Sociedad Matriz SAAM S.A.

EARNINGS REPORT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Corresponding to the period ended March 31, 2023, in thousands of US dollars
Information about conference call:
May 16, 2023, 10:30 a.m. Chile – 10:30 a.m. EST, the company will present its results for 1Q2023
Please use the following link to join the call:
SMSAAM1Q2023INVESTORCONFERENCECALL

The financial information to be presented will be available at www.saam.com in the Investors section. A Q&A feature will be available during the presentation to submit questions, which will be answered at the end.

Santiago, May 5, 2023

For the period ended March 31, 2022, the company reported net income of US$ 17.6 million. Excluding the US$ 1.3 million in extraordinary accounting effects related to the Transaction, net income was US$ 18.9 million, which represents a drop of 19% compared to the same period last year, reflecting a drop in the volumes of port and logistics operations, mainly due to less dynamism in trade in Chile, while cargo in terminals abroad remained stable. In towage division, the company had greater activity and positive results due to the consolidation of recently acquired operations and adequate cost containment.

Sales reached US$ 218.1 million, an 8% increase over the previous year, while EBITDA for the period was US$ 67.7 million, 4% lower than the first quarter of 2022.

In October 2022, SM SAAM S.A. ("SAAM") announced the signing of a binding agreement with Hapag-Lloyd to sell SAAM Ports S.A. (SM SAAM subsidiary grouping all of its port operations), SAAM Logistics S.A. and certain real estate assets for an estimated value of US$ 1.0 billion (the "Transaction").

Following the approval of the Transaction at the extraordinary shareholder meeting held on October 19, 2022, there remain certain regulatory approvals and other customary conditions for this type of deal, which must be completed in order to close the sale.

As a result of the Transaction, SAAM applies IFRS 5 in its financial statements starting September 2022. This standard calls for assets included in the Transaction to be presented as available for sale and discontinued operations. Similarly, in accordance with IAS 12, the company recorded an extraordinary deferred tax expense of US$ 33.6 million in 2022 and US$ 1.3 million for 1Q2023 for the differences between the book and tax value of SM SAAM S.A.'s investments in SAAM Ports and SAAM Logistics, in anticipation of part of the tax expense for the Transaction.

Milestones during the quarter include:

- Confirmation by Feller Rate and Humphreys of AA rating with Stable outlook (January 27 and 31, 2023).
- Signing of agreement to acquire air cargo logistics company in Ecuador (February 3, 2023).
- Inauguration of modern Post Panamax cranes at STI to further boost the terminal's competitiveness (March 22, 2023).
- Publication of fourth Integrated Report (March 23, 2023).

Previous milestones:

- Shareholder approval of largest dividend in the company's history of US$48.2 million (April 6, 2023).
- Closing of the acquisition of Starnav assets in Brazil. (May 3, 2023).

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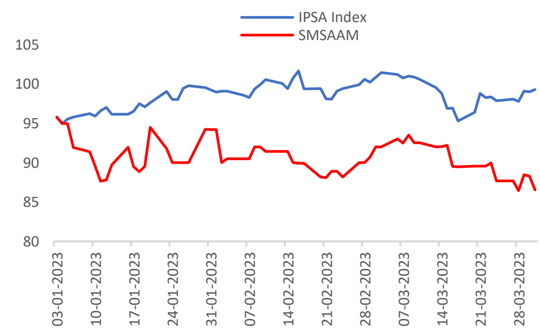
Ticker: SMSAAM
Santiago Exchange

Price (03/31/2023)	CLP 86.54
Price (12/30/2022)	CLP 95.78
Market Cap (03/31/2022)	MUS$ 1,066

YTD 2023 Total Return Ch$

(03.01.2023 – 31.03.2023)



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Summary of Consolidated Results

As a result of the Transaction, SAAM had to apply IFRS 5 in its financial statements as of March 2023 and December 2022. This standard calls for assets considered in the Transaction to be presented as available for sale and discontinued operations. In accordance with IAS 12, it also recorded deferred tax expenses for the differences between the book and tax value of SM SAAM S.A.'s investments in SAAM Ports and SAAM Logistics, in anticipation of part of the tax expense for the Transaction. Thus, for a better understanding of this Earnings Report, please also refer to notes 1b (Summary of Significant Accounting Policies) and 41 (IFRS 5 Assets, Assets Classified as Held for Sale and Discontinued Operations) in the consolidated financial statements as of March 31, 2023.

The assets and operations corresponding to SAAM Ports and SAAM Logistics have been classified as Discontinued Operations, which include the entire port terminal business and inland logistics operations in Chile related to shipping, as well as real estate properties used by the latter. Continuing operations consist of towage and air cargo logistics operations, as well as other remaining real estate assets.

