 once again. Our score has improved by 23% since we began this measurement in 2014. These results are analyzed in each country and an Improvement Plan is prepared.

Our performance is constantly evaluated by our customers. They require compliance in areas such as corporate governance, ethics, employment, the environment, and occupational health and safety. Many of our customers ask us to comply with their Code of Ethics<sup>5</sup>, Code of Conduct<sup>6</sup> and anti-bribery agreements.

SONDA has achieved certified compliance with standards that address quality, information security, and service continuity, as these have been requested by our customers and are particularly important when they have outsourced critical services to our company. Businesses that require these certifications come from various sectors in each country, such as banking, mining, oil, telecommunications, government, etc.

	2015	2016	2017
<b>Complaints rates</b>			
Percentage of complaints compared to total service orders	0.11%	0.14%	0.04%
<b>Service quality</b>			
Percentage of calls to help desks answered as is stated in SLA	93.8%	96.9%	92.0%

<sup>5</sup> Walmart, Coppel, Nestle, Geep, Danone, T Systems, Chrysler, Fedex

<sup>6</sup> Microsoft, Dell EMC, Cisco, Ingram Micro, HP Enterprise, Compusoluciones



Sustainability at SONDA in 2017 / Relevant aspects in sustainability

## Information security



### Why is it important?

Information security is also called cyber-security, and it concerns every industry that is critically reliant on IT, such as retail, banks, airlines, transport, etc. Obviously, the intensity of current connectivity requires systems to be safeguarded against risks.

### Context

Mobility, hybrid clouds, big data, internet of things, and open standards have opened several new doors to cyber attacks. Surveys<sup>7</sup> indicate that companies within almost every productive sector have been subject to these attacks and security breaches. Financial institutions are the most attacked (24%), followed by health (15%), the public sector (12%) and the tourism industry (10%). The most common medium and high risk vulnerabilities can be found in customer facing web applications. The medium and high risk issues are web application development (24.7%), including any API, services and resources.

### How do we manage this issue?

SONDA has the necessary skills and a comprehensive portfolio of security solutions to provide the integrated support required by companies, and efficiently protect your data and IT assets. We have the processes, technology and people that can deal with this challenge. We have defined a Corporate Information Security Policy, Information Security Objectives, and an Information Security Management Systems (ISMS) Manual.

All our services are certified to the ISO 27,001:2013<sup>8</sup> standard, which ensures that all our IT services adequately address information security issues. We have also developed a Security Operations Center (SOC) based in Colombia, where we can monitor the security of our customers' systems, detect any hacking attempt, virus or other attack, and obviously prevent such attacks from succeeding.

We have software and systems that can generate and distribute warnings, eliminate new viruses and stop malware, by reacting within a few minutes. These systems are managed through our regional data center network.

We have a highly trained team and a network of Information Security experts in each country, who can implement these processes and operate the associated technological systems. The skills required by this team are constantly kept up-to-date.

### Monitoring and results

We conduct universal internal audits on our management systems, as well as corresponding external audits, in order to monitor this issue. Furthermore, we perform external audits to AT-205, ISAE 3402 and other standards, in accordance with the requirements published by the market regulators of the Chilean banking sector, which are the Superintendent of Banks and Financial Institutions (SBIF) and the Association of Banks and Financial Institutions (ABIF).

<sup>7</sup> Security vulnerabilities in the finance sector increase by over 400% since 2013: <https://www.nccgroup.trust/uk/about-us/newsroom-and-events/press-releases/2017/september/security-vulnerabilities-in-the-finance-sector-increase-by-over-400-since-2013/> How long since you took a hard look at your cybersecurity? [http://www.verizonenterprise.com/resources/reports/rp\\_DBIR\\_2017\\_Report\\_en\\_xg.pdf](http://www.verizonenterprise.com/resources/reports/rp_DBIR_2017_Report_en_xg.pdf)

<sup>8</sup> ISO 27001: Information Security Management System.

## Information security

	2015	2016	2017
<b>Lost customer data cases</b>			
Number of customer cases with privacy or data problems	0	0	0
<b>Complaints of privacy or customer data losses</b>			
Number of customer complaints for privacy or lost data issues	0	0	0
<b>Complaints of privacy or data losses</b>			
Number of authority/regulator complaints for privacy or lost data issues	0	0	0

Sustainability at SONDA in 2017 / Relevant aspects in sustainability

## Service continuity



### Why is it important?

SONDA provides IT services to customers across a whole range of industries, but they all have one thing in common, which is the criticality of their business system's availability. Therefore, SONDA is equipped with high availability data centers, and more importantly with practices that furnish IT services to the highest standards. The purpose is to be prepared for challenging scenarios or "catastrophes", and restore services within a reasonable period.

### How do we manage this issue?

We have a Continuity Policy that ensures operational and business continuity within the services that we provide to our customers. We define service levels based on critical business processes, in order to minimize operational down-time.

We have also designed a Business Continuity Plan (BCP), based on the ISO 22301 standard (Business Continuity System) that focuses on business critical processes. The BCP is designed to avoid incidents that could affect our critical operations. Several years ago we began training our staff to certified ITIL<sup>9</sup> (IT Infrastructure Library) standards and these standards have now been incorporated into the ISO standard for service processes in ISO 20000-1.

### Monitoring and results

The plan is audited twice a year, by both internal and external auditors. The latter certify the model and compliance with ISO 22301.

We also test the BCP every year, as required by ISO 22301. These tests ensure that staff involved in each phase clearly understand what they need to do in the event of a contingency. We also measure service availability using a Service Availability index, which measures available time as a proportion of total time.

The continuity process is assessed using performance indicators based on critical processes and continuity risk analysis. Controls have been prepared to mitigate these risks, reduce their impact, and a testing schedule has been prepared. Good results were achieved in 2017 during natural disasters, as the business continuity plan was activated and we minimized the time taken to restore services.

We achieved a service availability index of 100% during 2017.

	2015	2016	2017
<b>Service availability</b>			
Percentage of time that services were available compared to total time	99.4%	99.6%	100%
<b>Availability Complaints</b>			
Number of complaints for failures in system availability	13	14	1
<b>Uptime components</b>			
$(1 - ((T_d - T_m) / T_a)) * 100\%$			
Td: Downtime during the period.			
Tm: Scheduled maintenance time during the period.			
Ta: Agreed service times during the period.			
	100%	99.5%	98%

<sup>9</sup> ITIL: means IT Infrastructure Library, which is the frame of reference that describes best practices and recommendations to correctly manage IT services, with a focus on process management.



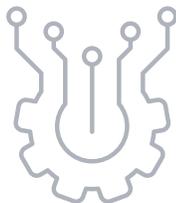
Sustainability at SONDA in 2017 / Relevant aspects in sustainability

# Employees



Our staff make the difference. We employ people who are committed, enthusiastic and passionate, who want to add value for our customers.

Sustainability at SONDA in 2017 / Relevant aspects in sustainability  
**Regional and diverse company**



### Regional company

#### Why is it important?

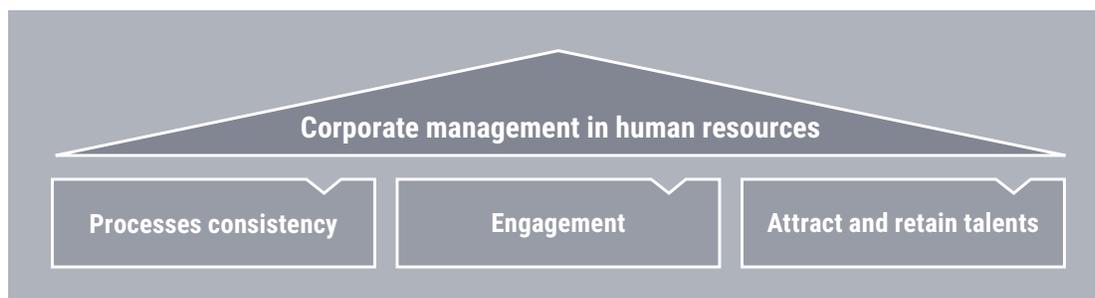
We are a regional company headquartered in Chile that has expanded to nine other countries within Latin America over the last few years. We have 17,062 employees whom we both develop and challenge, in order to use their potential and commitment to add value for our customers.

Our largest offices are in Brazil and Chile with 8,544 and 3,571 staff, respectively. These are followed by 2,043 in Colombia, 1,395 in Mexico, and 1,509 in the rest of Latin America.

#### How do we manage this issue?

The company's growth has presented a significant challenge for all staff. We have made progress in aligning objectives, standards and best practices, while respecting the culture of each country.

Human resource management uses a model that focuses on process consistency, employee commitment, and attracting and retaining key human capital for the company.



This model has been gradually implemented throughout the organization. An example is the performance management cycle, which in 2017 covered employees in every country. The Talent Management process has reached a consolidation and expansion phase into Peru, Ecuador, Costa Rica and Panama.

#### Monitoring and results

SONDA manages its organizational climate and culture using a "Climate and Commitment Model" for Chile, Brazil, Mexico and Colombia. These countries have already conducted an assessment using the "Climate and Commitment Survey", which measures employee perception of processes, leadership, development, decision-making authority, and their understanding of strategy and communication.

Each manager is evaluated by their direct reports using this survey. Also, improving the working climate has been established as a performance objective for every manager.

The company achieved an increase of 3% in the employee commitment index, with respect to 2016. It also achieved an increase of 5% in the climate index. This is the result of organizational climate initiatives that have become fundamental techniques to manage teams at work.



## Diversity

### Why is it important?

The SONDA Code of Ethics specifically refers to respect for diversity and non-discrimination. We do not accept any prejudice in connection with ethnic origin, place of birth, religion, political preference, sexual orientation, gender or disability. Various initiatives have been developed in each country that preserve professional growth free of all forms of discrimination.

### How do we manage this issue?

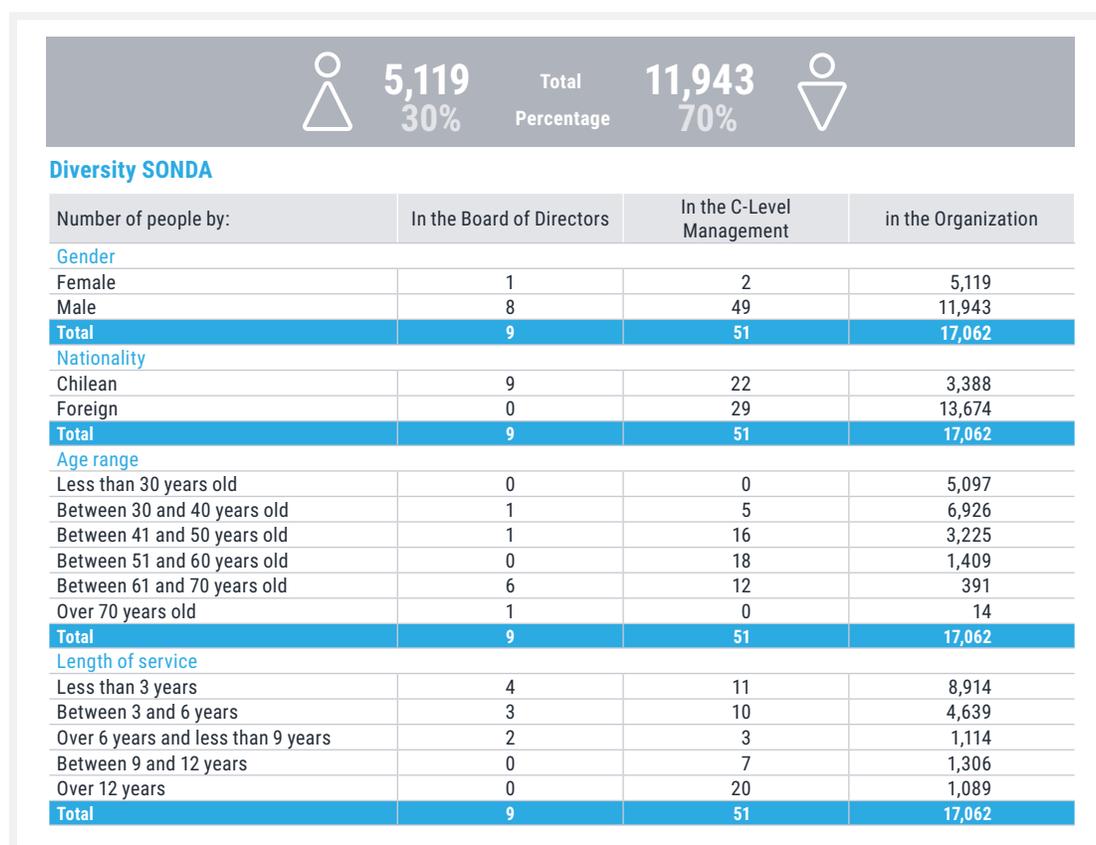
We promote equal conditions and transparency in all our professional development processes. Our vacancies may be occupied by either internal or external candidates, under equal terms and conditions. We want to open up access to employment opportunities on equal terms for those who comply with the job profile and have the necessary potential.

We continuously communicate the opportunities for development and growth within the company, by providing clear and timely information to all staff, to ensure that all share the same access and understanding. Our purpose is to ensure that people with the appropriate skills and commitment find a place to grow within SONDA.

### Monitoring and results

We have clear policies and procedures that strengthen the spirit diversity encouraged by our company. The role of our representatives and specialists in managing Human Resources issues is very important, as they proactively advise and correct situations that may alter the spirit of diversity and openness that we encourage.

Our employees have a broad range of experience and knowledge and they represent various generations, profiles, specialties, careers, etc. Diversity is one of our company's hallmarks. We measure the gender wage gap, and in 2017 we achieved a significant improvement towards closing the gap between the salaries received by women compared to men in the same position. We decreased the gap by 3.1% for professional, technical and administrative staff, and by 6.1% for executives and managers.



### Salary gap

Difference (%) between the average salary for women compared to men in each category.

	2015	2016	2017
Senior Executives and Managers	-23.0%	-28.3%	-22.1%
Professionals, Technicians and Administrative staf	-24.2%	-24.4%	-21.3%



Sustainability at SONDA in 2017 / Relevant aspects in sustainability

## Human capital and talent development



### Why is it important?

The challenges and dynamism of our business requires people with key capabilities, who can deal with the speed, flexibility and adaptability that characterizes this business and IT. Younger generations have grown up in a society where they have been exposed to technology from an early age, which has enabled them to understand and skillfully handle these issues. Therefore, our aim is to provide an attractive place for them to work and professionally develop.

### How do we manage this issue?

We conduct a performance evaluation process every year in all countries, which measures how each employee contributes to achieving our corporate objectives. The process is based on a close relationship between the manager and each employee, in order to facilitate appropriate and systematic feedback between the two, with the aim of encouraging each person to manage their own development and knowledge. We want every SONDA employee to take responsibility for managing their own career.

The process starts with the SONDA Board defining its corporate goals. This information is cascaded down by managers, in order to align the entire organization. Subsequently, the manager and his team define individual performance objectives, based on the strategic objectives of the company and specific departmental objectives. The expectations regarding the skills required to achieve these objectives are defined within this phase. The manager and the employee review progress at the end of the first semester and make any appropriate adjustments. The process closes with an assessment at the end of the year.

### Talent management

A strategic priority for SONDA is to attract the best talent in all areas. Therefore, we aim to actively identify, develop and retain the people who are fundamental to our business.

We have a "Talent and Development" department, whose main objective is to identify employees with talent, strengthen them and align them with company's strategy. Talent management feeds the company's Succession Plan, which is based on performance management.

Each manager should retain their talented staff using action and development plans. Managers should also motivate those with low performance and low potential, by assigning them to other functions best suited to their abilities.

### Training

Our objective is to develop the skills of our employees throughout their employment. Training courses are defined in relation to SONDA's business strategy. SONDA has a training department that manages its training.

Training management was consolidated in 2017. For example, SONDA Chile optimized the tax incentives for training to strengthen the technical abilities of our employees, which is a critical variable in our business and an important differentiating factor for our customers. It also established a mixed learning model that used blended learning techniques to achieve training coverage and effectiveness for professionals and managers.

## Monitoring and results

The SONDA training figures are measured in hours and total expenditure, and these are being standardized across all countries. We hope to have them for the next report.



Sustainability at SONDA in 2017 / Relevant aspects in sustainability

## The Environment



SONDA aims to keep a positive and beneficial relationship with the environment. Therefore, it has prepared a preventive and integrated plan to monitor the potential environmental impact of its business, while focusing on using natural resources and energy with greater efficiency.



Sustainability at SONDA in 2017 / Relevant aspects in sustainability

## Energy efficiency and climate change



### Why is it important?

Digitalization and centralization using cloud based applications create new business opportunities that enable our customers to improve their operational efficiency. This contributes to cost savings, and reduces their environmental footprint. Providing efficient and low-emission data center services enables our customers to reduce the use of fuel and other energy sources at their facilities.

Various IT solutions have enabled our customers to work remotely, thus reducing their greenhouse gas emissions. An example is the impact of IT services on the financial industry, where the volume of online transactions has multiplied by millions, which avoids customer movement, reduces document printing and reduces the carbon footprint for this industry.

Addressing climate change is a very important issue for SONDA. It affects living conditions and the general economy, and it is a strategic concern that impacts our development and growth.

### How do we manage this issue?

We have prepared a preventive and integrated plan to monitor the potential environmental impact of our business, in order to demonstrate our respect for the environment. We emphasize using natural resources and energy more efficiently, particularly when developing projects. We have an Integrated Management System that contains an environmental management component based on the ISO 14001:2015 standard. We have policies and procedures that respect the environment, through monitoring emissions and managing waste.

### Action Plans

We have implemented mitigation measures that address climate change. These include emergency and evacuation plans for our buildings in case natural disasters or emergencies occur. Also our facilities are designed and built to reduce Greenhouse Gas Emissions (GHG), such as the corporate building and data center in Santiago.

During 2017 we developed a plan to mitigate the effect of using refrigerating gas R22<sup>10</sup> in our equipment. We also launched a campaign to reduce document printing by 5%, which focused on preferring digital documents. We want to duplicate this goal during 2018.

### Monitoring and results

The Integrated Management System has helped us to introduce a culture that measures the consumption of key resources, and a culture of being responsible for the environment, which spans all our productive and support departments. This has helped us to reduce the consumption of energy, paper, water, and other consumables.

We have had no environmental incidents or complaints from the local community about environmental issues at any of our facilities.

Electricity consumption increased by 59% as a result of consolidating the ATIVAS data center since October 2016.

<sup>10</sup>. This refrigerating gas depletes the ozone layer and must be collected to prevent its dispersal into the atmosphere, in accordance with international standards.

## Climate change and ecoefficiency

	2015	2016	2017
<b>Electricity consumed</b> MWh	16,452	15,736	24,953



Sustainability at SONDA in 2017 / Relevant aspects in sustainability

## Electronic waste



### Why is it important?

Global digital transformation, automation and artificial intelligence are transforming all industries, daily life and society. As a consequence, electronic waste has become a significant issue. A report<sup>11</sup> produced by the United Nations University in 2016 indicated that this waste increased by 8% in weight over the last two years. Only 20% of this waste was recycled or disposed of in secure locations, while global waste production reached 6.1 kilograms per person. Millions of tons accumulate around the world every year, which is shocking.

The electronic waste produced by SONDA emanates largely from managed device services that produce mostly batteries and monitors, and data center services that produce mainly batteries.

### Context

Each country where we operate has its own laws that address these issues. Chile enacted the Extended Product Responsibility Law in 2017, which aims to reduce waste, and encourage reuse and recycling through extending the producer's responsibility.

### How do we manage this issue?

Each country treats its waste in accordance with its own laws. SONDA has a Corporate Quality Plan, which includes certified compliance with ISO 14001 governing responsible waste treatment. SONDA's IT waste is reused, recycled or sent to a safe disposal location, and treated by certified suppliers.

Action plans are different in each country. In some cases, waste is recycled in partnership with our customers or business partners. An example is the removal and recycling of disused toner produced by the printing services department, or the alliance with Cisco to recycle components from disused technological equipment.

### Monitoring and results

IT waste is accounted for in each country. 17,445 kilos of waste were generated in 2017, which is an increase in comparison to the previous year. However, recycled waste reached 68%. There was a significant increase in waste generated by the data center, due to the disposal of a large volume of LTO magnetic tapes, which only occurred in 2017.

### IT waste

	2015	2016	2017
<b>IT waste generated</b> Kilos of waste	18,047	11,963	17,445
<b>Data center waste</b> Kilos of waste	1,300	792	4,556
<b>IT waste recycling</b> Percentage of IT waste that is recycled	No data	No data	68%

<sup>11</sup>. "The Global E-waste Monitor 2017" was published in December 2017, by the United Nations University (UNU), through Sustainable Cycles (SCYCLE), the International Telecommunication Union (ITU), and the International Solid Waste Association (ISWA).



Sustainability at SONDA in 2017 / Relevant aspects in sustainability

## Corporate governance and **ethics**



SONDA believes that strong corporate governance is essential to guide our business development strategy, to address future challenges, and ensure that the company's value grows.



Sustainability at SONDA in 2017/ Relevant aspects in sustainability

## Corporate governance



### Why is it important?

The Organization's medium and long term success depends on good corporate governance, because it safeguards the creation of sustainable value for all the stakeholders involved in its business, it defines strategies and priorities, it monitors performance and ensures resources are efficiently used, and it establishes effective management structures. This is particularly relevant for SONDA as it operates in several latitudes.

### Context

Our company has operated high standards of corporate governance since its foundation, which has driven its long history of success and growth. The company began in Chile, but over the years it has expanded into various neighboring countries, and currently operates in 10 countries across Latin America, so must fully comply with these local laws and regulations.

The company was listed on the Chile Stock Exchange in 2006, which imposes additional obligations, in accordance with regulations issued by the Financial Markets Commission ("FMC", formerly the SVS). These obligations include General Regulation 385 on best corporate governance practice, as companies traded on the stock exchange must respond to a survey regarding their fulfillment of various corporate governance practices. Our company's financial information is subject to instructions and inspections from the FMC, and it must report its financial statements and relevant operational information to the public.

### How do we manage this issue?

#### Board of Directors

SONDA S.A. is a publicly traded corporation. Our Board is composed of nine members who are elected for a three-years period. The actual Board includes a woman and six independent directors.

The Board is generally responsible for the strategic direction of the company, approving its policies, monitoring value creation and efficient resource use, and monitoring its performance, risks and management control systems.

The Board is supported by a **Director's Committee** comprised of three independent directors, whose functions are established in Article 50 bis of Companies Law 18046. The Executive Committee is composed of directors and executives and advises management regarding strategy design, business and performance analysis, investment plans, customer satisfaction, quality management, organizational marketing and corporate communications, etc. The Board of Directors delegates management to a Chief Executive Officer, who is in charge of the company's business. All the business units and support units report to him.

#### Composition of the Board of Directors

Gender		Independence		Age (years)			Seniority <sup>12</sup>	
Men	Women	Independent	Not independent	Under 30	30 to 50	Over 50	Executive	Non-executive
8	1	6	3	0	2	7	0	9

<sup>12</sup>. According to RobecoSAM, an Executive Director is a Director who is also a company employee and holds an executive position such as CEO or CFO.



