



Consolidated Financial Statements

**For the fiscal years ended on
December 31, 2019 and December 31, 2018**

AGUAS ANDINAS S.A. AND SUBSIDIARIES



EY Chile
Avda. Presidente
Riesco 5435, piso 4,
Las Condes, Santiago

Tel: +56 (2) 2676 1000
www.eychile.cl

Independent Auditor's Report (Translation of the report originally issued in Spanish)

Shareholders and the Board of Directors
Aguas Andinas S.A.

We have audited the accompanying consolidated financial statements of Aguas Andinas S.A. and its subsidiaries ("the Company"), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Generally Accepted Auditing Standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements of the entity in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Aguas Andinas S.A. and its subsidiaries as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended, in accordance with International Financial Reporting Standards.

A handwritten signature in blue ink, appearing to read 'Luis Martínez M.', is positioned above the printed name.

Luis Martínez M.
EY Audit SpA

Santiago, March 25, 2020



CONSOLIDATED FINANCIAL STATEMENTS AGUAS ANDINAS S.A. AND SUBSIDIARIES

This document includes:

Report of Independent Auditors
Consolidated Financial Position Statements
Consolidated Statements of Comprehensive Income according to their Nature
Consolidated Statements of Direct Cash Flows
Consolidated Statements of Changes in Shareholders' Equity
Explanatory Notes to the Consolidated Financial Statements



Consolidated Financial Position Statements
As of December 31, 2019 and December 31, 2018
(In thousand pesos - Th\$)

ASSETS	Note	12-31-2019 Th\$	12-31-2018 Th\$
CURRENT ASSETS			
Cash and cash equivalent	4	72,062,758	39,980,474
Other non-financial-assets		2,453,658	2,324,238
Trade and other accounts receivable	5	115,937,498	116,821,062
Accounts receivable from related entities	6	25,324	91,183
Inventories	7	3,810,599	3,636,388
Tax assets		3,386,809	5,660,627
Total current assets other than assets or groups of assets for disposal classified as held for sale or held for distribution to property owners		197,676,646	168,513,972
TOTAL CURRENT LIABILITIES		197,676,646	168,513,972
NON-CURRENT ASSETS			
Other financial assets	8	7,852,912	7,852,912
Other non-financial-assets		3,037,505	495,067
Tariffs receivable	5	4,251,661	4,500,020
Intangible assets other than goodwill	9	223,786,740	224,864,424
Goodwill	10	36,233,012	36,233,012
Property, plant and equipment	11	1,499,077,318	1,440,093,131
Deferred taxes asset	13	29,528,508	23,499,561
TOTAL NON-CURRENT ASSETS		1,803,767,656	1,737,538,127
TOTAL ASSETS		2,001,444,302	1,906,052,099

The accompanying notes 1 to 33 are an integral part of these consolidated financial statements.

Consolidated Financial Position Statements
As of December 31, 2019 and December 31, 2018
(In thousand pesos - Th\$)

EQUITY AND LIABILITIES	Note	12-31-2019 Th\$	12-31-2018 Th\$
CURRENT LIABILITIES			
Other financial liabilities	14	37,882,348	33,963,316
Commercial and other accounts payable	15	132,451,851	136,899,175
Accounts payable to related entities	6	41,030,704	46,569,102
Other provisions	16	3,732,169	2,992,246
Tax liabilities		1,873,831	181,758
Provisions for employee benefits	17	5,184,148	5,496,070
Other non-financial liabilities	18	19,982,666	16,216,857
Total current liabilities other than liabilities included in disposal groups classified as held for sale		242,137,717	242,318,524
TOTAL CURRENT LIABILITIES		242,137,717	242,318,524
NON-CURRENT LIABILITIES			
Other financial liabilities	14	1,004,897,476	912,513,179
Other accounts payable	15	1,159,317	983,335
Other provisions	16	1,380,132	1,341,233
Deferred tax liabilities	13	33,595,773	35,452,801
Provisions for employee benefits	17	20,768,569	17,338,241
Other non-financial liabilities	18	10,031,855	9,113,389
TOTAL NON-CURRENT LIABILITIES		1,071,833,122	976,742,178
TOTAL LIABILITIES		1,313,970,839	1,219,060,702
EQUITY			
Issued capital	19	155.567.354	155.567.354
Accumulated earnings	19	330.787.492	324.954.813
Share premium	19	164.064.038	164.064.038
Other equity interests	19	(5.965.550)	(5.965.550)
Equity attributable to owners of the controller		644.453.334	638.620.655
Non-controlling interests	20	43.020.129	48.370.742
TOTAL EQUITY		687.473.463	686.991.397
TOTAL EQUITY AND LIABILITIES		2.001.444.302	1.906.052.099

The accompanying notes 1 to 33 are an integral part of these consolidated financial statements.



Consolidated Statements of Comprehensive Income by Nature
For the fiscal years ended December 31, 2019 and 2018
(In thousand pesos - Th\$)

INCOME STATEMENT BY NATURE	Note	12-31-2019 Th\$	12-31-2018 Th\$
Income from regular activities	21	544,683,867	530,404,680
Raw materials and consumables used		(46,147,628)	(39,229,232)
Employee benefit expenses	17	(59,771,461)	(59,153,387)
Other expenses, by nature	22	(138,774,844)	(122,358,326)
Depreciation and amortization expenses	9-11	(76,252,365)	(75,467,585)
Other (losses) earnings	23	14,232,177	(1,124,474)
Gains (losses) from operating activities		237,969,746	233,071,676
Financial income	23	5,767,246	5,856,180
Financial Costs	23	(30,313,017)	(29,996,785)
Exchange rate differences	24	(481,552)	(83,558)
Income by readjustment units	25	(23,529,104)	(23,022,736)
Profit before taxes		189,413,319	185,824,777
Income tax expense	13	(49,662,947)	(46,506,422)
Gain (loss)		139,750,372	139,318,355
Profit attributable to:			
Profit attributable to owners of the controller		141,737,188	136,056,517
Gain (loss) attributable to non-controlling interests	20	(1,986,816)	3,261,838
Gain (loss)		139,750,372	139,318,355
Earnings per share			
Earnings per share, basic, in continuous operations (\$)	27	23.164	22.235
Earnings per basic share (\$)		23.164	22.235

The accompanying notes 1 to 33 are an integral part of these consolidated financial statements.



Consolidated Statements of Comprehensive Income by Nature
For the fiscal years ended December 31, 2019 and 2018
(In thousand pesos - Th\$)

COMPREHENSIVE INCOME STATEMENT		12-31-2019 Th\$	12-31-2018 Th\$
Profit		139,750,372	139,318,355
OTHER COMPREHENSIVE INCOME			
Other comprehensive income components not to be reclassified to the income of the period, before tax			
Actuarial profit (losses) for defined benefit plans	17	(2,487,505)	(1,534,815)
Other comprehensive income that will not be reclassified to income of the period, before tax		(2,487,505)	(1,534,815)
Income taxes related to components of other comprehensive income that will not be reclassified to the income of the period			
Income taxes related to defined benefit plans		671,626	289,002
Income taxes related to components of other comprehensive income that will not be reclassified to the income of the period		671,626	289,002
Total other comprehensive income		(1,815,879)	(1,245,813)
TOTAL COMPREHENSIVE INCOME		137,934,493	138,072,542
Comprehensive income attributable to			
Comprehensive income attributable to the owners of the controller		139,893,085	134,810,704
Comprehensive income attributable to non-controlling interests		(1,958,592)	3,261,838
Total comprehensive income		137,934,493	138,072,542

The accompanying notes 1 to 33 are an integral part of these consolidated financial statements.



