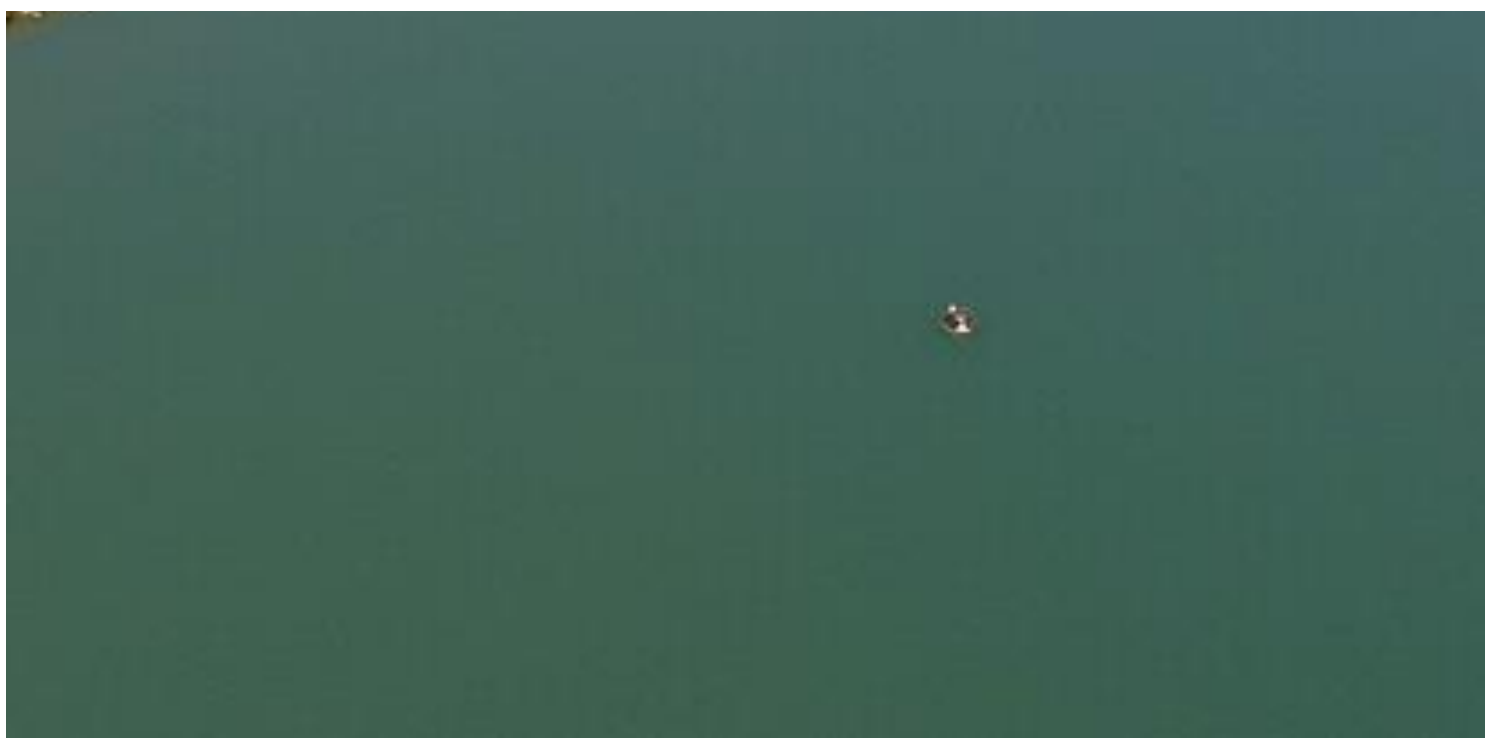




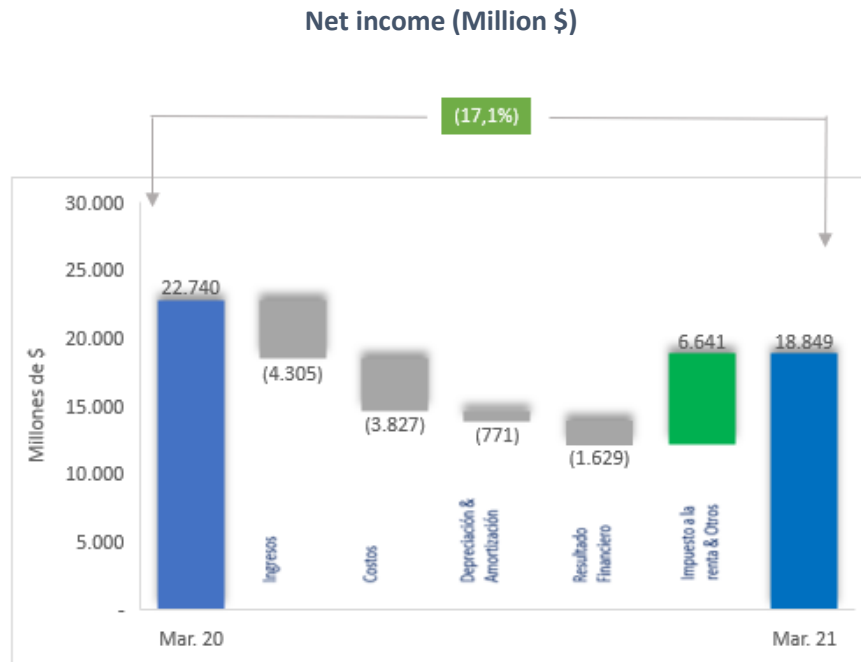
Earnings Release  
Inversiones Aguas Metropolitanas S.A.  
Period ended March 31, 2021



