Sociedad Matriz SAAM S.A.

EARNINGS REPORT FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Corresponding to the year ended September 30, 2023, in thousands of US dollars
Information about conference call:
November 13, 2023, 12:00 PM Chile – 10:00 AM EST, the company will present its results for 3Q2023
Please use the following link to join the call:
SMSAAM3Q2023INVESTORCONFERENCECALL

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, November 3, 2023

SM SAAM S.A., performed well in the nine months ended September 2023, reporting net income of US$ 486 million, compared to US$ 33 million for the same period in 2022.

These greater earnings include a gain recorded during the quarter on the sale to Hapag-Lloyd of 100% of the shares of SAAM Ports S.A. and SAAM Logistics S.A., as well as certain real estate properties (the "Transaction"). The Transaction generated a net gain for SAAM of US$ 422 million.

"SM SAAM closed the quarter on a positive note, closing the sale of its port and logistics operations to Hapag-Lloyd, a milestone that will undoubtedly mark the company's history. After this sale, SM SAAM is consolidated as a solid, profitable company focused on growing the businesses it continues to operate. SAAM's Towage Division is maintaining its growth trend in terms of business volumes, revenue and margins, thanks to more dynamic operations and newly consolidated acquisitions," explained CEO Macario Valdés.

Consolidated sales reached US$ 396 million, a 17% increase over the same period last year, while EBITDA was 10% greater than September 2022, totaling US$ 120 million.

Milestones during the quarter include:

- Closing the transaction with Hapag-Lloyd.
- Receiving two new tugs in Brazil, thus completing the acquisition of the 21 vessels purchased from Starnav.
- SAAM Towage Peru serving the largest vessel to ever call on the west coast of South America.

Previous milestones:

- Closing agreement to acquire air cargo logistics company at Quito airport (Ecuador).

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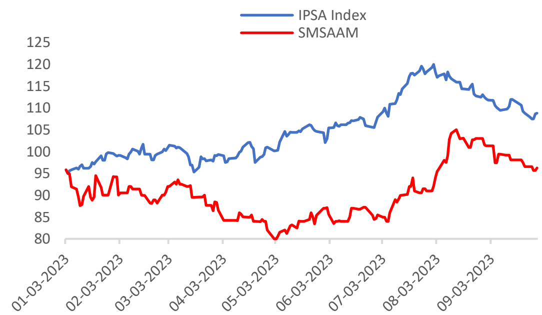
Ticker: SMSAAM
Santiago Exchange

Price (09/30/2023)	CLP 96.27
Price (12/30/2022)	CLP 95.78
Market Cap (30/09/2023)	MUS$ 937

YTD 2023 Total Return Ch$

(03.01.2023 – 30.09.2023)



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Summary of Consolidated Results

	3Q23	3Q22	Δ%	Δ	9M23	9M22	Δ%	Δ
Revenue (Th US$)	**138,063**	**117,971**	**17%**	**20,092**	**395,638**	**337,456**	**17%**	**58,182**
Towage	120,025	103,045	16%	16,980	338,955	284,433	19%	54,522
Other operations [1]	18,038	14,926	21%	3,112	56,683	53,023	7%	3,660
EBIT (Th US$)	**15,758**	**19,196**	**-18%**	**-3,438**	**49,577**	**48,498**	**2%**	**1,079**
Towage	23,541	19,779	19%	3,762	62,352	48,225	29%	14,127
Other operations [1]	-7,783	-583		-7,200	-12,775	273		-13,048
EBITDA (Th US$)	**41,037**	**39,649**	**4%**	**1,388**	**120,213**	**109,052**	**10%**	**11,161**
Towage	45,102	36,927	22%	8,175	122,062	98,738	24%	23,324
Other operations [1]	-4,065	2,722		-6,787	-1,849	10,314		-12,163
Net income attributable to owners of the parent company (Th US$)	**452,915**	**-10,946**		**463,861**	**486,449**	**32,517**		**453,932**
Towage	12,221	9,989	22%	2,232	34,133	23,136	48%	10,997
Other operations [1]	-20,815	-1,729		-19,086	-26,348	-2,664		-23,684
Discontinued operations [2]	461,509	-19,206		480,715	478,664	12,045		466,619

(1) Other operations include air cargo logistics operations, real estate assets and corporate expenses.
(2) Discontinued operations include the operations corresponding to SAAM Ports and SAAM Logistics, which consist of the entire port terminal business and inland logistics operations in Chile related to shipping, as well as real estate properties used by the latter.

