



For further information contact:

**Quiñenco S.A.**

Pilar Rodríguez-IRO

(56) 22750-7221

prodriguez@lq.cl

## QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2021

(Santiago, Chile, May 28, 2021) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the first quarter ended March 31, 2021.

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 March 31, 2021 (Ch\$721.82 = US\$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

### 1Q 2021 HIGHLIGHTS

Net income<sup>1</sup> of Ch\$256,222 million, significantly above 1Q 2020, with more than 75% contributed by the transport segment based on Hapag-Lloyd's strong quarterly results, posting net income of US\$1,448 million, boosted by higher average freight rates and lower transport costs.

In the Industrial sector, CCU and Enex also contributed with higher results. At CCU all segments improved, driven by sales volumes, revenue management and cost efficiencies, while at Enex good results in the service station segment boosted quarterly performance. SM SAAM contributed less, however, due to a non-recurring gain in 1Q 2020, despite growth in all business segments.

Industrial sector EBITDA up by 15.5% to Ch\$71,681 million.

In the Banking sector Banco de Chile's results were up, attributable to lower loan loss provisions, reflecting lower delinquency rates, more than compensating lower operating revenues.

Earnings per share amounted to Ch\$154.09 in 1Q 2021.

<sup>1</sup> Net income corresponds to Net income attributable to the owners of the controller.



## GROUP HIGHLIGHTS – FIRST QUARTER 2021 AND SUBSEQUENT EVENTS

### 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 and launches Tender Offer

On March 24, 2021, Inversiones y Rentas S.A. (IRSA), controlling shareholder of CCU and owned in equal parts by Quiñenco and Heineken, 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%.

On May 18, 2021, IRSA announced a Tender Offer for up to 16,390,172 shares of CCU, equivalent to 4.44% of the company. If completed successfully, IRSA would reach 66% ownership of CCU, thus returning to the stake it held until October 2013, when it was diluted after a capital increase carried out by CCU. The Tender Offer, launched on May 19, 2021, considers a price of Ch\$6,800 per share and is extended to all shareholders in Chile and the USA.

### Quiñenco – Dividend Distribution

At the Ordinary Shareholders' Meeting held on April 29, 2021, shareholders approved a dividend distribution corresponding to 2020 net income of Ch\$74.34842 per share, payable as of May 11, 2021, to those shareholders registered with the company as of May 5, 2021. The total amount of the dividend is Ch\$123,624 million, equivalent to 50% of 2020 net income.



## 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 18).

### 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 28.30% stake in Nexans, a French multinational company leader in the world cable industry. As of March 31, 2021, Quiñenco has a 99.7% stake in Invexans. As of March 31, 2021, Techpack has a 0.53% stake in Nexans. As of March 31, 2021, Quiñenco's ownership of Techpack is 99.97%. Thus, as of March 31, 2021, through its subsidiaries Invexans and Techpack, Quiñenco has a 28.8% 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 income statement. 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, maintained as of March 31, 2021.

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, maintained as of March 31, 2021.

As of March 31, 2021, 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 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 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

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	
	1Q 20	1Q 21	1Q 20	1Q 21	1Q 20	1Q 21	1Q 20	1Q 21	1Q 20	1Q 21	1Q 20	1Q 21	1Q 20	1Q 21
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Consolidated Income (Loss) Industrial Sector	(4,842)	(1,103)	(4,412)	(3,045)	11,413	15,484	3,656	325,090	14,410	12,614	(8,939)	(5,265)	11,285	343,776
Consolidated Income Banking Sector	-	-	136,882	162,492	-	-	-	-	-	-	57	25	136,939	162,518
<b>Consolidated Net Income (Loss)</b>	<b>(4,842)</b>	<b>(1,103)</b>	<b>132,470</b>	<b>159,448</b>	<b>11,413</b>	<b>15,484</b>	<b>3,656</b>	<b>325,090</b>	<b>14,410</b>	<b>12,614</b>	<b>(8,882)</b>	<b>(5,239)</b>	<b>148,224</b>	<b>506,293</b>
Net Income (Loss) Attributable to Non-controlling Interests	(9)	(1)	99,651	119,395	-	-	1,409	124,316	7,972	6,472	(216)	(109)	108,807	250,071
<b>Net Income (Loss) Attributable to Controllers' Shareholders</b>	<b>(4,834)</b>	<b>(1,102)</b>	<b>32,819</b>	<b>40,053</b>	<b>11,413</b>	<b>15,484</b>	<b>2,246</b>	<b>200,774</b>	<b>6,438</b>	<b>6,142</b>	<b>(8,666)</b>	<b>(5,130)</b>	<b>39,417</b>	<b>256,222</b>

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

**Net Income – 1Q 2021**

Quiñenco reported a net gain of Ch\$256,222 million in the first quarter of 2021, increasing substantially with respect to the same period in 2020. This variation is primarily explained by the contribution of Ch\$200,774 million from the transport segment, reflecting strong performance of CSAV's main asset, Hapag-Lloyd. The German shipping company posted net income of US\$1,448 million during the quarter, in a context of increased demand for exports from Asia, translating to 37.9% higher average freight rates, compensating a 2.6% decline in volumes, in addition to reduced transport costs. Although to a lesser extent, CCU, Banco de Chile and Enex also contributed to quarterly growth in results. CCU's net income doubled, based on better performance in all segments, especially the Chile and International Business operating segments, driven by higher sales volumes, revenue management and cost efficiencies, despite the still complex scenario of the pandemic. Banco de Chile in turn posted an 18.7% rise in net income, mostly attributable to a decrease in loan loss provisions as delinquency rates were considerably lower, more than compensating a decline in operating revenues, mainly of customer-related income. In the energy segment, Enex's results were up by 35.7%, based on improved operating performance, particularly in the service station segment, along with the favorable impact of rising fuel reference prices during the quarter. SM SAAM's contribution, however, decreased due to a non-recurring gain reported in 1Q 2020 and a negative conversion effect, mostly offset by better performance in all operating segments, boosted by the acquisition of Intertug, the increased stake in Aerosan, and a recovery of the transferred volumes at port terminals.

Earnings per ordinary share amounted to Ch\$154.09 in 1Q 2021.