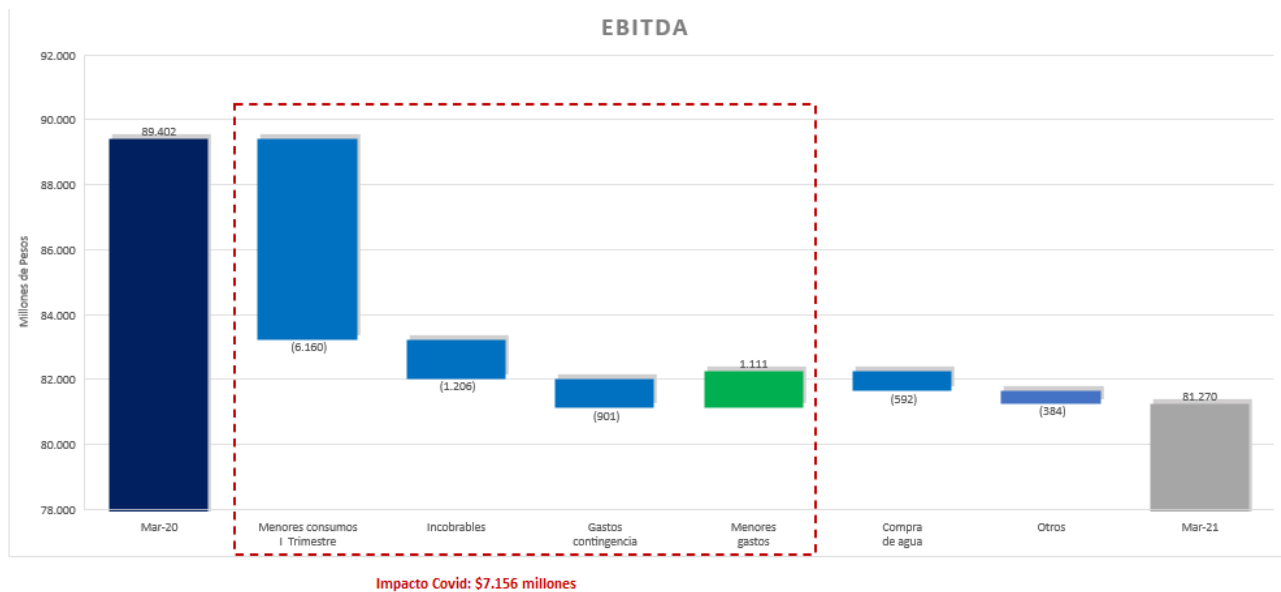
## 1. Summary of the period

- 💧 During the first quarter of 2021 we have continued to experience the direct and indirect impacts derived from the exceptional situation due to Covid-19, which we will explain below.
- 💧 This context requires us to continue to make a great effort to adapt in order to continue supplying the public with water, an essential resource for life, for which we continue to deploy an intense preventive strategy. In view of this, the Company and its subsidiaries continue to have all the economic, technical and human resources available to ensure the continuity of the operation, ensuring a safe supply at a crucial time, protecting the health of our workers and their families and, at the same time, of the community.
- 💧 Due to the extreme drought situation that the region has been experiencing for more than a decade, the Group has continued to manage the water scarcity through the purchase of water and deeper groundwater catchment, maintaining security levels of the El Yeso reservoir, which has allowed storing a volume of 173.8 hm<sup>3</sup> at the end of March 2021, which represents a 76% increase compared to the 98.7 hm<sup>3</sup> of volume stored at the end of March 2020. It should be noted that investments have been made and several projects are in progress to strengthen security of supply in the face of this extreme drought scenario.
- 💧 Undoubtedly, the climate crisis, whose main manifestation has been the profound water scarcity affecting the central zone of the country, poses us important challenges in a context in which there is a significant imbalance in the balance of supply and demand. In view of this, it is essential to add new sources, to have greater redundancy in infrastructure and to increase the resilience of the system to provide an increasingly robust supply in the face of climate change. And we must continue working along these lines.
- 💧 In order to face this emergency, the Company has continued executing the investment plan, investing \$32,423 million during the first quarter of 2021.

- Net income as of March 31, 2021 amounted to \$18,849 million. The main changes from the same period last year are shown in the following chart:



- The Company obtained an EBITDA of \$81,270 million as of March 31, 2021, decreasing 9.1% regarding the same period of previous year, mainly influenced by the following impacts:



- A decrease in sales volumes of \$6,160 million, associated with lower sales to Residential customers by 0.3% and to non-Residential customers by 12.0%, explained by lower activity attributable to the exceptional situation caused by Covid as well as the unusually low weather conditions experienced in Santiago this summer.

Partially offset by higher non-regulated incomes.

- Situation of Covid-19: The Company has developed an action plan to ensure service continuity in the regions it operates, implementing various measures to manage the exceptional situation resulting from the Coronavirus Pandemic.

The direct and indirect effects in costs presumably derived from the exceptional situation by Covid-19, are explained below:

1. A lower collection of regulated customers accounts that increased the age of the accounts receivable balance, having to recognize an amount of \$3,382 million as a provision for bad debts, generating a higher bad debt expense of \$1,206 million regarding previous year.

The bad debt recognition policy used by the Company is based on collection statistics according to the age of the invoice. In this sense, the debt of customers with more than 8 balances is 100% provisioned.

Additionally, debts for consumption transformed into payment agreements are provisioned at 100% of the agreed balance.

Within the framework of the sanitary crisis affecting the country due to COVID-19, the Basic Services Law was enacted, which establishes that from March 18, 2020 and until 270 days from the publication of the law (i.e., May 5, 2021), the companies providing sanitary services, electricity and gas network, may not cut off the supply due to late payment for customers who meet the requirements defined in the law. Debts incurred during such period may be prorated between 12 and up to 36 installments at the customer's choice, without fines, interest or associated expenses. Congress approved an extension of this law until November 30, 2021, extending the term to 48 months for the payment of debts.

The evolution of gross debt as of March 31, 2021 is shown below:

Age of gross debt (in million of \$)	Mar. 21	Mar. 20 *	Dec.20	Mar2021 / Dec2020
less than three months	90,137	107,257	80,768	9,369
between three and six months	4,544	4,406	3,975	568
between six and eight months	2,209	1,609	2,186	24
more than eight months	15,585	13,567	18,736	(3,151)
Agreements	26,262	21,895	19,729	6,533
<b>Total</b>	<b>138,738</b>	<b>148,734</b>	<b>125,395</b>	<b>13,343</b>

\* The ESSAL debt of March 2020 has been deleted for comparability of information.

2. There were direct costs of \$901 million associated with personnel transportation, hygiene supplies, safety measures and worker health monitoring program.
  3. Cost increases partially offset by lower expenses of \$595 million associated with customer services, mainly due to lower supply interruption and replacement services.
- Higher raw water purchase costs (mainly associated with the filling of the El Yeso reservoir in January 2021) for \$592 million necessary to continue facing the extreme drought situation that the region has been experiencing for more than a decade.