## Risk management

Our Board of Directors is responsible for securing appropriate risk management and establishing controls and responsibilities to prevent and mitigate risks. Our critical risks were updated during the second half of 2017. The Board and all the SONDA subsidiaries in Chile and abroad actively participated in this process. The Board was involved in the risk identification phase and then in evaluating and selecting which risks to manage.

## Compliance

A policy and fundamental principle at SONDA is that all employees must behave in accordance with established ethics, laws, regulations, policies and procedures.

### Our Compliance Model includes:



## Monitoring and results

**Risks:** The Board is responsible for ensuring that it has appropriate of internal control systems, that it can monitor strategic risks and the status of their respective controls. The Internal Control Department is responsible for monitoring and coordinating the corporate risk identification and assessment process, including sustainability risks, and for reviewing compliance with the action plans established to mitigate or prevent them. Therefore, SONDA uses standards-based methodologies and best international practices.

**Compliance:** Our Compliance Model uses mechanisms to monitor the business and detect any breaches to the Code of Ethics or the Crime Prevention Model. As SONDA operates in various countries, its consolidated financial statements and those of each Chilean and foreign subsidiary are audited every year by an external audit firm, in compliance with International Financial Reporting Standards (IFRS), and the laws and regulations that apply in each country.

## Results 2017



### Corporate governance

**11%**  
female directors

**67%**  
independent directors



### Compliance

**0 fines**  
for breaches of social, environmental  
or economic standards



Sustainability at SONDA in 2017 / Relevant aspects in sustainability

## Ethics and transparency



Achieving our goals and dreams is just as important as the manner in which we achieve them. Therefore, our behavior must comply with the highest ethical standards, we must be true to our values and fulfill our commitments.

### Why is it important?

We believe that we will only be sustainable if our values and principles are reflected in everything we do. A principal asset at SONDA is our customer's and society's confidence in us. This confidence forms the foundation for our business. Therefore, we pay special attention to ensuring that the behavior of our staff meets the highest ethical standards and that they fulfill their commitments.

### Context

SONDA has grown to become a multinational corporation with over 17,000 employees from several latitudes. A particular challenge is to keep its original inspiration alive and ensure that the values that set it apart are maintained in the daily behavior of people from various cultures, countries and contexts.

Another great challenge comes from society, as companies are now expected to meet the highest ethical standards.

### How do we manage this issue?

#### Code of Ethics and the Complaints System

**Code:** Our **Code of Ethics and Conduct** was updated in 2016 and is based on a set of principles and values that have guided us since the beginning, and expects compliance with our high standards and the legal framework. It applies to directors, executives, consultants and employees of SONDA S.A. and its subsidiaries. The Code currently applies to all SONDA employees.

**The Ethics Committee:** The **Ethics Committee** is responsible for widely publishing the Code and ensuring compliance. It keeps the Code up to date, clarifies questions about its application, and receives, records and evaluates information regarding any breaches to the Code. It is comprised of the Chairman of the Board, the Corporate CEO, Corporate Human Resources Manager and the Internal Control and Risk Management Manager.

**Conflicts of interest:** We have guidelines and procedures to avoid and manage conflicts of interest. The Code of Ethics and Conduct contains a chapter on "Conflicts of Interest", which repeats the requirements described in companies law, in addition to other conflicts not covered by this law. All directors and senior executives sign a declaration of interests every year.

#### Crime prevention, corruption and bribery

In 2013 we introduced a crime prevention model covering bribery, receiving stolen goods, money laundering and financing terrorism, in accordance with Chilean Law 20,393. These standards and prohibitions apply to directors and all staff in Chile. They cover all the processes and tasks that the Board is directly responsible for. In addition, it governs the relationship between SONDA and SONDA's subsidiaries with their customers, suppliers, service providers, contractors and subcontractors in Chile.

We provide e-learning training courses to all employees joining the company in Chile, to ensure that all employees learn and comply with this model's requirements.

Since 2013 we have also reviewed whether anyone in our business in Chile is connected to Politically Exposed Persons (PEP). No known PEP cases have been detected so far.

## Monitoring and results

The Board directs, monitors and manages the sustainability programs and offers recommendations to senior management, to ensure that ethical, financial, environmental and social factors are considered in their decision-making.

**Whistleblower Platform:** We have a **whistleblower platform** at the web site [www.sonda.com](http://www.sonda.com). It can be used by any employee, customer, supplier, service provider, shareholder, director, senior executive or any other third party with an interest in SONDA and its subsidiaries to report their comments or a breach in the Code. The platform is technologically administered by an independent company that specializes in these issues. This independence guarantees utmost confidentiality for the complainant.

**Complaints received:** 25 complaints were received in 2017 through this platform. They were all duly addressed and resolved.





Sustainability at SONDA in 2017 / Relevant aspects in sustainability

## Stakeholder engagement

SONDA aims to establish close, honest and long-term relationships with its stakeholders.



### Stakeholders, relationship mechanisms and relevant issues

Our principal stakeholders are our customers (companies, organizations, cities, countries), employees, suppliers and technological partners, shareholders and society in each country where we operate. The identification of SONDA's stakeholders, their prioritization and the corresponding relationship mechanisms have been approved by the Board of Directors.

SONDA has defined that its priority stakeholders are the groups significantly affected by its business and its products or services. They may also be groups who can affect our ability to successfully execute our strategies and objectives.

#### Customers

##### Who are they?

Over 5,000 companies and organizations, spanning various industries and countries, who have chosen us as their technological supplier and partner.

##### What are their main concerns?

###### Topics:

- How to use IT to improve the efficiency of organizations.
- The opportunities and threats posed by digital transformation in business.
- Innovation in automation, simplification or generation of new business models.

###### Our response:

SONDA institutionalized its innovation strategy four years ago. We have developed numerous innovation initiatives in conjunction with customers: SONDA Innovation Days, SONDA Talks, SONDA DDX, etc.

[See the innovation management section on page 52](#)

#### Technological suppliers and partners

##### Who are they?

Our technology suppliers and partners provide us with key products and consumables for our IT solutions. We have negotiated partnerships and agreements with leading global manufacturers and suppliers, to provide our customers with state of the art technology.

##### What are their main concerns?

###### Topics:

- Capturing new customers.
- Achieving the account plan.
- Positioning new business solutions.

**Our response:**

- We have reviewed and agreed plans, together with our technology suppliers and partners.
- We have presented new solutions provided by our technology suppliers and partners to customers.
- We regularly certify the staff involved in the services provided by our technology suppliers and partners.
- We regularly review the products and new solutions proposed by our technology suppliers and partners.

## Employees

---

**Who are they?**

We have 17,062 employees working in 10 countries in Latin America, with 50% in Brazil, 21% in Chile, 8% in Mexico and the remaining 21% in other countries. 30% of our employees are women. We are a highly specialized company, as 79% of our staff are IT professionals.

**What are their main concerns?**

**Topics:**

- Development, performance and career path.
- Climate, culture and job satisfaction.
- Diversity and young talent.

**Our response:**

We have a model for managing people that focuses on managing their performance, talents, commitment and the working climate.

[See the employees section on page 62](#)

## Shareholders and investors

---

**Who are they?**

SONDA S.A. is a publicly traded corporation. The controller owns a 41.4% interest, and the remaining 58.6% is distributed among pension fund managers, institutional investors, mutual funds, and other shareholders.

**What are their main concerns?**

**Topics:**

- The company's performance, management and financial position. Particularly in countries that have reached a complex macroeconomic or political situation.
- Triennial growth plans, especially with regard to acquisitions.
- Business contract closures and revenue generation (net effect after contracts that are terminating).

**Our response:**

We introduced the NPS survey in 2017, to obtain information on how shareholders relate to the company and their perspective of SONDA.

## Society

---

**Who are they?**

Our IT projects benefit society. Our purpose is improving the quality of people's lives through digital transformation, and it inspires us every day.

## What are their main concerns?

### Topics:

- The contribution of IT to developing society.
- The social impact of our projects.
- Training IT professionals.

### Our response:

[See the digital transformation for development section on page 45](#)

## Engagement and feedback mechanisms

We use various engagement mechanisms at the corporate level and in each country. Due to the nature of our business, the most commonly used mechanisms are face-to-face meetings with customers and partners, as we are frequently in contact with them. We arrange and participate in our own corporate events and those arranged by our partners, suppliers and market leaders, as well as technological presentations and conferences, where we exchange information and knowledge. We have set up formal communication channels, such as business proposals, presentations, brochures and annual reports, etc. We have digital channels such as our web sites for the general public (extranet), and our own staff (intranet), and we actively participate in social networks.

We have constant institutional communication with regulatory agencies and state departments in each country. Our press relationship is managed by external media agencies.

SONDA has a specialized Investor Relations department, which is the company's communication channel with the capital markets. Engagement mechanisms include face-to-face meetings, participating in conferences in Chile and abroad, telephone calls, breakfast meetings, publishing company information and results within the market, sending emails, keeping our website up-to-date, preparing annual reports, etc.

We use several feedback mechanisms to listen to the opinions of our stakeholders, and continually improve this communication process. For example customer satisfaction surveys, workplace climate surveys, web contact with differential treatment for customers, investors and suppliers, an anonymous complaints channel, opportunities for staff to respond on the intranet.

## The company's participation in other organizations

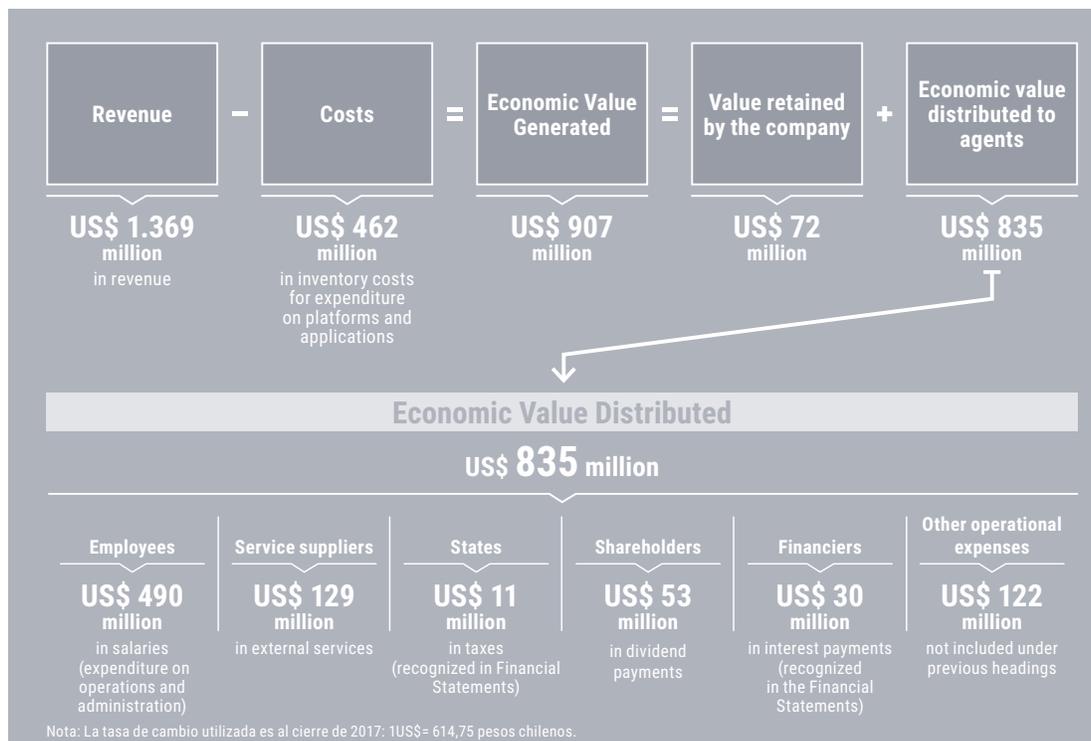
SONDA participates in various organizations, in order to contribute to discussions and reflections on IT, innovation, and business development. They include:

- **The Chilean IT Companies Association (ACTI in Spanish):** A former SONDA Director, Mr. Jaime Pacheco, is First Vice Chairman of the association.
- **The Chilean Manufacturing Development Society (SOFOPA, Chile):** The SONDA Director, Ms. Maria del Rosario Navarro Betteley, was elected Elective Councillor for 2017-2021.
- **The UC Innovation Center - Anacleto Angelini at the Pontificia Universidad Católica de Chile:** SONDA is a Lithium member.
- **The Associativity Committee on the "Internet of Things"**
- **SUMARSE, the Panama Global Compact Network.**



## Distribution of Economic Value Generated to its agents

The Economic Value Generated by SONDA is the difference between its sales revenue and inventory costs. In 2017 the company generated economic value of US\$907 million. The company retained US\$72 million and the remaining US\$835 million was distributed among its agents, such as employees, external service suppliers, States (taxes recognized in its financial statements), shareholders (dividends), capital lenders (interest); and other operational expenses



Sustainability at SONDA in 2017

# Appendices



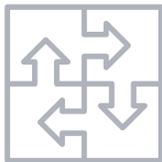
We report our sustainability vision, challenges and priorities for the second consecutive year, and our performance regarding the most important aspects of our business and for our stakeholders.

## Appendices

- [The Sustainability section](#)
- [The most important topics](#)
- [Summary of sustainability performance](#)
- [Alignment with the United Nation's Sustainable Development Goals \(SDGs\)](#)
- [GRI Content Index - Standards. Essential Option](#)

Sustainability at SONDA in 2017

## The Sustainability section



### The "Sustainability" section

SONDA has prepared an integrated report for the first time, which consolidates the main financial and commercial aspects of its management with those of greater relevance to sustainability. The contents of this sustainability section have been prepared in accordance with the Essential Option<sup>13</sup> of the GRI (Global Reporting Initiative) standards. It focuses on the most important issues to SONDA and its stakeholders, which have been selected in accordance with the guidance contained in these standards.

This information reports on management of the entire company during 2017. It includes data from previous years to provide greater context, and the main events through to the publication of this document. This report covers SONDA's business interests in all 10 countries.

A cross-departmental team participated in preparing this section, who were led by the Planning, Management Control and Investor Relations Department, with advice from external experts. The team ensured compliance with GRI principles, and they gathered and validated this information.

**The "Sustainability" section has been prepared in accordance with the Essential Option of the GRI standards.**

<sup>13</sup>. GRI standards have only been applied to the Sustainability section of SONDA's 2017 Integrated Annual Report.

Sustainability at SONDA in 2017

## The most important topics



### The most important topics

SONDA undertook a formal Materiality Analysis involving the directors, the CEO and all its departments, in order to select the most important topics to report in the "Sustainability" section.

The first stage identified important issues from the following perspectives:

- **Investors and sustainability organizations:** DJSI (IT Sector); Sustainability Accounting Standards (SASB); GRI Sustainability Topics by Sectors (IT sector); and General Regulation 385 on Corporate Governance.
- **Public opinion and SONDA stakeholders:** Topics that have appeared in the press about SONDA, the IT industry and other companies, the Globescan study regarding public opinion of the IT sector.
- **The internal perspective:** Interviews with directors, senior management and external specialists, and issues that arose from the Strategy and Risk Matrix.

These issues were analyzed in a workshop attended by the Chairman of the Board and senior management (the CEO and departmental managers), where they were ranked according to their importance to stakeholders and the magnitude of their impact. The workshop suggested the most important topics to be included in the report, the target audience for the report, and the core messages that it should communicate.

#### The most important topics:



#### Digital transformation

- Digital transformation to develop society and its well-being.



#### Innovation

- Strategic innovation management.



#### Customers

- Commitment and excellence for our customers.
- Information security.
- Service continuity.



#### Employees

- Human capital development and talent management.
- Diversity and overall people management.



#### The Environment

- Energy efficiency and climate change.
- Electronic waste.



#### Corporate governance and ethics

- Ethics and transparency
- Corporate governance

Sustainability at SONDA in 2017

# Summary of sustainability performance

Indicator	Calculation basis	2015	2016	2017	
<b>Financial</b>					
<b>Consolidated Revenues</b>	US\$ million	1,449.6	1,327.6	1,368.9	
<b>Revenues by business unit</b>					
IT Services	Percentage of consolidated revenues	54.1%	54.7%	55.2%	
Applications	Percentage of consolidated revenues	6.2%	6.2%	5.0%	
Platforms	Percentage of consolidated revenues	39.7%	39.0%	39.7%	
<b>Revenues by geographical area</b>					
Chile	Percentage of consolidated revenues	39.6%	44.3%	43.7%	
Brazil	Percentage of consolidated revenues	38.6%	34.1%	32.2%	
Mexico	Percentage of consolidated revenues	9.3%	9.2%	8.3%	
Other Latin American countries	Percentage of consolidated revenues	12.5%	12.4%	15.8%	
<b>Revenues from emerging markets</b>	Percentage of revenues from emerging markets <sup>14</sup>	59.2%	54.6%	55.0%	
<b>EBITDA</b>	US\$ million	206.2	158.0	165.8	
<b>Market capitalization</b>	US\$ million	1,779	1,685	1,734	
<b>Capital expenditures</b>	US\$ million	44.5	83.6	60.2	
<b>Supply chain</b>					
Supplier payments	US\$ million Total supplier payments	875.6	860.4	851.4	
<b>Economic value generated and distributed</b>					
Operating direct costs	US\$ million Cost of sales for platforms and applications	493.4	444.2	462.1	
Economic value generated	US\$ million Consolidated revenues - operating direct costs	956.2	883.4	906.8	
Value retained by the company	US\$ million Includes annual depreciation and amortization plus non-distributed profits.	99.8	95.3	71.9	
Economic value distributed	US\$ million Economic value generated - Value retained by the company	856.4	788.1	835.0	
Employees	US\$ million Operating cost and expenses	498.5	485.0	489.7	
Service suppliers	US\$ million Service payments	127.8	116.5	129.2	
Government	US\$ million Taxes paid to the State	57.8	21.7	11.3	
Shareholders	US\$ million Dividend payments	34.9	21.5	52.8	
Financiers	US\$ million Capital repayment and interest	13.7	19.5	29.8	
Other operating expenses	US\$ million	123.7	124.0	122.1	
<b>Digital transformation for development</b>					
<b>IT Professionals</b>		Number of IT professionals employed by SONDA	16,900	14,095	13,394
		Percentage of IT professionals compared to total employees	86%	77%	79%
<b>Innovation</b>					
<b>R&amp;D Investment compared to sales</b>					
Amount	US\$ million	2.5	14.3	13.2	
Percentage Value	Percentage	0.2%	1.2%	1.0%	
<b>Customers</b>					
<b>Customer relationships</b>					
Customer satisfaction	Percentage of customers surveyed	100%	100%	100%	
Complaints rate	Percentage of complaints compared to total service orders	0.11%	0.14%	0.04%	
Service quality	Percentage of cases resolved by help desks	93.8%	96.9%	92%	
<b>Information security</b>					
Lost customer data cases	Number of customer cases with privacy or lost data problems	0	0	0	

<sup>14</sup>. All the countries where SONDA operates fall into the "emerging markets" category, according to the method used by RobecoSAM, with the exception of Chile and Uruguay.

Data security complaints	Number of customer complaints for privacy or lost data issues	0	0	0
	Number of authority/regulator complaints for customer privacy or lost data issues	0	0	0
Fines associated with customer data security	US\$ in customer data security breaches	0	0	0
	Total number of customer data security breaches	0	0	0
<b>Service continuity</b>				
Service availability	Percentage of time that services were available compared to total time	99.4%	99.6%	100%
Availability complaints	Number of customer complaints for failures in system availability	13	14	1
Uptime components	$(1 - ((T_d - T_m) / T_a)) * 100\%$ Td: Downtime during the period. Tm: Scheduled maintenance time during the period. Ta: Agreed service time during the period.	99.9%	99.5%	98.0%
<b>Employees</b>				
<b>Employment</b>				
Own employees	Number of SONDA employees	19,652	18,324	17,062
	Percentage of employees with an indefinite contract	100%	100%	100%
Leavers	Number of employees who left SONDA	3,956	7,434	8,552
Turnover	Percentage of leavers to total employees	20%	41%	50%
<b>Accident Rates</b>				
Fatalities	Number of fatalities among employees and contractors	0	0	0
Frequency index <sup>15</sup>	Number of accidents that resulted in lost time during the year, per million hours worked, among employees and contractors	1.9	1.7	8.3
<b>Training<sup>15</sup></b>				
Training hours	Average training and development hours, per employee	32	33	27
Total amount invested	US\$ invested in training	141,907	211,912	308,196
Training index	US\$ invested in training divided by number of employees	371.1	303.6	146.6
<b>Unions</b>				
Unions	Number of unions as of December 31	No data	44	44
Unions	Percentage of unionized employees as of December 31 compared to total employees	No data	15%	15%
Strikes	Number of strikes that lasted more than a week	No data	0	0
<b>Gender diversity</b>				
Women	Percentage of women with respect to total employees	33%	34%	30%
Women in executive positions	Number of executives (senior management, two levels from the CEO)	2	2	2
Women under 30 years old <sup>16</sup>	Number of employees	No data	No data	208
Women between 30 and 50 years old <sup>16</sup>	Number of employees	No data	No data	475
Women over 50 years old <sup>16</sup>	Number of employees	No data	No data	108
<b>Salary gap by gender</b>				
Executives and managers	Difference (%) between the average salary for women compared to men in same category	-23.0%	-28.3%	-22.1%
Professionals, technicians and administrative staff	Difference (%) between the average salary for women compared to men in same category	-24.2%	-24.4%	-21.3%
<b>Diversity by age group</b>				
Under 30 years old	Number of employees	7,243	6,649	5,097
Between 30 and 50 years old	Number of employees	10,549	10,244	10,151
Over 50 years old	Number of employees	1,860	1,431	1,814
<b>Distribution by country</b>				
Chile	Number of employees	3,529	3,414	3,571
Brazil	Number of employees	12,486	11,511	8,544
Mexico	Number of employees	1,230	1,124	1,395
Other Latin American countries	Number of employees	2,407	2,275	3,552

<sup>15.</sup> Figures are only for Chile. It is our intention to include information regarding other countries in next reports.

<sup>16.</sup> Diversity figures are only for Chile as of December 31 each year.