Consolidated Statements of Direct Cash Flows
For fiscal years ended December 31, 2019 and 2018
(In thousand pesos - Th\$)

Direct Cash Flow Statements	Note	12-31-2019 Th\$	12-31-2018 Th\$
Collections from sales of goods and services		642,590,023	627,029,422
Collections of premiums and benefits, annuities and other policy benefits		635,346	1,183,157
Other collections from operating activities		4,338,086	1,289,520
Types of receivables from operating activities		647,563,455	629,502,099
Payments to suppliers for the provision of goods and services		(226,237,677)	(197,319,654)
Payments to and on behalf of employees		(61,427,262)	(65,375,320)
Payments for premiums and benefits, annuities and other obligations arising from policies taken out		(2,572,938)	(938,321)
Other payments for operating activities		(52,984,575)	(51,409,846)
Types of cash payments from operating activities		(343,222,452)	(315,043,141)
Interest paid		(22,015,973)	(23,504,622)
Interest received		824,207	843,116
Income taxes paid (refunded)		(48,308,903)	(44,673,978)
Other cash inflows (outflows)		(2,541,671)	(1,622,470)
Cash flows from (used in) operations		(72,042,340)	(68,957,954)
Net cash flows from (used in) operations		232,298,663	245,501,004
Amounts from sales of property, plant and equipment		18,206,781	5,108,439
Purchases of property, plant and equipment		(141,942,621)	(137,239,472)
Purchases of intangible assets		(12,455)	(297,701)
Other cash inflows (outflows)		(2,020,253)	(3,022,315)
Cash flows from (used in) investment activities		(125,768,548)	(135,451,049)
Amounts from long-term loans		80,400,956	113,109,288
Amounts from short-term loans		76.731.863	51.654.646
Amounts from loans, classified as financing activities		157.132.819	164.763.934
Loan repayments		(93.244.418)	(110.230.806)
Dividends paid		(137.895.033)	(143.316.076)
Other cash inflows (outflows)		(441.199)	(94.873)
Cash flows from (used in) financing activities		(74.447.831)	(88.877.821)
Net increase (decrease) in cash and cash equivalents		32.082.284	21.172.134
Cash and cash equivalents at the beginning of the period		39.980.474	18.808.340
Cash and cash equivalents at the end of the period	4	72.062.758	39.980.474

The accompanying notes 1 to 33 are an integral part of these consolidated financial statements.



Consolidated Statements of Changes in Shareholders' Equity
For the fiscal years ended December 31, 2019 and 2018
(In thousand pesos - Th\$)

Statements of changes in equity	Note	Issued capital	Issue premiums	Other equity interests	Reserve for Actuarial Profit or Losses on Defined Benefit Plans	Accumulated profits (losses)	Equity attributable to the property owners of the controller	Non-controlling interests	Total equity
		Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Opening balance as of 01-01-2019		155,567,354	164,064,038	(5,965,550)	-	324,954,813	638,620,655	48,370,742	686,991,397
Profit		-	-	-	-	141,737,188	141,737,188	(1,986,816)	139,750,372
Other comprehensive income		-	-	-	(1,844,103)	-	(1,844,103)	28,224	(1,815,879)
Comprehensive result		-	-	-	(1,844,103)	141,737,188	139,893,085	(1,958,592)	137,934,493
Dividends	19	-	-	-	-	(134,060,406)	(134,060,406)	-	(134,060,406)
Reduction due to transfers and other changes	19-20	-	-	-	1,844,103	(1,844,103)	-	(3,392,021)	(3,392,021)
Total changes in equity		-	-	-	-	5,832,679	5,832,679	(5,350,613)	482,066
Final balance as of 12-31-2019		155,567,354	164,064,038	(5,965,550)	-	330,787,492	644,453,334	43,020,129	687,473,463

Statements of changes in equity	Note	Issued capital	Issue premiums	Other equity interests	Reserve for Actuarial Profit or Losses on Defined Benefit Plans	Accumulated profits (losses)	Equity attributable to the property owners of the controller	Non-controlling interests	Total equity
		Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Opening balance as of 01-01-2019		155,567,354	164,064,038	(5,965,550)	-	328,964,934	642,630,776	50,668,701	693,299,477
Profit		-	-	-	-	136,056,517	136,056,517	3,261,838	139,318,355
Other comprehensive income		-	-	-	(1,150,464)	-	(1,150,464)	(95,349)	(1,245,813)
Comprehensive result		-	-	-	(1,150,464)	136,056,517	134,906,053	3,166,489	138,072,542
Dividends	19	-	-	-	-	(138,916,174)	(138,916,174)	-	(138,916,174)
Reduction due to transfers and other changes	19-20	-	-	-	1,150,464	(1,150,464)	-	(5,464,448)	(5,464,448)
Total changes in equity		-	-	-	-	(4,010,121)	(4,010,121)	(2,297,959)	(6,308,080)
Final balance as of 12-31-2019		155,567,354	164,064,038	(5,965,550)	-	324,954,813	638,620,655	48,370,742	686,991,397

The accompanying notes 1 to 33 are an integral part of these consolidated financial statements.



Index	Page
Note 1. OVERVIEW	9
Note 2. PREPARATION BASIS AND ACCOUNTING POLICIES	9
2.1 Preparation basis	9
2.2 Accounting policies	12
A. Basis of consolidation	13
B. Operating Segments.....	13
C. Intangible assets other than goodwill	13
D. Goodwill	14
E. Property, plant and equipment	15
F. Impairment of tangible and intangible assets other than goodwill	16
G. Leases	16
H. Financial assets	17
I. Inventories	18
J. Dividend policy.....	19
K. Foreign currency transactions.....	19
L. Financial liabilities.....	19
M. Derivative financial instruments and hedge accounting.....	19
N. Provisions and contingent liabilities	20
O. Employee benefits	20
P. Income tax and deferred taxes	21
Q. Ordinary income	22
R. Earnings per share.....	23
S. Environmental information	23
T. Consolidated statements of cash flow	23
U. Construction contracts	23
V. Capitalized financing costs	24
W. Non-current assets held for sale or for distribution to owners	24
X. Reclassifications	25
Note 3. RISK MANAGEMENT.....	¡Error! Marcador no definido.
Note 4. CASH AND CASH EQUIVALENT	27
Note 5. COMMERCIAL DEBTORS AND OTHER ACCOUNTS RECEIVABLE AND RIGHTS TO BE COLLECTED	28
Note 6. INFORMATION TO BE DISCLOSED ABOUT RELATED ENTITIES	30
Note 7. INVENTORIES	33
Note 8. OTHER FINANCIAL ASSETS	34
Note 9. INTANGIBLE ASSETS OTHER THAN GOODWILL	34
Note 10. CAPITAL GAINS.....	37
Note 11. PROPERTY, PLANT AND EQUIPMENT	38
Note 12. LEASE.....	48



Note 13. DEFERRED TAXES AND PROFIT TAXES.....	49
Note 14. FINANCIAL INSTRUMENTS	51
Note 15. COMMERCIAL AND OTHER ACCOUNTS PAYABLE	60
Note 16. OTHER PROVISIONS AND CONTINGENT LIABILITIES	61
Note 17. EMPLOYEE BENEFITS.....	63
Note 18. OTHER NON-FINANCIAL LIABILITIES.....	67
Note 19. EQUITY ATTRIBUTABLE TO THE OWNERS OF THE CONTROLLER	68
Note 20. EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS.....	70
Note 21. ORDINARY INCOME.....	70
Note 22. OTHER EXPENSES BY NATURE.....	70
Note 23. OTHER INCOME AND EXPENSES	71
Note 24. EXCHANGE RATE DIFFERENCE EFFECT	72
Note 25. INCOMES BY UNITS OF READJUSTMENT.....	72
Note 26. BUSINESS SEGMENTS.....	73
Note 27. EARNINGS PER SHARE.....	78
Note 28. FINANCIAL STATEMENTS OF SUBSIDIARIES	78
Note 29. ASSET IMPAIRMENT	80
Note 30. GUARANTEES AND RESTRICTIONS	81
Note 31. CAPITALIZED FINANCING COSTS	88
Note 32. ENVIRONMENT	88
Note 33. EVENTS OCCURRING AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION	89



Note 1. OVERVIEW

Aguas Andinas S.A. (hereinafter the "Company") and its Subsidiaries are part of the Aguas Andinas Group (hereinafter the "Group"). Its legal address is Avenida Presidente Balmaceda 1398, Santiago, Chile and its Taxpayer Identification Number (RUT, for its acronym in Spanish) is 61.808.000-5.