	1Q23	1Q22	Δ%	Δ
Revenue (Th US$)	**218,088**	**202,196**	**8%**	**15,892**
Continuing Operations	126,874	107,055	19%	19,819
Discontinued operations	91,404	95,172	-4%	-3,768
Eliminations	-190	-31	-513%	-159
EBIT (Th US$)	**35,202**	**39,876**	**-12%**	**-4,674**
Continuing Operations	18,843	15,276	23%	3,567
Discontinued operations	14,967	23,337	-36%	-8,370
Eliminations	1,392	1,263	10%	129
EBITDA (Th US$)	**67,689**	**70,858**	**-4%**	**-3,169**
Continuing Operations	40,296	35,085	15%	5,211
Discontinued operations	26,001	34,510	-25%	-8,509
Eliminations	1,392	1,263	10%	129
Net income attributable to owners of the parent company (Th US$)	**17,644**	**23,434**	**-25%**	**-5,790**
Continuing Operations	9,546	5,683	68%	3,863
Discontinued operations	8,098	17,751	-54%	-9,653

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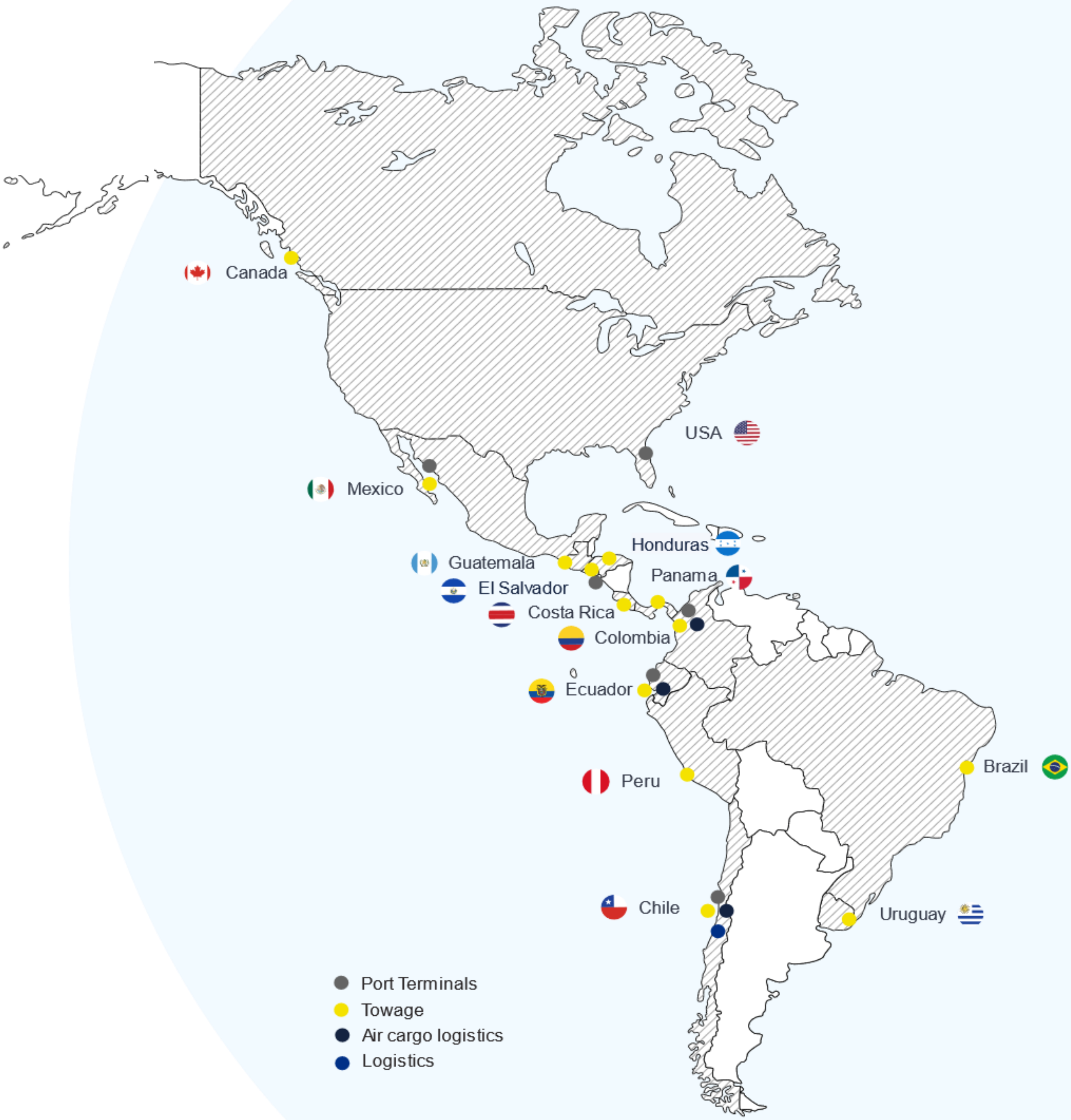

Summary of Consolidated Financial Results

Consolidated Pro Forma Results

For comparison purposes and to assist in understanding the company's results, the following table summarizes the **pro forma results** excluding the effects of IFRS 5 and IAS 12.

