Aguas Andinas Results Report

6M2022

BIOs

DIDAC BORRAS MARTINEZ
Chief Financial Officer

Graduate in Economics and Business Administration from Unviersidad de Barcelona with an MBA from IESE Business School. He has more than 18 years of experience with management positions in financial services and integral water cycle companies in Spain, France and Mexico.

CRISTIAN TORRES
Management Control and Accounting Manager

Chartered accountant and Auditor from Universidad de Santiago (USACH) with an MBA in Finance from Universidad de Chile. He has more than 20 years of experience in the Group, with responsibilities mainly in the areas of finance, control and financial projects.

RACHEL BERNARDIN
Production and Resources Manager

Civil Hydraulic Engineer from the ENSAR School of Engineering of Rennes (France), Postgraduate degree in Supply and Sanitation networks from the UPC of Barcelona. With more than 20 years of experience in sanitation companies, both in watershed management and in water purification and wastewater treatment.

ANTONELA LAINO
Finance and Investor Relations Manager

Economist from Pontificia Universidad Católica Argentina and Master in Finance from Universidad Adolfo Ibáñez, and has worked for more than 10 years in different areas of the financial industry such as banking and various companies in the telecommunications world.

DENISSE LABARCA ABDALA
Head of Investor Relations

Commercial Engineer with a major in Economics, Universidad de Chile. Professional with a long career in Investor Relations in private sector companies such as Enel Chile, Enel Americas, Endesa España and AES Gener, as well as in public sector companies.

ERIKA SANDOVAL SALAZAR
Investor Relations Specialist

Industrial Civil Engineer with a Master in Engineering Sciences. More than seven years of experience in Human Resources, Digital Transformation and Venture Capital functions, always linked to the energy sector.

Pedro Bustamante del Rio
Regulatory Affairs Deputy Maneger

Lawyer from the University of Chile. With more than 20 years of experience in water rights and with more than 10 years of experience in the Group in legal matters related to water, environment and regulation.

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AGENDA

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Context

Context
6M2022

INFLATION

- Inflation in Chile as of June 2022 was **7.1%YtD** and **12.5%TTM**
- Increase in operating costs
- Price-level restatement of the debt in UF
- Polynomial-based tariff indexations

CLIMATE CHANGE

- Prioritization in **water transfer** agreements with other water users
- Completion **Lo Mena - Cerro Negro wells** system
- Campaign **"Every drop counts"**

DELINQUENCY

- Bad debt to revenue rate: **3.4% at the end of March vs. 2.6% in June**
- Active commercial management
- **Law 21,423:** The impact to date has not been relevant for the Company.

EFFICIENCY

- Transformation plan:
  - ✓ Sustainable business,
  - ✓ Risk mitigation,
  - ✓ **Efficiencies achievement**
  - ✓ Prioritization of investments and incorporation of technology, supported by a **new organizational culture**

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Financial **Summary**

Main aspects
Closing 6M2022

Revenues and EBITDA increased by 9.4% and 7% (11.5% without one off effect*) respectively

- Higher average tariff due to latest indexations
- Solid cash generation during the period

We continue to manage the effects of climate change

- Execution of the investment plan to strengthen security of supply
- Arrangements derived from the Agreement with River Users have made it possible to maintain the safety level of El Yeso reservoir
- Reduced consumption associated with the various awareness campaigns on the responsible use of water resources

