

EMPRESAS LIPIGAS S.A. ANNOUNCES RESULTS FOR THE FOURTH QUARTER OF 2019

Santiago, Chile, March 4, 2020 – Empresas Lipigas S.A. (“Lipigas” or “the Company”), energy company, leader in commercializing and distributing gas in Chile with operations in Colombia and Peru, announced today its consolidated financial results for the fourth quarter ended December 31, 2019. All figures are set according to IFRS-International Financial Reporting Standards- in Chilean pesos (CLP). All variation comparisons refer to the same period of the previous year, unless otherwise indicated.

Important note: For the year 2019, Empresas Lipigas has adopted the amendments established by the International Financial Reporting Standard No. 16 (IFRS 16), implying that the distinction between financial and operating leases disappears, thus practically all leases follow the same recording model. A more detailed description of the effects of adopting IFRS 16 is included in note 2.2 of the consolidated financial statements as of December 31, 2019. This causes the comparison between periods to be difficult because the results of 2018 do not incorporate the above-mentioned effect. To facilitate the understanding of the Company's results, the figures in this report have been prepared excluding the effects associated with IFRS 16 for both 2018 and 2019, unless otherwise explicitly stated.

Lipigas increased its EBITDA by 12.1% as of December 31, excluding the effects of IFRS 16, with increases in the 3 countries where it operates.

Highlights FY 2019:

- EBITDA (excluding the effects of IFRS 16) reached CLP 96,138 million, 12.1% higher than the previous year (CLP 85,747 million).
- Consolidated LPG sales volume increases by 0.5%.
- Consolidated sales volume in equivalent LPG tons (including sales of network natural gas, compressed natural gas, and liquefied natural gas) increases by 0.6%.
- Income after taxes (excluding the effects of IFRS 16) decreases by 3.4%.

Highlights 4Q 2019:

- EBITDA (excluding the effects of IFRS 16) reached CLP 22,964 million, 9.4% higher than the previous year (CLP 20,989 million).
- Consolidated LPG sales volume decreases by 3.0%.
- Consolidated sales volume in equivalent LPG tons (including sales of network natural gas, compressed natural gas, and liquefied natural gas) decreases by 4.3%.
- Income after taxes (excluding the effects of IFRS 16) decreases by 43.7%.

Comments of the General Manager – Ángel Mafucci

"In Lipigas we closed a positive year, marked by a 12.1% increase of consolidated EBITDA (excluding the effects of IFRS 16). This is the result of the business strategy we have been successfully implementing since the end of 2018 and that is projected over time with a plan that seizes the opportunities of a changing energy market delivering efficient solutions and high-quality service to our customers.

As part of this strategy, we have continued enhancing direct arrival to end-customers with the support of digital tools that allow us to get to know them more closely, along with understanding and even getting ahead of their needs to serve them better and better.

Precisely, direct arrival to end-customers allowed us to increase sales in the bottled segment, which contributed to EBITDA growing by 7.1% in Chile during 2019. This, despite the end of the last quarter being affected by the social crisis that took place in the country from October and which generated a temporary decrease in the consumption of some bulk customers.

At the same time, during 2019 we performed an organizational and technological transformation process that has allowed us to optimize our operations, especially in the logistics area, and lays the foundation to be increasingly competitive in the energy market.

As for Colombia, EBITDA increased 57.8%, associated with higher LPG volumes and the incorporation since the last quarter of 2018 of the Surgas operation, a network gas distributor. We closed a very good fiscal year in the country, where the investments we have made in previous years are bearing fruit. We increased LPG sales volume by 10.3% in addition to a significant volume of natural gas. In networks, a segment which we entered less than 3 years ago, we have already reached more than 90,000 customers served by our operation.

Peru, meanwhile, recorded a 34.9% EBITDA growth supported by increased sales and increased unit margins. Although we have shown recovery from previous years, we have had to make natural gas investment write-offs that significantly affected consolidated final results, translating in a 2.8% decrease compared to 2018 results. Excluding the impairment provisions on Peru's assets, consolidated earnings after taxes would have grown by 10.2%.

Aware that gas is an efficient energy to replace more polluting fuels, we will remain committed to supporting commercial and industrial customers looking to improve their carbon footprint and reduce their emissions of polluting material. To better serve our customers in the industrial segment and optimize costs, at the beginning of 2021 we will also have an LPG terminal in the Mejillones bay, which will help guarantee the continuous supply in the north of the country.

At the same time, we will continue to participate in the electric commercializing market with customized solutions for industrial and commercial customers. In 2019 we commercialized 68 GWh of electricity to 27 customers to help them optimize their energy consumption costs.

During 2020 and the following years we will continue to deploy our business strategy, which already demonstrates positive and concrete results, to continue to build a solid, efficient and sustainable energy company over time, which seeks to deliver the best quality of service to thousands of customers in Chile, Colombia, and Peru."

