



Inversiones Aguas Metropolitanas S.A. Earning Release

First Quarter 2023



1. Summary of the first quarter

Inversiones Aguas Metropolitanas S.A. continues to strengthen its resilience, management and investment plans to face the effects of climate change, such as profound water scarcity

- 💧 The Company continues to face the challenge of climate change. The deep drought and water shortage situation in the country, which has been going on for more than 14 years, continues.
- 💧 In this context, water scarcity has continued to be managed by prioritizing water transfer agreements with the different stakeholders in the Maipo River basin, which has allowed covering one third of the demand of Greater Santiago and maintaining an adequate level of security reserves in the El Yeso reservoir, which as of March 2023 reached a historic level of 192 Hm³, in line with the Company's objective.
- 💧 In addition, we have continued to invest in new sanitation infrastructure to expand and diversify the availability of supply sources, which at the end of the first quarter of 2023 amounted to \$27,836 million. In this sense, it should be noted the start of operations during the second half of 2022 of the works of the new Lo Mena - Cerro Negro wells system, which provide a flow of 1,500 l/s to supply 400,000 customers in the southern area of Santiago, as well as the expansion and modernization of the Padre Hurtado Potable Water Treatment Plant, which adds 1,000 liters per second of water production, ensuring the supply of potable water during peak demand periods in the municipalities of La Reina, Ñuñoa, Providencia, Las Condes, Vitacura and Lo Barnechea.
- 💧 It is also important to point out that during the past summer several episodes of turbidity were experienced in the Maipo and Mapocho flows, derived from the alluvium generated by rainfall in the high mountain range, altering the normal operation of the potable water production plants. However, the supply in the city operated without major impacts, thanks to the activation of the operational continuity plan and the use of the operational backup infrastructure deployed as part of its resilience plan. These include the Pirque mega-ponds for the Maipo area and the San Antonio and San Enrique mega-ponds for the sector supplied by the Mapocho.

Inversiones Aguas Metropolitanas S.A. consolidated results at the end of the first quarter of 2023 present EBITDA growth of 18.8% and cash flow generation remains strong

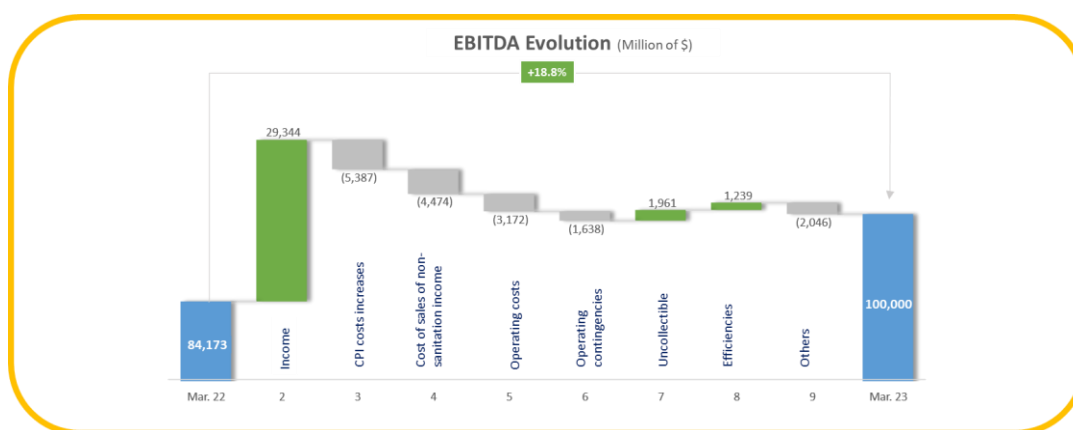
- 💧 Inversiones Aguas Metropolitanas S.A. maintains a sustained growth in EBITDA, reaching \$100,000 million as of March 31, 2023, which represents an increase of 18.8% compared to the same period of the previous year. Likewise, it continues with a solid cash flow generation in the period, which has allowed keeping indebtedness aligned with the Company's objectives.

The moderation in inflation growth in the first quarter of 2023 has positively impacted the Company's financial results

- 💧 The accumulated inflation in Chile as of March 31, 2023 was 1.8% versus 3.4% as of the same date in 2022, which has a positive impact on the readjustment of the financial debt in Unidad de Fomento (UF), resulting in a lower expense of \$7,810 million.

The Company has continued to drive its efficiency program based on the Transformation plan and, additionally, commercial actions to improve uncollectibility and debt recovery have yielded positive results

- The Company is implementing a Transformation plan, 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. In line with the above, initiatives have been developed to improve processes and digital transformation that have generated Efficiencies of \$1,239 million at the end of the first quarter of 2023.
- In addition, **commercial actions to recover debt have allowed to reduce bad debt expense** from a ratio of 3.4% of revenues in 2021 to 1.7% at the end of the first quarter of 2023.
- **EBITDA as of March 31, 2023 amounted to \$100,000 million**, an increase of 18.8% compared to the same period of the previous year. The main variations are shown in the following chart:



- Higher sanitation revenues of \$25,104 million, mainly associated with higher average tariffs of \$23,371 million due to the latest tariff indexations by polynomial and the entry into operation of new investment projects as Trebal-Mapocho Nitrogens Biofactory and Cerro Negro – Lo Mena Wells. Also, higher sales volumes were recorded for \$1,184 million (+1.4%), mainly explained by higher consumption of non-Residential customers by +2.9%, which is partially offset by lower sales to Residential customers by -0.5%.
- Finally, there was an increase in other income of \$4,240 million, mainly associated with increased activity in home services to customers, modifications to sanitation infrastructure, sale of materials and non-sanitation subsidiaries.
- The Company's costs have been increased by the **inflation effect**, mainly due to higher labor costs, construction materials, service contracts in UF and compensation adjustments. As of March 2023, the index accumulated an increase of 11.1% in twelve moving months. Additionally, operating costs for the entry into operation of new facilities and assets are considered, as well as the cost of sales associated with the growth of non-sanitation revenues.
- Increase in energy costs of \$1,707 million, mainly associated with the increase in the average price of the regulated tariff and the higher consumption associated with the company's new infrastructure.