Increased operating and financial costs associated with the global environment

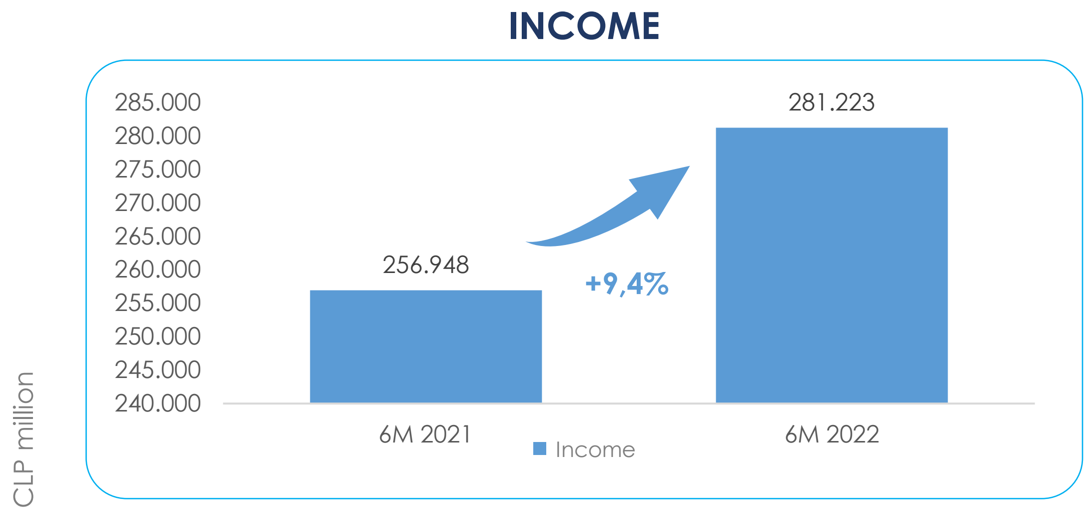
- Increase in the cost of raw materials, labor, transportation and revaluation of financial debt in UF
- Acceleration of the company's efficiency plans to partially mitigate these effects

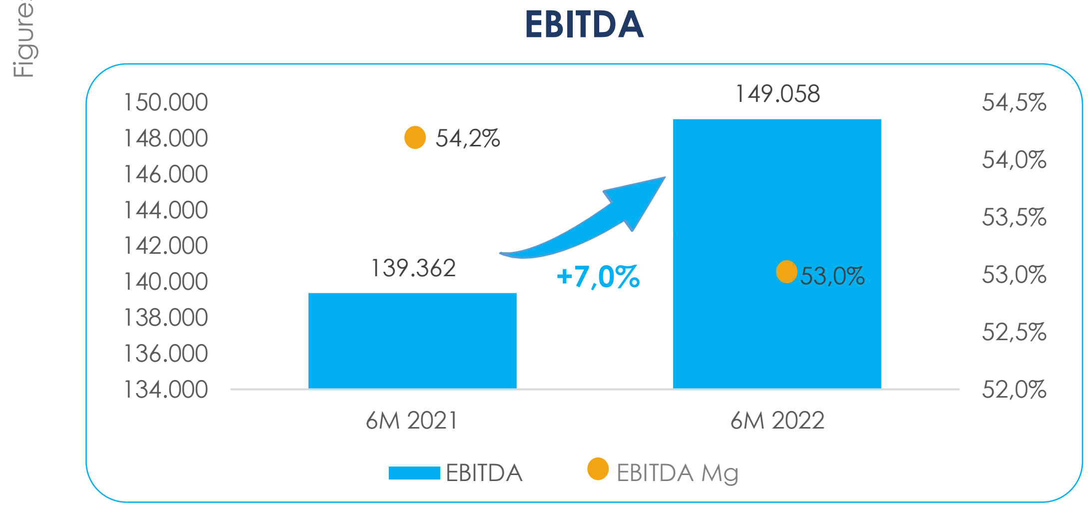
We continue to manage the increase efficiencies

- Transformation project with improvements in production processes, purchasing and digital transformation
- Process improvement and digital transformation initiatives that have generated efficiencies of $1,529 million by the end of the first half of 2022

* Reimbursement from related company for construction work at Mapocho-Trebal Biofactory of $5.7 million, in line with the established contractual conditions.

