



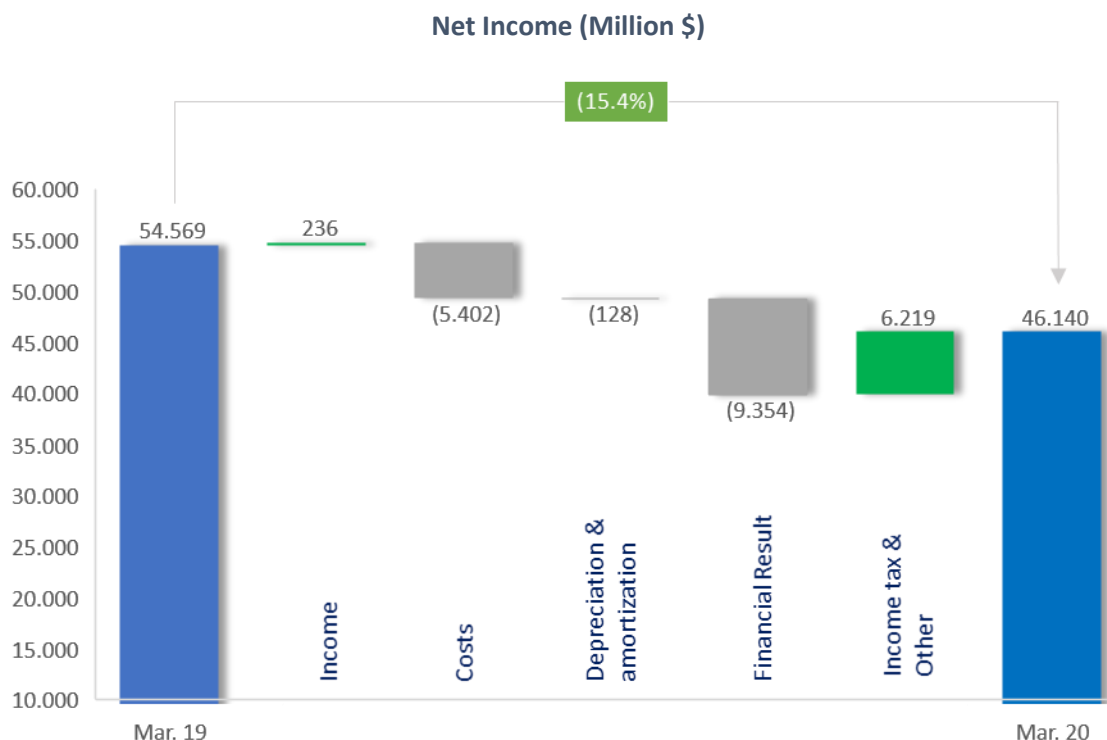
Aguas Andinas' Earnings Release

Period ended March 31, 2020



1. Summary of the fiscal year

- Net income as of March 31, 2020 amounted to \$46,140 million. The main variations for the year are shown in the following chart:



- The EBITDA as of March 31, 2020 was \$96,064 million, decreasing 5.1% regarding the same quarter of previous year.
- Revenues were higher by \$236 million (0.2% increase), mainly associated with the growth of the regulated business. This was due to higher revenues from tariff indexation registered in the period, the latest being in January 2020 for Aguas Andinas and March 2020 for Aguas Cordillera, which was offset by a 1.8% decrease in invoiced sales volumes. At the level of non-regulated income, there are higher sales in subsidiaries, mainly EcoRiles and Anam, compensated by a lower activity in sanitary infrastructure modifications and technical consultancies for rural potable water.
- Situation of Covid-19.** The Company has developed an action plan to ensure service continuity in the regions it operates, implementing various measures to manage the exceptional situation resulting from the Coronavirus Pandemic. As of March 31, 2020, no significant impacts on results were recorded due to this sanitary contingency. However, as mentioned in the Financial Statements in note 33 of Following Facts, impacts on regulated and unregulated revenues, possible increases in the balance of accounts receivable and higher operating costs to manage the contingency are estimated. To date, it is not possible to quantify the impacts that the future development of this situation will have on the Group.
- Mega-drought.** Due to the fact that the region is going through the greatest drought of the last century and the one that has already lasted for more than a decade, the Company has recorded higher costs by a

total of \$2,168 million associated to raw water purchase and an increase in electric energy consumption mainly related to increased groundwater collection and potable water lift in Metropolitan Region. It should be noted that the Company has invested in drilling and the installation of new groundwater sources, in addition to managing a portfolio of projects to strengthen supply security in the face of this extreme drought scenario.