<b>Length of service in the company</b>				
Under 3 years	Number of employees	No data	No data	8,914
Between 3 and 6 years	Number of employees	No data	No data	4,639
Between 6 and 9 years	Number of employees	No data	No data	1,114
Between 9 and 12 years	Number of employees	No data	No data	1,306
Over 12 years	Number of employees	No data	No data	1,089
<b>Suppliers and contractors</b>				
Contractor's employees	Total number of employees as of December 31 each year	227	195	185
Supplier training	Percentage of suppliers trained	60%	70%	70%
Contractor training	Percentage of contractors trained	70%	80%	80%
<b>Environmental</b>				
<b>IT waste</b>				
IT waste generated	Kilos of waste	18,047	11,963	17,445
Data Center waste	Kilos of waste	1,300	792	4,556
IT waste recycling	Percentage of IT waste that is recycled	No data	No data	68%
IT waste disposed of in a safe location	Percentage of IT waste that is disposed of in a safe location	70%	100%	100%
<b>Ecoefficiency<sup>17</sup></b>				
Water consumed	m <sup>3</sup>	45,651	48,013	49,500
Electricity consumed	MWh	16,452	15,736	24,953
<b>Governance and ethics</b>				
<b>Composition of the Board of Directors</b>				
Directors with executive positions within the company	Total number as of December 31 each year Excluding independent directors	0	0	0
Independent directors	Total number as of December 31 each year	4	4	6
Female directors	Total number as of December 31 each year	1	1	1
Directors under 30 years old	Total number as of December 31 each year	0	0	0
Directors between 30 and 50 years old	Total number as of December 31 each year	1	1	2
Directors over 50 years old	Total number as of December 31 each year	8	8	7
Directors with expertise in risk management	Total number as of December 31 each year	No data	No data	4
<b>Code of Ethics</b>				
Coverage	Percentage of employees covered by the Code of Ethics as of December 31 each year	100%	100%	100%
Complaints received	Number of complaints received in the year	6	12	25
Complaints resolved	Percentage of complaints resolved compared to total received	100%	100%	100%
<b>Discrimination</b>	Number of discrimination complaints	0	0	0
<b>Unfair competition</b>	Number of unfair competition complaints	0	0	0
<b>Corruption</b>	Number of confirmed cases of corruption	0	0	0

<sup>17</sup> The figures do not include Costa Rica and Panama.

Sustainability at SONDA in 2017  
**Alignment with the United Nation's Sustainable Development Goals (SDGs)**



At the end of 2015 world leaders adopted a set of 17 global goals to eradicate poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. Achieving these goals requires joint work by Governments, the private sector and civil society.

SONDA wants to contribute to attaining these objectives. Therefore, we have committed to prevent and mitigate any harmful impact caused by our business and contribute positively to the environment and the development of society in each country.

The Sustainable Development Goals (SDGs) that we can directly influence are described below.



- We help to combat poverty through the economic growth provided by IT in each country's society, as well as employment opportunities generated directly by SONDA and throughout its supply chain.



- Projects that improve livestock productivity: Livestock traceability: page 47



- Projects to improve health management in Colombia, Mexico and Chile: pages 47 & 48



- Human capital and talent development: page 66
- IT professionals development: page 48
- Projects to improve the quality of education: Educar Argentina : page 48



- Diversity: page 64
- Code of Ethics: page 75



- Energy efficiency and climate change: page 69



- Contribution to developing societies through technological modernization: page 45
- Climate and Commitment Model: page 63
- Global and diverse company: page 63
- Disrupt and Improve Agendas: page 52
- Initiatives that encourage innovation: SONDA Talks, SONDA DDX, SONDA Innovation Days, SONDA Labs, SONDA Game Changers: page 53



- Contribution to access and improvements in the technological capabilities of cities, businesses and organizations using IT: page 45
- Strategic innovation: page 52
- Information security: page 59
- Service continuity: pág. 61



- Diversity: page 64



- Projects that improve citizen access to public services: Civil Registry (page 47); public transport (page 47); citizen security (page 48)
- Corporate Quality Plan: page 56
- Electronic waste: page 71



- Commitment and excellence for our customers: page 56
- Corporate Quality Plan: page 56
- Electronic waste: page 71
- Energy efficiency and climate change: page 69



- Energy efficiency and climate change: page 69



- Corruption and bribery prevention: page 75
- Transparency and accountability: page 76



- IT development and dissemination in the least developed countries (Latin America): page 45

Sustainability at SONDA in 2017

## GRI Content Index - Standards. Essential option.



This Index is a navigation tool that identifies which GRI standards have been used, the associated content, and its location in this report or web site.

Standard GRI	Content	Page number or Link	Omission
<b>GRI 101: 2016 FUNDAMENTALS [GRI 101 does not include content]</b>			
<b>GENERAL CONTENTS</b>			
GRI 102: 2016 General Contents	102-1 Name of the organization	Cover page	
	102-2 Activities, brands, products and services	8, 29-31, 44, 56	
	102-3 Location of headquarters	Headquarters are based in Santiago, Chile.	
	102-4 Location of operations	18-23, 44	
	102-5 Ownership and legal form	73	
	102-6 Markets served	8, 29-31, 44, 46, 56	
	102-7 Scale of the organization	44, 84, 85	
	102-8 Information on employees and other workers	16, 63, 64, 85, 86	Information on employees and other workers by region and gender are not disclosed by employment contract.
	102-9 Supply chain	49	
	102-10 Significant changes to the organization and its supply chain	2-4	
	102-11 Precautionary principle or approach	SONDA's Code of Ethics demonstrates its precautionary approach to its business.	
	102-12 External initiatives	79	
	102-13 Membership of associations	79	
	102-14 Statement from senior decision-maker	42 & 43	
	102-15 Key impacts, risks and opportunities	43, 45-48, 49, 74, 84	
	102-16 Values, principles standards, and norms of conduct	44, 57, 75	
	102-17 Mechanisms for advice and concerns about ethics	76	
	102-18 Governance structure	10-12, 73	
	102-19 Delegating authority	73	

Standard GRI	Content	Page number or Link	Omission
<b>GENERAL CONTENTS</b>			
	102-20 Executive-level responsibility for economic, environmental and social aspects	73	
	102-22 Composition of the highest governance body and its committees	11, 73, 86	Composition information not available that refers to: the number of significant positions, each person's commitments, the nature of those commitments, their membership of underrepresented social groups and their stakeholder representation.
	102-23 Chair of the highest governance body	73	
	102-26 Role of the highest governance body in setting purpose, values and strategy	73	
	102-30 Effectiveness of risk management processes	74	
	102-40 List of stakeholder groups	77-79	
	102-41 Collective bargaining agreements	85	
	102-42 Identifying and selecting stakeholders	77	
	102-43 Approach to stakeholder engagement	77-79	Information not available that refers to engagement frequency by type nor by stakeholder.
	102-44 Key topics and concerns raised	77-79	
	102-45 Entities included in the consolidated financial statements	This document is an integrated report. Therefore, both the financial and the sustainability information have the same scope.	
	102-46 Defining report contents and aspects coverage	82	
	102-47 List of material aspects	83	
	102-48 Restatements of information	The effect of any restated information with respect to the previous report and the reasons for that restatement. These are specified as footnotes to the respective indicators.	
	102-49 Changes in reporting	Significant changes with respect to the issues covered. These are specified as footnotes to the respective information.	
	102-50 Reporting period	82	
	102-51 Date of most recent report	Sustainability Report 2016, published in June 2017.	

Standard GRI	Content	Page number or Link	Omission
<b>GENERAL CONTENTS</b>			
	102-52 Reporting frequency	Annual	
	102-53 Contact information for questions regarding the report	133	
	102-54 Declaration of reporting elaboration in accordance with the GRI standards	82	
	102-55 GRI content index	89-94	
	102-56 External assurance	This report has not been externally verified.	
<b>MATERIAL ASPECTS</b>			
<b>Digital transformation for development and the well-being of society</b>			
GRI 103: 2016 Management approach	103-1 Explanation of the material aspect and its coverage	45	
	103-2 The management approach and its components	45-47	
	103-3 Evaluation of the management approach	46-48	
	Number of IT professionals employed by SONDA	48, 84	
	Percentage of IT professionals compared to total employees	48, 84	
<b>Strategic innovation</b>			
GRI 103: 2016 Management approach	103-1 Explanation of the material aspect and its coverage	52	
	103-2 The management approach and its components	52, 53	
	103-3 Evaluation of the management approach	54	
	ISC Innovation Index	54	
	Innovation & Development Investment	54, 84	
<b>Commitment and excellence for customers</b>			
GRI 103: 2016 Management approach	103-1 Explanation of the material aspect and its coverage	55, 56	
	103-2 The management approach and its components	56, 57	
	103-3 Evaluation of the management approach	57, 58	
	Customer satisfaction	58, 84	
	Complaints rate	58, 84	
	Service quality	58, 84	
<b>Information security</b>			
GRI 103: 2016 Management approach	103-1 Explanation of the material aspect and its coverage	59	
	103-2 The management approach and its components	59	
	103-3 Evaluation of the management approach	59, 60	

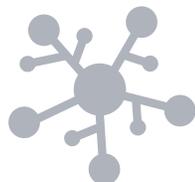
Standard GRI	Content	Page number or Link	Omission
<b>MATERIAL ASPECTS</b>			
GRI 418: 2016 Customer privacy	418-1 Complaints based on breaches in customer privacy and customer data loss	60, 85	
<b>Service continuity</b>			
GRI 103: 2016 Management approach	103-1 Explanation of the material aspect and its coverage	61	
	103-2 The management approach and its components	61	
	103-3 Evaluation of the management approach	61	
	Service availability	61, 85	
	Availability complaints	61, 85	
	Uptime components	61, 85	
<b>Diversity and people management.</b>			
GRI 103: 2016 Management approach	103-1 Explanation of the material aspect and its coverage	62, 63, 64	
	103-2 The management approach and its components	63, 64	
	103-3 Evaluation of the management approach	63, 64	
GRI 405: 2016 Diversity and equal opportunity	405-1 Employment diversity	64, 85, 86	
	405-2 Ratio of base salary and remuneration for women versus men	64, 64, 85	
GRI 403: 2016 Occupational health and safety	403-2 Accident types and frequencies, occupational diseases, lost days, absenteeism, and number of deaths due to occupational accidents or diseases	85	Safety indicators are not analyzed by region, as they represent the entire business.
GRI 401: 2016 Employment	401-1 Employee recruitment and staff turnover	85	This indicator is not analyzed by the region, nor by gender and employment type.
	Labor relations: trade unions, strikes, workplace climate index	85	
<b>Human capital development and talent management.</b>			
GRI 103: 2016 Management approach	103-1 Explanation of the material aspect and its coverage	66	
	103-2 The management approach and its components	66	
	103-3 Evaluation of the management approach	67	
GRI 404: 2016 Training and education	404-1 Average training hours per year per employee	67, 85	Information not available: average training hours disclosed by gender and employment type.
	404-2 Programs to improve employee's skills and outplacement assistance programs	67	Information not available: Outplacement assistance programs to help professionals leaving the company.

Standard GRI	Content	Page number or Link	Omission
<b>MATERIAL ASPECTS</b>			
<b>Energy efficiency and climate change</b>			
GRI 103: 2016 Management approach	103-1 Explanation of the material aspect and its coverage	69	
	103-2 The management approach and its components	69	
	103-3 Evaluation of the management approach	69	
GRI 302: 2016 Energy	302-1 Energy consumption within the organization	70, 86	This indicator is not disclosed as suggested: fuel consumption by renewable and non-renewable sources, electricity consumption, heating, cooling, steam consumed and sold.
GRI 303: 2016 Water	303-1 Water withdrawal by source	86	Volume of extracted water by source is not disclosed.
<b>Electronic waste</b>			
GRI 103: 2016 Management approach	103-1 Explanation of the material aspect and its coverage	71	
	103-2 The management approach and its components	71	
	103-3 Evaluation of the management approach	71	
GRI 306: 2016 Effluents and waste	306-2 Waste by type and disposal method	71, 86	The focus is on IT and electronic waste. Traditional waste type and disposal method is not analyzed.
<b>Ethics and transparency</b>			
GRI 103: 2016 Management approach	103-1 Explanation of the material aspect and its coverage	75	
	103-2 The management approach and its components	75, 76	
	103-3 Evaluation of the management approach	76	
GRI 205: 2016 Anti-corruption	205-3 Number of confirmed corruption cases	76, 86	
GRI 206: 2016 Anti-competitive	206-1 Cases of anti-competitive conduct	76, 86	
GRI 406: Non-discrimination	406-1 Discrimination incidents	76, 86	
	Percentage of employees covered by the Code of Ethics	76, 86	
	Number of complaints received through the whistleblower	76, 86	
	Percentage of complaints resolved compared to the total received	76, 86	

Standard GRI	Content	Page number or Link	Omission
<b>MATERIAL ASPECTS</b>			
<b>Corporate Governance</b>			
GRI 103: 2016 Management approach	103-1 Explanation of the material aspect and its coverage	73	
	103-2 The management approach and its components	73, 74	
	103-3 Evaluation of the management approach	74	
GRI 405: 2016 Diversity and equal opportunity	405-1 Number of Directors	73, 86	
	405-1 Directors under 30 years old	73, 86	
	405-1 Directors between 30 and 50 years old	73, 86	
	405-1 Directors over 50 years old	73, 86	
GRI 201: 2016 Economic performance	201-1 Economic value generated and distributed	80, 84	

## Financial information

# Results 2017



Consolidated revenue reached Ch\$841,541 million (US\$1,368.9 million) in 2017, growing by 3.1% compared to 2016. Operating income reached Ch\$59,509 million (US\$96.8 million), falling by 6.0% yoy and EBITDA was Ch\$101,909 million (US\$165.8 million), growing by 5.0% yoy. The EBITDA margin of 12.1% represents an increase of 20bp compared to last year.

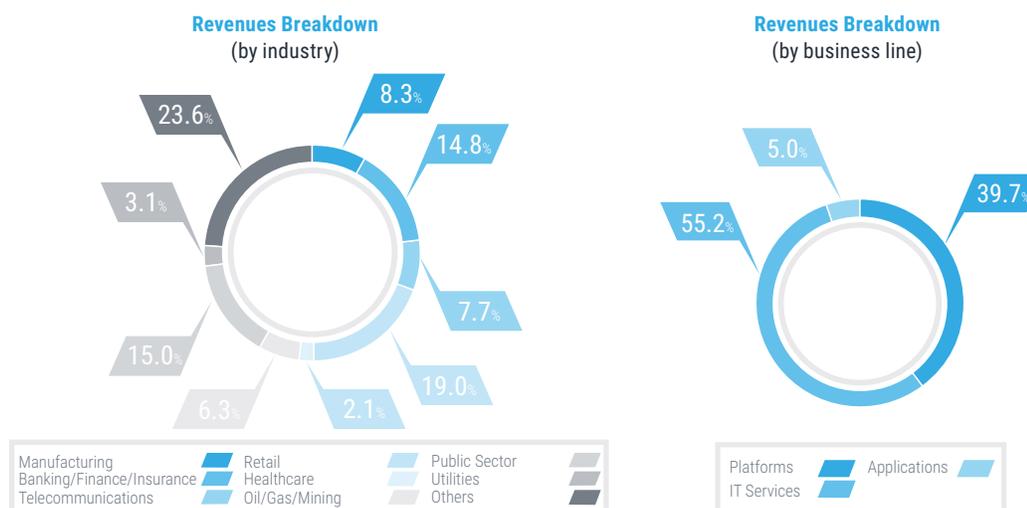
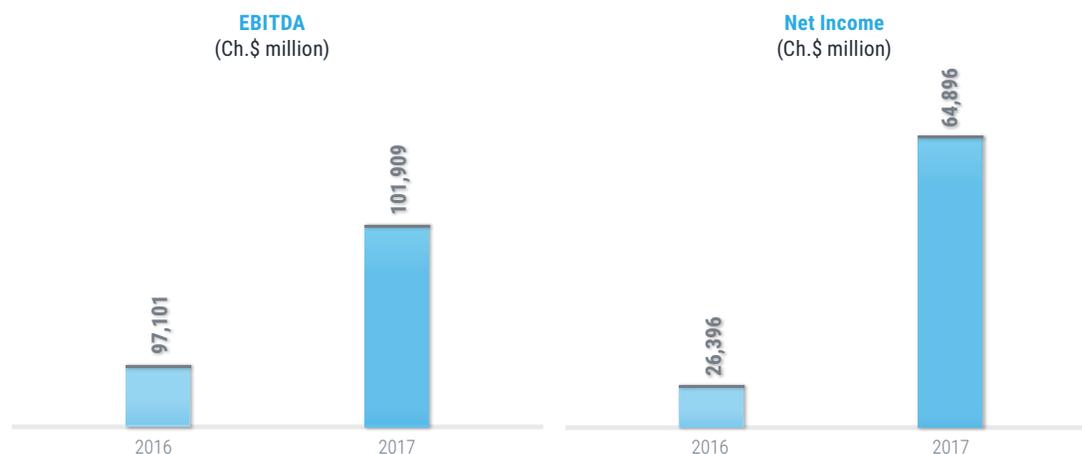
Revenues in Chile grew by 1.7% yoy, totaling Ch\$367,446 million (US\$597.7 million), while EBITDA grew by 5.2% yoy, to reach Ch\$63,743 million (US\$103.7 million). Revenue from operations outside of Chile grew by 4.2% yoy to Ch\$ 474,095 million (US\$771.2 million), which represents 56.3% of total consolidated revenue, while its EBITDA grew by 4.5% in comparison to 2016 to reach Ch\$38,166 million (US\$62.1 million). Consolidated revenue would have grown by 3.6% yoy and EBITDA by 6.7% yoy without foreign currency translation effects.

Net income attributable to the owners was Ch\$64,896 million (US\$105.6 million), which was 145.9% higher than for 2016. This result includes the extraordinary gain on the sale of the interest in the subsidiary Transacciones Electrónicas S.A. of US\$55.7 million (US\$41.3 million after-tax) and a positive foreign currency translation effect on tax of US\$16.5 million. The same positive foreign currency translation effect in the previous year was US\$9.8 million. Net income would have increased by 44.4% yoy without both of these effects.

The volume of new business closed in 2017 reached US\$1,327.9 million, an increase of 24.8% over 2016 (in historical US dollars). Brazil contributed 43.4% of business closures, which represented an increase of 102.2% yoy. IT services stand out as the business that participated most to total closure growth in Brazil, achieving an increase of 155.9%. The highest growth in consolidated business closures was from IT services, which increased by 47.5% compared to the previous year.

The current liquidity ratio was 1.6 (times), the financial leverage ratio was 0.4 (times), and the financial expenses ratio was 5.6 (times), which all reflect a balanced financial position.



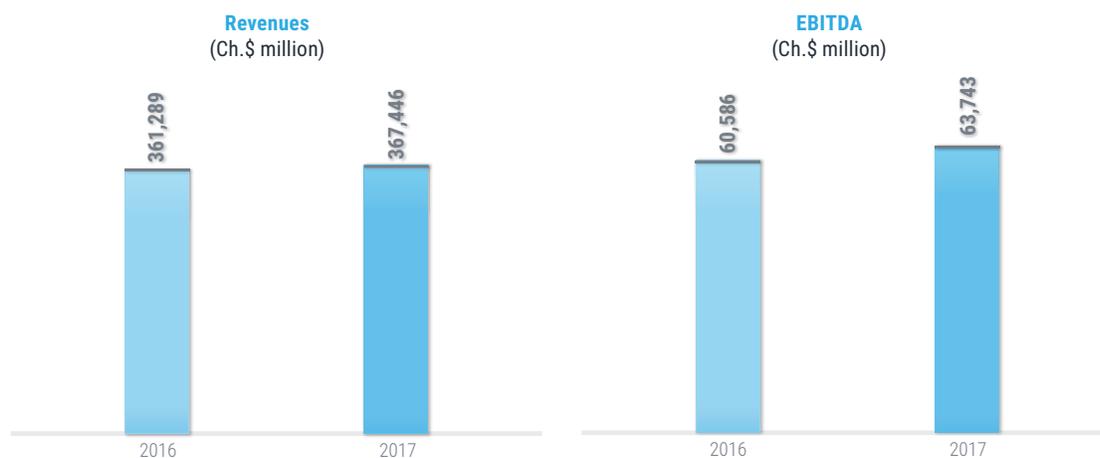


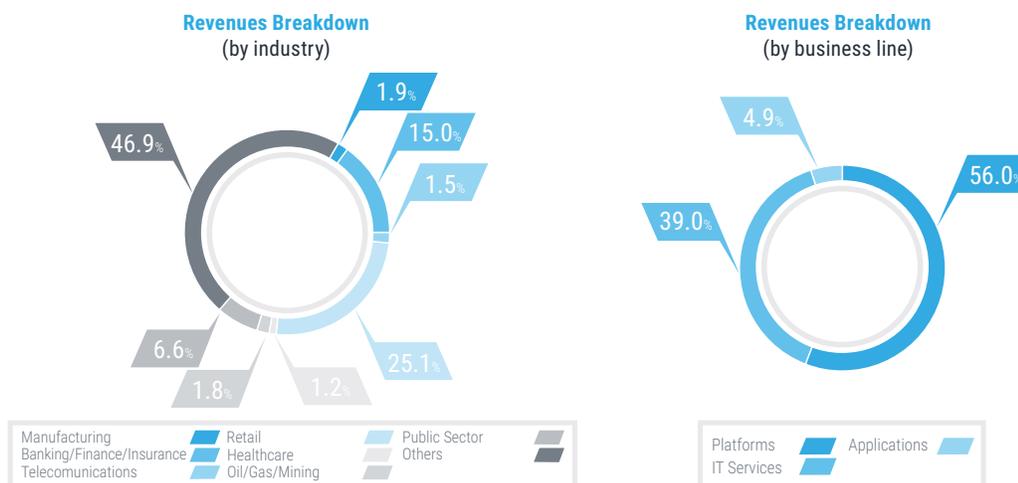
## Results in Chile

Revenue reached Ch\$367,446 million (US\$597.7 million), increasing by 1.7% yoy due to higher revenues from IT Services (+7.0%). Revenue would have increased by 3.1% without foreign currency translation effects.

Operating income was Ch\$49,746 million (US\$80.9 million / +5.9% yoy) and EBITDA was Ch\$63,743 million (US\$103.7 million / +5.2% yoy). This increase was mainly due to better performance in the IT Services business.

Operating margin reached 13.5% and EBITDA margin was 17.3%, 50bp higher than in 2016.