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Earnings Analysis

Summary of Consolidated Financial Results

Consolidated Income Statement (Th US$)	3Q23	3Q22	Δ%	Δ	9M23	9M22	Δ%	Δ
Revenue	138,063	117,971	**17%**	**20,092**	**395,638**	**337,456**	**17%**	**58,182**
Cost of sales	96,827	82,222	18%	14,605	279,804	237,588	18%	42,216
Administrative expenses	25,478	16,553	54%	8,925	66,257	51,370	29%	14,887
Net operating income	**15,758**	**19,196**	**-18%**	**-3,438**	**49,577**	**48,498**	**2%**	**1,079**
Depreciation & amortization	25,279	20,453	24%	4,826	70,636	60,554	17%	10,082
EBITDA	**41,037**	**39,649**	**4%**	**1,388**	**120,213**	**109,052**	**10%**	**11,161**
EBITDA Mg	**29.7%**	**33.6%**		**-3.9%**	**30.4%**	**32.3%**		**-1.9%**
Share of net income (loss) of associates	560	319	76%	241	2,370	1,202	97%	1,168
Non-operating results + Taxes	-24,322	-10,958		-13,364	-41,975	-27,951	-50%	-14,024
Net income from Continuing Operations	**-8,004**	**8,557**		**-16,561**	**9,972**	**21,749**	-54%	**-11,777**
Net income from Discontinued Operations	**462,510**	**-16,206**		**478,716**	**482,462**	**19,902**		**462,560**
Minority interest	1,591	3,297	-52%	-1,706	5,985	9,134	-34%	-3,149
Net income attributable to owner of the parent company	**452,915**	**-10,946**		**463,861**	**486,449**	**32,517**		**453,932**

On August 1, 2023, the company closed the Transaction to sell the shares of SAAM Ports and SAAM Logistics, as well as certain real estate assets; therefore, the results of the third quarter and accumulated results of the current year are not directly comparable with for 2022. Third quarter results consider one month of discontinued operations (July) and the effects of closing the Transaction.

Main Results for the Third Quarter

Revenue amounted to US$ 138.1 million, an increase of US$ 20.1 million (+17%) compared to the same quarter last year, explained by sales growth in the Towage Division (+16%) and Other operations (+21%).

In comparison to the same quarter in 2022, **cost of sales** increased by US$14.6 million (+18%) to US$96.8 million, mainly due to higher operating costs because of increased towage activity. Other factors contributing to the rise in operating costs include high inflation in recent quarters and appreciation of local currencies.

Meanwhile, **administrative expenses** amounted to US$ 25.5 million, an increase of US$ 8.9 million compared to the same quarter last year, explained mostly by higher non-recurring expenses from the Transaction. To a lesser extent, the higher administrative expenses are explained by increased activity and growth in operations in Brazil and Peru, as well as the effects of high inflation in recent quarters that continue to have an impact on personnel costs and other expenses, while at the same time local currencies have been appreciating against the dollar.

EBITDA increased by US$ 1.4 million compared to the third quarter of 2022 (+4%), reaching US$ 41.0 million, due to a stronger performance from the Towage business, which offset the decline in Other operations. The **EBITDA margin** decreased by 389 bps to 29.7%, mainly explained by higher administrative expenses associated with an extraordinary expense for the Transaction. Excluding this effect, EBITDA would have grown US$ 7.4 million or +18.7% and the EBITDA margin would have been 34.1%, slightly higher than the previous year.

