

Aguas Andinas Earning Realease

Period ended June 30, 2023



1. Summary of the first semester

Aguas Andinas 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. During the last days of June, the central zone of Chile was impacted by an atmospheric river that caused heavy rains in the mountain range. The El Yeso reservoir recorded 266 mm of precipitation during that weekend alone, when the annual precipitation in recent years has been around 230 mm. Additionally, and very unusual for the dates, the 0 isotherm was around 3,000 Marseille, which meant rainfall in the form of rain in areas where snowfall is expected at this time of year. This meant extreme increases in turbidity and flow rates in the Maipo and Mapocho rivers, to levels not seen in the last 30 years, for which the normal production of drinking water had to be paralyzed, forcing the use of the emergency infrastructure consisting, among others, of the Mega Ponds of Pirque and the Cerro Negro - Lo Mena wells.

On Friday, June 23, it was announced to the Metropolitan Region that during the following day the service would be cut off since the reserves for the autonomy of the service had been reduced by 50% and continued to decrease. Even so, and thanks to the water resilience plan in the face of drought and turbidity events on which we have been working for more than 10 years, within 24 hours we were able to communicate to the citizens that the service cut-off would not take place.

The Company managed the event at all times within the framework of the emergency protocols agreed with the SISS and SENAPRED, and in constant communication with the authorities and the general public. On Friday, June 23, a power outage was announced for Saturday afternoon (announcement defined by the protocol when there is no guarantee of supply for the following 24 hours), but finally, thanks to the extraordinary efforts made during the night of Friday and Saturday, the announced outage was first postponed and finally cancelled.

It should be noted that the Company has a service autonomy of 37 hours, but thanks to the extraordinary management efforts that were applied, it was possible to provide operational continuity in the face of an event that totaled 78 hours with turbidity exceeding the design capacity of the plants.

Finally, it is worth mentioning that the floods caused significant damage to the surface water intakes, several of which are in a contingency operation while they are being repaired.

- 💧 In addition to the above, during last summer there were several episodes of turbidity in the Maipo and Mapocho rivers, generated by convective rains and high temperatures, altering the normal operation of the drinking water production plants. However, the supply in the city operated without major impacts, thanks to the activation of the operational continuity plan and resorting to the operational backup infrastructure deployed in the framework of its resilience plan.
- 💧 Likewise, the deep drought and water shortage situation that the country is going through, which has been going on for more than 14 years despite the last rains recorded during June, continues. In this context, water scarcity has continued to be managed by prioritizing water transfer agreements with the different actors in the Maipo river basin, which has allowed covering a third of the demand of Greater Santiago and maintaining an adequate level of security reserves in the El Yeso reservoir, which as of June 2023 reached a level of 176.8 hm³, in line with the Company's objective.
- 💧 At the same time, we have continued to invest in new sanitation infrastructure to expand and diversify the availability of supply sources, which at the end of the second quarter of 2023 totaled Ch\$60, 596 million.

Aguas Andina's consolidated results at the end of the first semester of 2023 are in line with the Company's forecasts, and consolidate the beginning of the recovery to pre-pandemic levels.

- 💧 Aguas Andinas maintains a sustained growth in EBITDA, reaching \$167,855 million as of June 30, 2023, which represents an increase of 12.6% compared to the same period of the previous year, in line with the process of recovery of pre-pandemic levels.
- 💧 Likewise, it continues with a solid cash flow generation in the period, which has allowed keeping indebtedness aligned with the Company's objectives.

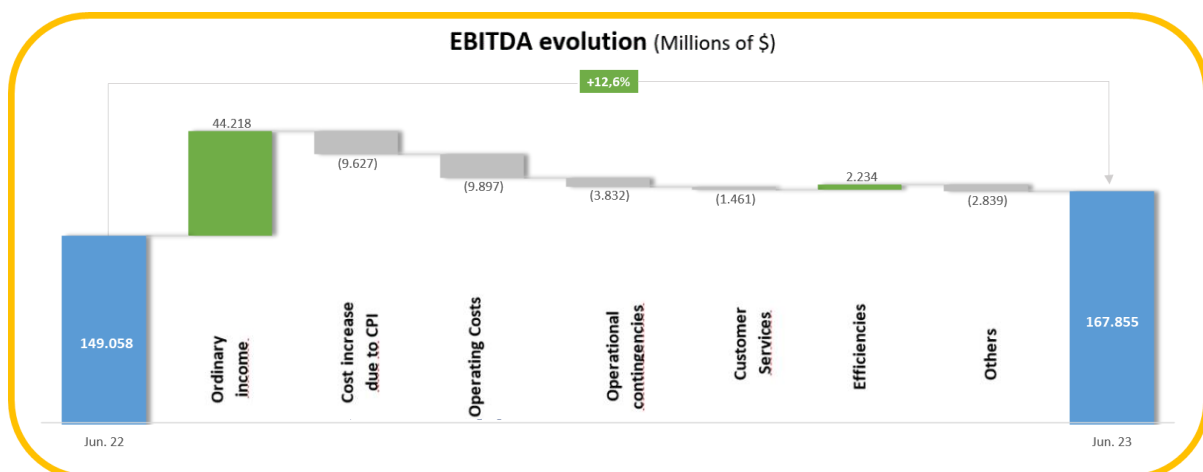
The moderation in inflation growth in the first semester of 2023 has positively impacted the Company's financial results

- 💧 The accumulated inflation in Chile as of June 30, 2023 was 2.1% versus 7.1% 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 \$32,473 million.

