

# 2020 Annual Report

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**Compañía Electro Metalúrgica S.A.**



[www.me-elecmetal.com](http://www.me-elecmetal.com)  
[www.elecmetal.cl](http://www.elecmetal.cl)

# 2020 Annual Report

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Compañía Electro  
Metalúrgica S.A.



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# 01

## BOARD OF DIRECTORS

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### CHAIRMAN

#### **Juan Antonio Álvarez Avendaño**

Tax ID 7.033.770-3

Lawyer, MBA Pontificia Universidad Católica de Chile; Chairman of the Board of Directors of Quemchi S.A., Navarino S.A. and Marítima de Inversiones S.A.; Vice-Chairman of the Board of Directors of Cristalerías de Chile S.A.; Executive Vice-Chairman of Parque Arauco de Chile S.A.

### DIRECTORS

#### **Carlos F. Cáceres Contreras**

Tax ID 4.269.450-3

Commercial Engineer, MBA Cornell University, ITP Harvard Business School; Director of companies and non-profit institutions; President Emeritus of the Advisory Board of the Instituto Libertad y Desarrollo; Full Member of the Chilean Academy of Social, Political and Moral Sciences. Instituto de Chile; in public positions he has been member of the State Council, Chairman of the Central Bank of Chile, Minister of Finance and Minister of the Interior.

#### **José Ignacio Figueroa Elgueta**

Tax ID 7.313.469-2

Lawyer, Universidad de la República; Master in Business Law UC de Chile, London School Economics Business Studies and Political Science Diploma, Free practice of law, Counselor Corporación de Adelanto de Farellones.

#### **Fernando Franke García**

Tax ID 6.318.139-0

Commercial Engineer and Master in Finance, Universidad Adolfo Ibañez; Director of Cristalerías de Chile S.A., Compañía de Inversiones La Española S.A., Colegio Cree de Cerro Navia and other closely held stock companies and simplified corporations.

### VICE CHAIRMAN

#### **Baltazar Sánchez Guzmán**

Tax ID 6.060.760-5

Commercial Engineer, Pontificia Universidad Católica de Chile; Chairman of the Board of Directors of Cristalerías de Chile S.A., Sociedad Anónima Viña Santa Rita, Ediciones Financieras S.A. and Quilicura S.A.; Vice-Chairman of the Board of Directors of Quemchi S.A.; Director of ME Global Inc. (USA), Navarino S.A., Inversiones Siemel S.A. and Sociedad Anónima Jahuel Aguas Minerales y Balneario.

#### **Alfonso A. Swett Opazo**

Tax ID 7.016.281-4

Commercial Engineer PUC; MBA Duke University (USA); Chief Executive Officer of Costanera S.A.C.I.; Director of Olisur S.A., Instituto de Directores de Chile (IDD), Fundación Ayuda a la Iglesia que Sufre (ACN), Fundación Jóvenes por una América Solidaria (ASCh), Fondo de Reserva Financiera de la PUC; Chairman of the Consejo Asesor Nacional Clapes UC; Member of the Advisory Board of the School of Economics and Administration of the PUC; Member of the Foreign Policy Council of the Chilean Ministry of Foreign Affairs.

#### **Alfonso Swett Saavedra**

Tax ID 4.431.932-2

Businessman; Chairman of the Board of Directors of Forus S.A., Costanera S.A.C.I. and Olisur S.A.; Director of Cristalerías de Chile S.A., Sociedad Anónima Viña Santa Rita, Corporación Patrimonio Cultural de Chile and Corporación Protectora de la Infancia; Member of the Board of Directors of SOFOFA.

## Directors' Committee

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### CHAIRMAN

**Carlos F. Cáceres Contreras**

### DIRECTORS

**Baltazar Sánchez Guzmán**

**Alfonso Swett Saavedra**

## Elecmetal S.A. Management

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### CHIEF EXECUTIVE OFFICER

**Rolando Medeiros Soux**

Tax ID 5.927.393-0

Chemical Engineer, M.Sc. Uppsala University; Chairman of the Board of Directors of F. Talleres Ltda., ME Global Inc. (USA), ME Elecmetal (China) Co., Ltd. and Director of other subsidiaries; Chairman of UNIAPAC Foundation; Director of FALP; Elective Director of SOFOFA.

### CHIEF EXECUTIVE OFFICER, ME ELECMETAL CHILE

**José Pablo Domínguez Bustamante**

Tax ID 10.557.722-2

Commercial Engineer. MBA UC

### CORPORATE MANAGEMENT AND DEVELOPMENT MANAGER

**Eugenio Arteaga Infante**

Tax ID 6.374.575-8

Commercial Engineer. MBA UC

### CHIEF FINANCIAL AND ADMINISTRATION MANAGER

**Nicolás Cuevas Ossandón**

Tax ID 7.050.857-5

Commercial Engineer

### INTERNATIONAL BUSINESS MANAGER

**Eduardo Muñoz Huerta**

Tax ID 7.311.248-6

Commercial Engineer

# Historical Overview

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## 1917

Compañía Electro Metalúrgica S.A., Elecmetal, was established in 1917 by Mr. Emilio Orrego Luco, together with a group of leading Chilean businessmen and investors. The project meant installing the first electric steel casting furnace in Latin America, initially for the manufacture of steel parts for agriculture, mining, industry and the Chilean State Railroad Company.

This same year, Minneapolis Electric Steel Casting ("ME") was created in the U.S.A. in the same industry.

## 1970

In the mid-1970s, Elecmetal embarked on an ambitious plan to invest in and diversify its activities. In 1975, the company acquired a 46% shareholding in Cristalerías de Chile S.A., a glass container manufacturer, in a bidding process organized by the Chilean Economic Development Agency (CORFO). Subsequently, the company continued to purchase shares until it achieved 68.17% ownership. From that moment on, a significant technological and commercial upgrading process began, including the technical assistance agreement signed in 1977 with U.S.-based Owens Illinois, the world's leading glass container manufacturer.

## 1980

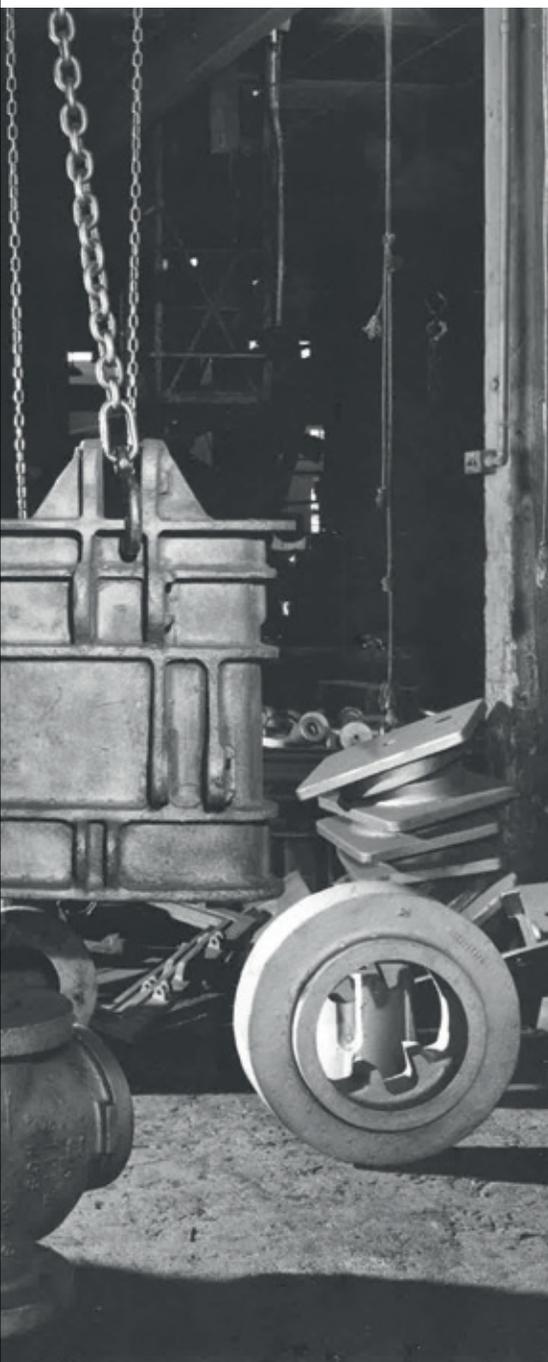
As a natural extension of the glass container business, in 1980 the Company, through Cristalerías de Chile S.A., expanded its activities into the plastic container business. Through this same company and in partnership with Owens Illinois, the Company carried on with its diversification policy, acquiring that year Viña Santa Rita Ltda. and making its first inroads into the agribusiness sector.

## 1986-89

In 1986, new steps were taken as part of the diversification policy. Cristalerías de Chile initially acquired 17% of Marinsa S.A., a holding company with significant interests in Compañía Sud Americana de Vapores S.A., and then continued to expand its ownership in Marinsa. At the end of 1989, Navarino S.A. was created through the spin-off of Cristalerías de Chile, to which the investment in the shipping sector was transferred.

In 1989 Elecmetal further pursued its diversification plan through Cristalerías de Chile S.A., acquiring television frequencies tendered by Televisión Nacional de Chile and creating Red Televisiva Megavisión S.A., "MEGA". In 2012, Megavisión S.A. was sold.





## 1992-93

In 1992, the Board of Directors approved the spin-off of Elecmetal, creating a new company known as Quemchi S.A., to which the investment in the shipping sector was transferred.

In 1993, in order to provide financial support for its modernization and diversification process, Cristalerías de Chile S.A. carried out a capital increase in which a significant portion of the shares were sold on the international markets through American Depositary Receipts (ADRs). From then until 2005, its shares were traded on the New York Stock Exchange under the "CGW" ticker symbol.

## 1994

In 1994, Elecmetal, through its subsidiary Cristalerías de Chile S.A., expanded its investments in mass media, entering the cable television services business in partnership with TCI/Bresnan, currently Liberty Global Inc. Cable systems were acquired and Metrópolis S.A. was created. The following year, the Board of Directors agreed to merge Metrópolis S.A. with cable television operator Intercom, creating Metrópolis-Intercom S.A., in which Cristalerías and Liberty had a 60% stake. Subsequently, in 2000 Cristalerías and Liberty purchased the remaining 40% of Metrópolis-

Intercom in equal shares from their partner. In 2005 Cristalerías reached an agreement with LGI International, Inc. (a subsidiary of Liberty Global Inc.) to merge the operations of Metrópolis-Intercom S.A. and VTR GlobalCom S.A. under the latter, leaving Cristalerías with 20% of VTR GlobalCom S.A., a stake that was ultimately sold in 2010.

## 1995

In 1995, Cristalerías de Chile S.A. acquired an ownership stake in business newspaper "El Diario", today "Diario Financiero", the country's leading specialized newspaper. Subsequently, it bought Ediciones e Impresos S.A., publisher of periodicals "CAPITAL" and "ED".

## 1996-97

In 1996, subsidiary Cristalerías de Chile S.A. acquired an additional 49.9% interest in plastics companies Cristal Plásticos Ltda. (Crowpla) and Reicolite S.A., thereby reaching a 99.9% share in the ownership of both companies, which were merged into a new company under the name Crowpla-Reicolite S.A. Subsequently, in 2001, Cristalerías de Chile S.A. and Embotelladora Andina S.A. established an association in the plastic container

business through their respective subsidiaries Crowpla-Reicolite S.A. and Envases Multipack S.A., forming Envases CMF S.A., which they owned in equal parts until the beginning of 2012, when Cristalerías de Chile sold its interest to Andina.

In 1996, subsidiary S.A. Viña Santa Rita acquired a 39.4% ownership interest in Viña Los Vascos, which it subsequently increased to 43% in 1999, in which the main shareholder, holding the remaining 57%, is Les Domaines Barons de Rothschild (Lafite), a company controlled by the Rothschild family. In 1997, in order to further expand the business, Viña Santa Rita created subsidiary Viña Doña Paula in Argentina.

## 1999

In 1999 subsidiary Cristalerías de Chile S.A. acquired 40% of Rayén Curá S.A.I.C., a glass container manufacturer located in Mendoza, Argentina, from Spanish firm Vicasa S.A. The remaining 60% is owned by the Verallia group, one of the world's three leading glass container makers.

## 2001-03

In 2001, Elecmetal incorporated subsidiary ME Global Inc. in Delaware, USA, in order to implement its globalization project as a supplier of steel parts for the mining industry. To this end, the company successfully participated in the acquisition of the assets of ME International, Inc. and ME West Castings, Inc. which were under Chapter 11 of the U.S. Bankruptcy Code due to financial problems faced

by the owner of both companies, GS Industries Inc. and its holding company GS Technologies Corp. The assets purchased correspond mainly to two high-tech foundries located in Duluth, Minnesota, and Tempe, Arizona, USA.

Continuing with the growth of the metallurgy business, in 2003, Elecmetal was awarded a 60% share in the ownership of Fundación Talleres in the National and International Public Tender of the Talleres Division Smelting Business carried out by Codelco, Chile. Subsequently, in 2007, Elecmetal achieved 100% ownership.

## 2006-07

In 2006, subsidiary Cristalerías de Chile commissioned its second production plant for the manufacture of glass containers in Chile, in Llay-Llay, Fifth Region.

In 2007 Elecmetal and Esco Corp. (USA) entered into a Joint Venture and created Esco Elecmetal Fundación Limitada, a subsidiary that manufactures steel parts for earthwork to supply the domestic and export markets, for which purpose it built a state-of-the-art plant in Colina.

## 2009-12

In 2009, as part of its efforts to develop new products and markets, Elecmetal began marketing grinding balls for large-scale mining. In 2011, Elecmetal and Longteng Special Steel Co., Ltd. - a major private steel company - formed a 50/50 joint venture company in China known as "ME Long Teng Grinding Media (Changshu) Co. Ltd.", which has

a manufacturing plant in Changshu, China, with a capacity to produce 500,000 tons of grinding media per year using ME Elecmetal technology and specifications.

In 2012 Elecmetal continued its international expansion program by forming subsidiary ME Elecmetal (China) Co., Ltd. in Changzhou City, China, which built a modern shell plant that was inaugurated in 2014.

## 2014

In 2014 Cristalerías de Chile (34% interest) in alliance with Viñedos Emiliana (33%) and Industria Corchera (33%) incorporated Wine Packaging & Logistic S.A., "WPL", in order to participate in businesses providing wine bottling, labeling and storage services. The new company began operations in 2016.

## 2016

In 2016, the modernization project of the Fundación Talleres plant in Rancagua, which began in 2015, was completed, incorporating the most cutting-edge technology in the manufacture of mill liners and other spare parts. Also this year, Elecmetal carried out a reorganization of the productive arms of its metallurgy business in Chile as part of its long-term strategic development plan, which meant shutting down the smelter plant located in Santiago and transferring its production capacity to the new plant in Rancagua.



In addition, Elecmetal further pursued its international expansion program by incorporating subsidiary ME Long Teng Grinding Media (Zambia) Limited in Lusaka, Zambia.

In other businesses, subsidiary Cristalerías de Chile inaugurated the Las Peñas Wind Farm in Arauco, thereby officially entering into the electricity generation business with non-conventional renewable energies.

## 2017

On the occasion of its 100th anniversary, Elecmetal held various commemorative activities with the participation of the board of directors, shareholders, employees and their families, suppliers, authorities and friends. Also this year, the bidding process for the site on V. Mackenna took place.

## 2018

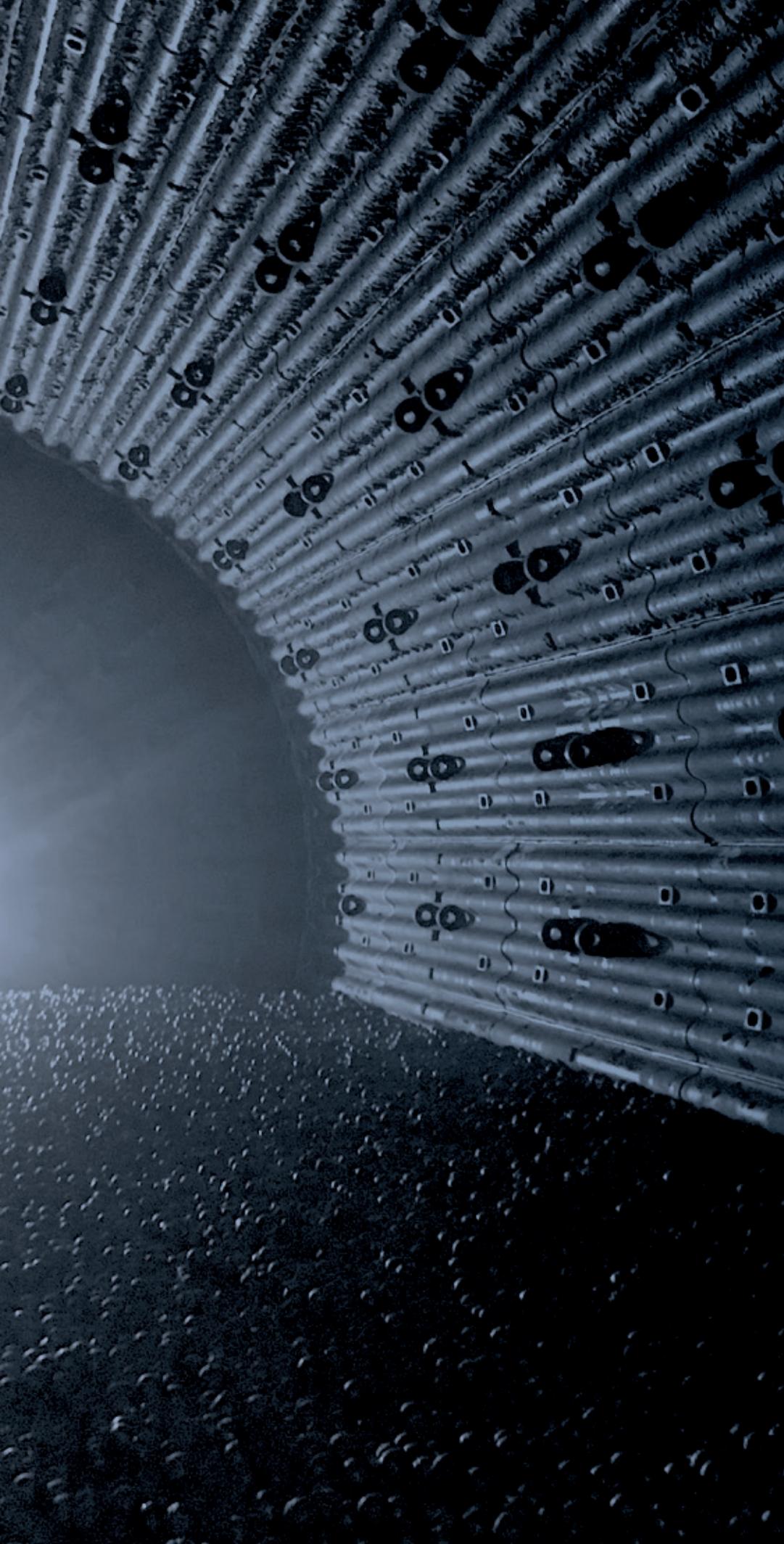
This year, the construction of a modern grinding media manufacturing plant in Zambia was completed. Towards the end of the year it was inaugurated and it started its operations and sales to customers in Africa.