Thus, when presenting the consolidated results of continuing and discontinued operations, net income attributable to the owners of the parent company reached US$ 18.9 million, a decrease of 19% with respect to 2022.

Consolidated Financial Statement Proforma (Th US$)	1Q23	1Q22	Δ%	Δ
Revenue	**218,088**	**202,196**	**8%**	**15,892**
Cost of sales	-155,244	-136,643	14%	-18,601
Administrative expenses	-27,642	-25,677	8%	-1,965
Net operating income	**35,202**	**39,876**	**-12%**	**-4,674**
Depreciation & amortization	32,487	30,982	5%	1,505
EBITDA	**67,689**	**70,858**	**-4%**	**-3,169**
EBITDA Mg	**31.0%**	**35.0%**		**-4.0%**
Share of net income (loss) of associates	210	4,983	-96%	-4,773
Non-operating results + Taxes	-13,696	-18,338	**-25%**	4,642
Net income	21,716	26,521	-18%	**-4,805**
Minority interest	2,798	3,087	-9%	-289
Net income attributable to owner of the parent company	**18,918**	**23,434**	**-19%**	**-4,516**
Equity method EBITDA (1)	**65,524**	**74,117**	**-12%**	**-8,593**

(1) Equity-method EBITDA based on ownership percentage in consolidated companies and associates

Consolidated Results for the First Quarter

Consolidated Income Statement (Th US$)	1Q23	1Q22	Δ%	Δ
Revenue	**126,874**	**107,055**	**19%**	**19,819**
Cost of sales	88,856	72,780	22%	16,076
Administrative expenses	19,175	18,999	1%	176
Net operating income	**18,843**	**15,276**	**23%**	**3,567**
Depreciation & amortization	21,453	19,809	8%	1,644
EBITDA	**40,296**	**35,085**	**15%**	**5,211**
EBITDA Mg	**31.8%**	**32.8%**		**-1.0%**
Share of net income (loss) of associates	1,010	303	233%	707
Non-operating results + Taxes	-9,543	-9,157	-4%	-386
Net income from Continuing Operations	**10,310**	**6,422**	**61%**	**3,888**
Net income from Discontinued Operations	**10,132**	**20,099**	**-50%**	**-9,967**
Minority interest	2,798	3,087	-9%	-289
Net income attributable to owner of the parent company	**17,644**	**23,434**	**-25%**	**-5,790**

Revenue from continuing operations reached US$ 126.9 million, an increase of US$ 19.8 million (+19%) compared to the same period last year, explained mainly by growth in the number of maneuvers during the period, increased market activity in other towage services and consolidation of the new operations in Peru after acquiring the Ian Taylor towage business in October 2022.

Cost of sales from continuing operations increased by US$16.1 million (+22%) to US$88.9 million, mainly due to a larger tug fleet in operation, compounded by higher fuel costs, inflation-related cost increases and new towage operations.

Administrative expenses from continuing operations amounted to US$ 19.2 million, holding steady with respect to the same period last year.

EBITDA associated with continuing operations reached US$ 40.3 million, which represents an increase of US$ 5.2 million (+15%) compared to 1Q22. The **EBITDA margin for continuing operations** decreased by 100 bps to 31.8%, mainly due to lower margins in other and eliminations.

The company's share of **net income from associates** was US$ 1.0 million for the period, compared to US$ 303 thousand for the same period last year. This variation can be explained primarily by a recovery in activity at Transbordadora Austral Broom during the first quarter of 2023.

The company recognized a **non-operating loss and taxes from continuing operations** of US$ 9.5 million, on par with the expense of US$ 9.2 million recorded for the first quarter of 2022.

The company reported **net income from discontinued operations** of US$ 10.1 million, which represents a decrease of US$ 10.0 million compared the first quarter of the previous year (US$ 20.1 million) and is mainly explained by the drop in activity at associate port terminals and logistics operations, as well as cost inflation, which includes inputs such as fuel and wages.

Net income attributable to the owners of the parent company was US$ 17.6 million, compared to net income of US$ 23.4 million (-25%) for the same period last year.

Consolidated Balance Sheet

In accordance with IFRS 5, assets and businesses associated with the Transaction should be presented as discontinued operations in the statement of financial position as of March 31, 2023. Thus, after reclassifying all corresponding assets and liabilities, the balance sheet accounts associated with discontinued operations are presented summarized in the lines "Assets for disposal classified as held for sale and discontinued operations" and "Liabilities for disposal classified as held for sale and discontinued operations."

