



AGUAS ANDINAS

March 2025



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The Company at a glance



We are a company who, at the core of our business, delivers drinking water, sewerage and wastewater treatment services to around **8 million inhabitants, together with commercial, and industrial clients.**



Largest drinking water, sewage and wastewater treatment company in Chile



100% drinking water coverage in concession areas



2.3 million customers
40% market share



LTM⁽¹⁾ EBITDA of **CLP 322 billion**

EBITDA margin of 49.7%



International rating of **"A-"** by S&P

Local rating of **"AA+"** by Fitch and ICR

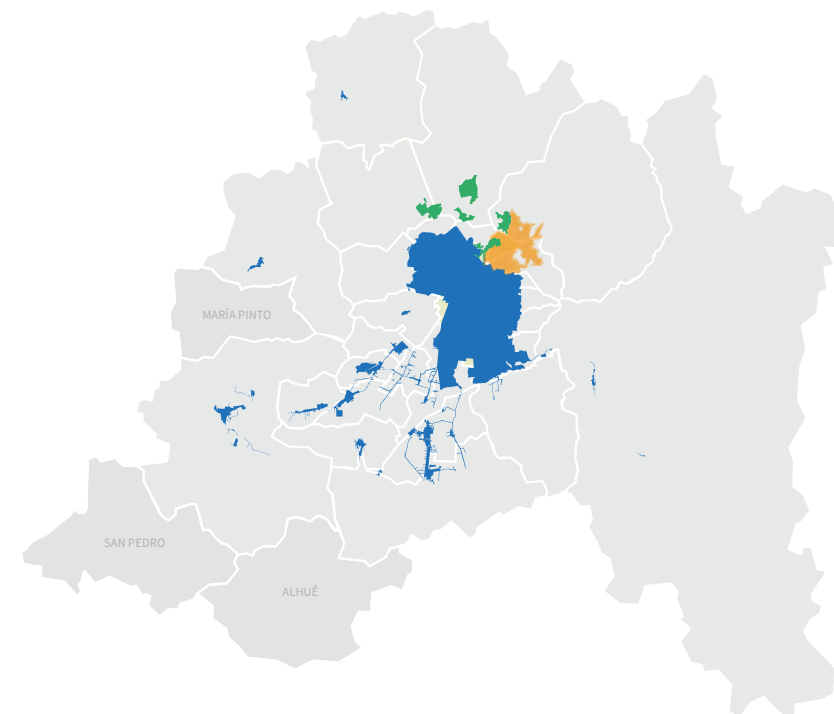


+13.5 thousand km of drinking water network
22 drinking water production plants
17 wastewater treatment plants

71

THOUSAND HECTARES
IT IS THE SUPPLIED AREA IN THE METROPOLITAN REGION

- Aguas Andinas
- Aguas Cordillera
- Aguas Manquehue
- Not under concession



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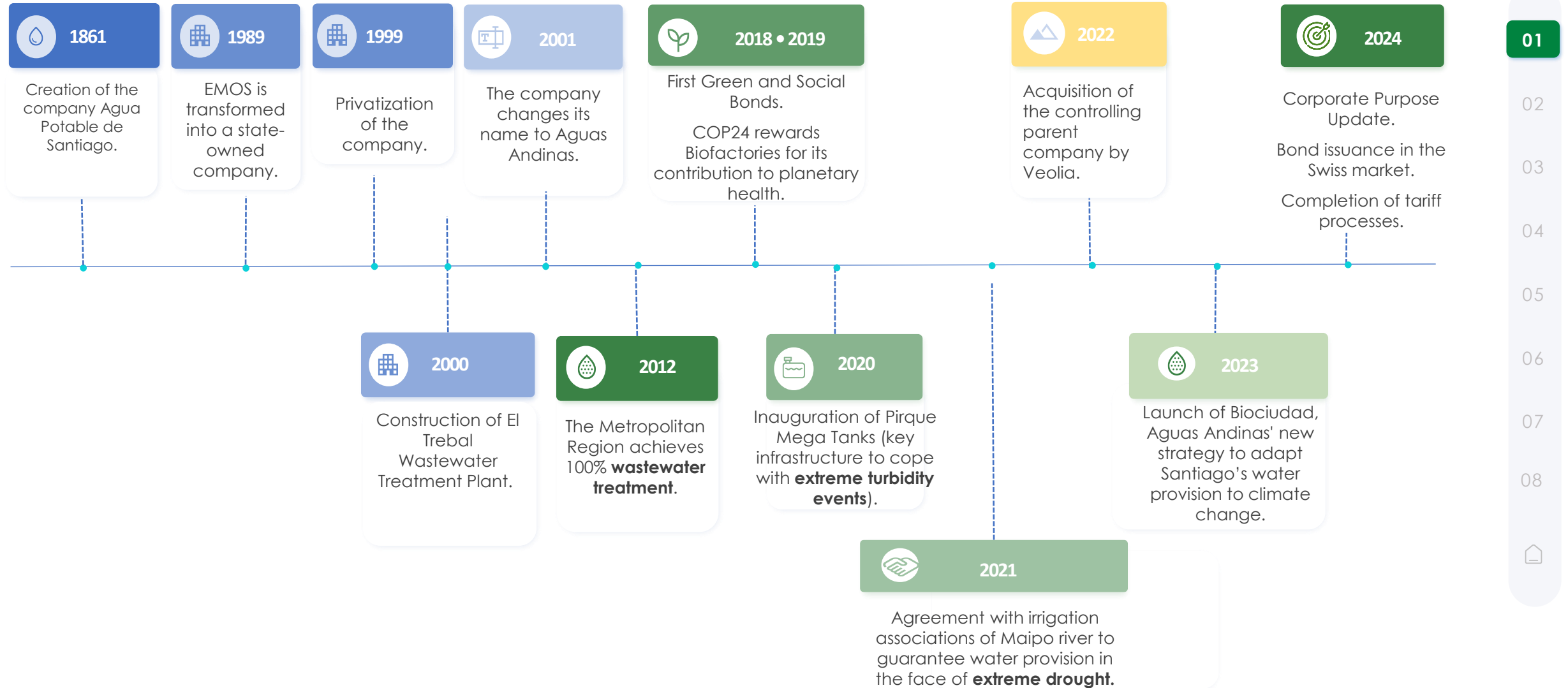
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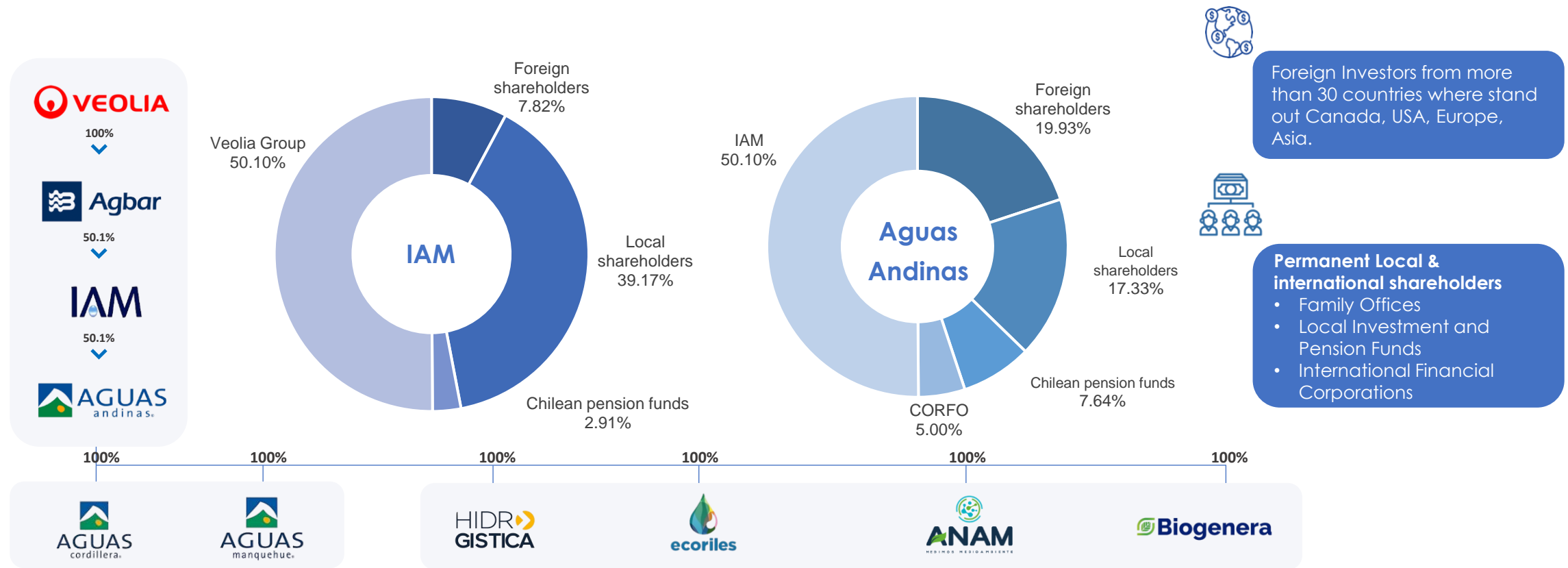