The Company has continued to drive its efficiency program based on the Transformation plan and commercial actions to improve uncollectibility and debt recovery

- 💧 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 about \$2,234 million at the end of the first semester of 2023.
- 💧 In addition, **commercial actions to recover the debt have allowed to reduce bad debt expense** from a ratio of 2.6% as of June 2022 to 2.5% at the end of the first semester of 2023.

EBITDA as of June 30, 2023 amounted to \$167,855 million, an increase of 12.6% compared to the same period of the previous year. The main variations are shown in the following chart:



- Higher sanitation revenues of \$44,218 million, mainly associated with higher average tariffs of \$38,570 million due to the latest tariff indexations by polynomial and the entry into operation of new investment projects as Trebal-Mapocho Nitrogens removal Biofactory and Cerro Negro – Lo Mena Wells. Also, higher sales volumes were recorded for \$4,576 million (+1.8%), mainly explained by higher consumption of non-Residential customers by +4.8%, which is partially offset by lower sales to Residential customers by +0.3%.
- In addition, there was an increase in other income of \$7,685 million, mainly associated with higher sales of materials and non-sanitation subsidiaries of \$2,930 million, modifications to sanitation infrastructure of \$2,563 million and home services to customers of \$2,001 million.
- The Company's costs have been increased by the **inflation effect** of \$9,627 million, mainly due to higher labor costs, construction materials, service contracts in UF and compensation adjustments. As of June 2023, the index accumulated an increase of 7.6% 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 operating costs** of \$9,897 million, mainly associated with electricity (due to higher average tariff and consumption associated with subway water sources), maintenance and repair of networks and increased detection of drinking water leaks, chemical inputs due to turbidity events, increased maintenance of operating equipment and higher real estate tax payment rate.
- During the first semester of 2023, there were **3 extraordinary operating contingencies** (situation of the independent intake, breakage of the Recoleta matrix and heavy rains during June), whose corrective costs amounted to \$3,832 million approximately.

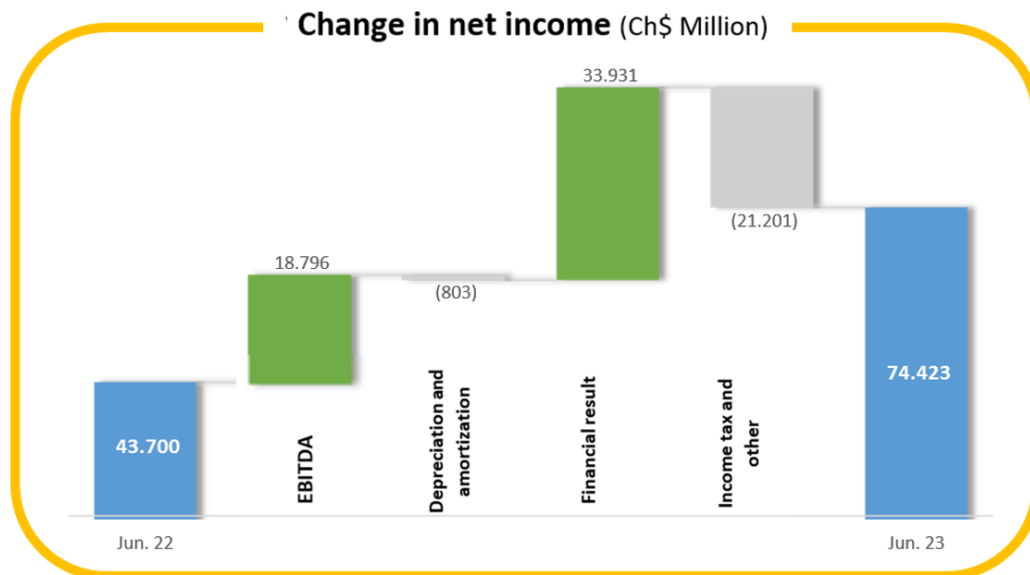
It should be considered that the event in the independent intake is due to an external cause associated with the weather conditions, which during the summer season 2023, it manifested by an

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 \$2,234 million as of June 30, 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 2.6% of revenues as of June 2022 to 2.5% at the end of the first semester of 2023.

- 💧 **Net income as of June 30, 2023 amounted to Ch\$74, 423 million**, progressively recovering the levels presented prior to the pandemic, also driven by the moderation in inflation during the period. The main variations are shown in the following chart:



- At the non-operating level, there is a higher financial result of \$33,931 million regarding the same semester of the previous year, mainly associated with a lower revaluation of the financial debt due to the variation of the Unidad de Fomento (2.8% in 2023 versus 6.8% 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 June 30, 2023, income tax was higher than the previous year of \$20,498 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.

