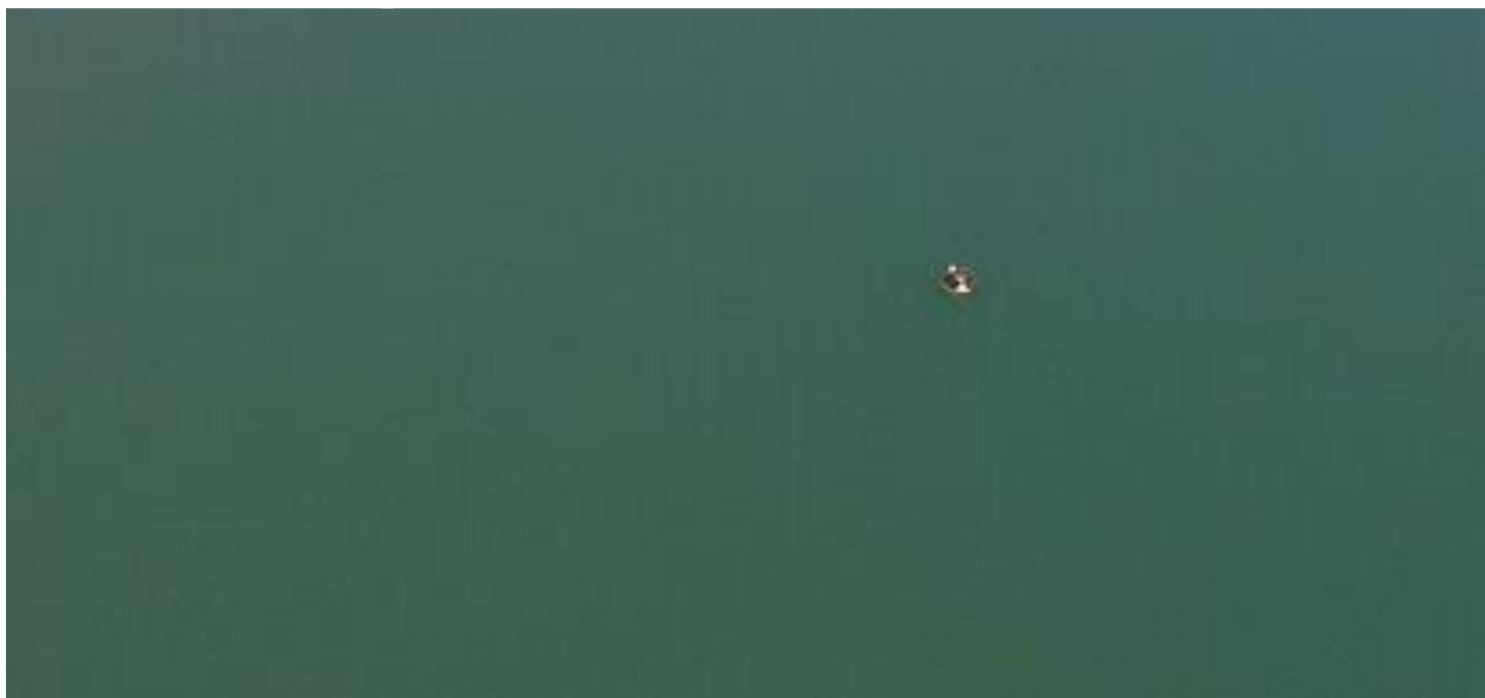




Earnings Release  
Inversiones Aguas Metropolitana S.A.  
Period ended September 30, 2021



## 1. Summary of the period

### The subsidiary Aguas Andinas is focused on the management and mitigation of climate change impacts

- Due to the extreme drought situation that the region has been experiencing for more than a decade, the Company has continued to manage the water scarcity through the purchase of water and deeper groundwater catchment, maintaining security levels of the El Yeso reservoir, this has resulted in the storage of 169.5 hm<sup>3</sup> at the end of September 2021, which represents a 59% increase compared to the 106.5 hm<sup>3</sup> stored at the end of September 2020.
- It should be noted that investments have been made and several projects are underway to strengthen security of supply in the face of this extreme drought scenario. In this regard, in August of this year, a historic collaboration agreement was signed with the Irrigation Associations of the First Section of the Maipo River, which establishes a series of measures to lay the foundations for a solution that will reinforce the water supply to the population and, at the same time, the use necessary to sustain the agri-food industry, improving the water efficiency of the basin.
- 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 \$101,276 million at the end of September 2021.

