



For further information contact:

Quiñenco S.A.

Pilar Rodríguez-IRO

(56) 22750-7221

prodriguez@lq.cl

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

(Santiago, Chile, September 11, 2020) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the second quarter ended June 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 June 30, 2020 (Ch\$821.23 = US\$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

2Q 2020 HIGHLIGHTS

Net income of Ch\$37,074 million, 76.7% above 2Q 2019, in complex context of global pandemic, boosted by better results at Hapag-Lloyd, Nexans and Quiñenco corporate level, partly offset by lower results at Banco de Chile, Enx and CCU.

Industrial sector operating income down by 70.4% to Ch\$4,743 million, driven by Enx, negatively impacted by the global pandemic and falling fuel prices, partly mitigated by growth at SM SAAM, boosted by the tug boat segment.

Affiliates Hapag-Lloyd and Nexans posted improved quarterly results, whereas CCU's declined. Hapag-Lloyd was favorably impacted by lower transport costs, and Nexans by lower restructuring costs, offsetting in both cases reduced levels of activity. CCU was affected by lower sales volumes amid restrictions to control the pandemic, and devaluations of local currencies.

In the Banking sector, Banco de Chile's results were down, primarily attributable to additional loan loss provisions established during the quarter to face the potential impact of economic fluctuations on risk expenses.

Earnings per share amounted to Ch\$22.30 in 2Q 2020.



GROUP HIGHLIGHTS – SECOND QUARTER 2020 AND SUBSEQUENT EVENTS

Quiñenco – Dividend Distribution

At the Ordinary Shareholders' Meeting held on April 30, 2020, shareholders approved a dividend distribution corresponding to 2019 net income of Ch\$37.89775 per share, payable as of May 15, 2020, to those shareholders registered with the company as of May 9, 2020. The total amount of the dividend is Ch\$63,015 million, equivalent to 30% of 2019 net income.

Invexans and parent company of Enex merge

On March 23, 2020, shareholders approved the merger of Invexans with Inversiones Río Argenta, parent company of Enex. This merger, which seeks to strengthen Invexans' investment portfolio and facilitates Enex's international expansion, was materialized on April 15, 2020.

CSAV approves capital increase and starts preferred period

On May 19, 2020, CSAV's shareholders approved a US\$350 million capital increase, mainly to refinance the additional stakes in Hapag-Lloyd acquired to reach 30% ownership in January this year, and also approved the absorption of accumulated losses. On August 27, 2020, the preferential period for the capital increase started, extending for 30 days until September 25, 2020. Quiñenco subscribed its entire pro rata share of 61.45% of the capital increase, amounting to approximately US\$215 million.



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 28.70% stake in Nexans, a French multinational company leader in the world cable industry. As of June 30, 2020, Quiñenco has a 99.7% stake in Invexans.

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

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

During the last quarter of 2017 CSAV sold its entire stake in Norgistics Chile to third parties and determined the closing of the offices of Norgistics in Peru, Mexico and China. Therefore, in 2019 and 2020 all of Norgistics' operations have been classified as discontinued activities in the income statement. 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 3Q 2019, Quiñenco acquired an additional 5.28% stake in CSAV. Thus, as of June 30, 2020, Quiñenco's stake in CSAV is 61.45%.

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 2.2% stake in the German shipping company, totaling 30.0% ownership as of June 30, 2020.

On June 6, 2019, the Banco de Chile shares held by SM-Chile and SAOS were distributed to the series A, B, D and E shareholders of SM-Chile en liquidación registered as of May 31, 2019, in accordance with SM-Chile's bylaws. Thus, as of June 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 Argentina, 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, investment held by Inversiones Río Argentina 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	
	2Q 19	2Q 20	2Q 19	2Q 20	2Q 19	2Q 20	2Q 19	2Q 20	2Q 19	2Q 20	2Q 19	2Q 20	2Q 19	2Q 20
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Consolidated Income (Loss) Industrial Sector	(26,130)	(14,612)	(3,235)	(1,182)	6,226	(11,468)	4,119	51,409	10,625	12,262	(10,370)	(3,460)	(18,765)	32,948
Consolidated Income Banking Sector	-	-	184,756	111,704	-	-	-	-	-	-	255	17	185,011	111,720
Consolidated Net Income (Loss)	(26,130)	(14,612)	181,522	110,522	6,226	(11,468)	4,119	51,409	10,625	12,262	(10,115)	(3,443)	166,246	144,669
Net Income (Loss) Attributable to Non-controlling Interests	275	216	135,981	82,527	(0)	(0)	1,805	19,818	6,363	6,527	845	(1,494)	145,269	107,594
Net Income (Loss) Attributable to Controllers' Shareholders	(26,405)	(14,828)	45,541	27,995	6,226	(11,468)	2,314	31,591	4,262	5,734	(10,960)	(1,949)	20,977	37,074

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

Net Income – 2Q 2020

Quiñenco reported a net gain of Ch\$37,074 million in the second quarter of 2020, increasing 76.7% with respect to the same period in 2019. This variation is primarily explained by a higher contribution from CSAV and lower losses at Nexans, despite the difficult global context prevailing due to the coronavirus pandemic, as well as lower losses from indexed liabilities and an increased income tax credit at Quiñenco corporate level, compensating lower contributions from Banco de Chile, Enex, and CCU.

The strong improvement in the transport segment reflects CSAV's share in the results of its main asset, Hapag-Lloyd, which reported a significant rise in net income to US\$283 million despite lower transport volumes, mainly due to lower operating expenses, including a favorable impact of lower bunker costs, and higher average freight rates. Nexans' results, which correspond to the first half of the year, showed a favorable trend reducing its net loss to €55 million, mostly due to lower restructuring costs, thus compensating a 26.5% decline in operating income, reflecting lower activity due to the pandemic and related restrictions. SM SAAM's contribution, in turn, increased mainly as a result of a favorable conversion effect and positive operating performance in tug boats, offsetting lower results in port terminals, impacted by the fall in activity leading to lower volumes transferred. In the banking sector, however, Banco de Chile's results dropped by 41.9%, mainly attributable to higher loan loss



provisions, including additional provisions established to face potential economic fluctuations impacting risk expenses over the next quarters, and to lower revenues, mostly non-customer related, mitigated by reduced operating and tax expenses. In the energy segment, Enx posted a quarterly loss, 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. At CCU, the pandemic negatively impacted consumption occasions across the region, leading to a 12.0% decline in consolidated sales volumes, in addition to the unfavorable effect of the devaluation of the local currencies in Chile and Argentina against the US dollar on costs, as reflected in the lower results of the Chile and International business segments, partly offset by better results in the Wine segment.