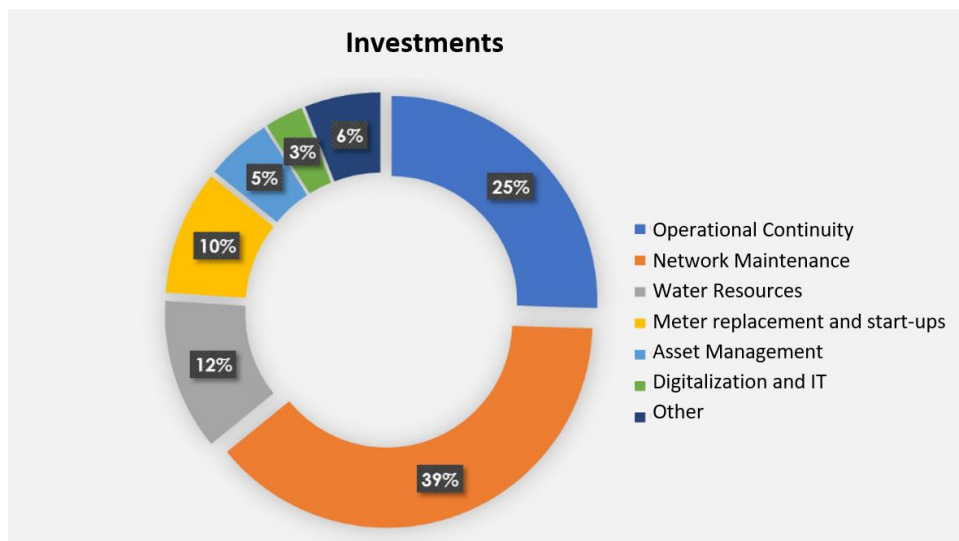
- 💧 **Cash Generation and Position.** At the end of the first semester of 2023, the balance of cash and cash equivalents was \$165,166 million, decreasing by \$27,984 million with respect to March 2023. The

decrease in this item is mainly explained for the payment of dividends made in April, 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 second quarter of fiscal year 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 committees for Santiago under climate change conditions.
- 💧 As of June 30, 2023, investments of \$60,596 million were executed, according to the following composition:



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

- 💧 Renovation of potable water and wastewater networks
- 💧 Renewal of starters and meters
- 💧 Replenishment of assets of La Farfana-Tribal Biofactories
- 💧 Water efficiency plan
- 💧 Vizcachitas - Tagle filter renewal
- 💧 Borehole's and reinforcement of water supply system
- 💧 Advanced well managed
- 💧 Paine Wastewater Treatment Plant Expansion 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, among the works currently in the study stages, the following stand out:

- i) Project of sustainable return of treated water in the Maipo-Mapocho Basin.
- ii) Antonio Varas Bajo well batteries.
- iii) Construction of works for resilience to extreme turbidity.

OTHER KEY FACTS

- **New Chief Executive Officer of the Company.** As of May 2, 2023, Mr. **Daniel Tugues Andrés** is the new Chief Executive Officer of Aguas Andinas, replacing Marta Colet, who will undertake new challenges within the Veolia Group in Spain. This was agreed at the Board of Directors' meeting held on February 28, 2023. 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.
- **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, 2022, 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 Acquisition Co 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 say 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 result

