

## Taxes on dividend distribution from Germany impact Quiñenco's first quarter results

- The holding company's performance was affected by the US\$159 million loss reported by CSAV, which was due to the tax expense incurred on dividends distributed from Germany and a weaker result from Hapag-Lloyd.
- Francisco Pérez Mackenna, CEO of Quiñenco, highlighted the strong performance of the operating companies, especially Banco de Chile and SM SAAM, in a challenging context.

**Santiago, May 28, 2024** - Quiñenco reported its results for the first quarter of 2024 on Tuesday, specifically a net loss of Ch\$11,916 million, mainly explained by the losses reported by Compañía Sud Americana de Vapores (CSAV) due to the tax expense incurred from the distribution of dividends from Germany and a weaker result from Hapag-Lloyd.

It is worth noting that tax expenses arise for CSAV mainly when its subsidiary in Germany distributes dividends to Chile. These dividends come from the earnings distributed by Hapag-Lloyd and refunded retentions on these dividends in Germany, producing a temporary mismatch between CSAV's tax expense and the earnings from the German shipping company.

"The charge for these taxes was within our projections. Quiñenco has companies that are performing well within the challenging context faced by each particular industry. In addition, our liquidity at the corporate level grants us a solid position for the future," said Francisco Pérez Mackenna, Quiñenco's Chief Executive Officer.

The executive also highlighted the strong results reported by the operating companies, especially Banco de Chile and SM SAAM. Both companies performed positively during the first quarter of the year compared to the same period last year, and contributed positively to the holding company's results, as did Enx and CCU.

### Results by Sector

In the **transport** segment, despite the tax effect on CSAV's results, Hapag-Lloyd, its main asset, ended the first quarter with a better-than-expected performance with net income of US\$320 million, 84.2% lower than the same period in 2023. During the quarter, the industry experienced lower average freight rates as a result of more normalized global supply chains, although there were new disruptions due to geopolitical tensions and an upturn in demand for containerized transportation. CSAV, in turn, recorded an income tax expense of US\$230 million during the first quarter, mainly attributable to taxes in Chile on dividends received from Germany. Thus, CSAV's contribution to the holding company's results declined by Ch\$425,227 million.

In the **financial** segment, Banco de Chile reported an 11.9% increase in net income, attributable to higher operating revenues, driven primarily by a 3.2% annual increase in average loan balances and a larger balance of time and demand deposits. During the period, the Bank had higher operating expenses than in the same quarter of 2023, largely due to inflation adjustments to wages, higher income tax expense and greater expected credit losses.

In **port services**, SM SAAM increased its contribution significantly during the period, due to both its good performance and the increase in Quiñenco's shareholding from 61.0% as of March 2023 to 62.6% as of March 2024. The increase in this subsidiary's results mostly reflects successful air logistics operations, with a significant increase in tons handled, together with a gain on the sale of real estate assets and higher finance income. In Towage, progress was made consolidating its position in Brazil. However, due to higher operating expenses for maintenance, its results were lower than the same quarter of the previous year.

In the **energy** segment, Enex's contribution to the holding's results declined 67.9%, mainly due to unfavorable exchange rate differences in the current quarter, which offset its good operating results. During the period, the company continued to expand internationally, opening its 50th Road Ranger travel center in the United States and reaching 100% ownership of its subsidiary in Paraguay.

In the **beverage** sector, CCU's performance was affected by the devaluation of the Argentine peso and a contracting beer industry in that country, leading to a 10.6% decrease in net income. A few days ago, CCU inaugurated the country's first bottle-to-bottle recycling plant in Chile, in the district of Renca, with an investment of approximately US\$ 40 million.

The multinational Nexans, in the **manufacturing** sector, does not report first quarter results. During the period, it made significant progress by signing an agreement to acquire the historic Italian company La Triveneta Cavi, which produces medium- and low-voltage cables, with a commercial presence in 30 countries and close to 700 employees. Additionally, during the quarter it was awarded a contract to supply 6,000 km of low- and medium-voltage power distribution cables and services to an Italian utility company.

Finally, at the **corporate** level, Quiñenco reflected the positive impact of lower inflation on index-linked liabilities and higher finance income. As a result, despite the negative effect of exchange differences, it increased its contribution to the holding company's results in the first quarter.

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*With more than 65 years in business, Quiñenco is one of the most diversified and global groups in Chile. The company, along with more than 75 thousand employees of its subsidiaries and associates, develops enterprises and seeks to contribute to the progress of all the countries where it is present.*



*Through Banco de Chile, CCU, Nexans, Enex, CSAV and SM SAAM, Quiñenco contributes to the sustainable progress of people, working with **excellence, integrity and respect**. More information is available at [www.quinenco.cl](http://www.quinenco.cl).*