



Integrated Report

2018



Improving and transforming
customers' business

In SONDA we have ambitious aspirations



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Presentation

Chapter 01





Changes in digital technologies are enabling of new business models, where the customer has a leading role, with new opportunities to create value. We have decided to strengthen our approach strategy to the market. Get to know how we are doing this.



Letter from the chairman

Improving and transforming our customers' business

Dear Shareholders,

2018 was a year of important definitions and changes for our company, which will be guiding us in the near future. Although we had a politically and economically turbulent environment that continued to affect the national economies of the countries we operate, with an estimated GDP growth of 1.1%, we achieved progressive improvements throughout the year, and concluded 2018 with positive expectations of what 2019 will bring us.

We are seeing how the changes caused by the digital revolution are dramatically transforming the businesses of companies and organizations. Only through adopting appropriate digital strategies that stimulate the transformation of their businesses, they will be able to deal with the challenges brought by this new era. At this point SONDA can unlock a significant range of opportunities to contribute generating unprecedented value for its customers. And this is not an empty promise, we have done it in the past, and will continue doing so in the future.

SONDA's consolidated revenues amounted Ch\$800,142 million in 2018, equivalent to US\$1,151.7 million, EBITDA amounted Ch\$91,290 million, equivalent to US\$131.4 million, and net income was Ch\$10,685 million, equivalent to US\$15.4 million. The latter figure was negatively affected by higher tax expenses as a result of foreign exchange effects of US\$23.3 million

The EBITDA margin was 11.4%, which the progressive improvements that were achieved during the year highlighted. The EBITDA margin of the fourth quarter reached 12.6%, representing an improvement of 310 basis points over the margin for the first quarter. It stands out the case of Brazil, where margins improved sequentially during 2018 and on a year over year basis. In Brazilian reals, EBITDA increased by 23.9% compared to 2017.

Other Latin American Countries (OPLA) increased their EBITDA by 7.3% during 2018 and increased their revenue by 17.8%, both in constant currency.

Although the depreciation of the Brazilian real, Mexican peso, Colombian peso and Argentine peso compared to the Chilean peso negatively affected the conversion of financial statements to the reporting currency, during the course of the year we noticed a positive trend in our financial performance, which gradually improved due to different actions taken in our key markets.

Business closed was US\$1,249 million, where OPLA stands out with an increase of 17%. The IT Services segment contributed 55% of all business closed. Particularly, IT Outsourcing, which contributed with 30% of total business closed registered an increase of 9% compared to 2017. New business opportunities (the "pipeline") reached US\$3,227 million.

Summarizing, 2018 was a challenging year and was not free of difficulties within a volatile and uncertain international and regional context, where we embarked on a series of initiatives to deal with these challenges, such as reorganizing our business in Brazil, introducing changes to our senior management in Mexico and Colombia, and intensifying the integration of companies acquired in Brazil and Colombia, all of which began to show results as the year progressed.

We conducted a strategic planning process for 2019 – 2021 during the second half of 2018, in response to the digital revolution that surrounds us, with the participation of senior executives and employees at regional level. We defined goals and a challenging aspiration for the coming years, in order to continue supporting our customers' businesses in this digital world, while continuing to improve the quality of life of millions of Latin Americans.

The main results of this process were released during December at an event we called SONDA Day: "Improving and Transforming Customers' Business". This event was attended by principal financial market analysts, customers and SONDA executives.

This new road map includes our proposal that we double our revenues in five years. We are considering investments up to US\$360 million for the 2019 – 2021 period to support the organic growth of the Company, while EBITDA margin should expand up to 500 basis points.

The company's regional focus will be on supporting its customer's business improvement and transformation processes, with a special focus on four industries, in order to strengthen service lines, and drive comprehensive customer management based on a broad understanding of their needs. We want to

reinforce SONDA's position among business leaders and promote a culture that strengthens an agile and customer focused organization.

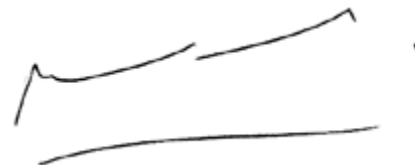
An important highlight this year was the beginning of the construction of our new latest generation Tier IV Data Center in Chile, in addition to securing approval to construct a Tier IV Data Center in Colombia during 2019. Within the context of the Digital Transformation era and innovation, in 2018 we created a new business unit specialized on these technologies, and we agreed partnerships with manufacturers and suppliers who are global leaders in solutions based on Analytics, Cyber Security, User Experience, Virtualization and Mobility, among others.

We have again prepared an Annual Integrated Report that integrates financial and management aspects with environmental, social and governance aspects. We are convinced that the sustainability of a company and its ability to generate long-term value depends on a global management that is genuinely concerned for all its stakeholders, while it is leading, innovating and adapting through its best practices and caring for and developing its principal asset: customers and employees. Therefore, since 2017 we have been part of the Dow Jones Sustainability Index (DJSI) Chile and DJSI MILA.

We are grateful to our customers, shareholders and business partners for the confidence they have placed in us, and to our employees who give their best every day in serving our customers throughout the region.

After 44 years of history, we continue looking to the future. This is a transformational era, where our original inspiration is still alive in a team full of passion and enthusiasm, which will enable us to take advantage of the opportunities that digital transformation holds for us.

Yours sincerely,



Mario Pavón Robinson
Chairman



SONDA holds its first Investor Day and launches its Vision and Strategic Plan for the upcoming years



In an historic milestone since the IPO and looking to get closer to investors and financial analysts, we held a full day event presenting what we have been doing and where we will be heading. Under the slogan "Improving and transforming customers' business" our executives from different countries of the region had the opportunity to talk about the technological advances that they have driven, critical variables of our business, innovations around disruptive technologies and solutions they have developed to improve and transform our customers' business. Furthermore, we presented our Vision and Strategic Plan that will be mobilizing our agenda in the next years where we seek to double SONDA's revenues in 5 years. Moreover, the strategic plan includes investments up to US\$360 million to support the growth of our operations, the development of new solutions and innovations that will benefit millions of people.



Analytics solutions will have a key role in the verticalization strategy

In the digital transformation of organizations, the analytics solutions, big data and business intelligence have a key role. Because of that, we have established a partnership with SAS, leader in analytics solutions, enabling us to strengthen our analytics solutions in Latin America, initially with a focus on the finance, manufacturing and retail industries.

Internet of things enabling a better transport system for the region



Pursuing a better mobility and service, the use of IoT will allow our customers to have telemetry and analytics information for decision-making in order to improve the user experience on transport systems. These solutions are the result of a teamwork between Cisco and SONDA, which allowed us to be recognized as Cisco Partner of the Year 2018 – Public Sector.

Partnerships to face the challenges of the Retail industry in the region



In the context of our verticalization strategy, we have established a regional alliance with Aptos, a leading company in technology solutions for the retail business, and our partnership will allow us to provide the market with the latest solutions for the sector, including solutions that incorporate IoT, Big data management, specialized software, multi-cloud services and the latest technology designed to address the challenges of omni-channels, Order Management Systems (OMS), operational audit and management, customer management, specialized demand planning and advanced analytics.

SONDA has again been selected to form part of the Dow Jones Sustainability Index Chile 2018 and MILA Pacific Alliance 2018

MEMBER OF
Dow Jones Sustainability Indices
 In Collaboration with RobecoSAM

During 2018, in the context of our first Integrated Report publication, SONDA was once again included in the Dow Jones Sustainability Index. This index brings together companies with the highest standards of environmental, social and governance responsibility (ESG) in the financial community.

SONDA announces the construction of two Tier IV data centers in Chile and Colombia

Consolidating our recognized regional leadership in data center and cloud services, we announced the construction of two Tier IV data centers, one in Chile and another in Colombia, which will meet the highest standards of energy efficiency, availability and environmental protection. Our data center in Chile will be the first in Latin America for an IT Services company certified as Tier IV by the Uptime Institute.



Mobility and virtualization enabling the Digital Transformation adoption



We made a regional alliance with Citrix to empower and expand our range of solutions, with a focus on virtualization, mobile applications, telecommunications and networking. In this way we will be supporting our clients in their Digital Transformation processes with innovative solutions.

SONDA signs a power supply contract of energy 100% renewable



The contract was signed with the electricity generator Colbun, and ensures that only renewable energy is used to supply electricity to our operations in Chile. It also includes the new Tier IV Data Center currently under construction in Chile. This electricity will be generated using hydro-electric, solar and wind power. The contract extends until 2024.

Cybersecurity, protecting and safeguarding the digital assets of our clients



In order to face the cybersecurity challenges in our region, we have established a strategic partnership with Fortinet, a global leader in cyber-security solutions, with the objective of protecting our customers' digital assets and IT resources.

This partnership will strengthen our cybersecurity competence center, through excellent people, processes, and technologies giving us access to best practice in the industry. We will then be able to offer our customers robust and comprehensive solutions that resolve their security challenges and requirements, so that they can focus on their Digital Transformation processes.



SONDA's 2017 Integrated Report was recognized in the "Informe Reporta" ranking as a leader in the "Miscellaneous Services" sector

"Informe Reporta" is a study carried out by Deva Chile regarding the quality of information disclosed to stakeholders by companies in their annual reports. The study evaluates transparency, commitment to sustainable development, relevance to stakeholders and information accessibility. We achieved first place in the Miscellaneous Services sector, and climbed three positions with respect to the 2017 ranking. Furthermore, we received an award for achieving the second largest improvement in ranking position compared to the previous year.

SONDA at a glance

SONDA, with more than 40 years of history, is the main Latin American network for IT services and solutions in the region, operating in 10 countries, 3 thousand cities and benefiting the life of over 500 million people.

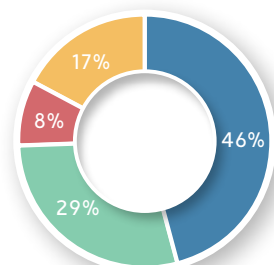


Revenues

800,142

million Chilean pesos

Revenue Breakdown
by country



Chile Brazil Mexico OPLA

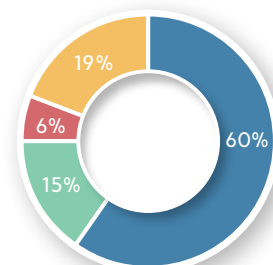


EBITDA

91,290

million Chilean pesos

EBITDA Breakdown
by country



Chile Brazil Mexico OPLA



Market Capitalization

1,363

US\$ million



CAPEX

47

US\$ million

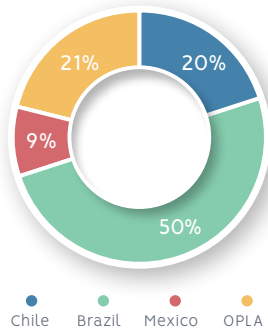
We are currently present in
10 countries of the region



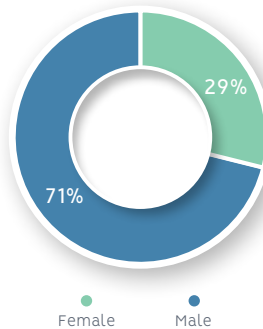
Employees

16,845
people

Employee diversity
by country



Employee diversity
by gender



Customers

+ 5,000
corporate customers



Cities

+ 3,000
cities covered in Latin America

#WeareSONDA

Chapter
02





As Henry Ford once said: "*True progress is that which puts technology within everyone's reach.*" Nothing else better summarizes our mission.

#WeareSONDA

Over the years we have seen how companies, institutions, organizations and societies in Latin America have experienced a diversity of competitive and operational challenges that are unique to their own businesses. They have also faced substantial changes in their local environment, and new challenges have emerged that drive new business models and new ways to develop markets and industries.



After reaching this point, companies, institutions and organizations have had to rely on strategic partners, who can support their transformation processes and provide them with the tools required to successfully face the critical challenges imposed by their local environment and businesses.

Technology has been the most important catalyst for the tremendous changes that the world has seen throughout its history. These changes have accelerated exponentially with the emergence of disruptive technologies and the Digital Transformation era.

Our company was founded to meet our customers' business requirements and challenges, to improve people's quality of life through the best use of information technologies. This was the reason why a group of engineers created a company 44 years ago that has now become the leading Latin American network of IT services and solutions in the region.

We are a company born in Latin America, we understand its culture, requirements, challenges and opportunities, and we are proud to cultivate long term relationships with our stakeholders.

We have achieved enormous success, thanks to our people. We are a company of people, where the

spirit of SONDA lives. We began as a group of twelve professionals, and have now reached over 17,000 employees, who currently serve all our customers in the region.

From the very beginning, we have developed solutions to meet our customers' requirements and challenges, and supported them in their transformation processes. We have played an important role for emerging industries and those who have had to transform themselves, which has enabled us to develop major modernization projects and innovative solutions that have driven a long history of growth. We have contributed to improving the quality of life of millions of Latin Americans and built greater trust and transparency in public institutions across the region.

We are a comprehensive IT provider and a change agent, capable of resolving challenges that range from straight-forward problems to substantial complex projects. Our vision is aligned and unified with our customers' business strategies, and we consistently provide them with high quality solutions, products and services that are reflected in our close involvement with their activities and progress.

Innovation and collaboration are embedded in the DNA of everyone working at SONDA. Our endeavors are



focused by processes that develop IT solutions and services that improve and transform our customers' businesses and contribute to developing the region.

Since our beginning we have developed strategic and digital partnerships with major manufacturers and technology developers, enabling an innovative and technological ecosystem that adds value to our solutions, which ensures that they incorporate best industry practices.

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 stakeholders. 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.

This has been the foundation upon which a sustainable business has been built, capable to add value to its stakeholders throughout its 44 year history. We have helped our customers to grow, while developing the region and improving people's quality of life. We will continue to do so, while addressing the new challenges that are arising within the digital revolution.

[#WeareSONDA](#)



Our Purpose

Contribute to **improve the people's quality of life**, innovating and adding value through technological solutions that develop and transform our customers' business.

Commitment to our clients



A flexible provider

Wide range of IT solutions that add value to their business



Business partner with a high service vocation

Outstanding track record in development of projects with diverse magnitude and complexity provided by a human group full of passion, enthusiasm and service vocation.



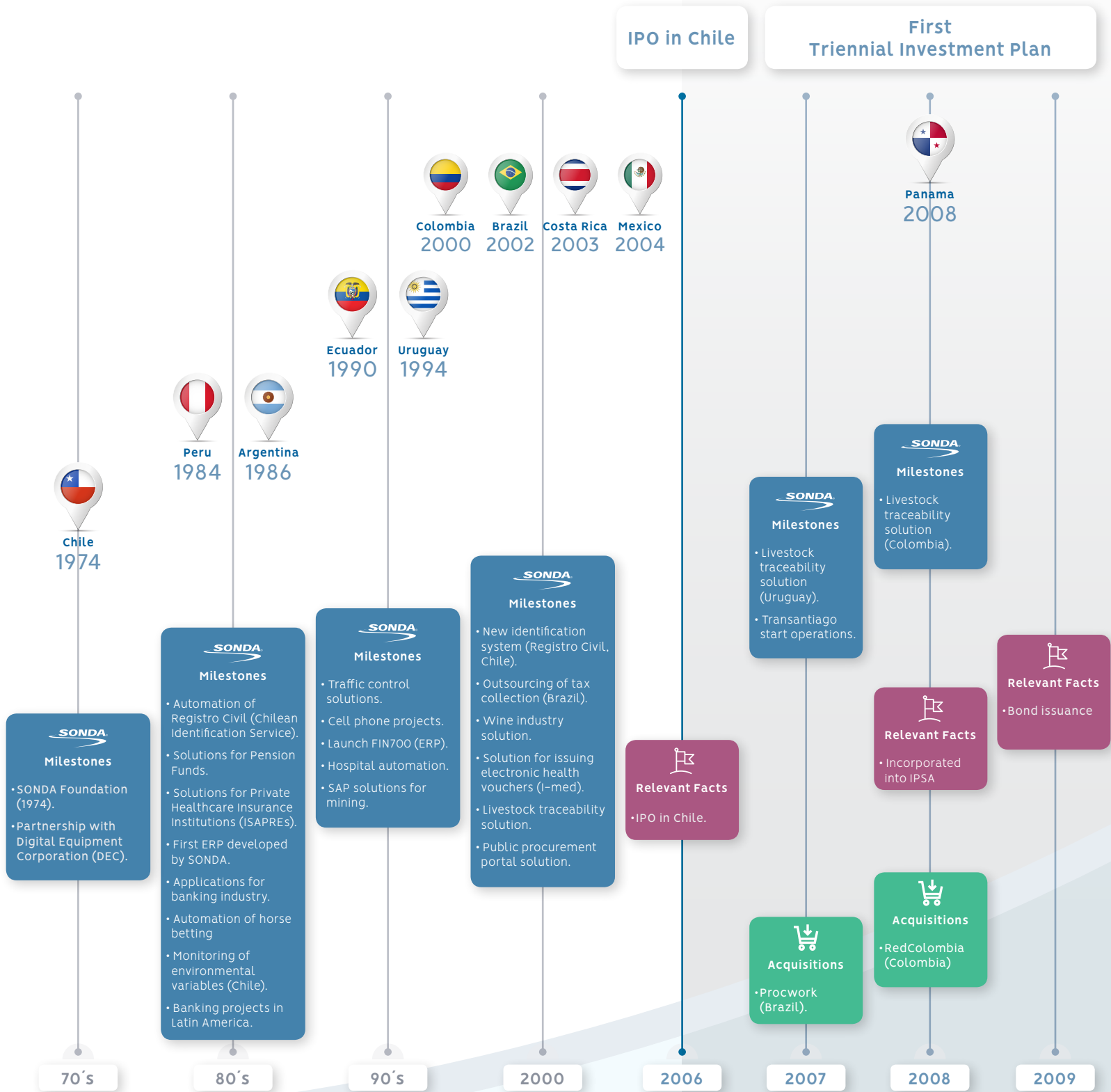
Fast Answers

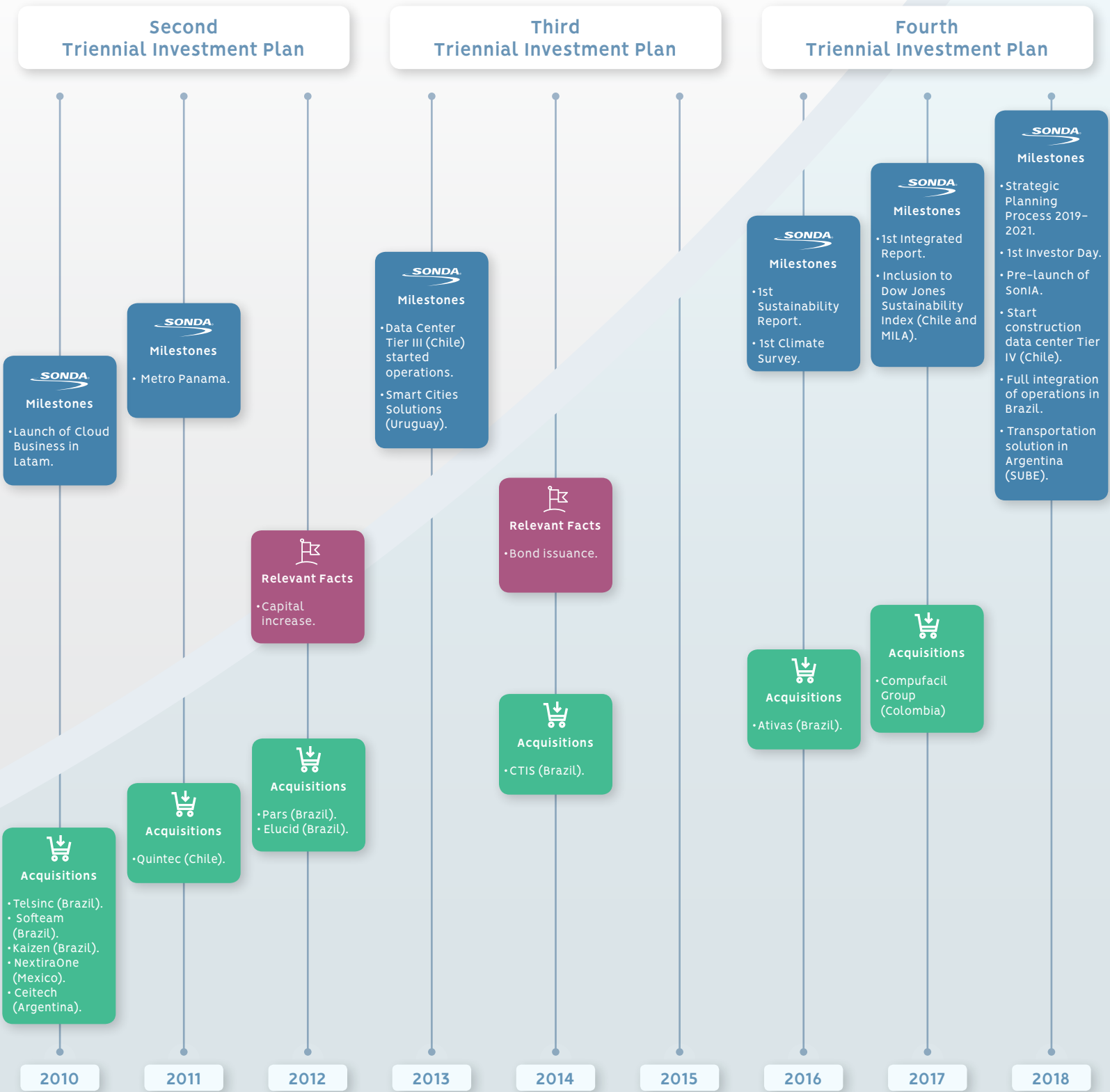
World class services based on best practices of the industry and endorsed by the main credentials and technological certifications.





A story of growth





Differentiators and Pillars

We live in a world in constant evolution driven by digital transformation technology. Our history has involved changes, transformations, adaptation, flexibility, evolution, reinvention, and especially innovation. Large modernization projects and innovative solutions have helped us to develop various attributes and pillars throughout our 44 year history. They differentiate us from our competitors and are fundamental for our customers' transformational processes in the digital revolution era.

Differentiators



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 the solutions that we provide to 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 and developers of technological infrastructure and applications, in addition to partnerships focused on developing large technology integration and application projects for strategic markets.



Execution capacity of large contracts and projects

Since our inception we have been committed to developing large technological projects that modernize public and private companies 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 we can accommodate flexible business and operational models, when necessary.



Specialized and seasoned 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 a wide range of solutions and services required by our customers.



Continuous innovation and improvement

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



Solid financial position

Our financial strength has characterized the company throughout our history, and has been a differentiating factor, allowing us to develop and support our three year investment plans since 2007, enabling the development of an ambitious expansion strategy based on acquisitions and organic growth, without risking the company's financial stability.



We operate in emerging markets with a low IT penetration rate

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

SONDA pillars



Project replicability

Implementing a huge integration project is a complex process that requires significant investments. Replicating these projects and adapting 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 scale 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 businesses 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 robust 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 44 year history, which has enabled SONDA to maintain an undisputed leadership position in the Chilean IT services market. We are now recognized as one of the most respected multi-Latin American companies, and the leading IT services company from Latin America.



Experience and service vocation

Our employees have extensive experience in the information technology industry, having successfully completed hundreds of systems integration projects, many of which were highly complex and had a substantial impact. Similarly, the service vocation of our teams has been cultivated in a sustained manner throughout our 44 year history, and is recognized and valued by our customers, particularly their unwavering commitment to each project. Our customer's success is also ours.



SONDA
since 2004
customers +300
employees 1,475



SONDA
since 2003
customers +200
employees 85



SONDA
since 2008
customers +30
employees 296



SONDA
since 2000
customers +300
employees 1,987



SONDA
since 1990
customers +200
employees 178



SONDA
since 2002
customers +1,300
employees 8,354



SONDA
since 1984
customers +180
employees 314



SONDA
since 1994
customers +100
employees 233



SONDA
since 1986
customers +200
employees 486



SONDA
since 1974
customers +2,200
employees 3,437



Presence in Latin America



Chile

- Headquarters in Santiago
- Network of services with nationwide coverage
- 2 data centers (1 DC Tier III)
- 1 data center Tier IV (under construction)



Brazil

- Central offices in Sao Paulo
- Network of services with nationwide coverage (26 states)
- 2 innovation centers
- 3 data centers



Mexico

- Central offices in Mexico City
- Network of services with coverage in all most relevant states and cities
- Field support nationwide (238 localities)



Colombia

- Central offices in Bogotá
- Network of services with nationwide coverage (1,000 cities)
- 1 data center Tier IV (under construction)



Argentina

- Central offices in Buenos Aires
- Network of services with nationwide coverage (23 cities, +450 localities)



Uruguay

- Central offices in Montevideo
- Network of services with nationwide coverage (18 technical bases)
- 1 innovation center of Smart Cities solutions



Ecuador

- Central offices in Quito
- Field support with nationwide coverage



Panama

- Central offices in Panama City
- Coverage of services nationwide



Peru

- Central offices in Lima
- Network of services with nationwide coverage



Costa Rica

- Central offices in San José
- Network of services with nationwide coverage

Corporate Governance

Chapter

03





An 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.

Corporate governance

Strong corporate governance is essential to guide business development strategy, to address future challenges, and ensure the value creation. It defines strategies and priorities, monitors performance and the efficiently uses resources, and establishes effective management structures. This is particularly relevant for SONDA as it operates in several latitudes.

The company was funded in Chile, but after a few years it began its internationalization expansion and now we have presence in ten countries in Latin America. We operate in multiple cultures and environments, facing the challenges of any multi-national company does: to ensure that the entire organization is aligned with its corporate purpose, values and objectives, and fully complies with its internal guidelines and the various laws and regulations that apply in each country.

The company is listed on the Chile Stock Exchange since 2006, which imposes additional obligations, in accordance with regulations issued by the Comisión para el Mercado Financiero ("CMF", formerly the SVS). These obligations include the General Rule 385 regarding best corporate governance practices.

Our company's financial information is subject to instructions and inspections from the CMF, and we must report our financial statements and relevant operational information to the market.



Board of Directors

SONDA S.A. is an open stock corporation. Our Board is composed of nine members who remain in office for three years. They include a woman and six independent directors. 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.

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

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

The members of the Board for the period 2017-2019 are:

1 Mario Pavón Robinson CHAIRMAN

Civil Industrial Engineer
Universidad Católica de Chile
Chilean ID Number: 5,386,757-K
Last reelection:
04/21/2017

6 Juan Antonio Guzmán Molinari DIRECTOR

Civil Industrial Engineer
Universidad Católica de Chile
Chilean ID Number: 5,123,918-O
Last reelection:
04/21/2017



6

2

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2 **María del Rosario Navarro Betteley**
VICE CHAIRWOMAN

Degree in Aesthetics
Universidad Católica de Chile
Chilean ID Number: 12,720,922-7
Last reelection:
04/21/2017

3 **Enrique Bone Soto**
DIRECTOR

Civil Industrial Engineer
Universidad Católica de Chile
Chilean ID Number: 6,056,216-4
Date of appointment:
04/21/2017

4 **Mateo Budinich Diez**
DIRECTOR

Civil Electrical Engineer
Universidad de Chile
Chilean ID Number: 6,522,204-3
Last reelection:
04/21/2017

5 **Alfonso Gómez Morales**
DIRECTOR

Civil Engineer
Universidad Católica de Chile
Chilean ID Number: 5,478,723-5
Date of appointment:
04/21/2017

7 **René Javier Lehuedé Fuenzalida**
DIRECTOR

Civil Constructor
Universidad Católica de Chile
Chilean ID Number: 5,523,074-9
Date of appointment:
04/21/2017

8 **Hernán Carlos Marió Lores**
DIRECTOR

Business Administrator
Universidad de Santiago
Chilean ID Number: 7,019,964-5
Last reelection:
04/21/2017

9 **Andrés Navarro Betteley**
DIRECTOR

Civil Industrial Engineer
Universidad Católica de Chile
Chilean ID Number: 13,830,732-8
Date of appointment:
04/21/2017

* The following directors were members of the Board for the period from 04/24/2014 until 04/21/2017, when the entire Board was re-elected: i) Pablo Navarro Haeussler, Chilean ID Number: 6,441,662-6, ii) Francisco Gutiérrez Philippi, Chilean ID Number: 7,031,728-1, iii) Jaime Pacheco Matte, Chilean ID Number: 6,371,888-2, and iv) Christian Samsing Stambuk, Chilean ID Number: 6,731,190-6.



The Board of Directors is supported by the Committee of Directors, composed of three independent directors. The Board has appointed Messrs. Juan Antonio Guzmán Molinari, Mateo Fernando Budinich Diez and René Javier Lehuedé Fuenzalida, all independent directors, as members of the Committee of Directors. Similarly, the Committee of Directors has appointed Mr. Juan Antonio Guzmán Molinari as Chairman's Committee.

(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 the corporate website (<http://www.sonda.com>), or at our headquarters, located at 500 Teatinos, Santiago, Chile.

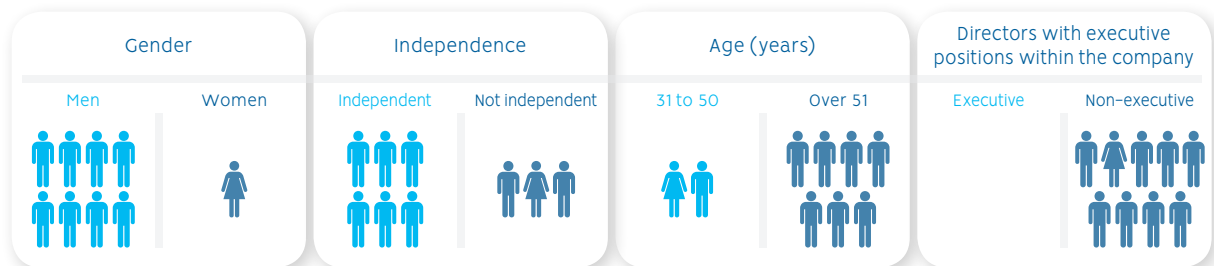
The Executive Committee is composed of directors and senior executives and advises management regarding strategy design, business and performance analysis, investment plans, customer satisfaction, quality management, organizational marketing and corporate communications, and other issues. The Board of Directors delegates management to a Chief Executive Officer, who is responsible for the company's business. All business units and support units report to him.

SONDA's Board of Directors responded to the questionnaire on March 29, 2018 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 open stock corporation.

SONDA has prepared and published a manual called "Manual de Manejo de Información de Interés"

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.

Composition of the Board of Directors





Risk management

The Board of Directors is responsible for securing appropriate risk identification and management, and for establishing controls and responsibilities to prevent and mitigate risks.

The Internal Control, Risks and Corporate Governance 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.

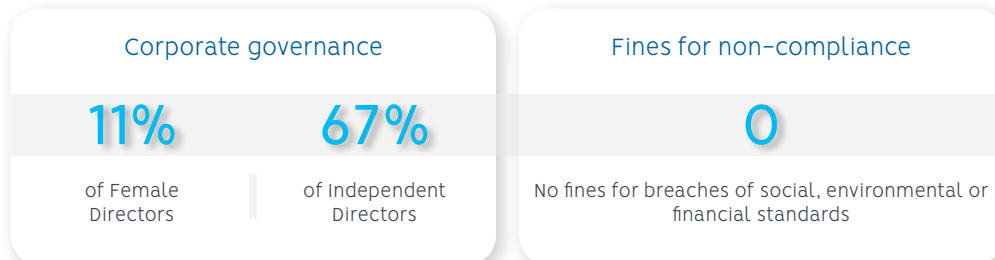
Our critical risks were updated towards the end of 2017. The Board and all the SONDA subsidiaries in the region actively participated in this process. Thirteen critical corporate risks were identified. We defined mitigation measures and indicators in 2018, and established a dashboard to monitor these risks, which is updated every month and reviewed by the Board and corporate managers at each subsidiary.

We evaluated the maturity of our internal control model in 2018, then analyzed our gaps and established a roadmap to achieve stricter control. We will implement it in 2019. This was based on the COSO¹ Standard, which is the international best practice for internal control, and methods for evaluating maturity. We created the Internal Audit Department in 2018, during this process.

The aspects that we evaluated in order to measure the maturity of the internal control model and establish the roadmap are as follows



2018 Results



1. International Standard that contains guidelines on implementing, managing and monitoring an internal control system.

Ethics and compliance

One of the pillars of our way of doing business has been, from the beginning, to have an operation that promotes integrity. We work in a way that our values and principles are reflected in all our actions.

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.

A major SONDA's asset is the trust that we have built with our customers, employees, business partners, suppliers, and the governments and societies that host our businesses. These trustful relationships the foundation of our business.

SONDA has grown and transformed into a multinational corporation with almost 17,000 employees from several latitudes. A particular challenge is to keep our original inspiration alive and ensure that the values that have distinguished us are reflected in the daily behavior of people from various cultures and contexts. Furthermore, society has evolved and expects high ethical standards and a commitment to current concerns, such as global warming, diversity and inclusion, human rights, compliance throughout the supply chain, and other issues.



