COMPAÑÍA SUD AMERICANA DE VAPORES S.A. AND SUBSIDIARIES

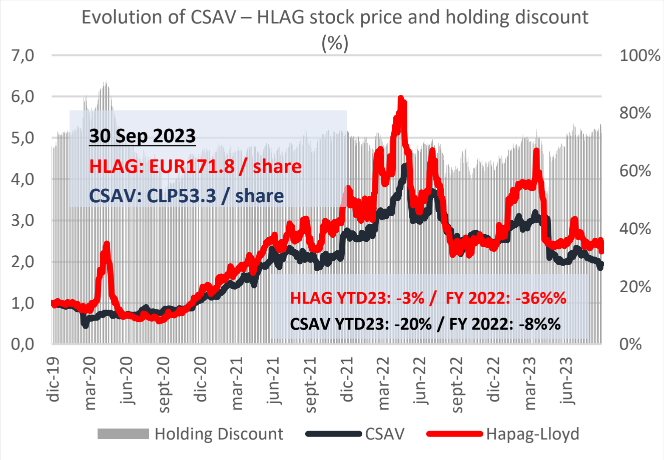
QUARTERLY ANALYSIS

Based on the Interim Consolidated Financial Statements
As of September 30, 2023

3Q 2023 AT A GLANCE

CSAV		As of September 30,		Change	
		2023	2022	%	#
Share of HLAG's net income	MMUS$	**1,020**	4,391	(77%)	(3,371)
Net Income	MMUS$	**257**	4,337	(94%)	(4,080)

Hapag-Lloyd		As of September 30,		Change	
		2023	2022	%	#
Revenue	MMUS$	**15,312**	28,439	(46%)	(13,127)
EBITDA	MMUS$	**4,519**	16,649	(73%)	(12,130)
EBIT	MMUS$	**2,989**	15,143	(80%)	(12,154)
Net Income	MMUS$	**3,425**	14,665	(77%)	(11,240)
Freight rate	US$/TEU	**1,604**	2,938	(45%)	(1,334)
Transport volume	MTEU	**8,916**	8,987	(1%)	(71)
Fuel price	USD/t	**611**	755	(19%)	(144)



- For the first nine months of 2023, CSAV reported net income of MMUS$257.0, down from net income of MMUS$4,337.0 for the same period last year.

- These lower earnings can be explained mainly by weaker results from Hapag-Lloyd/HLAG, where CSAV's share was MMUS$3,425 for the first nine months of 2023, versus MMUS$14,665 for the same period last year.

- Taxes also affected the bottom line for the period, specifically a tax expense of MMUS$698.2 generated by dividends repatriated from Germany during the first nine months of 2023.

- Additionally, in August CSAV Germany Container Holding (hereinafter CSAV Germany) received a refund of MMEUR487 from a retention made on the Hapag-Lloyd dividend from the previous year (amount net of retention received in Chile was MMEUR353).

- In a weakened market environment, HLAG's earnings were down 77%, reflecting the impact of lower freight rates (-45%) and lower volume demand (-1%), as the market continues to adjust and search for a new post-pandemic equilibrium.

- The focus on cost management has led to a reduction in operating expenses, in addition to lower bunker costs, which has partially alleviated inflationary pressures during the period.

- As of this report and after the successful closing of the acquisition of SM SAAM's terminal business in August, the results can be segmented between the shipping business and the terminals and infrastructure business. For this period, the terminal business contributed MMUS$29 in EBIT.

Hapag-Lloyd updated its earnings outlook for 2023 of EBITDA of between MMUS$4,500 and MMUS$5,500 (2022: MMUS$20,474) and EBIT of between MMUS$2,400 and MMUS$3,400 (2022: MMUS$18,467).

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 September 30, 2023	As of December 31, 2022	Change	
	MM US$	MM US$	%	MM US$
Current assets	**1,782.5**	**611.4**	**191.6%**	**1,171.1**
Cash and cash equivalents	**395.3**	97.2	306.7%	298.1
Current tax assets	**1,386.7**	513.8	169.9%	872.9
Other	**0.4**	0.4	20.5%	0.1
Non-current assets	**6,534.8**	**9,685.2**	**(32.5%)**	**(3,150.4)**
Equity method investments	**6,519.7**	9,169.7	(28.9%)	(2,650.0)
Deferred tax assets	**2.2**	502.3	(99.6%)	(500.0)
Investment property and Other	**12.9**	13.3	(2.8%)	(0.4)
Total assets	**8,317.3**	**10,296.6**	**(19.2%)**	**(1,979)**

LIABILITIES AND EQUITY	As of September 30, 2023	As of December 31, 2022	Change	
	MM US$	MM US$	%	MM US$
Current liabilities	**126.4**	**2,272.0**	**(94.4%)**	**(2,145.6)**
Financial liabilities, current	**2.1**	560.9	(99.6%)	(558.8)
Commercial and others, current	**15.9**	18.1	(12.1%)	(2.2)
Tax Liabilities, current	**27.6**	9.8	181.6%	17.8
Other	**80.8**	1,683.2	(95.2%)	(1,602.4)
Non-current liabilities	**106.3**	**110.1**	**(3.5%)**	**(3.8)**
Financial liabilities, non-current	**99.7**	99.6	0.1%	0.1
Other	**6.6**	10.5	(37.1%)	(3.9)
Total equity	**8,084.6**	**7,914.5**	**2.1%**	**170.1**
Total liabilities and equity	**8,317.3**	**10,296.6**	**(19.2%)**	**(1,979)**

Total assets decreased by ThUS$1,979.3 compared to December 31, 2022, explained by a decrease of ThUS$3,150.4 in **non-current assets**, partially offset by an increase of ThUS$1,171.1 in **current assets**. These variations are analyzed below.

The increase of MMUS$1,171.1 in **current assets** is mainly explained by an increase in current taxes of MMUS$872.9 and greater cash and cash equivalents of MMUS$298.1, which are analyzed below.

The rise of MMUS$298.1 in **cash and cash equivalents** is mainly explained by the dividend distributed by Hapag-Lloyd and the recovery of retentions made on dividends from Germany; both effects are partially offset by the minimum dividend paid to CSAV shareholders and by operating expenses. A more detailed analysis is provided in the Cash Flow Analysis section (page 10) below.