## Consolidated Income Statement Breakdown

	1Q 20		1Q 21	
	MCh\$	MUS\$	MCh\$	MUS\$
<b>Industrial Sector</b>				
<b>Revenues</b>	<b>795,701</b>	<b>1,102.4</b>	<b>695,892</b>	<b>964.1</b>
Manufacturing - Invexans Corp. & Techpack	21	0.0	20	0.0
Financial - LQIF holding	-	-	-	-
Energy - Enex	677,580	938.7	573,910	795.1
Transport - CSAV	-	-	-	-
Port Services - SM SAAM	118,074	163.6	121,897	168.9
Other - Quiñenco & others	26	0.0	65	0.1
<b>Operating income (loss)</b>	<b>27,680</b>	<b>38.3</b>	<b>34,816</b>	<b>48.2</b>
Manufacturing - Invexans Corp. & Techpack	(1,321)	(1.8)	(901)	(1.2)
Financial - LQIF holding	(413)	(0.6)	(336)	(0.5)
Energy - Enex	10,504	14.6	21,309	29.5
Transport - CSAV	(928)	(1.3)	(2,365)	(3.3)
Port Services - SM SAAM	25,021	34.7	23,371	32.4
Other - Quiñenco & others	(5,183)	(7.2)	(6,263)	(8.7)
<b>Non-operating income (loss)</b>	<b>(8,657)</b>	<b>(12.0)</b>	<b>300,957</b>	<b>416.9</b>
Interest income	3,450	4.8	1,321	1.8
Interest expense	(21,354)	(29.6)	(20,724)	(28.7)
Share of net income/loss from related co.	18,532	25.7	335,286	464.5
Foreign exchange gain (loss)	1,065	1.5	(1,582)	(2.2)
Indexed units of account restatement	(10,350)	(14.3)	(13,345)	(18.5)
-	-	-	-	-
Income tax	(6,725)	(9.3)	8,099	11.2
Net income (loss) from discontinued operations	(1,013)	(1.4)	(95)	(0.1)
<b>Consolidated Net Income (Loss) Industrial Sector</b>	<b>11,285</b>	<b>15.6</b>	<b>343,776</b>	<b>476.3</b>
<b>Banking Sector</b>				
Operating revenues	513,152	710.9	482,452	668.4
Provision for loan losses	(125,559)	(173.9)	(54,067)	(74.9)
Operating expenses	(220,296)	(305.2)	(224,474)	(311.0)
Operating income (loss)	167,296	231.8	203,910	282.5
Non-operating income (loss)	1,896	2.6	(657)	(0.9)
Income tax	(32,253)	(44.7)	(40,735)	(56.4)
<b>Consolidated Net Income (Loss) Banking Sector</b>	<b>136,939</b>	<b>189.7</b>	<b>162,518</b>	<b>225.1</b>
<b>Consolidated Net Income</b>	<b>148,224</b>	<b>205.3</b>	<b>506,293</b>	<b>701.4</b>
Net Income Attributable to Non-controlling Interests	108,807	150.7	250,071	346.4
<b>Net Income Attributable to Controllers' Shareholders</b>	<b>39,417</b>	<b>54.6</b>	<b>256,222</b>	<b>355.0</b>



## Industrial Sector

### Revenues – 1Q 2021

Consolidated revenues totaled Ch\$695,892 million in the first quarter of 2021, 12.5% below those of the same period in 2020, primarily due to lower revenues at Enex, partly offset by sales growth at SM SAAM<sup>2</sup>.

### Operating Income – 1Q 2021

Operating income for the first quarter of 2021 reached a gain of Ch\$34,816 million, compared to the gain of Ch\$27,680 million in the first quarter of 2020. The increment in consolidated operating results is primarily attributable to Enex, partially compensated by lower operating income at SM SAAM and CSAV.

### EBITDA – 1Q 2021

EBITDA amounted to Ch\$71,681 million in 1Q 2021, up 15.5% from the first quarter of 2020. The increment is primarily explained by higher EBITDA at Enex, mainly due to the service station segment, and at SM SAAM, boosted by the logistics and tug boat segments.

### Non-Operating Results<sup>3</sup> – 1Q 2021

Non-operating income amounted to a gain of Ch\$300,957 million in the first quarter of 2021, compared to the loss of Ch\$8,657 million in the same quarter of 2020.

#### *Proportionate Share of Net Income of Equity Method Investments (net) – 1Q 2021*

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, as well as Invexans' share in the results of Nexans<sup>4</sup>, CSAV's share in the results of Hapag-Lloyd, and SM SAAM's affiliates, reached a gain of Ch\$335,286 million, compared to a gain of Ch\$18,532 million in 1Q 2020.

- Quiñenco's proportionate share of net income from IRSA (CCU) increased 107.2% from Ch\$9,186 million to Ch\$19,033 million.
- SM SAAM's proportionate share in its affiliates decreased by 30.9% to Ch\$2,057 million.
- CSAV's proportionate share of net income from Hapag-Lloyd (adjusted by fair value accounting), amounted to a gain of Ch\$314,311 million, compared to a gain of Ch\$5,914 million in 1Q 2020.

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<sup>2</sup> It is worth noting that since Techpack, Invexans, CSAV and SM SAAM report in US dollars and translate their financial statements to Chilean pesos for consolidation purposes, variations analyzed in Chilean pesos vary from those in US dollars. For analysis of Techpack, Invexans, CSAV and SM SAAM's results in US dollars, refer to Segment/Operating company analysis.

<sup>3</sup> Non-operating results include the following items: Financial income, Financial costs, Proportionate share of equity method investments, Foreign currency exchange differences, and Indexed units of account restatement.

<sup>4</sup> Nexans only reports results as of June and December, in accordance with French regulations and IFRS.



#### *Interest Income 1Q 2021*

Interest income for the first quarter of 2021 amounted to Ch\$1,321 million, 61.7% less than that obtained in 1Q 2020. This variation corresponds mainly to lower financial income at SM SAAM, Enex, and Quiñenco corporate level.

#### *Interest Expense – 1Q 2021*

Interest expense for the first quarter of 2021 amounted to Ch\$20,724 million, 3.0% less than in the first quarter of 2020. The variation is mainly explained by higher financial costs at Quiñenco holding, and to a lesser extent, at SM SAAM, partially offset by lower financial costs at CSAV and Enex.

#### *Foreign Currency Exchange Differences – 1Q 2021*

In 1Q 2021, the gains (losses) specific to foreign currency translation differences amounted to a loss of Ch\$1,582 million, compared to the gain of Ch\$1,065 million reported in 1Q 2020, primarily attributable to unfavorable results at Enex, and to a lesser extent at SM SAAM, partly offset by lower losses at Techpack.

#### *Indexed Units of Account Restatement – 1Q 2021*

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\$13,345 million in the first quarter of 2021, compared to a loss of Ch\$10,350 million reported in the same period of 2020. The variation is mainly explained by greater losses at Quiñenco (corporate level), and to a lesser extent at SM SAAM and LQIF holding.

#### **Income Taxes – 1Q 2021**

The industrial sector reported an income tax credit of Ch\$8,099 million in 1Q 2021, compared to an income tax expense of Ch\$6,725 million in 1Q 2020, primarily explained by a greater tax credit at CSAV, and to a lesser extent, by lower tax expense at SM SAAM and a higher credit at LQIF holding.

#### **Discontinued Operations – 1Q 2021**

In 1Q 2021 the result of discontinued operations amounted to a loss of Ch\$95 million, compared to a loss of Ch\$1,013 million in 1Q 2020. In the current quarter the loss corresponds to Techpack and CSAV's discontinued operations. The first quarter of 2020 also included a downward price adjustment at Quiñenco corporate level on the sale of the insurance business.