Code of Ethics and Whistle Blower

Code of Ethics and Behavior: this is based on a set of principles and values that have guided us since the beginning, and it expects compliance with high standards and legal regulations. It applies to directors, executives, consultants and employees of SONDA S.A. and its subsidiaries. The Code currently covers 100% of all SONDA employees. We also ensure that goods and services suppliers are aware of the Code and observe the terms and conditions that apply to all transactions or contracts with our Company.

The Ethics Committee: The Ethics Committee is responsible for widely publishing the Code and ensuring its 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 was strengthened in 2018 and statutes were established that govern its operation. It was composed of the Chairman of the Board, an independent director, the Chief Executive Officer, the Chief Human Resources Officer and the Internal Control, Risks, and Governance Manager.

We have an obligatory e-learning course on the Code of Ethics, which is available to all SONDA employees. We strengthened its use in 2018, mainly in our subsidiaries outside Chile.

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

Whistle Blower: we have a whistle blower platform at the web site 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 external independent company that specializes in those aspects. This independence guarantees utmost confidentiality for the complainant.

In 2018, 55 complaints were received through this platform. They were all duly addressed and resolved during the 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. In 2018 we updated it. 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. It also governs the relationship between SONDA and its 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 checked whether anyone in our business in Chile is connected to Politically Exposed Persons (PEP).

We are adapting the internal regulations regarding crime prevention in Peru, Mexico and Brazil, in accordance with each country's regulations.



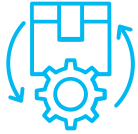
Compliance

A policy and fundamental principle at SONDA is that all employees must behave in accordance with ethics, laws, regulations, policies and procedures established by the Company. Compliance aspects are reported and discussed regularly by the Board.

Our Compliance system uses mechanisms to monitor the business and any breaches to the Code of Ethics or the Crime Prevention Model. Moreover, 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.



We analyzed the maturity of our internal control model in 2018 and evaluated our compliance processes and practices, specifically relating to organizational structure, the comprehensive compliance program, and identification of risks to compliance, policies and procedures. This analysis was used to identify our gaps and establish a roadmap that will be implemented in 2019.



Responsible supply chain management

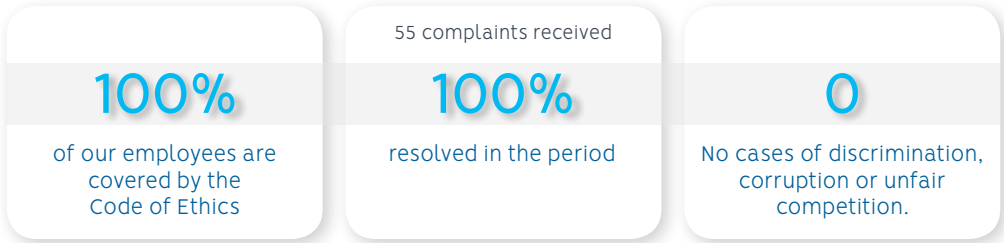
We use processes contained in the standards and best practices that we have adopted, to identify our supply chain risks and assess their potential impact. We also systematically evaluate supplier behavior, in order to identify any risks that may affect the fulfillment of our business plan or the quality of goods and services supplied to our customers. We use a system to monitor relationships with Politically Exposed Persons among suppliers and contractors.

Our Roadmap to increase the maturity of our Internal Control Model involves evaluating our gaps and establishing action plans covering the following issues: Code of Ethics for suppliers, selection procedure for critical suppliers, risk assessment in suppliers, and identification of critical suppliers.

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

2018 Results

Code of Ethics and the Crime Prevention Model



Our management



Our corporate management is headquartered in Santiago, Chile, and the administration 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 Corporate Management.



Raúl Véjar

CHIEF EXECUTIVE OFFICER



Rafael Osorio

CHIEF FINANCIAL OFFICER



José Orlandini

SENIOR VICE PRESIDENT IT SERVICES DIVISION



Alberto Merino

VICE PRESIDENT LATAM BUSINESS DEVELOPMENT



Roberto Jana

VICE PRESIDENT PEOPLE



Christian Onetto

VICE PRESIDENT DIGITAL TRANSFORMATION



Juan Aristizábal

VICE PRESIDENT END USER SUPPORT



Juan Carlos Cartes

VICE PRESIDENT MANAGED DEVICE SERVICES



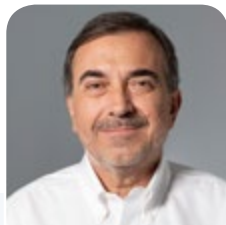
Alberto Aguilera

VICE PRESIDENT OUTSOURCING SERVICES



Juan Ernesto Landaeta

VICE PRESIDENT DATA CENTER CLOUD SERVICES



Raúl Sapunar

GENERAL MANAGER SONDA CHILE



Affonso Nina

GENERAL MANAGER SONDA BRAZIL



Salvador Cabral

GENERAL MANAGER SONDA MEXICO



Ricardo Rodríguez

GENERAL MANAGER SONDA COLOMBIA



Gerardo Cruz

GENERAL MANAGER SONDA ARGENTINA – URUGUAY



Miguel Angel Guerrero

GENERAL MANAGER SONDA PERU



Eduardo Sandoval

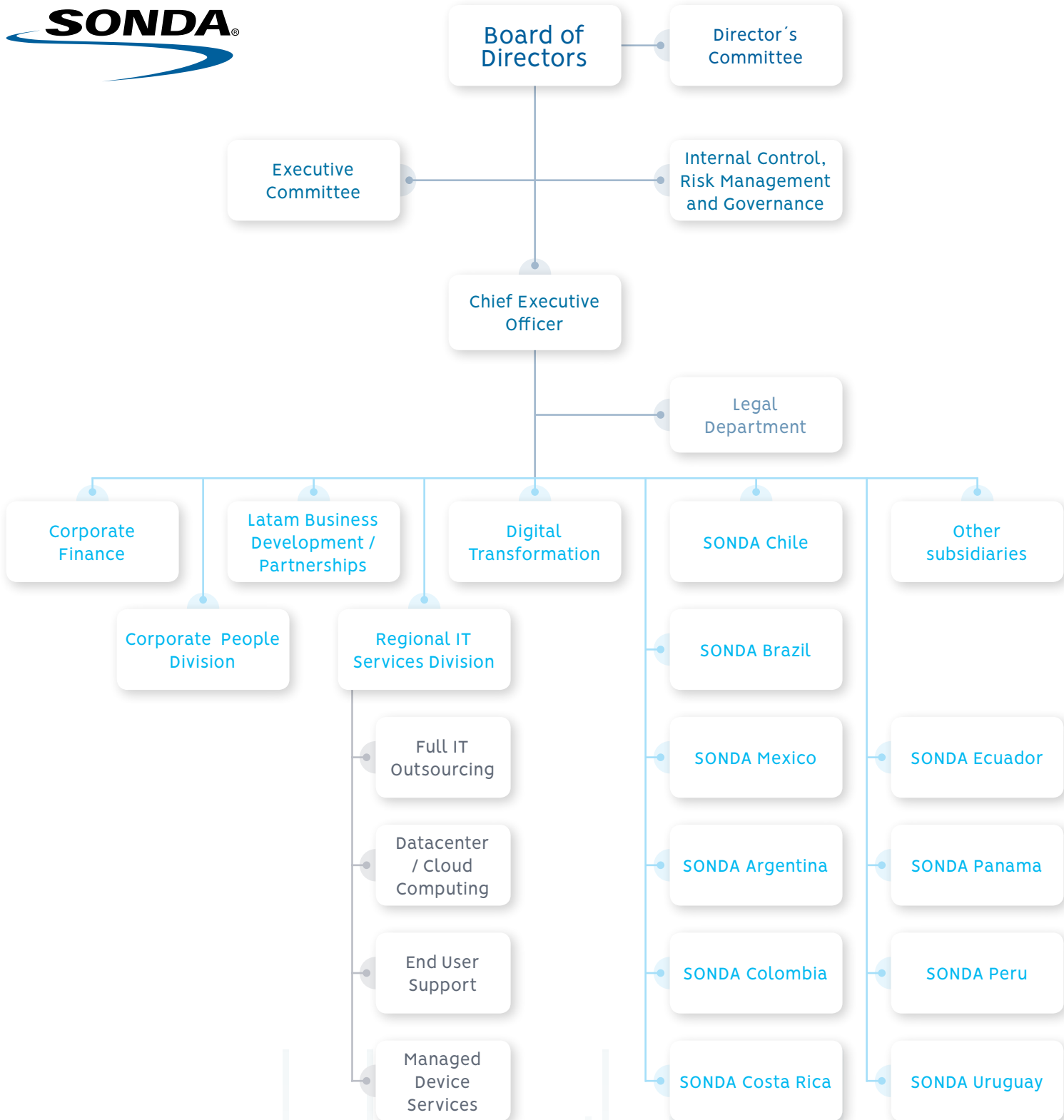
GENERAL MANAGER SONDA PANAMA – COSTA RICA



Fabián Mena

GENERAL MANAGER SONDA ECUADOR

Organizational chart





Vision and Strategic Plan

Chapter
04





Since our beginning, SONDA's history has encompassed changes, transformations, adaptation, flexibility, evolution, reinvention and, above all, innovation, which has been key to positioning SONDA as the leading Latin American network of IT services and solutions.

Vision and strategic plan

Since our beginning, SONDA's history has encompassed changes, transformations, adaptation, flexibility, evolution, reinvention and above all innovation, which has been key to positioning SONDA as the leading Latin American network of IT services and solutions.

Changes and transformations are necessary. In order to transform others, a company must also be able to transform itself. We have done this countless times during our 44 year history, out of business necessity as well to meet market requirements.



Over the years, our services and solutions have contributed to the development of the region, resulting in a direct impact on those who have relied on SONDA as a strategic partner and a change agent, which has enabled us to solve complex problems using innovative solutions for companies and public institutions and organizations.

We live in a world that is constantly evolving. It is being driven by digital revolution technologies, disruptive technologies that are reinventing the world as we know

it, driving substantial changes in the way that people, companies, customers and governments interact. We also see other phenomena such as globalization, continually increasing and changing regulations, increased competition and greater awareness of the environment, which have all generated constant change and companies must be prepared for these. Being resilient is no longer optional, it is a permanent condition that is required for companies to survive over the medium and longer term.

We have defined an aspiration...



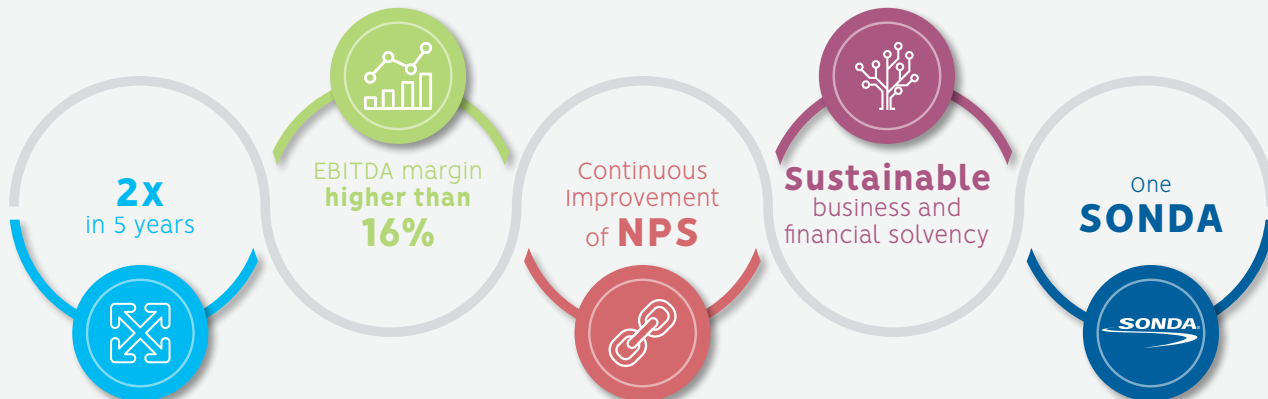


Latin America is changing. The IT solutions and services market² is projected to grow at 6.7% between 2018–2021, and total investment in the region could reach US\$85,240 million in 2021. Countries and governments are making significant public investments in IT, the private sector is taking advantage of the efficiencies arising from new technologies, and there is an increase in requirements such as automation, robotics, analytics, process digitization, regulations that encourage investment in cyber-security, among other aspects.

New sources of value are being generated and we are seeing new business models emerging. What we once knew as tradition, in some cases has become obsolete. It is vital to adapt to this new era, and be able to make agile and dynamic changes. Organizations need a strategic partner and a change agent to support them on this disruptive and transformational journey.

2. Source IDC, 2018.

... and challenging goals for 2021



The customer is at the center of our business, and we aspire to be the strategic partner that improves and transforms their business. Therefore, relationships with our customers are critical, that's why we look for long term and closer relationships, being an important of their business.

Consequently, we began to take the next step to deal with the current and future challenges that are arising in the digital transformation era. We prepared a strategic plan during 2018, and SONDA leaders throughout the region actively participated and collaborated in this process. The strategic planning process was supported by a consulting firm, which facilitated the co-construction within teams, promoting a regional working structure based on multidisciplinary teams comprised of employees with numerous experiences and profiles from all countries in the region. This was complimented by several days spent discussing and agreeing a dream for 2030, along with an ambitious aspiration and challenging goals for the coming years.

The results of this process were reflected in a strategic plan for the period 2019 to 2021, which represents a transformational road map that will take us through the next level forward in our history.

SONDA's strategic plan is our response to accelerating developments within the IT industry, which is again generating new and unavoidable requirements for companies, organizations and governments around the world, particularly in Latin America. The plan will ensure that SONDA makes the changes required for us to address and successfully overcome the challenges presented by digital transformation.

Our strategy will focus on improving and transforming our customers' business, on the basis of seven strategic pillars:

Seven strategic pillars





We are building on our past successes

"We are again adapting to changes, and taking a step forward to address the challenges imposed by digital transformation. Our capabilities developed over the years are fundamental pillars that will enable us to move forward and meet this new challenge and continue building the future. We have the required talented people and leadership, and we have prepared a transformation plan that will leverage our regional strengths, while taking account of each country's particular requirements. We will also take advantage of the market opportunities that arise based on a clear road map, to achieve the objective of doubling SONDA's revenues in 5 years. We are ready to take the next step". *Raúl Véjar, Chief Executive Officer of SONDA.*



Raúl Véjar
CHIEF EXECUTIVE OFFICER
OF SONDA



"This plan is the result of a collaborative process with the active participation of the most important regional leaders and the organization's business units, which generated broad consensus and alignment regarding how to move forward with strength."

SONDA will place special emphasis on four industries across the region: Transport, Retail, Financial Services and Government. Specific high value solutions will be developed for these industries. Services will be reorganized into four areas: Platforms, Applications and Solutions, Operational and Technological Process Management, and Digital, Operational and Technological Transformation, which aims to improve customer's businesses by supporting them throughout their transformation processes.

The 2019 – 2021 strategic plan is challenging, both in terms of growth and profitability, as we consider increasing the EBITDA margin by 500 basis points by 2021 and doubling revenue in 5 years. This will be achieved by investing US\$360 million in organically growing our business. New acquisitions will target opportunities to leverage organic growth through closing skills gaps in specific industries or services, strengthening growth in specific markets such as Peru, Colombia and Mexico, and participating in global hubs of innovation and technology.

Orchestrated offer

What motivates us at SONDA is becoming a strategic partner for our customers and supporting them in the process of transforming their businesses, in order to continue providing dynamic and innovative IT solutions and services that resolve all the business requirements that use technology as part of the value proposition.

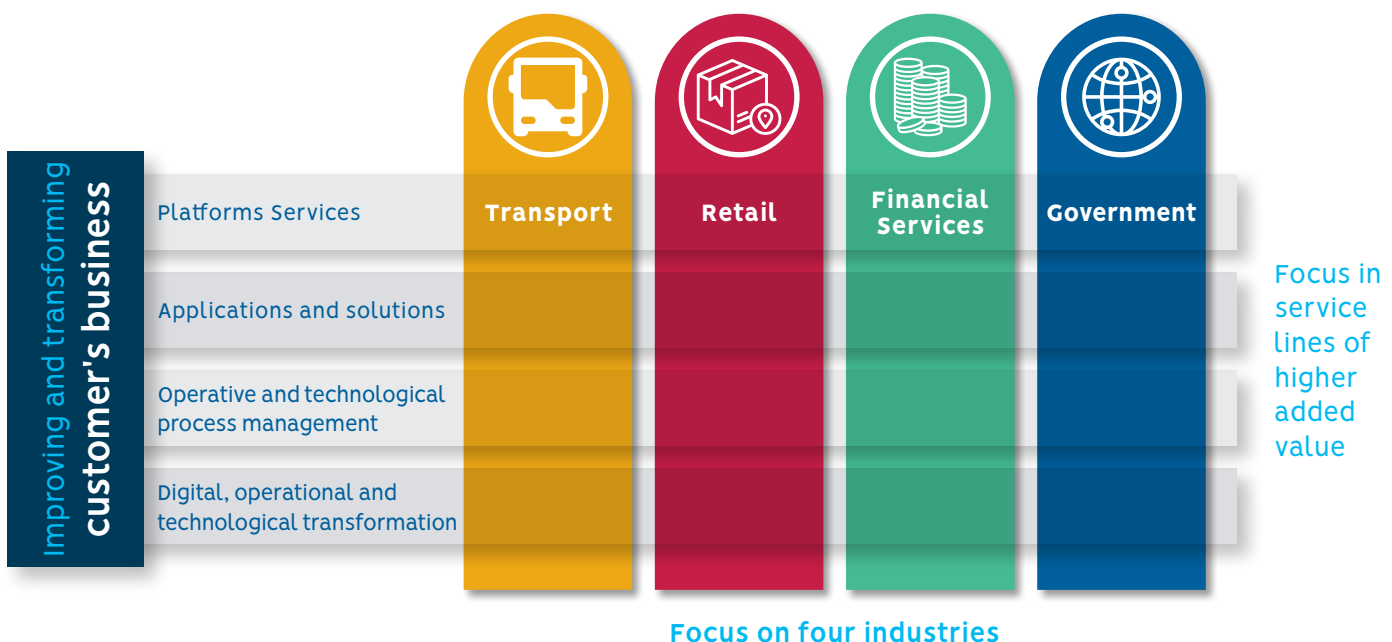


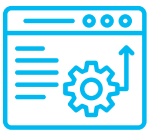
Companies and organizations are currently under constant pressure to change, which causes a multitude of opportunities and threats. Opportunities for those who know how to pre-empt or adapt to new market demands, and threats for those who do not react or even believe that they will not be affected by those changes.

Factors that are driving digital disruption include corporate social responsibility, the environment and climate change, governmental regulations, competitors, new global players, a consumer market that is

increasingly knowledgeable, and transformation itself. We are addressing these jointly with our customers.

Accordingly, with an orchestrated offer we can support our customers from two perspectives. First, with the knowledge that we will be building on our customers' industries, such as transport, retail, financial services and government. Second, with our experience gathered from providing services that improve our customers' businesses and help them to transform their business models.





IT Solutions and Services

Customer focused innovation

SONDA has "end to end" solutions that provide an integrated response to our customers' business requirements to successfully address market changes

We support organizations throughout the life cycle of adopting technology for their business, with IT solutions and services that are designed to help them to optimize processes, incorporate technology, provide best practice with specialized industry solutions that use a partner ecosystem of market leaders. During business model transformation processes we become a strategic partner in the digital transformation, with knowledge of our customer's industries and provide specialized services using disruptive technologies, with an ecosystem of digital partnerships for solutions that are specific to each industry.

Improve customer's operations

Transform customer's business model



**Platforms
services**



**Applications and
solutions**



**Operational and
technological process
management**



**Digital, operational
and technological
transformation**

Digital Transformation

We accompany our customers on their transformational journey, from understanding their business challenges through to implementing and operating their transformation.

- **Digital Infrastructure and Architecture**
These are integration and design services for architecture, systems, networks and communications, to achieve our customer's digital transformation, considering their current and future business requirements.
- **Analytics and Big Data**
These solutions analyze large volumes of data to discover new opportunities for making complex decisions in a fast and simple manner, by considering a greater number of variables that reveal patterns, unknown correlations and customer preferences, while generating predictive models for various areas.
- **Disruptive Technologies**
We continually review the latest technologies, in order to understand how they can help to transform our customer's businesses. We incorporate the latest advances in technology through integrated solutions that incorporate artificial intelligence (AI), the Internet of Things (IoT), robotic process automation (RPA), virtual reality (VR), augmented reality (AR), blockchain, smart security, smart lighting, and other advances.
- **Cyber-security**
The benefits of the solutions and services that we provide include avoiding potential security attacks, detecting threats in time, performing forensic analysis, and updating and strengthening information security, in order to secure operational continuity for our customers and users. Our cyber-security services include supplying the technology for cyber-security solutions, consultancy services to design complex solutions, and managed services that enable us to remotely manage all the security services required by our customers in Latin America using our specialized security centers.

Operational and Technological Process Management

We support our customers when they are optimizing their business operations by automating and operating processes through our Application Management Services (AMS), regardless of whether these are developed by us or third party applications. Our maintenance and support services enable them to operate efficiently, and these solutions also incorporate customized software development and business process outsourcing services.

- **AMS**
SONDA's Application Management Services (AMS) aim to manage, modernize, update and improve our customer's business applications, regardless of their source. We use an application development

and management model that focuses on generating business value for our customers.

- **BPO**
Our Business Process Outsourcing services improve performance and optimize business processes for our customers.
- **SW Factory**
SONDA provides customized software development services within large service projects that enable customers to take advantage of SONDA's understanding of technology and economies of scale at our development centers.

Applications and Solutions

We provide our customers with applications and solutions that support their business processes, through solutions composed of a broad selection of software developed by SONDA or by third parties. They enable our customers to systematize and automate their business processes, while ensuring that critical business information is managed in an agile, reliable and safe manner precisely when the user needs it.

SONDA has the required experience to meet the needs of all industries through our team of experts and an ever increasing partner ecosystem. We currently provide solutions for the finance, utilities, government, public institutions, transport, healthcare, social security, construction, retail and other sectors. Additionally, we have cross market solutions such as asset management, foreign trade, ERP, CRM, taxation management and BPM, to name but a few.

Platform Services

We support our customers with IT infrastructure services and solutions that make their operations more successful, by considering the volume of current business and projecting future growth using the latest technology.

- **Data center**
Data center services and solutions cover every component of central technological infrastructure required by our customers. They include consultancy for infrastructure design and architecture, regardless of whether this is hosted by the customer or SONDA, supplying technology either through sales or as a service, together with the corresponding implementation and support services, and infrastructure management and monitoring services. Furthermore, we have a network of latest generation data centers in Latin America that comply with the highest global quality standards, to manage risk, maximize performance, and ensure the operational continuity of our customers' business.



- **Cloud**
SONDA's Cloud services include consultancy to identify the best combination of cloud environments, through to the solution design, whether this uses public, private or hybrid clouds, together with management, operation and continual optimization services.

- **Workplace Services**
Workplace solutions and services provide our customers with all the infrastructure that their staff need every day. They improve the efficiency of recruitment and induction processes, improve IT user availability and productivity, and improve control over equipment, which ultimately results in added value for our customer's businesses.

Workplace services are focused on resolving all the digital challenges that arise at work stations, which includes procurement as CAPEX or OPEX, field support and help desk services, and providing the user with various support and self-service options mainly through mobile devices, which can provide rapid and pre-emptive responses using technological and smart response systems.

- **Networking**
All efficient and safe communications require a communications network that provides access to information anytime, anywhere. SONDA has end to end networking services and solutions that deliver an integrated solution, which can include consultancy to determine the optimal wired or wireless network design with infrastructure supply and management, or simply providing technology as a service.

- **Full Outsourcing**
Transformational Outsourcing aims to jointly create the initiatives required to transform our customer's models of governance, outsourcing, operation, service delivery or technological architecture. Subsequently to implement and operate these initiatives, while ensuring IT services are efficiently managed to support the requirements and challenges of the business, including digital transformation.

The transformation process can be partial, total or incremental. Therefore, it can evolve gradually over time and broaden its scope. The transformation process involves evaluating and implementing new technologies that support the customer's business processes, while focusing on cost efficiency and constant innovation.

SONDA can take responsibility for receiving IT processes from the customer and managing them, and transforming their governance model to align it with business needs. It can also take responsibility for absorbing IT staff if required by the transformation, and contributing capital to finance IT investments, so transforming CAPEX into OPEX, which would release capital that the customer can devote to other strategic objectives.



Smart Cities

Solutions for safer and smarter cities







In practice, we could say that a city is considered smart when it has integrated technological solutions into its citizen's daily lives, enabling them to efficiently interact with the city's services and productive sectors.

The challenge of contributing to the development of safer, more efficient and sustainable cities belongs to all of us who live in them. We are convinced that our solutions will contribute to the development of the region, and improve the welfare of millions of Latin Americans. We have developed projects that address critical aspects of life in cities: safety and lighting.




Smart Safety

Societies face countless safety challenges that aim to reduce crime, manage and mitigate safety risks, shorten response times, rapidly produce accurate information, increase the perception of safety among people, and other challenges.

Some of the benefits provided by our solutions:

 Safer areas with video surveillance	 Optimized resource management applied to safety	 Total traceability of all incidents	 Real-time information through multiple channels	 Open data, which supports open data policies	 Lower costs and greater efficiency, due to centralization and reduced dependence on people
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Success Case: video surveillance solution for Montevideo

 Challenge Improve the real security and the perceived by the citizen of Montevideo.	<ul style="list-style-type: none"> • Equipment for 2 Monitoring Centers and 180 operating positions. • 911 Emergency systems for all the country. • 18 analytics developed for the project. 	 Solution Sonda	<ul style="list-style-type: none"> • Equipment provision of servers central and images storage. • +320 fixed and mobile LPR. • +4.000 cameras. 	 Benefits generated 50% reduction of crime in video surveillance areas in the city
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Smart Lighting

Smart city development includes aspects affecting lighting and environmental impact management, which creates tremendous challenges to reduce energy consumption, incorporate clean energy, achieve environmental and energy efficiency targets, decrease lighting management and maintenance costs, improve safety and management perceptions, develop business models that make these solutions viable, and other challenges.

Some of the benefits provided by our solutions:

 Savings in energy consumption, which facilitates financing	 Better information for analysis and decision making	 Better maintenance, service planning and lower costs	 Centralized management, simplifying management and control	 Infrastructure solutions that facilitate an IoT network	 Reduced environmental contamination
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Smart Transport

Solutions that improve people's quality of life

When we talk about transport in Latin America, we find common challenges and requirements, irrespective of the country or society.

People view transport services as a right, so they demand integrated high quality services that encompass various modes of transport, not just the traditional modes. Together with high quality information that allows them to appropriately plan their trips.

Meanwhile, the Transport System must efficiently manage the bus fleet, minimize travelling and waiting times, and optimize investment and operational costs.



SONDA systems support 10 million journeys on public transport every day in Latin America.

Furthermore, the operation itself must be efficiently and safely managed, which must be based on agile technological solutions that can evolve over time.

SONDA has developed various solutions to address transport challenges in the region, which have resulted in multiple benefits for users and transport systems.

Some of the benefits provided by our solutions:



Improves people's quality of life.



Accurate travelling times (informed users)



Integration between various transport modes



Greater safety for users and drivers (e-payment)



Timely control and information about the bus fleet (route optimization)



Saving travelling time with smart traffic lights and automated toll systems

Projects in the region:



Transantiago

Collection and SAEF on 6,500 buses with validators and GPS. Integral operation.



Valparaíso Metro

Collection on Metro, elevators, and trolley-buses. Provided equipment and systems. Integrated with feeder buses.



SUBE Buenos Aires

Implemented equipment kit and onboard collection software on 5,000 buses.



SAEF El Salvador

SAEF, provided synoptic fleet control system for 600 buses.



MetroBus Panamá

Collection on 1,400 buses with turnstiles and validators, refill network. Integral operation.



Panama Metro

Collection includes turnstiles, validators, self-service refill machines. Operates without cashiers, fully automated.



Albrook Panamá Gran Terminal

Collection with integrated validators on turnstiles, access to the terminal and services. Full operation.



Cyber-security

The digital business creates a complex security environment that is in constant evolution. Increasingly sophisticated technological tools increase the volume and destructive potential of these threats.

Traditional security techniques that rely on ownership and control instead of trust, do not work in the digital world. Systems should be adopted that continuously assess risk using an adaptive approach, to support real-time decision making based on risk and confidence, with adaptive responses to digital business security.

Cyber-attacks are perceived to be the world's most worrying global concern for business leaders in advanced economies, according to the World Economic Forum's Global Risk Report³. Moreover, leaders expect this risk to intensify in the coming years. Technological dependence, the growing use of artificial intelligence, automation and robotics, together with the explosive growth in interconnected devices, all increase exposure to these attacks.

Globalization and the resulting geopolitical friction have contributed to increases in the scale and sophistication of cyber-attacks, which have increased by about 300% over the last 3 years. According to research by IDC, the cyber-security world market moves around US\$97 billion a year, and around US\$3 billion in Latin America, with growth projected at 12% a year until 2021. This market involves individual devices to the heart of an organization. It covers defining cyber-security policies, risk prevention and remediation if an attack occurs. We can contribute at this point, by providing end to end services and solutions, which can be leveraged by SONDA's regional SOC.

3. <https://www.weforum.org/agenda/2018/01/our-exposure-to-cyberattacks-is-growing-we-need-to-become-cyber-risk-ready/>

Services offered to our customers

SONDA has a comprehensive portfolio of services that manage information security and cyber-security, aligned to the NIST⁴ cyber-security framework, whose pillars are to identify, protect, detect, address, and recover digital assets, the most precious resource within a highly digitized business ecosystem.

We have developed cyber-security solutions using a complete partner ecosystem ranging from global partners to local startups, in particular Cisco, Fortinet, TALOS, Rasware, Kaspersky, Arbor and CAMEL Secure.

We have performed external security audits in Chile – AT-205, ISAE 3402, for our banking customers, in accordance with current legislation⁵.

Cyber-security management at SONDA

We have defined a Corporate Information Security Policy, Information Security Objectives, and an Information Security Management Systems (ISMS) Manual. All of the processes used by our services are certified to ISO 27,001: 2013⁶, which ensures that all IT service processes adequately incorporate information security aspects. We conduct universal internal audits on our management systems, as well as corresponding external audits.

We have software solutions from the principal manufacturers and systems that can generate 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 of our 10 host countries, who can implement these processes and operate the associated technological systems. The skills required by this team are constantly kept up-to-date.

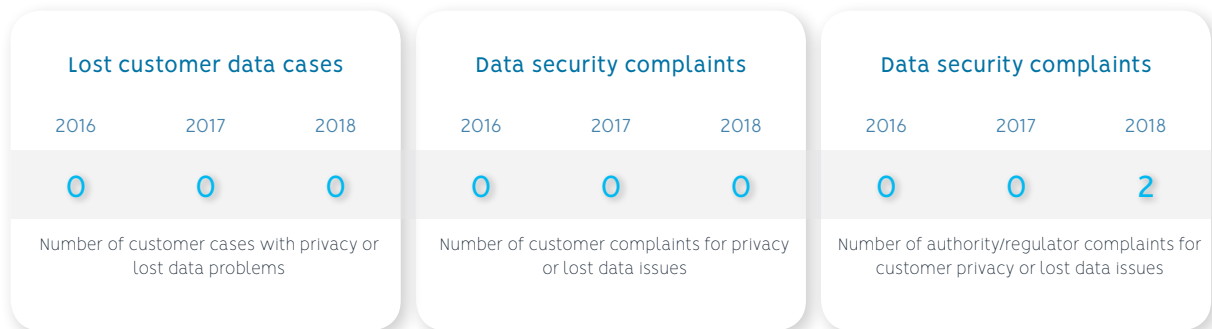
SONDA's Cyber –security CenterA

The security of data, applications and computing infrastructure is a key aspect of our support for companies and organizations in the region. As a result of these threats, this enormous challenge is now being addressed in a comprehensive manner and reinforced by our Security Operations Center that safeguards all aspects of an organization's business, by intensively using information technologies, and covering the entire region.

We consequently support our customers to avoid their data becoming an easy target for cyber-criminals, and transforming their personal and corporate data into information that is impenetrable and invisible to criminals. Our services cover the full life-cycle of cyber-threats, and aims to identify, protect, detect, respond to, and recover data and information, in order to maintain its integrity and inviolability, and ensure it always available for its owners and authorized users. Therefore, we developed an analytics service during 2018 that focuses on cyber-security.

Our SOC has modern systems to analyze user behavior and Entity Behavior Analytics based on artificial intelligence, which can detect small changes in the behavior of individuals and devices connected to the network, as these often indicate an imminent attack.

Information security



4. NIST=National Institute of Standards and Technology of the United States Department of Commerce.

5. Required in Chile by the SBIF – Superintendent of Banks and Financial Institutions, and ABIF – Association of Banks and Financial Institutions.

6. ISO 27001: Information security management system. Certified in Brazil, Chile, Colombia, Mexico and Uruguay.



Digital transformation for sustainable societies



Our technological solutions are involved in the everyday lives of millions of people, contributing to a Latin America that is improving the quality of life of its inhabitants.