The 11.9% increase in sales has allowed an increase in EBITDA of 11.5% (excluding one-off)





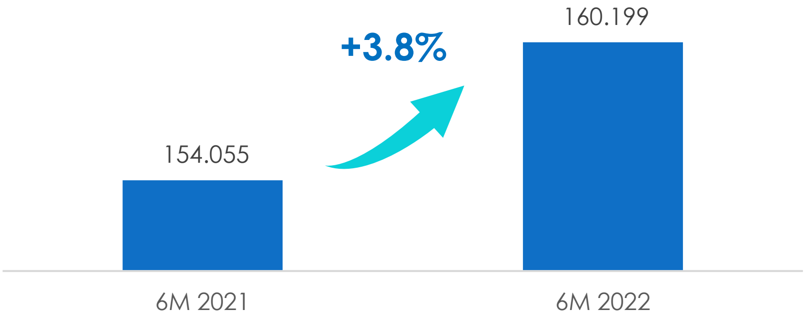
EBITDA increase of 7% at the end of the first half (11.5% excluding the positive non-recurring effect of 2021), mainly due to:

- **Income**
  - I. Tariff indexations by +32,069 MCLP
  - II. Consumption effect: residential -3.6%; non-residential +3.5%.
  - III. Other income -3,187 MCLP impacted by one off 2021
- **Costs** were +12.4% vs. previous year, due to higher CPI costs and new assets, drought impacts (raw water transfers) and network maintenance.
- **Financial** income is impacted by higher revaluation of financial debt due to the variation of the Unidad de Fomento (6.8% in 2022 versus 2.2% in 2021).
- **Lower income tax,** mainly explained by lower income before taxes together with the effect of price-level restatement of Tax Equity

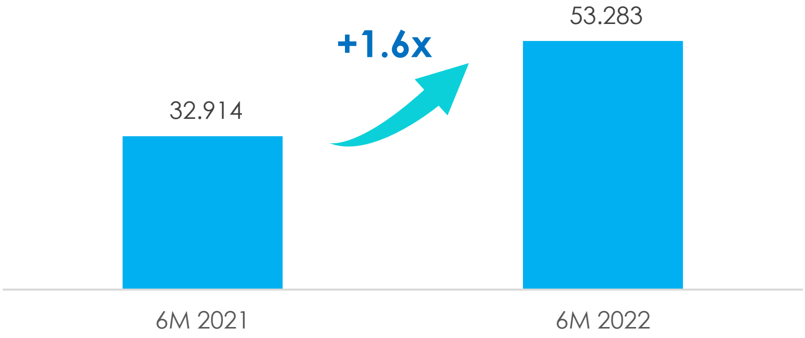
Solid cash generation during the period has allowed us to keep debt levels in line with our objectives.

Figures in CLP million

OPERATING CASH FLOW

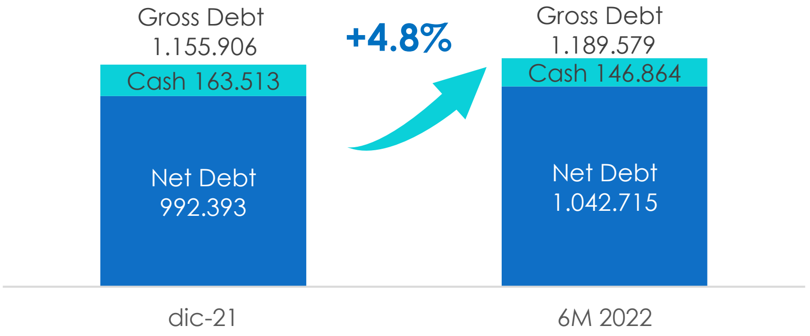


FREE CASH FLOW



Significant improvement in cash flow in Q2 2022 associated with higher operating cash flow, lower tax payments and lower Capex payments

