



VIÑA CONCHA Y TORO

— FAMILY OF NEW WORLD WINERIES —

PRESS RELEASE

1Q23

WE EXIST TO **TRANSFORM**
EACH GLASS OF WINE AND EACH ENCOUNTER
AROUND THE WORLD INTO A
MEMORABLE EXPERIENCE

INDEX

CHAPTER 01

Highlights

CHAPTER 02

CEO's Comments

CHAPTER 03

1Q23 Results

CHAPTER 04

Income Statement

CHAPTER 05

Statement of Financial Position as of March 31, 2023

Press Release (*)

Viña Concha y Toro

(*) Consolidated figures of the following analysis are expressed in Chilean pesos, in accordance with reporting standards of the Financial Markets Commission of Chile. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

About Viña Concha y Toro

Founded in 1883, Viña Concha y Toro is the leading Latin American wine maker, and one of the world's largest wine companies. It holds around 12,000 hectares of vineyards in Chile, Argentina, and United States, and its wine portfolio includes iconic brands, such as Don Melchor and Almaviva (Joint Venture 50% - 50% with Baron Philippe de Rothschild), its flagship brand Casillero del Diablo, Trivento from Argentina, and Bonterra brands from California.

Forward Looking Statements

This press release may contain certain forward-looking statements with respect to the financial condition, results of operations and business of the Company and certain plans and objectives of the Company with respect to these items. Forward-looking statements are declaration of intentions, beliefs or expectations of Viña Concha y Toro and its administration with respect to future results of the Company. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that occur in the future.

Investor Presentation

Tuesday, May 2, 11:00 hrs.

Contact:

Daniela Lama

Head of Investor Relations

daniela.lama@conchaytoro.cl

conchaytoro-ir@conchaytoro.cl

CHAPTER 01

Highlights

1Q23

- Consolidated sales down 8.4% QoQ to Ch\$163,172 million.
- Principal and Invest mix account for 50.5% of the company's total sales, up 10 bps QoQ.
- Gross profit down 16.6% QoQ to Ch\$59,786 million. The gross margin was 36.6% (down 360 bps) explained by 3.4 points for extraordinary expenses.
- EBITDA down 59.4% QoQ to Ch\$13,014 million. The EBITDA margin was down 1,000 bps to 8.0%.
- Net income attributable to shareholders down 82.2% QoQ to Ch\$3,152 million. The net margin was 1.9% (down 800 bps).

CHAPTER 02**CEO's Comments**

The complex global situation, marked by inflationary pressures, excess inventory seeking to cover logistics disruptions, economic slowdown, higher interest rates, cost increases for dry goods and shipping costs, and lower consumption, continued during the first quarter of 2023. As such, our performance in this period was not in line with our forecasts. This has affected our business, which can be clearly observed in the higher level of accumulated inventory in the markets, resulting in a drop of sales in terms of both volume and value.

In response to this scenario, in the fourth quarter of 2022 the company initiated a complete efficiency plan throughout the holding's operations. Additionally, price increases were implemented throughout the portfolio during 2022, and we placed emphasis on a strategy which aims to maintain the company's financial strength.

Our most conservative forecasts lead us to expect an improvement in sales during the second half of the year, in the extent that the extraordinary global conditions that have affected the industry begin to recede and the measures taken by the company start to deliver benefits. Our forecasts suggest that we will exceed the volumes sold in 2022.

Over the last five years, the company has implemented a Premiumization and transformation strategy, ending in 2022. During this period, which was marked by global uncertainty and macroeconomic challenges, we have achieved a more efficient and agile operation with a more Premium portfolio.

In the coming months, we will launch a new ambitious strategic plan for 2023-2025, which will aim to accelerate the recovery of sales from 2023 and achieve high and sustained medium-term growth. We are convinced that we have all the fundamentals to undertake this new challenge and take Viña Concha y Toro to the next level.