Earnings per ordinary share amounted to Ch\$22.30 in the second quarter of 2020.



Consolidated Income Statement Breakdown

	2Q 19		2Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
Industrial Sector				
Revenues	724,428	882.1	561,357	683.6
Manufacturing				
- Invexans Corp. & Techpack	17	0.0	18	0.0
Financial				
- LQIF holding	-	-	-	-
Energy				
- Enex	638,947	778.0	443,042	539.5
Transport				
- CSAV	-	-	-	-
Port Services				
- SM SAAM	85,328	103.9	118,183	143.9
Other				
- Quiñenco & others	137	0.2	114	0.1
Operating income (loss)	16,047	19.5	4,743	5.8
Manufacturing				
- Invexans Corp. & Techpack	(706)	(0.9)	(980)	(1.2)
Financial				
- LQIF holding	(649)	(0.8)	(383)	(0.5)
Energy				
- Enex	9,432	11.5	(11,811)	(14.4)
Transport				
- CSAV	(562)	(0.7)	(1,324)	(1.6)
Port Services				
- SM SAAM	14,321	17.4	26,338	32.1
Other				
- Quiñenco & others	(5,788)	(7.0)	(7,096)	(8.6)
Non-operating income (loss)	(34,390)	(41.9)	25,052	30.5
Interest income	4,632	5.6	1,318	1.6
Interest expense	(17,755)	(21.6)	(22,270)	(27.1)
Share of net income/loss from related co.	(8,637)	(10.5)	50,734	61.8
Foreign exchange gain (loss)	(649)	(0.8)	(1,641)	(2.0)
Indexed units of account restatement	(11,982)	(14.6)	(3,089)	(3.8)
Income tax	(4,795)	(5.8)	2,547	3.1
Net income (loss) from discontinued operations	4,373	5.3	607	0.7
Consolidated Net Income (Loss) Industrial Sector	(18,765)	(22.8)	32,948	40.1
Banking Sector				
Operating revenues	538,522	655.8	504,021	613.7
Provision for loan losses	(67,959)	(82.8)	(139,409)	(169.8)
Operating expenses	(231,571)	(282.0)	(221,526)	(269.7)
Operating income (loss)	238,992	291.0	143,086	174.2
Non-operating income (loss)	(4,603)	(5.6)	(321)	(0.4)
Income tax	(49,378)	(60.1)	(31,045)	(37.8)
Consolidated Net Income (Loss) Banking Sector	185,011	225.3	111,720	136.0
Consolidated Net Income	166,246	202.4	144,669	176.2
Net Income Attributable to Non-controlling Interests	145,269	176.9	107,594	131.0
Net Income Attributable to Controllers' Shareholders	20,977	25.5	37,074	45.1



Industrial Sector

Revenues – 2Q 2020

Consolidated revenues totaled Ch\$561,357 million in the second quarter of 2020, 22.5% 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 SAAM¹.

Operating Income – 2Q 2020

Operating income for the second quarter of 2020 reached a gain of Ch\$4,743 million, 70.4% lower than the gain of Ch\$16,047 million in the second quarter of 2019. The decrease in consolidated operating results is primarily attributable to Enex, partially compensated by higher results at SM SAAM.

EBITDA – 2Q 2020

EBITDA amounted to Ch\$41,629 million in 2Q 2020, down 2.4% from the second quarter of 2019. The decline is primarily explained by lower EBITDA at Enex, mostly compensated by higher EBITDA at SM SAAM, boosted by the consolidation with the towage operations in Brazil.

Non-Operating Results² – 2Q 2020

Non-operating income amounted to a gain of Ch\$25,052 million in the second quarter of 2020, compared to a loss of Ch\$34,390 million in the same quarter of 2019.

Proportionate Share of Net Income of Equity Method Investments (net) – 2Q 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 Nexans³, CSAV's share in the results of Hapag-Lloyd, and SM SAAM's affiliates, reached a gain of Ch\$50,734 million, compared to a loss of Ch\$8,637 million in 2Q 2019.

- Quiñenco's proportionate share of net income from IRSA (CCU) varied from a gain of Ch\$4,806 million in 2Q 2019 to a loss of Ch\$1,123 million in 2Q 2020.
- SM SAAM's proportionate share in its affiliates decreased from a gain of Ch\$3,126 million to a loss of Ch\$454 million.
- CSAV's proportionate share of net income from Hapag-Lloyd (adjusted by fair value accounting), amounted to a gain of Ch\$67,670 million, compared to a gain of Ch\$10,170 million in 2Q 2019.
- Invexans' and Techpack's stake in Nexans, adjusted by fair value accounting, improved from a loss of Ch\$26,906 million in 2Q 2019 to a loss of Ch\$15,966 million in 2Q 2020.

¹ 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.

² 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.

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



Interest Income - 2Q 2020

Interest income for the second quarter of 2020 amounted to Ch\$1,318 million, 71.5% less than that obtained in 2Q 2019. This variation corresponds mainly to lower financial income at Quiñenco corporate level, SM SAAM, and Enex.

Interest Expense – 2Q 2020

Interest expense for the second quarter of 2020 amounted to Ch\$22,270 million, 25.4% greater than in the second quarter of 2019. The variation is mainly explained by higher financial costs at SM SAAM and CSAV.

Foreign Currency Exchange Differences – 2Q 2020

In 2Q 2020, the gains (losses) specific to foreign currency translation differences amounted to a loss of Ch\$1,641 million, compared to the loss of Ch\$649 million reported in 2Q 2019, primarily attributable to losses at Enex, and to a lesser extent at CSAV, partially mitigated by gains at Techpack, and, to a lesser extent, at SM SAAM.

Indexed Units of Account Restatement – 2Q 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\$3,089 million in the second quarter of 2020, compared to a loss of Ch\$11,982 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 – 2Q 2020

The industrial sector reported an income tax credit of Ch\$2,547 million in 2Q 2020, compared to an income tax expense of Ch\$4,795 million reported in 2Q 2019, primarily explained by a tax credit at Quiñenco corporate level, and also at Enex, partly offset by a higher income tax expense at CSAV and SM SAAM.