The company's share of **net income from associates** was US$ 560 thousand for the period, compared to US$ 319 thousand for the same period last year. This variation can be explained primarily by greater activity at Transbordadoras Austral Broom.

It reported **a non-operating loss and taxes** of US$ 24.3 million for the third quarter, compared to a loss of US$ 11.0 million for the same quarter last year. This greater loss for the period is mainly explained by the use of assets for taxes paid abroad and the Austral Law from previous years to distribute dividends within the SAAM group.

Income from discontinued operations consisted of a gain of US$ 462.5 million, which includes US$ 421.9 million from the Hapag-Lloyd Transaction, considering all the effects between the signing and closing of the transaction and the reversal of extraordinary deferred tax expenses recognized in prior periods when applying IAS 12[1]. In addition, port terminals and inland logistics operations reported net income in July 2023. For the third quarter of the year, the company reported a loss of US$ 16.2 million explained mainly by the aforementioned extraordinary deferred tax expense recorded in accordance with IAS 12 as a result of the Transaction based on the difference between the book and historical value of SAAM's investments in SAAM Ports and SAAM Logistics.

Net income attributable to the owners of the parent company was US$ 452.9 million, compared to a loss of US$ 10.9 million for the same quarter last year.

Main Cumulative Consolidated Results as of September

Revenue amounted to US$ 395.6 million, an increase of US$ 58.2 million (+17%) compared to the same period last year, explained by revenue growth in the Towage Division (+19%) and Other operations (+7%).

Cost of sales increased by US$ 42.2 million (+18%) to US$ 279.8 million, mainly due to new towage operations and subcontracting, as well as increases in fuel prices and inflation.

Meanwhile, **administrative expenses** increased by US$ 14.9 million (+29%) to US$ 66.3 million, as a result of greater activity in the Towage Division and expenses related to the Transaction.

EBITDA reached US$ 120.2 million (+10%) because the stronger performance from the Towage business offset the decline in Other operations. The **EBITDA margin** fell 193 bps to 30.4%. Excluding the effect of the extraordinary expense, the YTD EBITDA margin would have fallen slightly compared to 2022.

The company's **share of associate results** was a gain of US$ 2.4 million for the period, which compares favorably to US$ 1.2 million in the same period in 2022, due to greater activity at Transbordadoras Austral Broom.

The company recognized a **non-operating loss and taxes** of US$ 42.0 million, which compares negatively to a loss of US$ 28.0 million for the same period last year, explained mostly by the increase in tax expense.

The company reported **net income from discontinued operations** of US$ 482.5 million as of the reporting period, which compares favorably with net income of US$ 19.9 million for 9M22. This improved result is almost entirely explained by the result of the Transaction recognized during the third quarter of 2023.

Net income attributable to the owners of the parent company was US$ 486.4 million, compared to net income of US$ 32.5 million for the same period last year.

[1] Note 41 to these interim financial statements explains in detail the closing of the Transaction and its effects on the income statement.

Consolidated Balance Sheet

The Company's assets and liabilities were affected by the closing of the Transaction, which mainly had an effect on cash and cash equivalents, assets and liabilities for disposal, financial liabilities and certain equity accounts.

Current assets increased by US$ 127.9 million (+13%) compared to December 31, 2022, reaching US$ 1,089.1 million, mainly due to the closing of the Transaction and the greater cash and cash equivalents net of the reduction in assets available for sale. Meanwhile, **non-current assets** climbed US$ 192.1 million to US$ 1,121.1 million (+21%) mainly due to an increase in property, plant and equipment associated with the acquisition of the Starnav assets. Thus, SAAM's **total assets** amounted to US$ 2,210.1 million, up US$ 320.0 million with respect to December 2022 (+17%).

Current liabilities increased by US$ 56.1 million to US$ 504.3 million (+13%), mainly as a result of the additional debt to acquire assets in Brazil and the minimum dividend provision of US$145.9 million[2]. **Non-current liabilities** decreased by US$ 34.9 million to US$ 530.6 million (-6%), explained mostly by the partial prepayment of bank loans maturing over the long term. During the quarter, the Company paid net current and non-current financial obligations of US$211.5 million.

