



For further information contact:

**Quiñenco S.A.**

Pilar Rodríguez-IRO

(56) 22750-7221

prodriguez@lq.cl

## QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2020

(Santiago, Chile, November 27, 2020) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the third quarter ended September 30, 2020.

Consolidated financial results are presented in accordance with IFRS and the regulations established by the Financial Market Commission (CMF, formerly Superintendency of Securities and Insurance). All figures are presented in nominal Chilean pesos, unless stated otherwise. Figures in US\$ have been converted from Chilean pesos (Ch\$) at the observed exchange rate on September 30, 2020 (Ch\$788.15 = US\$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

### 3Q 2020 HIGHLIGHTS

Net income of Ch\$47,394 million, 21.7% below 3Q 2019, in complex context of global pandemic, primarily due to lower results at Banco de Chile and Enex, partly compensated by better results at Quiñenco corporate level, and at CSAV.

Industrial sector operating income down by 13.2% to Ch\$13,820 million, driven by Enex, negatively impacted by the global pandemic and falling fuel prices, along with stable operating results at SM SAAM, where the tug boat segment offset lower performance of port terminals and logistics.

Affiliates Hapag-Lloyd and CCU posted improved quarterly results. Hapag-Lloyd was favorably impacted by lower transport costs, offsetting reduced levels of activity. At CCU favorable non-operating results compensated lower operating performance, affected by devaluations of local currencies, despite a recovery in revenue growth.

In the Banking sector, Banco de Chile's results were down, primarily attributable to the negative impact of the pandemic on core revenues, as well as higher loan loss provisions.

Earnings per share amounted to Ch\$28.50 in 3Q 2020.



## GROUP HIGHLIGHTS – THIRD QUARTER 2020 AND SUBSEQUENT EVENTS

### CSAV successfully completes capital increase

As approved in May, 2020, by CSAV's shareholders, between August and October CSAV carried out a capital increase successfully raising US\$350 million, primarily to refinance the additional stakes in Hapag-Lloyd acquired to reach 30% ownership earlier in January this year. Quiñenco subscribed slightly more than its pro rata share of 61.45% of the capital increase, amounting to approximately US\$219 million and reaching a stake of 61.76%.

### SM SAAM signs agreement to reach 100% ownership in Aerosan

On August 20, 2020, SM SAAM announced an agreement with American Airlines Inc. to acquire its 50% share in Aerosan Airport Services and Servicios Aeroportuarios Aerosan, in US\$32 million. Thus, SM SAAM would reach 100% ownership in both companies. The transaction is subject to approval from anti-trust authorities in Chile, Colombia and Ecuador, among others.



## INFORMATION ON FINANCIAL STATEMENTS AND SEGMENTS

### FORMAT OF FINANCIAL STATEMENTS

In accordance with the definition issued by the Financial Market Commission, the line “Gains (losses) of operating activities” includes the following concepts: Gross income, Other operating income, Distribution Costs, Administrative expenses, Other operating expenses, and Other gains (losses). In accordance with this definition, this document refers to Gains (losses) of operating activities or Operating Income in the same manner.

As of January 1, 2019, IFRS 16 (leases) has been adopted, with effects on the Balance sheet and Income Statement. Consequently, right of use of leased assets and the present value of the corresponding liabilities are now included in the balance sheet. In the income statement, amortizations of the rights of use and financial costs are registered instead of leasing expenses. For further detail please refer to the Financial Statements (notes 3 and 19).

### SEGMENT INFORMATION

In accordance with IFRS requirements, financial information is reported for the six segments defined by Quiñenco for this purpose: Manufacturing, Financial, Energy, Transport, Port Services and Other. However, in order to allow a better understanding of the consolidated financial statements, the latter and the subsequent analysis, have been divided in Banking and Non-banking (Industrial) activities, as follows:

- **Industrial Sector:** includes the following Segments and main companies:

**i) Manufacturing**

- Invexans corporate
- Techpack

**ii) Financial**

- LQ Inversiones Financieras (LQIF holding)

**iii) Energy**

- Enex

**iv) Transport**

- Compañía Sud Americana de Vapores (CSAV)

**v) Port Services**

- SM SAAM

**vi) Other**

- Quiñenco and others (includes CCU, Quiñenco holding, and eliminations)

The companies composing this sector reported their financial statements in accordance with IFRS. Invexans, Techpack, CSAV and SM SAAM report their financial statements in US dollars, and translate them to Chilean pesos for consolidation purposes.



Invexans' holds a 28.69% stake in Nexans, a French multinational company leader in the world cable industry. As of September 30, 2020, Quiñenco has a 99.7% stake in Invexans.

As of September 30, 2020, Techpack has a 0.53% stake in Nexans. As of September 30, 2020, Quiñenco's ownership of Techpack is 99.97%.

Thus, as of September 30, 2020, through its subsidiaries Invexans and Techpack, Quiñenco has a 29.2% interest in Nexans.

In January 2020, CSAV announced the decision to close its car carrier operations, therefore classifying this business as a discontinued activity in the 2019 and 2020 income statements. During July 2020, the car carrier division ended its activities.

During 3Q 2019, Quiñenco acquired an additional 5.28% stake in CSAV. During 3Q 2020 Quiñenco participated in CSAV's capital increase, thus reaching 61.76% ownership as of September 30, 2020.

During 2019, CSAV acquired an additional 1.93% in Hapag-Lloyd, reaching 27.79% ownership as of December 31, 2019. During the first quarter of 2020, CSAV acquired a further 2.21% stake in the German shipping company, totaling 30.0% ownership as of September 30, 2020.

On June 6, 2019, the Banco de Chile shares held by SM-Chile and SAOS were distributed to the shareholders of the series A, B, D and E of SM-Chile en liquidación registered as of May 31, 2019, in accordance with SM-Chile's bylaws. Thus, as of September 30, 2019 and 2020, LQIF's ownership and economic rights in Banco de Chile are 51.15%.

On December 30, 2019, Quiñenco sold its direct and indirect stakes in Banchile Vida, SegChile and Inversiones Vita (parent company of the former two companies) to multinational insurance firm Chubb. Thus, the contribution of the insurance business and the gain generated by the transaction have been classified as a discontinued activity in the income statement in 2019 and 2020.

On April 15, 2020, the merger between Invexans and Inversiones Río Argenta, a fully owned subsidiary of Quiñenco and parent company of Enex, was materialized. Therefore, as of the second quarter of 2020, Invexans added Enex to its portfolio, thus seeking to facilitate Enex's international expansion. Consequently, Invexans defined two operating segments, the corporate segment, continuing with its previous activities and including its investment in Nexans, and a new energy segment, corresponding entirely to its investment in Enex starting the second quarter of 2020.

The analysis by segment of Quiñenco's financial statements includes in the Manufacturing segment Invexans Corporate, in addition to Techpack. The Energy segment corresponds to the activities and results of Enex and related companies, investment held by Inversiones Río Argenta until the first quarter of 2020, and through Invexans as of the second quarter of 2020.



**Banking Sector:** includes the following Segments and main companies:

**i) Financial**

- Banco de Chile
- SM Chile (in 2019 only)

These companies reported their financial statements partially in accordance with IFRS, as determined by the Financial Market Commission (previously Superintendency of Banks and Financial Institutions).