Consolidated Results for the fourth quarter 2019

EBITDA reached CLP 22,964 million with an increase of 9.4% regarding the same period of the previous year, given the positive results in all three countries. Chile presented an increase in EBITDA compared to 4Q18, mainly due to better unit margins in all channels that offset lower consumption in bottled LPG and large bulk customers. Colombia presented higher LPG sales volume and higher unit margins. Peru presented an increased EBITDA associated with better unit margins. Considering the effect of adopting IFRS 16, EBITDA amounts to CLP 25,167 million with an increase of 19.9% over the fourth quarter of 2018.

Consolidated revenues reached CLP 114,924 million, reflecting a 10.4% decrease. In Chile, revenues decreased by CLP 13,074 million (-14.3%), mainly due to the decrease in LPG prices and lower sales volume affected by the security issues in the country present since October 18. In Colombia, revenues increased CLP 136 million (0.9%) compared to the previous year due to higher sales volume. Peru presents lower revenues of CLP 440 million (-1.9%) compared to 4Q18, because of lower LPG sales volume and that prices of oil by-products have continued to decline since the end of 4Q18, which means that average sales prices for the quarter have been lower when compared against price levels recorded in 4Q18.

Gross margin reached CLP 57,715 million, increasing by 14.0%. Chile's gross margin increased by 7.2% compared to 4Q18, mainly due to higher unit gross margins and a positive effect over inventories given increased reference prices during the quarter compared to the same period of 2018, where there was a negative effect. In Colombia, gross margin increased by 64.9% due to greater LPG and NG volumes, in addition to improved unit margins. In Peru, gross margin increased by 15.3% mainly due to higher unit margins in the LPG business and the revaluation effect of the Peruvian sol against the Chilean peso.

Operating expenses increased by CLP 5,114 million (17.2%). Chile's expenses increased CLP 2,648 million (12.8%), mainly due to higher expenses in remuneration, maintenance, LPG freights, marketing and external counseling, which increases are partly related to the development of strategies for integrating the distribution chain to the end-customer and the reinforcement of the area dedicated to the development of digital tools. In Colombia, expenses increased CLP 1,639 million (47.8%) due to higher expenses in remuneration and personnel, maintenance, leases, and marketing. In Peru, expenses increased by CLP 827 million (14.7%) due to higher expenses in remuneration, fees, and LPG freights, partially offset by lower expenses in external services, marketing and leases. There is also an impact of the revaluation of the Peruvian sol against the Chilean peso. Considering the effect of IFRS 16, consolidated operating expenses increase by CLP 2,930 million (+9.9%), since some of the leases that until 2018 were allocated to expenses are now considered financial leases.

Negative non-operating income increased by CLP 5,188 million mainly for recognition of an impairment of goodwill generated by the acquisition of the Limagas Natural operation (CLP 3,844 million), higher expenses related to adjustment of guaranty liabilities (CLP 292 million), lower positive results from sales of property, plant and equipment compared to those recorded in 4Q18 for CLP 568 million, adjustment of CLP 251 million on the impairment provision of assets related to the LNG project in Peru recorded in 3Q19, for the payment of a tax fine in Peru (CLP 198 million), lower income by adjustment units (CLP 211 million) and other positive effects occurred in 4Q18 that were not repeated

in 4Q19. This was partially offset by a gain from the bargain purchase of Surgas in Colombia (CLP 1,102 million). Considering the effect of IFRS 16, negative non-operating income increased to a lesser extent (CLP 5,057 million), mainly because the variation in income by adjustment units is smaller (since certain restatements that were previously treated as financial income, with the new standard, are now capitalized), which in turn is offset with a higher financial cost associated with new financial liabilities for right-of-use.

Income tax charges increased by 37.5% compared to 4Q18 because of certain permanent differences that negatively affected 4Q19 and positively affected 4Q18. In 4Q19, positive exchange differences from the revaluation of loans to subsidiaries expressed in foreign currency that result in tax charges in Chile are adversely affected, while in accounting terms such differences are considered Other reserves and not results. In addition, the impairment of goodwill resulting from the acquisition of Limagas Natural by virtue of its nature, constitutes a non-tax-deductible expense.

Earnings after taxes decreased by 43.7%. Operating income grows 10.3%. However, it is offset by lower non-operating income of CLP 5,188 million and greater income tax of CLP 1,225 million. Considering the effects of adopting IFRS 16, earnings after taxes decreased by 44.4%.

Analysis by Country fourth quarter results 2019

Chile: In Chile EBITDA reached CLP 18,497 million, increasing 0.7% compared to 4Q18.

Revenues for the Chilean operation reached CLP 78,054 million, 14.3% lower than 4Q18, mainly explained by the drop in raw material prices and lower sales volume influenced by security issues in the country since October 18. LPG volume decreased by 5.2% due to lower sales of bottled LPG and mainly because of lower bulk consumption of commercial customers. Sales volume in equivalent LPG tons decreases by 6.2%, with a 21.1% decrease of LNG volume due to lower consumption of a high volume industrial customer partially offset by a 17.4% volume increase of customers of natural gas networks.