Current Tax Assets MMUS$	as of Sep 30th	as of Dec 31st
Remaining VAT tax credit	1.4	1.1
Income tax to recover	1,146.2	512.7
Credits for taxes paid abroad	239.2*	0.0
Total current tax assets	**1,386.7**	**513.8**

Current tax assets increased to MMUS$1,386.7 mainly due to recoverable income tax in euros because of retentions made in Germany, applied to both the dividends distributed to CSAV Germany by HLAG and the dividends distributed to Chile by CSAV Germany, amounting to MMEUR876 and MMEUR234, respectively, as detailed in the following table:

Entity Paying Dividend	Payment Date	Dividend [MMEUR]	Retention Rate [%]	Retention [MMEUR]	Entity Receiving Retention
Hapag-Lloyd	May 8, 2023	3,322	26.375%	876*	CSAV Germany
CSAV Germany	May 8, 2023	1,732	10.550%	183	CSAV Chile
CSAV Germany	August 8, 2023	480	10.550%	51	CSAV Chile
			Total	**1,110****	

Notes: (*) Tax payments of 1.61% must be deducted from this amount. When recovered by CSAV Germany, this retention is subject to a new retention of 26.375% (15.825% tax and 10.550% recoverable retention).
(**) EUR/USD exchange rate fluctuations will not be hedged with financial instruments.

Additionally, the MMUS$239.2 in credits for taxes paid abroad correspond to the balance of the payment of the 15.825% withholding tax on dividends distributed by CSAV Germany to CSAV Chile net of MMUS$146.5 charged to the income tax provision in Chile.

Account Movements Equity Method Investments	MMUS$
Balance as of January 1, 2023	**9,169.7**
HLAG Results	1,019.9
Share of other comprehensive income (loss)	(9.8)
Dividends Received	(3,660.1)
Other movements in equity	0.0
Total Movements during the period	(2,730.1)
Balance as of September 30, 2023	**6,519.7**

The main movements in this account of CSAV's investment in HLAG are explained by the distribution of HLAG dividends made on May 8, 2023, against 2022 earnings of MMUS$3,660.1, partially offset by the recording of CSAV's share of HLAG's results during the first nine months of 2023 of MMUS$1,019.9, given the strong results in the container ship business that will be detailed below, in addition to equity adjustments in other comprehensive income of MMUS$9.8 in the period. CSAV's stake in HLAG remained unchanged at 30% during the period.

The dividend distribution by HLAG to CSAV's subsidiary in Germany, CSAV Germany Container Holding GmbH (hereinafter "CSAV Germany"), was EUR63 per share, equivalent to MMEUR3,321.9

(MMUS$3,660.1 at the EUR/USD exchange rate published by the Chilean Central Bank on the day of payment). However, this dividend is subject to a provisional retention of 26.375% equivalent to MMEUR876.2, so CSAV's German subsidiary received a net cash flow of MMEUR2,445.8.

The income tax rate in Germany is 32.275% on net taxable income. According to German law, 95% of the dividend distributed by Hapag-Lloyd is tax-exempt income in Germany. The provisional retention indicated in the preceding paragraph can be credited to the income tax payable by CSAV Germany, and CSAV Germany may request a refund of the excess retention. The estimated retention to be recovered by CSAV Germany is MMEUR823.

With respect to the funds paid between CSAV Germany and its parent company in Chile, the subsidiary distributed a total for MMEUR1,732.4, on which a second retention of 26.375% was made for MMEUR456.9, with CSAV Chile receiving a net flow of MMEUR1,275.5 in dividends. CSAV can request a refund of 40% of the retention, resulting in an effective tax rate of 15.825% for MMEUR274 and a recoverable retention of MMEUR183 in Chile. In addition, CSAV Germany paid the balance of intercompany debt held with its parent company in Chile and a capital distribution, totaling MMEUR695.4. Thus, the net cash flow received by CSAV in Chile amounted to MMEUR1,970.9.

The decrease of MMUS$500.0 in the account **deferred tax assets** is explained by the use of the tax loss accumulated as of the end of 2022 of US$496.9.

In the context of an audit of the tax loss carryforward declared by CSAV for the tax year 2020, the Chilean Internal Revenue Service ("SII") requested specific background information regarding the origin of the referred tax loss carryforward as of said date. This request was also extended to the corporate structure of CSAV's investment in Germany, CSAV's influence in the administration or management of Hapag-Lloyd and the way in which CSAV recognizes foreign source income, in light of Article 41 G of the Income Tax Law. Within this context, on April 28, 2023, the SII communicated Summons No. 33, requesting clarification and additional explanation of the answers provided by CSAV, expressing certain questions regarding the Company's criteria for the tax treatment of foreign source income, within the framework of article 41 G of the Income Tax Law, as well as certain minor legal expenses. On October 2, 2023, the SII issued a Notice of Termination of Audit stating that no tax differences were detected with respect to the items reviewed.

As of September 30, 2023, **total liabilities** decreased by MMUS$2,149.4 compared to December 31, 2022. This variation is mainly explained by a decrease in **current liabilities** of MMUS$2,145.6 and a slight decrease in **non-current liabilities** of MMUS$3.8.

Current financial liabilities decreased by MMUS$558.8, largely explained by the repayment of MMUS$520 on the loan to finance retentions from 2022, added to the repayment of the loan from Banco Security for MMUS$35 and the final payment on the loan from Banco Itaú for MMUS$5.

Current Tax Liabilities MMUS$	as of Sep 30th	as of Dec 31st
Income tax provision	201.3	18.0
Reclassification of income tax to be recovered	(27.1)	(8.2)
Reclassification of Provisional Tax Payment and taxes paid abroad	(146.5)	-
Other payable taxes	0.0	0.0
Total current tax liablities	**27.6**	**9.8**

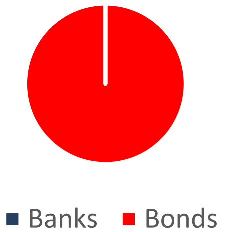
Current tax liabilities increased due to a larger income tax provision of MMUS$201.3 mainly generated by dividends received by CSAV Chile, offset by MMUS$27.1 in recoverable income taxes in Germany and MMUS$146.5 in "credits for taxes paid abroad."

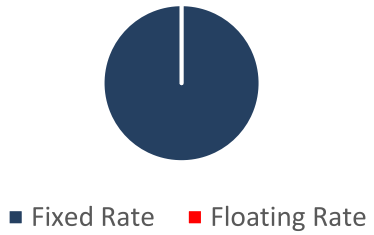
As of September 30, 2023, after consuming the entire tax loss carryforward of MMUS$1,840.2 as of December 31, 2022, the balance of accumulated tax earnings and profits amounts to MMUS$527.0.