#### **Non-controlling Interests – 1Q 2021**

In the first quarter of 2021, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch\$250,071 million. Of the total amount reported in 1Q 2021, Ch\$79,342 million corresponds to minority shareholders' share of Banco de Chile's net income. Remaining net income attributable to non-controlling interest is largely explained by minority shareholders' share of CSAV's net income, and also of LQIF's net income.





## Banking Sector

### Operating Revenues - 1Q 2021

Operating revenues for the first quarter of 2021 amounted to Ch\$482,452 million, 6.0% less than the first quarter of 2020, mainly due a lower contribution of demand deposits, due to lower local and foreign interest rates, lower fee income, reflecting an upfront payment received in the first quarter of 2020 related to a new alliance, an unfavorable impact of exchange rate variations on the Bank's position in US dollars to hedge its expenses and liabilities in said currency, and lower income from loans.

### Provision for Credit Risk - 1Q 2021

Provisions for loan losses at Banco de Chile amounted to Ch\$54,067 million in the first quarter of 2021, 56.9% below the provisions registered in the first quarter of 2020, mainly attributable to a net credit quality improvement, influenced by lower delinquency rates, and lower provisions in US dollars due to a lower depreciation of local currency during this quarter, compensating the establishment of additional provisions.

### Operating Expenses - 1Q 2021

Operating expenses increased by 1.9% to Ch\$224,474 million in 1Q 2021, primarily reflecting higher personnel expenses, and, to a lesser extent, higher administrative expenses, partially compensated by lower other operating expenses.

### Non-operating Results - 1Q 2021

During the first quarter of 2021 non-operating results amounted to a loss of Ch\$657 million, comparing unfavorably to the gain of Ch\$1,896 million reported in the first quarter of 2020, primarily explained by a loss from equity investments in the current quarter.

### Consolidated Net Income - 1Q 2021

Consolidated net income for the banking sector amounted to Ch\$162,518 million in 1Q 2021, up by 18.7% from the same period in 2020, mainly due to lower loan loss provisions, partially compensated by lower operating revenues and higher income tax expense in the current period.


**CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 4rd quarter of 2020)**
**Condensed Consolidated Balance Sheet**

	12-31-2020		03-31-2021	
	MCh\$	MUS\$	MCh\$	MUS\$
Current assets industrial sector	1,143,051	1,583.6	1,255,104	1,738.8
Non-current assets industrial sector	5,647,782	7,824.4	6,102,920	8,454.9
Assets financial sector	46,095,124	63,859.6	44,971,359	62,302.7
<b>Total Assets</b>	<b>52,885,957</b>	<b>73,267.5</b>	<b>52,329,384</b>	<b>72,496.4</b>
Current liabilities industrial sector	653,352	905.1	807,861	1,119.2
Long-term liabilities industrial sector	2,301,570	3,188.6	2,339,657	3,241.3
Liabilities financial sector	42,165,112	58,415.0	41,035,052	56,849.4
Non-controlling interests	4,228,338	5,857.9	4,423,257	6,127.9
Shareholders' equity	3,537,585	4,900.9	3,723,557	5,158.6
<b>Total Liabilities &amp; Shareholders' equity</b>	<b>52,885,957</b>	<b>73,267.5</b>	<b>52,329,384</b>	<b>72,496.4</b>

**Current Assets Industrial Sector**

Current assets increased by 9.8% compared to the fourth quarter of 2020, primarily due to a greater cash balance, mostly at LQIF holding reflecting the dividend received from Banco de Chile, partly offset by funds used by SM SAAM for the acquisition of Intertug. To a lesser extent, the increase is also explained by higher trade receivables, attributable to SM SAAM and Enex.

**Non Current Assets Industrial Sector**

Non current assets increased by 8.1% compared to the fourth quarter of 2020, mainly reflecting a rise in equity investments, primarily due to a higher book value of Hapag-Lloyd, based on period earnings and a positive conversion effect. The increment is also explained by higher fixed assets, mostly at SM SAAM, following the acquisition of Intertug, partly offset by a decrease at Enex.

**Assets Banking Sector**

Total assets of the banking sector decreased by 2.4% compared to the fourth quarter of 2020. Loans to customers increased by 2.7% with respect to December 2020, reflecting higher commercial and residential mortgage loans, partly offset by a slight decrease in consumer loans. However, the balance of financial assets held for trading decreased during the quarter.



### Current Liabilities Industrial Sector

Current liabilities increased by 23.6% compared to the fourth quarter of 2020, primarily due to higher dividends payable at Quiñenco and to minority shareholders at CSAV, and also due to higher financial debt, mainly at SM SAAM. These variations were partly offset by lower trade payables at Enex.

### Long-term Liabilities Industrial Sector

Long-term liabilities increased by 1.7% compared to the fourth quarter of 2020, primarily attributable to higher deferred tax liabilities, mostly at SM SAAM and CSAV, and to a lesser extent by higher financial debt, mostly at Quiñenco holding, due to the effect of inflation on indexed liabilities, partially compensated by a lower balance at SM SAAM.

### Liabilities Banking Sector

Liabilities corresponding to the banking sector decreased by 2.7% compared to the fourth quarter of 2020.

### Minority Interest

Minority interest increased by 4.6% compared to the fourth quarter of 2020.

### Equity

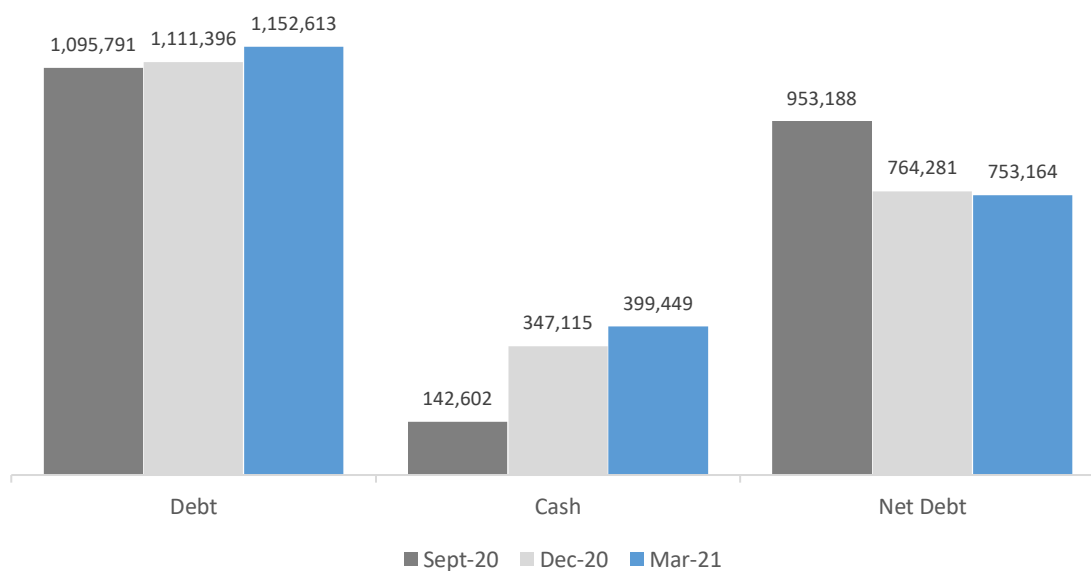
Shareholders' equity increased by 5.3% compared to the fourth quarter of 2020, mainly due to period earnings net of dividends, together with higher other reserves, mostly reflecting favorable conversion effects at CSAV and SM SAAM, partly compensated by a negative effect at Invexans.