As of September 30, 2023, **equity** totaled US$ 1,175.2 million, which represents an increase of US$ 298.8 million (+34%) compared to December 31, 2022, mainly because of the gain on the Transaction.

Balance (Th US$)	09-30-2023	12-31-2022	Δ%	Δ
Cash and cash equivalents	906,624	141,963	539%	764,661
Other current assets	171,959	170,955	1%	1,004
Disposable assets classified as held for sale and discontinued operations	10,481	648,231	-98%	-637,750
Current assets	**1,089,064**	**961,149**	**13%**	**127,915**
Property, plant & equipment (net)	859,409	675,351	27%	184,058
Other non-current assets	261,637	253,564	3%	8,073
Non-curent assets	**1,121,046**	**928,915**	**21%**	**192,131**
Total Assets	**2,210,110**	**1,890,064**	**17%**	**320,046**
Other current financial liabilities	136,766	83,215	64%	53,551
Current concession liabilities	94	93	1%	1
Other current liabilities	367,448	91,794	300%	275,654
Disposable liabilities classified as discontinued operations	0	273,066		-273,066
Current liabilities	**504,308**	**448,168**	**13%**	**56,140**
Other non-current financial liabilities	407,626	465,854	-12%	-58,228
Other non-current liabilities	123,015	99,676	23%	23,339
Non-current liabilities	**530,641**	**565,530**	**-6%**	**-34,889**
Total liabilities	**1,034,949**	**1,013,698**	**2%**	**21,251**
Equity attributable to equity holders of parent	1,154,615	822,381	40%	332,234
Minority interest	20,546	53,985	-62%	-33,439
Total equity	**1,175,161**	**876,366**	**34%**	**298,795**
Total equity and liabilities	**2,210,110**	**1,890,064**	**17%**	**320,046**

[2] The minimum interim dividend is detailed in Note 27.3 to these interim financial statements.

Cash Flows

The net change in cash and cash equivalents between September 30, 2023 and December 31, 2022, was a positive net cash flow of US$ 764.7 million, compared to a negative net cash flow of US$ 173.6 million for the same period in 2022.

Cash Flows (Th US$)	09-30-2023	09-30-2022	Δ%	Δ
Operating cash flows	72,625	56,871	28%	15,754
Investing cash flows	843,924	-154,247		998,171
Financing cash flows	-149,486	-74,578	-100%	-74,908
Other	-2,402	-1,605	-50%	-797
Cash Flow	**764,661**	**-173,559**		**938,220**
Cash and cash equivalent at beggining of period	**141,963**	**323,962**		
Cash and cash equivalent at end of period	**906,624**	**150,403**		

Operating cash flows were positive US$ 72.6 million, reflecting an increase with respect to the same period in 2022 due to greater flows from towage operations as a result of greater market activity, new tugs and newly added operations.

Investing cash flows were positive US$ 843.9 million, compared to a negative US$ 154.2 million for the same period last year. The increase is mainly explained by the amount received for the Transaction net of expenses to acquire the fleet of tugs in Brazil and down payments on the construction of new electric tugs in Canada.

Financing cash flows were negative US$ 149.5 million, mainly due to the net repayment of bank loans for US$ 79.5 million accumulated during the year and, to a lesser extent, dividends of US$ 48.1 million. During the third quarter of 2023, the Company reduced its financial obligations with net payments of US$211.5 million, which include a portion of the bridge loans taken out to acquire tugs in Brazil during the first half of this year.

Financial Position

As of the end of September 2023, the company maintains low levels of leverage. The high cash stocks from the Transaction pushed the leverage indicator (Net Financial Liabilities to EBITDA) to negative levels, reaching -1.4x at the end of September 2023 (vs. 1.3x as of December 2022).