- For information, the volume stored in March 2020 was 98.7 hm<sup>3</sup> vs. 173.8 hm<sup>3</sup> at the end of March 2021.
- The Company has developed process improvement and digital transformation projects that have allowed it to contain and reduce costs by \$516 million, mainly in the digitalization of commercial processes and optimization of general services and administrative expenses.
- 💧 At the non-operating level, the financial result presented a loss of \$1,629 million with respect to the same previous period, mainly associated with higher debt revaluation due to the variation of the Unidad de Fomento (1.1% in 2021 versus 1.0% in 2020) together with a higher level of indebtedness.
- 💧 **Generation and Position of Cash.** During the first quarter of 2021, the balance of cash and cash equivalent increased by \$4,730 million regarding end of December 2020, reaching \$182,695 million. The increase in the balance of cash and cash equivalent in the first quarter is mainly explained by the higher operating cash flow, which are partially offset by investment payment. The levels of cash and cash equivalents allow the company to have a margin to face the uncertainties of the current environment.
- 💧 **Atmospheric River:** Between January 29 and February 1, 2021, there was a climatic phenomenon called "Atmospheric River" which generated above average rainfall and sludge concentrations in the Maipo and Mapocho rivers with a maximum of 61,000 and 153,000 net turbidity units respectively. However, the Company has developed an Operational Resilience Plan to face turbidity events in the rivers, in order to maintain the supply of potable water to its customers. It should be noted that the inauguration of the Pirque Tanks, which have been operational since February 2020, increased the autonomy of supply continuity for the capital from 11 to 34 hours and thus minimized potable water outages caused by increases in turbidity levels caused by rainfall in the high mountain range.

## Investments

- 💧 As of March 31, 2021, investments of \$32,423 million were executed. The main projects developed were:
  - 🔧 Drilling and reinforcement of water supply system: It should be noted that work began on the **Pozos de Cerro Negro - Lo Mena project**, an infrastructure that will strengthen the potable water supply in the southern sector of the city, consisting of 15 wells for the extraction of groundwater, in addition to a 20,000 m<sup>3</sup> tank, a lifting plant and a chlorination and fluoridation unit. This backup infrastructure will be activated only in emergencies and will have a flow rate of 1,500 l/s.
  - 🔧 Renewal of Wastewater and Potable Water networks
  - 🔧 Nitrate Treatment at La Farfana and Mapocho-Trebal Biofactories
  - 🔧 Expansion and modernization of potable water treatment plant Padre Hurtado
  - 🔧 Asset Replacement at La Farfana and Mapocho-Trebal Biofactories
  - 🔧 Autonomy 12 hours Aguas Cordillera (San Antonio and San Enrique Tanks)
  - 🔧 Starters and meters
- 💧 To face the effects of the **Mega-drought**, the Company has carried out investment works such as the Hydraulic Efficiency Plan to be able to reduce the losses of potable water in the network and the new Operational Control Center for the constant monitoring of the networks. In addition, a plan of future investments has been contemplated to ensure consumption by the inhabitants, such as new drillings in wells and reinforcements in the potable water supply system such as the expansion of the Padre Hurtado Potable Water Treatment Plant.

- In addition, works to face extreme turbidity events for up to 48 hours are considered, as well as Aguas Andinas has committed new fundamental works to address drought and climate change, which will be incorporated into the Company's updated Development Plan, prior approval by the SISS, highlighting the following:

- (i) Works to reuse 3 m<sup>3</sup>/s of wastewater
- (ii) Drilling in the central aquifer by 1.8 m<sup>3</sup>/s

## KEY FACTS

- Distribution of dividends:** On April 21, 2021, at the Company's Ordinary Shareholders' Meeting, it was agreed to distribute the net earnings for the year 2020, amounting to \$98,692 million, excluding the result obtained from the sale of assets, net of taxes and interim dividend paid on December 18, 2020 for an amount of \$64,800 million, therefore remaining an amount to be distributed of \$26,745 million. The earning agreed to be distributed amounts to \$65,181, corresponding \$26,745 million for the year 2020 (additional dividend) and \$38,436 million to retained earnings (eventual dividend), which will means a final dividend of \$10.65 per share, which will be payable as of May 18, 2021.

## 2. Earnings for the period

### 2.1. Accumulated earnings

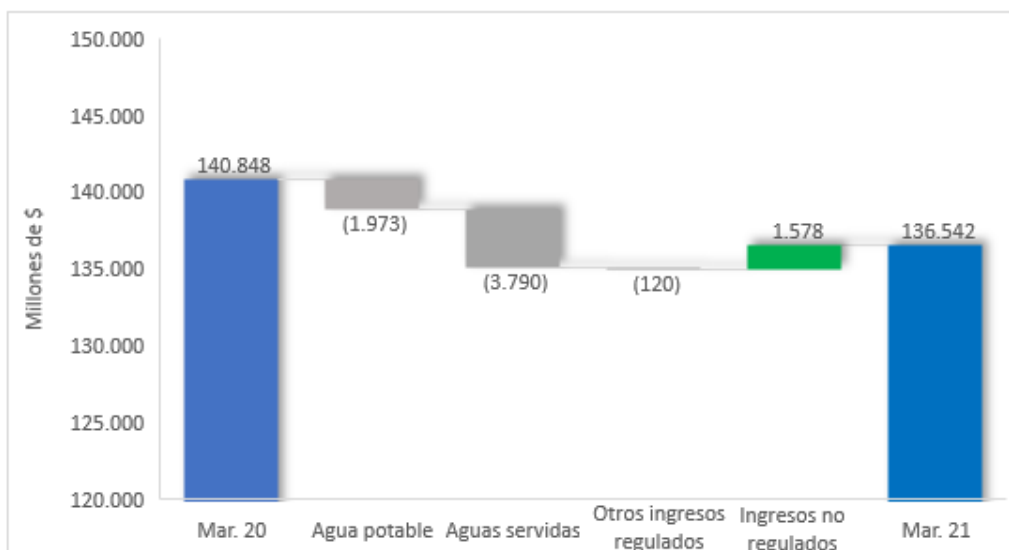
Income Statement (Th\$)	Mar. 21	Mar. 20	% Var.	2021 / 2020
Ordinary Revenues	136,542,366	140,847,723	(3.1%)	(4,305,357)
Operational Costs and Expenses	(55,272,789)	(51,445,589)	7.4%	(3,827,200)
<b>EBITDA</b>	<b>81,269,577</b>	<b>89,402,134</b>	<b>(9.1%)</b>	<b>(8,132,557)</b>
Depreciation and Amortization	(16,735,823)	(15,964,953)	4.8%	(770,870)
<b>Income From Operations</b>	<b>64,533,754</b>	<b>73,437,181</b>	<b>(12.1%)</b>	<b>(8,903,427)</b>
Other Earnings	(1,032,946)	139,312	<(200%)	(1,172,258)
Financial Result*	(15,476,853)	(13,848,284)	11.8%	(1,628,569)
Tax expense	(10,043,133)	(14,819,191)	(32.2%)	4,776,058
Discontinued operations	-	1,359,138	(100.0%)	(1,359,138)
<b>Net earnings</b>	<b>18,849,070</b>	<b>22,740,442</b>	<b>(17.1%)</b>	<b>(3,891,372)</b>