### Management of the Pandemic:

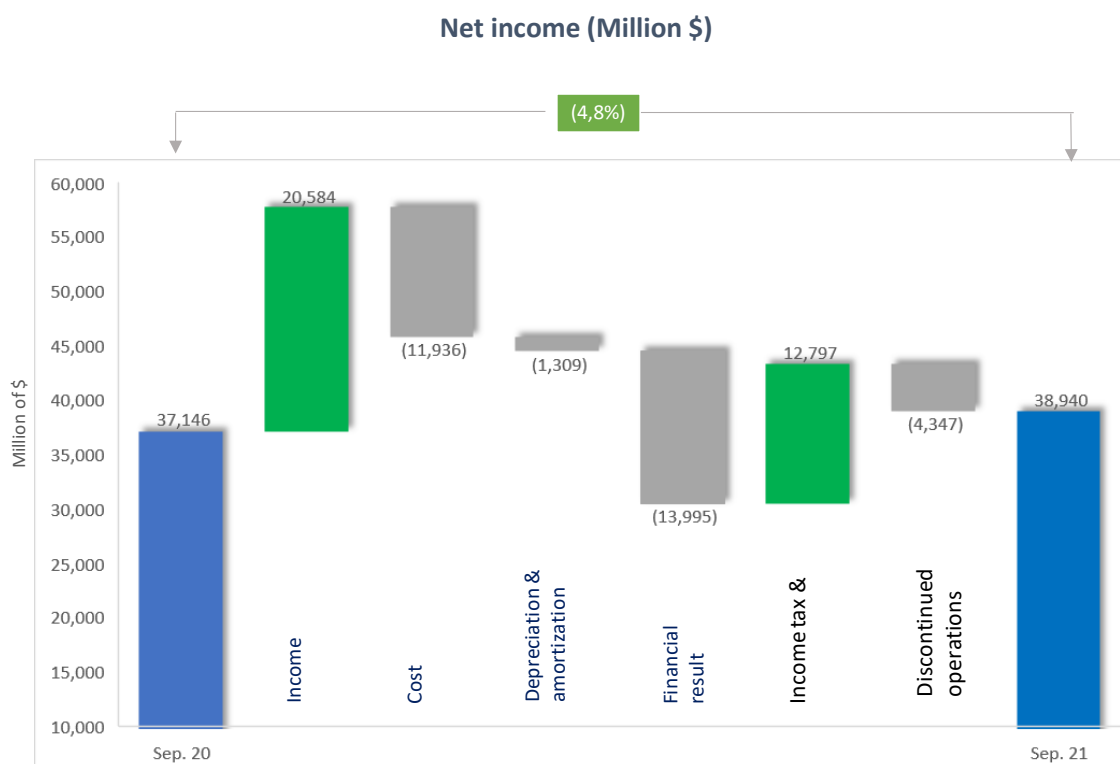
- At the end of September 2021 we have continued to experience the direct and indirect impacts derived from the exceptional situation due to Covid-19.
- This context requires us to continue to make a great effort to adapt in order to continue supplying the public with water, an essential resource for life, for which we continue to deploy an intense preventive strategy. In view of this, the subsidiary Aguas Andinas continues 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 together the health of our workers, their families and the community.

Complementing the above, an overall impact of \$23,014 million is estimated for the direct and indirect effects derived from the exceptional situation caused by COVID compared to a normal year without pandemic, associated with lower non-residential consumption (-18Hm<sup>3</sup>; -4.3%), higher expenses for uncollectible (% uncollectible on revenues 3.0% vs. 0.8% in the pre-pandemic period) and direct preventive expenses (gels, masks, meters, transportation).

## Global context and operating costs:

- In the current context of extreme drought, increased raw material and labor costs, the Company has experienced higher operating costs at the end of September 2021, mainly associated with the purchase of water due to the effects of the drought, and maintenance of networks and operating equipment as a result of the significant increase in customer requirements and work volume, together with higher prices due to the increase in labor and construction material costs.

**Net income as of September 30, 2021, amounted to \$38,940 million**, which represents an increase of 4.8%, regarding the same period last year. The main changes are shown in the following chart:



- Higher regulated revenues mainly associated with higher average tariffs of \$10,782 million due to the latest tariff indexations together with higher sales volumes of \$3,981 million, mainly explained by higher sales to Residential customers of 1.8%, which is partially offset by lower sales to non-residential customers of 0.8%.
- Higher non-regulated revenues of \$5,562 million, mainly due to higher activity in home services to customers, agreements with developers, modifications to sanitary infrastructure, technical advisory services for rural potable water, extraordinary revenues associated with the Trebal-Mapocho Biofactory and higher activity in non-regulated subsidiaries.

This is partially offset by non-recurring revenues in 2020 associated with compensation generated by contractual agreements, triggered by the extension of the start-up of projects developed by third parties.

- Higher raw water purchase costs for \$1,548 million necessary to continue facing the extreme drought situation that the region has been experiencing for the last 12 years.

It is important to note that the volume stored in the El Yeso reservoir as of September 2020 was 106.5 hm<sup>3</sup> vs. 169.5 hm<sup>3</sup> at the end of September 2021. Also, in August, a historic collaboration agreement was signed with the Irrigation Associations of the First Section of the Maipo River, which includes important new investments by the Company, an improvement to the current infrastructure based on an accurate, cooperative, and professional long-term diagnosis, the reuse of the resource with treated water from the Biofactories, and a more efficient master management plan so that future solutions come from different sectors.

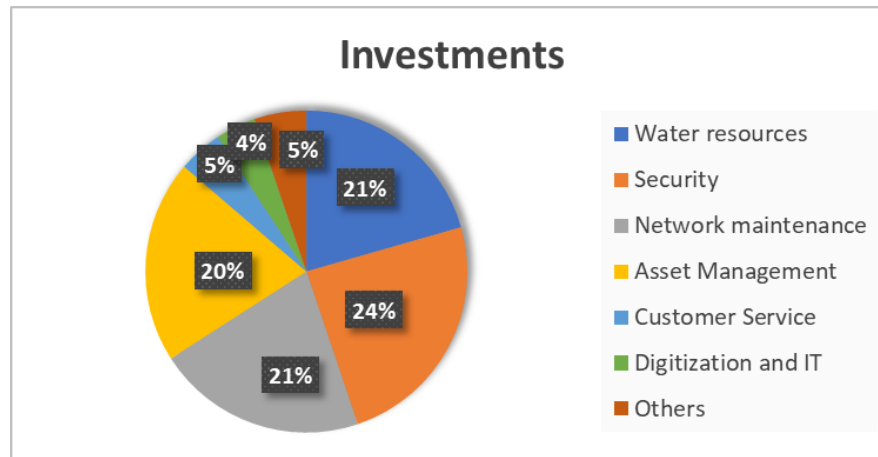
- Higher costs of maintenance and repair of networks and operating equipment of \$5,393 million were generated, due to the significant increase in customer requirements and volume of work, together with higher prices due to the increase in labor and construction material costs.
- **Situation of Covid-19:** Since March 2020, the Company maintains an action plan to ensure service continuity, implementing various measures to manage the exceptional situation resulting from the Coronavirus Pandemic.

It should be noted that at the end of September 2021, a provision for bad debts of \$11,189 million is registered, generating a **lower bad debt expense of \$925 million compared to 2020**.