Aguas Andinas S.A. was incorporated as an open stock Company by public deed on May 31, 1989 in Santiago, before the Notary Public Mr. Raúl Undurraga Laso. An excerpt of the by-laws was published in the Official Gazette on June 10, 1989, and was registered in the Registry of Commerce on page 13,981, No. 7,040 of 1989 of the Santiago Real Estate Registrar.

The Company's corporate purpose, in accordance with Article 2 of its bylaws, is the provision of water utility services, which includes the construction and operation of public services aimed at producing and distributing drinking water and collecting and disposing of wastewater. Its current concession area is distributed in Greater Santiago and outlying towns.

The Company is the parent company of three water utility companies, two in the Greater Santiago ("Aguas Cordillera S.A." and "Aguas Manquehue S.A.") and one in the De Los Ríos and De Los Lagos region ("Empresa de Servicios Sanitarios De Los Lagos S.A.", "ESSAL"). In order to provide a comprehensive service within its line of business, the Company has non-water utility subsidiaries that provide services such as liquid industrial waste treatment (EcoRiles S.A.), laboratory analysis (Análisis Ambientales S.A.), sales of materials and other services related to the water utility business (Gestión y Servicios S.A.) and activities associated with water rights and energy projects arising from water utility facilities and assets (Aguas del Maipo S.A.).

The Company and its subsidiary ESSAL S.A., are registered in the Securities Registry of the Financial Market Commission under No. 346 and No. 524, respectively. The subsidiaries Aguas Cordillera S.A. and Aguas Manquehue S.A. are registered in the Special Registry of Reporting Entities of the Financial Market Commission under No. 170 and No. 2, respectively. As companies in the water utility business, they are regulated by the Superintendency of Sanitation Services (SISS, for its acronym in Spanish), in accordance with Law No. 18,902 of 1989 and Decrees with Force of Law No. 382 and No. 70, both of 1988.

For the purposes of preparing consolidated financial statements, a group is deemed to exist when the parent company has one or more Subsidiaries, over which the parent company has control either directly or indirectly. The accounting policies applied in the preparation of the Group's consolidated financial statements are detailed in Note 2.2.

The direct controlling entity is Inversiones Aguas Metropolitanas S.A. ("IAM") with a 50.10234% ownership, a corporation controlled by Suez Inversiones Aguas del Gran Santiago Ltda. ("IAGSA"), which is controlled by Suez Andinas S.A., its controller is Suez Spain, S.L., a company based in Spain and one of the largest operators of water utility services in the world, which in turn is controlled by Suez Groupe S.A.S. (France).

Note 2. PREPARATION BASIS AND ACCOUNTING POLICIES

2.1 Preparation basis

These consolidated financial statements correspond to the consolidated statements of financial position as of December 31, 2019 and 2018 and the consolidated statements of comprehensive income, changes in net equity and cash flows for the years ended December 31, 2019 and 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the full, explicit and unreserved adoption of the aforementioned IFRS.



The Group complies with the legal conditions of the environment in which it operates, in particular the water utility Subsidiaries with respect to the regulations pertaining to the water utility sector. The Group companies present normal operating conditions in each area in which they develop their activities, their projections show a profitable operation and they have the capacity to access the financial system to finance their operations, which in the opinion of management determines their capacity to continue as a going concern, as established in the accounting standards under which these consolidated financial statements are issued.

Functional and presentation currency

The financial statements of each of the Group Companies are presented in the currency of the main economic environment in which the companies operate (functional currency). For purposes of the consolidated financial statements, the results and financial position of each Group Company are expressed in Chilean pesos (rounded to thousands of pesos), which is the functional currency of the Company and its Subsidiaries, and the presentation currency for the consolidated financial statements.

New accounting pronouncements

The standards and interpretations, as well as the improvements and modifications to IFRS, that have been issued, effective as of the date of these financial statements, are detailed below. The Company has applied these standards and concluded that they did not significantly affect the financial statements.

Standards and Interpretations	Date of mandatory application
IFRS 16, Leases	Annual periods beginning on or after January 1, 2019
IFRIC 23, Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019

Amendments	Date of mandatory application
IFRS 3, Business combinations - previously held interests in a joint operation	Annual periods beginning on or after January 1, 2019
IFRS 9, Financial instruments - payments with negative compensation	Annual periods beginning on or after January 1, 2019
IFRS 11, Joint arrangements - previously held interests in a joint operation	Annual periods beginning on or after January 1, 2019
IAS 12, Income taxes - tax consequences of payments on instruments classified as equity	Annual periods beginning on or after January 1, 2019
IAS 23, Borrowing Costs - Costs of Loans Eligible for Capitalization	Annual periods beginning on or after January 1, 2019
IAS 28, Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures	Annual periods beginning on or after January 1, 2019
IAS 19, Employee Benefits - Plan Amendment, Curtailment or Settlement	Annual periods beginning on or after January 1, 2019

IFRS 16 "Leases"

IFRS 16, issued in January 2016 by the IASB, establishes principles for the recognition, measurement and presentation of leases and associated disclosures. The new standard replaced IAS 17 "Leases" and its interpretations: IFRIC 4 "Determining whether an arrangement contains a lease", SIC 15 "Operating leases - incentives", SIC 27 "Evaluating the substance of transactions involving the legal form of a lease". The standard became effective on 1 January 2019.



Lessee's accounting: IFRS 16 introduces a single model of lease accounting and requires a lessee to recognize the assets and liabilities of all leases with a duration of more than 12 months unless the underlying asset is low value. The lessee must recognize a right-to-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The lessee measures rights-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a result, the lessee recognizes depreciation of the rights of use asset and interest on the lease liability, and also classifies cash refunds for the lease liability into a part of the principal and a part of the interest and presents them in the statement of cash flows applying IAS 7 *Statement of Cash Flows*.

Lessor's accounting: is not materially changed from what was established by IAS 17. The lessor will continue to classify leases under the same principles of the current standard as operating or financial leases.

The main effects arising from the application of this Standard in the Group are those related to the leasing of buildings and vehicle fleets. As a result of the change in the accounting model for lessees, the Group has recognized an increase in current and non-current liabilities for a total amount of Th\$1,713,735 as of January 1, 2019, for the recognition of lease liabilities, and an increase in non-current assets for the same amount, as a result of the recognition of rights of use arising from such contracts.

As a result of the aforementioned, at the end of the fourth quarter of 2019, the Group recognized a higher financial expense associated with the new lease liabilities of Th\$78,345 and a higher depreciation associated with the rights of use of Th\$1,309,296.

IFRIC 23 "Uncertainty over income tax treatments"

The Interpretation addresses the accounting for income taxes when the tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies that are outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- If an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by tax authorities
- How an entity determines taxable income (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more uncertain tax treatments. The approach that best predicts the resolution of the uncertainty should be followed.

The Company applies significant judgment in identifying uncertainties over income tax treatments.

Management considers that its tax contingencies are being measured in a manner that complies with the requirements of IFRIC 23, concluding that it has no impact on the consolidated financial statements.

Standards and interpretations, as well as improvements and amendments to IFRSs, which have been issued but have not yet become effective as of the date of these financial statements, are detailed below. The Company has not applied these standards in advance.



Standards and Interpretations	Date of mandatory application
Conceptual framework (revised)	Annual periods beginning on or after January 1, 2020
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2021

Amendments	Date of mandatory application
IFRS 3, Business Combinations - Definition of a Business	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of Financial Statements and IAS 8, Investments in associates and joint ventures - Definition of Material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 9 and IFRS 7 - Interest Rate Benchmark Reform	Annual periods beginning on or after January 1, 2020
IFRS 10 and IAS 28, Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Company's management considers that the adoption of the aforementioned Standards, Amendments and Interpretations, which could be applied to Aguas Andinas S.A. and Subsidiaries, is in the process of being assessed and it is estimated that, to date, they would not have a significant impact on the Group's consolidated financial statements in the period of their first application. Management is periodically assessing these implications.