**QUIÑENCO CORPORATE LEVEL DEBT AND CASH**

As of March 31, 2021	Debt		Cash & Equivalents		Total Net Debt	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Corporate level	1.010.068	1.399,3	339.697	470,6	670.370	928,7
Adjusted for:						
50% interest in LQIF	104.663	145,0	58.591	81,2	46.072	63,8
50% interest in IRSA	37.882	52,5	1.161	1,6	36.721	50,9
<b>Total</b>	<b>1.152.613</b>	<b>1.596,8</b>	<b>399.449</b>	<b>553,4</b>	<b>753.164</b>	<b>1.043,4</b>

The debt to total capitalization ratio at the corporate level (unadjusted) was 20.5% as of March 31, 2021.

Corporate Level Adjusted<sup>5</sup> Cash & Debt  
(Millions of Ch\$)

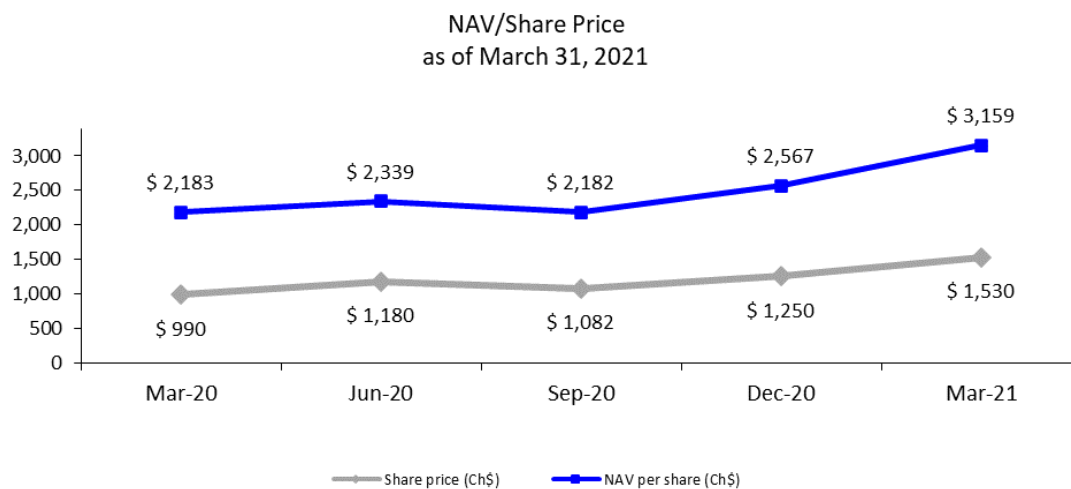
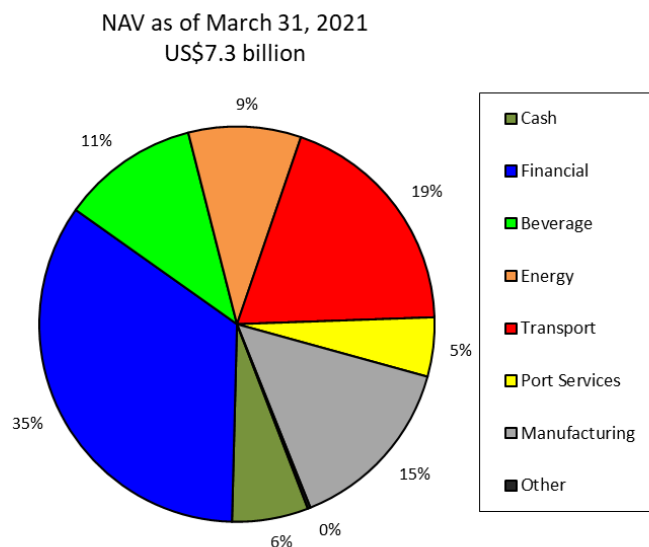


<sup>5</sup> Adjusted for 50% interest in LQIF holding and IRSA.



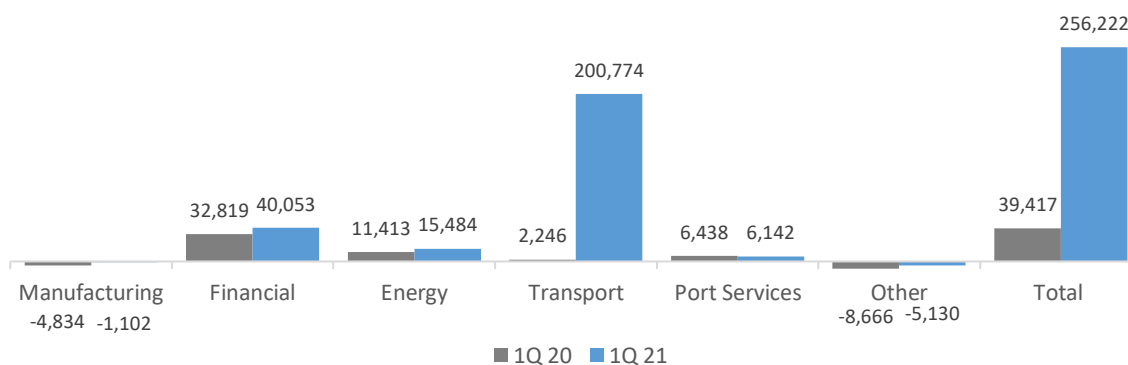
NAV

As of March 31, 2021, the estimated net asset value (NAV) of Quiñenco was US\$7.3 billion (Ch\$3,159 per share) and market capitalization was US\$3.5 billion (Ch\$1,530 per share). The discount to NAV is estimated at 51.6% as of the same date.