\* Includes financial income, financial costs, exchange rate differences and results by readjustment units

## 2.2. Revenue analysis

Revenues present a decrease of 3.1% regarding previous year, according the following:

	Mar. 21		Mar. 20	
	Sales Th \$	Participation	Sales Th \$	Participation
Potable Water	61,423,831	45.0%	63,397,180	45.0%
Wastewater	59,557,850	43.6%	63,348,120	45.0%
Other Regulated Income	3,418,751	2.5%	3,538,517	2.5%
Non-Regulated Income	12,141,934	8.9%	10,563,906	7.5%
<b>Total</b>	<b>136,542,366</b>	<b>100.0%</b>	<b>140,847,723</b>	<b>100.0%</b>



Sales Volume (Thousands of m <sup>3</sup> accrued)	Mar. 21	Mar. 20	% Var.	Difference
Potable Water	146,526	154,572	(5.2%)	(8,046)
Wastewater Collection	138,940	146,057	(4.9%)	(7,117)
Wastewater Treatment and Disposal	117,661	123,678	(4.9%)	(6,017)
Interconnections*	36,071	37,249	(3.2%)	(1,178)

Customers	Mar. 21	Mar. 20	% Var.	Difference
Potable Water	2,181,609	2,144,729	1.7%	36,880
Wastewater Collection	2,138,005	2,101,589	1.7%	36,416

\* Interconnections include the Treatment and Disposal of Wastewater from other Water Utility Companies

## Regulated Businesses

### **a) Potable water**

Potable water income at the first quarter of 2021 reached Th\$61,423,831, which meant a decrease of 3.1% regarding same quarter of previous year, mainly due to lower supplied volume which is partially offset by higher average tariff.

### **b) Wastewater**

The wastewater income during the first quarter of 2021 reached Th\$59,557,850, which represented a decrease of \$3,790,270 regarding previous year, due to lower volume, which is partially offset with the inflation indexations applied during 2020 and 2021.

### **c) Other regulated income**

This line item presented a decrease of Th\$119,766, due to lower activity in services not associated with sales volume

## Unregulated Income

### **a) Sanitary services**

There was an increase of Th\$1,462,536 mainly due to increased activities in agreements with developers, modifications to sanitary infrastructure and technical advisory for rural potable water.

### **b) Non-sanitary services**

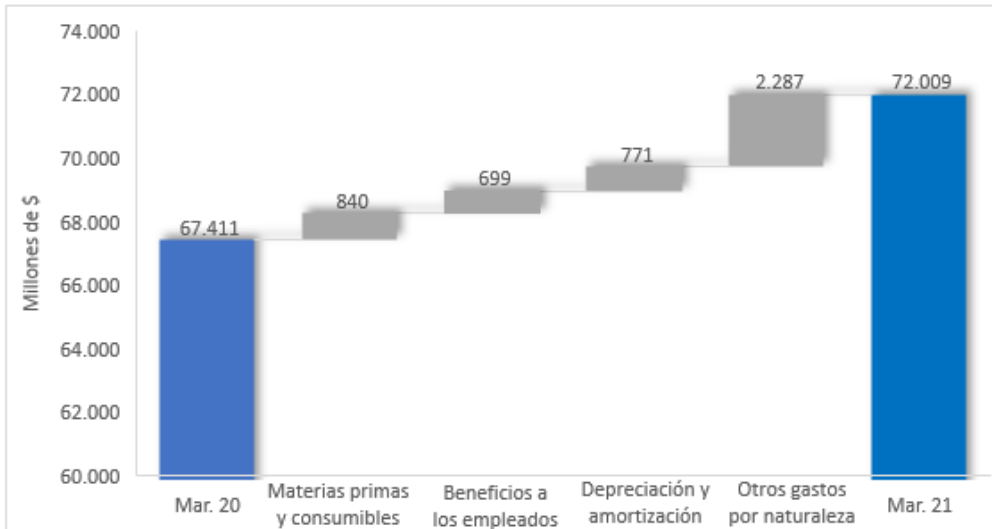
The increase of Th\$115,492 was mainly explained by higher analysis and sampling of potable water in Anam. This is offset by lower sales of materials in Gestión y Servicios.

(Th\$)	Mar. 21	Mar. 20	% Var.
EcoRiles S.A.	4,060,689	4,023,975	0.9%
Gestión y Servicios S.A.	1,688,865	1,943,269	(13.1%)
Anam S.A.	1,544,687	1,275,660	21.1%
Aguas del Maipo S.A.	252,954	188,799	34.0%
<b>Non-sanitary non-regulated products</b>	<b>7,547,195</b>	<b>7,431,703</b>	<b>1.6%</b>



### 2.3. Expense analysis

The variation in expenses with respect to the previous year is shown in the following graph:



#### a) Raw materials and consumables

As of March 31, 2021, the costs of raw materials and consumables reached Th\$11,462,384, Th\$ 840,425 higher than the one obtained in the first quarter of previous year. The increase was mainly due to purchase of raw water by Th\$592,498, to increase the security of supply of our customers due to the low flow in the Maipo river basin, higher costs in electric power by Th\$388,240, associated to higher average tariff and costs of hygiene supplies and personal security for contingency Covid by Th\$63,706.

The above is partially offset with lower costs of chemical inputs by Th\$202,404 due to lower consumption and decrease of dollar exchange rate.

#### b) Employee benefits

At the end of first quarter of 2021, employee benefit expenses reached Th\$12,859,250. Collective bargaining processes were successfully closed with all Aguas Andinas unions, collective bargaining agreements that will be in force for 3 years. The benefits obtained in these negotiations and the readjustments agreed for inflation, together with a higher provision for accrued vacation, mainly explain the increase in expenses of Th\$ 699,422 for this concept.