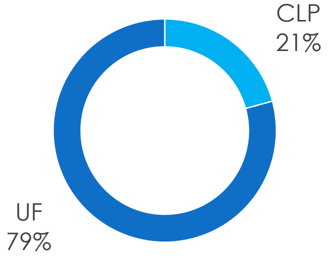
DFN



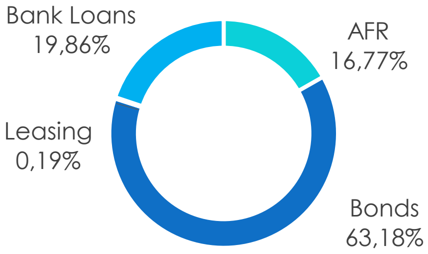
DFN Variation 2022	
Price-level restatement of debt in UF	60,834M$
Positive cash Flow of the period	10,512M$
Total DFN increase	50,322M$

The increase in net financial debt is related to the price-level restatement of debt in UF, offset by cash flow generated in the period

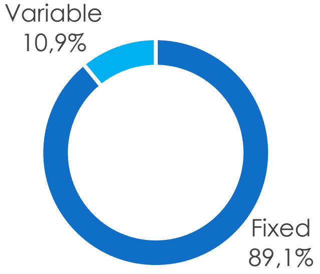
Debt by currency



Debt by instrument



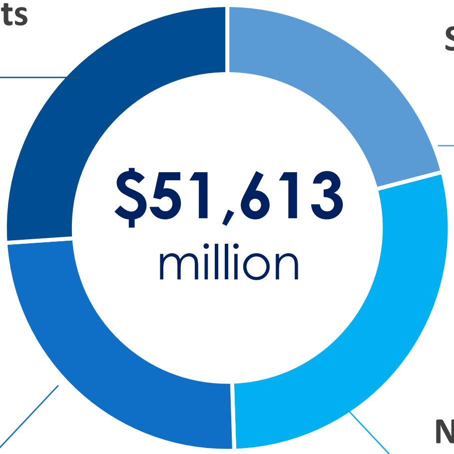
Debt by rate



Stable level of investments 6M2022

Focused on efficiency and operational continuity and increase of water resources - climate change

- Asset management
- Customer Service
- Digitalization and IT
- Others



- Padre Hurtado Potable Water Treatment Plant Expansion
- Replenishment of La Farfana-Trebal Biofactories Assets
- Nitrate Treatment Trebal- La Farfana Wastewater Treatment Plant
- Vizcachitas - Tagle Filter Renovation

- Cerro Negro - Lo Mena wells
- Boreholes and reinforcement of water supply system
- Américo Vespucio Oriente wells
- Water Efficiency Plan
- Purchase of Water Rights
- Reuse of Regenerated Water

- Renewal of sewage networks
- Renewal of potable water network
- Starters and Meters

Sustainability and Economic Value

Financial ratios that reflect a sound financial structure, maintaining our AA+ rating

	6m2022
EV/EBITDA (1)	7.16x

EV/EBITDA: (Market capitalization + debt + minority interest - cash and cash equivalents) /EBITDA

	6m2022
ROCE	10.5%

ROCE: EBIT (12 months) / Capital employed (average for the last 2 years)

	6m2022
BPA	$14.06

BPA: Annualized profit for the year / total number of shares

	6m2022
Leverage	1.67x

Leverage: Total Debt/ Equity

	6m2022
Liquidity	1.12x

Liquidity: Current assets / Current liabilities

	6m2022
Net Debt/EBITDA	3.83x

Net Debt/EBITDA: (Net financial debt - cash) / EBITDA

FitchRatings

ICR Chile

AA+

Stable Outlook

ALAS20 Leading Company in Investor Relations 3rd PLACE CHILE 2021

ALAS20 Leading Company in Corporate Governance 3rd PLACE CHILE 2021

ALAS20 Leading Company in Sustainability 3rd PLACE CHILE 2021

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(1) EV/EBITDA from Bloomberg methodology.