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

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	1Q 20	1Q 21	1Q 20	1Q 21	1Q 20	1Q 21	1Q 20	1Q 21	1Q 20	1Q 21	1Q 20	1Q 21	1Q 20	1Q 21
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
<b>Industrial Sector</b>														
Income (loss) from continued operations before taxes	(4,684)	(858)	(4,448)	(4,757)	14,576	18,658	(604)	309,860	22,647	18,126	(8,464)	(5,257)	19,023	335,772
Income tax	(53)	(156)	35	1,712	(3,163)	(3,174)	4,741	15,236	(8,237)	(5,512)	(49)	(8)	(6,725)	8,099
Net loss from discontinued operations	<b>(105)</b>	<b>(89)</b>	-	-	-	-	<b>(482)</b>	<b>(6)</b>	-	-	<b>(426)</b>	-	<b>(1,013)</b>	<b>(95)</b>
<b>Net income (loss) industrial sector</b>	<b>(4,842)</b>	<b>(1,103)</b>	<b>(4,412)</b>	<b>(3,045)</b>	<b>11,413</b>	<b>15,484</b>	<b>3,656</b>	<b>325,090</b>	<b>14,410</b>	<b>12,614</b>	<b>(8,939)</b>	<b>(5,265)</b>	<b>11,285</b>	<b>343,776</b>
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Banking Sector</b>														
Net income before taxes	-	-	<b>169,135</b>	<b>203,227</b>	-	-	-	-	-	-	<b>57</b>	<b>25</b>	<b>169,193</b>	<b>203,253</b>
Income tax	-	-	(32,253)	(40,735)	-	-	-	-	-	-	-	-	(32,253)	(40,735)
<b>Net income banking sector</b>	-	-	<b>136,882</b>	<b>162,492</b>	-	-	-	-	-	-	<b>57</b>	<b>25</b>	<b>136,939</b>	<b>162,518</b>
<b>Consolidated net income (loss)</b>	<b>(4,842)</b>	<b>(1,103)</b>	<b>132,470</b>	<b>159,448</b>	<b>11,413</b>	<b>15,484</b>	<b>3,656</b>	<b>325,090</b>	<b>14,410</b>	<b>12,614</b>	<b>(8,882)</b>	<b>(5,239)</b>	<b>148,224</b>	<b>506,293</b>
Net income (loss) attributable to Non-controlling interests	(9)	(1)	99,651	119,395	-	-	1,409	124,316	7,972	6,472	(216)	(109)	108,807	250,071
<b>Net Income (Loss) Attributable to Controllers' shareholders</b>	<b>(4,834)</b>	<b>(1,102)</b>	<b>32,819</b>	<b>40,053</b>	<b>11,413</b>	<b>15,484</b>	<b>2,246</b>	<b>200,774</b>	<b>6,438</b>	<b>6,142</b>	<b>(8,666)</b>	<b>(5,130)</b>	<b>39,417</b>	<b>256,222</b>

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




**MANUFACTURING SEGMENT**

The following table details the contribution of the investments in the Manufacturing segment during 2020 and 2021 to Quiñenco's net income:

	1Q 20		1Q 21	
	MCh\$	MUS\$	MCh\$	MUS\$
Invexans (Corporate)	(1,268)	(1.8)	(812)	(1.1)
Techpack	(3,565)	(4.9)	(290)	(0.4)
<b>Total Manufacturing Segment</b>	<b>(4,834)</b>	<b>(6.7)</b>	<b>(1,102)</b>	<b>(1.5)</b>

As of March 31, 2020 and 2021, Quiñenco's ownership of Invexans was 99.4% and 99.7%, respectively. As of March 31, 2020 and 2021, Quiñenco's ownership of Techpack was 99.97%.

**INVEXANS**

	Corporate Statement				Consolidated Statement			
	1Q 20		1Q 21		1Q 20		1Q 21	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	14	0.0	14	0.0	14	0.0	573,923	795.1
Operating income (loss)	(1,083)	(1.5)	(560)	(0.8)	(1,083)	(1.5)	20,749	28.7
Non-operating income (loss)	(115)	(0.2)	(94)	(0.1)	(115)	(0.2)	-	-
<b>Net income (loss) controller</b>	<b>(1,276)</b>	<b>(1.8)</b>	<b>(813)</b>	<b>(1.1)</b>	<b>(1,276)</b>	<b>(1.8)</b>	<b>14,671</b>	<b>20.3</b>
Total assets							1,667,773	2,310.5
Shareholders' equity							923,091	1,278.8

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

	Corporate Statement		Consolidated Statement	
	1Q 20	1Q 21	1Q 20	1Q 21
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales	17	19	17	792,416
Operating income (loss)	(1,362)	(772)	(1,362)	28,644
Non-operating income (loss)	(146)	(129)	(146)	(3,788)
<b>Net income (loss) controller</b>	<b>(1,606)</b>	<b>(1,121)</b>	<b>(1,606)</b>	<b>20,255</b>
Total assets				2,310,510
Shareholders' equity				1,278,839

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.

### **1Q 2021 Results**

In the first quarter of 2021 Invexans reported a net gain of US\$20,255 thousand, comparing favorably to the loss of US\$1,606 thousand reported in the first quarter of 2020. Of this result, a loss of US\$1,121 thousand corresponds to the Corporate segment, which will be analyzed below. The remaining gain of US\$21,376 thousand in 1Q 2021 corresponds to the results of Enex, a subsidiary of Invexans as of the second quarter of 2020. For an analysis of Enex's results please refer to the Energy Segment.

Invexans Corporate reported an operating loss of US\$772 thousand, compared to the loss of US\$1,362 thousand reported in the same period in 2020, mainly explained by expenses relating to a property in Quilpué in 1Q 2020 and lower administrative expenses in the current quarter, partially compensated by lower other expenses.

Non-operating income amounted to a loss of US\$129 thousand, lower than the loss of US\$146 thousand reported in 1Q 2020, mostly due to gains from exchange rate differences in the current quarter compared to losses in 1Q 2020, largely offset by higher financial costs in the current quarter.

Invexans Corporate posted a net loss of US\$1,121 thousand in 1Q 2021, improving from the loss of US\$1,606 thousand reported in 1Q 2020, due to the better non-operating and operating results explained above.




**TECHPACK**

	1Q 20		1Q 21		1Q 20	1Q 21
	MCh\$	MUS\$	MCh\$	MUS\$	ThUS\$	ThUS\$
Sales	7	0.0	7	0.0	9	9
Operating income	(238)	(0.3)	(341)	(0.5)	(294)	(471)
Net income (loss) from discontinued operations	(105)	(0.1)	(89)	(0.1)	(131)	(123)
<b>Net income (loss) Controller</b>	<b>(3,566)</b>	<b>(4.9)</b>	<b>(290)</b>	<b>(0.4)</b>	<b>(4,487)</b>	<b>(400)</b>
Total assets			152,924	211.9		211,860
Shareholders' equity			151,684	210.1		210,141

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.

### 1Q 2021 Results

During the first quarter of 2021, Techpack's operating income amounted to a loss of US\$471 thousand, comparing unfavorably to the loss of US\$294 thousand reported in 1Q 2020, mainly due to lower other gains during the current quarter, along with higher administrative expenses.

Non-operating income for the quarter amounted to a gain of US\$189 thousand, comparing favorably to the loss of US\$4,094 thousand reported in 1Q 2020, primarily explained by lower losses from exchange rate differences in the current quarter, partly offset by lower financial income.

