Investor Conference Call

August 23
08:00 am Chile

COMPAÑÍA SUD AMERICANA DE VAPORES S.A. AND SUBSIDIARIES

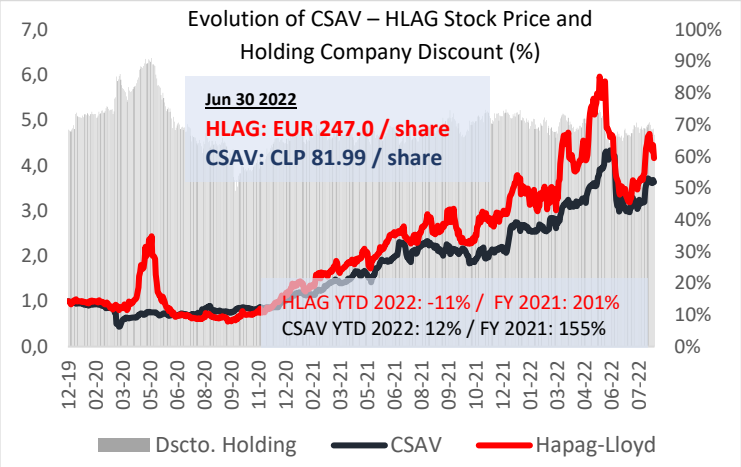
QUARTERLY ANALYSIS

Based on the Consolidated Financial Statements
as of June 30, 2022

6M22 AT A GLANCE

CSAV		As of June 30,		Change	
		2022	2021	%	#
Share of HLAG's net income	MMUS$	**2,834.3**	983	188%	1,851
Net Income	MMUS$	**2,789**	974	186%	1,814

Hapag-Lloyd		As of June 30,		Change	
		2022	2021	%	#
Revenue	MMUS$	**18,562**	10,551	76%	8,011
EBITDA	MMUS$	**10,942**	4,240	158%	6,702
EBIT	MMUS$	**9,919**	3,487	184%	6,432
Net Income	MMUS$	**9,466**	3,284	188%	6,182
Freight rate	US$/TEU	**2,855**	1,612	77%	1,243
Transport volume	MTEU	**6,012**	6,004	0%	8
Fuel price	USD/t	**703**	421	67%	282



- For the first half of 2022, CSAV reported net income of MMUS$2,788.5, which compares favorably with net income of MMUS$974.2 for the same period last year.
- These higher earnings can be explained mainly by improved results from Hapag-Lloyd / HLAG, where CSAV's share was MMUS$2,834.3 for 6M22, significantly higher than the MMUS$982.8 recorded for the same period last year.

- HLAG reported strong results, mainly thanks to improved freight rates. Meanwhile, transport volumes have held steady compared to last year.
- There is considerable cost pressure, especially in fuel, which has climbed 67% with respect to the same period in 2021.
- The logistics industry continues to be affected by congestion in the supply chain caused by COVID-19-related disruptions and geopolitical conflicts. This is occurring with practically all of the industry's active fleet capacity in operation.

HLAG's management issued improved projections for 2022 in its report from the end of July. It is anticipating a financially sound year, but with considerable pressure on its cost structure due to rising fuel costs and logistics chain expenses.

HLAG is forecasting EBITDA for this year of MMUS$ 19,500 – MMUS$ 21,500 (previously MMUS$ 14,500 – MMUS$ 16,500) and EBIT of MMUS$ 17,500 – MMUS$ 19,500 (previously MMUS$ 12,500 – MMUS$ 14,500).

Contents

1. Financial Position Analysis

a) Statement of Financial Position

The following table details the Company's main asset and liability accounts as of each period end:

ASSETS	As of June 30, 2022	As of December 31, 2021	Change	
	MM US$	MM US$	%	MM US$
Current assets	**641.1**	**25.4**	**2423.7%**	**615.7**
Cash and cash equivalents	136.4	23.7	475.7%	112.7
Current tax assets	495.5	0.2	198905.2%	495.3
Other	9.1	1.5	524.9%	7.7
Non-current assets	**6,909.6**	**5,999.8**	**15.2%**	**909.8**
Equity method investments	6,639.6	5,748.8	15.5%	890.8
Deferred tax assets	257.3	240.3	7.0%	16.9
Investment property and Other	12.8	10.7	19.4%	2.1
Total assets	**7,550.6**	**6,025.2**	**25.3%**	**1,525.4**

LIABILITIES AND EQUITY	As of June 30, 2022	As of December 31, 2021	Change	
	MM US$	MM US$	%	MM US$
Current liabilities	**1,455.9**	**987.9**	**47.4%**	**468.0**
Financial liabilities, current	563.2	460.9	22.2%	102.3
Commercial and others, current	31.3	7.6	311.4%	23.7
Tax Liabilities, current	15.9	0.0	397600.0%	15.9
Other	845.5	519.4	62.8%	326.1
Non-current liabilities	**108.6**	**154.7**	**(29.8%)**	**(46.1)**
Financial liabilities, non-current	99.5	139.4	(28.6%)	(39.9)
Other	9.0	15.3	(40.7%)	(6.2)
Total equity	**5,986.2**	**4,882.7**	**22.6%**	**1,103.5**
Total liabilities and equity	**7,550.6**	**6,025.2**	**25.3%**	**1,525.4**

Total assets increased by MMUS$1,525.4 compared to December 31, 2021. This variation is explained by a rise of MMUS$909.8 in non-current assets, mainly due to Hapag-Lloyd's results and of MMUS$615.7 in current assets, explained by an increase in current recoverable taxes of MMUS$495.5 and a larger cash balance of MMUS$112.7.

The rise of MMUS$112.7 in **cash and cash equivalents** during the period is explained by a dividend received from Hapag-Lloyd equivalent to MMUS$1,465, which was distributed to CSAV shareholders. However, a larger cash balance was maintained to cover disbursements for the year.

The account **current tax assets** has a balance of MMUS$495.5 mainly related to temporary withholding in Germany on the dividend payment from Hapag-Lloyd. This temporary withholding

corresponds to 26.375% of the declared dividend, of which 95% are exempt from paying taxes in Germany. These flows should be recovered during the next calendar year.

The rise of MMUS$909.8 in **non-current assets** is explained primarily by an increase of MMUS$890.8 in equity-method investments (or, in other words, the Company's investments in HLAG) and a rise in deferred tax assets of MMUS$16.9.

Account Movements Equity Method Investments	MMUS$
Balance as of January 1, 2022	**5,748.8**
HLAG Results	2,834.3
Share of other comprehensive income (loss)	47.0
Dividends Received	(1,989.8)
Other movements in equity	(0.8)
Total Movements during the period	890.8
Balance as of June 30, 2022	**6,639.6**

CSAV's stake in HLAG during the first half of 2022 remained unchanged at 30%. The main movements in this account are explained by its share of HLAG's results of MMUS$2,843.3, given the improved performance of the container shipping business, as detailed later in this report. This was offset by MMUS$1,989.8 in dividends received during the period (including the aforementioned withholding).

More information on the accounting balance of CSAV's investment in HLAG and all movements during the periods ended June 30, 2022, and December 31, 2021, can be found in Note 14 of the Consolidated Financial Statements.