- 💧 Other expenses were increased by \$2,343 million regarding the same quarter of previous year, mainly due to a higher execution of hydraulic efficiency plan, maintenance of facilities, equipment and vehicles, IT security services, waste and sludge removal, rental services of machinery and water truck in Essal and surveillance services. The above is offset by savings in other services, associated to commercial document printing together with service of cleanliness of facilities.
- 💧 At the non-operating level, there is a lower financial result by \$9,354 million, mainly related to a higher revaluation of debt due to the variation of *Unidad de Fomento* (1.0% in 2020 vs 0.0% in 2019) together with a higher indebtedness level.

Investments

- 💧 As of March 31, 2020, investments of \$28,904 million were executed. The main projects developed were:
 - 🔧 Construction of Pirque Tanks
 - 🔧 Drilling and reinforcement of potable water supply systems
 - 🔧 Renewal of Wastewater and Potable Water networks
 - 🔧 Asset Replacement at La Farfana and Mapocho-Trebal Biofactories
 - 🔧 Mapocho-Trebal Digester Capacity Expansion
 - 🔧 Starters and meters
 - 🔧 Nitrate Treatment at La Farfana and Mapocho-Trebal Biofactories
 - 🔧 Operational Control Center 2.0
- 💧 The **Pirque Tanks** project is in operation since February 2020. This project allows to increase the autonomy of the capital city from 11 to 34 hours of potable water, to cope with the effects of climate change, and thereby minimize the drinking water cuts caused by increased levels of turbidity caused by rainfall in the high mountain range.
- 💧 To face the effects of the **Mega-drought**, the Company has carried out investment works such as the Hydraulic Efficiency Plan to be able to reduce the losses of potable water in the network and the new Operational Control Center for the constant monitoring of the networks. In addition, a plan of future investments has been contemplated to ensure consumption by the inhabitants, such as new drillings in wells and reinforcements in the potable water supply system such as the expansion of the Padre Hurtado Potable Water Treatment Plant.
- 💧 In addition, works to face extreme turbidity events for up to 48 hours are considered, as well as Aguas Andinas has committed new fundamental works to address drought and climate change, which will be incorporated into the Company's updated Development Plan, prior approval by the SISS, highlighting the following:

- (i) Works to reuse 3 m³/s of wastewater
- (ii) Expansion by 1 m³/s of the La Florida Potable Water Production Plant
- (iii) Drilling in the central aquifer by 1.8 m³/s
- (iv) Investments for reduction of losses in the network and re-purification of wastewater

KEY FACTS

 **Results VII Tariff Process.** As of March 31, 2020, the new tariff decrees for Aguas Andinas, Aguas Cordillera and Aguas Manquehue, for the period 2020-2025, are in the process of being published, following the respective agreements with the Superintendence of Sanitary Services.

In the case of Aguas Andinas, a reduction in the tariff for potable water and wastewater treatment of -3% was determined. Within this new tariff framework, the execution of various investments that will progressively increase the autonomy of the capital before episodes of extreme turbidity up to 48 hours, and new fundamental works to address the drought and climate change, such as the **Pirque Tanks** and Works to remove nutrients in the La Farfana Biofactory, projects that are expected to be operational in the first quarter of 2020. These investment projects will generate a tariff increase of 1.6% and 0.5% respectively. The result of the tariff process for the companies Aguas Cordillera and Aguas Manquehue, considered a decrease of -1.5% compared to the tariffs agreed for the previous five-year period. The agreement also included works to ensure quality and continuity of service in the context of climate change and water scarcity, in order to extend the companies' operational autonomy.

 **Sale of shares in ESSAL** - On January 22, 2020, the Company's Board of Directors agreed to initiate an open and competitive process for the sale of the 53.5% shares that Aguas Andinas directly and indirectly holds in ESSAL S.A. With this, the Company seeks to focus its business activity on its current strategic priorities.

 **Dividend distribution** - On April 8, 2020, in an extraordinary meeting of the Company's Board of Directors, it was decided not to distribute earnings over the amount already distributed in January 2020, which was higher than the legal minimum as provided in the Corporations Law. The above is due to the exceptional circumstances related to the Coronavirus Pandemic, therefore, it is necessary to prioritize operational needs and allocate all efforts and resources to these purposes, until the effects of the aforementioned pandemic are clarified. On April 27, 2020, at an Ordinary Shareholders' Meeting, the Board's decision was ratified. Notwithstanding the foregoing, during the course of 2020, the Company will evaluate the distribution of an additional dividend provided that the prevailing circumstances allow it, which must be approved by the respective Corporate Governance bodies.