Responsibility for the information and estimates made

The information contained in these consolidated financial statements is the responsibility of the Company's Board of Directors, which states that all principles and criteria included in International Financial Reporting Standards (IFRS) have been applied. The Board of Directors, at its meeting held on March 25, 2020, approved these consolidated financial statements.

The consolidated financial statements of Aguas Andinas S.A. and Subsidiaries corresponding to fiscal year 2018 were approved by its Board of Directors in a session held on March 20, 2019.

Estimates have been used in the preparation of the consolidated financial statements, such as

- Useful life of property, plant and equipment and intangibles
- Valuation of assets and purchased goodwill (goodwill or lower investment value)
- Impairment losses on assets
- Assumptions used in the actuarial calculation of employee termination benefits
- Assumptions used for the calculation of the fair value of financial instruments
- Income from supplies pending billing
- Provisions for commitments to third parties
- Risks arising from current litigation

Although these estimates and judgments were made on the basis of the best information available at the date of issuance of these consolidated financial statements, it is possible that events that may occur in the future may require them to be modified (upwards or downwards) in future periods which would be recorded prospectively, when the variation is known, recognizing the effects of such changes in the corresponding future consolidated financial statements.

2.2 Accounting policies

The main accounting policies adopted in the preparation of these consolidated financial statements are described below.



A. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (its Subsidiaries). Subsidiaries are those entities over which the Group has the power to direct the relevant activities, is entitled to variable returns from its shareholding and has the ability to use that power to influence the amounts of the investor's returns. Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation on the date on which control ceases.

All transactions, balances, gains and losses between Group entities are eliminated on consolidation.

The Company and its Subsidiaries have uniformity in the policies used by the Group.

The subsidiaries included in the consolidated financial statements of Aguas Andinas S.A. are the following:

R.U.T.	Company Name	Direct %	Indirect %	Total 2019 %	Direct %	Indirect %	Total 2018 %
96.809.310-K	Aguas Cordillera S.A.	99.99003	-	99.99003	99.99003	-	99.99003
89.221.000-4	Aguas Manquehue S.A.	0.00043	99.99957	100.00000	0.00043	99.99957	100.00000
96.897.320-7	Inversiones Iberaguas Ltda.	99.99998	0.00002	100.00000	99.99998	0.00002	100.00000
96.579.800-5	ESSAL S.A.	2.50650	51.00000	53.50650	2.50650	51.00000	53.50650
96.945.210-3	EcoRiles S.A.	99.03846	0.96154	100.00000	99.03846	0.96154	100.00000
96.828.120-8	Gestión y Servicios S.A.	97.84783	2.15217	100.00000	97.84783	2.15217	100.00000
96.967.550-1	Análisis Ambientales S.A.	99.00000	1.00000	100.00000	99.00000	1.00000	100.00000
76.190.084-6	Aguas del Maipo S.A.	82.64996	17.35004	100.00000	82.64996	17.35004	100.00000

B. Operating Segments

IFRS 8 sets out standards for operating segment reporting and related product and service disclosures. Operating segments are defined as components of an entity for which separate financial information exists and is regularly reviewed by Management to make decisions about the resources to be allocated to the segments and to evaluate their performance.

The Group manages and measures the performance of its operations by business segment. The operating segments reported internally are as follows

- Operations related to the water utility business operations (Water).
- - Operations not related to water utility business operations (No Water).

C. Intangible assets other than goodwill

The Company recognizes an identifiable intangible asset when it can demonstrate that it is probable that the future economic benefits that have been attributed to the asset will flow to the entity and the cost can be measured reliably.

i. Separately acquired intangible assets:

Separately acquired intangible assets are shown at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis over the estimated useful lives. The estimated useful lives and the amortization method are reviewed at the end of each statement of financial position, with the effect of any changes in the estimate recorded prospectively.



ii. Amortization method for intangibles:

Intangibles with a defined useful life

The depreciation method applied by the Company reflects the pattern in which the future economic benefits of the asset are expected to be used by the entity. For this purpose, the Company uses the straight-line method of depreciation.

Software

The estimated useful life for the software is 4 years. For other assets with a defined useful life, the period of useful life over which they are amortized corresponds to the periods defined in the contracts or rights that give rise to them.

Intangibles of indefinite useful life

Intangible assets with indefinite useful lives correspond mainly to water and easement rights, which were obtained indefinitely, as established in the acquisition contracts and the rights obtained from the Directorate General of Water, dependent on the Ministry of Public Works.

Determination of useful life

- The factors to be considered for the estimation of the useful life are, among others, the following:
- Legal, regulatory or contractual limitations.
- Predictable business or industry life.
- Economic factors (product obsolescence, changes in demand).
- Expected reactions from actual or potential competitors.
- Natural, climatic and technological changes that affect the ability to generate benefits.

The useful life may require modifications over time due to changes in estimates as a result of changes in assumptions about the above factors.

D. Goodwill

Capital gains (goodwill) generated in the business combination represent the excess of the cost of acquisition over the Group's interest in the fair value of the assets and liabilities, including the identifiable contingent liabilities of a Subsidiary at the date of acquisition.

The valuation of the assets and liabilities acquired is carried out provisionally on the date on which control is taken of the Company, and is reviewed within a maximum period of one year from the date of acquisition. Until the fair value of the assets and liabilities is definitively determined, the excess between the acquisition price and the carrying amount of the Company acquired is recorded provisionally as goodwill.

In the event that the definitive determination of the goodwill is made in the financial statements for the year following that in which the interest was acquired, the prior year items presented for comparison purposes are modified to include the value of the assets and liabilities acquired and the definitive goodwill from the date of acquisition of the interest.

The goodwill generated prior to the date of our transition to IFRS, i.e., January 1, 2008, is maintained at the net value recorded at that date, while that generated subsequently is recorded using the acquisition method.

The goodwill is not amortized, instead at the end of each accounting period it is estimated whether there has been any impairment reducing its recoverable value to an amount lower than the net cost recorded, proceeding, if necessary, to the appropriate adjustment for impairment, as required by IAS 36.



E. Property, plant and equipment

The Company uses the cost method for the valuation of Property, Plant and Equipment. The historical cost includes expenses that are directly attributable to the acquisition of the good.

Subsequent costs are included in the value of the initial asset or recognized as a separate asset only when it is probable that future economic benefits associated with the fixed asset items will flow to the Group and the cost of the item can be reliably determined. The value of the replaced component is written off. All other repairs and maintenance are expensed in the year in which they are incurred.

Depreciation method and estimated useful life for properties, plant and equipment:

The depreciation method applied by the Company reflects the pattern in which the assets are expected to be used by the entity during the period in which they generate economic benefits. For this purpose, the Company uses the method of straight-line depreciation over its technical useful life, which is based on studies prepared by independent experts (specialized external companies). The residual value and useful life of assets are reviewed, and adjusted if necessary, at each close of the Statement of Financial Position.

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to its recoverable amount (Note 29).

Useful lives

The useful lives considered for the purposes of calculating depreciation are based on technical studies prepared by specialized external companies, which are reviewed to the extent that background information emerges that would allow the useful life of an asset to be considered modified.

The allocation of the total useful life for assets is made on the basis of several factors, including the nature of the equipment. Such factors generally include:

1. Nature of the materials that make up the equipment or construction.
2. Means of operation of the equipment
3. Intensity of use
4. Legal, regulatory or contractual limitations.

The useful life range (in years) by type of Asset is as follows:

Item	Minimum useful life (years)	Maximum useful life (years)
Buildings	25	80
Plant and equipment	5	50
IT equipment	4	4
Fixed installations and accessories	5	80
Motor vehicles	7	10
Leasehold improvements	5	5
Other property, plant & equipment	5	80

Cost estimate policy for dismantling, decommissioning or restoration of property, plant and equipment:

Due to the nature of the assets that are built in the Company and given that there are no contractual obligations or other constructive requirements such as those mentioned by IFRS and, within the regulatory framework, the concept of decommissioning costs is not applicable at the date of these consolidated financial statements.



