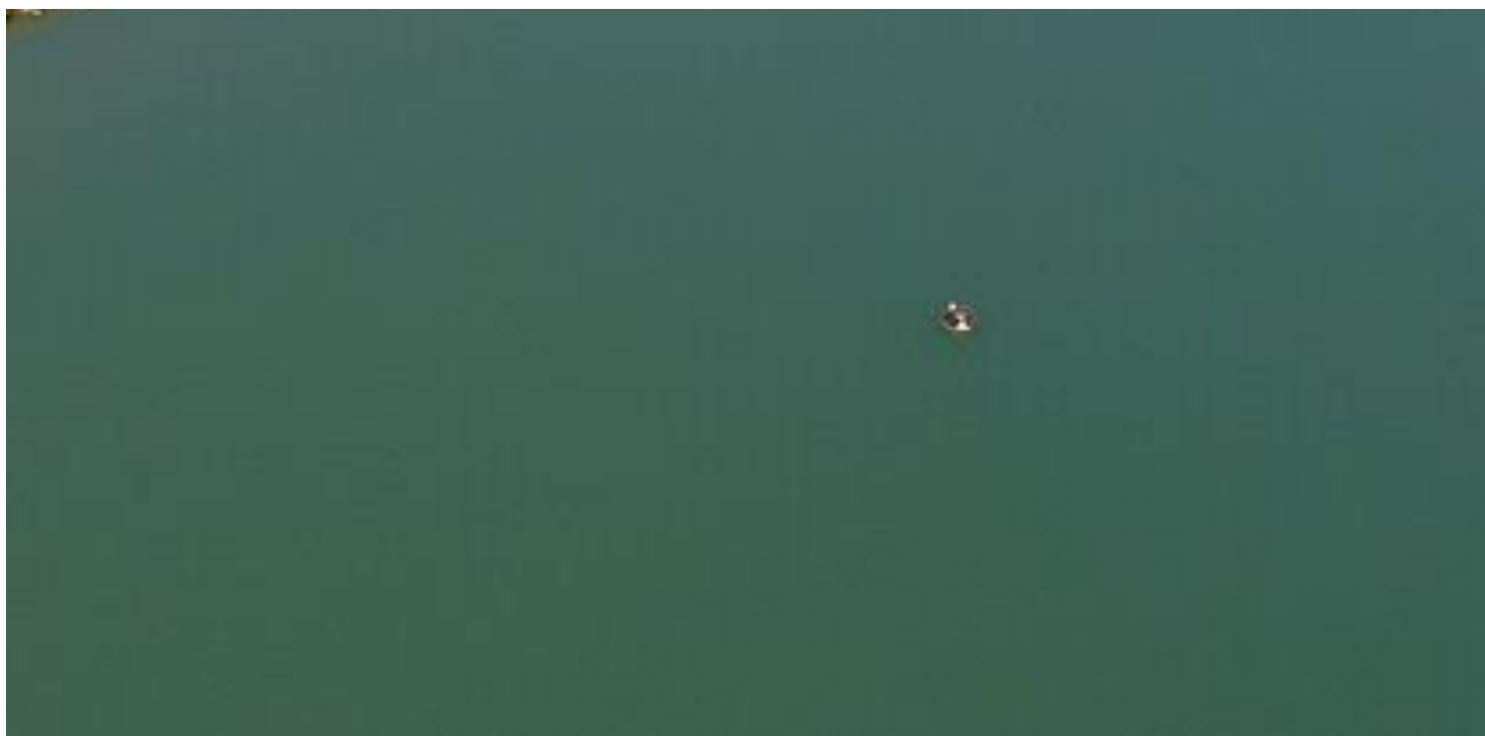




Earnings Release Aguas Andinas

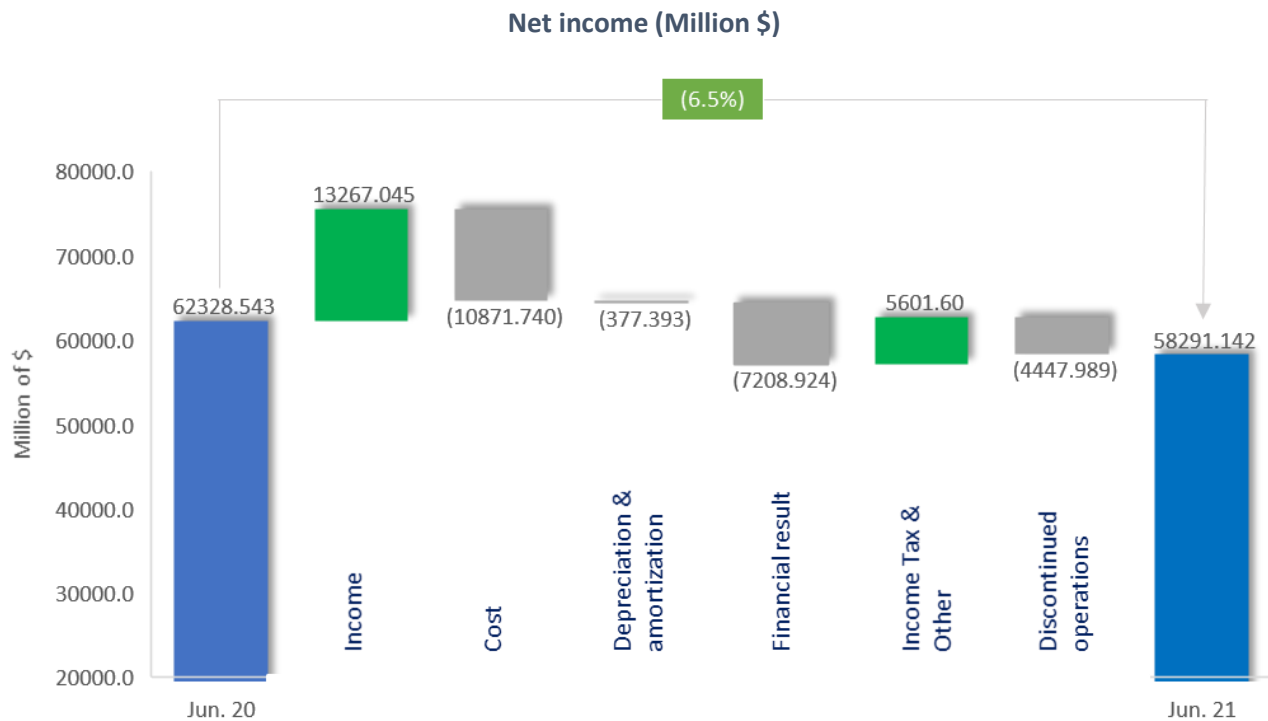
Period ended June 30, 2021



1. Summary of the period

- 💧 During the first quarter of 2021 we have continued to experience the direct and indirect impacts derived from the exceptional situation due to Covid-19, which we will explain below.
- 💧 This context requires us to continue to make a great effort to adapt in order to continue supplying the public with water, an essential resource for life, for which we continue to deploy an intense preventive strategy. In view of this, at Aguas Andinas we continue to have all the economic, technical and human resources available to ensure the continuity of the operation, ensuring a safe supply at a crucial time, protecting the health of our workers and their families and, at the same time, of the community.
- 💧 Due to the extreme drought situation that the region has been experiencing for more than a decade, the Company has continued to manage the water scarcity through the purchase of water and deeper groundwater catchment, maintaining security levels of the El Yeso reservoir, this has resulted in the storage of 174.9 hm³ at the end of June 2021, which represents a 55% increase compared to the 112.8 hm³ stored at the end of June 2020. It should be noted that investments have been made and several projects are in progress to strengthen security of supply in the face of this extreme drought scenario.
- 💧 Undoubtedly, the climate crisis, whose main manifestation has been the profound water scarcity affecting the central zone of the country, poses us important challenges in a context in which there is a significant imbalance in the balance of supply and demand. In view of this, it is essential to add new sources, to have greater redundancy in infrastructure and to increase the resilience of the system to provide an increasingly robust supply in the face of climate change. And we must continue working along these lines.
- 💧 In order to face this emergency, the Company has continued executing the investment plan, investing \$68,405 million during the first quarter of 2021.

💧 **Net income as of June 30, 2021, amounted to \$58,291 million.** The main changes from the same period last year are shown in the following chart:



- Higher regulated revenues mainly associated with higher average tariffs of \$4,336 million due to the latest tariff indexations, which is partially offset by a decrease in sales volumes of \$2,048 million, associated with lower sales to non-residential customers of 7.2%, but partially offset by an increase in residential customers of 0.8%. The above is explained by lower activity attributable to the exceptional situation due to Covid as well as the unusually cold weather conditions experienced in Santiago last summer.
- Higher non-regulated revenues of \$11,060 million, mainly due to higher activity in agreements with developers, home services to customers, modifications to sanitary infrastructure, technical advisory services for rural potable water, extraordinary revenues associated with the Trebal-Mapocho Biofactory and higher activity in non-regulated subsidiaries.