## 2019

Subsidiary Cristalerías de Chile continued with its investment plan in the area of glass containers with the third stage of the Llay Llay plant. The investment, approaching US\$120 million, included the construction of a furnace with a melting capacity of 400 tons per day, which will increase throughput by approximately 100,000 tons per year. Commissioning and start-up of the trial run took place in the last quarter of the year.

## 2020

Elecmetal and its subsidiaries were able to overcome the multiple obstacles arising from the pandemic and its consequences in its various operations, without interrupting plant production, and favoring the retention of its people by focusing on their health and that of their families. Operational continuity, maintaining liquidity levels commensurate with the challenges on its activities' value chain, and adapting its commercial strategies to continue providing its customers with services and products with the same standards of excellence that have brought it well-deserved fame, were achievements that deserve to be especially highlighted against the backdrop of this complex year.



# 02

## Consolidated Results

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## Period results

The total consolidated profit for the year 2020 was CLP 30,294 million, which is 16.0% lower than the total profit for the previous year (CLP 36,063 million) and comprises a positive operating result of CLP 60,625 million and a negative non-operating result of CLP 24,440 million.

The total consolidated profit of CLP 30,294 million comprised a profit attributable to owners of controlling interests of CLP 21,834 million (profit of CLP 25,900 million in the previous year) and a profit attributable to minority interests of CLP 8,460 million (profit of CLP 10,163 million in the previous year).

Consolidated sales revenues for the period amounted to CLP 779,182 million, which is 3.1% higher than in 2019 (CLP 755,605 million), and higher sales revenues were recorded in all businesses compared to the previous year, in glass containers (+11.2%), wine (+4.8%) and metallurgy (+0.9%).

Consolidated gross profit was CLP 176,000 million, which is 1.2% lower than in 2019 (CLP 178,074 million). The variation is the result of lower gross profit in the glass container business (-15.5%), which was almost entirely offset by a higher gross profit in wine (+3.4%) and in metallurgy (+1.7%).

The consolidated result from operating activities was a profit of CLP 60,625 million, down 9.7%

compared to 2019 (CLP 67,158 million), of which CLP 29,000 million corresponds to metallurgy (CLP 28,816 million in 2019), CLP 16,494 million to wine (CLP 15,118 million in 2019), CLP 15,694 million to glass containers (CLP 23,346 million in 2019) and includes a loss of CLP 563 million in other businesses (loss of CLP 122 million in 2019).

The consolidated non-operating result was a loss of CLP 24,440 million, compared to a loss of CLP 19,902 million in 2019. The share of profit from affiliates reached CLP 8,194 million (profit of CLP 2,795 million in 2019) and mainly includes a profit of CLP 3,346 million in Rayén Curá (profit of CLP 1,091 million in 2019), a profit of CLP 2,580 million in subsidiary ME Longteng which incorporates the business in Zambia (loss of CLP 313 million in 2019) and a profit of CLP 1,629 million in Esco Elecmetal (profit of CLP 1,305 million in 2019). Net financial expenses amounted to CLP 18,649 million (CLP 12,264 million in 2019) and the increase is accounted for by two reasons: the new financing entered into as a precautionary measure to increase liquidity in the companies in view of the serious coronavirus crisis and its possible negative repercussions, and because in 2019 interest was capitalized in Cristalerías de Chile corresponding to the indebtedness for the construction of the new furnace at the Llay Llay plant. The result for readjustment units was a loss of CLP 3,112 million (loss of CLP 2,712 million in 2019) associated

with the bonds in UF. Foreign exchange gains and losses amounted to a loss of CLP 10,418 million in the period (loss of CLP 7,092 million in 2019), mainly associated with the metallurgy business as a result of the impact of significant fluctuations in the CLP /dollar exchange rate in both periods.

Tax expense was CLP 5,892 million at the end of 2020 (CLP 11,193 million the previous year).

In relation to operating results by business areas, the analysis is as follows:

## Metallurgy Business

Sales revenue in the metallurgy business, which includes Elecmetal's own individual business, in addition to the subsidiaries Fundición Talleres, ME Global (USA) and ME Elecmetal (China) and the marketing of products manufactured by ME Longteng, Esco Elecmetal and by third parties under our specifications, amounted to CLP

464,909 million, which represents an increase of 0.9% compared to 2019 (CLP 460,657 million).

Gross profit from the metallurgy business was CLP 80,282 million, representing an increase of 1.7% compared to the previous year (CLP 78,926 million). Profit from operating

activities of the metallurgy business was CLP 29,000 million, up 0.6% from the 2019 profit of CLP 28,816 million.

STATEMENT OF INCOME (IN CLP MILLION)	01-01-2020 12-31-2020	01-01-2019 12-31-2019	VARIATION	
			JANUARY-DECEMBER	
			CLP MILL	%
Operating income	464,909	460,657	4,252	0.9%
Operating costs	(384,627)	(381,731)	(2,896)	0.8%
Gross profit	80,282	78,926	1,356	1.7%
<b>Profit from operating activities</b>	<b>29,000</b>	<b>28,816</b>	<b>184</b>	<b>0.6%</b>



## Glass Container Business

### CRISTALERÍAS DE CHILE

Revenues from sales of the glass container business amounted to CLP 153,125 million, 11.2% higher than the previous year (CLP 137,646 million) mainly explained by the impact of the higher CLP /dollar

exchange rate and a higher volume of container exports.

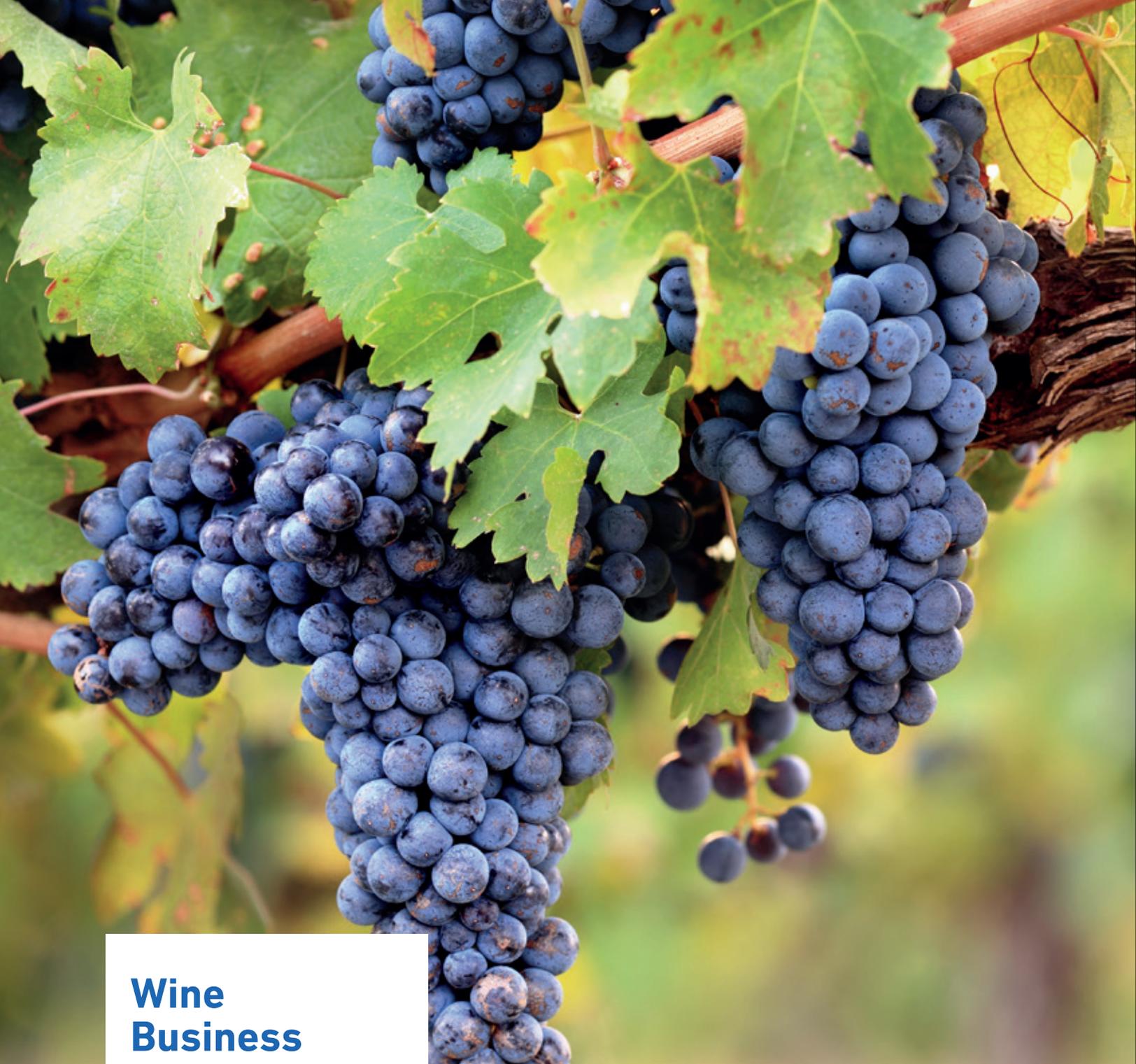
Gross profit was CLP 31,450 million, down 15.5% compared to 2019 (CLP 37,221 million), which is mainly attributable to the fact that the higher level of sales mentioned above was

more than offset by higher costs due to the higher exchange rate, the start-up of a new furnace, which generated extraordinary costs in its item and a higher depreciation of CLP 5,000 million, and the effects of the coronavirus pandemic, which meant higher expenses and costs and lower production efficiency, which impacted yields and losses by CLP 4,600 million. The result from operating activities for the year was a profit of CLP 15,694 million, which compares with a profit of CLP 23,346 million the previous year, explained by the higher operating costs described above, which were partially offset by a decrease in expenses of CLP 1,500

million in warehousing, packaging, marketing and other administrative expenses.

The total consolidated profit of Cristalerías de Chile S.A. as of December 31, 2020 was CLP 18,940 million, compared to a profit of CLP 22,591 million in 2019. The consolidated operating result was a profit of CLP 31,118 million (profit of CLP 37,792 million in 2019) and the non-operating result was a loss of CLP 8,608 million (loss of CLP 6,768 million in the previous year). Tax expense was CLP 3,570 million (CLP 8,433 million in the previous year).

STATEMENT OF INCOME (IN CLP MILLION)	01-01-2020 12-31-2020	01-01-2019 12-31-2019	VARIATION	
			JANUARY-DECEMBER	
			CLP MILL	%
Operating income	464,909	137,646	15,479	11.2%
Operating costs	(384,627)	(100,425)	(21,250)	21.2%
Gross profit	80,282	37,221	(5,771)	-15.5%
<b>Profit from operating activities</b>	<b>29,000</b>	<b>23,346</b>	<b>(7,652)</b>	<b>-32.8%</b>



## Wine Business

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### VIÑA SANTA RITA AND SUBSIDIARIES

Viña Santa Rita and subsidiaries recorded sales revenues of CLP 168,657 million, an increase of 4.8% over 2019 (CLP 160,974 million), comprising sales of wines in export markets and in the domestic

market, sales of spirits and others.

Valued sales in the domestic market amounted to CLP 83,738 million, representing an increase of 5.0% over 2019 turnover. It is worth noting the significant growth achieved in the online sales channel through

www.santaritaonline.cl.

In terms of consolidated exports, Viña Santa Rita and its subsidiaries exported a volume of 3,262 thousand cases during the year, which was 4.8% lower than that exported in 2019. At the consolidated level, the average price increased with respect to the previous year, reaching US\$30/case (US\$29.6/case in 2019). Revenues from peso-equivalent sales amounted to CLP 77,122 million, up 6.8% compared to 2019, mainly explained by the depreciation of the Chilean peso against other currencies.

Gross profit was CLP 66,430 million, which is 3.4% higher than the previous year, and is explained by an increase in the profit in the local market as a result of a higher sales volume and a better average price and by a higher profit in exports, given that the lower volume of exports was offset by a higher average price and the

increase in the average exchange rate compared to the previous year. The result from operating activities for the period was a profit of CLP 16,494 million, 9.1% higher compared to 2019 (CLP 15,118 million), having satisfactorily overcome the difficulties in sales and maintenance of markets and in production caused by the lockdowns due to the coronavirus pandemic in Chile and worldwide.

The total consolidated result of S.A. Viña Santa Rita and its subsidiaries as of December 31, 2020 was a profit of CLP 7,505 million, which is 11.9% higher than the previous year (CLP 6,707 million), and is explained by the better operating result mentioned above that was partially offset by the non-operating result, which posted a loss of CLP 7,262 million in 2020 (loss of CLP 5,525 million in 2019). Tax expense was CLP 1,727 million (CLP 2,886 million in the previous year).

STATEMENT OF INCOME (IN CLP MILLION)	01-01-2020 12-31-2020	01-01-2019 12-31-2019	VARIATION	
			JANUARY-DECEMBER	
			CLP MILL	%
Operating income	168,657	160,974	7,683	4.8%
Operating costs	(102,227)	(96,698)	(5,529)	5.7%
Gross profit	66,430	64,276	2,154	3.4%
<b>Profit from operating activities</b>	<b>16,494</b>	<b>15,118</b>	<b>1,376</b>	<b>9.1%</b>

# 03

## Results by Business area

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# Metallurgy Business

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ME Elecmetal is a global company, leading in innovation and development of integral solutions that add value to mining and mineral beneficiation processes in various mining operations around the world.



ME Elecmetal is one of the world's leading producers and marketers of specialty steel parts, grinding media and other products and services for the mining market, through an extensive network of its own manufacturing plants, joint ventures, licenses and strategic alliances with high level corporations, such as ESCO, a Division of WEIR Group (Scotland), Valley Forge (USA), Ferry Capitain (France), Long Teng Special Steel Co., Ltd. (China). It also has a wide network of offices and commercial representations in all regions worldwide. This coverage is the result of its globalization and territorial expansion strategy and the expansion and innovation of its product lines and services for mining and other target markets.

ME Elecmetal is focused on meeting global demand for the following product groups and integrated solutions: grinding equipment parts (steel and white iron liners for SAG, ball, vertical and rod mills); SAG and secondary grinding balls and grinding rods; crushing equipment parts (wear parts for gyratory, cone, jaw, impact and other crushers); and earthwork equipment parts (blade systems, adapters, tips and bucket guards for mechanical and hydraulic shovels, front-end loaders and others). Additionally, it manufactures pump components for slurry transport and industrial uses, large castings for primary crushers, mills and copper smelters and other mining and industrial machinery, and provides high-hardness steel plates and repair and reconditioning services for mineral processing equipment.

Through its representation lines, it offers a wide array of additional products and solutions for mining applications, for example, for

grinding: fastening bolts and nuts, rubber products and rubber-metal composites, acoustic systems to monitor and improve mill performance; for crushing operations: brass and other components, epoxy backing resins, AST application pumps; in addition to a series of services with sensors and tools for fault detection and early warning, simulations, equipment repair and productivity improvements for mining operations through comprehensive solutions known as ME FIT.

#### ACQUISITIONS AND STRATEGIC ALLIANCES

ME Global Inc., a subsidiary incorporated in 2001 in the United States of America, was the vehicle for acquiring the assets of ME International, Inc. and ME West Castings, Inc. in that country. Since 2002, ME Elecmetal has embarked on a program to optimize these assets, introduce new product and process technologies and organizational development, which has allowed it to achieve the highest standards in the steel parts industry worldwide, as well as investment programs to significantly expand the manufacturing capacity of its plants.

In Chile, Fundición Talleres Ltda., also dedicated to the manufacture and sale of steel parts in South America, was acquired through an international bidding process for 60% of its ownership in 2004, which was completed to 100% in 2007.

ESCO, a Division of WEIR Group, a world leader in the manufacture of steel parts for earthworks, which in 2020 marked its 107th anniversary, has been ME Elecmetal's licensor

since 1959 with a licensing and technical assistance contract to manufacture and market its products in Chile. This alliance with ME Elecmetal was expanded in 2007 to a 50/50 Joint Venture, establishing Chilean subsidiary Esco Elecmetal Fundición Ltda. ("Esco Elecmetal").