Property, plant and equipment sales policy

The result from the sale of property, plant and equipment is calculated by comparing the income obtained with the carrying amount and is recorded in the Consolidated Statement of Comprehensive Income.

F. Impairment of tangible and intangible assets other than goodwill

At each reporting date in the consolidated Statement of Financial Position, the Group reviews the carrying amounts of its tangible and intangible assets with defined useful lives to determine whether there are indications that those assets have suffered an impairment loss. If such indicators exist, the recoverable value of the assets is estimated to determine the amount of the impairment loss (if any). When it is not possible to estimate the recoverable amount of a particular asset, the Group estimates the recoverable value of the Cash Generating Unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested annually for impairment and, where there are indicators that the asset may be impaired, before the end of that period.

Recoverable value is the higher of fair value less costs to sell and value in use. For the estimation of value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both current market conditions of the value of money over time and the specific risks associated with the asset.

When the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of that asset (or cash-generating unit) is adjusted to its recoverable amount and an impairment loss is recognized immediately in income. When an impairment loss reverses, the carrying amount of the asset (or cash-generating unit) is adjusted to the revised estimate of its recoverable amount, provided that the adjusted carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

G. Leases

The Group evaluates its lease contracts in accordance with IFRS 16, i.e. if the right to control the use of an identified asset for a period of time is transferred in exchange for a consideration. Control is deemed to exist if the customer has (i) the right to obtain substantially all of the economic benefits from the use of an identified asset; and (ii) the right to direct the use of the asset.

When the Group acts as a lessee, at the beginning of the lease (i.e. on the date the underlying asset is available for use) it records in the statement of financial position an asset for the right of use and a liability for the lease.

The Group initially recognizes the right-to-use asset at cost, adjusted by any new measurement of the lease liability, less accumulated depreciation and accumulated impairment losses. The right-to-use asset is depreciated over the term of the lease. To determine whether the right-of-use asset is impaired, the same criteria detailed in Note 2.2. is applied.

The lease liability is initially measured at the present value of the lease payments, discounted at the company's incremental lending rate, if the interest rate implicit in the lease cannot be easily determined.

After the start date, the lease liability is increased to reflect the accumulation of interest and is reduced by the lease payments made. In addition, the carrying value of the liability is remeasured if there is a change in the terms of the lease (changes in the term, in the amount of the payments or in the assessment of an option to purchase or change in the amounts to be paid). Interest expense is recognized as a financial cost in the result of the period.



Short-term leases of one year or less, or leases of low value assets are exempted from the application of the recognition criteria described above, with payments associated with the lease being recognized as an expense on a straight-line basis over the term of the lease.

When the Group acts as the lessor, it classifies at the beginning of the agreement whether the lease is an operating or finance lease, based on the essence of the transaction. Leases that transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as finance leases. All other leases are classified as operating leases.

H. Financial assets

Acquisitions and disposals of financial instruments are recognized on the trading date, i.e. the date on which the Group undertakes to acquire or sell the asset. Investments are derecognized when the rights to receive cash flows from them have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified in the following categories:

- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Financial assets at amortized cost

The classification depends on the nature and purpose of the financial assets and is determined at initial recognition.

Aguas Andinas S.A. and its Subsidiaries invest in low risk instruments, which comply with classification standards established in their investment policies. Thus, mutual investment funds must have an AAfm / M1 rating (Quotas with very high protection against loss, associated with credit / quotas risks with the lowest sensitivity to changes in economic conditions). Fixed-term deposits and covenants, contracted are instruments with a N-1 classification (Instruments with the highest capacity to pay the capital and interest in the terms and conditions agreed).

The issuing institutions of these instruments correspond to banking companies or banks subsidiaries, with N-1 risk classification and their instruments have a risk classification of at least AA (with a very high capacity to pay capital and interest in the terms agreed, which would not be significantly affected by possible changes in the issuer, the industry to which it belongs or the economy).

i. Effective interest rate method

The effective interest rate method is the method of calculating the amortized cost of a financial asset or liability and the allocation of the interest income or expense over the entire relevant period. The effective interest rate corresponds to the rate that exactly discounts estimated future cash flows receivable during the expected life of the financial asset, and makes the Net Present Value (NPV) equal to its nominal amount.

ii. Fair value through other comprehensive income

For the classification of an asset with fair value through other comprehensive income, the selling of financial assets for which the principal amount is expected to be recovered in a given period of time in addition to interest, if applicable, must be complied with as a principle.

iii. Fair value through profit or loss

Financial assets are presented at fair value through profit or loss when the financial asset is held for trading or is designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value and any resulting gains or losses are recognized in profit or loss. The net gain or loss recognized in income includes any dividends or interest received on the financial asset.



The Company and its Subsidiaries hold shares in Sociedad Eléctrica Puntilla S.A., which have been measured at fair value at the date of acquisition in accordance with IFRS 9. They are subsequently measured at cost since there is no active market in accordance with the provisions of the same standard.

iv. Financial assets at amortized cost

Loans and accounts receivable

Trade debtors, loans and other accounts receivable are non-derivative financial assets which have fixed or determinable payments and are not quoted in an active market and are classified as loans and accounts receivable. Loans and accounts receivable are measured at amortized cost using the effective interest rate method, less any impairment losses, except for short-term accounts receivable where recognition of interest would be immaterial.

Trade debtors and other accounts receivable

Trade debtors correspond to the amounts billed for consumption of drinking water, sewage services, wastewater treatment and other services and to the earned income from consumption between the date of the last meter reading (according to the established monthly calendar) and the closing date of the Financial Statement. These are recorded at the net value of the estimated bad debts or those with a low probability of being collected.

Trade debtor policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed upon for delinquent customer.

Policy on impairment of trade debtors and other accounts receivable

The Company periodically assesses the losses in value affecting its financial assets. The amount is recorded in the uncollectible provisions account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable.

The estimates are based on recovery statistics, which indicate that after the eighth month of unpaid billing, the possibility of recovery is marginal, in other words, the probability of recovering a billed value is minimal.

In Aguas Andinas S.A. and its subsidiaries Aguas Cordillera S.A., Aguas Manquehue S.A. and ESSAL S.A., 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.

Provisions are made for 100% of notes receivable that are overdue.

I. Inventories

Materials, spare parts and supplies are presented at acquisition cost, which does not exceed net realizable value. The costing method corresponds to the weighted average cost. Every six months, an estimate of impairment is made for those materials that are damaged, partially or totally obsolete, or have had no turnover during the last twelve months and their price in the market has fallen by more than 20%.



J. Dividend policy

The Company's dividend policy, as established in Article 79 of Law 18,046 which governs Public Limited Companies, is to distribute at least 30% of the net profits of each year. In the event that these dividends do not exist or are less than the minimum established by Law, the respective provision will be made.

In addition to this and with the prior authorization of the Ordinary Shareholders' Meeting, the remaining 70% may be distributed as an additional dividend, provided that the current level of capitalization of the Company is maintained and is compatible with the investment policies.

K. Foreign currency transactions

Assets and liabilities in foreign currencies are presented at the respective financial year-end exchange rates, according to the following parities:

Currency	12-31-2019 \$	12-31-2018 \$
US Dollar	748.74	694.77
Euro	839.58	794.75

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the liquidation of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Exchange rate differences are recorded in the results of the period in which they are accrued.

L. Financial liabilities

Loans, obligations to the public and similar are initially recorded at fair value, net of transaction costs incurred. Subsequently, they are valued at amortized cost, using the effective interest rate, except for those operations for which hedge contracts have been entered into, which are valued in accordance with the following section.

M. Derivative financial instruments and hedge accounting

The use of derivative financial instruments by Aguas Andinas S.A. and Subsidiaries is based on the Group's financial risk management policies, which establish the guidelines for their use.

The Group uses derivative financial instruments as hedging instruments to mitigate inflation, interest rate and foreign currency risks on existing items to which it has been exposed due to its operations.

