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QUIÑENCO S.A. ANNOUNCES 2020 CONSOLIDATED FOURTH QUARTER AND YEAR END RESULTS

(Santiago, Chile, March 30, 2021) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the fourth quarter and year ended December 31, 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 December 31, 2020 (Ch\$710.95 = US\$1.00), unless indicated otherwise, and are only provided for the reader's convenience. ¹

2020 HIGHLIGHTS

Net income¹ of Ch\$247,247 million, 17.7% above 2019, in complex context of global pandemic, primarily due to higher results at Hapag-Lloyd and Nexans, compensating lower contributions from Banco de Chile, Enex, and CCU.

Most global assets, Hapag-Lloyd and Nexans, achieved strong results in 2020, despite the impact of restrictions related to the health crisis. Hapag-Lloyd posted net income of US\$1,058 million, while Nexans reversed prior year's loss to a net gain of €78 million.

In the Industrial sector, Enex and CCU's results were down, impacted by the restrictions on mobility and consumer occasions. SM SAAM, however, performed well, boosted by growth in tug boats and cost efficiencies, compensating lower income from port terminals, reflecting lower activity.

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

Earnings per share amounted to Ch\$148.70 in 2020.

¹ Net income corresponds to Net income attributable to the owners of the controller.



GROUP HIGHLIGHTS – FOURTH 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 reaches 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. After receiving approval from the anti-trust authorities in Chile, Colombia and Ecuador, among others, the transaction was materialized on October 28, 2020.

SM SAAM acquires 70% of Intertug

On January 29, 2021, SM SAAM materialized the acquisition of 70% of Intertug, with an investment of US\$49.7 million, thus adding the Colombian market to its presence in the towage business, and strengthening its presence in Mexico and Central America. Intertug, with a fleet of 25 vessels, has over 25 years' experience in harbor towage, offshore services and special services.

IRSA acquires additional stake in CCU

On March 24, 2021, IRSA acquired 5.7 million shares of CCU equivalent to a 1.56% stake, at a price of Ch\$6,800 per share, thus reaching total ownership of 61.6%.



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 (note 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 28.37% stake in Nexans, a French multinational company leader in the world cable industry. As of December 31, 2020, Quiñenco has a 99.7% stake in Invexans.

As of December 31, 2020, Techpack has a 0.53% stake in Nexans. As of December 31, 2020, Quiñenco's ownership of Techpack is 99.97%.

Thus, as of December 31, 2020, through its subsidiaries Invexans and Techpack, Quiñenco has a 28.9% 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 and 4Q 2020 Quiñenco participated in CSAV's capital increase, thus reaching 61.76% ownership as of December 31, 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 December 31, 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 December 31, 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	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Consolidated Income (Loss) Industrial Sector	(31,965)	13,887	(12,997)	(13,213)	25,709	8,130	88,152	174,853	46,063	53,345	5,057	(20,865)	120,019	216,137
Consolidated Income Banking Sector	-	-	564,846	463,109	-	-	-	-	-	-	675	121	565,521	463,230
Consolidated Net Income (Loss)	(31,965)	13,887	551,849	449,896	25,709	8,130	88,152	174,853	46,063	53,345	5,732	(20,744)	685,541	679,367
Net Income (Loss) Attributable to Non-controlling Interests	298	(254)	414,912	337,991	-	-	35,344	67,035	26,914	27,552	(1,975)	(204)	475,491	432,120
Net Income (Loss) Attributable to Controllers' Shareholders	(32,262)	14,141	136,938	111,904	25,709	8,130	52,809	107,818	19,150	25,793	7,707	(20,540)	210,049	247,247

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

Net Income – Full Year 2020

Quiñenco reported net income of Ch\$247,247 million in 2020, increasing 17.7% from 2019. This positive variation is primarily attributable to CSAV's share in the results of its main asset, German shipping company Hapag-Lloyd, which reported net income of US\$1,058 million, well above the prior year, despite the restrictions related to global pandemic which led to 1.6% lower transport volumes, based on improved average freight rates and effective cost management. Nexans's contribution also improved substantially, reversing the loss reported in 2019 with net income of €78 million in 2020, mainly explained by lower restructuring costs and a non-recurring gain on the sale of assets. Operating income, however, decreased by 22.5%, reflecting an organic decline of 8.6%, in a complex context of the global pandemic, mitigated through cost reduction and transformation plans. Banco de Chile's results, however, fell by 21.9%, mostly due to higher loan loss provisions, primarily as a consequence of the COVID-19 outbreak, together with a 3.8% decline in operating revenues, partly offset by reduced operating expenses. In the energy segment, Enex's contribution fell sharply, impacted by the restrictions on mobility related to the pandemic, especially during the second quarter in the service station segment, and the drop in fuel prices, partly offset by the first quarter's positive result and a recovery towards year end. CCU's results also declined, based on lower results in the International Business and Chile segments, due to the pandemic's negative impact on consumer occasions across all its geographies, mainly in the second quarter, and local currency devaluations, compensated by good performance in the Wine segment. In the port services segment, SM SAAM's contribution went up by 34.7%, with growth in the tug boat segment, boosted by the operations in Brazil, a non-recurring gain related to the Aerosan acquisition, and a favorable conversion effect, compensating lower results of port terminals, impacted by lower levels of activity amid the pandemic. Finally, at the corporate level, an income tax credit partially compensated the non-recurring gain on the sale of the insurance business generated in 2019.

Earnings per ordinary share amounted to Ch\$148.70 in 2020.



Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	4Q 19	4Q 20	4Q 19	4Q 20	4Q 19	4Q 20	4Q 19	4Q 20	4Q 19	4Q 20	4Q 19	4Q 20	4Q 19	4Q 20
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Consolidated Income (Loss) Industrial Sector	(3,876)	33,204	(4,166)	(5,061)	10,876	11,990	25,084	77,916	10,952	21,538	4,989	(10,579)	43,858	129,008
Consolidated Income Banking Sector	-	-	147,147	126,285	-	-	-	-	-	-	51	20	147,198	126,305
Consolidated Net Income (Loss)	(3,876)	33,204	142,981	121,224	10,876	11,990	25,084	77,916	10,952	21,538	5,040	(10,559)	191,056	255,313
Net Income (Loss) Attributable to Non-controlling Interests	41	(465)	107,413	91,439	-	(1)	9,666	29,795	6,270	10,797	(5,066)	384	118,323	131,951
Net Income (Loss) Attributable to Controllers' Shareholders	(3,917)	33,668	35,568	29,785	10,876	11,991	15,419	48,121	4,682	10,740	10,106	(10,943)	72,733	123,362

Net Income – 4Q 2020

Quiñenco reported a net gain of Ch\$123,362 million in the fourth quarter of 2020, increasing 69.6% with respect to the same period in 2019. This variation is primarily explained by a greater contribution from Nexans and Hapag-Lloyd, main asset of CSAV, and to a lesser extent of SM SAAM, partially compensated by lower results of Banco de Chile and at the corporate level of Quiñenco, mainly due to the non-recurring gain on the sale of the insurance business reported in 4Q 2019. The contribution of Nexans increased substantially reflecting its improved results during the second half of 2020, achieving net income of €133 during the semester, boosted by a net gain on asset disposals, compensating a 19.1% decline in operating income impacted by the coronavirus pandemic. CSAV's contribution also improved, reflecting CSAV's share in the results of its main asset, Hapag-Lloyd, which reported a significant rise in net income to US\$462 million, based on 3.8% growth in transport volumes and a 9.5% rise in average freight rates, primarily due to strong demand during the quarter. This improvement was partly compensated by higher income tax expense at CSAV during the quarter. SM SAAM's contribution, in turn, increased mainly as a result of favorable performance at tug boats, and a non-recurring gain related to the additional stake acquired in Aerosan, offsetting lower results at port terminals and logistics. In the energy segment, Enx posted a 7.3% increment in net income despite the impact of the pandemic on sales volumes, mainly due to improved margins in service stations in Chile and the USA. At CCU, sales volumes picked up growing by 10.6%, although average prices were down by 6.2%. Operating income improved, boosted by the Chile segment, but declined in the Wine and International Business segments. However, lower non-operating results led to a slight increase of 0.2% in net income. Finally, in the banking sector, Banco de Chile's results decreased by 14.2%, mainly attributable to lower revenues, with the COVID-19 pandemic negatively impacting customer revenues, partly mitigated by lower loan loss provisions.

Earnings per ordinary share amounted to Ch\$74.19 in the fourth quarter of 2020.