As part of the development of new products and markets and its vision to deliver integral solutions to its customers, ME Elecmetal developed the technology, both in metallurgy as well as in processes, for the production of grinding balls made of superior quality special steels, which are used in large-scale mining together with the liners in grinding mills. Thus, since 2009, its new "ME Super SAG" and "ME Ultragrind" products, initially manufactured through exclusive production agreements with Longteng Special Steel Co., Ltd., began to be successfully marketed. Subsequently, in 2011, ME Elecmetal and Longteng Special Steel Co., Ltd. formed the 50/50 Chinese joint venture "ME Long Teng Grinding Media (Changshu) Co. Ltd." ("ME Long Teng") for the exclusive manufacture of these products, which ME Elecmetal markets directly worldwide.

ME Elecmetal has built up important commercial and strategic ties with renowned international brands, in the form of representations that have been maintained for many years. One clear example of this is the representation of the Ferry Capitain and CMD brands of Groupe CIF (France), a major conglomerate that supplies the international heavy industry through its six plants located in France and Germany, and provides large cast components, such as gearboxes, pinions, crown gears, crusher bodies and mill covers. Also,

as part of its ongoing search for new alliances, ME Elecmetal began marketing, in the Chilean market, a line of high quality “ME Elecmetal” epoxy resins for backing applications in crushing equipment. In relation to grinding equipment, the company maintains the representation of “Valley Forge” brand shell fastening bolts, renowned in the industry worldwide

### STRONG INVESTMENT PLAN

ME Elecmetal has carried out a major investment plan to consolidate its leadership and meet the demands of the mining industry around the world.

ME Elecmetal has its own specialty steel smelters for wear parts in the United States, China and Chile, which operate under the highest standards of industrial safety, quality, productivity and environmental protection, with a total annual production capacity of more than 120,000 tons of parts.

Additionally, subsidiary “Esco Elecmetal”, mentioned above,

inaugurated in 2012 a state-of-the-art steel smelter to supply, from Chile, ESCO products exclusively to the Chilean and international market; this line of products has become a recognized world leader for the extraction of minerals and for earthworks in mining and construction sites.

Also, following the commissioning of a pilot plant in 2010, subsidiary “ME Long Teng” started in 2011 the construction of a state-of-the-art modular manufacturing plant for grinding balls in the city of Changshu, China, whose production ME Elecmetal markets directly throughout the world. In 2018, the construction of the fifth phase of this plant was completed, reaching a total annual production capacity of 500,000 tons, positioning it as the world’s largest capacity grinding media plant.

Subsidiary “ME Elecmetal (China) Co., Ltd.” completed in 2014 the construction of a cutting-edge special steel smelter in the city of Changzhou, Jiangsu province, China, with capacity for 30,000 tons of spare parts for grinding equipment.

On the other hand, in Chile, in 2016 the Company completed the modernization project for its specialty steel spare parts plant in Rancagua to serve the large mining customer market in Chile and South America. This plant, with production capacity of 36,000 tons of specialty steel parts, brings together ME Elecmetal’s experience in all of its plants worldwide and incorporates the most advanced manufacturing processes and equipment for this type of industry. Elecmetal reorganized the productive operations of its metallurgy business in Chile as part of its long-term strategic development plan, which meant shutting down the plant located in Santiago and transferring its production capacity to this modern plant in Rancagua.

Continuing with its international expansion program, in 2016 ME Elecmetal formed subsidiary ME Long Teng Grinding Media (Zambia) Limited in the city of Lusaka, Zambia. In 2018, this subsidiary completed the construction of a modern grinding media manufacturing plant in the town of Kalumbila, a major mining area, to serve the needs of customers in Africa.

Additionally, ME Elecmetal has established manufacturing agreements for some selected castings with lower technological demands with external smelters that manufacture these products according to ME Elecmetal’s standards of quality, industrial safety, environmental protection and technical specifications.



## TERRITORIAL EXPANSION AND GLOBAL COVERAGE

ME Elecmetal has a worldwide distribution network with sales and technical service capacity spanning all five continents. The Company provides integral solutions to ensure the satisfaction of the needs of its customers in more than 40 countries, working together with them in designing productivity solutions and enhancements through products and services that meet the highest standards of quality and technological innovation. To this end, it has its own specialized personnel who visit the different mining sites around the world from its facilities in Chile, the United States, China and Zambia and from its subsidiary offices in Australia, Brazil, Canada, England, Mexico, Mongolia, Papua New Guinea, Peru and Russia. Additionally, it maintains representation alliances in several regions and countries.

## DELIVERING INTEGRATED CUSTOMER SOLUTIONS AND INNOVATION

ME Elecmetal's reputation for quality and leadership is world renowned and based on the delivery of value-added solutions for customers' processes, combining designs, alloys or materials, services and technology tailored to each customer's needs, with the highest technical standards that make it possible to achieve yields that significantly reduce the costs of processing ore and other materials. This value proposition is inspired by our Value Added Philosophy. To generate added value for our customers, Value Added Philosophy focuses on six fundamental areas of the mining operation: Increased Production, Increased Equipment Availability, Decreased Actual Cost,

Environmental Protection, Training and Safety. This philosophy is highly appreciated by our customers and is the basis of our leading position in the global mining solutions market. An example of this is the dominance obtained in the market of wear parts for SAG mills, a market in which, excluding Australia and Asia, where the Company is just making its first inroads, ME Elecmetal has more than 50% of the world market share. Each project inspired by this "Value Added Philosophy" is measured and controlled to validate the results in front of customers and to manage its progress visibly and cooperatively.

Within this context, ME FIT System is the reflection of the ongoing search for new integrated solutions for the processes of mining customers, by integrating product and service solutions in Mining, Crushing and Grinding. ME FIT Systems' proposal is based on the synergy obtained by integrating consulting, products, services, people, logistics and manufacturing, making it possible to add value to the customer that otherwise could not be attained. "FIT" is the acronym for "Fully Integrated Technology" and refers to the fact that ME Elecmetal is an integrator of technologies in the Mining, Crushing and Grinding processes.

The technical service provided by ME Elecmetal, which effectively sets ME Elecmetal apart from its competitors, is aimed at seeking the lowest actual cost for its customers and includes advice on the optimization of loading processes and treatment of minerals and other materials, new designs and on-site assistance with highly trained and experienced personnel. In addition, by working together with customers in identifying opportunities, seeking innovative solutions and implementing improvements in production

processes and maintenance practices, this benefit-based sales modality allows for the establishment of bona fide strategic alliances with customers.

Among the new mine products, it is worth mentioning the introduction in the Chilean market of ESCO's NEMISYS and ULTRALOCK product lines for hydraulic and rope shovels, which represent important improvements in mine management and have been tested with great success in Chile. In their design, these systems incorporate significant productive advantages for the client, which translate into higher performance, a significant reduction of risks in the installation and removal of wear elements and effectively reducing the time dedicated to these activities. In this market of wear products for earthworks equipment, customers have recognized the quality, safety and installation friendliness of our products, giving ME Elecmetal a leading position in the Chilean market of loading shovels for large-scale mining.

Complementing the line of business and comprehensive solutions to its customers, ME Elecmetal offers a business area of Inspection and Early Warning Services, which provides monitoring, inspections of mining equipment, 3D laser measurements, predictive / symptomatic analysis and the most advanced technology available in the market with sensors, acoustic systems, ultrasound equipment, thermography and laser scanning and a highly qualified technical team. The incorporation of new technologies and intelligent data collection (IoT) is an important part of the work carried out by this unit.

It is also important to highlight, as part of the development of integral

solutions for our customers, the progress in a new generation of mill liners that has been very well received by customers and is characterized by the use of different materials and improvements in technology with a focus on generating products and services that add value to our customers' mineral processing. In this context, in addition to the internal and customer teams, the ties with Jiangxi Naipu Mining and other suppliers have been relevant for these new developments at ME Elecmetal. Examples of such developments are the vulcanization of castings, the new line of parts with cast inserts and rubber for ball mills, among others.

All these developments and the constant emphasis on high product quality and service excellence are part of the innovation program that is present in the ongoing management of ME Elecmetal's personnel. Partnering with the customer, technical knowledge and the application of world-class simulation systems by our Engineering and Design and Early Warning teams, generate critical conditions to increase the availability of mining and mineral processing equipment, improve the rate of extraction and processing and product quality, achieve increased service life and reduced workers' exposure to accidents, among other benefits that constitute innovative solutions and best practices for the mining market.

## ORGANIZATIONAL DEVELOPMENT

ME Elecmetal's metallurgy business is staffed by 1,216 people hired directly and 630 people through 50/50 Joint Ventures, which are distributed mainly across Chile, USA and China and also in Australia, Brazil, Canada, Indonesia, Mongolia,

Peru, United Kingdom, Russia and Zambia.

In 2020, ME Elecmetal continued to work on organizational alignment and staff motivation and engagement efforts to achieve its vision for the future: "to be a globally competitive supplier recognized for excellence and leadership in delivering end-to-end solutions that add value to mining processes and other target markets". Towards this end, ME Elecmetal is moving forward by fulfilling its corporate mission to meet the needs and exceed the expectations of its customers, employees, suppliers, shareholders and the community through excellence in the delivery of integrated solutions to the market.

The value framework for management is based on the fundamental principle and value of respect for the dignity of people and is made up of a set of corporate values, such as integral human development, focus on the internal and external customer, responsibility and integrity, and commitment to the environment and the community. Thus, ME Elecmetal places the highest priority on establishing work environments in which people can realize their full potential, creativity and initiative so that they can fulfill themselves integrally through their work. This is the essence of ME Elecmetal's Road to Excellence and the Company continues to develop its people management policies aimed at promoting the personal and professional advancement of its employees, safety at work and improving the quality of life of workers and their families. In 2020, the Company focused on making these values a reality in all its operations and offices around the world, taking the necessary

measures and protocols and the required flexibility to take care of all its employees and their families amidst the pandemic and the ensuing economic crisis. So far, we have been able to weather this serious crisis and management remains vigilant and constantly monitoring the situation.

On the other hand, it is important to highlight the excellent labor relations existing in the plants, the spirit of mutual understanding between workers and management, and the cooperation and commitment of all to face the challenges, which involve many transversal activities at a global level, with the participation of people from the different regions of the world where ME Elecmetal is present.

## 2020 RESULTS

Sales revenue in the metallurgy business, which includes Elecmetal's own individual business, in addition to subsidiaries Fundición Talleres, ME Global (USA) and ME Elecmetal (China) and the marketing of products manufactured by ME Longteng, Esco Elecmetal and by third parties under our specifications, reached CLP 464,909 million in 2020, which represents an increase of 0.9% compared to 2019 (CLP 460,657 million).

The consolidated gross profit of the metallurgy business in 2020 was CLP 80,282 million, which represents an increase of 1.7% compared to the previous year (CLP 78,926 million). The consolidated profit from operating activities of the metallurgy business was CLP 29,000 million, compared to a profit of CLP 28,816 million in 2019. The increase is mainly attributable to higher sales and better

results in Chile and China, in addition to an upside effect due to the increase in the average exchange rate during the year compared to the previous year, particularly the significant temporary increase during the first months of 2020.

In relation to the grinding balls business, it is important to note that until May 2020 an anti-dumping duty of 5.6% was in force affecting the Company's imports of cast steel balls for grinding, with a diameter of less than 4 inches, originating in China, established for one year as a result of an investigation carried out in 2018 and 2019 by the National Commission in Charge of Investigating the Existence of Distortions in the Price of Imported Goods (the Commission). This measure resulted in the almost total loss of the Company's sales of these products in the Chilean market.

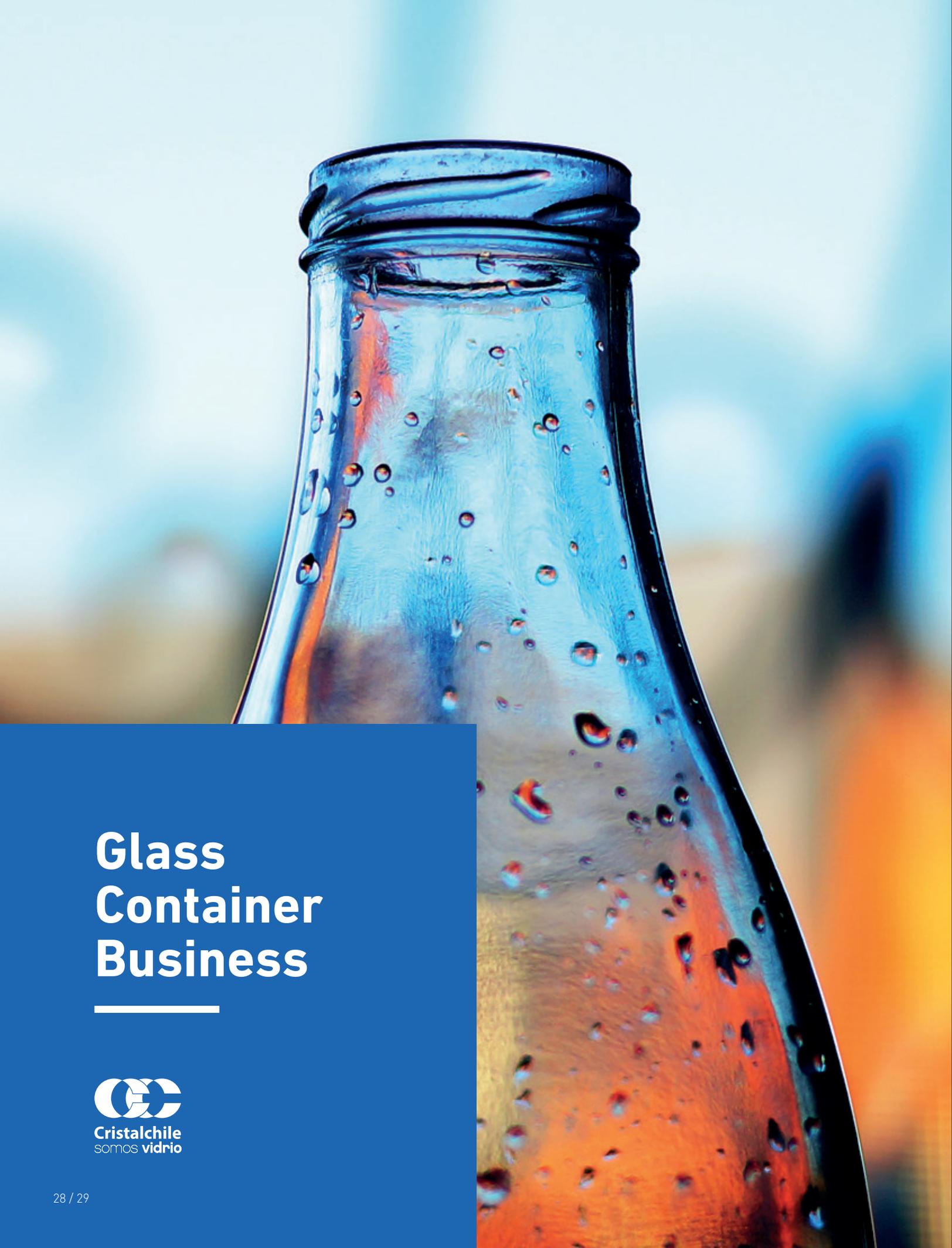
The Company repeatedly expressed its total disagreement with the Commission's resolution because the information contained in the investigation is not sufficient to prove that a special market situation existed in the steel ball market in China during the investigated period and that the procedure used did not follow WTO standards. It should be underscored that, in order to meet the demand of its mining customers, Elecmetal developed its business model with an important production plant in China, with a local partner, which produces grinding balls with ME Elecmetal's technical specifications and standards, under the framework established by the Free Trade Agreement signed between Chile and China and Chile's strict adherence to the WTO standards.

During 2020, the Commission carried out a new investigation into alleged



dumping in the importation of these products, accepting a request filed by Moly-Cop Chile S.A., the main player in the market, in anticipation of the expiration of the 5.6% anti-dumping duty imposed in the previous investigation. This investigation concluded in November of the same year and the Commission decided, by the unanimous vote of its members, not to recommend the application of anti-dumping measures on imports of these products, considering that the available information failed to establish the existence of dumping practices.

Elecmetal developed its business model with an important production plant in China, with a local partner, which manufactures grinding balls with ME Elecmetal's technical specifications and standards, under the framework established by the Free Trade Agreement signed between Chile and China, which entered into force in 2006, and in strict compliance with WTO standards.



# Glass Container Business

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Cristalerías de Chile, "CristalChile", is the country's leading producer and seller of glass containers, with over 110 years of experience, and supplies the wine, beer, soft drinks, juices, mineral water, liquor and food markets. The main products it manufactures are returnable and non-returnable glass containers, crown or screw top, wide mouth, decorated, painted and labeled, all with the quality demanded by domestic and international markets. The Company serves more than 350 domestic and international customers, providing them with various additional technical and commercial assistance services, both in the design and development of new containers as well as in the filling, closing, labeling, packaging and distribution management process.

Sales revenues from the glass container business reached CLP 153,125 million in 2020, up 11.2% over the previous year's revenues (CLP 137,646 million), which is mainly accounted for by the increase in the exchange rate and the higher volume of exports.