Aguas Andinas

Shareholders structure

Aguas Andinas is a **listed company** on the Santiago Stock Exchange and is part of the IPSA index, whose main shareholder and controller is Inversiones Aguas Metropolitanas S.A. (IAM), with 50.10% ownership



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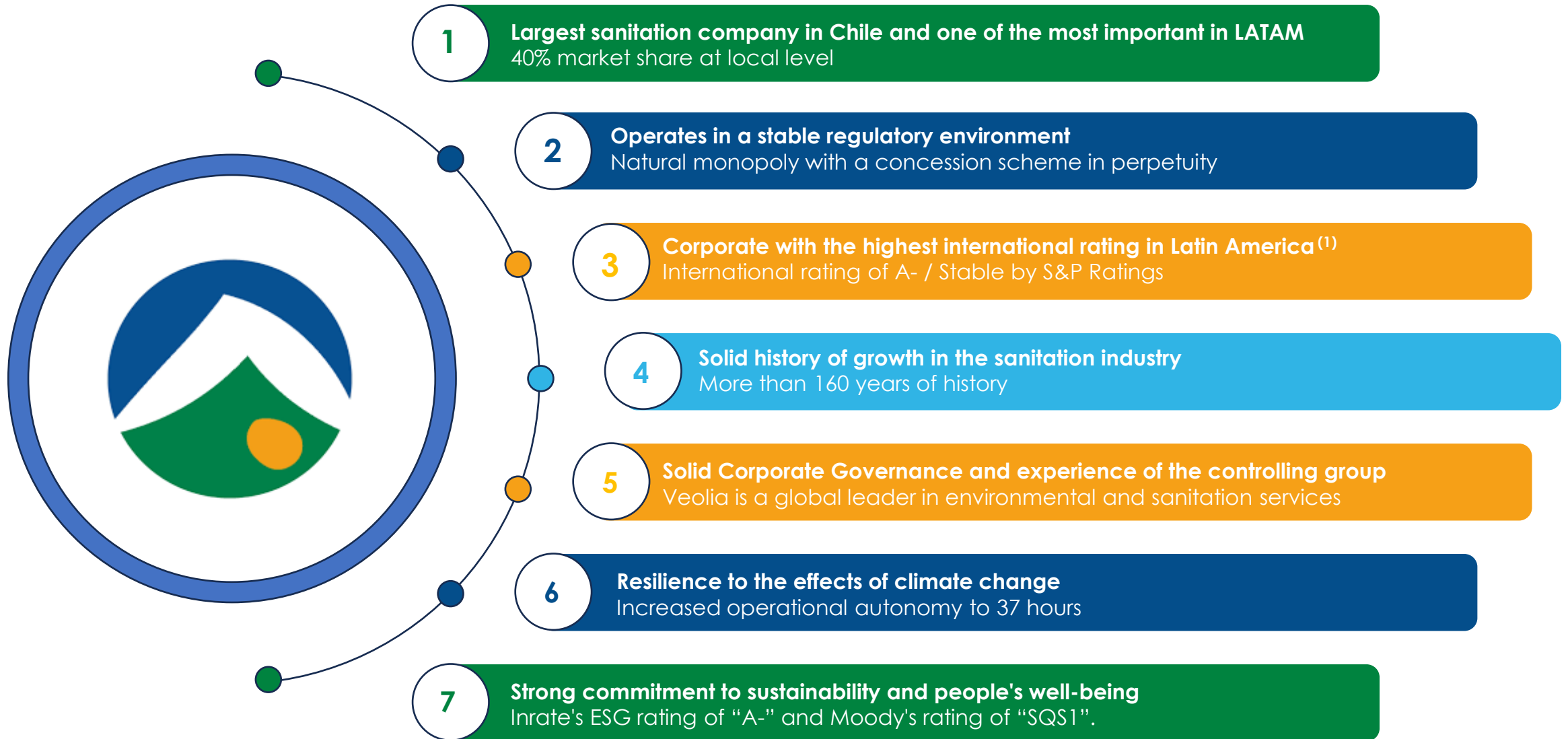
DRINKING WATER, SEWERAGE & WASTEWATER TREATMENT SUBSIDIARIES

ENVIRONMENTAL SERVICES SUBSIDIARIES

March 2025



Source: The company. Figures as of the end of December 2024.



(1) Non-quasi sovereign.



02

How we do
what we do





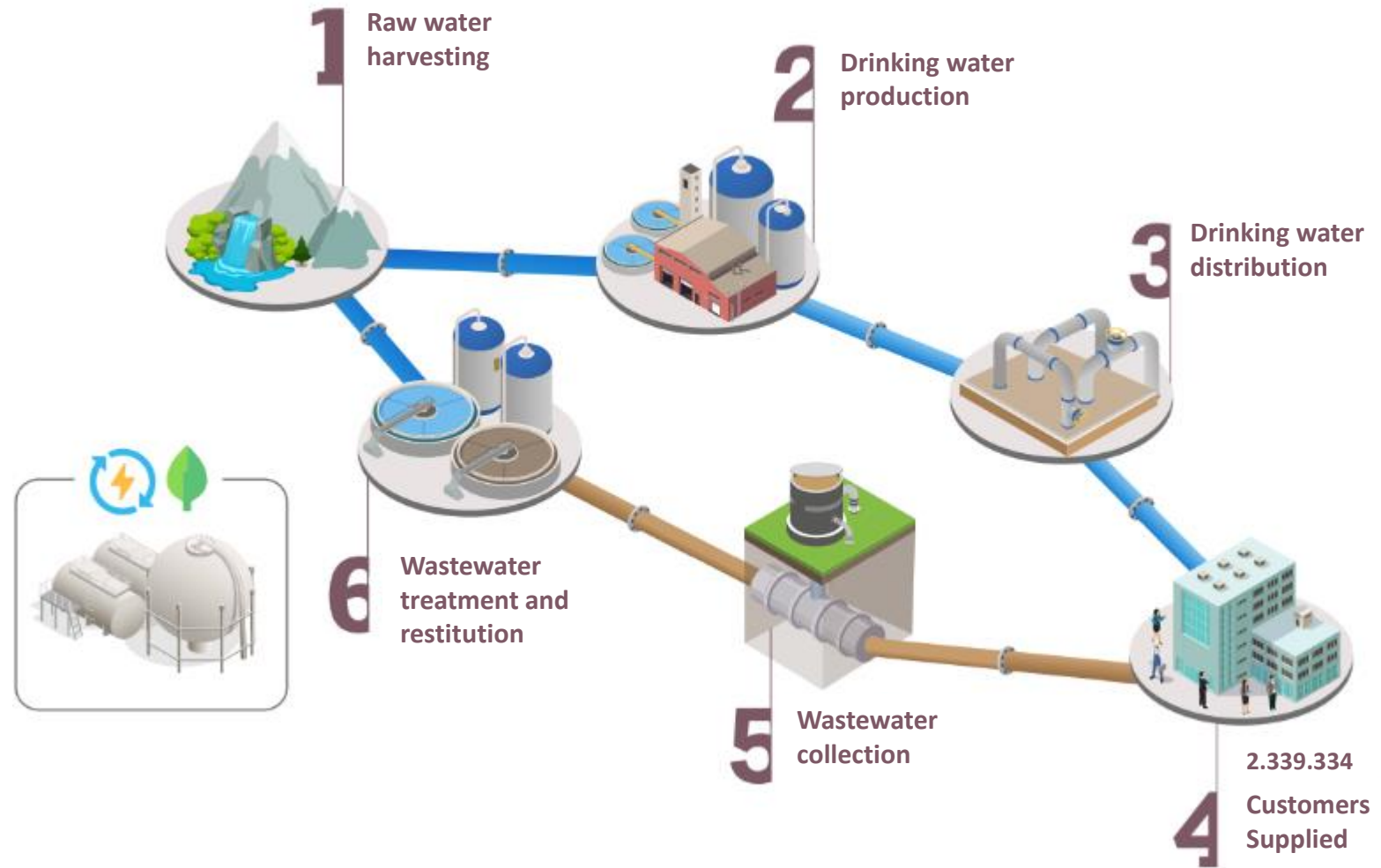
Aguas Andinas

Circular economy as an operational axis

Aguas Andinas owns, operates and maintains the **assets**.

We must protect and manage **hydric resources**. Since we share them with other users (we own about 28% of the water rights of the Maipo River, our main source of surface water), we build and manage strong collaborative relationships with other actors in the basin.

With the concept of **Biofactory** we change the concept of sanitation. We go beyond wastewater treatment to focus on a **circular economy** model that transforms wastewater into valuable products (reclaimed water, organic fertilizers, biomethane, and green electricity).