Information technology for the well-being of humanity: the route to the 2030 agenda

In 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. The 2030 Agenda. Each Sustainable Development Goal (SDG) has specific targets to be achieved over the next 15 years. Multilateral agencies, governments, companies and society have joined forces to work together to meet the 17 goals that make up this agenda.

We have aligned ourselves at SONDA with the 2030 Agenda, whose principles guide the road map that we have created to manage sustainability in our host countries. We are thus contributing to the economic development of our respective markets, and improving environmental

performance, strengthening inclusion and diversity, encouraging ethical practices, and other aspects.

We understand that information and communication technologies play a central role in achieving many SDG, since they dramatically improve productive systems, society as a whole, and the transmission of knowledge and ideas, which includes changes in the way that we learn, in how to distribute work and how we interact. They also deliver an unprecedented ability to work together collaboratively and this has never happened before in the history of mankind.

New ways to use technology to benefit organizations, companies and people are being discovered and developed in all these areas.

SONDA's contribution to the SDG

Our company began 44 years ago, and since then it has been a key protagonist in modernization and technological change in our host countries. Throughout our history, we have developed high impact projects for the public and private sectors, benefiting millions of Latin Americans in more than 3,000 cities.

We have developed projects that have improved the competitiveness and efficiency of thousands of companies and government organizations. We have provided solutions to the challenges facing citizens or the productive and service sectors, which have resulted in enormous benefits to organizations throughout the region and for millions of citizens.

How do we contribute to development in Latin America?

Examples of solutions designed by SONDA that contribute to the development of society, and initiatives launched within the company:

Technological solutions created by SONDA / Initiatives within SONDA



- Technological solutions for institutions providing microfinance to small and medium-sized entrepreneurs.



- Livestock traceability to ensure food is safe and improve its quality.
- Early detection of crop pests: page 76.
- Integral and sustainable agricultural management – Kupay solution.



- Telecommunication and telemedicine systems.
- Artificial Intelligence to authorize medical leave.
- Solutions that improve hospital management
- Smart safety (occupational safety, and cold supply chain safety).
- Smart metering to encourage the efficient use of water resources.
- Integral management of information regarding health plan members (management, disease prevention and control).
- Solution for dental prostheses.



- Virtual classrooms to provide efficient and accessible education.
- Virtualization, digital connectivity and e-learning to improve education.
- [Diploma in Data Center Management and Administration: page 69.](#)



- [Diversity in SONDA: page 67.](#)



- Early detection of cyanobacteria in water.
- Monitoring and real-time management of sewerage and water supply networks: page 52.



- Smart Lighting (energy saving): page 46.
- Smart Grid and artificial intelligence solutions for greater energy efficiency and service quality when distributing electricity: page 77.
- Electricity powering public transport in Chile: page 77.
- [Electricity supplies using only renewable energy \(Santiago-Chile\): page 75.](#)
- [New Tier IV data centers in Chile and Colombia with improved energy efficiency: page 75.](#)



- Artificial vision for preventing risks to people.
- Robotics and analytics to work in unsafe areas or areas unfit for humans.
- [Employee Value Proposition: page 65.](#)
- [Attracting and retaining talented people: page 68.](#)



- Integral solutions to improve investment and pension fund management.
- Factoring to strengthen small and medium-sized enterprises (FIN700 solution).
- [Open innovation model : page 88.](#)
- [Security Operation Center: page 49.](#)
- [New Tier IV data centers in Chile and Colombia with the highest security standards: page 75.](#)
- [Cyber-security: page 48.](#)



- Solution for dental prostheses.



- Smart Transport, smart solutions for public transport.
- Smart Lighting, smart solutions for public lighting: page 46.
- Smart Safety (public and heritage).
- Smart Grid (solutions for utilities): page 77.
- Smart traffic control.
- Smart Parking.
- IoT to power devices with solar energy: page 76.
- Pollution measurement.



- Public procurement portal – ChileCompras.
- Technologies for paper use awareness.
- Solutions to reduce waste.
- [Circular economy in our outsourcing services: page 78.](#)
- [Alliances with business partners to recycle electronic waste.](#)



- [Decarbonization of our energy matrix: page 74 and 75.](#)



- Early detection of forest fire outbreaks: page 76.



- Integral solution and digital biometrics for the civil register system.
- Automated systems for elections.
- Fraud prevention in State accounts.
- Automated payment system for municipal, state, and federal taxes.
- [Corruption and bribery prevention: page 31.](#)
- [Transparency and accountability: page 31.](#)



Occupational Safety

Protecting the lives of employees

People's lives must be extremely well protected, in order to avoid accidents, injuries and loss of life. We have developed solutions that use artificial vision to detect and prevent risks associated with various situations that might jeopardize the safety of employees. Warnings are issued that help to avoid accidents and improve occupational safety procedures within the organization.



We have also combined robotics with image recognition systems to develop a solution using autonomous or remote controlled robots that inspects areas that are dangerous or inaccessible to people, and can be used by security patrols. They are complimented with cameras that take pictures of the surroundings, which are then processed with algorithms trained to recognize specific objects or situations.



Clean Water

Monitoring and early detection of the water quality

Safe drinking water is an increasingly scarce resource. Early detection of potential problems with drinking water contribute to maintaining water quality and people's health, while reducing the cost of purifying drinking water.

We have developed an IoT solution incorporating various kinds of geo-referenced sensors that measure the extent of water turbidity. The data produced by the sensors is collected by a smart platform that analyzes it, and issues warnings when certain conditions are detected that may indicate that cyanobacteria are beginning to form. This historical data is stored for subsequent analysis.



Education

Better education for children and young people

Medellin in Colombia has been globally recognized as one of the world's most innovative cities. SONDA is a protagonist in this transformation as it is contributing with its technological solutions to the city's new education model. Our application virtualization solutions and our design and implementation of connectivity structures, supported with Citrix technology, give almost 400,000 students in the city immediate access to the same information, which contributes to the system's efficiency. This solution has reduced energy consumption by 25% and doubled the useful life of computers, reducing electronic waste by 50%.



We have also developed solutions to incorporate digital transformation into the classroom, through connectivity, e-learning platforms, and other tools.



Smart traffic lights

5.7 million vehicles cross intersections controlled by smart traffic lights implemented by SONDA, which saves those drivers close to 125 million waiting hours per year.



Fleet management

Buses that travel **495 million kilometers** a year in Latin America are monitored by SONDA's fleet management application.



Public transport

The account statements of **50 million transport cards** in Latin America are updated daily using the SONDA system. Every day there are 5,900,000 payments for means of transport using a SONDA payment collection system.



Foreign trade

34% of Brazil's exports were managed by a SONDA system that performs all their foreign trade procedures.



Taxation system

2/3 of tax revenues in Brazil are managed by SONDA systems that control payments of municipal, state and federal taxes.

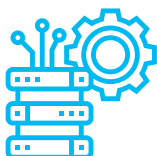


Public transport

Public transport users in Latin America used their cellular phones **260 million times per month** to check when their bus will arrive. These enquiries take on average 2 seconds to be resolved with 98% accuracy using SONDA systems, due to the intensive use of IA systems.

Integral customer management

Being a strategic partner for our customers requires us to support them in strategic business decision-making. This implies that we must get close to them and understand their business, to identify how new technologies will impact them, together with understanding the experience of other firms in the same sector or industry.



The Integral customer management strategic pillar aims to develop in an integrated and complete manner those resources that relate to sales, service delivery and operations, in order to improve our customers' experience.

Therefore, this responsibility lies in an integral team that will be focused on industries, sectors and customers, leaving only one person responsible for these relationships as the visible face of SONDA.

It is very important that we have an extensive understanding of our customer's requirements, that we regroup and orchestrate our delivery skills, that we broaden our knowledge of industries and their solutions, that we develop solutions and partnerships appropriate to that specific industry, as we are responsible for delivering and operating projects and services for our customers. We will deliver end-to-end solutions, which will enable us to serve our customers in an integrated manner, reflected in improved customer service, and an increase in customer satisfaction.

It is important to generate ever greater value for our customers and this can be achieved by improving the consultative sales process, enabling us to support them when they are identifying their business requirements, challenges and opportunities. We can help them to design integral solutions that meet these objectives and take advantage of them, so transforming challenges into opportunities. The experience we have gained over the last 44 years

contributing to the development of companies and organizations in the region has refined our critical abilities to achieve these objectives, and strengthened our relationships with senior corporate executives (C-level) within those companies.

We are also making good progress aligning remuneration and incentive models, and focusing on integrally managing these resources. It is critical that remuneration and incentives models capture the critical aspects of this strategic pillar, to ensure that they support and reinforce the behavior of company employees while achieving their goals.

Customer experience

Our solutions are only considered high quality when we deliver results and a pleasant service experience for the customer. We measure our customer satisfaction using the Net Promoter Score (NPS), a tool that classifies 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.

Our performance is continually evaluated by our customers, and for the fourth consecutive year we achieved a positive NPS, in fact we have improved by 23 percentage points since 2014. Improvement plans are designed using these results.

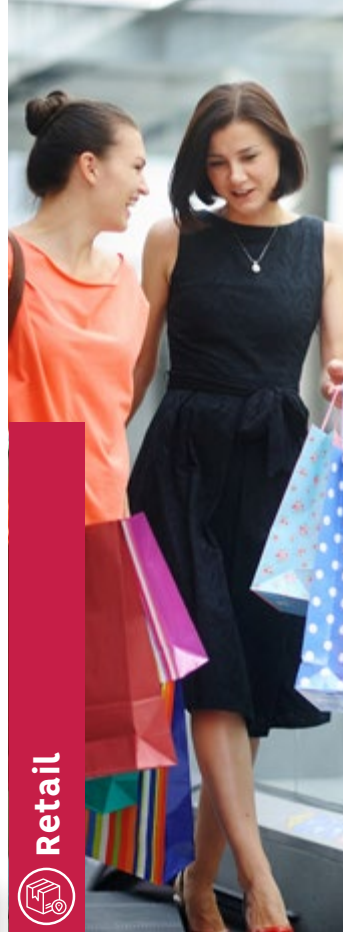


Transport



SONDA systems support 10 million journeys on public transport every day in Latin America.

The technological solutions that we developed for public transport in Santiago, Chile, called Transantiago, have been replicated and adapted in Latin America with the vast experience accumulated by specialized professionals in this industry who have designed solutions for various cultural contexts. We have a wide range of collection and payment solutions, fleet management, clearing, and user information systems, which incorporate mobile technologies, data analytics and other tools, and have been implemented in Panama, El Salvador, Argentina, and important Chilean cities.



Retail



Disruptive technologies that serve retail chains

Our customer journey, IoT and analytics solutions are already supporting our customer's businesses in shopping malls and supermarkets in Brazil, enabling them to efficiently implement several tools to improve the customer experience and operate their business.

Our solutions support retail chains by addressing omni-channels, e-commerce in store, mobility, customer loyalty, user experience, the store as a service, and specialist help-desks for retail business processes, and other solutions.



Financial Services



Advanced Analytics Value Proposition developed for Banking

We have great experience at SONDA in the financial sector, developing analytics and IT outsourcing solutions. In addition to integral solutions to operate various banks, pension funds, investment funds, insurance companies and stock-brokers. We took an important step forward in 2018 when we invested in developing advanced solutions based on analytics that will be offered in the 10 countries we operate.



Government



Solutions for various Governments in Latin America

Our experience in public sector solutions has become very important in recent years, as we have developed solutions such as the first public procurement portal in Chile, and implemented and operated the first biometric system to pay for healthcare using fingerprint identification. We have also developed solutions for outsourcing of passports and identity cards production, traffic light synchronization, livestock traceability and Smart City solutions, such as Smart Transport, Smart Safety and Smart Lighting.

Regional positioning

Positioning SONDA and its main attributes in the top of mind of clients at a regional level.



We want our current and future customers to recognize us as a strategic partner who can improve and transform their business. Therefore, a regional marketing and communications strategy has been developed, which we will use to coordinate our efforts in each country and drive our value proposition as a single SONDA in the market. This positioning will

especially focus on the relationships with senior executives within our customer's organizations.

We will strengthen the distinctive attributes of our company, to ensure that SONDA's image is that of an agile and innovative company working closely with its customers.

Build a **regional marketing and communications strategy**



Promote an **unique brand positioning at a regional level**, an unique SONDA with focus on C-level



Strengthen and **coordinate the efforts** of each country



Strengthen SONDA's **differentiators**, associating the brand with the image of a company close to the customer, agile and innovative



We have addressed three main pillars to drive our positioning strategy.



Brand Positioning



Dissemination of **offer**



Customer **Loyalty**

The brand positioning reinforces SONDA as an employer brand and improves SONDA's corporate reputation in the region. Various regional studies and research will be conducted to identify the variables and attributes currently recognized in SONDA.

Publicizing our services includes communicating our value proposal to SONDA's main stakeholders.

Finally, the strategy under the customer loyalty pillar will be focused on bringing together SONDA's current and future customers and our ecosystem of partners and employees, and taking advantage of our company's differentiating attribute, which is that we work closely with our customers and have established long-term relationships with them over our 44 year history.

Agile organization

An agile organization is a key pillar of our proposed strategic plan for the next few years. Our organization is changing, in order to stay competitive and maintain our market leadership position in IT services across Latin America. These changes are focused on the following dimensions:



When designing the organization, we need clarity regarding the objectives, strategic principles and abilities that the organization requires.

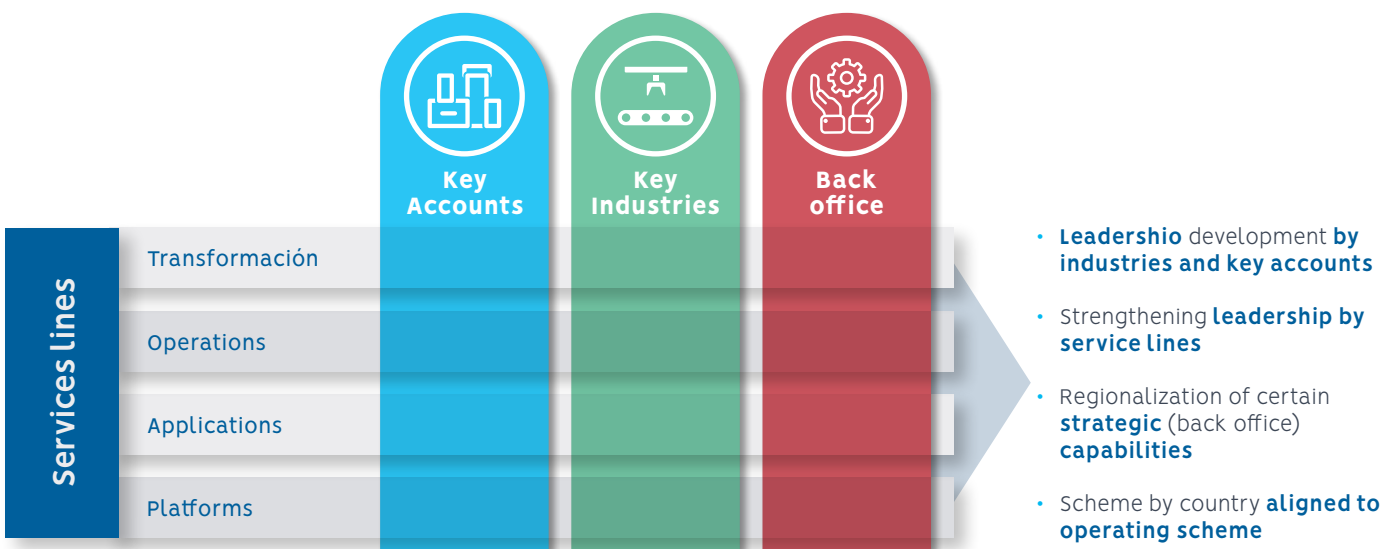
And when designing our desired organization, those objectives must include achieving an organization focused on customers and on service. There must also be regional integration that will allow specialization by

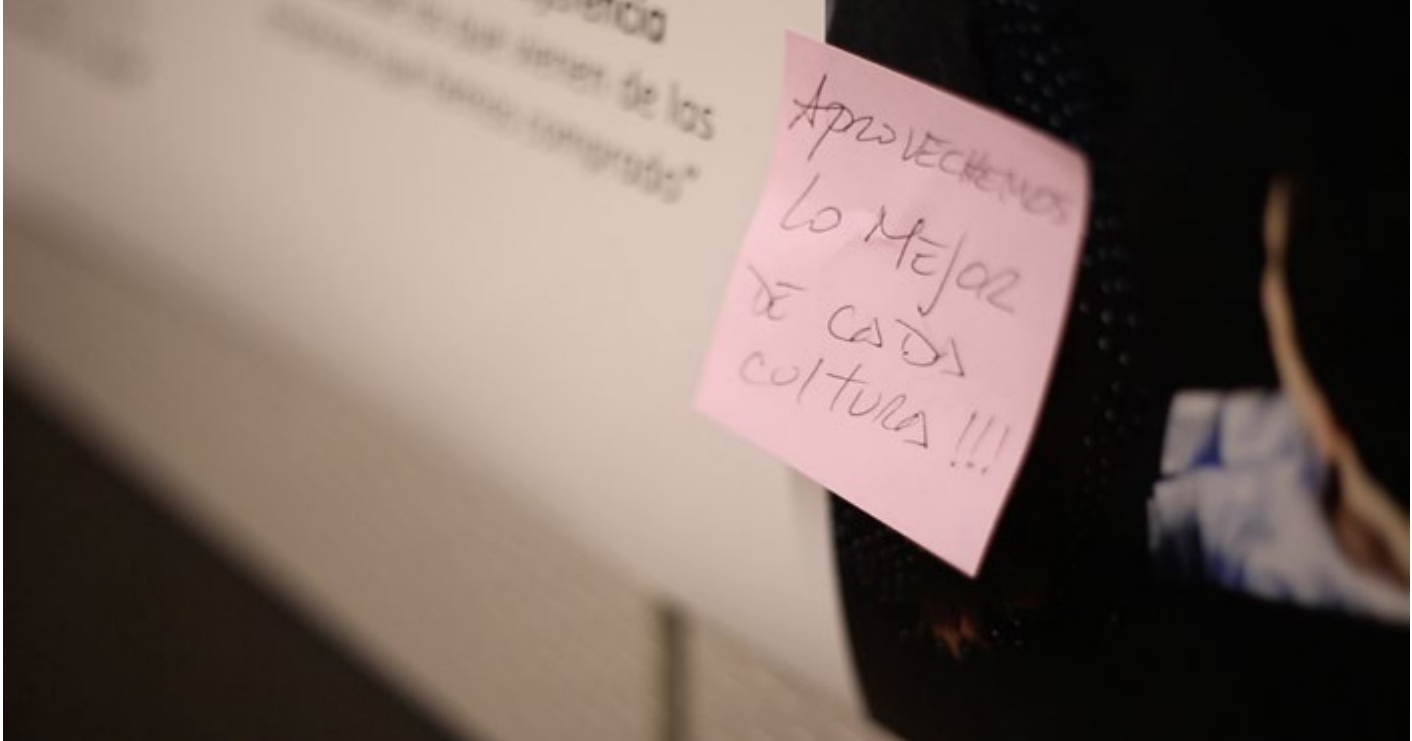
industry and by each customer's business, in addition to being agile and adaptable, in order to successfully deal with the rapidly changing and competitive environment that surrounds us today. We must be able to transmit our key abilities to every market, without losing sight of the longer-term objective. Accordingly, we must continue to support the SONDA approach of a regional business with a global reach.



The purpose of SONDA's institutional strategic abilities are to understand the customer's requirements and challenges, in order to develop an innovative proposition that will improve the brand image, customer experience, operational excellence and change management.

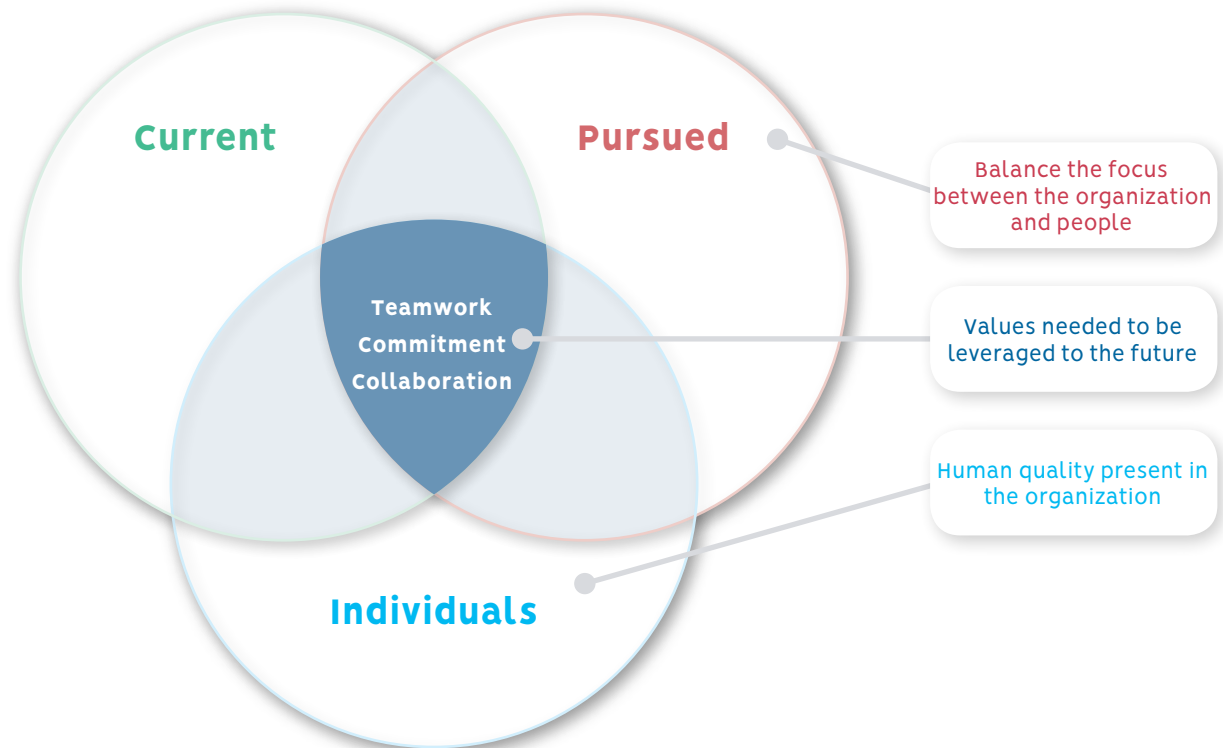
Objectives, principles and abilities are essential components in this new organization, which is structured for key accounts and key industries, along with a support area that ensures that all strategic activities operate correctly. This will drive our leadership within industries and large customers, strengthen our leadership by our principal services, regionalize specific strategic abilities based on a country framework aligned with the corporate framework.





Every organization has a culture, as it is alive and composed of people, so its exhibits a culture and has values that make it unique. The planning process required us to conduct a regional survey to identify the values evidenced in our daily work. These are those values desired or fundamental to achieve success, and the personal values within each employee.

We identified a number of key values at a personal level within the organization, and that are expected to remain part of the organization in the future.



The values of teamwork, commitment and collaboration were found in the three dimensions of the survey, which was answered by close to 5,000 employees. We are confident that they will form the basis for leveraging the transformation process that will enable us to achieve the dreams and aspirations that arose throughout the strategic planning process.



SONDA's purpose and values strengthen our culture






Strengthening SONDA's culture increasingly prepares us to meet the challenges of a world in constant transformation. Therefore, thousands of employees across the whole of Latin America participated in a collaborative process that reflected on aspects of our culture.

Important challenges that we were facing were discussed on the planning process, while analyzing the key aspects that might successfully address those challenges. A common factor in these discussions was our company purpose and values, as these are fundamental pillars for any organization. It was commonly agreed that SONDA's values are valid and relevant, so the discussion

converged on how to strengthen them, in order to achieve the proposed objectives.

Since our beginning we have believed in our responsibility to contribute to developing the societies where we operate. Therefore, our purpose aims to "contribute to improving people's quality of life, innovating and adding value through technological solutions that develop and transform our customers' business."

Similarly, the values that will be supporting our company and will be essential to achieve our objectives are:

 Service vocation	We are driven by a deep vocation to serve with passion and attend our customers as best we can, by keeping them at the center of our attention.
 Company of people	We want to manage our talent in a motivating, challenging and affectionate working environment that helps people to achieve their maximum potential, delivering professional development and personal fulfillment for all employees.
 Simplicity	We want to be known for our simple and discreet style, and for treating resources carefully.
 Positive attitude	We are interested in progressing by strengthening our skills, and treating opportunities to improve as new challenges.
 Agility	We want to be known for always preferring simple and effective solutions, if even these are sometimes disruptive, and for being continually committed to change and action.

Employees



We are transforming ourselves as is everyone that is part of SONDA. We are looking for employees committed to an agile organization, dedicated to customer service and who value people, human qualities and values.

We are a service company that operates in the most dynamic and challenging sector in the world: information technology. People are the most important asset in any modern business, but in our business this is even more evident. Technology forms an important part of the equation, but the main component is the people who develop solutions to new challenges and provide services using available technologies. Attracting and retaining the best talented people is crucial to SONDA, as well as incorporating visions, experiences and cultures that enrich our ability to analyze, design and create. This is even more important when we have operations across various countries. Therefore, concern for employee development and well-being is and always will be one of our pillars.

SONDA operates in 10 countries. Each country has peculiarities in its local environment, with specific regulations on employment issues, while cultural diversity in each country provokes differing employment aspirations, expectations and traditions.

The dynamism of the IT industry requires talented people who can perform in situations that are

constantly changing. So they need to be flexible, agile and continually innovative. This scenario generates fierce competition for those talented people.

Furthermore, we are immersed in a society that changes daily, where new generations – the so-called digital natives – expect to constantly develop their careers, they want to progress and participate in projects and companies that inspire, challenge and motivate them.

As our business is all about change and providing innovative solutions to our customers and society, we understand that people with the required skills are not always available in the market. Nevertheless, we have taken the lead in developing the talented people that SONDA requires to become a more agile and dynamic organization by 2021.

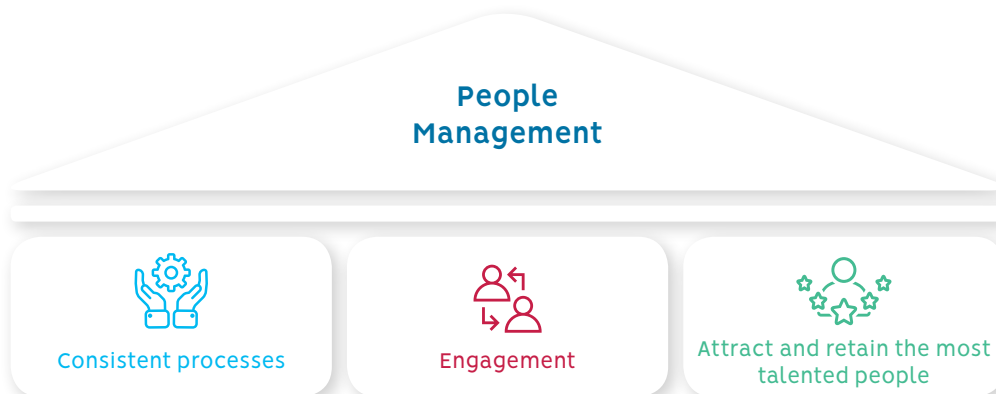
Currently 79% of our employees are professionals trained in various IT disciplines. This human capital is continually being trained, so retaining the best is key for our business and for providing our customers with the best service.





People management

The new strategy developed in 2018 is transforming the company and placing the customer at the center. This requires a culture that motivates all employees to fulfill and surpass their business goals.



Our challenge is greater: we want to be an agile organization with great natural diversity. We have focused on converging towards common people management, with a regional perspective, but with local hallmarks in each country. The organization has a Corporate People Management department, in order to deal with these challenges. It is responsible for defining guidelines and providing people management tools, defined in the corporate model. This model is divided into three pillars: (a) Consistent processes, aligning every country into one SONDA. (b) Engagement between employees and the company. (c) Attract and retain the most talented people.



Business strategy

2018 was a year for creating and looking to the future. We defined a clear roadmap for the coming years, which will help us achieve the goals we have set for ourselves. A proposed objective within the strategic plan lies in the aspiration to become one SONDA. To transform ourselves into an organization with a common vision and goal, and generate greater synchronicity between regional perspectives and the aspirations of each country, so motivating employees to achieve their objectives.

Over the next few years, cultural support will be very important to motivate and energize the organization. Accordingly, the role played by leaders and a good communicational plan will be vital to ensure that the plan is properly executed. We will continue to support our leaders as they develop through various initiatives such as SONDA Leaders, mentoring and shadowing. A special emphasis will be placed on converting them into protagonists promoting SONDA's new values and purpose.

A communicational plan has been prepared that reports progress achieved on the changes reached within SONDA and to satisfy our customers. Moreover, there will be various campaigns to promote and drive SONDA's values and purpose in this new phase of our development. We will be distributing our Employee Value Proposition and our regional plans to achieve the aspiration of being a truly attractive company to work for.

Engagement

Value proposition for our employees

One of the most important challenges for 2019 is to complete our Employee Value Proposition, which will help employees to perceive and appreciate the wide

range of opportunities they can experience in SONDA, and that reflects how attractive it is to work for our company. This is a regional value proposition and applies in all our host countries.



Purpose

This relates to our corporate identity and culture. It also connects our people with SONDA's vision and values. We want to emphasize that we are a strong brand, with over 16,000 employees with a common goal: to improve people's quality of life using technology.



Career

The countless opportunities for learning and development that can be experienced by our professionals in wildly different projects is significant. Such as our fresh graduates program, career plan, mobility between departments, and other opportunities.



Remuneration and benefits

We adhere to good practices and standards in SONDA's markets.



Wellness

This refers to maintaining a healthy balance between personal and professional life, and supporting the physical, mental and social dimensions of health. Local conventions and initiatives are encouraged in each host country, which support a healthy life balance for each employee.



Working environment

The working environment was measured again in 2018 together with employee engagement, and for the first time we covered each host country. The significant results from this survey in 2018 include a tremendous commitment from our employees, their understanding of SONDA's objectives, and appreciation for the knowledge of our leaders. However, we are still working on aspects of recognition, professional growth, training and brand strengthening, in order to provide a better working environment for our people.

We are committed to employee satisfaction, and have aligned manager's incentives to improvements in the working environment within their teams.



Heidy Bauer
IS DATA CENTER SERVICES
MANAGER OF SONDA CHILE.

What advice would you give to other women who are pursuing a career in it?



Actually, I don't like to give advice. But I can speak for myself.

"I am fully convinced that passion has made a difference to my career. Therefore, I encourage everyone, men and women, to be passionate about their work, the success will then be pure consequence".

#WeareSONDA

Internal communication

We achieved significant progress in 2018. We strengthened our corporate intranet and introduced alternate contact channels. In particular, our app for smartphones "SONDA Conecta", which offers various means of communication, such as Instagram to upload photos, and receive news, "SONDA Plus", "SONDA Activo", E-Learning, the "Reconócame ser SONDA" program, and other applications.

We improved the welcome and induction program for new employees called OnBoarding. It includes opportunities and tools that make joining our company a friendly though productive experience. For example, each new employee is assigned a person dedicated to their welcome and induction.

#SoySONDA is our new brand as an employer. We want to use this brand to instill pride in belonging to SONDA, while strengthening our identity.

Diversity

Diversity is one of the hallmarks of our company. We promote equal conditions and transparency in all our professional development processes. Our positions can be filled on equal terms by both men and women of various nationalities, without limiting the opportunities for those who meet the profiles we need.

We measure the salary gap by gender. In 2018 we narrowed the gap between the salaries received by women compared to that of men in the same job category. The consolidated gap decreased by 325 basis points compared to 2017. We decreased the gap by 418 points for professional, sales, technical and administrative staff, and by 113 points for senior executives and managers.

Number of people	Board of Directors	General Management	Staff
By gender			
Women	1	1	4,836
Men	8	53	12,009
Total	9	54	16,845

By nationality			
Chile	9	26	3,158
Brazil*	0	13	8,341
Mexico*	0	4	1,463
Colombia*	0	1	1,997
Other nationalities*	0	10	1,886
Total	9	54	16,845

By age			
Less than 30	0	1	5,382
Between 30 and 40	1	3	6,690
Between 41 and 50	1	14	3,197
Between 51 and 60	0	22	1,310
Between 61 and 70	3	14	255
Over 70	4	0	11
Total	9	54	16,845

By length of service			
Under 3 years	4	20	8,921
Between 3 and 6 years	3	6	4,499
Between 6 and 9 years	2	1	1,102
Between 9 and 12 years	0	7	1,151
Over 12 years	0	20	1,172
Total	9	54	16,845

Salary gap**	2016	2017	2018
Senior executives and managers	59.0%	64.5%	65.6%
Professionals, sales, technicians and administrative staff	73.8%	86.0%	90.2%
SONDA SA	69.4%	80.9%	84.1%

* Approximate figures.

** There was a change in the method in 2018, the segments have now become: Senior executives and managers, and the remaining employees. The figures for 2016 and 2017 were reconciled. The Salary Gap is calculated as the ratio of average gross base salary for female executives and staff compared to the same for male executives and staff.