The Company's sales showed a significant increase over the previous year, due to growth in sales for the domestic market and in exports, reaching an all-time high, despite the pandemic in the country and the world, and its repercussions on the markets served by Cristalchile. Sales revenues from the container business reached CLP 153,125 million in 2020, 11.2% higher than the revenues of the previous year (CLP 137,646 million),

In relation to the different markets, sales of containers for the wine industry, the Company's main market, increased compared to the previous year, mainly driven by higher sales of containers for the wine export market, in a market in which bottled wine exports at the country level in 2020 decreased by

0.4% compared to the previous year, reaching 53 million cases. On the other hand, in the beer market, beer consumption in 2020 showed a higher volume compared to the previous year, and the sale of returnable formats increased in relation to the previous year, as a result of various promotions in the sale of beer in this type of container, and the sale of non-returnable containers also recorded a significant increase due to the higher consumption in individual format. In relation to the market of bottles for non-alcoholic beverages, sales of returnable and non-returnable containers decreased with respect to 2019, as a result of the pandemic, which led to a drop in consumption of non-alcoholic beverages due to the closure of restaurants, hotels and other points of consumption where the sale of beverages in glass containers is very relevant. With respect to the liquor and pisco market, sales of containers showed a similar level to the previous year, and in the food market, sales of containers increased with respect to the previous year, caused by higher sales of bottles for olive oil for export and an increase in the sale of bottles for various products.

In 2020, it is especially important to emphasize container exports, with a significant increase over the previous year, as a result of the actions taken to diversify countries and customers, and were mainly to the USA, Brazil and Argentina.

In relation to monetary results, gross profit was CLP 31,450 million, which is 15.5% lower than in 2019 (CLP 37,221 million), mostly attributable to the fact that the higher sales mentioned above were more than offset by higher costs due to the increase in the exchange rate, the start-up of a new furnace, which generated one-off costs in its start-up and a higher depreciation of CLP 5,000 million, and the effects of the

coronavirus pandemic, which led to higher expenses and costs and lower production efficiency, which impacted yields and losses by CLP 4,600 million. The result of operating activities for the year was a profit of CLP 15,694 million, compared to the CLP 23,346 million profit earned in the previous year, explained by the higher operating costs described above, which were partially offset by a decrease in expenses of CLP 1,500 million in warehousing, packaging, marketing and other administrative expenses.

In the commercial sphere, during 2020 the Company continued its activities aimed at offering better service to its customers, studying and promoting the development of new glass container projects and highlighting the benefits of glass containers, such as:

- The work, in tandem with our customers, on new glass container projects and the support with advertising and point-of-sale material for the end product.
- Support for different activities aimed at promoting Chilean wine abroad.
- As in previous years, the massive glass container recycling campaign was extended to new locations around the country and was publicized through the mainstream media, highlighting the ecological advantages of glass containers. In addition, we continued to cooperate with the Corporation for Aid to Burned Children (COANIQUEM), an institution of recognized prestige in the country.
- We continued to publish the magazine "En Vitrina", in digital format, aimed at our customers, which includes topics on the different industries that use glass; it provides information on new products in glass containers and delivers company news. This medium continues to

be an excellent opportunity for contact with customers, and has allowed us to increase and improve communication and information aimed at them.

The Company promotes and positions the Elige Vidrio (Choose Glass) brand as a grassroots initiative that seeks to raise awareness about the responsible consumption of glass containers, promoting the benefits of glass containers and highlighting their positive impact on people's quality of life. During 2020 the Elige Vidrio initiative continued to be present with various activities, expanding its digital community, adding strategic alliances and expanding the Chile Elige Vidrio recycling network.

The new digital campaign Conserva lo Bueno, Elige Vidrio, invites people to reflect on the positive aspects that have been found during the pandemic, showing experiences and testimonies that allow for a new perspective on what 2020 was like and looking ahead to 2021. This campaign was supported by digital ambassadors who brought this message to their audiences.

During 2020, the call to our digital community was for self-care, advising people to stay home and to recycle glass containers whenever the authorities allowed it. This is why we relaunched the arts and crafts videos to accompany families during the quarantine period, as they show amusing ways to reuse glass bottles and jars. Under this same premise, Elige Vidrio also wanted to lend a hand to those hundreds of entrepreneurs who were hit by the pandemic, relaunching the series entitled Historias en Vidrio (Stories in Glass), which was very well received by the community and was reflected in the large number of



video reproductions that Elige Vidrio had during 2020, reaching more than 4.9 million reproductions and 215 thousand followers on social networks.

Elige Vidrio took on the challenge of creating a sustainable recycling model that would allow reaching every corner of our country, through public-private partnerships with highly involved actors who are aware of the contribution they can make toward caring for the environment. In a scenario where the impact on the environment is becoming more and more relevant, Elige Vidrio has been gaining increasing importance becoming an actor that attracts attention to boost its commitment to the planet. This is how Chile Elige Vidrio was born, the initiative that has worked on building an extensive permanent, economically viable and responsible recycling network, which can be applied in each territory with its unique needs and complexities. During 2020, the network continued to grow, despite the logistical hurdles caused by the pandemic, and at the end of the period it had 2,200 recycling points between Coquimbo to the north and Magallanes to the south.

In relation to operations, during this difficult year 2020, the Company focused its efforts on safeguarding the health and safety of its associates, its own and external personnel, operational continuity and, together with customers and suppliers, being able to ensure the supply chain to consumers. In this challenging environment, the Company managed to increase production compared to the previous year and to achieve its record sales of glass containers.

In terms of investments, the Company has continued with its investment program, which seeks to ensure our customers a timely supply of the highest quality products. To this end, the Company completed the third construction stage of the Llay Llay plant, with an investment of close to US\$120 million, which included the construction of a new furnace for the manufacture of containers that will increase output capacity by approximately 100,000 tons per year. The commissioning and start of the trial run took place during the last quarter of 2019 and part of the first quarter of 2020. This investment policy allows the Company to be optimally positioned to supply the growing customer demand with



quality, timeliness and providing the best possible service.

The Company continued to consolidate its commitment to sustainable development, with activities with its different stakeholders within the framework of its 2030 Sustainability Strategy, aimed at positioning glass containers as the most sustainable container type in the world, the best in the planet, through the development of new environmental attributes of the product, increasingly required by customers, valued by consumers and consistent with and inspired by the “We create containers that care for Life” mission statement

Likewise, progress was made in the development of innovation projects with three strategic focuses: to position ourselves as leaders in packaging services; to contribute to the sustainability of our business by developing products with environmental attributes; and to speed up our path towards Industry 4.0, using technological transformation as a springboard to achieve new standards of productivity, quality and safety.

In relation to affiliated businesses, 2020 was the fourth year of operations of the Wine Packaging & Logistic (WPL) plant, a subsidiary dedicated to bottling, labeling and storage of wines that was born from the Company’s alliance with Viñedos Emiliana and Industria Corchera. The plant is one of the most state-of-the-art bottling plants in the country, and its high efficiency and process quality levels make it an excellent alternative for outsourcing operations for companies in the sector. The activities during 2020 were marked by the pandemic, and the Company focused on safeguarding its workers and satisfactorily faced the concomitant challenges. In terms of sales, these amounted to CLP 2,477 million, down 11% compared to the previous period.

In terms of total consolidated results, Cristalerías de Chile S.A. consolidates its results with S.A. Viña Santa Rita, Ediciones Chiloé S.A., Cristalchile Inversiones S.A. and Taguavento SpA.

In 2020, consolidated sales amounted to CLP 313,779 million, 6.5% higher than the previous year (CLP 294,494 million). The gross profit for the year reached CLP 98,190 million, compared to CLP 102,347 million in 2019, and the profit from operating activities was CLP 31,118 million, against CLP 37,792 million in the previous year; as explained in the different chapters of this report.

The non-operating result in 2020 was a loss of CLP 8,608 million (loss of CLP 6,768 million the previous year) and includes financial costs of CLP 8,896 million, compared to CLP 4. 979 million in 2019, and the variation is mainly attributable to the Company’s decision to increase indebtedness in order to have greater liquidity in the event of possible effects of the Covid-19 pandemic and because 2019 includes a capitalization of interest associated with the indebtedness

requested for the construction of the new furnace at Cristalchile’s Llay Llay plant. It also includes the results of affiliates that represented a profit of CLP 3,988 million, compared to CLP 1,900 million in 2019, an increase mainly accounted for by the higher result obtained from Rayén Curá (Argentina).

Tax expense was CLP 3,570 million (CLP 8,433 million the previous year).

The total consolidated result of Cristalerías de Chile S.A. as of December 31, 2020 was a profit of CLP 18,940 million, compared to a profit of CLP 22,591 million in 2019. Of the total profit for the year 2020, the amount of CLP 16,012 million is attributable to the owners of the controlling company (CLP 20,025 million in 2019) and the amount of CLP 2,928 million is attributable to non-controlling interests (minority interest) (CLP 2,566 million in 2019).

# Wine Business

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*Santa Rita*



ELECMETAL participates in the wine industry through direct and indirect holdings in Sociedad Anónima Viña Santa Rita. Viña Santa Rita markets Chilean wines under its own brand, in addition to the wines of Viña Carmen, Sur Andino and Nativa, and Argentine wines through the Doña Paula and Sur Andino Argentina brands.

During 2020, consolidated sales of Viña Santa Rita and its subsidiaries reached CLP 168,657 million, which represents an increase of 4.8% over fiscal year 2019 (CLP 160,974 million) and include wine sales in export markets and in the domestic market, liquor sales and others. The Company satisfactorily overcame the difficulties and challenges in sales and maintenance of markets and production caused by the lockdowns imposed due to the coronavirus pandemic in Chile and the world. Viña Santa Rita has a significant market share in Chile and is the third largest wine group in terms of valued exports of bottled wine.

Valued sales in the domestic market were CLP 83,738 million, which is an increase of 5.0% over 2019 turnover, despite the difficulties caused by the pandemic during the period. Sales volume reached 75.9 million liters, an increase of 3.5% over the previous year, and sales prices increased by 1.5% over 2019. Of note was the significant growth achieved in the online sales channel through [www.santaritaonline.cl](http://www.santaritaonline.cl).

Valued sales in the export market were CLP 77,122 million, up 6.8% compared to 2019, mainly explained by the depreciation of the Chilean peso against other currencies. Regarding the volume of physical exports, these reached 3.3 million cases, which was 4.8% lower than the previous year. At the consolidated level, the average price increased with respect to the previous year,

reaching US\$30/box (US\$29.6/box in 2019). The main export markets are Brazil, Ireland, the United Kingdom, the United States of America, Canada, Denmark, China and Japan.

Revenues from liquor and other sales were CLP 7,798 million, down 13.5% from the previous year.

In 2020 Viña Santa Rita reached important milestones. It celebrated the 140th anniversary of the winery and 40 years since the Board of Directors led by Mr. Ricardo Claro V. invited to make Santa Rita a winery with a unique personality and a brand that reflects the best of it,

projecting it to the whole world.

In 2020, Viña Santa Rita and its subsidiaries obtained important awards in Chile and abroad.

The commitment to sustainable growth led us to deepen the initiatives contemplated in the strategic sustainability plan. Thus, towards the end of the year, the Science Based Targets project was launched, which aims at a steady science-based program to reduce greenhouse gases and its carbon footprint. This program, carried out in conjunction with Vinos de Chile and other wineries, will enable the Chilean wine industry to position itself as a leader in the adoption of measures to address climate change, being the first effort of an entire industry worldwide.

Also in 2020, the successful implementation of online sales in Chile was consolidated. After its creation in 2019, this year it achieved great success among consumers, with more than 1.3 million visits and 56 thousand purchases during the year, increasing its sales volume by 246%. Towards the end of the year, the [bodega695.com](http://bodega695.com) e-commerce website was launched in Ireland, inaugurating the first direct sales channel abroad. This project is oriented to the super premium and high-end wines of Santa Rita, Carmen and Doña Paula, in addition to incorporating the distribution of other wineries around the world.



## VIÑA DOÑA PAULA

Doña Paula is today one of the most important wineries in Mendoza and is recognized worldwide for the quality of its wines. Globally, Doña Paula's sales in 2020 reached a volume of 448,635 cases, which represents an increase of 34.7% over 2019, and turnover reached US\$12.5 million, up 24.2% over the previous year. The average price for the period was US\$28.0 per case. The main markets for Doña Paula are Brazil, Argentina, Ireland, the United States of America and Canada.

In Brazil, Doña Paula was the fourth largest winery in Argentina in terms of volume, and the one with the highest growth in volume and value among the top 10 Argentine wineries. Thus, the brand has a significant presence in the 10 largest national chains in the market. In Canada, 2020 was a historic year for Doña Paula, where it reached the number six position in value and number seven in volume among Argentine wineries, being the brand that grew the most in that market. In the United States, 2020 was a transition period for Doña Paula due to the change of importer implemented in April, which implied market adjustments in terms of prices and distribution.

The Argentine domestic market, which has gained more relevance in recent years, had a 5.5% growth in volume compared to 2019. The Premium mix was maintained, with the Estate line reaching 40% of total sales, together with the successful launch of the new Altaluvia proposal.

In 2020, the launch of the new Altaluvia project was completed,



which seeks to showcase the full potential of Gualtallary, one of Argentina's most prestigious wine regions. It includes four wines: Riesling, Chardonnay, Malbec and Cabernet Franc. Its name encompasses two concepts: "Alta" refers to the altitude where the vineyards are planted, at 1,350 meters above sea level, while "Aluvia" reflects the type of soil of this terroir, where alluvial soils are abundant, with a high limestone content formed by sand and stones.

## INVESTMENTS

In terms of investments, Viña Santa Rita invested US\$9.1 million in 2020, mainly in the areas of wine production, logistics and operations. Agricultural and winemaking investments were made with the main objective of supporting Viña Santa Rita's strategic plan, aimed at improving winemaking efficiency, productivity, achieving greater self-sufficiency in grapes and having better water availability in the fields.

In 2020, the varietal planting program continued, mainly in the Cauquenes, Buin and Pumanque areas and others in the Chilean central valley. The expansion of the distribution center in Alto Jahuel was also completed, in addition to the



expansion of the bottling lines at the Buin Plant.

One of the main initiatives in the viticulture area is the WiSe project, translated as "Wine Seed", which aims to ensure the viability of our vineyards in the long term, has allowed us to build a solid base for growth and projection, developing a new generation of quality vineyards. At the end of the period, 1,300 hectares of vineyards were renovated and planted globally, becoming a cornerstone in the sustainable growth of the Company. Viña Santa Rita and its subsidiaries currently have 3,980 planted hectares of vineyards (3,251 in Chile and 729 in Argentina).

## CONSOLIDATED RESULTS

Gross profit for the year was CLP 66,430 million, which is 3.4% higher than the previous year, and is due to an increase in profit in the local market as a result of a higher sales volume and a better average price, and a higher profit in exports, since the lower volume of exports was more than offset by a higher average price and the increase in the average exchange rate compared to the previous year. Income from operating activities was a profit of CLP 16,494 million, 9.1% higher compared to 2019 (CLP 15,118 million), despite the difficulties in production and marketing caused by the pandemic lockdowns.

Viña Santa Rita recorded a gain of CLP 559 million (CLP 618 million the previous year) in subsidiary Viña Los Vascos S.A. (unconsolidated), whose majority shareholder, with 57.0%, is Les Domaines Barons de Rothschild (Lafite), and where Viña Santa Rita owns the remaining 43.0% stake. During 2020 Viña Los Vascos sold 387 thousand cases (9.8% lower than 2019).

The total consolidated result of S.A. Viña Santa Rita and its subsidiaries as of December 31, 2020 was a profit of CLP 7,505 million, which is 11.9% higher than 2019 (CLP 6,707 million), which is attributable to the better operating result noted above that was partially offset by the non-operating result that recorded a loss of CLP 7,262 million (loss of CLP 5,525 million in 2019) mainly explained by financial costs of CLP 4,322 million (CLP 2,524 million in 2019), due to loans contracted at the beginning of the pandemic to

substantially improve liquidity in case of unforeseen events. The tax expense was CLP 1,727 million (CLP 2,886 million the previous year) and the variation is explained by the drop in the exchange rate that affects the tax investment in the company in Argentina, generating deferred tax savings.





# Media & Communications Business

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ELECMETAL participates since 1989 in media and communications through Cristalerías de Chile S.A., which through its subsidiary Ediciones Chiloé S.A. (owner of Sociedad Ediciones Financieras S.A.) is present in the newspaper business with "Diario Financiero" and in publishing through "CAPITAL" and "ED" and others.

#### EDICIONES FINANCIERAS S.A.

The media industry was strongly affected during 2020 as a result of the effects of the pandemic, impacting advertising revenues and face-to-face events. Grupo DF recorded a decrease in sales of 33.7% compared to the previous year, mainly compensated by DF Digital, which experienced an increase of 35.1%.

Against this challenging backdrop, Grupo DF (Diario Financiero, Capital and ED) managed to remain active in the development of new content, increasing its digital relevance.

In 2020, DF MAS was successfully launched, a new media outlet that contributed significantly to the recovery of advertising revenues, in addition to positioning itself as an innovative and relevant content for audiences.

Additionally, there was significant growth in digital audiences of DF.cl,



more than 170% compared to 2019, where in parallel there was a strong increase in subscriptions of this media, with a 51.9% increase in revenues compared to the previous year.

On the other hand, expenses and costs were reduced by 23.9%, but their effect only partially offsets the decrease in total revenues. The year ended with a loss of CLP 1,356 million.

# Power Generation Business

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As part of its commitment to integral sustainability with the climate change issue, Elecmetal participates, through its subsidiary Cristalerías de Chile, in the renewable energy business through its subsidiary Taguavento.

The first initiative was the study, construction and operation of the Las Peñas wind farm ("ELP") located in the eighth region. The ELP wind farm has four wind turbines totaling 8.4 MW of capacity that are injected into the National Electric System (SEN).