Meanwhile, the ratio of Financial Liabilities to Total Assets also decreased to 0.2x (vs. 0.4x as of year-end 2022). The ratio of Financial Liabilities to EBITDA for the last twelve months was 2.1x, a decrease of 0.4x compared to the end of the previous year.

(Th US$)	09-30-2023	12-31-2022			Δ
		Continued Operations	Discontinued Operations	Total	
Financial liabilities (FL)	544,486	549,162	141,577	690,739	-4,676
Cash and cash equivalent	906,624	141,963	170,688	312,651	764,661
Net financial liabilities (NFL)	**-362,138**	**407,199**	**-29,111**	**378,088**	**-769,337**
Total assets	**2,210,110**	**1,251,798**	**638,266**	**1,890,064**	**958,312**
LTM EBITDA	**256,100**			**280,936**	**-24,836**

KPI's	09-30-2023	12-31-2022	Δ
FL / Total assets	0.2x	0.4x	-0,2x
FL / EBITDA	2.1x	2.5x	-0,4x
NFL / EBITDA	(1.4)x	1.3x	

Consolidated Results

Results of Transaction Close

The final consideration for the shares of SAAM Ports S.A. and SAAM Logistics S.A. plus the real estate assets amounted to US$ 994.4 million, which were partially paid, leaving US$ 4.4 million to be received for a property located in Iquique, which is currently in the process of being registered in the corresponding Property Registry.

The result of the Transaction before taxes was US$ 544.5 million and includes expenses and associated costs of US$ 28.5 million. The total tax expense associated with the Transaction amounted to US$122.6 and includes taxes on the capital gains on the sale of shares of SAAM Terminal S.A. and SAAM Logistics S.A. and the gain on the sale of certain real estate assets owned by Inmobiliaria Marítima Portuaria S.A.

Thus, the final result of the Transaction amounted to US$ 422 million, considering all revenue and expenses associated with this transaction between the signing and closing of the transaction. Additionally, during the third quarter of 2023, deferred tax provisions recognized in accordance with IAS 12 were reversed.

	Th US$
Total consideration for Transaction	994,368
Reversal of investments (net assets)	-384,380
Reversal of reserves in other comprehensive income (1)	-28,525
Reversal of other reserves (2)	-8,529
Expenses directly associated with sale	-28,479
Gain on sale of subsidiaries before taxes (3)	**544,455**
Income taxes associated with transaction	-122,583
Gain on sale of subsidiaries after taxes	**421,872**

(1) The effect in other comprehensive income is from the effect on the income statement of recognizing the translation reserve and also the cash flow hedge reserve corresponding to SAAM Ports S.A. and subsidiaries and SAAM Logistics S.A. and subsidiaries.
(2) Corresponds to the reversal of Other Reserves that were allocated to SAAM Ports S.A. and subsidiaries and SAAM Logistics S.A. and subsidiaries.
(3) Gain from the sale of subsidiaries before taxes is presented in other income (loss) in the statement of income.

Towage Division

Consolidated Income Statement (Th US$)	3Q23	3Q22	Δ%	Δ	9M23	9M22	Δ%	Δ
Tug maneuvers #	38,996	34,475	13%	4,521	113,009	99,669	13%	13,340
Time charter days #	2,454	2,292	7%	162	6,959	6,441	8%	519
Tugboats #	212	186	14%	26	212	186	14%	26
Revenue	**120,025**	**103,045**	**16%**	**16,980**	**338,955**	**284,433**	**19%**	**54,522**
Cost of sales	82,104	70,810	16%	11,294	234,666	199,093	18%	35,573
Administrative expenses	14,380	12,456	15%	1,924	41,937	37,115	13%	4,822
Net operating income	**23,541**	**19,779**	**19%**	**3,762**	**62,352**	**48,225**	**29%**	**14,127**
Depreciation & amortization	21,561	17,148	26%	4,413	59,710	50,513	18%	9,197
EBITDA	**45,102**	**36,927**	**22%**	**8,175**	**122,062**	**98,738**	**24%**	**23,324**
EBITDA Mg	**37.6%**	**35.8%**		**1.7%**	**36.0%**	**34.7%**		**1.3%**
Share of net income (loss) of associates	564	320	76%	244	2,375	1,202	98%	1,173
Non-operating results + Taxes-	-11,294	-9,860	-15%	-1,434	-28,407	-25,178	-13%	-3,229
Minority interest	590	250	136%	340	2,187	1,113	96%	1,074
Net income attributable to owner of the parent company	**12,221**	**9,989**	**22%**	**2,232**	**34,133**	**23,136**	**48%**	**10,997**