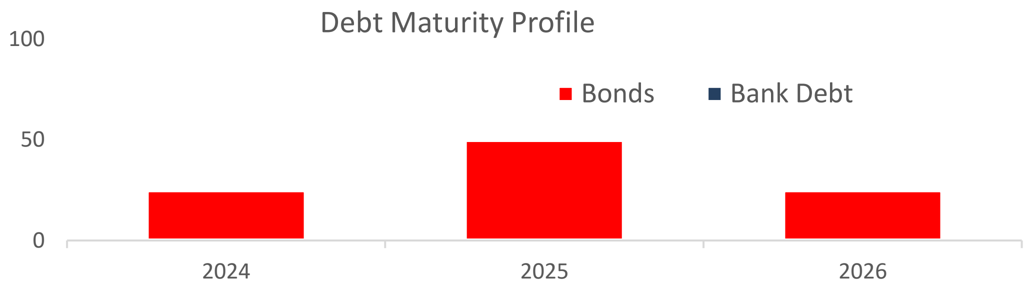
Other current non-financial liabilities decreased by MMUS$1,602.4 mainly due to the distribution of MMUS$1,669.0 in minimum mandatory dividends by CSAV in Chile charged to 2022 earnings on May 25, 2023, partially offset by the recording of the minimum mandatory dividend for the accumulated results for 9M23 of MMUS$77.1.

Meanwhile, **non-current liabilities** decreased by MMUS$3.8 compared to the prior period, due to the reduction of deferred tax liabilities in Chile and the reclassification of non-current provisions to current. **Non-current financial liabilities**, corresponding to the Company's Series C bonds, remain at the same level as year-end 2022 (MMUS$99.6).

With respect to **financial debt,** all outstanding bank loans were repaid during the quarter, so that as of September 2023 the balance of MMUS$100 in debt corresponds only to the series C bond, which has a rate of 5.35%.







As of September 30, 2023, **equity** increased by MMUS$170.1 compared to December 31, 2022. This variation is explained by greater net income for 9M23 of MMUS$257.0, offset by the minimum dividend provision for half-year results presented in other current liabilities by MMUS$77.1 and by a decrease in other reserves of MMUS$9.8, which is explained by CSAV's share of HLAG's other comprehensive income and other equity reserves.

b) Income Statement

Income Statement	As of September 31, 2023	2022	Change	
	MM US$	MM US$	%	MM US$
Administrative and other operating expenses	(9.8)	(28.8)	(66%)	19.0
Other operating income	0.0	2.2	(99%)	(2.2)
Operating Income (Loss)	**(9.8)**	**(26.6)**	**(63%)**	**16.8**
Finance costs, net	(1.2)	(15.5)	(92%)	14.3
Share of net income (loss) of associates and joint ventures	1,019.9	4,391.4	(77%)	(3,371.5)
Exchange rate differences and other non-operational	(53.7)	(7.2)	646%	(46.5)
Income tax expense	(698.2)	(5.0)	13729%	(693.2)
Net income for the year	**257.0**	**4,337.0**	**(94%)**	**(4,080.0)**

For the six months ended September 30, 2023, **net income attributable to the owners of the company** was MMUS$257.0, compared to MMUS$4,337.0 last year.

Administrative expenses totaled MMUS$9.8 for the first nine months of the year, up MMUS$19.0 from last year mainly as a result of the directors' smaller variable share of dividends to be distributed from earnings for the year.

Other operating income recorded a lower gain compared to MMUS$2.2 in the prior year period explained by the sale of an item of property, plant and equipment.

Net financial expenses were down MMUS$1.2 during the period. During the first half of the year, despite higher financial debt and a higher average debt rate in USD, these expenses were offset by financial income from a higher average cash balance during the month of May, and by reduced interest payments in EUR associated with the EUR/USD cross currency swaps contracted on the financing of retentions taken out in USD in June 2022, in order to better match the debt in EUR with the retentions to be recovered in the same currency. Meanwhile, in the last quarter debt decreased to MMUS$100, lower than the MMUS$660 recorded as of September 2022.

Regarding the Company's **share of net income (loss) of associates and joint ventures**, CSAV recognized net income of MMUS$1,019.9 for 9M23, less than the MMUS$4,337.0 recorded for the same period last year. This is mainly explained by a market adjustment that has resulted in lower freight rates and lower volumes compared to the same period in 2022. This post-pandemic adjustment is still in the process of finding a long-term equilibrium.

The Company recorded a loss from **exchange differences** of MMUS$53.7, mainly due to the EUR/USD exchange rate variation associated with retentions to be recovered from Germany denominated in EUR, which were also considerably higher after the dividend distribution made by Hapag-Lloyd on May 8, 2023. It should be noted that in May 2023 the foreign exchange hedges contracted in the previous period were settled, which largely offset the variations in the EUR/USD exchange rate during the hedging period. However, the Company will not continue with this foreign exchange hedge because there is no certain date for the refund of the retained amount and a significant fluctuation of the euro against the dollar could lead to a cash mismatch.

During the first nine months of 2023, CSAV recognized a greater **income tax expense** of MMUS$698.2, reflecting an increase of MMUS$693.2. This is mainly explained by the reversal of MMUS$496.9 in deferred tax assets generated by accumulated tax losses, and by the income tax provision of MMUS$54.8 recorded by CSAV Germany and of MMUS$146.5 recorded by CSAV in Chile.

c) Analysis of Statement of Cash Flows

The main variations in cash flows are explained as follows.

Statements of Cash Flow	As of September 30, 2023	2022	Change	
Cash and cash equivalents at the beginning of the period	**97.2**	**23.7**	**310.3%**	**73.5**
Cash flows from operating activities	**(688.9)**	**(22.1)**	**3012%**	**(666.8)**
Payments from operating activities	(27.6)	(22.1)	25%	(5.4)
Income taxes and other	(661.3)	(0.0)	-	(661.3)
Cash flows from investing activities	**3,242.8**	**1,467.9**	**121%**	**1,774.9**
Dividends received	3,660.1	1,989.8	84%	1,670.3
Other inflow (outflow) of cash	(429.1)	(524.8)	(18%)	95.7
Purchase (sale) of property, plant and equipment	(0.0)	1.9	(102%)	(2.0)
Interest received and other	11.8	1.0	1064%	10.8
Cash flows from financing activities	**(2,232.2)**	**(1,326.2)**	**68%**	**(906.0)**
Loans received (paid), net	(577.9)	59.3	(1075%)	(637.2)
Dividends paid	(1,643.7)	(1,371.3)	20%	(272.4)
Interest paid and other payments	(10.5)	(14.2)	(26%)	3.7
Exchange rate effect	**(23.6)**	**(33.1)**	(29%)	**9.5**
Increase (decrease) in cash and cash equivalents	**298.1**	**86.5**	**245%**	**211.6**
Cash and cash equivalents at the end of the period	**395.3**	**110.2**	**259%**	**285.1**

The net change in **cash and cash equivalents** between December 31, 2022 and September 30, 2023, was a positive MUS$298.1, while a comparison with September 30, 2022, also gives a positive variation of MMUS$285.1.