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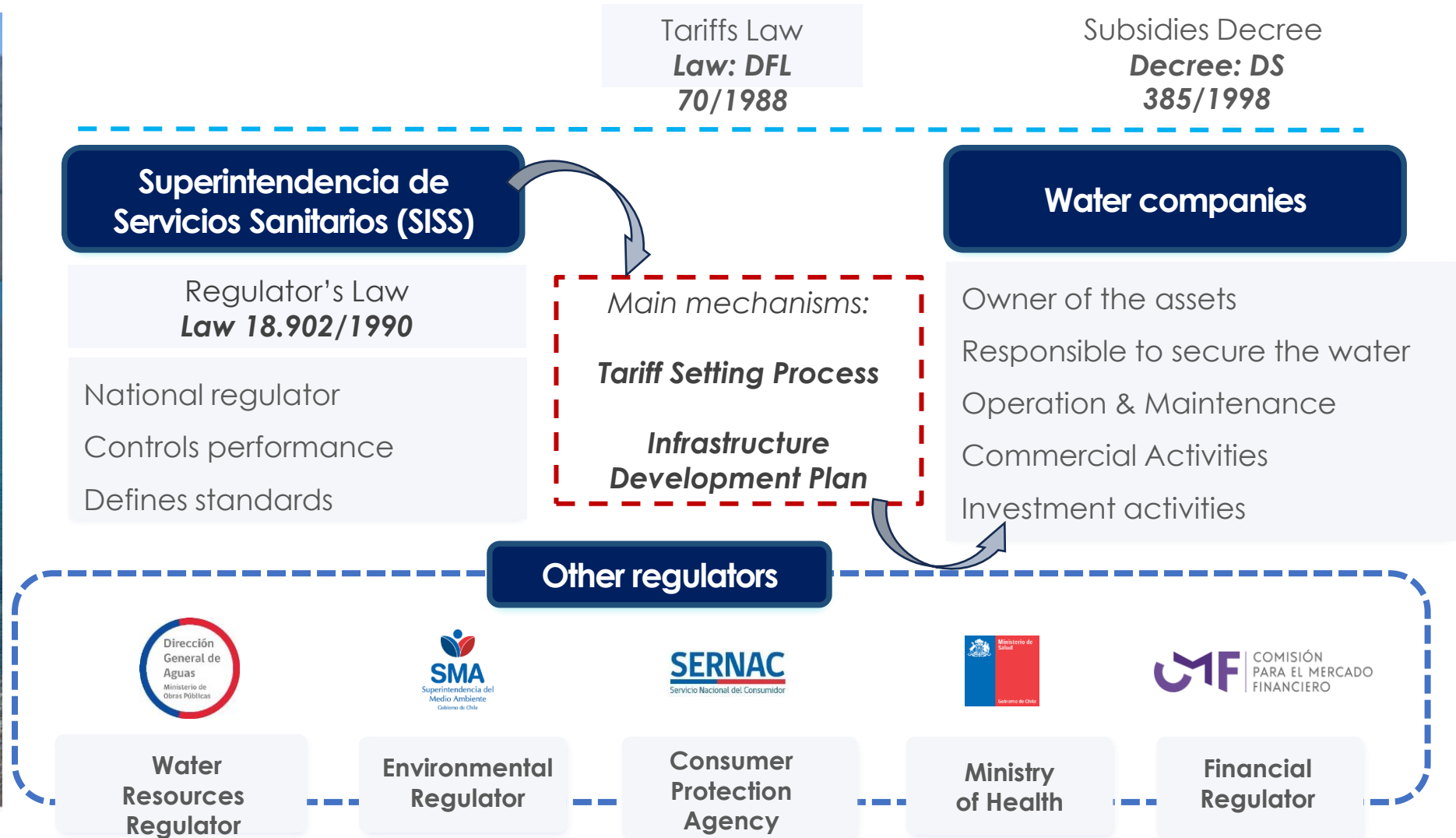
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Regulatory framework





Context – Regulatory Framework



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Aguas Andinas

Drinking water, sewage & wastewater treatment market



1999

Privatization begins



2 Concession models for urban water services

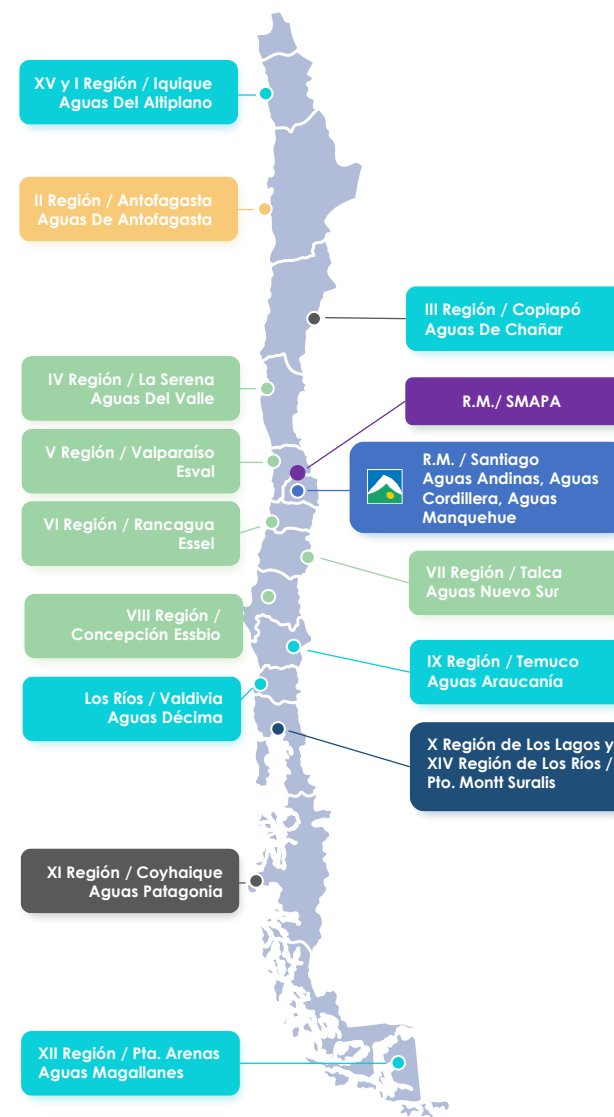
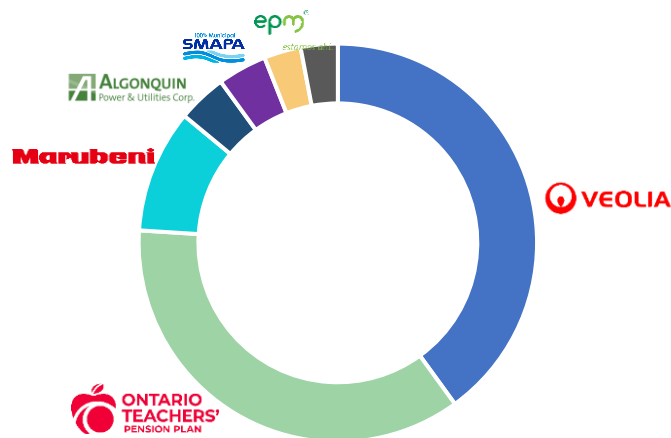
- **Perpetual Concession**
- 30 years concession



96%

of urban customers are supplied by private companies

●	VEOLIA	40%
●	ONTARIO TEACHERS PP	36%
●	MARUBENI	10%
●	ALGONQUIN	4%
●	SMAPA	4%
●	EMPRESAS PUBLICAS DE MEDELLÍN	3%
●	OTHER	3%



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Context – Tariff Setting Process (every 5 years)

Main characteristics

Performed every 5 years

Output:

- Base Tariff
- Polynomial indexation formula
- Additional tariffs linked to additional works

Model Company

- Greenfield operation
- Most efficient cost
- Self-financing of investments through tariffs
- Minimum real return on assets of 7% after taxes

Real Company

- Existing infrastructure
- Real cost
- Self-financing of investment through tariffs
- Possibility of using debt financing to improve the return on capital

Indexation Polynomial

$$IP_i = a_i * CPI + b_i * IPBI + c_i * IPPMan$$

60.0%

9.4%

30.6%

CPI: consumer price index
IPBI: imported goods index
IPPMan: manufactured goods price index

Indexation is triggered when the variation of any of the tariff charges accumulates +-3%.

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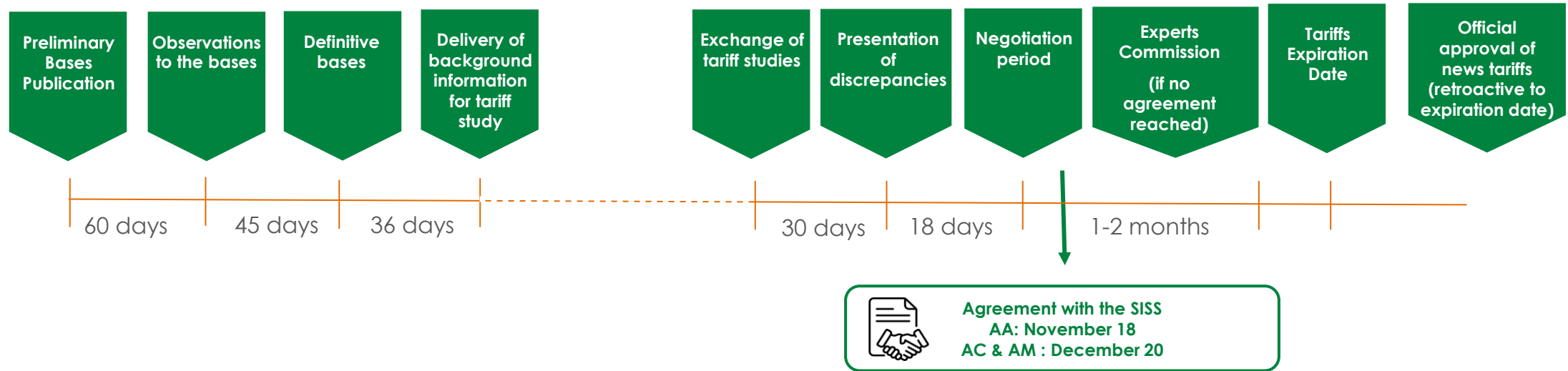
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Resolution of the eighth tariff process





Schedule of tariff processes



AGUAS
andinas®

+3% from March 1st, 2025, an additional 1% from December 1st, 2025, and an additional 1% from March 1st, 2026.

