

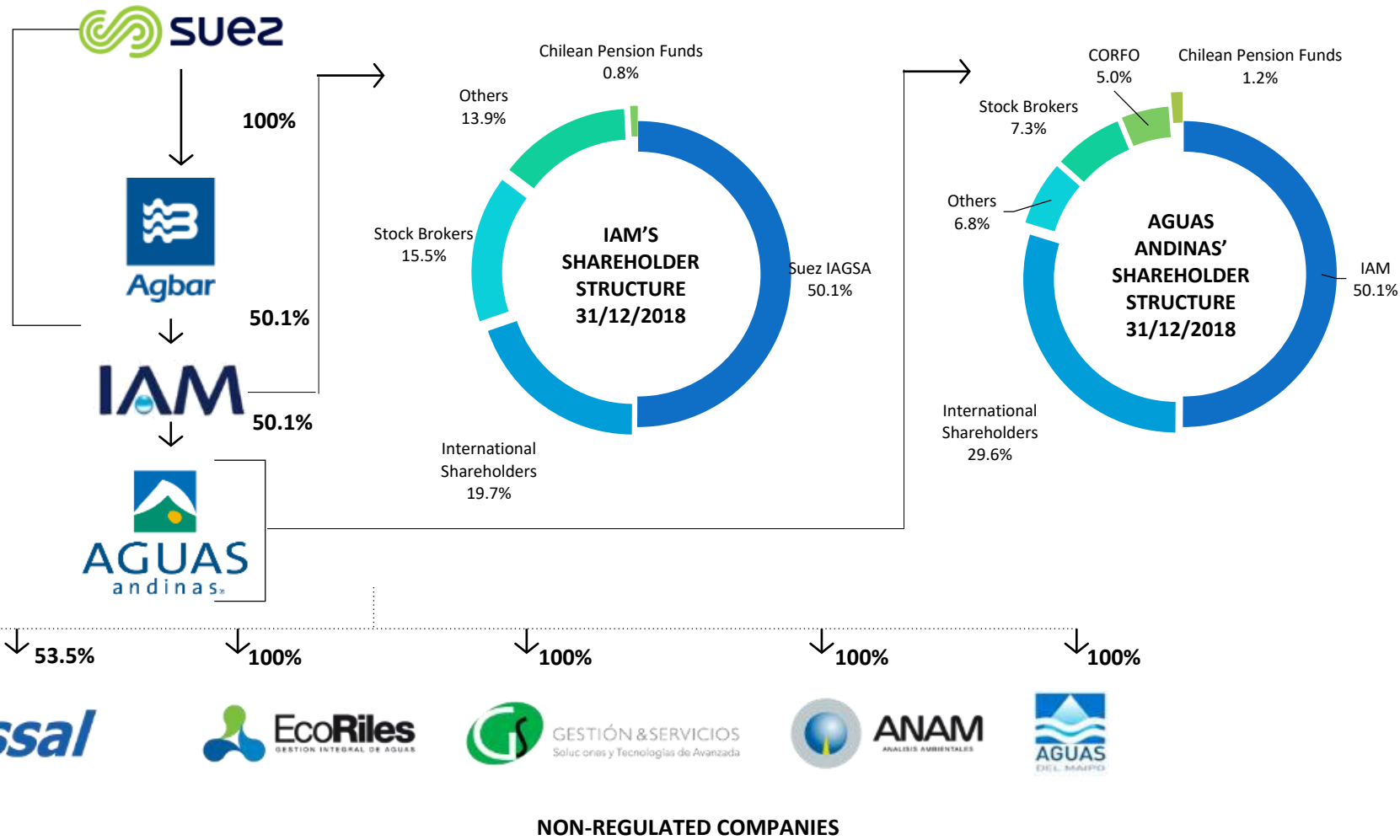
AGUAS ANDINAS

Corporate Presentation

March 2019



CORPORATE STRUCTURE



El Agua nos Mueve



AGUAS ANDINAS



Chile's largest water utility company



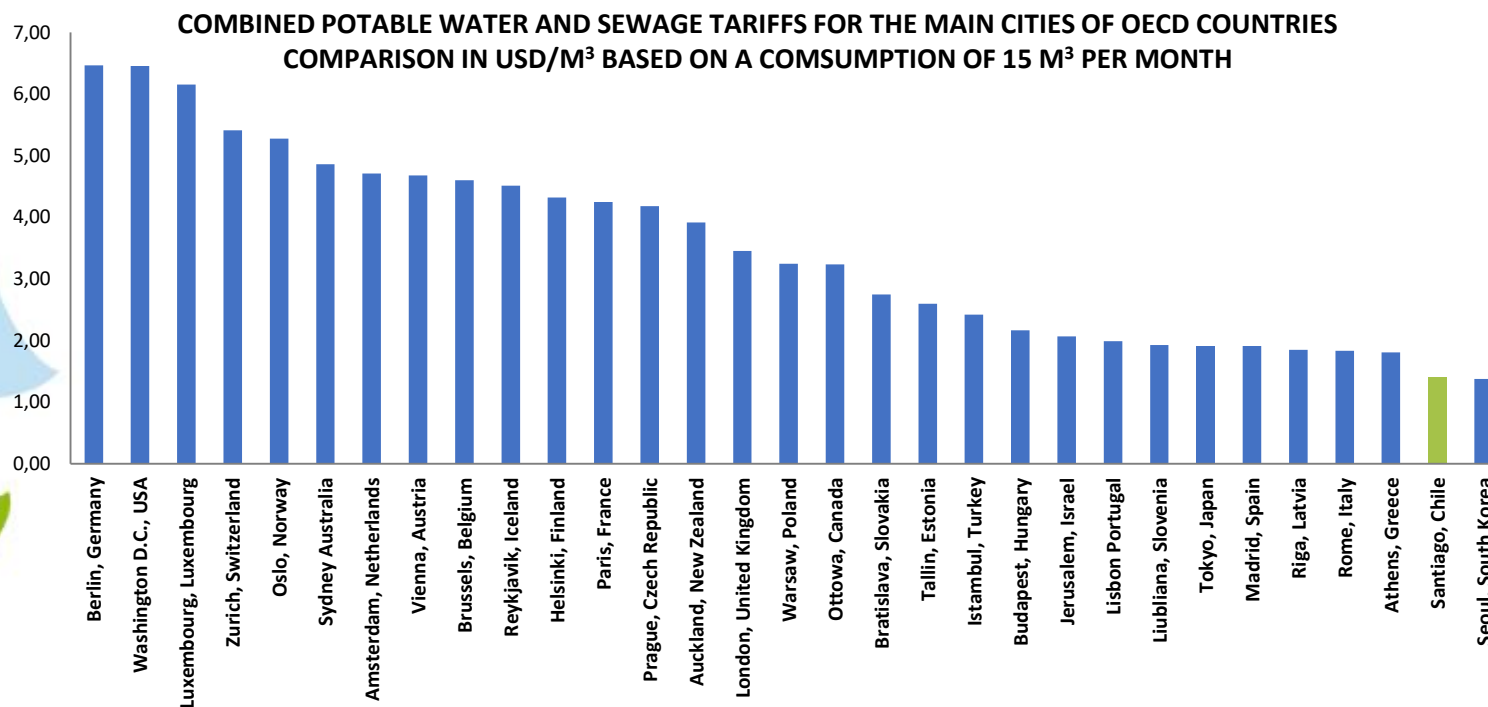
100% coverage in potable water and sewage treatment