Discontinued operations reported a loss of US\$123 thousand in 1Q 2021, 6.1% less than the loss registered in 1Q 2020, and correspond mainly to maintenance expenses of the discontinued operations.

Thus, net income for 1Q 2021 reached a loss of US\$400 thousand, improving from the loss of US\$4,487 thousand reported in 1Q 2020, 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 2020 and 2021 to Quiñenco's net income:

	1Q 20		1Q 21	
	MCh\$	MUS\$	MCh\$	MUS\$
LQIF holding	(2,206)	(3.1)	(1,522)	(2.1)
Banking sector	35,025	48.5	41,575	57.6
<b>Total Financial Segment</b>	<b>32,819</b>	<b>45.5</b>	<b>40,053</b>	<b>55.5</b>

As of March 31, 2020 and 2021, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 51.2% as of March 31, 2020 and 2021.

**LQIF Holding**
**1Q 2021 Results**

LQIF holding registered a loss of Ch\$3,045 million in 1Q 2021, 31.0% below the loss of Ch\$4,412 million reported in 1Q 2020, mainly explained by a higher income tax credit in the current quarter, and to a lesser extent, lower administrative expenses, partially compensated by higher losses from the effect of inflation on financial obligations denominated in UFs, due to a higher variation of 1.12% in the UF in the current quarter vis-à-vis a 1.02% variation in 1Q 2020.

**Banking Sector**

The Banking sector is comprised of Banco de Chile.


**BANCO DE CHILE**

	1Q 20		1Q 21	
	MCh\$	MUS\$	MCh\$	MUS\$
Operating revenues	513,093	710.8	482,425	668.3
Provision for loan losses	(125,560)	(173.9)	(54,067)	(74.9)
Operating expenses	(220,293)	(305.2)	(224,474)	(311.0)
<b>Net income</b>	<b>136,882</b>	<b>189.6</b>	<b>162,492</b>	<b>225.1</b>
Loan portfolio	30,862,835	42,757.0	31,767,408	44,010.2
Total assets	44,796,698	62,060.8	44,985,365	62,322.1
Shareholders' equity	3,550,891	4,919.4	3,820,123	5,292.3
Net financial margin	4.4%		3.7%	
Efficiency ratio	42.9%		46.5%	
ROAE	16.2%		18.2%	
ROAA	1.3%		1.5%	

**1Q 2021 Results**

Banco de Chile reported net income of Ch\$162,492 million in the first quarter of 2021, increasing by 18.7% with respect to the first quarter of 2020. This growth is primarily explained by lower loan loss provisions, partially compensated by a decline in operating revenues, and to a lesser extent, higher income tax and operating expenses.

Operating revenues, which include net financial income, fee income and other operating income, decreased 6.0% to Ch\$482,425 million in the first quarter of 2021. This variation is mainly explained by: a lower contribution of demand deposits to funding, related to lower interest rates in local and foreign markets that more than offset strong growth of 49.5% in average balances; lower fee income, mainly from insurance brokerage due to an upfront payment related to a new alliance reported in 1Q 2020 and lower collection fees; an unfavorable impact on revenues of the Bank's position in dollars to hedge US\$-denominated liabilities and expenses given a 1.0% depreciation of the Chilean peso in 1Q 2021 compared to the 13.6% depreciation registered in 1Q 2020; lower income from loans, mostly reflecting lower consumer credits that posted a 13.1% fall in average balances from 1Q 2020 offsetting growth in commercial and residential mortgage loans; and lower other income mostly due to insurance received in the prior period related to branches damaged during the social unrest. These negative effects were partially compensated by higher income from treasury activities, mostly due to lower counterparty risk for derivatives, higher results from Asset-Liability management and greater income from derivative transactions carried out by some clients. In addition, higher revenues due to the favorable impact of greater inflation on the contribution of the Bank's net asset exposure to UFs were reported, given an increase of 1.12% in the current quarter vis-à-vis 1.02% in 1Q 2020, and higher net financial income from trading activities.

Provisions for loan losses amounted to Ch\$54,067 million, falling 56.9% from 1Q 2020. This reduction is primarily explained by a net credit quality improvement, mostly reflecting lower levels of delinquency, linked to measures taken by the Government and the Bank to support individuals and companies during the COVID-19 pandemic, as well as higher liquidity particularly in individuals, following the pension funds withdrawals in the context of the pandemic.



The decline is also attributable to lower US\$-denominated loan loss provisions given the lower depreciation of the Chilean peso in the current quarter. These effects were partly offset by the establishment of Ch\$40 billion in additional allowances, anticipating the temporary nature of the level of delinquency and regular provisions considered by the Bank, given the existing level of unemployment and aggregate demand in the current economic context.

Operating expenses increased by 1.9% to Ch\$224,474 million in 1Q 2021. Higher personnel and administrative expenses were partly offset by lower operating and other expenses. The rise in personnel expenses is mostly explained by a one-time release of a performance bonus allowance in 1Q 2020, partially compensated by a decrease in severance payments, while the increment in administrative expenses is mostly due to the development of internal digital and IT projects to improve efficiencies within the organization. On the other hand, other operating expenses diminished reflecting lower loan loss allowances on cross border loans and less expenses related to assets received in lieu of payment, offsetting higher write-offs related to the new fraud law. Operating expenses also decreased based on lower maintenance of the ATM network and higher costs during 1Q 2020 linked to the repairs of buildings after the social unrest. Expenses related to outsourced services also declined.

Income tax expense in the first quarter of 2021 increased by 26.3% to Ch\$40,735 million.

As of March 2021, the Bank's loan portfolio posted an annual expansion of 2.9%, placing the Bank as number 2 in total loans. In the retail segment, loans grew 6.6%, boosted by loans granted to SMEs (including FOGAPE loans), and by personal banking loans, mostly residential mortgage and commercial loans. The wholesale segment, in turn, experienced an annual decline of 3.1%, mainly due to a contraction in all wholesale segments with the exception of the middle market, which was boosted by the COVID loan programs.

Banco de Chile is the second ranked bank in the country with a market share of 16.9% of total loans (excluding subsidiaries outside Chile), for the period ended March 31, 2021. Its return on average equity reached 18.2%.


**ENERGY SEGMENT**

The following table details the contribution of the investments in the Energy Segment during 2020 and 2021 to Quiñenco's net income:

	1Q 20		1Q 21	
	MCh\$	MUS\$	MCh\$	MUS\$
Enex	11,413	15.8	15,484	21.5
<b>Total Energy Segment</b>	<b>11,413</b>	<b>15.8</b>	<b>15,484</b>	<b>21.5</b>

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

**ENEX<sup>6</sup>**

	1Q 20		1Q 21	
	MCh\$	MUS\$	MCh\$	MUS\$
Sales	677,580	938.7	573,910	795.1
Operating income	10,504	14.6	21,309	29.5
<b>Net income Controller</b>	<b>11,413</b>	<b>15.8</b>	<b>15,484</b>	<b>21.5</b>
Total assets			1,314,900	1,821.6
Shareholders' equity			591,798	819.9

**1Q 2021 Results**

Enex's consolidated sales during 1Q 2021 reached Ch\$573,910 million, down by 15.3% from 1Q 2020, mainly due to lower prices of fuels in all sales channels, along with lower volumes sold in the industrial segment in Chile, mainly in aviation and mining, due to the consequences of the pandemic that started to have effects towards the end of March in 2020. The total volume dispatched by Enex during the quarter amounted to 1,019 thousand cubic meters, 6.6% less than in 1Q 2020, of which 98% corresponds to fuels.