#### c) Depreciation and amortization

As of March 31, 2021, depreciation and amortization amounted to Th\$16,735,823, Th\$770,870 higher than the one obtained in the previous year. This was due to the depreciations related to new incorporated assets in the period.

#### d) Other expenses by nature

At the end of first quarter of 2021, these expenses amounted to Th\$30,951,155, which was Th\$2,287,353 higher mainly due to higher level of uncollectibility in Th\$1,205,782 and expenses for

Covid contingency in Th\$819,843, mainly related to personnel transportation, hygiene supplies, measures of security and employee health monitoring program.

In addition, there was a higher expense in maintenance of potable water and sewage networks of Th\$291,126, higher expenses in insurances policies of Th\$373,610 and higher activity and higher activity in sanitary infrastructure modifications, which generated a higher cost of sales of Th\$386,250. The above is partially offset by lower customer service expenses of Th\$594,606, mainly associated with lower activity in cutting and replacement services, as well as cost improvements due to the digitalization of commercial processes, lower general services expenses and administrative expenses of Th\$ 516,136.

## *2.4. Analysis of Financial revenues and others*

### **a) Other gains (losses)**

As of March 31, 2021, the result was lower than the previous year by Th\$1,172,258, mainly due to recovery of performance bonds for the year 2020 together with higher expenses for voluntary retirement plans.

### **b) Financial income**

At the end of first quarter of 2021, financial income amounted to Th\$714,807, a decrease of Th\$477,283, mainly explained by lower interest on customer debt and lower on repurchase of promissory notes for reimbursable financial contributions.

### **c) Financial costs**

As of March 31, 2021, financial costs amounted to Th\$6,805,381, an increase of Th\$403,189. This was mainly explained by higher interest on financial debt as a result of the higher volume of debt obtained to finance the company's investment plan, partially offset by higher financial activation.

### **d) Results by readjustment unit**

At the end of first quarter of 2021, the readjustment unit fees were Th\$9,452,878, resulting in a higher expense of Th\$856,472, due to the higher revaluation of the debt resulting from the variation of the Unidad de Fomento (1.1% in 2021 versus 1.0% in 2020) together with a higher level of indebtedness.

### **e) Income Tax Expenses**

Income tax expense as of March 31, 2021 was Th\$10,043,133, Th\$4,776,058 lower, mainly explained by lower before taxes income.

### **f) Discontinued operations**

In this line item is recognized the earnings of ESSAL at first quarter of 2020, subsidiary that was sold in October 2020.

## g) Earnings

Net income as of March 31, 2021 amounted to Th\$18,849,070, Th\$3,891,372 lower than the one obtained in the previous year, representing a decrease of 17.1%.

## 2.5. Results by segment

### a) Accumulated income, Water segment

Income Statement (Th\$)	Mar. 21	Mar. 20	% Var.	2021 / 2020
External Revenue	128,996,307	133,353,752	(3.3%)	(4,357,445)
Revenues Segments	211,846	270,682	(21.7%)	(58,836)
Operating Costs and Expenses	(48,989,333)	(45,622,157)	7.4%	(3,367,176)
<b>EBITDA</b>	<b>80,218,820</b>	<b>88,002,277</b>	<b>(8.8%)</b>	<b>(7,783,457)</b>
Depreciation and Amortization	(16,250,224)	(15,503,989)	4.8%	(746,235)
<b>Income from Operations</b>	<b>63,968,596</b>	<b>72,498,288</b>	<b>(11.8%)</b>	<b>(8,529,692)</b>
Other Earnings (Losses)	(917,324)	250,845	<(200%)	(1,168,169)
Financial Results*	(15,459,652)	(13,794,413)	12.1%	(1,665,239)
Tax Expense	(10,113,253)	(14,463,309)	(30.1%)	4,350,056
Discontinued operations	-	1,359,138	(100.0%)	(1,359,138)
<b>Net earnings</b>	<b>37,477,657</b>	<b>45,345,409</b>	<b>(17.4%)</b>	<b>(7,867,752)</b>

\* Includes financial income, financial costs, exchange rate differences and results by readjustment units

The results of this segment showed a decrease of 17.4%, mainly due to:

- A decrease in external income, mainly associated with lower regulated income due to a lower sale volumes registered in the period, which is partially offset by higher average tariff.
- In non-regulated income, it was registered higher activities in agreements with developers, sanitary infrastructure modifications and rural potable water technical advisory.
- Costs increased mainly due to higher uncollectibility in Th\$1,205,782 and expenses for Covid contingency in Th\$740,287, mainly related to personnel transportation, hygiene supplies, safety measures and employee health monitoring program. In addition, due to the extreme drought affecting the central area of the country, there have been increases in water purchase expenses of Th\$592,498 due to the low flow in the Maipo river basin and higher electricity costs of Th\$388,240, mainly associated with higher average tariff.
- Depreciation was Th\$746,235 higher than that obtained previous year. This was the result of the depreciation associated with the new assets incorporated in the period.
- In other gains (losses), there was a lower result compared to the same period of the previous year of Th\$1,168,169, mainly explained by the recovery of performance bonds of 2020 together with a higher expense for retirement plans.

- The financial result presented a net expense by Th\$15,459,652, higher in Th\$1,665,239 regarding the same period of previous year, mainly due to higher revaluation of debt resulting from the variation of the Unidad de Fomento (1.1% in 2021 versus 1.0% in 2020) together with a higher level of indebtedness.
- At the end of first quarter of 2021, discontinued operations reached a lower profit of Th\$1,359,138 compared to the same period of the previous year, due to profit of ESSAL of 2020, company that was sold in October 2020.
- Income tax expense as of March 31, 2021 was Th\$10,113,253, Th\$4,350,056 lower, mainly explained by lower before taxes income.