The purpose of Cristalerías de Chile to manufacture containers that care for life not only implies proactively caring for its processes, but also going the extra mile and being part of the solution in the development of cutting-edge technologies that are benchmarks in environmental matters and being part of the solution and development of renewable technologies that lend consistency to a long-term proposal.

2020 was a difficult year for the power generation industry, with substantial decreases in spot, node and long-term contract prices. In this context, although there are projects that have had to close due to economic and environmental issues, the emergence of new renewable technologies is generating an important rearrangement of value that should open selective spaces for long-term profitability. Those that emerge will necessarily have to be significantly cost-efficient with a clean and renewable energy attribute that is becoming increasingly necessary to sustain the energy growth matrix of the National Electric System (SEN).

The ELP wind farm completed its fourth year of operation with performance levels that once again were at the forefront of the domestic

wind power industry. During the 2020 fiscal year, ELP not only became the project with record annual efficiency and production measured with a plant factor of 47.4%, but this ratio also makes it the wind project with the best historical performance in the SEN.

Initially, it was felt that surpassing the 40% annual generation plant factor was a very difficult threshold to cross, but the substantial strides in performance, wind and availability have led us to open up new areas where it was not feasible to make headway before. It is precisely in this value space where developing initiatives such as ELP provides essential value for Cristalerías de Chile, because, beyond neutralizing its emissions with a third party, it is capable of investing directly and constantly looking for solutions to reduce emissions, using state-of-the-art technology and performance to deliver a sustainable proposal to its customers.

The results for 2020 show an availability of over 97%, a turnover of US\$ 2.1 million with EBITDA, operating, operational and bottom line margins of 73%, 43%, 31% and 16%, respectively.

At the consolidated level of subsidiary Taguavento, the result basically reflects the consolidation of ELP together with development costs of other selective projects in the world of clean, renewable, sustainable and long-term profitable energy.



# 04

## Annual Report and Financial Statements

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- 4.1 Presentation of 103rd Annual Report
- 4.2 General Information
- 4.3 Consolidated Financial Statements
- 4.4 Related Companies
- 4.5 Statement of Responsibility

# 4.1 Presentation of 103rd Annual Report

SUBMITTED TO THE ANNUAL  
SHAREHOLDERS' MEETING ON  
APRIL 7, 2021

## Dear Shareholders:

In accordance with the provisions of Article No. 74 of the Corporations Law, we are pleased to hereby submit to you the Annual Report and Financial Statements for the fiscal year from January 1 to December 31, 2020.

We also include the opinion on the Financial Statements issued by independent auditors KPMG Auditores Consultores Ltda.

## 1. Profit and Dividend Payments

As of December 31, 2020, the statement of income shows a

profit attributable to the owners of the controlling company of CLP 21,834,219,688.

The amount of the dividend established in the policy, equivalent to 50% of the distributable net income, is shown below:

Profit attributable to owners of the controlling company	<b>CLP</b>	<b>21,834,219,688</b>
Distributable net income	CLP	21,834,219,688
<b>Dividend to be distributed (50% of distributable net income)</b>	<b>CLP</b>	<b>10,917,109,844</b>
<b>Dividend CLP /share according to the distribution policy</b>	<b>CLP</b>	<b>249.25</b>

In relation to the interim dividends paid out of the profit attributable to the owners of the controlling company for the year 2020, in Board of Directors' meetings No. 1,382 (06/25/20) and No. 1,385 (09/24/20) it was agreed to pay dividends No. 261 and No. 262 of CLP 60 per share each, and in meeting No. 1,387 (11/26/20) it was agreed to pay dividend No. 263 of

CLP 102 per share, all of them on the total 43,800,000 shares.

Thus, the value of the interim dividends paid out of the profits for the year 2020 amounts to CLP 222 per share, equivalent to CLP 9,723,600,000.

The Board of Directors, at its meeting held on March 4, 2021, agreed to propose for the consideration of the

Annual Shareholders' Meeting, to be held next April, the payment of final dividend No. 264 of CLP 27.25 per share out of the earnings for the year 2020.

Thus, the Equity attributable to the owners of the controlling company once the final dividend is approved is as follows:

Issued share capital divided into 43,800,000 shares.	CLP	23,024,952,866
Retained earnings	CLP	370,563,633,911
Other reserves	CLP	10,760,091,962
<b>Total equity attributable to owners of the parent company</b>	<b>CLP</b>	<b>404,348,678,739</b>

Finally, during the period from 2018 to 2020 the Company has made the following dividend payments:

Year	Dividends No.	No. of Shares	CLP per Share	Total Dividend CLP
2020	259/263	43,800,000	CLP 369.70	CLP 16,192,860,000
2019	255/258	43,800,000	CLP 278.30	CLP 12,189,540,000
2018	251/254	43,800,000	CLP 799.00	CLP 34,996,200,000

## 2. Dividend Distribution Policy

The Board of Directors will propose to the Annual Shareholders' Meeting to approve the dividend distribution policy for fiscal year 2021.

The current policy, approved at the Annual Shareholders' Meeting in April 2020, is as follows:

From the distributable net income of each year, and provided there are no accumulated losses, at least 50% will

be allocated to the payment of cash dividends, which may be interim or final.

The possibility of granting dividends in excess of the legal obligation will be evaluated, taking into account the Company's results, the prevailing economic conditions, the investments necessary for the proper conduct of business and the Company's liquidity situation, which is strongly influenced by the dividends received from subsidiaries or affiliates.

Interim dividends may be declared by the Board of Directors at such times and in such amounts as it deems appropriate in each case. In addition, the Board of Directors may distribute interim dividends out of retained earnings without the need to call a new Annual Shareholders' Meeting.

## 3. Ownership of the Company

a) As of December 31, 2020, the twelve principal shareholders of the company are as follows:

Shareholders	No. of Shares	%
Productos Agrícolas Pucalán S.A.	10,860,890	24.80
Costanera S.A.C.I.	8,922,216	20.37
Marítima de Inversiones S.A.	4,787,578	10.93
Compañía de Inversiones la Española S.A.	3,683,124	8.41
Productos Agrícolas La Esmeralda S.A.	2,727,927	6.23
Vegas de Pangucco S.A.	2,280,409	5.21
Quemchi S.A.	1,704,643	3.89
Inmobiliaria Villarrica Ltda.	1,666,857	3.81
Inversiones Alonso de Ercilla S.A.	1,370,955	3.13
Navarino S.A.	859,540	1.96
Sucesión Ricardo Claro Valdés	733,833	1.68
Inversiones San Carlos Ltda.	521,737	1.19
<b>TOTAL</b>	<b>40,119,709</b>	<b>91.61</b>

b) Individuals or legal entities that directly or indirectly own or control shares or rights representing 10% or more of the company's capital:

b.1) Individuals or Legal Entities related to Mrs. María Luisa Vial de Claro, Tax ID No. 2.852.104-9:

Shareholders	No. of Shares	%
Productos Agrícolas Pucalán S.A.	10,860,890	24.80
Marítima de Inversiones S.A.	4,787,578	10.93
Quemchi S.A.	1,704,643	3.89
Inmobiliaria Villarrica Ltda.	1,666,857	3.81
Navarino S.A.	859,540	1.96
Sucesión Ricardo Claro Valdés	733,833	1.68
Inversiones San Carlos Ltda.	521,737	1.19
María Luisa Vial de Claro	220,988	0.50
Inversiones San Luis Ltda.	89,686	0.20
<b>TOTAL</b>	<b>21,445,752</b>	<b>48.96</b>

The companies and individuals Productos Agrícolas Pucalán S.A., Marítima de Inversiones S.A., Quemchi S.A., Inmobiliaria Villarrica Ltda., Navarino S.A., Sucesión Ricardo Claro Valdés, Inversiones San Carlos Ltda., María Luisa Vial de Claro and Inversiones San Luis Ltda. have not entered into a joint action agreement, notwithstanding which, it should be noted that the presumption

of joint action agreement under Article 98 of the Securities Market Law is applicable to them.

Individuals who indirectly control the company:

The ultimate controller of Compañía Electro Metalúrgica S.A. is Mrs. María Luisa Vial de Claro, Tax ID No. 2.852.104-9, in her capacity as

Protector of Fundación Educacional Internacional Claro Vial. Mrs. María Luisa Vial de Claro controls, directly and indirectly, 48.92% of the issued voting shares of the Company.

b.2) Individuals or legal entities related to Mr. Alfonso Swett Saavedra, Tax ID No. 4.431.932-2

Shareholders	No. of Shares	%
Costanera S.A.C.I.	8,922,216	20.37
Swett Saavedra, Alfonso	385,235	0.88
Opazo Herreros, María Isabel	7,780	0.02
Swett Opazo, Macarena	3,071	0.01
Swett Opazo, Carolina	3,000	0.01
Swett Opazo, Sebastián	1,247	0.00
Swett Matte, Santiago	1,000	0.00
Swett Matte, Sebastián	1,000	0.00
Swett Matte, Nicolás	1,000	0.00
Swett Matte, Paulina	1,000	0.00
Swett Schmidt, María Francisca	1,000	0.00
Swett Schmidt, Margarita María	1,000	0.00
Allard Swett, Blanca	1,000	0.00
Allard Swett, María Carolina	1,000	0.00
Hevia Edwards, Josefina Antonia	1,000	0.00
Allard Swett, Juan	1,000	0.00
Swett Matte, Alfonso	1,000	0.00
Swett Opazo Alfonso	67	0.00
<b>TOTAL</b>	<b>9,333,616</b>	<b>21.31</b>

b.3) Individuals or Legal Entities related to Mr. Patricio García Domínguez, Tax ID No. 3.309.849-9

Shareholders	No. of Shares	%
Compañía de Inversiones La Española S.A.	3,683,124	8.41
Inversiones Alonso de Ercilla S.A.	1,370,955	3.13
Compañía Inmobiliaria La Hispano Chilena S.A.	252,692	0.58
Inversiones San Benito S.A.	157,476	0.36
Inversiones Hispania S.A.	145,000	0.33
Inversiones Cristóbal Colón S.A.	127,815	0.29
Inversiones Montemarcelo S.A.	95,481	0.22
Inversiones Ausejo S.A.	70,102	0.16
Inversiones Glogar S.A.	70,102	0.16
Inversiones Lago Gris S.A.	70,102	0.16
Inversiones Santa Clara S.A.	70,102	0.16
Inversiones Beda S.A.	63,597	0.15
Asesorías y Servicios Finan. Galicia Ltda.	13,106	0.03
García Domínguez, Gloria	9,250	0.02
<b>TOTAL</b>	<b>6,198,904</b>	<b>14.15</b>

#### 4. Investment and Financing Policies

The financing policy for investment projects and working capital needs establishes that the sources of financing are managed in accordance with the Company's long-term financial plan. Financial resources are obtained from own sources, from traditional direct indebtedness or with derivative instruments, from public and private offering instruments with or without an option to convert them into equity, in Chile or abroad, vendor credits and capital contributions, if strategic conditions so advise. Shareholders' equity consists of accounting depreciation, other amortization and net income for the period, which represents a net source of financing in that portion of the retention that is approved by the Annual Shareholders' Meeting.

The Board of Directors also discussed financial risks, mainly associated with the different currencies in which the metallurgy business participates and the evolution and variation of the respective parities as well as interest rates. Nevertheless, Elecmetal has an excellent level of solvency, low indebtedness at the consolidated level and has had very positive returns, the Company faces these risk elements.

The Board of Directors maintains a financial risk hedging policy that considers different available instruments, such as the subscription of derivatives in order to hedge these exchange or interest rate risks for future events with a high degree of certainty for cash flows, assets or liabilities. The most common derivatives instruments in the capital market and which the Board of Directors approves the use of are:

**a. Forwards:** these are instruments that fix the exchange rate or other relevant risk variables, for a given amount and term. It is a liquid contract for the exchange rate and inflation in the market, with generally short and/or medium terms.

**b. Swap:** these are instruments that allow for the exchange of two flows, which may be in different currencies or with different interest rates. They are mainly used in time horizons in excess of two years.

In executing a derivative, in addition to the conditions of the instrument itself, special consideration must be given to counterparty credit quality. To this end, the Board of Directors approved working exclusively with first class banks, including Banco de Chile, BCI, Bice, Estado, Santander and Scotiabank.

In relation to financing through a

combination of debt and derivative instruments, operations that qualify as hedge accounting must be contracted, i.e. operations that meet the requirements of accounting standards, so that temporary variations in the market valuation of the instrument at the date of each closing of the financial statements during the term of the same are recorded in equity accounts and

should not be recorded in the statement of income for the period, thus avoiding the impact that this would have.

The operation of these contracts will be under the responsibility of the finance department.

## 5. Share Transactions

a) Purchases and sales of shares made in 2020 by legal entities or individuals related to the company:

Shareholder	Relationship	No. of Shares		Amount	Price	Investment Type
		Purchase	Sale			
PRODUCTOS AGRÍCOLAS PUCALÁN S. A.	C.O.	5,110		56,153,790	10,989	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S. A.	C.O.	6,478		71,905,800	11,100	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S. A.	C.O.	118		1,309,800	11,100	Financial Inv.
PRODUCTOS AGRÍCOLAS PUCALÁN S. A.	C.O.	5,069		56,265,900	11,100	Financial Inv.
COSTANERA S.A.C.I.	A.M.	11,666		129,492,600	11,100	Financial Inv.
ALFONSO SWETT SAAVEDRA	DI		2,000	22,200,000	11,100	Financial Inv.
BALTAZAR SANCHEZ GUZMÁN	DI	1,757		19,502,700	11,100	Financial Inv.
JUAN ALLARD SWETT	PDI	1,000		11,100,000	11,100	Financial Inv.
ALFONSO SWETT MATTE	PDI	1,000		11,100,000	11,100	Financial Inv.

Note:

C.O. = Controlling Shareholder

A.M. =Majority Shareholder

DI =Director

PDI =Director Relative

b) Quarterly statistics for the last three years of the Company's share transactions on the stock exchanges:

Quarter	No. of Shares	Amount in CLP	Average Price CLP /share
1st Quarter. – 2018	15,165	164,255,170	10,831.20
2nd Quarter. – 2018	244,687	3,303,463,835	13,500.77
3rd Quarter. – 2018	154,176	2,248,786,200	14,585.84
4th Quarter. – 2018	20,650	304,793,500	14,759.98
1st Quarter. – 2019	514	7,557,900	14,704.09
2nd Quarter. – 2019	5,708	83,354,100	14,603.03
3rd Quarter. – 2019	5,082	73,744,200	14,510.86
4th Quarter. – 2019	231	3,234,000	14,000.00
1st Quarter. – 2020	4,239	58,194,292	13,728.31
2nd Quarter. – 2020	1,761	19,547,100	11,100.00
3rd Quarter. – 2020	10,474	116,261,400	11,100.00
4th Quarter. – 2020	23,179	256,152,258	11,051.05

## 6. Election of the Board of Directors

At the Annual Shareholders' Meeting held on April 10, 2019, as established in its bylaws, the Company's Board of Directors was elected for a three-year term.

## 7. Directors' Committee

At the Board of Directors' meeting held on April 10, 2019, the election of the Directors' Committee of Elecmetal S.A. was held, as established in Article No. 50 bis of Law 18,046, with the election of directors Carlos F. Cáceres Contreras, Baltazar Sánchez Guzmán and Alfonso Swett Saavedra. Mr. Carlos F. Cáceres Contreras assumed as Chairman of the Directors' Committee.

The Committee holds regular meetings to deal with matters entrusted to it under Article No. 50 bis of Law 18,046.

The main activities carried out by this Committee during the 2020 fiscal year

were as follows:

Review of the reports of the independent auditors and the financial statements of Elecmetal S.A. corresponding to the annual closing and determination of these prior to the Board of Directors for approval and submission to the Financial Market Commission (CMF), and subsequent submission to the Shareholders' Meeting for approval.

Review of the 2020 Mid-Term Financial Statements (March, June and September) and review of the independent auditors' report to the interim review of the Mid-Term Financial Statements as of June 30, 2020.

Review and approval for the usual and ordinary operations with related parties: i) purchase and sale of the metallurgy business with Esco Elecmetal Fundición Limitada, Fundición Talleres Ltda, ME Global Inc, ME Elecmetal (China) Co. Ltd. and others, and other transactions

related to their respective lines of business with Cristalerías de Chile S.A., Servicios y Consultorías Hendaya S.A., Servicios Compartidos Ticel Ltda., Ediciones Financieras S.A., S.A. Viña Santa Rita and others. In relation to subsidiary Servicios y Consultorías Hendaya S.A., it should be noted that this company has an employment contract with Mr. Baltazar Sánchez G., Vice Chairman of the Board of Directors of Elecmetal S.A., for the purpose of coordinating controls, functions and activities between the subsidiaries.

Review of proposals and recommendation to the Board of Directors for the appointment of independent auditors that were suggested to the Annual Shareholders' Meeting in April 2020, as well as the rating agencies.

Meetings with independent auditors KPMG to analyze and review the Financial Statements, update the audit plan and other related matters. Meetings with the Internal Audit

Manager to review matters such as the Crime Prevention Model under Law No. 20,393, the results of the corporate risk map, the adoption of the CMF regulations, objectives to be covered with the Audit Plan, review of progress and results, etc.

On the other hand, in specific meetings the Committee analyzed the client portfolio, transfer prices related to transactions between Elecmetal's different companies, the evaluation of the Audit Unit, remuneration and incentive systems, among other matters.

During the year 2020, the Committee incurred in expenses for a total equivalent to 581 Unidades de Fomento for various consultancies with independent external consultants, related to the continuous audit system, the survey of processes and risks, the certification of the crime prevention model, the operation of the corporate whistleblower system and others.