Gross income during the period reached Ch\$82,558 million, 10.1% above 1Q 2020, primarily due to a more favorable impact of selling inventory at historical cost given increasing international reference prices during the current quarter in comparison to 1Q 2020. In addition, the gross margin per unit of fuel sales in the service station segment in Chile and the USA improved, where activity recovered to levels similar to those of the first quarter of 2020, which had experienced little impact of the pandemic, compensating the lower sales volume in the industrial segment.

<sup>6</sup> Corresponds to the Energy segment, composed of Enex and related companies.



**Earnings release**

**First quarter 2021**

Operating income during the quarter reached a gain of Ch\$21,309 million, up significantly from 1Q 2020, largely due to the growth in gross income explained above, along with lower operating expenses, primarily related to the lower sales volume in the industrial segment in Chile and lower selling and administrative expenses of the Road Ranger operation in the USA. EBITDA amounted to Ch\$34,592 million in 1Q 2021, increasing 36.2% from 1Q 2020.

Non-operating income amounted to a loss of Ch\$2,650 million in 1Q 2021, comparing unfavorably with the gain of Ch\$4,072 million reported in 1Q 2020, mostly explained by a loss from exchange rate differences in the current quarter vis-à-vis a gain in the first quarter of 2020, partially compensated by lower financial costs.

Net income for 1Q 2021 amounted to Ch\$15,484 million, 35.7% above the net income posted in 1Q 2020, primarily reflecting better operating results, more than compensating lower non-operating results.



**TRANSPORT SEGMENT**

The following table details the contribution of the investments in the Transport Segment during 2020 and 2021 to Quiñenco's net income:

	1Q 20		1Q 21	
	MCh\$	MUS\$	MCh\$	MUS\$
CSAV	2,246	3.1	200,774	278.2
<b>Total Transport Segment</b>	<b>2,246</b>	<b>3.1</b>	<b>200,774</b>	<b>278.2</b>

As of March 31, 2020 and 2021, 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 1Q 2020 and 1Q 2021 the adjustment was a lower result of Ch\$4 million and a lower result of Ch\$3 million, respectively.

**CSAV**

	1Q 20		1Q 21		1Q 20	1Q 21
	MCh\$	MUS\$	MCh\$	MUS\$		
Sales	-	-	-	-	-	-
Operating income (loss)	(928)	(1.3)	(2,365)	(3.3)	(1,167)	(3,259)
<b>Net income (loss) Controller</b>	<b>3,662</b>	<b>5.1</b>	<b>325,095</b>	<b>450.4</b>	<b>4,702</b>	<b>448,883</b>
Total assets			2,523,547	3,496.1		3,496,089
Shareholders' equity			2,198,500	3,045.8		3,045,774

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. During January 2020 CSAV announced its decision to shut down the car carrier business, therefore this business has been classified as a discontinued activity in the income statement. The car carrier business ended its operations during July 2020.

**1Q 2021 Results**

CSAV's operating income amounted to a loss of US\$3.3 million in 1Q 2021, compared to a loss of US\$1.2 million in 1Q 2020, due to higher administrative expenses, mainly reflecting the provision for the board members' share of dividends to be distributed with respect to net income in 2020.

Non-operating income for the quarter amounted to a gain of US\$431.2 million, substantially greater than the gain of US\$0.4 million reported in 1Q 2020. This significant improvement is primarily due to CSAV's share in Hapag-Lloyd's



**Earnings release**

**First quarter 2021**

results for the quarter, adjusted by CSAV's fair value accounting of this investment, which amounted to a gain of US\$434.0 million in 1Q 2021, compared to the gain of US\$7.4 million in 1Q 2020. At CSAV, financial costs also were reduced in the current quarter.

Hapag-Lloyd reported a net gain of US\$1,448 million in the first quarter of 2021, increasing significantly from the gain of US\$24 million reported in 1Q 2020. The recovery experienced by the industry during the second half of 2020 continued during the quarter, pushed by demand for exports from Asia, leading to operational challenges and port congestions in certain routes, amid a still difficult context with the pandemic and its related restrictions. Hapag-Lloyd's transported volumes diminished by 2.6% despite increased demand, mainly owing to delays at ports and shortage of available vessels and containers. However, this was more than compensated by a rise of 37.9% in average freight rates, thus pushing revenues up by 33.1%. Operating expenses were reduced by 4.3%, mainly due to lower bunker consumption prices, as well as the lower volumes. Thus, Hapag-Lloyd's EBIT reached a gain of US\$1,539 million in 1Q 2021, well above the US\$176 million reported in 1Q 2020. EBITDA amounted to US\$1,909 million, up from US\$517 million 1Q 2020, with the EBITDA margin reaching 38.9%.

CSAV reported a net gain of US\$448.9 million in 1Q 2021, substantially greater than the gain of US\$4.7 million posted in 1Q 2020, primarily due to CSAV's share in Hapag-Lloyd's lower results for the quarter, and to a lesser extent, a greater tax credit in the current quarter.





**PORT SERVICES SEGMENT**

The following table details the contribution of the investments in the Port Services Segment during 2020 and 2021 to Quiñenco's net income:

	1Q 20		1Q 21	
	MCh\$	MUS\$	MCh\$	MUS\$
SM SAAM	6,438	8.9	6,142	8.5
<b>Total Port Services Segment</b>	<b>6,438</b>	<b>8.9</b>	<b>6,142</b>	<b>8.5</b>

As of March 31, 2020 and 2021, 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 1Q 2020 the adjustment was a lower result of Ch\$998 million and in 1Q 2021 the adjustment was a lower result of Ch\$505 million.

**SM SAAM**

	1Q 20		1Q 21		1Q 20	1Q 21
	MCh\$	MUS\$	MCh\$	MUS\$		
Sales	118,074	163.6	121,897	168.9	147,207	168,312
Operating income	25,021	34.7	23,371	32.4	31,374	32,271
<b>Net income Controller</b>	<b>14,245</b>	<b>19.7</b>	<b>12,734</b>	<b>17.6</b>	<b>17,992</b>	<b>17,582</b>
Total assets			1,331,731	1,845.0		1,844,963
Shareholders' equity			582,066	806.4		806,386

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.

