



MATERIAL INFORMATION
AGUAS ANDINAS S.A.
Securities Register N° 0346

Mr.
Joaquín Cortez Huerta
Superintendent of Securities and Insurance

Dear Sir,

In accordance with articles 9 and second paragraph of article 10 of Law 18,045, as well as in the General Standard No. 30 of the Commission for the Financial Market, through this letter I inform to you as material information with respect to the Company, its businesses and its securities traded publicly, the following information:

That according to the provisions of article 10 of the D.F.L. MOP N° 70/1988, Law on Health Services Fees, and Article 6 of the D.S. MINECON N° 453/1989, Regulation of the Law of Tariffs of the Sanitary Services, within the framework of the Seventh Tariff Process of Aguas Andinas S.A., which is part of the Superintendence of Health Services (the "SISS") and Aguas Andinas S.A., the tariff level for the 2020-2025 five-year period was established, by means of a document signed with this date.

As established, the tariff level agreed on December 31, 2018 (reference date established in the Tariff Bases established by the SISS), amounts to a Total Net Long Term Cost (CTLPN) of \$ 397,058 million pesos, which It represents a downward variation of -3% compared to the rates agreed for the five-year period 2010-2015 for current services and standards.

Additional works under construction are contemplated, which will apply with their entry into operation, including (i) Pirque Tanks for a CTLPN of \$ 6,596 million pesos, (ii) works aimed at improving the quality of wastewater treated and its disposal such as the nutrient removal works in La Farfana and Trebal treatment plants for a CTLPN of \$ 4,900 million pesos, and the encapsulation of biosolids in El Rutal for a CTLPN of \$ 1,087 million pesos.

A series of works are also considered to face extreme turbidity events for up to 37 hours of autonomy, for a CTLPN of \$ 2,399 million pesos, and up to 48 hours for a CTLPN of \$ 3,047 million pesos.

Finally, it should be noted that Aguas Andinas S.A. has also committed new fundamental works to address drought and climate change, which will be incorporated into the updated Development Plan of the Company, prior approval of the SISS, highlighting (i) works to

reuse 3 m³/s of wastewater, (ii) expansion in 1 m³/s of the La Florida Plant, (iii) drilling in the central aquifer for 1.8 m³/s, and (iv) investments to reduce losses in the network and re-purification of wastewater.

For a better understanding of the agreed rate regime, Article 4 of the Law on Health Services Fees defines the CTLPN as the constant annual value required to cover the costs of efficient exploitation and investment of an optimized replacement project for the concessionaire, sized to meet demand, that is consistent with a net updated value of said project equal to zero, in a horizon not less than 35 years. In short, this concept corresponds to income (under a theoretical demand) of a healthcare company, which has been deducted from the replacement value of the concessionaire's investment project, that part corresponding to the networks and facilities provided by third parties. The values indicated above correspond to the collection of current services (CTLPN) obtained by applying the updated annual demand for the years 2020-2025, to the new rates agreed and indexed as of December 31, 2018.

It should be noted that it is not possible to determine exactly the magnitude of the impact on results that the new rates will have in the financial statements of our subsidiary Aguas Andinas SA, since this rate regime is only one of the many elements that contribute to determining the results of each year, such as drinking water consumption, costs, expenses, the applicable index polynomial, among others.

Finally, the established tariff formulas will be established by decree of the Ministry of Economy, Development and Tourism, which must be published in the Official Gazette prior to the date of its entry into force, that is, March 2020.

Yours sincerely,

Marta Colet Gonzalo
CEO
Aguas Andinas S.A.

c.c.: Bolsa de Comercio de Santiago
Bolsa Electrónica de Chile
Bolsa de Corredores de Valparaíso
Comisión Clasificadora de Riesgo
Fitch Ratings, Clasificadora de Riesgo
ICR Clasificadora de Riesgo
Banco de Chile