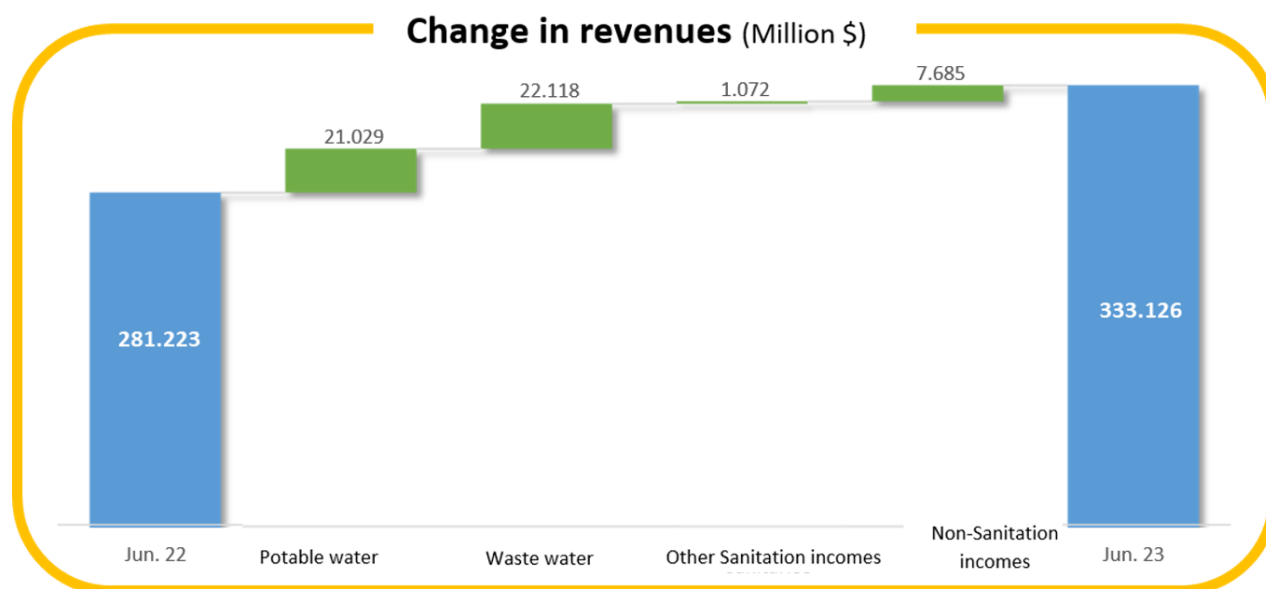
Income Statement (Th\$)	Jun. 23	Jun. 22	% Var.	2023 / 2022
Ordinary Revenues	333,126,274	281,222,606	18.5%	51,903,668
Operational Costs and Expenses	(165,271,704)	(132,164,216)	38.4%	(33,107,488)
EBITDA	167,854,570	149,058,390	12.6%	18,796,180
Depreciation and Amortization	(37,304,527)	(36,501,310)	2.2%	(803,217)
Income From Operations	130,550,043	112,557,080	16.0%	17,992,963
Other earnings (losses)	(1,891,317)	(1,188,593)	59.1%	(702,724)
Financial Result*	(36,190,182)	(70,120,880)	(48.4%)	33,930,698
Tax expense	(18,044,579)	2,453,283	<(200%)	(20,497,862)
Minority interest	(1,183)	(1,179)	0.3%	(4)
Net earnings	74,422,782	43,699,711	70.3%	30,723,071

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

2.2 Revenue analysis

Revenues increased by 18.5% with respect to the same period of the previous year, as follows:

	Jun. 23		Jun. 22	
	Sales		Sales	
	Thousands \$	Participation	Thousands \$	Participation
Potable Water	139,716,979	42.0%	118,688,209	42.2%
Wastewater	150,038,990	45.0%	127,921,380	45.5%
Other Sanitation Income	8,692,554	2.6%	7,620,525	2.7%
Non-Sanitation Income	34,677,751	10.4%	26,992,490	9.6%
Total	333,126,274	100.0%	281,222,606	100.0%



Sales Volume (Thousands of m3 accrued)	Jun. 23	Jun. 22	% Var.	Difference
Potable Water	273,075	268,207	1.8%	4,868
Wastewater Collection	260,530	255,687	1.9%	4,843
Wastewater Treatment and Disposal	221,708	218,225	1.6%	3,483
Interconnections*	66,220	64,353	2.9%	1,867

Customers	Jun. 23	Jun. 22	% Var.	Difference
Potable Water	2,283,675	2,228,212	2.5%	55,463
Wastewater Collection	2,238,870	2,183,592	2.5%	55,278

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

Sanitation income

a) Potable Water

Potable water revenues at the first semester of 2023 amounted to Th\$139, 716,979, which represents an increase of 17.7% 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 +0.3% and non-residential customers in +4.8%).

b) Wastewater

Revenues from wastewater as of June 30, 2023, amounted to ThCh\$150, 038,990, an increase of ThCh\$22, 117,609 (+17.3%) compared to the previous year. This is mainly due to higher average rate associated with 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\$1, 072,029, which was due to higher activity in services not associated with sales volume.

Non-Sanitation income

a) Services

An increase of ThCh\$5, 193,228 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\$2, 492,032 was mainly explained by higher activity and new projects of company EcoRiles, together with increased analysis and sampling of potable water in Análisis Ambientales

(ThCh\$)	Jun. 23	Jun. 22	% Var.
EcoRiles S.A.	11,030,639	9,667,375	14.1%
Análisis Ambientales S.A.	4,323,253	3,591,266	20.4%
Hidrogística S.A.	2,198,270	2,401,667	(8.5%)
Aguas del Maipo S.A.	1,262,922	662,744	90.6%
Non-regulated non-sanitation products	18,815,085	16,323,052	15.3%

2.3 Expense analysis

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

Detail of costs (ThCh\$)	Jun. 23	Jun. 22	% Var.	2023 / 2022
a) Raw materials and consumables	(48,244,002)	(34,869,117)	38.4%	(13,374,885)
b) Employee benefits	(36,713,649)	(30,456,508)	20.5%	(6,257,141)
c) Other expenses by nature	(72,127,713)	(59,482,212)	21.3%	(12,645,501)
d) Impairment losses*	(8,186,340)	(7,356,379)	11.3%	(829,961)
Operating costs and expenses	(165,271,704)	(132,164,217)	25.1%	(33,107,487)
e) Depreciation and amortization	(37,304,527)	(36,501,310)	2.2%	(803,217)
Total costs	(202,576,230)	(168,665,527)	20.1%	(33,910,703)

* Impairment losses correspond to allowance for doubtful accounts receivable.