- Situation of Covid-19: Since March 2020, the Company maintains an action plan to ensure service continuity, implementing various measures to manage the exceptional situation resulting from the Coronavirus Pandemic.

The direct and indirect effects in costs presumably derived from the exceptional situation by Covid compared to the same semester of the previous year, are explained below:

1. A lower collection of regulated customers accounts that increased the age of the accounts receivable balance, having to recognize an amount of \$7,493 million as a provision for bad debts, generating a **higher bad debt expense of \$1,573 million compared to previous year.**

The bad debt recognition policy used by the Company is based on collection statistics according to the age of the invoice. In this sense, the debt of customers with more than 8 balances is 100% provisioned. Additionally, debts for consumption transformed into payment agreements are provisioned at 100% of the agreed balance.

Within the framework of the sanitary crisis affecting the country due to COVID-19, an extension until December 31, 2021 of the Basic Services Law was approved, which establishes that the companies providing sanitary services, electricity and gas network may not cut off the supply for late payment for customers who meet the requirements defined in the law. Debts may be prorated between 12 and up to 48 installments at the customer's choice, without fines, interest or associated costs.

The evolution of gross debt as of June 30, 2021 is shown below:

Age of gross debt (in million of \$)	Jun. 21	Jun. 20 *	Dec.20	Jun2021 / Dec2020
less than three months	76,072	75,973	80,768	(4,696)
between three and six months	5,068	11,010	3,975	1,093
between six and eight months	2,467	2,274	2,186	282
more than eight months	17,936	16,647	18,736	(800)
Agreements	27,976	19,977	19,729	8,247
Total	129,520	125,881	125,395	4,125

* The ESSAL debt of June 2020 has been deleted for comparability of information.

2. There were direct costs of \$1,893 million associated with safety measures, hygiene supplies, personnel transportation and worker health monitoring program which represent a lower cost of \$347 million regarding the same period of the previous year.

Complementing the above, an overall impact of \$16,766 million is estimated for the direct and indirect effects derived from the exceptional situation caused by Covid compared to a normal year without pandemic, associated with lower consumption of \$10,996 million, mainly due to lower sales to non-residential customers, higher expenses for uncollectible \$4,670 million, direct Covid costs of \$1,893 million and lower activity in the non-regulated business (home services to customers and sanitary infrastructure modifications) of \$506 million. This is partially offset by lower costs in cutting and replacement services and administrative expenses of \$1,299 million.

- Higher raw water purchase costs for \$1,827 million necessary to continue facing the extreme drought situation that the region has been experiencing for more than a decade.