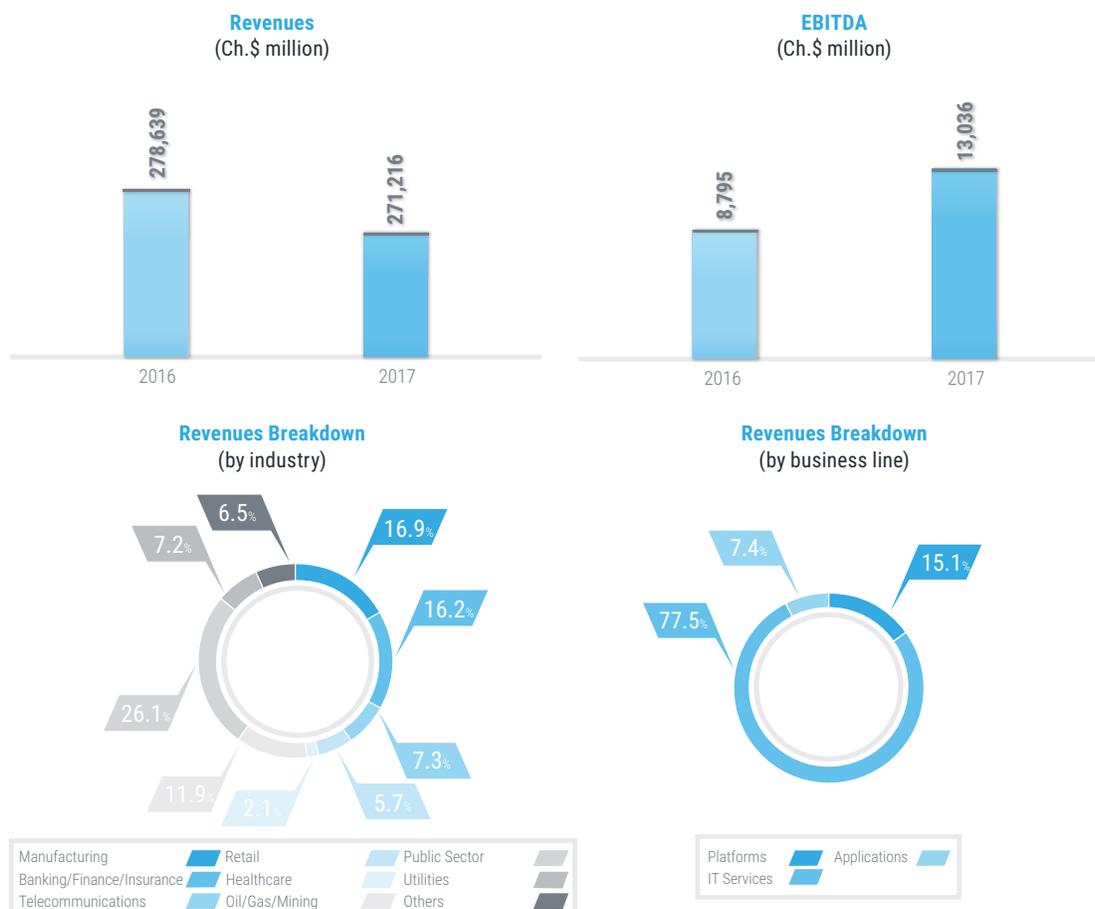


## Results in Brazil

Revenue reached Ch\$271,216 million (US\$441.2 million) 2.7% lower than in 2016. Revenue would have decreased by 7.0% without foreign currency translation effects.

Operating income was negative Ch\$7,432 million (-US\$12.1 million / -30.6% yoy) and EBITDA was Ch\$13,036 million (US\$21.2 million / +48.2% yoy), mainly due to consolidating ATIVAS. Operating income would have decreased by 16.1% and the EBITDA grown by 48.2% yoy, without foreign currency translation effects.

The operating margin was -2.7% 70bp lower than in 2016, and the EBITDA margin was 4.8% 160bp higher.

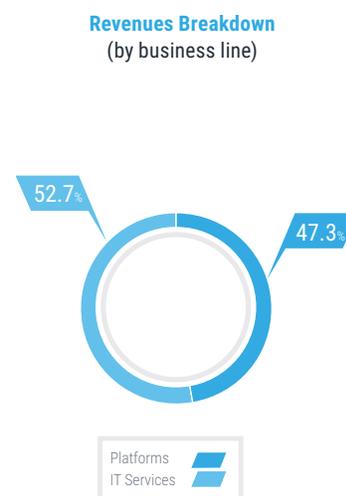
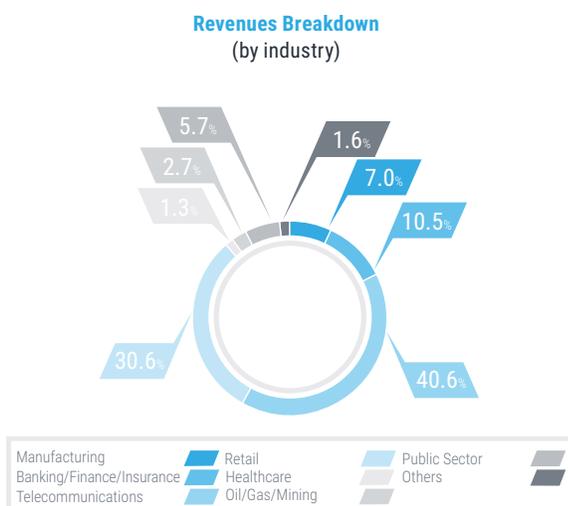
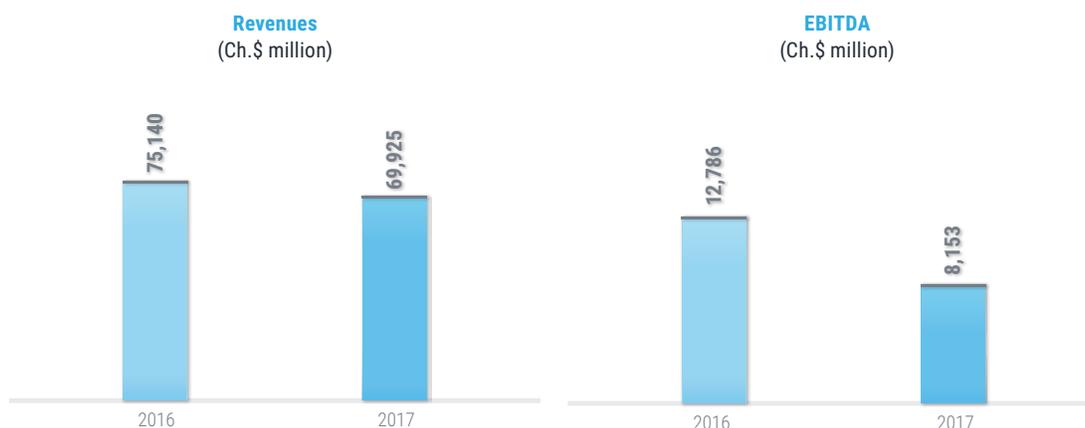


## Results in Mexico

Revenue as of December 31, 2017 decreased by 6.9% to reach Ch\$69,925 million (US\$113.7 million), mainly due to lower Platform sales and to foreign currency translation effects, without which revenue would have decreased by 2.9% yoy.

Operating income was Ch\$6,551 million (US\$10.7 million) and EBITDA was Ch\$8,153 million (US\$13.3 million) lower than in 2016 by 40.7% and 36.4% yoy, respectively. Operating income and EBITDA would have decreased by 37.5% and 33.0% yoy, respectively, without foreign currency translation effects.

The operating margin was 9.4% 520bp lower than in 2016, and the EBITDA margin was 11.7% 530bp lower.

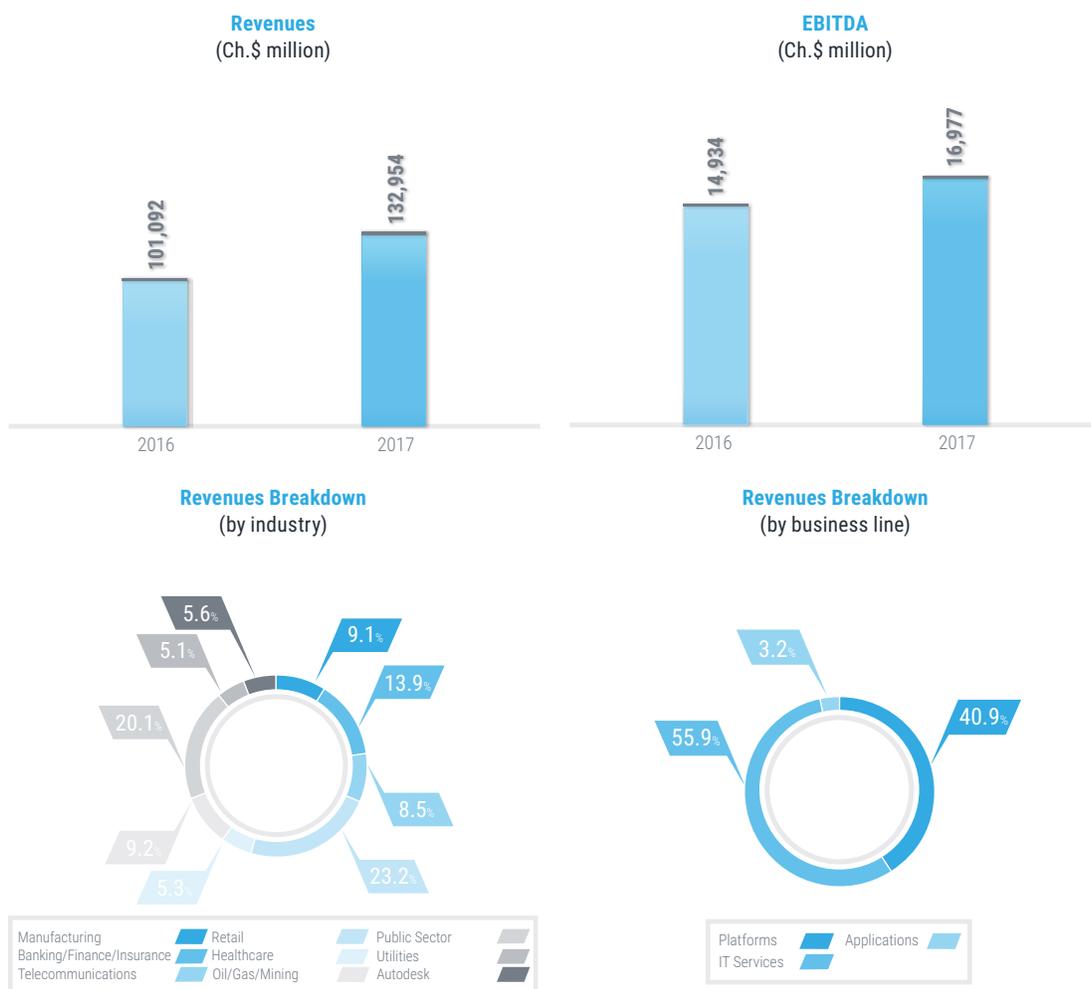


## Results in OPLA

Revenue as of December 31, 2017 increased by 31.5% compared to 2016, reaching Ch\$132,954 million (US\$216.3 million), mainly due to the performance in Colombia, where the Compufacil group was acquired and the number of new contracts initiated during this year increased.

Operating income was Ch\$10,644 million (US\$17.3 million) falling by 3.5% yoy, and EBITDA was Ch\$16,977 million (US\$27.6 million) growing by 13.7% yoy. Particularly the fourth quarter of 2017, where EBITDA grew by 61.6% compared to the third quarter.

The operating margin was 8.0% falling 290bp compared to 2016, and the EBITDA margin was 12.8% falling by 200bp.



Financial information

## 2017 Financial Statements



The Consolidated Financial Statements for SONDA S.A. and its subsidiaries, and the corresponding Independent Auditors Report are available to the public at the offices of the reporting entity (Teatinos 500, Santiago, Chile) and the Superintendence of Securities and Insurance. This includes:

- Consolidated Financial Statements for SONDA S.A. and subsidiaries
- Summarized Financial Statements for Subsidiaries
- Earnings Release
- Report of Independent Auditors

Furthermore, this information can be found in electronic format on the SONDA S.A. website: [www.sonda.com](http://www.sonda.com)

## Consolidated Statements of Financial Position

As of December 31, 2017 and 2016 (In thousands of Chilean pesos - ThCh\$)

ASSETS	Note	12.31.2017	12.31.2016
		ThCh\$	ThCh\$
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	5	40,980,077	64,071,515
Other current financial assets	6	45,453,403	27,436,002
Other current non-financial assets	18	14,551,312	14,412,333
Trade and other current receivables	7	225,159,519	198,640,837
Account receivables from related parties	8	5,712,334	3,045,248
Inventories	9	37,703,274	37,800,595
Current tax assets, current	10	33,476,329	36,322,599
Current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners		403,036,248	381,729,129
<b>CURRENT ASSETS</b>		<b>403,036,248</b>	<b>381,729,129</b>
<b>NON-CURRENT ASSETS</b>			
Other non-current financial assets	6	13,181,600	7,654,785
Other non-current non-financial assets	18	7,820,896	14,657,900
Non-current receivables	7	35,948,721	24,455,534
Account receivables from related parties	8	4,406,069	4,331,311
Investments accounted for using the equity method	11	6,162,276	5,738,380
Intangible assets other than goodwill	12	25,226,089	31,983,027
Goodwill	13	229,727,933	241,495,726
Property, plant and equipment	14	124,134,372	133,347,129
Investment property	15	3,607,711	2,349,084
Deferred tax assets	17	25,907,896	26,228,788
<b>NON-CURRENT ASSETS</b>		<b>476,123,563</b>	<b>492,241,664</b>
<b>ASSETS</b>		<b>879,159,811</b>	<b>873,970,793</b>
<b>LIABILITIES AND EQUITY</b>			
LIABILITIES AND EQUITY	Note	12.31.2017	12.31.2016
		ThCh\$	ThCh\$
<b>CURRENT LIABILITIES</b>			
Other current financial liabilities	19	70,078,285	83,270,295
Trade and other current payables	21	122,914,792	109,821,349
Account payable to related parties	8	11,070,965	731,595
Other short term provisions	22	4,195,299	9,523,190
Current tax liabilities, current	10	16,938,165	8,588,245
Current provisions for employee benefits	23	5,642,043	5,399,981
Other current non-financial liabilities	24	22,058,972	19,900,713
Current liabilities other than liabilities included in disposal groups classified as held for sale		252,898,521	237,235,368
<b>CURRENT LIABILITIES</b>		<b>252,898,521</b>	<b>237,235,368</b>
<b>NON-CURRENT LIABILITIES:</b>			
Other non-current financial liabilities	19	102,097,722	82,667,509
Non-current payables	21	8,594,923	14,336,265
Accounts payable to related parties, non-current	8	8,553	64,822
Other long term provisions	22	4,503,317	4,420,779
Deferred tax liabilities	17	16,190,675	19,747,248
Non-current provisions for employee benefits	23	2,878,627	3,388,996
Other non-current non-financial liabilities	24	2,249,366	5,791,281
<b>NON-CURRENT LIABILITIES</b>		<b>136,523,183</b>	<b>130,416,900</b>
<b>LIABILITIES</b>		<b>389,421,704</b>	<b>367,652,268</b>
<b>EQUITY:</b>			
Issued capital	25	373,119,044	373,119,044
Retained earnings		235,792,437	203,348,287
Other reserves	25	(124,502,469)	(78,587,194)
Equity attributable to owners of parent		484,409,012	497,880,137
Non-controlling interests	25	5,329,095	8,438,388
<b>EQUITY</b>		<b>489,738,107</b>	<b>506,318,525</b>
<b>LIABILITIES AND EQUITY</b>		<b>879,159,811</b>	<b>873,970,793</b>

## Consolidated Statements of Comprehensive Income

For the years ended December 31, 2017 and 2016 (In thousands of Chilean pesos - ThCh\$)

	Note	12.31.2017	12.31.2016
		ThCh\$	ThCh\$
<b>PROFIT:</b>			
Revenue	26	841,541,278	816,158,844
Cost of sales	30	(696,329,458)	(671,565,219)
<b>GROSS PROFIT</b>		<b>145,211,820</b>	<b>144,593,625</b>
Other income	27	39,320,165	5,672,279
Administrative expenses		(85,702,872)	(81,292,580)
Other expenses, by function	29	(10,677,962)	(14,458,456)
<b>Profit from continuing operations</b>		<b>88,151,151</b>	<b>54,514,868</b>
Finance income		8,637,211	5,305,266
Finance costs		(18,317,014)	(11,968,565)
Share of profit of associates accounted for using the equity method	11	163,888	9,630
Foreign currency exchange differences		(1,681,175)	(2,711,025)
Gain from indexed assets and liabilities		41,512	125,124
<b>PROFIT BEFORE TAX</b>		<b>76,995,573</b>	<b>45,275,298</b>
INCOME TAX EXPENSE	17	(6,963,587)	13,347,930
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>70,031,986</b>	<b>31,927,368</b>
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>70,031,986</b>	<b>(31,927,368)</b>
<b>PROFIT ATTRIBUTABLE TO:</b>			
Owners of parent		64,895,944	26,396,126
Non-controlling interests	25	5,136,042	5,531,242
<b>PROFIT</b>		<b>70,031,986</b>	<b>31,927,368</b>
<b>EARNINGS PER SHARE</b>			
<b>Earnings per share - Basic</b>			
Earnings per share from continuing operations - Basic (Ch\$/Share)		74.50	30.30
<b>Earnings per share - Diluted</b>			
Earnings per share from continuing operations - Diluted (Ch\$/Share)		74.50	30.30

## Total Comprehensive Income

For the years ended December 31, 2017 and 2016 (In thousands of Chilean pesos - ThCh\$)

TOTAL COMPREHENSIVE INCOME	12.31.2017	12.31.2016
	ThCh\$	ThCh\$
PROFIT	70,031,986	31,927,368
<b>Components of other comprehensive income that will not be reclassified to profit or loss, before tax</b>		
Other comprehensive income before tax gains (losses) on remeasurements of defined benefit plans	(62,392)	19,611
Other comprehensive income before tax gains (losses) from investments in equity instruments	90,089	-
Other comprehensive income that will not be reclassified to profit or loss, before tax	27,697	19,611
<b>Other comprehensive income that will be reclassified to profit or loss, before tax</b>		
<b>Exchange differences on translation</b>		
(Losses) gains on exchange differences on translation before tax	(40,543,966)	27,370,742
<b>Cash flow hedge</b>		
Gains (losses) on cash flow hedges, before tax	1,222,968	(1,238,020)
Other comprehensive income that will be reclassified to profit or loss before tax	(39,320,998)	26,132,722
Other comprehensive income, before tax	(39,293,301)	26,152,333
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	(13,726)	10,988
Income tax relating to new measurement defined benefit plans of other comprehensive income	(13,726)	10,988
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	415,809	(430,861)
Income tax relating to cash flow hedges of other comprehensive income	415,809	(430,861)
Other comprehensive income	(39,695,384)	26,572,206
<b>COMPREHENSIVE INCOME</b>	<b>30,336,602</b>	<b>58,499,574</b>
<b>Comprehensive income attributable to:</b>		
Owners of the parent	25,200,560	52,968,332
Non-controlling interests	5,136,042	5,531,242
<b>COMPREHENSIVE INCOME</b>	<b>30,336,602</b>	<b>58,499,574</b>

## Consolidated Statements of Cash Flows, Direct

For the years ended December 31, 2017 and 2016 (In thousands of Chilean pesos - ThCh\$)

	12.31.2017	12.31.2016
	ThCh\$	ThCh\$
<b>Statements of Cash Flows</b>		
<b>Cash flows from (used in) operating activities</b>		
Receipts from sales of goods and rendering of services	919,663,254	958,904,307
Other cash receipts from operating activities	5,494,816	20,100,272
<b>Cash receipts from operating activities</b>	<b>925,158,070</b>	<b>979,004,579</b>
Payments to suppliers for goods and services	(523,382,497)	(528,923,136)
Payments to and on behalf of employees	(289,810,797)	(280,211,507)
Other cash payments from operating activities	(60,099,339)	(75,614,084)
<b>Classes of cash payments</b>	<b>(873,292,633)</b>	<b>(884,748,727)</b>
<b>Cash flows from (used in) operations</b>	<b>51,865,437</b>	<b>94,255,852</b>
Income taxes paid	(8,641,378)	(27,979,163)
Other (outflows) inflows of cash	(3,674,647)	1,244,308
<b>Cash generated by operating activities</b>	<b>39,549,412</b>	<b>67,520,997</b>
<b>Cash flows from (used in) investing activities</b>		
Cash flows used in obtaining control of subsidiaries or other businesses	(5,556,444)	(25,504,057)
Cash flows used to acquire non-controlling interests	(13,814,642)	-
Other cash receipts from sales of equity or debt instruments of other entities	11,955,429	58,108
Other cash payments to acquire equity or debt instruments of other entities	-	(16,238,465)
Cash advances and loans made to other parties classified as investing activities	-	(23,029,633)
Proceeds from sales of property, plant and equipment classified as investing activities	34,393	227,938
Dividends received	25,541	-
Purchase of property, plant and equipment	(22,158,085)	(23,062,479)
Collection of loans to related parties	120,000	-
Purchase of intangible assets	(2,421,561)	(3,054,438)
Interest received	424,055	-
Other outflows of cash	(1,971,343)	(13,447,038)
<b>Cash flows from (used in) investing activities</b>	<b>(33,362,657)</b>	<b>(104,050,064)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuing other equity instruments	-	62,962,294
Proceeds from issuing shares	7,397,820	2,000
Proceeds from long-term borrowings	3,066,296	-
Proceeds from short-term borrowings	87,705,864	132,300,717
Repayments of borrowings	(93,024,334)	(110,987,971)
Payments of finance lease liabilities	(5,825,182)	(5,076,185)
Dividends paid	(14,832,568)	(25,757,139)
Interests paid	(8,861,509)	(15,322,531)
Other outflows of cash	(1,771,300)	(1,844,821)
<b>Cash flows (used in) from financing activities</b>	<b>(26,144,913)</b>	<b>36,276,364</b>
<b>Decrease in cash and cash equivalents before effect of exchange rate changes</b>	<b>(19,958,158)</b>	<b>(252,703)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		
Effect of exchange rate changes on cash and cash equivalents	(3,133,280)	(4,067,956)
Decrease in cash and cash equivalents	(23,091,438)	(4,320,659)
Cash and cash equivalents at beginning of period	64,071,515	68,392,174
<b>Cash and cash equivalents at the end of period</b>	<b>40,980,077</b>	<b>64,071,515</b>

## Consolidated Statements of Changes in Equity

For the years ended December 31, 2017 and 2016 (In thousands of Chilean pesos - ThCh\$)

	Issued capital	Other reserves	
		Reserve of exchange differences on translation	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments
	ThCh\$	ThCh\$	ThCh\$
Equity at beginning of period 01/01/2017	373,119,044	(78,405,134)	(918,835)
Changes in equity:			
Profit for the year	-	-	-
Other comprehensive income	-	(40,543,966)	90,089
Comprehensive income	-	(40,543,966)	90,089
Dividends	-	-	-
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-
Increase (decrease) through transfers and other changes, equity	-	-	-
Changes in equity	-	(40,543,966)	90,089
<b>Equity at end of period 12/31/2017</b>	<b>373,119,044</b>	<b>(118,949,100)</b>	<b>(828,746)</b>

	Other reserves			Total other reserves
	Reserve of cash flow hedging	Reserve of actuarial gains or losses on defined benefit plans	Other miscellaneous reserves	
	ThCh\$	ThCh\$	ThCh\$	
Equity at beginning of period 01/01/2017	(807,159)	230,324	1,313,610	(78,587,194)
Changes in equity:				
Profit for the year	-	-	-	-
Other comprehensive income	807,159	(48,666)	-	(39,695,384)
Comprehensive income	807,159	(48,666)	-	(39,695,384)
Dividends	-	-	-	-
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	-	-	(6,219,891)	(6,219,891)
Increase (decrease) through transfers and other changes, equity	-	-	-	-
Changes in equity	807,159	(48,666)	(6,219,891)	(45,915,275)
<b>Equity at end of period 12/31/2017</b>	<b>-</b>	<b>181,658</b>	<b>(4,906,281)</b>	<b>(124,502,469)</b>