AGUAS
cordillera®

+10% from June 30th, 2025, an additional 1% between November 1st, 2025, and April 30th, 2026, and an additional 1% from May 1st, 2026.

AGUAS
manquehue®

+5% from May 19th, 2025.

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Resolution Eighth Tariff Process 2025-2030

OTHER AGUAS ANDINAS AGREEMENTS

- The “Base Drought” tariff is applied once the wells are constructed, and water transfer compensation costs are incurred.
- The base tariff includes all the discounts for income from non-regulated services of the five-year period.
- The current indexation polynomial is maintained.

WORKS FIVE-YEAR PERIOD 2025-2030

	Proyect	%
	Base drought	3.85%
	Final drought: wells in canal trench	0.15%
	Final turbidity: alternative Maipo catchment	1.17%
	Deodorization (basic) La Farfana	0.30%
	Alternative Supply Plan	0.55%
	Thermal hydrolysis - La Farfana	1.14%
	Thermal Sludge Drying - Trebal Mapocho	0.25%
Total		7.40%

The investments for the 2030-2035 tariff cycle would consider the Maipo Return or Maipo Poniente New Sources projects, and the Til Til New Sources project.

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Resolution of Eight Tariff Process 2025-2030

Biocidad projects for the next five years

< 300 MMCLP
+5.17% in tariffs



Santiago West Wells

Battery of 12 wells distributed in the communes of Estación Central and Lo Prado. Considering 1,200 l/s of underground production.



Santiago South Wells

It involves the underground production of 1,500 l/s through 16 wells in the southern area of the Metropolitan Region.



Maipo Alternative Catchment and Conduction

It allows the El Yeso reservoir to be connected to drinking water production plants, helping to overcome extreme turbidity events in rivers.



Fajas de Canales Wells

It involves the construction of 7 wells with a flow rate of 70 l/s each and a common drive for the wells to discharge the works planned in the Tronco canal.



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Resolution of Eight Tariff Process 2025-2030

Other flagships projects with tariff indexation

< 80 MMCLP
+2.24% in tariffs



La Farfana Biofactory Deodorization

Solution to encapsulate and treat odorous gases from the Biofactory.



Alternative Supply Plan

Solution focused on supplying drinking water in the event of supply interruptions, through the distribution of portable tanks at various points and the logistical planning tasks for transporting them.



La Farfana Thermal Hydrolisis

Construction of thermal hydrolysis of biological sludge, sludge thickening, and steam generation works, which ensure compliance with current regulations.



Mapocho Trebal Biofactory - Thermal Drying of Sludge

Implementation of thermal drying at the Mapocho Trebal Biofactory for a total of 200 tons/day of wet sludge.

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Climate change challenges





Climate change

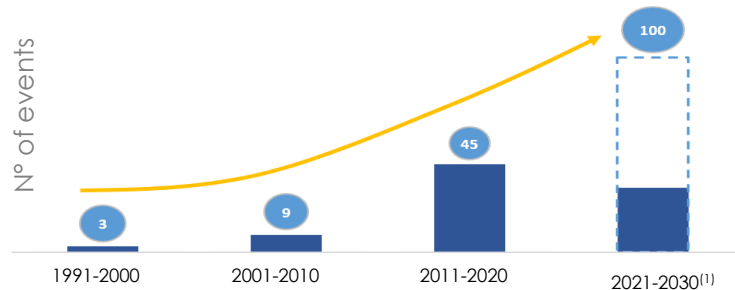
Extreme turbidity events

During the last decade, the effects of climate change became evident in central Chile, with an increase in the intensity and frequency of extreme events.

High altitude rains, convective rains, atmospheric rivers and other meteorological phenomenon carry sediments into the rivers that feed the drinking water plants, generating **extreme turbidity events** (turbidity levels that cannot be treated, which stops the production of drinking water). It became necessary to invest in back-up infrastructure that would make it possible to continue having a water supply independent of the rivers' contribution.



Turbidity Events



(1) Estimate for the next decade.



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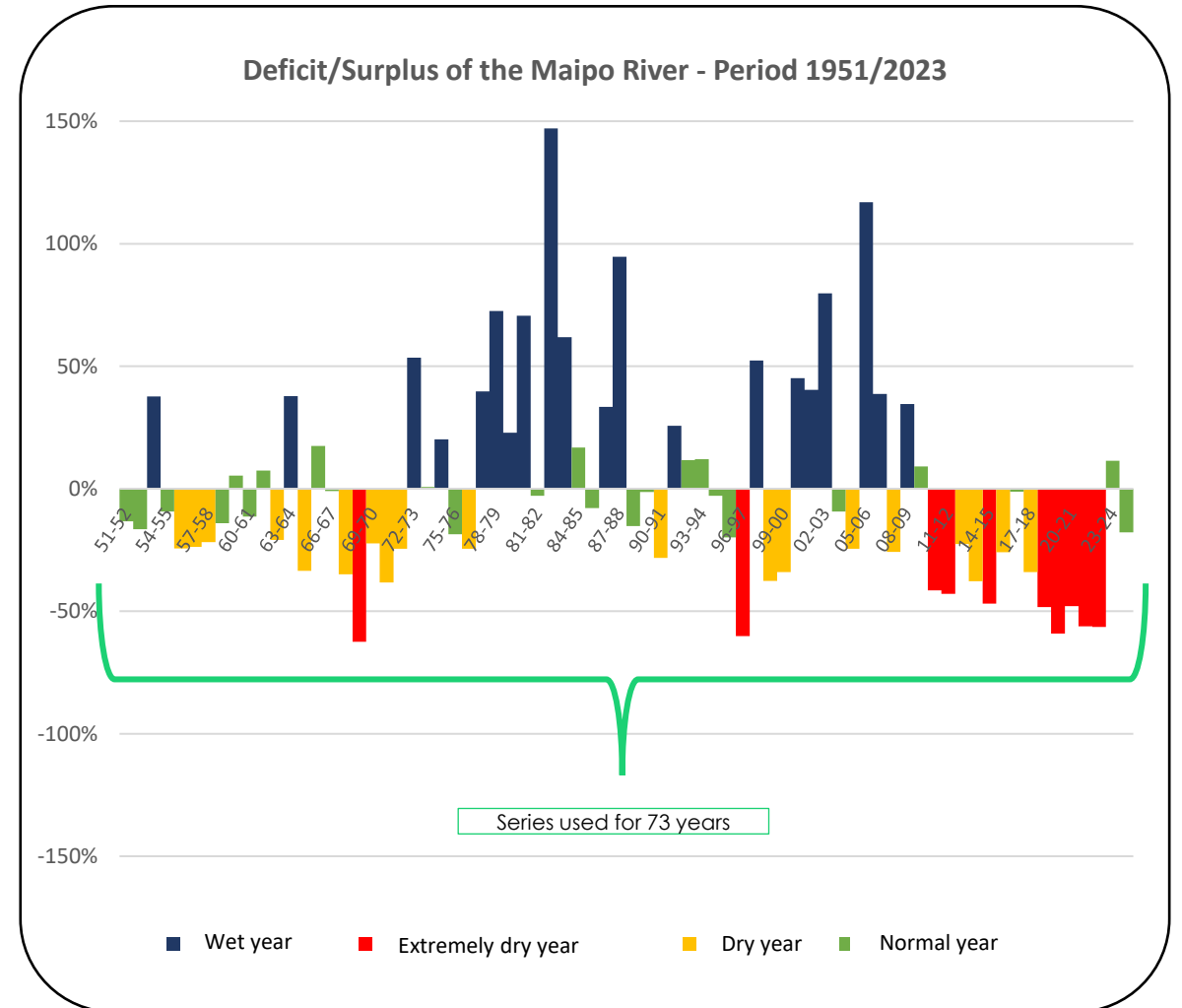




Climate change

Drought

The second effect of climate change has been an **abrupt decrease in annual rainfall and river flows**. Aguas Andinas has addressed this challenge with new infrastructure, water efficiency plans, responsible use campaigns and transfer agreements with other users in the basin.



(*) Consider hydrological years. Period 24-25 considers the months from April to December 2024.