The MMUS$16.9 increase in **deferred tax assets** is attributable to the net effect on taxes of the existing financing structure in euros that the CSAV Group used to invest in HLAG, coupled with the effect on taxes of administrative expenses and bank interest recorded in net income for the year. During the first half of the year, the euro/dollar exchange rate was up, with the dollar appreciating with respect to the euro, thus generating a tax loss for CSAV in Chile and resulting in an income tax benefit and an increase in deferred tax assets for the period. These exchange rate variations do not generate cash flows for CSAV.

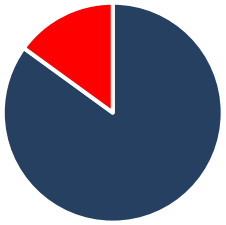
As of June 30, 2022, **total liabilities** increased by MMUS$421.9 compared to December 31, 2021. This variation is explained primarily by the increase in other current liabilities resulting from the mandatory minimum dividend provision of MMUS$836.6 charged to earnings for the first half of the year. As of year-end 2021 that account had a balance of MMUS$527.0, explained mainly by the mandatory minimum dividend for 2022 earnings (MMUS$963.0), from which the interim dividend payment of MMUS$450 in October 2021 was deducted.

Meanwhile, **current financial liabilities** increased by MMUS$102.3. During the first half of the year it repaid a loan of MMUS$450 taken out to pay the interim dividend in October 2021 and took out a new loan of MMUS$520 with the following banks: Scotibank Chile, Banco de Chile and Banco Itaú Chile. These new loans were used to finance the recoverable tax credits mentioned previously. In addition, current financial liabilities rose MMUS$35 because of a loan from Banco Security reclassified from non-current to current.

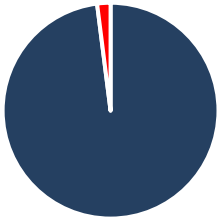
Current trade and other payables rose MMUS$23.7, explained mainly by a corporate tax payment made by the subsidiary CSAV Germany Container Holding GmBH for dividends received from the associate Hapag-Lloyd (MMUS$30.8).

Non-current financial liabilities fell MMUS$39.9 because of two loans reclassified as current liabilities. They are part of the loan from Banco Itaú Chile (MMUS$5) and another from Banco Security (MMUS$35).

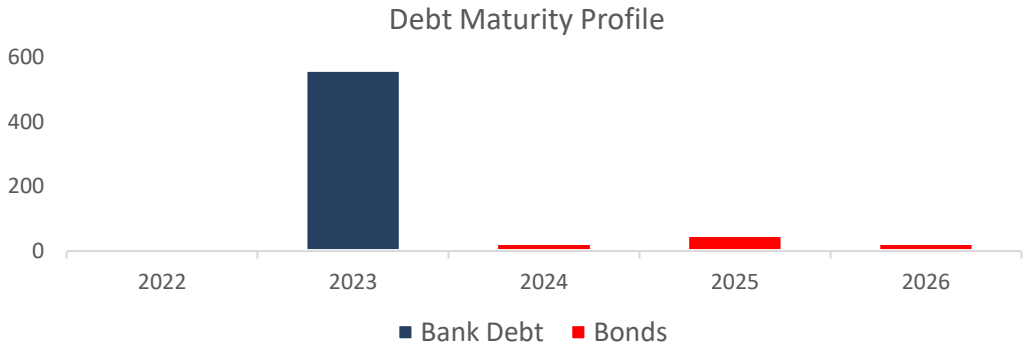
To date, the Company's **financial debt** is MMUS$665, at an average rate of 4.2%. Broken down by source, 85% is from bank loans and the rest is from a bond issued by the Company. By rate, 98% is fixed and only 2% is floating. Thus, variable-rate exposure is limited. For example, a 1% rise in the LIBOR rate would have a total net impact over the life of the loan of MMUS$0.04.



Banks Bonds



Fixed Rate Floating Rate



The current portion of the recoverable tax credits have been capitalized. They are denominated in euros and total MMEUR 487. That withholding was financed with a US-dollar loan of MMUS$520. Therefore, management took out a cross currency swap during the quarter to

convert the US-dollar loan into euros and thereby generate a natural hedge between an asset and a liability in the same currency and for a similar amount.

As of June 30, 2022, **equity** increased by MMUS$1,103.5 compared to December 31, 2021. This change is explained by increased net income of MMUS$2,788.5 for the period ended June 30, 2022, and a rise in other reserves of MMUS$46.3, explained by CSAV's share of HLAG's other comprehensive income and other equity reserves. Those increases were offset by the minimum dividend provisions for the results for that half of the year presented in other current liabilities.

More information on these changes in equity can be found in Note 26 of the Consolidated Financial Statements.

b) Income Statement Analysis

To improve comprehension of the Statement of Income for the six months ended June 30, 2022, it is important to mention that the freight forward, logistics and car carrier businesses have been presented as discontinued operations since the first quarter of 2020, in accordance with IFRS 5.

Consolidated Results	As of June 30, 2022	2021	Change	
	MM US$	MM US$	%	MM US$
Administrative and other operating expenses	(21.5)	(9.3)	131%	(12.2)
Other operating income	2.0	0.3	571%	1.7
Operating Income (Loss)	**(19.5)**	**(9.0)**	**116%**	**(10.5)**
Finance costs, net	(11.3)	(5.8)	94%	(5.5)
Share of net income (loss) of associates and joint ventures	2,834.3	982.8	188%	1,851.4
Exchange rate differences and other non-operational	(8.0)	(8.2)	(3%)	0.2
Income tax expense	(7.0)	14.3	(148%)	(21.3)
Profit (Loss) after tax from discontinued operations	(0.020)	0.0	(600%)	(0.0)
Net income for the year	**2,788.5**	**974.2**	**186%**	**1,814.4**

For the first six months of 2022, **net income attributable to the owners of the company** was MMUS$2,788.5, which compares favorably to MMUS$974.2 for the same period last year. These variations are explained below.

Administrative expenses totaled MMUS$21.5 for the first half of 2022, up MMUS$12.2 from the same period last year mainly as a result of the directors' greater variable share of dividends to be distributed from earnings for the year.

Other operating income reached MMUS$2.0 for the period, which represents an increase of MMUS$1.7 over the same period last year. This can be explained by the sale of a fixed asset.

Regarding the Company's **share of net income (loss) of associates and joint ventures**, CSAV recognized net income of MMUS$2,834.3 for the first half of 2022, considerably higher than the MMUS$982.8 recorded for the same period last year. This is explained mainly by improved results from HLAG thanks to better freight rates than the same period in 2021.

For the period ended June 30, 2022, CSAV recognized an **income tax** expense of MMUS$7.0, down MMUS$21.3 from the same period in 2021. This variation is explained mainly by the change in the euro-dollar exchange rate and its impact on the CSAV Group's financing structure for its investment in HLAG, as detailed in letter a) above. During the first half of 2022, the dollar appreciated proportionally more than in the same period in 2021. These effects do not involve cash outflows for the Company.

It recorded a **net loss from discontinued operations** of MMUS$0.02 for the first half of 2022, similar to the same period last year. This result is comprised mainly of the logistics transport, freight forwarder and car carrier businesses, which are no longer operating.

c) Cash Flow Analysis

The main variations in cash flows are explained as follows.