Cash flows from operating activities were a negative MMUS$688.9 in the period, which represents a higher outflow of MMUS$666.8 compared to the previous year, mainly explained by the taxes on the dividends distributed from CSAV Germany to CSAV Chile of MMUS$661.3. Of this amount, MMUS$257.1 corresponds to income taxes to be recovered by CSAV.

Cash flows from investing activities were a positive MMUS$3,242.8, which represents a higher cash inflow of MMUS$1,774.9 compared to the previous year, explained primarily by greater dividends received by CSAV Germany from HLAG of MMUS$3.660.1, added to greater interest received due to the higher cash balance during the month of May and since August after recovering amounts retained in Germany. These effects are partially offset by other cash outflows of MMUS$429.1, corresponding to the retention of 26.375% of the HLAG dividend of MMUS$965.3, net of the refund of the retention on a 2022 dividend of MMUS$536.3.

Cash flows from financing activities for the first nine months of the year were a negative MMUS$2,232.2, which represents a greater outflow of MMUS$906.0 compared to the previous year, mainly explained by the net repayment of loans for MMUS$577.9 during the first nine months of 2023 compared to the net inflow of MMUS$59.3 last year, in addition to a larger payment of minimum mandatory dividends of MMUS$1,643.7, given the good results in 2022. This year's loan repayments are largely associated with the financing of retentions in 2022.

d) Financial Ratios

As of September 30, 2023 and December 31, 2022, the main financial indicators are as follows:

i. Liquidity Ratios

Liquidity Ratios			As of September 30, 2023	As of December 31, 2022
Current Liquidity Ratio	=	Current Assets / Current Liabilities	**14.097**	0.269

Current Liquidity: This ratio improved as compared to December 2022 due to a decrease in current liabilities (MMUS$2,145.6) and an increase in current assets (MMUS$1,171.1). The main factor for the decrease in current liabilities is the payment of the minimum mandatory dividend by CSAV in Chile provisioned at the end of 2022, while the increase in current assets corresponds mainly to retentions to be recovered by CSAV.

ii. Indebtedness Ratios

Indebtedness Ratios			As of September 30, 2023	As of December 31, 2022
Leverage	=	Total Liabilities / Equity	**2.9%**	30.1%
Short-Term Leverage	=	Current Liabilities / Total Liabilities	**54.3%**	95.4%
Long-Term Leverage	=	Non-Current Liabilities / Total Liabilities	**45.7%**	4.6%
Financial Expense Coverage	=	Net Income before Taxes Less Finance Costs / Finance Costs	**773.2**	267.7

- **Leverage**: This ratio improved with respect to December 2022, due to a decrease in total liabilities (-MMUS$2,149.4 / -90% chg.) and an increase in equity (MMUS$170.1/ 2% chg.). The decrease in liabilities is mainly explained by the payment in 2023 of the minimum mandatory dividend provisioned at the end of 2022.

- **Short-term Leverage:** This ratio worsened with respect to December 2022, because the decrease in current liabilities (-MMUS$2,145.6 / -94% chg.), was proportionally less than the decrease in total liabilities (-MMUS$2,149.4 / -90% chg.), as explained in section 1a) of this report.

- **Long-term Leverage:** In contrast to the previous ratio, this indicator improved with respect to December 2022, because the decrease in non-current liabilities (MMUS$3.8 / -3% chg.) is proportionally less than the rise in total liabilities (MMUS$2,149.4 / -90% chg.), both of which are explained in section 1a) of this report.

- **Financial Expense Coverage:** This ratio improved with respect to December 2022, mainly explained by a higher percentage decrease in net finance costs (-MMUS$14.3 / -92.0% chg.), versus the decrease in income before taxes without financial expenses (-MMUS$3,386.8 / -78.0% chg.).

iii. Profitability Ratios

Profitability Ratios			As of September 30, 2023	As of December 31, 2022
Return on Equity	=	Net Income Attributable to Owners of the Company / Average Equity	**19.6%**	86.9%
Return on Assets	=	Net Income Attributable to Owners of the Company / Average Assets	**17.0%**	68.2%
Dividend Yield		Dividends Paid in the last 12 Months / Market Capitalization at the end of the period	**54.6%**	34.1%
Dividend Payout	=	Net Income Attributable to Owners of the Company / Number of Shares	**112.5%**	24.6%
Earnings per Share	=	Net Income Attributable to Owners of the Company / Number of Shares	**0.029**	0.108
Market Value of Stock(in chilean pesos)			**53.3**	67.0

*Closing observed exchange rate of US$ 895.06

- **Return on Equity:** This ratio worsened with respect to December 2022, due to lower 12M net income attributable to the owners of the company of MMUS$1,483.2 in comparison to net income of MMUS$5,563.2 for the 2022 period (MMUS$4,080.0 / -275% chg.) and an increase in average equity (MMUS$1,181.1 / 15.6%).

- **Return on Assets:** This ratio worsened in relation to December 2022, due to a decrease in net income attributable to the owners of the company (-MMUS$4,080.0, / -275% chg.) and an increase in average assets (MMUS$544.5 / 6.3% chg.).

- **Dividend Yield:** This ratio increased due to the increase in dividends paid in the last 12 months, coupled with the decrease in the market price of the share at the end of September 2023 versus the end of December 2022.

- **Dividend Payout Ratio:** This ratio increased due to the increase in dividends paid in the last 12 months, coupled with the decrease in net income attributable to the owners of the company for the last twelve months as of the end of September compared to the end of December.

- **Earnings per Share:** Earnings per share worsened with respect to December 2022 because of weaker 12M results (-MMUS$4,080.0 / -275% 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 September 30, 2023, was down 25.7% compared to December 31, 2022.