a) Raw materials and consumables

As of June 30, 2023, the costs of raw materials and consumables amounted to ThCh\$48, 244,002, an increase of ThCh\$13, 374,885 compared to the same period of the previous year. The main variations are explained by higher electricity costs due to an increase in the average tariff and consumption associated with the use of subway water sources, higher cost of sale of materials and increased spending on chemical inputs. Additionally, as of April 1, 2022, costs resulting from the internalization of Biofactories are included.

b) Employee benefits

At the end of the first semester of 2023, employee benefit expenses amounted to ThCh\$36, 713,649, which was ThCh\$6, 257,141 higher than the one obtained in the first semester 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 June 30, 2023, these expenses amounted to ThCh\$72, 127,713, which increased by ThCh\$12, 645,501 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 for maintenance and repair of networks and equipment, general expenses and customer services. 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 semester of 2023, the provision for bad debts was ThCh\$8, 186,340, which is ThCh\$829, 961 lower than the one obtained the same quarter of the previous year. The percentage of bad debts over total revenues was 2.5% as of March 2023 compared to 2.6% as of June 2022.

e) Depreciation and amortization

As of June 30, 2023, depreciation and amortization amounted to ThCh\$37, 304,527, ThCh\$803, 217 higher than the one obtained the same period of the previous year, result of depreciation associated with the new assets incorporated during the period.

2.4 Analysis of financial results and others

Financial Result (Thousands of \$)	Jun. 23	Jun. 22	% Var.	2023 / 2022
a) Financial income	14,335,154	6,930,401	106.8%	7,404,753
b) Financial costs	(24,265,318)	(15,996,328)	51.7%	(8,268,990)
c) Exchange differences	501,329	(1,820,903)	(127.5%)	2,322,232
d) Results per unit of restatement	(26,761,347)	(59,234,050)	(54.8%)	32,472,703
Total Financial Results	(36,190,182)	(70,120,880)	(48.4%)	33,930,698
e) Other gains (losses)	(1,891,317)	(1,188,593)	59.1%	(702,724)
f) Income tax expense	(18,044,579)	2,453,283	<(200%)	(20,497,862)

a) Financial income

At the end of the first semester of 2023, financial income amounted to ThCh\$14, 335,154, which meant an increase of ThCh\$7, 404,753 compared to the previous year, mainly explained by higher investment income from cash surpluses and higher interest rate.

b) Financial costs

As of June 30, 2023, financial costs amounted to ThCh\$24, 265,318, which meant an increase of ThCh\$8, 268,990 compared to the same period of 2022, mainly due to higher interest on financial debt, together with higher activation of financial expenses.

c) Exchange differences

As of June 30, 2023, exchange rate differences resulted in income of ThCh\$501, 329, which represents a positive variation of ThCh\$2, 322,232. This is due to a better valuation of the local exchange rate with respect to foreign currencies (U.S. dollar and Euros) in accounts payable to suppliers.

d) Results per readjustment unit

At the end of the first semester of 2023, the adjustment unit charge was ThCh\$26, 761,347, resulting in a lower expense of ThCh\$32, 478,703, mainly due to the lower revaluation of the debt as a result of the variation of the Unidad de Fomento (2.8% in 2023 versus 6.8% in 2022).

e) Other gains (losses)

As of June 30, 2023, the Company obtained a lower result than the previous year by ThCh\$702, 724, mainly due to restructuring plans that were partially offset by land sales.

f) Income tax expense

The income tax expense as of March 31, 2023 was higher than the previous year by ThCh\$20, 497,862, 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.

2.5 Results by segment

a) Accumulated results Water segment

Income Statement (Th\$)	Jun. 23	Jun. 22	% Var.	2023 - 2022
External Revenue	314,193,531	264,897,469	18.6%	49,296,062
Revenues Segments	815,808	525,438	55.3%	290,370
Operating Costs and Expenses	(151,297,637)	(119,478,211)	26.6%	(31,819,426)
EBITDA	163,711,702	145,944,696	12.2%	17,767,006
Depreciation and Amortization	(36,161,136)	(35,523,379)	1.8%	(637,757)
Income from Operations	127,550,566	110,421,317	15.5%	17,129,249
Other Earnings (Losses)	(1,665,207)	(1,013,919)	64.2%	(651,288)
Financial Results*	(35,850,733)	(70,040,011)	(48.8%)	34,189,278
Tax Expense	(17,513,050)	2,612,849	<(200%)	(20,125,899)
Minority interest	(1,183)	(1,179)	0.3%	(4)
Net earnings	72,520,393	41,979,057	72.8%	30,541,336

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

The net result of this segment showed an increase of 72.8%, 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.
- 💧 Depreciation was ThCh\$637, 757 higher than the one obtained in the previous year, as a result of the depreciation associated with the new assets incorporated during the period.