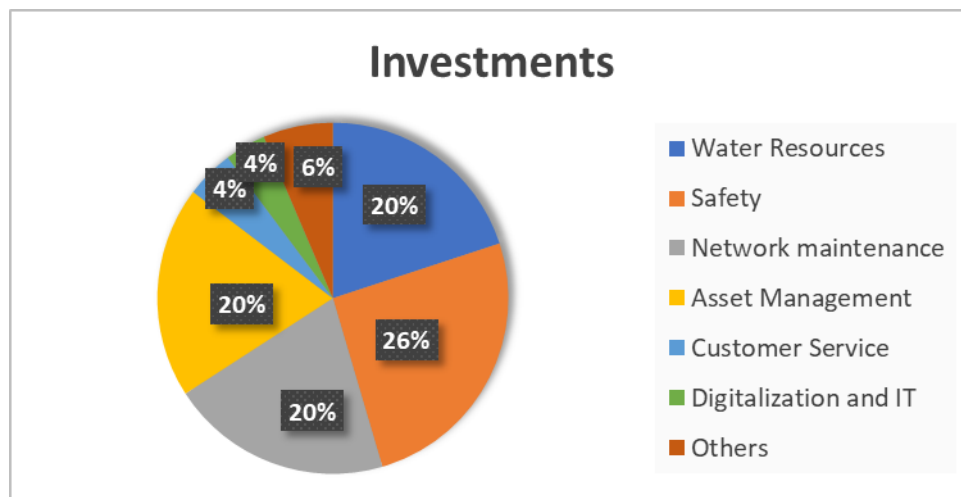
For information, the volume stored in June 2020 was 112.8 hm³ vs. 174.9 hm³ at the end of June 2021.

- The Company has developed process improvement and digital transformation projects that have allowed it to contain and reduce costs by \$1,511 million, mainly in the digitalization of commercial processes and optimization of general services and administrative expenses, together with lower costs mainly associated with customer services by lower outage services.

- At the non-operating level, a lower financial result of \$7,209 million was presented, compared to the same period of the previous year, mainly associated with higher debt revaluation due to the variation of the Unidad de Fomento (2.2% in 2021 versus 1.4% in 2020).
- Generation and Position of Cash.** During the second quarter of 2021, the balance of cash and cash equivalent decreased by \$44,865 million regarding end of March 2021, reaching \$136,358 million. The decrease in the balance of cash and cash equivalent in the second quarter is mainly explained by dividend payments made in May 2021 together with the investment payment, which was partially offset by higher operating flow. The levels of cash and cash equivalents allow the Company to have a margin to face the uncertainties of the current environment.

Investments

- As of June 30, 2021, investments of \$68,405 million were executed, detailed in the following graph:



- The main projects developed in the first semester of 2021 were the following:
 - Drilling and reinforcement of water supply system: It should be noted that work began on the **Pozos de Cerro Negro - Lo Mena project**, an infrastructure that will strengthen the potable water supply in the southern sector of the city, consisting of 15 wells for the extraction of groundwater, in addition to a 20,000 m³ tank, a lifting plant and a chlorination and fluoridation unit. This backup infrastructure will be activated only in emergencies and will have a flow rate of 1,500 l/s.
 - Renewal of wastewater and potable water networks
 - Nitrate Treatment at La Farfana and Mapocho-Trebal Biofactories
 - Expansion and modernization of Padre Hurtado potable water treatment plant
 - Autonomy 12 hours Aguas Cordillera (San Antonio and San Enrique Tanks)
 - Replenishment of assets La Farfana and Mapocho-Trebal Biofactories
 - Starters and meters
- To face the effects of the **Mega-drought**, the Company has carried out investment works such as the Hydraulic Efficiency Plan to be able to reduce the losses of potable water in the network and the new

Operational Control Center for the constant monitoring of the networks. In addition, a plan of future investments has been contemplated to ensure consumption by the inhabitants, such as new drillings in wells and reinforcements in the potable water supply system such as the expansion of the Padre Hurtado Potable Water Treatment Plant.

- 💧 In addition, works to face extreme turbidity events for up to 48 hours are considered, as well as Aguas Andinas has committed new fundamental works to address drought and climate change, which have been requested and incorporated into the Company's updated Development Plan, subject to approval by the SISS, including the following:

(i) Works to reuse 3 m³/s of wastewater

(ii) Drilling in the central aquifer by 1.8 m³/s

KEY FACTS

- 💧 **Distribution of dividends:** On April 21, 2021, at the Company's Ordinary Shareholders' Meeting, it was agreed to distribute the net earnings for the year 2020, amounting to \$98,692 million, excluding the result obtained from the sale of assets, net of taxes and interim dividend paid on December 18, 2020 for an amount of \$64,800 million, therefore remaining an amount to be distributed of \$26,745 million. The earning agreed to be distributed amounts to \$65,181, corresponding \$26,745 million for the year 2020 (additional dividend) and \$38,436 million to retained earnings (eventual dividend), which means a final dividend of \$10.65 per share, which was payable as of May 18, 2021.