- **Higher raw water transfer costs** of \$830 million necessary to continue facing the extreme drought situation that the region has been experiencing for the last 14 years and which in this first quarter has manifested itself with particularly low river flows compared to previous years.

The volume stored in the El Yeso reservoir was 192.0 hm³ as of March 2023 vs. 154.1 hm³ as of March 2022.

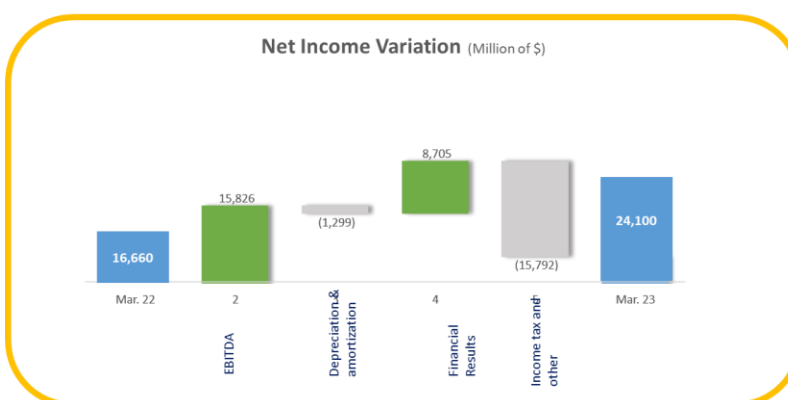
- During the first quarter of 2023, there were **2 extraordinary operating contingencies** (siltation of the independent intake, breakage of the Recoleta matrix), whose corrective costs amounted to \$1,638 million.

It should be considered that the event in the independent intake is due to an external cause associated with the weather conditions, which during the summer season 2023, it manifested with an unusual combination of high amount of sediments and low flow of the Maipo River, a situation that has prevented the normal evacuation of sediments.

- Within the framework of the Transformation plan that the Company is implementing, initiatives have been developed to improve processes and digital transformation that have allowed us to generate **Efficiencies** for \$1,239 million as of March 31, 2023.

In this regard, initiatives aimed at improving metering management, detecting leaks in networks, purchasing efficiencies, and **commercial actions for debt recovery have been deployed, which have allowed to reduce bad debt expenses**, from a ratio of 3.4% of revenues as of March 2022 to 1.7% at the end of the first quarter of 2023.

- 💧 **Net income as of March 31, 2023 amounted to \$24,100 million.** The main variations are presented in the following chart:



- 💧 At the non-operating level, there is a higher financial result of \$8,705 million regarding the same quarter of the previous year, mainly associated with a lower revaluation of the financial debt due to the variation of the Unidad de Fomento (1.3% in 2023 versus 2.4% in 2022). It should be

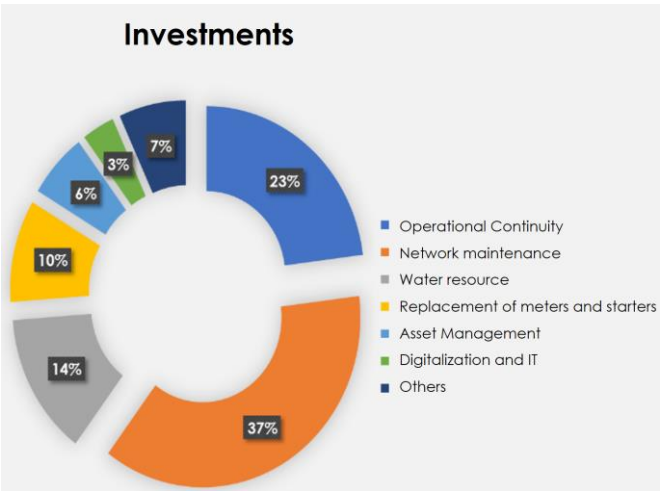
noted that the price-level restatement of the UF is an accounting impact with no significant effect on the Company's cash flow.

- As of March 31, 2023, income tax was higher than the previous year of \$7,849 million, mainly due to a higher result in income before taxes added to the inflationary effect of deductible permanent differences, the main difference being the price-level restatement of tax equity.
- Cash Generation and Position.** At the end of the first quarter of 2023, the balance of cash and cash equivalents was \$193,650 million, increasing by \$13,105 million regarding the end of 2022. The increase in this item is mainly explained by the higher operating cash flow for the period, which is partially offset by the payment of investments and debt repayments.

The company continues to maintain a robust cash position at the end of the first quarter of 2023, which will allow to ensure the development of the investment plan foreseen for this fiscal year.







Investments


- To face the effects of the prolonged drought, which has lasted more than 14 years, the Company is developing a robust investment plan to ensure the security of supply standards committed for Greater Santiago under climate change conditions.
- As of March 31, 2023, investments of \$27,836 million were executed, according to the following composition:



- The main projects developed at the end of the first quarter of 2023 were as follows:

- Renovation of potable water and wastewater networks
- Renewal of starters and meters
- Replenishment of assets of La Farfana-Trebal Biofactories

-  Water efficiency plan
-  Water rights
-  Cerro Negro – Lo Mena Wells
-  Boreholes and reinforcement of water supply system
-  Paine Wastewater Treatment Plant Expansion
-  Manzano Connection - Independent Intake Safety Work

 In the medium and long term, Aguas Andinas has an ambitious plan of new fundamental works to address the impacts of climate change and a scenario of structural scarcity, infrastructure aimed at increasing the service standards currently committed and that require an agreement with the SISS regarding its financing and execution deadlines:

- (i) Project of sustainable return of treated water in the Maipo-Mapocho Basin.
- (ii) Antonio Varas Bajo well batteries.
- (iii) Batteries of safety wells.