Discontinued Operations – 2Q 2020

In 2Q 2020 the result of discontinued operations amounted to a gain of Ch\$607 million, compared to a gain of Ch\$4,373 million in 2Q 2019. In 2Q 2020, the gain primarily corresponds to CSAV's discontinued operations, whereas in 2Q 2019 the gain primarily was attributable to the results of the insurance business sold by Quiñenco at the end of 2019.

Non-controlling Interests – 2Q 2020

In the second quarter of 2020, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch\$107,594 million. Of the total amount reported in 2Q 2020, Ch\$54,682 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 - 2Q 2020

Operating revenues for the second quarter of 2020 amounted to Ch\$504,021 million, 6.4% below the second quarter of 2019, mainly due to lower non-customer revenues, mostly reflecting the unfavorable impact of lower inflation on the Bank's net asset position in UFs, together with a slight decline in customer related revenues.

Provision for Credit Risk - 2Q 2020

Provisions for loan losses at Banco de Chile amounted to Ch\$139,408 million in the second quarter of 2020, 105.1% greater than the provisions registered in the second quarter of 2019, mainly attributable to the establishment of Ch\$70 billion in additional provisions, mainly to anticipate potential economic fluctuations related to the effects of the pandemic that may further negatively impact risk expenses in the following quarters.

Operating Expenses - 2Q 2020

Operating expenses went down by 4.3% to Ch\$221,526 million in 2Q 2020, primarily reflecting lower personnel expenses, and to a lesser extent, lower other operating expenses, partly offset by an increment in administrative expenses.

Non-operating Results - 2Q 2020

During the second quarter of 2020 non-operating results amounted to a loss of Ch\$321 million, comparing favorably to the loss of Ch\$4,603 million reported in the second quarter of 2019, primarily explained by the absence of accrued interest expense of the Subordinated Debt with the Chilean Central Bank in the current quarter, since it was fully paid on April 30, 2019, partly offset by a loss from equity investments in the current quarter vis-à-vis a gain in the same quarter of 2019.

Consolidated Net Income - 2Q 2020

Consolidated net income for the banking sector amounted to Ch\$111,720 million in 2Q 2020, down by 39.6% from the same period in 2019, mainly due to higher loan loss provisions and a decline in operating revenues, partially compensated by lower operating expenses, lower income tax expense, and the favorable impact of full payment of the subordinated debt in April 2019 on non-operating results.


CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 1st quarter of 2020)
Condensed Consolidated Balance Sheet

	03-31-2020		06-30-2020	
	MCh\$	MUS\$	MCh\$	MUS\$
Current assets industrial sector	980,005	1,193.3	1,058,740	1,289.2
Non-current assets industrial sector	6,117,465	7,449.1	5,931,083	7,222.2
Assets financial sector	44,796,342	54,547.9	46,142,628	56,187.2
Total Assets	51,893,812	63,190.4	53,132,451	64,698.6
Current liabilities industrial sector	538,604	655.9	531,282	646.9
Long-term liabilities industrial sector	2,248,293	2,737.7	2,356,590	2,869.6
Liabilities financial sector	41,187,750	50,153.7	42,456,485	51,698.7
Non-controlling interests	4,165,722	5,072.5	4,113,447	5,008.9
Shareholders' equity	3,753,444	4,570.5	3,674,647	4,474.6
Total Liabilities & Shareholders' equity	51,893,812	63,190.4	53,132,451	64,698.6

Current Assets Industrial Sector

Current assets increased by 8.0% compared to the first quarter of 2020, primarily due to a higher balance of cash and cash equivalents, mostly attributable to a higher cash balance at CSAV, explained by bank loans obtained during the quarter as well as the dividend received from Hapag-Lloyd. In addition, trade and other receivables increased, mainly reflecting the funds due for the series Y bond issuance carried out by Quiñenco on June 30, 2020. These increments were partially offset by lower inventories at Enx.

Non Current Assets Industrial Sector

Non current assets decreased by 3.0% compared to the first 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 due to a lower book value of Nexans, due to a negative conversion effect and the period's net loss. The variation in non current assets is, to a lesser extent, also explained by lower fixed assets, mostly at SM SAAM and Enx.

Assets Banking Sector

Total assets of the banking sector increased by 3.0% compared to the first quarter of 2020. Loans to customers decreased a slight 0.1% with respect to March 2020, reflecting lower consumer loans, mostly offset by growth in commercial loans, along with stable residential mortgage loans.



Current Liabilities Industrial Sector

Current liabilities decreased by 1.4% compared to the first quarter of 2020, primarily due to higher financial debt, mainly at Enx and CSAV, partially compensated by lower accounts payable, mostly at Enx, and lower dividends payable at Quiñenco.

Long-term Liabilities Industrial Sector

Long-term liabilities increased by 4.8% compared to the first quarter of 2020, primarily attributable to higher financial debt at Quiñenco corporate level, following its bond issuance of approximately US\$141 million (UF 4 million), at the end of the quarter.

Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 3.1% compared to the first quarter of 2020.

Minority Interest

Minority interest diminished by 1.3% compared to the first quarter of 2020.

Equity

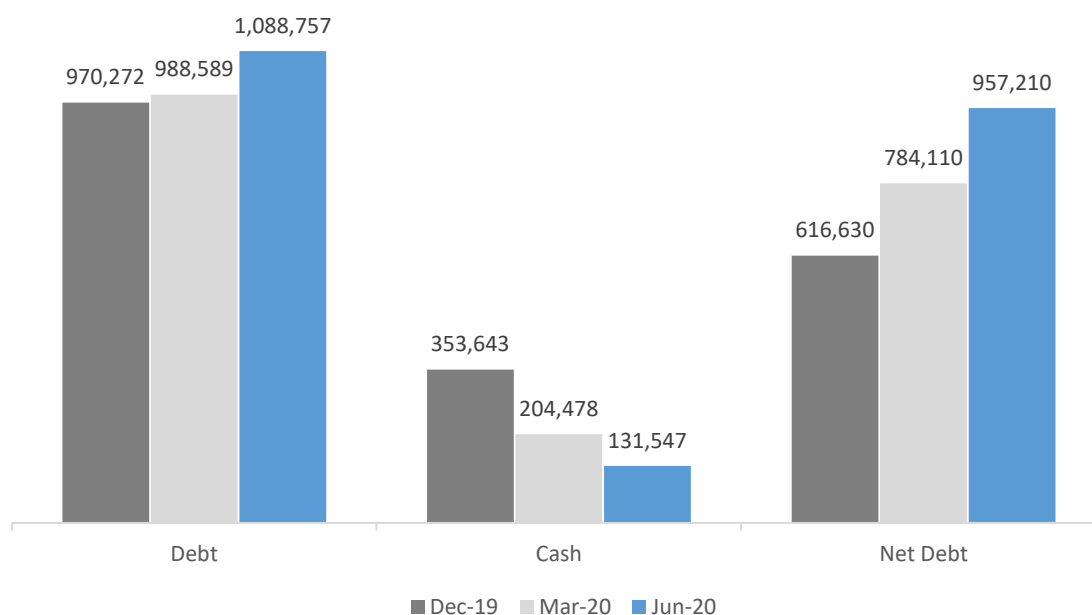
Shareholders' equity diminished by 2.1% compared to the first quarter of 2020, mainly due to lower other reserves, mostly reflecting negative conversion effects at CSAV, Invexans and SM SAAM, partially offset by period earnings net of dividends. It is also important to note that during the quarter the capital reduction by absorption of losses carried out by CSAV generated in Quiñenco's consolidated financial statements a decrease in other reserves of approximately Ch\$620 billion, and an increase in retained earnings for the same amount.