2. Hapag-Lloyd's Quarterly Financial Report as of September 30, 2023

i. Analysis of Key Hapag-Lloyd Figures

HLAG Key Figures		As of September 30,		Change	
		2023	2022	%	#
Total vessels		264	252	5%	12
Aggregate capacity of vessels	MTEU	1,952	1,783	9%	169
Aggregate container capacity	MTEU	2,902	3,042	(5%)	(140)
Bunker price (combined MFO / MDO, average for the period)	USD/t	611	755	(19%)	(144)
Freight rate (average for the period)	USD/TEU	1,604	2,938	(45%)	(1,334)
Transport volume	MTEU	8,916	8,987	(1%)	(71)
Revenue	MM USD	15,312	28,439	(46%)	(13,127)
Transport expenses	MM USD	(9,623)	(10,807)	(11%)	1,184
EBITDA	MM USD	4,519	16,649	(73%)	(12,130)
EBIT	MM USD	2,989	15,143	(80%)	(12,154)
Group profit / loss	MM USD	3,425	14,665	(77%)	(11,240)
Cash flow from operating activities (1)	MM USD	4,987	15,904	(69%)	(10,917)
KPI					
EBITDA margin (EBITDA / revenue)		29.5%	58.5%	(29%)	
EBIT margin (EBIT / revenue)		19.5%	53.2%	(34%)	
ROIC (NOPAT/IC) 2)		22.7%	122.3%	(100%)	

Notes: 1) Since 4Q22, interest payments are recorded in investing cash flows instead of operating cash flows
2) In 1Q23, adjustments were made to the ROIC calculation, which were adjusted to historical figures. NOPAT: Net Operating Profit After Tax / IC: Invested Capital excluding money market financial investments

Hapag-Lloyd's results for the first nine months of 2023 were marked by a weak shipping market in terms of demand and a consequent drop in freight rates. In spite of this, Hapag-Lloyd has maintained relatively constant transport volumes (-0.8%) and even in this third quarter volumes are up in comparison to the third quarter of last year (+4.5%). Although the financial results show a clear downward trend, return on invested capital is at 22% for the first nine months of the year (122% in 2022).

Freight rates experienced a significant adjustment during the year, falling 45% from US$2,938/TEU in the first nine months of 2022 to US$1,604/TEU. This is related to weaker demand especially in the first half of the year (destocking period), to the entry of new fleets into the market (+7% YoY) and to the normalization of supply chains (congestion has dissipated).

Transport expenses (bunker, handling and haulage, equipment and repositioning, vessels and voyages and other) decreased by 10.2%, mainly due to lower bunker costs, explained by lower bunker prices, lower transport volumes, shorter transit times due to the dissipation of congestion and slower sailing speeds. In turn, the drop in handling and haulage costs (-11.3%) is largely explained by shorter detention and demurrage of cargo because of less congestion. Total costs per container (including transport costs plus depreciation and amortization) decreased 8.7% from US$/TEU 1,370 in 9M22 to US$/TEU 1,250 in 9M23. Although this cost has been decreasing, dropping -16% in one year, it is 23.5% above the 2019 level (US$1,012/TEU).

In short, the first nine months of the year show lower revenue (-46%) due to a drop in freight rates (-45%) and relatively flat transport volumes (-0.8%). Gross operating costs were down 11.0%, which was greater than the drop in volumes, which pushed costs per TEU down by 8.7%. As a result, margins are lower and EBITDA decreased by 73% year over year, reflecting an EBITDA margin of 29.5% (9M22: 58.5%). Accordingly, net income fell 77% to MMUS$3,425 with a profit margin over sales of 19.5% (9M22: 53.2%).

ii. Hapag-Lloyd Business Segments

Relevant Figures by Segment		As of September 30,		Variation	
		2023	2022	%	#
Shipping Business					
Revenues	MM US$	15,230	28,424	(46%)	(13,194)
EBITDA	MM US$	4,481	16,557	(73%)	(12,076)
EBITDA Margin (EBITDA / Revenues)		29.4%	58.3%	(29%)	
EBIT	MM US$	2,960	15,052	(80%)	(12,092)
EBIT Margin (EBIT / Revenues)		19.4%	53.0%	(34%)	
Terminals & Infrastructure Business					
Revenues	MM US$	92			
EBITDA	MM US$	38			
EBITDA Margin (EBITDA / Revenues)		41.7%			
EBIT	MM US$	29			
EBIT Margin (EBIT / Revenues)		31.9%			
Number of Employees					
Shipping employees		13,505	14,240	(5%)	(735)
Terminals & Infrstructure employees		2,563	269	853%	2,294
Total employees		16,068	14,509	11%	1,559

After acquiring the terminal business from Sociedad Matriz SAAM S.A. on August 1, 2023, HLAG began to report on the shipping business segment separately from the terminal and infrastructure business, as illustrated in the table above. The terminal and infrastructure business includes the results of Spinelli since January 2023, JMBaxi since April 2023 and SAAM Terminals since August 2023.

iii. Hapag-Lloyd Balance Sheet and Liquidity Indicators

Balance sheet KPI		As of September 30, 2023	As of September 30, 2022	Change %	Change #
Total Assets	MM USD	32,274	41,299	(21.9%)	(9,025)
Total Liabilities	MM USD	11,292	11,504	(1.8%)	(212)
Total Equity	MM USD	20,982	29,795	(29.6%)	(8,813)
Equity ratio (equity / balance sheet total)		65.0%	72.1%	(9.9%)	
Debt					
Financial debt	MM USD	5,786	5,804	(0%)	(18)
Cash and cash equivalents	MM USD	6,734	16,265	(59%)	(9,531)
Net debt (financial debt - cash and cash equivalents)	MM USD	(948)	(10,461)	(91%)	9,513
Liquidity reserve	MM USD	2,962	13,437	(78%)	(10,475)

When analyzing the balance sheet indicators, the decrease in assets (MMUS$9,025) is mainly explained by a decrease in cash and cash equivalents due to dividend payments during the year (MMUS$12,226.1), partly offset by an increase in property, plant and equipment (+MMUS$2,439). The latter is mainly explained by an increase in vessels, equipment and containers of MMUS$1,343, due to the acquisition of SAAM Terminals (US$1,064.5) and the purchase of Spinelli and JMBAxi Ports & Logistics (US$916.2), among others, offset by depreciation for the period.

During the period, it generated operating cash flows of MMUS$4,987.2 compared to MMUS$15,904.0 one year ago. A portion of these flows was used for new investments (MMUS$1,408.5), broken down into vessels (MMUS$897.2), containers (MMUS$439.5) and other investments (MMUS$71.8). There were also MMUS$841.2 in disbursements for new acquisitions. Additionally, it recorded income from financial investments maturing in more than three months of MMUS$1,002.4, which generated interest of MMUS$518.6, and income from financial hedges associated with the dividend payment of US$172.4.