#### b) Accumulated income, Non-Water segment

Income Statement (Th\$)	Mar. 21	Mar. 20	% Var.	2021 / 2020
External Revenue	7,547,205	7,495,085	0.7%	52,120
Revenues Segments	796,900	1,350,189	(41.0%)	(553,289)
Operating Costs and Expenses	(6,899,792)	(7,112,326)	(3.0%)	212,534
<b>EBITDA</b>	<b>1,444,313</b>	<b>1,732,948</b>	<b>(16.7%)</b>	<b>(288,635)</b>
Depreciation and Amortization	(489,771)	(465,521)	5.2%	(24,250)
<b>Income from Operations</b>	<b>954,542</b>	<b>1,267,427</b>	<b>(24.7%)</b>	<b>(312,885)</b>
Other Earnings (Losses)	(115,622)	(111,533)	3.7%	(4,089)
Financial Results*	(16,053)	(54,886)	(70.8%)	38,833
Tax Expense	40,035	(306,831)	(113.0%)	346,866
<b>Net Earnings</b>	<b>862,902</b>	<b>794,177</b>	<b>8.7%</b>	<b>68,725</b>

\* Includes financial income, financial costs, exchange rate differences and results by readjustment units

The results of the Non-Water segment showed an increase of Th\$68,725 in relation to the previous year, mainly due to:

- The lower revenues were mainly explained by a decrease in sales of the company Análisis Ambientales with the other companies of the Group.
- The decrease in costs of 3.0% is mainly associated with the lower cost of sales of materials of the company Gestión y Servicios, which is partially offset by higher Covid contingency expenses.
- The income tax expense as of March 31, 2021 was Th\$40,035, which is Th\$346,866 lower than the same period of the previous year, mainly explained by a lower income before taxes.

### 3. Quarterly results

	Mar. 21	Dec. 20	% Var.
	Th\$	Th\$	
<b>Assets</b>			
Current Assets	323,551,533	301,642,955	7.3%
Non-Current Assets	3,836,023	3,836,023	0.0%
Assets held for sale	2,130,611,591	2,113,551,778	0.8%
<b>Total assets</b>	<b>2,457,999,147</b>	<b>2,419,030,756</b>	<b>1.6%</b>
<b>Liabilities and Equity</b>			
Current Liabilities	249,356,107	245,462,938	1.6%
Non- Current Liabilities	1,056,109,076	1,059,920,436	(0.4%)
<b>Total liabilities</b>	<b>1,305,465,183</b>	<b>1,305,383,374</b>	<b>0.0%</b>
Shareholders' Equity	713,423,485	694,120,607	2.8%
Minority Interest	439,110,479	419,526,775	4.7%
<b>Total Shareholders' Equity</b>	<b>1,152,533,964</b>	<b>1,113,647,382</b>	<b>3.5%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,457,999,147</b>	<b>2,419,030,756</b>	<b>1.6%</b>

\* Includes financial income, financial costs, exchange rate differences and results by readjustment units

#### 3.1. Assets analysis

The total assets of Inversiones Aguas Metropolitanas S.A. at the consolidated level as of March 31, 2021 presented an increase of 1.6% regarding December 31, 2020, equivalent to Th\$38,968,391.

Current assets increased by Th\$21,908,578, mainly due to an increase in cash and cash equivalents by Th\$4,730,398, together with higher commercial debt and other accounts receivable by Th\$9,558,217, mainly explained by the seasonality of the sales cycle. Additionally, there was an increase in other current financial assets of Th\$ 5,344,650, associated with the recording of the prepayment of capital and interest on bonds payable on April 1, 2021.

Non-current assets increased by Th\$17,059,813, mainly explained by higher property, plant and equipment of Th\$17,255,362, associated with investments made during the period. The main investment works are shown in the following table:

Investments (Th\$)	Mar. 21
Drilling and reinforcement of water supply system	7,685,627
Treatment of nitrates La Farfana and Mapocho-Trebal Biofactories	3,372,975
Renovation of wastewater networks	2,518,512
Renovation of potable water networks	2,242,464
Expansion and modernization of potable water treatment plant Padre Hurtado	2,058,398
Replenishment of assets of La Farfana and Mapocho-Trebal Biofactories	1,875,198
Autonomy 12 hours Aguas Cordillera (San Antonio and San Enrique Tanks)	1,637,818
Starter and meters	1,262,752

### 3.2. Liabilities and equity analysis

Liabilities payable as of March 2021 increased by Th\$81,809 compared to December 2020.

Current liabilities increased by Th\$3,893,169. This variation was due to an increase in other financial liabilities mainly due to reclassifications from long-term to short-term debt of Bonds and AFR. This is partially offset by a decrease in accounts payable associated with investments and expenses.

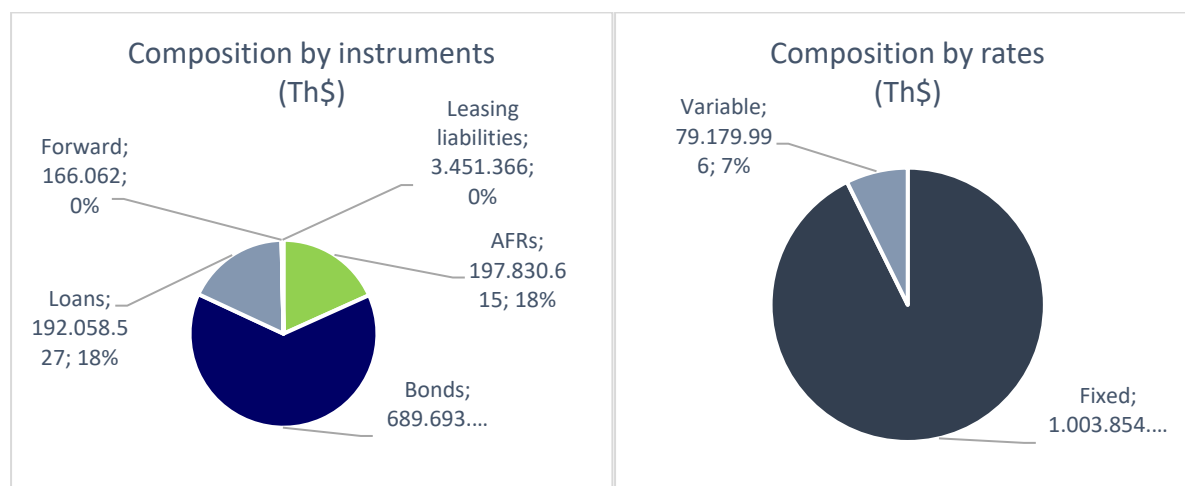
Non-current liabilities presented a decrease of Th\$3,811,360 (0.4%). This variation corresponds mainly to reclassifications from long-term to short term debt of Bonds and AFR.

Total equity increased by Th\$38,886,582 mainly explained by the earnings of the period.