Main Results for the Third Quarter

Towage Division **revenue** reached US$ 120.0 million, an increase of US$ 17.0 million (+16%) compared to the same period last year, due to a better service mix and growth in business volumes of harbour towage services (+13% in maneuvers) and dedicated towage services at oil, gas and mining terminals (+7% in time charter days), associated with increased market dynamism and consolidation of new operations in Brazil after acquiring the Starnav fleet and in Peru after purchasing the Ian Taylor towage business in October 2022.

Cost of sales increased by US$ 11.3 million to US$ 82.1 million (+16%), as a result of greater activity and more tugs in operation and the corresponding higher subcontracting and fuel costs. Similarly, the higher costs are explained by the effects of high inflation in recent quarters that continue to impact personnel costs and other expenses, while at the same time local currencies have been appreciating against the dollar.

Administrative expenses increased by 15% to US$ 14.4 million due to greater activity and the inflationary effects described above.

The division reported **EBITDA** growth of US$ 8.2 million to US$ 45.1 million (+22%), continuing the upward trend seen since the second quarter of 2022. The **EBITDA margin** climbed 174 bps to 37.6%.

The division's share of **associate results** was income of US$ 564 thousand, up from income of US$ 320 thousand in the same quarter of the previous year because of greater activity at Transbordadora Austral Broom.

Net income attributable to owners of the parent company was US$ 12.2 million, which represents growth of US$ 2.2 million (+22%).

Main Cumulative Results as of September

Revenue increased by US$ 54.5 million (+19%) to US$ 339.0 million, as a result of the growth in the volume of harbour towage maneuvers (+13%) and time charter days (+7%) associated with greater market activity and higher revenue after acquiring tugs in Brazil and securing new contracts in Peru following the acquisition of Ian Taylor in the second half of 2022.

Cost of sales increased by US$ 35.6 million (+18%) to US$ 234.7 million, which is associated with more tugs in operation, greater fuel costs and additional subcontracting of tugs, as well as, costs increases due to the effects of inflation and the appreciation of local currencies.

Administrative expenses increased by 13% to US$41.9 million, mainly due to the increase in activity and the inflationary effects mentioned above.

The division's **EBITDA** reached US$ 122.1 million, an increase of US$ 23.3 million (+24%) compared to the same period last year. As a result of the above, the **EBITDA margin** reached 36.0%, which represents an increase of 130 bps compared to the same period last year.

The company's share of **net income (loss) from associates** was income of US$ 2.4 million, compared to income of US$ 1.2 million for the same period last year.

Net income attributable to owners of the parent company was US$ 34.1 million, which represents an improvement of US$ 11.0 million (+48%).