Statements of Cash Flow	As of June 30,		Change	
	2022	2021		
Cash and cash equivalents at the beginning of the period	**23.7**	**81.7**	**(71.0%)**	**(58.0)**
Cash flows from operating activities	**(17.9)**	**(7.5)**	**141%**	**(10.5)**
Proceeds from operating activities	**0.0**	0.3	(99%)	(0.3)
Payments from operating activities	**(17.9)**	(7.6)	137%	(10.4)
Income taxes and other	**(0.0)**	(0.2)	(97%)	0.2
Cash flows from investing activities	**1,467.7**	**218.9**	**571%**	**1,248.8**
Payments to acquire interests in joint ventures	**2.4**	0.0	-	2.4
Dividends received	**1,465.0**	218.7	570%	1,246.2
Interest received and other	**0.4**	0.1	219%	0.2
Cash flows from financing activities	**(1,305.2)**	**(248.4)**	**426%**	**(1,056.9)**
Short term loans received	**519.3**	1.0	51830%	518.3
Loans paid to non-related parties	**(455.0)**	(76.0)	499%	(379.0)
Dividends paid	**(1,355.1)**	(167.6)	709%	(1,187.5)
Interest paid and other payments	**(14.4)**	(5.8)	149%	(8.6)
Exchange rate effect	**(31.8)**	**(0.5)**	6896%	**(31.4)**
Increase (decrease) in cash and cash equivalents	**112.7**	**(37.4)**	**(401%)**	**150.1**
Cash and cash equivalents at the end of the period	**136.4**	**44.2**	**208%**	**92.1**

The net change in **cash and cash equivalents** between December 31, 2021 and June 30, 2022, was a positive MUS$112.7, which represents an improvement of MUS$150.1 over the same period last year.

Cash flows from operating activities were a negative MMUS$17.9 for the first half of 2022, which represents an increased disbursement of MMUS$10.5 over the same period last year. The result of both periods is explained primarily by administrative expenses.

Cash flows from investing activities were positive at MMUS$1,467.7 for the first half of 2022, explained mainly by dividends received from Hapag-Lloyd.

Cash flows from financing activities for the first half of 2022 were a negative MMUS$1,305.2, largely explained by dividend payments (MMUS$1,355.1). This effect was partly offset by net positive loans (MMUS$64.3).

d) Financial Ratios

As of June 30, 2022 and December 31, 2021, the main financial indicators are as follows:

i. Liquidity Ratios

Liquidity Ratios			As of June 30, 2022	As of December 31, 2021
Current Liquidity Ratio	=	Current Assets / Current Liabilities	**0.440**	0.026

Current Liquidity: This ratio increased in comparison to December 2021 since the increase in current assets (2,424% / MMUS$615.7) was larger than the increase in current liabilities (47.4% / MMUS$468.0). The rise in current assets is largely related to the asset for recoverable tax credits in Germany. Current liabilities as of June 30, 2022, are explained mainly by a larger balance of dividends payable related to the proportional recognition of dividends from 2022 earnings.

ii. Indebtedness Ratios

Indebtedness Ratios			As of June 30, 2022	As of December 31, 2021
Leverage	=	Total Liabilities / Equity	**0.261**	0.234
Short-Term Leverage	=	Current Liabilities / Total Liabilities	**0.931**	0.865
Long-Term Leverage	=	Non-Current Liabilities / Total Liabilities	**0.069**	0.135
Financial Expense Coverage	=	Net Income before Taxes Less Finance Costs / Finance Costs	**241.5**	262.3

- **Leverage**: This ratio fell with respect to December 2021, largely because the increase in total liabilities (MMUS$421.9 / 37% chg.), as explained in section 1 a) of this report, was proportionally greater than the increase in equity (MMUS$1,003.5/ 22% chg.), mainly because of variations in the investment in HLAG, as explained above.

- **Short-term Leverage:** This ratio decreased with respect to December 2021, because the increase in current liabilities (MMUS$468.0 / 47% chg.), was greater than the increase in total liabilities (MMUS$421.9 / 37% chg.), explained in section 1a) of this report.

- **Long-term Leverage:** In contrast to the previous ratio, this indicator increased with respect to December 2021, because of a drop in non-current liabilities (MMUS$-46.1 / -30% chg.), and a rise in total liabilities (MMUS$421.9 / 37% chg.), both of which are explained in section 1a) of this report.

- **Financial Expense Coverage:** This ratio worsened with respect to December 2021. Despite an improvement in net income before tax, the increase in finance costs was proportionally greater. During the first six months of 2022, average debt was greater than during the year 2021.

iii. Profitability Ratios

Profitability Ratios			As of June 30, 2022	As of December 31, 2021
Return on Equity	=	Net Income Attributable to Owners of the Company / Average Equity	1.081	0.844
Return on Assets	=	Net Income Attributable to Owners of the Company / Average Assets	0.887	0.709
Dividend Yield		Dividends Paid in the last 12 Months / Market Capitalization at the end of the period	0.335	0.139
Dividend Payout	=	Net Income Attributable to Owners of the Company / Number of Shares	0.301	0.193
Earnings per Share	=	Net Income Attributable to Owners of the Company / Number of Shares	0.098	0.063
Market Value of Stock(in chilean pesos)			82.0	73.2

Average: (Value as of period end + Value 12 months prior to period end) / 2

Return on Equity: This ratio improved with respect to December 2021, due to greater net income attributable to the owners of the company of MMUS$5024.5 LTM as of the first half of 2022 in comparison to net income of MMUS$3,210.1 for 2021 (MMUS$1,814 / 57% chg.) and a smaller percentage-wise increase in average equity (MMUS$845.4 / 22%).

Return on Assets: This ratio improved in relation to December 2021, due to a larger net income attributable to the owners of the company (MMUS$1,814, / 57% chg.) and a smaller (percentage-wise) increase in average assets (MMUS$1,131.8 / 25% chg.) compared to net income for the year.

Dividend Yield: This ratio increased since two new dividends (minimum and special) totaling MMUS$1,355 were distributed. This increase in dividends paid is proportionally greater than the rise in the market price of the stock, which climbed 12% during the six-month period.

Dividend Payout Ratio: This ratio is up because the increase in dividends paid in the last 12 months was proportionally larger than net income for the last 12 months. The payout ratio to date is 30.1%.

Earnings per Share: Earnings per share improved with respect to December 2021 because of improved results (MMUS$1,814 / 57% chg.), as explained in the first indicator in this subgroup of ratios. The total number of shares issued and subscribed did not vary.

Market Value of Stock: The stock price as of June 30, 2022, was up 12% compared to December 31, 2021.