Consolidated Income Statement Breakdown

	4Q 19		4Q 20		2019		2020	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Industrial Sector								
Revenues	779,658	1,096.6	647,479	910.7	2,944,684	4,141.9	2,573,841	3,620.3
Manufacturing - Invexans Corp. & Techpack	18	0.0	17	0.0	67	0.1	78	0.1
Financial - LQIF holding	-	-	-	-	-	-	-	-
Energy - Enex	670,339	942.9	527,297	741.7	2,570,311	3,615.3	2,111,199	2,969.5
Transport - CSAV	-	-	-	-	-	-	-	-
Port Services - SM SAAM	109,148	153.5	120,105	168.9	373,718	525.7	462,304	650.3
Other - Quiñenco & others	154	0.2	59	0.1	589	0.8	261	0.4
Operating income (loss)	23,027	32.4	35,632	50.1	73,811	103.8	81,876	115.2
Manufacturing - Invexans Corp. & Techpack	(437)	(0.6)	(285)	(0.4)	(3,286)	(4.6)	(3,659)	(5.1)
Financial - LQIF holding	(290)	(0.4)	(327)	(0.5)	(1,579)	(2.2)	(1,505)	(2.1)
Energy - Enex	14,554	20.5	16,977	23.9	39,147	55.1	19,640	27.6
Transport - CSAV	(2,271)	(3.2)	(3,740)	(5.3)	(5,423)	(7.6)	(7,409)	(10.4)
Port Services - SM SAAM	18,944	26.6	30,246	42.5	69,993	98.4	99,876	140.5
Other - Quiñenco & others	(7,473)	(10.5)	(7,239)	(10.2)	(25,041)	(35.2)	(25,067)	(35.3)
Non-operating income (loss)	27,829	39.1	119,934	168.7	40,610	57.1	179,914	253.1
Interest income	3,590	5.0	1,051	1.5	18,669	26.3	6,917	9.7
Interest expense	(20,075)	(28.2)	(21,097)	(29.7)	(73,812)	(103.8)	(86,002)	(121.0)
Share of net income/loss from related co.	54,611	76.8	152,468	214.5	122,806	172.7	290,516	408.6
Foreign exchange gain (loss)	(874)	(1.2)	2,156	3.0	(421)	(0.6)	(3,118)	(4.4)
Indexed units of account restatement	(9,422)	(13.3)	(14,644)	(20.6)	(26,632)	(37.5)	(28,399)	(39.9)
-	-	-	-	-	-	-	-	-
Income tax	(11,895)	(16.7)	(25,621)	(36.0)	(12,310)	(17.3)	(43,598)	(61.3)
Net income (loss) from discontinued operations	4,896	6.9	(939)	(1.3)	17,909	25.2	(2,054)	(2.9)
Consolidated Net Income (Loss) Industrial Sector	43,858	61.7	129,008	181.5	120,019	168.8	216,137	304.0
Banking Sector								
Operating revenues	529,748	745.1	479,339	674.2	2,015,198	2,834.5	1,938,867	2,727.1
Provision for loan losses	(101,468)	(142.7)	(85,171)	(119.8)	(347,275)	(488.5)	(462,681)	(650.8)
Operating expenses	(236,701)	(332.9)	(231,734)	(325.9)	(911,004)	(1,281.4)	(882,332)	(1,241.1)
Operating income (loss)	191,579	269.5	162,434	228.5	756,919	1,064.7	593,854	835.3
Non-operating income (loss)	957	1.3	(4,269)	(6.0)	(21,714)	(30.5)	(4,661)	(6.6)
Income tax	(45,338)	(63.8)	(31,860)	(44.8)	(169,683)	(238.7)	(125,963)	(177.2)
Consolidated Net Income (Loss) Banking Sector	147,198	207.0	126,305	177.7	565,521	795.4	463,230	651.6
Consolidated Net Income	191,056	268.7	255,313	359.1	685,541	964.3	679,367	955.6
Net Income Attributable to Non-controlling Interests	118,323	166.4	131,951	185.6	475,491	668.8	432,120	607.8
Net Income Attributable to Controllers' Shareholders	72,733	102.3	123,362	173.5	210,049	295.4	247,247	347.8



Industrial Sector

Revenues – Full Year 2020

Consolidated revenues totaled Ch\$2,573,841 million in 2020, 12.6% 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 SAAM².

Consolidated sales in 2020 can be broken down as follows: Enex (82.0%) and SM SAAM (18.0%).

Revenues – 4Q 2020

Consolidated revenues totaled Ch\$647,479 million in the fourth quarter of 2020, 17.0% 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.

Operating Income³ – Full Year 2020

Operating income in 2020 reached a gain of Ch\$81,876 million, 10.9% above the gain of Ch\$73,811 million reported in 2019. The variation is primarily attributable to greater operating income at SM SAAM, boosted mainly by the tug boat segment, partially compensated by lower results at Enex, due to the negative impact of the pandemic and falling fuel prices, and to a lesser extent, at CSAV.

Operating Income – 4Q 2020

Operating income for the fourth quarter of 2020 reached a gain of Ch\$35,632 million, 54.7% higher than the gain of Ch\$23,027 million in the fourth quarter of 2019. The growth in consolidated operating results is primarily attributable to SM SAAM, and to a lesser extent, Enex.

EBITDA⁴ – Full Year 2020

EBITDA amounted to Ch\$226,802 million in 2020, up 20.5% from 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.

EBITDA – 4Q 2020

EBITDA amounted to Ch\$74,546 million in 4Q 2020, up 31.6% from the fourth quarter of 2019. The increment is primarily explained by higher EBITDA at SM SAAM, boosted by the consolidation with the towage operations in Brazil, and, to a lesser extent, by higher EBITDA at Enex.

² 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.

³ Operating income includes: Gross income (revenues minus cost of sales), Distribution costs, Administrative expenses, Other operating revenue, Other operating expenses, and Other gains/losses.

⁴ EBITDA is calculated as: Operating income minus/plus Other gains/losses plus Depreciation plus Amortization.



Non-Operating Results⁵ – Full Year 2020

Non-operating income amounted to a gain of Ch\$179,914 million in 2020, compared to a gain of Ch\$40,610 million in 2019.

Proportionate Share of Net Income of Equity Method Investments (net) – Full Year 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 Nexans⁶, CSAV's share in the results of Hapag-Lloyd, and SM SAAM's affiliates, reached a gain of Ch\$290,516 million, compared to a gain of Ch\$122,806 million in 2019.

- Quiñenco's proportionate share of net income from IRSA (CCU) varied from a gain of Ch\$37,458 million in 2019 to a gain of Ch\$27,582 million in 2020.
- SM SAAM's proportionate share in its affiliates varied from a gain of Ch\$8,247 million to a gain of Ch\$1,628 million.
- CSAV's proportionate share of net income from Hapag-Lloyd (adjusted by fair value accounting), amounted to a gain of Ch\$244,902 million in 2020, compared to a gain of Ch\$105,454 million in 2019.

Interest Income - Full Year 2020

Interest income in 2020 amounted to Ch\$6,917 million, 62.9% less than that obtained in 2019. This variation corresponds mainly to lower financial income at Quiñenco corporate level, and at SM SAAM.

Interest Expense – Full Year 2020

Interest expense in 2020 amounted to Ch\$86,002 million, 16.5% greater than in 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 – Full Year 2020

In 2020, the gains (losses) specific to foreign currency translation differences amounted to a loss of Ch\$3,118 million, compared to the loss of Ch\$421 million reported in 2019, primarily attributable to unfavorable variations at SM SAAM, Enx, and to a lesser extent at CSAV, partially mitigated by gains at Techpack.

Indexed Units of Account Restatement – Full Year 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\$28,399 million in 2020, compared to a loss of Ch\$26,632 million reported in 2019. The variation is mainly explained by higher losses at Quiñenco (corporate level) and, to a lesser extent, at LQIF holding.

⁵ 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.

⁶ Nexans only reports results as of June and December, in accordance with French regulations and IFRS.



Non-Operating Results⁷ – 4Q 2020

Non-operating income amounted to a gain of Ch\$119,934 million in the fourth quarter of 2020, compared to a gain of Ch\$27,829 million in the same quarter of 2019.

Proportionate Share of Net Income of Equity Method Investments (net) – 4Q 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 Nexans⁸, CSAV's share in the results of Hapag-Lloyd, and SM SAAM's affiliates, reached a gain of Ch\$152,468 million, compared to a gain of Ch\$54,611 million in 4Q 2019.

- Quiñenco's proportionate share of net income from IRSA (CCU) varied from a gain of Ch\$15,943 million in 4Q 2019 to a gain of Ch\$16,088 million in 4Q 2020.
- SM SAAM's proportionate share in its affiliates varied from a gain of Ch\$1,067 million in 4Q 2019 to a loss of Ch\$33 million in 4Q 2020.
- CSAV's proportionate share of net income from Hapag-Lloyd (adjusted by fair value accounting), amounted to a gain of Ch\$104,726 million in 4Q 2020, compared to a gain of Ch\$40,589 million in 4Q 2019.