## 8. Remuneration to the Board of Directors and Managers

In accordance with the provisions of Law 18,046, the Annual Shareholders' Meeting held in April 2020 approved the remuneration of the Board of Directors of Compañía Electro Metalúrgica S.A. for the year, setting it at 3% of net profits and an attendance allowance equivalent to two tax units per month for each meeting attended. Details of the amounts paid are shown in Note 39 to the consolidated financial statements. The Board of Directors did not incur in expenses for consulting and other services.

On the other hand, the gross remuneration paid to the executives of the parent company during the year 2020 totaled ThCLP 2,285,625.

It is noted that there are no incentive plans such as stock awards, stock options or others.

## 9. Corporate information on diversity and pay gap

The following summary tables have been prepared in accordance with the interpretation of General Rule No. 386 of the CMF, consolidating the information of both the parent company Compañía Electro Metalúrgica S.A. and its subsidiaries in Chile and abroad, according to the lines of business they operate: Metallurgy, Glass Containers, Wine and Media & Communications. This information is shown in the following tables:

### A. Diversity Chart:

Metallurgy	Directors (1)		Directors (2)		Rest of Organization (3)		
	Men	Women	Men	Women	Men	Women	
Gender	7	-	30	1	1.012	129	
Nationality	Chileans	7	-	18	-	526	69
	Foreigners	-	-	12	1	486	60
Age	Under 30 Years	-	-	-	-	189	21
	Between 30 and 40 Years	-	-	4	-	416	61
	Between 41 and 50 Years	1	-	10	-	229	29
	Between 51 and 60 Years	2	-	11	1	136	13
	Between 61 and 70 Years	2	-	5	-	42	5
	Over 70 Years	2	-	-	-	-	-
Time Worked (4)	Under 3 Years	1	-	3	1	356	58
	Between 3 and 6 Years	1	-	4	-	331	33
	More than 6 and less than 9 Years	2	-	4	-	114	20
	More than 9 and less than 12 Years	1	-	3	-	63	5
	Over 12 Years	2	-	16	-	148	13

Glass Containers		Directors (1)		Executives (2)		Rest of Organization (3)	
		Men	Women	Men	Women	Men	Women
Gender		10	-	8	-	834	82
Nationality	Chileans	10	-	8	-	808	78
	Foreigners	-	-	-	-	26	4
Age	Under 30 Years	-	-	-	-	192	29
	Between 30 and 40 Years	-	-	2	-	257	31
	Between 41 and 50 Years	2	-	1	-	192	16
	Between 51 and 60 Years	3	-	3	-	148	5
	Between 61 and 70 Years	3	-	2	-	45	1
	Over 70 Years	2	-	-	-	-	-
Time Worked (4)	Under 3 Years	3	-	1	-	182	53
	Between 3 and 6 Years	2	-	-	-	121	12
	More than 6 and less than 9 Years	1	-	2	-	87	6
	More than 9 and less than 12 Years	1	-	-	-	82	2
	Over 12 Years	3	-	5	-	362	9

Media & Communications		Directors (1)		Executives (2)		Rest of Organization (3)	
		Men	Women	Men	Women	Men	Women
Gender		7	-	2	4	40	67
Nationality	Chileans	7	-	2	4	39	61
	Foreigners	-	-	-	-	1	6
Age	Under 30 Years	-	-	-	-	1	14
	Between 30 and 40 Years	-	-	-	1	14	19
	Between 41 and 50 Years	1	-	1	3	10	15
	Between 51 and 60 Years	1	-	1	-	10	14
	Between 61 and 70 Years	2	-	-	-	3	3
	Over 70 Years	3	-	-	-	2	2
Time Worked (4)	Under 3 Years	1	-	2	3	15	29
	Between 3 and 6 Years	-	-	-	-	6	11
	More than 6 and less than 9 Years	2	-	-	-	8	7
	More than 9 and less than 12 Years	-	-	-	-	1	1
	Over 12 Years	4	-	-	1	10	19

Wine	Directors (1)		Executives (2)		Rest of Organization (3)		
	Men	Women	Men	Women	Men	Women	
Gender	7	-	9	3	1.087	387	
Nationality	Chileans	7	-	7	2	998	347
	Foreigners	-	-	2	1	89	40
Age	Under 30 Years	-	-	-	-	172	80
	Between 30 and 40 Years	1	-	1	1	286	131
	Between 41 and 50 Years	1	-	4	1	249	102
	Between 51 and 60 Years	1	-	3	-	255	61
	Between 61 and 70 Years	1	-	1	1	119	12
	Over 70 Years	3	-	-	-	6	1
Time Worked (4)	Under 3 Years	-	-	-	-	589	237
	Between 3 and 6 Years	1	-	1	-	135	76
	More than 6 and less than 9 Years	1	-	-	-	43	11
	More than 9 and less than 12 Years	1	-	2	3	38	19
	Over 12 Years	4	-	6	-	282	44

Notes:

(1) Corresponds to the Directors of the parent company, registered with the CMF. In the case of Media & Communications, the directors of Ediciones Chiloe as a closed corporation are indicated.

(2) Corresponds to the senior executives, Chief Executive Officer and those who report to him or to the Board of Directors as defined by the CMF, plus other managers of subsidiaries in Chile and abroad that are part of the reporting group.

(3) Corresponds to the rest of the employees, other than Directors and Executives.

(4) Total time worked in the same position in the reporting company, for example as a Director.

#### B. Pay gap by gender:

Position (5)	Pay Gap in % (6)			
	Metallurgy	Glass Containers	Media & Comm	Wine
Managers (7)	84%	100%	86%	91%
Assistant Managers	92.5%	83.0%	100.0%	86.0%
Heads	86.6%	80.0%	91.0%	84.0%
Professionals	84.2%	76.0%	93.0%	109.0%
Supervisors	89.8%	100.0%	100.0%	102.0%
Technicians	100.2%	74.0%	84.0%	81.0%
Administrative staff	101.4%	105.0%	140.0%	97.0%
Operators	78.6%	83.0%	100.0%	87.0%

Notes:

(5) In accordance with the interpretation of CMF NCG No. 386, it has been defined at the corporate level to group the functions and/or responsibilities according to the 8 Positions indicated in this table, where 100% of the organization's executives and workers have been classified.

(6) The proportion that represents the average gross base salary, by type of position, responsibility and function performed, of female and male executives and workers with respect to male and female executives and workers.

(7) Corresponds to the senior executives, as defined by the CMF, plus other managers.

## 10. Notes to Shareholders

General Rule No. 269 of the CMF:

Law 20,382 of December 20, 2009, amended Article 12 of Law 18,045 on the Securities Market for those persons who own 10% or more of the subscribed capital of the Company, which shall hereinafter be understood as follows:

Persons who directly or through other individuals or legal entities, hold 10% or more of the subscribed capital of the Company, or who as a result of an acquisition of shares come to hold

such percentage, as well as directors, liquidators, chief executives, managers and administrators, whatever the number of shares they hold, directly or through other individuals or legal entities, must inform the CMF and each of the Stock Exchanges in the country where the company has securities registered for trading, about any acquisition or disposal they make regarding contracts or securities whose price or result that, in whole or in significant part, depends on or is conditioned by the variation or evaluation of the price of such shares. It must communicate

this no later than the day immediately following the completion of the transaction, by the established technological means.

Additionally, the majority shareholders must inform whether the acquisitions they have made are intended to acquire control of the Company or, alternatively, whether such acquisitions are only in the nature of a financial investment.

THE BOARD OF DIRECTORS

This report has been signed by the Directors.

## 4.2 General Information

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### BASIC IDENTIFICATION:

NAME OF THE COMPANY: COMPAÑÍA ELECTRO METALÚRGICA S.A. ELECMETAL S.A.  
LEGAL ADDRESS: AV. ANDRÉS BELLO 2233, 11TH FLOOR, PROVIDENCIA  
TELEPHONE: 223614020  
TAX ID NO.: 90.320.000-6  
TYPE OF COMPANY: PUBLIC CORPORATION. REGISTRATION IN THE SECURITIES REGISTRY OF THE FINANCIAL MARKET COMMISSION NO. 45.

### Incorporation Documents

Elecmetal was incorporated by means of a public instrument drawn up at the Santiago Notary Office of Mr. Eulogio Altamirano dated September 27, 1917 and authorized by Ministry of Finance Decree No. 2,253 of October 23, 1917. The extract of the by-laws as well as Decree No. 2,253 were published in the Official Gazette No. 11,915 of November 7, 1917. By Treasury Decree No. 2,522 dated December 4, 1917, the company was declared legally established and registered in the Commercial Registry of Santiago on December 7, 1917. The last amendments to the bylaws were agreed at the Special Shareholders' Meetings of December 21, 1995, as recorded in a public instrument dated January 3, 1996 drawn up at the Ñuñoa Notary Office of Mr. René Martínez Miranda and on April 15, 2011, as recorded in a public instrument dated May 18, 2011 drawn up at the Santiago Notary Office of Mr. Patricio Raby Benavente.

### Business purpose:

The Company, according to its bylaws, has as its business purpose:

- a) Industrial and commercial activities in the field of metallurgy.
- b) The investment and/or exploitation, directly or indirectly, in activities related to the glass and container industry in general, mining, industrial chemicals, shipping, forestry, agribusiness, construction, fishing, tourism, transportation, processing and marketing of consumer goods and mass media.
- c) Carry out sanitary and real estate activities, especially those that consist of giving and/or leasing and, in general, any other form of transfer of use or temporary enjoyment of furnished or unfurnished real estate.
- d) Import, export and, in general, commercialization of goods, products, raw or semi-finished materials that are related to the activities that, as indicated above, are included in the business purpose.

- e) Provision of management and consulting services to related or unrelated third parties.

### Elecmetal:

GENERAL OFFICES  
SANTIAGO  
Av. Andrés Bello 2233, 11th floor,  
Providencia, Chile  
Telephone: 223614020  
P.O. Box 3463, Correo Central,  
Santiago.

### Property and Equipment:

La sociedad es propietaria de los siguientes inmuebles y equipos principales:

### Propiedades:

- Av. Estación 1200, Rancagua.
- Los Yacimientos 570, Maipú, Santiago.
- Av. Las Industrias 10881, Maipú, Santiago.
- El Yodo 8150, Antofagasta.
- Av. Agustín Samsó Sivori 459, La Negra, Antofagasta.
- Camino a Chiu Chiu, lot No.43, Puerto Seco, Calama.

- Electric arc furnaces for smelting.
- Machinery and equipment for molding lines.
- Metallurgy and raw material control laboratory.
- Heat treatment furnaces.
- Lathes and machine tools.
- Support machinery.

#### Main Customers

- Anglo American Sur S.A.
- Compañía Contractual Minera Candelaria
- Compañía Minera Doña Ines de Collahuasi SCM
- Corporación Nacional del Cobre de Chile, CODELCO
- Finning Chile S.A.
- Komatsu Chile S.A.
- Minera Centinela S.A.
- Minera Escondida Ltda.
- Minera Los Pelambres S.A.
- Minera Lumina Copper Chile S.A.
- Sierra Gorda SCM
- Sociedad Contractual Minera El Abra
- Cobre Panamá (First Quantum Minerals Ltd.)
- Compañía Minera Antapaccay S.A.
- Grupo México
- Iamgold Essakane
- Kalumbila Minerals Ltd. y otras (First Quantum Minerals Ltd.)
- KAZ Minerals (Aktogay y Bozshakol)
- Kinross Gold (Paracatú, Tasiast y Kupol)
- Ma'aden Wa'ad al Shamal Phosphate Cia.
- Minera Chinalco Perú S.A. (Toromocho)
- Minera San Cristobal S.A.
- Newcrest Mining Ltd. (Telfer, Cadia y Lihir Gold)
- Newmont Mining Corporation (Peñasquito, Yanacocha and Merian)
- North Mara Gold Mine Limited
- Southern Perú Cooper Corp.
- Sukari Gold Mining Company

#### Main Suppliers:

- Carpenter Brothers Inc.
- Casas del Valle Barros Hnos. Ltda.

- Changshu Longte Grinding Ball Co., Ltd.
- Christensen Comercial S.A.
- Compañía General de Remates Spa.
- Corporación Nacional del Cobre de Chile, CODELCO
- Dist. de Productos Metalúrgicos Ltda. (Dipromet)
- ENEL Generación Chile S.A.
- ESCO Group LLC
- Hamburg Sud Chile
- HapagDLloyd Chile Spa
- Ind. Metalurgia Somarriva Ltda
- LSC New Material Co., Ltd.
- Marítima Valparaíso Chile S.A.
- Metalúrgica Rancagua S.A.
- Metrogas S.A.
- Migrin S.A.
- Proveedora Industrial Minera Andina S.A.
- RHI Chile S.A.
- Transportes Transhuara Ltda.
- Zhejiang Wujing Machine Manufacture Co., Ltd.

#### Research and Development:

The Company is permanently dedicated to the development of new services and products, designs and manufacturing processes of the same, in order to maintain its leading position worldwide.

This matter is addressed both internally in the Chile, USA and PRC plants, with joint work with national universities, consultants and with the technical license contract with Esco Corporation (USA), a world leader in the manufacture of steel parts for earthmoving.

#### Contracts:

The company regularly enters into contracts and Purchase Orders, both in the domestic and international markets with clients and suppliers. It also has contracts with domestic suppliers for the supply of fuel, electricity, and other inputs.

#### Trademarks and Patents:

The company and its subsidiaries have registered several trademarks, which protect the products they market.

#### Technical Assistance Agreement:

Compañía Electro Metalúrgica S.A. entered into a technical assistance agreement in 1959 to manufacture and market the products of ESCO Corp. (USA), which was expanded in 2007 to a 50/50 Joint Venture, incorporating subsidiary "Esco Elecmetal Fundición Limitada".

#### Insurance

The Company carries insurance in force with first class companies to safeguard its assets, covering buildings, machinery, facilities, vehicles, raw materials, products in process and finished products. The risks covered are fire, earthquake, damage to machinery and damages due to stoppage. Additionally, there are other insurances, such as transportation, civil liability, and theft, among others.

#### Banks:

Banco BCI, Banco BICE, Banco de Chile, Banco Estado, Banco Santander Chile, China Construction Bank (CCB), HSBC Bank, US Bank USA.

#### Legal Counsel:

Claro y Cía.  
Barros y Errázuriz Abogados.  
Estudio Juan Agustín Figueroa.  
Silva & Compañía Patentes y Marcas Ltda.

## 4.3

# Consolidated Financial Statements 2020

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Classified Statements of Financial Position	Note	12-31-2020	12-31-2019
		ThCLP	ThCLP
<b>Current Assets</b>			
Cash and Cash Equivalents	25	111,427,435	62,255,755
Other Current Financial Assets	36	330,071	90,402
Other Current Non-Financial Assets	26	2,891,503	2,158,460
Current trade and other accounts receivable	24	170,366,398	187,744,396
Current Accounts Receivable from Related Entities	39	9,719,412	4,264,290
Inventories	23	220,413,964	220,039,219
Current Biological Assets	17	10,140,179	11,264,479
Current Tax Assets	27	27,093,062	27,170,932
<b>Total current assets other than assets or groups of assets for disposal classified as held for sale or as held for distribution to owners</b>		<b>552,382,024</b>	<b>514,987,933</b>
Non-current assets or groups of assets for disposal classified as held for sale or as held for distribution to owners	20	-	-
<b>Total current assets</b>		<b>552,382,024</b>	<b>514,987,933</b>
<b>Non-current assets</b>			
Other Non-Current Financial Assets	36	2,530,662	2,853,101
Other non-current non-financial assets	26	3,143,943	2,800,501
Non-current accounts receivable	24	656,019	769,420
Non-current Inventory	23	-	-
Non-current Accounts Receivable from Related Entities	39	-	-
Investments accounted for using the equity method	19	93,715,660	89,602,628
Intangible Assets other than Goodwill	15	18,151,643	17,940,095
Goodwill	16	-	-
Property, Plant and Equipment	14	477,477,043	474,575,459
Non-current Biological Assets	17	-	-
Investment Property	18	5,628,792	5,656,417
Rights-of-use assets	31	6,544,801	6,277,049
Non-current tax assets	27	631,394	529,211
Deferred tax assets	22	10,688,065	10,624,399
Deferred tax assets			
<b>Total non-current assets</b>		<b>619,168,022</b>	<b>611,628,280</b>
<b>Total assets</b>		<b>1,171,550,046</b>	<b>1,126,616,213</b>

The accompanying notes are an integral part of these consolidated financial statements.