Gross margin reached CLP 41,743 million, 7.2% higher than in 4Q18 and is mainly generated by higher unit margins and a positive effect on inventories in the fourth quarter, which comparatively to the same period of the previous year, there is a positive variation of CLP 1,643 million. Bottled volume decreased by 3.0% regarding 4Q18. Lower bulk volumes include lower consumption of industrial customers in large volume clients, which have smaller margins, favoring the margin mix.

Operating expenses in Chile increased by CLP 2,648 million (12.8%), mainly because of greater expenses in remuneration, LPG freights and marketing, which largely relate to the implementation of integration strategies of the distribution chain to the end-customer and the strategy of reinforcement of the area dedicated to the development of digital tools. Additionally, there are increased expenses in the conversion of natural gas networks (CLP 110 million) and tank re-inspection.

Colombia: EBITDA in Colombia reached CLP 3,318 million, increasing by 100.2% compared to 4Q18, due to higher sales volume and greater unit gross margin.

Revenues for the Colombian operation reached CLP 14,438 million, 0.9% higher than 4Q18, mainly due to an 11.6% increase in LPG sales and greater natural gas sales by 8.7%.

Colombia's gross margin presents a positive variation of 64.9%, mainly due to higher sales volume and better unit margins.

Operating expenses increased by CLP 1,639 million (47.8%) due to higher salary, maintenance, and lease expenses.

The Colombian peso revalued 3.2% compared to the Chilean peso when comparing 4Q19 with 4Q18.

Peru: EBITDA in Peru amounted to CLP 1,149 million, representing a 19.7% increase regarding 4Q18, mainly due to greater unit margins in LPG sales.

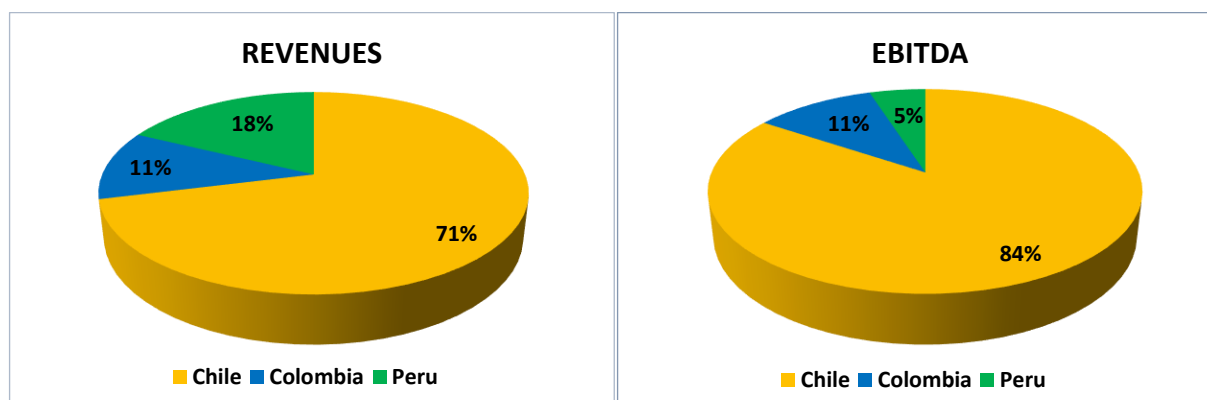
Revenues for the Peruvian operation reached CLP 22,432 million, 1.9% lower than 4Q18, mainly due to the drop in the price of oil by-products and lower bottled sales volume. NG sales decreased by 10.4% compared to 4Q18, mainly due to lower consumption of some industrial customers. In this way, sales volume in LPG equivalent tons decreased by 7.1% in the quarter.

Gross margin increased by 15.3% mainly influenced by higher unit margins which showed a recovery throughout the year compared to 2018. This improved margin is also influenced by the revaluation of the Peruvian sol against the Chilean peso.

Operating expenses increased by CLP 827 million (14.7%) mainly due to higher expenses in remuneration and fees, that were partially offset by lower expenses in external services and marketing and also impacted by the revaluation of the Peruvian sol against the Chilean peso.

The Peruvian sol revalued by 11.1% against the Chilean peso when comparing 4Q19 with 4Q18.

Accumulated Consolidated Results as of 12.31.2019



EBITDA reached CLP 96,138 million with an increase of 12.1% over the previous year, given that the three countries show increases in their cash flow generation. Chile presented increased EBITDA mainly due to an increase in LPG unit margins and an improved sales mix, while Colombia presented higher sales volume and higher unit margins. Peru shows a significant EBITDA growth, associated with an increase in LPG volumes and unit margins. Considering the effects of adopting IFRS 16, EBITDA reached CLP 104,347 million (+21.7%), mainly due to higher gross margin obtained during the period (13.3%).

Consolidated revenues reached CLP 492,869 million, reflecting a 4.5% decrease. In Chile, revenues decreased by CLP 30,199 million (-7.9%), mainly due to the decrease in the cost of raw materials, offset by an increase in unit prices due to a greater proportion of direct sales to end-customers. In Colombia, revenues increased by CLP 5,048 million (+10.2%) compared to the previous year due to higher sales volume, including the effect of consolidation since 4Q18 of the Surgas operation. Revenues in Peru increased by CLP 2,145 million (2.5%) compared to 2018.