- The financial result presented a net expense of ThCh\$35, 850,733, lower by ThCh\$34, 189,278 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 (2.8% in 2023 versus 6.8% in 2022)
- Income tax expense as of June 30, 2023 was higher than the previous year by ThCh\$20, 125,899 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\$)	Jun. 23	Jun. 22	% Var.	2023 - 2022
External Revenue	18,932,743	16,325,136	16.0%	2,607,607
Revenues Segments	4,909,373	2,162,081	127.1%	2,747,292
Operating Costs and Expenses	(19,700,110)	(15,373,524)	28.1%	(4,326,586)
EBITDA	4,142,006	3,113,693	33.0%	1,028,313
Depreciation and Amortization	(1,142,530)	(1,000,066)	14.2%	(142,464)
Income from Operations	2,999,476	2,113,627	41.9%	885,849
Other Earnings (Losses)	(226,109)	(152,539)	48.2%	(73,570)
Financial Results*	(339,449)	(80,872)	>200%	(258,577)
Tax Expense	(531,529)	(159,566)	>200%	(371,963)
Net earnings	1,902,389	1,720,650	10.6%	181,739

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

The results of the Non-Water segment showed an increase of ThCh\$181, 739 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 28.1% is mainly associated with higher sales activity together with higher CPI expenses.
- The income tax expense as of June 30, 2023 was higher than the previous year by ThCh\$371, 963, 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. Quarterly results

Income Statement (Th\$)	2T23	2T22	% Var.	2T23 – 2T22
External Revenue	153,443,847	130,883,929	17.2%	22,559,919
Revenues Segments	(86,005,873)	(66,251,369)	29.8%	(19,754,505)
Operating Costs and Expenses	67,437,974	64,632,561	4.3%	2,805,413
EBITDA	(18,479,475)	(18,976,354)	(2.6%)	496,879
Depreciation and Amortization	48,958,499	45,656,207	7.2%	3,302,292
Income from Operations	(1,279,921)	(954,770)	34.1%	(325,151)
Other Earnings (Losses)	(18,249,241)	(43,467,363)	(58.0%)	25,218,122
Financial Results*	(3,918,309)	8,716,686	(145.0%)	(12,634,995)
Tax Expense	(364)	(481)	(24.4%)	117
Net earnings	25,510,664	9,950,279	156.4%	15,560,385

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

3.1. Income analysis

a) Operating income

Ordinary revenues for the second quarter of 2023 amounted to ThCh\$ 153,443,847, ThCh\$ 22,559,919 higher than in the same quarter of the previous year, mainly due to sanitation revenues of ThCh\$ 19,114,252, mainly explained by higher average tariffs associated with the latest indexations recorded, together with higher non-sanitation revenues due to higher sales of materials, modifications of sanitary infrastructure and non-health subsidiaries.

3.2. Expense analysis

a) Raw materials and consumables used

During the second quarter of 2023, raw materials and consumables costs amounted to ThCh\$22, 936,810, ThCh\$3, 620,352 higher than in the same quarter of 2022, mainly associated with higher cost of sales of materials together with costs of chemical inputs and electric power.

b) Employee benefits

Employee benefit expenses for the second quarter of 2023 amounted to ThCh\$20, 053,839, ThCh\$3, 124,895 higher than in 2022. This increase is mainly due to CPI adjustments, training expenses and other contractually agreed benefits.

c) Depreciation and amortization

During the second quarter of 2023, depreciation and amortization amounted to ThCh\$ 18,479,475, ThCh\$ 496,879 lower than in 2022, mainly due to lower depreciation associated with machinery and software.

d) Other expenses

In the second quarter of 2023, other expenses amounted to ThCh\$37, 948,145, ThCh\$10, 218,323 higher than in 2022, mainly explained by the readjustment of expenses for CPI, higher expenses in

maintenance of networks and operating equipment, increase in payment of real estate contributions and expenses associated with operating contingencies.

3.3. Analysis of financial results and others

a) Financial result

The financial result for the second quarter of 2023 was a loss of ThCh\$18, 249,241, which improved by ThCh\$25, 218,122 compared to 2022, explained by a lower revaluation of debt due to a lower variation of the Unidad de Fomento (1.4% in 2023 versus 4.2% in 2022) compared to the same quarter of 2022.

b) Income tax expense

The income tax expense at the end of the second quarter of 2023 was higher than the previous year by ThCh\$12, 634,995, mainly explained by a better result before tax added to the inflationary effect of the deductible permanent differences, the main difference being the price-level restatement of tax equity.

c) Profit

Net income for the second quarter of 2023 amounted to ThCh\$25, 510,664, ThCh\$15, 560,385 higher than in the same quarter of 2022.

4. Statement of financial position

	Assets	Jun. 23	Dec. 22	% Var.
Current Assets		298,503,937	324,838,124	(8.1%)
Non-Current Assets		2,083,405,454	2,054,511,436	1.4%
Total assets		2,381,909,391	2,379,349,560	0.1%
	Liabilities and equity			
Current Liabilities		290,740,048	265,797,147	9.4%
Non- Current Liabilities		1,224,760,543	1,274,661,314	(3.9%)
Total liabilities		1,515,500,591	1,540,458,461	(1.6%)
Shareholders' Equity		866,377,401	838,861,526	3.3%
Minority Interest		31,399	29,573	6.2%
Total Shareholders' Equity		866,408,800	838,891,099	3.3%
Total Liabilities and Shareholders' Equity		2,381,909,391	2,379,349,560	0.1%

4.1. Asset analysis

The total assets of Aguas Andinas at the consolidated level as of June 30, 2023 presented an increase of ThCh\$2, 559,831 regarding December 31, 2022.