2. Earnings for the period

Accumulated earnings

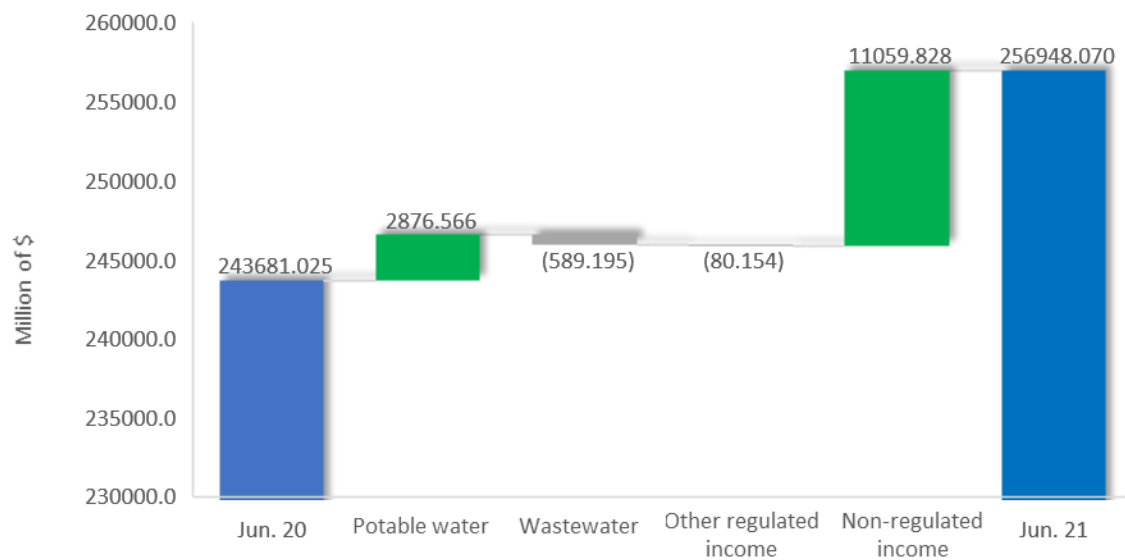
Income Statement (Th\$)	Jun. 21	Jun. 20	% Var.	2021 / 2020
Ordinary Revenues	256,948,070	243,681,025	5.4%	13,267,045
Operational Costs and Expenses	(117,585,797)	(106,714,057)	10.2%	(10,871,740)
EBITDA	139,362,273	136,966,968	1.7%	2,395,305
Depreciation and Amortization	(33,840,388)	(33,462,995)	1.1%	(377,393)
Income From Operations	105,521,885	103,503,973	1.9%	2,017,912
Other Earnings	(2,036,737)	(1,438,858)	41.6%	(597,879)
Financial Result*	(30,309,505)	(23,100,581)	31.2%	(7,208,924)
Tax expense	(14,883,524)	(19,255,379)	(22.7%)	4,371,855
Discontinued operations	-	4,447,989	(100.0%)	(4,447,989)
Net earnings	58,291,142	62,328,543	(6.5%)	(4,037,401)

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

2.2. Revenue analysis

Revenues present a decrease of 5.4% compared to previous year, according to the following:

	Jun. 21		Jun. 20	
	Sales Th \$	Participation	Sales Th \$	Participation
Potable Water	106,045,523	41.3%	103,168,957	42.3%
Wastewater	113,102,563	44.0%	113,691,758	46.7%
Other Regulated Income	6,651,429	2.6%	6,731,582	2.8%
Non-Regulated Income	31,148,555	12.1%	20,088,728	8.2%
Total	256,948,070	100.0%	243,681,025	100.0%



Sales Volume (Thousands of m ³ accrued)	Jun. 21	Jun. 20	% Var.
Potable Water	273,588	276,149	(0.9%)
Wastewater Collection	261,084	262,999	(0.7%)
Wastewater Treatment and Disposal	222,568	223,501	(0.4%)
Interconnections*	66,453	68,218	(2.6%)

Customers	Jun. 21	Jun. 20	% Var.
Potable Water	2,188,362	2,153,439	1.6%
Wastewater Collection	2,144,538	2,110,078	1.6%

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

Regulated Businesses

a) Potable water

Potable water income at the first semester of 2021 reached Th\$106,045,523, which meant an increase of 2.8% regarding same semester of previous year, mainly due to higher average tariff associated to the latest tariff indexation and for the tariff associated to Pirque Tanks, which is partially compensated by a lower volume supplied.

b) Wastewater

The wastewater income during the first semester of 2021 reached Th\$113,102,563, which represented a decrease of \$589,195 regarding previous year, due to lower volume, which is partially offset with the inflation indexation applied during 2020 and 2021.

c) Other regulated income

This line item presented a decrease of Th\$80,153, due to lower activity in services not associated with sales volume.

Unregulated Income

a) Sanitary services

There was an increase of Th\$9,818,744 mainly due to increased activities in agreements with developers, home services to customers, modifications to sanitary infrastructure, technical advisory for rural potable water, and additionally the extraordinary revenues associated to Mapocho-Trebal Biofactory is included.

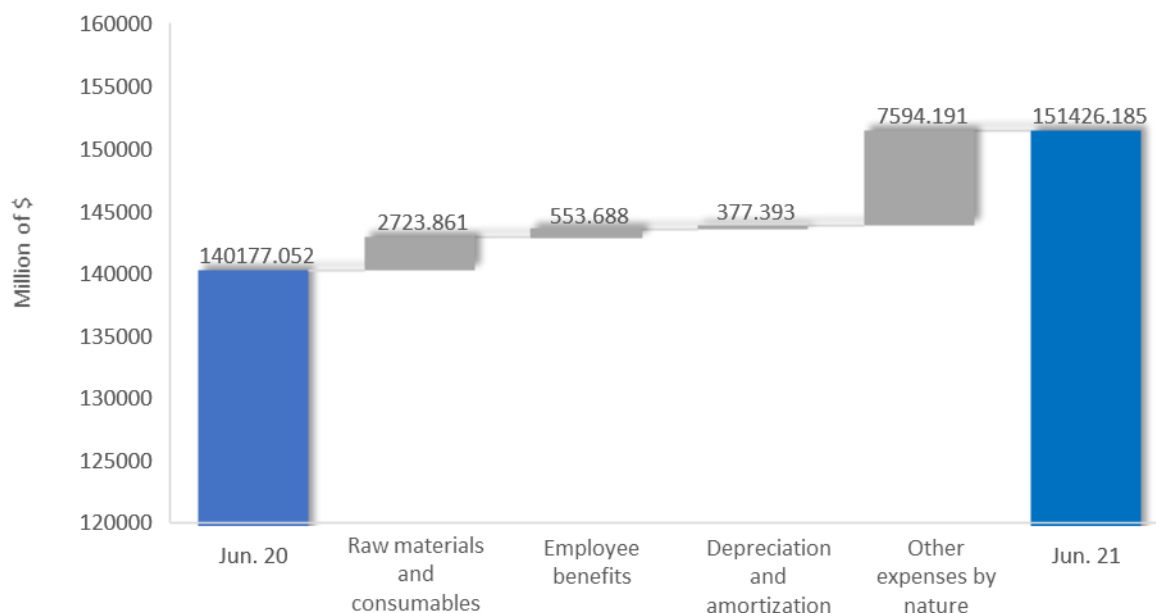
b) Non-sanitary services

The increase of Th\$1,241,083 was mainly explained by higher analysis and sampling of potable water in Anam, together with higher activity of the company EcoRiles.