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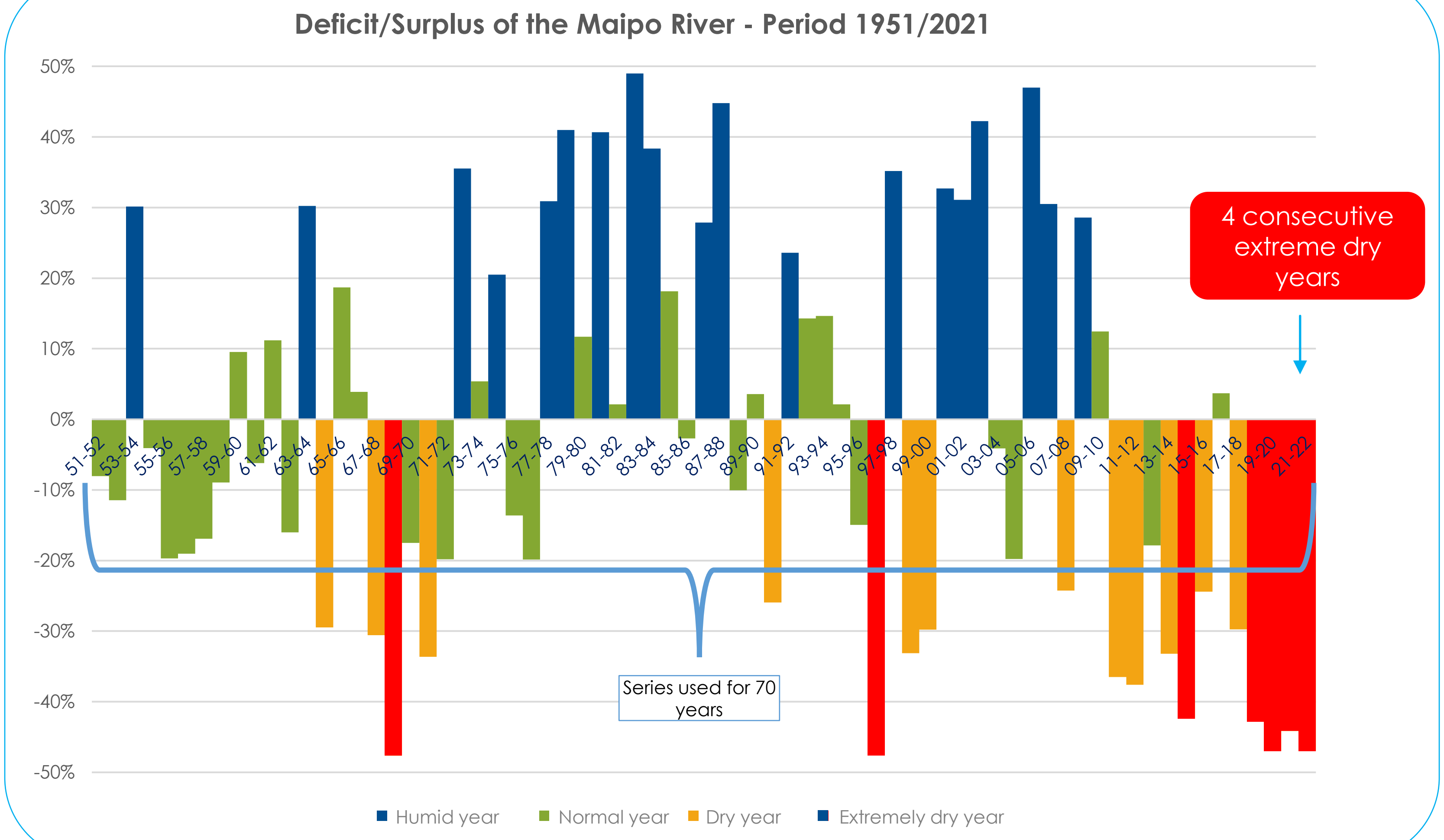
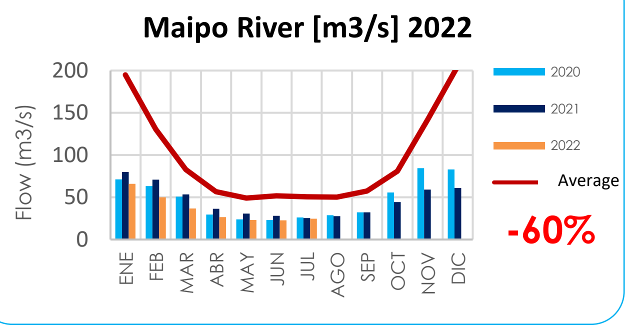
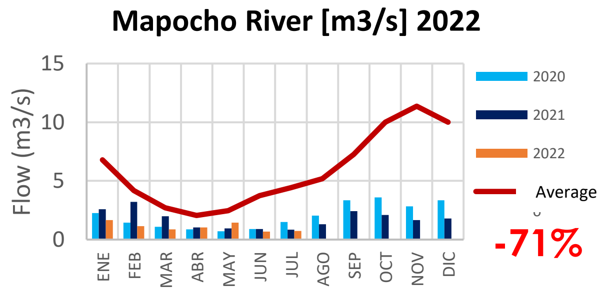
Climate Change Challenge