	Retained earnings	Equity attributable to owners of parent	Non-controlling interests	Total equity
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Equity at beginning of period 01/01/2017	203,348,287	497,880,137	8,438,388	506,318,525
Changes in equity:				
Profit for the year	64,895,944	64,895,944	5,136,042	70,031,986
Other comprehensive income	-	(39,695,384)	-	(39,695,384)
Comprehensive income	64,895,944	25,200,560	5,136,042	30,336,602
Dividends	(32,447,972)	(32,447,972)	(4,795,033)	(37,243,005)
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	-	(6,219,891)	-	(6,219,891)
Increase (decrease) through transfers and other changes, equity	(3,822)	(3,822)	(3,450,302)	(3,454,124)
Changes in equity	32,444,150	(13,471,125)	(3,109,293)	(16,580,418)
<b>Equity at end of period 12/31/2017</b>	<b>235,792,437</b>	<b>484,409,012</b>	<b>5,329,095</b>	<b>489,738,107</b>

	Issued capital	Other reserves	
		Reserve of exchange differences on translation	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments
	ThCh\$	ThCh\$	ThCh\$
Equity at beginning of period 01/01/2016	373,119,044	(105,775,876)	-
Changes in equity:			
Profit for the year	-	-	-
Other comprehensive income	-	27,370,742	-
Comprehensive income	-	27,370,742	-
Dividends	-	-	-
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-
Increase (decrease) through transfers and other changes, equity	-	-	(918,835)
Changes in equity	-	27,370,742	(918,835)
<b>Equity at end of period 12/31/2016</b>	<b>373,119,044</b>	<b>(78,405,134)</b>	<b>(918,835)</b>

	Other reserves			
	Reserve of cash flow hedging	Reserve of actuarial gains or losses on defined benefit plans	Other miscellaneous reserves	Total other reserves
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Equity at beginning of period 01/01/2016	-	221,701	1,313,610	(104,240,565)
Changes in equity:				
Profit for the year	-	-	-	-
Other comprehensive income	(807,159)	8,623	-	26,572,206
Comprehensive income	(807,159)	8,623	-	26,572,206
Dividends	-	-	-	-
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-
Increase (decrease) through transfers and other changes, equity	-	-	-	(918,835)
Changes in equity	(807,159)	8,623	-	25,653,371
<b>Equity at end of period 12/31/2016</b>	<b>(807,159)</b>	<b>230,324</b>	<b>1,313,610</b>	<b>(78,587,194)</b>

	Retained earnings	Equity attributable to owners of parent	Non-controlling interests	Total equity
	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Equity at beginning of period 01/01/2016	190,139,970	459,018,449	6,838,836	465,857,285
Changes in equity:				
Profit for the year	26,396,126	26,396,126	5,531,242	31,927,368
Other comprehensive income	-	26,572,206	-	26,572,206
Comprehensive income	26,396,126	52,968,332	5,531,242	58,499,574
Dividends	(13,198,063)	(13,198,063)	(3,931,690)	(17,129,753)
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-
Increase (decrease) through transfers and other changes, equity	10,254	(908,581)	-	(908,581)
Changes in equity	13,208,317	38,861,688	1,599,552	40,461,240
<b>Equity at end of period 12/31/2016</b>	<b>203,348,287</b>	<b>497,880,137</b>	<b>8,438,388</b>	<b>506,318,525</b>



**Additional information**





## General and additional information

### Information on the company and its subsidiaries

#### Incorporation

SONDA S.A. was incorporated as a limited liability company with the legal name "Sociedad Nacional de Procesamiento de Datos Limitada", by public deed on October 30, 1974 granted by the public notary of Santiago, Mr. Herman Chadwick Valdes. An excerpt of such deed was registered on page 11,312 number 6,199 of the Trade Register of the Real Estate Registry of Santiago in 1974 and published in the Official Gazette on December 28, 1974.

The company became a corporation, maintaining its legal name but establishing the brand name SONDA S.A. by public deed dated September 16, 1991, granted by the Santiago Notary Mr. Humberto Quezada Moreno, and its excerpt was registered on page 28,201 number 14,276 of the Trade Register of the Real Estate Registry of Santiago in 1991 and published in the Official Gazette on September 24, 1991. Later, the legal name became SONDA S.A. by public deed dated May 27, 2004, granted at the Santiago Notary of Mr. Rene Benavente Cash, and its excerpt was registered on page 15,640 number 11,777 of the Trade Register of the Real Estate Registry of Santiago in 2004 and published in the Official Gazette number 37,873 dated May 31, 2004.

Since its incorporation, the bylaws of the company have been subject to several modifications. The current bylaws are established in:

(i) a public deed dated July 4, 2006, granted at the Santiago Notary of Mr. Rene Benavente Cash, and its excerpt was registered on page 27,555 number 19,250 of the Trade Register of the Real Estate Registry of Santiago in 2006 and published in the Official Gazette on July 17, 2006; (ii) a public deed dated August 31, 2012 granted at the Santiago Notary of Mr. Andres Rubio Flores, which reports on the capital increase agreed at the Extraordinary Shareholders Meeting held on August 30, 2012, and its excerpt was registered on page 61,522 number 42,921 of the Trade Register of the Real Estate Registry of Santiago in 2012 and published in the Official Gazette on September 4, 2012.

#### Legal Name

SONDA S.A.

#### Legal Address:

Santiago district, Metropolitan Region

#### Chilean Identification Number

83,628,100-4

#### Company

Publicly Traded Corporation

#### Registration in Securities Registry

950

#### Corporate Purpose:

- 1) Develop electronic computing, information and data processing systems and general information technology, automation and communications, for itself or for others;
- 2) Create, construct, develop, apply, import, export, trade, maintain, update, operate, install and represent hardware, software and related services;
- 3) Purchase, sell, import, export, represent, distribute and generally trade electronic computing and data processing equipment, its spare parts, components, accessories and other related items;
- 4) Directly use the same goods by offering services, renting these goods, or in any other manner;
- 5) Provide occupational training, mainly in the automation or information technology fields, through courses, seminars, conferences, publications, events or other forms of systematic transfer of knowledge and technology;
- 6) Provide business management consulting services, market research, feasibility studies and operational analysis;
- 7) Develop any other activity in the information technology and computer science areas or directly or indirectly related to them.

#### External Auditors

Deloitte Auditores y Consultores Ltda.

#### Main Office Address

Teatinos 500, Santiago, Chile.

#### P.O. Box

275 v - Correo 21, Santiago

#### Telephone

(56 2) 2657 -5000

#### Fax

(56 2) 2657-5410

#### Website

[www.sonda.com](http://www.sonda.com)

#### E-mail

[corporativo@sonda.com](mailto:corporativo@sonda.com)

## Regional presence

Taxpayer Number	Company Name	Country	Functional Currency	Ownership Percentage direct	
76.111.649-6	3 GENESIS S.A.	Chile	Chilean pesos	0.000000	
Foreign	ATIVAS DATACENTER S.A. (2)	Brazil	Brazilian reais	0.000000	
76.957.430-1	AUTENTIA S.A. (11)	Chile	Chilean peso	0.000000	
Foreign	BAZUCA INTERNET PARTNERS S.A.	Chile	Chilean peso	0.005545	
Foreign	COMPUFACIL S.A.S. (10)	Colombia	Colombian peso	0.000000	
Foreign	CONSORCIO SONDA COLOMBIA (3)	Colombia	Colombiawwn peso	20.000000	
Foreign	CONSORCIO SONDA ECUADOR	Ecuador	US Dollars	70.000000	
Foreign	CTIS TECNOLOGÍA S.A. (1)	Brazil	Brazilian reais	0.000000	
Foreign	ELUCID SOLUTIONS S.A. (6)	Brazil	Brazilian reais	0.000000	
96.803.810-9	FACTORING GENERAL S.A.	Chile	Chilean peso	1.000000	
Foreign	INGENIERIA SERVICIOS INFORMATICOS S.A. DE C.V.	Mexico	Mexican peso	0.000000	
76.240.462-1	INMOBILIARIA SERVICANCA S.A.	Chile	Chilean peso	0.000000	
78.936.330-7	INNOVACIÓN Y TECNOLOGÍA EMPRESARIAL ITEM LTDA.	Chile	Chilean pesos	0.000000	
Foreign	INVERSIONES QUINTEC COLOMBIA LTDA.	Colombia	Colombian peso	0.000000	
88.579.800-4	MICROGEO S.A. Y FILIAL	Chile	US Dollars	0.000000	
Foreign	NOVIS MÉXICO S.A.	Mexico	Mexican peso	0.000000	
96.967.100-K	NOVIS S.A.	Chile	Chilean pesos	0.000000	
76.246.247-8	NOVIS S.P. SpA	Chile	Chilean pesos	0.000000	
94.071.000-6	ORDEN S.A. (11)	Chile	Chilean pesos	0.000000	
Foreign	PARS PRODUTOS DE PROCESSAMENTO DE DADOS LTDA. (5)	Brazil	Brazilian reais	0.000000	
Foreign	PRICELESS COLOMBIA S.A.S (10)	Colombia	Colombian peso	0.000000	
86.731.200-5	QUINTEC CHILE S.A.	Chile	Chilean pesos	0.000000	
96.723.760-4	QUINTEC DISTRIBUCION S.A.	Chile	Chilean pesos	0.000000	
76.376.955-0	QUINTEC FILIALES OPERATIVAS S.A.	Chile	Chilean pesos	0.000000	
76.656.910-2	QUINTEC INVERSIONES LATINOAMERICANAS S.A.	Chile	Chilean pesos	0.000000	
Foreign	QUINTEC SAC (PERU)	Perú	Peruvian Sol	0.000000	
96.515.590-2	QUINTEC SERVICIOS DE VALOR S.A.	Chile	Chilean pesos	0.000000	
96.571.690-4	SERVIBANCA S.A.	Chile	Chilean pesos	0.000000	
78.072.130-8	SERVICIOS EDUCACIONALES SONDA S.A.	Chile	Chilean pesos	0.674000	
99.551.120-7	SERVICIOS FINANCIEROS UNO S.A.	Chile	Chilean pesos	0.000000	
76.903.990-2	SOC. PROD. Y SERV. REDES MOVILES S.A.	Chile	Chilean pesos	0.000000	
96.725.400-2	SOLUCIONES EXPERTAS S.A. Y FILIAL (7)	Chile	Chilean pesos	0.000000	
Foreign	SONDA ARGENTINA S.A.	Argentina	Argentinean peso	5.256133	
Foreign	SONDA DE COLOMBIA S.A. (9)	Colombia	Colombian peso	4.981384	
Foreign	SONDA DEL ECUADOR ECUASONDA S.A.	Ecuador	US Dollars	0.000008	
Foreign	SONDA DEL PERU S.A.	Perú	Peruvian Sol	0.000000	
Foreign	SONDA DO BRASIL S.A.	Brazil	Brazilian reais	0.000000	
76.041.219-8	SONDA FILIALES BRASIL S.A.	Chile	Chilean pesos	99.999845	
76.039.505-6	SONDA FILIALES CHILE LTDA.	Chile	Chilean pesos	99.995000	
96.987.400-8	SONDA INMOBILIARIA S.A.	Chile	Chilean pesos	0.000098	
Foreign	SONDA MEXICO S.A. DE C.V.	Mexico	US Dollars	50.104156	
Foreign	SONDA PANAMA S.A.	Panamá	US Dollars	0.000000	
Foreign	SONDA PROCWORK INF. LTDA. Y FILIALES	Brazil	Brazilian reais	0.000000	
Foreign	SONDA PROCWORK OUTSOURCING LTDA. (2)(12)	Brazil	Brazilian reais	0.000000	
76.030.421-2	SONDA REGIONAL S.A.	Chile	Chilean pesos	99.999997	
99.546.560-4	SONDA SERVICIOS PROFESIONALES S.A.	Chile	Chilean pesos	0.076903	
Foreign	SONDA SERVICIOS S.A.S. (4)	Colombia	Colombian peso	0.000000	
76.035.824-K	SONDA SPA	Chile	Chilean pesos	100.000000	
Foreign	SONDA TECNOLOGIAS DE COSTA RICA S.A.	Costa Rica	US Dollars	0.000000	
Foreign	SONDA URUGUAY S.A.	Uruguay	US Dollars	49.897924	
96.823.020-4	TECNOGLOBAL S.A.	Chile	US Dollars	0.000001	
Foreign	TELSINC COMERCIO DE EQUIPAMIENTO DE INF. LTDA	Brazil	Brazilian reais	0.950028	
Foreign	TELSINC PREST. DE SERV. PARA SIST. DE INF. LTDA	Brazil	Brazilian reais	0.950027	
76.415.784-2	TRANSACCIONES ELECTRONICAS S.A. 2 Y FILIALES (8)	Chile	Chilean pesos	0.000000	
76.006.868-3	TRANSACCIONES ELECTRONICAS S.A. Y FILIALES (11)	Chile	Chilean pesos	0.000000	

Ownership percentage							
12.31.2017				12.31.2016			
	Ownership Percentage indirect	Total Ownership Percentage	Non controlling interest	Ownership Percentage direct	Ownership Percentage indirect	Total Ownership Percentage	Non controlling interest
	41.389920	41.389920	58.610080	0.000000	41.389920	41.389920	58.610080
	60.000000	60.000000	40.000000	0.000000	60.000000	60.000000	40.000000
	0.000000	0.000000	0.000000	0.000000	50.000131	50.000131	49.999869
	99.877350	99.882895	0.117105	0.005545	99.877350	99.882895	0.117105
	100.000000	100.000000	0.000000	0.000000	0.000000	0.000000	0.000000
	80.000000	100.000000	0.000000	20.000000	80.000000	100.000000	0.000000
	30.000000	100.000000	0.000000	70.000000	30.000000	100.000000	0.000000
	100.000000	100.000000	0.000000	0.000000	100.000000	100.000000	0.000000
	0.000000	0.000000	0.000000	0.000000	100.000000	100.000000	0.000000
	99.000000	100.000000	0.000000	1.000000	99.000000	100.000000	0.000000
	100.000000	100.000000	0.000000	0.000000	100.000000	100.000000	0.000000
	86.750000	86.750000	13.250000	0.000000	86.750000	86.750000	13.250000
	99.810197	99.810197	0.189803	0.000000	99.810197	99.810197	0.189803
	99.812076	99.812076	0.187924	0.000000	99.812076	99.812076	0.187924
	80.000000	80.000000	20.000000	0.000000	80.000000	80.000000	20.000000
	60.000000	60.000000	40.000000	0.000000	60.000000	60.000000	40.000000
	60.000000	60.000000	40.000000	0.000000	60.000000	60.000000	40.000000
	60.000000	60.000000	40.000000	0.000000	60.000000	60.000000	40.000000
	0.000000	0.000000	0.000000	4.324324	95.675676	100.000000	0.000000
	100.000000	100.000000	0.000000	0.000000	100.000000	100.000000	0.000000
	100.000000	100.000000	0.000000	0.000000	0.000000	0.000000	0.000000
	99.823106	99.823106	0.176894	0.000000	99.810577	99.810577	0.189423
	99.822752	99.822752	0.177248	0.000000	99.810197	99.810197	0.189803
	99.822752	99.822752	0.177248	0.000000	99.810197	99.810197	0.189803
	99.822755	99.822755	0.177245	0.000000	99.810210	99.810210	0.189790
	99.822756	99.822756	0.177244	0.000000	99.812091	99.812091	0.187909
	99.823183	99.823183	0.176817	0.000000	99.810659	99.810659	0.189341
	86.750000	86.750000	13.250000	0.000000	86.750000	86.750000	13.250000
	99.326000	100.000000	0.000000	0.674000	99.326000	100.000000	0.000000
	99.810577	99.810577	0.189423	0.000000	99.810577	99.810577	0.189243
	67.000000	67.000000	33.000000	0.000000	67.000000	67.000000	33.000000
	50.000200	50.000200	49.999800	0.000000	50.000200	50.000200	49.999800
	94.743577	99.999710	0.000290	5.256133	94.743577	99.999710	0.000290
	95.018616	100.000000	0.000000	9.981383	95.018617	100.000000	0.000000
	99.999992	100.000000	0.000000	0.000008	99.999992	100.000000	0.000000
	100.000000	100.000000	0.000000	0.000000	100.000000	100.000000	0.000000
	99.999998	99.999998	0.000002	0.000000	99.999998	99.999998	0.000002
	0.000155	100.000000	0.000000	99.999845	0.000155	100.000000	0.000000
	0.005000	100.000000	0.000000	99.995000	0.005000	100.000000	0.000000
	99.999902	100.000000	0.000000	0.000098	99.999902	100.000000	0.000000
	49.895844	100.000000	0.000000	50.104156	49.895844	100.000000	0.000000
	100.000000	100.000000	0.000000	0.000000	100.000000	100.000000	0.000000
	100.000000	100.000000	0.000000	0.000000	100.000000	100.000000	0.000000
	100.000000	100.000000	0.000000	0.000000	100.000000	100.000000	0.000000
	0.000003	100.000000	0.000000	99.999997	0.000003	100.000000	0.000000
	99.923097	100.000000	0.000000	0.076903	99.923097	100.000000	0.000000
	100.000000	100.000000	0.000000	0.000000	100.000000	100.000000	0.000000
	0.000000	100.000000	0.000000	100.000000	0.000000	0.000000	0.000000
	100.000000	100.000000	0.000000	0.000000	100.000000	100.000000	0.000000
	50.101930	99.999854	0.000146	49.897924	50.101930	99.999854	0.000146
	99.999999	100.000000	0.000000	0.000001	99.999999	100.000000	0.000000
	99.049972	100.000000	0.000000	0.950028	99.049972	100.000000	0.000000
	99.049973	100.000000	0.000000	0.950027	99.049973	100.000000	0.000000
	50.000081	50.000081	49.999919	0.000000	50.000081	50.000081	49.999919
	0.000000	0.000000	0.000000	0.000000	50.000081	50.000081	49.999919

## Information regarding subsidiaries

Company Name	SONDA Filiales Brasil S.A.	SONDA Filiales Chile Ltda.	SONDA Regional S.A.
Direct / Indirect	Direct	Direct	Direct
Subscribed and Paid Capital	ThCh\$ 29,028,927	ThCh\$ 14,400,199	ThCh\$ 375,536
Number of subscribed and paid shares	644,779		37,703,314
Corporate purpose according to the bylaws	To invest in movable and immovable tangible or intangible property, including the acquisition of shares, rights in partnerships, bonds, commercial paper and, in general any class of securities and investment instruments, and manage these investments and their returns. The Company may form other companies or incorporate itself into them, to meet its objectives.	To invest in movable and immovable tangible or intangible property, including the acquisition of shares, rights in partnerships, bonds, commercial paper and, in general any class of securities and investment instruments, and manage these investments and their returns. The Company may form other companies or incorporate itself into them, to meet its objectives.	To invest in movable and immovable tangible or intangible property, including the acquisition of shares, rights in partnerships, bonds, commercial paper and, in general any class of securities and investment instruments, and manage these investments and their returns. The Company may form other companies or incorporate itself into them, to meet its objectives.
Chairman	Mario Pavón Robinson <sup>(1)</sup>	Not applicable	Mario Pavón Robinson <sup>(1)</sup>
Director	Rafael Osorio Peña <sup>(3)</sup> Raúl Véjar Olea <sup>(2)</sup>	Not applicable	Rafael Osorio Peña <sup>(3)</sup> José Orlandini Robert
Chief Executive Officer	Raúl Vejar Olea <sup>(2)</sup>	Raúl Vejar Olea (2)	Raúl Vejar Olea <sup>(2)</sup>
Percentage of the parent company's assets	42.87%	11.86%	6.72%
Parent Company's total interest	100%	100%	100%
Description of the Business Relationship with Sonda S.A.	No business relationship	No business relationship	No business relationship
Contracts with Sonda S.A.	No contracts between the parties	No contracts between the parties	No contracts between the parties

<sup>(1)</sup> Mario Pavón Robinson, Chairman of SONDA.

<sup>(2)</sup> Raúl Véjar Olea, Chief Executive Officer of SONDA.

<sup>(3)</sup> Rafael Osorio Peña, Chief Financial Officer of SONDA.

	SONDA SpA	SONDA México S.A. de C.V. y Filiales	Quintec Filiales Operativas S.A y Filiales	Factoring General S.A.
	Direct	Direct	Indirect	Indirect
	ThCh\$ 101	ThCh\$ 24,450,200	ThCh\$ 34,207,231	ThCh\$ 26,432
	100	1,168,436	15,700,000	1,000
	To invest in movable and immovable tangible or intangible property, including the acquisition of shares, rights in partnerships, bonds, commercial paper and, in general any class of securities and investment instruments, and manage these investments and their returns.	To manufacture, process, assemble, import, and trade computing equipment, provide data processing services and develop, implement, support and guarantee equipment and programs or computer systems.	The Company's purpose shall be: 1) To develop, on its own or on behalf of third parties, computer electronics, information systems and data processing, and any general business connected with information technology and communications. 2) To create, produce, develop, apply, import, export, sell, maintain, update, operate, install and represent hardware, software and related services. 3) To buy, sell, import, export, represent, distribute and generally market equipment for computer electronics and data processing, their spare parts, parts, tools, accessories and other related items. 4) To directly use such goods, either to provide services, leasing, or in any other form. 5) To provide occupational training, mainly in the areas of automation and informatics, through courses, seminars, conferences, publications, events, or any other systematic forms of knowledge and technology transfer. 6) To provide organizational and business administration consultancy services, including market, feasibility and operational research. 7) To generally develop any other business in the computing and information technology areas, or that directly or indirectly relates to them. 8) To invest in all kinds of movable or immovable, tangible or intangible property, rights in partnerships, bonds, commercial paper and, in general any class of securities and investment instruments, and manage these investments and their returns. The Company may form other companies or incorporate itself into them, to meet its objectives.	a) To buy, sell and invest in all kinds of intangible property such as equities, promissory shares, bonds, promissory notes, savings plans, invoices, units or rights in all kinds of companies, whether civil, commercial or mining in nature, bodies corporate or associations, and in all kinds of securities. b) To engage in factoring, including acquiring, from any company or individual, accounts receivable backed by invoices, letters of exchange, promissory notes or other documents, with or without recourse and with or without advance on the documents, granting finance secured by the referenced documents and managing accounts receivable. c) To provide management, asset markets, customer research and general consultancy. d) To manage investments and receive returns on them. e) To provide simple initial and judicial debt collection services. f) To provide any complimentary services to this purpose.
	Not applicable	Oscar Rojo Cervera	Mario Pavón Robinson <sup>(1)</sup>	Rafael Osorio Peña <sup>(2)</sup>
	Not applicable	José Luis Lepe Orta Gonzalo Torres Amigo	Raúl Vejar Olea <sup>(2)</sup> Rafael Osorio Peña <sup>(3)</sup>	Pablo Navarro Haeussler Juan Ossul Sanchez
	Raúl Vejar Olea	Oscar Rojo Cervera	Maurizio Rinaldi Ceriello	German Muñoz Escudero
	0.0009%	7.2246%	3.51%	0.01%
	100%	100%	99.82%	100%
	No business relationship	No business relationship	No business relationship	Subsidiary company dedicated to factoring and collections, and a supplier of Sonda S.A.
	No contracts between the parties	No contracts between the parties	No contracts between the parties	Comprehensive administrative services contract.