2. Earnings for the fiscal year

2.1. Accumulated earnings

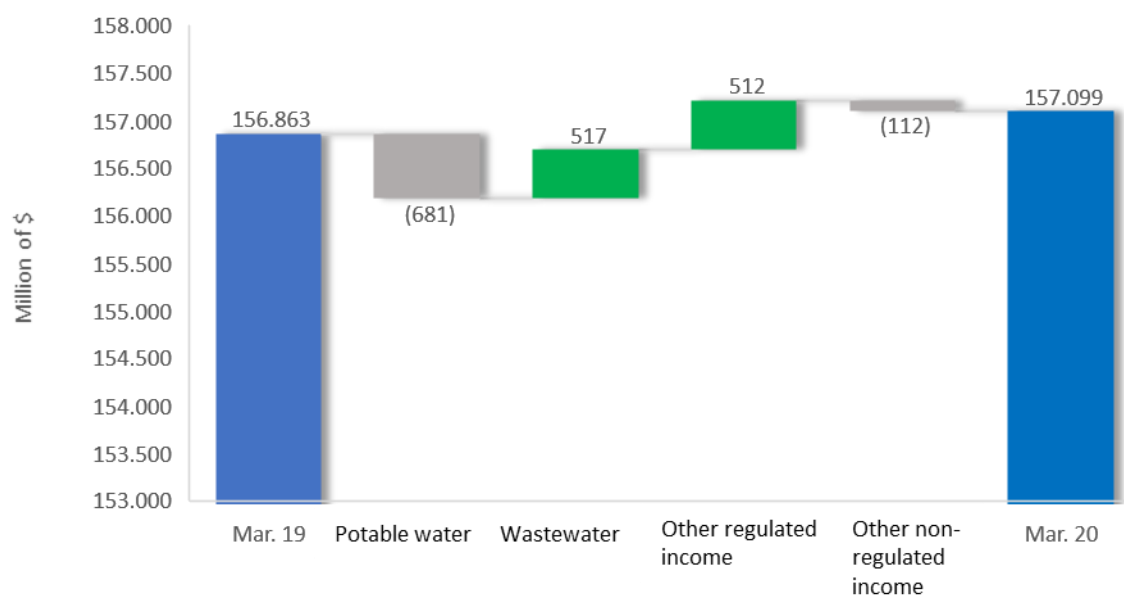
Income Statement (Th\$)	Mar. 20	Mar. 19	% Var.	2020 / 2019
Ordinary Revenues	157,099,259	156,863,309	0.2%	235,950
Operational Costs and Expenses	(61,035,359)	(55,632,924)	9.7%	(5,402,435)
EBITDA	96,063,900	101,230,384	(5.1%)	(5,166,484)
Depreciation and Amortization	(18,911,524)	(18,783,300)	0.7%	(128,224)
Income From Operations	77,152,375	82,447,084	(6.4%)	(5,294,709)
Other Earnings	124,812	(78,058)	<(200%)	202,870
Financial Result*	(15,461,057)	(6,107,416)	153.2%	(9,353,641)
Tax expense	(15,171,404)	(20,615,224)	(26.4%)	5,443,820
Net earnings	46,139,586	54,569,262	(15.4%)	(8,429,676)

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

2.2. Revenue analysis

Revenues present an increase of 0.2% regarding previous year, according the following:

	Mar. 20		Mar. 19	
	Sales M\$	Participation	Sales M\$	Participation
Potable Water	65,946,207	42.0%	66,627,676	42.5%
Wastewater	72,274,563	46.0%	71,757,908	45.7%
Other Regulated Income	6,374,632	4.0%	5,862,347	3.8%
Non-Regulated Income	12,503,857	8.0%	12,615,378	8.0%
Total	157,099,259	100.0%	156,863,309	100.0%



Sales Volume (Thousands of m³)	Mar. 20	Mar. 19	% Var.	Difference
Potable Water	165,981	169,052	(1.8%)	(3,071)
Wastewater Collection	156,991	159,743	(1.7%)	(2,752)
Wastewater Treatment and Disposal	134,657	137,210	(1.9%)	(2,553)
Interconnections*	37,209	37,505	(0.8%)	(296)

Customers	Mar. 20	Mar. 19	% Var.	Difference
Potable Water	2,379,275	2,329,592	2.1%	49,683
Wastewater Collection	2,326,035	2,276,576	2.2%	49,459

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

Regulated Businesses

a) Potable water

Potable water income the first quarter of 2020 reached Th\$65,946,207, showing a decrease of 1.0% compared to the same quarter of previous year, mainly due to a lower volume supplied, partially offset with the tariff indexation registered in the period, the last ones being in January 2020 for Aguas Andinas and March 2020 for Aguas Cordillera.

b) Wastewater

Wastewater income during the first quarter of 2020 reached Th\$72,274,563, which represented an increase of Th\$516,655, due to tariff indexation registered in the course of 2019 and 2020, which was partially offset by lower volume supplied.

c) Other regulated income

This line item presented an increase of Th\$512,285, mainly due to growth in customers in the period.