The climate change: Challenges and opportunities







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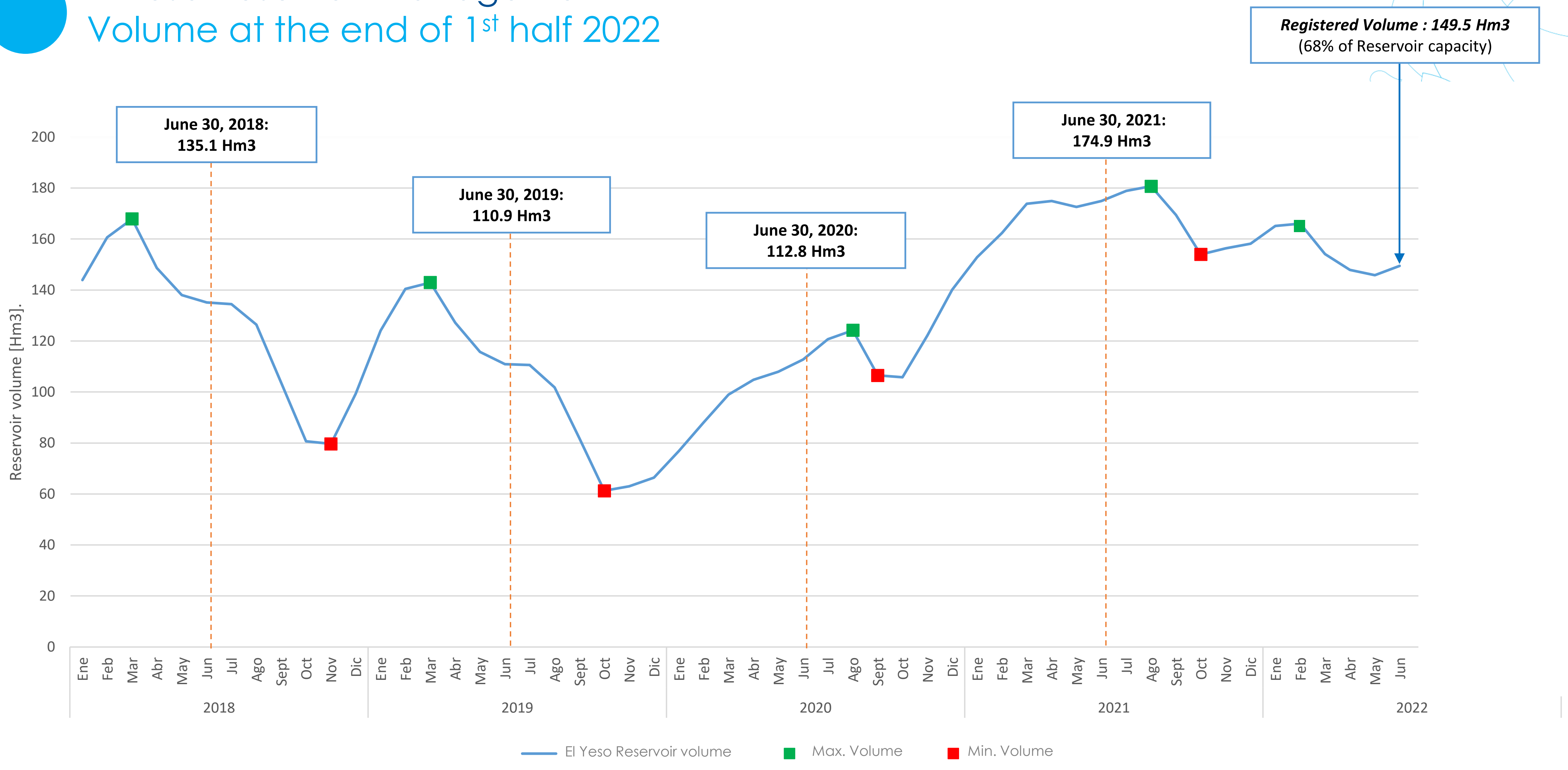
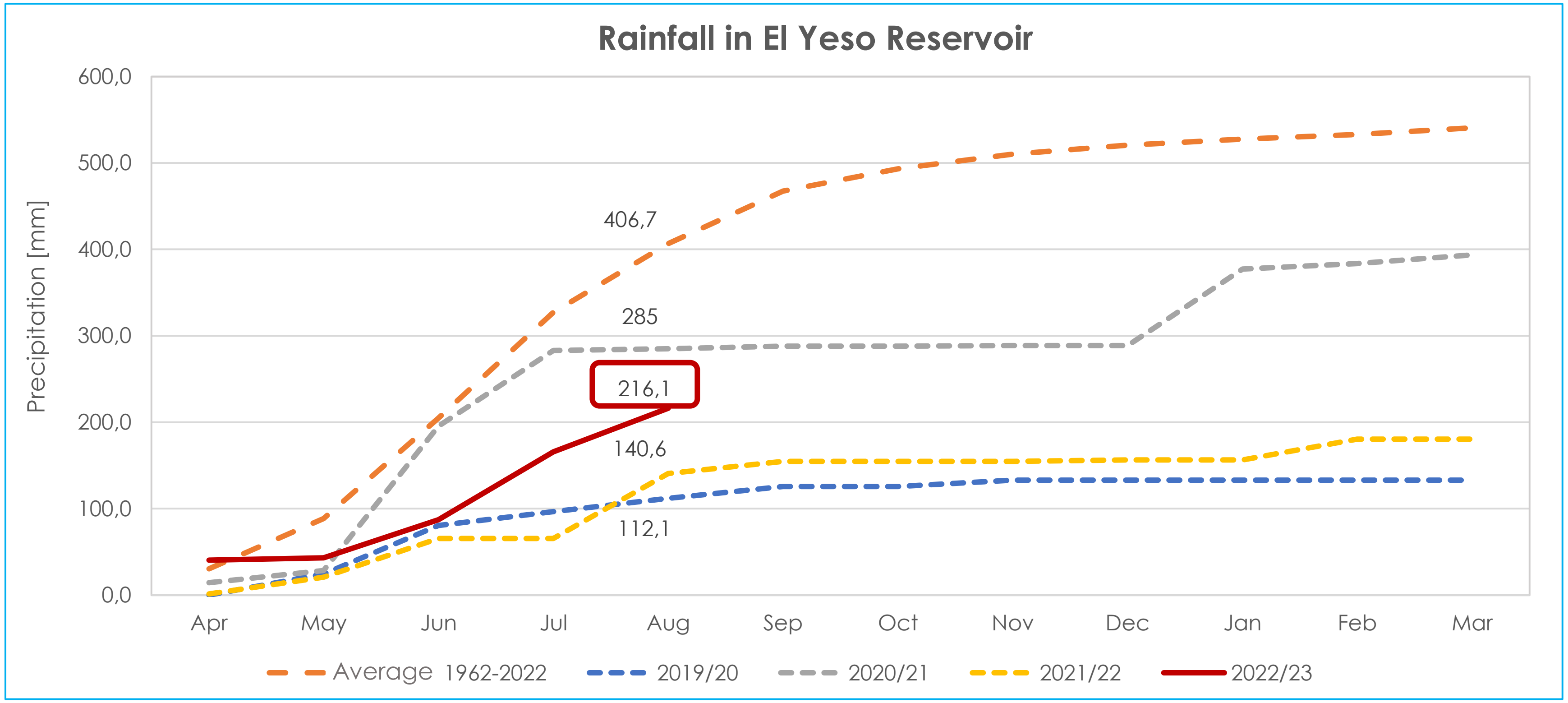
El Yeso Reservoir Management
Volume at the end of 1st half 2022