Current assets decreased by ThCh\$26, 334,187, mainly due to a lower balance of cash and cash equivalents by ThCh\$14, 169,151, the decrease of trade debtors and other accounts receivable of ThCh\$11, 229,285, mainly explained by the seasonal nature of the sales cycle.

Non-current assets increased by ThCh\$28, 894,018, mainly explained by higher property, plant and equipment and intangible assets of ThCh\$25, 047,799, associated with investments made during the period, together with higher deferred taxes of ThCh\$2, 528,855. The main investment works are reflected in the following table:

Investments (ThCh\$)	Jun-23
Renovation of wastewater networks	18,075,406
Renewal of starters and meters	5,942,311
Renovation of potable water networks	5,338,754
Replenishment of assets of La Farfana-Trebal Biofactories	2,971,000
Water efficiency plan	2,395,189
Filter renovation Vizcachitas - Tagle	1,494,773
Drilling and reinforcement of water supply system	1,350,874
Advanced well management	1,190,868
Paine Wastewater Treatment Plant Expansion	1,050,399

4.2. Analysis of liabilities and equity

Liabilities payable as of June 2023 decreased by ThCh\$24, 957,870 regarding December 2022.

Current liabilities increased by ThCh\$ 24,942,901. This variation was mainly due to the reclassification of financial liabilities associated with bank loans from long-term to short-term, since they have a maturity of less than twelve months. This is partially offset by lower tax liabilities and a decrease in provisions for the agreed payment in the lawsuit associated with the purchase and sale of ESSAL.

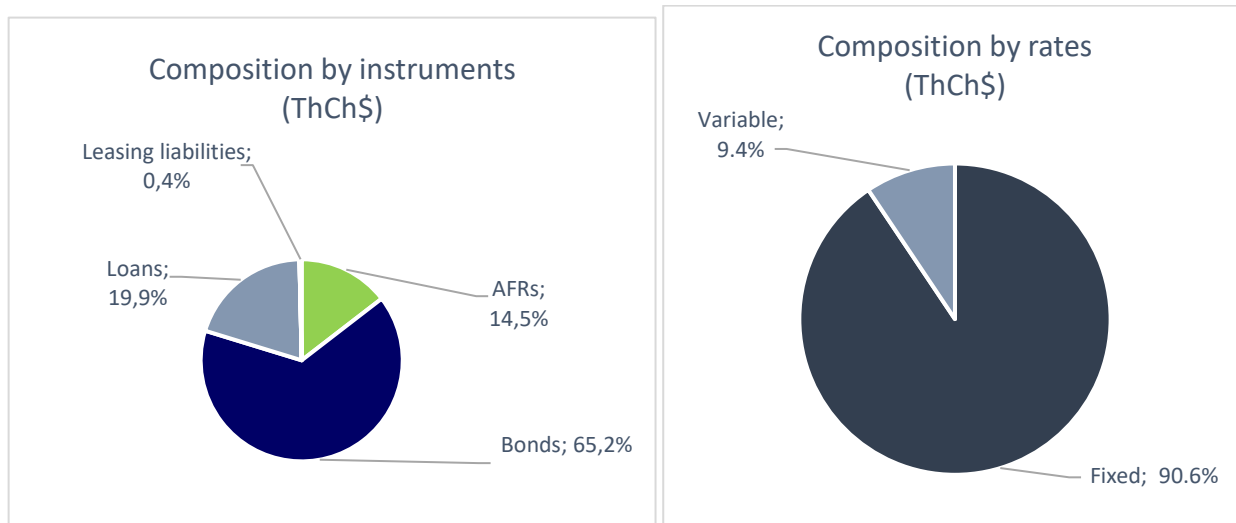
Non-current liabilities decreased by ThCh\$49, 900,771. This variation corresponds almost entirely to lower financial liabilities of ThCh\$49, 643,850 mainly associated with non-current bank loans that were transferred to current financial liabilities because they have a maturity date of less than twelve months.

Total shareholders' equity increased by ThCh\$27, 517,701, mainly explained by the profit for the year.