CHAPTER 03

4Q22 Results

Consolidated Sales

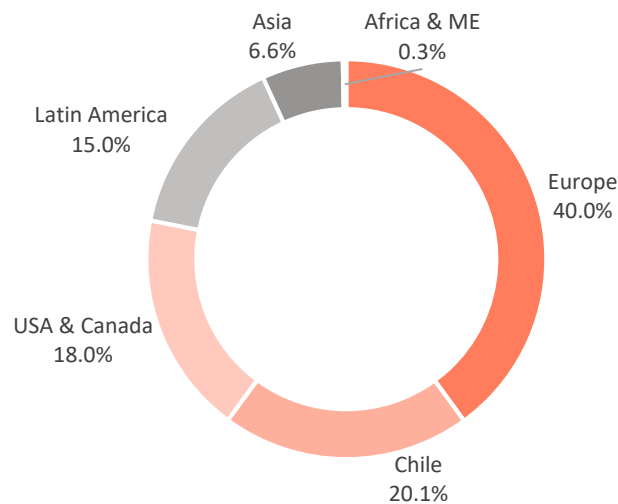
Sales (Million of Ch\$)	1Q23	1Q22	Chg (%)
Export Markets ⁽¹⁾	102,168	113,555	(10.0%)
Chile	32,092	31,557	1.7%
Wine	19,256	18,653	3.2%
Beer and Spirits ⁽³⁾	12,836	12,904	(0.5%)
USA	25,192	29,727	(15.3%)
Others	3,719	3,217	15.6%
Total sales	163,172	178,055	(8.4%)

Volume (Thousands of C9L)	1Q23	1Q22	Chg (%)
Export Markets	3,805	4,478	(15.0%)
Chile	2,094	2,039	2.7%
Wine	1,286	1,269	1.3%
Beer and Spirits ⁽³⁾	808	769	5.0%
USA	667	757	(11.9%)
Total Volumen	6,567	7,273	(9.7%)

Average Price (per C9L) ⁽²⁾		1Q23	1Q22	Chg (%)
Export Markets	US\$	33.15	31.40	5.6%
Chile Wine	Ch\$	14,968	14,694	1.9%
USA	US\$	46.63	48.59	(4.0%)

(1) Includes exports to third parties from Chile, Argentina, and USA, and sales in Argentina. Excludes exports from Chile and Argentina to the USA, which are included in USA. (2) Excludes bulk wine sales. (3) "Beer & Spirits" were previously reported under the name Non-Wine Sales. The split of this line is intended to separate non-liquid sales (now belonging to "Others") from beverages different than wine (now belonging to "Beer & Spirits").

Consolidated Sales by Geography 4Q22



1. Consolidated Sales

In 1Q23, consolidated sales decreased by 8.4%, reaching Ch\$163,172 million, with a 9.7% reduction in volume sold.

The lower sales volumes are driven by several factors, in particular changes in buying patterns in several markets due to the challenging global situation of higher inflation, and adjustments to inventory by distributors in a more restrictive financial environment. Along these lines, we are continuing to see falling sales volumes in the United States and other smaller markets.

The US continues to be a challenging market that is still adjusting. The main drop in sales has been concentrated in the segments under US\$10. With our strategy of focusing on the Premium and higher category, volumes are expected to be recovered from the second half of the year, highlighting marketing plans to strengthen brands and gain positioning.

On the other hand, performance has started to improve in some of our markets such as the United Kingdom, Chile, Brazil, and China, with sales increasing in both volume and value.

In terms of our brands, Trivento Reserve and Diablo stand out, with sales increasing by 11.7% and 12.4% in value respectively.

During the quarter, the Principal and Invest categories slightly increased their share of the sales mix, accounted for 50.5% of the company's total sales (up 10 bps).

1.1. Export Markets

The company's sales in export markets decreased by 10.0% to Ch\$102,168 million. This was driven by lower volumes in the markets, which decreased by 15.0% against a backdrop of decelerating consumption and adjustments following the focus on decrease inventory in distributors and key retailers, accentuated by high interest rates.