The maturity profile of the financial debt as of March 31, 2021 is as follows:

Financial Debt Th\$	Currency	Total	12 months	1 to 3 years	3 to 5 years	More than 5 years
AFRs	\$	197,830,615	23,829,037	50,840,161	33,795,689	89,365,728
Bonds	\$	689,693,831	26,073,511	29,331,971	10,987,450	623,300,899
Loans	\$	192,058,527	32,287,749	96,670,383	63,100,395	-
Forward	USD	166,062	166,062	-	-	-
<b>Total other financial liabilities</b>		<b>1,079,749,035</b>	<b>82,356,359</b>	<b>176,842,515</b>	<b>107,883,534</b>	<b>712,666,627</b>
Leasing liabilities	\$	3,451,366	1,368,648	1,186,861	428,543	467,314
<b>Total leasing liabilities</b>		<b>3,451,366</b>	<b>1,368,648</b>	<b>1,186,861</b>	<b>428,543</b>	<b>467,314</b>
<b>Total</b>		<b>1,083,200,401</b>	<b>83,725,007</b>	<b>178,029,376</b>	<b>108,312,077</b>	<b>713,133,941</b>

### 3.3. Structure of financial liabilities



## 4. Cash flow statements

Cash Flow Statement (Th\$)	Mar. 21	Mar. 20	% Var.
Operating Activities	49,674,304	51,454,331	(3.5%)
Investment Activities	(39,364,601)	(34,499,997)	14.1%
Financing Activities	(5,579,305)	40,701,362	(113.7%)
<b>Net Cash Flow for the Period</b>	<b>4,730,398</b>	<b>57,655,696</b>	<b>(91.8%)</b>
<b>Final Cash Balance</b>	<b>182,695,251</b>	<b>130,712,814</b>	<b>39.8%</b>

Cash flow from operating activities decreased by Th\$1,780,027, when compared to March 2021 and March 2020.

The main variations were the following:

- Collections from sales of goods and services generated a decrease of Th\$ 9,794,103, associated with lower sales to residential and non-residential customers, due to lower activity attributable to the COVID-19 situation, as well as to the low temperature weather conditions experienced in the Metropolitan Region during the summer.
- Increase in payments to and on behalf of employees of Th\$1,240,244, due to the collective bargaining processes with all Aguas Andinas unions and collective bargaining agreements, in addition to adjustments for inflation.
- Decrease in other charges for operating activities of Th\$7,094,208, mainly associated with the agreement for the Alto Maipo project, since AES GENER exercised its option to extend the term of the contract in 2020.

These variations were partially offset by the following concepts:

- Decrease in payments to suppliers of Th\$16,473,987, mainly associated with lower payments to infrastructure suppliers.

Disbursements for investment activities increased by Th\$4,864,604, mainly associated with drilling and reinforcement of the potable water supply system, renovation of Potable Water and Sewage networks, Nitrate treatment and replacement of Assets La Farfana and Mapocho-Trebal Biofactories.

The financing activities made a net cash flow (decrease) of Th\$46,280,667, which is mainly explained because in 2020 were obtained bank loans by Th\$90.000.000, which are partially offset with lower payment of dividends made during 2021.

## 5. Financial ratios

		Mar. 21	Dec. 20
<b>Liquidity</b>			
Current liquidity	times	1.31	1.24
Acid Test Ratio	times	0.73	0.73
<b>Leverage</b>			
Total Leverage	times	1.13	1.17
Current Leverage	times	0.19	0.19
Non-Current Leverage	times	0.81	0.81
Annualized Financial Expenses Coverage	times	4.59	5.05
<b>Profitability</b>			
Annualized equity profitability attributable to the controller's property owners	%	6.66	7.48
Annualized asset profitability	%	1.84	2.06
Annualized earnings per share	\$	44.33	48.23
Dividend yield (*)	%	5.31	8.86

*Current liquidity: current assets/current liabilities*

*Acid test ratio: cash and cash equivalents/current liabilities*

*Total indebtedness: total liabilities / total shareholders' equity.*

*Current debt: current liabilities / total liabilities*

*Non-current debt: non-current liabilities / current liabilities*

*Financial expense coverage: annualized profit before tax and interest / annualized financial expense.*

*Equity profitability: annualized profit for the year/annualized average total equity for the year.*

*Asset profitability: annualized profit for the year / average total assets for the year annualized.*

*Earnings per share: annualized profit for the year / number of shares subscribed and paid.*

*Dividend yield: dividends paid per share / share price.*

*(\*) The share price as of March 2021 amounts to \$565, while as of December 2020 it amounts to \$589,67.*

As of March 2021, current liquidity increased by 5.6%, due to an increase in current assets of Th\$21,908,578, mainly explained by the seasonality of the sales cycle and an increase in other current financial assets of Th\$5,344,650, associated with the recording of the prepayment of capital and interest on bonds payable on April 1, 2021, partially offset by an increase in current liabilities of Th\$3,893,169, due to an increase in other financial liabilities, partially offset by a decrease in accounts payable associated with investments and expenses.

The indebtedness ratio decreased by 3.4%, mainly due to an increase in total equity of Th\$38,886,582, mainly explained by the profit of the period. On the other hand, liabilities payable increased by Th\$ 81,809.



The profitability of shareholders' equity attributable to the owners of the parent company decreased by 11% due to an increase of average equity by Th\$21,021,660, and the decrease in profit for the annualized period of Th\$3,891,372.

## 6. Other background information

### 6.1. Tariffs

The most important factor determining the results of our operations and financial condition is the tariffs set for our regulated sales and services. As a water utility, we are regulated by the S.I.S.S. and our tariffs are established in accordance with the D.F.L. No. 70 of 1988 on Sanitation Service Tariffs Law.

Our tariff levels are reviewed every five years and, during that period, are subject to additional readjustments linked to an indexation polynomial, which are applied when the accumulated variation since the previous adjustment is 3.0% or higher, as calculated based on various inflation indexes. Specifically, adjustments are applied based on a formula that includes the Consumer Price Index (IPC, for its acronym in Spanish), the Price Index for Imported Goods in the Manufacturing Sector and the Manufacturing Producer Price Index, all measured by the Chilean National Institute of Statistics. The latest indexations made by each Company of the Group were applied on the following dates:

#### Aguas Andinas S.A.

Group 1	January 2020 and March 2021
Group 2	January 2020 and March 2021

#### Aguas Cordillera S.A.

March 2020

#### Aguas Manquehue S.A.

Santa María	May 2020
Los Trapenses	May 2020
Chamisero	May 2020
Chicureo	January 2020 and March 2021
Valle Grande 3	January 2020

In addition, the tariffs are subject to readjustment to reflect additional services previously authorized by the S.I.S.S.