Unregulated Income

a) Sanitary services

An increase of Th\$618,438 mainly due to lower activity in sanitary infrastructure modifications and technical consultancies of rural potable water, partially offset by higher activity in liquid industrial waste (ESSAL) and home services.

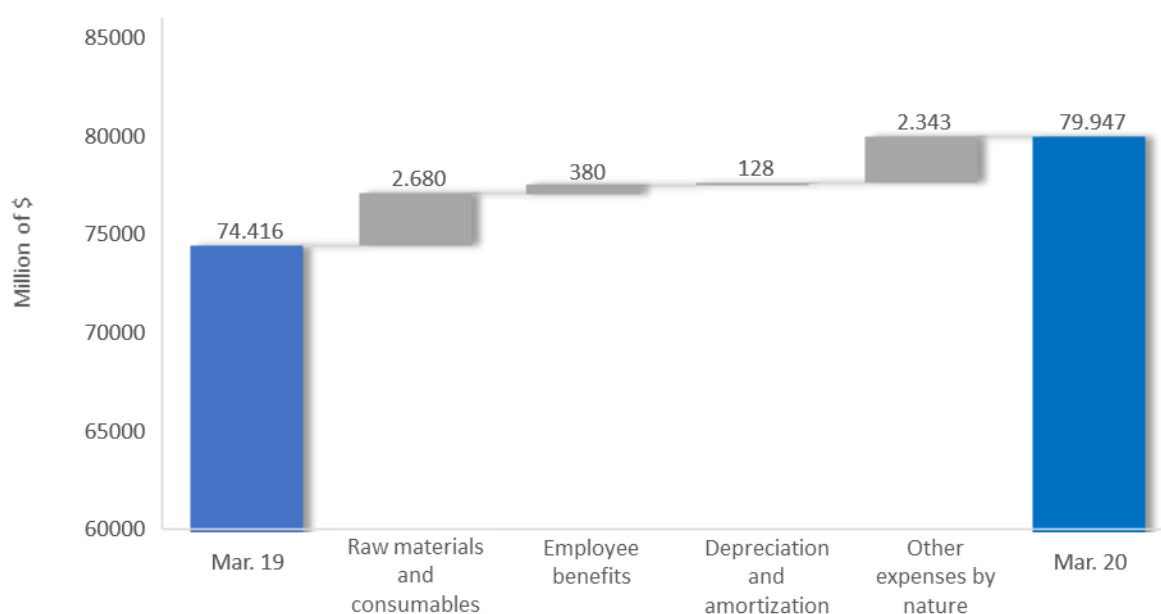
b) Non-sanitary services

An increase of Th\$506,917 was mainly explained by higher plant operation income in EcoRiles and higher potable water analysis and samples in Anam. The above is partially offset by lower material sales in Gestión y Servicios.

(Th\$)	Mar. 20	Mar. 19	% Var.
EcoRiles S.A.	4,023,976	3,328,028	20.9%
Gestión y Servicios S.A.	1,943,269	2,399,387	(19.0%)
Anam S.A.	1,280,673	962,401	33.1%
Aguas del Maipo S.A.	188,799	239,984	(21.3%)
Non-sanitary non-regulated products	7,436,716	6,929,799	7.3%

2.3. Expense analysis

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



a) Raw materials and consumables

As of March 31, 2020, the costs of raw materials and consumables reached Th\$13,147,334, Th\$ 2,679,855 higher than in the first quarter of previous year. The increase was mainly due to purchase of raw water by Th\$1,605,847, to increase the security of supply of our customers due to the low flow in the Maipo river basin. Additionally, a higher cost of electric power of Th\$878,964, of which Th\$562,155 are associated to higher groundwater collection and higher potable water lift in Metropolitan Region and, in ESSAL, Th\$316,810 due to the increase in prices of regulated customers together with power consumption.

b) Employee benefits

At the end of the first quarter 2020, employee benefit expenses reached Th\$14,740,269, which was Th\$379,813 (2.6%) higher than in the previous year. This increase is mainly related to higher

endowment and contractual benefits of collective bargaining agreed in 2019 in the company ESSAL together with a higher expense in non-regulated subsidiaries.

c) Depreciation and amortization

As of March 31, 2020, depreciation and amortization amounted to Th\$18,911,524, Th\$128,224 higher than obtained in the same period of previous year. This was the result of depreciation associated with new assets added during the year.

d) Other expenses by nature

At the end first quarter 2020, these expenses amounted to Th\$33,147,756, which was Th\$2,342,766 higher mainly due to higher mainly due to increased execution of the hydraulic efficiency plan for Th\$578,069, maintenance of facilities, equipment and vehicles for Th\$496,590, maintenance and IT security services for Th\$369,274, removal of waste and sludge for Th\$333,346, rental services of machinery and water trucks in ESSAL for Th\$111,349 and surveillance services for Th\$249,204, as a result of the reinforcement of security in facilities. The above is partially offset by savings in other services of Th\$100,655, mainly associated with commercial documents printing together with cleaning contracts of facilities.