(Th\$)	Jun. 21	Jun. 20	% Var.
EcoRiles S.A.	8,200,827	7,857,468	4.4%
Gestión y Servicios S.A.	3,390,288	3,357,389	1.0%
Anam S.A.	3,186,511	2,477,693	28.6%
Aguas del Maipo S.A.	469,622	313,615	49.7%
Non-sanitary non-regulated products	15,247,248	14,006,165	8.9%

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 June 30, 2021, the costs of raw materials and consumables reached Th\$23,905,210, Th\$2,723,861 higher than the one obtained in the first semester of previous year. The increase was mainly due to purchase of raw water by Th\$1,826,502, to increase the security of supply of our customers due to the low flow in the Maipo river basin and higher costs in electric power by Th\$527,816, associated to higher average tariff.

b) Employee benefits

At the end of first semester of 2021, employee benefit expenses reached Th\$26,619,693. Collective bargaining processes were successfully closed with all Aguas Andinas unions, collective bargaining agreements that will be in force for 3 years. The benefits obtained in these negotiations and the readjustments agreed for inflation, together with a higher provision for accrued vacation, mainly explain the increase in expenses of Th\$553,688 for this concept.

c) Depreciation and amortization

As of June 30, 2021, depreciation and amortization amounted to Th\$33,840,388, Th\$377,393 higher than the one obtained in the same period of previous year. This was due to the depreciation related to new incorporated assets in the period.

d) Other expenses by nature

At the end of first semester of 2021, these expenses amounted to Th\$67,060,894, which was Th\$7,594,191 higher mainly due to higher level of uncollectibility in Th\$1,573,465, higher cost of sales associated with non-regulated revenues by Th\$1,769,041, higher expense on maintenance of potable

water and sewage networks by Th\$1,699,976, maintenance of facilities and equipment by Th\$657,096, higher cost of insurance policy by Th\$832,351, real estate contributions by Th\$90,266 and expenses for Covid contingency in Th\$273,981.

The above is partially offset by lower customer service expenses of Th\$729,153, mainly associated with lower activity in cutting and replacement services, as well as cost improvements due to the digitalization of commercial processes, lower general services expenses and administrative expenses of Th\$781,723.

2.4. Analysis of financial revenues and others

a) Other gains (losses)

As of June 30, 2021, the result was lower than the previous year by Th\$597,879, mainly due to recovery of performance bonds for the year 2020 together with higher expenses for voluntary retirement plans.

b) Financial income

At the end of first semester of 2021, financial income amounted to Th\$1,611,765, a decrease of Th\$632,442, mainly explained by lower interest on customer debt.

c) Financial costs

As of June 30, 2021, financial costs amounted to Th\$13,553,721, a decrease of Th\$419,498. This was mainly explained by lower interest on bank debt together with higher financial activation.

d) Results by readjustment unit

At the end of first semester of 2021, the readjustment unit fees were Th\$18,580,335, resulting in a higher expense of Th\$7,130,859, due to the higher revaluation of the debt resulting from the variation of the Unidad de Fomento (2.2% in 2021 versus 1.4% in 2020).

e) Income Tax Expenses

Income tax expense as of June 30, 2021 was Th\$14,883,524, Th\$4,371,855 lower, mainly explained by a lower income before taxes together with a higher monetary correction effect of the Tax Equity.

f) Discontinued operations

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

g) Earnings

Net income as of June 30, 2021 amounted to Th\$58,291,142, Th\$4,037,401 lower than the one obtained in the previous year, representing a decrease of 6.5%.

2.5. Results by segment

a) Accumulated income, Water segment

Income Statement (Th\$)	Jun. 21	Jun. 20	% Var.	2021 / 2020
External Revenue	241,684,637	229,618,624	5.3%	12,066,013
Revenues Segments	376,102	452,696	(16.9%)	(76,594)
Operating Costs and Expenses	(105,710,531)	(96,054,641)	10.1%	(9,655,890)
EBITDA	136,350,208	134,016,679	1.7%	2,333,529
Depreciation and Amortization	(32,874,957)	(32,559,976)	1.0%	(314,981)
Income from Operations	103,475,251	101,456,703	2.0%	2,018,548
Other Earnings (Losses)	(2,175,145)	(1,253,848)	73.5%	(921,297)
Financial Results*	(30,274,728)	(22,993,203)	31.7%	(7,281,525)
Tax Expense	(14,669,491)	(18,785,483)	(21.9%)	4,115,992
Discontinued operations	-	4,447,989	(100.0%)	(4,447,989)
Net earnings	56,354,910	61,043,557	(7.7%)	(4,688,647)

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

The results of this segment showed a decrease of 7.7%, mainly due to:

- An increase in external income, mainly associated to regulated income due to higher average tariff associated to the latest indexation, which is partially offset by lower sale volumes registered in the period.
- In non-regulated income, it was registered higher activities in agreements with developers, home services to customers, sanitary infrastructure modifications, rural potable water technical advisory, extraordinary revenues associated to Mapocho-Trebal Biofactory and higher activity in non-regulated subsidiaries.
- Costs increased mainly due to higher uncollectibility in Th\$1,581,969, higher cost of sales associated with non-regulated revenues by Th\$1,710,743, higher expense on maintenance of potable water and sewage networks by Th\$1,659,807, maintenance of facilities and equipment by Th\$690,208, higher cost of insurance policy by Th\$804,994 and real estate contributions by Th\$89,985. Additionally, due to the extreme drought affecting the central part of the country, increases in raw water purchase expenses have been registered by Th\$1,826,502, due to the low flow in the Maipo river basin and higher cost of electric power by Th\$527,816, mainly associated to higher average tariff.
- Depreciation was Th\$314,981 higher than that obtained previous year. This was the result of the depreciation associated with the new assets incorporated in the period.
- In other gains (losses), there was a lower result compared to the same period of the previous year of Th\$921,297, mainly explained by the recovery of performance bonds of 2020 together with a higher expense for retirement plans.