Current assets increased by US$ 176.0 million (+18%) compared to December 31, 2022, reaching US$ 1,137.1 million. This variation is explained by the increase in liquidity required to finance the acquisition of the Starnav fleet in Brazil and other corporate needs. **Non-current assets** increased by US$ 5.5 million to US$ 934.4 million (1%). Thus, SAAM's **total assets** amounted to US$ 2,071.5 million, up US$ 181.5 million with respect to December 2022 (+10%).

Meanwhile, **current liabilities** increased by US$ 165.8 million to US$ 614.0 million (+37%), as a result of the additional debt needed to boost liquidity as mentioned above. **Non-current liabilities** increased by US$ 9.9 million to US$ 575.4 million (2%).

As of March 31, 2023, **equity** totaled US$ 882.1 million, which represents an increase of US$ 5.7 million with respect to December 31, 2022. This variation is mainly explained by consolidated net income for the year.

Balance (Th US$)	03-31-2023	12-31-2022	Δ%	Δ
Cash and cash equivalents	294,331	141,963	107%	152,368
Other current assets	190,929	170,955	12%	19,974
Disposable assets classified as held for sale and discontinued operations	651,866	648,231	1%	3,635
Current assets	**1,137,126**	**961,149**	**18%**	**175,977**
Property, plant & equipment (net)	667,731	675,351	-1%	(7,620)
Other non-current assets	266,668	253,564	5%	13,104
Non-curent assets	**934,399**	**928,915**	**1%**	**5,484**
Total Assets	**2,071,525**	**1,890,064**	**10%**	**181,461**
Other current financial liabilities	243,531	83,215	193%	160,316
Current concession liabilities	101	93	9%	8
Other current liabilities	96,284	91,794	5%	4,490
Disposable liabilities classified as discontinued operations	274,056	273,066	0%	990
Current liabilities	**613,972**	**448,168**	**37%**	**165,804**
Other non-current financial liabilities	477,343	465,854	2%	11,489
Non-current concession liabilities	0	0	-	0
Other non-current liabilities	98,118	99,676	-2%	(1,558)
Non-current liabilities	**575,461**	**565,530**	**2%**	**9,931**
Total liabilities	**1,189,433**	**1,013,698**	**17%**	**175,735**
Equity attributable to equity holders of parent	834,493	822,381	1%	12,112
Minority interest	47,599	53,985	-12%	(6,386)
Total equity	**882,092**	**876,366**	**1%**	**5,726**
Total equity and liabilities	**2,071,525**	**1,890,064**	**10%**	**181,461**

Cash Flows

The net change in cash and cash equivalents account from continuing and discontinued operations between March 31, 2023 and December 31, 2022, was a positive net cash flow of US$ 141.0 million, compared to a positive net cash flow of US$ 30.8 million for the first quarter of 2022. This increased cash flow in the first quarter of 2023 is mainly explained by the loans obtained to finance the acquisition of Starnav's tug fleet in Brazil and other corporate needs.

Consolidated cash and cash equivalents from continuing operations increased by US$ 152.4 million, while in the case of discontinued operations, it decreased by US$ 11,3 million.

Cash Flows (Th US$)	03-31-2023					
	Continuing Operations	Discontinuing Operations	Eliminations	Total	Δ%	Δ
Operating cash flows	11,398	11,941	70	23,409	-45%	-19,127
Investing cash flows	-6,331	-16,368	-70	-22,769	-68%	-9,244
Financing cash flows	147,871	-6,302		141,569	13671%	140,541
Other	-570	-613		-1,183		-1,970
Cash Flow	**152,368**	**-11,342**	**0**	**141,026**	**357%**	**110,200**
Cash and cash equivalent at beggining of period	**141,963**	**170,688**		**312,651**		
Cash and cash equivalent at end of period	**294,331**	**159,346**		**453,677**		

Operating cash flows were positive US$23.4 million, falling compared to the same period last year due to a decrease in discontinued operations as a result of reduced activity inland logistics, lower margins at port terminals and higher tax payments.

Investing cash flows were negative US$ 22.8 million, marking an increase of US$ 9.2 million over the US$ 13.5 million recorded for the same period last year**.** While operating cash flows from continuing operations decreased due to lower capital expenditures, in discontinued operations the decrease in dividends received from associates and higher capital expenditures explain the higher flows for the period.

Financing cash flows were positive US$141.6 million, explained by the aforementioned loans in continuing operations**.**

Financial Position

At the end of March 2023, the company continues to maintain low levels of leverage. The ratio of Net Financial Liabilities to EBITDA increased only slightly from 1.3x as of December 2022 to 1.5x as of March 2023, mainly due to the loans obtained to finance the acquisition of the Starnav fleet in Brazil and other corporate needs. Meanwhile, the ratio of Financial Liabilities to Total Assets held steady at 0.4x for both periods.