OTHER KEY FACTS

-  **New Chief Executive Officer of the Company.** At the Board of Directors meeting held on February 28, 2023, it was agreed to appoint, as of May 2, 2023, Mr. **Daniel Tugues Andrés** as the new Chief Executive Officer of Aguas Andinas, replacing Marta Colet, who will undertake new challenges within the Veolia Group in Spain. Daniel holds a degree in Civil Engineering of Highways and Ports of the Polytechnic University of Catalonia, an MBA from IESE Business School and a Master in Integrated Water Management (Agbar-UPC). He has more than 15 years of experience in the environmental infrastructure sector, both in water and sanitation, as well as recycling and waste recovery. In his first stage in Chile (2012-2017) he developed in different areas of the business group linked to the management of environmental services. He assumed as Director of Operations and Circular Economy of Aguas Andinas in 2019, currently holding the position of Assistant General Manager.
-  **Distribution of dividends.** At the Company's Ordinary Shareholders' Meeting held on April 4, 2023, and ratifying Aguas Andinas' commitment to its shareholders in a volatile and challenging macroeconomic context, it was agreed to distribute 100% of the profit for the year 2022, excluding the interim dividend paid in December 2022 by an amount of \$35,000 million. Therefore, the amount to be distributed was set at \$50,249 million, which means a final dividend of \$8.21 per share, payable as of April 28, 2023.
-  **Claim associated with the sale and transfer transaction of "ESSAL".** On August 25, the Company was notified of several claims for damages in the amount of \$65,222,222,367 filed in an arbitration lawsuit initiated against it by Eco Acquisitionco SpA, for alleged breaches in the sale and transfer transaction of the Company's direct and indirect participation in Empresa de Servicios Sanitarios de Los Lagos S.A. (ESSAL).

Within the framework of the aforementioned arbitration, on April 27, 2023, the parties signed a settlement agreement putting an end to said litigation and cautioning for any eventual litigation regarding the sale of ESSAL. The transaction expressly recognizes that in the process and in the sale of ESSAL, both Aguas Andinas and the other parties involved acted in good faith, fulfilling all their obligations with the diligence and care required by law.

Likewise, the company, as a reciprocal concession and against the dismissal of all claims filed and the total termination of the sales contract, paid a compensation equivalent to \$10,249,330,833.

In addition, the agreement contemplates that the Company will assume control and the results of a limited group of litigation pending before the Civil Courts to which ESSAL S.A. is party, arising from events that occurred while the Company was still the controlling company of the latter.

Finally, by virtue of the reciprocal concessions above mentioned, the parties involved and third parties related to the Transaction Agreement have fully and completely terminated this agreement.

- 💧 In April 2023, Fitch Ratings ratified the solvency rating and public debt issuance of Aguas Andinas at **AA+ with a stable outlook**, based on the Company's solid business profile, revenue growth, investments in production and autonomy to strengthen supply, and a conservative and stable credit profile over time, with an operating cash flow that allows it to finance the distribution to its shareholders and a large part of its investments.

2. Results for the period

2.1. Accumulated results

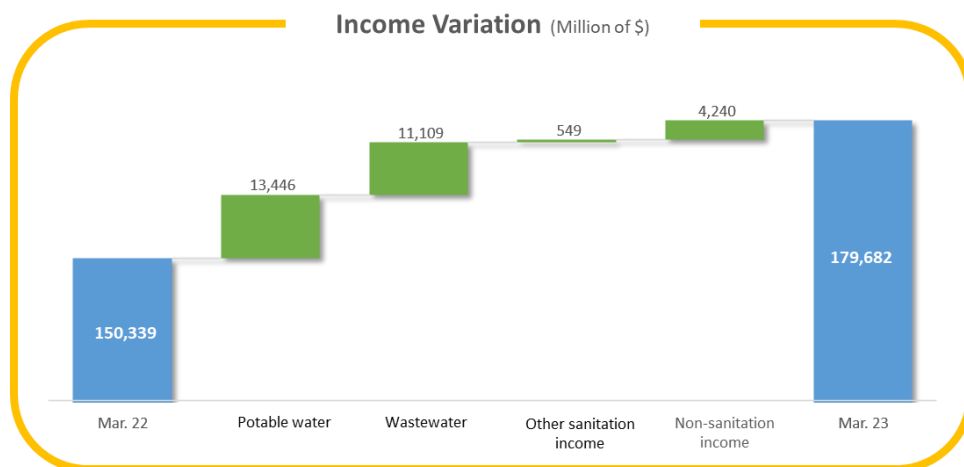
Income Statement (Th\$)	Mar. 23	Mar. 22	% Var.	2023 / 2022
Ordinary Revenues	179,682,427	150,338,677	19.5%	29,343,750
Operational Costs and Expenses	(79,682,670)	(66,165,322)	20.4%	(13,517,348)
EBITDA	99,999,757	84,173,355	18.8%	15,826,402
Depreciation and Amortization	(18,826,964)	(17,527,684)	7.4%	(1,299,280)
Income From Operations	81,172,793	66,645,671	21.8%	14,527,122
Other Earnings	(611,396)	(233,823)	161.5%	(377,573)
Financial Result*	(17,942,672)	(26,647,548)	(32.7%)	8,704,876
Tax expense	(14,112,154)	(6,263,403)	125.3%	(7,848,751)
Discontinued operations	-	-	0.0%	-
Net earnings	24,099,749	16,660,022	44.7%	7,439,727

* Includes financial income, financial costs, exchange differences and results from readjustment units.