## ANALYSIS OF CONSOLIDATED RESULTS

### Summarized Consolidated Income Statement

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	3Q 19	3Q 20	3Q 19	3Q 20	3Q 19	3Q 20	3Q 19	3Q 20	3Q 19	3Q 20	3Q 19	3Q 20	3Q 19	3Q 20
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Consolidated Income (Loss) Industrial Sector	(2,398)	138	(3,289)	(2,558)	6,487	(3,805)	37,263	41,872	11,017	5,135	(6,948)	2,113	42,132	42,896
Consolidated Income Banking Sector	-	-	152,201	88,238	-	-	-	-	-	-	126	27	152,327	88,265
<b>Consolidated Net Income (Loss)</b>	<b>(2,398)</b>	<b>138</b>	<b>148,912</b>	<b>85,680</b>	<b>6,487</b>	<b>(3,805)</b>	<b>37,263</b>	<b>41,872</b>	<b>11,017</b>	<b>5,135</b>	<b>(6,822)</b>	<b>2,141</b>	<b>194,459</b>	<b>131,161</b>
Net Income (Loss) Attributable to Non-controlling Interests	(4)	3	111,614	64,374	0	1	14,369	16,012	6,604	2,255	1,350	1,122	133,933	83,768
<b>Net Income (Loss) Attributable to Controllers' Shareholders</b>	<b>(2,394)</b>	<b>135</b>	<b>37,299</b>	<b>21,306</b>	<b>6,487</b>	<b>(3,806)</b>	<b>22,894</b>	<b>25,860</b>	<b>4,413</b>	<b>2,880</b>	<b>(8,173)</b>	<b>1,019</b>	<b>60,526</b>	<b>47,394</b>

\* Corresponds to the contributions of each business segment to Quiñenco's net income.

### Net Income – 3Q 2020

Quiñenco reported a net gain of Ch\$47,394 million in the third quarter of 2020, decreasing 21.7% with respect to the same period in 2019. This variation is primarily explained by a lower contribution from Banco de Chile, Enx, and to a lesser extent, SM SAAM, primarily due to the difficult context prevailing due to the coronavirus pandemic, partially compensated by an income tax credit and lower losses from indexed liabilities at Quiñenco corporate level, together with higher contributions from CSAV and CCU.

In the banking sector, Banco de Chile's results dropped by 42.0%, mainly attributable to lower revenues, with the COVID-19 pandemic negatively impacting core revenues, and also due to higher loan loss provisions, partly mitigated by reduced operating and tax expenses. In the energy segment, Enx posted a quarterly loss, also mainly due to the negative impact of the global pandemic, with lower sales volumes in Chile, particularly in the service station channel, and lower revenues in the USA, and due to the negative effect of selling inventory at historical cost with falling reference fuel prices. SM SAAM's contribution, in turn, decreased mainly as a result of lower performance at port terminals, impacted by the fall in activity leading to lower volumes transferred together with port closures due to high waves, and to a lesser extent, by contractions in the logistics and tug



boat segments. Also worth mentioning is the contribution from the insurance business (Banchile Vida and SegChile) in 3Q 2019 only, since it was sold in December 2019. The higher contribution from the transport segment, however, reflects CSAV's share in the results of its main asset, Hapag-Lloyd, which reported a significant rise in net income to US\$288 million despite lower transport volumes, mainly due to lower operating expenses, along with stable average freight rates. This improvement was partly compensated by higher income tax expense at CSAV during the quarter. At CCU, although revenues grew during the quarter, boosted by higher average prices that more than offset volumes diminishing by 1.8%, higher costs, mainly USD-denominated costs impacted by local currency devaluations, led to lower operating performance. Bottom line results, however, were up due to improved non-operating results in the quarter.

Earnings per ordinary share amounted to Ch\$28.50 in the third quarter of 2020.



## Consolidated Income Statement Breakdown

	3Q 19		3Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
<b>Industrial Sector</b>				
<b>Revenues</b>	<b>736,921</b>	<b>935.0</b>	<b>569,304</b>	<b>722.3</b>
Manufacturing	15	0.0	21	0.0
Financial	-	-	-	-
Energy	643,810	816.9	463,279	587.8
Transport	-	-	-	-
Port Services	92,956	117.9	105,942	134.4
Other	140	0.2	61	0.1
<b>Operating income (loss)</b>	<b>15,925</b>	<b>20.2</b>	<b>13,820</b>	<b>17.5</b>
Manufacturing	(869)	(1.1)	(1,072)	(1.4)
Financial	(256)	(0.3)	(382)	(0.5)
Energy	7,388	9.4	3,970	5.0
Transport	(1,464)	(1.9)	(1,417)	(1.8)
Port Services	18,126	23.0	18,271	23.2
Other	(7,000)	(8.9)	(5,550)	(7.0)
<b>Non-operating income (loss)</b>	<b>18,380</b>	<b>23.3</b>	<b>43,585</b>	<b>55.3</b>
Interest income	4,899	6.2	1,098	1.4
Interest expense	(18,432)	(23.4)	(21,281)	(27.0)
Share of net income/loss from related co.	36,601	46.4	68,781	87.3
Foreign exchange gain (loss)	721	0.9	(4,698)	(6.0)
Indexed units of account restatement	(5,410)	(6.9)	(316)	(0.4)
	-	-	-	-
Income tax	1,615	2.0	(13,800)	(17.5)
Net income (loss) from discontinued operations	6,212	7.9	(709)	(0.9)
<b>Consolidated Net Income (Loss) Industrial Sector</b>	<b>42,132</b>	<b>53.5</b>	<b>42,896</b>	<b>54.4</b>
<b>Banking Sector</b>				
Operating revenues	502,041	637.0	442,354	561.3
Provision for loan losses	(88,692)	(112.5)	(112,541)	(142.8)
Operating expenses	(221,781)	(281.4)	(208,776)	(264.9)
Operating income (loss)	191,568	243.1	121,037	153.6
Non-operating income (loss)	1,521	1.9	(1,967)	(2.5)
Income tax	(40,762)	(51.7)	(30,805)	(39.1)
<b>Consolidated Net Income (Loss) Banking Sector</b>	<b>152,327</b>	<b>193.3</b>	<b>88,265</b>	<b>112.0</b>
<b>Consolidated Net Income</b>	<b>194,459</b>	<b>246.7</b>	<b>131,161</b>	<b>166.4</b>
Net Income Attributable to Non-controlling Interests	133,933	169.9	83,768	106.3
<b>Net Income Attributable to Controllers' Shareholders</b>	<b>60,526</b>	<b>76.8</b>	<b>47,394</b>	<b>60.1</b>





## Industrial Sector

### Revenues – 3Q 2020

Consolidated revenues totaled Ch\$569,304 million in the third quarter of 2020, 22.7% below those of the same period in 2019, primarily due to lower revenues at Enex, to a small extent offset by sales growth at SM SAAM<sup>1</sup>.

### Operating Income – 3Q 2020

Operating income for the third quarter of 2020 reached a gain of Ch\$13,820 million, 13.2% lower than the gain of Ch\$15,925 million in the third quarter of 2019. The decrease in consolidated operating results is primarily attributable to Enex.

### EBITDA – 3Q 2020

EBITDA amounted to Ch\$48,557 million in 3Q 2020, up 2.9% from the third quarter of 2019. The increment is primarily explained by higher EBITDA at SM SAAM, boosted by the consolidation with the towage operations in Brazil, partly offset by lower EBITDA at Enex.

### Non-Operating Results<sup>2</sup> – 3Q 2020

Non-operating income amounted to a gain of Ch\$43,585 million in the third quarter of 2020, compared to a gain of Ch\$18,380 million in the same quarter of 2019.

#### *Proportionate Share of Net Income of Equity Method Investments (net) – 3Q 2020*

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, as well as Invexans' share in the results of Nexans<sup>3</sup>, CSAV's share in the results of Hapag-Lloyd, and SM SAAM's affiliates, reached a gain of Ch\$68,781 million, compared to a gain of Ch\$36,601 million in 3Q 2019.