2,249,314 clients
Representing 43% of the industry's clients



50% of the industry's potable water (m³) billing



Note: In the cases of Australia, New Zealand and Switzerland, the cities considered are Sydney, Auckland and Zurich respectively.

Source: Global Water Intelligence Water Tariff Survey 2018, SISS 2016 Management Report



R.M. / Santiago
Aguas Andinas



X Region de Los Lagos y XIV Region
de Los Ríos / Pto. Montt
Essal



AGUAS
andinas.

STRATEGY THE BEST FOR SANTIAGO



Business Model



Resilience



Digitalization



Circular Economy



Social Legitimacy



Innovation and People



Water and Quality of Life

Santiago
merece un



7

*SANTIAGO DESERVES
AN A+*

ALIGNED WITH UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

- **Transform** its sewage treatment plants into biofactories
- **Reuse** 100% of residues and transform them into energy for their production.
- **Drastically reduce** its carbon foot print and that of the country.
- Aguas Andinas and its subsidiaries are contributing to the country, through **15 of the 17 Sustainable Development Goals**.
- The SDGs were subscribed to by the **Chilean Government** as a guide in sustainable development matters.





FINANCIAL PERFORMANCE

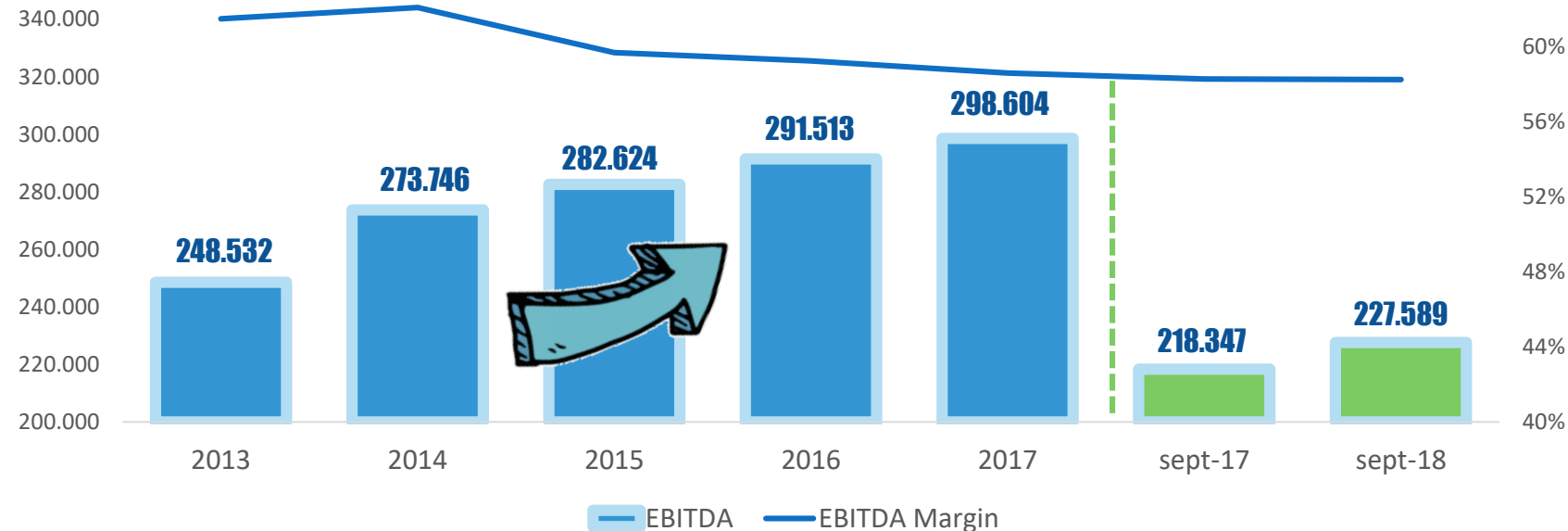


STEADILY
GROWING
RESULTS

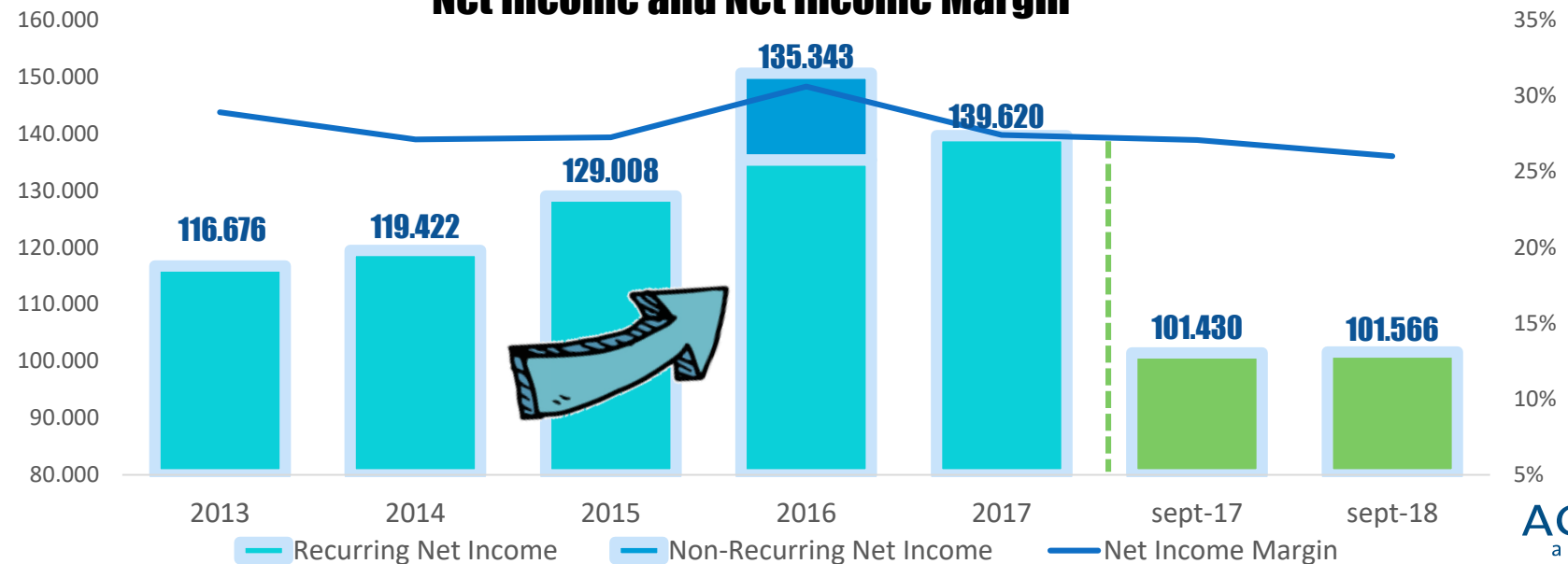
El
Agua
nos
Mueve

figures in million CLP

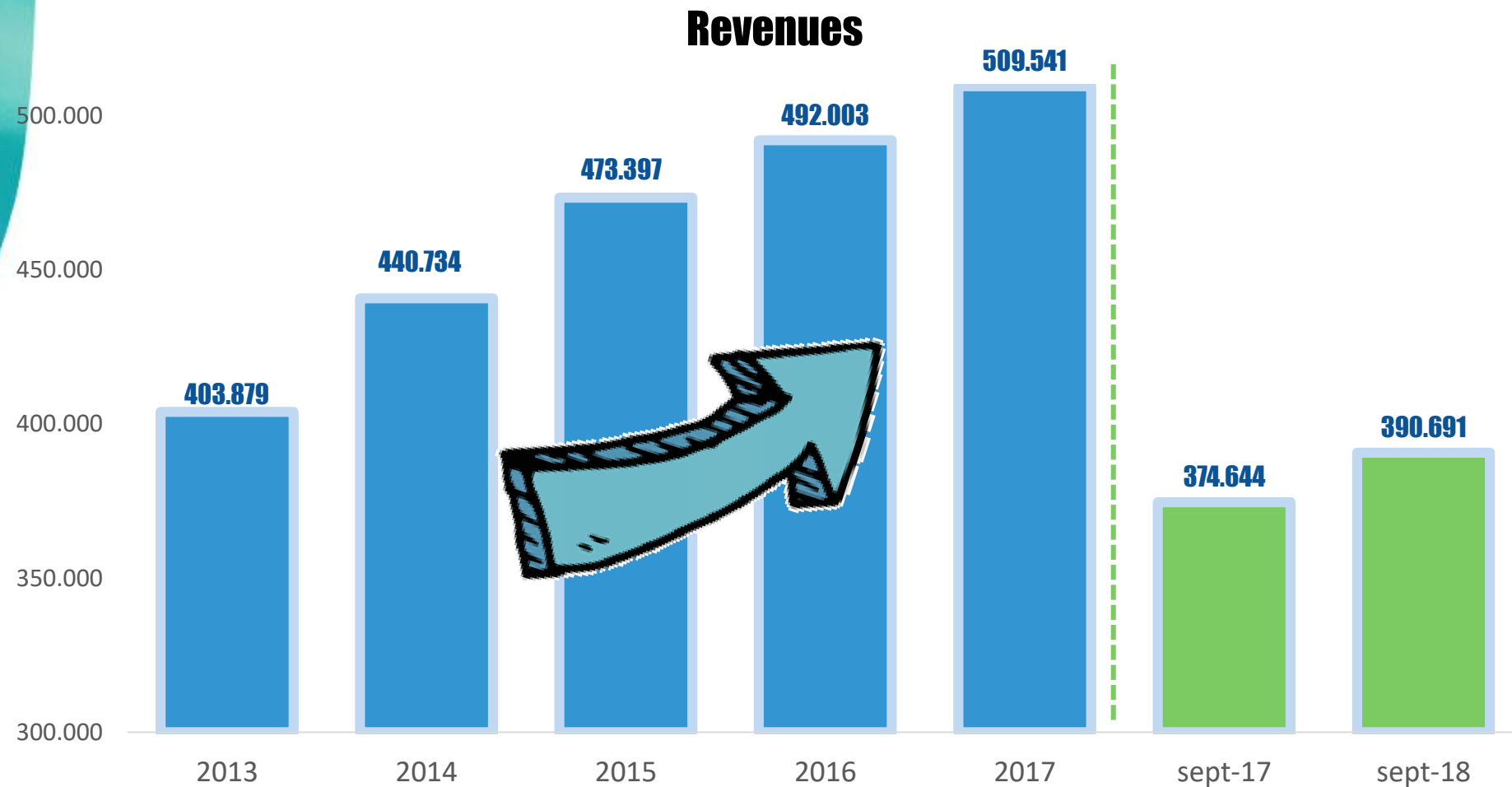
EBITDA & EBITDA Margin



Net Income and Net Income Margin

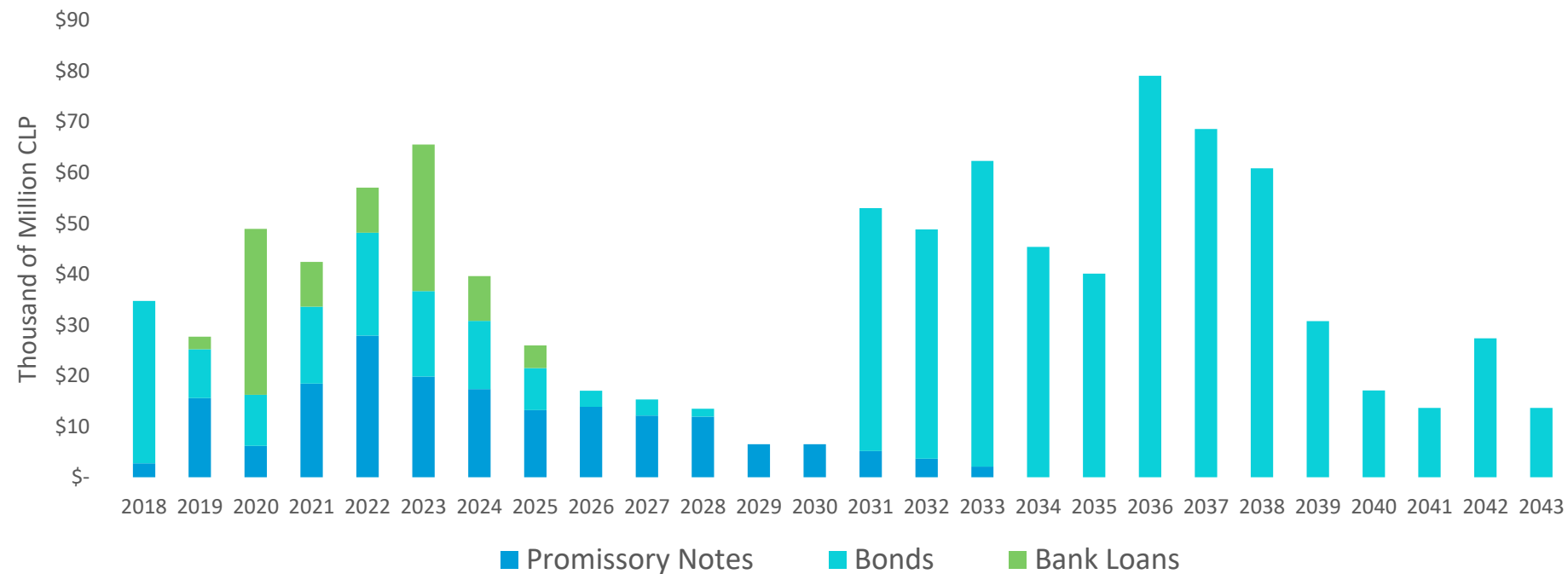


STEADILY GROWING RESULTS

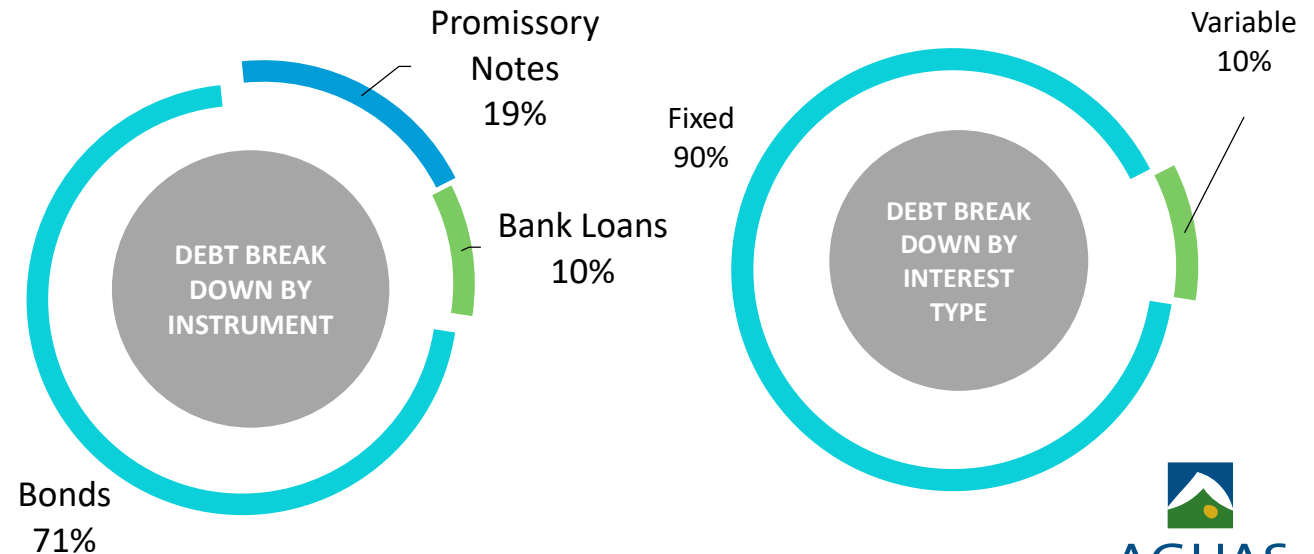


*El
Agua
nos
Mueve*

SOUND AND SUSTAINABLE DEBT STRUCTURE



- Leverage: **1.66x** Limit: **1.98**
- Financial Expense Coverage: **7.16x**
- Local Credit Rating: **AA+**
- Total Net Financial Debt: **CLP\$ 939 billion**
- Net Debt/EBITDA Ratio: **3,05x**



El Agua nos Mueve

An aerial photograph of a modern wastewater treatment plant. The facility features several large, circular aeration tanks with blue water and mechanical scrapers. In the background, there are large white storage tanks and a line of trees. A paved road with white lane markings and yellow crosswalks runs along the bottom and right side of the image. The word "INVESTMENTS" is overlaid in white capital letters on the central tank. Three stylized leaf icons (blue, green, and yellow) are also present, partially overlapping the text and the tanks.