2.4. Analysis of Financial revenues and others

a) Other earnings (losses)

As of March 31, 2020, higher result of Th\$202,870 were obtained, mainly due to bill recovery of performance bond partially offset with higher expenses for retirement plan.

b) Financial costs

As of March 31, 2020, the financial costs reached of Th\$7,370,725, which meant a decrease of Th\$ 95,894. The above was mainly explained by lower bank interests associated to lower average interest rate together with higher financial activation, partially offset by higher bond interests due to higher volume of debt obtained to finance company's investment plan.

c) Results per readjustment unit

At the end of first quarter 2020, readjustment unit charges were Th\$9,387,506 resulting in higher expenses of Th\$9,416,377, due to a higher revaluation of debt due to the variation in the *Unidad de Fomento* (1.0% in 2020 versus 0.0% in 2019).

d) Income tax expense

Income tax expense as of March 31, 2020 was Th\$15,171,404, Th\$5,443,820 lower, mainly explained by lower income before taxes.

e) Earnings

Net income as of March 31, 2020 amounted to Th\$46,139,586, Th\$8,429,676 lower than in the previous year, representing a decrease of 15.4%.

2.5. Results by segment

a) Accumulated income, Water segment

Income Statement (Th\$)	Mar. 20	Mar. 19	% Var.	2020 / 2019
External Revenue	149,604,174	149,902,927	(0.2%)	(298,753)
Revenues Segments	270,682	238,240	13.6%	32,442
Operating Costs and Expenses	(55,536,633)	(49,771,697)	11.6%	(5,764,936)
EBITDA	94,338,223	100,369,470	(6.0%)	(6,031,247)
Depreciation and Amortization	(18,453,260)	(18,363,145)	0.5%	(90,115)
Income from Operations	75,884,963	82,006,325	(7.5%)	(6,121,362)
Other Earnings (Losses)	236,346	(40,685)	<(200%)	277,031
Financial Results*	(15,406,185)	(6,043,881)	154.9%	(9,362,304)
Tax Expense	(14,864,574)	(20,514,791)	(27.5%)	5,650,217
Net Earnings	45,345,410	54,329,845	(16.5%)	(8,984,435)

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

The results of this segment showed a decrease of 16.5%, mainly due to:

- A decrease in external income, mainly associated with lower non-regulated incomes due to a lower activity in technical consultancies of rural potable water and sanitary infrastructure modifications. The above was partially offset due to the tariff indexation registered in the period, the last ones being in January 2020 for Aguas Andinas and March 2020 for Aguas Cordillera, which was offset with a decrease in invoiced sale volumes.
- Costs increased mainly due to higher execution of the hydraulic efficiency plan for Th\$578,069, maintenance of facilities, equipment and vehicles for Th\$496,590, maintenance and IT security services for Th\$369,274, removal of waste and sludge for Th\$256,008, rental services of machinery and water trucks in ESSAL for Th\$111,349 and surveillance services for Th\$249,204. In addition, due to the extreme drought affecting the central area of the country, there have been increases in water purchase expenses of Th\$1,605,847 due to the low flow in the Maipo river basin and higher electricity costs of Th\$896,302, mainly associated with increased groundwater collection and potable water lift in the Metropolitan Region, and in ESSAL regulated client prices have increased together with increased power consumption.
- The financial result presented a net expense of Th\$15,406,185, which was Th\$9,362,304 higher than in the same period of previous year, as a consequence of higher revaluation of debt due to the variation of *Unidad de Fomento* (1.0% in 2020 versus 0.0% in 2019) together with higher indebtedness level.
- Income tax expense as of March 31, 2020 was Th\$14,864,574, Th\$5,650,217 lower, mainly explained by lower income before taxes.

b) Accumulated income, Non-Water segment

Income Statement (Th\$)	Dec. 19	Dec. 18	% Var.	2019 - 2018
External Revenue	28,577,039	25,712,641	11.1%	2,864,398
Revenues Segments	4,709,044	4,311,876	9.2%	397,168
Operating Costs and Expenses	(27,183,218)	(24,412,117)	11.4%	(2,771,101)
EBITDA	6,102,865	5,612,400	8.7%	490,465
Depreciation and Amortization	(1,869,315)	(1,271,095)	47.1%	(598,220)
Income from Operations	4,233,550	4,341,305	(2.5%)	(107,755)
Other Earnings (Losses)	(257,230)	(271,241)	(5.2%)	14,011
Financial Results*	(541,277)	(22,222)	2335.8%	(519,055)
Tax Expense	(966,925)	(1,019,468)	(5.2%)	52,543
Net Earnings	2,468,118	3,028,374	(18.5%)	(560,256)