- Quiñenco's proportionate share of net income from IRSA (CCU) varied from a gain of Ch\$2,224 million in 3Q 2019 to a gain of Ch\$3,432 million in 3Q 2020.
- SM SAAM's proportionate share in its affiliates decreased from a gain of Ch\$981 million to a loss of Ch\$861 million.
- CSAV's proportionate share of net income from Hapag-Lloyd (adjusted by fair value accounting), amounted to a gain of Ch\$66,591 million, compared to a gain of Ch\$33,138 million in 3Q 2019.

<sup>1</sup> It is worth noting that since Techpack, Invexans, CSAV and SM SAAM report in US dollars and translate their financial statements to Chilean pesos for consolidation purposes, variations analyzed in Chilean pesos vary from those in US dollars. For analysis of Techpack, Invexans, CSAV and SM SAAM's results in US dollars, refer to Segment/Operating company analysis.

<sup>2</sup> Non-operating results include the following items: Financial income, Financial costs, Proportionate share of equity method investments, Foreign currency exchange differences, and Indexed units of account restatement.

<sup>3</sup> Nexans only reports results as of June and December, in accordance with French regulations and IFRS.





#### *Interest Income - 3Q 2020*

Interest income for the third quarter of 2020 amounted to Ch\$1,098 million, 77.6% less than that obtained in 3Q 2019. This variation corresponds mainly to lower financial income at Quiñenco corporate level, SM SAAM, and Techpack.

#### *Interest Expense – 3Q 2020*

Interest expense for the third quarter of 2020 amounted to Ch\$21,281 million, 15.5% greater than in the third quarter of 2019. The variation is mainly explained by higher financial costs at SM SAAM and CSAV, partially compensated by lower interest expense at Enx.

#### *Foreign Currency Exchange Differences – 3Q 2020*

In 3Q 2020, the gains (losses) specific to foreign currency translation differences amounted to a loss of Ch\$4,698 million, compared to the gain of Ch\$721 million reported in 3Q 2019, primarily attributable to losses at Enx, and to a lesser extent at CSAV, partially mitigated by gains at Techpack, and, to a lesser extent, lower losses at SM SAAM.

#### *Indexed Units of Account Restatement – 3Q 2020*

The gain or loss derived from the restatement of assets and liabilities indexed to units such as the Unidad de Fomento or UF (inflation indexed) amounted to a loss of Ch\$316 million in the third quarter of 2020, compared to a loss of Ch\$5,410 million reported in the same period of 2019. The variation is mainly explained by lower losses at Quiñenco (corporate level) and at LQIF holding.

#### **Income Taxes – 3Q 2020**

The industrial sector reported an income tax expense of Ch\$13,800 million in 3Q 2020, compared to an income tax credit of Ch\$1,615 million reported in 3Q 2019, primarily explained by higher income tax at CSAV, partially offset by income tax credits at Quiñenco corporate level and Enx.

#### **Discontinued Operations – 3Q 2020**

In 3Q 2020 the result of discontinued operations amounted to a loss of Ch\$709 million, compared to a gain of Ch\$6,212 million in 3Q 2019. In 3Q 2020, the loss primarily corresponds to CSAV's discontinued operations, whereas in 3Q 2019 the gain primarily was attributable to the results of the insurance business sold by Quiñenco at the end of 2019.

#### **Non-controlling Interests – 3Q 2020**

In the third quarter of 2020, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch\$83,768 million. Of the total amount reported in 3Q 2020, Ch\$43,069 million corresponds to minority shareholders' share of Banco de Chile's net income. Remaining net income attributable to non-controlling interest is mainly explained by minority shareholders' share of LQIF's net income, and to a much lesser extent, of CSAV and SM SAAM's net income.



## Banking Sector

### Operating Revenues - 3Q 2020

Operating revenues for the third quarter of 2020 amounted to Ch\$442,354 million, 11.9% below the third quarter of 2019, mainly due to lower core revenues, reflecting the impact of the pandemic on commercial activity, and also the unfavorable impact of lower inflation on the Bank's net asset position in UFs.

### Provision for Credit Risk - 3Q 2020

Provisions for loan losses at Banco de Chile amounted to Ch\$112,543 million in the third quarter of 2020, 26.9% greater than the provisions registered in the third quarter of 2019, mainly attributable to a net credit quality deterioration, and, to a lesser extent, due to loan growth, largely concentrated in the retail segment.

### Operating Expenses - 3Q 2020

Operating expenses went down by 5.9% to Ch\$208,776 million in 3Q 2020, primarily reflecting a decrease in lower personnel expenses, mostly explained by lower severance payments and also to lower variable compensation.

### Non-operating Results - 3Q 2020

During the third quarter of 2020 non-operating results amounted to a loss of Ch\$1,967 million, comparing unfavorably to the gain of Ch\$1,521 million reported in the third quarter of 2019, reflecting lower results of equity investments.

### Consolidated Net Income - 3Q 2020

Consolidated net income for the banking sector amounted to Ch\$88,265 million in 3Q 2020, down by 42.1% from the same period in 2019, mainly due to lower operating revenues, as well as higher loan loss provisions, partially compensated by lower operating expenses, and lower income tax expense.


**CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 2nd quarter of 2020)**
**Condensed Consolidated Balance Sheet**

	06-30-2020		09-30-2020	
	MCh\$	MUS\$	MCh\$	MUS\$
Current assets industrial sector	1,058,740	1,343.3	1,284,852	1,630.2
Non-current assets industrial sector	5,931,083	7,525.3	5,807,227	7,368.2
Assets financial sector	46,142,628	58,545.5	45,329,867	57,514.3
<b>Total Assets</b>	<b>53,132,451</b>	<b>67,414.1</b>	<b>52,421,946</b>	<b>66,512.7</b>
Current liabilities industrial sector	531,282	674.1	588,907	747.2
Long-term liabilities industrial sector	2,356,590	2,990.0	2,373,475	3,011.5
Liabilities financial sector	42,456,485	53,868.5	41,577,143	52,752.8
Non-controlling interests	4,113,447	5,219.1	4,237,144	5,376.1
Shareholders' equity	3,674,647	4,662.4	3,645,277	4,625.1
<b>Total Liabilities &amp; Shareholders' equity</b>	<b>53,132,451</b>	<b>67,414.1</b>	<b>52,421,946</b>	<b>66,512.7</b>

**Current Assets Industrial Sector**

Current assets increased by 21.4% compared to the second quarter of 2020, primarily due to a higher cash balance at CSAV, explained by the funds received from third parties in its capital increase, and also a higher cash balance at Enex, mainly due to the operating cash flow net of investments in fixed assets.

**Non Current Assets Industrial Sector**

Non current assets decreased by 2.1% compared to the second quarter of 2020, mainly reflecting a reduction in equity investments, due to a lower book value of Hapag-Lloyd, based on a negative conversion effect partly offset by period earnings, and also a lower book value of SM SAAM's associates. The decrease is also explained by lower fixed assets, mostly at SM SAAM.

**Assets Banking Sector**

Total assets of the banking sector decreased by 1.8% compared to the second quarter of 2020. Loans to customers increased by 1.5% with respect to June 2020, reflecting higher commercial loans and, to a lesser extent, residential mortgage loans, partly offset by a decline in consumer loans.

**Current Liabilities Industrial Sector**

Current liabilities increased by 10.8% compared to the second quarter of 2020, primarily due to higher accounts payable, mostly at Enex, and higher dividends payable at Quiñenco.



### Long-term Liabilities Industrial Sector

Long-term liabilities increased by a slight 0.7% compared to the second quarter of 2020, primarily attributable to higher financial debt at Enx and SM SAAM.