Attracting and retaining talented people

We manage our talent dynamically and at a regional level. We want to be an attractive employer in order to attract the most talented people. We want working at SONDA to motivate our employees, that our solutions inspire and challenge them, and that they can visualize opportunities beyond the country where they are working.

We prepared proposals for our Fresh Graduates Program during 2018, which is scheduled to begin in 2019. It aims to attract young recently graduated professionals, to start an accelerated technical learning program that will enable them to start their professional career in SONDA. They will be supported by an expert internal tutor, the Human Resources department and training focused on developing their skills.

Professional development at SONDA does not necessarily mean a hierarchical and vertical promotion, but can also take place in the context of continuous learning and assuming new responsibilities in the various professional areas that the company provides. We understand that aspirations vary depending on the person or employee profile, so we have 7 development areas as follows:



These allow each SONDA employee to take the lead in their career and choose the way forward, either within their current cluster or new areas.

Performance management

Over the past three years we have focused on developing and implementing the performance management process in all ten countries, using the SONDA Plus tool, which comprehensively manages the performance management process. This has provided us with a system, while providing valuable information to develop our employees. The 2018 performance management process reached all of our employees in ten countries. This process consists of three stages: an initial stage where objectives are agreed; a follow-up stage mid-way through the year; and a closing stage at the end of the cycle to evaluate performance and give feedback to each employee.

We want to encourage internal mobility. 5% of consolidated vacant positions in 2018 were filled by SONDA employees, which rises to 12% if Brazil is excluded. Internal placement was highest in Argentina (20%), followed by Mexico (14%), Chile (12%), and Colombia (12%).

Talent management

We have a talent management strategy that focuses on retaining people with high potential and performance. This strategy was implemented in all countries during 2018, and we already have a distribution map of talented people that we want to retain in various segments within each country. Each department manager and supervisor should retain their talented people using action and development plans. They should also motivate those with low performance and low potential, by assigning them to other functions best suited to their abilities.



Diploma in data center management and administration

Successfully partaking in Digital Transformation involves immersing teams in a new talent management culture.

59 people participated in the second edition of this Diploma in 2018, which represented 19% of the data center and cloud headcount. It was designed to be "tailor-made" for the service requirements of our customers, comprising professionals directly responsible for the reception and solution of requirements, as well as customer management and process analysis.

Talented people development

We have a development program for talented people, which began in 2017 in Chile and Brazil and is currently being rolled-out to all countries. The program is differentiated by the seniority of the position and includes:

- **Mentoring for executives:** This initiative develops talented executives, which gives them the choice of a mentor from another department. 15 executives participated in 2018 and the program received a 360° evaluation. It has been running for two years in Chile, for one year in Brazil and will begin in Mexico and Colombia during 2019.
- **Shadowing for managers and professionals,** this is an opportunity for cross-divisional interaction with a senior leader providing cross-disciplinary perspectives and advice. 12 managers and 6 professionals participated in 2018. .
- **Mentoring for professionals,** the objective is to develop non-executive talented people in SONDA. Similarly to the executive program, a senior professional participates as a mentor. 11 professionals participated in this program during 2018.

Each program is managed using a system that includes evaluation and continuous improvement. Furthermore, those executives and professionals selected as mentors or to be shadowed are prepared and trained

in order to successfully fulfill their role. The Mentoring for executives Program complements the SONDA succession program.

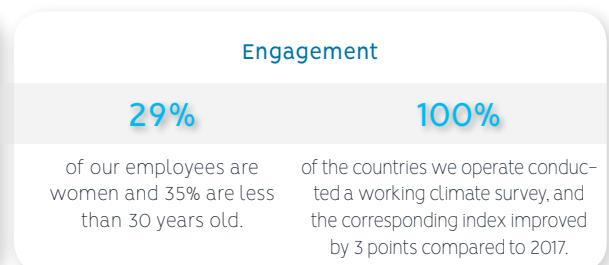
Training

The objective is to improve the skills of our employees throughout their working life, by adapting training content to business strategy. For example, the Diploma in Data Center Management and Administration, which has been taught in conjunction with the DuocUC School of Informatics and Telecommunications for the second consecutive year (see panel).

We have developed various Competence Centers: Smart transport, Smart safety, Transformational Outsourcing, Cybersecurity, and Utilities, in order to develop our abilities in the industries we serve. We intend expanding their scope to include an Innovation Competence Center in the region soon. ([More information on page 91 – Innovation](#))

A base line was established in 2018, which includes training figures measured in hours and total expenditure for all countries. The average training per employee was 3 hours and the cost was US\$30 each. SONDA invested a total of US\$ 501,812 in training, which excludes technical or applied training provided by service and business units.

2018 Results



Operational excellence

The strategic plan for the period 2019 – 2021 aims to make significant changes to the way we run our business, by providing our customers with a value proposition that is focused on their business challenges and requirements, together with addressing regional problems and requirements, and improving the quality of life for millions of people in Latin America.



Similarly to other strategic pillars, we will be carrying out various transformations in this period, which will seek to simplify our operational processes, in particular those with the greatest impact, and put focus on the services delivered to our customers, in order to improve delivery quality and customer satisfaction.

SONDA is a world class supplier and throughout our history we have been renowned for the high quality of our services and solutions. We know that we are facing an increasingly competitive and disruptive environment, and that the transformations we wish to achieve will require excellent operational performance from all our employees.

We will encourage strict adherence to the good practices described in the world-class standards that we have adopted. We will strengthen our NPS management, with greater emphasis on daily monitoring, not viewing it merely as a survey, but managing it as an evolutionary and supportive process that will help us to improve our customer experience and increase their satisfaction with the solutions we provide.

We will redesign the processes that will improve our agility and reduce both internal and customer response times. We will identify opportunities to centralize and

standardize processes, and leverage SONDA's size and regional market presence.

Service quality

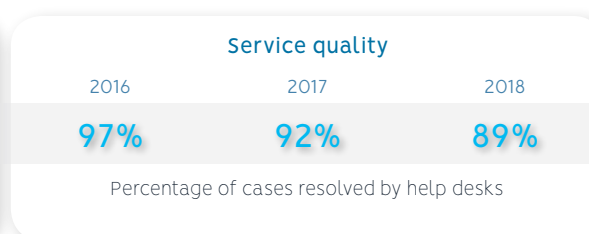
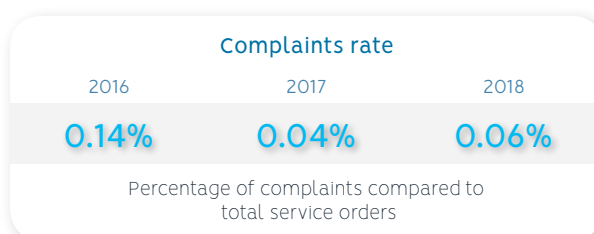
SONDA seeks to safeguard our customers' experience and good service quality using a Corporate Quality Strategy. This strategy establishes the guidelines for an appropriate service attitude (good customer service motivation) and service aptitude (good customer service technique).

We have several management systems in each country that ensure good service quality.

We have achieved certified compliance with standards defined by our customers in aspects such as: quality, information security and continuity of service. These certifications apply to various sectors, such as banking, mining, oil, telecommunications, government, utilities, and other sectors.

Our customers and partners also require compliance with standards 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 Ethics¹, Code of Conduct² and anti-bribery agreements.

Customer experience



1. Walmart, Coppel, Nestle, Geep, Danone, T Systems, Chrysler, Fedex.
2. Microsoft, Dell EMC, Cisco, Ingram Micro, HP Enterprise, Compusoluciones.



SONDA's Certifications

Model	 Argentina	 Brazil	 Chile	 Colombia	 Costa Rica	 Ecuador	 Mexico	 Panama	 Peru	 Uruguay
ISO 9001	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ISO 20000-1	●	✓	✓	✓	●	●	✓		✓	✓
ISO 27001		✓	✓	✓			✓		●	✓
ISO 22301 (only in PCN)	●	✓	✓ ●	✓	●	●	✓	●	✓	✓
ISO 14001		●	✓	✓		✓	✓		✓	●
ISO 45001:2018 (EX OHSAS 18001)		●	✓	✓		✓	✓		✓	●
CISCO Resale Gold	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SAP (Hosting)			✓	✓		✓				
AT 801; I and II			✓							
ISAE 3402; I and II		✓	✓							
CMM1, level 3			✓							

 Certified
  Implemented
  In certification process

Glossary

- **SONDA's IMS** integrates three standard models (ISO 9001: 2015 + ISO 14001: 2015 and OHSAS 18001: 2007) across the whole SONDA. Briefly, the purpose of good quality practices (ISO 9001) is to achieve satisfied customers and use resources efficiently (profitability); the purpose of good environmental practices (ISO 14001) is to produce without negative impact on the environment; and the purpose of good Occupational Health and Safety practices (OHSAS 18001) is to produce without harm people.
- **ISO 22301:** Management System for Business Continuity.
- **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.
- **NPS:** Net Promoter Score (net promoter index)



Service continuity

The absence of service continuity can cause numerous problems both for SONDA and for our customers. System downtime results in consequences that can potentially impact critical aspects of various organizations and public institutions, such as transaction capture, billing and collection processes, service availability, security, and many other aspects.

Services offered to our customers

SONDA has an integrated service portfolio. We design operational continuity plans when requested by our customers, and we comply with the highest standards of availability at our Data Centers. Even though the Tier III Data Centers that we operate since 2013 comply with excellent continuity standards, our new data centers will have a higher standard in availability standards, providing our customers the best computing technology in the world: Q2 will be the first data center in Latin America for an IT services company certified as Tier IV by the Uptime Institute (see panel).

Operational and business continuity assurance

Our Continuity Policy aims to secure continuity in the services that we provide to our customers. We define service levels based on critical business processes, in order to minimize operational down-time.

Service continuity

Service availability			Availability grievances			Uptime components		
2016	2017	2018	2016	2017	2018	2016	2017	2018
99.6%	100%	99.8%	14	1	5	99.5%	98.0%	99.7%
Service Availability Index: Percentage of time that services were available compared to total time			Number of customer complaints for failures in system availability			$(1 - ((Td - Tm) / Ta)) * 100\%$ Td: Downtime during the period. Tm: Scheduled maintenance time during the period. Ta: Agreed service time during the period.		



The first Tier IV Data Center in Latin America certified by the Uptime Institute to an IT Services company.

A factor that underpins high operational availability for Tier IV data centers is the use of Continuous Power generators (COP), which continually operate and duplicate the electricity supplied to these facilities. However, a Tier IV data center always has two or more replacement units if a failure occurs.

We will have back-up lithium batteries that can provide the power required by these data centers. These batteries have a longer life and take up between 25% and 33% less space than traditional lead-acid batteries. Their exact charge status can be monitored online. (More information on page 74 / The Environment / Climate change and energy efficiency).

We have also designed a Business Continuity Plan (BCP), based on the ISO 22301 standard (Business Continuity System) designed to avoid incidents that may affect our critical operations. Furthermore, we are aiming to certify compliance to the ISO 20000-1 standard for the entire company, in order to standardize our processes. This covers claims management, incident management, and other processes. These must all be supported by appropriate and attentive staff. Therefore, we train our employees working in critical continuity areas in ITIL³, in order to ensure appropriate compliance with the BCP and ISO 20000-1.

Monitoring continuity

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. We measure service availability using a Service Availability Index, which measures available time as a proportion of total time.

We also test the BCP every year, as required by the corresponding standard. These tests ensure that the staff involved in each phase of the plan clearly understand what they need to do in the event of a contingency.

Our regional service availability index was 99.8% in 2018, and there were no natural disasters that affected service continuity.

The environment



Our goal is to contribute to conserving the environment and mitigating the effects of climate change, through the technological services and solutions that we provide to our customers and through our business.

SONDA is committed to the environment and takes care to prevent and mitigate any potential impact caused by our business. We are actively concerned about climate change, energy efficiency and the principles of the circular economy. Furthermore, we add value through our technological solutions, to help our customers reduce their impact by making their business more efficient.

Caring for the environment is a vital issue for companies that want to secure their future. The effects of climate change have been intense in South America, as in other parts of the world. Natural catastrophes have occurred such as droughts, tidal surges, landslides, floods, and other climatic phenomena that have affected several countries in the region.

3. ITIL = A certifiable frame of reference that describes best practices and recommendations to correctly manage IT services, with a focus on process management.



Chile is leading the way in incorporating renewable energy into its energy matrix. We hope this will encourage other countries in the region to change their policies and regulatory frameworks to allow the same.

There has been a steady increase in the generation of electronic waste. Global figures indicate that it increases by 8% per year, and only 20% is recycled or disposed of in safe places.

We provide our customers with solutions that can include measuring and managing their environmental impact, resulting in opportunities such as:

- Measuring and reducing pollution released into the environment, covering air, water or ground emissions.
- Efficiently using natural resources, mainly electricity, water and paper.
- Reducing their environmental footprint by using Data Center services with low emissions and efficient use of energy and fuel.
- Reducing greenhouse gas emissions by reducing travelling requirements, as a result of remote working and cloud solutions, and reducing final customer's travelling requirements.

Energy consumption is crucial for our business and we consumed 31,433 MWh of electricity in 2018, which was mainly supplied to the data center. Electricity is our main consumable. This is used to operate equipment and to cool the equipment

rooms, so energy saving depends to a large extent on the cooling system.

We have an Integrated Management System with an environmental management component based on the ISO 14001:2015 standard, certified in 4 countries out of our target of 6 by 2019. We carry out preventive and integral planning, which establishes policies and procedures in order to fulfill our commitments to the environment, through carefully controlling emissions and key resource consumption such as water and electricity, careful waste management, and other aspects. This system has helped us to instill a culture that is committed to the environment in all our productive and support departments.

Climate Change and Energy Efficiency



The main business in Chile will be supplied with renewable energy, which is environmentally friendly.

Decarbonization of our energy matrix

As electricity is vital for our entire business, we have decided to decarbonize SONDA's energy matrix, which will be achieved by only using electricity from certified sources of renewable energy.



New Tier IV data centers in Chile and Colombia with greater energy efficiency

The operational standards of a Tier IV data center are based on sustainability and energy efficiency, and a requirement is to reduce energy consumption using sophisticated cooling systems. Moreover, the data center being built in Chile will be supplied with renewable energy.

The regulatory environment in Chile encourages renewable energy such as solar, wind and hydro electricity. Since September 2018, our operations in Chile* are supplied with renewable energy, which is environmentally friendly.

We genuinely aspire to decarbonize our energy matrix in all SONDA, but as the regulatory frameworks in other parts of the region do not allow it, we cannot yet set a goal for this desire.

Energy efficiency in data centers

Data centers require vast supplies of electricity. Therefore, our strategy has focused on increasing the energy efficiency of these facilities. We designed the most advanced data center in Latin America in 2018, and its construction in Chile will be complete by the end of 2019, when construction will begin on another data center with similar characteristics in Colombia.

The energy efficiency of a data center is measured by its Power Use Efficiency (PUE) index. A low value indicates a very efficient system, and these two new data centers will have the lowest PUE in Latin America.

Mitigating climate change through the solutions that we provide to our customers

One of our greatest favorable impacts on the environment is by indirectly reducing the environmental footprint of our customers. SONDA develops solutions for its customers that improve their energy efficiency, incorporate renewable energy into their systems or processes, and reduce their air or water emissions by introducing teleworking or Cloud Services.

Examples of projects that have a direct favorable impact and make progress towards achieving a more sustainable society:

** Includes the corporate and services buildings, the Tier III data center and the Tier IV data center (under construction).*

Projects with impact against climate change



Smart Lighting

IoT for supplying devices with solar energy

Transmitting electricity to devices in some places can be difficult and expensive.

IoT solutions based on solar energy resolve this problem, by supplying clean energy at no additional cost.

SONDA has IoT solutions using various devices supplied with solar energy:

- Video cameras
- Various sensors
- Lighting for public areas or specific points in the city such as pedestrian crossings
- Smart street facilities in cities that provide information for public transport users and charging points for mobile devices.

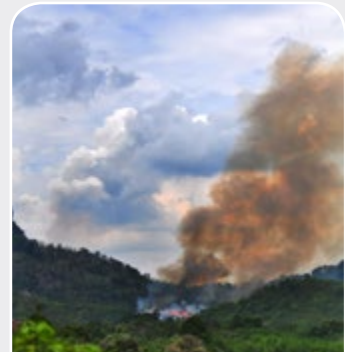


Smart Forest Fire Safety

Early detection of forest fire outbreaks

Climate change has resulted in an increase in forest fires and has had many other consequences. If fires can be quickly detected and fought, this will reduce the extent of the damage caused to ecosystems and people.

SONDA has developed image recognition solutions that can rapidly detect fire outbreaks in forestry plantations.



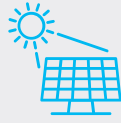
Smart Farming

Early detection of crop pests

If plant diseases can be quickly detected, this will reduce the use of pesticides and improve the environmental balance within farming. This solution can also prevent food loss.

SONDA developed an artificial intelligence solution to rapidly detect the symptoms caused by pest invasions. This is achieved by capturing images of these crops and applying algorithms. The system issues warnings, which ensures that corrective action can rapidly be taken.





Smart Grid

Artificial intelligence solutions for greater energy efficiency and service quality when distributing electricity

SONDA participates in several Smart Grid projects in the region. These contribute to reducing energy loss, optimizing the processes of reading, cutting and restoring supplies, facilitating the integration of renewable energy from distributed electricity generation, and improving demand management to achieve greater energy efficiency.

Energy generated by domestic solar solutions can now be fed into the transmission systems of electricity distribution companies, due to SONDA's management systems. In December 2018 alone 11,371 MWh was produced by micro-generators and fed into distribution networks.



Smart Lighting

Energy efficiency in public lighting

Technological advances help cities become more sustainable. This solution was developed by SONDA's Smart Safety Competence Center and will decrease lighting costs by up to 60%.

Smart lighting is already a reality for broad parts of the Artigas and Paysandú departments in Uruguay, where the latest technology in energy efficiency and efficient mercury-free lighting was implemented, when over 4,000 LED lights and complementary electronic equipment were installed. This equipment includes the latest generation of controllers that manage lighting intensity based on climatic parameters.



Smart Grid

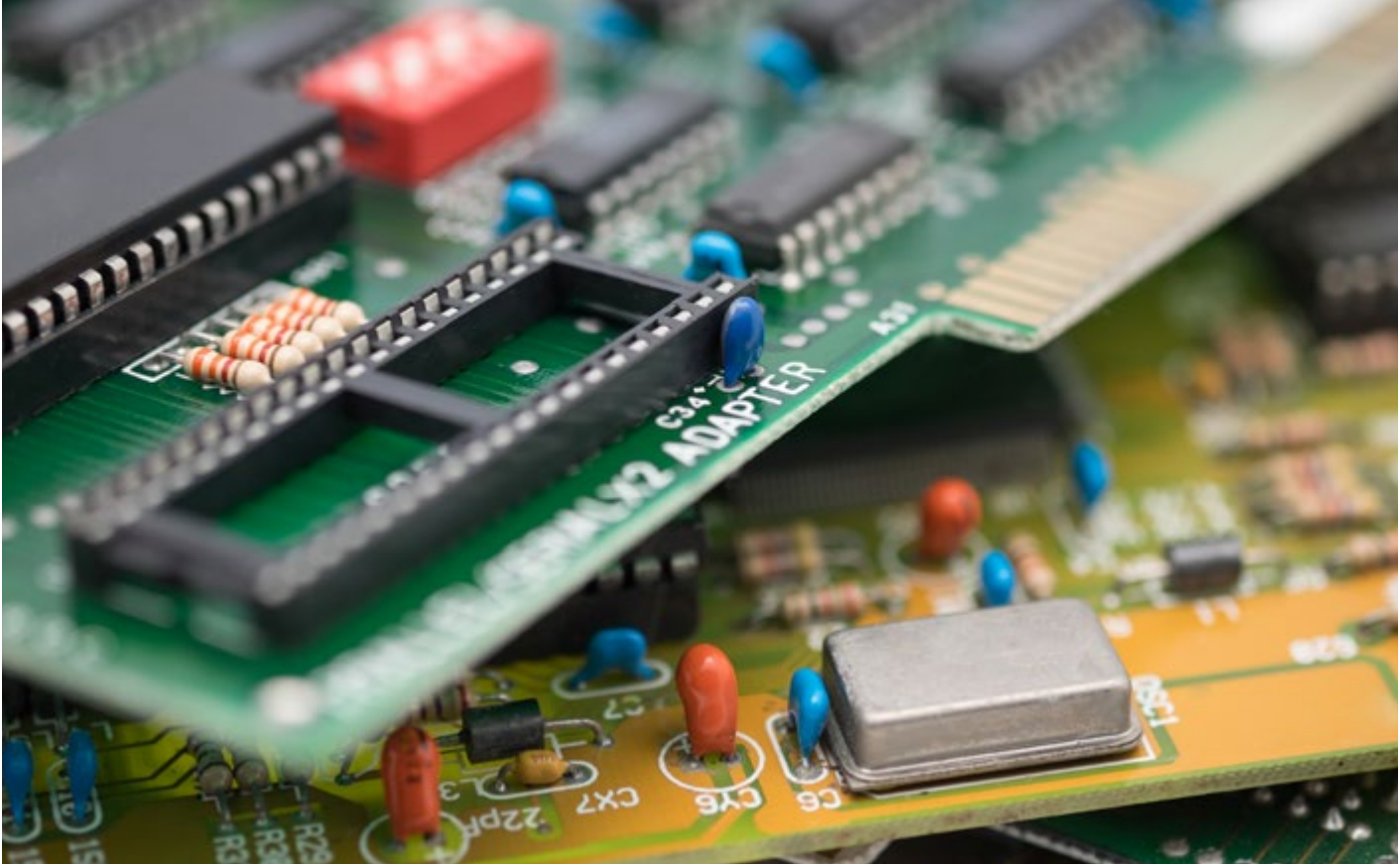
Artificial intelligence solutions to enable electro mobility in public transport

Decarbonizing cities is a priority that will reduce the causes of climate change. Using electric buses for public transport is a good contribution in this regard.

SONDA's IT services in Chile supported the project that launched 100 electric buses in 2018 and that number will double in 2019.

The project was led by ENEL together with BYD who supplied the buses, and METBUS who will operate them in Chile through a partnership with the Ministry of Transport.





Electronic waste

SONDA has a Corporate Quality Plan, which includes responsible waste treatment. Its main electronic waste is batteries, electronic equipment, such as printers, computers, and monitors, and the batteries used by our Data Centers. These are reused, recycled or sent to a safe disposal location. We recycled 91% of our electronic waste in 2018, an increase of 23% over 2017.

The circular economy in our outsourcing services

Many of our customers outsource all their IT infrastructure requirements to us, which includes pc's, printers, servers, and other equipment. This has two benefits.

- **The equipment lasts longer:** We extract the maximum useful life from the equipment we install for our customers. This requires performing regular preventative maintenance, and if it fails we prefer to try and repair it before discarding it.
- **Equipment with sustainable technology:** We select first class equipment when renewing it, by preferring equipment with better environmental performance with regard to energy efficiency, pollution emissions and noise, printers that efficiently use ink, and other aspects.
- **Safe disposal:** We ensure that when each piece of equipment reaches the end of its useful life it will be disposed of in a safe location certified by a third party.

2018 Results

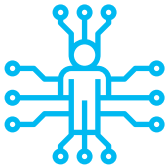
Climate change		Waste
Two Tier IV data centers	100% renewable energy	91% electronic waste was recycled
that comply with the most advanced energy efficiency standards will be built in Chile and Colombia in 2019.	All the energy consumed in Chile ⁴ is renewable, due to a contract signed in 2018 with the electricity generator Colbun.	91% of electronic waste was recycled.

⁴. Includes the corporate building, service facilities, the Tier III data center and in the future, the Tier IV data center.



Connection with ecosystems

Since our inception we have created a valuable ecosystem, which promotes the innovation that is vital to the integrated solutions we provide to our customers. This has enabled us to quickly develop abilities to meet requirements. If they had been resolved internally, the process would have been longer. We have established partnerships and agreements with leading global technology suppliers, which has enabled us to provide state-of-the-art technologies to our customers and our professional staff.



We are a multi-brand and multi-platform supplier, allowing us to incorporate various technologies into our integrated solutions that best resolve our customer's challenges and requirements. None of our partners or suppliers individually represent over 10% of purchases during 2018.

The accelerated changes taking place in the world and in technology have caused various challenges and opportunities for businesses, industries, organizations and societies. Therefore, one of the pillars in our strategic plan reflects the importance of SONDA's interaction with participants in the technology and innovation ecosystem. This indicates a new manner in which to interact with this ecosystem.

These changes impact the manner in which we interact with this ecosystem. It will not only be important to interact with the main leaders and global technology manufacturers, but we will also be encouraging a broader outlook from the ecosystem perspective, and expand our interaction to include non-traditional participants such as niche enterprises and startups.

Interaction with the technology and innovation ecosystem will have two dimensions, which are interaction with current partners and interaction with non-traditional ecosystem participants.



Interaction with current partners:

- Our interaction model with current partners will drive value creation and new business, and strengthen a common and central approach to development and interaction.
- We will strengthen regional partnerships to develop the business, leveraging SONDA's size in each host country.



Interaction with non-traditional ecosystem participants:

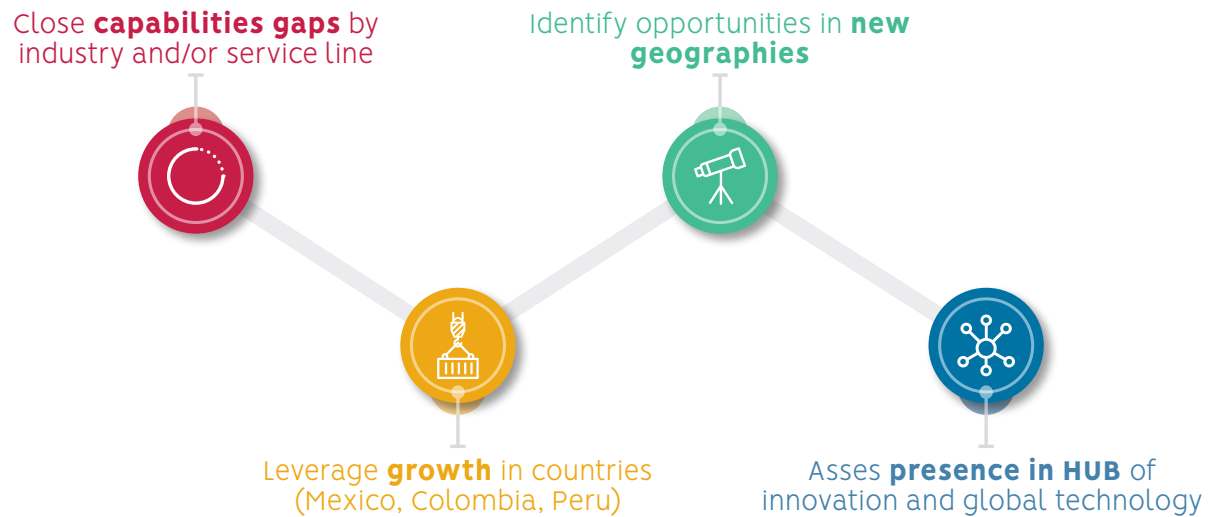
- We defined common guidelines for working in an integrated and fluid manner with startups and niche companies, which will allow us to close specific skill gaps that do not need to be resolved internally.
- We will encourage SONDA's interaction with the global innovation and technology ecosystem. The partners that form part of our ecosystem.



Inorganic growth

The final strategic pillar relates to the inorganic growth that we hope to achieve over the next few years, which shall serve the organic growth. The measures that address inorganic growth are designed to ensure that such investments will strengthen the organic growth of our regional business.

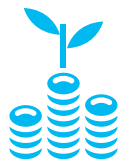
Accordingly, we are emphasizing four main areas:



- To close capabilities gaps that we might have in our solutions by industry and/or service line, that might not need to be closed through internal progression or through managing our innovation and technology ecosystem. The focus is to accelerate closing these gaps, which will shorten the time-to-market of our solutions.
- Leverage and accelerate growth in those countries where we can still take advantage of significantly large opportunities in these markets, thus increasing our scale in these countries (Mexico, Colombia and Peru). This will increase our customer portfolio and our recurring revenue in each country, complement our services, improve geographical coverage, and provide other benefits.
- Assess our direct attendance in global innovation and technology hubs and evaluate which ones are worth while attending. We can then transfer their knowledge and best practice to our organization.
- Although we have not defined this as a target for the period 2019 – 2021, since our focus remains in Latin America, we will evaluate opportunities that may arise in other countries outside the region.

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.

2016–2018: US\$ 790 million plan

The fourth plan covered the period 2016 to 2018 with an investment of close to US\$ 790 million. It aimed 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. An estimated US\$250 million would be invested in organic growth and US\$540 million in acquisitions.

In general terms, this period was marked by a very complex macroeconomic and political regional context, with the political sphere suffering the greatest complexities. We observed that some national administrations could not fulfil all their mandates, while significant changes were taking place in the governments of several countries in the region. This was accompanied by a difficult macroeconomic context, where exchange rate variations caused repercussions in the main Latin American markets.

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.

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.

Both investments were financed using own resources and financial debt, and required a total investment of US\$49 million in inorganic growth during the period 2016 – 2018.



Innovation in SONDA

Chapter
05





Innovation is a vital force in SONDA. It is embedded in the DNA of everyone working here, which has enabled us to develop creative solutions to solve the challenges and requirements for which there were no answers.

Innovation in SONDA

Innovation is a vital force in SONDA. It is embedded in the DNA of everyone working here, which has enabled us to develop creative solutions to resolve the challenges and requirements for which there were no answers. We have generated benefits through innovation, and added value to the business of our customers, while we have contributed to developing our region.



Innovation leads us to approach problems and to think in a completely different way, losing the fear of making mistakes. This part of the process creates tremendous value, as its appropriate management generates valuable and essential learning for success. Our innovative solutions have created positive benefits for those who have relied on us, either to transform their business or because they needed to resolve problems to improve people's quality of life.

We believe that innovation is the motor that drives the creation of value for our customers and society, which benefits many contexts, such as environmental, productive, social, employment, business, and other contexts.

Various studies have identified that most disruptive ideas that are transformed into new business arise from customer requirements, where these requirements are the motor that drives new services, products and solutions.

Accordingly, the open innovation model that we have adopted in SONDA strengthens agility in a barrier-free organization, which encourages the flow of new business models, disruptive paradigms and methods

that add value from an extensive understanding of the requirements and challenges of customers and societies in Latin America.

In 2018 we defined a strategic plan for the period 2019 –2021. Innovation will have a determining role in this plan, by developing solutions that transform our customer's business, facilitating the adoption of disruptive technologies in order to efficiently compete with new market competitors.

SONDA's open innovation model

Our model is based on creating an innovation ecosystem. We will form Customer Innovation Councils (where we discuss with bench-mark companies from each industry to understand their challenges), Innovation Labs (where we will create an innovation ecosystem that extends from academic centers, to start-ups and technology partners, in order to discuss technological paradigms and connect them with business models), and an Innovation Club of (an internal initiative that uses an inside-out model that values innovation and develops disruptive ideas within our organization).



Applied Innovation

Desarrollar productos y soluciones con foco en clientes y sus desafíos de negocios



Customer Innovation Council

Influencers de la industria para discusión de roadmap y desarrollo de nuevas ofertas



Innovation Lab

Ecosistemas de HUB y polos, conectados con los key digital partners, startups, centros académicos, y gobierno, acelerando el desarrollo de nuevas soluciones



Innovation Club

Engagement de los colaboradores para innovación, proceso de ideación con reconocimiento de las mejores ideas, modelo Inside Out



Metrics

Modelo y evaluación para medir el retorno de inversión e innovación



Innovation will be classified into five main disciplines:

	<p>User experience</p> <ul style="list-style-type: none"> • Multiple access channels • Self-service • Social platforms • Ultra mobility 	<p>Transforming our customers' business</p> <ul style="list-style-type: none"> • Agile applications • Business services process driven • DevOps, acceleration • Smart App for agile processes • Solutions by industry 	<p>Optimizing infrastructure</p> <ul style="list-style-type: none"> • Align demand with supply • Scalability and elasticity • Hybrid models • Solutions defined in software 	<p>Simplify management</p> <ul style="list-style-type: none"> • Reduce complexity • Real-time information • Automation and robotization • Accelerate implementing new resources 	<p>Advanced security</p> <ul style="list-style-type: none"> • Software defined cyber-security • Biometric and facial recognition • IoT & Smart Cities • Cyber-security

We are developing innovations that are highly likely to impact our customer's sustainability. SONDA Cognitive Enterprise Service Management – SonIA – is a cognitive platform that helps customers to integrate various SONDA digital solutions into their business (see panel).

Innovation that supports sustainable societies

SONDA is constantly innovating, which we develop together with our customers and innovation partners. Our developments have the potential to positively affect social, environmental and employment contexts.

Many of our innovations were discovered as solutions for our customers and have a positive effect on the

environment. For example, Smart Grids, Smart Lighting and Smart Solution (More information on page 74 / The Environment / Climate change and energy efficiency), as well as projects that help to protect water and biodiversity ([More information on page 50 / Digital Transformation for Sustainable Societies](#)).