- 💧 At the non-operating level, a lower financial result of \$13,995 million was presented, compared to the same period of the previous year, mainly associated with higher debt revaluation due to the variation of the Unidad de Fomento (3.5% in 2021 versus 1.4% in 2020).
- 💧 In Other Gains (Losses) there is a higher result of \$7,388 million, mainly explained by the fact that at the end of September 2021 a reversal of the contingency provision associated with the ESSAL sale contract for \$10,750 million was recognized, due to the end of the expiration process of the Osorno concession. Additionally, non-recurring costs were recognized for \$3,100 million associated with the Transformation Plan being implemented by the Company, with a vision of a new sustainable business model focused on mitigating risks, capturing efficiencies, prioritizing investments and incorporating technology, supported by a new organizational culture.
- 💧 **Generation and Position of Cash.** At the end of September 2021, the balance of cash and cash equivalent increased by \$47,693 million regarding end of June 2021, reaching \$185,602 million. The increase in this item in the third quarter is mainly explained by a bank loan of \$25,000 million together with higher operating flow, which is partially offset by investment payment. The balances of treasury allow the Company to have a clearance to cope with the uncertainties of the current environment.

## Investments

- 💧 At the end of September 2021, investments of \$101,276 million were executed, detailed in the following graph:



💧 The main projects developed at the end of September 2021 were the following:




- 🔧 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
- 🔧 Replenishment of assets La Farfana and Mapocho-Trebal Biofactories
- 🔧 Renewal of starters and meters
- 🔧 Autonomy 12 hours Aguas Cordillera (San Antonio and San Enrique Tanks)

💧 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 have been requested and incorporated into the Company's updated Development Plan, subject to approval by the SISS, including 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

-  On August 6, 2021, a historic collaboration agreement was signed with the Irrigation Associations of the First Section of the Maipo River, formalizing a joint work that will deepen and seek to sustainably manage the water of the First Section of the Maipo basin. This includes important new investments by our company; an improvement to the current infrastructure based on an accurate, cooperative and professional long-term diagnosis; the reuse of the resource with treated water from the Biofactories and a more efficient master management plan so that future solutions come from different sectors.
-  **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 \$48,225 million, excluding the result obtained from the sale of assets, amounting to \$3,581 million. It is noted that in view of the interim dividend paid in December 18, 2020 amounted to \$30,000 million, the earning to be distributed amounts to \$32,278 million, corresponding \$14,645 million for the year 2020 (additional dividend) and \$17,633 million to retained earnings (eventual dividend), which means a final dividend of \$32.278 per share, which was payable as of May 24, 2021.
-  **Distribution of interim dividend:** On October 22, 2021, in extraordinary meeting No. 1/2021, the Company's Board of Directors unanimously agreed to distribute among the shareholders the amount of \$20,041 million as an interim dividend, on account of the profits for the year 2021. In view of the above, the Company's interim dividend number 36 amounted to \$20.041 per share and was payable from November 11, 2021

## 2. Earnings for the period

### Accumulated earnings

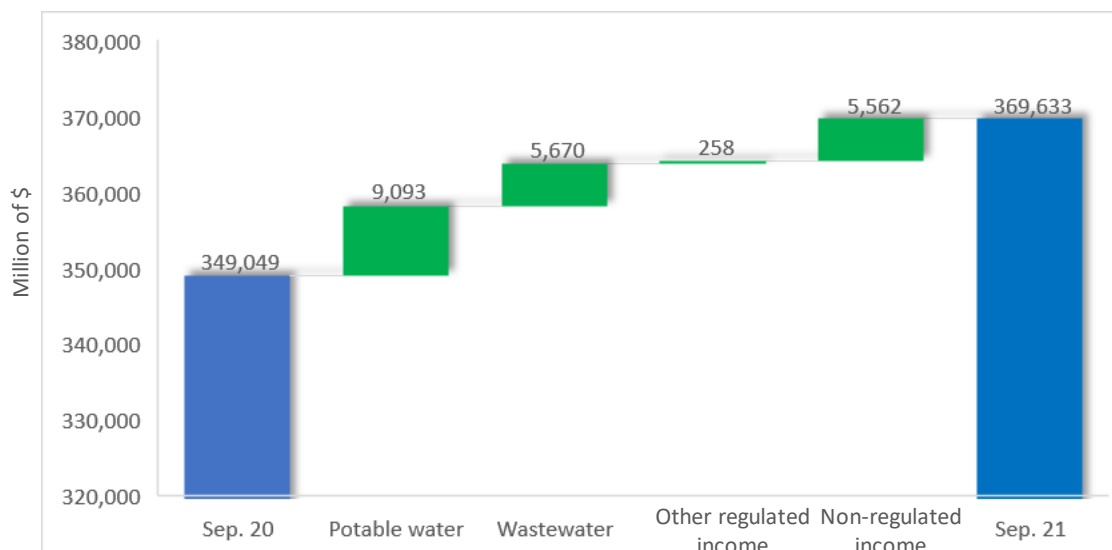
Income Statement (Th\$)	Sep. 21	Sep. 20	% Var.	2021 / 2020
Ordinary Revenues	369,632,563	349,049,010	5.9%	20,583,553
Operational Costs and Expenses	(179,178,956)	(167,243,183)	7.1%	(11,935,773)
<b>EBITDA</b>	<b>190,453,607</b>	<b>181,805,827</b>	<b>4.8%</b>	<b>8,647,780</b>
Depreciation and Amortization	(51,034,254)	(49,725,471)	2.6%	(1,308,783)
<b>Income From Operations</b>	<b>139,419,353</b>	<b>132,080,356</b>	<b>5.6%</b>	<b>7,338,997</b>
Other Earnings	5,513,661	(1,874,103)	(394.2%)	7,387,764
Pérdidas por deterioro de valor	-	(1,370,426)	<(200%)	1,370,426
Financial Result*	(46,212,334)	(32,217,304)	43.4%	(13,995,030)
Tax expense	(19,986,915)	(24,291,880)	(17.7%)	4,304,965
Discontinued operations	-	4,346,601	(100.0%)	(4,346,601)
Minority interest	(39,793,307)	(39,527,684)	0.7%	(265,623)
<b>Net earnings</b>	<b>38,940,458</b>	<b>37,145,560</b>	<b>4.8%</b>	<b>1,794,898</b>