In Europe, sales decreased by 1.2%, primarily due to changes in the product mix, foreign currency effects, and lower volumes in Poland, the Netherlands, and Belgium.

United Kingdom stands out, sales increased by 2.0% in value and 3.4% in volume, primarily driven by improvements in the Invest category.

In Asia, sales decreased by 28.6% due to a 40.6% reduction in volumes. This was largely driven by an adjustment in volumes in Japan, which is a non-cyclical market, as well as South Korea. On the other hand, we have started to see growth in China with volume increasing by 49.5%, driven by the Principal and Protect categories. The company's strategic focus on premium categories in the Asian market has yielded positive results in most countries. Not including South Korea, Principal and Invest brand sales increased by 4.6% in volume and 13.6% in value. Sales also increased in Southeast Asia, with growth of 3.1% in volume.

In Latin America, sales fell by 11.1% in value. The Brazilian and Mexican markets stands out with growth of 9.4% and 4.2% in value, respectively. In Brazil, this increase was driven by the Principal, Invest and Protect categories.

With regard to foreign currency effects, in 1Q23 the Chilean peso appreciated by 4.6% against our currency basket, including the Argentine peso (-45.4%), Norwegian krone (-13.7%), Swedish krona (-10.1%), pound sterling (-9.1%), Chinese yuan (-7.7%), Canadian dollar (-6.3%), euro (-4.8%), Brazilian real (-0.2%), and US dollar (-0.1%). Meanwhile, it depreciated against the Mexican peso (+10.5%)¹.

1.2. Chile

In the domestic Chilean market, wine sales up 3.2% in value to Ch\$19,256 million, as a result of the 1.3% increase in volume and 1.9% increase in the average price/sales mix. The increase in sales volume was driven primarily by the Protect category (+6.7%). As such, the Principal and Invest categories accounted for 36.8% of sales (down 230 bps).

The beers and spirits category remained flat in terms of value, with a 5.0% increase in volume driven by growth of beers and pisco.

¹ Based on the actual exchange rates applied for Viña Concha y Toro.

1.3. USA

Sales in the domestic USA market include sales of Bonterra Organic Estates (formerly Fetzer Vineyards) and the portfolio imported from Chile and Argentina that is currently sold by Bonterra Organic Estates.

Sales in the USA decreased by 15.3% in value, with an average price/sales mix decrease of 4.0% in US dollars. The lower sales volumes in this market are primarily due to the adjustment observed on an industry level in the local USA market, with lower sales volumes especially among <US\$12 segments, in addition to inventory adjustments by key distributors in a more restrictive financial environment and interest rate increases.

2. Cost of Sales

The cost of sales reached Ch\$103,386 million, 2.8% lower than in 1Q22. This reduction in the cost of sales still doesn't reflect the lower import costs for our subsidiaries (due to reductions in shipping rates), which are being observed as of the present date and will have a greater impact in the coming quarters. Additionally, cost inflation primarily impacting dry goods and operating and supply chain costs has resulted in higher cost per liter of wine in Chile (+7.4% in Ch\$), USA (+29.9% in US\$), and Argentina (+74.1% in ARG\$) QoQ.

3. Gross Margin

The company's gross margin was 36.6% (down 360 bps) in the quarter, driven by the aforementioned cost increases, affected by extraordinary expenses that should decrease in the coming months, equivalent to 3.4% of sales, lower sales volumes, and negative foreign currency effects.

4. Selling, General, and Administrative (SG&A) Expenses

Selling, general, and administrative expenses (distribution costs + administrative expenses) were Ch\$52,728 million in the quarter, a 9.5% increase compared to the Ch\$48,149 million reported in 1Q22. The higher SG&A expenses are due to increases in remunerations and personnel costs, warehouse leasing, and marketing expenses in key markets, together with the lower dilution due to lower sales. As a result, the SG&A ratio was 32.3%, up 530 bps compared to 1Q22.

5. Other Revenue and Expenses

Other revenue and expenses reached Ch\$285 million in 1Q23, 82.3% lower than the Ch\$1,613 million reported in the same quarter of 2022. This was driven primarily by revenue related to a onetime tax recovery in Brazil and a reversal of the provision for obsolete inventory in Chile during 1Q22.