2. Market Analysis

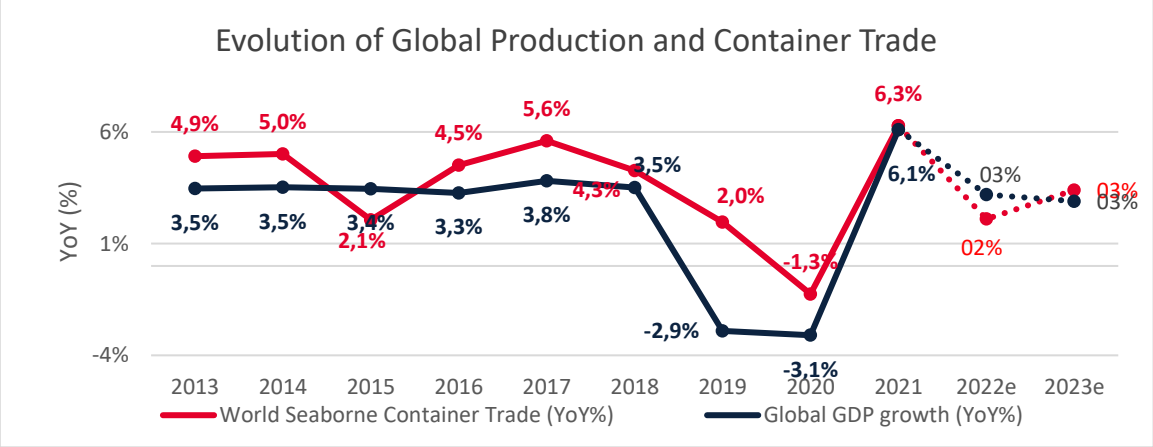
The following section discusses the container shipping industry. CSAV has participated in this industry since 2014 through its investment in the German shipping company Hapag-Lloyd (accounted for as a joint venture using the equity method), in which it has a 30% stake as of June 30th.

I. Historical Context

i. Industry Growth Directly Correlated to Global GDP Growth

Until just before the beginning of the container shipping industry's consolidation phase (initiated with the CSAV-HLAG merger in 2014), operators employed a strategy focused on growth and increasing market share, which was driven by globalization, technological development and manufacturers relocating to emerging economies. However, in today's hyper-connected economy, the industry has achieved a greater degree of maturity and there is a direct relationship between global GDP and international trade of goods—where container shipping accounts for the largest share in comparison to other modes of transportation.

Between 2012 and 2018, global GDP grew consistently at around 3.5%, while container transport volumes reported positive annual growth slightly above global GDP during the same period. However, in 2018 amidst trade tensions between the United States and China, which impacted global economic conditions since the middle of that year, we began to observe a slight reduction in annual GDP growth trends. This downward trend intensified in 2019 and fell even further by year-end 2020, with economic contraction of -3.5% (an historical low) due to the consequences of COVID-19. That trend was then reversed in 2021 when the world economy grew 6.1%. Global and industry growth of around 3% is expected for the next few years.



Source: Clarksons Research container volume 2013-2020 (May-22); CTS container volume 2022-2023 (July 2022; Global GDP - IMF (Jul-22)

ii. Industry Consolidation Phase in Search of Efficiencies and New Strategies

Even though the container shipping industry still boasts a large number of players, especially in the segment of smaller-sized companies, a growing trend towards industry consolidation has been seen in the past few years.

The important wave of mergers and acquisitions in the industry began with the combination of the container shipping businesses of CSAV and HLAG, in 2014, which subsequently merged with the Arabic shipping line UASC in May 2017, positioning HLAG from that point forward among the five largest shipping companies in the world by hauling capacity.

Other important deals include the acquisition of the Chilean shipping line CCNI by German company Hamburg Süd and the subsequent purchase of Hamburg Süd by the Danish firm Maersk, which was concluded in November 2017, although they continue to operate under independent structures. In addition, to complete this acquisition Maersk had to dispose of its cabotage business in Brazil due to its high concentration in this business. That division was sold to CMA CGM, the French shipping line that previously purchased the Japanese company APL.

The main Asian shipping companies also engaged in important mergers and acquisitions. China Shipping merged with another Chinese firm, COSCO, which was subsequently acquired by Hong Kong's Orient Overseas Container Lines (OOCL) in July 2018. Furthermore, an association to merge the three largest Japanese lines (K-Line, NYK and MOL) into one entity was announced and began to operate jointly under the name Ocean Network Express (ONE) in 2018. However, despite completing the acquisition of OOCL and initiating operations at ONE, these companies are still independent entities and have not yet harnessed the potential synergies of full integration. This demonstrates how the large size of the shipping companies involved in these transactions lends greater complexity, higher costs and reduced efficiencies to such processes, generating a decreasing return from the benefits obtained from greater operating scales.

Another important milestone in this consolidation process was the bankruptcy and suspension of services in 2016 by Korean line Hanjin Shipping, the world's seventh largest container shipping company (measured by hauling capacity). This is the largest bankruptcy case in the history of the container shipping industry.

Following all these business combinations and Hanjin's bankruptcy, by early 2021 the ten largest global shipping operators accounted for almost 85% of installed capacity, while the five largest had close to 65%.

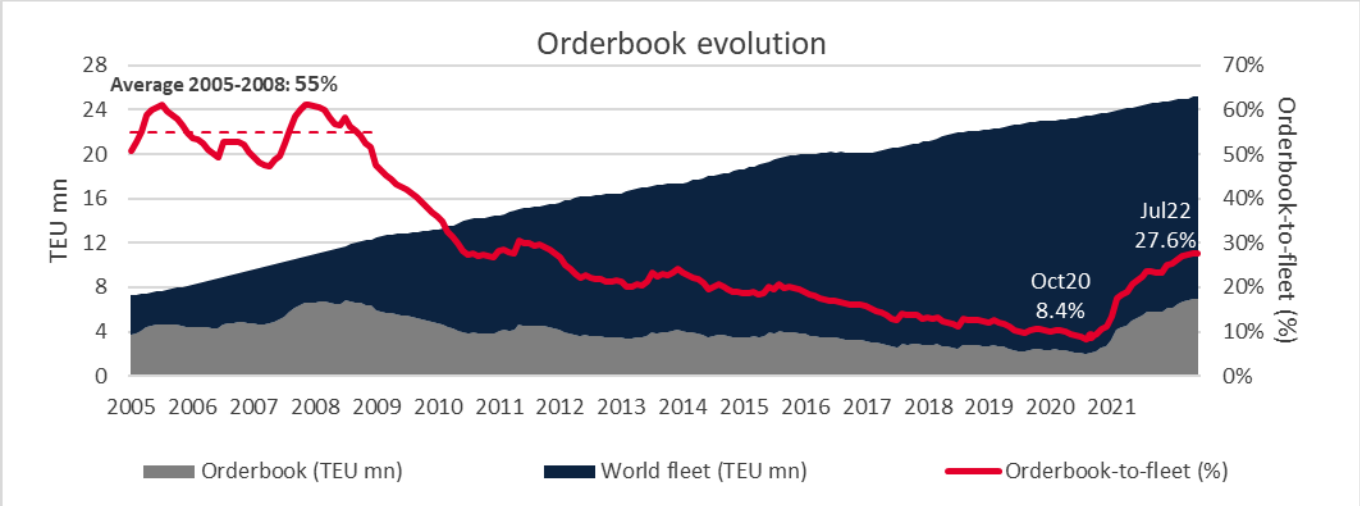
Although no new consolidations have been announced for the next few years, efforts continue for all industry players, now mainly focused on effectively integrating and generating post-merger synergies. The largest global operators have already reached sizes that will enable them to

generate economies of scale, with the consequent effect on their costs, fleet optimization and a wider scope for their service network.

Likewise, in recent years joint operating agreements and operating alliances have expanded in order to improve customer service levels and broaden geographic coverage, while generating very significant economies of scale and network economies. These initiatives have been very important and have led to the formation of major global operating alliances.