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

## 2.2. Revenue analysis

Revenues present a decrease of 5.9% compared to previous year, according to the following:

	Sep. 21		Sep. 20	
	Sales	Participation	Sales	Participation
	Th \$		Th \$	
Potable Water	149,219,448	40.4%	140,126,040	40.2%
Wastewater	165,986,332	44.9%	160,316,451	45.9%
Other Regulated Income	10,131,954	2.7%	9,873,467	2.8%
Non-Regulated Income	44,294,829	12.0%	38,733,052	11.1%
<b>Total</b>	<b>369,632,563</b>	<b>100.0%</b>	<b>349,049,010</b>	<b>100.0%</b>



Sales Volume (Thousands of m <sup>3</sup> accrued)	Sep. 21	Sep. 20	% Var.	Difference
Potable Water	393,319	387,745	1.4%	5,574
Wastewater Collection	377,627	372,004	1.5%	5,623
Wastewater Treatment and Disposal	325,162	319,841	1.7%	5,321
Interconnections*	92,599	93,221	(0.7%)	(622)

Customers	Sep. 21	Sep. 20	% Var.	Difference
Potable Water	2,201,100	2,161,412	1.8%	39,688
Wastewater Collection	2,156,625	2,117,965	1.8%	38,660

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

## Regulated Businesses

### a) Potable water

Potable water income at the end of September 2021 reached Th\$149,219,448, which meant an increase of 6.5% regarding same semester of previous year, mainly due to higher average tariff associated to the latest polynomial tariff indexation and for the tariff associated to Pirque Tanks, together with higher volume supplied.

### b) Wastewater

Wastewater income at the end of September 2021 reached Th\$165,986,332, which meant an increase of Th\$5,669,881 regarding previous year, due to polynomial indexations applied in the course of 2021, tariff associated to nitrates treatment in La Farfana Biofactory together with higher sale volume.

### c) Other regulated income

This line item presented an increase of Th\$258,487, due to higher activity in services not associated with sales volume.



## Unregulated Income

### a) Sanitary services

An increase of Th\$2,643,783 was reflected mainly due to higher activity in home services to customers, agreements with developers, modifications to sanitary infrastructure, technical advisory for rural potable water, and additionally the extraordinary revenues associated to Mapocho-Trebal Biofactory is included.

This is partially offset by revenues in 2020 associated with compensation generated by contractual agreements, triggered by the extension of the start-up of projects developed by third parties.

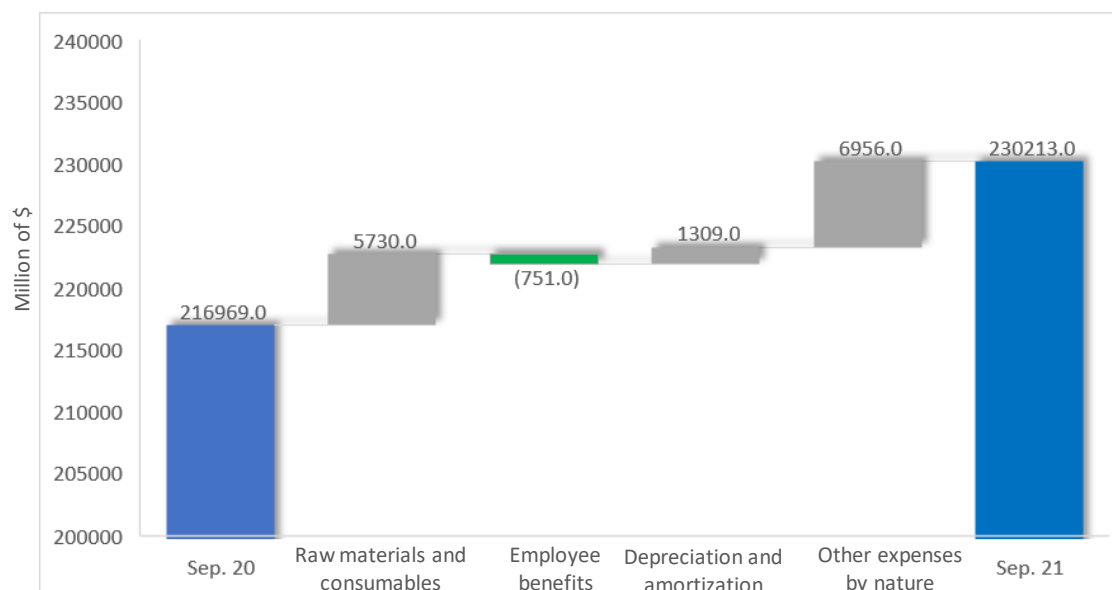
### b) Non-sanitary services

The increase of Th\$2,917,994 was mainly explained by higher analysis and sampling of potable water in Anam, higher activity of the company EcoRiles together with higher sale of materials of Gestión y Servicios.

(Th\$)	Sep. 21	Sep. 20	% Var.
EcoRiles S.A.	12,587,337	11,697,815	7.6%
Gestión y Servicios S.A.	5,392,165	4,606,385	17.1%
Anam S.A.	4,793,012	3,783,581	26.7%
Aguas del Maipo S.A.	693,635	460,374	50.7%
<b>Non-sanitary non-regulated products</b>	<b>23,466,149</b>	<b>20,548,155</b>	<b>14.2%</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 September 30, 2021, the costs of raw materials and consumables reached Th\$38,487,286.

The mainly variations were explained due to purchase of raw water by Th\$1,548,035, 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\$473,848, associated to higher average tariff, together with higher cost of sale of materials of subsidiary Gestión y Servicios by \$458,701.

**b) Employee benefits**

At the end of September 2021, employee benefit expenses reached Th\$40,339,133, Th\$751,360 lower than the one obtained in the same period of previous year. The decrease is mainly associated to lower expenses for confinement plan by Covid (year 2020) together with a lower average endowment, which is partially offset with CPI adjustments.