QUIÑENCO CORPORATE LEVEL DEBT AND CASH

As of June 30, 2020	Debt		Cash & Equivalents		Total Net Debt	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Corporate level	972,673	1,184.4	128,964	157.0	843,709	1,027.4
Adjusted for:						
50% interest in LQIF	98,997	120.5	1,885	2.3	97,112	118.3
50% interest in IRSA	17,087	20.8	698	0.8	16,389	20.0
Total	1,088,757	1,325.8	131,547	160.2	957,210	1,165.6

The debt to total capitalization ratio at the corporate level (unadjusted) was 20.6% as of June 30, 2020. It is worth noting that as of June 30, 2020, corporate level debt includes Quiñenco's bond issuance carried out on June 30, 2020, but cash and equivalents do not include the corresponding funds amounting to approximately US\$141 million, since they were received on July 2, 2020.

Corporate Level Adjusted⁴ Cash & Debt
(Millions of Ch\$)

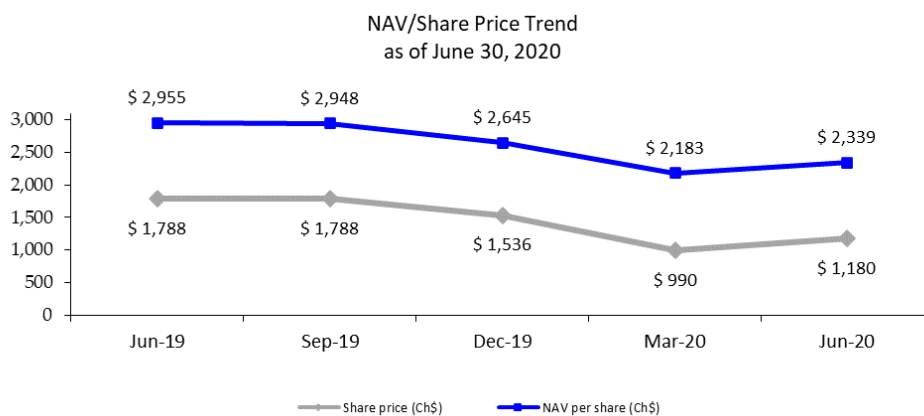
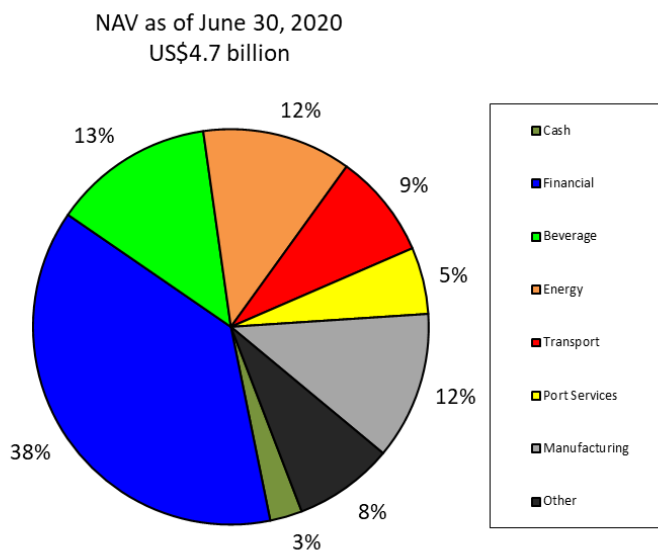


⁴ Adjusted for 50% interest in LQIF holding and IRSA.



NAV

As of June 30, 2020, the estimated net asset value (NAV) of Quiñenco was US\$4.7 billion (Ch\$2,339 per share) and market capitalization was US\$2.4 billion (Ch\$1,180 per share). The discount to NAV is estimated at 49.6% as of the same date.