With everything included, HLAG ended the period with cash of MMUS$6,734.0, plus MMUS$2,013.3 in money market instruments and MMUS$725 in available credit lines (unused), closing with liquidity of MMUS$9,472.3. This implies negative liquidity net of debt.

Finally, it is worth mentioning that Hapag-Lloyd updated the outlook for the year's results, reducing the range of the band previously released. The new estimate calls for EBITDA of between MMUS$4,500 and MMUS$5,500 (2022: MMUS$20,474) previously MMUS$4,300-6,500) and EBIT of between MMUS$2,400 and MMUS$3,400 (2022: MMUS$18,467; previously MMUS$2,100-4,300).

3. Market Analysis

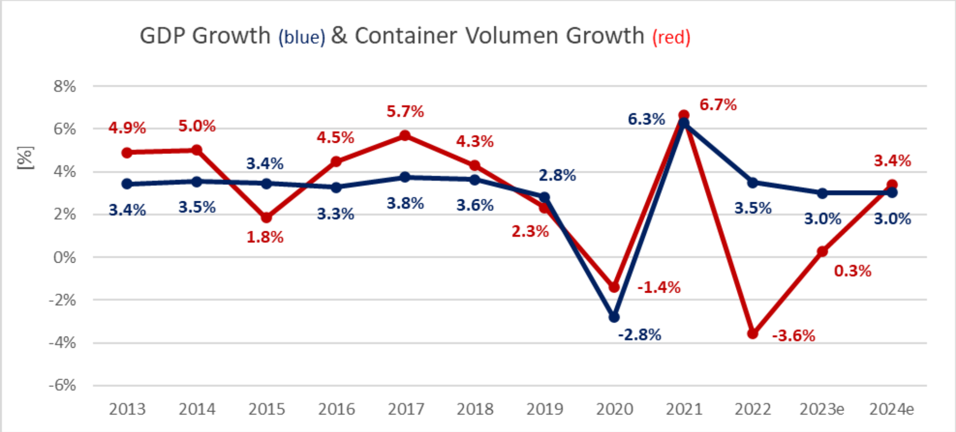
The following section discusses the container shipping industry. CSAV has participated in this industry since 2014 through its investment in the German shipping company Hapag-Lloyd (accounted for as a joint venture using the equity method), in which it has a 30% stake as of September 30th.

a) Historical Context

i. Industry growth is 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 -2.8% (an historical low) due to the consequences of COVID-19. This trend was reversed in 2021, with overall volume growth of 6.7%, while in 2022 there was a drop of 3.6% in transport volumes, largely due to logistics congestion. Global and industry growth expectations for the next few years are depicted in the graph.



Source: Clarksons Research Container Volume 2013-2023 (Oct-23); Global GDP - IMF (Oct-23)

ii. The industry has undergone a 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.

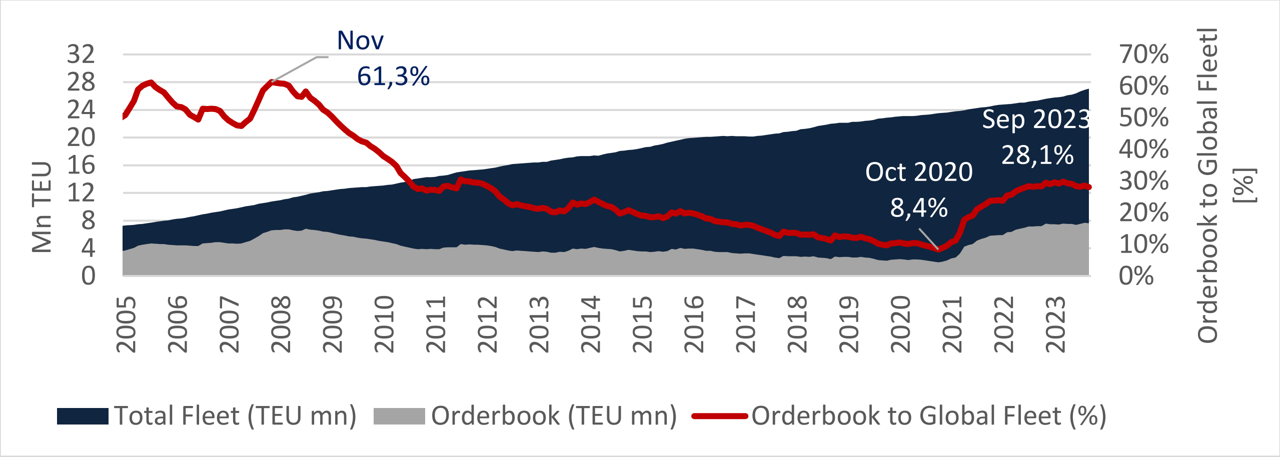
Another important milestone in this consolidation process was the bankruptcy and suspension of services in 2016 by Korean line Hanjin Shipping, the world's seventh largest container shipping company (measured by hauling capacity). This is the largest bankruptcy case in the history of the container shipping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

Following all these business combinations and Hanjin's bankruptcy, currently the ten largest global shipping operators account for almost 85% of installed capacity, while the five largest have close to 65%.

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 three new alliances: Ocean Alliance, led by CMA CGM and COSCO; THE Alliance, of which HLAG is a member; and 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. For their part, in January 2023 Maersk and MSC announced that their alliance would not be renewed and would therefore end in 2025.

iii. Supply indicators



Source: Clarksons Research (Oct-23)

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. In subsequent years, the industry managed to significantly decrease oversupply, which reached historic lows of 8.4% in October 2020. Today, as of September 30, it stands at 28%.