### Liabilities Banking Sector

Liabilities corresponding to the banking sector decreased by 2.1% compared to the second quarter of 2020.

### Minority Interest

Minority interest increased by 3.0% compared to the second quarter of 2020.

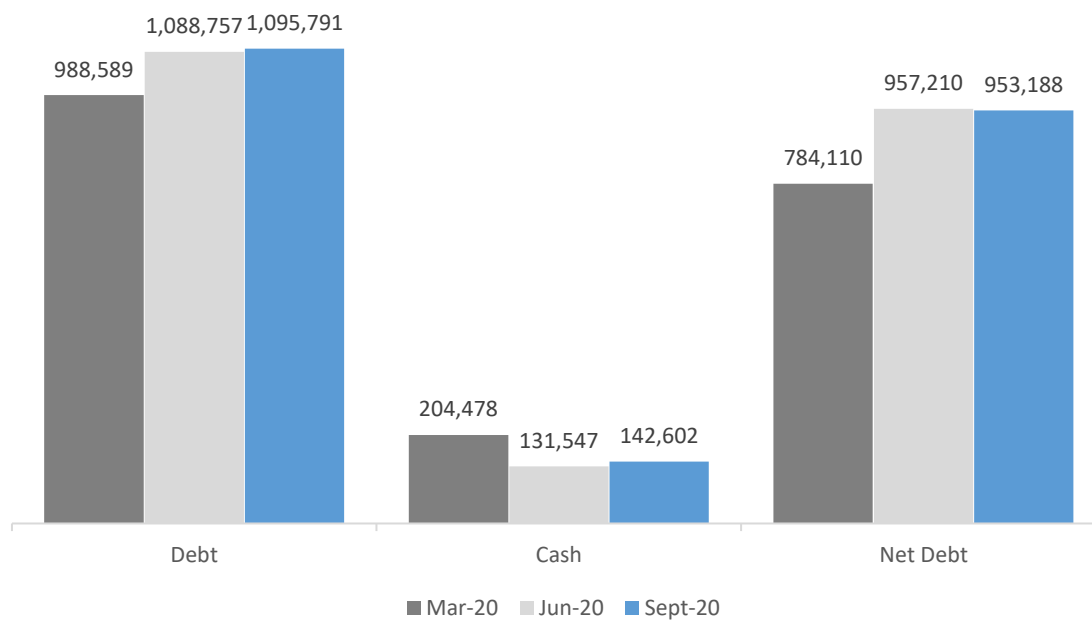
### Equity

Shareholders' equity diminished by 0.8% compared to the second quarter of 2020, mainly due to lower other reserves, mostly reflecting negative conversion effects at CSAV and SM SAAM, partially offset by period earnings net of dividends.


**QUINENCO CORPORATE LEVEL DEBT AND CASH**

As of September 30, 2020	Debt		Cash & Equivalents		Total Net Debt	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Corporate level	978,418	1,241.4	140,198	177.9	838,219	1,063.5
Adjusted for:						
50% interest in LQIF	100,104	127.0	1,714	2.2	98,390	124.8
50% interest in IRSA	17,269	21.9	690	0.9	16,579	21.0
<b>Total</b>	<b>1,095,791</b>	<b>1,390.3</b>	<b>142,602</b>	<b>180.9</b>	<b>953,188</b>	<b>1,209.4</b>

The debt to total capitalization ratio at the corporate level (unadjusted) was 20.8% as of September 30, 2020.

**Corporate Level Adjusted<sup>4</sup> Cash & Debt**  
 (Millions of Ch\$)


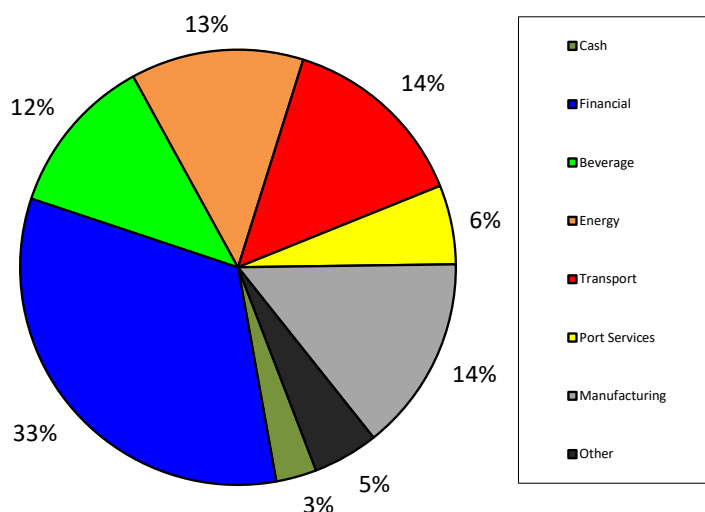
<sup>4</sup> Adjusted for 50% interest in LQIF holding and IRSA.



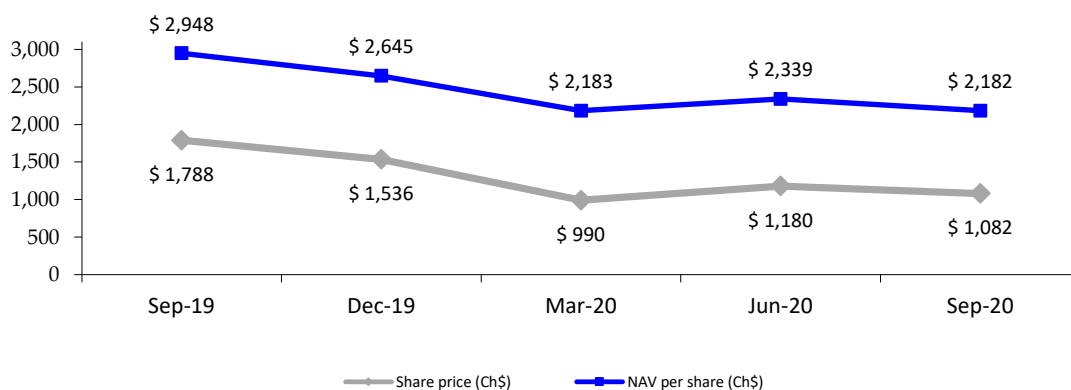
**NAV**

As of September 30, 2020, the estimated net asset value (NAV) of Quiñenco was US\$4.6 billion (Ch\$2,182 per share) and market capitalization was US\$2.3 billion (Ch\$1,082 per share). The discount to NAV is estimated at 50.4% as of the same date.