**c) Depreciation and amortization**

As of September 30, 2021, depreciation and amortization amounted to Th\$51,034,254, Th\$1,308,783 higher than the one obtained in the same period of previous year. This was due to the depreciation related to new incorporated assets in the period.

**d) Other expenses by nature**

At the end of September 2021, these expenses amounted to Th\$100,352,537, which was Th\$6,957,419 higher mainly due to higher expense on maintenance of potable water and sewage networks by Th\$4,302,211, higher cost of sales associated with non-regulated revenues by Th\$2,077,345, maintenance of facilities and equipment by Th\$1,090,786, higher cost of insurance policy by Th\$839,749 and real estate contributions by Th\$194,973.

The above is partially offset by lower level of uncollectibility b Th\$924,714, lower Covid contingency expense by Th\$835,560, lower customer service expenses of Th\$834,475, mainly associated with lower activity in cutting and replacement services, as well as cost improvements due to the digitalization of commercial processes and lower general services expenses and administrative expenses of Th\$717,497.

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

**a) Other gains (losses)**

As of September 30, 2021, the result was higher than the previous year by Th\$7,387,764, mainly due reversal of provision for contingencies (sale of Essal) by Th\$10,750,000. Additionally, non-recurring costs of Th\$3,099,702 associated with the integral Transformation Project that the company is carrying out to face the new global context.

**b) Impairment losses**

In 2020 impairment losses were recognized by Th\$1,370,426, which are explained by the effect in revaluation made to the Company's land.

**c) Financial income**

At the end of September 2021, financial income amounted to Th\$2,517,935, which meant a decrease of Th\$642,778, mainly explained by lower interest on customer debt.

#### d) Financial costs

As of September 30, 2021, financial costs amounted to Th\$20,108,217, which meant a decrease of Th\$1,619,554. This was mainly explained by lower interest on bank debt together with higher financial activation.

#### e) Results by readjustment unit

At the end of September 2021, the readjustment unit fees were Th\$29,041,078, resulting in a higher expense of Th\$17,174,248, due to the higher revaluation of the debt resulting from the variation of the Unidad de Fomento (3.5% in 2021 versus 1.4% in 2020).

#### f) Income Tax Expenses

Income tax expense as of September 30, 2021 was Th\$19,986,915, Th\$4,304,965 lower, mainly explained by monetary correction effect of the Tax Equity.

#### g) Discontinued operations

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

#### h) Earnings

Net income as of September 30, 2021 amounted to Th\$39,940,458, Th\$1,794,898 higher than the one obtained in the previous year, representing an increase of 4.8%.

### 2.5. Results by segment

#### a) Accumulated income, Water segment

Income Statement (Th\$)	Sep. 21	Sep. 20	% Var.	2021 / 2020
External Revenue	346,145,245	328,418,487	5.4%	17,726,758
Revenues Segments	573,996	646,640	(11.2%)	(72,644)
Operating Costs and Expenses	(159,844,588)	(150,398,468)	6.3%	(9,446,120)
<b>EBITDA</b>	<b>186,874,653</b>	<b>178,666,659</b>	<b>4.6%</b>	<b>8,207,994</b>
Depreciation and Amortization	(49,476,132)	(48,371,499)	2.3%	(1,104,633)
<b>Income from Operations</b>	<b>137,398,521</b>	<b>130,295,160</b>	<b>5.5%</b>	<b>7,103,361</b>
Other Earnings (Losses)	5,240,769	(1,583,640)	<(200%)	6,824,409
Impairment losses	-	(1,370,426)	>200%	1,370,426
Financial Results*	(46,161,605)	(32,044,377)	44.1%	(14,117,228)
Tax Expense	(19,649,403)	(23,791,680)	(17.4%)	4,142,277
Discontinued operations	-	4,346,601	(100.0%)	(4,346,601)
Minority interest	(1,302)	(1,673,271)	(99.9%)	1,671,969
<b>Net earnings</b>	<b>76,826,980</b>	<b>74,178,367</b>	<b>3.6%</b>	<b>2,648,613</b>

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

The results of this segment showed an increase of 3.6%, mainly due to:

- An increase in external income, mainly associated to regulated income due to higher average tariff associated to the latest indexation together with higher sale volumes registered in the period.
- In non-regulated income, it was registered higher activities in home services to customers, agreements with developers, sanitary infrastructure modifications, rural potable water technical advisory, and additionally extraordinary revenues associated to Mapocho-Trebal Biofactory is included.

This is partially offset by revenues in 2020 associated with compensation generated by contractual agreements, triggered by the extension of the start-up of projects developed by third parties.

- Costs increased mainly due to higher expense on maintenance of potable water and sewage networks by Th\$4,302,211, higher cost of sales associated with non-regulated revenues by Th\$2,077,345, maintenance of facilities and equipment by Th\$1,110,758, higher cost of insurance policy by Th\$796,033 and real estate contributions by Th\$194,538.

Additionally, due to the extreme drought affecting the central part of the country, increases in raw water purchase expenses have been registered by Th\$1,548,035, due to the low flow in the Maipo river basin and higher cost of electric power by Th\$473,848, mainly associated to higher average tariff.

The above is partially offset by lower level of uncollectibility Th\$925,725, lower Covid contingency expense by Th\$835,560, lower customer service expenses of Th\$834,475, mainly associated with lower activity in cutting and replacement services, as well as cost improvements due to the digitalization of commercial processes and lower general services expenses and administrative expenses of Th\$717,497.