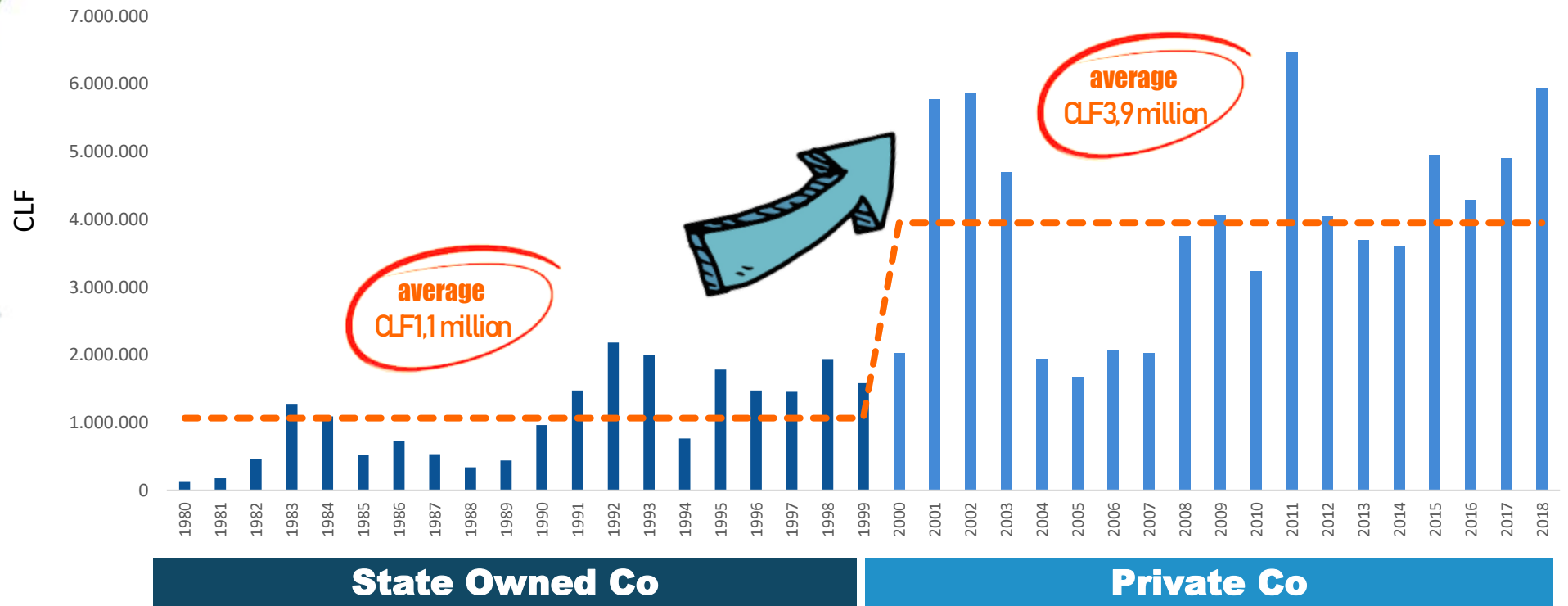
INVESTMENTS

OUTSTANDING LEVEL OF INVESTMENTS

Most Relevant Investments as of September 2018

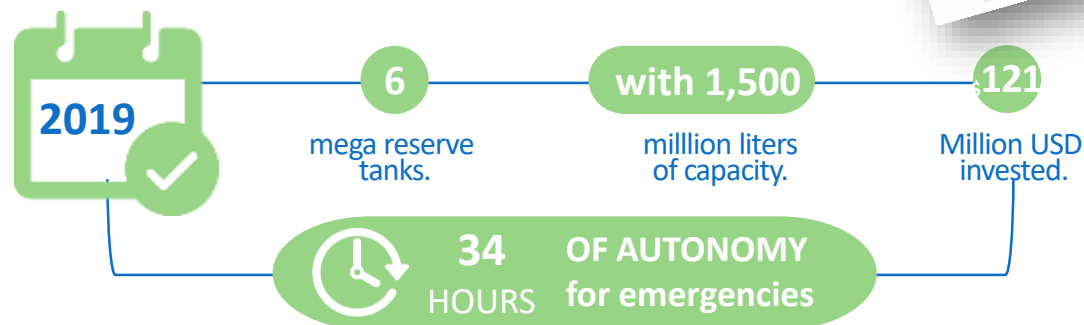
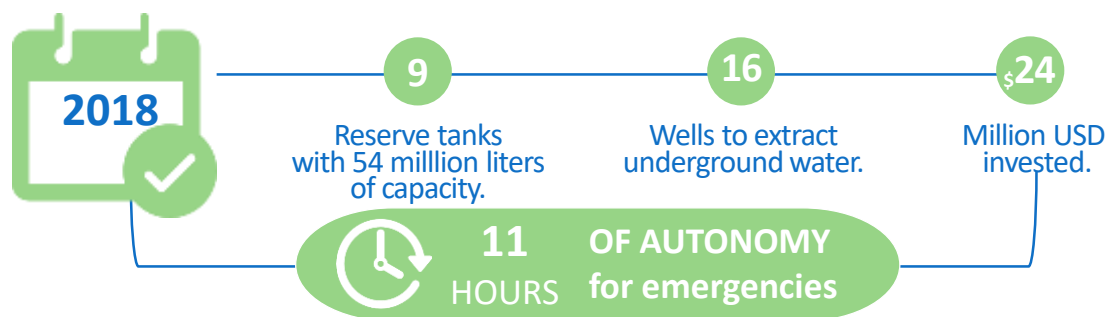
CLP Million