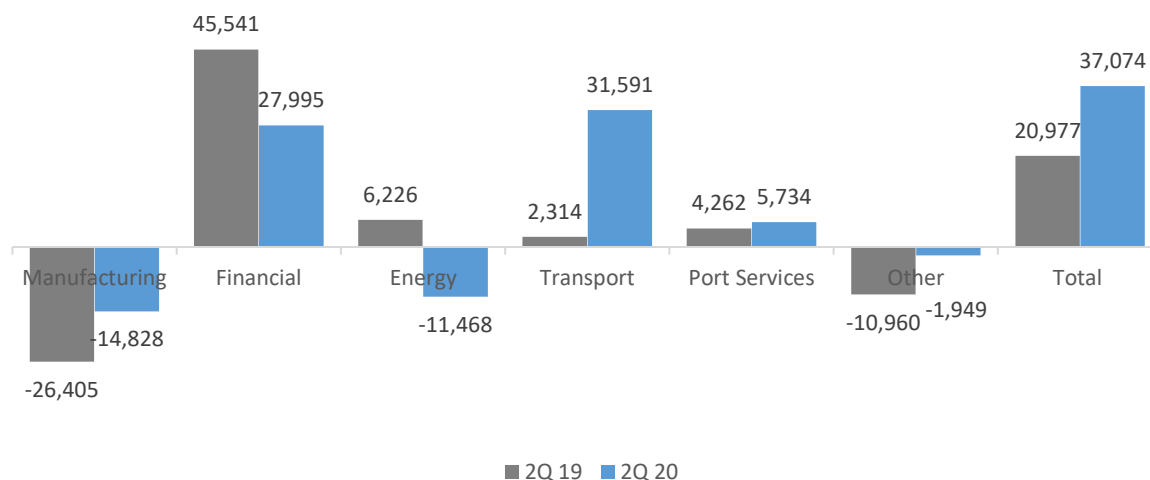

SEGMENT / OPERATING COMPANY ANALYSIS

Quarterly Results

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2Q 19	2Q 20	2Q 19	2Q 20	2Q 19	2Q 20	2Q 19	2Q 20	2Q 19	2Q 20	2Q 19	2Q 20	2Q 19	2Q 20
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Industrial Sector														
Income (loss) from continued operations before taxes	(26,042)	(14,484)	(4,895)	(3,250)	5,449	(18,132)	8,203	59,863	13,705	19,761	(14,764)	(13,964)	(18,343)	29,795
Income tax	56	(69)	1,660	2,068	777	6,663	(4,148)	(9,125)	(3,080)	(7,499)	(60)	10,509	(4,795)	2,547
Net loss from discontinued operations	(145)	(59)	-	-	-	-	64	671	-	-	4,454	(5)	4,373	607
Net income (loss) industrial sector	(26,130)	(14,612)	(3,235)	(1,182)	6,226	(11,468)	4,119	51,409	10,625	12,262	(10,370)	(3,460)	(18,765)	32,948
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Banking Sector														
Net income before taxes	-	-	234,135	142,748	-	-	-	-	-	-	255	17	234,389	142,765
Income tax	-	-	(49,378)	(31,045)	-	-	-	-	-	-	-	-	(49,378)	(31,045)
Net income banking sector	-	-	184,756	111,704	-	-	-	-	-	-	255	17	185,011	111,720
Consolidated net income (loss)	(26,130)	(14,612)	181,522	110,522	6,226	(11,468)	4,119	51,409	10,625	12,262	(10,115)	(3,443)	166,246	144,669
Net income (loss) attributable to Non-controlling interests	275	216	135,981	82,527	(0)	(0)	1,805	19,818	6,363	6,527	845	(1,494)	145,269	107,594
Net Income (Loss) Attributable to Controllers' shareholders	(26,405)	(14,828)	45,541	27,995	6,226	(11,468)	2,314	31,591	4,262	5,734	(10,960)	(1,949)	20,977	37,074

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:

	2Q 19		2Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
InveXans corporate	(26,949)	(32.8)	(16,437)	(20.0)
Techpack	544	0.7	1,608	2.0
Total Manufacturing Segment	(26,405)	(32.2)	(14,828)	(18.1)

As of June 30, 2019 and 2020, Quiñenco's ownership of InveXans was 99.2% and 99.7%, respectively. As of June 30, 2019 and 2020, Quiñenco's ownership of Techpack was 99.97%.

INVEANS

	Corporate Segment				Consolidated			
	2Q 19		2Q 20		2Q 19		2Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	13	0.0	14	0.0	13	0.0	443,056	539.5
Operating loss	(649)	(0.8)	(626)	(0.8)	(649)	(0.8)	(12,437)	(15.1)
Non-operating income (loss)	(26,486)	(32.3)	(15,820)	(19.3)	(26,486)	(32.3)	(22,140)	(27.0)
Net loss controller	(27,158)	(33.1)	(16,513)	(20.1)	(27,158)	(33.1)	(27,981)	(34.1)
Total assets			302,607	368.5			1,605,738	1,955.3
Shareholders' equity			283,341	345.0			891,051	1,085.0

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

	Corporate Segment		Consolidated	
	2Q 19	2Q 20	2Q 19	2Q 20
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales	19	17	19	538,719
Operating loss	(948)	(759)	(948)	(15,199)
Non-operating income (loss)	(38,254)	(19,920)	(38,254)	(27,486)
Net loss controller	(39,235)	(20,764)	(39,235)	(34,738)
Total assets		368,481		1,955,286
Shareholders' equity		345,020		1,085,021

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.

2Q 2020 Results

In the second quarter of 2020 Invexans reported a net loss of US\$34,738 thousand, improving 11.5% from the loss reported in the same quarter of 2019. Of this result, a loss of US\$20,764 thousand corresponds to the corporate segment, which will be analyzed below. The remaining loss of US\$13,974 thousand in the second quarter of 2020 corresponds to the results of Enex, a subsidiary of Invexans as of said quarter. For an analysis of Enex's results please refer to the Energy Segment.

In the second quarter of 2020 Invexans Corporate posted a net loss of US\$20,764 thousand, improving from the loss reported in 2Q 2019, mainly reflecting improved performance of its multinational affiliate Nexans. Invexans Corporate reported an operating loss of US\$759 thousand, compared to the operating loss of US\$948 thousand reported in 2Q 2019, mainly explained by lower administrative expenses in the current quarter.

Non-operating income amounted to a loss of US\$19,920 thousand, compared to the loss of US\$38,254 thousand reported in 2Q 2019, largely reflecting the lower loss reported by its equity investment Nexans, for the first half of 2020. For the first semester of 2020 Nexans posted a loss of €55 million, lower than the loss of €116 million reported as of June 2019, mostly explained by lower restructuring costs in the current period. Operating income, however, decreased by 26.5% to €83 million, following a decline of 9.8% in organic sales growth, due to lower sales in all segments with the exception of high voltage & projects, partly compensated by the favorable impact of cost reduction and transformation plans. The industrial segment reported a 69.2% contraction in operating income despite significant cost reductions, due to lower demand in the automotive harnesses and aerospace markets as a consequence of the pandemic, leading to a 17.1% drop in organic sales. The building and territories segment posted a 40.0% decrease in operating income, based on an 8.9% decline in organic sales, reflecting lower activity in the building sector caused by the lockdown measures to control the pandemic, partly compensated by a more resilient demand in the utilities sector. The telecom segment registered a 45.0% reduction in operating income, with a lower sales level partly mitigated by strict cost control measures. Finally, the high voltage & projects segment more than doubled its operating income, based on a 20.4% rise in organic sales, mostly due to growth in submarine high voltage together with stable performance in land high voltage. EBITDA reached €162 million for the first half of 2020, down by 16.9% from the same period in 2019, including a negative impact of €64 million estimated by the French company. In terms of non-operating results, the period includes restructuring costs of €53 million, down from €182 million as of June 2019, mostly corresponding to non-provisioned costs of the reorganization plan in Europe and new measures in Asia-Pacific, Northern Europe and North America. Net finance costs diminished 38.7%, mainly owing to a favorable exchange rate effect. Invexans adjusts its share in Nexans' results for fair value accounting, thus it reported for its



investment in the French company a loss of US\$19,747 thousand for 2Q 2020, comparing favorably with the loss of US\$38,232 thousand reported as of June 2019.