Interest Income - 4Q 2020

Interest income for the fourth quarter of 2020 amounted to Ch\$1,051 million, 70.7% less than that obtained in 4Q 2019. This variation corresponds mainly to lower financial income at Quiñenco corporate level, and to a lesser extent, at SM SAAM, and Enx.

Interest Expense – 4Q 2020

Interest expense for the fourth quarter of 2020 amounted to Ch\$21,097 million, 5.1% greater than in the fourth quarter of 2019. The variation is mainly explained by higher financial costs at SM SAAM, Quiñenco corporate level, and CSAV, partially compensated by lower interest expense at Enx.

Foreign Currency Exchange Differences – 4Q 2020

In 4Q 2020, the gains (losses) specific to foreign currency translation differences amounted to a gain of Ch\$2,156 million, compared to the loss of Ch\$874 million reported in 4Q 2019, primarily attributable to gains at Techpack and Enx, partially mitigated by losses at SM SAAM.

Indexed Units of Account Restatement – 4Q 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\$14,644 million in the fourth quarter of 2020,

⁷ 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.

⁸ Nexans only reports results as of June and December, in accordance with French regulations and IFRS.



compared to a loss of Ch\$9,422 million reported in the same period of 2019. The variation is mainly explained by higher losses at Quiñenco (corporate level) and, to a lesser extent, at LQIF holding.

Income Taxes – Full Year 2020

The industrial sector reported an income tax expense of Ch\$43,598 million in 2020, compared to an expense of Ch\$12,310 million reported in 2019, primarily explained by higher income tax at CSAV, partially offset by income tax credits at Quiñenco corporate level and Enex.

Income Taxes – 4Q 2020

The industrial sector reported an income tax expense of Ch\$25,621 million in 4Q 2020, compared to income tax expense of Ch\$11,895 million reported in 4Q 2019, primarily explained by higher income tax at CSAV.

Discontinued Operations – Full Year 2020

In 2020 the result of discontinued operations amounted to a loss of Ch\$2,054 million, compared to a gain of Ch\$17,909 million in 2019. In 2020, the loss primarily corresponds to Techpack, and to a lesser extent, CSAV's discontinued operations, whereas in 2019 the gain primarily was attributable to the non-recurring gain on the sale of the insurance business by Quiñenco at the end of 2019, and the results of that business during the year.

Discontinued Operations – 4Q 2020

In 4Q 2020 the result of discontinued operations amounted to a loss of Ch\$939 million, compared to a gain of Ch\$4,896 million in 4Q 2019. In 4Q 2020, the loss primarily corresponds to Techpack's discontinued operations, whereas in 4Q 2019 the gain primarily was attributable to the non-recurring gain on the sale of the insurance business by Quiñenco at the end of 2019, partially offset by the losses of CSAV's and, to a lesser extent, Techpack's, discontinued operations.

Non-controlling Interests – Full Year 2020

In 2020, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch\$432,120 million. Of the total amount reported in 2020, Ch\$226,087 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.

Non-controlling Interests – 4Q 2020

In the fourth quarter of 2020, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch\$131,951 million. Of the total amount reported in 4Q 2020, Ch\$61,655 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 CSAV and LQIF's net income, and to a much lesser extent, of SM SAAM's net income.



Banking Sector

Operating Revenues - Full Year 2020

Operating revenues in 2020 amounted to Ch\$1,938,867 million, 3.8% below the previous year. Operating revenues correspond almost entirely to Banco de Chile, which also posted a decline of 3.8%, mainly due to a lower contribution from demand deposits, lower income from loans, and lower income related to the Bank's net asset hedging position in US dollars, given a greater appreciation of local currency.

Operating Revenues - 4Q 2020

Operating revenues for the fourth quarter of 2020 amounted to Ch\$479,339 million, 9.5% below the fourth quarter of 2019, mainly due to lower customer income, highly influenced by the pandemic, partly offset by higher non-customer income.

Provision for Credit Risk - Full Year 2020

Provisions for loan losses at Banco de Chile amounted to Ch\$462,680 million in 2020, 33.2% higher than 2019, mainly due to the establishment of additional provisions for Ch\$107,000 million in anticipation of potential credit risks due to the effects of the pandemic, higher risk expenses following a 6.6% rise in average loans, including FOGAPE loans and the adoption of provision guidelines set by the regulator for these types of credits, and higher expenses due to a net deterioration in credit quality.

Provision for Credit Risk - 4Q 2020

Provisions for loan losses at Banco de Chile amounted to Ch\$85,169 million in the fourth quarter of 2020, 16.1% less than the provisions registered in the fourth quarter of 2019, mainly attributable to lower delinquency levels than in 4Q 2019, support measures for individuals and a quarterly contraction in loans, partly offset by the establishment of Ch\$80 billion in additional provisions in anticipation of potential deteriorations in credit quality.

Operating Expenses - Full Year 2020

Operating expenses diminished by 3.1% to Ch\$822,332 million, explained primarily by lower personnel and administrative expenses, partially compensated by an increase in depreciation and amortization.

Operating Expenses - 4Q 2020

Operating expenses went down by 2.1% to Ch\$231,734 million in 4Q 2020, primarily reflecting lower administrative expenses, partially compensated by higher personnel expenses.

Non-operating Results - Full Year 2020

During 2020 non-operating results amounted to a loss of Ch\$4,661 million, comparing favorably with the loss of Ch\$21,714 million reported in 2019, primarily explained by accrued interest expense of the Subordinated Debt with the Chilean Central Bank until April 2019, when it was fully repaid, partially compensated by a better result of equity investments in 2020.



Non-operating Results - 4Q 2020

During the fourth quarter of 2020 non-operating results amounted to a loss of Ch\$4,269 million, comparing unfavorably to the gain of Ch\$957 million reported in the fourth quarter of 2019, reflecting lower results of equity investments.

Consolidated Net Income – Full Year 2020

Consolidated net income for the banking sector amounted to Ch\$463,230 million, down by 18.1% from 2019, resulting from higher loan loss provisions and lower operating revenues, partly offset by greater income tax expense during 2020, the favorable effect of interest expense related to the Subordinated Debt in 2019 only, and lower operating expenses.

Consolidated Net Income - 4Q 2020

Consolidated net income for the banking sector amounted to Ch\$126,305 million in 4Q 2020, down by 14.2% from the same period in 2019, mainly due to lower operating revenues, partly compensated by lower loan loss provisions, lower operating expenses, and lower income tax expense.


CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 3rd quarter of 2020)
Condensed Consolidated Balance Sheet

	09-30-2020		12-31-2020	
	MCh\$	MUS\$	MCh\$	MUS\$
Current assets industrial sector	1,284,852	1,807.2	1,143,051	1,607.8
Non-current assets industrial sector	5,807,227	8,168.3	5,647,782	7,944.0
Assets financial sector	45,329,867	63,759.6	46,095,124	64,836.0
Total Assets	52,421,946	73,735.1	52,885,957	74,387.7
Current liabilities industrial sector	588,907	828.3	653,352	919.0
Long-term liabilities industrial sector	2,373,475	3,338.5	2,301,570	3,237.3
Liabilities financial sector	41,577,143	58,481.1	42,165,112	59,308.1
Non-controlling interests	4,237,144	5,959.8	4,228,338	5,947.4
Shareholders' equity	3,645,277	5,127.3	3,537,585	4,975.9
Total Liabilities & Shareholders' equity	52,421,946	73,735.1	52,885,957	74,387.7

Current Assets Industrial Sector

Current assets decreased by 11.0% compared to the third quarter of 2020, primarily due to a lower cash balance at CSAV, explained mainly by the use of funds to reduce bank debt, and a lower cash balance at SM SAAM, also mainly due to loan payments. These variations were partly offset by higher trade receivables, mostly at Enx.

Non Current Assets Industrial Sector

Non current assets decreased by 2.7% compared to the third 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. The decrease is also explained by lower fixed assets, mostly at SM SAAM and Enx.

Assets Banking Sector

Total assets of the banking sector increased by 1.7% compared to the third quarter of 2020. Loans to customers decreased by 1.2% with respect to September 2020, reflecting lower commercial loans, partly offset by an increase in residential mortgage loans, along with stable consumer loans. However, the balance of financial assets held for trading increased during the quarter, as did cash and due from banks.

Current Liabilities Industrial Sector

Current liabilities increased by 10.9% compared to the third quarter of 2020, primarily due to higher dividends payable at Quiñenco.



Long-term Liabilities Industrial Sector

Long-term liabilities decreased by 3.0% compared to the third quarter of 2020, primarily attributable to lower financial debt at Enex, CSAV and SM SAAM.

Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 1.4% compared to the third quarter of 2020.

Minority Interest

Minority interest decreased by a slight 0.2% compared to the third quarter of 2020.