2.2. Revenue analysis

Revenues increased by 19.5% with respect to the same period of previous year, as follows:

	Mar. 23		Mar. 22	
	Sales Thousands \$	Participation	Sales Thousands \$	Participation
Potable Water	231,961,337	40.3%	205,176,456	40.5%
Wastewater	265,582,171	46.2%	229,804,561	45.4%
Other Sanitation Income	61,854,474	10.7%	57,657,178	11.4%
Non-Sanitation Income	16,067,463	2.8%	13,821,438	2.7%
Total	575,465,445	100.0%	506,459,633	100.0%



Sales Volume (Thousands of m ³ accrued)	Mar. 23	Mar. 22	% Var.	Difference
Potable Water	524,299	535,738	(2.1%)	(11,439)
Wastewater Collection	503,656	514,218	(2.1%)	(10,562)
Wastewater Treatment and Disposal	435,874	443,596	(1.7%)	(7,722)
Interconnections*	120,227	124,277	(3.3%)	(4,050)

Customers	Mar. 23	Mar. 22	% Var.	Difference
Potable Water	2,257,165	2,207,344	2.3%	49,821
Wastewater Collection	2,212,631	2,162,909	2.3%	49,722

* Interconnections include the treatment and disposal of Sewage from other sanitation companies.

Sanitation income

a) Potable Water

Potable water revenues at the first quarter of 2023 amounted to ThCh\$80,829,302, which represents an increase of 20.0% regarding the same quarter of the previous year, due to polynomial indexing applied during 2023 and 2022 and tariff associated with the investment of Lo Mena - Cerro Negro wells, together with higher volume supplied (Residential customers in -0.5% and non-residential customers in +2.9%).

b) Wastewater

Revenues from wastewater as of March 31, 2023, amounted to ThCh\$77,702,576, an increase of ThCh\$11,109,161 (+16.7%) compared to the previous year. This is mainly due to higher average rate associated to the latest polynomial tariff indexing and tariff associated with nitrogen treatments at Trebal-Mapocho Biofactories, together with higher sales volume.

c) Other sanitation income

This item increased by ThCh\$549,303, which was due to higher activity in services not associated with sales volume.

Non-Sanitation income

a) Services

An increase of ThCh\$3,075,564 was reflected, mainly due to higher activity for home services to customers, sanitation infrastructure modifications and the sale of materials.

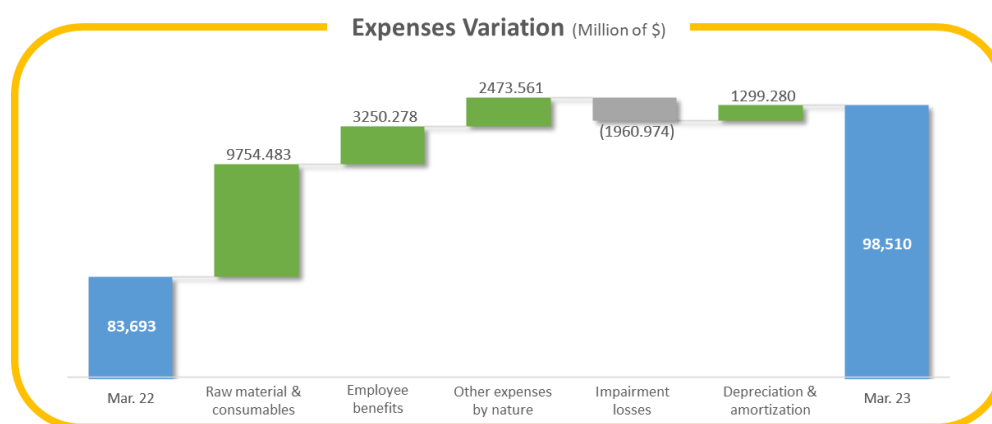
b) Non-sanitation subsidiaries

The increase in income of ThCh\$1,164,030 was mainly explained by higher activity and new projects of company EcoRiles, together with increased analysis and sampling of potable water in Análisis Ambientales.

(Thousands of \$)	Mar. 23	Mar. 22	% Var.
EcoRiles S.A.	20,730,872	17,137,411	0.0%
Hidrogística S.A.	7,943,754	6,526,953	0.0%
Anam S.A.	4,213,221	6,336,097	0.0%
Aguas del Maipo S.A.	1,966,052	896,583	0.0%
Non-regulated non-sanitation products	34,853,899	30,897,044	0.0%

2.3. Expense analysis

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



* Impairment losses correspond to allowance for doubtful accounts receivable.

a) Raw materials and consumables

As of March 31, 2023, raw materials and consumables costs amounted to ThCh\$25,307,141. The main variations are explained by increase in the transfer of water for ThCh\$1,464,521 to increase the security of supply of our customers due to the low flow in the Maipo River basin, higher CPI costs, higher costs of sale of materials together with prices of chemical inputs and electric power. In addition, as of April 1, 2022, the costs resulting from the internalization of the Biofactories are included.

b) Employee benefits

At the end of the first quarter of 2023, employee benefit expenses amounted to ThCh\$16,749,752, which was ThCh\$3,250,278 higher than the one obtained in the first quarter of the previous year. The increase is mainly associated with CPI adjustments and personnel expenses incurred by the Company as a result of the internalization of Biofactories.