- Depreciation was Th\$1,104,633 higher than the one 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 higher result compared to the previous year of Th\$10,750,000, mainly due to reversal of provision for contingencies (sale of Essal). Additionally, non-recurring costs of Th\$3,099,702 associated with the integral Transformation Project that the company is carrying out to face the new global context.
- In 2020, impairment losses were recognized by Th\$1,370,426, which are explained by the effect in revaluation made to the Company's land.
- The financial result presented a net expense by Th\$46,161,605, higher in Th\$14,117,228 regarding the same period of the previous year, mainly due to higher revaluation of debt resulting from the variation of the Unidad de Fomento (3.5% in 2021 versus 1.4% in 2020).
- Income tax expense as of September 30, 2021 was Th\$19,649,403, Th\$4,142,277 lower, mainly explained by monetary correction effect of the Tax Equity.
- At the end of September 2021, discontinued operations reached a lower profit of Th\$4,346,601 compared to the same period of the previous year, due to profit of ESSAL of 2020, company that was sold in October 2020.

## b) Accumulated income, Non-Water segment

Income Statement (Th\$)	Sep. 21	Sep. 20	% Var.	2021 / 2020
External Revenue	23,488,463	20,633,890	13.8%	2,854,573
Revenues Segments	2,570,074	3,347,975	(23.2%)	(777,901)
Operating Costs and Expenses	(21,302,457)	(19,826,506)	7.4%	(1,475,951)
<b>EBITDA</b>	<b>4,756,080</b>	<b>4,155,359</b>	<b>14.5%</b>	<b>600,721</b>
Depreciation and Amortization	(1,583,583)	(1,367,623)	15.8%	(215,960)
<b>Income from Operations</b>	<b>3,172,497</b>	<b>2,787,736</b>	<b>13.8%</b>	<b>384,761</b>
Other Earnings (Losses)	306,095	(269,701)	(213.5%)	575,796
Financial Results*	(46,996)	(159,614)	(70.6%)	112,618
Tax Expense	(511,338)	(672,684)	(24.0%)	161,346
<b>Net Earnings</b>	<b>2,920,258</b>	<b>1,685,737</b>	<b>73.2%</b>	<b>1,234,521</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\$1,234,521 compared to the same period of the previous year, mainly due to:

- 💧 The higher revenues were mainly explained by an increase of analysis and sampling of potable water in Anam, higher activity of company EcoRiles together with higher sale of materials of Gestión y Servicios.
- 💧 The increase in costs of 7.4% is mainly associated with higher sales activity of the companies Gestión y Servicios and EcoRiles.
- 💧 Depreciation was Th\$215,960 higher than in the previous year. This was the result of depreciation associated to new assets added to the period.
- 💧 In other gains (losses), a higher result was obtained than in the previous year, mainly due to the recovery of guarantee bonds from the company Gestión y Servicios.
- 💧 The income tax expense as of September 30, 2021 was Th\$511,338, which is Th\$161,346 lower than the same period of the previous year, mainly explained by a higher monetary correction effect of the Tax Equity.

### 3. Quarterly results

Income Statement (Th\$)	3Q21	3T20	% Var.	3Q21 – 3Q20
External Revenue	112,685,638	105,370,225	6.9%	7,315,413
Operating Costs and Expenses	(60,856,202)	(59,834,790)	1.7%	(1,021,412)
<b>EBITDA</b>	<b>51,829,436</b>	<b>45,535,435</b>	<b>13.8%</b>	<b>6,294,001</b>
Depreciation and Amortization	(17,188,910)	(16,257,062)	5.7%	(931,848)
<b>Income from Operations</b>	<b>34,640,526</b>	<b>29,278,373</b>	<b>18.3%</b>	<b>5,362,153</b>
Other Earnings (Losses)	7,550,398	(435,245)	(1834.7%)	7,985,643
Impairment losses	-	(1,370,426)	(100.0%)	1,370,426
Financial Results*	(15,900,865)	(9,113,336)	74.5%	(6,787,529)
Tax Expense	(5,287,002)	(5,134,389)	3.0%	(152,613)
Discontinued operations	-	(101,388)	(100.0%)	101,388
Minority interest	(10,706,414)	(6,598,598)	62.3%	(4,107,816)
<b>Net earnings</b>	<b>10,296,643</b>	<b>6,524,991</b>	<b>57.8%</b>	<b>3,771,652</b>

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

#### 3.1 Income analysis

##### a) Operating income

Ordinary revenues for the third quarter of 2021 amounted to Th\$112,685,638, Th\$7,315,413 higher than in the same quarter of the previous year, mainly due to regulated revenues of Th\$12,814,558, due to higher registered consumption together with higher average tariff associated to the latest indexation. The above is partially offset by lower non-regulated revenues of Th\$5,500,272, mainly associated with revenues in 2020 related to compensation generated by contractual agreements, triggered by the extension of the start-up of projects developed by third parties.

#### 3.2 Expenses analysis

##### a) Raw materials and consumables used

During the third quarter of 2021, raw materials and consumables costs amounted to Th\$14,578,285. The main variations correspond to higher cost of sales of the subsidiary Gestión y Servicios.

##### b) Employee benefits

Employee benefit expenses for the third quarter of 2021 amounted to Th\$13,461,257, Th\$1,313,322 lower than in 2020. This decrease is mainly due to lower confinement costs, which is partially offset by CPI adjustments.

c) Depreciation and amortization

During the third quarter of 2021, depreciation and amortization amounted to Th\$17,188,910, Th\$931,848 higher than in 2020.

d) Other expenses

In the third quarter of 2021, other expenses amounted to Th\$32,816,660, Th\$667,336 lower than in 2020, mainly explained by lower uncollectibility of Th\$2,498,179 and lower Covid contingency expenses of Th\$835,560. The above is partially offset by higher expenses in maintenance of potable water and sewage networks of Th\$2,602,235.