Derivatives are recorded at their fair value on the date of the statement of financial position. In the case of financial derivatives, if their value is positive, they are recorded under the heading "Other Financial Assets" and if it is negative, under the heading "Other Financial Liabilities".

Changes in fair value are recorded directly in the income statement, unless a derivative has been designated for accounting purposes as a hedging instrument and all the conditions set out in IFRS for applying hedge accounting are met.

The treatment of hedging transactions with derivative instruments is as follows:



Fair value hedges. Changes in the market value of derivative financial instruments designated as hedging instruments, as well as the items hedged, are recorded with a charge or credit to financial results in the respective income statements.

Cash flow and net investment in foreign currency hedges. Changes in the fair value of these derivative financial instruments are recorded for the effective part directly in an equity reserve called a "cash flow hedge", while the ineffective part is recorded in income. The amount recognized in net equity is not transferred to the income statement until the results of the hedged transactions are recorded therein, or until the maturity date of such transactions.

If the hedge is discontinued, the cumulative gain or loss at that date in net equity is maintained until the underlying hedged transaction is performed. At that time, the cumulative gain or loss in equity will be reversed to the income statement, affecting the transaction.

At the end of each fiscal year, financial instruments are presented at their fair value. In the case of derivatives not traded in formal markets, the Group uses assumptions based on market conditions at that date to measure them.

Effectiveness. A hedge is considered highly effective when the changes in fair value or cash flows of the underlying directly attributable to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument with effectiveness in the range of 80% to 125%.

Implicit derivative. The Group also assesses the existence of derivatives embedded in contracts and financial instruments to determine whether their characteristics and risks are closely related to the main contract, provided that the set is not being accounted for at fair value. If they are not closely related, they are recognized separately and changes in value are recognized directly in the consolidated income statement.

N. Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation resulting from past events, for which it is probable that the Group will use resources to settle the obligation and for which it can make a reasonable estimate of the amount of the obligation.

Provisions are quantified taking into consideration the best available information on the event and its consequences, and are re-estimated at the time of each accounting close. The provisions recorded are used to address the specific risks for which they were originally recognized and are revised, in full or in part, when these risks disappear or diminish.

Contingent liabilities are all possible obligations arising from past events, the future materialization of which and the associated loss in equity is considered to be of low probability. In accordance with IFRS, the Group does not recognize any provision for these items, although, as required by the same standard, they are detailed in Note 16.

O. Employee benefits

The obligation for the severance package, which is estimated to accrue to employees retiring from Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A., and ESSAL S.A., is recorded at actuarial value, determined using the projected unit credit method. Actuarial gains and losses on indemnities derived from changes in estimates of turnover rates, mortality rates, salary increases or discount rates, are determined in accordance with IAS 19 in other comprehensive income, directly affecting Equity, which is subsequently reclassified to accumulated results (see note 19).



Aguas Andinas S.A.

Severance package in Aguas Andinas S.A. is governed by the provisions of the Labor Code, except for the amount of severance payment for all events accrued as of July 31, 2002 and the payment of 1.45 salaries for termination, excluding voluntary resignation, without limit of amount or years, for workers who are part of the collective bargaining agreements in force and to whom the same benefit was extended through their individual work contract. The amount to any event accumulated to that date is readjusted quarterly according to the variation of the consumer price index. In addition, the aforementioned collective bargaining agreements establishes that workers who retire from Aguas Andinas S.A. and make their retirement effective within 120 days from the date on which they reach legal retirement age may access the benefit detailed in the collective bargaining agreements, and continue to accrue this benefit after July 2002.

Aguas Cordillera S.A. y Aguas Manquehue S.A.

Severance package in Aguas Cordillera S.A., and Aguas Manquehue S.A., is governed by the provisions of the Labor Code, except for the amount of severance pay for all events accrued as of December 31, 2002, and the payment for termination of one salary without limit of amount or years, for workers who are part of the collective bargaining agreements in force and to whom the same benefit was extended through their individual work contract. The amount for any event accumulated at that date is readjusted quarterly according to the variation of the consumer price index. In addition, the aforementioned collective bargaining agreements provide that workers who retire from Aguas Cordillera S.A. and Aguas Manquehue S.A. continue to accrue this benefit after December 2002.

ESSAL S.A.

For employees who are part of the collective bargaining agreement in force or are incorporated to it at the date of the financial statements, an actuarial value is calculated only in the event of retirement and death. In such cases there is a limit of six months for payment purposes. In the other cases, it is governed by the provisions of the Labor Code.

The advances granted to personnel from these funds are presented as a deduction from current obligations. They will be charged in the final liquidation in a readjusted form, in accordance with the provisions of the aforementioned agreements.

There are no benefits of this nature for the other Subsidiaries.

P. Income tax and deferred taxes

The income tax expense corresponds to the sum of the income tax payable and the change in deferred tax assets and liabilities.

The income tax payable is determined based on the taxable income of the period. The income tax payable by the Group is calculated using the tax rates that have been approved, or are in the final process of approval, on the closing date of the statement of financial position.

Deferred taxes are recognized on the basis of the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of the tax result and are accounted for in accordance with the balance sheet liability method. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the differences can be utilized. No deferred tax assets or liabilities are recognized if the temporary differences arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that does not affect either taxable profit or financial performance.

The carrying value of deferred tax assets is reviewed at the date of each statement of financial position and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been approved, or the approval process is substantially completed, at the end of the period of the statement of financial position. The measurement of deferred tax assets and liabilities reflects



the tax consequences that would arise from the manner in which the Group expects, at the reporting date, to recover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off tax assets against tax liabilities and the liabilities relate to the same entity and tax authority.

Q. Ordinary income

Revenue recognition policy

The Company determined its recognition and measurement of revenue from ordinary activities based on the principle that revenue is recognized for an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. This fundamental principle should be applied on the basis of a five-step model:

- (1) identification of the contract with the customer;
- 2) identification of contract performance obligations;
3. determination of the transaction price;
- 4) allocation of the transaction price to performance obligations; and
- (5) recognition of revenue when (or as) performance obligations are met

Revenue recognition policy for sales of goods

Revenue from the sale of goods is recognized once the significant risk and rewards of ownership of the goods have been transferred, the Company retains no relationship with the goods sold, the amount of revenue can be reliably measured, it is probable that the economic benefits associated with the sale will flow to the Company and the costs incurred in the transaction are also reliably measurable.

Revenue recognition policy for sales of services

Revenue from the sale of services is measured at fair value. Billings are made based on actual consumption or work performed of the consideration receivable, net of returns, trade discounts and rebates, so that revenue is recognized when it is transferred to the customer and recovery is considered probable, associated costs and possible discounts for erroneous collections can be reliably estimated.

The service area of the Water Utility Companies is divided into billing groups, which determines dates for readings and subsequent billing. This process is developed on the basis of a monthly calendar, which means that at the end of each month there is unread consumption and therefore not billed.

For those billing groups that have information on the basis of consumption actually read, the corresponding tariff will be applied.

In those cases, where the Company does not have all of the consumption read, the best estimate of the income pending billing will be made, that is, based on physical data from the previous month valued at the current rate, considering in both cases (billing or estimate) normal rate or over-consumption as appropriate.

The transfer of risks and benefits varies according to the business line. For the companies of Water Utility Services, the provision of services and all its associated charges are made according to the real consumption and a monthly provision is made on the consumptions made and not billed on the basis of previous invoicing. For the subsidiaries Análisis Ambientales S.A., EcoRiles S.A., Gestión y Servicios S.A. and Aguas del Maipo S.A., the billing and eventual provision is made based on work executed.



Method for Determining Completion of Service Status

The provision of water utility services is verified by measuring consumption, in accordance with the provisions of the associated legal regulations, while for the non-water utility Subsidiaries, once the services have been completed and/or the respective reports issued.

Income from agreements with developers is recorded as ordinary income to the extent that certain conditions stipulated in each contract are met, which ensure that the associated economic benefit will flow to the Company.