(Th US$)	03-31-2023				
	Continuing Operations	Discontinuing Operations	Total	12-31-2022	Δ
Financial liabilities (FL)	720,975	141,257	862,232	690,739	171,493
Cash and cash equivalent	294,331	159,346	453,677	312,651	141,026
Net financial liabilities (NFL)	**426,644**	**(18,089)**	**408,555**	**378,088**	**30,467**
Total assets	**1,429,624**	**641,901**	**2,071,525**	**1,890,064**	**181,461**
LTM EBITDA			**277,767**	**280,936**	**(3,169)**

KPI's	03-31-2023	12-31-2022	Δ
FL / Total assets	0.4x	0.4x	0.1x
FL / EBITDA	3.1x	2.5x	0.6x
NFL / EBITDA	1.5x	1.3x	0.1x
ROE	5.2%	5.9%	-0.7 p.p.
Adjusted ROE*	9.2%	9.8%	-0.6 p.p.

* Presents results excluding the effects of IFRS 5 and IAS 12 related to the Transaction

Consolidated Results from Continuing Operations

Towage Division

Consolidated Income Statement (Th US$)	1Q23	1Q22	Δ%	Δ
Tug maneuvers #	36,543	32,571	12%	3,972
Tugboats #	192	179	7%	13
Revenue	**107,256**	**87,337**	**23%**	**19,919**
Cost of sales	74,020	59,455	24%	14,565
Administrative expenses	13,146	13,974	-6%	-828
Net operating income	**20,090**	**13,908**	**44%**	**6,182**
Depreciation & amortization	17,971	16,443	9%	1,528
EBITDA	**38,061**	**30,351**	**25%**	**7,710**
EBITDA Mg	**35.5%**	**34.8%**		**0.7%**
Share of net income (loss) of associates	1,005	290	247%	715
Non-operating results + Taxes-	-8,339	-6,663	-25%	-1,676
Minority interest	764	681	12%	83
Net income attributable to owner of the parent company	**11,992**	**6,854**	**75%**	**5,138**

Main Results for the First Quarter

Revenue reached US$ 107.3 million, an increase of US$ 19.9 million (+23%) compared to the same period last year, due to an improved service mix in ports, growth in the volume of harbor towage maneuvers during (+7%) because of increased activity in these markets, increased activity in other towage services and consolidation of the new operations in Peru after acquiring the Ian Taylor towage business in October 2022.

Cost of sales increased by US$ 14.6 million to US$ 74.0 million (+24%) as a result of greater activity, a larger number of tugs in operation, increased subcontracting (because of greater activity), and inflation-related effects on the cost of fuel, supplies, and wages.

The division reported **EBITDA** growth of US$ 7.7 million to US$ 38.1 million (+25%), also maintaining the upward trend with respect to the immediately preceding quarters. The **EBITDA margin** increased 70 bps to 35.5%, marking a recovery with respect to the same period last year.

The division's share of **associate results** was income of US$ 1.0 million, up from income of US$ 290 thousand for the same quarter of the previous year because of recovering activity at Transbordadora Austral Broom.

Net income attributable to owners of the parent company was US$ 11.9 million, which represents a growth of US$ 5.1 MCH$ +75%).

Other and eliminations from continuing operations

Consolidated Income Statement (Th US$)	1Q23	1Q22	Δ%	Δ
Total tons handled Aerosan	93,142	100,850	-8%	-7,708
Revenue	**19,618**	**19,718**	**-1%**	**-100**
Cost of sales	14,836	13,325	11%	1,511
Administrative expenses	6,029	5,025	20%	1,004
Net operating income	**-1,247**	**1,368**		**-2,615**
Depreciation & amortization	3,482	3,366	3%	116
EBITDA	**2,235**	**4,734**	**-53%**	**-2,499**
Share of net income (loss) of associates	5	13	-62%	-8
Non-operating results + Taxes-	-1,204	-2,494	52%	1,290
Minority interest	0	58		-58
Net income attributable to owner of the parent company	**-2,446**	**-1,171**	**-109%**	**-1,275**

Other and eliminations from continuing operations include air cargo logistics operations, real estate assets, corporate expenses, and intersegment eliminations.

Revenue in this segment for the first quarter reached US$ 19.6 million, down 1% compared to the same period of the previous year. This decrease is mostly associated with the 8% drop in metric tons handled (mainly imports) by Aerosan during the first quarter of 2023 compared to the same quarter of 2022, but partially offset by higher rates for some services. The drop in volume is associated with lower demand in Chile and Colombia starting in the second half of 2022.

Cost of sales grew by 11%, mainly associated with Aerosan's operations. As in all operating segments, it has been affected by inflationary pressure on personnel costs and expenses.

Administrative expenses for this segment grew 20% compared to the same period in 2022 and include a portion of corporate expenses, along with Aerosan's own business expenses, which were also negatively impacted by inflation.

Net income attributable to the owners of the parent company was US$ 2.4 million, compared to a loss of US$ 1.2 million for the same period last year.