c) Other expenses by nature

At the end of March 31, 2023, these expenses amounted to ThCh\$34,506,516, which increased by ThCh\$2,473,561 compared to the previous year, mainly due to higher expenses

readjustments for CPI, higher costs of sales of home services and modifications of sanitation infrastructure, together with higher operating expenses by ThCh\$1,454,065. The above is partially offset by lower costs resulting from the internalization of Biofactories together with efficiencies.

d) Impairment losses

At the end of the first quarter of 2023, the provision for bad debts was ThCh\$3,119,261, which is ThCh\$1,960,974 lower than the one obtained the same quarter of the previous year. The percentage of bad debts over total revenues was 1.7% as of March 2023 compared to 3.4% as of March 2022.

e) Depreciation and amortization

As of March 31, 2023, depreciation and amortization amounted to ThCh\$18,826,964, ThCh\$1,299,280 higher than the one obtained the same period of the previous year, result of depreciation associated with the new assets incorporated in the period.

2.4. Analysis of financial results and others

a) Other gains (losses)

As of March 31, 2023, the Company obtained a lower result than the previous year by ThCh\$377,573, mainly due to restructuring plans that were partially offset by land sales.

b) Financial income

At the end of the first quarter of 2023, financial income amounted to ThCh\$7,070,582, which meant an increase of ThCh\$4,056,110 compared to the previous year, mainly explained by higher financial interest for cash surpluses and higher interest rate.

c) Financial costs

As of March 31, 2023, financial costs amounted to ThCh\$11,755,188, which meant an increase of ThCh\$3,567,715 compared to the same period of 2022, mainly due to higher interest on financial debt, together with higher activation of financial expenses.

d) Results per readjustment unit

At the end of the first quarter of 2023, the adjustment unit charge was ThCh\$13,329,529, resulting in a lower expense of ThCh\$7,810,031, mainly due to the lower revaluation of the debt as a result of the variation of the Unidad de Fomento (1.3% in 2023 versus 2.4% in 2022). It should be noted that the price-level restatement of UF is an accounting impact with no significant effect on the Company's cash flow.

e) Income tax expense

The income tax expense as of March 31, 2023 was higher than the previous year by ThCh\$7,848,751, mainly due to a higher result in income before taxes added to the inflationary effect of deductible permanent differences, the main difference being the price-level restatement of tax equity.

f) Earnings

Net income as of March 31, 2023 amounted to ThCh\$24,099,749, which was ThCh\$7,439,727 higher than the figure obtained in the previous year, which represents an increase of 44.7%.

2.5. Results by segment

a) Accumulated results Water segment

Income Statement (Th\$)	Mar. 23	Mar. 22	% Var.	2023 / 2022
External Revenue	170,273,362	142,137,110	19.8%	28,136,252
Revenues Segments	957,336	230,631	315.1%	726,705
Operating Costs and Expenses	-72,667,085	-59,586,371	22.0%	(13,080,714)
EBITDA	98,563,613	82,781,370	19.1%	15,782,243
Depreciation and Amortization	-18,296,837	-17,006,336	7.6%	(1,290,501)
Income from Operations	80,266,776	65,775,034	22.0%	14,491,742
Other Earnings (Losses)	-574,155	-182,545	<(200%)	(391,610)
Financial Results*	-17,791,872	-26,646,171	(33.2%)	8,854,299
Tax Expense	-13,742,205	-6,102,440	125.2%	(7,639,765)
Minority interest	819	698	17.3%	121
Net earnings	48,159,363	32,844,576	46.6%	15,314,787

* Includes financial income, financial costs, exchange differences and results from readjustment units.

The net result of this segment showed an increase of 46.6%, mainly due to:

- 💧 Increase in external revenues, mainly associated with sanitation revenues due to higher average tariffs associated with the latest indexations and tariff associated with the investment of Lo Mena - Cerro Negro wells, together with a higher volume supplied.
- 💧 Costs increased mainly due to higher CPI expenses, operating costs and costs associated with sales of home services to customers, sanitation infrastructure modifications and materials. This is partially offset by lower bad debt expense together with higher efficiencies.

Additionally, due to the extreme drought affecting the central zone of the country, there have been increases in raw water transfer expenses of ThCh\$829,521 due to the low flow in the Maipo river basin.
- 💧 Depreciation was ThCh\$1,290,501 higher than the one obtained in the previous year, as a result of the depreciation associated with the new assets incorporated in the period.
- 💧 The financial result presented a net expense of ThCh\$17,791,872, lower by ThCh\$8,854,299 compared to the same period of the previous year, mainly due to the lower revaluation of the debt as a result of the variation of the Unidad de Fomento (1.3% in 2023 versus 2.4% in 2022).
- 💧 Income tax expense as of March 31, 2023 was higher than the previous year by ThCh\$7,639,765 mainly due to a higher income before taxes added to the inflationary effect of deductible permanent differences, the main difference being the price-level restatement of tax equity.

b) Accumulated results of the Non-Water segment

Income Statement (Th\$)	Mar. 23	Mar. 22	% Var.	2023 / 2022
External Revenue	9,409,064	8,201,567	14.7%	1,207,497
Revenues Segments	2,014,628	1,014,101	98.7%	1,000,527
Operating Costs and Expenses	-9,570,708	-7,571,210	26.4%	(1,999,498)
EBITDA	1,852,984	1,644,458	12.7%	208,526
Depreciation and Amortization	-528,215	-529,687	(0.3%)	1,472
Income from Operations	1,324,769	1,114,771	18.8%	209,998
Other Earnings (Losses)	-37,242	-40,210	(7.4%)	2,968
Financial Results*	-149,069	-7,346	1929.3%	(141,723)
Tax Expense	-384,065	-160,963	138.6%	(223,102)
Net earnings	754,393	906,252	(16.8%)	(151,859)

* Includes financial income, financial costs, exchange differences and results from readjustment units.