The current tariffs for the period 2020-2025 for Aguas Andinas S.A., were approved by Decree No. 33 dated May 5, 2020, for Aguas Andinas, of the Ministry of Economy, Development and Reconstruction and came into force on March 1, 2020 (published in the Official Gazette on December 2, 2020). The current tariffs of Aguas Cordillera S.A. for the five-year period 2020-2025 were approved by Decree No. 56 dated September 11, 2020, and came into force on June 30, 2020 (published in the Official Gazette on February 24, 2021) and the current tariffs of Aguas Manquehue S.A. for the five-year period 2020-2025 were approved by Decree No. 69 dated October 27, 2020 (published in the Official Gazette on March 13, 2021) and came into force on May 19, 2020 for the Santa María and Trapenses system, April 22, 2019 for Group 3 Chamisero, July 9, 2020 for Group 2 Chicureo and June 22, 2021 for Group 4 Valle Grande III.

## *6.2. Market risk*

Our company presents a favorable situation in terms of risk, which is mainly due to the particular characteristics of the water utility sector. Our business is seasonal and operating results may vary from quarter to quarter. The highest levels of demand and income are recorded during the summer months (December to March) and the lowest levels of demand and income during the winter months (June to September). In general, water demand is higher in the warmer months than in the temperate ones, mainly due to additional water requirements generated by irrigation systems and other external water uses.

Adverse climatic conditions may eventually affect the optimal delivery of water utility services, because the processes of collecting and producing drinking water depend to a large extent on the climatic conditions that develop in the river basins. Factors such as meteorological precipitation (snow, hail, rain, fog), temperature, humidity, dragging of sediments, river flows and turbidity determine not only the quantity, quality, and continuity of raw water available in each intake, but also the possibility of it being properly treated in potable water treatment plants.

In case of drought, we have important water reserves that we maintain in the El Yeso, Laguna Negra and Lo Encañado reservoirs, in addition to the contingency plans that we have developed, which allow us to reduce the possible negative impacts that adverse weather conditions could generate for our operations. In the current period, the drought that has existed since 2010 persists, which means that contingency plans are being applied, such as the purchase of raw water, intensive use of wells, and the lease and purchase of water rights, among others. All of this is aimed at reducing the impact of the drought and to provide our services normally, both in terms of quality and continuity.

## *6.3. Market analysis*

The Company has no change in the market in which it participates because, due to the nature of its services and current legal regulations, it does not have competitors in its concession area.

Aguas Andinas S.A. has 100% coverage of potable water, 98.8% of sewerage services and 100% of wastewater treatment in the Santiago basin.

Aguas Cordillera S.A. has 100% coverage of potable water, 98.9% of sewerage service and 100% of wastewater treatment.

Aguas Manquehue S.A. has 100% coverage in potable water, 99.5% in sewerage service and 100% in wastewater treatment.

## *6.4. Capital investments*

One of the variables that most affect the result of our operations and financial situation is capital investments. These are of two types:

**Committed investments.** We have an obligation to agree on an investment plan with the S.I.S.S., which describes the investments we must make during the 15 years following the date on which the corresponding investment plan comes into force. Specifically, the investment plan reflects a commitment on our part to carry out certain projects related to maintaining certain standards of quality and coverage of services. The

aforementioned investment plan is subject to review every five years, with the possibility of requesting amendments when certain relevant facts are verified.

Approval and update dates of the Aguas Group's development plans:

**Aguas Andinas S.A.**

Greater Santiago: October 29, 2020.

Locations: November 17, 2015, December 12, 2016, April 6, 2018, October 29, 2020, November 16, 2020 and March 26, 2021.

**Aguas Cordillera S.A.**

Aguas Cordillera and Villa Los Dominicos: October 29, 2020.

**Aguas Manquehue S.A.**

Santa María and Los Trapenses: November 9, 2020.

Chicureo, Chamisero and Valle Grande III: March 11, 2021.

Alto Lampa: December 6, 2018.

**Uncommitted investments.** Uncommitted investments are those that are not contemplated in the investment plan and that we make voluntarily in order to ensure the quality of our services and replace obsolete assets. These generally relate to the replacement of network infrastructure and other assets, the acquisition of water rights and investments in non-regulated businesses, among others.

In accordance with international financial reporting standards in force in Chile, in particular IAS 23, interest on capital investments in works in progress is capitalized. IAS 23 establishes that when an entity acquires debt to finance investments, interest on that debt must be deducted from interest expense and included in the financed construction work, up to the total amount of such interest, applying the respective rate to disbursements made at the date of submission of the financial statements. Accordingly, financial costs associated with our capital investment plan affect the amount of interest expense recorded in the income statement and are reported along with the work in progress under the line item "property, plant and equipment" in our statement of financial position.

## *6.5. Financial aspects*

### **a) Currency risks**

Our revenues are largely linked to the evolution of the local currency. As a result, our debt is primarily issued in local currency so we do not have significant foreign currency risks.

### **b) Interest rate risks**

As of March 31, 2021, the interest rate risk held by Inversiones Aguas Metropolitanas S.A. is comprised of 92.7% fixed rate and 7.3% variable rate. The fixed-rate debt is made up of: issues of short and long-term bonds (68.7%), reimbursable financial contributions (19.7%), bank loans (11.3%) and lease liabilities (0.3%), while the variable-rate debt corresponds to loans with domestic banks.

As of December 31, 2020, the interest rate risk held by Aguas Andinas S.A. was 92.6% at a fixed rate and 7.4% at a variable rate. The fixed-rate debt is made up of: issues of short and long-term bonds (68.8%), reimbursable financial contributions (19.3%), bank loans (11.5%) and lease liabilities (0.4%), while the variable-rate debt corresponds to loans with domestic banks.

The company maintains an interest rate monitoring and management policy, which, in order to optimize the cost of financing, permanently evaluates the hedging instruments available in the financial market.

All this favorable situation has meant that the credit rating agencies have assigned us a risk rating of AA+ for long-term debt. In the case of shares: Feller Rate assigned us a classification of first-class level 1 and Fitch Ratings assigned us a classification of first-class level 2.