The maturity profile of the financial debt as of June 30, 2023 is as follows:

Financial Debt Th\$	Currency	Total	12 months	1 to 3 years	3 to 5 years	More than 5 years
AFRs	\$	188,886,041	30,071,757	40,480,951	37,557,678	80,775,655
Bonds	\$	846,330,354	20,432,434	13,522,246	-	812,375,674
Loans	\$	258,536,338	69,986,405	138,701,933	49,848,000	-
Forward	EUR	25,830	25,830	-	-	-
Total other financial liabilities		1.293,778,563	120,516,426	192,705,130	87,405,678	893,151,329
Leasing liabilities	\$	4,608,721	1,604,630	1,809,492	1,044,658	149,941
Total leasing liabilities		4,608,721	1,604,630	1,809,492	1,044,658	149,941
Total		1,298,387,284	122,121,056	194,514,622	88,450,336	893,301,270

3.3. Structure of financial liabilities



5. Cash flow statements

Cash Flow Statement (Th\$)	Jun. 23	Jun. 22	% Var.
Operating Activities	131,050,418	129,323,043	1.3%
Investment Activities	(64,753,007)	(77,735,020)	(16.7%)
Financing Activities	(80,466,562)	(68,237,549)	17.9%
Net Cash Flow for the Period	(14,169,151)	(16,649,526)	(14.9%)
Final Cash Balance	165,166,190	146,863,788	12.5%

Cash flows from operating activities increased by ThCh\$1, 727,375 when comparing June 2023 to June 2022. The main variations were as follows:

- 💧 Collections from sales of goods and provision of services generated an increase of ThCh\$64, 339,634, associated with higher average tariffs due to the latest tariff indexations, in addition to an increase in sales volume non-residential customers.
- 💧 Interest received generated an increase of ThCh\$5, 414,211, mainly due to higher interest rates.

These variations were partially offset by the following items:

- 💧 The increase in payments to suppliers of ThCh\$19, 313,117, mainly associated with higher payments to suppliers of goods and services.
- 💧 An increase in the payment to and on behalf of employees of ThCh\$6, 046,260, 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\$18, 113,052, for higher base in the determination of the calculation of the monthly provisional payments.
- 💧 Interest paid increased by ThCh\$7, 546,500, mainly due to higher interest rates.
- 💧 Other cash outflows generated an increase of ThCh\$ 10,147,748, due to the payment of ESSAL's out-of-court settlement.

The disbursements for investment activities decreased by ThCh\$12, 928,013, due to lower payments for investments made during the period.

Financing activities improved compared to the previous year by ThCh\$12, 229,013, this is mainly explained by the fact that the final dividend for 2022 was paid in April of this year, offset by a higher payment of financial obligations of ThCh\$3, 124,348.

6. Financial ratios

		Jun. 23	Dec. 22
Liquidity			
Current liquidity	Times	1.03	1.19
Acid Test Ratio	Times	0.57	0.66
Leverage			
Total Leverage	Times	1.75	1.84
Current Leverage	Times	0.19	0.18
Non-Current Leverage	Times	0.81	0.82
Annualized Financial Expenses Coverage	Times	3.98	3.26
Profitability			
Annualized equity profitability attributable to the controller's property owners	%	13.39	10.14
Annualized asset profitability	%	4.87	3.70
Annualized earnings per share	\$	18.95	13.93
Dividend yield (*)	%	5.01	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 June 2023 amounts to \$278, while as of December 2022 it amounts to \$195.90.

As of June 30, 2023, current liquidity decreased by 13.4% due to a decrease in current assets of ThCh\$26, 334,187, the foregoing produced by a decrease in cash and cash equivalents of ThCh\$14, 169,151, decrease in other accounts receivable of ThCh\$11, 229,285. This is partially offset by a decrease in non-financial assets of ThCh\$2, 476,997 and a decrease in assets held for sale, due to the sale and expropriation of land. Additionally, current liabilities increased by ThCh\$24, 942,901, due to an increase in tax liabilities of ThCh\$46, 169,287 and a decrease in accounts payable related to investments and expenses of ThCh\$20, 756,454.

Indebtedness presented a decrease of 4.9%, due to a decrease in demandable liabilities of ThCh\$24, 957,870, due to revaluation of debt in UF. Meanwhile, total shareholders' equity shows an increase of ThCh\$21, 517,701

The return on equity attributable to the owners of the controlling company increased by 32.1%, mainly explained by the higher annualized profit for the year of ThCh\$ 30,723,071.

7. Other background information

7.1 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 María	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 grand 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)
Tribal-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- 20 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 Grand 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 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 the 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.

7.3 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, 99.0% 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.

7.4 Capital investments

One of the variables that have 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.

Santiago: October 29, 2020

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

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 Grand 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 do 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.

7.5 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 2022, Aguas Andinas acquires new debt associated with the issuance of two bonds in international markets. In order to mitigate the dangers associated with the 22 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 Aguas Andinas S.A. is comprised of 90.6% at a fixed rate and 9.4% at a variable rate. The fixed-rate debt is composed of: short and long-term bond issues (64.4%), refundable financial contributions (14.5%), bank loans (19.9%), derivatives (0.8%) and lease liabilities (0.4%), while the variable-rate debt corresponds to loans with domestic banks.

As of December 31, 2022, the interest rate risk held by Aguas Andinas 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 risk rating of AA+ for long-term debt. In the case of shares, ICR assigned us a first-class level 1 rating for series A and a first-class level 4 rating for series B. On April 2023, Fitch Ratings ratified the solvency rating and public debt issuance of Aguas Andinas S.A. at AA+ with a stable outlook. Previously, in September 2022, Standard & Poor's assigned Aguas Andinas an 'A-' rating, becoming the first non-state corporate company of Chile to receive this international rating.