The results of the Non-Water segment showed a decrease of ThCh\$151,859 compared to the previous year, mainly due to:

- 💧 The higher revenues were mainly explained by higher activity and new projects of the company EcoRiles together with increased analysis and sampling of potable water at Análisis Ambientales.
- 💧 The increase in costs of 26.4% is mainly associated with higher sales activity together with higher CPI expenses.
- 💧 The income tax expense as of March 31, 2023 was higher than the previous year by ThCh\$223,102, mainly due to a higher income before taxes added to the inflationary effect of deductible permanent differences, the main difference being the price-level restatement of tax equity.

3. Statement of financial position

Assets	Mar. 23	Dec. 22	% Var.
Current Assets	351,050,075	326,058,263	7.7%
Non-Current Assets	2,339,056,590	2,325,871,931	0.6%
Total assets	2,690,106,665	2,651,930,194	1.4%
Liabilities and equity			
Current Liabilities	256,822,060	274,566,698	(6.5%)
Non- Current Liabilities	1,271,745,365	1,266,967,205	0.4%
Total liabilities	1,528,567,425	1,541,533,903	(0.8%)
Shareholders' Equity	717,215,064	691,794,448	3.7%
Minority Interest	444,324,176	418,601,845	6.1%
Total Shareholders' Equity	1,161,539,240	1,110,396,293	4.6%
Total Liabilities and Shareholders' Equity	2,690,106,665	2,651,930,196	1.4%

3.1. Asset analysis

The total assets of Inversiones Aguas Metropolitanas S.A. at the consolidated level as of March 31, 2023 presented an increase of ThCh\$38,176,470 regarding December 31, 2022.

Current assets increased by ThCh\$24,991,812, mainly due to a higher balance of cash and cash equivalents by ThCh\$13,104,364, the increase of trade debtors and other accounts receivable of ThCh\$8,889,030, mainly explained by the seasonal nature of the sales cycle, and an increase in other current financial assets of ThCh\$6,467,402, associated with the recording of the prepayment of principal and interest on bonds payable on April 1, 2023. This is partially offset by a decrease in assets held for sale of ThCh\$2,808,878.

Non-current assets increased by ThCh\$13,184,659, mainly explained by higher property, plant and equipment and intangible assets of ThCh\$9,664,023, associated with investments made during the period, together with higher deferred taxes of ThCh\$3,840,398. The main investment works are reflected in the following table:

Investments (ThCh\$)	Mar. 23
Renovation of wastewater networks	7,954,687
Renewal of starters and meters	2,717,156
Renovation of potable water networks	2,410,925
Replenishment of assets of La Farfana-Trebal Biofactories	1,370,354
Water efficiency plan	1,121,051
Purchase of water rights	926,568
Drilling and reinforcement of water supply system	605,899
Paine Wastewater Treatment Plant Expansion	557,425
Paine Wastewater Treatment Plant Expansion	557,425

3.2. Analysis of liabilities and equity

Liabilities payable as of March 2023 decreased by ThCh\$12,966,477 regarding December 2022.

Current liabilities decreased by ThCh\$9,804,095. This variation was mainly due to an increase in current tax liabilities of ThCh\$6,282,065. This is partially offset by lower trade accounts payable related to expenses of ThCh\$10,167,250 together with lower current provisions for employee benefits of ThCh\$564,133 and lower payment in accounts payable to related companies of ThCh\$645,600.

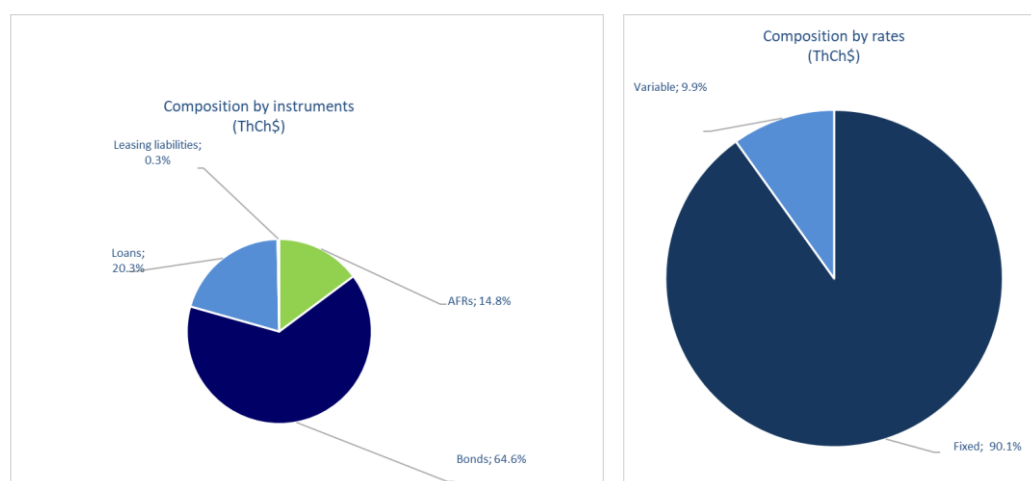
Non-current liabilities presented a decrease of ThCh\$3,162,382. This variation corresponds mainly to lower other financial liabilities of ThCh\$3,385,423, mainly due to the revaluation of the period's exchange rates in the different currencies.

Total shareholders' equity increased by ThCh\$51,142,947, mainly explained by the profit for the year.