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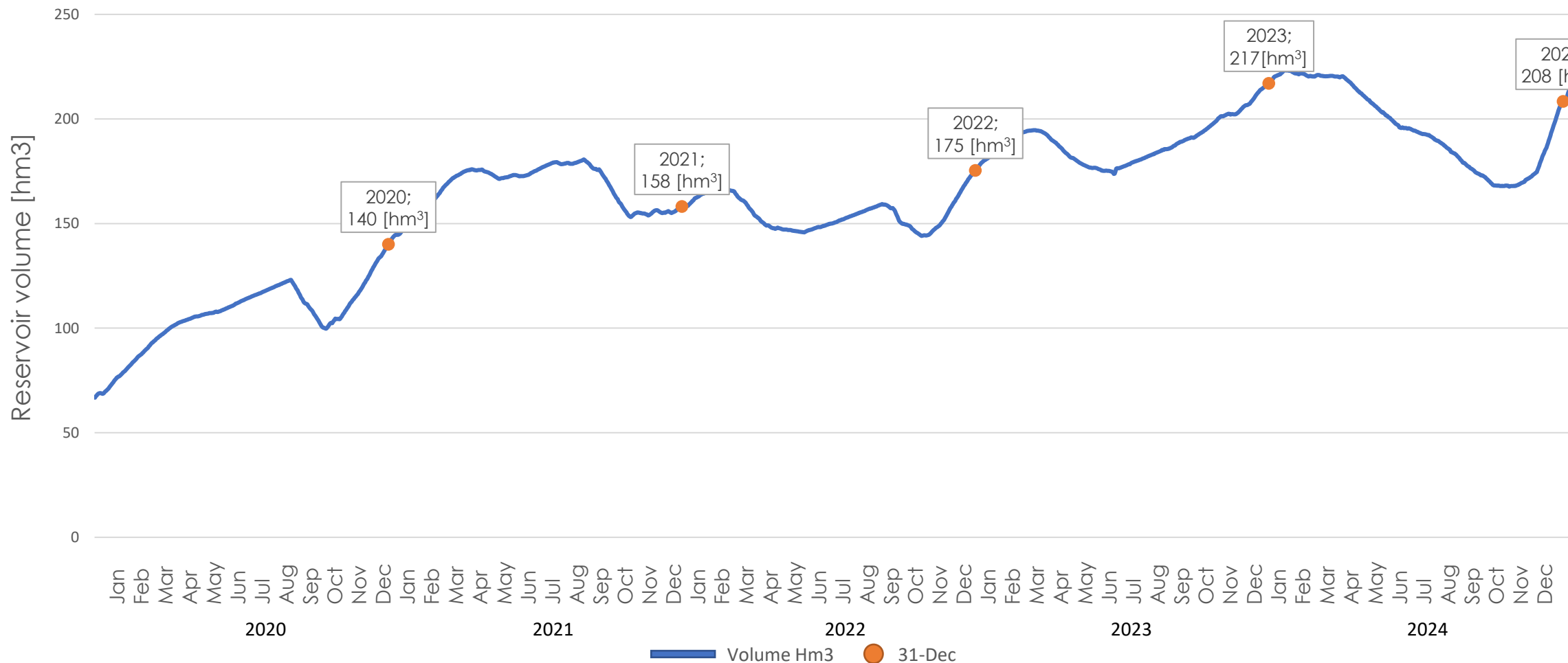
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Home icon



El Yeso Reservoir Volume

Levels close to maximum capacity



- As of January 7th, 2025, the Reservoir was at 100% of its capacity.



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ESG:

Our commitment

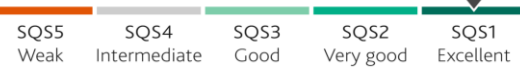




Strong ESG commitment

Moody's gives us its highest score to our sustainable debt framework

SQS1



Circular Economy

Potable water supply



- 100% drinking water.
- Higher population supplied.

Resilience



- From 4 hours of autonomy in 2011 to 37 hours in 2022.
- with the goal of reaching 96 hours.

Wastewater treatment



- Zero waste, energy self-sufficient and carbon neutral.
- 100% of wastewater treatment and return to agricultural and industrial uses.
- In 2018 the Biofactories were awarded by the UN as a new strategy that seeks to prevent the climate change.

Aims to reduce energy intensity by 4% by 2026, with 2021 as the base year.

Groundwater extraction, drinking water lifting plants and the largest wastewater treatment plants. By the end of 2023, energy savings from reduced emissions of 1.8 ktonCO₂e will be achieved.

From 267 kton CO₂ in 2019 to 159 kton CO₂ in 2023.

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Economic Value and Sustainability

Aguas Andinas understands the relevance of placing sustainability at the core of its business model.

ESG Credentials of Excellence



Second Party Opinion (SPO)



Green and social financing

2018	2019	2022	2022	2024	2024	2025
BAGUA-AC green and social bond	BAGUA-AE green and social bond	Private bond issued in JPY and AUD	Linked Sustainable Loan – ITAÚ	Sustainable Loan – BCI	Sustainable bond – Swiss Market	BAGUA-AH green and social bond
<ul style="list-style-type: none"> USD 59 million equiv. Maturity: 2025 	<ul style="list-style-type: none"> USD 75 million equiv. Maturity: 2044 	<ul style="list-style-type: none"> 50 million USD (JPY & AUD) Maturity: 2037 	<ul style="list-style-type: none"> USD 35 million equiv. Maturity: 2027 Up/down: +/- 5 bps per year KPI 1: 80% renewable energy use KPI 2: 0% disposal of biosolids in landfills. 	<ul style="list-style-type: none"> USD 31 million equiv. Maturity: 2029 	<ul style="list-style-type: none"> USD 110 million equiv. Maturity: 2029 	<ul style="list-style-type: none"> USD 156 million equiv. Maturity: 2044

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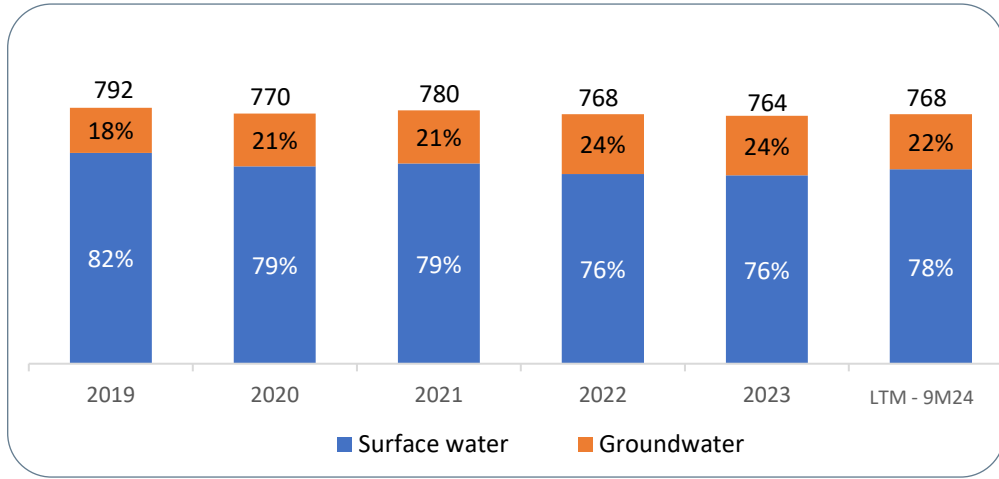
Financial performance



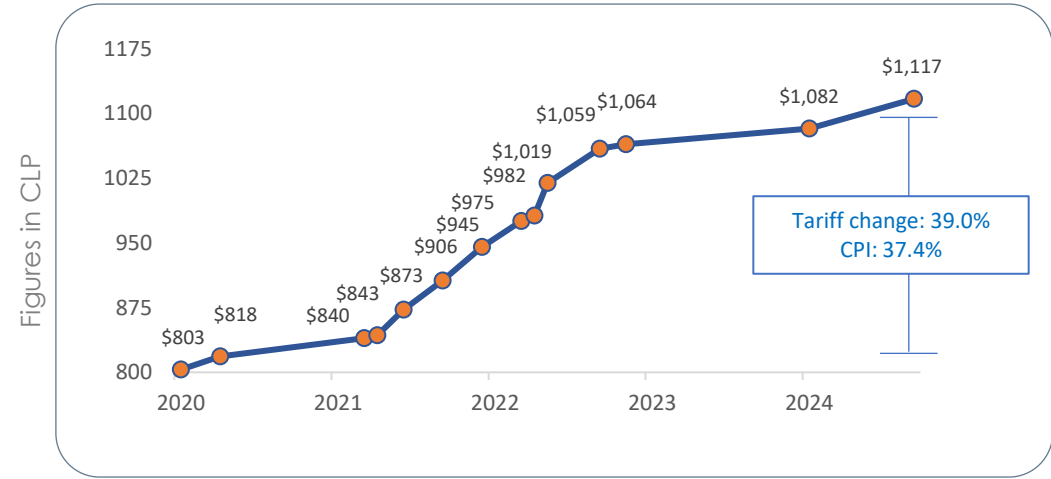


Operational Indicators

Potable water production (hm^3)