### *3.3 Financial result analysis and others*

a) Other gains (losses)

During the third quarter of 2021, the result was higher than the same quarter of previous year by Th\$7,550,398, mainly due reversal of provision for contingencies (sale of Essal) by Th\$10,750,000. Additionally, non-recurring costs of Th\$3,099,702 associated with the Integral Transformation Project that the company is carrying out to face the new global context.

b) Impairment losses

In the third quarter of 2020 impairment losses were recognized by Th\$1,370,426, which are explained by the effect in revaluation made to the Company's land.

c) Financial result

In the financial result for the third quarter of 2021, losses of Th\$15,900,865 were obtained, which increased by Th\$6,787,529 compared to 2020, mainly explained by a higher revaluation of debt, due to the higher variation of the Unidad de Fomento (1.3% in 2021 versus 0.04% in 2020) compared to the same quarter of 2020.

d) Income tax expense

The income tax expense at the end of the third quarter of 2021 was Th\$5,287,002, Th\$152,613 higher than in the same quarter of the previous year, mainly explained by higher before taxes income, which is partially offset by higher monetary correction effect of the Tax Equity.

e) Discontinued operations

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

f) Earnings

Net income for the third quarter of 2021 amounted to Th\$10,296,643, Th\$3,771,652 higher than in the same quarter of 2020.

#### 4. Statement of financial position

	Sep. 21 Th\$	Dec. 20 Th\$	% Var.
<b>Assets</b>			
Current Assets	290,179,550	305,478,978	(5.0%)
Non-Current Assets	2,176,188,495	2,113,551,778	3.0%
<b>Total assets</b>	<b>2,466,368,045</b>	<b>2,419,030,756</b>	<b>2.0%</b>
<b>Liabilities and Equity</b>			
Current Liabilities	252,668,626	245,462,938	2.9%
Non- Current Liabilities	1,081,190,988	1,059,920,436	2.0%
<b>Total liabilities</b>	<b>1,333,859,614</b>	<b>1,305,383,374</b>	<b>2.2%</b>
Shareholders' Equity	703,252,498	694,120,607	1.3%
Minority Interest	429,255,933	419,526,775	2.3%
<b>Total Shareholders' Equity</b>	<b>1,132,508,431</b>	<b>1,113,647,382</b>	<b>1.7%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,466,368,045</b>	<b>2,419,030,756</b>	<b>2.0%</b>

##### 4.1 Assets analysis

The total assets of Inversiones Aguas Metropolitanas at the consolidated level as of September 30, 2021 presented an increase of 2.0% regarding December 31, 2020, equivalent to Th\$47,337,289.

Current assets decreased by Th\$15,299,428, mainly due to a decrease in tax assets of Th\$21,715,860 associated with tax refunds, together with lower trade and other receivables of Th\$4,114,817, mainly explained by the seasonality of the sales cycle. This is partially offset by an increase in cash and cash equivalents of Th\$7,637,476, together with an increase in other current financial assets of Th\$5,804,888 due to the recording of the advance payment of principal and interest on bonds payable on October 1 of this year.

Non-current assets increased by Th\$62,636,717, mainly explained by higher property, plant and equipment of Th\$58,116,040, associated with investments made during the period. The main investment works are shown in the following table:

Investments (Th\$)	Sep. 21
Drilling and reinforcement of water supply system	20,831,773
Renovation of wastewater networks	11,083,175
Renovation of potable water networks	10,272,376
Expansion and modernization of potable water treatment plant Padre Hurtado	5,985,466
Treatment of nitrates La Farfana and Mapocho-Trebal Biofactories	5,472,046
Replenishment of assets of La Farfana and Mapocho-Trebal Biofactories	5,116,051
Starter and meters	4,521,630
Autonomy 12 hours Aguas Cordillera (San Antonio and San Enrique Tanks)	4,132,458



## 4.2 Liabilities and equity analysis

Liabilities payable as of September 2021 increased by Th\$28,476,240 compared to December 2020.

Current liabilities increased by Th\$7,205,688. This variation was due to an increase in other financial liabilities mainly due to debt of Bonds and AFR.

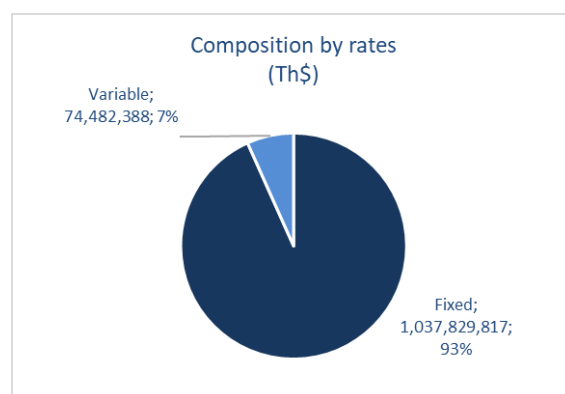
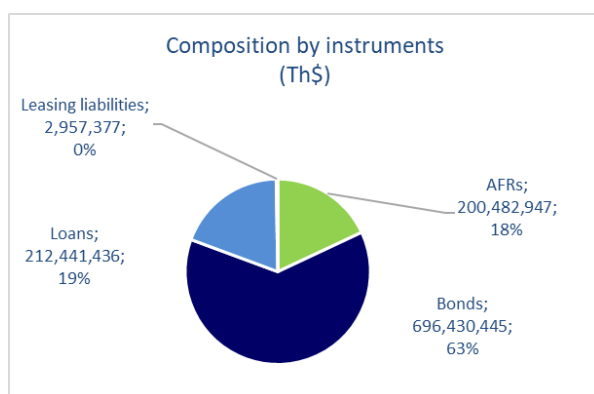
Non-current liabilities presented an increase of Th\$21,270,552 (2.0%). This variation corresponds mainly to higher Bank debt associated to a new loan of Th\$25,000,000.

Total equity increased by Th\$18,861,049 mainly explained by the income for the period, which is partially offset by distribution of dividends of 2021.