Invexans Corporate posted a net loss of US\$20,764 thousand in 2Q 2020, which compares favorably with the loss of US\$39,235 thousand reported in 2Q 2019, primarily reflecting the lower loss reported by Nexans, explained above.

TECHPACK

	2Q 19		2Q 20		2Q 19	2Q 20
	MCh\$	MUS\$	MCh\$	MUS\$	ThUS\$	ThUS\$
Sales	4	0.0	4	0	6	5
Operating income	(57)	(0.1)	(354)	(0)	(68)	(431)
Net income (loss) from discontinued operations	(145)	(0.2)	(59)	(0)	(212)	(71)
Net income (loss) Controller	1,028	1.3	1,901	2	1,516	2,252
Total assets			163,063	199		198,561
Shareholders' equity			161,324	196		196,442

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.

2Q 2020 Results

During the second quarter of 2020, Techpack's operating income amounted to a loss of US\$431 thousand, greater than the loss of US\$68 thousand reported in 2Q 2019, mainly due to a non-recurring gain on the sale of an affiliate in 2Q 2019, partly compensated by lower administrative expenses in the current quarter.

Non-operating income for the quarter amounted to a gain of US\$2,757 thousand, higher than the gain of US\$1,680 thousand reported in 2Q 2019, primarily explained by gains from exchange rate differences in the current quarter vis-à-vis losses in 2Q 2019, partially offset by a lower gain relating to the effect of lower inflation on inflation indexed assets and lower finance income.

Discontinued operations reported a loss of US\$71 thousand in 2Q 2020, 66.5% less than the loss registered in 2Q 2019, and corresponds mainly to maintenance expenses of the discontinued operations.



Thus, net income for 2Q 2020 reached a gain of US\$2,252 thousand, compared to the gain of US\$1,516 thousand reported in 2Q 2019, due mostly to better non-operating results during the quarter.



FINANCIAL SEGMENT

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

	2Q 19		2Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
LQIF holding	(1,617)	(2.0)	(591)	(0.7)
Banking sector	47,158	57.4	28,586	34.8
Total Financial Segment	45,541	55.5	27,995	34.1

As of June 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 June 30, 2019 and June 30, 2020.

LQIF Holding

2Q 2020 Results

LQIF holding registered a loss of Ch\$1,182 million in 2Q 2020, 63.5% below the loss of Ch\$3,235 million reported in 2Q 2019, mainly explained by lower losses from the effect of inflation on financial obligations denominated in UFs, due to a lower variation of 0.35% in the UF in the current quarter vis-à-vis a 1.22% rise in 2Q 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

	2Q 19		2Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
Operating revenues	538,316	655.5	504,009	613.7
Provision for loan losses	(67,959)	(82.8)	(139,408)	(169.8)
Operating expenses	(231,699)	(282.1)	(221,533)	(269.8)
Net income	192,126	233.9	111,703	136.0
Loan portfolio	28,833,809	35,110.5	30,841,319	37,555.0
Total assets	37,254,665	45,364.5	46,142,637	56,187.2
Shareholders' equity	3,392,650	4,131.2	3,578,909	4,358.0
Net financial margin	5.2%		4.1%	
Efficiency ratio	43.0%		44.0%	
ROAE	22.9%		12.5%	
ROAA	2.1%		1.0%	

2Q 2020 Results

Banco de Chile reported net income of Ch\$111,703 million in the second quarter of 2020, decreasing by 41.9% with respect to the second quarter of 2019. This decline is primarily explained by greater loan loss provisions, mostly due to the establishment of additional provisions, and to a lesser extent by reduced non-customer revenues, partly mitigated by lower operating and tax expenses.

Operating revenues, which include net financial income, fee income and other operating income, decreased 6.4% to Ch\$504,009 million in the second 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 an increase of 0.35% in the UF in the current quarter vis-à-vis a rise of 1.22% in 2Q 2019. The decline is also due to a decrease in the contribution of demand deposits to funding, resulting from sharp drops in interest rates in local and foreign markets, more than offsetting growth in demand deposits. To a lesser extent, the Bank registered less revenues from its position in dollars to hedge US\$-denominated liabilities and expenses given a 3.8% appreciation of the Chilean peso in 2Q 2020 compared to the 0.1% appreciation registered in 2Q 2019. These unfavorable effects were partly offset by higher revenues from treasury activities, based on a rise in AFS and trading portfolios, increased income from loans, mostly reflecting 7.9% growth in average balances, higher net financial income from subsidiaries, mostly from the securities brokerage subsidiary thanks to the fixed-income portfolio, and finally higher fee income, boosted by fees from insurance brokerage, mainly reflecting the joint venture materialized in 2Q 2019.

Provisions for loan losses amounted to Ch\$139,408 million, increasing substantially from Ch\$67,959 million in 2Q 2019. This increment is primarily explained by the establishment of Ch\$70 billion in additional provisions, mainly to anticipate potential economic fluctuations that may further negatively impact risk expenses in the following quarters. In addition, risk expenses increased in the wholesale banking segment due to the effect of lower economic activity and the measures taken to control the pandemic on the normal operation of some clients. In the personal banking



segment, however, loan loss provisions decreased, mostly reflecting the Bank's initiative offering refinancing of three installments of mortgage and consumer loans.

Operating expenses decreased by 4.4% to Ch\$221,533 million in 2Q 2020, primarily reflecting lower personnel expenses, mostly attributable to lower severance payments, offset by a slight increase in salaries. To a lesser extent, other operating expenses declined based on lower loan loss provisions on cross border loans, and a reduction in assets received in lieu of payment. Also, expenses related to outsourced salesforce services and marketing decreased. These reductions were partly offset by higher IT and communication expenses, related to software licensing and adapting operations to the mobility restrictions, and to a lesser extent, higher fixed-asset maintenance expenses, reflecting sanitization activities and the implementation of the new service model, and increased insurance costs.