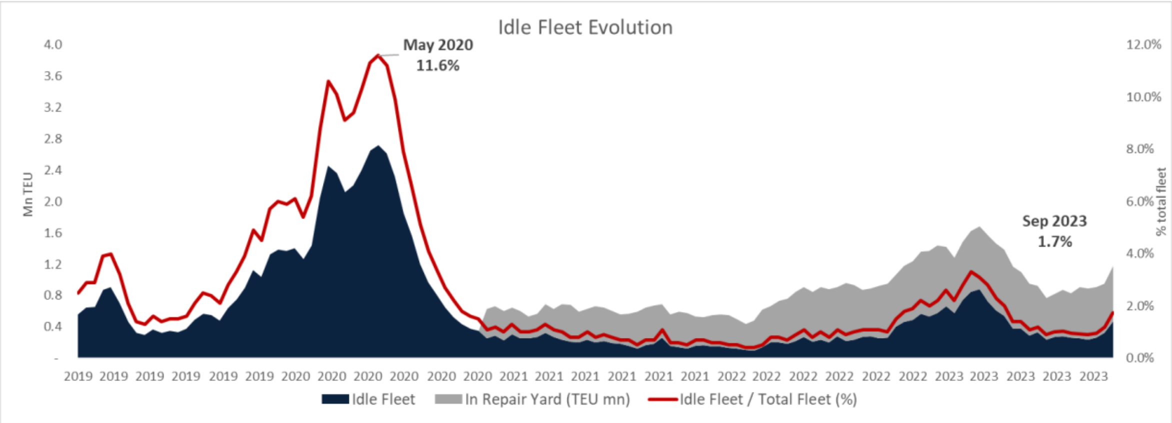
In terms of supply-demand equilibrium, in recent years key industry indicators have improved considerably and reached a better equilibrium, which has already been reflected in the operating results of several shipping lines since 2019. Increased rationalization of the entire fleet, stemming from lessons 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, achieved 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.

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).

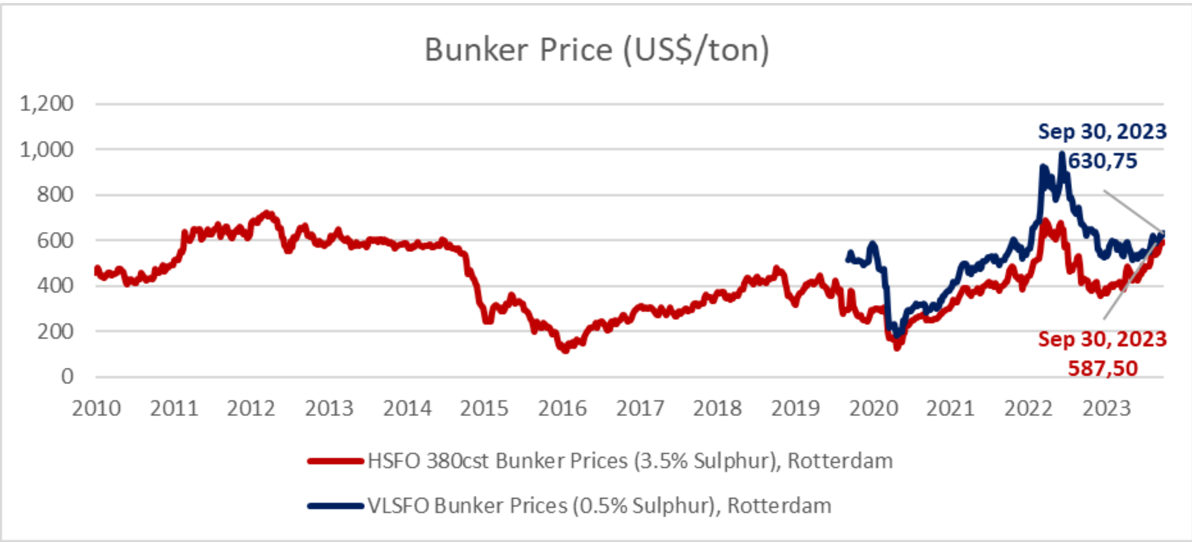
Source: Alphaliner Monthly Monitor (Oct-23)

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. Over the last year, the idle fleet has remained at low levels. This is explained, despite weak demand, by the fact that a large part of the fleet under lease is contracted for the medium to long term.

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 (Oct-23)

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, 2020.

The IMO2020 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 GNL. For example, almost 35% of the total fleet of container ships has been fully retrofit, while other alternatives such as GNL still account for 3% of the current fleet.

New orders are comprised of 16% conventional vessels, 30% ships with scrubbers, 33% vessels that can run on GNL (or dual) and 21% methanol-powered ships. These changes in the orderbook respond to an industry undergoing a decarbonization process and searching for cleaner alternative fuels.

In relation to the above, a new environmental measure "IMO2023" came into force in 2023, which seeks to gradually reduce CO2 emissions from commercial vessels. Under this regulation, each vessel must measure its Energy Efficiency eXisting ship Index (EEXI) and Carbon Intensity Indicator (CII). Ships will be categorized based on these indicators. Those in the most inefficient categories have one year to take corrective measures or else they will not be able to continue operating.

Additionally, in the European Union (EU) the shipping industry has been included in the carbon credit market. This means that ships will have to measure their emissions, which will be accounted for at 100% if the route is between two EU ports or 50% if it is between one EU port and one non-EU. With this, CO2e emissions will be calculated and must be offset by 40% from 2024, followed by 70% from 2025 and 100% in 2026. Part of the proceeds will be used, through the EU Innovation Fund, for research and development to improve the energy efficiency of ships and ports, innovative technologies and infrastructure, and the use of sustainable alternative fuels and emission-free propulsion technologies..

In view of these environmental changes, Hapag-Lloyd has taken various measures to reduce its emissions. Part of this has to do with the fact that its new acquisitions have LNG engines or are LNG ready, which reduces emissions by around 30%. It has also continued and expanded the use of biofuels. In 2020 it started pilot tests with this fuel and by the end of 2022 it was already using this fuel (as a blend with normal bunker) on 24 ships, with the possibility of expanding to more ships in the future. Biofuel, which is mainly generated from reused (household) cooking oils, produces 80% less emissions than normal bunker.