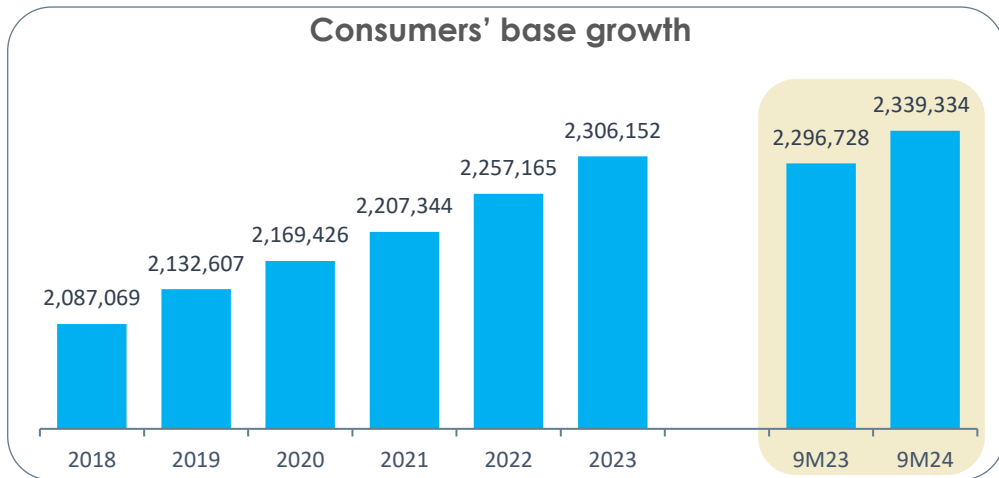


Tariff evolution

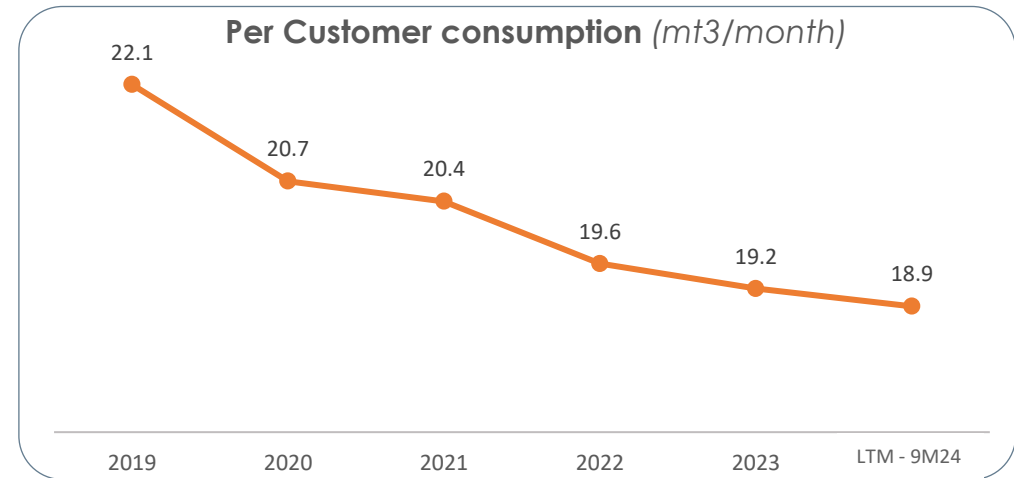


Note: Variations consider changes due to polynomial indexation and changes in tariffs related to investment projects.

Consumers' base growth



Per Customer consumption ($mt^3/month$)



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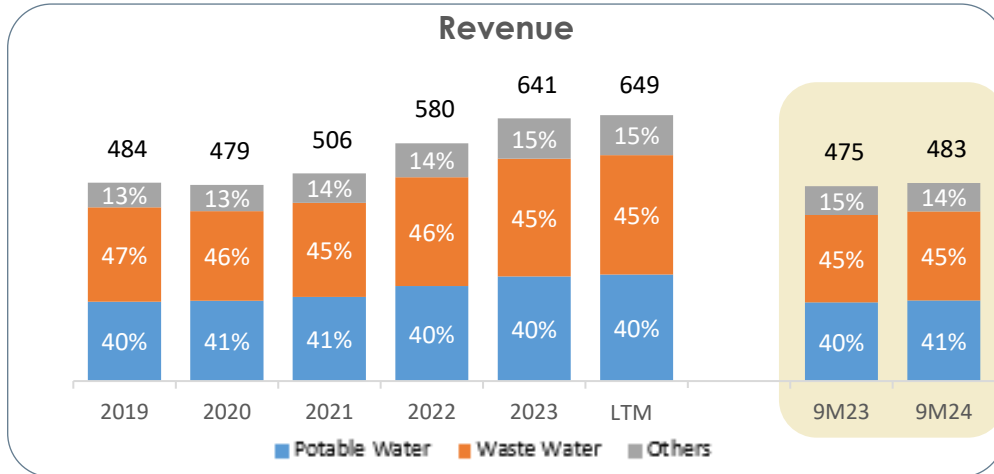
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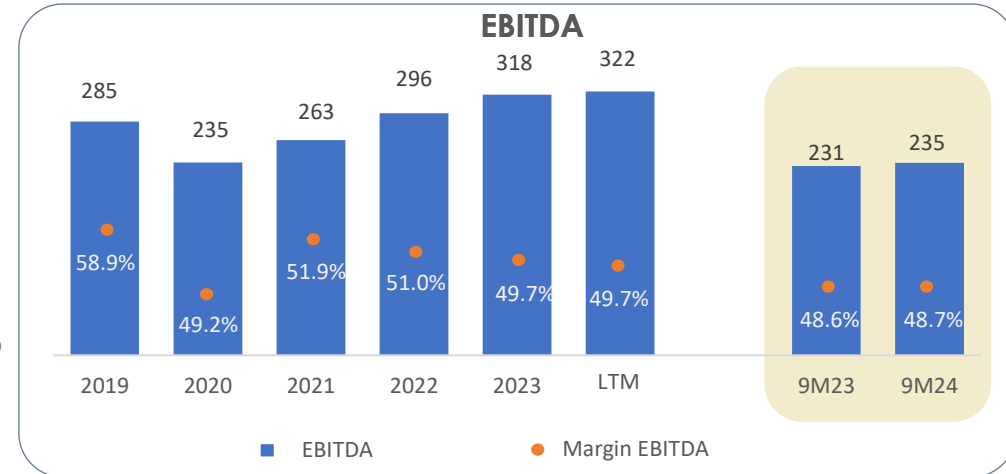
Financial Performance

Figures in CLP billion



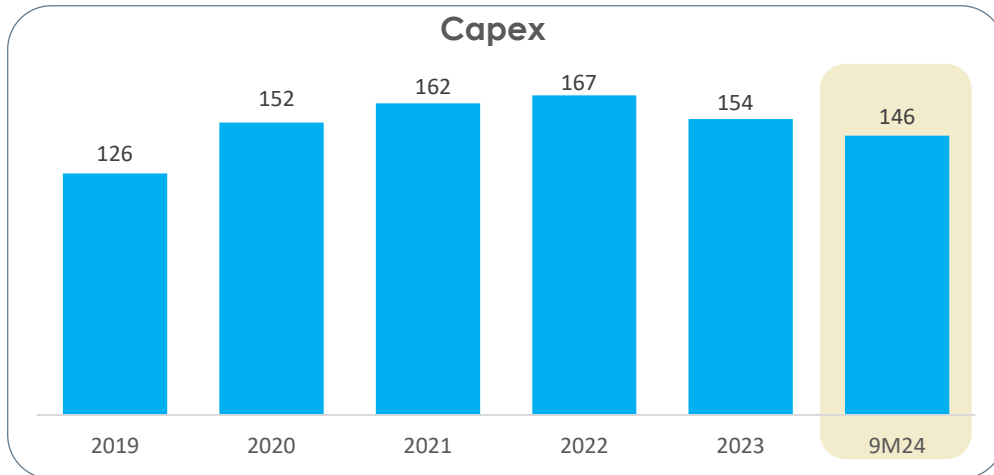
Note: Revenues obtained from Income Statements in the financial statements

Figures in CLP billion

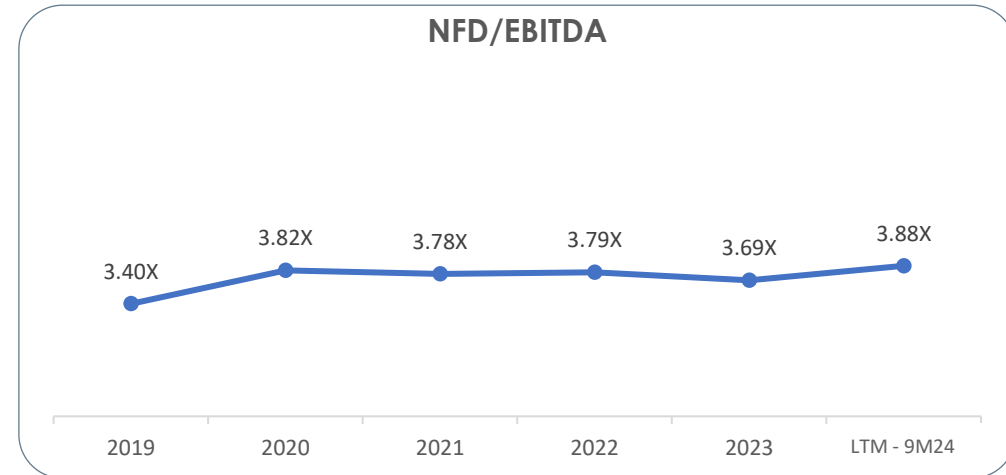


Note: EBITDA= Ordinary revenues - Raw materials - Employee benefit - Impairment gains - Other expenses from Income Statements in the financial statements.