- 💧 The financial result presented a net expense by Th\$30,274,728, higher in Th\$7,281,525 regarding the same period of the previous year, mainly due to higher revaluation of debt resulting from the variation of the Unidad de Fomento (2.2% in 2021 versus 1.4% in 2020).
- 💧 At the end of first semester of 2021, discontinued operations reached a lower profit of Th\$4,447,989 compared to the same period of the previous year, due to profit of ESSAL of 2020, company that was sold in October 2020.
- 💧 Income tax expense as of June 30, 2021 was Th\$14,669,491, Th\$4,115,992 lower, mainly explained by lower before taxes income together with a higher monetary correction effect of the Tax Equity.

b) Accumulated income, Non-Water segment

Income Statement (Th\$)	Jun. 21	Jun. 20	% Var.	2021 / 2020
External Revenue	15,263,433	14,062,401	8.5%	1,201,032
Revenues Segments	1,763,861	2,458,531	(28.3%)	(694,670)
Operating Costs and Expenses	(14,015,229)	(13,569,942)	3.3%	(445,287)
EBITDA	3,012,065	2,950,990	2.1%	61,075
Depreciation and Amortization	(987,566)	(917,536)	7.6%	(70,030)
Income from Operations	2,024,499	2,033,454	(0.4%)	(8,955)
Other Earnings (Losses)	160,543	(171,167)	(193.8%)	331,710
Financial Results*	(34,777)	(107,405)	(67.6%)	72,628
Tax Expense	(214,033)	(469,896)	(54.5%)	255,863
Net Earnings	1,936,232	1,284,986	50.7%	651,246

* 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\$651,246 compared to the same period of the previous year, mainly due to:

- 💧 The higher revenues were mainly explained by an increase of activity of the companies Análisis Ambientales and EcoRiles.
- 💧 The increase in costs of 3.3% is mainly associated with the increase in activity of the companies Análisis Ambientales and EcoRiles.
- 💧 Depreciation was Th\$70,030 higher than in the previous year. This was the result of depreciation associated to new assets added to the period.
- 💧 The income tax expense as of June 30, 2021 was Th\$214,033, which is Th\$255,863 lower than the same period of the previous year, mainly explained by a higher monetary correction effect of the Tax Equity.

3. Quarterly results

Income Statement (Th\$)	2Q21	2Q20	% Var.	2Q21 – 2Q20
External Revenue	120,404,558	102,832,188	17.1%	17,572,370
Operating Costs and Expenses	(62,698,497)	(55,593,176)	12.8%	(7,105,321)
EBITDA	57,706,061	47,239,012	22.2%	10,467,049
Depreciation and Amortization	(17,107,314)	(17,500,742)	(2.2%)	393,428
Income from Operations	40,598,747	29,738,270	36.5%	10,860,477
Other Earnings (Losses)	(1,003,791)	(1,578,170)	(36.4%)	574,379
Financial Results*	(14,833,800)	(9,251,294)	60.3%	(5,582,506)
Tax Expense	(4,810,306)	(4,485,239)	7.2%	(325,067)
Discontinued operations	-	3,088,851	(100.0%)	(3,088,851)
Net earnings	19,950,583	16,188,957	23.2%	3,761,626

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

3.1 Income analysis

a) Operating income

Ordinary revenues for the second quarter of 2021 amounted to Th\$120,404,558, Th\$17,572,370 higher than in the same quarter of the previous year, mainly due to regulated revenues of Th\$8,090,602, due to higher registered consumption and higher average tariff associated to the latest indexation, and non-regulated revenues of Th\$9,481,768 due to higher activity in home services to customers, agreements with developers, extraordinary revenues associated with the Trebal-Mapocho Biofactory and higher activity in non-regulated subsidiaries.

3.2 Expenses analysis

a) Raw materials and consumables used

During the second quarter of 2021, raw materials and consumables costs amounted to Th\$12,442,922, Th\$1,883,529 higher than in the same quarter of 2020, mainly associated to the purchase of water for Th\$1,234,004, higher electric power cost for Th\$139,576 and higher cost of sales of the subsidiary Gestión y Servicios for Th\$319,523.

b) Employee benefits

Employee benefit expenses for the second quarter of 2021 amounted to Th\$13,891,595, Th\$133,056 lower than in 2020. This decrease is mainly due to lower confinement costs, which is partially offset by CPI adjustments.

c) Depreciation and amortization

During the second quarter of 2021, depreciation and amortization amounted to Th\$17,107,314, Th\$393,428 lower than in 2020.

d) Other expenses

In the second quarter of 2021, other expenses amounted to Th\$36,363,980, Th\$5,354,848 higher than in 2020, mainly explained by higher cost of sales associated with non-regulated revenues by ThCh\$1,504,702, higher expenses in maintenance of potable water and sewage networks by Th\$1,408,849, higher costs in insurance policies by Th\$458,741, higher uncollectibility by Th\$367,683 and real estate contributions by Th\$92,119.

3.3 Financial result analysis and others

a) Financial result

In the financial result for the second quarter of 2021, losses of Th\$14,833,800 were obtained, which increased by Th\$5,582,506 compared to 2020, mainly explained by a higher revaluation of debt, due to the higher variation of the Unidad de Fomento (1.1% in 2021 versus 0.3% in 2020) compared to the same quarter of 2020.

b) Income tax expense

The income tax expense at the end of the second quarter of 2021 was Th\$4,810,306, Th\$325,067 higher than in the same quarter of the previous year, mainly explained by higher before taxes income, which is partially offset by higher monetary correction effect of the Tax Equity.

c) Discontinued operations

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

d) Earnings

Net income for the second quarter of 2021 amounted to Th\$19,950,583, Th\$3,761,626 higher than in the same quarter of 2020.