The current structure of alliances announced in 2016, which began to operate globally along most trades in the second quarter of 2017, account for almost 90% of total shipping capacity along the industry's main long-haul, east-west routes. The main changes in this reorganization process were the dissolution of the Ocean Three, G6 and CKYHE alliances to give rise to two new alliances: Ocean Alliance, led by CMA CGM and COSCO, and THE Alliance, of which HLAG is a member, as well as the 2M alliance between Maersk and MSC. During the second quarter of 2019, HMM's integration into THE Alliance was confirmed and the joint operation agreement was renewed in April 2020 for a period of 10 years.

iii. Supply Indicators



Source: Clarksons Research (Jun-22)

As mentioned before, the global economy and demand for containers grew sharply in the 2000s (before the subprime crisis), which drove shipbuilding orders up to meet this strong demand. Between 2005 and 2008, the global orderbook to total fleet ratio averaged around 55%. Then the financial crisis hit, which led to significant oversupply in the shipping market. Since then, it has managed to significantly reduce supply, which is still considered to be at healthy levels despite an upward trend since late 2020.

In terms of supply-demand equilibrium, in recent years key industry indicators have improved considerably and reached equilibrium levels, which has already been reflected in the operating results of several shipping lines since 2019. Increased rationalization of the entire fleet, stemming from lessons learned by the industry after not recovering its cost of capital for a long time, coupled with an intensive consolidation process in recent years and collaboration through operating alliances, have all led to greater stability in the long-term supply-demand equilibrium, allowing the industry to make organic, effective adjustments to contractions in demand.

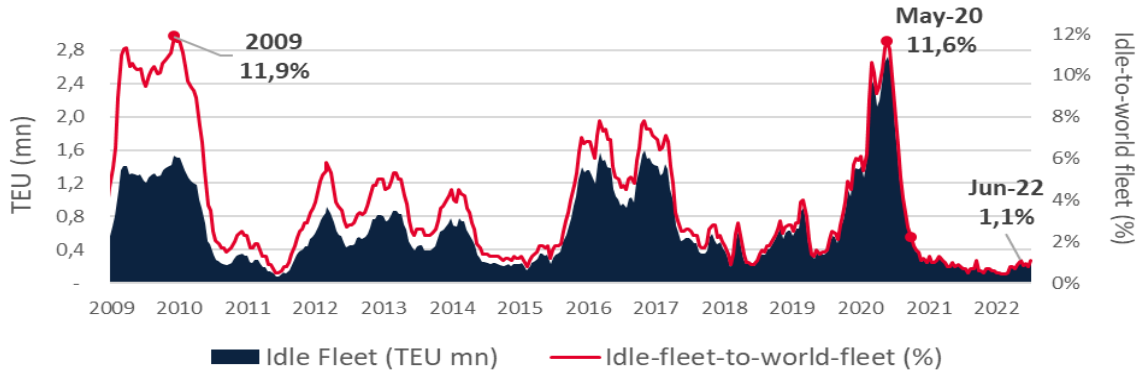
Growth in supply in upcoming years can be calculated by, on one hand, the total shipping capacity of the orderbook with respect to the total fleet, which represents the capacity that will be incorporated into the operative fleet within the next 24 to 30 months (the average construction and delivery time for vessels) and, on the other hand, the shipping capacity scrapped each year and, thus, no longer operating.

In terms of fleet renewal, vessel scrapping has remained low over the past few years because the global fleet is relatively new as a result of orderbook concentration and deliveries a few years back, and since vessels have an average useful life of 25 years. That gives an annual renewal rate of 4%, because of yearly vessel depreciation.

Therefore, combined with the effect that new environmental regulations will have on future vessel scrapping, the current orderbook-total fleet ratio of 27% is considered reasonable.

iv. Effective Fleet Management Maintained Supply-Demand Equilibrium

In addition to the industry's gross growth (new vessel construction plus fleet renewal), one must consider the different initiatives adopted individually by shipping lines or collectively through operating alliances, in order to maintain suitable vessel deployment levels within the network, regardless of short-term fluctuations in demand. Keeping vessel deployment levels stable is key to the integrity and sustainability of the quality of services provided to customers, as well as to maintaining the cost efficiencies generated by this operating scale.



NOTE:

[1] Until mid-November 2021 the "unemployed" fleet included vessels undergoing extraordinary repairs or being retrofit, but excluded ships that were idle for routine repairs. Since then, the "unemployed" fleet includes only those considered "commercially inactive" (excess capacity in the market or in the operator's fleet).

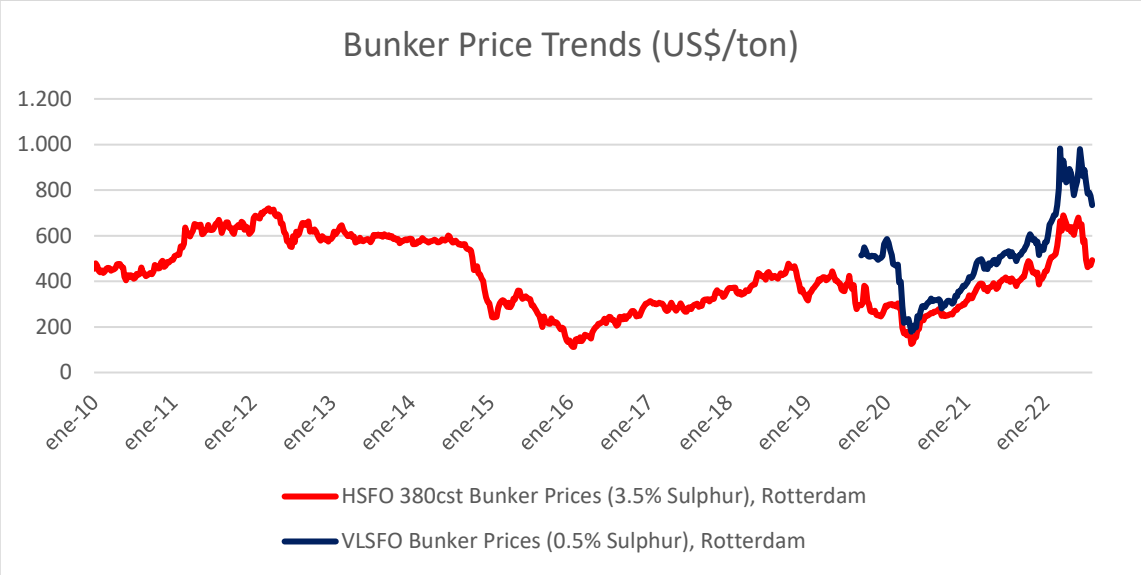
Source: Alphaliner Monthly Monitor (Apr-22)

The idle fleet is a KPI that is sensitive to management variables and supply-demand equilibrium. It remained high from late 2015 to mid-2017 because of diverse factors such as the opening of the expanded Panama Canal in July 2016 and the ensuing high number of large, high-efficiency ships delivered in 2014 and 2015, thus resulting in the scrapping of many smaller vessels.

In April 2017, the new global alliances began operating and, as a result, part of the idle fleet at that time was reincorporated into the active fleet. This, in addition to the industry's scrapping efforts in previous years, kept the indicator stable from mid-2017 to mid-2019. Meanwhile, the strong increases in the idle fleet during the first half of 2020 and subsequent sharp drop since late 2020 result in an almost 100% active global fleet. This is explained mainly by demand fluctuations and distortions caused by the COVID-19 pandemic.

v. Fuel: The Industry's Main Consumable

Fuel is one of the most important inputs in the shipping industry because of its impact on operating costs. The price of fuel is commonly indexed to freight rates in customer contracts for shipping services.