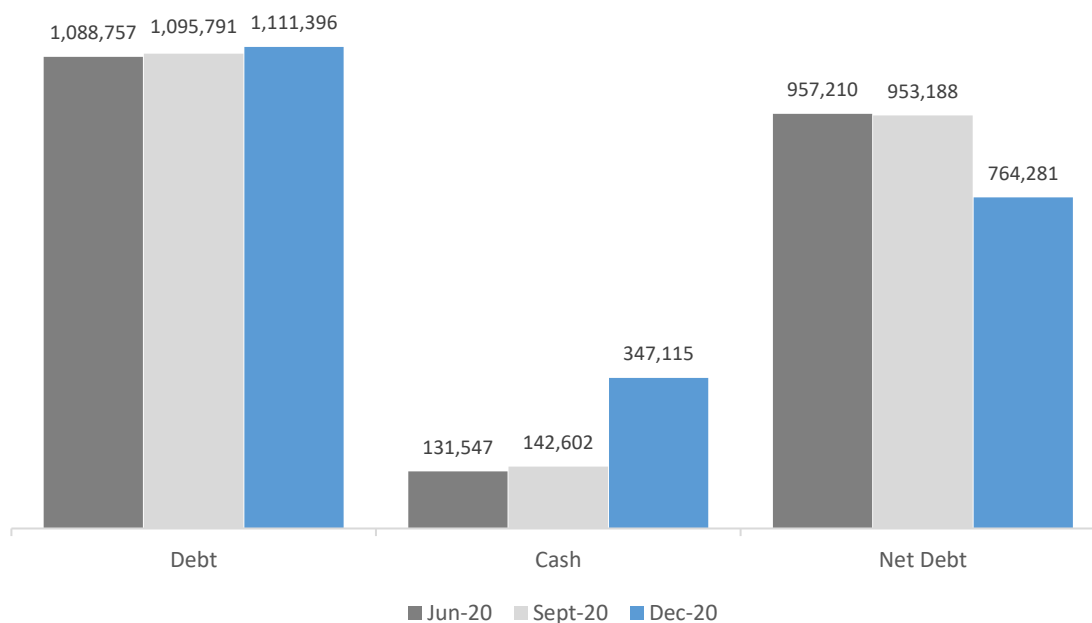
Equity

Shareholders' equity diminished by 3.0% compared to the third quarter of 2020, mainly due to lower other reserves, mostly reflecting negative conversion effects at CSAV, Invexans, and SM SAAM, partially offset by period earnings net of dividends.


QUINENCO CORPORATE LEVEL DEBT AND CASH

As of December 31, 2020	Debt		Cash & Equivalents		Total Net Debt	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Corporate level	991,281	1,394.3	344,117	484.0	647,165	910.3
Adjusted for:						
50% interest in LQIF	102,450	144.1	1,608	2.3	100,841	141.8
50% interest in IRSA	17,665	24.8	1,390	2.0	16,275	22.9
Total	1,111,396	1,563.3	347,115	488.2	764,281	1,075.0

The debt to total capitalization ratio at the corporate level (unadjusted) was 21.3% as of December 31, 2020.

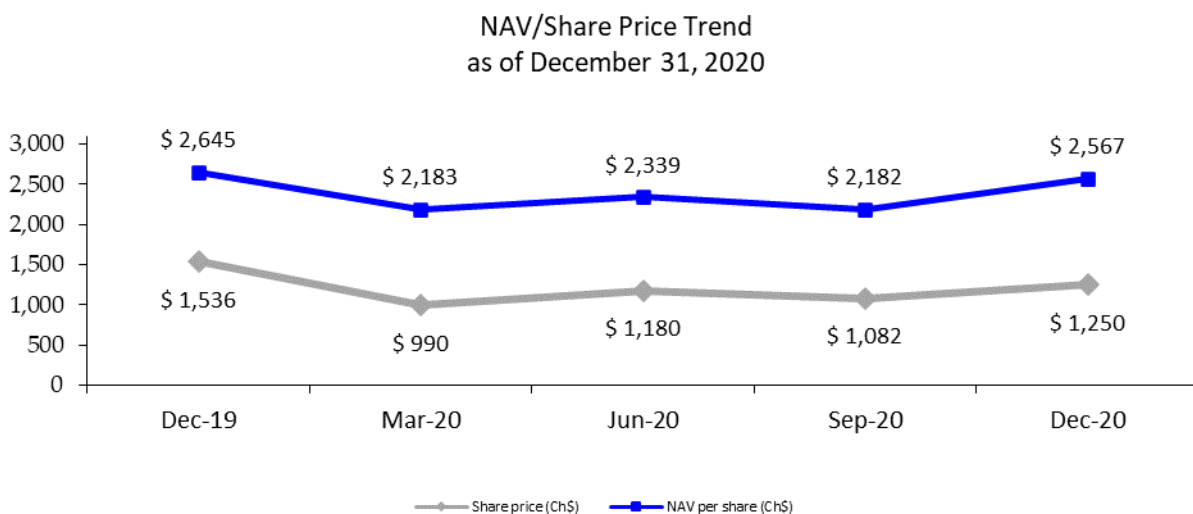
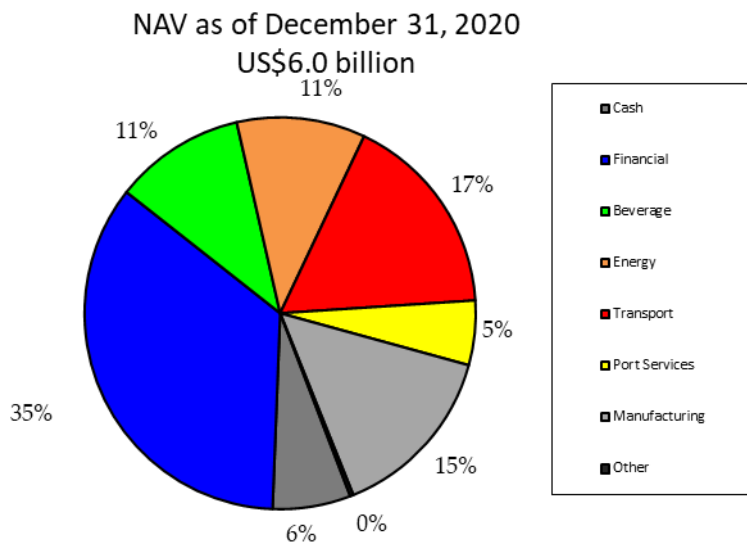
Corporate Level Adjusted⁹ Cash & Debt
 (Millions of Ch\$)


⁹ Adjusted for 50% interest in LQIF holding and IRSA.



NAV

As of December 31, 2020, the estimated net asset value (NAV) of Quiñenco was US\$6.0 billion (Ch\$2,567 per share) and market capitalization was US\$2.9 billion (Ch\$1,250 per share). The discount to NAV is estimated at 51.3% as of the same date.

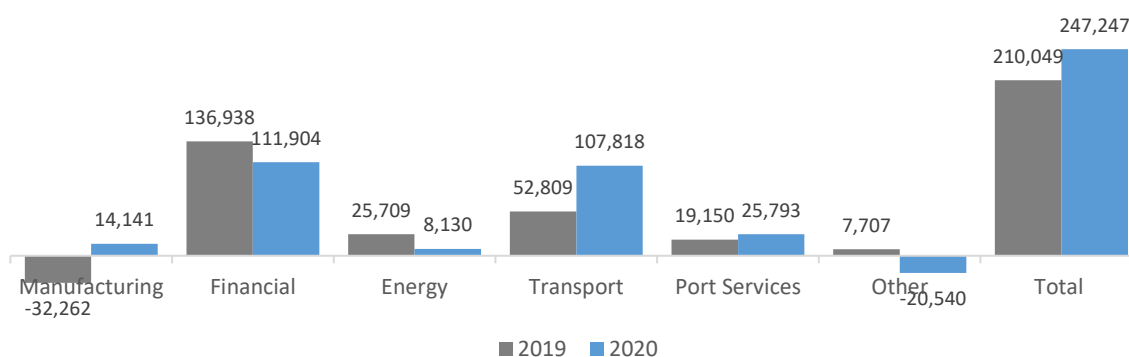



SEGMENT / OPERATING COMPANY ANALYSIS

Full Year Results

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Industrial Sector														
Income (loss) from continued operations before taxes	(31,152)	15,090	(14,755)	(15,345)	26,335	7,965	93,148	217,954	65,752	74,921	(24,908)	(38,794)	114,421	261,790
Income tax	6	(49)	1,758	2,132	(627)	165	(472)	(42,631)	(19,689)	(21,576)	6,713	18,360	(12,310)	(43,598)
Net gain (loss) from discontinued operations	(819)	(1,153)	-	-	-	-	(4,524)	(470)	-	-	23,252	(431)	17,909	(2,054)
Net income (loss) industrial sector	(31,965)	13,887	(12,997)	(13,213)	25,709	8,130	88,152	174,853	46,063	53,345	5,057	(20,865)	120,019	216,137
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Banking Sector														
Net income before taxes	-	-	734,529	589,072	-	-	-	-	-	-	675	121	735,205	589,193
Income tax	-	-	(169,683)	(125,963)	-	-	-	-	-	-	-	-	(169,683)	(125,963)
Net income banking sector	-	-	564,846	463,109	-	-	-	-	-	-	675	121	565,521	463,230
Consolidated net income (loss)	(31,965)	13,887	551,849	449,896	25,709	8,130	88,152	174,853	46,063	53,345	5,732	(20,744)	685,541	679,367
Net income (loss) attributable to Non-controlling interests	298	(254)	414,912	337,991	-	-	35,344	67,035	26,914	27,552	(1,975)	(204)	475,491	432,120
Net Income (Loss) Attributable to Controllers' shareholders	(32,262)	14,141	136,938	111,904	25,709	8,130	52,809	107,818	19,150	25,793	7,707	(20,540)	210,049	247,247