Pirque Tank Construction	17.940
Asset Replacement of La Farfana-Trebal Wastewater Treatment Plants	5.854
Treatment of Ammonium La Farfana-Trebal Biofactories	5.358
Renovation of Wastewater Networks	4.863
Expansion of Talagante Wastewater Treatment Plant	3.563
Preventive renovation of Potable Water Networks	3.329
Pirque Tank Construction	5.854



El
Agua
nos
Mueve

HIGHLY IMPROVING AUTONOMY OF SERVICE



💧 **Stage 2 Progress: 67%**



El Agua nos Mueve

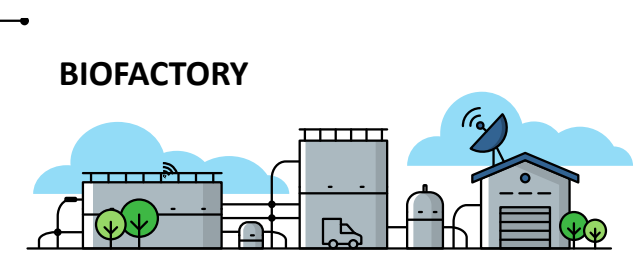


CUTTING EDGE SOLUTION: BIOFACTORIES

0 Waste
0 Energy
0 Environmental Impact
+ Positive Social Impact



The City
0% EMISSIONS



BIOFACTORY

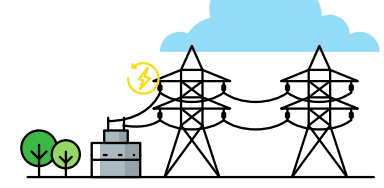
processes

1

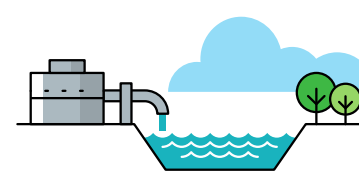
2



a 100% AUTO-GENERATION



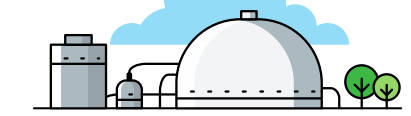
b CLEAN WATER



c Biosolids
0% POLLUTION



Biogas
100% WASTE TO ENERGY



Symbology	
	waste water
	self-generation
	clean water
	Biosólidos
	Biogás



El
Agua
nos
Mueve



REGULATORY FRAMEWORK

CHILEAN WATER UTILITY INDUSTRY

El
Agua
nos
Mueve

1998

The privatization
process starts

TWO CONCESSION MODELS

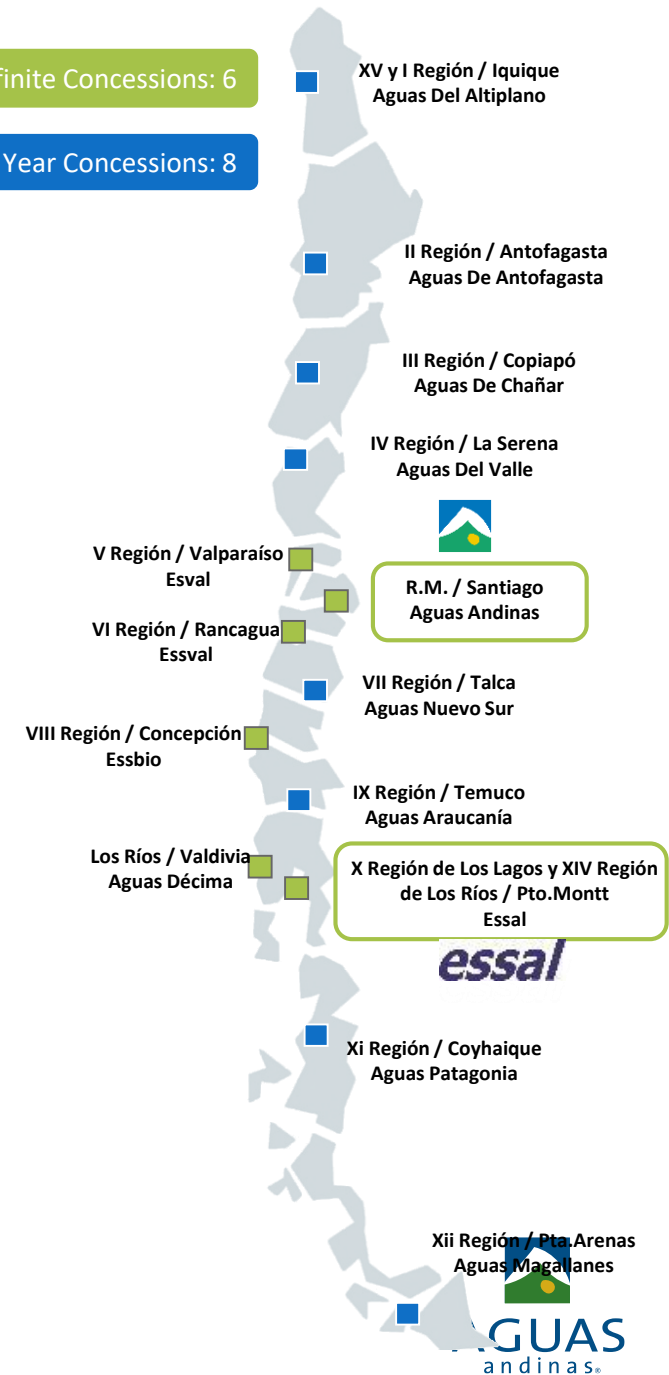
Indefinite Concessions
30 Year Concessions