Figures in CLP billion



Note: Capex obtained from "Purchases of property, plant and equipment" and "Purchases of intangible assets" from Statement of cashflows in the Financial Statements. These amounts include 19% of VAT.



Note: Net financial debt were calculated as financial debt (Current and non-current Other financial liabilities plus current and non-current Lease liabilities) minus "cash and cash equivalents" from Balance Sheet in the Financial Statements over EBITDA

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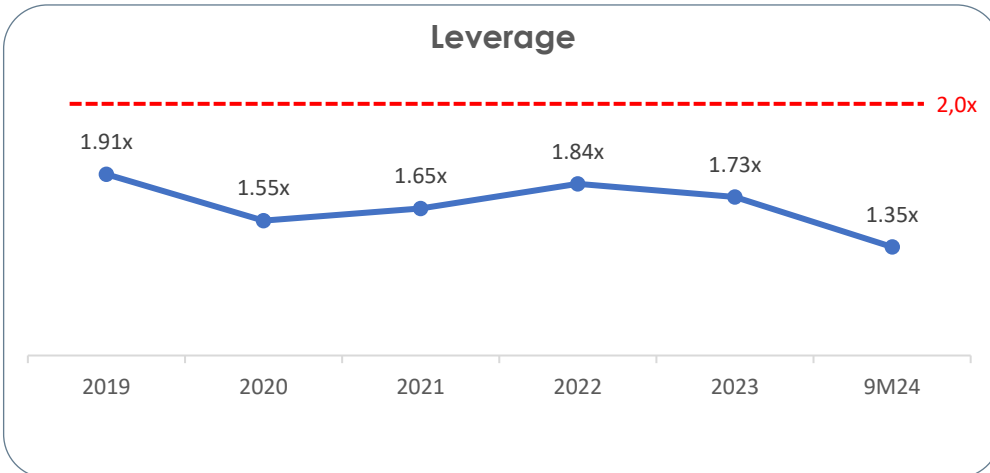


Note: 2019 does not include amounts associated with Suralis (former "ESSAL" Subsidiary).

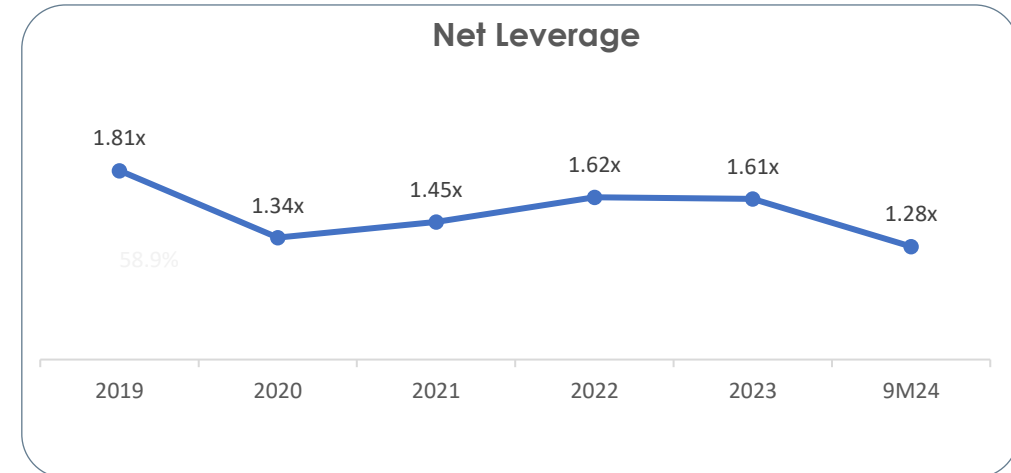
Note: Income from "interest on customer debts" was reclassified from the 2023 financial statements (effective in 2022 and 2023) in note 26 "Other income and expenses", however, such reclassifications are not made in previous periods.



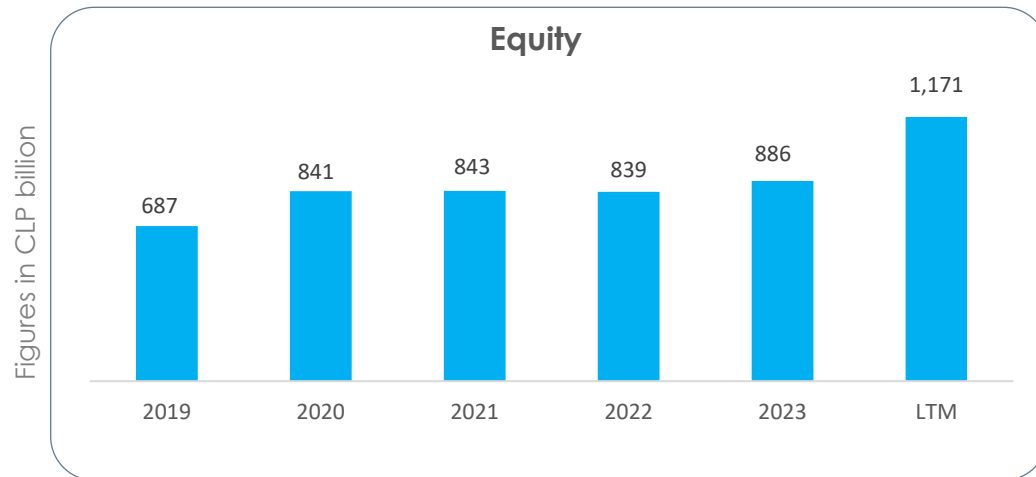
Financial Performance



Note: Leverage = Total liabilities over Total equity from Balance Sheet in the financial statements..
Leverage limit as of September 30th, 2024: 2.0x.



Note: Net Leverage = (Total liabilities minus Cash and Cash equivalents) over Total equity from Balance Sheet in the financial statements.
Net leverage Limit as of September 30th, 2024: 2.74x



Note: Equity attributable to the owners of the parent company in the Balance Sheet of the Financial Statements.
Equity 9M24 considers the effect of asset revaluation associated with water rights. Equity 2020 includes revaluation of land.



National rating: AA+

S&P Global
Ratings

International rating: A-

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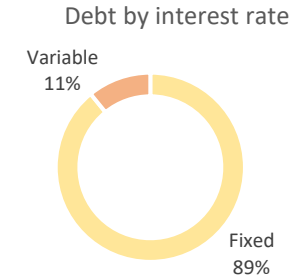
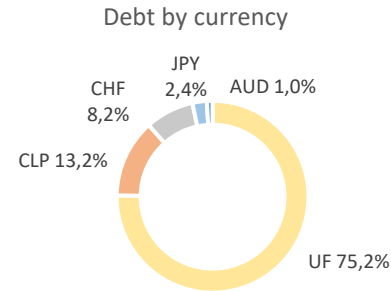
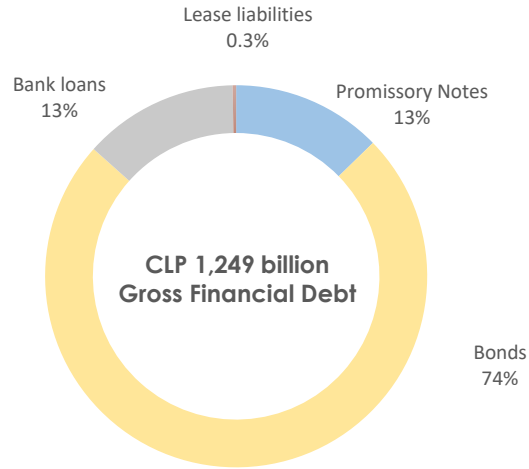
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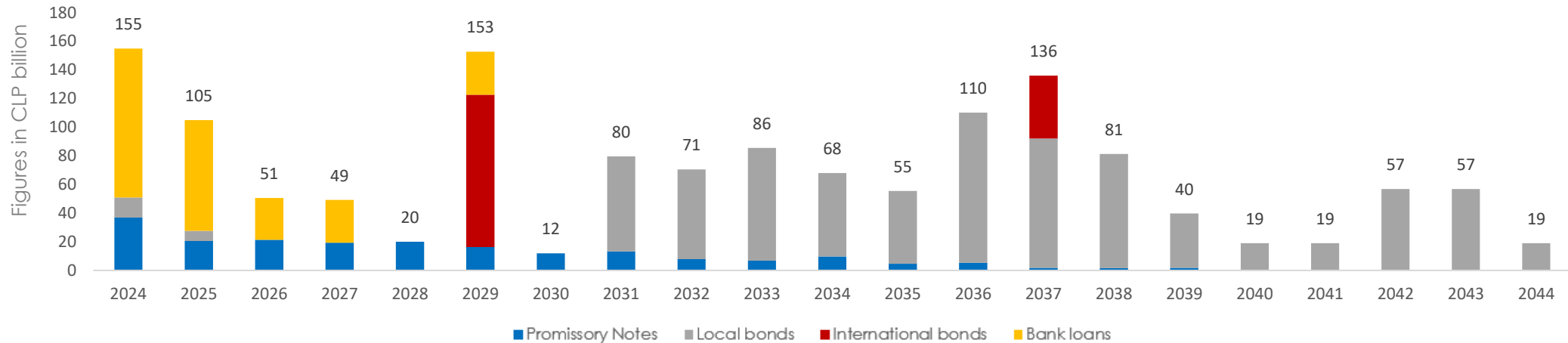