Other expenses were Ch\$710 million in the quarter, 32.3% higher than the Ch\$537 million reported in the same quarter of 2022, primarily resulting from recognized the cost of the grapes that were not harvested, due to the frosts that occurred in Argentina.

6. Operating Profit

Operating profit reached Ch\$6,632 million, a 73.0% decrease compared to the Ch\$24,579 million reported in 1Q22. The operating margin was 4.1% in 1Q23, compared to the operating margin of 13.8% in 1Q22.

This quarter we continue to see extraordinary costs and expenses that reflected 4 percentage points that impact the operating margin in 1Q23 from temporary effects that are expected to disappear in the coming months. If we hadn't had them, the result would have been Ch\$6,500 million higher and the operating margin would have ended at 8.1% in the quarter.

The lower operating margin is due to the significant cost increase that has impacted operating and logistics costs, against a backdrop of weaker sales volumes, which could not be offset by price increases implemented across the portfolio and due to the exchange rate that we have seen in recent months.

During this year, we projected to reduce extraordinary costs and expenses by Ch\$13,000 million compared to 2022, which means lowering these items by 45%.

7. EBITDA

EBITDA (earnings before interest, taxes, depreciation, and amortization) was Ch\$13,014 million in 1Q23, 59.4% below the figure reported in 1Q22. The EBITDA margin was 8.0% (down -1,000 bps).

8. Non-Operating Income

In 1Q23, the company reported a non-operating loss of Ch\$3,348 million, a 61.5% increase compared to the non-operating loss of Ch\$2,073 million in 1Q22. This was primarily due to higher net financing costs in the quarter.

Financial expenses for the quarter increased by 29.0% compared to 1Q22, mainly explained by the increase in short-term interest rates.

Financing costs, net of financial income and adjustment units, were Ch\$3,707 million in 1Q23, a 46.3% increase compared to the Ch\$2,534 million reported in 1Q22. As of March 31, 2023, net financial debt without interest reached Ch\$306,355 million, 32.2% above the net financial debt as of March 31, 2022.

Profit from exchange differences was Ch\$644 million, a 1.9% increase compared to 1Q22.

Loss through participation in associate companies was Ch\$285 million in 1Q23 compared to Ch\$171 million in 1Q22.

9. Corporate Income Tax

Expenditure related to corporate income tax was Ch\$189 million in the quarter, 95.9% below the Ch\$4,619 million reported in 1Q22, primarily due to a higher inflation rate in Chile during 2023.

10. Earnings and Earnings per Share

Net income attributable to shareholders was Ch\$3,152 million, an 82.2% decrease compared to the Ch\$17,677 million reported in 1Q22. The net margin was 1.9%, a contraction of 800 bps.

Based on the 739,010,000 subscribed shares in circulation² as of March 31, 2023, Viña Concha y Toro's earnings per share reached Ch\$4.3, an 82.2% decrease compared to the Ch\$23.9 reported in the same quarter of 2022, with 739,550,000 subscribed shares, due to a decrease in net income.

² Subscribed shares in circulation refer to the company's total shares, not including those that were acquired under the share repurchase program.