Gross margin reached CLP 233,558 million, increasing by 13.2%. Chile's gross margin increased by 10.2% compared to the same period of the previous year, mainly due to higher gross unit margins and a better sales mix.

In Colombia, gross margin increased by 36.5% due to higher LPG and NG volumes, in addition to higher unit margins. In Peru, gross margin increased by 14.3% due to higher LPG sales and higher unit margins in the LPG business. Chile, Colombia, and Peru are impacted by the negative effects on gross margin resulting from lower reference prices.

Operating expenses increased by CLP 16,929 million (14.0%). Chile's expenses increased by CLP 11,123 million (12.8%), mainly due to higher expenses in remuneration, personnel, freight, external services and marketing, which increase mostly relates to the development of integration strategies of the distribution chain to the end-customer and the reinforcement of the area dedicated to the development of digital tools. Other expenses that increase relate to advisory services, tank re-inspection, as well as expenses associated with the incorporation of new clients to natural gas

networks, for CLP 777 million. In Colombia, expenses increased by CLP 3,586 million (26.3%) due to higher expenses in salaries, maintenance, leases and additionally due to the incorporation of the Surgas operations since 4Q18. In Peru, expenses increased by CLP 2,220 million (10.9%), mainly due to higher expenses in freight, remuneration and fees. Considering the effects of adopting IFRS 16, consolidated operating expenses increased by CLP 8,814 million (+7.3%), mainly due to lower freight and lease expenses associated with the recognition of these lease contracts as a right of use.

Negative non-operating income increased by CLP 8,148 million mainly due to a more negative effect of the restatement of guaranty liabilities received from clients (CLP 1,393 million), an impairment provision of certain assets related to LNG supply in Peru (CLP 2,260 million), the recognition of impairment of goodwill generated from the acquisition of the Limagas Natural operation (CLP 3,844 million). These concepts represent an increase in negative non-operating income of CLP 7,497 million. In addition, there was lower income from sales of property, plant and equipment (CLP 683 million) and from exchange rate differences (CLP 313 million) and lower other positive income that occurred in 2018 and were not repeated in 2019. The foregoing was partially offset by a gain from the bargain purchase of Surgas in Colombia (CLP 1,102 million). Considering the effects of IFRS 16, negative non-operating income increased by CLP 8,423 million, mainly due to higher financial costs associated with new right-of-use financial liabilities, partially offset by lower income by adjustment units.

Income tax charge grew 11.3% compared to 2018 given certain items related to asset impairment and intercompany loan exchange rate differences that generate permanent differences that write-off the 2019 tax charge.

Earnings after taxes decreased by 3.4%, mainly due to higher operating income. Including the effects of IFRS 16, earnings after taxes decreased by 2.8% regarding 2018. Excluding the impairment effects on assets in Peru, earnings after taxes would have increased by 10.2%

Analysis by Country accumulated results as of 12.31.19

Chile: EBITDA in Chile reached CLP 81,088 million, increasing 7.1% regarding 2018.

Revenue for the Chilean operation reached CLP 350,506 million, 7.9% lower than that of the previous year. Although the proportion of direct sales to end-customers was higher than the previous year, the decline in reference prices of oil products offset that price increase. LPG sales volume decreased by 1.5%, with a 3.0% increase in the sales volume of bottled LPG, which was offset by lower consumption of industrial customers. Sales volume in equivalent LPG tons decreases by 1.9%, with a 15.9% increase in the volume of network natural gas customers given the connections of new customers, which offset the -9.5% lower volume of LNG due to lower consumption of some industrial customers.

Gross margin reached CLP 178,631 million, 10.2% higher than the previous year and is mainly generated by higher unit margins, influenced by the higher proportion of bottled LPG sales to end-customers and lower consumption of low margin industrial customers. These better margins offset the negative effect on inventories given the drop in international prices that are a reference for setting sales prices. This effect, compared to the previous year, produces a negative gross margin variation of CLP 1,200 million.

Operating expenses in Chile increased by CLP 11,123 million (12.8%) mainly due to higher remuneration, personnel expenses, freight, external services, and marketing, which increase largely relates to the development of integration strategies of the distribution chain to the end-customer and reinforcement of the area dedicated to the development of digital tools. Other increased expenses correspond to advisory services, tank re-inspection, as well as expenses associated to the incorporation of new customers to natural gas networks in the amount of CLP 777 million.

Colombia: EBITDA in Colombia reached CLP 10,266 million, an increase of 57.8% over the previous year, mainly due to higher sales and greater LPG unit margins.

Revenues in the Colombian operation reached CLP 54,717 million, 10.2% higher than the previous year, mainly due to the 10.3% increase in LPG sales and a 331.5% increase in natural gas sales. This revenue includes the Surgas subsidiary operation, which has been consolidated since 4Q18.

Colombia's gross margin shows a positive variation of 36.5%, due to higher sales volume and improved unit margins.

Operating expenses increased by CLP 3,586 million (26.3%) mainly due to the incorporation of expenses of the Surgas operation (CLP 2,448 million). These expenses also increased due to higher expenses in salaries, maintenance, and leases.