Company Name	Servicios Educacionales Sonda S.A.	SONDA Inmobiliaria S.A.	SONDA Servicios Profesionales S.A.	
Direct / Indirect	Indirect	Indirect	Indirect	
Subscribed and Paid Capital	ThCh\$ 395,635	ThCh\$ 321,487	ThCh\$ 12,681	
Number of subscribed and paid shares	1,890,127	1,025,000	3,901	
Corporate purpose according to the bylaws	The company has the sole purpose of providing training services.	To acquire, sell and manage all kinds of property, especially real estate, build on them, for itself or on behalf of third parties, directly operate them or through third parties in any form, manage such investments for itself or on behalf of third parties, obtain income from them, invest in all kinds of tangible and intangible movable property, such as shares, pledges of shares, bonds and debentures, units or rights in all kinds of companies, whether commercial or civil, communities and associations, and all kinds of securities, in Chile and abroad.	The Company's corporate purpose is: 1) To provide the following services to Chilean or foreign natural persons or legal entities: a) Software design, development, implementation, deployment and maintenance services. b) Consultancy on financial, commercial, risk analysis, and administrative issues. c) Services and consultancy to manage customer, supplier, debtor and other similar portfolios. d) Services and consultancy to manage accounting, legal and other similar issues, particularly business and contract issues. Services and consultancy to manage taxation, employment and social security issues. e) Occupational and work training.  2) To invest in all kinds of tangible and intangible property, such as shares, rights in partnerships, bonds, commercial paper and generally in all kinds of securities and investment instruments, manage them and receive their returns.	
Chairman	Horacio Nazif Ojeda	Mario Pavón Robinson <sup>(1)</sup>	Mario Pavón Robinson <sup>(1)</sup>	
Directors	Pablo Navarro Haeussler Rafael Osorio Peña <sup>(3)</sup> Raul Sapunar Kovacic <sup>(4)</sup>	Rafael Osorio Peña <sup>(3)</sup> Monica Varela Aravena	José Orlandini Robert Rafael Osorio Peña <sup>(3)</sup>	
Chief Executive Officer	Sergio Prieto Silva	Raul Sapunar Kovacic <sup>(4)</sup>	Raúl Vejar Olea <sup>(2)</sup>	
Percentage of the parent company's assets	0.007%	1.77%	0.526%	
Parent Company's total interest	100%	100%	100%	
Description of the Business Relationship with Sonda S.A.	Subsidiary company that provides educational services to Sonda S.A.	Subsidiary company that supplies real estate services to Sonda S.A.	Subsidiary company that supplies information technology services to Sonda S.A.	
Contracts with Sonda S.A.	Integrated services contract Purchase of training courses	Consulting and professional administrative and accounting services contract.	Consulting and professional administrative and accounting services contract.	

<sup>(1)</sup> Mario Pavón Robinson, Chairman of SONDA.

<sup>(2)</sup> Raúl Véjar Olea, Chief Executive Officer of SONDA.

<sup>(3)</sup> Rafael Osorio Peña, Chief Financial Officer of SONDA.

<sup>(4)</sup> Raúl Sapunar Kovacic, Senior Executive of SONDA.

	<b>Novis S.A.</b>	<b>Sociedad Proveedoradora de Productos y Servicios para Redes de Datos Móviles S.A. ( Wireless-IQ S.A.) y Filial</b>	<b>SONDA Tecnologías de Costa Rica S.A.</b>	<b>CTIS Tecnología S.A.</b>
	Indirect	Indirect	Indirect	Indirect
	ThCh\$ 443,201	ThCh\$ 25,271,313	ThCh\$ 806,724	ThCh\$ 103,421,703
	4,200	48,330,197	1,000	417,525,121
	To develop and market solutions where information technology can be applied, including all directly or indirectly related services, such as marketing computer systems, developing and maintaining software, network management, user support, installing and maintaining hardware, operating computers, providing computing resources, training, and consultancy in general.	To schedule, analyze, develop, acquire, sell, lend, operate and market all kinds of data processing systems through computers. To conduct research into planning and implementing systematization programs. To manage computer services and maintenance programs. To provide and sell consultancy services and technical assistance in these areas. To manage processing systems. To represent, distribute, supply or operate any goods or services related to its purpose that are produced, patented or registered by national or foreign companies. To undertake any transaction related to the purchase, sale, manufacture, assembly, import, export and distribution of computer and communications equipment and systems, office equipment, parts and supplies for this equipment and all accessories to enable this equipment to function correctly.	To supply technological platforms and their related services.	IT Services: 1. To provide development services and develop computer programs (software), install, upgrade and maintain software, consultancy, systems analysis and development, modeling, data management and analysis, database support and administration, solution design and architecture, analyze and produce information and statistics to support decisions (data warehouse / data market) in computer science and data processing, consultancy, training, supply and pay for specialized technicians in computer science, data processing, engineering, installation, management and communication of data and maintenance of voice networks, including technological adaptation (customization) of computer programs (software) and hardware engineering, installation, management and maintenance services. 2. Outsourcing: To provide outsourced solutions to manage and operate printing and reproduction using multifunction printers (outsourcing printing). To provide outsourced operations management, call center and customer relations solutions (Contact Center). To provide management for outsourced solutions and operations centers for tele-services and remote technical support (Help Desk), and outsourced management solutions and hardware operation (computers, routers, modems and related equipment). 3. To provide computer programs (software) and databases. To distribute, sell, resell, license and sub-license its own computer programs (software) and data bases, or those purchased from the manufacturers or owners of intellectual property, and support and consultancy services. 4. Commercial representation: Represent computing and informatics products in their own or third party's premises. 5. Leasing assets: renting machinery, equipment and movable and immovable property. 6. Industrial off-set and laser printing. To provide the graphics industry with continuous services and manufacturing of paper, plastic, newspapers, printing and publishing, tax forms, books, magazines, tax documents, and other general documentation. 7. Computer equipment (hardware): To distribute, sell and resell its own computer equipment (hardware) or that acquired from manufacturers, such as servers, applications, tape libraries, storage, workstations, and their corresponding components.
	Mario Pavón Robinson <sup>(1)</sup>	Jorge Edmundo Andrade	Raúl Vejar Olea <sup>(2)</sup>	Raúl Vejar Olea <sup>(2)</sup>
	Rafael Osorio Peña <sup>(3)</sup> Patricio Artiagoitia Altí	Raúl Vejar Olea <sup>(2)</sup> Rafael Osorio Peña <sup>(3)</sup> Jorge Edmundo Andrade	Rafael Osorio Peña <sup>(3)</sup> Eduardo Sandoval Obando	Rafael Osorio Peña <sup>(3)</sup>
	Patricio Artiagoitia Altí	Jorge Edmundo Andrade	Eduardo Sandoval Obando	Affonso Nina
	0.17%	3.40%	0.97%	6.99%
	60%	100%	100%	100%
	Subsidiary company that procures IT services from Sonda S.A.	No business relationship	No business relationship	No business relationship
	Comprehensive services supply contract Computational services supply contract	No contracts between the parties	No contracts between the parties	No contracts between the parties

Company Name	SONDA Do Brasil S.A.	SONDA Procwork Outsourcing Inf. Ltda y Filial	Telsinc Comercio de Equipamiento de Inf. Ltda.	
Direct / Indirect	Indirect	Indirect	Indirect	
Subscribed and Paid Capital	ThCh\$ 69,816,830	ThCh\$ 41,997,494	ThCh\$ 11,234,014	
Number of subscribed and paid shares	121,119,915	123,820,931	37,718,682	
Corporate purpose according to the bylaws	Hardware and Software Marketing.To provide consultancy, training, program and system development.To represent IT assets, information technology in telecommunications and other related businesses, including the import and export of related goods and services.Rental of computers. Software, peripherals, and others. Computer equipment and maintenance peripherals, software support. Development, implementation and maintenance of computer networks. Development, implementation and maintenance of structured cabling systems. Professional outsourcing and the development, implementation and maintenance of Call Centers.	(i) To provide business management; (ii) sell and lease computer equipment and electronics; (iii) training in information technology; (iv) provide information technology in general, including consulting, analyzing and developing software and data processing; (v) providing administrative services; (vi) general support in the technological environment, and (vii) maintaining computer equipment and peripherals.	To explore the business of trade, imports, exports, representation, leasing, development, implementation, and understanding software, microcomputer integrated systems, minicomputers, mainframes and logical processors, supply, maintenance, repair and install equipment, project consulting and implementing computer systems, including the sale, purchase, all properties and any type of computer, telephony and data communication equipment, known as hardware, resale software, and training in informatics and telecommunications.	
Chairman	Raúl Vejar Olea <sup>(2)</sup>	Not applicable	Not applicable	
Directors	Rafael Osorio Peña <sup>(3)</sup>	Not applicable	Not applicable	
Chief Executive Officer	Affonso Nina	Affonso Nina	Affonso Nina	
Percentage of the parent company's assets	8.46%	5.18%	1.01%	
Parent Company's total interest	99.999998%	100%	100%	
Description of the Business Relationship with Sonda S.A.	Subsidiary company that procures IT services from Sonda S.A.	No business relationship	No business relationship	
Contracts with Sonda S.A.	Help Desk service contract.	No contracts between the parties	No contracts between the parties	

<sup>(1)</sup> Mario Pavón Robinson, Chairman of SONDA.

<sup>(2)</sup> Raúl Véjar Olea, Chief Executive Officer of SONDA.

<sup>(3)</sup> Rafael Osorio Peña, Chief Financial Officer of SONDA.

	<b>Telsinc Prest. De Servicios para Sist. De Inf. E Com de Datos Ltda.</b>	<b>PARS Productos de Procesamiento de Datos Ltda.</b>	<b>SONDA del Perú S.A.</b>	<b>SONDA del Ecuador Ecuasonda S.A.</b>
	Indirect	Indirect	Indirect	Indirect
	ThCh\$ 18,566,144	ThCh\$ 47,319,606	ThCh\$ 473,855	ThCh\$ 303,841
	62,336,621	126,000,000	15,700,000	12,356,306
	To provide equipment maintenance, repair and installation services. To provide consulting services for projects and develop tele-information systems. To trade, represent, lease, implement and develop software, microcomputer integrated systems, minicomputers, mainframes and logical processors, including the sale, purchase, all properties and any type of computer, telephony and data communication equipment, known as hardware, resale software, and training in informatics and telecommunications.	To market, import and export goods and data processing materials, including software and marketing non-personal multiple copies, license and assign the right to use computer programs.	The Company's purpose is as follows: 1. To buy, sell, import, use, distribute, lease in any manner allowed by law, including financial leasing, electrical and electronic equipment, their components, parts and pieces, used to process information and to automate processes and communications. 2. To provide installation, repair, maintenance, operation and management services for electrical and electronic equipment, their components, parts and pieces, used to process information and to automate processes and communications. 3. To buy, sell, information, export, distribute, process, lease in any manner allowed by law, including financial leasing, computer applications and own software packages, or those with their respective licenses or of third parties, and their component programs and procedures used to process information and to automate processes and communications. 4. To provide installation, maintenance, operation and management services for computer applications and software packages, their components, parts and pieces, used to process information and to automate processes and communications. 5. To provide training and consulting services in the selection, use, operation, management and optimization of equipment, computer programs and packages, automation and communications. 6. To provide value-added services in integrated solutions, business consulting, information technology, software customization, application development, support, and technical training in systems integration, networks, connectivity and communications. 7. To provide outsourced services covering information-processing operations, with the required team, equipment and expertise in the various process components, such as consulting, analysis, programming, operation, installation, maintenance and administration.	a) To procure and sell computer services to natural or legal persons, or public or private, commercial or industrial companies. These services will include programming and automatic data processing, especially for accounting purposes. b) To buy, sell, import or export computer equipment or materials and related items. c) To design and install computer networks. d) To provide technical assistance to programming, systems engineering and informatics mechanization areas. e) To provide advice, training and develop computer packages, and everything related to computing. f) To provide occupational training, mainly in automation and informatics, through courses, seminars, conferences, publications, events, or any other forms of systematic knowledge and technology transfer. g) To directly operate computer equipment and electronic data processing, and to create, manufacture, develop and implement hardware and software. h) To represent national and foreign companies with similar purposes. In general, the company shall have all the necessary authority to do anything, and sign contracts, permitted by law, whether they are civil, mercantile or commercial, with public or private entities, in Chile or abroad, as required to fulfill its purpose, without prejudice to the conditions laid down in Ecuadorian law. The company can participate as a partner or shareholder in the formation of all kind of companies, contribute capital to them or acquire and own shares, bonds or shares of other companies. The company can generally perform any task, contract and transaction permitted by Ecuadorian law.
	Not applicable	Not applicable	Raúl Vejar Olea <sup>(2)</sup>	Raúl Vejar Olea <sup>(2)</sup>
	Not applicable	Not applicable	Rafael Osorio Peña <sup>(3)</sup> Mario Pavón Robinson <sup>(1)</sup>	Rafael Osorio Peña <sup>(3)</sup> Mario Pavon Robinson <sup>(1)</sup> Juan Ossul Sanchez
	Affonso Nina	Affonso Nina	Miguel Angel Guerrero Watanabe	Fabian Alberto Mena Ojeda
	1.28%	7.15%	1.83%	0.88%
	100%	100%	100%	100%
	No business relationship	No business relationship	No business relationship	No business relationship
	No contracts between the parties	No contracts between the parties	No contracts between the parties	No contracts between the parties

Company Name	SONDA Argentina S.A.	SONDA Uruguay S.A.	Tecnoglobal S.A.	
Direct / Indirect	Indirect	Indirect	Indirect	
Subscribed and Paid Capital	ThCh\$ 6,735,144	ThCh\$ 610,278	ThCh\$ 7,149,544	
Number of subscribed and paid shares	51,033,104	28,960,876	130,000,000	
Corporate purpose according to the bylaws	To promote, sell, rent, lease, repair, purchase, exchange, export, import, represent, recover, maintain, design, manufacture, program and train equipment and data processing systems (computers) including, but not limited to, central processing units, peripherals, auxiliary equipment, consumable components, spare parts, interfaces, connectors and other items that current or future technology requires for any use. To provide automatic data processing services, and any service that can be provided to individuals, companies, agencies or institutions through the use of automatic data processors, or not.	<ol style="list-style-type: none"> <li>1) Develop electronic computing, information and data processing systems and general information technology, automation and communications, for itself or for third parties.</li> <li>2) Purchase, sell, import, export, represent, distribute and generally trade electronic computing and data processing equipment, its spare parts, components, accessories and other related items.</li> <li>3) Directly use the same goods by offering services, renting these goods, or in any other manner.</li> <li>4) Provide occupational training, mainly in the automation or information technology fields, through courses, seminars, conferences, publications, events or other forms of systematic knowledge and technology transfer.</li> <li>5) Generally develop any other informatics and computational or related business, sign any contracts and conventions that are directly related to the Company's purpose.</li> </ol>	<ol style="list-style-type: none"> <li>a) Acquire, represent, distribute, import, export, and generally market and operate, in any form, all kinds of electronic, office, telephony, communication and computational equipment, their spare parts, pieces and other complementary, related or annexed items.</li> <li>b) Design, develop, produce, maintain, operate or market products or software applications and generally operate them in any way.</li> <li>c) Provide occupational training, mainly in automation or informatics, through courses, seminars, conferences, or other forms of systematic knowledge and technology transfer.</li> <li>d) Store, process and market information.</li> <li>e) Provide any kind of professional consultancy and services, which relate directly or indirectly to the Company's business.</li> </ol>	
Chairman	Gerardo Cruz Cironi	Raúl Vejar Olea <sup>(2)</sup>	Raúl Sapunar Kovacic <sup>(4)</sup>	
Directors	Raúl Vejar Olea <sup>(2)</sup> Guillermo Lizama González	Gerardo Cruz Cironi Rafael Osorio Peña <sup>(3)</sup> Guillermo Lizama González	Mario Pavón Robinson <sup>(1)</sup> Raúl Vejar Olea <sup>(2)</sup> Pablo Navarro Haeussler Rafael Osorio Peña <sup>(3)</sup>	
Chief Executive Officer	Gerardo Cruz Cironi	Gerardo Cruz Cironi	Rodrigo Hermosilla Bobadilla	
Percentage of the parent company's assets	1.01%	0.79%	2.66%	
Parent Company's total interest	99.9997%	100%	100%	
Description of the Business Relationship with Sonda S.A.	No business relationship	No business relationship	Subsidiary company that markets computer equipment and supplies Sonda S.A.	
Contracts with Sonda S.A.	No contracts between the parties	No contracts between the parties	Consulting and professional services contract	

<sup>(1)</sup> Mario Pavón Robinson, Chairman of SONDA.

<sup>(2)</sup> Raúl Vejar Olea, Chief Executive Officer of SONDA.

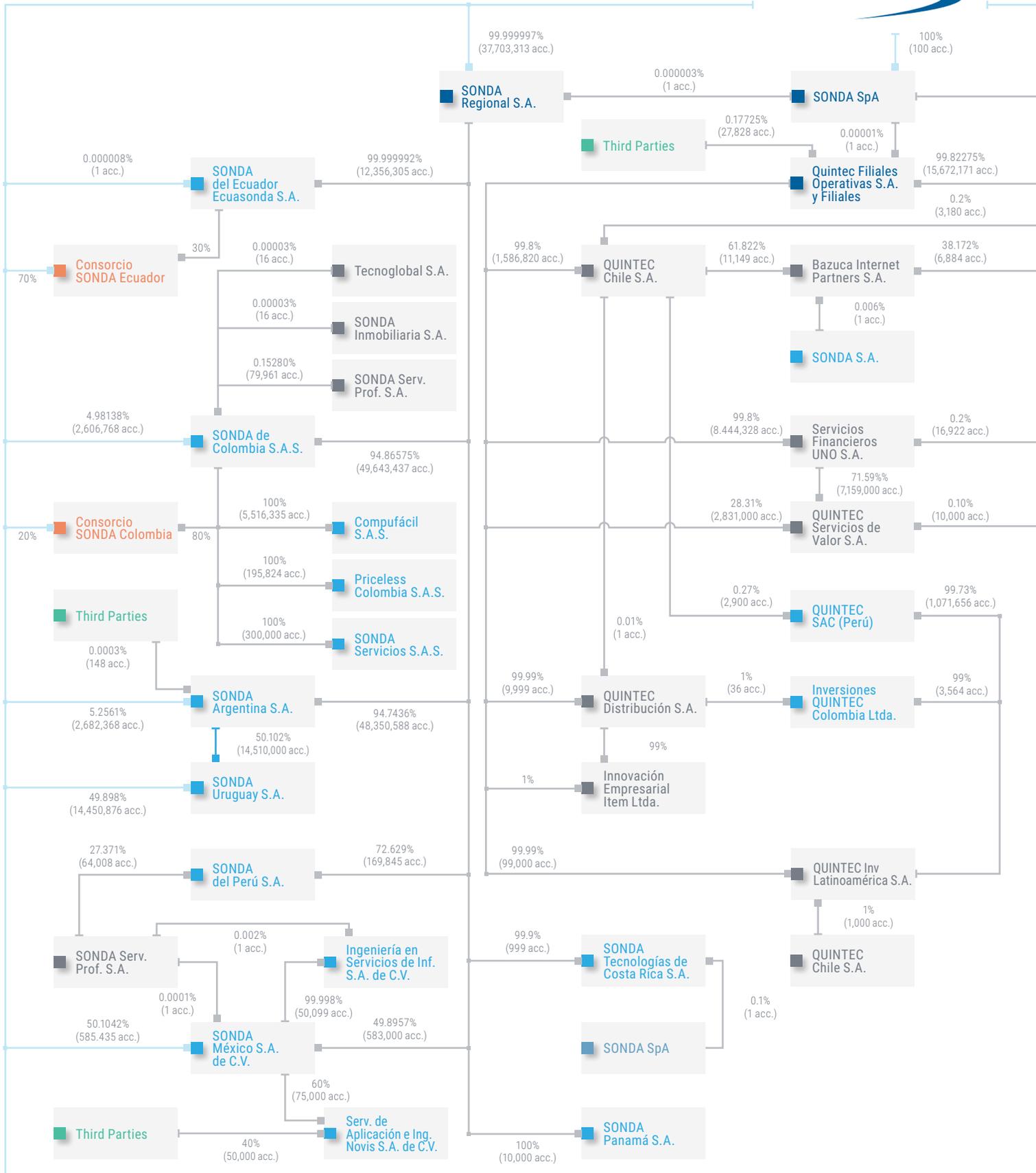
<sup>(3)</sup> Rafael Osorio Peña, Chief Financial Officer of SONDA.

<sup>(4)</sup> Raúl Sapunar Kovacic, Senior Executive of SONDA.

	<b>Microgeo S.A.</b>	<b>Soluciones Expertas S.A.</b>	<b>Servibanca S.A.</b>	<b>Inmobiliaria Servibanca S.A.</b>	<b>Transacciones Electrónicas Dos S.A.</b>	<b>SONDA Panamá S. A.</b>
	Indirect	Indirect	Indirect	Indirect	Indirect	Indirect
	ThCh\$ 1,810,762	ThCh\$ 8,910	ThCh\$ 714,574	ThCh\$ 411,341	ThCh\$ 14,820,978	ThCh\$ 6,148
	1,820	2,000,000	1,200	1,200	2,469,556	10,000
	To buy, sell, import and distribute equipment, software and supplies.	To provide consultancy and optimization, distribution and production planning expertise using computational methods.	To provide technical and computational professional services.	To invest capital in general securities.	To invest capital and manage the returns from those investments.	To provide electronic data computing services and other associated services.
	Mario Pavón Robinson <sup>(1)</sup>	Jorge Díaz Fernández	Mario Pavón Robinson <sup>(1)</sup>	Mario Pavón Robinson <sup>(1)</sup>	Héctor Gómez Brain	Marcelo Castiglione Veloso
	Raúl Vejar Olea <sup>(2)</sup> Rafael Osorio Peña <sup>(3)</sup> Maurizio Rinaldi Ceriallo Robert Richter Stein	Jorge Hoyl Moreno Mario Pavón Robinson <sup>(1)</sup> Eduardo Parra Bucher	Rafael Osorio Peña <sup>(3)</sup> Raúl Vejar Olea <sup>(2)</sup>	Rafael Osorio Peña <sup>(3)</sup> Raúl Vejar Olea <sup>(2)</sup>	Mario Pavón Robinson <sup>(1)</sup> Rodrigo Castro Melfi Rafael Osorio Peña <sup>(3)</sup>	Franklin Quintero Heidi Caballero José Orlandini Robert
	Stefano Sigala Romele	Jorge Hoyl Moreno	Cristian Zegers Reyes	Cristian Zegers Reyes	Alvaro Gonzalez Riedemann	Marcelo Castiglione Veloso
	0.81%	0.103%	0.29%	0.21%	0.605%	0.017%
	80%	50.0002%	86.7500%	86.75%	50.0001%	100%
	Subsidiary company that procures integrated and IT services from Sonda S.A.	Subsidiary company that procures IT services from Sonda S.A.	Subsidiary company that procures IT services from Sonda S.A.	No business relationship	No business relationship	No business relationship
	Software licensing, subletting and integrated services contract.	Computational services contract	Computational services contract	No contracts between the parties	No contracts between the parties	No contracts between the parties

# Company structure

As of December 31, 2017.