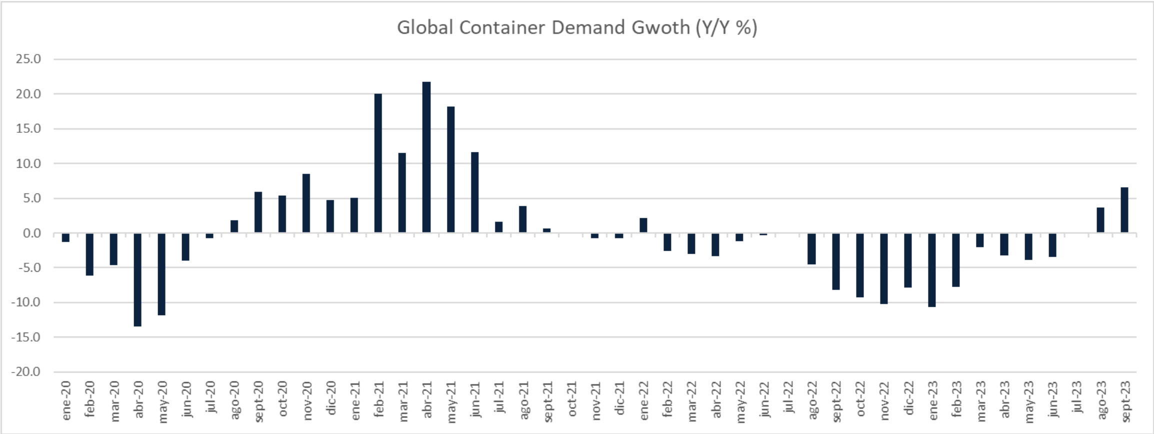
In addition, Hapag-Lloyd is moving forward with its Fleet Re-optimization Program. This is a 5-year plan to upgrade 150 ships by changing propellers, upgrading to more hydrodynamic hulls and improving hull paints to minimize frictional resistance and thus reduce their carbon footprint. This plan is expected to reduce fuel consumption by 6-7%, in addition to increasing the cargo capacity of the ships, and involves an investment of around MMUS$750 million.

For its part, Hapag-Lloyd expects to pass on the costs of decarbonization related to specific EU regulations to customers through surcharges.

Although fuel prices have been lower this year than last year, it is important to underscore that they are on the rise and have been exacerbated by developing geopolitical conflicts in Russia/Ukraine, and more recently in Israel/Palestine. 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.

b) Current Conditions

i. Fluctuations in demand marked by COVID-19



Source: Clarksons Research (Oct-23)

The global economy, and the container shipping industry in particular, have been shaped over the past years 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, 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, government assistance, etc.

After the robust demand seen during this phase of the pandemic, in recent months the market has been showing signs of weakening. According to estimates by Clarksons Research, volume of transported containers fell 1.4% YoY in 2020, increased 6.7% in 2021 and then fell once again in 2022 by 3.6%. The latter is mainly associated with congestion issues and lower demand towards the end of the year. Meanwhile, for the years 2023 and 2024 Clarkson projects growth in ocean shipping demand of around 0.3% and 3.4%, respectively, although there is still some uncertainty in future outlooks.

ii. Disruptions in the logistics chain 2020-2022

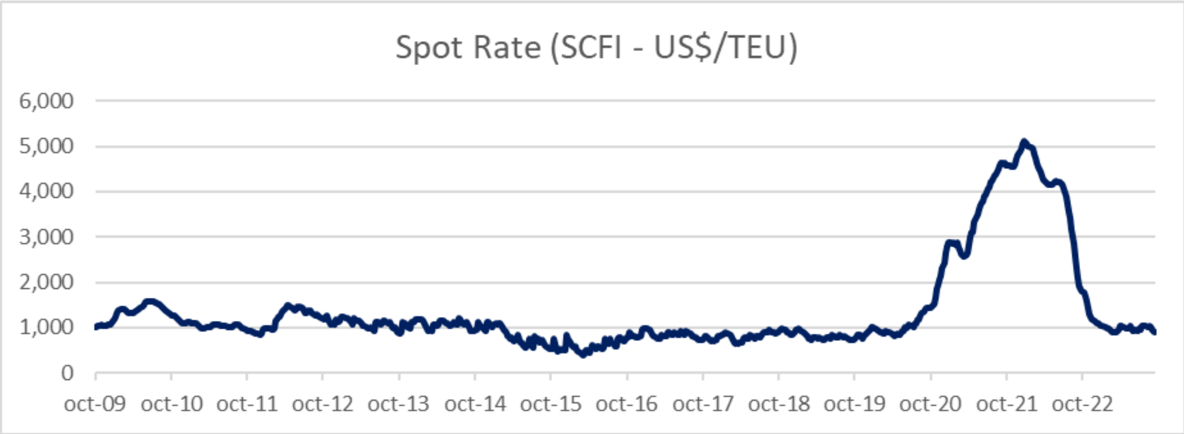
The strong demand in the second half of 2020 and pandemic-related mobility restrictions led to a scarcity of shipping containers and significant congestion throughout the entire logistics chain. Despite the fact that almost the industry’s entire fleet was active, the logistics chain was affected and prices surged.

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 was saturated with a series of “bottle necks” and limitations. Some such limiting factors in the logistics chain are the COVID health protocols, which resulted in: (i) reduced personnel throughout the entire logistics chain: customs, ports, ground transportation, etc., (ii) reduced personnel because some 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 generated container scarcity at in-demand locations, which was partly 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 clear downward trend since mid-2022. This drop is mainly explained by less congested logistics due to lower demand, normalizing inventories and the commissioning of new ships during the year 2022.



Source: Clarksons Research (Oct-23) Shanghai Containerized Freight Index.

iii. Fleet, current order book and new acquisitions

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. However, since 2022, several operators and non-operators have closed new vessel construction contracts, thus increasing the current orderbook-to-fleet ratio to 28%.

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 liquefied natural gas 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. Some of these ships were received during the year. 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.

Also, in line with Hapag-Lloyd's Strategy 2023, it has continued to expand its participation in the port terminals sector, most recently through agreements to acquire stakes in the terminal business of Chile-based SM SAAM, Italy’s Spinelli Group and India's JM Baxi. In addition, Hapag-Lloyd has stakes in JadeWeserPort in Wilhelmshaven, the Altenwerder Container Terminal in Hamburg, Terminal TC3 in Tangier and Terminal 2 in Damietta, which is currently under construction.

4. Market Risk Analysis

As described in Note 5 of the Interim Financial Statements as of September 30, 2023, CSAV's investment in Hapag-Lloyd represents 78.4% of its total consolidated assets.

Its investment in Hapag-Lloyd, the container shipping business, is CSAV’s main asset. Though it is not directly exposed to the risks facing the container shipping industry, it is indirectly exposed. These risks directly impact the value of CSAV’s investment in the joint venture, the flow of dividends from Hapag-Lloyd and its capital requirements.

The risks arising from the container transport business—operated entirely by Hapag-Lloyd—are managed autonomously by the joint venture’s management and according to standards applicable to publicly traded, regulated corporations in Germany.

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.

i. 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 135 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.

ii. 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.

iii. 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.

iv. 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.

The Company has no exchange hedge for the MMUS$1,146 in taxes to be recovered from Germany, denominated in euros and capitalized as current in the balance sheet, because there is no certain date for the refund of the retained amount and a significant fluctuation of the euro against the dollar could lead to a cash mismatch.

www.csav.com
investor@csav.com