## CLASSIFIED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Classified Statements of Financial Position	Note	12-31-2020	12-31-2019
		ThCLP	ThCLP
<b>Shareholders' equity and liabilities</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other Current Financial Liabilities	30	84,766,260	66,571,037
Current lease liabilities	31	1,751,095	1,015,385
Current Trade and Other Accounts Payable	35	86,408,660	98,851,803
Current Accounts Payable to Related Entities	39	2,849,846	3,459,822
Other Current Provisions	34	1,478,502	1,240,927
Current Tax Liabilities	27	5,603,862	7,765,729
Current Employee Benefit Provisions	32	11,282,274	9,691,081
Other Current Non-Financial Liabilities	33	3,274,783	3,595,439
<b>Total current liabilities other than liabilities included in groups of assets for disposal classified as held for sale</b>		<b>197,415,282</b>	<b>192,191,223</b>
Liabilities included in groups of assets for disposal classified as held for sale		-	-
<b>Total current liabilities</b>		<b>197,415,282</b>	<b>192,191,223</b>
<b>Non-current liabilities</b>			
Other Non-current Financial Liabilities	30	355,602,250	319,562,977
Non-current lease liabilities	31	4,944,908	5,253,101
Other Non-Current Accounts Payable	35	1,015,180	1,892,298
Non-current Accounts Payable to Related Entities	39	-	-
Other Non-Current Provisions	34	-	-
Deferred Tax Liabilities	22	23,667,238	24,172,793
Non-current Employee Benefit Provisions	32	16,577,744	15,587,987
Other non-current non-financial liabilities	33	5,952,920	6,161,593
<b>Total non-current liabilities</b>		<b>407,760,240</b>	<b>372,630,749</b>
<b>Total Liabilities</b>		<b>605,175,522</b>	<b>564,821,972</b>
<b>Shareholders' equity</b>			
	<b>28</b>		
Issued capital		23,024,953	23,024,953
Retained earnings (losses)		370,563,674	358,861,133
Other reserves		10,760,092	19,828,577
<b>Equity attributable to owners of controlling interest</b>		<b>404,348,719</b>	<b>401,714,663</b>
Minority interests	42	162,025,805	160,079,578
Total shareholders' equity		566,374,524	561,794,241
<b>Total shareholders' equity and liabilities</b>		<b>1,171,550,046</b>	<b>1,126,616,213</b>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENTS BY FUNCTION

Income Statement By Function	Nota	01-01-2020	01-01-2019
		31-12-2020	31-12-2019
		ThCLP	ThCLP
<b>Profit (loss)</b>			
Income from ordinary activities	7	779,181,696	755,604,545
Cost of sales		(603,181,497)	(577,530,901)
<b>Gross profit</b>		<b>176,000,199</b>	<b>178,073,644</b>
Other income, by function	8	1,805,491	2,233,762
Distribution costs		(22,197,915)	(20,624,529)
Administrative expense		(94,717,470)	(92,828,604)
Other expenses, by function	8	(73,646)	(219,670)
Other income (loss)	9	(191,560)	523,539
<b>Profit (loss) from operating activities</b>		<b>60,625,099</b>	<b>67,158,142</b>
Financial income	11	709,716	915,979
Finance costs	11	(19,358,220)	(13,179,654)
Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS 9	21	(454,683)	(629,257)
Equity in earnings (losses) of associates and joint ventures accounted for using the equity method	19	8,193,898	2,794,604
Exchange gains (losses) on foreign currency transactions	12	(10,418,012)	(7,092,339)
Income (loss) from units of restatement	12	(3,111,918)	(2,711,528)
<b>Income (loss) before income taxes</b>		<b>36,185,880</b>	<b>47,255,947</b>
Income tax expense	13	(5,891,565)	(11,192,666)
<b>Profit (loss) from continuing operations</b>		<b>30,294,315</b>	<b>36,063,281</b>
Profit (loss) from discontinued operations		-	
<b>Profit (loss)</b>		<b>30,294,315</b>	<b>36,063,281</b>
<b>Profit (loss), attributable to</b>			
Profit (loss), attributable to owners of controlling interest	29	21,834,220	25,900,355
Profit (loss), attributable to minority interest	42	8,460,095	10,162,926
<b>Profit (loss)</b>		<b>30,294,315</b>	<b>36,063,281</b>
<b>Earnings per share</b>			
<b>Basic earnings per share</b>	<b>29</b>		
Basic earnings (loss) per share from continuing operations		498.50	591.33
Basic earnings (loss) per share from discontinued operations		-	
<b>Basic earnings (loss) per share</b>		<b>498.50</b>	<b>591.33</b>

The accompanying notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Statement of Comprehensive Income	01/01/20	01/01/19
	31/12/20	31/12/19
	ThCLP	ThCLP
<b>Profit (loss)</b>	<b>30,294,315</b>	<b>36,063,281</b>
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss for the period, before taxes		
Other comprehensive income (loss) before taxes, revaluation gains (losses)	(195,710)	2,681
Other comprehensive income (loss), before taxes, gain (loss) on re-measurement of defined benefit plans	(173,283)	(533,278)
<b>Total other comprehensive income that will not be reclassified to profit or loss for the period, before taxes</b>	<b>(368,993)</b>	<b>(530,597)</b>
Components of other comprehensive income to be reclassified to profit or loss for the period, before taxes		
Foreign exchange translation profit (loss), before taxation	(9,051,382)	13,664,082
Gains (losses) on cash flow hedges, before taxes	417,950	346,642
<b>Total other comprehensive income (loss) to be reclassified to profit or loss for the period, before taxes</b>	<b>(8,633,432)</b>	<b>14,010,724</b>
Other components of other comprehensive income, before taxes		
Income tax related to re-measurements of defined benefit plans from other comprehensive income	46,786	143,985
Income tax related to cash flow hedges from other comprehensive income	(112,846)	(93,593)
<b>Total other comprehensive income</b>	<b>(9,068,485)</b>	<b>13,530,519</b>
<b>Total comprehensive income</b>	<b>21,225,830</b>	<b>49,593,800</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of controlling interest	12,765,735	39,430,874
Comprehensive income attributable to minority interest	8,460,095	10,162,926
<b>Total comprehensive income</b>	<b>21,225,830</b>	<b>49,593,800</b>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (DIRECT METHOD)

<b>Statement of Cash Flows</b>	<b>01/01/20</b>	<b>01/01/19</b>
	<b>31/12/20</b>	<b>31/12/19</b>
	<b>ThCLP</b>	<b>ThCLP</b>
Statement of direct cash flows		
Cash flows from (used in) operating activities		
<b>Types of cash receipts from operating activities</b>		
Proceeds from sales of goods and services rendered	855,563,503	882,515,628
Types of payments		
Payments to suppliers for the supply of goods and services	(647,676,796)	(666,537,640)
Payments to and on behalf of employees	(99,910,547)	(103,888,553)
Other payments for operating activities	(15,178,308)	(14,539,719)
<b>Net cash flows provided by (used in) operating activities</b>	<b>92,797,852</b>	<b>97,549,716</b>
Dividends received	2,596,515	64,095
Interest paid	(13,865,596)	(12,530,317)
Interest received	386,117	1,282,941
Income taxes refunded (paid)	(12,741,107)	(10,964,494)
Other cash inflows (outflows)	(3,912,080)	740,625
<b>Cash flows from (used in) operating activities</b>	<b>65,261,701</b>	<b>76,142,566</b>
<b>Cash flows provided by (used in) investing activities</b>		
Cash flows used to obtain control of subsidiaries or other businesses	(5,175)	-
Cash flows used to purchase minority interests	-	(1,856)
Other proceeds from the sale of equity or debt instruments of other entities	16,349,814	21,871,258
Other payments to acquire equity or debt instruments of other entities	(16,349,308)	(21,868,367)
Loans to related entities	(33,402)	1,240
Proceeds from sale of property, plant and equipment	220,054	932,292
Purchases of property, plant and equipment	(41,822,256)	(84,427,481)
Purchases of intangible assets	(661,953)	(688,069)
Payments derived from futures, forward, option and swap contracts	(2,369,143)	(4,379,111)
Proceeds from futures, forward, option and swap contracts	3,516,011	3,429,261
Receivables from related entities	-	1,019
Dividends received	-	510,394
Other cash inflows (outflows)	(190,558)	251,259
<b>Net cash flows from (used in) investing activities</b>	<b>(41,345,916)</b>	<b>(84,368,161)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuance of shares	51,586	20,853
Proceeds from long-term borrowings	89,450,000	84,984,774
Proceeds from short-term borrowings	116,119,679	172,570,379
Total amounts from borrowings, classified as financing activities	205,569,679	257,555,153
Loans from related entities	4,500	20,000
Loan repayments	(156,793,515)	(187,803,027)
Loan repayments to related entities	(52,182)	(12,664)
Dividends paid	(20,535,370)	(19,191,982)
Interest paid	(574,112)	(539,491)
Other cash inflows (outflows)	(337,121)	4,491
<b>Net cash flows provided by (used in) financing activities</b>	<b>27,333,465</b>	<b>50,053,333</b>
<b>Net increase (decrease) in cash and cash equivalents, before the effect of changes in foreign exchange rates</b>	<b>51,249,250</b>	<b>41,827,738</b>
Effect of changes in exchange rates on cash and cash equivalents	(2,077,570)	(605,424)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>49,171,680</b>	<b>41,222,314</b>
Cash and cash equivalents at beginning of period	62,255,755	21,033,441
<b>Cash and cash equivalents at the end of the period</b>	<b>111,427,435</b>	<b>62,255,755</b>

The accompanying notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Issued capital	Reserves for foreign exchange translation differences	Reserves for cash flow hedges	Reserves for actuarial gains or losses on defined benefit plans	Other miscellaneous reserves	Other reserves	Accumulated earnings (losses)	Equity attributable to owners of the controlling interest	Minority interest	Total equity
Beginning Balance Current Period 01-01-2020	23,024,953	14,033,036	(1,090,693)	(2,919,574)	9,805,808	19,828,577	358,861,133	401,714,663	160,079,578	561,794,241
Increase (decrease) due to changes in accounting policies							-	-		-
Increase (decrease) due to corrections of errors										
Restated Beginning Balance	23,024,953	14,033,036	(1,090,693)	(2,919,574)	9,805,808	19,828,577	358,861,133	401,714,663	160,079,578	561,794,241
Changes in equity										
Comprehensive income										
Profit (loss)							21,834,220	21,834,220	8,460,095	30,294,315
Other comprehensive income		(9,051,382)	305,104	(126,497)	(195,710)	(9,068,485)		(9,068,485)		(9,068,485)
Comprehensive income								12,765,735	8,460,095	21,225,830
Equity issuance										
Dividends							(10,918,594)	(10,918,594)		(10,918,594)
Increase (decrease) due to other contributions from owners										
Decrease (increase) due to other distributions to owners										
Increase (decrease) due to transfers and other changes							786,915	786,915	(6,513,868)	(5,726,953)
Increase (decrease) due to transactions of treasury stock										
Increase (decrease) due to changes in shareholdings in subsidiaries not involving loss of control										
<b>Total changes in shareholders' equity</b>	<b>-</b>	<b>(9,051,382)</b>	<b>305,104</b>	<b>(126,497)</b>	<b>(195,710)</b>	<b>(9,068,485)</b>	<b>11,702,541</b>	<b>2,634,056</b>	<b>1,946,227</b>	<b>4,580,283</b>
<b>Ending Balance Current Period 12-31-2020</b>	<b>23,024,953</b>	<b>4,981,654</b>	<b>(785,589)</b>	<b>(3,046,071)</b>	<b>9,610,098</b>	<b>10,760,092</b>	<b>370,563,674</b>	<b>404,348,719</b>	<b>162,025,805</b>	<b>566,374,524</b>

	Issued capital	Reserves for foreign exchange translation differences	Reserves for cash flow hedges	Reserves for actuarial gains or losses on defined benefit plans	Other miscellaneous reserves	Other reserves	Accumulated earnings (losses)	Equity attributable to owners of the controlling interest	Minority interest	Total equity
Beginning Balance Current Period 01-01-2019	23,024,953	368,954	(1,343,742)	(2,530,281)	9,803,127	6,298,058	345,911,855	375,234,866	153,755,232	
Increase (decrease) due to changes in accounting policies								-		-
Increase (decrease) due to corrections of errors										
Restated Beginning Balance	23,024,953	368,954	(1,343,742)	(2,530,281)	9,803,127	6,298,058	345,911,855	375,234,866	153,755,232	528,990,098
Changes in equity										
Comprehensive income (loss)										
Profit (loss)							25,900,355	25,900,355	10,162,926	36,063,281
Other comprehensive income		13,664,082	253,049	(389,293)	2,681	13,530,519		13,530,519		13,530,519
Comprehensive income								39,430,874	10,162,926	49,593,800
Equity issuance										
Dividends							(12,951,077)	(12,951,077)		(12,951,077)
Increase (decrease) due to other contributions from owners										
Decrease (increase) due to other distributions to owners										
Increase (decrease) due to transfers and other changes								-	(3,838,580)	(3,838,580)
Increase (decrease) due to transactions of treasury stock										
Increase (decrease) due to changes in shareholdings in subsidiaries not involving loss of control										
<b>Total changes in shareholders' equity</b>	<b>-</b>	<b>13,664,082</b>	<b>253,049</b>	<b>(389,293)</b>	<b>2,681</b>	<b>13,530,519</b>	<b>12,949,278</b>	<b>26,479,797</b>	<b>6,326,346</b>	<b>32,804,143</b>
<b>Ending Balance Current Period 12-31-2019</b>	<b>23,024,953</b>	<b>14,033,036</b>	<b>(1,090,693)</b>	<b>(2,919,574)</b>	<b>9,805,808</b>	<b>19,828,577</b>	<b>358,861,133</b>	<b>401,714,663</b>	<b>160,079,578</b>	<b>561,794,241</b>

The accompanying notes are an integral part of these consolidated financial statements.

## 4.4 Related Companies

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ELECMETAL

COMPAÑÍA ELECTRO METALÚRGICA S.A.

In accordance with current Financial Market Commission regulations, the following is a summary of the Financial Statements of Subsidiaries.

These Financial Statements, in complete form, may be consulted at the offices of Compañía Electro Metalúrgica S.A. and at the Financial Market Commission.

## OWNERSHIP TIES

Issuer	Elecmetal	Hendaya	Inversiones Elecmetal	Cristalerías de Chile	Bayona	Las Vegas	Ediciones Chiloé S.A.	Viña Santa Rita	Cristalchile Inversiones	Viña Carmen	Fundición Talleres	Viña Centenaria	Sur Andino
Hendaya S.A.	99.99%	-	-	-	-	-	-	-	-	-	-	-	-
Cristalerías de Chile S.A.	34.03%	10.30%	-	-	9.24%	-	-	-	-	-	-	-	-
Inversiones Elecmetal Ltda.	99.99%	0.01%	-	-	-	-	-	-	-	-	-	-	-
Fundición Talleres Ltda.	98.00%	2.00%	-	-	-	-	-	-	-	-	-	-	-
Esco Elecmetal Fundición Ltda.	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
ME Global Inc.	-	-	99.90%	-	0.10%	-	-	-	-	-	-	-	-
ME Long Teng Grinding Media (Changshu) Co. Ltd.	-	-	50.00%	-	-	-	-	-	-	-	-	-	-
ME Elecmetal (China) Co. Ltd.	-	-	100.00%	-	-	-	-	-	-	-	-	-	-
ME Hong Kong Co. Limited	-	1.00%	99.00%	-	-	-	-	-	-	-	-	-	-
ME Elecmetal Comercial Perú S.A.C.	0.10%	-	-	-	-	-	-	-	-	-	99.90%	-	-
ME Elecmetal Brasil Representacao Comercial Ltda.	0.10%	-	-	-	-	-	-	-	-	-	99.90%	-	-
ME MNG LLC (Mongolia)	-	-	100.00%	-	-	-	-	-	-	-	-	-	-
ME Elecmetal Australia Pty Ltd.	-	-	100.00%	-	-	-	-	-	-	-	-	-	-
ME Long Teng Grinding Media (Zambia) Limited *	-	-	50.00%	-	-	-	-	-	-	-	-	-	-
ME Elecmetal Canadá Ltd.	-	-	100.00%	-	-	-	-	-	-	-	-	-	-
Soc.Com. ME Elecmetal México S de RL de CV	-	0.01%	99.99%	-	-	-	-	-	-	-	-	-	-
Las Vegas S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-
Indesa S.A.	99.87%	-	-	-	-	-	-	-	-	-	-	-	-
ME Naipu Ltda.	50.00%	-	-	-	-	-	-	-	-	-	-	-	-
Bayona S.A.	4.06%	95.94%	-	-	-	20.00%	-	-	-	-	-	-	-
S.A. Viña Santa Rita	1.92%	-	-	60.56%	23.52%	-	-	-	-	-	-	-	-
Cristalchile Inversiones S.A.	-	-	-	99.99%	-	-	-	-	-	-	-	-	-
Malaga Ltda.	-	20.00%	-	-	80.00%	-	-	-	-	-	-	-	-
Ediciones Chiloé S.A.	-	0.07%	-	99.93%	-	-	-	-	-	-	-	-	-
Ediciones Financieras S.A.	-	0.349%	-	-	-	-	94.51%	-	-	-	-	-	-
Viña Los Vascos S.A.	-	-	-	-	-	-	-	43.00%	-	-	-	-	-
Viña Carmen S.A.	-	-	-	-	-	-	-	99.97%	-	-	-	-	-
Viña Centenaria S.A.	-	-	-	-	-	-	-	99.00%	-	1.00%	-	-	-
Distribuidora Santa Rita Ltda.	-	-	-	-	-	-	-	99.00%	-	-	-	1.00%	-
Rayén Curá S.A.I.C.	-	-	-	-	-	-	-	-	40.00%	-	-	-	-
Viña Doña Paula S.A.	-	-	-	-	-	-	-	-	-	-	-	0.01%	99.99%
Sur Andino S.A.	-	-	-	-	-	-	-	0.10%	-	99.90%	-	-	-
Serv. Compartidos Tichel Ltda.	20.00%	20.00%	-	20.00%	-	-	-	20.00%	-	-	20.00%	-	-
Nativa Eco Wines S.A.	-	-	-	-	-	-	-	99.00%	-	1.00%	-	-	-
Sur Andino Argentina S.A.	-	-	-	-	-	-	-	-	-	96.70%	-	3.30%	-
Taguavento S.P.A.	-	-	-	100.00%	-	-	-	-	-	-	-	-	-
Wine Packaging & Logistics Ltd.	-	-	-	34.00%	-	-	-	-	-	-	-	-	-