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

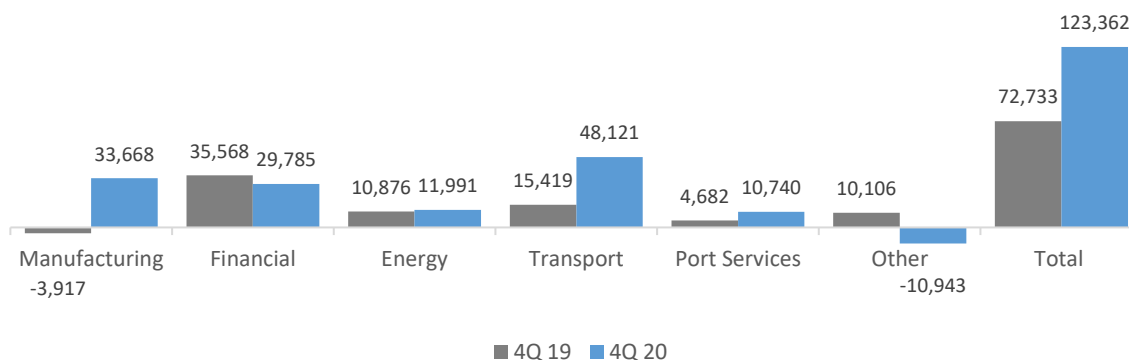



Earnings release
Full year and fourth quarter 2020
Quarterly Results

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	4Q 19	4Q 20	4Q 19	4Q 20	4Q 19	4Q 20	4Q 19	4Q 20	4Q 19	4Q 20	4Q 19	4Q 20	4Q 19	4Q 20
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Industrial Sector														
Income (loss) from continued operations before taxes	(3,525)	33,999	(4,203)	(5,054)	10,122	16,958	36,041	98,351	17,174	21,986	(4,752)	(10,674)	50,857	155,567
Income tax	(18)	94	36	(7)	754	(4,967)	(6,452)	(20,386)	(6,223)	(449)	7	95	(11,895)	(25,621)
Net gain (loss) from discontinued operations	(333)	(890)	-	-	-	-	(4,505)	(49)	-	-	9,734	(0)	4,896	(939)
Net income (loss) industrial sector	(3,876)	33,204	(4,166)	(5,061)	10,876	11,990	25,084	77,916	10,952	21,538	4,989	(10,579)	43,858	129,008
Banking Sector														
Net income before taxes	-	-	192,485	158,145	-	-	-	-	-	-	51	20	192,536	158,165
Income tax	-	-	(45,338)	(31,860)	-	-	-	-	-	-	-	-	(45,338)	(31,860)
Net income banking sector	-	-	147,147	126,285	-	-	-	-	-	-	51	20	147,198	126,305
Consolidated net income (loss)	(3,876)	33,204	142,981	121,224	10,876	11,990	25,084	77,916	10,952	21,538	5,040	(10,559)	191,056	255,313
Net income (loss) attributable to Non-controlling interests	41	(465)	107,413	91,439	-	(1)	9,666	29,795	6,270	10,797	(5,066)	384	118,323	131,951
Net Income (Loss) Attributable to Controllers' shareholders	(3,917)	33,668	35,568	29,785	10,876	11,991	15,419	48,121	4,682	10,740	10,106	(10,943)	72,733	123,362

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:

	4Q 19		4Q 20		2019		2020	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Invexans (Corporate)	(3,602)	(5.1)	30,776	43.3	(32,095)	(45.1)	12,167	17.1
Techpack	(314)	(0.4)	2,893	4.1	(167)	(0.2)	1,974	2.8
Total Manufacturing Segment	(3,917)	(5.5)	33,668	47.4	(32,262)	(45.4)	14,141	19.9

As of December 31, 2019 and 2020, Quiñenco's ownership of Invexans was 99.4% and 99.7%, respectively. As of December 31, 2019 and 2020, Quiñenco's ownership of Techpack was 99.97%.

INVEXANS

	Corporate Segment				Consolidated			
	4Q 19		4Q 20		4Q 19		4Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	13	0.0	14	0.0	13	0.0	527,311	741.7
Operating income (loss)	(163)	(0.2)	132	0.2	(163)	(0.2)	17,109	24.1
Non-operating income (loss)	(3,435)	(4.8)	30,418	42.8	(3,435)	(4.8)	30,399	42.8
Net income (loss) controller	(3,625)	(5.1)	30,877	43.4	(3,625)	(5.1)	42,867	60.3
Total assets					314,629	442.5	1,673,074	2,353.3
Shareholders' equity					297,479	418.4	914,374	1,286.1

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

	Corporate Statement		Consolidated Statement		Corporate Statement		Consolidated Statement	
	4Q 19	4Q 20	4Q 19	4Q 20	2019	2020	2019	2020
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales	17	18	17	693,811	74	69	74	1,825,861
Operating income (loss)	(224)	212	(224)	22,698	(3,102)	(2,799)	(3,102)	10,324
Non-operating income (loss)	(4,462)	41,438	(4,462)	41,518	(43,022)	21,126	(43,022)	1,631
Net income (loss) controller	(4,719)	42,089	(4,719)	57,878	(46,242)	18,565	(46,242)	15,512
Total assets					409,063	510,296	409,063	2,353,295
Shareholders' equity							397,307	1,286,131

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.

Full Year 2020 Results

In 2020 Invexans reported a net gain of US\$15,512 thousand, comparing favorably to the loss of US\$46,242 thousand reported in 2019. Of this result, a gain of US\$18,565 thousand corresponds to the Corporate segment, which will be analyzed below. The remaining loss of US\$3,053 thousand in 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.

In 2020 Invexans Corporate reported a gain of US\$18,565 thousand, comparing favorably to the loss of US\$46,242 thousand reported in 2019, primarily based on the improved performance of its main asset, French multinational Nexans, which achieved earnings of €78 million, despite the negative impact of the worldwide pandemic.

Invexans Corporate reported an operating loss of US\$2,799 thousand, compared to the loss of US\$3,102 thousand reported in 2019. This variation is mainly explained by higher other income due to a dividend received from Sonacol and lower administrative expenses, partially offset by higher other expenses, reflecting non-recurring expenses related to a property in Quilpué during the current year, whereas the prior year included a non-recurring gain on the sale of a property in Santiago.

Non-operating income amounted to a gain of US\$21,126 thousand, a substantial improvement from the loss of US\$43,022 thousand reported in 2019, boosted by Invexans' accounting of its share in Nexans' results for the year. In 2020, Nexans reported a gain of €78 million, turning around the loss of €122 million in 2019. During 2020 Nexans registered an organic drop of 8.6% in sales, and a decline of 22.5% in operating income to €193 million, reflecting reductions across all segments, with the exception of High Voltage & Projects, partly mitigated by the favorable impact of cost reduction and transformation plans implemented by the company. Operating income at the Building & Territories segment decreased by 24.5% or €26 million, due to an organic drop of 8.4% in sales, attributable to a slowdown in building demand during the first half of the year amid lockdown measures, while territories remained resilient supported by grid modernization, and a recovery during the second half in South America, the Middle East and Africa as measures were eased. The Industry & Solutions segment, in turn, reported a 32.4% or €23 million decrease in operating income, reflecting a drastic fall in demand during the first semester due to the sanitary crisis, and a recovery in automotive harnesses during the second semester, leading to an organic decline of 12.6% in sales. The Telecom & Data segment reported a €17 million decrease in operating income, mainly owing to the drop in sales and the divestment of one of its units during the third quarter, partially compensated by cost reductions. Finally, the High Voltage & Projects segment reported a 7.8% rise in operating income, despite an organic decline of 0.8% in sales, boosted by subsea high voltage along with stable results in land high voltage. EBITDA for the year reached €347


Earnings release
Full year and fourth quarter 2020

million, 16.0% below 2019. In terms of non-operating results, Nexans reported restructuring costs of €107 million, mostly related to the reorganization of the group's activities in Europe and new actions in Asia-Pacific, Northern Europe and North America, diminishing from the €251 million reported the prior year. Also, during 2020 Nexans registered non-recurring gains on asset disposals for €142 million. Net financial costs decreased by 14.3% during 2020 mainly due to favorable exchange rate effects. Thus, in all Nexans reported net income of €78 million in 2020, improving substantially from the loss of €122 million registered in 2019.

