



QUIÑENCO S.A.

Quiñenco's International Businesses Boosted its Results in 2020

- **Against a global backdrop marked by the pandemic that affected most of the group's companies, Quiñenco's net income increased by 17.7% over 2019, mainly due to the performance of its most global stakes: the German shipping company Hapag-Lloyd, and the French multinational Nexans.**
- **Quiñenco's CEO, Francisco Pérez Mackenna, commented that "beyond our results, we are proud that our companies have been able to adapt to the current circumstances, giving top priority to protecting the lives of their workers and continuing to operate to avoid disrupting the supply chain."**

Santiago, March 30, 2021. Quiñenco released today its results for 2020, a year marked by the Covid-19 pandemic and its effects on the world economy, which impacted most of the group's companies. Despite this challenging context, as of December 31, its net income totaled \$247,247 million, an increase of 17.7% over 2019. This can be mainly explained by the performance of the holding's two most global assets, the German shipping company Hapag-Lloyd and the French multinational Nexans.

In addition to providing information on Quiñenco's performance in 2020, the company's CEO, Francisco Pérez Mackenna, stated that "beyond the results, which reflect our diversification strategy, we are proud that our companies have been able to adapt to the current circumstances, giving top priority to protecting the lives of their workers and continuing to operate so as to avoid disrupting the supply chain." In this regard, he especially highlighted the fact that several of the group's companies were also able to contribute to control the health crisis "with innovative pro-community initiatives, such as the production and delivery of alcohol gel from CCU's production processes, or the support measures for entrepreneurs promoted by Banco de Chile, among many others," he explained.

Amid the impact of the restrictions implemented to counteract the pandemic and volatile oil prices, Hapag-Lloyd, the main asset of Compañía Sudamericana de Vapores (CSAV), recorded a 1.6% drop in transport volumes in 2020. However, by year-end it saw an evident recovery, driven by an upturn in the industry and global activity, which led the shipping company to report an EBITDA of US\$3,082 million at the end of the period, growing 38.6% over 2019, while its net income reached US\$1,058 million. It is worth noting that in October Quiñenco participated with an investment of close to US\$219 million in CSAV's capital increase, allowing it to attain a 61.76% interest in this subsidiary.

As for Nexans, the company was able to mitigate the effects of the global crisis through transformation and cost reduction plans. Thus, although it experienced an organic drop of 8.6% in sales, which especially affected the industrial and construction segments, the company had lower restructuring costs in 2020 and a non-recurring gain from the divestment of assets, which as of December led it to reverse the losses of 2019, reaching net income of €78 million. The company recently announced a strategy to focus its activities on four sectors, concentrating on electrification and its value chain, from generation to transmission, distribution and use of energy.

In the financial segment, Banco de Chile saw its income decrease by 21.9%, reflected by an increase in loan loss provisions, including higher provisions as a result of the impact of the Covid-19 outbreak and its effect on credit quality, together with a 3.8% decrease in operating revenues. At a time marked by the debut of financial portability in the banking industry, Banco de Chile strengthened its leading position and made significant progress, especially in terms of digital transformation, with the incorporation of the FAN account, its first 100% digital debit account, which represents a step forward in terms of financial inclusion and was preferred by nearly 150 thousand new customers across Chile.

Enex's result, in turn, contracted by 68.4% due to the drop in the price of oil and, basically, to the lower influx of customers in the service station channel, as a result of the restrictions on mobility caused by the health crisis. This was reflected in the fact that total volumes dispatched in 2020 decreased by 13.6% compared to the previous year. The company, however, was able to continue with its internationalization strategy by establishing its parent company in the United Kingdom under the wing of Invexans, which will facilitate the identification of opportunities in new markets, give greater visibility to its assets in order to access global capital markets and provide it with greater financing sources. The company also inaugurated the first Enex-branded service stations in Paraguay; and in the United States, it added new locations to its network of 41 Road Ranger Travel Centers, which now connects seven states, from Michigan in the north to Texas in the south.

CCU's results for the period, which decreased by 26.1%, show the effect of the crisis on consumer occasions in all the countries where the company operates, especially during the second quarter. The company also faced adverse impacts from the devaluation of local currencies against the US dollar in both Argentina and Chile. Wines continued to be the exception, recording a stronger performance, based on volume growth and a positive impact from the stronger US dollar. Despite this complex scenario, the company recovered during the fourth quarter, growing by 10.6%, and closed 2020 with a 2.2% increase in its consolidated volumes. Together with Heineken, Quiñenco recently increased its stake in CCU, after acquiring an additional 1.56% through IRSA, the controlling company of that subsidiary.

SM SAAM's contribution to Quiñenco's consolidated performance grew in 2020, based on a 29.4% increase in its results in Chilean pesos. The port terminals where the company has investments, particularly in Chile, registered reduced levels of activity as a result of the pandemic and the closure of ports due to high swells. This led to a 15% average contraction in container throughput at domestic ports, compared to 2019. This was offset by the solid performance of the towage division, driven by operations in Brazil following the transaction with Boskalis in late 2019, combined with a favorable peso conversion effect, cost efficiencies and a gain related to the additional stake purchased in Aerosan to reach 100% ownership of that company. The company also recently completed the purchase of 70% of Intertug, which will allow it to begin operating tugs in Colombia and strengthen its presence in the Mexican and Central American markets.

Quiñenco is one of Chile's largest and most diversified business conglomerates, with investments in leading companies in the financial, beverage, manufacturing, energy, transport and port services sectors, which together employ more than 66 thousand people in Chile and abroad. For more information, visit www.quinenco.cl