The maturity profile of the financial debt as of March 31, 2023 is as follows:

Financial Debt Th\$	Currency	Total	12 months	1 to 3 years	3 to 5 years	More than 5 years
AFRs	\$	192,024,765	27,235,496	43,153,905	37,890,252	83,745,112
Bonds	\$	837,765,132	22,908,984	13,313,003	-	801,543,145
Loans	\$	263,782,737	23,907,589	190,039,148	49,836,000	-
Forward	EUR	38,815	38,815			
Total other financial liabilities		1,293,611,449	74,090,884	246,506,056	87,726,252	885,288,257
Leasing liabilities	\$	3,720,950	1,314,915	1,785,650	490,276	130,109
Total leasing liabilities		3,720,950	1,314,915	1,785,650	490,276	130,109
Total		1,297,332,399	75,405,799	248,291,706	88,216,528	885,418,366

3.3. Structure of financial liabilities



4. Cash flow statements

Cash Flow Statement (Th\$)	Mar. 23	Mar. 22	% Var.
Operating Activities	65,492,753	60,217,880	8.8%
Investment Activities	(32,930,671)	(39,602,985)	(16.8%)
Financing Activities	(19,457,717)	(42,671,459)	(54.4%)
Net Cash Flow for the Period	13,104,365	(22,056,564)	(159.4%)
Final Cash Balance	193,650,232	142,502,316	35.9%

Cash flows from operating activities increased by ThCh\$5,274,873 when comparing March 2023 with March 2022. The main variations were as follows:

- 💧 Collections from sales of goods and provision of services generated an increase of ThCh\$34,067,842, associated with higher average tariffs due to the latest tariff indexations, in addition to an increase in sales to residential customers.
- 💧 Interest received generated an increase of ThCh\$2,733,839, due to higher interest rates.

These variations were partially offset by the following items:

- 💧 Increase in payments to suppliers of ThCh\$20,086,218, mainly associated with higher payments to suppliers of goods and services.
- 💧 Increase in the payment to and on behalf of employees of ThCh\$3,634,293, mainly due to CPI adjustments and expenses of personnel incorporated to the Company as a result of the internalization of Biofactories in March 2022.
- 💧 Increase in the payment of income taxes of ThCh\$2,652,271, for higher base in the determination of the calculation of the monthly provisional payments.
- 💧 Interest paid increased by ThCh\$3,714,678, due to higher interest rates.

The disbursements for investment activities decreased by ThCh\$6,672,314, due to lower investments made during the period.

Financing activities improved compared to the previous year by ThCh\$23,213,742, this is mainly explained by the fact that the final dividend for Aguas Andinas S.A. was paid in March 2022, offset by a higher payment of financial obligations of ThCh\$3,072,401.

5. Financial ratios

		Mar. 23	Dec. 22
Liquidity			
Current liquidity	times	1.37	1.16
Acid Test Ratio	times	0.75	0.66
Leverage			
Total Leverage	times	1.32	1.39
Current Leverage	times	0.17	0.18
Non-Current Leverage	times	0.83	0.82
Annualized Financial Expenses Coverage	times	3.59	3.22
Profitability			
Annualized equity profitability attributable to the controller's property owners	%	6.93	5.96
Annualized asset profitability	%	1.87	1.60
Annualized earnings per share	\$	48.76	41.32
Dividend yield (*)	%	7.04	6.51

Current liquidity: current assets/current liabilities.

Acid ratio: cash and cash equivalents / current liabilities.

Total indebtedness: total liabilities / total equity.

Current debt: current liabilities / liabilities due.

Non-current debt: non-current liabilities / liabilities payable.

Financial expense coverage: annualized earnings before interest and taxes / annualized financial expenses.

Return on equity: annualized income for the year/average total equity for the year.

Return on assets: annualized income for the year/average total assets for the year.

Earnings per share: annualized income for the year/ number of subscribed and paid-in shares

Dividend yield: dividends paid per share / share price.

(*) The share price as of March 2023 amounts to \$540, while as of December 2022 it amounts to \$475.33.

As of March 2023, current liquidity increased by 12.3% due to an increase in current assets of ThCh\$24,991,812, the foregoing produced by an increase in cash and cash equivalents of ThCh\$13,104,364, increase in accounts receivable of ThCh\$8,889,030. This is partially offset by a decrease in non-financial assets of ThCh\$911,984 and a decrease in assets held for sale, due to the sale and expropriation of land. Additionally, current liabilities decreased by ThCh\$9,804,095, due to an increase in tax liabilities of ThCh\$6,282,065 and a decrease in accounts payable related to investments and expenses of ThCh\$10,167,250.

Indebtedness presented a decrease of 0.5%, due to a decrease in demandable liabilities of ThCh\$12,966,477, due to revaluation of debt in UF. Meanwhile, total shareholders' equity shows an increase of ThCh\$51,142,947.

The return on equity attributable to owners of the controlling company showed an increase of 16.3%, due to an increase in average equity of ThCh\$10,808,475, mainly explained by the payment of dividends and an increase in income for the period of ThCh\$7,439,727.

6. Other background information

6.1 Tariffs

The most important factor that determines our results of operations and financial position are the tariffs set for our sales and regulated services. As a sanitation company, we are regulated by the S.I.S.S. and our tariffs are set in accordance with the Ley de Tarifas de los Servicios Sanitarios (Sanitation Services Tariff Law) D.F.L. No. 70 of 1988.

Our tariff levels are reviewed every five years and, during that period, are subject to readjustments linked to an indexation polynomial, if the accumulated variation since the previous adjustment is equal to or greater than plus or minus 3.0% (absolute value), as calculated based on various inflation indexes.

Specifically, the adjustments are applied based on formulas that include the Consumer Price Index, the Manufacturing Sector Imported Goods Price Index and the Manufacturing Industry Sector Producer Price Index, all measured by the Chilean National Institute of Statistics. The latest indexations made by each Group Company were applied on the following dates:

Aguas Andinas S.A.