4. Statement of financial position

	Jun. 21	Dec. 20	% Var.
	Th\$	Th\$	
Assets			
Current Assets	257,673,089	298,418,476	(13.7%)
Non-Current Assets	3,836,023	3,836,023	0.0%
Assets held for sale	1,880,764,122	1,842,181,989	2.1%
Total assets	2,142,273,234	2,144,436,488	(0.1%)
Liabilities and Equity			
Current Liabilities	254,413,984	244,032,589	4.3%
Non- Current Liabilities	1,053,093,472	1,059,655,092	(0.6%)
Total liabilities	1,307,507,456	1,303,687,681	0.3%
Shareholders' Equity	834,738,724	840,723,242	(0.7%)
Minority Interest	27,054	25,565	5.8%
Total Shareholders' Equity	834,765,778	840,748,807	(0.7%)
Total Liabilities and Shareholders' Equity	2,142,273,234	2,144,436,488	(0.1%)

4.1 Assets analysis

The total assets Aguas Andinas at the consolidated level as of June 30, 2021 presented a decrease of 0.1% regarding December 31, 2020, equivalent to Th\$2,163,254.

Current assets decreased by Th\$40,745,387, mainly due to a decrease in cash and cash equivalents by Th\$38,587,917, associated to dividend payments, together with lower trade debtors and other accounts receivable by Th\$3,190,488, mainly explained by the seasonality of the sales cycle.

Non-current assets increased by Th\$38,582,133, mainly explained by higher property, plant and equipment of Th\$34,613,888, associated with investments made during the period. The main investment works are shown in the following table:

Investments (Th\$)	Jun. 21
Drilling and reinforcement of water supply system	13,642,967
Renovation of wastewater networks	7,808,425
Renovation of potable water networks	6,160,905
Treatment of nitrates La Farfana and Mapocho-Trebal Biofactories	4,456,982
Expansion and modernization of potable water treatment plant Padre Hurtado	3,835,950
Autonomy 12 hours Aguas Cordillera (San Antonio and San Enrique Tanks)	3,376,324
Replenishment of assets of La Farfana and Mapocho-Trebal Biofactories	3,158,874
Starter and meters	3,040,454

4.2 Liabilities and equity analysis

Liabilities payable as of June 2021 increased by Th\$3,819,775 compared to December 2020.

Current liabilities increased by Th\$10,381,395. This variation was due to an increase in other financial liabilities mainly due to debt of Bonds and AFR. This is partially offset by a decrease in accounts payable associated with investments and expenses.

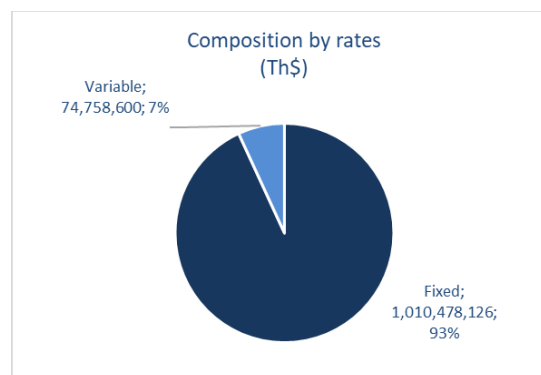
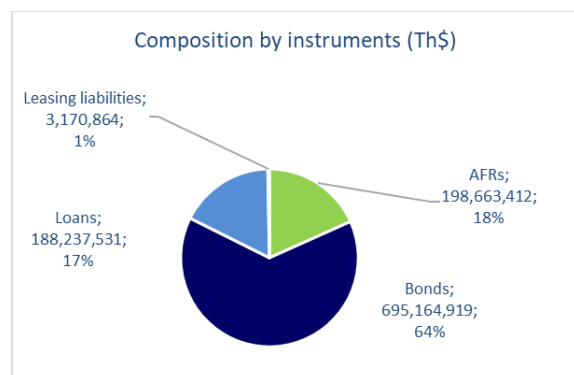
Non-current liabilities presented a decrease of Th\$6,561,620 (0.6%). This variation corresponds mainly to lower Bank debt and AFR.

Total equity decreased by Th\$5,983,029 mainly explained by the dividend distribution of 2021, which is partially offset by the earnings of the period.

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

Financial Debt Th\$	Currency	Total	12 months	1 to 3 years	3 to 5 years	More than 5 years
AFRs	\$	198,663,412	29,200,137	48,125,384	31,774,328	89,563,563
Bonds	\$	695,164,919	24,480,565	29,656,454	11,112,028	629,915,872
Loans	\$	188,237,531	32,681,465	118,810,720	36,745,346	-
Total other financial liabilities		1,082,065,862	86,362,167	196,592,558	79,631,702	719,479,435
Leasing liabilities	\$	3,170,864	1,328,107	997,383	421,840	423,534
Total leasing liabilities		3,170,864	1,328,107	997,383	421,840	423,534
Total		1,085,236,726	87,690,274	197,589,941	80,053,542	719,902,969

4.3. Structure of financial liabilities



5. Cash flow statements

Cash Flow Statement (Th\$)	Jun. 21	Jun. 20	% Var.
Operating Activities	114,495,192	127,017,858	(9.9%)
Investment Activities	(78,656,522)	(77,665,116)	1.3%
Financing Activities	(74,426,587)	46,141,616	(261.3%)
Net Cash Flow for the Period	(38,587,917)	95,494,358	(140.4%)
Final Cash Balance	136,357,669	167,557,116	(18.6%)

Cash flow from operating activities decreased by Th\$12,522,666, when compared to June 2021 and June 2020.

The main variations were the following:

- 💧 Increase in other cash inflows (outflows) of Th\$9,888,216, due to the approval of the settlement for the class action lawsuit between SERNAC, CONADECUS and Aguas Andinas S.A., in relation to the massive potable water cuts of April 2016, February and April 2017. This generated a recognition that was made through rebates to the monthly bills of affected customers.
- 💧 Increase in income taxes of Th\$8,204,374, this variation is mainly explained by the suspension of the payment of PPM for three months in 2020 due to the exceptional situation for COVID-19.
- 💧 Decrease in other charges for operating activities of Th\$6,521,719, mainly associated with the agreement for the Alto Maipo project, since AES GENER exercised its option to extend the term of the contract in 2020.