CHAPTER 04

Income Statement

(thousands of Ch\$)	1Q23	1Q22	Chg (%)
Revenue	163,171,522	178,055,347	(8.4%)
Cost of sales	(103,385,956)	(106,403,083)	(2.8%)
Gross profit	59,785,566	71,652,264	(16.6%)
Gross margin	36.6%	40.2%	(360 bp)
Other income	284,734	1,612,658	(82.3%)
Distribution costs	(39,316,095)	(36,705,965)	7.1%
Administrative expense	(13,412,083)	(11,443,300)	17.2%
Other expense by function	(710,222)	(536,785)	32.3%
Profit (loss) from operating activities	6,631,900	24,578,872	(73.0%)
Operating margin	4.1%	13.8%	(970 bp)
Financial income	669,542	1,066,477	(37.2%)
Financial costs	(4,289,478)	(3,324,687)	29.0%
Share of profit (loss) of associates and joint ventures using equity method	(284,747)	(170,968)	66.5%
Exchange differences	643,588	631,796	1.9%
Adjustment units	(86,994)	(276,003)	(68.5%)
Non-operating profit (loss)	(3,348,089)	(2,073,385)	61.5%
Profit (loss) before tax	3,283,811	22,505,487	(85.4%)
Income tax expense	(188,950)	(4,618,806)	(95.9%)
Profit (loss)	3,094,861	17,886,681	(82.7%)
(Profit) loss attributable to noncontrolling interests	57,082	(209,720)	(127.2%)
Profit attributable to owners of parent	3,151,943	17,676,961	(82.2%)
Net margin	1.9%	9.9%	(800 bp)
Basic earnings per share *	4.3	23.9	(82.2%)
Depreciation expense	5,802,104	6,958,665	(16.6%)
Amortization expense	580,148	512,038	13.3%
EBITDA**	13,014,152	32,049,576	(59.4%)
EBITDA margin**	8.0%	18.0%	(1,000 bp)

* Number of shares subscribed in 1Q23 are 739,010,000 and in 1Q22 were 739,550,000.

** EBITDA = Profit (loss) from operating activities + Depreciation & Amortization expenses.

CHAPTER 05

Statement of Financial Position³

(thousands of Ch\$)	Mar. 31, 2023	Dec. 31, 2022	Chg (%)
Assets			
Cash and cash equivalents	22,690,567	33,791,676	(32.9%)
Inventories	426,914,856	411,139,331	3.8%
Trade and other current receivables	189,622,820	249,182,114	(23.9%)
Current biological assets	19,413,842	32,765,312	(40.7%)
Other current assets	42,661,220	57,557,436	(25.9%)
Current assets	701,303,305	784,435,869	(10.6%)
Property, plant and equipment	485,559,537	483,445,198	0.4%
Investments accounted for using equity method	33,754,683	33,793,129	(0.1%)
Other noncurrent assets	281,457,454	280,105,584	0.5%
Noncurrent assets	800,771,674	797,343,911	0.4%
Assets	1,502,074,979	1,581,779,780	(5.0%)
Liabilities			
Other current financial liabilities	134,060,654	157,717,682	(15.0%)
Other current liabilities	232,962,406	284,921,845	(18.2%)
Current liabilities	367,023,060	442,639,527	(17.1%)
Other noncurrent financial liabilities	263,310,211	281,928,903	(6.6%)
Other noncurrent liabilities	90,409,082	93,102,622	(2.9%)
Noncurrent liabilities	353,719,293	375,031,525	(5.7%)
Liabilities	720,742,353	817,671,052	(11.9%)
Equity			
Issued capital	84,178,790	84,178,790	0.0%
Retained earnings	679,524,056	676,423,359	0.5%
Treasury stock	(10,147,910)	(10,147,910)	0.0%
Other reserves	20,488,144	6,308,525	224.8%
Equity attributable to owners of parent	774,043,080	756,762,764	2.3%
Non-controlling interests	7,289,546	7,345,964	(0.8%)
Equity	781,332,626	764,108,728	2.3%
Equity and liabilities	1,502,074,979	1,581,779,780	(5.0%)

³ In order to facilitate analysis, some accounts have been grouped.

Statement of Financial Position as of March 31, 2023

1. Assets

As of March 31, 2022, Viña Concha y Toro's assets totaled Ch\$1,502,075 million, 5.0% below the figure reported as of December 31, 2022.

2. Liabilities

As of March 31, 2022, net financial debt without interest reached Ch\$306,355 million, 32.2% above the net financial debt as of March 31, 2022. The NFD/EBITDA ratio was 2.64x as of March 31, 2023.

Net financial debt is calculated as: Debt Capital including Derivatives related to Financial Debt – Cash and cash equivalents.