Water Situation-Hydrology
Follow-up



Rainfall Monitoring El Yeso Reservoir*.	
Accumulated precipitation as of today's date in year 2019-20 (mm)	112,1
Accumulated precipitation as of today's date in 2020-21 (mm)	285
Accumulated precipitation as of today's date in year 2021-22 (mm)	140,6
Cumulative precipitation 2022-23 (mm)	**216,1**
Average cumulative rainfall to date (mm) (1962 - 2022)	406,7

Note: In the graph, the precipitation values for the average years 2019/2020, 2020/21 and 2021/22 correspond to the value recorded at the end of the month.

Managing climate change with strong infrastructures and innovation

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Strategy

Maipo River

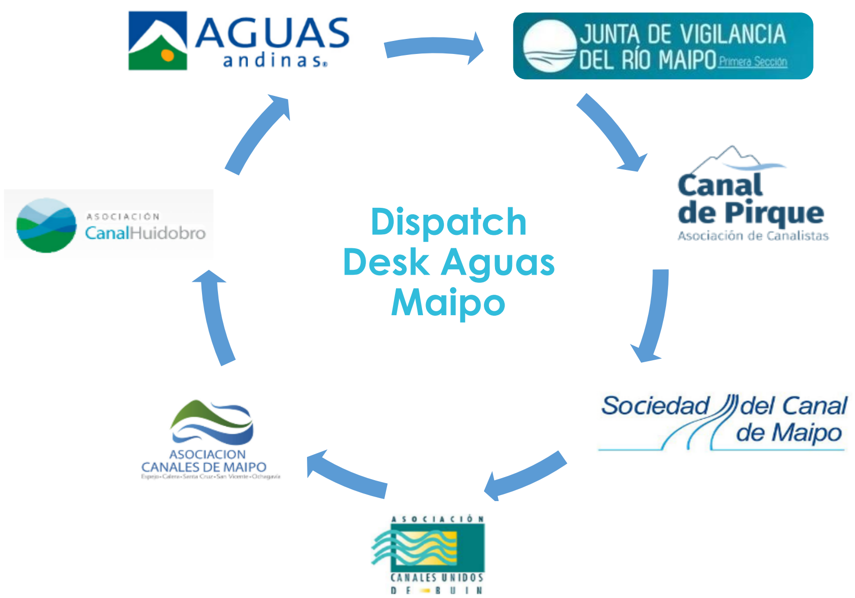
41.8 m3/s	95.9 m3/s
Average **(2021-2022)**	Historic average

Mapocho River

1.4 m3/s	5,8 m3/s
Average **(2021-2022)**	Historic average

Long-term global water scarcity

Collaborative management to face water scarcity



Aguas Andinas took the initiative to form a working table with the Canal Operators Associations. This table began to meet in October 2020 and in August 2021, the result was an agreement with the following characteristics:

1. It ensures minimum security levels in the El Yeso Reservoir.
2. It commits efforts of all users to collaborate in key projects to face water scarcity.
3. Indefinite time horizon (conditional on the progress of the projects), providing certainty for the drinking water supply of Aguas Andinas.

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