Invexans adjusts its proportional share in Nexans' results to reflect the effect of the fair value it determined for the French company. Thus, in all, Invexans reported a gain of US\$22,235 thousand for its investment in Nexans during the year, whereas in 2019 it reported a loss of US\$42,672.

Invexans Corporate posted a net gain of US\$18,565 thousand in 2020, improving from the loss of US\$46,242 thousand reported in 2019, primarily explained by Nexans' better results explained above.

4Q 2020 Results

In 4Q 2020 Invexans Corporate reported a net gain of US\$42,089 thousand, comparing favorably to the loss of US\$4,719 thousand reported in 4Q 2019. The result primarily reflects Invexans' share in Nexans' improved net income for the second half of 2020, adjusted by fair value accounting, which improved from a loss of US\$4,440 thousand to a gain of US\$41,982 thousand.

TECHPACK

	4Q 19		4Q 20		4Q 19 ThUS\$	4Q 20 ThUS\$	2019 ThUS\$	2020 ThUS\$
	MCh\$	MUS\$	MCh\$	MUS\$				
Sales	5	0.0	3	0.0	7	5	21	29
Operating income	(274)	(0.4)	(416)	(0.6)	(365)	(549)	(1,642)	(1,757)
Net income (loss) from discontinued operations	(333)	(0.5)	(890)	(1.3)	(435)	(1,207)	(1,146)	(1,536)
Net income (loss) Controller	(251)	(0.4)	2,327	3.3	(298)	3,083	712	2,162
Total assets			148,138	208.4			201,463	208,366
Shareholders' equity			147,089	206.9			199,210	206,892

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 four 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.



Full Year 2020 Results

Techpack's operating income amounted to a loss of US\$1,757 thousand in 2020, 7.0% greater than the loss reported the prior year, primarily due to lower other gains, partly compensated by a decrease in administrative expenses.

Non-operating income for the year amounted to a gain of US\$5,752 thousand, 70.8% higher than the gain reported the prior year, mainly due to a gain from exchange rate differences in the current year vis-à-vis a loss registered in 2019, partly offset by lower financial income.

The loss from discontinued operations in 2020 amounted to US\$1,536 thousand, 34.0% higher than in 2019, mostly corresponding to maintenance expenses.

Thus, net income for the year reached a gain of US\$2,162 thousand, which compares favorably to the gain of US\$712 thousand reported in 2019.

4Q 2020 Results

Techpack's net income reached a gain of US\$3,083 thousand in 4Q 2020, compared to a loss of US\$298 thousand in 4Q 2019, primarily due to gains from exchange rate differences in the current quarter vis-à-vis losses in 4Q 2019, partly offset by lower financial income.



FINANCIAL SEGMENT

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

	4Q 19		4Q 20		2019		2020	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
LQIF holding	(2,083)	(2.9)	(2,530)	(3.6)	(6,498)	(9.1)	(6,607)	(9.3)
Banking sector	37,651	53.0	32,315	45.5	143,436	201.8	118,511	166.7
Total Financial Segment	35,568	50.0	29,785	41.9	136,938	192.6	111,904	157.4

As of December 31, 2019 and 2020, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 51.2% as of December 31, 2019 and 2020.

LQIF Holding

Full Year 2020 Results

LQIF holding registered a loss of Ch\$13,213 million in 2020, 1.7% greater than the loss of Ch\$12,997 million in 2019, primarily due to higher finance costs and, to a lesser extent, higher losses related to the effect of inflation on inflation indexed liabilities, partially compensated by a higher income tax credit, higher finance income and, to a lesser extent, lower administrative expenses.

4Q 2020 Results

LQIF holding registered a loss of Ch\$5,061 million, 21.5% greater than the loss of Ch\$4,166 million reported in 4Q 2019, mainly explained by a higher loss related to the effect of inflation on inflation indexed liabilities, due to an increase of 1.26% in the UF in the current quarter vis-à-vis a 0.93% rise in 4Q 2019.

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

	4Q 19		4Q 20		2019		2020	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Operating revenues	529,695	745.1	479,315	674.2	2,014,520	2,833.6	1,938,743	2,727.0
Provision for loan losses	(101,467)	(142.7)	(85,169)	(119.8)	(347,274)	(488.5)	(462,680)	(650.8)
Operating expenses	(236,701)	(332.9)	(231,732)	(325.9)	(911,004)	(1,281.4)	(882,331)	(1,241.1)
Net income	147,145	207.0	126,285	177.6	593,008	834.1	463,108	651.4
Loan portfolio					30,019,470	42,224.4	30,936,968	43,515.0
Total assets					41,273,333	58,053.8	46,095,131	64,836.0
Shareholders' equity					3,528,222	4,962.7	3,726,267	5,241.3
Net financial margin	4.7%		3.8%		4.6%		3.9%	
Efficiency ratio	44.7%		48.4%		45.2%		45.5%	
ROAE	16.9%		13.7%		17.5%		13.0%	
ROAA	1.4%		1.1%		1.6%		1.0%	

Full Year 2020 Results

Banco de Chile reported net income of Ch\$463,108 million in 2020, diminishing 21.9% from 2019. An increment in loan loss provisions and lower operating revenues were partially compensated by lower operating expenses and lower income tax expense.

Operating revenues, which include net financial income, fee income and other operating income, decreased 3.8% in 2020 to Ch\$1,938,743 million. This variation is mainly due to lower income from demand deposits, reflecting lower local and foreign interest rates, lower income from loans mostly due to a drop in consumer loans, lower revenues related to the Bank's USD net asset hedging position, due to a higher appreciation of the Chilean peso compared to the previous year, lower net financial income from subsidiaries, mainly explained by the securities brokerage subsidiary, and finally lower fee income, driven by transactional services, mutual funds and collection services, partly offset by growth in insurance brokerage. These unfavorable effects were partially compensated by higher results of treasury activities based on management of trading and AFS portfolios in a context of decreasing interest rates and lower derivatives' counterparty risk charges, and also by a positive contribution of the Banks' net asset position in UFs.

Provisions for loan losses amounted to Ch\$462,680 million in 2020, up by 33.2% from 2019. This increase is mainly attributable to additional provisions for Ch\$107,000 million, established to anticipate potential effects that the pandemic and mobility restrictions may have on credit risk. The variation is also explained by loan growth, reflecting an annual increase of 6.6% in average loans, mostly concentrated in the retail segment where average loans were up by 7.5%, and in commercial loans (including FOGAPE loans), which increased 19.5%, and by higher risk expenses, owing to a net credit deterioration, largely reflecting higher provisions of some wholesale clients due to their weakened economic condition as well as the recalibration of provisioning models aimed at incorporating information related to the current context, partly offset by lower levels of delinquency. These unfavorable effects were partially compensated by a positive exchange rate impact on USD-denominated loan loss allowances given a stronger



appreciation of the Chilean peso during 2020, and the adoption of a standardized group-based risk matrix for commercial loans and updates to credit risk models, both carried out in 2019.

Operating expenses declined 3.1% to Ch\$882,331 million in 2020, mostly due to lower severance payments than in 2019, when the organizational restructuring was started, lower expenses on outsourced services reflecting changes to in-house sales services and core developments, lower external advisories, a drop in fixed-asset repairs, reduced marketing expenses, and lower personnel expenses, primarily explained by the impact of the pandemic on variable compensations and other benefits net of increases in salaries. These reductions were partially offset by higher IT expenses, primarily explained by internal projects such as the new FAN debit account and improvements to websites for customers, higher expenses related to sanitization measures, and greater depreciation and amortization.

Income tax expense in 2020 decreased 25.8% to Ch\$125,962 million.

As of December 2020, the Bank's loan portfolio posted an annual expansion of 3.1%, placing the Bank as number 2 in total loans. In the retail segment, loans grew 3.7%, boosted by loans to SMEs, whereas personal banking loans declined 0.8%. The wholesale segment, in turn, experienced an annual increase of 1.8%, with strong growth in the middle market, compensating lower factoring loans and trade finance.

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 December 31, 2020. Its return on average equity reached 13.0% in 2020.