Income tax expense in the second quarter of 2020 diminished by 37.1% to Ch\$31,045 million.

As of June 2020, the Bank's loan portfolio posted an annual expansion of 7.0%, placing the Bank as number 2 in total loans. In the retail segment, loans grew 8.0%, boosted by strong growth in loans granted to SMEs, particularly commercial loans, and also by personal banking loans, mostly residential mortgages. The wholesale segment, in turn, experienced an annual increase of 5.2%, with strong growth in the middle market, mainly explained by commercial credits, whereas in the corporate area, multinationals and infrastructure banking posted reductions.

Banco de Chile is the second ranked bank in the country with a market share of 16.1% of total loans (excluding subsidiaries outside Chile), for the period ended June 30, 2020. Its return on average equity reached 12.5% for the 2Q 2020.

Interest Subordinated Debt – 2Q 2020

Accrued interest expense of the Subordinated Debt with the Chilean Central Bank was only reported in the second quarter of 2019, 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:

	2Q 19		2Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
Enex	6,226	7.6	(11,468)	(14.0)
Total Energy Segment	6,226	7.6	(11,468)	(14.0)

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

ENEX

	2Q 19		2Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
Sales	638,947	778.0	443,042	539.5
Operating income	9,432	11.5	(11,811)	(14.4)
Net income Controller	6,226	7.6	(11,468)	(14.0)
Total assets			1,303,131	1,586.8
Shareholders' equity			607,710	740.0

2Q 2020 Results

Enex's consolidated sales during 2Q 2020 reached Ch\$443,042 million, down by 30.7% from 2Q 2019, 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. The total volume dispatched by Enex during the quarter amounted to 768 thousand cubic meters, 28.7% below 2Q 2019, of which 98.0% corresponds to fuels.

Gross income during the period reached Ch\$43,587 million, 37.3% lower than 2Q 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 loss of Ch\$11,811 million, comparing unfavorably to the gain of Ch\$9,431 million in 2Q 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.


Earnings release
Second quarter 2020

Non-operating income amounted to a loss of Ch\$6,320 million in 2Q 2020, comparing unfavorably with the loss of Ch\$3,983 million reported in 2Q 2019, mostly explained by a loss from exchange rate differences in the current quarter.

Net income for 2Q 2020 amounted to a loss of Ch\$11,468 million, compared to the gain of Ch\$6,226 million reported in 2Q 2019, primarily reflecting lower operating results, due to the negative impact of the sanitary crisis and the drop in fuel prices, and to a lesser extent, 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:

	2Q 19		2Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
CSAV	2,314	2.8	31,591	38.5
Total Transport Segment	2,314	2.8	31,591	38.5

As of June 30, 2019 and 2020, Quiñenco's ownership of CSAV was 56.2% and 61.5%, respectively. Quiñenco's proportionate share in CSAV's results is adjusted by the fair value accounting of this investment at Quiñenco. During 2Q 2019 and 2Q 2020 the adjustment was a lower result of Ch\$14 million and a lower result of Ch\$19 million, respectively.

CSAV

	2Q 19		2Q 20		2Q 19 ThUS\$	2Q 20 ThUS\$
	MCh\$	MUS\$	MCh\$	MUS\$		
Sales	-	-	-	-	-	-
Operating income (loss)	(562)	(0.7)	(1,324)	(1.6)	(827)	(1,611)
Net income (loss) Controller	4,143	5.0	51,441	62.6	6,109	62,195
Total assets			2,384,771	2,903.9		2,903,902
Shareholders' equity			1,876,164	2,284.6		2,284,578

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

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QUIÑENCO S.A.

Enrique Foster Sur No. 20, 14th Floor

Santiago / CHILE

Phone (56) 22750-7100

www.quinencogroup.com / www.quinenco.cl



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.

2Q 2020 Results

CSAV's operating income amounted to a loss of US\$1.6 million in 2Q 2020, compared to a loss of US\$0.8 million in 2Q 2019, primarily due to lower gains on the sale of investment properties.

Non-operating income for the quarter amounted to a gain of US\$74.4 million, increasing significantly from the gain of US\$12.9 million reported in 2Q 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\$82.2 million in 2Q 2020, compared to the gain of US\$14.9 million in 2Q 2019. Also, CSAV's stake in Hapag-Lloyd increased from 27.5% in 2Q 2019 to 30.0% in 2Q 2020. On the other hand, CSAV's finance costs increased significantly to US\$7.1 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\$283 million in the second quarter of 2020, up from the gain of US\$52 million reported in 2Q 2019. Hapag-Lloyd's revenue decreased 6.9%, mostly explained by an 11.1% decline in transported volumes, partly offset by a 4.8% rise in average freight rates. Operating expenses decreased 13.0%, primarily due to a reduction in transport expenses, including the favorable impact of the decline in oil prices during the first quarter on bunker expenses in the current quarter. Thus, Hapag-Lloyd's EBIT reached a gain of US\$387 million in 2Q 2020, 96.4% greater than the US\$197 million reported in 2Q 2019. EBITDA amounted to US\$770 million, increasing by 46.8% from 2Q 2019, with the EBITDA margin reaching 23%.

CSAV reported a net gain of US\$62.2 million in 2Q 2020, substantially greater than the gain of US\$6.1 million posted in 2Q 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:

	2Q 19		2Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
SM SAAM	4,262	5.2	5,734	7.0
Total Port Services Segment	4,262	5.2	5,734	7.0

As of June 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 2Q 2019 the adjustment was a lower result of Ch\$426 million and in 2Q 2020 the adjustment was a lower result of Ch\$417 million.

SM SAAM

	2Q 19		2Q 20		2Q 19 ThUS\$	2Q 20 ThUS\$
	MCh\$	MUS\$	MCh\$	MUS\$		
Sales	85,328	103.9	118,183	143.9	124,729	143,487
Operating income	14,321	17.4	26,338	32.1	20,909	31,922
Net income Controller	8,981	10.9	11,784	14.3	13,104	14,293
Total assets			1,300,200	1,583.2		1,583,235
Shareholders' equity			634,253	772.3		772,320

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.