Consolidated Results from Discontinued Operations

Port Terminals Division

Consolidated Income Statement (Th US$)	1Q23	1Q22	Δ%	Δ
Throughput (TEU)	451,776	411,621	10%	40,155
Throughput (Tons) (Ths)	5,184	5,167	0%	18
Revenue	**80,572**	**76,065**	**6%**	**4,507**
Cost of sales	58,326	52,207	12%	6,119
Administrative expenses	7,430	6,295	18%	1,135
Net operating income	**14,816**	**17,563**	**-16%**	**-2,747**
Depreciation & amortization	*10,502*	*10,617*	*-1%*	*-115*
EBITDA	**25,318**	**28,180**	*-10%*	*-2,862*
EBITDA Mg	***31.4%***	***37.0%***		*-5.6%*
Share of net income (loss) of associates	-800	4,681		-5,481
Non-operating results + Taxes-	-3,496	-6,653	47%	3,157
Minority interest	*2,034*	*2,348*	*-13%*	*-314*
Net income attributable to owner of the parent company	**8,486**	**13,243**	**-36%**	**-4,757**
Equity-method EBITDA (1)	**24,493**	**33,961**	**-28%**	**-9,468**

(1) Equity-method EBITDA based on ownership percentage in consolidated companies and associates

Main Results for the First Quarter

The division's **revenue** reached US$ 80.6 million, an increase of US$ 4.5 million (+6%) compared to the same period of the previous year, due to greater throughput at the terminals in Iquique, Costa Rica and the U.S.

Meanwhile, **cost of sales** increased by US$ 6.1 million (+12%) to US$ 58.3 million. This increase is explained by greater activity, the different service mix and higher costs of company personnel, third-party services and fuel, all negatively affected by the high inflation since last year.

EBITDA reached US$ 25.3 million, which represents a decrease of US$ 2.9 million (-10%), explained by lower operating income and higher administrative expenses, which were also impacted by inflation. As a result, the **EBITDA margin** decreased 560 bps to 31.4%.

The company's share of the **loss from associates** was -US$ 800 thousand, compared to income of US$ 4.7 million the same quarter of last year. The decrease is mainly explained by the significant drop in volumes recorded in terminals in central Chile due to less dynamic demand in Chile, which has translated into fewer imports.

Thus, **net income attributable to owners of the parent company** reached US$ 8.5 million, which represents a drop of US$ 4.8 million (-36%).

Port Terminals Division Associate Results

(Values assume 100% ownership)

Associate Results (Th US$)	1Q23	1Q22	Δ%	Δ
Throughput (TEU)	286,099	404,444	-29%	-118,345
Throughput (Tons) (Ths)	3,752	4,556	-18%	-803
Revenue (1)	**54,670**	**65,885**	**-17%**	**-11,215**
Net operating income (1)	2,044	15,516		-13,472
EBITDA (1)	**11,348**	**24,895**	**-54%**	**-13,547**
EBITDA Mg	***20.8%***	***37.8%***		*-17.0%*
Net income (2)	**-519**	**9,769**	**-105%**	**-10,288**

(1) Includes full data (100%) for associates. Excludes figures for Puerto Buenavista.
(2) Associates at 100% considers figures from Puerto Buenavista, which had a 1Q2023 result of US$ 199.3 thousand vs. US$ 146.6 thousand for 1Q2022.

Main Results for the First Quarter

For analysis purposes, the values of associates assume 100% ownership rather than using the equity-method value.

The division's associates reported **revenue** of US$ 54.7 million, down US$ 11.2 million or -17%, mainly due to a 29% drop in volumes at associate terminals, primarily as a result of lower import volumes and fewer containers per vessel in central Chile. The drop in activity in central Chile has been seen since the second quarter of 2022 and is explained by a less dynamic local economy and the significant effects on demand for consumer and capital goods, mainly towards the end of the previous year.

EBITDA fell US$ 13.5 million to US$ 11.3 million (-54%), due to the aforementioned drop in revenue, along with greater operating costs associated mainly with inflation indexation of operating and personnel costs.

Other and Eliminations from Discontinued Operations

The segment Other and eliminations of discontinued operations includes inland logistics operations and that segment's real estate assets, corporate expenses and intersegment eliminations.

Consolidated Income Statement (Th US$)	1Q23	1Q22	Δ%	Δ
Out Bonded Warehouses Containers	8,638	17,088	-49%	-8,450
Revenue	**10,832**	**19,107**	**-43%**	**-8,275**
Cost of sales	8,478	11,900	-29%	-3,422
Administrative expenses	2,203	1,433	54%	770
Net operating income	**151**	**5,774**	**-97%**	**-5,623**
Depreciation & amortization	532	556	-4%	-24
EBITDA	**683**	**6,330**	**-89%**	**-5,647**
Share of net income (loss) of associates	0	-1		1
Non-operating results + Taxes-	-539	-1,265	57%	726
Minority interest	0	0	-	0
Net income attributable to owner of the parent company	**-388**	**4,508**	**-109%**	**-4,896**

Revenue decreased by 43% as a result of a high basis of comparison in 2022, but mainly due to lower volumes handled at Chilean bonded warehouses, which are directly associated with the economic slowdown in Chile during the last quarters of 2022 and the first quarter of 2023, which caused a significant drop in container import volumes in central Chile.