Financial debt structure and amortizing profile



23% of our debt is green and social



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Latest debt issuances

Bond issuance on the Swiss market in May 2024

- **Amount:** CHF 100 million
- **Term and amortization:** 5 years, Bullet
- **International rating:** "A-" by S&P
- **Placement rate:** 2.0975% annual
- **ESG format:** Sustainable
- **Use of funds:** Liability refinancing (2024)
- **SPO:** "Excellent" (highest) by Moody's
- **Swiss ESG rating:** "A-" (highest)
- **Bookrunners:** UBS and BNPP

Bond issuance on the local market in January 2025

- **Series AH Bond**
- **Amount:** UF 4,000,000
- **Term and amortization:** 21 years, Soft-Bullet (4 equal amortizations at the end of the period), maturity in 2046
- **Coupon rate and payment:** 3.40% coupon rate with semiannual payment
- **Placement rate:** 3.19% annual
- **ESG format:** Sustainable (green and social)
- **Use of funds:** Refinancing of liabilities through 2025 and financing of sustainable projects
- **Covenants:** (total liabilities - cash)/equity < 1.5x adjusted for CPI based on December 2009 as of the calculation date
- **Bookrunners:** Scotiabank and Santander

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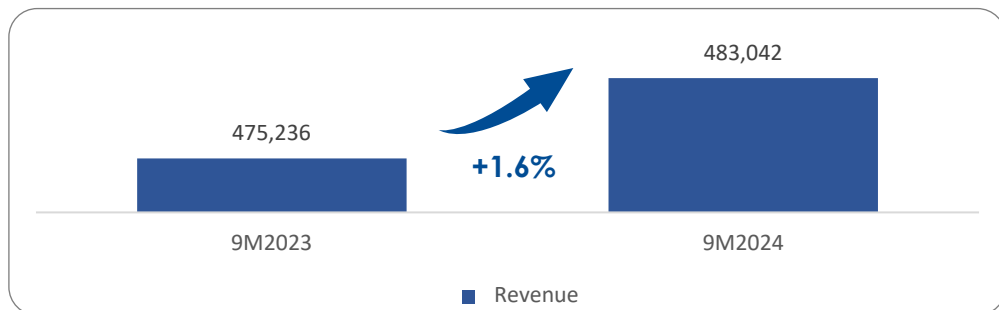




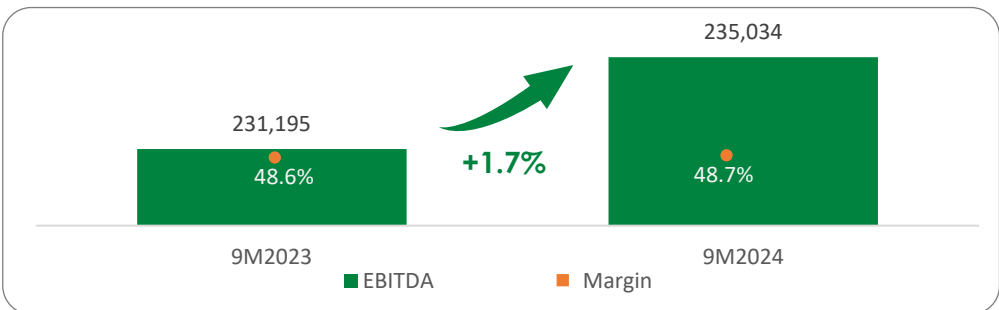
9M2024 Results: EBITDA increased by 1.7%, maintaining its growth

Figures in CLP millions

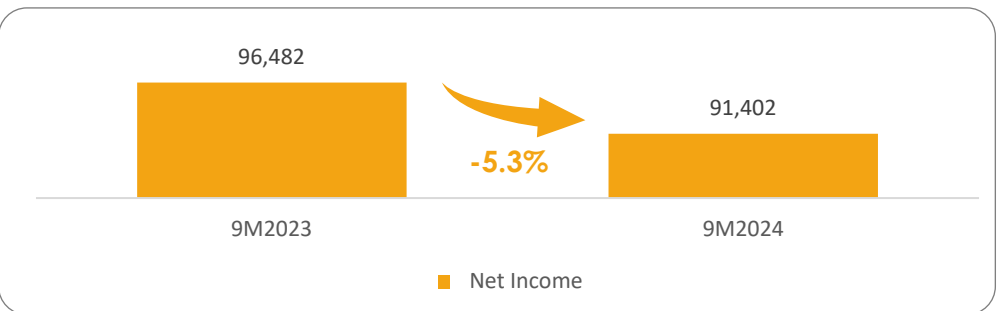
REVENUE



EBITDA



NET INCOME



➤ Revenue:

- Consumption effect of +547 MCLP.
- Tariff effect of +7,804 MCLP, mainly due to polynomial indexations.
- Other sanitation revenue of +1,014 MCLP mainly associated with fixed charges and interest on customer debt.
- Non-sanitation revenues for (1,588) MCLP mainly due to lower activity in residential and engineering services, which is partially compensated by higher revenues from the environmental services subsidiaries and insurance returns.

➤ Costs:

- CPI effect and USD exchange rate impact of (8,515) MCLP.
- Higher operating costs (2,067) MCLP mainly associated with higher costs in network maintenance, business support services, chemical inputs, electricity, waste and sludge removal. Partially offset by lower water transfers of +10,928 MCLP.
- Extraordinary events of +2,631 MCLP.
- Improvement in bad debt of +4,266 MCLP (1.4% over revenues vs 2.3% in September 2023).
- Efficiencies of +1,941 MCLP.

➤ **Financial results** were mainly affected by lower income from treasury surpluses, lower interest rates and exchange rate differences. Additionally, there was a greater revaluation of the financial debt by (1,748) MCLP, mainly due to a higher level of debt in Bonds.

➤ **Income tax** mainly explained by lower income before taxes, together with the monetary correction effect of the Equity Tax (effect linked to inflation). Effective tax rate of 21.0% vs. 20.7% in the previous year.

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9M2024 Results: Lower working capital Higher payments for projects' executions

Figures in CLP millions

	Sep-2024	Sep-2023	Var.
OCF	235,172	230,613	4,558
<i>Taxes</i>	<i>(22,640)</i>	<i>(41,996)</i>	<i>19,356</i>
<i>Net financial payments</i>	<i>(31,687)</i>	<i>(25,616)</i>	<i>(6,071)</i>
<i>Capex paid</i>	<i>(123,136)</i>	<i>(88,831)</i>	<i>(34,305)</i>
FCF	57,709	74,171	(16,462)
<i>Assets transferred</i>	<i>4,056</i>	<i>4,998</i>	<i>(942)</i>
<i>Dividend paid</i>	<i>(90,100)</i>	<i>(52,189)</i>	<i>(37,912)</i>
<i>Payment of ESSAL agreement</i>	<i>-</i>	<i>(10,249)</i>	<i>10,249</i>
Total CF	(28,335)	16,731	(45,066)

Mainly due to lower PPM rate together with tax refund (year 2024)

Lower interest on financial investments due to lower cash surpluses.

Mainly associated with investments made in the last months of 2023 that generated a higher payment in the first quarter of 2024. During 2024, the accrued investments have been relatively stable (96,691 MCLP in Sep-2024 vs 103,135 MCLP in Sep-2023).

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Erika Sandoval
Javiera Viscaya
Jorge Cuéllar

Contact
inversionista@aguasandinas.cl



Annex

Links to relevant information

- IR webpage: <https://www.aguasandinasinversionistas.cl/en>
- Financial Statements: <https://www.aguasandinasinversionistas.cl/en/financial-information/financial-statements/2023>
- Annual Report : <https://www.aguasandinasinversionistas.cl/en/financial-information/annual-reports>
- Corporate Presentations: <https://www.aguasandinasinversionistas.cl/en/events-presentations/corporate-presentations/2023>
- ESG Financing, Framework and SPO: <https://www.aguasandinasinversionistas.cl/en/debt-holders/bond-issuances/green-social-bonds>
- Rating Classification: <https://www.aguasandinasinversionistas.cl/en/debt-holders/rating-classification>
- Biociedad website (Spanish only): <https://biociedad.cl/>
- Sanitation Management Report 2023 (Spanish only): https://www.siss.gob.cl/586/articles-23289_recurso_1.pdf

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