These variations were partially offset by the following concepts:

- 💧 Decrease in payments to suppliers of Th\$7,491,375, mainly associated with lower payments to infrastructure suppliers.
- 💧 Collections from sales of goods and provision of services generated an increase of Th\$5,372,009, associated with higher average tariff and an increase in sales to residential customers.

Disbursements for investment activities increased by Th\$991,406, mainly associated with drilling and reinforcement of the potable water supply system, renovation of Potable Water and Sewage networks, Nitrate treatment, replacement of Assets La Farfana and Mapocho-Trebal Biofactories and the Cerro Negro-Lo Mena Wells project has started, infrastructure that will strengthen the city's potable water supply.

The financing activities made a net cash flow (decrease) of Th\$120,568,203, which is mainly explained because in 2020 were obtained bank loans by Th\$100.000.000, on the other hand, dividend payments were made during May 2021 and a significant decrease in the inflow of loans by 2021.

6. Financial ratios

		Jun. 21	Dec. 20
Liquidity			
Current liquidity	times	1.03	1.24
Acid Test Ratio	times	0.54	0.72
Leverage			
Total Leverage	times	1.57	1.55
Current Leverage	times	0.19	0.19
Non-Current Leverage	times	0.81	0.81
Annualized Financial Expenses Coverage	times	4.96	5.11
Profitability			
Annualized equity profitability attributable to the controller's property owners	%	12.28	13.29
Annualized asset profitability	%	4.44	4.76
Annualized earnings per share	\$	15.47	16.13
Dividend yield (*)	%	14.07	7.80

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 June 2021 amounts to \$151, while as of December 2020 it amounts to \$228,99.

As of June 2021, current liquidity decreased by 16.9%, due to a decrease in current assets of Th\$40,745,387, mainly due to a decrease in cash and cash equivalents of Th\$38,587,917, as a result of the dividend payments made in the second quarter of this period and an increase in current liabilities of Th\$10,381,395, due to an increase in other financial liabilities associated with Bonds and AFR, partially offset by a decrease in accounts payable associated with investments and expenses.

The indebtedness ratio increased by 1.3%, due to a decrease in total equity of Th\$5,983,029, mainly explained by the dividend distribution of 2021, which is partially offset by the earnings of the period.

The profitability of shareholders' equity attributable to the owners of the parent company decreased by 7.6% due to an increase of average equity by Th\$28,172,013, and the decrease in profit for the annualized period of Th\$4,037,401.

7. Other background information

7.1. Tariffs

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

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

Aguas Andinas S.A.

Group 1	January 2020 and March 2021
Group 2	January 2020 and March 2021

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

Santa María	May 2020 and June 2021
Los Trapenses	May 2020 and June 2021
Chamisero	May 2020
Chicureo	January 2020 and June 2021
Valle Grande 3	January 2020

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

The current tariffs for the period 2020-2025 for Aguas Andinas S.A., were approved by Decree No. 33 dated May 5, 2020, for Aguas Andinas, of the Ministry of Economy, Development and Reconstruction and came into force on March 1, 2020 (published in the Official Gazette on December 2, 2020). The current tariffs of Aguas Cordillera S.A. for the five-year period 2020-2025 were approved by Decree No. 56 dated September 11, 2020, and came into force on June 30, 2020 (published in the Official Gazette on February 24, 2021) and the current tariffs of Aguas Manquehue S.A. for the five-year period 2020-2025 were approved by Decree No. 69 dated October 27, 2020 (published in the Official Gazette on March 13, 2021) and came into force on May 19, 2020 for the Santa María and Trapenses system, April 22, 2019 for Group 3 Chamisero, July 9, 2020 for Group 2 Chicureo and June 22, 2021 for Group 4 Valle Grande III.

7.2. Market risk

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

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

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

7.3. Market analysis

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

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

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

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

7.4. Capital investments

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

Committed investments. We have an obligation to agree on an investment plan with the S.I.S.S., which describes the investments we must make during the 15 years following the date on which the corresponding investment plan comes into force. Specifically, the investment plan reflects a commitment on our part to

carry out certain projects related to maintaining certain standards of quality and coverage of services. The aforementioned investment plan is subject to review every five years, with the possibility of requesting amendments when certain relevant facts are verified.

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

Aguas Andinas S.A.

Greater Santiago: October 29, 2020.

Locations: December 12, 2016, April 6, 2018, October 29, 2020, November 16, 2020, March 26, 2021 and June 9, 2021.

Aguas Cordillera S.A.

Aguas Cordillera and Villa Los Dominicos: October 29, 2020.

Aguas Manquehue S.A.

Santa María and Los Trapenses: November 9, 2020.

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

Alto Lampa: December 6, 2018.

Uncommitted investments. Uncommitted investments are those that are not contemplated in the investment plan and that we make voluntarily in order to ensure the quality of our services and replace obsolete assets. These generally relate to the replacement of network infrastructure and other assets, the acquisition of water rights and investments in non-regulated businesses, among others.

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

7.5. Financial aspects

a) Currency risks

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

b) Interest rate risks

As of June 30, 2021, the interest rate risk held by Aguas Andinas S.A. is comprised of 93.1% fixed rate and 6.9% variable rate. The fixed-rate debt is made up of: issues of short and long-term bonds (68.8%), reimbursable financial contributions (19.7%), bank loans (11.2%) and lease liabilities (0.3%), while the variable-rate debt corresponds to loans with domestic banks.

As of December 31, 2020, the interest rate risk held by Aguas Andinas S.A. was 92.6% at a fixed rate and 7.4% at a variable rate. The fixed-rate debt is made up of: issues of short and long-term bonds

(68.8%), reimbursable financial contributions (19.3%), bank loans (11.5%) and lease liabilities (0.4%), while the variable-rate debt corresponds to loans with domestic banks.

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

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