4Q 2020 Results

Banco de Chile reported net income of Ch\$126,285 million in the fourth quarter of 2020, decreasing by 14.2% with respect to the fourth quarter of 2019, primarily due to a reduction of 9.5% in operating revenues, partly compensated by lower loan loss provisions and lower operating expenses. Operating revenues fell mainly reflecting lower customer income, highly influenced by the pandemic, partly offset by higher non-customer income. Loan loss provisions declined due to lower delinquency levels than in 4Q 2019, marked by the social unrest, and also as a result of support measures for individuals and a quarterly contraction in loans, partly offset by the establishment of Ch\$80 billion in additional provisions in anticipation of potential deterioration of credit quality.

Interest Subordinated Debt - Full Year 2020

The Subordinated Debt with the Chilean Central Bank was fully repaid on April 30, 2019, therefore in 2020 there was no interest expense related to said debt, while in 2019 the accrued interest expense amounted to Ch\$28,165 million.

Interest Subordinated Debt - 4Q 2020

There were no interest expenses related to the Subordinated Debt with the Chilean Central Bank in the fourth quarter of 2019 or 2010, following complete repayment of said debt on April 30, 2019.



ENERGY SEGMENT

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

	4Q 19		4Q 20		2019		2020	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Enex	10,876	15.3	11,991	16.9	25,709	36.2	8,130	11.4
Total Energy Segment	10,876	15.3	11,991	16.9	25,709	36.2	8,130	11.4

As of December 31, 2019 Quiñenco controlled 100% of the energy segment. Starting the second quarter of 2020, Invexans owns 100% of Enex.

ENEX¹⁰

	4Q 19		4Q 20		2019		2020	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	670,339	942.9	527,297	741.7	2,570,311	3,615.3	2,111,199	2,969.5
Operating income	14,554	20.5	16,977	23.9	39,147	55.1	19,640	27.6
Net income Controller	10,876	15.3	11,991	16.9	25,709	36.2	8,130	11.4
Total assets					1,339,745	1,884.4	1,310,280	1,843.0
Shareholders' equity					610,127	858.2	573,503	806.7

Full Year 2020 Results

During 2020 Enex reported sales of Ch\$2,111,199 million, down by 17.9% from 2019, primarily due to the negative impact of the worldwide pandemic and the restrictions related to it, particularly during the second quarter, with lower sales volumes across all fuel segments in Chile, especially in service stations and industrial sales, and lower revenues in the USA. The total volume of dispatches amounted to 3.8 million cubic meters during the period, 13.6% below 2019, of which 98% were fuels.

Gross income during the period reached Ch\$256,879 million, declining 7.7% from 2019, mainly due to the unfavorable impact of selling inventory at historical cost given the sharp fall in international reference prices in 2020, compared to a favorable impact in 2019 amid increasing fuel prices, together with the lower sales volumes in Chile mentioned above. In Road Ranger's operations in the USA, lower sales volumes were compensated by increased margins.

¹⁰ Corresponds to the Energy segment, composed of Enex and related companies.



Earnings release

Full year and fourth quarter 2020

Operating income posted a 49.8% decrease to Ch\$19,640 million in 2020, following the drop in gross income explained above, and, to a lesser extent, due to greater other losses, partly mitigated by lower selling and administrative expenses, mostly related to the lower sales volumes and cost savings plans implemented as of the second quarter. EBITDA amounted to Ch\$77,486 million in 2020, decreasing 16.0% from 2019.

Non-operating income amounted to a loss of Ch\$11,675 million, 8.9% less than the loss reported in 2019, mostly due to lower financial costs, and, to a lesser extent, a higher contribution from associates, partially offset by a lower gain from exchange rate differences in the current year.

Net income for the year amounted to Ch\$8,130 million, 68.4% lower than the Ch\$25,709 million reported in 2019, largely explained by the drop in operating income, negatively impacted by the pandemic and the restrictions on mobility, partly mitigated by better non-operating results and an income tax credit in 2020.

4Q 2020 Results

During 4Q 2020 Enx posted net income of Ch\$11,991 million, 10.3% above the net gain reported in 4Q 2019. Operating income increased by 16.7% during the quarter, despite the negative impact of the pandemic on sales volumes in all markets, mainly due to improved gross margins in service stations in Chile and in the USA. EBITDA amounted to Ch\$32,301 million, increasing 14.7% over 4Q 2019. Non-operating results also improved mostly due to a favorable variation in exchange rate gains and lower financial costs. Finally, during the fourth quarter of 2020 Enx reported an income tax expense, compared to an income tax credit in the same period of 2019.



TRANSPORT SEGMENT

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

	4Q 19		4Q 20		2019		2020	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
CSAV	15,419	21.7	48,121	67.7	52,809	74.3	107,818	151.7
Total Transport Segment	15,419	21.7	48,121	67.7	52,809	74.3	107,818	151.7

As of December 31, 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 2019 and 2020 the adjustment was a lower result of Ch\$25 million and a lower result of Ch\$29 million, respectively.

CSAV

	4Q 19		4Q 20		4Q 19	4Q 20	2019	2020
	MCh\$	MUS\$	MCh\$	MUS\$				
Sales	-	-	-	-	-	-	-	-
Operating income (loss)	(2,271)	(3.2)	(3,740)	(5.3)	(3,179)	(5,029)	(7,773)	(9,625)
Net income Controller	25,097	35.3	77,920	109.6	33,073	101,555	124,616	222,145
Total assets			2,158,467	3,036.0			2,517,380	3,036,032
Shareholders' equity			1,935,868	2,722.9			2,224,187	2,722,932

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.

Full Year 2020 Results

CSAV's net income reached US\$222.1 million in 2020, up 78.3% from the prior year, boosted by the performance of its main asset, Hapag-Lloyd.

CSAV's operating income was a loss of US\$9.6 million in 2020, 23.8% higher than the loss reported in 2019, mainly due to increased administrative expenses and lower gains on the sale of fixed assets in the current year.



Non-operating income amounted to a gain of US\$287.9 million in 2020, substantially higher than the gain of US\$138.2 million reported in 2019. This favorable variation is primarily due to CSAV's share in Hapag-Lloyd's results for the year, adjusted by CSAV's fair value accounting of this investment, which amounted to a gain of US\$312.3 million in 2020, compared to a gain of US\$113.2 million in 2019. In addition, CSAV acquired a 1.9% stake in the German shipping company during 2019, generating a gain of US\$34.6 million, whereas the 2.2% stake acquired during 2020 did not have an effect on the income statement. Thus, in all, CSAV's investment in Hapag-Lloyd, including all the effects explained above, amounted to a gain of US\$312.3 million in 2020, more than doubling the gain of US\$147.8 million reported in 2019.

Hapag-Lloyd reported net income of US\$1,058 million in 2020, increasing substantially from the gain of US\$405 million reported in 2019, based on a positive operating result. Although transported volumes declined 1.6%, resulting from the sanitary restrictions implemented worldwide to control the coronavirus pandemic which led to a significant contraction during the second quarter, with a recovery during the second semester, this was more than compensated by a 4.0% rise in average freight rates, thus sales grew 3.3%. Operating expenses diminished 1.0%, mostly based on the lower sales volumes, a lower fuel consumption price, and effective cost control. Thus, EBIT amounted to US\$1,501 million in 2020, well above the US\$908 million reported the prior year. EBITDA amounted to US\$3,082 million, 38.6% greater than in 2019, with the EBITDA margin reaching 21.1%.

In 2020 CSAV registered an income tax expense of US\$55.5 million, compared to an income tax expense of US\$0.2 million in 2019, mostly due to higher deferred taxes in 2020, related to the impact of the variation in the euro-US dollar exchange rate, given the financing structure of CSAV's investment in Hapag-Lloyd. Thus, in 2020 CSAV reported a net gain of US\$222.1 million, 78.3% above the gain of US\$124.6 million reported in 2019.

4Q 2020 Results

During the fourth quarter of 2020 CSAV posted a net gain of US\$101.6 million, 207.1% above the gain of US\$33.1 million reported in the same period in 2019. This variation primarily reflects CSAV's share of Hapag-Lloyd's results for the quarter, adjusted by fair value accounting, which amounted to a gain of US\$137.4 million in 4Q 2020 compared to a gain of US\$53.7 million in 4Q 2019.



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:

	4Q 19		4Q 20		2019		2020	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
SM SAAM	4,682	6.6	10,740	15.1	19,150	26.9	25,793	36.3
Total Port Services Segment	4,682	6.6	10,740	15.1	19,150	26.9	25,793	36.3

As of December 31, 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 2019 the adjustment was a lower result of Ch\$1,966 million and in 2020 the adjustment was a lower result of Ch\$1,539 million.

SM SAAM

	4Q 19		4Q 20		4Q 19 ThUS\$	4Q 20 ThUS\$	2019 ThUS\$	2020 ThUS\$
	MCh\$	MUS\$	MCh\$	MUS\$				
Sales	109,148	153.5	120,105	168.9	143,992	157,677	529,793	584,063
Operating income	18,944	26.6	30,246	42.5	25,019	39,527	99,592	126,235
Net income Controller	10,042	14.1	20,701	29.1	13,304	27,233	57,780	66,715
Total assets			1,258,141	1,769.7			1,617,989	1,769,662
Shareholders' equity			576,995	811.6			786,641	811,581

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.