## MAIN RELATED COMPANIES

### Inversiones Elecmetal Ltda.

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Net Worth	:	ThUSD\$ 268,226	
Type of company	:	Limited Liability Company	
Business purpose	:	Holding.	
Tax ID	:	99.506.820-6	
Chairman	:	Jaime Claro Valdés	
Vice Chairman	:	Baltazar Sánchez Guzmán	(Director Elecmetal)
Director	:	Rolando Medeiros Soux	(Chief Executive Officer Elecmetal)
Chief Executive Officer	:	Rolando Medeiros Soux	(Chief Executive Officer Elecmetal)
Direct Interest	:	99.99%	
Direct and Indirect Interest	:	100%	
Proportion of Individual Assets	:	28.69%	

### ME Global Inc. (USA)

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Net Worth	:	ThUSD\$ 267,204	
Type of company	:	Closely-Held Corporation	
Business purpose	:	Manufacture and sale of steel parts	
Chairman	:	Rolando Medeiros Soux	(Chief Executive Officer Elecmetal)
Directors	:	Jaime Claro Valdés Jeff Heinemann Eduardo Muñoz Huerta Baltazar Sánchez Guzmán	(Director Elecmetal)
Chief Executive Officer	:	Eduardo Muñoz Huerta	
Indirect Interest	:	100%	

### Servicios y Consultorías Hundaya S.A.

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Net Worth	:	ThCLP 106,961,045	
Type of company	:	Closely-Held Corporation	
Business purpose	:	Investments in companies and provision of services and advice.	
Tax ID	:	83.032.100-4	
Chairman	:	Juan Antonio Álvarez Avendaño	(Chairman Elecmetal)
Directors	:	José Ignacio Figueroa Elgueta Patricio García Domínguez Rolando Medeiros Soux Alfonso Swett Saavedra	(Director Elecmetal) (Chief Executive Officer Elecmetal) (Director Elecmetal)
Chief Executive Officer	:	Luis Grez Jordán	
Direct Interest	:	99.99%	
Proportion of Individual Assets	:	15.67%	

**Cristalerías de Chile S.A.**

Net Worth	:	ThCLP 363,569,473	
Type of company	:	Public Corporation	
Business purpose	:	Manufacture of glass containers and investments in companies.	
Tax ID	:	90.331.000-6	
Chairman	:	Baltazar Sánchez Guzmán	(Director Elecmetal)
Vice Chairman	:	Juan Antonio Álvarez Avendaño	(Chairman Elecmetal)
Directors	:	Abel Bouchon Silva	
		José Ignacio Figueroa Elgueta	(Director Elecmetal)
		Fernando Franke García	(Director Elecmetal)
		Juan Andrés Olivos Bambach	
		José Miguel Sánchez Erle	
		Sebastián Swett Opazo	
		Alfonso Swett Saavedra	(Director Elecmetal)
		Antonio Tuset Jorratt	
Chief Executive Officer	:	Eduardo Carvallo Infante	
Direct Interest	:	34.03%	
Direct and Indirect Interest	:	53.19%	
Proportion of Individual Assets	:	14.94%	(Direct)

**Sociedad Anónima Viña Santa Rita**

Net Worth	:	ThCLP 178,502,870	
Type of company	:	Public Corporation	
Business purpose	:	Production and sale of wine	
Tax ID	:	86.547.900-K	
Chairman	:	Baltazar Sánchez Guzmán	(Director Elecmetal)
Vice Chairman	:	Arturo Claro Fernández	
Directors	:	Gregorio Amunategui Prá	
		José Ignacio Figueroa Elgueta	(Director Elecmetal)
		Andrés Navarro Betteley	
		Pedro Ovalle Vial	
		José Miguel Sánchez Erle	
		Alfonso Swett Saavedra	(Director Elecmetal)
Chief Executive Officer	:	Andrés Lavados Germain	
Direct Interest	:	1.92%	
Direct and Indirect Interest	:	56.74%	

### **Fundición Talleres Ltda.**

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Net Worth	:	(ThCLP 14,076,869)
Type of company	:	Limited Liability Company
Business purpose	:	Manufacture and sale of steel parts
Tax ID	:	99.532.410-5
Chairman	:	Rolando Medeiros Soux (Chief Executive Officer Elecmetal)
Directors	:	Eugenio Arteaga Infante José Pablo Domínguez Bustamante Edwin Gong Jeff Heinemann Eduardo Muñoz Huerta Zhenyu Xu
Chief Executive Officer	:	José Pablo Domínguez Bustamante
Direct Interest	:	98%
Direct and Indirect Interest	:	100%

### **Cristalchile Inversiones S.A.**

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Net Worth	:	ThCLP 3,662,729
Type of company	:	Closely-Held Corporation
Business purpose	:	Investments, both in Chile and abroad, in all kinds of movable, tangible or intangible assets, shares and rights of companies.
Tax ID	:	96.972.440-5
Chairman	:	Baltazar Sánchez Guzmán (Director Elecmetal)
Directors	:	Juan Antonio Álvarez Avendaño (Chairman Elecmetal) Cirilo Elton González
Chief Executive Officer	:	Eduardo Carvallo Infante
Indirect Interest	:	53.19%

### **Rayén Curá S.A.I.C. (República Argentina)**

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Net Worth	:	ThCLP Arg. 5,425,539
Type of company	:	Closely-Held Corporation
Business purpose	:	Manufacture and sale of glass products
Chairman	:	Michelle Giannuzzi
Vice Chairman	:	Cirilo Elton González

Directors	:	Martín Germán Amico (suplente) José Miguel Barros Gutierrez Horacio Esteban Beccar Varela (suplente) Juan Pablo Chevallier Boutell (suplente) Walter Luis Formica Pedro Nicholson Quintín Testa Domínguez (suplente)
Chief Executive Officer	:	Walter Formica
Indirect Interest	:	21.28%

#### Esco Elecmetal Fundición Limitada

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Net Worth	:	ThCLP 37,439,664
Type of company	:	Limited Liability Company
Business purpose	:	Manufacture and sale of steel parts
Tax ID	:	76.902.190-6
Directors Elecmetal Chile)	:	José Pablo Domínguez Bustamante (Chief Executive Officer ME Joseph Weber
Alternate Director	:	Eugenio Arteaga Infante
Site Manager	:	Ramón Alarcón Arias
Direct Interest	:	50%
Proportion of Individual Assets	:	2.73%

#### ME Elecmetal (China) Co., Ltd.

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Net Worth	:	ThUSD\$ 33,113
Type of company	:	Wholly Foreign Owned Enterprise
Business purpose	:	Manufacture and sale of steel parts
Chairman	:	Rolando Medeiros Soux (Chief Executive Officer Elecmetal)
Directors	:	Eugenio Arteaga Infante José Pablo Domínguez Bustamante Jeff Heinemann Edwin Gong Eduardo Muñoz Huerta Zhenyu Xu
General Manager	:	Edwin Gong
Indirect Interest	:	100%

## SUMMARIZED FINANCIAL STATEMENTS OF SUBSIDIARIES

### Summarized financial statements of main subsidiaries

<b>INVERSIONES ELECMETAL LTDA. (CONSOLIDATED)</b>		
	<b>2020</b>	<b>2019</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Current Assets	156,263	153,769
Non-Current Assets	255,209	245,522
<b>Total Assets</b>	<b>411,472</b>	<b>399,291</b>
Current Liabilities	52,354	58,910
Non-Current Liabilities	90,892	89,922
Shareholders' Equity	268,226	250,459
<b>Total Liabilities and Shareholders' Equity</b>	<b>411,472</b>	<b>399,291</b>
Income from Ordinary Activities	325,416	382,381
Gross Profit	47,772	50,244
Profit for the period	12,867	11,634
Net Change in Cash and Cash Equivalents	8,450	21,603
Cash and cash equivalents at the end of the period	31,002	22,552
<b>ME GLOBAL INC (U.S.A.)</b>		
	<b>2020</b>	<b>2019</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Current Assets	118,886	118,991
Non-Current Assets	180,707	179,082
<b>Total Assets</b>	<b>299,593</b>	<b>298,073</b>
Current Liabilities	18,214	22,166
Non-Current Liabilities	14,175	14,211
Shareholders' Equity	267,204	261,696
<b>Total Liabilities and Shareholders' Equity</b>	<b>299,593</b>	<b>298,073</b>
Income from Ordinary Activities	175,863	207,665
Gross Profit	20,035	36,456
Profit for the period	6,469	10,393
Net Change in Cash and Cash Equivalents	2,285	21,057
Cash and cash equivalents at the end of the period	23,345	21,060

<b>SERVICIOS Y CONSULTORÍAS HENDAYA S.A. (CONSOLIDATED)</b>		
	<b>2020</b>	<b>2019</b>
	<b>ThCLP</b>	<b>ThCLP</b>
Current Assets	5,111,504	5,457,425
Non-Current Assets	103,307,605	101,599,518
<b>Total Assets</b>	<b>108,419,109</b>	<b>107,056,943</b>
Current Liabilities	626,570	1,206,275
Non-Current Liabilities	831,494	799,372
Shareholders' Equity	106,961,045	105,051,296
<b>Total Liabilities and Shareholders' Equity</b>	<b>108,419,109</b>	<b>107,056,943</b>
Income from Ordinary Activities	1,691,269	1,648,456
Gross Profit	510,974	519,978
Profit for the period	5,261,451	5,823,625
Net Change in Cash and Cash Equivalents	297,237	354,068
Cash and cash equivalents at the end of the period	4,166,692	3,869,455

<b>CRISTALERÍAS DE CHILE S.A. (CONSOLIDATED)</b>		
	<b>2020</b>	<b>2019</b>
	<b>ThCLP</b>	<b>ThCLP</b>
Current Assets	253,667,562	244,787,621
Non-Current Assets	411,202,815	399,980,840
<b>Total Assets</b>	<b>664,870,377</b>	<b>644,768,461</b>
Current Liabilities	79,926,703	90,447,850
Non-Current Liabilities	221,374,201	195,391,494
Shareholders' Equity	363,569,473	358,929,117
<b>Total Liabilities and Shareholders' Equity</b>	<b>664,870,377</b>	<b>644,768,461</b>
Income from Ordinary Activities	313,778,821	294,493,597
Gross Profit	98,190,173	102,346,939
Profit for the period	18,940,484	22,591,198
Net Change in Cash and Cash Equivalents	9,780,340	16,452,202
Cash and cash equivalents at the end of the period	39,418,906	29,638,566

**SOCIEDAD ANÓNIMA VIÑA SANTA RITA (CONSOLIDATED)**

	<b>2020</b>	<b>2019</b>
	<b>ThCLP</b>	<b>ThCLP</b>
Current Assets	145,538,859	140,899,240
Non-Current Assets	166,331,940	164,729,055
<b>Total Assets</b>	<b>311,870,799</b>	<b>305,628,295</b>
Current Liabilities	52,142,306	55,408,904
Non-Current Liabilities	81,225,623	76,208,073
Shareholders' Equity	178,502,870	174,011,318
<b>Total Liabilities and Shareholders' Equity</b>	<b>311,870,799</b>	<b>305,628,295</b>
Income from Ordinary Activities	1,668,657,037	160,973,656
Gross Profit	66,429,703	64,272,264
Profit for the period	7,505,263	6,706,878
Net Change in Cash and Cash Equivalents	9,508,547	1,547,274
Cash and cash equivalents at the end of the period	14,367,883	4,859,336

**FUNDICIÓN TALLERES LTDA. (CONSOLIDATED)**

	<b>2020</b>	<b>2019</b>
	<b>ThCLP</b>	<b>ThCLP</b>
Current Assets	77,687,813	83,263,315
Non-Current Assets	76,083,791	79,127,855
<b>Total Assets</b>	<b>153,771,604</b>	<b>162,391,170</b>
Current Liabilities	57,410,062	68,275,055
Non-Current Liabilities	97,769,411	98,948,358
Shareholders' Equity	(14,076,869)	(4,832,243)
<b>Total Liabilities and Shareholders' Equity</b>	<b>141,102,604</b>	<b>162,391,170</b>
Income from Ordinary Activities	177,332,132	103,803,247
Gross Profit	22,294,444	20,073,524
Profit for the period	3,516,614	(1,444,657)
Net Change in Cash and Cash Equivalents	2,564,111	116,400
Cash and cash equivalents at the end of the period	5,163,789	2,599,678

<b>CRISTALCHILE INVERSIONES S.A.</b>		
	<b>2020</b>	<b>2019</b>
	<b>ThCLP</b>	<b>ThCLP</b>
Current Assets	-	-
Non-Current Assets	21,380,156	19,528,251
<b>Total Assets</b>	<b>21,380,156</b>	<b>19,528,251</b>
Current Liabilities	301,208	554,350
Non-Current Liabilities	17,416,219	16,960,665
Shareholders' Equity	3,662,729	2,013,236
<b>Total Liabilities and Shareholders' Equity</b>	<b>21,380,156</b>	<b>19,528,251</b>
Profit for the period	3,143,743	111,952

<b>ESCO ELECMETAL FUNDICION LIMITADA</b>		
	<b>2020</b>	<b>2019</b>
	<b>ThCLP</b>	<b>ThCLP</b>
Current Assets	14,428,150	11,752,029
Non-Current Assets	35,044,936	33,698,345
<b>Total Assets</b>	<b>49,473,086</b>	<b>45,450,374</b>
Current Liabilities	9,175,663	4,714,429
Non-Current Liabilities	4,042,056	3,296,281
Shareholders' Equity	36,255,367	37,439,664
<b>Total Liabilities and Shareholders' Equity</b>	<b>49,473,086</b>	<b>45,450,374</b>
Profit for the period	3,257,921	2,610,802
Net Change in Cash and Cash Equivalents	2,886,127	(967,031)
Cash and cash equivalents at the end of the period	3,841,709	955,582

<b>ME ELECMETAL (CHINA) CO., LTD.</b>		
	<b>2020</b>	<b>2019</b>
	<b>ThUS\$</b>	<b>ThUS\$</b>
Current Assets	25,333	22,907
Non-Current Assets	32,549	31,839
<b>Total Assets</b>	<b>57,882</b>	<b>54,746</b>
Current Liabilities	23,936	25,817
Non-Current Liabilities	833	871
Shareholders' Equity	33,113	28,058
<b>Total Liabilities and Shareholders' Equity</b>	<b>57,882</b>	<b>54,746</b>
Income from Ordinary Activities	52,235	42,684
Gross Profit	16,254	12,428
Profit for the period	3,115	1,644
Net Change in Cash and Cash Equivalents	2,908	530
Cash and cash equivalents at the end of the period	3850	942

## RELEVANT EVENTS

### COMPAÑÍA ELECTRO METALÚRGICA S.A.

The consolidated financial statements of the Company for the period ended December 31, 2020, prepared in accordance with IFRS, issued by the International Accounting Standard Board, have been approved by its Board of Directors at its meeting held on March 5, 2021.

### CRISTALERÍAS DE CHILE S.A.

On January 14, 2021, interim dividend No. 229 of \$50 per share was paid.

In accordance with the provisions of Article 9 and the second paragraph of Article 10 of Law No. 18,045 and the provisions of General Rule No. 30, the death of Director Mr. Joaquín Barros Fontaine was reported on February 7, 2020.

Between the closing date of the financial statements as of December 31, 2020 and the date of issuance of this report, there have been no other events that could significantly affect the economic and financial position of the Company and its affiliates.



## **Report of the Independent Auditors**

To the Directors and Shareholders of  
Compañía Electro Metalúrgica S.A.:

We have audited the accompanying consolidated financial statements of Compañía Electro Metalúrgica S.A. and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

### ***Management's responsibility for the consolidated financial statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. As of December 31, 2020 and 2019, we have not audited the financial statements of subsidiary Viña Los Vascos S.A. and affiliate Rayen Curá S.A.I.C., reflected in the consolidated financial statements under the equity method, which represent total assets of ThCLP 41,738,749 and ThCLP 40,838,297 as of December 31, 2020 and 2019, respectively, and accrued income of ThCLP 3,905,600 and ThCLP 1,709,261, respectively, for the years then ended. These financial statements were audited by other auditors whose reports have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for such subsidiaries, is based solely on the reports issued by those auditors. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



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

**Opinion**

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Compañía Electro Metalúrgica S.A. and subsidiaries as of December 31, 2020 and 2019 and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read 'Gonzalo Rojas Ruz'.

Gonzalo Rojas Ruz

## 4.5 Statement of Responsability

The undersigned, as Directors and Chief Executive Officer of Compañía Electro Metalúrgica S.A., Elecmetal S.A., Securities Registration No. 045, declare under oath that the information contained in the Company's 2020 Annual Report is true, and that it is submitted to the Financial Market Commission duly signed by the majority of its Directors.



JUAN ANTONIO ÁLVAREZ AVENDAÑO  
PRESIDENTE  
R.U.T. 7.033.770-3

BALTAZAR SÁNCHEZ GUZMÁN  
VICEPRESIDENTE  
R.U.T. 6.060.760-5



CARLOS F. CÁCERES CONTRERAS  
DIRECTOR  
R.U.T. 4.269.405-3



JOSE I. FIGUEROA ELGUETA  
DIRECTOR  
R.U.T. 7.313.469-2

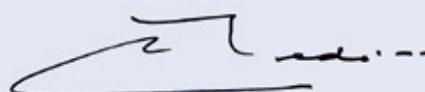
FERNANDO FRANKE GARCÍA  
DIRECTOR  
R.U.T. 6.318.139-0



ALFONSO SWETT SAAVEDRA  
DIRECTOR  
R.U.T. 4.431.932-2



ALFONSO A. SWETT OPAZO  
DIRECTOR  
R.U.T. 7.016.281-4



ROLANDO MEDEIROS SOUX  
GERENTE GENERAL  
R.U.T. 5.927.393-0