The impact that SONDA's innovation model has on society are diverse, from aspects such as citizen safety, quality of life in cities, education, and many other aspects ([More information on page 50 / Digital Transformation for Sustainable Societies](#)).

Applied innovation

SONDA provides solutions that use IoT, Big Data and Analytics.



SonIA Connected Store provides solutions to our customers in the retail sector

Their impact affects social issues such as improving the final customer experience by optimizing the payment process and reducing waiting time. Self-service systems can also be deployed, to improve customer information and reduce reliance on printed materials.

SonIA Smart Industry provides solutions for our industrial customers

Our solutions can have a positive effect on productivity, resource use rationalization, and environmental impact management. They include monitoring services for greenhouse gases or other pollutants discharged into the environment, smart meters, device convergence, industrial network connections, and other solutions.

Skills development

SONDA has an innovation Club for our employees, to encourage innovation, introduce cultural changes inside the company and ensure that our talented people are aligned with this new market language. As innovation is embedded in SONDA's DNA, we advocate an ecosystem where all employees can be a vehicle for innovation, and therefore responsible for ensuring that each new or innovative disruptive technology is focused on adding value for the customer. We are also developing an Artificial Intelligence Competence Center, to enhance the development of our cognitive platform, SonIA, while we are integrating it into our digital solutions.

Transforming our End User Support solutions

During 2018, we adapted our End User Support services to the digital revolution, using a novel Digital Service Desk portfolio, which includes:



- **SONDA Mobile Support**, a new omni-channel support solution via Chat, Web Portal, SMS, phone and WhatsApp on smartphones using a customized app, where the user can choose functionalities ranging from resetting and unblocking passwords, to monitoring their service tickets, requesting replacement equipment, requesting parking for customers or partners, requesting meeting rooms, and other business uses, which may include ERP applications such as SAP or other legacy applications.



- **COBE (Corporate On Boarding Express)**, a solution for employee induction processes, which digitally transforms the most important process within human resources. This corporate app can be used to create email accounts and corporate profiles with all the required permissions to operate business applications, and others.



- **Box Support**, stations that dispense, withdraw and replace equipment and configure them to meet the customer's requirements. They streamline equipment the repairing, replacing and dispensing processes for employees in an organization, with an efficient, fast and safe service that safeguards the customer's operational continuity.

Stakeholder engagement

Chapter

06





**In SONDA we aim
to establish close,
honest and long-term
relationships with our
stakeholders.**

Main stakeholders, relationship mechanisms and concerns

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

Our priority stakeholders are those who might be significantly affected by our business, products and services, or those stakeholders who may affect our ability to successfully implement our business strategy.



Main Stakeholders



Customers

Who are they?

Over 5,000 companies and organizations, spanning various industries and countries, 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.
- Their experience with the relationship and solutions that we provide.
- Knowledge of their industry.

Our response:

- Integrated teams focused on industries, sectors and customers
- End-to-end solutions, with a broad perspective of the customer's requirements.
- Our business strategy has the customer at the center. [See the section Vision and Strategic Plan.](#)
- The relationship with our customers is essential and we want to improve their experience, which we measure using the NPS. [See the section on Integral Customer Management](#)
- Our open innovation model is fully focused on identifying solutions for our customers.



Partners and suppliers

Who are they?

Our technology suppliers and partners provide us with key products and consumables for our IT solutions. We have negotiated partnerships with leading global manufacturers and suppliers together with new developers and start-ups, 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.
- Accessibility and implementing developed solutions.
- Expanding our presence in strategic markets.

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.
- We co-create business solutions and we work together to resolve our customer's challenges and requirements.



Employees

Who are they?

We directly employ 16,845 people working in 10 countries in Latin America, with 49.6% in Brazil, 20.4% in Chile, 8.8% in Mexico and the remaining 21.2% in other countries. 28.7% of our employees are women. We are a highly specialized company, as 78.9% of our staff are IT professional.

What are their main concerns?

Topics:

- Value proposition
- Development and road map
- Human relationships
- Personal life and work balance

- Personal and professional growth
- Recognition

Our response:

- We have a Corporate Human Resources Model. This model has three pillars: (a) Consistent processes, aligning every country into a single SONDA; (b) engagement between employees and the company; and(c) attract and retain the most talented people.
- We are working on 6 dimensions in order to strengthen our culture and working habits: capabilities and structure, leadership and talent, remuneration and incentives, key processes, coordinating and monitoring governance, and culture and working habits. [See the section on Agile organization](#)



Shareholders and investors

Who are they?

SONDA is a publicly traded corporation. The controlling shareholder has 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 financial performance, management and position. Particularly in countries in a complex macroeconomic or political situation.
- The company's strategy to deal with the Digital Transformation era
- Growth and investment 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 investors relate to the company and their perspective of SONDA.
- We reviewed our corporate and financial performance presentations to provide a clearer understanding of the company and our business.
- In 2018 we hosted our first Investor Day, where we presented our Strategic Plan, and generated an instance of greater proximity to the investors and financial market..



Society

Who are they?

The inhabitants of nearly 3,000 cities in 10 host countries benefit from our technological solutions that improve their quality of life.

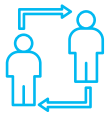
What are their main concerns?

Topics:

- Impact of information technology on the development of countries and the quality of life of its inhabitants.
- Data protection and information privacy: cyber-security.

Our response:

- SONDA is aligned with the 2030 Agenda. It has been established as the roadmap for our contribution to safeguarding the sustainability of our host countries and their inhabitants. We are improving our contribution to the economic development of our 10 host countries.



Engagement and feedback mechanisms

We use various engagement mechanisms at a corporate level and within each host 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 also 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 implemented an open innovation model, where our customers and their business challenges are the main source of innovation to develop new services and solutions. Accordingly, we created a Customer Innovation Council, which discusses their business and industry requirements and challenges. We also created an Innovation Lab that connects innovation sources such as digital alliances with niche companies, startups, academic and government agencies, to accelerate the development of new solutions.

We have set up formal communication channels, such as business proposals, presentations, brochures and annual reports. We have digital channels such as our web sites for the general public (extranet), and our own employees (intranet). We developed the SONDA CONECTA app for communication between employees and we are represented in social networks, such as LinkedIn and Youtube.

We have constant institutional communication with regulatory agencies and public service departments in

each host 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 our financial performance to the market, sending emails, keeping our website up-to-date, and preparing annual reports. In 2018 we arranged our first Investor Day at SONDA, where we presented our strategic plan for the period 2019-2021 to analysts, investors, business partners, and other stakeholders, which created a unique engagement opportunity between the attendees and SONDA's senior executives. We reviewed the content and design of our presentations during the year, in order to provide information that adds greater value for our investors and the market. We also refreshed our website, making it easier for the user to find information, along with navigation improvements, which thereby provide users with a better experience.

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 employees to respond on the intranet and by app.



The company's participation in other organizations

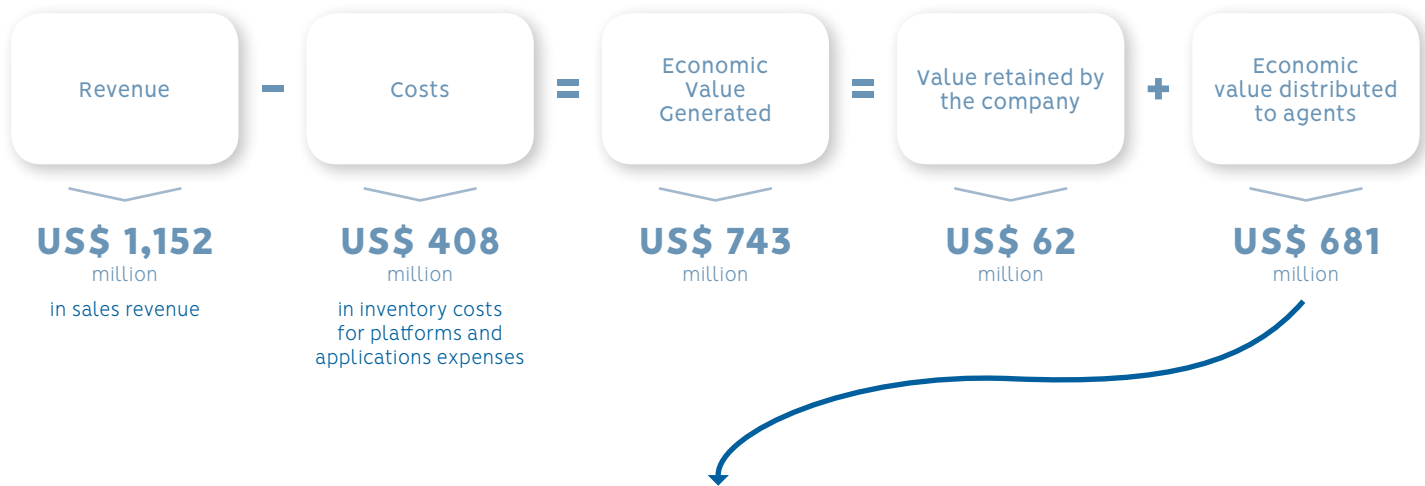
SONDA participates in various organizations, in order to contribute to discussions and reflections on IT, innovation, and business development. They include:

- **Asociación Chilena de Empresas de Tecnologías de Información (ACTI):** A former SONDA Director, Mr. Jaime Pacheco, is First Vice Chairman of the association.
- **Sociedad de Fomento Fabril (SOFOFA, Chile):** The SONDA Director, Ms. Maria del Rosario Navarro Betteley, was elected Elective Councilor for 2017–2021.
- **Centro de Innovación Anacleto Angelini de la Pontificia Universidad Católica de Chile:** SONDA is a Lithium member.
- **Empresa de Informática e Informação do Município de Belo Horizonte (Prodabel):** SONDA innovation hub for Smart Cities in collaboration with Prodabel.
- **Associação Brasileira das Empresas de Tecnologia da Informação e Comunicação (Brasscom):** promotes public policies in the ICT sector together with public authorities to encourage market growth.
- **Inovabra Habitat:** Bradesco bank co-innovation project with the SONDA innovation hub.
- **Parque de Inovação Tecnológica de Joinville e Região (Inovapark):** The SONDA Innovation Center is located within the Universidade da Região de Joinville (Univille) campus and develops disruptive technology, consulting and software quality projects.
- **Cámara Colombiana de Informática y Telecomunicaciones – CCIT**
- **Cámara de Comercio de Bogotá**
- **Cámara de Comercio Colombo Chilena**
- **Federación Colombiana de la Industria de Software y TI**
- **Cámara Uruguaya de Tecnologías de la Información – CUTI**
- **Information and Communication Technologies for Verticals – ICT4V (Uruguay)**
- **Cámara de la Industria Argentina del Software – CESSI**
- **Fundación Empresaria para la Calidad y la Excelencia – FUNDECE (Argentina)**
- **Sociedad Nacional de Industrias (SNI):** Miguel Angel Guerrero, General Manager of SONDA Peru participates as a Director of the Information and Communications Technologies Industry Committee.
- **Cámara de Industrias de Costa Rica**
- **Cámara de Tecnologías de Información y Comunicación (CAMTIC) de Costa Rica**
- **Asociación de Empresarios para la Gestión Integral de Residuos Electrónicos (ASEGIRE) en Costa Rica**
- **Club de Investigación Tecnológica (Costa Rica)**
- **Cámara de Industrias de Panamá**
- **Cámara Panameña de Tecnologías de Información (CAPATEC)**



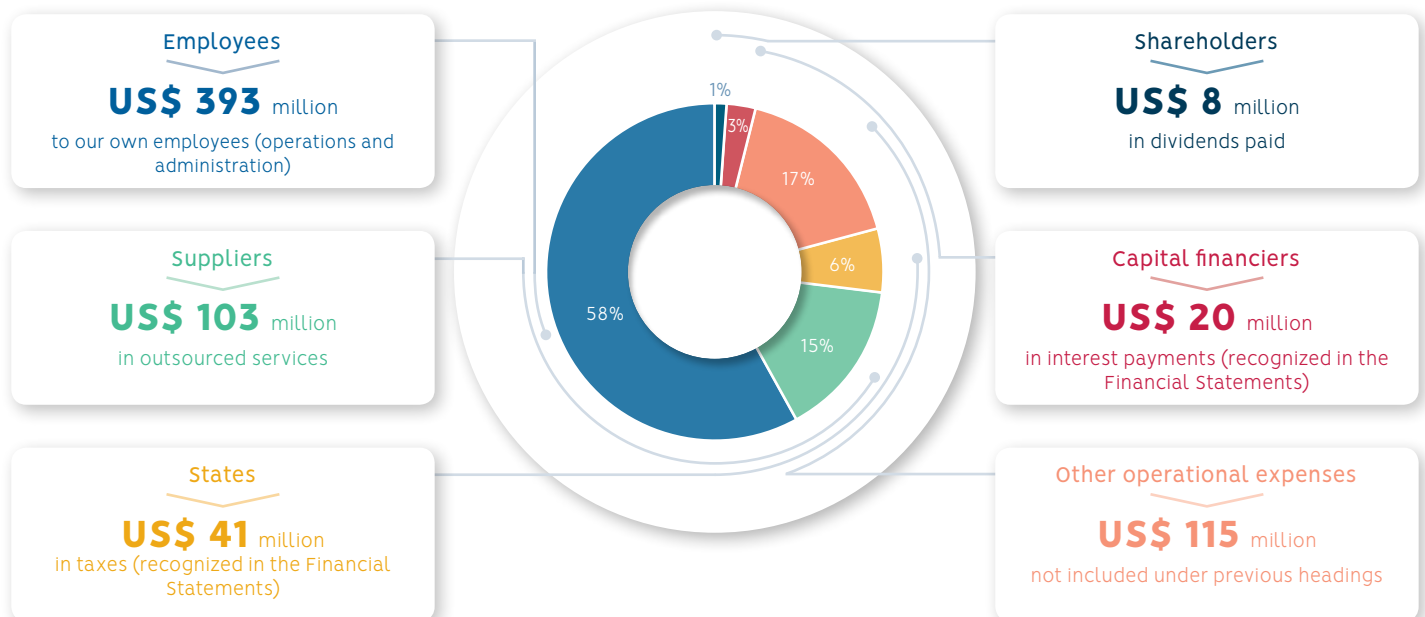
Direct Economic Value Generated and Distributed

The Economic Value Generated by SONDA is the difference between its sales revenue and its inventory costs. The company generated economic value of US\$743 million in 2018. The company retained US\$62 million and the remaining US\$681 million was distributed among its agents, such as employees, suppliers, states (taxes recognized in its financial statements), shareholders (dividends), capital financiers (interest); and other operational expenses.



Economic Value Distributed

US\$ 681 million



Note: The 2018 closing exchange rate was used: US\$ 1 = Ch\$ 694.77

Financial informationa

Chapter

07





The financial strength that has characterized us throughout our history has been one of the differentiating aspects of SONDA.

Consolidated statements of financial position

As of December 31, 2018 and 2017

(In thousands of Chilean pesos – ThCh\$)

ASSETS	12.31.2018 ThCh\$	12.31.2017 ThCh\$
CURRENT ASSETS		
Cash and cash equivalents	49,392,706	40,845,121
Other current financial assets	16,077,835	45,588,359
Other current non-financial assets	19,986,378	14,551,312
Trade and other current receivables	234,279,321	225,159,519
Account receivables from related parties	6,485,944	5,712,334
Inventories	54,684,616	37,703,274
Current tax assets, current	32,161,756	33,476,329
Current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners	413,068,556	403,036,248
CURRENT ASSETS	413,068,556	403,036,248
NON-CURRENT ASSETS		
Other non-current financial assets	13,729,895	13,181,600
Other non-current non-financial assets	9,310,569	7,820,896
Non-current receivables	51,428,147	35,948,721
Account receivables from related parties	1,953,980	4,406,069
Investments accounted for using the equity method	6,480,159	6,162,276
Intangible assets other than goodwill	18,088,617	24,205,069
Goodwill	230,972,860	230,748,953
Property, plant and equipment	122,792,037	124,134,372
Investment property	3,550,854	3,607,711
Deferred tax assets	26,392,044	25,907,896
NON-CURRENT ASSETS	484,699,162	476,123,563
ASSETS	897,767,718	879,159,811

LIABILITIES AND EQUITY	12.31.2018 ThCh\$	12.31.2017 ThCh\$
CURRENT LIABILITIES		
Other current financial liabilities	113,290,232	70,078,285
Trade and other current payables	97,402,954	104,523,338
Account payable to related parties	3,141,242	11,070,965
Other short term provisions	5,128,697	4,195,299
Current tax liabilities, current	22,224,755	16,938,165
Current provisions for employee benefits	27,962,763	24,033,497
Other current non-financial liabilities	20,050,017	22,058,972
Current liabilities other than liabilities included in disposal groups classified as held for sale	289,200,660	252,898,521
CURRENT LIABILITIES	289,200,660	252,898,521
NON-CURRENT LIABILITIES:		
Other non-current financial liabilities	70,079,737	102,097,722
Non-current payables	4,137,051	8,594,923
Accounts payable to related parties, non-current	-	8,553
Other long term provisions	10,742,156	4,503,317
Deferred tax liabilities	19,719,940	16,190,675
Non-current provisions for employee benefits	2,840,040	2,878,627
Other non-current non-financial liabilities	2,221,250	2,249,366
NON-CURRENT LIABILITIES	109,740,174	136,523,183
LIABILITIES	398,940,834	389,421,704
EQUITY		
Issued capital	373,119,044	373,119,044
Retained earnings	242,232,100	235,792,437
Other reserves	(120,562,928)	(124,502,469)
Equity attributable to owners of parent	494,788,216	484,409,012
Non-controlling interests	4,038,668	5,329,095
EQUITY	498,826,884	489,738,107
LIABILITIES AND EQUITY	897,767,718	879,159,811

Consolidated statements of comprehensive income

For the years ended December 31, 2018 and 2017

(In thousands of Chilean pesos – ThCh\$)

	12.31.2018 ThCh\$	12.31.2017 ThCh\$
PROFIT		
Revenue	800,141,897	841,541,278
Cost of sales	(659,448,867)	(696,329,458)
GROSS PROFIT	140,693,030	145,211,820
Other income	1,884,912	39,320,165
Administrative expenses	(84,941,073)	(85,702,872)
Other expenses, by function	(10,262,748)	(10,677,962)
Profit from continuing operations	47,374,121	88,151,151
Finance income	8,146,488	8,182,461
Finance costs	(14,157,346)	(17,862,264)
Share of profit of associates accounted for using the equity method	157,871	163,888
Foreign currency exchange differences	452,031	(1,681,175)
Gain from indexed assets and liabilities	(2,142,340)	41,512
PROFIT BEFORE TAX	39,830,825	76,995,573
INCOME TAX EXPENSE	(28,712,880)	(6,963,587)
PROFIT FROM CONTINUING OPERATIONS	11,117,945	70,031,986
PROFIT FROM CONTINUING OPERATIONS	11,117,945	70,031,986
PROFIT ATTRIBUTABLE TO		
Owners of parent	10,685,472	64,895,944
Non-controlling interests	432,473	5,136,042
PROFIT	11,117,945	70,031,986
EARNINGS PER SHARE		
Earnings per share – Basic		
Earnings per share from continuing operations – Basic (Ch\$/Share)	12.27	74.50
Earnings per share – Diluted		
Earnings per share from continuing operations – Diluted (Ch\$/Share)	12.27	74.50

TOTAL COMPREHENSIVE INCOME	12.31.2018 ThCh\$	12.31.2017 ThCh\$
PROFIT	11,117,945	70,031,986
Components of other comprehensive income that will not be reclassified to profit or loss, before tax		
Other comprehensive income before tax gains (losses) on remeasurements of defined benefit plans	186,065	(62,392)
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	186,065	27,697
Other comprehensive income that will be reclassified to profit or loss, before tax		
Exchange differences on translation		
(Losses) gains on exchange differences on translation before tax	2,352,681	(40,543,966)
Cash flow hedge		
Gains (losses) on cash flow hedges, before tax	(2,687,033)	1,222,968
Other comprehensive income that will be reclassified to profit or loss before tax	(334,352)	(39,320,998)
Other comprehensive income, before tax	(148,287)	(39,293,301)
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	28,690	(13,726)
Income tax relating to new measurement defined benefit plans of other comprehensive income	28,690	(13,726)
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	-	415,809
Income tax relating to cash flow hedges of other comprehensive income	-	415,809
Other comprehensive income	(176,977)	(39,695,384)
COMPREHENSIVE INCOME	10,940,968	30,336,602
Comprehensive income attributable to		
Owners of the parent	10,508,495	25,200,560
Non-controlling interests	432,473	5,136,042
COMPREHENSIVE INCOME	10,940,968	30,336,602

Consolidated statements of cash flows, direct

For the years ended December 31, 2018 and 2017

(In thousands of Chilean pesos – ThCh\$)

	31.12.2018 M\$	31.12.2017 M\$
Statements of Cash Flows		
Cash flows from (used in) operating activities		
Receipts from sales of goods and rendering of services	894,992,641	919,663,254
Other cash receipts from operating activities	11,194,548	5,494,816
Cash receipts from operating activities	906,187,189	925,158,070
Payments to suppliers for goods and services	(521,842,629)	(523,382,497)
Payments to and on behalf of employees	(259,505,465)	(289,810,797)
Other cash payments from operating activities	(64,168,011)	(60,099,339)
Classes of cash payments	(845,516,105)	(873,292,633)
Cash flows from (used in) operations	60,671,084	51,865,437
Income taxes paid	(20,321,905)	(8,641,378)
Other (outflows) inflows of cash	(691,992)	(3,674,647)
Cash generated by operating activities	39,657,187	39,549,412
Cash flows from (used in) investing activities		
Cash flows proceeds from loss of control of subsidiaries or other businesses	30,313,089	-
Cash flows used in obtaining control of subsidiaries or other businesses	(4,551,585)	(5,556,444)
Cash flows used to acquire non-controlling interests	-	(13,814,642)
Other cash receipts from sales of equity or debt instruments of other entities	992,865	12,273,889
Other cash payments to acquire equity or debt instruments of other entities	(1,598,395)	(318,460)
Proceeds from sales of property, plant and equipment classified as investing activities	20,223	34,393
Dividends received	14,253	25,541
Purchase of property, plant and equipment	(26,666,056)	(22,158,085)
Collection of loans to related parties	-	120,000
Purchase of intangible assets	(1,351,432)	(2,421,561)
Interest received	179,316	424,055
Other outflows of cash	(122,451)	(1,971,343)
Cash flows (used in) from investing activities	(2,770,173)	(33,362,657)

	31.12.2018 M\$	31.12.2017 M\$
Cash flows from (used in) financing activities		
Proceeds from issuing shares	1,000	7,397,820
Proceeds from long-term borrowings	15,084,603	3,066,296
Proceeds from short-term borrowings	46,215,956	87,705,864
Repayments of borrowings	(45,971,691)	(93,024,334)
Payments of finance lease liabilities	(9,420,967)	(5,825,182)
Payments of loans to related parties	(9,071)	-
Dividends paid	(28,404,805)	(14,832,568)
Interests paid	(7,491,695)	(8,861,509)
Interests received	45,785	-
Other outflows of cash	172,919	(1,906,256)
Cash flows used in financing activities	(29,777,966)	(26,279,869)
Decrease in cash and cash equivalents before effect of exchange rate changes	7,109,048	(20,093,114)
Effect of exchange rate changes on cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents	1,438,537	(3,133,280)
Decrease in cash and cash equivalents	8,547,585	(23,226,394)
Cash and cash equivalents at beginning of year	40,845,121	64,071,515
Cash and cash equivalents at end of year	49,392,706	40,845,121

Consolidated statements of changes in equity

As of December 31, 2018 and 2017

(In thousands of Chilean pesos – ThCh\$)

	Issued capital ThCh\$	Other reserves		
		Reserve of exchange differences on translation ThCh\$	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments ThCh\$	Reserve of cash flow hedging ThCh\$
Equity previously reported	373,119,044	(118,949,100)	(828,746)	-
Increase (decrease) through changes accounting policies	-	-	-	-
Equity at end of period 01/01/2018	373,119,044	(118,949,100)	(828,746)	-
Changes in equity				
Comprehensive income				
Profit for the year	-	-	-	-
Other comprehensive income	-	2,352,681	-	(2,687,033)
Comprehensive income	-	2,352,681	-	(2,687,033)
Emisión de patrimonio	-	-	-	-
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	-	2,352,681	-	(2,687,033)
Equity at end of period 12/31/2018	373,119,044	(116,596,419)	(828,746)	(2,687,033)
Changes in equity				
Comprehensive income				
Profit for the year	-	-	-	-
Other comprehensive income	-	(40,543,966)	90,089	807,159
Comprehensive income	-	(40,543,966)	90,089	807,159
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	807,159
Equity at end of period 12/31/2017	373,119,044	(118,949,100)	(828,746)	-

	Issued capital ThCh\$	Other reserves		
		Reserve of exchange on translation ThCh\$	Reserve of gains and losses on remeasuring available-for-sale financial assets ThCh\$	Reserve of cash flow hedging ThCh\$
Equity at beginning of period 01/01/2017	373,119,044	(78,405,134)	(918,835)	(807,159)
Changes in equity				
Comprehensive income				
Profit for the year	-	-	-	-
Other comprehensive income	-	(40,543,966)	90,089	807,159
Comprehensive income	-	(40,543,966)	90,089	807,159
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	807,159
Equity at end of period 12/31/2017	373,119,044	(118,949,100)	(828,746)	-

Other reserves		Total Other reserves ThCh\$	Retained earnings ThCh\$	Equity attributable to owners of parent ThCh\$	Non-controlling interests ThCh\$	Total equity ThCh\$
Reserve of actuarial gains or losses on defined benefit plans ThCh\$	Other miscellaneous reserves ThCh\$					
181,658	(4,906,281)	(124,502,469)	235,792,437	484,409,012	5,329,095	489,738,107
-	-	-	94,260	94,260	-	94,260
181,658	(4,906,281)	(124,502,469)	235,886,697	484,503,272	5,329,095	489,832,367
-	-	-	10,685,472	10,685,472	432,473	11,117,945
157,375	-	(176,977)	-	(176,977)	-	(176,977)
157,375	-	(176,977)	10,685,472	10,508,495	432,473	10,940,968
-	-	-	-	-	-	-
-	-	-	(5,342,735)	(5,342,735)	(1,722,900)	(7,065,635)
-	-	-	-	-	-	-
-	4,116,518	4,116,518	1,002,666	5,119,184	-	5,119,184
157,375	4,116,518	3,939,541	6,345,403	10,284,944	(1,290,427)	8,994,517
339,033	(789,763)	(120,562,928)	242,232,100	494,788,216	4,038,668	498,826,884
Other reserves		Total Other reserves ThCh\$	Retained earnings ThCh\$	Equity attributable to owners of parent ThCh\$	Non-controlling interests ThCh\$	Total equity ThCh\$
Reserve of actuarial gains or losses on defined benefit plans ThCh\$	Other miscellaneous reserves ThCh\$					
230,324	1,313,610	(78,587,194)	203,348,287	497,880,137	8,438,388	506,318,525
-	-	-	64,895,944	64,895,944	5,136,042	70,031,986
(48,666)	-	(39,695,384)	-	(39,695,384)	-	(39,695,384)
(48,666)	-	(39,695,384)	64,895,944	25,200,560	5,136,042	30,336,602
-	-	-	(32,447,972)	(32,447,972)	(4,795,033)	(37,243,005)
-	(6,219,891)	(6,219,891)	-	(6,219,891)	-	(6,219,891)
-	-	-	(3,822)	(3,822)	(3,450,302)	(3,454,124)
(48,666)	(6,219,891)	(45,915,275)	32,444,150	(13,471,125)	(3,109,293)	(16,580,418)
181,658	(4,906,281)	(124,502,469)	235,792,437	484,409,012	5,329,095	489,738,107



Chile



Brazil



Mexico



OPLA



2018 Financial performance

In 2018 we achieved consolidated revenue of Ch\$800,142 million (US\$1,151.7 million), a fall of 4.9% compared to 2017, mainly due to negative exchange rate movements. The Company's revenue for the year in constant currency increased by 1.8%. Operating income was Ch\$55,752 million (US\$80.2 million), falling by 6.3% yoy and EBITDA was Ch\$91,290 million (US\$131.4 million), falling by 10.4% yoy. EBITDA in constant currency fell 7.4% compared to 2017.

The EBITDA margin for the year was 11.4%, as a result of the progressive improvements that were achieved during the year. The fourth quarter EBITDA margin reached 12.6%, representing an improvement of 310 basis points over the margin for the first quarter of the year. In fact, margins in Brazil improved every quarter during 2018, and compared to 2017 yoy. In Brazilian reals, EBITDA increased by 23.9% compared to 2017. Other Latin American Countries (OPLA) increased their EBITDA by 7.3% during 2018 and increased their revenue by 17.8%, both in constant currency.

Revenue in Chile grew by 0.3% yoy, totaling Ch\$368,365 million (US\$530.2 million), while EBITDA fell by 14.4% yoy, and reached Ch\$54,584 million (US\$78.6 million). Excluding the effect of selling the subsidiary Transacciones Electrónicas S.A. in December 2017, which was not consolidated in 2018, revenue would have grown by 4.4% and EBITDA would have fallen by 1.3%.

Revenue from operations outside of Chile fell by 8.9% yoy to Ch\$ 431,777 million (US\$621.5 million), which represents 54.0% of total consolidated revenue, while its EBITDA fell by 3.8% compared to 2017 to reach Ch\$36,707 million (US\$52.8 million). Revenue in constant currency would have grown by 2.8% yoy and EBITDA by 4.2% yoy without foreign currency translation effects.

Net income attributable to the parent company was Ch\$10,685 million (US\$15.4 million), which was 83.5% lower than in 2017. This result includes the extraordinary gain on the sale of the interest in the subsidiary Transacciones Electrónicas S.A. of US\$49.3 million (US\$36.5 million after-tax) in 2017, and a negative foreign currency translation effect on tax of US\$23.3 million in 2018. While in 2017 a positive foreign currency translation effect was recorded of US\$14.6 million. Net income would have fallen by 8.6% yoy without both of these effects.

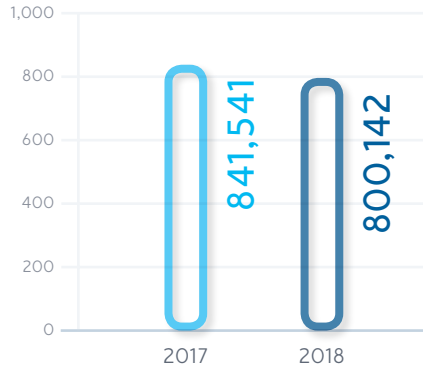
The volume of new business closed in 2018 reached US\$1,249.5 million, a fall of 5.9% compared to 2017. Brazil contributed 37.7% of business closed. In particular, OPLA increased by 17.2% yoy, primarily in the IT services business, +26.8%. Business closed in constant currency fell by 1.6% compared to 2017.

The current liquidity ratio was 1.4, the financial leverage ratio was 0.4, and the financial expenses ratio was 6.4, which all reflect a balanced financial position.



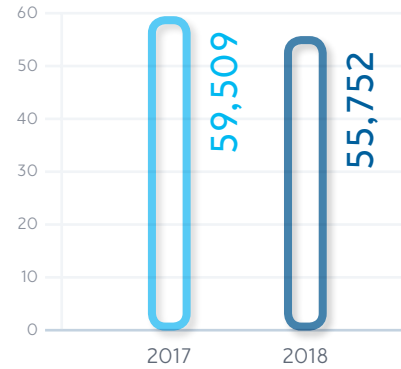
Consolidated Revenue

(million Chilean pesos)



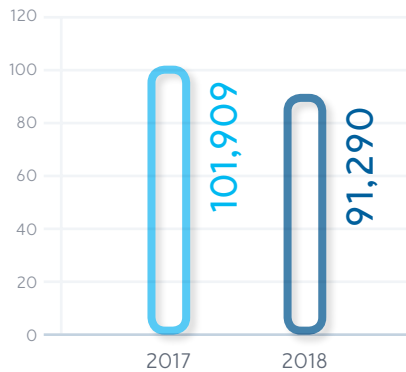
Operating Income

(million Chilean pesos)



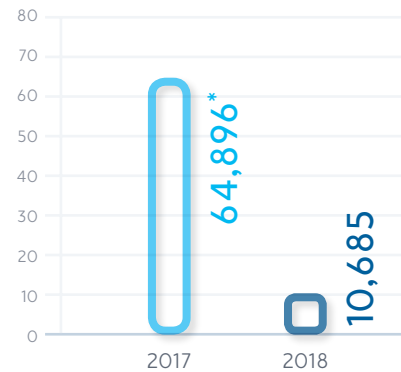
EBITDA

(million Chilean pesos)



Net Income

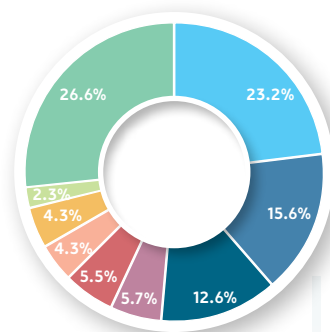
(million Chilean pesos)



* Considers an approximate net income of \$25 billion Chilean pesos from the sale of I-Med.