The Colombian peso devalued 1.3% against the Chilean peso comparing average values of 2019 against the 2018 average.

Peru: EBITDA in Peru reached CLP 4,784 million, representing a 34.9% increase compared to the previous year, mainly due to greater unit margins from LPG sales and higher sales volume.

Revenues in the Peruvian operation reached CLP 87,647 million, 2.5% higher than the previous year, mainly due to greater LPG sales volume, which increased by 1.4%. NG sales decrease by 1.6%. Consequently, sales volume in equivalent LPG tons increased by 0.5%.

Gross margin increased by 14.3% mainly influenced by greater sales and better LPG unit margins, which have shown a recovery from 4Q18 and the revaluation of the Peruvian sol against the Chilean peso.

Operating expenses increased by CLP 2,220 million (10.9%), mainly due to freight, remuneration, fees, and the revaluation effect of the Peruvian sol regarding the Chilean peso.

The Peruvian sol revalued 8.0% against the Chilean peso comparing average values of 2019 against the 2018 average.

News for the fourth quarter and until the issuance date of this release

- On November 20, 2019, it was reported that the Director Gabriel Ruiz-Tagle Correa presented his resignation and was replaced in his functions by its deputy director, Mr. Felipe Baraona Undurraga.
- On January 16, 2020, Empresas Lipigas S.A. issued bonds on the local market of the G series mnemonic code BLIPI-G, from the 30-year bond line registered in the Securities Register under No. 881, for 2,500,000 UF. These bonds have a 25-year term and were placed at an annual coupon rate of 2.18%, with a spread of 138 basis points over the benchmark rate. Funds raised were allocated by approximately fifty percent to the refinancing of bank debt. The remainder will be allocated to investment financing of both the Company and its subsidiaries.

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Empresas Lipigas S.A. is an energy company that contributes to the sustainable development by improving the quality of life through the commercialization of energy solutions in Latin America. In Chile, it is a leader in the LPG field through the largest network of nationwide coverage. It services residential, industrial, real estate sectors and vehicular gas from Arica to Punta Arenas. It is present in the LPG distribution market in Colombia since 2010 and in Peru since 2013. It is also present in the distribution of natural gas in Chile through the distribution of network natural gas and LNG and in Peru through the distribution of CNG. Since 2017 it generates and commercializes electric energy for industrial and commercial free segment customers in Chile.

For more information visit: www.lipigas.com

Forward looking statements

The statements contained in this press release, including those regarding forecasts for the Company's business, the projections of operation, financial results, the growth potential of the Company, the market and macroeconomic estimates are merely projections and are based on management expectations regarding the future of the Company. These expectations are highly dependent on changes in the market, the overall economic performance of Latin America, particularly of the countries where the Company has operations, the industry and international markets, and are therefore subject to change. Statements about expectations relate only as of the date they are made, and the Company is not responsible for publicly updating any of them in light of new information, future events, or others. The Company's annual report, its financial statements, and the analysis of them include more information about risks associated with the business and are available on the web site: www.lipigas.com.

In the following tables, figures for the year 2019 do not include the effects derived from the adoption of the amendments established by the International Financial Reporting Standard No. 16 (IFRS 16), for comparison purposes with the previous year where the standard was not adopted

Empresas Lipigas S.A.
Consolidated Income Statement in million CLP

	4Q19	4Q18	Var. Y/Y (%)	FY19	FY18	Var. Y/Y (%)
LPG Sales Volume (tons)	155,944	160,815	(3.0)%	693,682	690,460	0.5 %
NG Sales Volume (M3)	22,392,046	24,266,660	(7.7)%	89,320,157	83,920,509	6.4 %
LNG Sales Volume (M3)	8,560,116	10,843,636	(21.1)%	36,648,603	40,515,252	(9.5)%
LPG Sales Volume (equivalent tons) ¹	179,932	188,026	(4.3)%	791,308	786,898	0.6 %
Revenues	114,924	128,302	(10.4)%	492,869	515,876	(4.5)%
Cost of goods sold	(57,210)	(77,686)	(26.4)%	(259,311)	(309,600)	(16.2)%
Gross margin²	57,715	50,616	14.0 %	233,558	206,276	13.2 %
Other revenues by function	80	89	(10.2)%	332	294	12.9 %
-Freight	(9,298)	(8,434)	10.3 %	(35,934)	(32,534)	10.4 %
-Remuneration, salaries, benefits, and mandatory expenses	(9,619)	(8,159)	17.9 %	(35,465)	(31,035)	14.3 %
-Maintenance	(4,503)	(3,283)	37.2 %	(19,161)	(15,270)	25.5 %
-Others	(11,411)	(9,842)	15.9 %	(47,192)	(41,983)	12.4 %
EBITDA ³	22,964	20,989	9.4 %	96,138	85,747	12.1 %
Depreciation and amortization	(6,357)	(5,933)	7.2 %	(24,250)	(22,392)	8.3 %
Operating Income	16,607	15,056	10.3 %	71,888	63,356	13.5 %
Financial costs	(2,562)	(1,698)	50.9 %	(7,534)	(6,402)	17.7 %
Financial income	824	226	265.0 %	1,312	1,430	(8.3)%
Exchange rate difference	(24)	32	(173.4)%	(165)	67	(345.8)%
Income by adjustment unit	(1,110)	(824)	34.7 %	(3,129)	(3,209)	(2.5)%
Other gains (losses)	(2,985)	1,594	(287.2)%	(4,542)	2,203	(306.2)%
Non-Operating Income	(5,857)	(670)	774.5 %	(14,059)	(5,911)	137.9 %
Earnings before taxes	10,749	14,386	(25.3)%	57,829	57,445	0.7 %
-Income Tax	(4,490)	(3,265)	37.5 %	(17,585)	(15,802)	11.3 %
Earnings after taxes	6,259	11,122	(43.7)%	40,244	41,643	(3.4)%
<i>Earnings per share (CLP/share)</i>	<i>50.44</i>	<i>95.40</i>	<i>-47.1%</i>	<i>345.25</i>	<i>363.46</i>	<i>(5.0)%</i>