Source: Clarksons Research (Aug-22)

As for historical trends, from 2011 until late 2014 the price of fuel remained relatively stable and high. After that, there was a sharp drop in 2015 to its record low. However, since early 2016, there has been a moderate but continuous increase in fuel prices, recovering a large part of the ground lost in late 2014 by the end of 2018, applying constant pressure on operating costs and shipping rates considered to be in equilibrium.

As of year-end 2018, fuel prices showed high volatility, which later translated into a downward trend during the second half of 2019. This stemmed essentially from lower estimated demand and the effect of suppliers liquidating inventory of what was, until that time, the most widely used fuel for shipping operations. This is due to the application of the new sulfide air emissions regulation for the shipping industry ("IMO 2020"), which mandates worldwide use of fuel with a maximum sulfur content of 0.5% (known as very low sulfur fuel oil or VLSFO), far below the 3.5% sulfur content of fuels previously used on long ocean voyages, starting January 1, 2021.

The new measures to reduce environmental impact have led the industry towards another change process, which will involve testing, evaluations and possible investment plans to comply with the new regulation in an efficient and sustainable manner.

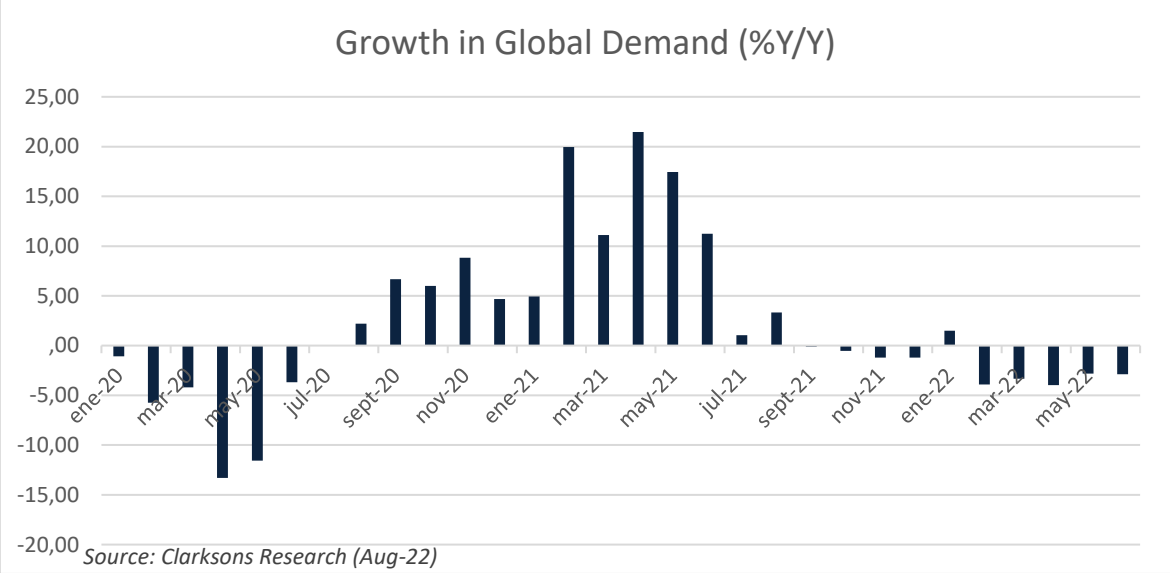
That standard has led to changes in infrastructure. From here on out, shipping lines have the option of powering vessels with more refined, more expensive fuel; retrofitting them with scrubbers that enable them to use high-sulfur fuel or seeking new fuel alternatives such as LNG. For example, as of June almost 32% of the total fleet of container ships has been fully retrofit, while other alternatives such as LNG still account for less than 2% of the current fleet.

However, new orders are comprised of 24% conventional vessels, 43% ships with scrubbers, 29% vessels that can run on LNG (or dual) and 4% methanol-powered ships.

As for more recent oil prices, it is important to underscore that fuel prices are currently on the rise and have been exacerbated by geopolitical conflicts between Russia and Ukraine. For example, at Hapag-Lloyd bunker prices have increased 67% during the six-month period with respect to 2021. Remember that freight prices include a surcharge in the event of increases in fuel prices (MFR: marine fuel recovery surcharge), but it operates with a certain lag.

II. Current Conditions

i. Fluctuations in Demand Marked by COVID-19



Source: Clarksons Research (Aug-22)

The global economy, and the container shipping industry in particular, have been shaped over the past year by the COVID-19 pandemic. In early 2020 the industry suffered a sharp contraction in demand worldwide as a result of diverse mobility restrictions mandated by local authorities to contain the spread of the coronavirus and the uncertainty these circumstances generated.

Despite this contraction and the lingering uncertainty of the public health crisis, as of the second half of 2020 the industry began to see an abrupt recovery in shipping volumes for several reasons. These include strong global demand for durable goods (to the detriment of services), companies' needs to restock to meet greater demand, easing of mobility measures, etc.

Demand has remained high to date, blessing the industry with solid results. According to estimates by Clarksons Research volume of transported containers fell 1.3% YoY in 2020 but was up 6.3% in 2021. Meanwhile, projections for the years 2022 and 2023 call for growth in ocean shipping demand of around 2.1% and 3.4%, respectively (Source: CTS).

Despite the favorable medium-term outlooks, there is still considerable uncertainty, especially in terms of the evolution of both the COVID-19 pandemic and the Russia-Ukraine conflict.

ii. Disruptions in the Logistics Chain

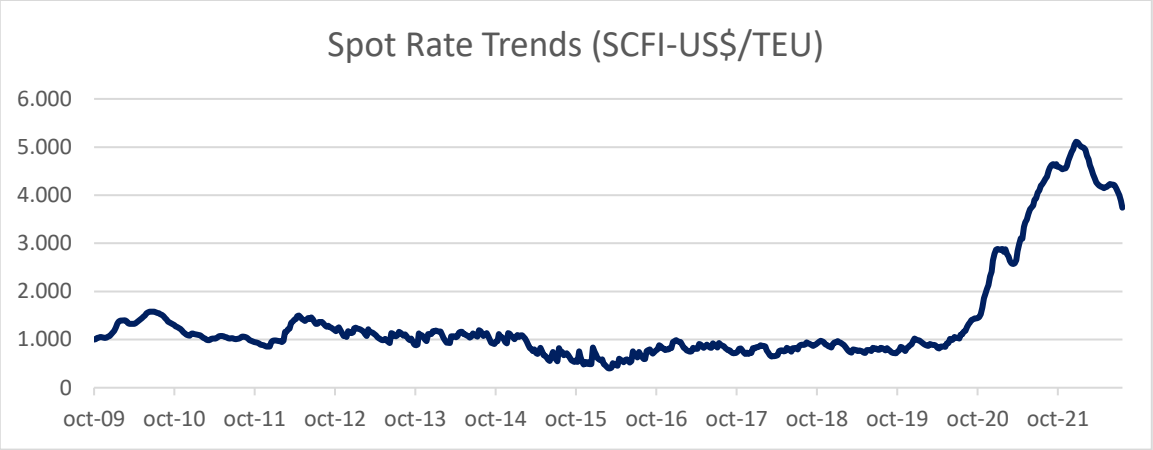
The strong demand in the second half of 2020 and pandemic-related mobility restrictions have led to a scarcity of shipping containers and significant congestion throughout the entire logistics chain. Despite the fact that almost the industry's entire fleet is active, the logistics chain has been affected and prices are up.