Revenues Breakdown

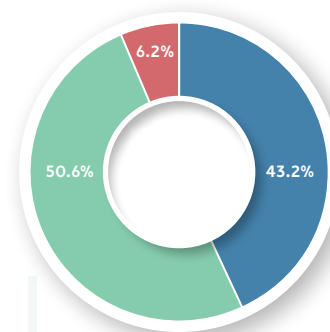
(by industry)



- Retail
- Banking/Finance/Insurance
- Public Sector
- Telecommunications
- Manufacturing
- Oil/Gas/Mining
- Utilities
- Healthcare
- Others

Revenues Breakdown

(by business line)



- Platforms
- IT Services
- Applications

Financial Performance in Chile

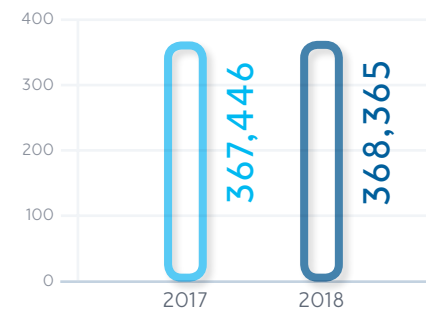
Revenue came in at Ch\$368,365 million (US\$530.2 million), increasing by 0.3% yoy. The decrease in IT services (-8.7%) is mainly due to the sale of Transacciones Electrónicas S.A. in December 2017, which was not consolidated in 2018 (Revenue -Ch\$14,472 million / -US\$20.8 million). Excluding the sale of Transacciones Electrónicas S.A., revenue in constant currency grew 4.4% during 2018.

Operating income was Ch\$42,050 million (US\$60.5 million / -15.5% yoy) and EBITDA was Ch\$54,584 million (US\$78.6 million / -14.4% yoy). The fall was mainly due to the sale of Transacciones Electrónicas S.A. (EBITDA -Ch\$8,445 million / -US\$12.2 million).

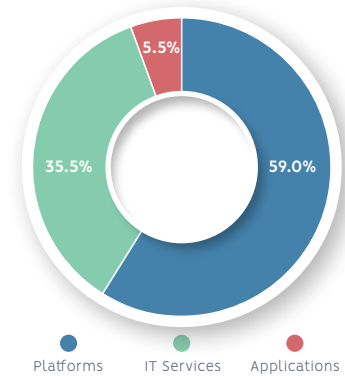
Operating margin reached 11.4%, 210 basis points lower than for 2017, and EBITDA margin was 14.8%, 250 basis points lower. Excluding the sale of Transacciones Electrónicas S.A., the EBITDA margin would have been 90 basis points lower (yoy).

The core business, excluding the sale of Transacciones Electrónicas S.A., and excluding the wholesale and retail business, achieved high margins and mix of high added value revenue, with revenue in constant currency growing by 7.3% yoy and its EBITDA margin reached 23.7%.

Consolidated Revenues (million Chilean pesos)



Revenues Breakdown (by business line)



Financial Performance in Brazil

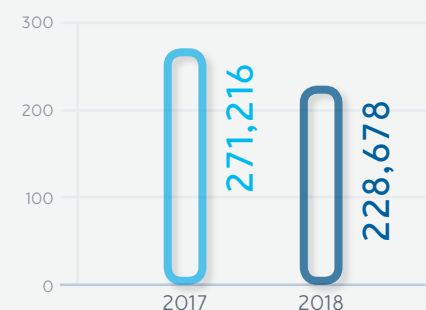
Revenue in constant currency fell by 2.7%, with lower revenue from IT services, associated with contract terminations. Revenue in the reporting currency reached Ch\$228,678 million (US\$329.1 million) 15.7% lower than in 2017. However, greater dynamism appeared in operating revenue during the second half of the year, which increased 14.1% in Brazilian reais compared to the first half of 2018.

Operating income in constant currency grew by 82.8% and EBITDA by 23.9% yoy. Operating income in the reporting currency was negative Ch\$1,167 million (-US\$1.7 million / +84.3% yoy) and EBITDA was Ch\$13,931 million (US\$20.1 million / +6.9% yoy).

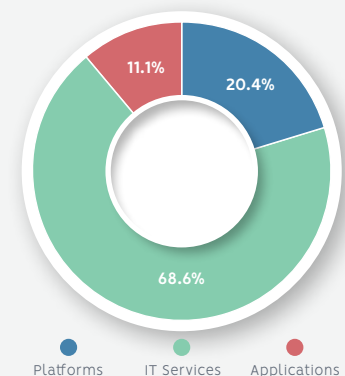
Operating margin was -0.5% an increase of 220 basis points compared to 2017, and the EBITDA margin was 6.1% an increase of 130 basis points. Both EBITDA and EBITDA margin progressively improved in constant currency in the second half of the year compared to the first half of 2018, and grew by 139.2% and 431 basis points, respectively.

Particularly the growth in performance during the third and fourth quarter of 2018, which registered increased revenue, EBITDA and EBITDA margin in constant currency, over the previous period.

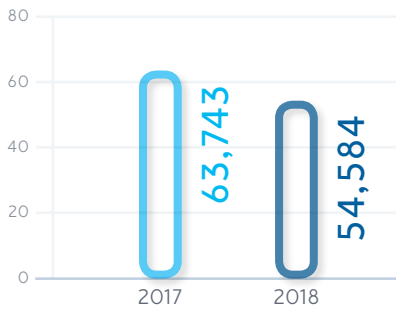
Consolidated Revenues (million Chilean pesos)



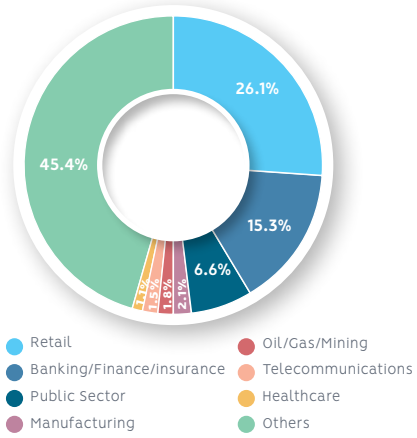
Revenues Breakdown (by business line)



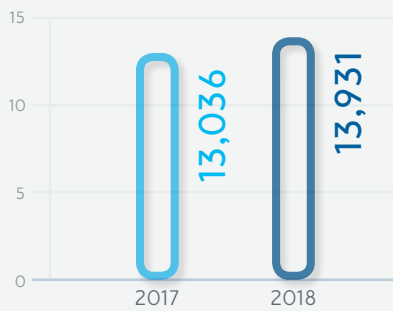
EBITDA (million Chilean pesos)



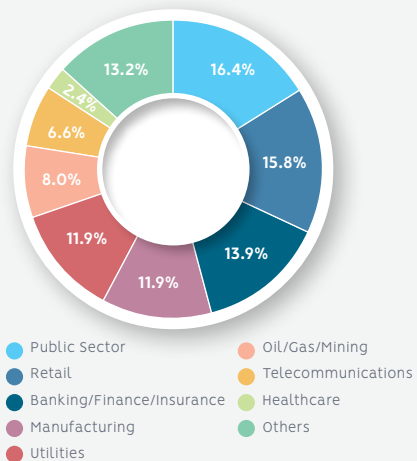
Revenues Breakdown (by industry)



EBITDA (million Chilean pesos)



Revenues Breakdown (by industry)



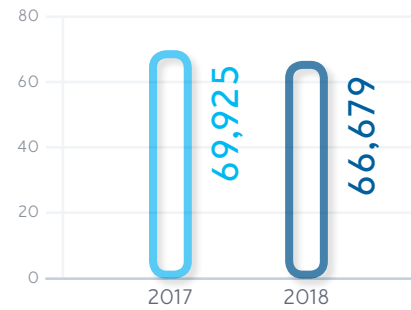
Financial Performance in Mexico

Revenue for 2018 in constant currency fell by 4.1% yoy, due to falling IT services business. Revenue in reporting currency fell by 4.6% compared to 2017, totaling Ch\$66,679 million (US\$96.0 million).

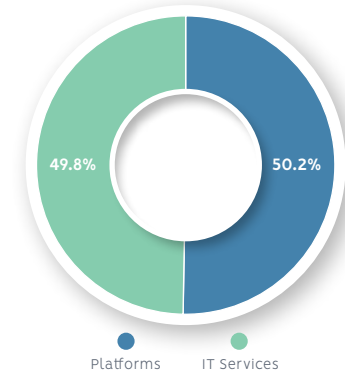
Operating income in reporting currency reached Ch\$4,078 million (US\$5.9 million) and EBITDA was Ch\$5,457 million (US\$7.9 million), 37.7% and 33.1% lower than previous year, respectively, as a result of lower revenue from the IT services business, associated with contracts not being renewed and lower demand. Operating income and EBITDA in constant currency fell by 39.1% and 33.8%, respectively.

Operating margin was 6.1%, 330 basis points lower than in 2017, and the EBITDA margin was 8.2%, 350 basis points lower.

Consolidated Revenues (million Chilean pesos)



Revenues Breakdown (by industry)



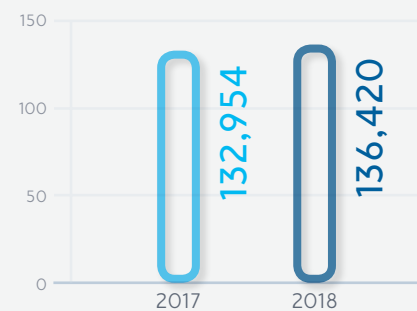
Financial Performance in OPLA

Revenue in constant currency grew by 17.8% during 2018. Revenue in reporting currency increased by 2.6% compared to 2017, reaching Ch\$136,420 million (US\$196.4 million).

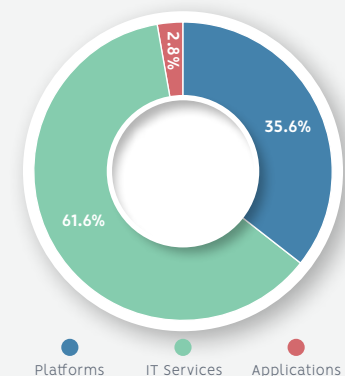
Operating income and EBITDA in constant currency both grew by 7.3%. Operating income in reporting currency reached Ch\$10,790 million (US\$15.5 million) and EBITDA was Ch\$17,319 million (US\$24.9 million), an increase of 1.4% and 2.0%, respectively, compared to the previous year.

Operating margin was 7.9% and EBITDA margin was 12.7%, similar to margins registered during 2017.

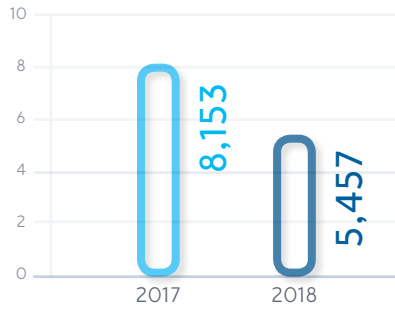
Consolidated Revenues (million Chilean pesos)



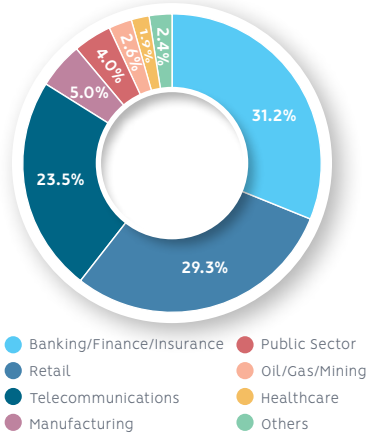
Revenues Breakdown (by industry)



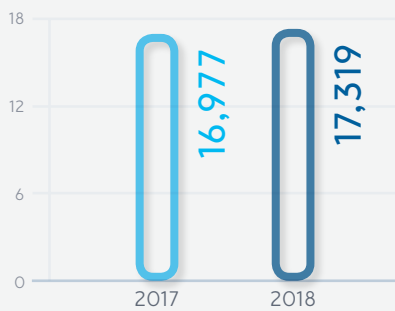
EBITDA
(million Chilean pesos)



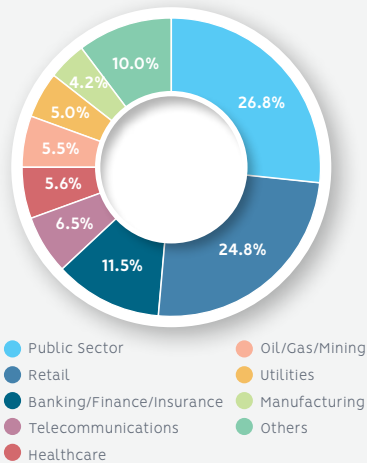
Revenues Breakdown
(by business line)



EBITDA
(million Chilean pesos)



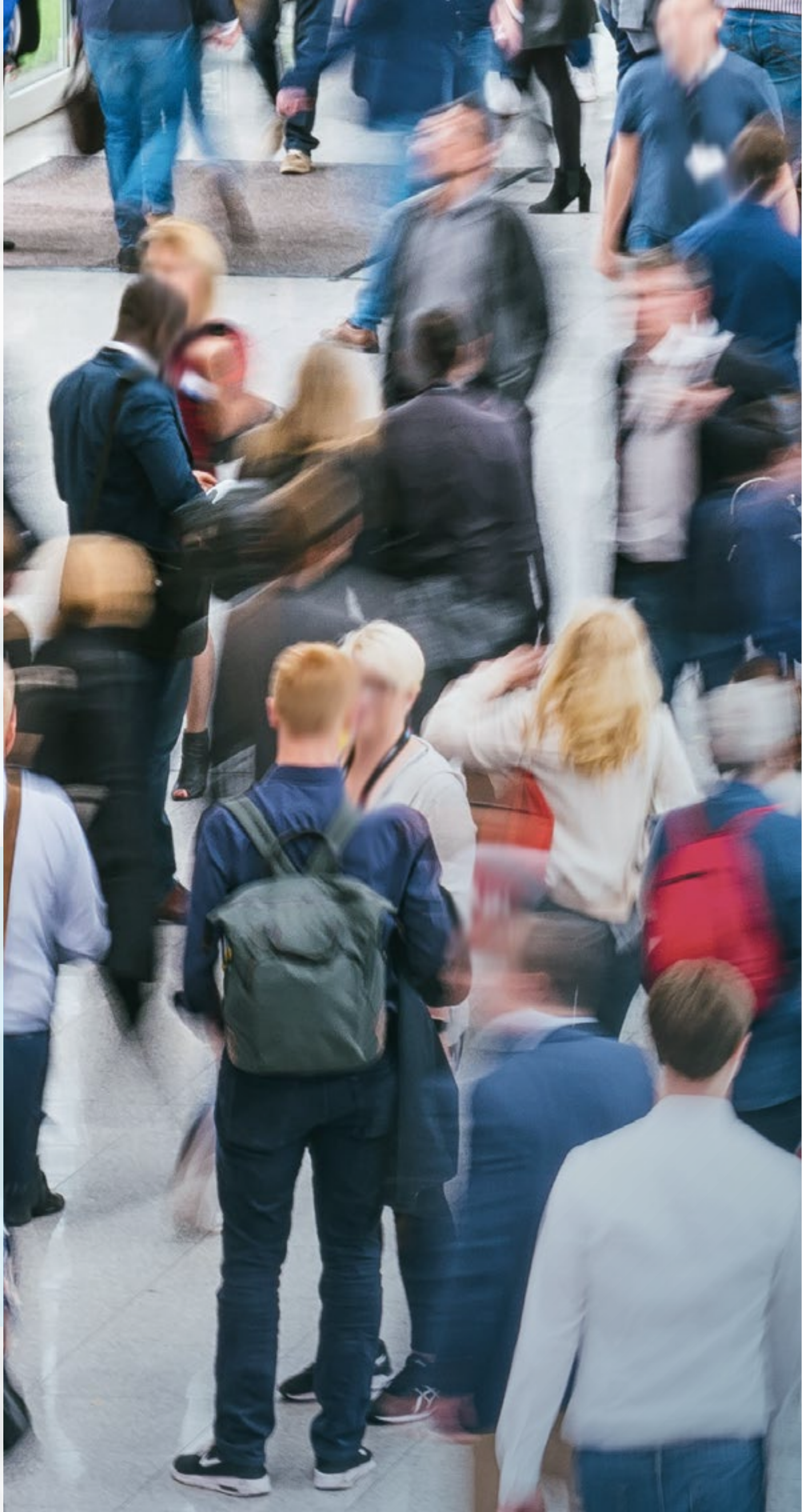
Revenues Breakdown
(by business line)



General and Additional Information

Chapter

08





We seek to improve the quality of life of people, innovating and adding value through technological solutions that develop and transform the business and tasks of our customers.



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

Legal Status

Publicly Traded Corporation

Registration in Securities Registry

950

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

E-mail

corporativo@sonda.com

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.

Information regarding subsidiaries

Taxpayer Number	Company Name	Country	Functional Currency
96.919.050-8	ACEPTA COM S.A. Y FILIALES	Chile	Chilean pesos
Foreign	ATIVAS DATACENTER S.A.	Brazil	Brazilian reais
96.916.540-6	BAZUCA INTERNET PARTNERS S.A.	Chile	Chilean pesos
Foreign	COMPUFACIL S.A.S.	Colombia	Colombian pesos
Foreign	CONSORCIO SONDA COLOMBIA	Colombia	Colombian pesos
Foreign	CONSORCIO SONDA ECUADOR	Ecuador	US Dollars
Foreign	CTIS TECNOLOGÍA S.A.	Brazil	Brazilian reais
Foreign	ELUCID SOLUTIONS S.A.	Brazil	Brazilian reais
96.803.810-9	FACTORING GENERAL S.A.	Chile	Chilean pesos
Foreign	INGENIERIA SERVICIOS INFORMATICOS S.A. DE C.V.	Mexico	Mexican pesos
76.240.462-1	INMOBILIARIA SERVIBANCA S.A.	Chile	Chilean pesos
78.936.330-7	INNOVACIÓN Y TECNOLOGÍA EMPRESARIAL ITEM LTDA.	Chile	Chilean pesos
Foreign	INVERSIONES QUINTEC COLOMBIA LTDA.	Colombia	Colombian pesos
88.579.800-4	MICROGEO S.A. Y FILIAL	Chile	US Dollars
Foreign	SERVICIOS DE APLICACIÓN E ING. NOVIS S.A. de C.V.	Mexico	Mexican pesos
96.967.100-K	NOVIS S.A.	Chile	Chilean pesos
76.246.247-8	NOVIS S.P. SpA	Chile	Chilean pesos
94.071.000-6	ORDEN S.A.	Chile	Chilean pesos
Foreign	PARS PRODUTOS DE PROCESSAMENTO DE DADOS LTDA.	Brazil	Brazilian reais
Foreign	PRICELESS COLOMBIA S.A.S.	Colombia	Colombian pesos
86.731.200-5	QUINTEC CHILE S.A.	Chile	Chilean pesos
96.723.760-4	QUINTEC DISTRIBUCION S.A.	Chile	Chilean pesos
76.376.955-0	QUINTEC FILIALES OPERATIVAS S.A.	Chile	Chilean pesos
76.656.910-2	QUINTEC INVERSIONES LATINOAMERICANAS S.A.	Chile	Chilean pesos
Foreign	QUINTEC SAC (PERU)	Peru	Peruvian soles
96.515.590-2	QUINTEC SERVICIOS DE VALOR S.A.	Chile	Chilean pesos
96.571.690-4	SERVIBANCA S.A. Y FILIAL	Chile	Chilean pesos
78.072.130-8	SERVICIOS EDUCACIONALES SONDA S.A.	Chile	Chilean pesos
99.551.120-7	SERVICIOS FINANCIEROS UNO S.A.	Chile	Chilean pesos
76.903.990-2	SOC. PROD. Y SERV. REDES MOVILES S.A.	Chile	Chilean pesos
96.725.400-2	SOLUCIONES EXPERTAS S.A. Y FILIALES	Chile	Chilean pesos
Foreign	SONDA ARGENTINA S.A.	Argentina	Argentine pesos
Foreign	SONDA DE COLOMBIA S.A.S.	Colombia	Colombian pesos
Foreign	SONDA DEL ECUADOR ECUASONDA S.A.	Ecuador	US Dollars
Foreign	SONDA DEL PERU S.A.	Peru	Peruvian soles
Foreign	SONDA DO BRASIL S.A.	Brazil	Brazilian reais
76.041.219-8	SONDA FILIALES BRASIL S.A.	Chile	Chilean pesos
76.039.505-6	SONDA FILIALES CHILE LTDA.	Chile	Chilean pesos
96.987.400-8	SONDA INMOBILIARIA S.A.	Chile	Chilean pesos
Foreign	SONDA MEXICO S.A. DE C.V.	Mexico	US Dollars
Foreign	SONDA PANAMA S.A.	Panama	US Dollars
Foreign	SONDA PROCWORK INF. LTDA.	Brazil	Brazilian reais
Foreign	SONDA PROCWORK OUTSOURCING LTDA.	Brazil	Brazilian reais
76.030.421-2	SONDA REGIONAL S.A.	Chile	Chilean pesos
99.546.560-4	SONDA SERVICIOS PROFESIONALES S.A.	Chile	Chilean pesos
Foreign	SONDA SERVICIOS S.A.S.	Colombia	Colombian pesos
76.035.824-K	SONDA SPA	Chile	Chilean pesos
Foreign	SONDA TECNOLOGIAS DE COSTA RICA S.A.	Costa Rica	US Dollars
Foreign	SONDA URUGUAY S.A.	Uruguay	US Dollars
96.823.020-4	TECNOGLOBAL S.A.	Chile	US Dollars
Foreign	TELSINC COMERCIO DE EQUIPAMIENTO DE INF. LTDA	Brazil	Brazilian reais
Foreign	TELSINC PREST. DE SERV. PARA SIST. DE INF. LTDA	Brazil	Brazilian reais
76.415.784-2	TRANSACCIONES ELECTRONICAS DOS S.A. Y FILIALES	Chile	Chilean pesos
76.006.868-3	TRANSACCIONES ELECTRONICAS S.A. Y FILIALES	Chile	Chilean pesos

	12.31.2018				12.31.2017			
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	70.000000	30.000000	100.000000	0.000000	70.000000	30.000000	100.000000	0.000000
	0.000000	100.000000	100.000000	0.000000	0.000000	100.000000	100.000000	0.000000
	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
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	0.000000	100.000000	100.000000	0.000000	0.000000	100.000000	100.000000	0.000000
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	0.950027	99.049973	100.000000	0.000000	0.950027	99.049973	100.000000	0.000000
	0.000000	50.000081	50.000081	49.999919	0.000000	50.000081	50.000081	49.999919
	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

Information regarding subsidiaries

SONDA Filiales Brasil S.A.	SONDA Filiales Chile Ltda.	SONDA Regional S.A.	
Direct	Direct	Direct	
Subscribed and Paid Capital	Subscribed and Paid Capital	Subscribed and Paid Capital	
ThCh\$ 29,028,927	ThCh\$ 14,400,199	ThCh\$ 375,536	
Number of subscribed and paid shares	Number of subscribed and paid shares	Number of subscribed and paid shares	
644,679	-	37,703,314	
Corporate purpose according to the bylaws	Corporate purpose according to the bylaws	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.	
Board of Directors	Board of Directors	Board of Directors	
Chairman : Mario Pavón Robinson	Not applicable	Chairman : Mario Pavón Robinson	
Directors: Rafael Osorio Peña Raúl Véjar Olea		Directors: Rafael Osorio Peña José Orlandini Robert	
Chief Executive Officer: Raúl Vejar Olea	Chief Executive Officer:: Raúl Vejar Olea	Chief Executive Officer: Raúl Vejar Olea	
The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets	
39.14%	13.16%	7.41%	
Total controller's interest	Total controller's interest	Total controller's interest	
100%	100%	100%	
Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.	
No business relationship	No business relationship	No business relationship	
Contracts with SONDA S.A.	Contracts with SONDA S.A.	Contracts with SONDA S.A.	
No contracts between the parties	No contracts between the parties	No contracts between the parties	

	SONDA SpA	SONDA México S.A. de C.V. and subsidiaries	Consortio SONDA Ecuador
	Direct	Direct	Direct
	Subscribed and Paid Capital	Subscribed and Paid Capital	Subscribed and Paid Capital
	ThCh\$ 101	ThCh\$ 24,450,200	ThCh\$ 6,948
	Number of subscribed and paid shares	Number of subscribed and paid shares	Number of subscribed and paid shares
	100	1,168,436	-
	Corporate purpose according to the bylaws	Corporate purpose according to the bylaws	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.	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 corporate purpose of Consortio SONDA is exclusively to comply with all of its obligations under its LICs-EPMAPS-003-2015 contract to provide "The EPMAFS Private Virtual Cloud Infrastructure Service, which includes SAP Netweaver, backup administration and delivery, and communication links."
	Board of Directors	Board of Directors	Board of Directors
	Not applicable	<p>Chairman : Mario Pavón Robinson</p> <p>Directors: Raúl Vejar Olea Gonzalo Torres Amigo Rafael Osorio Peña Alberto Merino Pohl</p>	Not applicable
	Chief Executive Officer: Raúl Vejar Olea	Chief Executive Officer: Salvador Cabral Ballesteros	Chief Executive Officer: Fabian Alberto Mena Ojeda
	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets
	0.0010%	8.4047%	0.0028%
	Total controller's interest	Total controller's interest	Total controller's interest
	100%	100%	100%
	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.
	No business relationship	SONDA S.A. provides administrative, IT platform operation and computing systems implementation services.	Subsidiary company that procures IT services from SONDA S.A.
	Contracts with SONDA S.A.	Contracts with SONDA S.A.	Contracts with SONDA S.A.
	No contracts between the parties	Administrative and infrastructure operation services.	Monitoring services, operating system administration, SAP Basis administration, security and back-up.

Quintec Filiales Operativas S.A. and subsidiaries	Factoring General S.A.
Indirect	Indirect
Subscribed and Paid Capital	Subscribed and Paid Capital
ThCh\$ 34,207,231	ThCh\$ 26,432
Number of subscribed and paid shares	Number of subscribed and paid shares
15,700,000	1,000
Corporate purpose according to the bylaws	Corporate purpose according to the bylaws
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.
Board of Directors	Board of Directors
Chairman: Mario Pavón Robinson	Chairman: Rafael Osorio Peña
Directors: Raúl Vejar Olea Rafael Osorio Peña	Directors: Raúl Sapunar Kovacic Juan Ossul Sanchez
Chief Executive Officer: Maurizio Rinaldi Ceriello	Chief Executive Officer: German Muñoz Escudero
The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets
4.24%	0.01%
Total controller's interest	Total controller's interest
99.822752%	100%
Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.
No business relationship	Subsidiary company dedicated to factoring and collections, and a supplier of SONDA S.A.
Contracts with SONDA S.A.	Contracts with SONDA S.A.
No contracts between the parties	Comprehensive administrative services contract.

	Servicios Educativos SONDA S.A.	SONDA Inmobiliaria S.A.	SONDA Servicios Profesionales S.A.
	Indirect	Indirect	Indirect
	Subscribed and Paid Capital	Subscribed and Paid Capital	Subscribed and Paid Capital
	ThCh\$ 395,635	ThCh\$ 321,487	ThCh\$ 12,681
	Number of subscribed and paid shares	Number of subscribed and paid shares	Number of subscribed and paid shares
	1,890,127	1,025,000	3,901
	Corporate purpose according to the bylaws	Corporate purpose according to the bylaws	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.
	Board of Directors	Board of Directors	Board of Directors
	Chairman: Horacio Nazif Ojeda Directors: Rafael Osorio Peña Raúl Sapunar Kovacic	Chairman: Mario Pavón Robinson Directors: Rafael Osorio Peña Monica Varela Aravena	Chairman: Mario Pavón Robinson Directors: José Orlandini Robert Rafael Osorio Peña
	Chief Executive Officer: Sergio Prieto Silva	Chief Executive Officer: Raúl Sapunar Kovacic	Chief Executive Officer: Raúl Vejar Olea
	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets
	0.006%	1.97%	0.796%
	Total controller's interest	Total controller's interest	Total controller's interest
	100%	100%	100%
	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.	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 provides system development and adaptation services, and implementation services for professional support and advice. SONDA S.A. provides consulting and professional administrative and accounting services.
	Contracts with SONDA S.A.	Contracts with SONDA S.A.	Contracts with SONDA S.A.
	Integrated services contract Purchase of training courses.	Consulting and professional services contract.	Consulting and professional services contract. Administrative and accounting services contract.

Novis S.A.	Sociedad Proveedor de Productos y Servicios para Redes de Datos Móviles S.A. (Wireless-IQ S.A.) y Filial
Indirect	Indirect
Subscribed and Paid Capital	Subscribed and Paid Capital
ThCh\$ 443,201	ThCh\$ 197,726
Number of subscribed and paid shares	Number of subscribed and paid shares
4,200	1,000
Corporate purpose according to the bylaws	Corporate purpose according to the bylaws
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.	The Company's corporate purpose is: 1) To develop for itself or on behalf of third parties telecommunications, information systems and data processing and generally information, automation and fixed or mobile telecommunications technology. 2) To create, produce, develop, apply, import, export, market, maintain, update, operate, install and represent telecommunications hardware, software and services. 3) To purchase, sell, import, export, represent and generally market equipment for computing, data processing, mobile and fixed telecommunications, spare parts, parts, tools, accessories and other related items. 4) To directly operate such goods, either through providing services, leasing, or any other manner. 5) To provide commercial and technical advisory services in telecommunications. 6) To generally develop any other business in telecommunications, informatics and computing, or that is directly or indirectly related to them. 7) To implement the commercial and legal steps necessary for the purposes expressed, including representing Chilean and foreign natural or legal persons. 8) To provide products and services for fixed and mobile telecommunications operators and end users, specifically focused on promoting the use of fixed and mobile data networks. 9) To invest in all kinds of tangible and intangible, movable and immovable goods, including acquiring shares, rights in partnerships, bonds, commercial paper and generally all kinds of securities and investment instruments, and manage them and receive their returns.
Board of Directors	Board of Directors
Chairman: Mario Pavón Robinson	Chairman: Raúl Vejar Olea
Directors: Rafael Osorio Peña Patricio Artigaitia Altí	Directors: Rafael Osorio Peña Victor Coronado Román
Chief Executive Officer: Patricio Artigaitia Altí	Chief Executive Officer: Victor Coronado Román
The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets
0.15%	-0.02%
Total controller's interest	Total controller's interest
60%	67%
Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.
Subsidiary company that procures IT services from SONDA S.A.	SONDAS.A. provee Asesorías y Servicios Profesionales Administrativos y Contables.
Contracts with SONDA S.A.	Contracts with SONDA S.A.
Comprehensive services supply contract.	Contrato de Asesorías y Servicios Profesionales Administrativos y Contables.