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

The results of the Non-Water segment showed an increase of Th\$554,760 in relation to the previous year, mainly due to:

- 💧 An increase in operating income of EcoRiles plants and higher potable water analysis and samples in Anam. The above is offset by lower material sales in Gestión y Servicios.
- 💧 The 0.9% increase in costs is associated with cost made in operating plants of company EcoRiles towthether with an increase in personnel costs for higher endowment of company Anam. The above is partially offset by lower cost of material sale of company Gestión y Servicios.
- 💧 Income tax expense as of March 31, 2020 was Th\$306,831, Th\$206,509 higher regarding the same period of previous year, mainly explained by higher income before taxes.

3. Statement of financial position

	Mar. 20	Dic. 18	% Var.
	Th\$	Th\$	
Assets			
Current Assets	274,875,603	197,676,646	39.1%
Non-Current Assets	1,815,682,684	1,803,767,656	0.7%
Total Assets	2,090,558,287	2,001,444,302	4.5%
Assets and Equity			
Current Liabilities	250,752,593	242,137,717	3.6%
Non- Current Liabilities	1,105,687,505	1,071,833,122	3.2%
Total Liabilities	1,356,440,098	1,313,970,839	3.2%
Shareholders' Equity	690,592,920	644,453,334	7.2%
Minority Interest	43,525,269	43,020,129	1.2%
Total Shareholders' Equity	734,118,189	687,473,463	6.8%
Total Liabilities and Shareholders' Equity	2,090,558,287	2,001,444,302	4.5%

3.1. Assets analysis

The total assets of Aguas Andinas at a consolidated level at March 31, 2020 showed an increase of 4.5% compared to December 31, 2019, equivalent to Th\$89,113,985.

Current assets increased by ThCh\$77,198,957, mainly due to an increase in cash and cash equivalents of Th\$58,074,286, as a result of bank loans managed in March, together with higher trade debtors and other accounts receivable of Th\$11,699,606 explained mainly by an increase in customer balances due to lower collections in the period due to the seasonality of revenues and regulated customer accounts. However, compared to the previous year, the increase is Th\$ 4,257,867, mainly in accounts receivable with balances of less than three months. Additionally, an increase in other current financial assets of Th\$5,216,887 was generated, associated with the recording of the advance payment of capital and bond interest payable on April 1, 2020.

Non-current assets increased by Th\$11,915,028 mainly explained by higher property, plant and equipment of Th\$10,805,995, associated with investments made in the period. The main investment works are reflected in the following table:

Investments (Th\$)	Mar. 20
Pirque Tank Construction	2,952,445
Drillings and water supply system reinforcements	2,260,124
Renovation of wastewater networks	2,138,693
Asset replenishment La Farfana-Trebal Biofactories	1,845,092
Mapocho-Trebal Digester Capacity Expansion	1,661,915
Starters and meters	1,366,539
Renovation of potable water networks	1,347,918
Treatment of nitrates La Farfana-Trebal Biofactories	882,103
Operational Control Center 2.0	790,199

3.2. Liabilities and equity analysis

Liabilities payable as of March 2020 increased by Th\$42,469,259 compared to December 2019.

Current liabilities increased by Th\$8,614,876. This variation was mainly due to an increase in financial liabilities, mainly associated to new bank loans. The above is partially offset with a decrease of accounts payable related to investments and expenses together with interim dividends made during the first quarter of 2020.

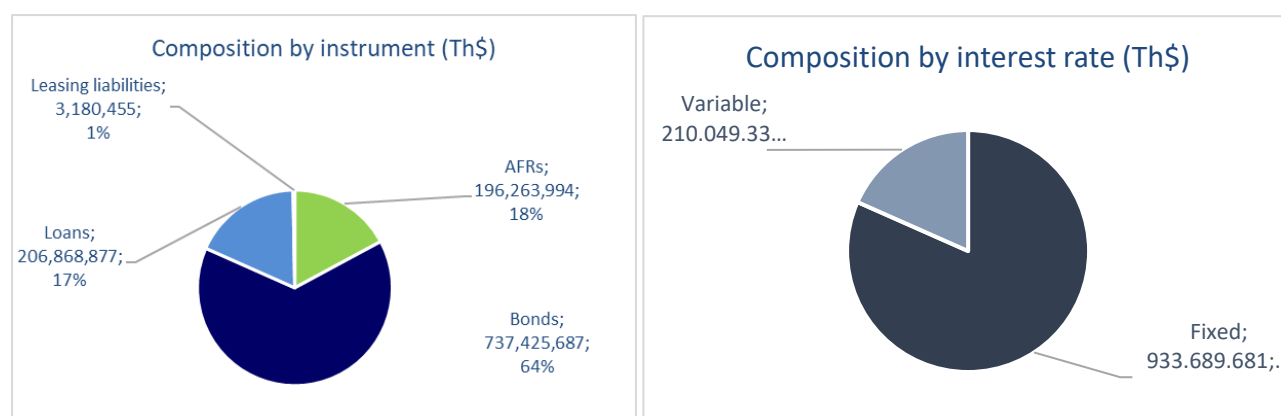
Non-current liabilities presented an increase of Th\$33,854,383 (3.2%). This variation mainly corresponds to an increase of debt related to long-term bank loans.