Other Operations

Consolidated Income Statement (Th US$)	3Q23	3Q22	Δ%	Δ	9M23	9M22	Δ%	Δ
Export tons handled Aerosan	64,423	62,631	3%	1,792	215,187	210,901	2%	4,286
Import tons handled Aerosan	18,759	19,649	-5%	-890	55,831	69,247	-19%	-13,416
Total tons handled Aerosan	83,182	82,280	1%	902	271,018	280,148	-3%	-9,130
Flights served	1,773	1,503	18%	270	5,350	5,086	5%	264
Revenue	**18,038**	**14,926**	**21%**	**3,112**	**56,683**	**53,023**	**7%**	**3,660**
Cost of sales	14,723	11,412	29%	3,311	45,138	38,495	17%	6,643
Administrative expenses	11,098	4,097	171%	7,001	24,320	14,255	71%	10,065
Net operating income	**-7,783**	**-583**		**-7,200**	**-12,775**	**273**		**-13,048**
Depreciation & amortization	3,718	3,305	12%	413	10,926	10,041	9%	885
EBITDA	**-4,065**	**2,722**		**-6,787**	**-1,849**	**10,314**		**-12,163**
Share of net income (loss) of associates	-4	-1		-3	-5	0		-5
Non-operating results + Taxes-	-13,028	-1,098		-11,930	-13,568	-2,773		-10,795
Minority interest	0	47		-47	0	164		-164
Net income attributable to owner of the parent company	**-20,815**	**-1,729**		**-19,086**	**-26,348**	**-2,664**		**-23,684**

The Other operations segment includes air cargo logistics operations, real estate assets and corporate expenses.

Revenue in this segment for the third quarter reached US$ 18.0 million, up 21% compared to the same period of the previous year, associated mainly with higher rates in some cargo services, along with a slight increase in total tons handled by Aerosan during the quarter (+1%). In addition, revenue was driven by growth in aviation services as a result of a larger volume of flights served (+18%), mainly due to new customers and more frequent flights. For the first nine months of the year, revenue was up 7% to US$ 56.7 million, as a result of the increase in rates for some services, which has offset the drop in total tons handled so far in 2023 (-3%), explained by lower import volumes in Colombia and Chile, due to lower activity and less dynamism in these economies in the first months of the year.

Cost of sales grew 29% during the third quarter and 17% YTD, mainly associated with Aerosan's operations. As in the other operating segments, it has been affected by exchange rates and inflationary pressure on diverse expenses and personnel costs.

Administrative expenses, which include a portion of corporate expenses and Aerosan's own business expenses, increased by US$ 7.0 million in the quarter to US$ 11.1 million, while year-to-date they increased by US$ 10.1 million to US$ 24.3 million. The rise is mainly explained by higher non-recurring expenses associated with the Transaction.

The division had a non-operating loss and taxes of US$ 13.6 million for the first nine months of 2023, increasing by US$ 10.8 million over the loss of US$ 2.8 million for the same period in 2022. This greater loss is mainly due to the higher deferred tax expense associated with the use of tax asset credits explained above.

It reported a **loss attributable to the owners of the parent company** of US$ 20.8 million for the third quarter, compared to a loss of US$ 1.7 million for the same period last year. YTD this figure was a loss of US$ 26.3 million, which represents a decline of US$ 23.7 million because of increased tax expenses as mentioned above.

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, Depocargo, Teisa, Andesur, Agunsa - Menzies, Swissport and Acciona; in Colombia, Taescol, Menzies, Swissport, Girag, Talma (Ground Handling), SAI; and in Ecuador: Novacargo.

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 SAAM Towage and Aerosan 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

Towage and airport operations 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.

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, manuals, 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 period ended September 30, 2023 and the year ended December 31, 2022.

	Unit	Sept-23	Dec-22
Ownership			
Shares outstanding	N°	9,736,791,983	9,736,791,983
Controlling Group - Luksic Group	%	61.0%	60.0%
Stock price	Ch $	96.27	95.78
Liquidity performance			
Liquidity ratio (1)	times	2.16	2.09
Acid test (2)	times	2.08	1.95
Leverage			
Leverage ratio	times	0.88	1.16
Short-term debt	%	49%	26%
Long-term debt	%	51%	74%
Net interest coverage (3)	times	13.83	12.37
Return			
Earnings per share (4)	US$	0.0516	0.0049
ROE (5)	%	55.4%	5.9%
ROA (6)	%	24.3%	2.6%
Other ratios			
Revenue / Total Assets (7)	times	0.38	0.44
Revenue / Fixed Assets (8)	times	0.97	0.96
Working capital turnover (9)	times	1.43	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)