R. Earnings per share

Basic earnings per share is calculated as the ratio of the profit (loss) attributable to holders of equity instruments of the Parent Company to the weighted average number of ordinary shares outstanding.

The Group has not entered into any potentially dilutive transactions that would result in diluted earnings per share other than basic earnings per share.

S. Consolidated cash flow statements

Assets of an environmental nature are considered to be those used on a lasting basis in the activity of the Company and its Subsidiaries, the main purpose of which is to minimize adverse environmental impacts and to protect and improve the environment, including the reduction or elimination of future pollution from the operations of Aguas Andinas S.A. and its Subsidiaries.

These assets are valued, like any other asset, at acquisition cost. The Company and its Subsidiaries depreciate these assets on a straight-line basis over the remaining years of estimated useful life of the various assets.

T. Consolidated statements of cash flow

The cash flow statement reflects the cash movements during the period, which include the value added tax (VAT), determined by the direct method and with the following criteria:

Cash and cash equivalents: these represent inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments with a low risk of changes in value (less than 3 months from the date they are contracted and without restrictions).

Operating activities: these represent activities typical of the normal operation of the business of the Company and its Subsidiaries, as well as other activities not classified as investment or financing activities.

Investing activities: represent activities of acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: represent activities that produce changes in the amount and composition of equity and liabilities that are not part of ordinary activities.

U. Construction contracts

For construction contracts, the Group uses the "Percentage of Completion Method" to recognize income and expenses relating to a contract in progress. Under this method, contract income is compared with contract costs incurred at the stage of completion, thereby disclosing the amount of income from ordinary activities, expenses and profits that can be attributed to the portion of the contract executed.



Contract costs are recognized when incurred. When the outcome of a construction contract can be reliably estimated and it is probable that the contract will be profitable, contract income is recognized over the period of the contract. When it is probable that total contract costs will exceed total contract income, the estimated loss is immediately recognized as an expense for the year. When the outcome of a construction contract cannot be estimated with sufficient reliability, contract incomes are recognized only up to the extent of contract costs incurred that it is probable that they will be recovered.

The Group presents as an asset the gross amount owed by customers for work on all contracts in progress for which the costs incurred plus recognized profits (less recognized losses) exceed partial turnover. Unpaid partial billings from customers and withholdings are included in "Trade and other accounts receivable".

The Group presents as a liability the gross amount owed to customers for work on all contracts in progress for which partial billing exceeds costs incurred plus recognized profits (less recognized losses).

V. Capitalized financing costs

Policy on interest-bearing loans:

Loan costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets.

Policy on capitalization of interest costs:

Interest paid or accrued on debts that finance qualified assets is capitalized, as required by IAS 23. IAS 23 establishes that when the entity acquires debt to finance investments, the interest on that debt must be deducted from interest expense and incorporated into the financed construction work, up to the total amount of such interest, applying the respective rate to disbursements made at the date of presentation of the financial statements.

W. Non-current assets held for sale or for distribution to owners

Non-current assets are classified as: held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use or held for distribution to owners when the entity undertakes to distribute the assets (or group of assets for disposal) to owners.

For the above classification, the assets must be available for immediate sale or distribution in their current condition and the sale or distribution must be highly probable.

Assets or groups subject to divestment classified as held for sale or held for distribution to owners are measured at the lower of carrying amount or fair value less costs to sell or distribute.



A. X. Reclassifications

For the year ended December 31, 2018, certain reclassifications have been made to facilitate comparison at December 31, 2019, as follows:

Reclassifications	Increase/ (decrease) Th\$
Statement of financial situation:	
Commercial and other accounts payable	26,208
Other non-financial liabilities	(26,208)

Note 3. RISK MANAGEMENT

The main objectives of financial risk management are to ensure the availability of funds to meet financial commitments and to protect the value of the Group's economic flows, assets and liabilities.

This management is based on the identification of risks, the determination of the tolerance for each risk, the hedging of these financial risks and the control of the established hedge transactions. To achieve the objectives, financial risk management is based on hedging all significant exposures, provided that suitable instruments are available and the cost is reasonable.

i. Credit risk

Credit risk is the possibility of financial loss arising from the failure of our counterparties (customers) to meet their obligations.

Water utility Subsidiaries have an atomized market, which means that the credit risk of a particular customer is not significant.

The Company's objective is to maintain minimum levels of bad debt. There is a credit policy, which establishes the conditions and types of payment, as well as conditions to be agreed upon by defaulting customers. The management processes are: control, estimate and evaluate the uncollectible in order to take corrective actions to achieve the proposed compliance. One of the main actions and measures to maintain low levels of bad debt is to cut off the supply.

The credit risk analysis method is based on the expected credit loss model, as established in IFRS 9. The estimates are based on recovery statistics, which indicate that after the eighth month of unpaid billing, the probability of recovering a billed value is minimal. Consequently, as of the ninth month's billing, an impairment of the account receivable is immediately recognized, i.e. the delinquent customer is identified and the amount of the provision is determined (it is not a percentage of the total portfolio). Additionally, debts for consumption transformed into agreements and documents receivable with overdue debt are provisioned 100%.

The credit risk of trade and other accounts receivable did not change with respect to the effective date of IFRS 9, due to the fact that the Company did not modify its model for determining impairment losses, as this implicitly considered credit risk losses.

As of December 31, 2019 and 2018, credit risk balances are Th\$32,275,945 and Th\$34,211,483, respectively (see Note 5).



ii. Liquidity risk

Liquidity risk is the possibility that the Group will have difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset and will be unable to fund commitments, such as long-term investments and working capital requirements, at reasonable market prices.

Management monitors the Group's liquidity reserve forecasts on the basis of expected cash flows.

Various preventive measures are used to manage liquidity risk, such as:

- Diversify funding sources and instruments.
- Agree with creditors on maturity profiles that do not concentrate high amortizations in one period.

Maturity profile (undiscounted flows)

Maturity profile	Up to 90 days		From 91 days to 1 year		From 13 months to 3 years		More than 3 years to 5 years		More than 5 years	
	Th\$	Contract interest rate	Th\$	Contract interest rate	Th\$	Contract interest rate	Th\$	Contract interest rate	Th\$	Contract interest rate
AFR	2,058,857	3.21%	4,743,040	3.74%	54,820,514	3.57%	46,526,993	3.94%	115,968,650	2.91%
Bank loans	573,786	2.62%	14,466,473	3.22%	62,625,390	2.42%	38,995,138	2.58%	4,478,432	2.42%
Bonds	10,782,620	4.04%	27,909,549	4.36%	79,253,460	2.69%	72,683,158	2.39%	873,885,029	3.69%
Lease liabilities	426,429	3.84%	1,070,105	3.84%	1,815,066	3.84%	127,018	3.84%	-	0.00%
Commercial and other accounts payable	121,580,424	0.00%	10,871,427	0.00%	381,769	0.00%	187,723	0.00%	589,825	0.00%
Totals	135,422,116		59,060,594		198,896,199		158,520,030		994,921,936	

Liquidity risk is periodically monitored in order to perceive, detect and correct deviations to minimize possible impacts on results.

iii. Interest rate risk

The Company has a rate structure that combines fixed and variable rates as detailed below

Debt instruments	Tariff	%
Bank loans	Variable	11.05%
Bonds	Fixed	70.13%
AFR	Fixed	18.49%
Lease liabilities	Fixed	0.33%
Total		100.00%

Interest rate awareness analysis

A rate analysis is performed, with respect to the Active Bank Rate (TAB, for its acronym in Spanish), assuming that all other variables remain constant. The method consists of measuring the positive or negative variation of the nominal TAB at the date of presentation of the report with respect to the average TAB of the last fixing of the loans.

The analysis is based on historical data with respect to the average daily market price of the 180-day TAB for the last 3 years at the time of reporting, with a 95% confidence level.