Total equity increased by Th\$46,644,772 and net shareholders' equity attributable to the owners of the parent company increased by Th\$46,139,586, mainly explained by the profit of the period.

The maturity profile of the financial debt as of March 31, 2020 is as follows:

Financial debt Th\$	Currency	Total	12 months	1 to 3 years	3 to 5 years	More than 5 years
AFRs	\$	196,263,994	7,041,125	53,546,218	39,823,278	95,853,373
Bonds	\$	737,425,687	18,804,658	42,152,974	27,841,938	648,626,117
Loans	\$	206,868,877	77,631,523	87,112,901	37,699,562	4,424,891
Leasing liabilities	\$	3,180,455	1,474,271	1,633,398	72,786	-
Total		1,143,739,013	104,951,577	184,445,491	105,437,564	748,904,381

3.3. Structure of financial liabilities



4. Cash flow statement

Cash Flow Statement (Th\$)	Mar.20	Mar.19	% Var.
Operating Activities	49,531,070	77,238,739	(35.9%)
Investment Activities	(37,010,464)	(65,728,301)	(43.7%)
Financing Activities	45,553,679	(22,709,960)	(300.6%)
Net Cash Flow for the Period	58,074,285	(11,199,522)	(618.5%)
Final Cash Balance	130,137,043	28,780,952	352.2%

Cash flow from operating activities decreased by Th\$27,707,669, when compared to March 2020 and March 2019.

The main variations were the following:

- 💧 Increase in payments to suppliers of Th\$20,006,088, mainly associated with infrastructure suppliers.
- 💧 Increase in payment to and on behalf of employees by Th\$1,277,245, due to higher endowment and contractual benefits of collective bargaining agreed in 2019 in company ESSAL together with higher expense in non-regulated subsidiaries.
- 💧 Increase in other payments for operating activities of Th\$1,641,409, due to a higher value added tax payment.
- 💧 Increase in interest paid by Th\$1,674,310, due to a higher capitalized interest payment.
- 💧 Increase in income tax paid by Th\$3,355,748, this variation was mainly explained by higher payment of Provisional Monthly Payments (PPMs, for its acronym in Spanish).
- 💧 Increase in accounts receivable generated a decrease of collections from sales of goods and service provision by Th\$5,790,329.

Disbursements for investment activities decreased by Th\$28,717,837, mainly associated to Pirque tanks construction and Works of nutrient removal in La Farfana Biofactory, projects that are already in their completion phase.

Financing activities generated a net cash flow (increase) of Th\$68,263,639, which is mainly explained by a higher obtaining loans and financial instruments to finance the company's investment plan.

5. Financial ratios

		Mar.20	Dec.19
Liquidity			
Current liquidity	times	1.10	0.82
Acid Test Ratio	times	0.52	0.30
Leverage			
Total Leverage	times	1.85	1.91
Current Leverage	times	0.18	0.18
Non-Current Leverage	times	0.82	0.82
Annualized Financial Expenses Coverage	times	6.79	7.25
Profitability			
Annualized equity profitability attributable to the controller's property owners	%	19.27	22.09
Annualized asset profitability	%	6.65	7.25
Annualized earnings per share	\$	21.79	23.16
Dividend yield (*)	%	8.69	6.81

Current liquidity: current assets/current liabilities

Acid test ratio: cash and cash equivalents/current liabilities

Total indebtedness: total liabilities / total shareholders' equity.

Current debt: current liabilities / total liabilities

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

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

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

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

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

Dividend yield: dividends paid per share / share price.

() The share price as of March 2020 amounts to \$252, while as of December 2019 it amounts to \$319.*

As of March 2020, current liquidity increased by 34.1%, due to the increase in current assets of Th\$ 77,198,957, mainly explained by higher cash and cash equivalents, resulting from increased bank loans.