The maturity profile of the financial debt as of September 30, 2021 is as follows:

Financial Debt Th\$	Currency	Total	12 months	1 to 3 years	3 to 5 years	More than 5 years
AFRs	\$	200,482,947	30,091,653	48,631,580	31,055,825	90,703,889
Bonds	\$	696,430,445	26,641,019	26,273,949	5,612,411	637,903,066
Loans	\$	212,441,436	28,096,668	175,494,987	8,849,781	-
<b>Total other financial liabilities</b>		<b>1,109,354,828</b>	<b>84,829,340</b>	<b>250,400,516</b>	<b>45,518,017</b>	<b>728,606,955</b>
Leasing liabilities	\$	2,957,377	1,243,341	919,067	415,722	379,247
<b>Total leasing liabilities</b>		<b>2,957,377</b>	<b>1,243,341</b>	<b>919,067</b>	<b>415,722</b>	<b>379,247</b>
<b>Total</b>		<b>1,112,312,205</b>	<b>86,072,681</b>	<b>251,319,583</b>	<b>45,933,739</b>	<b>728,986,202</b>

## 4.3. Structure of financial liabilities



## 5. Cash flow statements

Cash Flow Statement (Th\$)	Sep. 21	Sep. 20	% Var.
Operating Activities	181,458,463	154,415,609	17.5%
Investment Activities	(112,098,985)	(106,982,024)	4.8%
Financing Activities	(61,722,002)	62,536,988	(198.7%)
<b>Net Cash Flow for the Period</b>	<b>7,637,476</b>	<b>109,970,573</b>	<b>(93.1%)</b>
<b>Final Cash Balance</b>	<b>185,602,329</b>	<b>183,027,691</b>	<b>1.4%</b>

Cash flow from operating activities increased by Th\$27,042,854, when compared September 2021 and September 2020.

The main variations were the following:

- Decrease in income taxes of Th\$21,247,746, this variation is mainly explained by a tax refund in July 2021.
- Collections from the sale of goods and rendering of services generated an increase of Th\$18,711,482, associated with higher average tariff due to the latest tariff indexations, in addition to an increase in sales to residential customers.
- Decrease in payments to suppliers of Th\$8,619,326, mainly related to lower payments to infrastructure suppliers.

These variations were partially offset by the following concepts:

- Increase in other cash outflows of Th\$9,836,736, due to the approval of the settlement of the class action lawsuit between SERNAC, CONADECUS and Aguas Andinas S.A., in relation to the massive cuts of potable water in April 2016, February and April 2017. This generated a recognition that was made through rebates to the monthly bills of the affected customers.
- Decrease in other charges for operating activities of Th\$7,819,218, mainly related to compensation generated in 2020 due to contractual agreements, triggered by the extension of the start-up of projects developed by third parties.
- Increase in payments to and on behalf of employees of Th\$2,750,183, mainly associated with expenses for confinement plans for COVID-19, in addition to CPI adjustments.

Disbursements for investment activities increased by Th\$5,116,961, mainly associated with drilling and reinforcement of the potable water supply system, renovation of Potable Water and Sewage networks, replacement of Assets La Farfana and Mapocho-Trebal Biofactories and the Cerro Negro-Lo Mena Wells project has started, infrastructure that will strengthen the city's potable water supply.

The financing activities made a net cash flow (decrease) of Th\$124,258,990, which is mainly explained because in 2020 were obtained bank loans by Th\$133,300,000, on the other hand, dividend payments were made during May 2021 and a significant decrease in the inflow of loans by 2021.

## 6. Financial ratios

		Sep. 21	Dec. 20
<b>Liquidity</b>			
Current liquidity	times	1.15	1.24
Acid Test Ratio	times	0.73	0.73
<b>Leverage</b>			
Total Leverage	times	1.18	1.17
Current Leverage	times	0.19	0.19
Non-Current Leverage	times	0.81	0.81
Annualized Financial Expenses Coverage	times	5.38	5.05
<b>Profitability</b>			
Annualized equity profitability attributable to the controller's property owners	%	7.08	7.48
Annualized asset profitability	%	1.97	2.06
Annualized earnings per share	\$	50.02	48.23
Dividend yield (*)	%	14.72	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 September 2021 amounts to \$423,08, while as of December 2020 it amounts to \$589,67.*

As of September 2021, current liquidity decreased by 7.3%, due to a decrease in current assets of Th\$15,299,428, due to a decrease in tax assets of Th\$21,715,860 associated with tax refunds, together with lower trade and other receivables of Th\$4,114,817 mainly explained by the seasonality of the sales cycle. This is partially offset by an increase in cash and cash equivalents of Th\$7,637,476, together with an increase in other current financial assets of Th\$5,804,888 due to the recording of the advance payment of principal and interest on bonds payable on October 1 of this year and to an increase in current liabilities of Th\$7,205,688, as a result of an increase in other financial liabilities associated with Bonds and AFR.

Total indebtedness increased in 0.9%, due to an increase in liabilities payable of Th\$28,476,240, mainly associated to a bank loan for Th\$25,000,000 and an increase of total equity of Th\$18,861,049, mainly explained by the profit for the period, which is partially offset by the distribution of dividends of 2021.

The profitability of shareholders' equity attributable to the owners of the parent company decreased by 5.4% due to an increase of average equity by Th\$62,147,125, mainly explained by the revaluation of Lands registered in September 2020, offset to a lesser extent by an increase in net income for the annualized period of Th\$1,794,898.

## 7. Other background information

### 7.1. 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, March 2021 and August 2021
Group 2	January 2020, March 2021 and July 2021

<u>Aguas Cordillera S.A.</u>	March 2020, May 2021 and September 2021
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#### Aguas Manquehue S.A.

Santa María	May 2020, June 2021 and September 2021
Los Trapenses	May 2020, June 2021 and September 2021
Chamisero	May 2020 and July 2021
Chicureo	January 2020, June 2021 and September 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.

## *7.2. 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.

## *7.3. 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.

## *7.4. 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: April 6, 2018, October 29, 2020, November 16, 2020, March 26, 2021, June 9, 2021 and August 19, 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.

## *7.5. 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 September 30, 2021, the interest rate risk held by Inversiones Aguas Metropolitanas S.A. is comprised of 93.3% fixed rate and 6.7% variable rate. The fixed-rate debt is made up of: issues of short and long-term bonds (67.1%), reimbursable financial contributions (19.3%), bank loans (13.3%) 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 Inversiones Aguas Metropolitanas 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.