Breakdown by country (in million CLP)

Chile	4Q19	4Q19	Var. Y/Y (%)	FY19	FY18	Var. Y/Y (%)
Average exchange rate (CLP/USD)	756.0	678.8	11.4 %	703.3	641.2	9.7 %
LPG Sales Volume (tons)	99,609	105,060	(5.2)%	462,874	470,003	(1.5)%
NG Sales Volume (M3)	1,267,070	1,079,545	17.4 %	4,938,340	4,259,408	15.9 %
LNG Sales Volume (M3)	8,560,116	10,843,636	(21.1)%	36,648,603	40,515,252	(9.5)%
LPG Sales Volume (equivalent tons) ¹	107,225	114,300	(6.2)%	495,104	504,703	(1.9)%
Revenues	78,054	91,127	(14.3)%	350,506	380,705	(7.9)%
Cost of goods sold	(36,311)	(52,177)	(30.4)%	(171,875)	(218,570)	(21.4)%
Gross margin ²	41,743	38,951	7.2 %	178,631	162,135	10.2 %
Other revenues by function	71	89	(20.7)%	313	294	6.6 %
Operating expenses	(23,317)	(20,669)	12.8 %	(97,856)	(86,733)	12.8 %
EBITDA ³	18,497	18,372	0.7 %	81,088	75,696	7.1 %
Depreciation and amortization	(4,601)	(4,458)	3.2 %	(17,830)	(17,160)	3.9 %
Operating Income	13,896	13,913	(0.1)%	63,258	58,536	8.1 %
Colombia	4Q19	4Q19	Var. Y/Y (%)	FY19	FY18	Var. Y/Y (%)
Average exchange rate (COP/USD)	3,409	3,163	7.8%	3,291	2,956	11.3%
LPG Sales Volume (tons)	23,957	21,471	11.6%	90,740	82,257	10.3%
NG Sales Volume (M3)	1,948,744	1,792,514	8.7%	7,734,491	1,792,514	331.5%
LPG Sales Volume (equiv. ton) ¹	25,467	22,860	11.4%	96,734	83,647	15.6%
Revenues	14,438	14,302	0.9 %	54,717	49,669	10.2 %
Cost of goods sold	(6,052)	(9,216)	(34.3)%	(27,217)	(29,517)	(7.8)%
Gross margin ²	8,386	5,087	64.9 %	27,500	20,153	36.5 %
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(5,068)	(3,430)	47.8 %	(17,234)	(13,648)	26.3 %
EBITDA ³	3,318	1,657	100.2 %	10,266	6,505	57.8 %
Depreciation and amortization	(804)	(640)	25.5 %	(2,779)	(2,305)	20.5 %
Operating Income	2,514	1,017	147.2 %	7,487	4,200	78.3 %
Peru	4Q19	4Q19	Var. Y/Y (%)	FY19	FY18	Var. Y/Y (%)
Average exchange rate (PEN/USD)	3.36	3.36	0.2 %	3.34	3.29	1.6 %
LPG Sales Volume (tons)	32,378	34,285	(5.6)%	140,069	138,199	1.4 %
NG Sales Volume (M3)	19,176,232	21,394,601	(10.4)%	76,647,326	77,868,587	(1.6)%
LPG Sales Volume (equiv. ton) ¹	47,240	50,866	(7.1)%	199,470	198,548	0.5 %
Revenues	22,432	22,872	(1.9)%	87,647	85,501	2.5 %
Cost of goods sold	(14,847)	(16,293)	(8.9)%	(60,219)	(61,513)	(2.1)%
Gross margin ²	7,586	6,579	15.3 %	27,427	23,988	14.3 %
Other revenues by function	9	0	0.0 %	19	0	0.0 %
Operating expenses	(6,446)	(5,619)	14.7 %	(22,661)	(20,442)	10.9 %
EBITDA ³	1,149	960	19.7 %	4,784	3,547	34.9 %
Depreciation and amortization	(953)	(834)	14.2 %	(3,642)	(2,926)	24.4 %
Operating Income	196	126	55.7 %	1,143	620	84.3 %