The indebtedness ratio decreased by 3.1%, mainly due to an increase in total equity of Th\$46,644,726, explained by the income of the period, offset with an increase in liability payable by Th\$42,469,259 due to an increase of financial liabilities, mainly related to bank debt.

The profitability of shareholders' equity attributable to the owners of the parent company decreased by 12.8% due to an increase of average equity by Th\$50,354,424, due to the income of the period and a decrease in the annualized profit by Th\$8,429,676.

6. Other background information

1.1. Tariffs

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

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

Aguas Andinas S.A.:

Group 1	January 2020
Group 2	January 2020
Rinconada de Maipú	May 2019 and January 2020

Aguas Cordillera S.A.: March 2020

Aguas Manquehue S.A.:

Santa María	without indexation period 2019-2020
Los Trapenses	without indexation period 2019-2020
Chamisero	without indexation period 2019-2020
Chicureo	January 2020
Valle Grande 3	January 2020

Essal S.A.:

Group 1	July 2019
Group 2	July 2019
Group 3	July 2019
Los Alerces	July 2019
Chinquihue	July 2019

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

The current tariffs for the period 2015-2020 for Aguas Andinas S.A., were approved by Decree No. 83 dated June 5, 2015, of the Ministry of Economy, Development and Reconstruction and came into force on March 1, 2015 (published in the Official Gazette on September 3, 2015). The current tariffs of Aguas Cordillera S.A. for the same five-year period 2015-2020 were approved by Decree No. 152 dated October 19, 2015, and came into force on June 30, 2015 (published in the Official Gazette on November 25, 2015) and the current tariffs

of Aguas Manquehue S.A. 2015-2020 were approved by Decree No. 139 dated September 16, 2015, and came into force on May 19, 2015 (published in the Official Gazette on November 25, 2015).

As of March 31, 2020, the new tariff decrees for Aguas Andinas, Aguas Cordillera and Aguas Manquehue, for the period 2020-2025, are in the process of being published, following the respective agreements with the Superintendence of Sanitary Services.

Meanwhile, for the Essal subsidiary, the tariffs in force for the period 2016-2021 were approved by Decree No. 143 dated August 25, 2016, published in the Official Gazette on January 21, 2017.

1.2. Market risk

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

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

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

1.3. Market analysis

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

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

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

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

Essal S.A. has 100% coverage in drinking water, 96.6% in the sewerage service in the X Region and 93.6% in the XIV Region; and 100% in wastewater treatment.

1.4. Capital investments

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

Committed investments. We are required to agree an investment plan with the S.I.S.S., which describes the investments we must make during the 15 years following the date on which the corresponding investment plan comes into force. Specifically, the investment plan reflects a commitment on our part to carry out certain projects related to maintaining certain standards of quality and coverage of services. The aforementioned investment plan is subject to review every five years, with the possibility of requesting amendments when certain relevant facts are verified.

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

Aguas Andinas S.A.

Greater Santiago: December 23, 2015

Locations: December 31, 2014, January 12, 2015, November 17, 2015, December 12, 2016 and April 6, 2018.

Aguas Cordillera S.A.

Aguas Cordillera and Villa Los Dominicos: December 21, 2015

Aguas Manquehue S.A.

Santa María and Los Trapenses: December 23, 2014

Chicureo, Chamisero and Valle Grande III: August 10, 2016

Alto Lampa: December 6, 2018.

ESSAL S.A.

Locations in the X and XIV Regions: June 1, 2016, June 14, 2016, August 12, 2016 and January 16, 2017.

Uncommitted investments. Uncommitted investments are those that are not contemplated in the investment plan and that we make voluntarily in order to ensure the quality of our services and replace

obsolete assets. These generally relate to the replacement of network infrastructure and other assets, the acquisition of water rights and investments in non-regulated businesses, among others.

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

1.5. Financial aspects

a) Currency risks

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

b) Interest rate risks

As of March 31, 2020, the interest rate risk held by Aguas Andinas S.A. was 81.9% at a fixed rate and 18.1% at a variable rate. The fixed-rate debt is made up of: issues of short- and long-term bonds (78.7%), reimbursable financial contributions (20.9%) and lease liabilities (0.3%), while the variable-rate debt corresponds to loans with domestic banks.

As of December 31, 2019, the interest rate risk held by Aguas Andinas S.A. was 88.9% at a fixed rate and 11.1% at a variable rate. The fixed-rate debt is made up of: issues of short- and long-term bonds (78.8%) and reimbursable financial contributions (20.8%) and lease liabilities (0.4%), while the variable-rate debt corresponds to loans with domestic banks.

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

All this favorable situation has meant that the credit rating agencies have assigned us a risk rating of AA+ for long-term debt. In the case of shares, Feller Rate and ICR assigned us a first-class level 1 rating for series A and first-class level 4 for series B.