## Material Events

### **a) March 21, 2017 Final SONDA dividend from 2016 earnings**

The Board agreed at an ordinary meeting held on March 20, 2017 to propose a final dividend of Ch\$13,198,066,683 from the earnings for the year ended December, 31 2016, to be approved at the Ordinary Shareholders' Meeting scheduled for April 21, 2017.

An interim dividend was paid to shareholders on September 5, 2016 of Ch\$13.14605 per share from earnings for the period to June 30, 2016.

Therefore, the Board proposed that the Ordinary Shareholders' Meeting approve a dividend of Ch\$1,747,105,508, resulting in Ch\$2.00573 per share, payable to shareholders in the Shareholder's Register at midnight on the fifth business day prior to the payment date, according to Article 81 of Law 18,046 on Corporations and Article 10 of its Regulations.

### **b) June 22, 2017 SONDA announces the acquisition of a Colombian company.**

SONDA S.A. signed a binding agreement on June 22, 2017, to acquire a 100% interest in the Compufacil group, a leading IT services supplier in Colombia.

The Compufacil group has been operating in Colombia for more than 25 years and now covers the principal Colombian cities of Bogota, Medellin and Cali. The group consists of Compufacil S.A.S. and Priceless Colombia S.A.S. and they are engaged in integrating IT services and solutions, while focusing on end user support, data centers and outsourcing. They have built a solid portfolio of first class customers in both the private and public sectors. They have developed a range of services that has rewarded them with a prestigious market reputation. Compufacil Group achieved revenues of 116 billion Colombian pesos during 2016, equivalent to approximately US\$ 40 million.

The preliminary acquisition price for a 100% interest was 24 billion Colombian pesos, equivalent to approximately US\$ 8 million. This price will be adjusted to reflect the final value of Compufacil group's net borrowings at the transaction closing date. It could also increase by up to twenty billion Colombian pesos, approximately US\$ 7 million, depending on the group's financial performance for 2017.

The final closing and settlement of this transaction is subject to standard conditions for such transactions, including notifying the Colombian authorities, and the Colombian Superintendent of Industry and Trade.

This new investment is part of SONDA's US\$ 790 million investment plan for the three-year period 2016 to 2018.

Following this acquisition, SONDA will become a leading IT integration company in Colombia.

### **c) July 21, 2017 SONDA has finalized its acquisition of a 100% interest in the Colombian company Compufacil.**

The acquisition of a 100% interest in the Compufacil group was closed today. This group is a leading IT service supplier in Colombia.

Compufacil Group has over 25 years' experience and comprises Compufacil S.A.S. and Priceless Colombia S.A.S. They cover the principal Colombian cities of Bogota, Medellin and Cali, and enjoy a prestigious market reputation for their IT services and solutions, while focusing on end user support, data centers and outsourcing.

This investment by SONDA may total US\$ 15 million, depending on the fulfilment of specific financial objectives for 2017. This amount does not include the net financial debt at the date this agreement was closed, which is approximately 14,283 million Colombian pesos, equivalent to approximately US\$ 5 million.

Compufacil group achieved revenues of 116 billion Colombian pesos during 2016, equivalent to approximately US\$ 39.1 million.

This acquisition enables SONDA to become a leading IT integration company in Colombia, covering all the significant regions of the country and to acquire a solid portfolio of first class customers in both the public and private sectors. The services provided and installed capacity associated with this new investment are complementary, and these will strengthen SONDA's business strategy in value-added services.

This new investment is part of its investment plan for the three-year period 2016 to 2018.

### **d) January 3, 2018 SONDA sells its entire interest in Transacciones Electrónicas S.A.**

Sonda Filiales Chile Limitada sold its entire interest in Transacciones Electrónicas S.A. on December 31, 2017, whose principal asset is its subsidiary I-med S.A., to AK Chile Holdings SpA, a subsidiary of American investment fund ACCEL- KKR-, according to the terms of the share sale contract signed on that date.

The transaction generated a gain after tax of approximately \$25 billion Chilean pesos in SONDA's financial statements for 2017.

## Stock Trading

### Average stock price

#### Santiago Stock Exchange

2015	Average Price (Ch\$)	Number of shares	Value (ThCh\$)
1° Quarter	1,533.76	113,795,941	174,535,869
2° Quarter	1,428.65	39,542,170	56,491,841
3° Quarter	1,129.37	59,097,566	66,743,027
4° Quarter	1,153.55	37,756,600	43,554,114
2016	Average Price (Ch\$)	Number of shares	Value (ThCh\$)
1° Quarter	1,237.91	45,263,742	56,032,663
2° Quarter	1,227.05	118,944,550	145,950,840
3° Quarter	1,221.95	43,369,613	52,995,358
4° Quarter	1,279.06	43,560,080	55,716,165
2017	Average Price (Ch\$)	Number of shares	Value (ThCh\$)
1° Quarter	1,113.34	52,230,753	58,150,634
2° Quarter	1,128.41	52,585,523	59,338,150
3° Quarter	1,160.10	64,030,965	74,282,621
4° Quarter	1,192.81	52,583,544	62,721,916

#### Electronic Stock Exchange

2015	Average Price (Ch\$)	Number of shares	Value (ThCh\$)
1° Quarter	1,519.46	8,367,103	12,732,456
2° Quarter	1,429.72	2,145,949	3,068,097
3° Quarter	1,113.64	1,902,853	2,119,097
4° Quarter	1,141.39	1,396,590	1,594,048
2016	Average Price (Ch\$)	Number of shares	Value (ThCh\$)
1° Quarter	1,250.57	2,879,762	3,681,702
2° Quarter	1,240.62	3,452,486	4,337,474
3° Quarter	1,249.28	254,007	317,326
4° Quarter	1,310.38	1,877,829	2,415,750
2017	Average Price (Ch\$)	Number of shares	Value (ThCh\$)
1° Quarter	1,135.50	1,451,736	1,632,045
2° Quarter	1,081.00	1,676,297	1,897,111
3° Quarter	1,245.00	6,918,135	8,078,489
4° Quarter	1,198.00	1,587,151	1,859,829

#### Valparaiso Stock Exchange

2015	Average Price (Ch\$)	Number of shares	Value (ThCh\$)
1° Quarter	-	-	-
2° Quarter	-	-	-
3° Quarter	-	-	-
4° Quarter	-	-	-
2016	Average Price (Ch\$)	Number of shares	Value (ThCh\$)
1° Quarter	1,250.86	10,860	13,584
2° Quarter	-	-	-
3° Quarter	-	-	-
4° Quarter	-	-	-
2017	Average Price (Ch\$)	Number of shares	Value (ThCh\$)
1° Quarter	-	-	-
2° Quarter	1,130.00	340	384
3° Quarter	-	-	-
4° Quarter	-	-	-

Information provided by the Santiago Stock Exchange, the Electronic Stock Exchange and the Valparaiso Stock Exchange, SONDA's stock market presence as of December 31, 2017 was 100%, 100% and 40%, in each institution respectively.

### Principal Shareholders

Our shareholders are an important pillar of SONDA's institutional solvency, and they have enabled us to remain strong and achieve sustainable development, despite the surrounding economic and political uncertainties, to become the leading IT Services company in Latin America.

Since 1974, the Navarro Haeussler family led by our founder, Mr. Andrés Navarro, have maintained ties with the company and are committed to its growth and internationalization. The policy of reinvesting a substantial percentage of earnings over the years has been essential to generate the capital needed to grow, to finance annual increases in the customer base, to develop new products and services and launch new projects.

The initial public offering in 2006 opened up the company's stock to significant new shareholders, including institutional investors, investment funds, pension funds and minority investors.

As of December 31, 2017 SONDA is controlled by Mr. Andrés Navarro Haeussler (Chilean ID 5,078,702-8) and Mr. Pablo Navarro Haeussler (Chilean ID 6,441,662-6) with a 41.36% interest in SONDA S.A., as follows:

- I. As managers of Inversiones Atlántico Limitada (Chilean ID 78,091,430-0) and Inversiones Pacifico II Limitada (Chilean ID 88,492,000-0). These companies, in conjunction with Inversiones Santa Isabel Limitada (Chilean ID 79,822,680-0), which is controlled by Mr. Andrés Navarro Haeussler, own 96.4463% of the shares in Indico S.A., and this company owns 37.7740% of the shares in SONDA S.A.
- II. Inversiones Yuste S.A. owns 3.5894% of the shares in SONDA S.A. and is controlled and managed by Mr. Andrés Navarro Haeussler.
- III. Meanwhile, there is a shareholders agreement between Inversiones Yuste S.A. and Indico S.A., and these two companies control 41.3634% of the shares in SONDA S.A.

The most significant changes in the ownership structure during the year ended December 31, 2017 were the following:

- I. Banco de Chile on behalf of non-resident third parties increased its interest from 5.7% to 7.9%.
- II. AFP Cuprum increased its interest from 5.1% to 5.8%.
- III. Celfin Mutual Funds increased its interest from 0.1% to 0.6%.
- IV. Corpbanca Corredores de Bolsa S.A. decreased its interest from 5.4% to 2.7%.
- v. Moneda AFI decreased its interest from 2.0% to 1.3%.
- VI. AFP Habitat decreased its interest from 6.0% to 5.5%.

During the year ended December 31, 2017, there were no comments nor proposals by shareholders regarding the firm's performance.

## Principal Shareholders (As of December 31, 2017)

Chilean ID	Name	Percentage	Shares
76413035-9	INDICO SA	37.77%	329,032,953
97004000-5	BANCO DE CHILE POR CUENTA DE TERCEROS NO RESIDENTES	7.89%	68,707,555
76547723-9	KOYAM SA	5.18%	45,096,152
96688520-3	INVERSIONES YUSTE SA	3.59%	31,265,345
76265736-8	AFP PROVIDA S.A. PARA FDO. PENSION C	3.11%	27,081,406
97023000-9	BANCO ITAU POR CUENTA DE INVERSIONISTAS	2.74%	23,907,070
98000000-1	AFP CAPITAL S A FONDO DE PENSION TIPO C	2.72%	23,726,528
98000100-8	AFP HABITAT S A PARA FDO PENSION C	2.40%	20,884,457
76240079-0	AFP CUPRUM S A PARA FDO PENSION C	2.22%	19,309,739
76240079-0	AFP CUPRUM S A FONDO TIPO A	1.84%	16,028,958
98000000-1	AFP CAPITAL S A FONDO DE PENSION TIPO A	1.72%	15,017,743
98000100-8	AFP HABITAT S A FONDO TIPO A	1.54%	13,391,129

The Company had a total of 340 shareholders as of December 31, 2017, according to the Shareholders Register.

## Transactions by directors, senior executives and related parties

There were no SONDA share transactions by any senior executives or directors during 2017.

## The directors and senior executives hold the following interests in the company as of 12/31/2017

- Mario Pavón Robinson (Chairman): 0.014%
- María del Rosario Navarro Betteley (Vice Chairman): 0.470%
- Mateo Budinich Diez (Director): 0.000%
- Hernán Carlos Marió (Director): 0.000%
- Juan Antonio Guzmán Molinari (Director): 0.000%
- Andrés Navarro Betteley (Director): 0.470%
- René Javier Lehuede Fuenzalida (Director): 0.000%
- Enrique Bone Soto (Director): 0.000%
- Alfonso Gómez Morales (Director): 0.000%
- Raúl Véjar Olea (Corporate Chief Executive Officer): 0.027%
- Rafael Osorio Peña (Corporate Chief Finance Officer): 0.015%
- Raul Sapunar Kovacic (Chief Executive Officer of SONDA Chile): 0.006%

## Dividends

### Dividend policy

The dividend policy at SONDA consists of distributing 50% of earnings each year. Compliance with this policy is subject to those earnings being reflected in the financial position of the company, to satisfactory financial forecasts for the company, and the fulfillment of certain conditions, as appropriate. If this dividend policy substantially changes, the company will disclose it as a Material Event. The Annual General Shareholders' Meeting held on April 21, 2017 was informed that "the Board intends that the company distributes a dividend of 50% of net income for 2017. The Board also intends to distribute

an interim dividend during the second half of the year of 50% of net income for the first half of the year". This interim dividend was paid in September 2017, as previously agreed.

## Dividends paid per share

	2013	2014	2015	2016	2017
Number of shares <sup>(*)</sup>	871,057,175	871,057,175	871,057,175	871,057,175	871,057,175
Earnings per share (\$)	76.26	54.58	49.19	30.3	74.5
Dividends paid (\$)	30.91 <sup>(2)</sup>	34.7 <sup>(3)</sup>	24.03 <sup>(4)</sup>	25.83 <sup>(5)</sup>	8.71 <sup>(5)</sup>

(Figures expressed in currency as of the payment date)

(\*) Subscribed and paid shares

- Payment of the final dividend (net income distribution for 2012, of Ch\$12.32 per share, paid on April 26, 2013) and interim dividend (Ch\$18.58 per share, paid on August 30, 2013)
- Payment of the final dividend (net income distribution for 2013 of Ch\$19.54 per share, paid on May 5, 2014) and interim dividend (Ch\$15.16 per share, paid on September 1, 2014)
- Payment of the final dividend (net income distribution for 2014 of Ch\$12.13 per share, paid on May 4, 2015) and interim dividend (Ch\$11.9 per share, paid on September 1, 2015)
- Payment of the final dividend (net income distribution for 2015 of Ch\$12.69 per share, paid on May 3, 2016) and interim dividend (Ch\$13.14 per share, paid on September 5, 2016)
- Payment of the final dividend (net income distribution for 2016 of Ch\$2.01 per share, paid on May 2, 2017) and interim dividend (Ch\$6.7 per share, paid on September 5, 2017)

## Distributable income (ThCh.\$)

	2015	2016	2017
Net income attributable to owners of the parent company	42,850,330	26,396,126	64,895,944
Retained earnings	168,714,805	190,139,970	203,348,287
Dividends <sup>(*)</sup>	-21,425,165	-13,198,063	-32,447,972
Unrealized adjustments on first application of IFRS <sup>(**)</sup>	-3,176,754	-3,176,754	-3,176,754
Other adjustments	-	10,254	-3,822
<b>Distributable income</b>	<b>186,963,216</b>	<b>200,171,533</b>	<b>232,615,683</b>

(\*) Interim dividends from the current year's net income, plus the minimum accrued dividend according to the dividend distribution policy.

(\*\*) Unrealized adjustments relating to the first application of IFRS, that are booked to the accumulated earnings account, but cannot be distributed as dividends as they are unrealized gains.

## Director's remuneration

	31.12.2017		31.12.2016	
	M\$	M\$	M\$	M\$
<b>Directors</b>	<b>Remunerations <sup>(1)</sup></b>	<b>Others <sup>(2)</sup></b>	<b>Remuneration <sup>(1)</sup></b>	<b>Others <sup>(2)</sup></b>
Mario Pavón Robinson	55,037	244,576	46,852	239,417
María del Rosario Navarro Betteley	25,124	-	21,462	-
Juan Antonio Guzmán	36,692	-	31,235	-
Mateo Budinich Diez	36,692	-	31,235	-
Hernan Marió Lorez	29,498	-	31,235	-
Victor Alfonso Gomez Morales <sup>(3)</sup>	21,581	-	-	-
Rene Lehuede Fuenzalida <sup>(3)</sup>	28,774	-	-	-
Enrique Bone Soto <sup>(3)</sup>	21,581	-	-	-
Andrés Navarro Betteley <sup>(3)</sup>	21,581	-	-	-
Pablo Navarro Haeussler <sup>(4)</sup>	5,938	-	23,426	-
Christian Samsing Stambuk <sup>(4)</sup>	5,936	-	23,426	-
Jaime Pacheco Matte <sup>(4)</sup>	5,938	15,859	23,426	47,576
Francisco Gutierrez Philippi <sup>(4)</sup>	5,938	-	23,426	-
<b>Total</b>	<b>300,310</b>	<b>260,435</b>	<b>255,723</b>	<b>286,993</b>

(1) Includes attendance at Board Meetings and Director's Committee Meetings.

(2) Payments for services established by contract.

(3) Elected as Director in the Ordinary Shareholders Meeting held on April 21, 2017.

(4) Was Director until the Ordinary Shareholders Meeting of April 21, 2017.

## Senior Executive's Remuneration (ThCh.\$)

	2017	2016
Fixed remuneration	3,413,974	3,525,377
Variable remuneration <sup>(*)</sup>	710,058	888,362
	<b>4,124,032</b>	<b>4,413,739</b>

<sup>(\*)</sup> Correspond to variable remuneration, whose determination is made annually based on the performance evaluation metrics.

There are no other compensation schemes or special benefits for executives. There were no severance indemnity payments to senior executives during 2017. Such payments totaled Ch\$252,820 million in 2016.

## Director's Committee management report and expenses

The Directors' Committee met on eight occasions throughout 2017, so complying with Article 50 bis of Company Law 18,046. The Committee examined the results of the audit for the year ended December 31, 2016, the company's individual and consolidated financial statements for 2016 and for the respective quarters in 2017. The Committee conferred with Management and with the external auditors and unanimously approved these statements for submission to the Board of Directors. The Committee also examined and reported to the Board the related party transactions referred to in Chapter XVI of Company Law 18,046. It also examined the Internal Control Letter issued by the external auditors.

The Committee made well founded recommendations to the Board of Directors regarding the choice of external auditors and risk rating agencies for 2017.

It reviewed, analyzed, commented and gave suggestions to a presentation by the Corporate Human Resources Manager about remuneration systems, remuneration plans for executives and employees, the qualifications for this position, a single management tool and details of the variable incentive scheme.

The Committee has not made any recommendations, comments or proposals with regard to business progress for inclusion in the 2017 Annual Report. The Committee did not use its expenditure budget approved at the Annual General Shareholder's Meeting on April 21, 2017, and has not required professional consulting services to carry out its duties.

## Properties and facilities

The Company's principal fixed assets are computer equipment, software, and other fixed assets, such as those associated with the Transantiago project, and real estate such as the corporate building and the new data center. They are carefully maintained by SONDA and its subsidiaries, and they are in good working condition or well conserved, as appropriate.

SONDA's equipment and software is primarily dedicated to IT services and the implementation and operation of specific projects for customers, enabling them to use information technology to benefit their management or business. These include the development and marketing of computer programs, either for users in general, or for a specific purpose. They can be used for a particular business or customer, or as a new technological solution for an industry.

The Company's principal fixed assets are computer equipment, software and real estate, such as the corporate building. They are carefully maintained by SONDA and its subsidiaries, and they are in good working condition or well conserved, as appropriate. Ownership of real estate in Chile is concentrated in the subsidiary SONDA Inmobiliaria S.A. The principal buildings used by the businesses in Chile and Brazil are the following:

- a) The corporate building at Teatinos 500 and 550, Santiago, with a total constructed area of 30,103 square meters on 3,957 square meters of land. This building hosts the company's investing, financing, operating and administration activities.
- b) The data center at Víctor Uribe Sur 2,211, Quilicura, Santiago, with a total constructed area of 5,932 square meters on 18,600 square meters of land, with 68% still available for expansion.
- c) The property at Avenida Conquistador del Monte 4,848, Huechuraba, Santiago, used by the subsidiary Tecnoglobal, an importer and distributor of computer hardware and software.
- d) The properties at Camino El Cerro 5154 and Calle Las Torres 1,328, both located in Huechuraba, Santiago, which are used by the Microgeo business. The Calle Las Torres property is leased under a financial leasing contract.
- e) The property at Catedral 1888, Santiago, Chile, which is used by Inmobiliaria Servibanca S.A.
- f) The Brazilian corporate building at Alameda Europa 1206, Condominium Polo Empresarial Tamboré, Santana de Parnaíba - SP - CEP 06543-325, Sao Paulo, with a total constructed area of 18,226 square meters on 3,045 square meters of land, which also hosts a data center of 326 square meters. These properties and the property located on Rua Dom Aguirre 576, Sao Paulo, are owned by the subsidiary SONDA Procwork Informática LTDA.
- g) The data center at Rua Agenório Araújo, 20 - Camargos, Belo Horizonte - Minas Gerais, with a total constructed area of 6,000 square meters on 11,000 square meters of land.
- h) The property at Alsina 772, Buenos Aires, Argentina, which is used by SONDA Argentina.
- i) The property at Avenida Carrera 45 (Highway North) 118 - 68, Bogotá Colombia, which is used by SONDA Colombia.

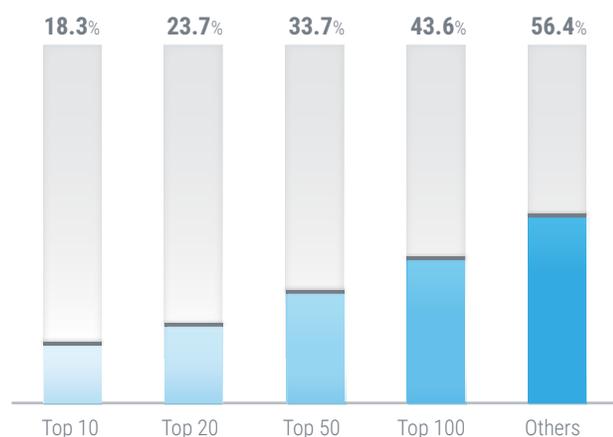
SONDA's equipment and software are primarily dedicated to IT services, and this technology is used to benefit the business.

## Customers

Faced with revenue volatility and high dependence on a small group of customers, we have diversified to achieve a broad regional and sectoral diversification across our customer base.

In fact, the company's 50 largest customers represent less than 34% of total revenue, which results in low concentration and vulnerability, minimizing the risk that could arise from a potential crisis affecting a single customer, country, industry, sector or specific business area. None of SONDA's contracts represent more than 4% of the company's total revenue, or more than 15% of the total revenue at any of its three main business segments.

### Customer Portfolio Concentration (as of December 31, 2017)



## Insurance

SONDA insures all its companies in Chile and abroad against risks to its assets, hardware, infrastructure, buildings and contents. It has placed a special emphasis on the areas that might have a significant impact on the financial results of the company. Its policy is to maintain a balance between reducing premiums and increasing coverage.

The major policies are:

- **Physical property all risks policy:** Covers all the risks to SONDA's assets and those of its subsidiaries such as buildings, warehouses and contents, both owned or customer's data centers, high-cost equipment and customer's contracts for specific projects.
- **Corporate civil liability policy:** Covers the risk of any potential damage caused by SONDA employees and contractors in the course of their work to third parties or their assets, either on SONDA or third party premises, or whilst travelling.
- **Floating international transport policy:** Covers the damage suffered by equipment and materials imported by land, sea or air.
- **Other miscellaneous policies:** Other policies such as vehicle insurance, travel insurance, personal accident insurance, electronic equipment insurance, and others.