Empresas Lipigas S.A.
Financial Indicators -Evolution

Million CLP	4Q19	3Q19	2Q19	1Q19	4Q18
Investment in property, plant & equip. ⁴	21,707	7,779	10,628	11,700	17,121
Cash and cash equivalents	17,040	23,585	12,080	8,595	13,883
Dividends payable ⁵	0	0	0	0	0
Net cash and cash equivalents ⁶	17,040	23,585	12,080	8,595	13,883
Total financial debt	167,702	164,434	167,207	161,946	163,872
-Short term financial debt	6,499	44,362	47,324	43,021	38,437
-Long term financial debt	161,203	120,072	119,883	118,925	125,435
EBITDA LTM	96,138	94,163	88,383	86,732	85,747
Financial Ratios (times)					
-Financial debt/EBITDA ⁷	1.6	1.5	1.8	1.8	1.7
-Indebtedness ⁸	0.9	0.8	1.0	1.0	1.0

Note: For comparison purposes, ratios do not include the effect associated with the adoption of IFRS 16.

In the following tables, figures for the year 2019 include the effects derived from the adoption of the amendments established by the International Financial Reporting Standard No. 16 (IFRS 16), for comparison purposes with the previous year where the standard was not adopted

Empresas Lipigas S.A.
Consolidated Income Statement in million CLP

	4Q19	4Q19	Var. Y/Y (%)	FY19	FY18	Var. Y/Y (%)
LPG Sales Volume (tons)	155,944	160,815	(3.0)%	693,682	690,460	0.5 %
NG Sales Volume (M3)	22,392,046	24,266,660	(7.7)%	89,320,157	83,920,509	6.4 %
LNG Sales Volume (M3)	8,560,116	10,843,636	(21.1)%	36,648,603	40,515,252	(9.5)%
LPG Sales Volume (equivalent tons) ¹	179,932	188,026	(4.3)%	791,308	786,898	0.6 %
Revenues	114,924	128,302	(10.4)%	492,869	515,876	(4.5)%
Cost of goods sold	(57,191)	(77,686)	(26.4)%	(259,218)	(309,600)	(16.3)%
Gross margin²	57,734	50,616	14.1 %	233,652	206,276	13.3 %
Other revenues by function	80	89	(10.2)%	332	294	12.9 %
-Freight	(8,471)	(8,434)	0.4 %	(33,181)	(32,534)	2.0 %
-Remuneration, salaries, benefits, and mandatory expenses	(9,619)	(8,159)	17.9 %	(35,465)	(31,035)	14.3 %
-Maintenance	(4,323)	(3,283)	31.7 %	(18,433)	(15,270)	20.7 %
-Others	(10,234)	(9,842)	4.0 %	(42,557)	(41,983)	1.4 %
EBITDA ³	25,167	20,989	19.9 %	104,347	85,747	21.7 %
Depreciation and amortization	(8,482)	(5,933)	43.0 %	(31,876)	(22,392)	42.4 %
Operating Income	16,685	15,056	10.8 %	72,471	63,356	14.4 %
Financial costs	(2,870)	(1,698)	69.0 %	(8,915)	(6,402)	39.3 %
Financial income	824	226	265.0 %	1,312	1,430	(8.3)%
Exchange rate difference	(24)	32	(173.4)%	(165)	67	(345.8)%
Income by adjustment unit	(672)	(824)	(18.4)%	(2,023)	(3,209)	(37.0)%
Other gains (losses)	(2,985)	1,594	(287.2)%	(4,542)	2,203	(306.2)%
Non-Operating Income	(5,727)	(670)	755.1 %	(14,334)	(5,911)	142.5 %
Earnings before taxes	10,958	14,386	(23.8)%	58,137	57,445	1.2 %
-Income Tax	(4,774)	(3,265)	46.2 %	(17,664)	(15,802)	11.8 %
Earnings after taxes	6,184	11,122	(44.4)%	40,473	41,643	(2.8)%
<i>Earnings per share (CLP/share)</i>	<i>49.78</i>	<i>95.40</i>	<i>-47.8%</i>	<i>347.28</i>	<i>363.46</i>	<i>(4.5)%</i>

Breakdown by country (in million CLP)