	SONDA de Colombia S.A.	SONDA Tecnologías de Costa Rica S.A.	SONDA Do Brasil S.A.
	Indirect	Indirect	Indirect
	Subscribed and Paid Capital	Subscribed and Paid Capital	Subscribed and Paid Capital
	ThCh\$ 29,960,464	ThCh\$ 911,733	ThCh\$ 69,816,830
	Number of subscribed and paid shares	Number of subscribed and paid shares	Number of subscribed and paid shares
	52,350,052	1,000	262,269,514
	Corporate purpose according to the bylaws	Corporate purpose according to the bylaws	Corporate purpose according to the bylaws
	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.	"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."
	Board of Directors	Board of Directors	Board of Directors
	Chairman: Raúl Vejar Olea Directors: Rafael Osorio Peña Ricardo Rodríguez Vásquez	Chairman: Raúl Vejar Olea Directors: Rafael Osorio Peña Eduardo Sandoval Obando	Chairman: Raúl Vejar Olea Directors: Rafael Osorio Peña
	Chief Executive Officer: Ricardo Rodríguez Vásquez	Chief Executive Officer: Eduardo Sandoval Obando	Chief Executive Officer: Affonso Nina
	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets
	4.08%	1.08%	7.94%
	Total controller's interest	Total controller's interest	Total controller's interest
	100%	100%	99.999998%
	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.
	SONDA S.A. provides IT application design and development services.	SONDA S.A. provides professional virtualization and information security services.	No business relationship
	Contracts with SONDA S.A.	Contracts with SONDA S.A.	Contracts with SONDA S.A.
	Application design and development services contract.	Virtualization and information security contract.	No contracts between the parties

CTIS Tecnología S.A.	SONDA Procwork Inf. Ltda y Filial	
Indirect	Indirect	
Subscribed and Paid Capital	Subscribed and Paid Capital	
ThCh\$ 103,421,703	ThCh\$ 68,560,397	
Number of subscribed and paid shares	Number of subscribed and paid shares	
417,525,121	255,330,950	
Corporate purpose according to the bylaws	Corporate purpose according to the bylaws	
<p>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.</p> <p>Outsourcing: 2. 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).</p> <p>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.</p> <p>4. Commercial representation: Represent computing and informatics products in their own or third party's premises.</p> <p>5. Leasing assets: renting machinery, equipment and movable and immovable property.</p> <p>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.</p> <p>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.</p>	<p>(i) To analyze and develop systems. (ii) To program. (iii) To process data and similar information. (iv) To develop computer programs, including video games. (v) To license or grant the right to use computer programs. (vi) To provide advice and consultancy services in information technology. (vii) To provide technical support in information technology, including installing, configuring and maintaining computer programs and databases. (viii) To plan, prepare, maintain and update web pages. (ix) To provide business management. (x) To provide training in information technology. (xi) To provide information technology services in general, including consulting, analyzing and developing software to measure "customized software" and data processing. (xii) To provide administrative services. (xiii) To license third party software. (xiv) To provide technical assistance in information technology, hardware and maintenance software. (xv) To develop, implement and maintain structured cabling systems. (xvi) To provide computers and computer equipment on a retail basis. (xvii) to provide reprographic printing services using multifunction printers (outsourcing printing).</p>	
Board of Directors	Board of Directors	
<p>Chairman: Raúl Vejar Olea</p> <p>Directors: Rafael Osorio Peña</p>	Not applicable	
<p>Chief Executive Officer: Affonso Nina</p>	<p>Chief Executive Officer: Affonso Nina</p>	
The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets	
6.58%	4.91%	
Total controller's interest	Total controller's interest	
100%	100%	
Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.	
No business relationship	No business relationship	
Contracts with SONDA S.A.	Contracts with SONDA S.A.	
No contracts between the parties	No contracts between the parties	

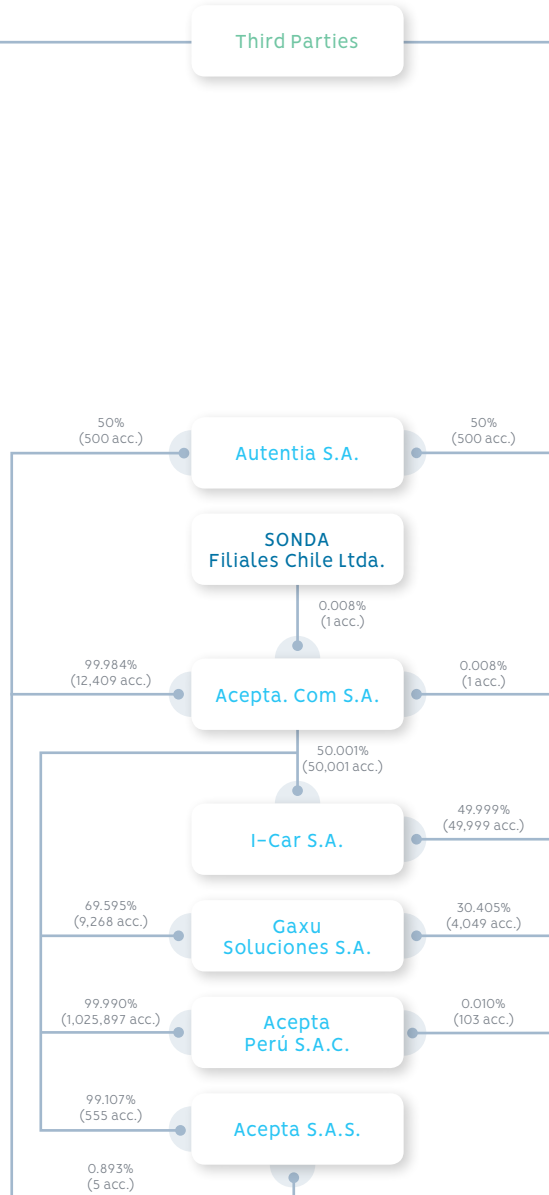
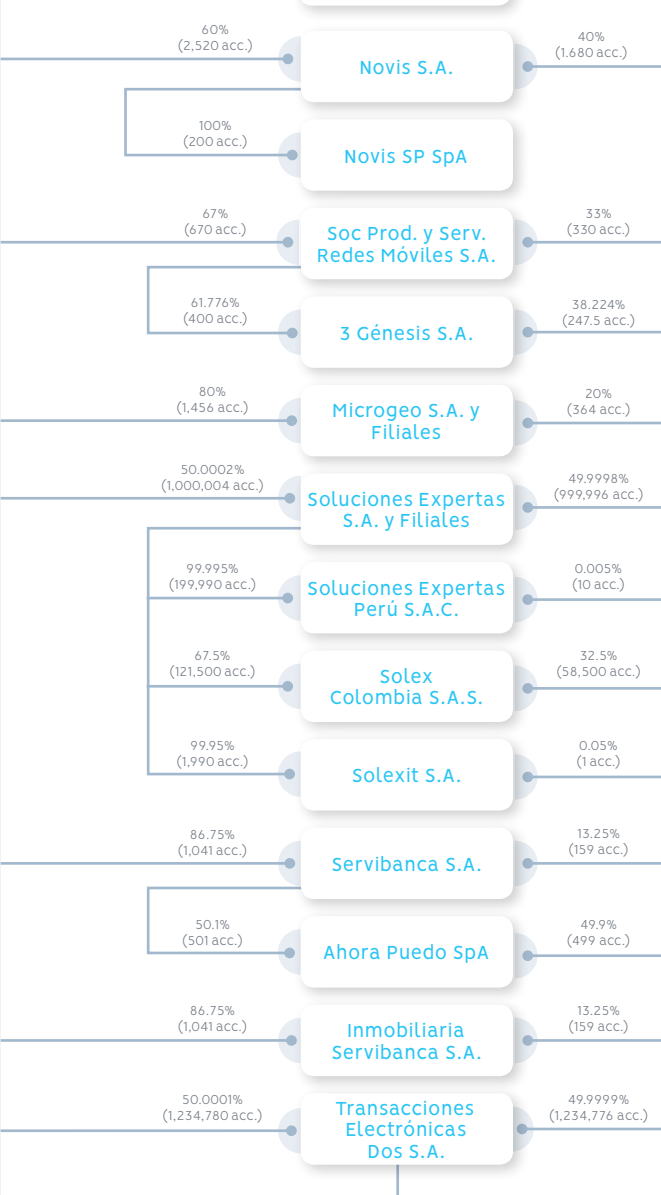
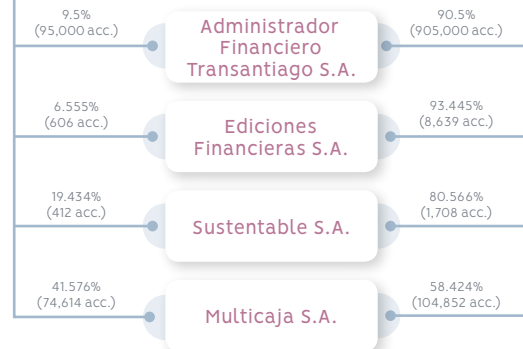
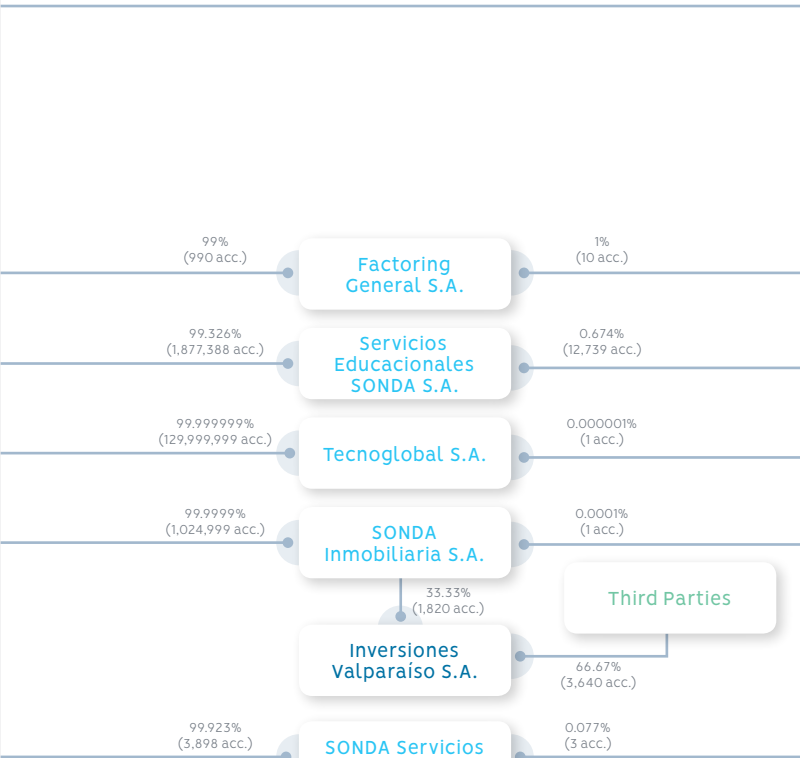
	SONDA Procwork Outsourcing Inf. Ltda y Filial	Telsinc Comercio de Equipamiento de Inf. Ltda.	Telsinc Prest. De Servicios para Sist. De Inf. E Com de Datos Ltda.	PARS Productos de Procesamiento de Datos Ltda.
	Indirect	Indirect	Indirect	Indirect
	Subscribed and Paid Capital	Subscribed and Paid Capital	Subscribed and Paid Capital	Subscribed and Paid Capital
	ThCh\$ 41,997,494	ThCh\$ 11,234,014	ThCh\$ 18,566,144	ThCh\$ 47,319,606
	Number of subscribed and paid shares	Number of subscribed and paid shares	Number of subscribed and paid shares	Number of subscribed and paid shares
	210,550,931	37,718,682	62,336,621	192,338,333
	Corporate purpose according to the bylaws	Corporate purpose according to the bylaws	Corporate purpose according to the bylaws	Corporate purpose according to the bylaws
	(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.	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 trade, 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.
	Board of Directors	Board of Directors	Board of Directors	Board of Directors
	Not applicable	Not applicable	Not applicable	Not applicable
	Chief Executive Officer: Affonso Nina	Chief Executive Officer: Affonso Nina	Chief Executive Officer: Affonso Nina	Chief Executive Officer: Celso Azanha
	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets
	4.58%	1.12%	0.83%	7.02%
	Total controller's interest	Total controller's interest	Total controller's interest	Total controller's interest
	100%	100%	100%	100%
	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.
	No business relationship	No business relationship	No business relationship	No business relationship
	Contracts with SONDA S.A.	Contracts with SONDA S.A.	Contracts with SONDA S.A.	Contracts with SONDA S.A.
	No contracts between the parties	No contracts between the parties	No contracts between the parties	No contracts between the parties

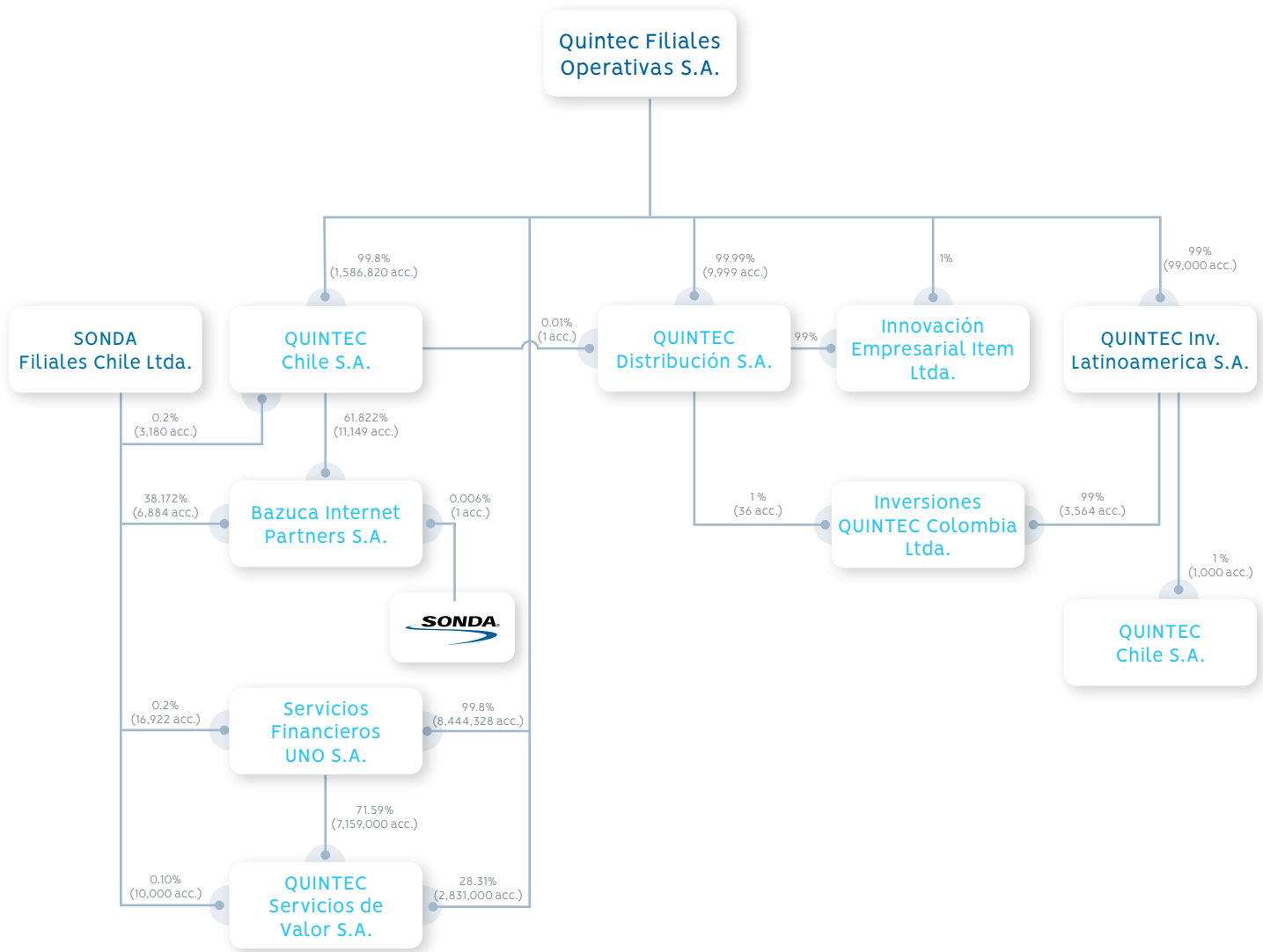
SONDA del Perú S.A.	SONDA Argentina S.A.
Indirect	Indirect
Subscribed and Paid Capital	Subscribed and Paid Capital
ThCh\$ 473,855	ThCh\$ 10,678,011
Number of subscribed and paid shares	Number of subscribed and paid shares
233,853	51,033,104
Corporate purpose according to the bylaws	Corporate purpose according to the bylaws
<p>The Company's purpose is as follows:</p> <ol style="list-style-type: none"> 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. 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. 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. 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. To provide training and consulting services in the selection, use, operation, management and optimization of equipment, computer programs and packages, automation and communications. 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. 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. 	<p>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.</p>
Board of Directors	Board of Directors
<p>Chairman: Raúl Vejar Olea</p> <p>Directors:: Rafael Osorio Peña Mario Pavón Robinson</p>	<p>Chairman: Gerardo Cruz Cironi</p> <p>Directors:: Raúl Vejar Olea Guillermo Lizama González</p>
<p>Chief Executive Officer: Miguel Angel Guerrero Watanabe</p>	<p>Chief Executive Officer: Gerardo Cruz Cironi</p>
The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets
2.37%	1.22%
Total controller's interest	Total controller's interest
100%	99.9997%
Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.
SONDA S.A. provides license rental services	SONDA S.A. provides hardware
Contracts with SONDA S.A.	Contracts with SONDA S.A.
FIN700 license rental contract.	Hardware, supplies, and equipment installation contract.

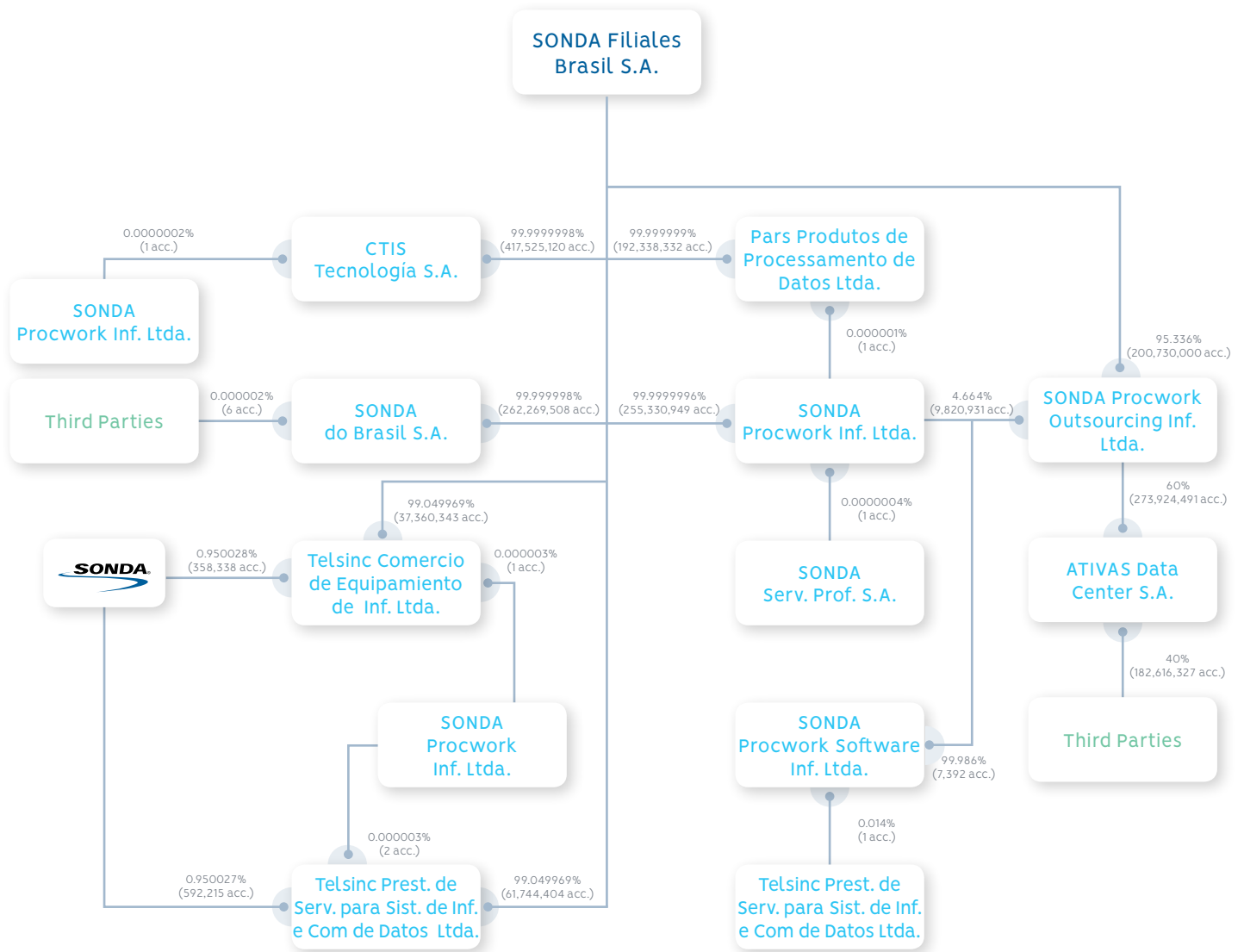
	SONDA del Ecuador Ecuasonda S.A.	SONDA Uruguay S.A.
	Indirect	Indirect
	Subscribed and Paid Capital	Subscribed and Paid Capital
	ThCh\$343,392	ThCh\$ 610,278
	Number of subscribed and paid shares	Number of subscribed and paid shares
	12,356,306	28,960,876
	Corporate purpose according to the bylaws	Corporate purpose according to the bylaws
	<p>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.</p>	<p>1) Develop electronic computing, information and data processing systems and general information technology, automation and communications, for itself or for third parties. 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. 3) Directly use the same goods by offering services, renting these goods, or in any other manner. 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. 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.</p>
	Board of Directors	Board of Directors
	<p>Chairman: Raúl Vejar Olea</p> <p>Directors: Rafael Osorio Peña Mario Pavón Robinson José Orlandini Robert</p>	<p>Chairman: Raúl Vejar Olea</p> <p>Directors: Gerardo Cruz Cironi Rafael Osorio Peña Guillermo Lizama González</p>
	<p>Chief Executive Officer: Fabian Alberto Mena Ojeda</p>	<p>Chief Executive Officer: Gerardo Cruz Cironi</p>
	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets
	1.04%	0.87%
	Total controller's interest	Total controller's interest
	100%	100%
	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.
	No business relationship	No business relationship
	Contracts with SONDA S.A.	Contracts with SONDA S.A.
	No contracts between the parties	No contracts between the parties

Tecnoglobal S.A.	Microgeo S.A.	Soluciones Expertas S.A.	
Indirect	Indirect	Indirect	
Subscribed and Paid Capital	Subscribed and Paid Capital	Subscribed and Paid Capital	
ThCh\$ 8,080,176	ThCh\$ 2,046,463	ThCh\$ 8,910	
Number of subscribed and paid shares	Number of subscribed and paid shares	Number of subscribed and paid shares	
130,000,000	1,820	2,000,000	
Corporate purpose according to the bylaws	Corporate purpose according to the bylaws	Corporate purpose according to the bylaws	
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. b) Design, develop, produce, maintain, operate or market products or software applications and generally operate them in any way c) Provide occupational training, mainly in automation or informatics, through courses, seminars, conferences, or other forms of systematic knowledge and technology transfer. d) Store, process and market information. e) Provide any kind of professional consultancy and services, which relate directly or indirectly to the Company's business.	To buy, sell, import and distribute equipment, software and supplies.	To provide consultancy and optimization, distribution and production planning expertise using computational methods.	
Board of Directors	Board of Directors	Board of Directors	
Chairman: Raúl Sapunar Kovacic	Chairman: Mario Pavón Robinson	Chairman: Jorge Díaz Fernández	
Directors:: Mario Pavón Robinson Raúl Vejar Olea Rafael Osorio Peña	Directors:: Raúl Vejar Olea Rafael Osorio Peña Maurizio Rinaldi Ceriello Robert Richter Stein	Directors:: Jorge Hoyl Moreno Mario Pavón Robinson Eduardo Parra Bucher	
Chief Executive Officer: Rodrigo Hermosilla Bobadilla	Chief Executive Officer: Stefano Sigala Romele	Chief Executive Officer: Jorge Hoyl Moreno	
The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets	
2.94%	0.91%	0.109%	
Total controller's interest	Total controller's interest	Total controller's interest	
100%	80%	50.0002%	
Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.	
Subsidiary company that markets computer equipment and supplies SONDA S.A. SONDA S.A. provides administrative and accounting professional advice and services.	Subsidiary company that procures integrated and IT services from SONDA S.A.	Subsidiary company that procures IT services from SONDA S.A.	
Contracts with SONDA S.A.	Contracts with SONDA S.A.	Contracts with SONDA S.A.	
Administrative and accounting services contract.	Software licensing, subletting and integrated services contract.	Computational services contract	

	Servibanca S.A.	Inmobiliaria Servibanca S.A.	Transacciones Electrónicas Dos S.A.	SONDA Panamá S. A.
	Indirect	Indirect	Indirect	Indirect
	Subscribed and Paid Capital	Subscribed and Paid Capital	Subscribed and Paid Capital	Subscribed and Paid Capital
	ThCh\$ 714,574	ThCh\$ 411,341	ThCh\$ 14,820,978	ThCh\$ 6,948
	Number of subscribed and paid shares	Number of subscribed and paid shares	Number of subscribed and paid shares	Number of subscribed and paid shares
	1,200	1,200	2,469,556	10,000
	Corporate purpose according to the bylaws	Corporate purpose according to the bylaws	Corporate purpose according to the bylaws	Corporate purpose according to the bylaws
	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.
	Board of Directors	Board of Directors	Board of Directors	Board of Directors
	Chairman: Mario Pavón Robinson Directors:: Rafael Osorio Peña Raúl Vejar Olea	Chairman: Mario Pavón Robinson Directors:: Rafael Osorio Peña Raúl Vejar Olea	Chairman: Héctor Gómez Brain Directors:: Andrés Gómez López Carlos Osiniri Kippes Rodrigo Castro Meli Raúl Sapunar Kovacic José Orlandini Robert	Chairman: Eduardo Sandoval Directors:: Franklin Quintero Heidi Caballero José Orlandini Robert
	Chief Executive Officer: Cristian Zegers Reyes	Chief Executive Officer: Cristian Zegers Reyes	Chief Executive Officer: Alvaro González Riedemann	Chief Executive Officer: Raúl Vejar Olea
	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets	The investment as a percentage of the parent company's assets
	0.30%	0.21%	0.365%	0.021%
	Total controller's interest	Total controller's interest	Total controller's interest	Total controller's interest
	86.75%	86.75%	50.0001%	100%
	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.	Description of the Business Relationship with SONDA S.A.	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	No business relationship
	Contracts with SONDA S.A.	Contracts with SONDA S.A.	Contracts with SONDA S.A.	Contracts with SONDA S.A.
	Computational services contract	No contracts between the parties	No contracts between the parties	No contracts between the parties









Essential Events

a) January 2. 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 Ch\$25 billion in SONDA's financial statements for 2017.

b) March 21. 2018. Final SONDA dividend from 2017 earnings

At an ordinary Board meeting held on March 19, 2018 the Board agreed to propose a final dividend of Ch\$32.447.971.878 from earnings for the year ended December, 31 2017, to be approved at the Ordinary Shareholders' Meeting scheduled for April 26, 2018.

An interim dividend was paid to shareholders on September 5, 2017 of Ch\$6.70111 per share from earnings for the period to June 30, 2017.

Therefore, the Board proposed that the Ordinary Shareholders' Meeting approve a dividend of Ch\$26.610.918.644, resulting in Ch\$30.55014 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.

Share Trading

Average stock price

Santiago stock exchange	Average Price (Ch\$)	Number of shares	Value (ThCh\$)
2016			
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			
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

2018			
1° Quarter	1.225.44	94.545.962	115.860.256
2° Quarter	1.097.29	57.909.881	63.543.649
3° Quarter	940.70	46.386.902	43.636.336
4° Quarter	1.046.63	70.218.449	73.492.570

Valparaíso stock exchange	Average Price (Ch\$)	Number of shares	Value (ThCh\$)
2016			
1° Quarter	1.250.83	10.860	13.584
2° Quarter	-	-	-
3° Quarter	-	-	-
4° Quarter	-	-	-

2017			
1° Quarter	-	-	-
2° Quarter	1.130.00	340	384
3° Quarter	-	-	-
4° Quarter	-	-	-

2018			
1° Quarter	-	-	-
2° Quarter	-	-	-
3° Quarter	-	-	-
4° Quarter	-	-	-

Electronic stock exchange	Average Price (Ch\$)	Number of shares	Value (ThCh\$)
2016			
1° Quarter	1.278.47	2.879.762	3.681.702
2° Quarter	1.256.33	3.452.486	4.337.474
3° Quarter	1.249.28	254.007	317.326
4° Quarter	1.286.46	1.877.829	2.415.750
2017			
1° Quarter	1.124.20	1.451.736	1.632.045
2° Quarter	1.131.73	1.676.297	1.897.111
3° Quarter	1.167.73	6.918.135	8.078.489
4° Quarter	1.171.80	1.587.151	1.859.829
2018			
1° Quarter	1.239.54	982.746	1.218.153
2° Quarter	1.067.77	1.245.604	1.330.018
3° Quarter	947.67	1.980.335	1.876.701
4° Quarter	1.028.17	1.713.186	1.761.455

Information provided by the Santiago Stock Exchange, the Electronic Stock Exchange and the Valparaíso Stock Exchange. SONDA's stock market presence as of December 31, 2018 was 100%, 100% and 0%, 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, 2018, SONDA is controlled by Andrés Navarro Haeussler (Chilean ID 5.078.702-8) and Pablo Navarro Haeussler (Chilean ID 6.441.662-6) as controllers of 41.36% of the shares in SONDA S.A. This is detailed as follows:

- As managers of Inversiones Atlántico Limitada (Chilean ID 78.091.430-0) and Inversiones Pacífico 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.

- Inversiones Yuste S.A. owns 3.5894% of the shares in SONDA S.A. and is controlled and managed by Mr. Andrés Navarro Haeussler.
- 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, 2018 were the following:

- Celín Mutual Funds increased its interest from 0.6% to 5.4%.
- AFP Habitat increased its interest from 5.5% to 6.8%.
- Banco Santander increased its interest from 0.2% to 1.0%.
- Banco de Chile on behalf of non-resident third parties decreased its interest from 7.9% to 4.1%.
- Moneda AFI decreased its interest from 1.3% to 0.0%.
- AFP Cuprum decreased its interest from 5.8% to 4.8%.

During the year ended December 31, 2018, there were no comments nor proposals by shareholders regarding the firm's performance.

Principal Shareholders (As of December 31, 2018)

Chilean ID	Name	Percentage	Shares
76413035-9	INDICO SA	37.8%	329.032.953
76547723-9	KOYAM SA	5.2%	45.096.152
97004000-5	BANCO DE CHILE POR CUENTA DE TERCEROS NO RESIDENTES	4.1%	35.640.540
96966250-7	BTG PACTUAL SMALL CAP CHILE FONDO DE INVERSION (CTA.NUEVA)	3.7%	32.397.867
96688520-3	INVERSIONES YUSTE SA	3.6%	31.265.345
98000100-8	AFP HABITAT S A PARA FDO PENSION C	3.1%	26.778.831
76265736-8	AFP PROVIDA S.A. PARA FDO. PENSION C	2.8%	24.523.022
98000000-1	AFP CAPITAL S A FONDO DE PENSION TIPO C	2.7%	23.217.070
97023000-9	BANCO ITAU POR CUENTA DE INVERSIONISTAS	2.6%	22.754.996
84177300-4	BTG PACTUAL C DE B	2.0%	17.036.978
97036000-K	BANCO SANTANDER POR CUENTA DE INV EXTRANJEROS	1.9%	16.621.523
76240079-0	AFP CUPRUM S A PARA FDO PENSION C	1.8%	15.745.246

The Company had a total of 327 shareholders as of December 31, 2018, 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 2018.

The directors and senior executives hold the following interests in the company as of 12/31/2018

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

Dividends

Dividend policy

The dividend policy at SONDA is to distribute 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 an Essential Event. The Annual General Shareholders' Meeting held on April 26, 2018 was informed that "the Board intends that the company distributes a dividend of 50% of net income for 2018. 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 2018, as previously agreed.

Dividends paid per share

	2014	2015	2016	2017	2018
Number of shares ^(*)	871.057.175	871.057.175	871.057.175	871.057.175	871.057.175
Earnings per share (\$) ^(*)	54.58	49.19	30.30	74.50	12.27
Dividends paid (\$) ^(*)	34.71 ⁽¹⁾	24.03 ⁽²⁾	25.83 ⁽³⁾	8.71 ⁽⁴⁾	31.32 ⁽⁵⁾

(Figures expressed in currency as of the payment date)

(*) Subscribed and paid shares

(1) Payment of the final dividend (net income distribution for 2013 of Ch\$19.55 per share, paid on May 5, 2014) and interim dividend (Ch\$15.16 per share, paid on September 1, 2014)

(2) 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)

(3) 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)

(4) 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)

(5) Payment of the final dividend (net income distribution for 2017 of Ch\$30.55 per share, paid on May 8, 2018) and interim dividend (Ch\$0.77 per share, paid on September 5, 2018)

Distributable income

Distributable income (ThCh.\$)	2016	2017	2018
Net income attributable to owners of the parent company	26,396,126	64,895,944	10,685,472
Retained earnings	190,139,970	203,348,287	235,792,437
Dividends ^(*)	-13,198,063	-32,447,972	-5,342,735
Unrealized adjustments on first application of IFRS ^(**)	-3,176,754	-3,176,754	-3,176,754
Other adjustments	10,254	-3,822	1,096,926
Distributable income	200,171,533	232,615,683	239,055,346

(*) 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

Directors	12.31.2018		12.31.2017	
	(ThCh.\$) Remuneration ⁽¹⁾	(ThCh.\$) Others ⁽²⁾	(ThCh.\$) Remuneration ⁽¹⁾	(ThCh.\$) Others ⁽²⁾
Mario Pavón Robinson	58,708	249,949	55,037	244,576
María del Rosario Navarro Betteley	29,354	-	25,124	-
Pablo Navarro Haeussler ⁽³⁾	-	-	5,938	-
Christian Samsing Stambuk ⁽³⁾	-	-	5,936	-
Jaime Pacheco Matte ⁽³⁾	-	-	5,938	15,859
Juan Antonio Guzmán	39,139	-	36,692	-
Mateo Budinich Diez	39,139	-	36,692	-
Hernan Marió Lores	29,354	-	29,498	-
Francisco Gutierrez Philippi ⁽³⁾	-	-	5,938	-
Victor Alfonso Gomez Morales ⁽⁴⁾	29,354	-	21,581	-
Rene Lehuede Fuenzalida ⁽⁴⁾	39,539	-	28,774	-
Enrique Bone Soto ⁽⁴⁾	29,354	-	21,581	-
Andrés Navarro Betteley ⁽⁴⁾	29,354	-	21,581	-
Totales	323,295	249,949	300,310	260,435

(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.