NAV as of September 30, 2020  
US\$4.6 billion



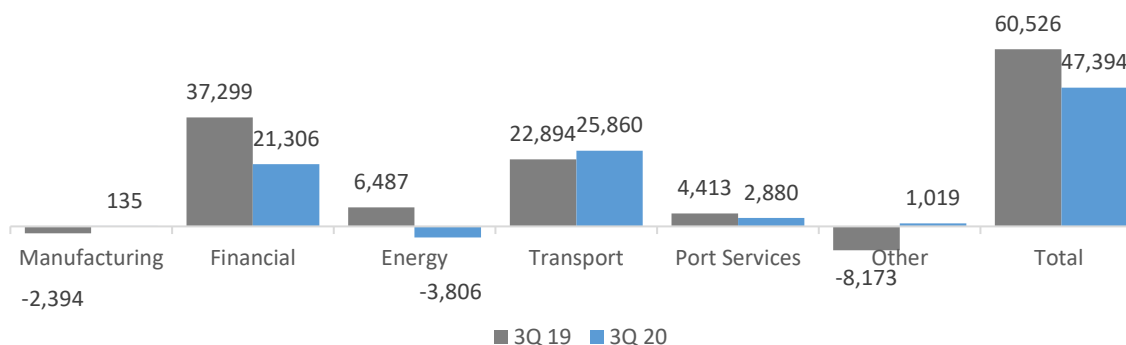
NAV/Share Price  
as of September 30, 2020






**SEGMENT / OPERATING COMPANY ANALYSIS**
**Quarterly Results**

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	3Q 19	3Q 20	3Q 19	3Q 20	3Q 19	3Q 20	3Q 19	3Q 20	3Q 19	3Q 20	3Q 19	3Q 20	3Q 19	3Q 20
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Industrial Sector</b>														
Income (loss) from continued operations before taxes	(2,239)	258	(3,322)	(2,594)	7,606	(5,437)	29,409	60,343	15,903	10,526	(13,052)	(5,692)	34,305	57,405
Income tax	(9)	(20)	33	36	(1,119)	1,632	7,626	(17,861)	(4,885)	(5,391)	(31)	7,805	1,615	(13,800)
Net loss from discontinued operations	(151)	(99)	-	-	-	-	228	(610)	-	-	6,135	-	6,212	(709)
<b>Net income (loss) industrial sector</b>	<b>(2,398)</b>	<b>138</b>	<b>(3,289)</b>	<b>(2,558)</b>	<b>6,487</b>	<b>(3,805)</b>	<b>37,263</b>	<b>41,872</b>	<b>11,017</b>	<b>5,135</b>	<b>(6,948)</b>	<b>2,113</b>	<b>42,132</b>	<b>42,896</b>
<b>Banking Sector</b>														
Net income before taxes	-	-	192,963	119,043	-	-	-	-	-	-	126	27	193,089	119,070
Income tax	-	-	(40,762)	(30,805)	-	-	-	-	-	-	-	-	(40,762)	(30,805)
<b>Net income banking sector</b>	<b>-</b>	<b>-</b>	<b>152,201</b>	<b>88,238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126</b>	<b>27</b>	<b>152,327</b>	<b>88,265</b>
<b>Consolidated net income (loss)</b>	<b>(2,398)</b>	<b>138</b>	<b>148,912</b>	<b>85,680</b>	<b>6,487</b>	<b>(3,805)</b>	<b>37,263</b>	<b>41,872</b>	<b>11,017</b>	<b>5,135</b>	<b>(6,822)</b>	<b>2,141</b>	<b>194,459</b>	<b>131,161</b>
Net income (loss) attributable to Non-controlling interests	(4)	3	111,614	64,374	0	1	14,369	16,012	6,604	2,255	1,350	1,122	133,933	83,768
<b>Net Income (Loss) Attributable to Controllers' shareholders</b>	<b>(2,394)</b>	<b>135</b>	<b>37,299</b>	<b>21,306</b>	<b>6,487</b>	<b>(3,806)</b>	<b>22,894</b>	<b>25,860</b>	<b>4,413</b>	<b>2,880</b>	<b>(8,173)</b>	<b>1,019</b>	<b>60,526</b>	<b>47,394</b>

**Contribution to Net Income by Segment**  
 (Millions of Ch\$)



**MANUFACTURING SEGMENT**

The following table details the contribution of the investments in the Manufacturing segment during 2019 and 2020 to Quiñenco's net income:

	3Q 19		3Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
Invexans (Corporate)	(626)	(0.8)	(903)	(1.1)
Techpack	(1,768)	(2.2)	1,038	1.3
<b>Total Manufacturing Segment</b>	<b>(2,394)</b>	<b>(3.0)</b>	<b>135</b>	<b>0.2</b>

As of September 30, 2019 and 2020, Quiñenco's ownership of Invexans was 99.4% and 99.7%, respectively. As of September 30, 2019 and 2020, Quiñenco's ownership of Techpack was 99.97%.

**INVEXANS**

	Corporate Segment				Consolidated			
	3Q 19		3Q 20		3Q 19		3Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	13	0.0	14	0.0	13	0.0	463,292	587.8
Operating income (loss)	(440)	(0.6)	(695)	(0.9)	(440)	(0.6)	3,275	4.2
Non-operating income (loss)	(173)	(0.2)	(192)	(0.2)	(173)	(0.2)	(9,599)	(12.2)
<b>Net loss controller</b>	<b>(630)</b>	<b>(0.8)</b>	<b>(900)</b>	<b>(1.1)</b>	<b>(630)</b>	<b>(0.8)</b>	<b>(4,383)</b>	<b>(5.6)</b>
Total assets			300,858	381.7			1,679,849	2,131.4
Shareholders' equity							889,710	1,128.9

Note: Figures as reported in pesos in Quiñenco's financial statements.

	Corporate Segment		Consolidated	
	3Q 19	3Q 20	3Q 19	3Q 20
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales	19	17	19	593,314
Operating income (loss)	(621)	(890)	(621)	4,187
Non-operating income (loss)	(248)	(246)	(248)	(12,255)
<b>Net income (loss) controller</b>	<b>(894)</b>	<b>(1,154)</b>	<b>(894)</b>	<b>(6,022)</b>
Total assets		381,727		2,131,385
Shareholders' equity				1,128,859

Note: Figures as reported by Invexans in US dollars.

Invexans reports its financial statements in US dollars and translates them to Chilean pesos for consolidation purposes, based on the US\$/Ch\$ exchange rate at the end of the period in the case of the Balance Sheet, and the



monthly average exchange rate in the case of the Income Statement. Invexans' figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the CMF, as shown in the second table.

In accordance with French regulations and IFRS, Nexans does not publish financial statements for the quarters ended in March and September. In view of this, Invexans requested and was granted approval from the CMF to use December and June financial information for March and September, respectively. Therefore, these quarters only reflect exchange rate conversion effects and changes in the stake in Nexans corresponding to that quarter.

### 3Q 2020 Results

In the third quarter of 2020 Invexans reported a net loss of US\$6,022 thousand, compared to a loss of US\$894 thousand reported in the same quarter of 2019. Of this result, a loss of US\$1,154 thousand corresponds to the corporate segment, which will be analyzed below. The remaining loss of US\$4,848 thousand in the third quarter of 2020 corresponds to the results of Enex, a subsidiary of Invexans as of the second quarter of 2020. For an analysis of Enex's results please refer to the Energy Segment.

Invexans Corporate reported an operating loss of US\$890 thousand, greater than the loss of US\$621 thousand reported in 3Q 2019, explained by higher administrative expenses.

Non-operating income amounted to a loss of US\$246 thousand, similar to the loss of US\$248 thousand reported in 3Q 2019, largely reflecting exchange rate losses and financial costs during the current quarter.

Invexans Corporate posted a net loss of US\$1,154 thousand in 3Q 2020, which compares unfavorably with the loss of US\$894 thousand reported in 3Q 2019, primarily due to higher administrative expenses in the current quarter.

## TECHPACK

	3Q 19		3Q 20		3Q 19	3Q 20
	MCh\$	MUS\$	MCh\$	MUS\$	ThUS\$	ThUS\$
Sales	2	0.0	8	0.0	2	10
Operating income	(429)	(0.5)	(377)	(0.5)	(610)	(483)
Net income (loss) from discontinued operations	(151)	(0.2)	(99)	(0.1)	(214)	(127)
<b>Net income (loss) Controller</b>	<b>(1,768)</b>	<b>(2.2)</b>	<b>1,038</b>	<b>1.3</b>	<b>(2,526)</b>	<b>1,314</b>
Total assets			159,670	202.6		202,588
Shareholders' equity			157,954	200.4		200,411

Techpack carries its accounting in US dollars and translates its financial statements to Chilean pesos for consolidation purposes, based on the US\$/Ch\$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. Techpack's figures in Chilean pesos are included



for reference. However, the following analysis is based on the company's financial statements in US dollars, as shown in the last two columns of the table.