Full Year 2020 Results

In 2020 SM SAAM's consolidated sales reached US\$584.1 million, up by 10.2% from 2019, mostly due to higher revenues from tug boats. Revenue growth in the tug boat segment mainly reflects consolidation with the operations in Brazil since the end of 2019, compensating the impact of the public health crisis on the level of activity. At logistics, revenues also increased, boosted by the consolidation with Arosan during the last two months of 2020, compensating lower revenues from warehousing and transport, due to the effects of the pandemic. Revenues from port terminals, in turn, decreased, reflecting a 9.5% drop in container throughput, particularly during the third quarter due to lockdowns, although improving during the last quarter as cities started to reopen and imports to recover.



Consolidated revenues can be broken down as follows: port terminals (42.8%), tug boats (47.5%), logistics (10.0%), and corporate¹¹ (-0.3%).

During 2020, operating income amounted to US\$126.2 million, 26.8% above 2019, boosted by positive performance in the tug boat segment, primarily explained by the consolidation with SAAM Towage Brazil, and to a lesser extent, better results in logistics, boosted by the consolidation with Aerosan, together with cost savings, more than compensating lower operating income at port terminals, which were negatively impacted by the pandemic. In addition, operating income includes a non-recurring gain of US\$11.6 million generated by the revaluation of SM SAAM's existing stake in Aerosan, and a non-recurring gain on the sale of a property in Valparaíso. SM SAAM's consolidated EBITDA reached US\$213.4 million in 2020, up 20.6% from 2019.

Non-operating income for the year amounted to a loss of US\$26.8 million, comparing unfavorably to the loss of US\$0.3 million reported in 2019. This variation is mainly explained by lower income from equity investments, mostly due to lower performance of port terminals in Chile, impacted by the pandemic and closure of ports due to high waves, that led to a 15% drop in transferred volumes, as well as the consolidation of SAAM Towage Brazil towards the end of 2019 and of Aerosan since November 2020. Also, financial costs were greater in the current year, mostly due to the consolidation with SAAM Towage Brazil, and additional debt, including the financing of the transaction with Boskalis, and higher losses from exchange rate differences were reported in 2020.

Income tax expense was US\$27.8 million in 2020, 5.4% below the prior year. Thus, in all, SM SAAM's net income amounted to US\$66.7 million, 15.5% above 2019, primarily reflecting improved operating performance in tug boats and cost efficiencies, along with the non-recurring gain related to the additional stake acquired in Aerosan, offsetting lower performance of port terminals, which registered lower levels of activity due to the impact of the pandemic and high waves.

4Q 2020 Results

In the fourth quarter of 2020 SM SAAM's net income amounted to US\$27.2 million, doubling the gain reported in 4Q 2019. This variation is mainly attributable to a non-recurring gain of US\$11.6 million related to the additional stake acquired in Aerosan during the quarter, and also to favorable performance of the tug boat segment, boosted by the consolidation with SAAM Towage Brazil and cost efficiencies. Results at port terminals and logistics, however, decreased, due to the negative impact of the health crisis on quarterly volumes.

¹¹ Corporate also includes eliminations and others.



OTHER SEGMENT

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

	4Q 19		4Q 20		2019		2020	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
IRSA (CCU)	15,943	22.4	16,088	22.6	37,458	52.7	27,582	38.8
Quiñenco & other	(5,837)	(8.2)	(27,031)	(38.0)	(29,751)	(41.8)	(48,122)	(67.7)
Total Segment Others	10,106	14.2	(10,943)	(15.4)	7,707	10.8	(20,540)	(28.9)

As of December 31, 2019 and 2020, Quiñenco's ownership of CCU was 30.0%.

CCU

	4Q 19		4Q 20		2019		2020	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	578,072	813.1	599,629	843.4	1,822,541	2,563.5	1,857,594	2,612.8
Operating income	92,551	130.2	86,187	121.2	233,965	329.1	175,181	246.4
Net income	54,959	77.3	55,043	77.4	130,142	183.1	96,152	135.2
Total assets					2,353,691	3,310.6	2,525,337	3,552.1
Shareholders' equity					1,328,054	1,868.0	1,296,574	1,823.7

Full Year 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 grew by 1.9% in 2020 compared to 2019, mainly as a result of 2.2% growth in consolidated sales volumes, offsetting a 0.3% reduction in average prices in Chilean pesos. Sales volumes picked up towards the end of the year, after registering 6.4% growth in the first quarter, a 12.0% contraction in the second, a 1.8% decline in the third, and finally 10.6% growth during the fourth quarter. The Chile segment's sales went up by 6.7%, with average prices increasing 3.2%, mainly due to revenue management initiatives and a positive mix effect, more than compensating the negative impact of the pandemic on high margin consumer occasions, together with a 3.4% increment in volumes. Sales in the Wine segment increased 10.8%, reflecting a 10.2% rise in volumes along with 0.5% higher average prices. In the International Business segment, however, sales decreased 13.3%, due to a drop of 12.1% in average prices, reflecting the negative impact of the depreciation of the Argentine peso against the Chilean peso, partially offset by price increases in local currency, and a decline of 1.3% in volumes.



Operating income amounted to Ch\$175,181 million in 2020, 25.1% less than the gain of Ch\$233,965 million reported in 2019, primarily explained by the 4.4% decrease in gross income, along with stable selling and administrative expenses, improving as a percentage of sales, based on expense control initiatives implemented through the CCU ExCCelencia plan across all segments. The decline in gross income is mainly attributable to the International Business and Chile segments, partially compensated by the Wine segment. Gross income from the International Business segment fell by 19.7%, reflecting the drop in sales explained above, partly compensated by lower unit costs in Chilean peso terms, mainly due to the depreciation of the Argentine peso against the Chilean peso and lower costs of raw materials. In the Chile segment, sales growth was offset by higher costs, mainly pushed up by the depreciation of the Chilean peso with respect to the US dollar and its impact on USD-denominated costs and a negative mix effect, although this was mitigated by lower costs of some raw materials, thus gross income declined 1.2%. The Wine segment, in turn, posted a 14.5% rise in gross income, boosted by higher average prices and a reduction of 1.7% in unit costs, reflecting a lower cost of wine that more than offset the impact of the depreciation of the Chilean peso against the US dollar on USD-denominated packaging materials.

CCU reported non-operating losses of Ch\$31,578 million, lower than the loss of Ch\$48,343 million reported in 2019, mainly due to a gain from exchange rate differences in 2020 vis-à-vis a loss in 2019, lower losses of equity investments, mainly in Colombia, and lower losses from indexed units of account, explained mostly by lower inflation in Argentina. These effects were partly offset by higher net financial costs, attributable to a higher cash balance during the prior year required to pay taxes and dividends related to the transaction in Argentina in 2018, and higher financial debt.

Net income in 2020 amounted to Ch\$96,152 million, 26.1% below the gain in 2019, primarily due to lower results at the International Business and Chile segments, negatively impacted by the restrictions to control the pandemic on consumer occasions, mainly during the second quarter, and the depreciations of the Argentine and Chilean pesos, partly compensated by improved performance of the Wine segment.

4Q 2020 Results

In 4Q 2020 CCU's net income increased 0.2% to Ch\$55,043 million. Consolidated sales volumes grew 10.6% whereas average prices declined by 6.2%, thus revenues posted an increment of 3.7%. Quarterly performance of the Chile segment improved, whereas the Wine and International Business segments declined, with EBIT up by 7.7%, based on the growth in sales volumes, revenue management initiatives and efficiencies. EBITDA increased 5.7% to Ch\$126,535 million in the quarter, boosted by the Chile segment.



QUIÑENCO and Others

Full Year 2020 Results

The unfavorable variation in Quiñenco and others is mainly explained at the corporate level by the non-recurring gain generated by the sale of the insurance business (Banchile and SegChile) to Chubb in December 2019, which involved a total amount of approximately Ch\$35,900 million, and the contribution of said business during 2019, and to a lesser extent, higher net financial costs, a greater negative impact of inflation on indexed liabilities, and higher administrative expenses. These variations were partially compensated by an income tax credit, and to a lesser extent, by gains from exchange rate differences.

4Q 2020 Results

The negative variation in Quiñenco and others is mainly explained at the corporate level by the non-recurring gain generated by the sale of the insurance business (Banchile and SegChile) to Chubb in December 2019, which involved a total amount of approximately Ch\$35,900 million, and to a lesser extent, a greater negative impact of inflation on indexed liabilities. These variations were partially compensated by an income tax credit in the current quarter vis-à-vis income tax expense in the fourth quarter of 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
www.quinencogroup.com