



QUIÑENCO S.A.

German Shipping Line Hapag-Lloyd Drives Quiñenco's Results for First Half of 2021

- **Around 80% of the holding's net income for the period is explained by the results of that company, the main asset of Compañía Sudamericana de Vapores, where Quiñenco first invested in 2011.**
- **"This is the outcome of over a decade of hard work at CSAV, with excellent team management and immense resilience from its shareholders, who took on considerable risk, weathered extremely complex years and waited patiently for dividends," explained Quiñenco's CEO, Francisco Pérez Mackenna.**
- **Several other subsidiaries also reported improvements during the first half of the year— Nexans, Enx, Banco de Chile, CCU and SM SAAM, a recovery with respect to the same period last year, which was marked by the health crisis's impact on the economy.**

Santiago, September 9, 2021.- Today Quiñenco S.A. reported its results for the first half of 2021. Sustaining trends from March, it experienced a sharp rise in net income with respect to the same period last year, fundamentally due to earnings reported by the German shipping company Hapag-Lloyd, the main asset of Compañía Sud Americana de Vapores (CSAV). Several other companies in the holding also improved, rebounding with respect to June 2020, which was marked by the health crisis's impact on the economy.

Along with announcing the results, Quiñenco's CEO Francisco Pérez Mackenna explained that around 80% of the company's earnings for the first half of the year are due to the strong performance from the holding's most global entity, Hapag-Lloyd, where CSAV is one of the largest shareholders. "This is the outcome of over a decade of hard work at CSAV, with excellent team management and immense resilience from its shareholders, who took on considerable risk, weathered extremely complex years and waited patiently for dividends," said Pérez Mackenna, recalling the process since Quiñenco first invested in CSAV in 2011. "We took a company that was going through a difficult period and transformed it into an interesting asset for major-league global partners, facing considerable losses and capital increases along the way. The good position we have now is no coincidence; it is a reflection of that long journey," he added.

Detail of Results

During the first half of 2021, Quiñenco reported Ch\$568,711 million in net income, reflecting improved performances from its businesses. The shipping sector performed particularly well, with 1H2021 net income of US\$3,278 billion for Hapag-Lloyd, where CSAV holds 30%. Strong demand for Asian exports, coupled with congestion at ports and inland logistics, resulted in an industry-wide increase in freight rates around the world. In this context, Hapag-Lloyd also achieved 4.3% growth in transported volume during the period, partially offset by higher transport expenses. It is worth noting that Quiñenco increased its share in CSAV by 4.7% during the second quarter of 2021, reaching 66.45% ownership.

In the manufacturing sector, another of the group's highly global companies, Nexans, also performed well as of June 2021, reversing the losses from the first half of last year, with net income of €81 million, due to 74.7% growth in operating income. Furthermore, the French multinational saw an organic increase of 12% in sales, demonstrating a solid recovery in demand after the initial effects of the pandemic, along with selective growth and cost reductions, as well as a favorable impact on inventory of higher copper prices and lower restructuring costs.

In the energy sector, Enx evolved favorably, mainly from a recovery in sales volumes, albeit still slightly below 2019 levels, with growth of 9.2% versus the first half of 2020. This improvement is mainly attributable to the service station channel in both Chile and the United States, along with increased sales at convenience stores.

In the financial segment, for the period ended June 2021 Banco de Chile reported a 30.7% rise in net income, showing signs of recovery after the impact of the public health crisis in 2020. This performance is explained primarily by a drop in loan loss provisions as a result of improved credit quality ratios during the period, marked by diverse measures implemented to support individuals and companies, especially SMEs, in dealing with the pandemic. Revenue, however, was down 3.5%.

In the beverage sector, CCU's contribution to the company's bottom line grew significantly, based on a strong performance from all operating segments, especially Chile and International Business. This can be explained by higher sales volumes as a result of recovering consumption, in a context that is still challenging because of the pandemic. During the period, IRSA, a joint venture owned equally by Quiñenco and Heineken and controller of CCU, carried out a successful Public Offering to acquire shares, increasing its holding from 60% as of December 2020 to 65.9% as of June 2021.

Finally, in port services SM SAAM enjoyed positive performances across its three divisions, with logistics reflecting a larger interest in Aerosan; towage driven by the Intertug acquisition in January 2021; and ports boosted by improved throughput. All three areas benefited from the strong restocking process in foreign trade. The net result in Chilean pesos at SM SAAM, however, fell 1.4% due to a non-recurring gain on the sale of real estate during the first half of last year and the unfavorable effect of converting to pesos.

Quiñenco is one of the most diversified corporate conglomerates in Chile. It has investments in leading companies in the financial, beverage, manufacturing, energy, transport and port services industries, which together employ over 68 thousand people in Chile and abroad. More information is available at www.quinenco.cl