On May 31, 2016, Techpack sold its entire flexible packaging business to Australian Amcor. Due to this sale, the results and expenses related to the transaction have been classified in discontinued operations.

### **3Q 2020 Results**

During the third quarter of 2020, Techpack's operating income amounted to a loss of US\$483 thousand, lower than the loss of US\$610 thousand reported in 3Q 2019, mostly explained by lower administrative expenses in the current quarter.

Non-operating income for the quarter amounted to a gain of US\$1,933 thousand, compared to the loss of US\$1,714 thousand reported in 3Q 2019. The variation is primarily explained by gains from exchange rate differences during the current quarter vis-à-vis losses in 3Q 2019, partly offset by lower financial income.

Discontinued operations reported a loss of US\$127 thousand in 3Q 2020, lower than the loss of US\$214 thousand in 3Q 2019, and correspond mainly to maintenance expenses of the discontinued operations.

Thus, net income for 3Q 2020 reached a gain of US\$1,314 thousand, which compares favorably with the loss of US\$2,526 thousand reported in 3Q 2019, due mostly to better non-operating results, along with lower administrative expenses.


**FINANCIAL SEGMENT**

The following table details the contribution of the investments in the Financial Segment during 2019 and 2020 to Quiñenco's net income:

	3Q 19		3Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
LQIF holding	(1,644)	(2.1)	(1,279)	(1.6)
Banking sector	38,943	49.4	22,585	28.7
<b>Total Financial Segment</b>	<b>37,299</b>	<b>47.3</b>	<b>21,306</b>	<b>27.0</b>

As of September 30, 2019 and 2020, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 51.2% as of September 30, 2019 and September 30, 2020.

**LQIF Holding**
**3Q 2020 Results**

LQIF holding registered a loss of Ch\$2,558 million, 22.2% lower than the loss of Ch\$3,289 million reported in 3Q 2019, mainly explained by a lower loss related to the effect of inflation on inflation indexed liabilities, due to an almost nil variation of the UF in the current quarter vis-à-vis a 0.5% rise in 3Q 2019, partially compensated by higher administrative expenses in the current quarter.

**Banking Sector**

The Banking sector is comprised of Banco de Chile and, until June 2019, by SM Chile. The most relevant item of the income statement in the case of SM Chile was the interest expense of the Subordinated Debt with the Chilean Central Bank. On April 30, 2019, following full repayment of the Subordinated Debt, SM-Chile was dissolved and is in the winding up process.


**BANCO DE CHILE**

	3Q 19		3Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
Operating revenues	501,913	636.8	442,326	561.2
Provision for loan losses	(88,692)	(112.5)	(112,543)	(142.8)
Operating expenses	(221,780)	(281.4)	(208,773)	(264.9)
<b>Net income (loss)</b>	<b>152,200</b>	<b>193.1</b>	<b>88,238</b>	<b>112.0</b>
Loan portfolio	29,563,538	37,510.0	31,308,308	39,723.8
Total assets	39,447,348	50,050.6	45,329,873	57,514.3
Shareholders' equity	3,423,956	4,344.3	3,631,467	4,607.6
Net financial margin	4.5%		3.5%	
Efficiency ratio	44.2%		47.2%	
ROAE	17.8%		9.8%	
ROAA	1.6%		0.8%	

### 3Q 2020 Results

Banco de Chile reported net income of Ch\$88,238 million in the third quarter of 2020, decreasing by 42.0% with respect to the third quarter of 2019. This decline is primarily explained by a decline in operating revenues, and to a lesser extent, greater loan loss provisions, partly mitigated by lower operating and tax expenses.

Operating revenues, which include net financial income, fee income and other operating income, decreased 11.9% to Ch\$442,326 million in the third quarter of 2020, mostly due to lower revenues owing to the unfavorable impact of lower inflation on the contribution of the Bank's net asset exposure to UFs, with almost no variation in the UF in the current quarter vis-à-vis a rise of 0.5% in 3Q 2019, lower fee income, mainly reflecting reductions in insurance brokerage, transactional services, and mutual funds, reduced revenues from its position in dollars to hedge US\$-denominated liabilities and expenses given a 4.5% appreciation of the Chilean peso in 3Q 2020 compared to the 7.4% depreciation registered in 3Q 2019, a decrease in income from loans, where a 9.7% drop in average consumer loan balances was only partly offset by growth in commercial and mortgage loans, and a lower contribution of demand deposits to funding, resulting from drops in local and foreign interest rates, more than offsetting strong growth in demand deposits of 45%. To a lesser extent, the Bank registered less net financial income from subsidiaries, mostly at the securities brokerage subsidiary due to increased long term rates during September affecting the fixed-income portfolio, together with a high basis of comparison in the previous quarter. These negative effects were partly offset by higher revenues from treasury activities, mainly due to positive results of counterparty value adjustments for derivatives, and growth in AFS and trading portfolios.

Provisions for loan losses amounted to Ch\$112,543 million, increasing 26.9% from Ch\$88,692 million in 3Q 2019. This increment is primarily explained by a net credit quality deterioration, mostly explained by recalibration of internal provisioning models for group-based evaluated portfolios in order to incorporate information in the context of Covid. To a lesser extent, the rise is related to loan growth, with a 6.6% increment in average loans, largely concentrated in





the retail segment. These effects were partly offset by a net release of additional provisions, and a positive exchange rate impact on US\$-denominated loan loss allowances, given the appreciation of the Chilean peso in the current quarter compared to the depreciation in 3Q 2019.

Operating expenses decreased by 5.9% to Ch\$208,773 million in 3Q 2020, primarily reflecting lower personnel expenses, mostly attributable to lower severance payments, and also to lower variable compensation, offset by a slight increase in salaries, although below inflation in line with headcount optimization. To a lesser extent, expenses related to digital transformation initiatives decreased through the implementation of internal projects, marketing expenses declined, and other operating expenses were also reduced. On the other hand, depreciation and amortization expenses increased reflecting higher ATM-related expenses and the amortization of intangible assets associated to software upgrades.

Income tax expense in the third quarter of 2020 diminished by 24.4% to Ch\$30,804 million.

As of September 2020, the Bank's loan portfolio posted an annual expansion of 5.9%, placing the Bank as number 2 in total loans, and a quarterly increase of 1.5%. In the retail segment, loans grew 5.7%, boosted by strong growth in loans granted to SMEs, particularly commercial loans, partly boosted by the state-guaranteed (FOGAPE) Covid loan program, and to a lesser extent by personal banking loans, mostly residential mortgages. The wholesale segment, in turn, experienced an annual increase of 6.3%, with strong growth in the middle market, mainly explained by commercial credits, with the same drivers as SMEs, and more moderate growth in the corporate area, also boosted by commercial credits.

Banco de Chile is the second ranked bank in the country with a market share of 16.6% of total loans (excluding subsidiaries outside Chile), for the period ended September 30, 2020. Its return on average equity reached 9.8% for the 3Q 2020.


**ENERGY SEGMENT**

The following table details the contribution of the investments in the Energy Segment during 2019 and 2020 to Quiñenco's net income:

	3Q 19		3Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
Enex	6,487	8.2	(3,806)	(4.8)
<b>Total Energy Segment</b>	<b>6,487</b>	<b>8.2</b>	<b>(3,806)</b>	<b>(4.8)</b>

As of September 30, 2019 Quiñenco controls 100% of the energy segment. Starting the second quarter of 2020, Invexans owns 100% of Enex.