96.5%

of clients are supplied by
private providers

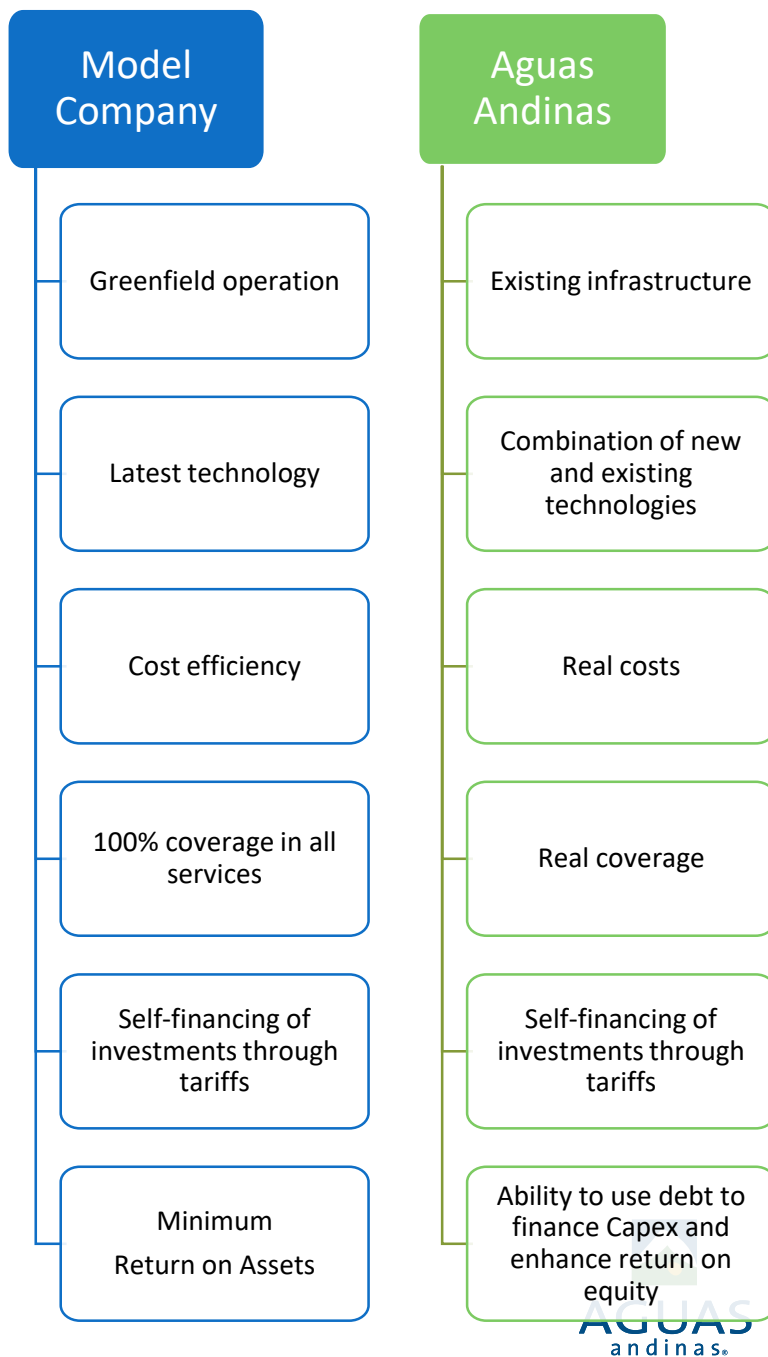
Indefinite Concessions: 6

30 Year Concessions: 8

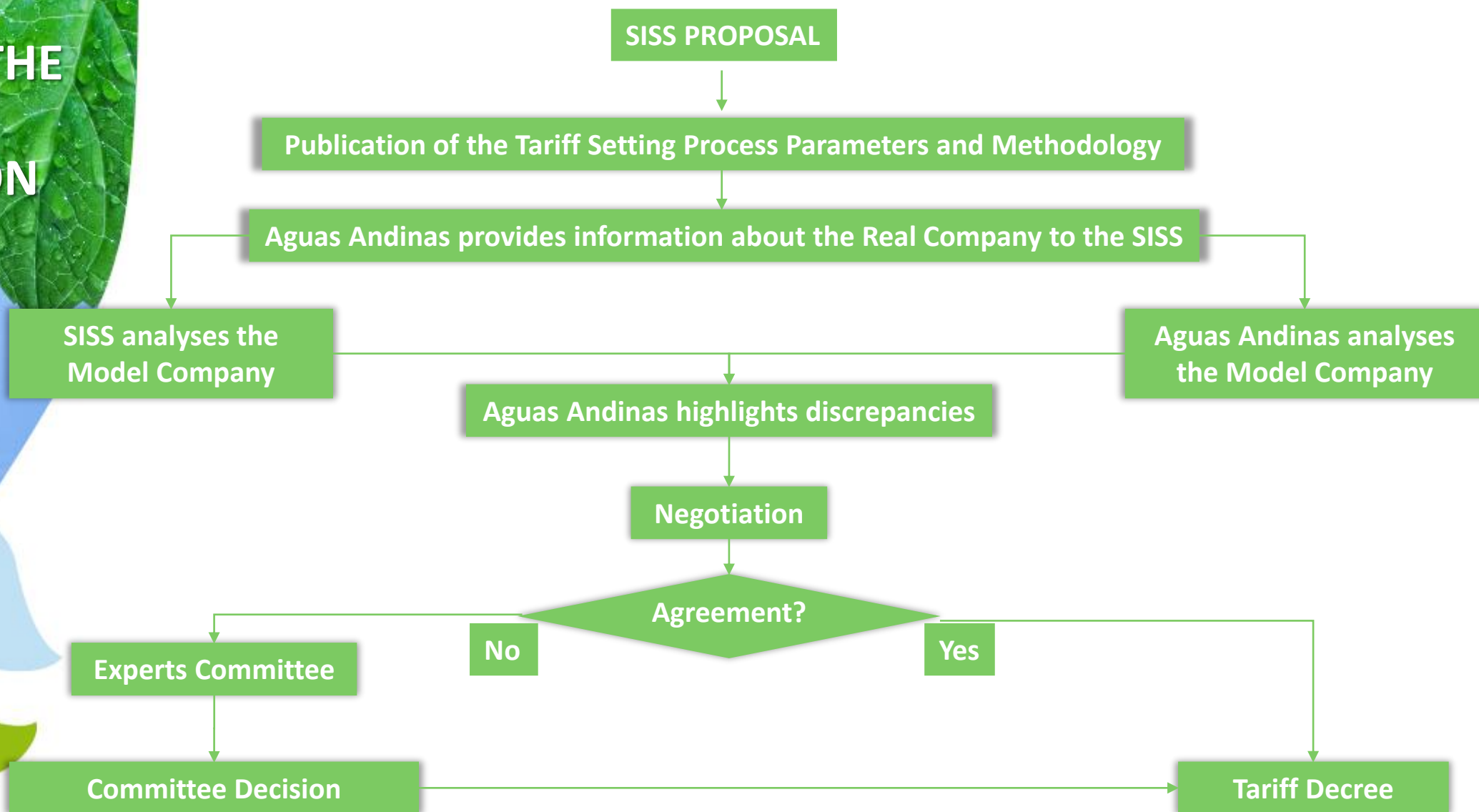


HIGHLY REGULATED INDUSTRY

- Technical regulatory framework defined by law
- Superintendence of Sanitation Services (SISS) acts as the regulator counterpart in the tariff setting process, which lasts for 1 year approximately
- Tariffs are reset every five years, based on an unbiased and technical model:
- Based on the long term total cost of a model company
- Discrepancies are solved by an independent experts committee
- Minimum real return on assets of 7% after taxes
- Automatic interim adjustments linked to polynomials based on CPI and WPI indexes
- Government subsidies for low-income clients
- The regulatory framework of the Chilean water industry has been fundamental to the development of the sector.



STAGES OF THE TARIFF NEGOTIATION PROCESS



TIMELINE

List of 'middle candidate' for Expert Committee is determined

Publication of parameters and methodology

Observations on preliminary parameters made

SISS rules on observations on preliminary parameters

Administrative appeal over the SISS decision on the parameters

Final Parameters

2013-18 info provided for tariff study

Tariff studies exchanged between company and SISS

Company presents discrepancies / observations