**1Q 2021 Results**

In the first quarter of 2021 SM SAAM's consolidated sales reached US\$168.3 million, up by 14.3% from 1Q 2020, primarily explained by growth in logistics, reflecting the consolidation with Aerosan and higher revenues related to increasing imports. In the tug boat segment, revenues also increased boosted by the acquisition of Intertug at the end of January 2021, compensating lower special services during the quarter. In the port terminals segment, revenues decreased slightly, explained by volume growth in transfers due to congestion at some ports, thus changing the sales mix which led to lower revenue per container.



**Earnings release**

**First quarter 2021**

Consolidated revenues can be broken down as follows: Tug boats (43.9%), Ports (38.4%), Logistics (17.9%), and Corporate<sup>7</sup> (-0.2%).

Gross income amounted to US\$55.4 million, 19.6% higher than 1Q 2020, explained mostly by higher gross income at logistics, mainly attributable to the consolidation with Aerosan, and to growth at tug boats, boosted by the acquisition of Intertug, more than compensating a decline in growth income at port terminals. During 1Q 2021 operating income amounted to US\$32.3 million, up 2.9% from the gain reported in 1Q 2020, primarily reflecting the growth in gross income at logistics and tug boats, partly offset by higher selling and administrative expenses, also attributable to the consolidation with Aerosan and the Intertug acquisition. In addition, 1Q 2020 included a non-recurring gain of US\$3.8 million before taxes on the sale of real estate. SM SAAM's consolidated EBITDA<sup>8</sup> reached US\$62.0 million in 1Q 2021, increasing 16.6% over the same period in 2020, primarily boosted by growth in the logistics segment, followed by the tug boat segment.

Non-operating income amounted to a loss of US\$5.6 million, compared to a loss of US\$1.5 million in 1Q 2020. This lower result is mainly explained by higher net financial costs, due to lower financial income and greater debt at the corporate level, higher losses from exchange rate differences, and lower income from equity investments, mostly due to the consolidation of Aerosan in the current quarter, partly offset by improved results in the Chilean port terminals, based on a recovery in the transferred volumes reflecting increased imports.

Income tax expense in 1Q 2021 decreased 25.4% to US\$7.9 million.

Thus, SM SAAM reported net income of US\$17.6 million in 1Q 2021, down 2.3% from 1Q 2020, mainly due to the non-recurring gain posted in the prior quarter, mostly compensated by growth in all business segments in the current quarter.

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<sup>7</sup> Corporate also includes eliminations and others.

<sup>8</sup> Corresponds to EBITDA reported by SM SAAM.



## OTHER SEGMENT

The following table details the contribution from investments in the Segment Other during 2020 and 2021 to Quiñenco's net income:

	1Q 20		1Q 21	
	MCh\$	MUS\$	MCh\$	MUS\$
IRSA (CCU)	9,186	12.7	19,033	26.4
Quiñenco & other	(17,852)	(24.7)	(24,163)	(33.5)
<b>Total Segment Other</b>	<b>(8,666)</b>	<b>(12.0)</b>	<b>(5,130)</b>	<b>(7.1)</b>

As of March 31, 2020 and 2021, Quiñenco's ownership of CCU was 30.0% and 30.8%, respectively.

## CCU

	1Q 20		1Q 21	
	MCh\$	MUS\$	MCh\$	MUS\$
Sales	511,233	708.3	569,639	789.2
Operating income	69,826	96.7	98,708	136.7
<b>Net income (loss)</b>	<b>32,235</b>	<b>44.7</b>	<b>64,384</b>	<b>89.2</b>
Total assets			2,574,446	3,566.6
Shareholders' equity			1,304,884	1,807.8

### 1Q 2021 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 first quarter of 2021 increased by 11.4% compared to the first quarter of 2020, as a result of 4.8% growth in consolidated sales volumes and a 6.4% increase in average prices in terms of Chilean pesos. The Chile operating segment posted growth of 15.2% in sales reflecting a 10.5% increase in average prices, due to revenue management initiatives and a positive mix effect, based on good performance of premium beer brands, and an increment of 4.2% in sales volumes. The Wine segment also posted an increase, with sales up 13.9%, based on 16.7% higher sales volumes, boosted by domestic and export markets, gaining market share in the domestic markets of Chile and Argentina, partially compensated by 2.4% lower average prices, mainly due to the appreciation of the Chilean peso against the US dollar, impacting export revenues, and a negative mix effect. The International Business operating segment, in turn, reported a slight 0.1% rise in sales, based on a 5.1% increase in sales volumes, mostly boosted by Argentina, partly offset by a reduction of 4.8% in average prices in terms of Chilean pesos, attributable to negative conversion effects due to the 65% depreciation of the Argentine peso against the Chilean peso.



Gross income increased by 14.0% to Ch\$289,369 million, primarily due to higher gross income across all segments, but particularly in the Chile and International Business segments. In the Chile segment, gross income went up 16.3% boosted by revenue growth, and partly offset by higher unit costs, mostly attributable to a mix effect and higher costs of raw materials, partially compensated by the appreciation of the Chilean peso against the US dollar favorably impacting USD denominated costs. Gross income at the International Business segment increased 9.6%, reflecting lower unit costs in terms of Chilean pesos, mainly due to conversion effects, since in Argentine pesos unit costs increased, based on USD-linked costs and higher costs of raw materials. Gross income in the Wine segment grew 4.0%, below growth in revenues due to lower average prices and a higher cost of wine. The gross margin as a percentage of sales increased from 49.6% in 1Q 2020 to 50.8% in 1Q 2021.

Operating income reached Ch\$98,708 million, increasing 41.4% from 1Q 2020, based on the growth in gross income together with a 0.8% decline in MSD&A expenses, reflecting initiatives to control expenses through the ExCCelencia CCU program in all operating segments. EBITDA<sup>9</sup> amounted to Ch\$126,547 million in 1Q 2021, increasing 39.5% from 1Q 2020, primarily due to growth in the Chile and International Business operating segments, followed by the Wine operating segment. The EBITDA margin improved from 17.7% in 1Q 2020 to 22.2% in 1Q 2021.

CCU reported a non-operating loss of Ch\$5,731 million, 57.8% less than the loss of Ch\$13,572 million reported in 1Q 2020. The variation is mainly explained by lower losses from exchange rate differences, a gain from the effect of inflation on indexed liabilities compared to a loss in the first quarter of 2020, a lower loss from equity investments, mainly attributable to Colombia, and to a lesser extent, lower net financial costs.

Net income for the first quarter of 2021 amounted to Ch\$64,384 million, 99.7% greater than the same quarter in 2020, primarily due to improved operating performance in all operating segments, boosted by growth in sales volumes, revenue management and positive mix effects, cost efficiencies and positive external effects of the appreciation of the Chilean peso against the US dollar.

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<sup>9</sup> EBITDA corresponds to EBITDA reported by CCU.



## QUIÑENCO and Others

### 1Q 2021 Results

The negative variation in Quiñenco and others is mainly explained at the corporate level by lower financial income, greater losses due to the unfavorable impact of higher inflation on indexed liabilities, and higher other expenses.

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

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