**ENEX**

	3Q 19		3Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
Sales	643,810	816.9	463,279	587.8
Operating income	7,388	9.4	3,970	5.0
<b>Net income Controller</b>	<b>6,487</b>	<b>8.2</b>	<b>(3,482)</b>	<b>(4.4)</b>
Total assets			1,378,991	1,749.7
Shareholders' equity			607,589	770.9

**3Q 2020 Results**

Enex's consolidated sales during 3Q 2020 reached Ch\$463,279 million, down by 28.0% from 3Q 2019, mainly due to the negative impact of the global pandemic, with lower sales volumes in Chile, particularly in the service station channel, together with lower prices, and lower revenues in the USA. The total volume dispatched by Enex during the quarter amounted to 877 thousand cubic meters, 19.7% below 3Q 2019, of which 99.0% corresponds to fuels.

Gross income during the period reached Ch\$59,847 million, 11.2% lower than 3Q 2019, primarily due to an unfavorable impact of selling inventory at historical cost given falling international reference prices during the current quarter, together with the drop in sales volumes in Chile explained above. In the US market, the lower sales volume was compensated by a higher gross margin per unit.

Operating income during the quarter was a gain of Ch\$3,970 million, 46.3% lower than the gain of Ch\$7,388 million reported in 3Q 2019, largely due to the decline in gross income explained above, to some extent mitigated by lower administrative expenses, mostly reflecting lower expenses linked to the lower sales volumes.



Non-operating income amounted to a loss of Ch\$9,084 million in 3Q 2020, comparing unfavorably with the gain of Ch\$218 million reported in 3Q 2019, mostly explained by a loss from exchange rate differences in the current quarter vis-à-vis a gain in the third quarter of 2019, partially compensated by lower finance costs.

Net income for 3Q 2020 amounted to a loss of Ch\$3,482 million, compared to the gain of Ch\$6,487 million reported in 3Q 2019, primarily reflecting lower operating results, due to the negative impact of the sanitary crisis and the drop in fuel prices, and also lower non-operating results, partly offset by a higher income tax credit in the current quarter.


**TRANSPORT SEGMENT**

The following table details the contribution of the investments in the Transport Segment during 2019 and 2020 to Quiñenco's net income:

	3Q 19		3Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
CSAV	22,894	29.0	25,860	32.8
<b>Total Transport Segment</b>	<b>22,894</b>	<b>29.0</b>	<b>25,860</b>	<b>32.8</b>

As of September 30, 2019 and 2020, Quiñenco's ownership of CSAV was 61.45% and 61.76%, respectively. Quiñenco's proportionate share in CSAV's results is adjusted by the fair value accounting of this investment at Quiñenco. During 3Q 2019 and 3Q 2020 the adjustment was a lower result of Ch\$4 million and a lower result of Ch\$3 million, respectively.

**CSAV**

	3Q 19		3Q 20		3Q 19 ThUS\$	3Q 20 ThUS\$
	MCh\$	MUS\$	MCh\$	MUS\$		
Sales	-	-	-	-	-	-
Operating income (loss)	(1,464)	(1.9)	(1,417)	(1.8)	(2,080)	(1,818)
<b>Net income (loss) Controller</b>	<b>37,263</b>	<b>47.3</b>	<b>41,877</b>	<b>53.1</b>	<b>52,889</b>	<b>53,693</b>
Total assets			2,547,027	3,231.7		3,231,653
Shareholders' equity			2,112,919	2,680.9		2,680,859

CSAV reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based, in general terms, on the US\$/Ch\$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. CSAV's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the CMF, as shown in the last two columns of the table. In 2017 CSAV sold its stake in Norgistics Chile and decided on the closure of its other offices. Therefore, all of Norgistics operations have been classified as discontinued



operations in 2019 and 2020 in the income statement. Also, during January 2020 CSAV announced its decision on the closure of the car carrier business, thus this business has been classified as a discontinued activity in 2019 and 2020 in the income statement. The car carrier business ended its operations during July 2020.

### **3Q 2020 Results**

CSAV's operating income amounted to a loss of US\$1.8 million in 3Q 2020, compared to a loss of US\$2.1 million in 3Q 2019, primarily due to lower administrative expenses.

Non-operating income for the quarter amounted to a gain of US\$79.1 million, increasing significantly from the gain of US\$43.7 million reported in 3Q 2019. This improvement is primarily due to CSAV's share in Hapag-Lloyd's results for the quarter, adjusted by CSAV's fair value accounting of this investment, which amounted to a gain of US\$85.3 million in 3Q 2020, compared to the gain of US\$46.9 million in 3Q 2019. Also, CSAV's stake in Hapag-Lloyd increased from 27.8% in 3Q 2019 to 30.0% in 3Q 2020. On the other hand, CSAV's finance costs increased significantly to US\$5.8 million, reflecting the company's higher level of debt required to finance its additional investments in Hapag-Lloyd.

Hapag-Lloyd reported a net gain of US\$288.4 million in the third quarter of 2020, up from the gain of US\$166.5 million reported in 3Q 2019. Hapag-Lloyd's revenue decreased 2.4%, mostly explained by a 3.4% decline in transported volumes, along with stable average freight rates. Operating expenses decreased 6.3%, primarily due to a reduction in transport expenses. Thus, Hapag-Lloyd's EBIT reached a gain of US\$402 million in 3Q 2020, 42.2% greater than the US\$282 million reported in 3Q 2019. EBITDA amounted to US\$756 million, increasing by 22.5% from 3Q 2019, with the EBITDA margin reaching 21.5%.

CSAV reported a net gain of US\$53.7 million in 3Q 2020, up 1.5% from 3Q 2019, primarily due to CSAV's share in Hapag-Lloyd's positive performance for the quarter, partially offset by higher income tax expense in the current quarter.



**PORT SERVICES SEGMENT**

The following table details the contribution of the investments in the Port Services Segment during 2019 and 2020 to Quiñenco's net income:

	3Q 19		3Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
SM SAAM	4,413	5.6	2,880	3.7
<b>Total Port Services Segment</b>	<b>4,413</b>	<b>5.6</b>	<b>2,880</b>	<b>3.7</b>

As of September 30, 2019 and 2020, Quiñenco's ownership of SM SAAM was 52.2%. Quiñenco's proportionate share in SM SAAM's results is adjusted by the fair value accounting of this investment at Quiñenco. During 3Q 2019 the adjustment was a lower result of Ch\$517 million and in 3Q 2020 the adjustment was a lower result of Ch\$59 million.

**SM SAAM**

	3Q 19		3Q 20		3Q 19 ThUS\$	3Q 20 ThUS\$
	MCh\$	MUS\$	MCh\$	MUS\$		
Sales	92,956	117.9	105,942	134.4	131,770	135,692
Operating income	18,126	23.0	18,271	23.2	25,691	23,412
<b>Net income Controller</b>	<b>9,443</b>	<b>12.0</b>	<b>5,631</b>	<b>7.1</b>	<b>13,412</b>	<b>7,197</b>
Total assets			1,291,671	1,638.9		1,638,865
Shareholders' equity			615,411	780.8		780,829

SM SAAM reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based, in general terms, on the US\$/Ch\$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. SM SAAM's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the CMF, as shown in the last two columns of the table.

**3Q 2020 Results**

In the third quarter of 2020 SM SAAM's consolidated sales reached US\$135.7 million, up by 3.0% from 3Q 2019, primarily explained by 30.0% higher revenues from tug boats, mostly reflecting the consolidation with SAAM Towage Brazil in the current quarter. Revenues from logistics, however, decreased 6.2% mainly owing to a reduction in bonded warehouse services related to the closure of ports due to high waves. Revenues from port terminals diminished by 15.6% mostly due to a 15% drop in transferred volumes (TEU) related to the Covid-19 crisis and its impact on international trade.



