



QUIÑENCO S.A.

With respect to the same period in 2019:

Quiñenco's Net Income Down 9.8% for 9M20

- For the first nine months of 2020, Quiñenco reported net income of Ch\$123,885 million, mainly reflecting the impact of the worldwide public health and economic crisis caused by COVID-19. Despite this difficult context, the company's more global assets performed strongly, particularly Hapag-Lloyd.
- The CEO of Quiñenco, Francisco Pérez Mackenna, explained, "Although economies have been opening back up and vaccine prospects have improved, as long as the pandemic persists we will continue to make employee health and business continuity top priorities."

Santiago, November 27, 2020.- Quiñenco reported net income for the first nine months of 2020 of Ch\$123,885 million, marking a decrease of 9.8% over the same period in 2019. These results can be explained mainly by the impact of the COVID-19 global public health and economic crisis. Despite this complex backdrop, performance of two of the holding's more global assets—the German shipping company Hapag-Lloyd and the French multinational manufacturer of cables and technological solutions Nexans—was noteworthy.

As of the third quarter of the year, amid pandemic-related restrictions and volatile oil prices, Hapag-Lloyd, the main asset of Compañía Sudamericana de Vapores (CSAV), saw a 3.5% decline in transported volumes. However, driven by higher average freight rates and lower operating expenses, the German shipping line reported EBITDA of US\$2,044 million, up 20.4% from the same period in 2019, and net income of US\$595 million.

Despite the crisis, Nexans, which does not release earnings figures as of September, managed to reduce its losses by 52.6% during the first half of the year. The transformation and cost-cutting plans implemented by the company mitigated an organic 9.8% drop in sales, which especially impacted the industrial and construction segments, in addition to reduced restructuring costs in 2020.

In the financial segment, Banco de Chile saw a 24.5% decline in net income, reflecting a rise in loan loss provisions, including increased provisions as a result of the COVID-19 outbreak and its impact on credit quality, along with a 1.7% decrease in operating revenues, mitigated by lower operating expenses. On the other hand, the interest saved after SM Chile paid off its subordinated debt last year had a positive effect on Quiñenco's financial segment, which decreased its overall contribution to consolidated results by 19%.

Meanwhile, Enx reported a loss of Ch\$3,537 million, mainly due to a reduced flow of customers in the service station channel because of the pandemic, and lower oil prices, which resulted in a

15.6% decrease in total volumes dispatched as of September 2020 with respect to the same period in 2019. Continuing with its internationalization plan, the company recently inaugurated new service stations in Paraguay, where it operates under the Enex brand, and in the United States, where it has expanded its network of Road Ranger Travel Centers.

CCU's results during the period, down 45.3%, reflect the effect of restrictions to curb the spread of the pandemic that impacted consumption in all countries where the company operates, especially during the second quarter. Additionally, depreciated local currencies in both Argentina and Chile (with respect to the dollar) also had an unfavorable impact on the company. The exception continued to be the Wine segment, which performed better, enjoying growth in volumes and a positive impact from a stronger dollar. In recent weeks, CCU reaffirmed its long-term vision and strategy of regional expansion, confirming an investment of US\$57 million in Argentina, in addition to continue developing a plant and distribution center in Renca, Chile, with a total investment of around US\$380 million.

SM SAAM's contribution to Quiñenco's consolidated results increased by 4.0%. The towage division's strong performance, driven by the Brazilian operations acquired from Boskalis in late 2019, along with a gain on the sale of real estate and the favorable effect of converting to Chilean pesos, were offset by a weaker performance from the port terminal division, particularly in Chile. Due to lower activity levels and port closures because of high swells, throughput at domestic ports operated by SM SAAM fell 22% on average in comparison to the first nine months of last year.

At the corporate level, Quiñenco participated in the capital increase carried out by its subsidiary Compañía Sudamericana de Vapores (CSAV), which was successfully completed in October, with an approximate investment of US\$219 million, thus reaching a 61.76% stake in the shipping company, just above the 61.45% it previously held.

Along with reporting on earnings, Quiñenco's CEO, Francisco Pérez Mackenna, commented that the Group's companies have been exposed to the effects of the COVID-19 crisis, "but the international diversification of our businesses has given us flexibility and a sound position." "Although economies have been opening back up and vaccine prospects have improved, as long as the pandemic persists we will continue to make employee health and business continuity top priorities in order to protect the goods and services chain," he affirmed.

Quiñenco is one of the largest, most diversified corporate conglomerates in Chile. It owns interests in leading companies in the financial, beverage, manufacturing, energy, transport and port services industries, which together employ over 68 thousand people in Chile and abroad. More information is available at www.quinenco.cl