This historical increase is due primarily to the high inelasticity of shipping demand from producers and importers of goods around the world, faced with limited shipping capacity during a given time, even though the industry is operating at full capacity. This rise has also proven that the logistic costs of shipping cargo are just one link in a longer logistics chain, representing a small portion of the total cost of transportation and, even more, of the commercial value of the transported good.

The logistics chain has been saturated with a series of "bottle necks" and limitations. Some such limiting factors in the logistics chain are the COVID health protocols, which have resulted in: (i) reduced personnel throughout the entire logistics chain: customs, ports, ground transportation, etc., (ii) reduced personnel because some have migrated to industries that are less exposed to the crisis, (iii) greater port congestion resulting in longer waiting periods at ports, (iv) lower container turnover due to a slower supply chain, which has generated container scarcity at in-demand locations, which has partly been resolved through container purchases and repositioning, (v) longer ground transport times due to *cordons sanitaires*, checkpoints, curfews, personnel shortages, among others.

In an attempt to counteract logistics issues, Hapag-Lloyd implemented measures to offer better service to its customers. These measures include: (i) optimizing networks and relocating vessels to points of high demand, (ii) redirecting cargo to less congested ports and seeking better ground alternatives, (iii) purchasing second-hand vessels, chartering additional vessels and hiring additional stevedores, (iv) purchasing additional containers and repairing more old containers, (v) adding more personnel, boosting capacity and incorporating technological solutions, among others.

The Shanghai Containerized Freight Index (SCFI) is an indicator of weekly trends in closing spot freight rates (shipments not subject to contracts with shipping lines). The chart shows a significant hike since mid-2020, which initiated a downward trend in 2022, even though it is still at historically high levels.



NOTES: [1] Shanghai Containerized Freight Index.
Source: Clarksons Research (Aug-22)

iii. Current Fleet and Orderbook

As mentioned above, in recent years the fleet has grown in line with a long-term logic: orderbook-total fleet equilibrium based on current market conditions. In 2021 and 2022, several operators and non-operators have announced the closing of vessel construction contracts, thus increasing the current orderbook-to-fleet ratio to 27% as June 2022.

In this context, Hapag-Lloyd was one of the companies confirming new orders, specifically twelve 23,500 TEU vessels featuring high-efficiency, dual-fuel, high-pressure engines that run on natural gas (LNG) but can also burn conventional fuel if needed. It also confirmed the purchase of five 13,000-13,250 TEU vessels and charters for another five 13,000 TEU vessels that are currently being built. This is alongside the capacity added from integrating NileDutch (29,500 TEU) and DAL (Deustche Afrika-Linien – 6,589 TEU) and purchases of secondhand ships (19,329 TEU in the first half of the year.)

iv. Pressure on Costs

The industry, therefore, is focused on the new paradigm of optimizing operating costs and boosting productivity, aiming for greater asset deployment and more efficient fuel consumption. This is especially important to deal with the cost pressures inherent to a recovering market, in the markets for both vessel charters and maritime and port services. Likewise, fuels have shown a clear upward trend. This pressure on costs will have an impact on the Company's results.

III. Hapag-Lloyd's Quarterly Financial Report as of June 2022

HLAG Key Figures		As of June 30, 2022	2021	Change %	Change #
Total vessels, of which		253	250	1%	3
own vessels1)		119	116	3%	3
chartered vessels		134	134	0%	–
Aggregate capacity of vessels	MTEU	1,771	1,761	1%	10
Aggregate container capacity	MTEU	3,030	2,822	7%	208
Bunker price (combined MFO / MDO, average for the period)2)3)	USD/t	703	421	67%	282
Freight rate (average for the period)	USD/TEU	2,855	1,612	77%	1,243
Transport volume	MTEU	6,012	6,004	0.1%	8
Revenue	MM USD	18,562	10,551	76%	8,011
Transport expenses	MM USD	(6,976)	(5,736)	22%	(1,240)
EBITDA	MM USD	10,942	4,240	158%	6,702
EBIT	MM USD	9,919	3,487	184%	6,432
Group profit / loss	MM USD	9,466	3,284	188%	6,182
Cash flow from operating activities	MM USD	10,216	3,915	161%	6,301
Investment in property, plant and equipment4)	MM USD	1,204	1,617	353%	(413)
Consolidated Results KPI					
EBITDA margin (EBITDA / revenue)		58.9%	40.2%		
EBIT margin (EBIT / revenue)		53.4%	33.0%		

Balance sheet KPI		As of June 30, 2022	As of December 31, 2021	Change %	Change #
Total Assets	MM USD	33,040	30,236	9%	2,804
Total Liabilities	MM USD	11,690	11,944	(2%)	(254)
Total Equity	MM USD	21,350	18,292	17%	3,058
Equity ratio (equity / balance sheet total)		64.6%	60.5%	4%	
Borrowed capital	MM USD	11,690	11,943	(2%)	(253)
Debt					
Financial debt	MM USD	5,927	6,222	(5%)	(295)
Cash and cash equivalents	MM USD	10,394	8,741	19%	1,653
Net debt (financial debt - cash and cash equivalents)	MM USD	(4,467)	-2,520	77%	(1,947)
Gearing (net debt / equity)		(20.9%)	(13.8%)	(7%)	
Liquidity reserve	MM USD	11,119	9,326	19%	1,793
Number of Employees					
Employees at sea		1,966	2,089	(6%)	(123)
Employees on land		12,355	11,315	9%	1,040
Hapag-Lloyd total		14,321	13,404	7%	917

Notes: 1) Includes lease agreements with purchase options on termination / 2) MFO = Marine Fuel Oil / 3) MDO = Marine Diesel Oil / 4) Since 2019, as a result of the new standard IFRS 16, investments in property, plant and equipment include right-of-use contracts (RoU)

For Hapag-Lloyd, the first half of 2022 was marked by strong results despite stable demand. However, the market situation is difficult because of disruptions in the logistics chain that have resulted in important challenges throughout the full supply chain and are reflected in longer transit periods and voyages for both vessels and containers. Added to this situation are the impacts of the geopolitical conflict between Russia and Ukraine.

High congestion throughout the system has led to supply scarcity since vessels spend more time in transit and, therefore, have lower turnover, resulting in higher revenue (+76%) due to higher freight rates

(US$2,855/TEU during the period versus US$1,612/TEU last year), with relatively flat volumes (+0.1%) compared to the first half of 2021.

In terms of volumes, the slight 0.1% rise is explained mainly by increased cargo shipped in Africa (+44.0%) following the merger with NileDutch and DAL, in the Middle East (+2.3%) and on the Atlantic route (+0.4%), offset by lower volumes on Intra-Asia (-5.7%), Atlantic (-4.2%), Latin American (-3.2%) and Asia-Europe (-0.6%) trades.