Expert committee called by SISS

SISS requests minutes from expert committee to make final ruling

SISS establishes new tariffs

New Tariff Settlement
AA
AM
AC

Final parameters and methodology published

30 NOV 2018

29 JAN 2018

14 MAR 2019

25 MAR 2019

10 APR 2019

12 APR 2019

01 OCT 2019

01 NOV 2019

16 NOV 2019

28 NOV 2020

30 JAN 2020

28 FEB 2020
18 MAY 2020
29 JUN 2020

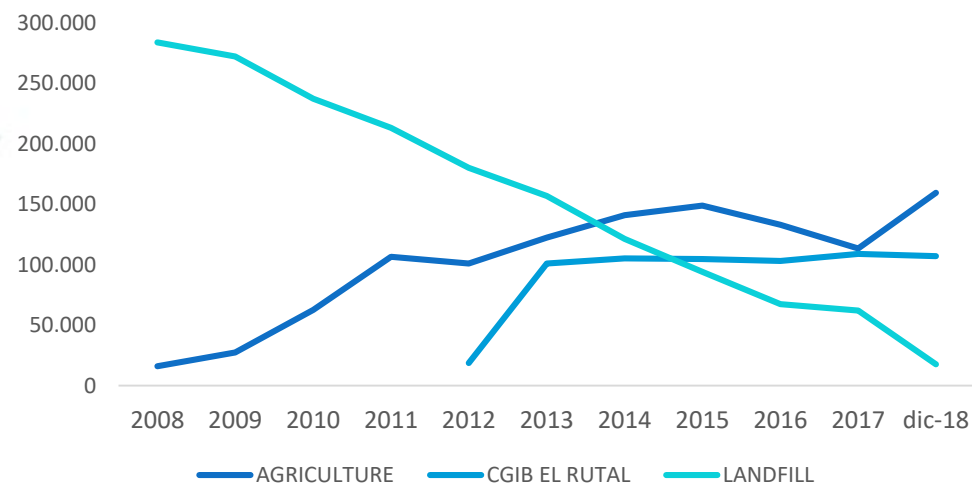


EXHIBITS

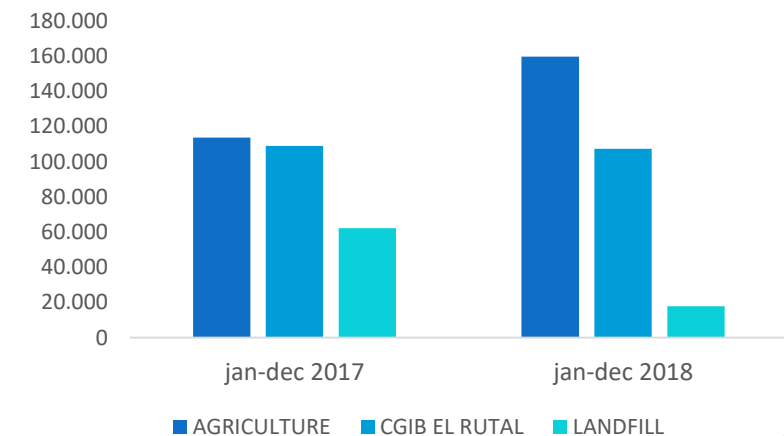
PROGRESS IN CIRCULAR ECONOMY

- 💧 **2022 Goal:** 0% of biosolids produced in the Metropolitan Region to be sent to landfills
- 💧 From January to December 2018, 6% of biosolids went to landfills in comparison to 22% the previous year.
- 💧 During this period, the use of sludge as fertilizer increased to 56% in comparison to 40% the previous year.
 - 💧 This is mainly due to:
 - 💧 Improvements in transport management, allowing more trips to agricultural fields
 - 💧 Improvements in the application of biosolids in fields
 - 💧 Improvements in the management of available fields

**Biofactory Biosolids Disposal
(Ton, Year)**



**Biofactory Biosolids Disposal
(Ton, Jan-Dec)**



El
Agua
nos
Mueve

AGUAS ANDINAS

Corporate Presentation



- 💧 Email: dlabarcaa@aguasandinas.cl
- 💧 Phone: +562 2569 2368
- 💧 Address: Avda. Presidente Balmaceda N° 1398, 13th floor, Santiago, Chile