Cost of sales for the quarter fell 29%, mainly due to a drop in container trucking services, but offset by the effects of inflation on the different expense categories.

The segment's **administrative expenses** include a portion of corporate expenses as well as the expenses particular to the inland logistics business. The 54% increase compared to the same period of 2022 is mainly explained by the extraordinary and non-recurring expenses related to the Transaction.

It reported a **loss attributable to owners of the parent company** of US$ 388 thousand for the quarter. This result is mainly explained by the aforementioned non-recurring expenses and the drop in revenue from bonded warehouse logistics operations.

Market Analysis

Comments

SM SAAM operates in markets with other local and international providers. This business environment is competitive given the particularities of each market. SAAM is subject to fluctuations in demand for its services as a result of changes in international trade flows or the entry or exit of new competitors in its operating markets.

Towage

There is a variety of regulations for tugboat operations, from open markets to markets with medium to long-term exclusive concessions granted by the State. The main operators worldwide include Svitzer, Boluda, SMIT and PSA Marine. In the Americas, we compete with these same companies, as well as other regional players like Wilson Sons, Ultratug, CPT Remolcadores, Seaspan, Group Ocean and Kotug.

In the Americas, SAAM Towage is the largest towage operator with operations in 13 countries.

SAAM Aéreo (Air Cargo Logistics)

Operated through Aerosan, this business is engaged in air cargo operations in the main import and export airports in Chile, Colombia and Ecuador.

In the airport services area, Aerosan's main competitors are: in Chile, Fast Air, Deporcargo, Teisa, Andes, Swissport, Acciona and Agunsa; in Colombia, Taescol, Menzies, Swissport, Girag, Talma (Ground Handling), SAI; and in Ecuador: Pertraly and Novacargo.

Port Terminals

The port market is highly competitive both locally and internationally. Its main competition includes private ports for public use and publicly concessioned ports operated by international and local players.

Through its subsidiaries and associates, SAAM has an important market share in Chile, Costa Rica and Ecuador in the Guayaquil market. In the US, Mexico and Colombia, it jointly operates mid-sized ports in Port Everglades, Mazatlán and Buenavista, respectively.

Inland Logistics

Operated through SAAM Logistics, this business includes the main inland cargo areas for maritime import and export markets in Chile.

SAAM Logistics's main competitors in Chile are logistics operators and other bonded warehouses such as: Servicios Integrados de Transporte Ltda. (Sitrans), Container Operators S.A., Puerto Columbo S.A., Agencias Universales S.A. (Agunsa), Frigorífico Puerto Montt S.A., APL Logistics. (Agunsa), Frigorífico Puerto Montt S.A., APL Logistics.

Risk Factors

Market Risk

Financial risk is the risk of changes in market rates and prices (e.g. exchange rates, interest rates or stock prices) that affect the revenue and costs of SM SAAM and its subsidiaries or the value of their financial instruments. The objective of market risk management is to manage and control exposure to this risk within reasonable parameters while at the same time optimizing profitability.

SM SAAM balances its net financial positions in its subsidiaries to ease the effects of exchange rate risks principally in Chile, Mexico and Brazil. It is not always possible to achieve balance, in which case the company evaluates acquiring financial hedges (forwards) in order to efficiently manage these risks. Usually SM SAAM applies hedge accounting in order to mitigate volatility in its results, caused by net unhedged positions of assets and liabilities in foreign currencies.

Credit Risk

Credit risk is the risk of financial loss arising from a customer or counterparty to a financial instrument not fulfilling its contractual obligations. This is especially applicable to SM SAAM and its subsidiaries' trade receivables. Before granting credit to customers, a credit committee first performs a credit assessment to reduce the impact of non-payment risks or the likelihood of occurrence. Credit granted to customers is regularly reviewed, in accordance with the controls defined in the company's policies, and to monitor the status of accounts pending collection.

Services are provided to customers under market conditions, which involve simple credit with conditions defined by credit committees. SM SAAM's customers are very diversified, which helps distribute risk.

Maintaining and Retaining Human Talent

The ability to compete successfully depends on the capacity to attract and retain human talent. An inability to recruit and retain key staff could have an adverse effect on SM SAAM's financial performance. Furthermore, the ability to operate tugs and port terminal equipment and provide logistics services depends on the ability to attract and retain qualified and experienced staff. The company monitors and mitigates this risk through its development management system, and also has an occupational health and safety model that maintains and improves safety conditions to care for our employees.