Meanwhile, transport expenses (bunker, handling and haulage, equipment and repositioning, vessels and voyages and other) are up 21.6% overall, with all items presenting increases. The fastest growing cost is bunker (+71.1%) as a result of higher energy prices because of the Russia-Ukraine conflict. Equipment and repositioning costs climbed 15.3%, while cargo handling and haulage, related to container movements within ports and for ground transportation, a cost known as“detention and demurrage” were also up +15.3%. These costs are on the rise because of logistical problems and congestion at ports and along ground routes.

Transport cost per container (TEU) climbed from US$/TEU 955 in 6M21 to US$/TEU 1,160 in 6M22. If you add depreciation and amortization expense, cost per TEU increases 23.1% (US$/TEU 1,081 in 6M21 vs. US$/TEU 1.331 in 6M22).

In short, greater freight revenue resulted in better margins and pushed EBITDA upward by a factor of 2.6 over 2021, reflecting an EBITDA margin of 58.9%. Accordingly, net income increased significantly (+188%/MMUS$6,182) with a profit margin of 51.0%.

These good results generated operating cash flows of MMUS$10,215.9 for the six-month period, which compares positively to MMUS$3,914.8 for the same period last year. A portion of those cash flows was used for new investments in vessels (MMUS$397.1), containers (MMUS$214.0) and other items involving disbursements of MMUS$730.4 classified as investing activities. The rest of the positive cash flows was used mainly for financing activities (MMUS$7,832.8) such as: dividend payments (MMUS$6,599.4), payments for vessel charters and interest in accordance with IFRS 16 (MMUS$555.4), financial hedge payments (MMUS$293.5), net financial debt payments (MMUS$279.7), interest payments (MMUS$104.8), etc. With everything included, the Company closed the period with cash of MMUS$10,393.9. In addition to available cash, Hapag-Lloyd has available (unused) credit lines of MMUS$725.

3. Market Risk Analysis

As described in Note 5 of the Consolidated Financial Statements as of June 30, 2022, CSAV's investment in HLAG represents 88.0% of its total consolidated assets. HLAG is a global shipping company headquartered in Germany that transports container cargo on all main global routes. It is a public company (*Aktiengesellschaft*) and is listed on the Frankfurt and Hamburg stock exchanges. Although CSAV jointly controls HLAG together with two other shareholders through with agreement, this German company has an independent management team that controls and manages its risks autonomously and in accordance with the standards of a publicly-listed company subject to current regulation in Germany and, therefore, to applicable regulation in the European Union.

In light of the above, the risks to which CSAV is exposed can be classified into: (a) Business Risk, (b) Credit Risk, (c) Liquidity Risk and (d) Market Risk.

a. Business Risk

The main business risks for CSAV are those related to (i) the balance of supply and demand for maritime transport, (ii) risks associated with its main geographical markets and (iii) fuel prices.

i. Supply-Demand Equilibrium: The demand for maritime transport is highly correlated with growth of global GDP and trade. On the other hand, container shipping supply is a function of the global fleet of vessels, which fluctuates based on the delivery of new vessels and the scrapping of vessels that are obsolete or no longer profitable to operate. Therefore, equilibrium in the container transport business, operated and managed by HLAG, is directly affected by changes in these variables.

HLAG continuously evaluates market conditions to identify any types of threat or extraordinary risks and implement measures to mitigate possible negative impacts. For example, since early 2020, due to health problems deriving from the spread of the coronavirus and the resulting contraction in global demand, HLAG formed a Central Crisis Committee that works to ensure execution of two important programs: the Operational Continuity Plan, designed to safeguard employee safety and health while keeping the company operating; and the Performance Safeguarding Program, intended to mitigate the economic effects of the pandemic. Through these programs, more than 90% of office employees were able to work from home, while more than 1,700 measures were implemented organization wide to cut costs, restructure services, review investments and boost the company's liquidity. All these measures have played an important role in minimizing and controlling business risk.

ii. Geographical Markets: HLAG participates in container shipping across all major global routes, and it distributes its operations across diverse geographical markets, providing liner services in more than 137 countries. As a result of its geographic diversification, the Company is not particularly exposed to any given geographical market and can thus offset possible market contingencies on certain routes. However, it is still exposed to global variations. Even with a global service network, HLAG's relative exposure is above

the industry average on Transatlantic, Latin American and Middle East routes and below average on Transpacific and Intra-Asia routes. As a result of the May 2017 merger of HLAG and UASC, HLAG incorporated UASC's service network and its important cargo volumes along Asia-Europe and Middle East routes and, therefore, its relative exposure to the main global routes became more balanced.

iii. Fuel Prices: An important component of the transport industry's cost structure is the cost of energy, or fuel, which is usually called "bunker" within the maritime shipping industry.

Due to fluctuations in oil prices, a significant proportion of maritime freight sales are agreed with contracts and a percentage of those rates are subject to price adjustments, based on changes in bunker costs. For this, HLAG implemented a Marine Fuel Recovery (MFR) mechanism to recover the incremental costs from using more refined fuel, to be calculated per TEU.

In order to reduce the impact of potential upward volatility in bunker prices on sales and contracts that have such a clause but only with limited coverage, or that are at a fixed price, HLAG takes out fuel price hedges on unhedged volumes, although the use of this tool is more limited.

b. Credit Risk

Since the Company has no direct customers, its credit risk is derived from exposure to counterparty risk in the case of financial assets or derivatives maintained with banks or other institutions.

The Company's policy for managing its financial assets (current accounts, time deposits, repo agreements, derivative contracts, etc.) is to maintain these assets at financial institutions with “investment grade” risk ratings.

c. Liquidity Risk

Liquidity risk refers to the Company's exposure to business or market factors that may affect its ability to generate income and cash flows, including the effect of contingencies and regulatory requirements associated with its business.

CSAV is not directly exposed to the container shipping business, but rather indirectly as one of the main shareholders of HLAG. This limits the Company's liquidity risk in that business to the expected flow of dividends or any additional capital required by this joint venture.

It is important to mention that CSAV has a long-term loan secured mainly to finance its investment in HLAG and it has sufficient liquidity to cover its obligations.

d. Market Risk

Market risk is the risk that the value of the Company's assets or liabilities continuously and permanently fluctuates over time as the result of a change in key economic variables such as: (i) interest rates and (ii) exchange rates.

Interest Rate Fluctuations: Interest rate fluctuations impact the Company's floating rate obligations.

Exchange Rate Fluctuations: The Company's functional currency is the US dollar, which is the currency in which most of its operating income and expenses are denominated as well as the currency used by most of the global shipping industry and the functional currency of HLAG. However, the Company also has flows in other currencies, such as Chilean pesos, euros, Brazilian reais and others.

When necessary, the Company can use accounting hedges to mitigate changes in these variables. Variations in the market price of these hedges, in accordance with current policy, are recorded in other comprehensive income.

During the second quarter, management took out a cross currency swap (CCS) to cover its exposure in euros. Remember that the recoverable tax credits in Germany (current portion is capitalized in balance sheet) are denominated in euros and total MMEUR 487. That withholding was financed with a US-dollar loan of MMUS$520. Therefore, during the second quarter, it took out a CCS to convert the US-dollar loan into euros and thereby generate a natural hedge between an asset and a liability in the same currency and for a similar amount.

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