SONDA executives remuneration

	2018	2017	2016
Fixed remuneration	3,185,994	3,413,974	3,525,377
Variable remuneration ^(*)	811,208	710,058	888,362
	3,997,202	4,124,032	4,413,739

(*) 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. During 2018, severance indemnity payments to senior executives totaled Ch\$637.675. No payments were made in 2017.

Director's Committee management report and expenses

The Directors' Committee met on five occasions throughout 2018, 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, 2017, the company's individual and consolidated financial statements for 2017 and for the respective quarters in 2018. The Committee conferred with Management and with the external auditors and unanimously approved these statements for submission to the Board of Directors. It also examined and reported to the Board the related party transactions referred to in Chapter XVI of Law 18.046 and reviewed the Audit Plan submitted by the auditors, which covered the team, service scope, approach and schedule.

The Committee made well founded recommendations to the Board of Directors regarding the choice of external auditors and risk rating agencies for 2018.

It also reviewed the Remuneration Policy, its market segmentation and competitiveness and the structure of variable compensation for executives.

The Committee has not made any recommendations, comments or proposals with regard to business progress for inclusion in the 2018 Annual Report. The Committee did not use its expenditure budget approved at the Annual General Shareholder's Meeting on April 26, 2018, 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 properties used by its business in Latin America 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 Agenério 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 Carrera 45 Avenue (Highway North) 118 – 68, Bogotá Colombia, which is used by SONDA Colombia.
- j) Land located in the Zona Franca de Tocancipá, Bogotá, Colombia, with a total area of 12.600 square meters, where the new SONDA Tier IV data center will be built.

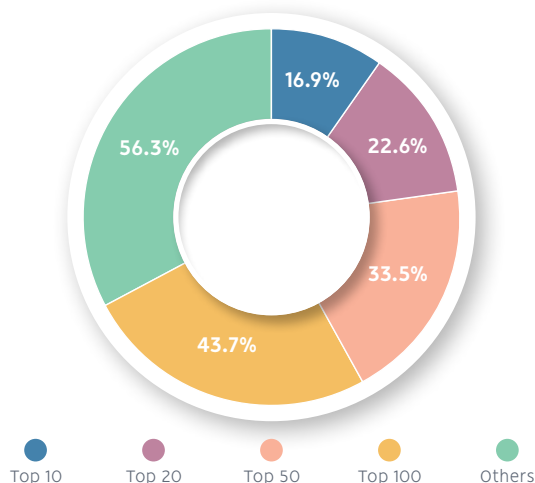
SONDA's equipment and software are primarily dedicated to IT services, and this technology is used to benefit the business.

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. No SONDA contract represents more than 4% of total revenue for the company.

Customer Portfolio Concentration (as of December 31, 2018)



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 Information Security Policy. 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, 2018 financial debt was US\$263.9 million, whereas cash equivalents and other financial assets were US\$94.2 million, which left a net financial debt of US\$169.7 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.

Acquisition analysis evaluates factors such as financial situation, portfolio of customers and contracts, possibilities for cross-selling, volume of recurring revenue, customer's perception, range of products and services, capability of the executive team, geographical coverage, possible synergies and 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, 2018 the company fully complies.

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 Brasil are currently participating in several proceedings, mainly relating to employment and taxation, arising from disagreements with the Brazilian tax authorities about the treatment of tax payments.

Local attorneys have informed the company of progress and the possibilities of reversal, based on the defense presented by the Company.

- The most significant case 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 amount disputed by the Municipality of Campinas is R\$38.9 million, including fines, indexation and interest. 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 company achieved success in the higher courts. The case will now be archived.
- Case closed. 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 charged to net income for the period ended September 2017 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 attorneys acting on behalf of the subsidiary in Brazil there are sufficient grounds to successfully defend the company's position.

2.1.2 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.

- i. **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.
- ii. **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.

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

2.1.3 ATIVAS Datacenter S.A. 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.

2.1.4 SONDA Procwork Outsourcing Informática Ltda. On October 22, 2018, the Company initiated a judicial procedure to collect money from the mutual granted to two Asamar Group companies called ASM Participacoes Societarias S.A. and Ativas Participacoes S.A., former controlling shareholders of Ativas Datacenter S.A., for an original amount of R\$65.549.798, as this sum was not paid on the agreed due date of October 19, 2018.

In view of the information provided, the judge in case (i) first seized the debtors' assets, consisting of the money they are entitled to receive from Glencore Oil Participacoes Ltda. (Glencore) as the price for recently purchasing certain assets; and, (ii) ordered that these monies be deposited in the court's bank account. Glencore confirmed the price balance and submitted the respective contract, to which Procwork will soon have access, to verify that the price balance covers the total due and interest. If the price balance payable by Glencore is lower, Procwork will pursue payment through various other assets owned by the debtors and their related parties, to the fullest extent permitted by Brazilian law.

In the opinion of the Company's attorneys, the possibility of recovering the entire loan, its overdue interest and collection expenses is high, and the Company is continually monitoring progress and evaluating the recoverability of its asset.

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, 2018, the current labor lawsuits in Brazil are covered by provisions for potential loss contingencies of ThCh\$7.970.906 (ThCh\$6.525.365 as of December 31, 2017), 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 participating in several judicial processes before guarantee courts, as victims of theft, robbery and others, which have reached various procedural stages. The results of these processes not covered by the respective insurances are covered by corresponding provisions.

2.3 Subsidiaries in Colombia

Sonda de Colombia S.A.: 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) currently for COP \$3.412 million. This process has discussed the legality of administrative conduct 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. Notification was received in May 2018 of the first instance sentence partially annulling the alleged conduct, and an appeal was filed that was admitted and subsequently the closing arguments were presented in October 2018 awaiting the final decision. Management believes that there are sufficient grounds to defend the company's position.

CompuFácil S.A.: COMPUFÁCIL has filed an administrative demand for breach of contract with Empresa de Telecomunicaciones de Bogota (ETB). ETB has counter-sued COMPUFÁCIL under the same contract. 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 advisors believe that the provisions are sufficient to cover the risks associated with these proceedings.

2.5 Subsidiary 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 attorneys in Panama filed an appeal against the decision to proceed, and responded to the demand in September 2014. Local attorneys 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. In the opinion of Management, 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 attorneys 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 Administrador Financiero de Transantiago S.A. (AFT), which provides the Ministry of Transportation and Telecommunications (MTT) with resource management services for the Santiago Public Passenger Transportation System (Transantiago).

On September 20, 2005, SONDA signed a contract with AFT to provide the project with technological services (Technological Services Contract), which has required SONDA to invest approximately US\$108 million. On December 14, 2012, SONDA signed a contract with the MTT to provide technological services to Transantiago and its transport and complementary services suppliers (Technological Services Contract for the Santiago Public Passenger Transportation System and its Complimentary Services).

SONDA also signed contracts to provide technological equipment to each Transport Concessionaire, and to Metro S.A. (each called a Technological Equipment and Services Contract).

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

On April 8, 2011, SONDA S.A. signed a contract with the State of Panama called the "Contrato para la Concesión del Servicio de Administración Financiera del Sistema de Movilización Masivo de Pasajeros en el Área Metropolitana de Panamá" (Financial Management Service Concession for the Passenger Mass Mobilization System in the Metropolitan Panama Area). This contract includes installing the technological equipment required to collect passenger's fares and their subsequent distribution to the transport operator.

This contract involves operating of the bus collection system for ten years, the refill network, customer service offices and the central systems. It covers managing and safeguarding the funds collected and allocating them to the various transport service suppliers. Operations began on February 15, 2012. The contract required SONDA S.A. 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.

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 UF 1,500,000, and was placed with a 5 year term at an interest rate of 3.5% per annum, and the Series C totaled UF 1,500,000, 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 UF 3,000,000.

In November 2014, a new 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, 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 risk

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\$65.471 million (US\$94.2 million) as of December, 31 2018, 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	03-01-96
7.289.970-9	Raúl Sapunar Kovacic	Civil Industrial Engineer	General Manager SONDA Chile	11-21-14

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 accuracy of all the information provided in this 2018 Annual, Social Responsibility and Sustainable Development Report ("2018 Integrated Report"), in accordance with General Rule 30 issued by the Superintendent of Securities and Insurance, currently known as the Financial Market Commission (Comisión para el Mercado Financiero).


Mario Pavón Robinson
Presidente
RUT 5.386.757-K


María del Rosario Navarro Betteley
Vicepresidenta
RUT 12.720.922-7


Juan Antonio Guzmán Molinari
Director
RUT 5.123.918-0


Alfonso Gómez Morales
Director
RUT 5.478.723-5


René Javier Lehuedé Fuenzalida
Director
RUT 5.523.074-9

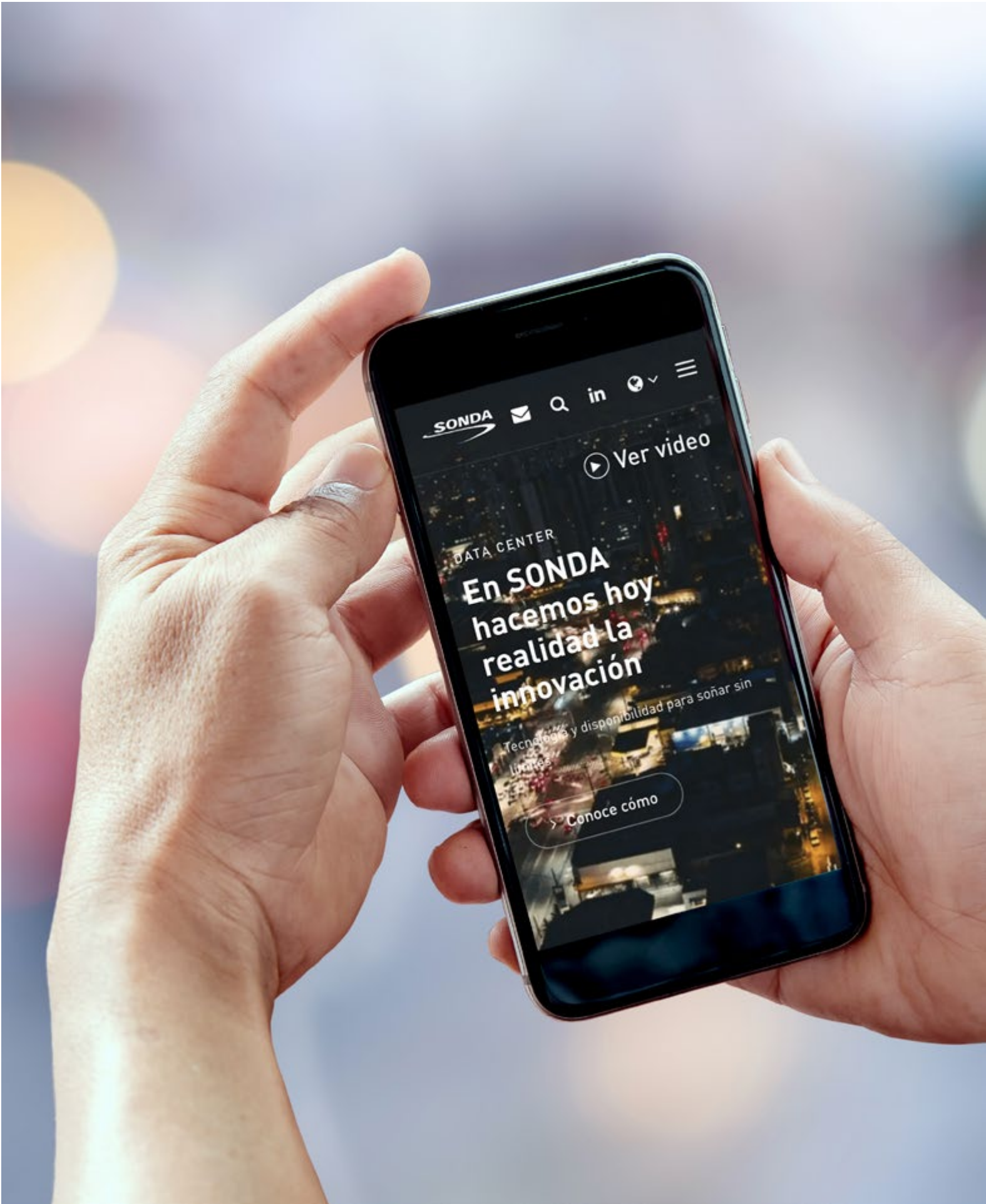

Enrique Bone Soto
Director
RUT 6.056.216-4


Mateo Budinich Díez
Director
RUT 6.522.204-3


Hernán Carlos Marió Lores
Director
RUT 7.019.964-5


Andrés Navarro Betteley
Director
RUT 13.830.732-8


Raúl Véjar Olea
Gerente General
RUT 6.580.740-8



SONDA



in



Ver video

DATA CENTER

En SONDA
hacemos hoy
realidad la
innovación

Tecnología y disponibilidad para soñar sin
límites

Conoce cómo

Appendices

Chapter
09





For the second time, SONDA has prepared an Integrated Report in order to report on its strategy, priorities and performance to tackle the most important financial, commercial and sustainability issues.



About this Report



SONDA has prepared an Integrated Report for the second consecutive year, to report on its strategy, priorities and performance to tackle the most important financial, commercial and sustainability issues affecting its business. The report has been prepared in accordance with GRI Standards (Global Reporting Initiative), using the Core option. It focuses on the most important issues to SONDA and its stakeholders, which have been selected in accordance with the guidance contained in the GRI standards. This information reports on management of the entire company during 2018. 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 most important topics

SONDA undertook a formal Materiality Analysis involving the Chairman of the Board and senior management, in order to select the most important topics to include in this report.

The first stage identified important issues from the following perspectives:

- **Strategic and priority issues for SONDA:** matters arising from the 2019– 2021 Strategic Plan, the Risk Matrix and interviews with senior management.
- **Issues that are important to external stakeholders:** topics discussed in the media affecting SONDA, and the information technology sector.

- **Emerging issues for the sector:** DJSI; Sustainability Accounting Standards; GRI Sustainability Topics by Sectors; State of Sustainable Business (BSR/ Globescan); Global Risk Report (World Economic Forum); B Impact Assessment and Corporate Governance Standard 385.

The issues identified were analyzed and prioritized by SONDA, according to their importance to stakeholders and the magnitude of their impact. This process identified the most important topics to include in this report. Subsequently, workshops were held on the topics related to sustainability to address each one and carefully define the management approach, the central aspects for disclosure, significant initiatives, and indicators. Department managers and representatives from their teams participated in these workshops.

The most important issues were



Sustainable and profitable business growth



Corporate governance



Digital transformation for sustainable societies



Risk management



Innovation management.



Ethics and compliance



Comprehensive customer management



Stakeholder engagement



Service quality and continuity



People management, engagement, and attracting and retaining talented people



Cyber-security



Environmental management: climate change, energy efficiency, and electronic waste



Connection with ecosystems: partners & suppliers in order to generate value



Summary of sustainability performance

Indicator	Calculation basis	2016	2017	2018
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SONDA AT A GLANCE

Revenues

Consolidated Revenues	US\$ million	1,175	1,211	1,152
Percentage of emerging market revenues	% of revenues that come from emerging markets in relation to consolidated revenues. According to RobecoSAM, all the countries in which SONDA operates are considered "emerging markets", with the exception of Chile and Uruguay.	54.6%	55.0%	52.4%

Revenues by business unit

IT Services	Percentage of consolidated revenues	54.7%	55.2%	50.6%
Applications	Percentage of consolidated revenues	6.2%	5.0%	6.2%
Platforms	Percentage of consolidated revenues	39.0%	39.7%	43.2%

Revenues by geographical area

Chile	Percentage of consolidated revenues	44.3%	43.7%	46.0%
Brazil	Percentage of consolidated revenues	34.1%	32.2%	28.6%
Mexico	Percentage of consolidated revenues	9.2%	8.3%	8.3%
Other Latin American Countries	Percentage of consolidated revenues	12.4%	15.8%	17.0%

Other Financial indicators

EBITDA	US\$ million	158	166	131
Capitalization	US\$ million. Market Capitalization at the end of the year	1,491	1,535	1,363
Capital Expenditures	US\$ million. Amount of the expenditure materialized in the year.	74	53	47

Supply Chain

Suppliers payments	US\$ million. Total supplier payments.	761	753	751
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OUR COMMITMENT

Development of human capital in IT

IT Professionals	Number of IT professionals employed by SONDA	14,095	13,394	13,289
% IT Professionals	Percentage of IT professionals compared to total employees	77%	79%	79%

INNOVATION MANAGEMENT

Amount	US\$ million	14.0	12.0	12.9
Percentage Value	% of investment in R&D compared to sales	1.2%	1.0%	1.1%

GOVERNANCE AND ETHICS

Board of directors

Directors with executive positions within the company	Total number as of December 31 of each year. Excluding independent directors	0	0	0
Independent Directors	Total number as of December 31 each year	4	6	6
Female directors	Total number as of December 31 each year	1	1	1

Age group

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	2	2
Directors over 50 years old	Total number as of December 31 each year	8	7	7
Average seniority of Directors	Average years in the Board of Directors	No data	4	5
Average attendance of Directors*	Average attendance of the Directors at the Directories of SONDA	97%	99%	98%
Directors with experience in the IT industry	Number of directors with experience in the IT industry according to the DJSI questionnaire.	9	8	8
Directors with expertise in risk management	Number as of December 31 of each year. Only consider Non Executive Directors (Directors who do not occupy executive positions within the company)	No data	4	4

Indicator	Calculation basis	2016	2017	2018
Code of Ethics Coverage				
Coverage	Percentage of employees covered by the Code of Ethics as of December 31 each year.	100%	100%	100%
Code of Ethics				
Complaints received	Number of complaints received in the year	12	25	55
Complaints resolved	Percentage of complaints resolved compared to total received	100%	100%	100%
Contributions to political parties	US\$ million. Total amount in contributions to political campaigns, political organizations, lobbyists or lobbying organizations.	0	0	0
Discrimination	Number of discrimination complaints	0	0	0
Corruption				
Corruption cases	Number of confirmed cases of corruption	0	0	0
Cases in which the employee was dismissed	Total number of confirmed cases in which an employee has been fired due to corruption or disciplinary measures	0	0	0
Cases in which the contract with business partners was terminated	Total number of confirmed cases in which contracts with business partners have been rescinded or not renewed for infringements related to corruption	0	0	0
Legal cases against the organization	Number of public legal cases related to corruption filed against the organization	0	0	0
Unfair Competition	Number of legal actions pending or finalized due to unfair competition, monopolistic practices or against free competition in which the organization has been identified as having participated	0	0	0
Compliance				
Amount of fines	US\$ million. Monetary value of significant fines for breach of laws and regulations in social or economic matters.	0	0	0
Number of non-monetary sanctions	Number of non-monetary sanctions for non-compliance in social or economic matters.	0	0	0
Number of cases	Number of cases submitted to dispute resolution mechanisms in social or economic matters.	0	0	0
Economic value generated and distributed				
Operating direct costs	US\$ million. Cost of sales for platforms and applications	393	409	408
Economic value generated	US\$ million. Consolidated revenues - operating direct costs	782	802	743
Value retained by the company	US\$ million. Includes annual depreciation and amortization plus non-distributed profits.	84	64	62
Economic value distributed	US\$ million. Economic value generated - Value retained by the company = economic value distributed = employees salaries and benefits + suppliers service payments + taxes paid to the Government + dividend payments + capital repayment and interest	697	739	681
Employees	US\$ million Operating cost and expenses	429	433	393
Service suppliers	US\$ million.	103	114	103
Government	US\$ million. Taxes paid to the Government.	19	10	41
Shareholders	US\$ million. Dividend payments.	19	47	8
Financiers	US\$ million. Capital amortization and interest payments.	17	26	20
Other operating expenses	US\$ million	110	108	115
Customers				
Customers relationships				
Customer satisfaction	Percentage of customers surveyed	100%	100%	100.0%
Complaints rate	Percentage of complaints compared to total service orders	0.14%	0.04%	0.06%
Service Quality Index	Percentage of cases resolved by help desks	96.9%	92.0%	91.9%
	Percentage of SLA compliance in service orders	96.0%	94.0%	88.7%
Information security				
Amount of fines	US\$ amount in fines associated to customer data security breaches	0	0	0
Number of fines	Total number of customer data security breaches	0	0	0
Lost customer data cases	Number of customer cases with privacy or lost data problems	0	0	0

Indicator	Calculation basis	2016	2017	2018
Data security Complaints	Number of customer complaints for privacy or lost data issues	0	0	2
	Number of authority/regulator complaints for customer privacy or lost data issues	0	0	2
Service Continuity				
Service availability	Percentage of time that services were available compared to total time	99.6%	100.0%	99.8%
Availability complaints	Number of customer complaints for failures in system availability (availability complaints from DCC customers)	14	1	5
Uptime components	$(1 - ((T_d - T_m) / T_a))$ Td: Downtime during the period. Tm: Scheduled maintenance time during the period. Ta: Agreed service time during the period.	99.5%	98.0%	99.6%
EMPLOYEES				
Employment and diversity				
Number of SONDA employees	Total number as of December 31 each year	18,324	17,062	16,845
Employees under 30 years old	Total number as of December 31 each year	6,649	5,097	5,382
Employees between 30 and 50 years old	Total number as of December 31 each year	10,244	10,151	9,887
Employees over 50 years old	Total number as of December 31 each year	1,431	1,814	1,576
Breakdown of the number of own employees				
Own employees	Total number as of December 31 each year	18,324	17,062	16,845
Male	Total number as of December 31 each year	12,144	11,943	12,009
Female	Total number as of December 31 each year	6,180	5,119	4,836
Temporary employees	Total number as of December 31 each year	195	185	278
Gender diversity				
Women employees	Number of women employees	6,180	5,119	4,836
	Percentage of women compared to total employees	34%	30%	29%
Executive positions	Number of executives (senior management, two levels from the CEO)	48	51	54
Women in executive positions	Number of women executives (senior management, two levels from the CEO)	2	2	1
Gender diversity by age				
Women under 30 years old	Total number as of December 31 each year	No data	1,544	1,505
Women between 30 and 50 years old	Total number as of December 31 each year	No data	3,133	2,914
Women over 50 years old	Total number as of December 31 each year	No data	442	417
Salary gap by gender**				
Executives and managers	Percentage of salary received by women compared to men in the same category	59.0%	64.5%	65.6%
Professionals, technicians and administrative staff	Percentage of salary received by women compared to men in the same category	73.8%	86.0%	90.2%
Contractor's employees	Total number as of December 31 each year	195	185	278
Training***				
Training hours	Average training and development hours, per employee	No data	2	3
Total amount invested	US\$ invested in training	No data	407,102	501,812
Training index	US\$ invested in training divided by number of employees	No data	24	30
Unions				
Unions	Number of unions as of December 31	44	40	40
Unions	Percentage of unionized employees as of December 31 compared to total employees	15%	16%	14%
Strikes	Number of strikes that lasted more than a week	0	0	0
Workers under collective agreements	Percentage of employees covered by collective agreements	No data	73%	73%

Indicator	Calculation basis	2016	2017	2018
Accident rates				
Fatalities (employees and contractors)	Number of fatalities among employees and contractors	0	0	0
Frequency index	Number of accidents that resulted in lost time during the year, per million hours worked, among employees and contractors.	No data	3.1	3.5
Working environment				
Turnover	Percentage of leavers compared to total employees	41%	48%	41%
Organizational climate survey	Percentage of employees covered ****	17%	84%	100%
Organizational climate	Percentage of favorability about the working environment ****	49%	58%	61%
Satisfaction	Percentage of employees satisfied ***	64%	64%	61%
Engagement	Percentage of employees engaged ****	66%	73%	74%
Leavers	Number of employees that stopped working at SONDA	7,434	9,318	7,589
Employees by age				
Employees under 30 years old	Number of employees	6,649	5,097	5,382
Employees between 30 and 50 years old	Number of employees	10,244	10,151	9,887
Employees over 50 years old	Number of employees	1,431	1,814	1,576
Employees by country				
Chile	Number of employees	3,414	3,571	3,437
Brazil	Number of employees	11,511	8,544	8,354
Mexico	Number of employees	1,124	1,395	1,475
Other Latin American countries	Number of employees	2,275	3,552	3,579
Length of service in the company				
Under 3 years	Number of employees	No data	8,914	8,921
Between 3 and 6 years	Number of employees	No data	4,639	4,499
Between 6 and 9 years	Number of employees	No data	1,114	1,102
Between 9 and 12 years	Number of employees	No data	1,306	1,151
Over 12 years	Number of employees	No data	1,089	1,172
Environment				
Ecoefficiency				
Water consumed	m ³	48,013	49,500	46,826
Electricity consumed	MWh	15,736	24,953	31,433
IT waste				
IT waste generated	Kilos	11,963	17,445	39,657
Data Center waste	Kilos	792	4,556	1,376
IT waste recycling	Percentage of IT waste that is recycled	No data	68%	91%
IT disposed of in a safe location	Percentage of IT waste that is disposed of in a safe location	100%	32%	9%
Suppliers and contractors				
Suppliers training	Percentage of suppliers trained	70%	70%	70%
Contractor training	Percentage of contractors trained	80%	80%	80%

* In SONDA we do not have a minimum attendancy requirement for the Board of Directors meetings.

** In 2018 there was a change in the methodology, the segments were grouped into: Main Executives and Managers and the rest of the collaborators. The figures for 2016 and 2017 were reconciled.

*** Figures only consider the training activities in leadership and soft skills.

**** In 2016 the survey was only applied in Chile, in 2017 in Chile, Mexico, Brazil and Colombia and in 2018 to all the countries that SONDA operates.



Contents

GRI – Standards. Core Option

GRI Standard	Contents	Page number or Link	Omission
GRI 101: FOUNDATION 2016		GRI 101 does not include contents	
GENERAL DISCLOSURES			
GRI 102: General Disclosures General Disclosures 2016	102-1 Name of the organization	Cover page	
	102-2 Activities, brands, products, and services	12, 13, 42-47	
	102-3 Location of headquarters	The head office is in Santiago, Chile.	
	102-4 Location of operations	9, 22, 23	
	102-5 Ownership and legal form	26	
	102-6 Markets served	22, 23, 38, 42, 54	
	102-7 Scale of the organization	8, 9, 22, 23, 154, 156	
	102-8 Information on employees and other workers	9, 22, 62, 67, 156, 157	
	102-9 Supply chain	32, 156	
	102-10 Significant changes to the organization and its supply chain	5-7, 84	
	102-11 Precautionary principle or approach	SONDA's Code of Ethics demonstrates its precautionary approach to its business.	
	102-12 External initiatives	98	
	102-13 Membership of associations	98	
	102-14 Statement from senior decision-maker	4, 5	
	102-15 Key impacts, risks and opportunities	29, 38, 50-53	
	102-16 Values, principles, standards, and norms of behavior	14, 30, 31	
	102-17 Mechanisms for advice and concerns about ethics	30	
	102-18 Governance structure	26- 28	
	102-19 Delegating authority	28	
	102-20 Executive-level responsibility for economic, environmental and social topics	28	
	102-22 Composition of the highest governance body and its committees	28, 154	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	The Chairman of the Board does not hold any executive positions within the company.	
	102-26 Role of the highest governance body in setting purpose, values and strategy	26	
	102-29 Identification and management of economic, environmental and social impact	29	
	102-30 Effectiveness of risk management processes	29	
102-40 List of stakeholder groups	94- 96		
102-41 Collective bargaining agreements	156		
102-42 Identifying and selecting stakeholders	94		
102-43 Approach to stakeholder engagement	94	Information not available that refers to engagement frequency by type nor by stakeholder.	
102-44 Key topics and concerns raised	97		
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.		

GRI Standard	Contents	Page number or Link	Omission
	102-46 Defining report content and topic boundaries	152	
	102-47 List of material topics	153	
	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	152	
	102-51 Date of most recent report	Integrated Report 2017, published in April 2018.	
	102-52 Reporting cycle	Annual	
	102-53 Contact point for questions regarding the report	Contact information can be found on the back cover of this report	
	102-54 Claims of reporting in accordance with the GRI standards	152	
	102-55 GRI content index	158	
	102-56 External assurance	This report has not been externally verified.	

MATERIAL TOPICS

Sustainable and profitable business growth

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	38, 41	
	103-2 The management approach and its components	38- 40, 82-84	
	103-3 Evaluation of the management approach	8,9, 38- 40	
GRI 201: Economic performance 2016	201-1 Economic value generated and distributed	99, 155	
	Total revenue, by business unit and geographic area	8, 154	
	EBITDA	8, 154	
	Investment	154	
	Market capitalization	8, 154	

Digital transformation for sustainable societies

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	50	
	103-2 The management approach and its components	50, 51	
	103-3 Evaluation of the management approach	50	
	Number of IT professionals (own employees)	154	
	Percentage of IT professionals compared to total own employees	154	

Innovation management

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	88	
	103-2 The management approach and its components	12, 19, 43, 87-90	
	103-3 Evaluation of the management approach	90-91	
	Innovation & development investment	154	

Comprehensive customer management

GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary		
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
	Customer satisfaction	155	

GRI Standard	Contents	Page number or Link	Omission
Service quality and continuity			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	70	
	103-2 The management approach and its components	70-72	
	103-3 Evaluation of the management approach	72, 73	
	Service availability	72, 156	
	Availability grievances	72, 156	
	Uptime components	72, 156	
Cyber-security			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	48	
	103-2 The management approach and its components	44, 48	
	103-3 Evaluation of the management approach	49	
GRI 418: Customer privacy 2016	418-1 Grievances based on breaches in customer privacy and customer data loss	49, 155	
	Fines associated with customer data security and privacy	49, 155	
Connection with ecosystems: partners & suppliers in order to generate value			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	80	
	103-2 The management approach and its components	80	
	103-3 Evaluation of the management approach	80	
	Agreements with regional or local partners	81	
Corporate governance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	26	
	103-2 The management approach and its components	26	
	103-3 Evaluation of the management approach	28	
GRI 405: Diversity and equal opportunity 2016	405-1 Number of directors	28, 154	
	405-1 Directors under 30 years old	28, 154	
	405-1 Directors between 31 and 50 years old	28, 154	
	405-1 Directors over 51 years old	28, 154	
Risk management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	29	
	103-2 The management approach and its components	29	
	103-3 Evaluation of the management approach	29	
Ethics and compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	30	
	103-2 The management approach and its components	30- 32	
	103-3 Evaluation of the management approach	30- 32	
GRI 205: Anti-corruption 2016	205-3 Number of confirmed corruption cases	32, 155	
GRI 206: Anti-competitive behavior 2016	206-1 Cases of anti-competitive behavior	32, 155	
GRI 406: Non-discrimination 2016	406-1 Discrimination incidents	32, 155	
GRI 2016: Socioeconomic compliance 2016	419-1 Monetary value of significant fines for breaches	155	
	419-1 Number of significant fines for breaches	155	
	419-1 Number of cases brought through dispute resolution mechanisms	155	
	Percentage of employees covered by the Code of Ethics	32, 154	
	Number of grievances received through the grievance channel	32, 155	
	Percentage of grievances resolved compared to the total received	32, 155	

GRI Standard	Contents	Page number or Link	Omission
Stakeholder engagement			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	94	
	103-2 The management approach and its components	93-97	
	103-3 Evaluation of the management approach	94-96	
People management, engagement, and attracting and retaining talented people			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	62	
	103-2 The management approach and its components	63-69	
	103-3 Evaluation of the management approach	67, 69	
GRI 405: Diversity and equal opportunity 2016	405-1 Employment diversity	67, 157, 157	
	405-2 Ratio of basic salary and remuneration for women versus men	156	
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	156	Safety indicators are not analyzed by region, as they represent the entire business. Information not available: analysis by gender and employment type
GRI 401: Employment 2016	401-1 Employee recruitment and staff turnover	157	This indicator is not analyzed by the region, nor by gender and employment type.
	Labor relations: trade unions, strikes, workplace climate index	69, 156, 157	
GRI 404: Training and education 2016	404-1 Average training hours per year per employee	69, 156	Information not available: average training hours analyzed by gender and employment type.
	404-2 Programs to improve employee's skills and outplacement assistance programs	68, 69	Information not available: Outplacement assistance programs to help professionals leaving the company.
Environmental management: climate change, energy efficiency, and electronic waste			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	73, 74	
	103-2 The management approach and its components	74, 75, 78	
	103-3 Evaluation of the management approach	75-77	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	78, 157	Environmental management: climate change, energy efficiency, and electronic waste consumption for heating, cooling, steam consumed and sold.
GRI 306: Effluents and waste 2016	306-2 Waste by type and disposal method	78, 157	The focus is on IT and electronic waste. Traditional waste type and disposal method is not analyzed.
GRI 303: Water and effluents 2018	303-5 Water consumption	157	This indicator is not analyzed: consumption by department, volume consumed by areas with water stress, changes in how water is stored.



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DECLARATION OF CURRENCY CONVERSION
Figures in this integrated report are expressed in Chilean pesos as of December 31, 2018. Unless otherwise noted, conversions to US dollars were done using the year-end exchange rate as of December 31, 2018.

(1 US\$ = 694,77 Chilean pesos)

CONTENT DEVELOPMENT
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