## Trademarks

SONDA and its subsidiaries use various corporate and product specific brands to conduct its business. The most important brand is SONDA, which is registered or almost registered in all the countries where the company conducts its business. The regional consolidation strategy envisages having a single and well recognized brand in all these markets. Other important brands are QUINTEC and FIN 700.

## Regulatory framework

SONDA is constantly developing and implementing measures to fully comply with the regulatory framework applicable to its business, which encompasses primarily Law 17,366 on "Intellectual Property", Law 19,223 on "Computer Crime", Law 19,039 on "Industrial Property", and Law 19,628 on "Personal Data Protection". The Company has responded by implementing the necessary safeguards to prevent infringements of these regulations, which has required the development of a general policy on information security. This is transmitted to employees during induction courses and is published on the intranet, so is now understood by all company employees.

## Financing policy

Our company has a strong financial position, due to a history of balanced growth, consistently generating cash flow, and a balanced financing policy, which has enabled us to always maintain healthy borrowing and coverage indicators. SONDA has access to traditional sources of financing from financial institutions, but also issued bonds in 2009 and 2014 to provide a component of the financing required for our investment plans.

Our company's financing policy aims to maintain an appropriate liquidity position, with sufficient financial resources to overcome economic volatility and take advantage of investment opportunities as they arise.

As of December 31, 2017 financial debt was US\$280.1 million, whereas cash equivalents and other financial assets were US\$140.6 million, which left a net financial debt of US\$139.5 million.

## Investment policy

Our Executive Committee and Management is constantly analyzing new investment opportunities relating to developments in the IT business that enable us to grow and strengthen our presence in the region, through implementing systems integration and outsourcing projects, developing added value businesses, or acquiring companies.

Investment projects are presented by the business units in their annual operating plans. Investments not originally included in plans are analyzed by the respective business unit and the Corporate Chief Finance Officer, the Corporate Chief Executive Officer and the Executive Committee, and finally approval is sought from the corresponding Boards.

Analysis of acquisitions evaluates factors such as their financial situation, their portfolio of customers and contracts, possibilities for cross-selling, their volume of recurring revenue, customer's perception of them, their range of products and services, the capability of the executive team, their geographical coverage, possible synergies and their management style.

Investment in research and development (R&D) is mainly related to developing new software products and services, continual improvement of current products, and constantly updating professionals with the latest technologies.

New investments are financed primarily through internal funds generated by the business, and external resources from issuing bonds, bank borrowing or capital increases. Major investments have focused on the acquisition of IT companies and the implementation of large technological integration projects.

Financial investments aim to maintain sufficient surplus funds to meet all short-term cash requirements. In general, financial derivatives such as forwards, futures, swaps, options, etc., are not used. However, if expedient, we may take positions in financial instruments in order to achieve appropriate coverage with regard to exchange rate or interest rate risks that arise during the normal course of business. Nevertheless, we have always preferred natural or operational hedges.

## Corporate bonds

### Series C Bonds

On December 18, 2009 we issued both the Series A and C bonds. The Series A totaled UF1,500,000, and was placed with a 5 year term at an interest rate of 3.5% per annum, and the Series C totaled UF1,500,000, with a 21 year term at a fixed interest rate of 4.5% per annum. They were issued from Lines 622 and 621 respectively, with a combined maximum nominal amount of UF3,000,000.

The Company shall regularly report to bondholder's representatives on the agreed dates the following indicators and safeguards:

- **Borrowing ratio:**  
Total liabilities less cash divided by consolidated equity should be less than 1.3 times.
- **Financial expenses ratio:**  
EBITDA divided by net financial expenses must be greater than or equal to 2.5 times.
- **Equity:**  
Minimum equity of UF8,000,000
- **Keep assets free of encumbrances:**  
Assets free of any pledge, mortgage or other charge should be at least 1.25 times unsecured liabilities.

- **Control over important subsidiaries:**  
Maintain control over the subsidiary SONDA Procwork Inf. Ltda.
- **Prohibit the sale of assets:**  
No more than 15% of consolidated assets.

### Series E Bonds

In November 2014, we issued a new Series E bond from Line 622, with a nominal value of ThCh\$36,300,000, which matures on November 1, 2019, in order to repay the Series A Bonds issued in December 2009. These funds were used to repay the capital and interest on the Series A Bonds on November 28, 2014 totaling ThCh\$37,481,945.

The Company shall regularly report to bondholder's representatives on the agreed dates the following indicators and safeguards:

- **Borrowing ratio:**  
Total liabilities less cash divided by consolidated equity should be less than 1.3 times.
- **Financial expenses ratio:**  
EBITDA divided by net financial expenses must be greater than or equal to 2.5 times.
- **Equity:**  
Minimum equity of UF8,000,000
- **Keep assets free of encumbrances:**  
Assets free of any pledge, mortgage or other charge should be at least 1.25 times unsecured liabilities.
- **Control over important subsidiaries:**  
Keep the important subsidiaries under control.
- **Prohibit the sale of assets:**  
No more than 15% of consolidated assets.

Bond contracts impose limits on our financial indicators and require compliance with obligations, which is usual for this type of financing, and as of December 31, 2017 the company fully compliant.

## Risk factors

### Litigation risks

#### 1. SONDA S.A.

There is no litigation, potential litigation, or judicial or extrajudicial affairs to report.

## 2. Subsidiaries

### 2.1. Subsidiaries in Brazil

2.1.1. The subsidiaries SONDA Procwork and SONDA do Brazil are currently facing lawsuits mainly relating to taxation and employment issues. The most significant relates to alleged tax infringements brought by the Municipality of Campinas, who argued that all of certain services were provided by the subsidiary within this municipality. Brazilian tax is payable to the municipality where companies provide their services, and is calculated as a percentage of turnover. The subsidiary of SONDA S.A. claimed that these charges are invalid on the grounds that such taxes had already been paid pursuant to the territorial distribution established by the law.

The amount disputed by the Municipality of Campinas is R\$37.2 million, including fines, indexation and interest. Local lawyers have informed the company that these territorial tax disputes are common in Brazil, and believe that there is a high probability of obtaining a final judgment in favor of the company.

2.1.2. On December 14, 2012, the Brazilian subsidiary SONDA Procwork was notified of a demand from the tax authority (Receita Federal) for R\$26.1 million including penalties and interest, for pension contributions calculated on certain benefits paid to employees (cota utilidade) in 2008. The Receita Federal considers such benefits to be part of an employee's salary.

These benefits are paid by the company in accordance with the Collective Labor Agreement signed between the IT Workers Union and the IT Companies Union, and with the consent of the Ministry of Labor, who expressly confirmed that such payments were not part of salary. Higher Brazilian courts have stated that such agreements must be respected by the parties and the regulatory bodies. Therefore, the Ministry of Labor audited the cota utilidade payment process for the same financial year referred to in the demand from the Receita Federal, concluding without comment. Coincidentally, case law in various labor lawsuits ratified that such payments were not part of salary.

On January 14, 2013, the company challenged the demand at their administrative headquarters, and requested a postponement under Brazilian law.

Management understands that there is a difference of opinion between the two State institutions, the Ministry of Labor and the Receita Federal and this is not covered by any legal precedents. Therefore, Management has provided against an adverse decision in this case.

SONDA applied for the PERT program (Special Tax Regularization Program) in September 2017 and offered by the Brazilian IRS, which grants special conditions to companies that make payments during administrative or judicial discussions, whether or not related to taxes. An alternative to payments consisted of using credits for tax losses covering up to 80% of the debt, and the remaining 20% in an initial payment and monthly installments through to December 2017.

Given the favorable conditions offered in this case, Management decided to accept this program. The obligation including interest and penalties amounted to R\$21.8 million, with R\$4.3 million paid in cash followed by R\$17.5 million using credits for tax losses. The net impact after tax amounted to a loss of R\$3.1 million.

These discrepancies between the interpretations by the Ministry of Labor and the Receita Federal could eventually generate new demands. In the opinion of lawyers acting on behalf of the subsidiary in Brazil there are sufficient grounds to successfully defend the company's position.

2.1.3. CTIS: The Company is a party to legal actions and administrative proceedings before various courts and government entities that have arisen from the normal course of business, relating to tax, civil and labor matters.

- **Labor proceedings:** Management has adequately provided against estimated losses from ongoing processes, classified by the likely risk of loss. These provisions are based on information from their legal advisors, an analysis of pending legal claims, and past experience with regard to the amounts claimed.

Judicial deposits have been made, which are classified as CTIS restricted assets. They have been deposited with courts as partial collateral until the conflict is resolved.

- **Taxation proceedings:** These refer to challenges by the tax authority regarding the use of tax-credits, arguing that their retention at origin cannot be substantiated. Management has adequately provided against estimated losses from ongoing processes, classified by the likely risk of loss, as these cases are still at the presentation of evidence stage by the tax authority.

The procedures classified as a likely risk total R\$31.1 million.

All the contingencies that arose prior to the CTIS acquisition date are covered by an escrow account created in accordance with the acquisition contract.

2.1.4. ATIVAS: The company is a party to legal actions before various courts and government entities that have arisen from the normal course of business, relating to tax, civil and labor matters. The company plays an active part in civil and taxation issues and these do not represent a contingency.

All the contingencies that arose prior to acquiring Ativas are the responsibility of its previous controllers.

2.1.5. Some subsidiaries in Brazil hire labor through individual companies for temporary services. However, due to the characteristics of this service, an employment relationship could be inferred between the parties, and as a result the companies could be fined by the fiscal authority, who could require the payment of social security contributions, taxes and penalties.

Our legal advisers believe that an employment relationship cannot be inferred with these service providers, and that there are ameliorating factors that reduce the impact of potential demands from the tax authority (Receita Federal).

2.1.6. As of December 31, 2017, the current labor lawsuits in Brazil are covered by provisions for potential loss contingencies of ThCh\$6,525,365 (ThCh\$7,040,943 as of December 31, 2016), disclosed as "Other Provisions - provisions for legal processes".

Management and their legal advisers believe that the provisions are sufficient to cover the risks associated with these proceedings.

## 2.2. Subsidiaries in Chile

The subsidiaries Quintec Distribución S.A. and Innovación y Tecnología Empresarial Item Ltda. are processing two extrajudicial matters of an administrative nature, before the National Customs Service that refer to a claim for customs duties differences. Our legal advisers believe that this request will result in a favorable resolution for these companies.

## 2.3. Subsidiaries in Colombia

**SONDA Colombia:** It currently has demands that mainly relate to taxation issues, which were included within the acquisition of Quintec Colombia (later absorbed by SONDA de Colombia). The most representative demand is Quintec vs. the Taxes and Customs Division (DIAN) for COP\$5,120 million, which began on 09.30.2013. This process has discussed the legality of administrative acts whereby the DIAN amended income tax returns filed by the company for the taxable year 2008, resulting in the payment of more tax, and a penalty for inaccuracy. The hearing and closing arguments have already been presented for processing Management believes that there are sufficient grounds to defend the company's position.

**Compuácil S.A.:** It has received an administrative demand for breach of contract with Empresa de Telecomunicaciones de Bogota (ETB). All the contingencies in relation to these proceedings, which arose prior its acquisition by SONDA Colombia, are the responsibility of its previous controllers.

## 2.4. Subsidiaries in Argentina

The subsidiaries SONDA Argentina S.A. and Quintec Argentina S.A. (absorbed by SONDA Argentina S.A.) have received labor demands from former employees. Management and their legal advisers believe that the provisions are sufficient to cover the risks associated with these proceedings.

## 2.5. Subsidiaries in Panama

On August 29, 2014, the subsidiary SONDA Panama was notified of an administrative demand filed by five individuals against the Panamanian Land Transit and Transportation Authority (Autoridad de Tránsito y

Transporte Terrestre de Panamá), to declare null and void contract 35 "Financial Management Service Concession for the Passenger Mass Mobilization System in the Metropolitan Panama Area, Panama and San Miguelito District" (Contrato para la Concesión del Servicio de Administración Financiera del Sistema de Movilización Masivo de Pasajeros en el Área Metropolitana de Panamá, Distrito de Panamá y San Miguelito). SONDA lawyers in Panama filed an appeal against the decision to proceed, and responded to the demand in September 2014. Local lawyers believe that there is little chance of success. In September 2015 concluding arguments were presented and final judgment is pending.

## 3. Other proceedings

The company is defendant and plaintiff in other legal actions arising from the ordinary course of business. Management believe that the final outcome of these matters will not have an adverse impact on the company's financial situation, its operational results nor its liquidity.

### Risks associated with acquisitions

An important component in SONDA's growth strategy is the acquisition of IT service assets or businesses. However, the company's experience of these transactions, which is supported by the opinions of lawyers and external auditors, is that the acquisition of businesses or assets exposes the company to future contingent risks that may have an adverse effect on the profitability of these assets or businesses, and on the company's financial position. Also, the negotiation of potential acquisitions may involve significant costs, while assets acquired in the future may not achieve the sales and returns that justify the original investment. Moreover, there is no guarantee that SONDA will be able to identify future acquisition opportunities consistent with its growth policy.

### Risks associated with the contract for the Transantiago Financial Manager (Administrador Financiero de Transantiago S.A., AFT) and related third parties

SONDA has a 9.5% minority interest in AFT, who manages the Santiago Public Passenger Transportation System (Transantiago) for the Ministry of Transport and Telecommunications (MTT). Furthermore, SONDA agreed a contract with AFT on September 20, 2005 to provide technology services to the project (Contrato de Servicios Tecnológicos). Providing the project with the full contractual services on schedule required SONDA to invest approximately US\$108 million in the project. However, the correct execution of the system required a high degree of coordination between all the parties involved, including MTT, AFT, the transport concessionaires, Metro S.A. and SONDA, which to date has not always been achieved. Consequently, SONDA negotiated two modifications to the Technological Services contract with AFT during project development, and in 2008 agreed a transaction contract with AFT aimed at resolving outstanding disputes and avoiding other potential conflicts at that date.

On December 14, 2012, MTT, AFT, METRO, SONDA and the transport concessionaires agreed to the terms and conditions of a new contractual regime defined by the Transantiago authority. As a result, SONDA and AFT terminated their Technological Services contract, which generated net income for the company of Ch\$1,827 million. In addition, SONDA agreed a contract with MTT to provide certain technology services to Transantiago and its transport and supplemental services suppliers (Contrato de Prestación de los Servicios Complementarios de Provisión de Servicios Tecnológicos para el Sistema de Transporte Público de Santiago). In parallel, SONDA also agreed a contract to provide technological equipment to each transport concessionaire, and subsequently to Metro S.A. (Contrato de Prestación de Servicios y Equipamiento Tecnológico). These contracts were registered through publication of the respective extract in the Official Gazette, and AFT made the agreed payments to SONDA. The waivers of each existing arbitration claim between AFT and SONDA were presented, and the arbitrator notified.

### Risks associated with the financial management services concession contract with the Government of Panama

On 8 April 2011, SONDA S.A. agreed a contract with the Panama State Republic called the "Financial Management Service Concession for the Passenger Mass Mobilization System in the Metropolitan Panama Area, Panama and San Miguelito District". This contract included the design, supply, construction, maintenance and equipment for the technology required to collect passenger's fares and their subsequent distribution to the corresponding transport operators, for a period of 10 years. SONDA S.A. had to provide a contract performance bond of US\$18,060,000 that must remain valid for the term of the contract, plus one additional year.

This contract involves supplying and operating the collection system on buses, the recharge network, offices serving the public and central systems for ten years. It includes the collection, administration and custody of funds from marketing and recharging cards, the allocation of these funds among the transport operators, and providing technological services. Operations began on February 15, 2012.

### Risks associated with subsidiaries and associates

SONDA is a business, while it is also a parent company and associate of several companies through which it conducts a significant part of its business, and whose operating margin and financial condition may have an adverse effect on the company's business.

### Risks associated with suppliers

The company is supplied by various technology vendors, in order to provide integrated solutions to customers. Most of these vendors are well known global manufacturers, with offices and representatives in Chile and the rest of the world. These vendors could fail to meet delivery commitments or fail to meet quality standards for their equipment,

services and products. Even though SONDA has various policies to control this risk and is not dependent on any particular vendor, a significant failure at a vendor could cause adverse effects to SONDA's business and operating margins.

### Risks associated with obsolescence and technological change

An essential requirement of SONDA's business is to be at the forefront of the latest technological developments in the industry, in order to offer customers the latest technological solutions. SONDA regularly invests significant resources in developing and updating its applications, in order to stay at the leading edge. SONDA is constantly evaluating regional and global technological trends and developments. However, changes may occur that were not foreseen by SONDA that make assets technologically obsolescent and have significant adverse effects on SONDA's business and operating margins.

### Risks associated with assets

Fixed assets, including buildings, infrastructure, facilities and equipment, plus the civil liability risks associated with them, are protected by relevant insurance policies, with normal market terms and conditions. However, any damage to assets can have significant adverse effects on SONDA's business and operating margins.

### Country risks

SONDA and its subsidiaries operate in various Latin American countries. Consequently, its business, financial condition and net income will depend partly on the political and economic stability of these countries. Any adverse changes in such conditions can have significant adverse effects on SONDA's business and operating margins.

### Risks not insured

SONDA does not have insurance to cover the risk of stoppages. If this contingency occurs, it could have a significant adverse effect on SONDA's business and operating margins.

### Exchange rate risks

SONDA and its subsidiaries are exposed to fluctuations in exchange rates, which could affect its financial position, net income and cash flow. However, the company's hedging policy provides for regular reviews of the exchange rate risk exposure affecting the principal assets and obligations of the company. Where needed, these risks should be covered by operational matching between various business units and subsidiaries, or in their absence, through market-based instruments designed for such purposes, such as forward currency purchases or currency swaps. However, there is no certainty that such measures would completely avoid the possible adverse effects of fluctuations in exchange rates.

## Interest rate risks

SONDA currently has liabilities payable to the financial system at fixed interest rates. SONDA's financial investments serve to ensure an adequate level of surplus funds to meet short-term cash requirements.

On December 18, 2009 SONDA issued both the Series A bonds and the Series C. The Series A totaled UF1,500,000, and was placed with a 5 year term at an interest rate of 3.5% per annum, and the Series C totaled UF1,500,000, with a 21 year term at a fixed interest rate of 4.5% per annum. They were issued from Lines 622 and 621 respectively, with a combined maximum nominal amount of UF3,000,000.

In November 2014, a Series E bond was issued from Line 622, with a nominal value of ThCh\$36,300,000, which matures on November 1, 2019. This bond carries an interest rate of 5.4% per annum on the outstanding capital.

On November 28, 2014 the capital and interest on the Series A Bonds was repaid totaling ThCh\$ 37,481,945.

## Credit risks

Credit risk is where a party fails to meet its contractual obligations resulting in financial loss to SONDA and its subsidiaries, principally amongst trade receivables, financial assets and derivatives.

The company has defined policies to control trade receivables and reduce the risk of unrecoverable debts or payment default. Additionally SONDA has a database of over 5,000 regional customers, including leading Latin American companies from a wide range of industries and markets.

The customer-wide, sectorial and geographical diversification of SONDA's receivables considerably reduces this risk. The 50 largest customers account for less than 35% of revenue, which almost eliminates SONDA's vulnerability in this regard.

## Liquidity or financing risks

Liquidity risk relates to the need for funds to meet payment obligations. SONDA's objective is to maintain a balance between funds continuity and financial flexibility through normal operating cash flow, bank loans, public bonds, short-term investments and credit lines.

SONDA had cash, cash equivalents and other current financial assets of Ch\$86,433 million (US\$140.6 million) as of December, 31 2017, which was comprised of cash, fixed-term deposits at less than 90 days, fixed income mutual funds, and other short-term investment instruments.

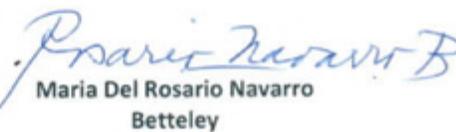
## Senior Executives Information

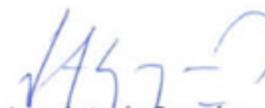
Chilean ID	Name	Profession	Senior Executive Position	Date of Appointment
6.580.740-8	Raúl Véjar Olea	Civil Electrical Engineer Master in Electronic Engineering	Chief Executive Officer	01-01-05
7.923.570-9	Rafael Osorio Peña	Civil Industrial Engineer	Chief Financial Officer	01-03-96
7.289.970-9	Raúl Sapunar Kovacic	Civil Electrical Engineer	General Manager SONDA Chile	21-11-14

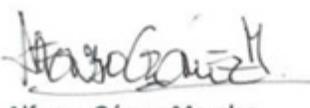
## Declaration of Responsibility

The Directors and the Chief Executive Officer of SONDA S.A. are signatories to this declaration and declared under oath that they are responsible for the truth of the information provided in this 2017 annual report, Social Responsibility and Sustainable Development ("2017 SONDA Integrated Report"), in accordance with General Rule N°30 and its complementary rules of the Superintendencia de Seguridades e Inseguridades, currently known as Financial Market Commission (Comisión para el Mercado Financiero).

  
**Mario Pavón Robinson**  
Chairman  
RUT 5.386.757-K

  
**Maria Del Rosario Navarro Betteley**  
Vice Chairman  
RUT 12.720.922-7

  
**Juan Antonio Guzmán Molinari**  
Director  
RUT 5.123.918-0

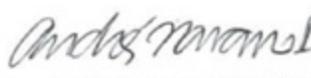
  
**Alfonso Gómez Morales**  
Director  
RUT 5.478.723-5

  
**Rene Javier Lehuede Fuenzalida**  
Director  
RUT 5.523.074-9

  
**Enrique Bone Soto**  
Director  
6.056.216-4

  
**Mateo Budinich Diez**  
Director  
RUT 6.522.204-3

  
**Hernán Carlos Marió Lores**  
Director  
RUT 7.019.964-5

  
**Andres Navarro Betteley**  
Director  
RUT 13.830.732-8

  
**Raúl Véjar Olea**  
CEO  
RUT 6.580.740-8



## **INVESTOR RELATIONS**

### **MELISSA VARGAS**

Investor Relations

### **PATRICIO GARRETÓN**

Head of Investor Relations

### **RODRIGO PEÑA**

VP of Planning and Investor Relations Officer

### **E-MAIL**

[investor.relations@sonda.com](mailto:investor.relations@sonda.com)

### **WEB:**

<http://www.sonda.com/inversionistas>

### **ADDRESS**

Teatinos 500, Santiago, Chile

Phone: (56) 22657 5302

### **DECLARATION OF CURRENCY CONVERSION**

Figures in this annual report are expressed in Chilean pesos as of December 31, 2017. Unless otherwise noted, conversions to US dollars were done using the year-end exchange rate as of December 31, 2017 (1 US\$ = 614,75 Chilean peso).