Nonetheless, even when employment relationships are good, the risk of strikes, work stoppages or other conflicts with unions cannot be ruled out.

Accidents, Natural Disasters and Pandemics

The fleet and equipment used by port terminals, SAAM Towage and the logistics area are exposed to the risk of damage or loss due to events such as mechanical failure, poor installation, fire, explosion, collision, maritime accident or human error. These assets may also be affected by natural disasters, human-induced risks or pandemics, which could affect operational continuity. However, SM SAAM, its subsidiaries and associates have extensive insurance coverage, operational continuity plans and risk analyses to mitigate and improve its processes, thereby managing any potential damage or business impacts.

Environmental Standards

Port, towage and logistics services must comply with a variety of environmental laws. Any amendments or newly approved environmental laws and regulations could require additional investments in order to comply. Failure to comply may result in economic and administrative sanctions that may include, among others, closing facilities or canceling operating licenses. SM SAAM and its subsidiaries have a model for monitoring and managing regulatory compliance, as well as civil liability insurance in favor of third parties to mitigate the risk of damage and/or contamination fines associated with its fleet of tugs.

Political, Economic and Social Risks

Business results depend in part on the economic, political and social conditions in each of the markets where SM SAAM operates. Thus, political uncertainty and instability, as well as changes in environmental, tax, customs and labor regulations, among others, may positively or negatively affect SM SAAM's results and operations. In recent years, some countries have experienced increased levels of political, economic and social instability. There is no guarantee that these situations will not occur again in the future and adversely affect the company's performance in those markets.

Twenty-two percent of SM SAAM's consolidated sales are from its different businesses in Chile. Thus, future trends in the Chilean economy could have adverse effects on SM SAAM's financial condition or performance and may limit its ability to implement its business plan.

Furthermore, SM SAAM operates in Ecuador, Mexico, Brazil, Colombia, Uruguay, Guatemala, Honduras, Costa Rica, Panama, Peru, El Salvador, Canada and the United States of America.

Concession Renewal

The non-renewal of any port concession operated by SM SAAM is a long-term risk, and is dependent on future market conditions and negotiations with port authorities. To date, all port concessions have been renewed. Concession renewals have depended on having achieved and maintained specific operational standards, which SM SAAM has amply fulfilled at all ports. Furthermore, SM SAAM has concessions in the tug business in Costa Rica and Mexico.

Information Security and Cybersecurity

Any impact on the confidentiality, completeness, availability and performance of the company's tangible and intangible technology assets as a result of inherent weaknesses and/or internal or external threats, could negatively impact the operational continuity of some or all of SM SAAM's business areas. The leaking or undesired disclosure of personal data of third parties, for whether employees, customers, suppliers and/or business partners, may negatively affect the company's reputation and expose it to business losses, regulatory sanctions and/or lawsuits.

The company monitors and mitigates the operational risk of these weaknesses and/or threats using the Risk Management Model, which is complemented with policies, processes, controls, audits and specific evaluations of Information Security and Cybersecurity.

Financial Indicators

For comparison purposes, the following table summarizes the company's **financial indicators** based on the balance sheet and income statement excluding the effects of IFRS 5 for the periods ended March 31, 2023, and December 31, 2022.

	Unit	Mar-23	Dec-23
Ownership			
Shares outstanding	N°	9,736,791,983	9,736,791,983
Controlling Group - Luksic Group	%	61.0%	60.0%
Stock price	Ch $	86.54	95.78
Liquidity performance			
Liquidity ratio (1)	times	1.66	2.09
Acid test (2)	times	1.56	1.95
Leverage			
Leverage ratio	times	1.35	1.16
Short-term debt	%	36%	26%
Long-term debt	%	64%	74%
Net interest coverage (3)	times	12.54	12.37
Return*			
Earnings per share (4)	US$	0.0044	0.0049
ROE (5)	%	5.2%	5.9%
ROA (6)	%	2.2%	2.6%
Other ratios			
Revenue / Total Assets (7)	times	0.41	0.44
Revenue / Fixed Assets (8)	times	0.98	0.96
Working capital turnover (9)	times	2.98	2.90

(1) Current assets / current liabilities

(2) (Current assets minus non-current assets held for sale , inventory and anticipated payments) / current liabilities

(3) LTM EBITDA / LTM Net financial costs

(4) LTM Profit / shares outstanding

(5) LTM Profit / average equity

(6) LTM Profit / average total assets

(7) LTM Revenue / total assets

(8) LTM Revenue / fixed assets

(9) LTM Revenue /(current assets minus current liabilities)

*Excluding the effects of IFRS 5 and IAS 12 associated with the Transaction, earnings per share as of March 31, 2023, would have been US$ 0.0079 (vs. US$0.0084 as of December 31, 2022), while return on equity would have reached 9.2% (vs. 9.8% as of December 31, 2022) and return on assets would have been 4.1% (vs. 4.4% as of December 31, 2022).