Group 1	February 2022, May 2022, July 2022, September 2022 and February 2023
Group 2	January 2022, April 2022, June 2022, September 2022 and February 2023

Aguas Cordillera S.A. March 2022, June 2022, September 2022 and March 2023

Aguas Manquehue S.A.

Santa Maria	March 2022, June 2022, September 2022 and January 2023
Los Trapenses	March 2022, June 2022, August 2022, September 2022 and January 2023
Chamisero	January 2022, April 2022, June 2022, August 2022, September 2022 and January 2023
Chicureo	February 2022, May 2022, July 2022, September 2022 and January 2023
Valle Grande 3	January 2022, April 2022, June 2022, September 2022 and January 2023

Additionally, the tariffs were increased due to investment works that were approved in the respective tariff decrees. The works mentioned are as follows:

Aguas Andinas S.A.

Lo Mena – Cerro Negro Wells (December 2022)
Trebale-Mapocho Nitrogen Treatment (April 2022)

The tariffs in force for the period 2020-2025 were approved by Decree No. 33 dated May 5, 2020, for Aguas Andinas S.A., of the Ministry of Economy, Development and Tourism and came into effect 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 became effective as of 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 became effective as of May 19, 2020 for the Santa María and Trapenses systems, 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 sanitation sector. Our business is seasonal and operating results may vary from quarter to quarter. The highest levels of demand and revenues are recorded during the summer months (December to March) and the lowest levels of demand and revenues during the winter months (June to September). In general, water demand is higher in the warmer months than in the milder months, mainly due to the additional water needs generated by irrigation systems and other external water uses.

Adverse weather conditions may eventually affect the optimal delivery of sanitation services, because the processes of catchment and production of Potable Water depend to a large extent on the weather conditions that develop in the watersheds. Factors such as meteorological precipitation (snow, hail, rain, and fog), temperature, humidity, sediment entrainment, river flows and turbidity determine not only the quantity, quality and continuity of raw water available at each intake, but also the possibility that it will be properly treated at the Potable Water treatment plants.

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

6.3 Market analysis

The Company does not present any variation in the market in which it participates because, due to the nature of its services and the legal regulations in force, it does not have competition in its concession area.

Aguas Andinas S.A. has 100% coverage in potable water, 98.9% of sewage service and 100% in sewage treatment in the Santiago basin.

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

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

6.4 Capital investments

One of the variables that has the greatest impact on the results of our operations and financial situation is capital expenditures. There are two types of capital expenditures:

Committed Investments. We are required to agree on an investment plan with S.I.S.S., which describes the investments we are required to make during the 15 years following the date on which the related investment plan becomes effective. Specifically, the investment plan reflects a commitment on our part to carry out certain projects related to the maintenance of certain quality standards and service coverage. The aforementioned investment plan is subject to review every five years, and we may request modifications when certain relevant events occur.

Dates of approval and update of the Aguas Group's development plans:

Aguas Andinas S.A.

Greater Santiago: October 29, 2020

Locations: April 06, 2018, October 29, 2020, November 16, 2020, March 26, 2021, June 09, 2021, August 19, 2021 and December 21, 2022.

Aguas Cordillera S.A.

Aguas Cordillera and Villa Los Dominicos: October 29, 2020

Aguas Manquehue S.A.

Santa Maria and Los Trapenses: November 09, 2020

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

Alto Lampa: December 6, 2018

Uncommitted capital expenditures. Non-committed 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 are generally related to the replacement of network infrastructure and other assets, the acquisition of water rights and investments in non-sanitation businesses, among others.

In accordance with international financial reporting standards in force in Chile, in particular IAS 23, interest on equity investments in construction work in progress is capitalized. The aforementioned IAS 23 establishes that when the entity acquires debt in order to finance investments, the interest on such debt must be deducted from the financial expense and incorporated to the financed construction work, up to the total amount of such interest, applying the respective rate to the disbursements made at the date of presentation of the financial statements. Accordingly, the financing costs associated with our capital investment plan affect the amount of interest expense recorded in the statements of operations, and such financing costs are recorded together with construction in progress in "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 currency. For this reason, the Company's main debt is issued in this same currency.

However, starting in 2023, Inversiones Aguas Metropolitanas S.A. acquires new debt associated with the issuance of two bonds in international markets. In order to mitigate the dangers associated with the volatilities that we do not record significant risks that surround the

environment and the foreign currency operations of the business, derivative instruments have been contracted, which facilitate the process of managing the matching and hedging of both accounting and financial risks to which the Company is exposed.

b) Interest rate risk

As of March 31, 2023, the interest rate risk held by Inversiones Aguas Metropolitanas S.A. is comprised of 90.1% at a fixed rate and 9.9% at a variable rate. The fixed-rate debt is composed of: short and long-term bond issues (63.9%), refundable financial contributions (14.8%), bank loans (20.3%), derivatives (0.7%) and lease liabilities (0.3%), while the variable-rate debt corresponds to loans with domestic banks.

As of December 31, 2022, the interest rate risk held by Inversiones Aguas Metropolitanas S.A. is comprised of 90.3% at a fixed rate and 9.7% at a variable rate. The fixed-rate debt is composed of: short and long-term bond issues (63.9%), refundable financial contributions (15.0%), bank loans (20.2%), derivatives (0.6%) and lease liabilities (0.3%), while the variable-rate debt corresponds to loans with domestic banks.

The company maintains a policy of interest rate monitoring and management, 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 risk rating agencies have assigned us a solvency rating of AA+. In the case of shares: ICR assigned us a first-class level 1 rating and FITCH Rating assigned us a first-class level 2 rating.