Consolidated revenues can be broken down as follows: Tug boats (48.4%), Ports (43.1%), Logistics (8.7%), and Corporate<sup>5</sup> (-0.2%).

Gross income amounted to US\$40.4 million, 5.0% lower than 3Q 2019, explained mostly by lower gross income at port terminals, and to a lesser extent at logistics, partly offset by growth in the tug boats segment. During 3Q 2020 operating income amounted to US\$23.4 million, down 8.9% from the gain reported in 3Q 2019, primarily reflecting lower results at port terminals, with lower activity due to the pandemic, and to a lesser extent, lower results at logistics. In the tug boat segment, however, operating income increased, again mainly due to the consolidation with SAAM Towage Brazil. SM SAAM's consolidated EBITDA<sup>6</sup> reached US\$48.3 million in 3Q 2020, increasing 6.1% over the same period in 2019, boosted by growth in the tug boat segment, offsetting a contraction in port terminals and logistics.

Non-operating income amounted to a loss of US\$7.9 million, compared to a loss of US\$1.6 million in 3Q 2019. This lower result is mainly explained by a loss from equity investments, due to lower results in the tug boat segment mostly due to the consolidation of the affiliate in Brazil in the current quarter and also reduced results in the ferry business, a lower contribution from Aerosan in logistics due to lower activity amid the pandemic, and finally unfavorable results in the Chilean port terminals based on lower transferred volumes, as well as the closure of ports due to high waves. In addition, finance costs increased, reflecting the consolidation with SAAM Towage Brazil and the financing to acquire Boskalis' stake in the joint ventures.

Income tax expense in 3Q 2020 diminished slightly to US\$7.2 million in 3Q 2019.

SM SAAM reported a net gain of US\$7.2 million in 3Q 2020, down 46.3% from 3Q 2019, primarily explained by lower results of port terminals, and to a lesser extent, in the logistics and tug boat segments.

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<sup>5</sup> Corporate also includes eliminations and others.

<sup>6</sup> Corresponds to EBITDA reported by SM SAAM.





## OTHER SEGMENT

The following table details the contribution from investments in the Segment Other during 2019 and 2020 to Quiñenco's net income:

	3Q 19		3Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
IRSA (CCU)	2,224	2.8	3,432	4.4
Quiñenco & other	(10,397)	(13.2)	(2,413)	(3.1)
<b>Total Segment Others</b>	<b>(8,173)</b>	<b>(10.4)</b>	<b>1,019</b>	<b>1.3</b>

As of September 30, 2019 and 2020, Quiñenco's ownership of CCU was 30.0%.

## CCU

	3Q 19		3Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
Sales	390,249	495.1	428,355	543.5
Operating income	38,179	48.4	28,564	36.2
<b>Net income (loss)</b>	<b>8,626</b>	<b>10.9</b>	<b>12,131</b>	<b>15.4</b>
Total assets			2,453,648	3,113.2
Shareholders' equity			1,302,126	1,652.1

### 3Q 2020 Results

CCU reports its results in accordance with the following three business segments: Chile, International Business, and Wine. Chile includes beer, non-alcoholic beverages, and spirits. The International Business segment includes beer, cider, non-alcoholic beverages, and spirits in Argentina, Uruguay, Paraguay and Bolivia. Wine includes the commercialization of wine, mainly in the export market. CCU's sales in the third quarter of 2020 increased by 9.8% compared to the third quarter of 2019, as a result of an 11.8% rise in average prices in terms of Chilean pesos, more than compensating a 1.8% decrease in consolidated sales volumes, explained by the International Business and Chile segments, which was mostly concentrated in July. The International Business operating segment reported a 24.2% increase in sales, based on 31.5% higher average prices in Chilean pesos mainly reflecting revenue management initiatives and a lower basis of comparison related to hyperinflationary accounting in Argentina, offsetting a 5.5% decrease in volumes. The Wine segment posted a 19.7% increment in sales, reflecting strong 18.7% growth in sales volumes, boosted by domestic sales in Chile and Argentina, and 0.9% higher average prices, explained by the positive effect of the stronger US\$ against the Chilean and Argentine pesos on export revenues, partly compensated by a negative mix effect. The Chile operating segment reported a 4.7% increment in sales reflecting a 6.1% rise in average prices, following revenue management initiatives and a favorable mix effect which mitigated the impact of the pandemic on high margin consumption occasions, compensating a 1.3% decline in volumes.



Gross income increased by a slight 0.3% to Ch\$189,879 million, boosted by the International Business and Wine segments, compensating lower gross income in the Chile segment. Gross income at the International Business segment grew 18.8%, based on the increment in revenues that was partly offset by higher unit costs, reflecting the impact of the depreciation of the Argentine peso against the US dollar on US\$-indexed costs and high inflation, partially compensated by lower costs of raw materials. Gross income in the Wine segment went up by 17.8%, boosted by the higher revenues and partly offset by a somewhat higher unit cost of wine, starting to reflect a weak 2020 harvest. In the Chile segment, gross income diminished 6.3% despite revenue growth due to higher unit costs, mostly attributable to the depreciation of the Chilean peso vis-à-vis the US dollar and its impact on US\$-denominated costs and a mix effect, although this was mitigated to some extent by lower costs of some raw materials. The gross margin as a percentage of sales decreased from 48.5% in 3Q 2019 to 44.3% in 3Q 2020.

Operating income was a gain of Ch\$28,564 million, 25.2% below the gain of Ch\$38,179 million reported in 3Q 2019. This variation in operating income is primarily due to increased MSD&A expenses, although as a percentage of sales they decreased in response to cost control measures, particularly in marketing expenses, along with stable gross income. Also, the current quarter includes a loss from hedging derivatives whereas 3Q 2019 registered a gain. EBITDA<sup>7</sup> amounted to Ch\$59,487 million in 3Q 2020, decreasing 6.7% from 3Q 2019, primarily due to the decline in the Chile segment, partly compensated by growth in the Wine and International Business segments.

CCU reported a non-operating loss of Ch\$10,457 million, compared to the loss of Ch\$20,274 million reported in 3Q 2019. This variation is mainly explained by lower losses from exchange rate differences, lower losses from equity investments, mostly due to an improved financial result in the Colombian associate, and a better result from the effect of inflation on indexed liabilities due to a lower level of inflation. These positive effects were partly offset by higher net financial costs.

Net income for the third quarter of 2020 amounted to a gain of Ch\$12,131 million, increasing 40.6% over the same quarter of 2019, primarily due to better non-operating results and lower income tax expense, thus more than compensating lower operating performance, mostly attributable to the Chile operating segment, partly compensated by improved performance of the Wine and International Business segments.

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<sup>7</sup> EBITDA corresponds to EBITDA reported by CCU.



**QUIÑENCO and Others**

**3Q 2020 Results**

The positive variation in Quiñenco and others is mainly explained at the corporate level by an income tax credit in the current quarter and a lower negative impact of inflation on indexed liabilities. These positive effects were partly offset by the contribution of Banchile and SegChile, classified as discontinued activities, included in the third quarter of 2019 only, since they were sold on December 30, 2019.

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All of Quiñenco's Earnings and Press Releases and other relevant information on the Company, including quarterly financial statements, are available for viewing on the Company's website:

[www.quinenco.cl](http://www.quinenco.cl)  
[www.quinencogroup.com](http://www.quinencogroup.com)