2Q 2020 Results

In the second quarter of 2020 SM SAAM's consolidated sales reached US\$143.5 million, up by 15.0% from 2Q 2019, primarily explained by 47.5% higher revenues from tug boats, mostly reflecting the consolidation with SAAM Towage Brazil in the current quarter. Revenues from logistics increased 5.2% mainly owing to an increase in bonded warehouse services related to new contracts, mitigating lower storage and transport services, mostly related to the retail industry. Growth in the two segments mentioned was partly offset by lower revenues from port terminals, which diminished by 6.4% mostly due to a 10% 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 (48.5%), Ports (43.8%), Logistics (8.1%), and Corporate⁵ (-0.4%).

Gross income amounted to US\$50.9 million, 36.2% higher than 2Q 2019, explained mostly by higher gross income at tug boats, mostly attributable to the consolidation with the operations in Brazil, and to a lesser extent, higher gross income at logistics. These increments were slightly offset by lower gross income at port terminals. During 2Q 2020 operating income amounted to US\$31.9 million, up 52.7% from the gain reported in 2Q 2019, primarily reflecting growth in the tug boat segment, again mainly due to the consolidation with SAAM Towage Brazil. In logistics, operating income increased mainly reflecting a higher level of activity and efficiencies in costs and administrative expenses. Operating income at port terminals, however, diminished, due to the lower level of activity. SM SAAM's consolidated EBITDA⁶ reached US\$56.5 million in 2Q 2020, increasing 39.6% over the same period in 2019, primarily boosted by growth in the tug boat segment.

Non-operating income amounted to a loss of US\$6.8 million, compared to a gain of US\$0.4 million in 2Q 2019. This lower result is mainly explained by lower income from equity investments, due to lower results at the Chilean port terminals based on lower transferred volumes, as well as the absence of the activities in Brazil in the current quarter where they are consolidated, and a lower contribution from Aerosan in logistics also due to lower activity. 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 2Q 2020 increased to US\$9.4 million from US\$4.8 million in 2Q 2019, mostly due to the consolidation with the tug boat operations in Brazil.

SM SAAM reported a net gain of US\$14.3 million in 2Q 2020, up 9.1% from 2Q 2019. Lower results of port terminals were compensated by improved results at tug boats and, to a lesser extent, at logistics.

⁵ Corporate also includes eliminations and others.

⁶ 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:

	2Q 19		2Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
IRSA (CCU)	4,806	5.9	(1,123)	(1.4)
Quiñenco & other	(15,766)	(19.2)	(826)	(1.0)
Total Segment Others	(10,960)	(13.3)	(1,949)	(2.4)

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

CCU

	2Q 19		2Q 20	
	MCh\$	MUS\$	MCh\$	MUS\$
Sales	377,362	459.5	318,376	387.7
Operating income	28,219	34.4	(9,396)	(11.4)
Net income (loss)	18,040	22.0	(3,257)	(4.0)
Total assets			2,435,315	2,965.4
Shareholders' equity			1,319,512	1,606.8

2Q 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 second quarter of 2020 dropped by 15.6% compared to the second quarter of 2019, as a result of a 12.0% decline in consolidated sales volumes, driven by the Chile and International Business segments, and by a 4.1% decrease in average prices in terms of Chilean pesos. The fall in consolidated sales volumes reflects the impact on consumption occasions caused by the restrictions to control the pandemic in the region. The Chile operating segment posted a 12.9% decline in sales reflecting a 13.4% fall in volumes, only slightly compensated by a 0.7% increase in average prices. The International Business operating segment reported a 34.5% drop in sales, based on 25.6% lower average prices in Chilean pesos mainly due to the absence of price increases, together with a 12.0% contraction in volumes. The Wine segment, however, posted an increase, with sales up 7.7%, based on 6.5% growth in sales volumes, boosted by domestic sales in Chile and Argentina offsetting lower exports, and 1.2% higher average prices, explained by the positive effect of the stronger US\$ against the Chilean and Argentine pesos on export revenues.



Earnings release

Second quarter 2020

Gross income decreased by 24.3% to Ch\$134,567 million, primarily due to lower gross income in the Chile and International Business segments, partially offset by an increment in the Wine segment. In the Chile segment, gross income diminished reflecting the lower revenues and in addition unit costs went up, mostly attributable to the depreciation of the Chilean peso respect to the US dollar and its impact on US\$-denominated costs, although this was mitigated to some extent by lower costs of some raw materials and efficiencies. Gross income at the International Business segment also decreased, following the decline in revenues along with somewhat 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 and efficiencies. Gross income in the Wine segment, however, grew boosted by the higher revenues and a lower cost of wine. The gross margin as a percentage of sales decreased from 47.1% in 2Q 2019 to 42.3% in 2Q 2020.

Operating income was a loss of Ch\$9,396 million, comparing unfavorably to the gain of Ch\$28,219 million reported in 2Q 2019. This variation in operating income is primarily due to the decline in gross income explained above, and to a lesser extent to losses from hedging derivatives in the current quarter compared to gains in 2Q 2019, partially mitigated by a 7.9% reduction in MSD&A expenses. EBITDA⁷ amounted to Ch\$19,654 million in 2Q 2020, decreasing 62.1% from 2Q 2019, primarily due to the drop in the Chile segment, as well as a decrease in the International Business segment, partially offset by an increment in the Wine segment.

CCU reported a non-operating gain of Ch\$1,699 million, compared to the loss of Ch\$10,759 million reported in 2Q 2019. This variation is mainly explained by higher gains from exchange rate differences, a better result from the effect of inflation on indexed liabilities due to a lower level of inflation, and lower losses from equity investments, mostly due to an improved financial result in the Colombian associate. These positive effects were partly offset by higher net financial costs, attributable to a higher cash balance maintained in the same quarter of 2019 for tax and dividend payments related to the transaction in Argentina in 2018, and also due to a higher level of debt.

Net income for the second quarter of 2020 amounted to a loss of Ch\$3,257 million, comparing unfavorably to the gain of Ch\$18,040 million reported in the same quarter of 2019, primarily due to lower operating performance of the Chile and International Business operating segments, negatively impacted by the restrictions to control the COVID-19 pandemic, partly compensated by improved performance of the Wine segment.

⁷ EBITDA corresponds to EBITDA reported by CCU.



QUIÑENCO and Others

2Q 2020 Results

The positive variation in Quiñenco and others is mainly explained at the corporate level by a lower unfavorable impact of inflation on indexed liabilities and an income tax credit in the current quarter. These positive effects were partly offset by the contribution of Banchile and SegChile, classified as discontinued activities, included in the second 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
www.quinencogroup.com