Chile	4Q19	4Q19	Var. Y/Y (%)	FY19	FY18	Var. Y/Y (%)
Average exchange rate (CLP/USD)	756.0	678.8	11.4 %	703.3	641.2	9.7 %
LPG Sales Volume (tons)	99,609	105,060	(5.2)%	462,874	470,003	(1.5)%
NG Sales Volume (M3)	1,267,070	1,079,545	17.4 %	4,938,340	4,259,408	15.9 %
LNG Sales Volume (M3)	8,560,116	10,843,636	(21.1)%	36,648,603	40,515,252	(9.5)%
LPG Sales Volume (equivalent tons) ¹	107,225	114,300	(6.2)%	495,104	504,703	(1.9)%
Revenues	78,054	91,127	(14.3)%	350,506	380,705	(7.9)%
Cost of goods sold	(36,309)	(52,177)	(30.4)%	(171,872)	(218,570)	(21.4)%
Gross margin ²	41,744	38,951	7.2 %	178,634	162,135	10.2 %
Other revenues by function	71	89	(20.7)%	313	294	6.6 %
Operating expenses	(21,527)	(20,669)	4.2 %	(91,326)	(86,733)	5.3 %
EBITDA ³	20,288	18,372	10.4 %	87,622	75,696	15.8 %
Depreciation and amortization	(6,369)	(4,458)	42.9 %	(24,118)	(17,160)	40.5 %
Operating Income	13,919	13,913	0.0 %	63,504	58,536	8.5 %
Colombia	4Q19	4Q19	Var. Y/Y (%)	FY19	FY18	Var. Y/Y (%)
Average exchange rate (COP/USD)	3,409	3,163	7.8%	3,291	2,956	11.3%
LPG Sales Volume (tons)	23,957	21,471	11.6%	90,740	82,257	10.3%
NG Sales Volume (M3)	1,948,744	1,792,514	8.7%	7,734,491	1,792,514	331.5%
LPG Sales Volume (equiv. ton) ¹	25,467	22,860	11.4%	96,734	83,647	15.6%
Revenues	14,438	14,302	0.9 %	54,717	49,669	10.2 %
Cost of goods sold	(6,052)	(9,216)	(34.3)%	(27,192)	(29,517)	(7.9)%
Gross margin ²	8,386	5,087	64.9 %	27,525	20,153	36.6 %
Other revenues by function	0	0	0.0 %	0	0	0.0 %
Operating expenses	(4,890)	(3,430)	42.6 %	(16,499)	(13,648)	20.9 %
EBITDA ³	3,496	1,657	111.0 %	11,025	6,505	69.5 %
Depreciation and amortization	(945)	(640)	47.6 %	(3,385)	(2,305)	46.9 %
Operating Income	2,551	1,017	150.9 %	7,640	4,200	81.9 %
Peru	4Q19	4Q19	Var. Y/Y (%)	FY19	FY18	Var. Y/Y (%)
Average exchange rate (PEN/USD)	3.36	3.36	0.2 %	3.34	3.29	1.6 %
LPG Sales Volume (tons)	32,378	34,285	(5.6)%	140,069	138,199	1.4 %
NG Sales Volume (M3)	19,176,232	21,394,601	(10.4)%	76,647,326	77,868,587	(1.6)%
LPG Sales Volume (equiv. ton) ¹	47,240	50,866	(7.1)%	199,470	198,548	0.5 %
Revenues	22,432	22,872	(1.9)%	87,647	85,501	2.5 %
Cost of goods sold	(14,829)	(16,293)	(9.0)%	(60,154)	(61,513)	(2.2)%
Gross margin ²	7,603	6,579	15.6 %	27,493	23,988	14.6 %
Other revenues by function	9	0	0.0 %	19	0	0.0 %
Operating expenses	(6,230)	(5,619)	10.9 %	(21,811)	(20,442)	6.7 %
EBITDA ³	1,382	960	44.0 %	5,700	3,547	60.7 %
Depreciation and amortization	(1,168)	(834)	40.0 %	(4,373)	(2,926)	49.4 %
Operating Income	215	126	70.1 %	1,327	620	114.0 %

Empresas Lipigas S.A.
Financial Indicators - Evolution

Million CLP	4Q19	3Q19	2Q19	1Q19	4Q18
Investment in property, plant & equip. ⁴	18,153	14,267	11,310	48,411	17,121
Cash and cash equivalents	17,040	23,585	12,080	8,595	13,883
Dividends payable ⁵	0	0	0	0	0
Net cash and cash equivalents ⁶	17,040	23,585	12,080	8,595	13,883
Total financial debt	176,203	173,337	200,871	197,062	163,872
-Short term financial debt	9,437	47,276	53,701	49,237	38,437
-Long term financial debt	166,766	126,061	147,171	147,825	125,435
EBITDA LTM	104,347	100,169	92,309	88,693	85,747
Financial Ratios (times)					
-Financial debt/EBITDA ⁷	1.5	1.5	2.0	2.1	1.7
-Indebtedness ⁸	0.9	0.9	1.2	1.2	1.0

Definitions:

¹LPG sales volume (equivalent tons): Addition of LPG sales in tons plus sales of network NG, CNG and LNG measured in equivalent LPG tons based on calorific value

²Gross margin: Revenues from ordinary activities less the costs of purchase of products and services sold (without deducting expenses, depreciation, or amortization)

³EBITDA: Revenues from ordinary activities and other revenues by function less costs and expenses (excluding depreciation and amortization)

⁴Gross additions of the quarter due to investment in property, plant, and equipment and to business combinations. Additions associated to the adoption of IFRS 16 are not considered.

⁵Dividends payable correspond to dividends payable as of reported quarter

⁶Net cash and cash equivalents, correspond to available cash discounting liability for dividends pending of payment

⁷Financial debt less cash and cash equivalents / EBITDA LTM

⁸Net financial debt / total equity