Company	Nominal amount of debt (Th\$)	Variable rate	Points (+/-)	Annual impact on incomes (Th\$) (+/-)
Aguas Andinas S.A. Consolidated	115,228,602	180- day TAB	75	861,444



Note 4. CASH AND CASH EQUIVALENTS

The composition of the item is as follows:

Cash and cash equivalents	12-31-2019	12-31-2018
	Th\$	Th\$
Banks	10,658,490	3,068,513
Time deposits	497,000	31,776,961
Mutual funds	60,907,268	5,135,000
Totals	72,062,758	39,980,474

The cash equivalent corresponds to financial assets in time deposits and mutual funds with a maturity of less than 90 days from the date of the transaction giving rise to them.

Details of some items in the cash flow statement

- **Other charges for operating activities:** these correspond to services attached to the operation of the business, mainly agreements signed with developers.
- **Other payments for operating activities:** correspond to the payment of monthly taxes.
- **Other outflows from investment activities:** correspond mainly to interest associated with bond issues, which have been capitalized, as an income from investments made in property, plant and equipment.

There are no legal restrictions preventing the immediate availability of the cash and cash equivalent balances used by the Group.

4.1 Cash equivalents

The detail by type of financial instrument in each company is as follows:

Company	Instruments	12-31-2019	12-31-2018
		Th\$	Th\$
Aguas Andinas S.A.	Time deposit	-	29,400,000
Aguas Andinas S.A.	Mutual funds	56,906,947	4,525,000
Aguas Cordillera S.A.	Mutual funds	3,050,281	-
Aguas Manquehue S.A.	Mutual funds	250,040	-
Gestión y Servicios S.A.	Time deposit	-	584,570
Gestión y Servicios S.A.	Mutual funds	700,000	390,000
EcoRiles S.A.	Mutual funds	-	220,000
Essal S.A.	Time deposit	497,000	1,792,391
Totals		61,404,268	36,911,961

The Company and its Subsidiaries make investments with portfolio limits of a maximum of 40% of the total per issuing Institution, and instrument limits corresponding to: mutual funds, 10% of the effective equity of the mutual fund and time deposits, 10% of the effective equity of the bank.



Note 5. COMMERCIAL DEBTORS AND OTHER ACCOUNTS RECEIVABLE AND RIGHTS TO BE COLLECTED

The composition of trade receivables (current and non-current) at December 31, 2019 and 2018 is as follows:

Credit risk	12-31-2019 Th\$	12-31-2018 Th\$
Gross Trade Debtor Exposure	136,266,844	143,403,576
Gross exposure documents receivable	6,172,403	2,313,427
Gross exposure other accounts receivable	5,774,196	5,315,542
Trade and other accounts receivable, gross current	148,213,443	151,032,545
Estimates for risks of accounts receivable	(32,275,945)	(34,211,483)
Trade and other accounts receivable, current	115,937,498	116,821,062
Gross exposure documents receivable	2,217,793	1,262,927
Gross exposure other accounts receivable	2,033,868	3,237,093
Rights receivable, non-current	4,251,661	4,500,020
Net exposure, risk concentrations	120,189,159	121,321,082

The movement in the estimate of bad debts is as follows:

Credit risk movement accounts receivable	12-31-2019 Th\$	12-31-2018 Th\$
Opening balance	(34,211,483)	(33,121,765)
Increase in existing provisions	(4,547,485)	(3,944,967)
Decreases	6,483,023	2,855,249
Changes, totals	1,935,538	(1,089,718)
Final balance	(32,275,945)	(34,211,483)

In accordance with the Group's policy, the debts for consumption transformed into payment agreements are provided for in full.

The following is a breakdown of the gross debt by age:

Age of gross debt	12-31-2019 Th\$	12-31-2018 Th\$
under three months	118,507,060	110,083,882
between three and six months	3,776,467	4,678,272
between six and eight months	1,811,095	1,822,807
longer than eight months	28,370,482	38,947,604
Totals	152,465,104	155,532,565

In accordance with IFRS 7 Financial Instruments, a detail of gross debt due by age is presented:

Gross overdue debt	12-31-2019 Th\$	12-31-2018 Th\$
under three months	10,205,860	11,485,973
between three and six months	2,367,419	1,987,895
between six and eight months	1,118,797	948,253
Totals	13,692,076	14,422,121



The overdue debt is made up of all those amounts where the counterparty failed to make a payment when contractually due. In accordance with the Company's policy, no provision has been made for customers with balances less than 9 months old.

As of December 31, 2019 and 2018, the analysis of gross exposure of current commercial debtors and current and non-current collectables accounts, for the non-securitized, repurchased and non-repurchased portfolio, is as follows:

December 31, 2019						
Commercial Debtor Tranche	Non-repurchased portfolio		Repurchased portfolio		Total gross portfolio	
	No. of Customers	Gross amount Th\$	No. of Customers	Gross amount Th\$	No. of Customers	Gross amount Th\$
Up to date	1,035,199	84,130,774	221	9,544	1,035,420	84,140,318
Between 1 and 30 days	468,312	21,537,660	2,903	88,524	471,215	21,626,184
Between 31 and 60 days	49,243	3,470,034	8,542	280,687	57,785	3,750,721
Between 61 and 90 days	17,097	1,562,993	5,692	244,504	22,789	1,807,497
Between 91 and 120 days	8,863	989,852	4,822	294,859	13,685	1,284,711
Between 121 and 150 days	5,492	826,961	3,737	296,043	9,229	1,123,004
Between 151 and 180 days	3,802	694,376	2,947	275,196	6,749	969,572
Between 181 and 210 days	2,726	712,134	2,583	278,551	5,309	990,685
Between 211 and 250 days	1,512	535,024	2,111	264,800	3,623	799,824
More than 251 days	21,337	7,041,204	35,987	21,123,320	57,324	28,164,524
Total	1,613,583	121,501,012	69,545	23,156,028	1,683,128	144,657,040

December 31, 2018						
Commercial Debtor Tranche	Non-repurchased portfolio		Repurchased portfolio		Total gross portfolio	
	No. of Customers	Gross amount Th\$	No. of Customers	No. of Customers	Gross amount Th\$	No. of Customers
Up to date	1,092,071	76,532,664	346	13,670	1,092,417	76,546,334
Between 1 and 30 days	491,440	26,534,595	4,055	132,195	495,495	26,666,790
Between 31 and 60 days	52,844	4,295,495	9,793	313,456	62,637	4,608,951
Between 61 and 90 days	16,388	1,387,963	6,244	251,932	22,632	1,639,895
Between 91 and 120 days	9,984	766,891	4,874	286,031	14,858	1,052,922
Between 121 and 150 days	3,202	577,875	4,116	289,614	7,318	867,489
Between 151 and 180 days	1,695	643,616	3,355	277,386	5,050	921,002
Between 181 and 210 days	2,435	674,478	2,791	301,724	5,226	976,202
Between 211 and 250 days	518	511,526	2,446	318,559	2,964	830,085
More than 251 days	12,410	9,788,732	39,103	23,081,528	51,513	32,870,260
Total	1.682.987	121.713.835	77.123	25.266.095	1.760.110	146.979.930



As of December 31st 2019 and 2018, the analysis of protested and judicially collected documents receivable of the non-securitized portfolio is as follows:

Protested portfolio and in judicial collection	UNSECURED PORTFOLIO			
	Non-repurchased portfolio 12-31-2019		Non-repurchased portfolio 12-31-2018	
	No. of Customers	Portfolio amount Th\$	No. of Clients	Portfolio amount Th\$
Protested receivables	12	19,944	-	-
Documents receivable in judicial collection	5	306,728	5	260,387
Total	17	326,672	5	260,387

As of December 31, 2019 and 2018, the analysis of credit risk is as follows

December 31, 2019				
Provision			Punishment of the period Th\$	Recovery of the period Th\$
Non-repurchased portfolio Th\$	Repurchased portfolio Th\$	Total Provision Th\$		
(10,201,098)	(22,074,847)	(32,275,945)	6,483,023	-
-				
December 31, 2018				
Provision			Punishment of the period Th\$	Recovery of the period Th\$
Non-repurchased portfolio Th\$	Repurchased portfolio Th\$	Total Provision Th\$		
(9,991,147)	(24,220,336)	(34,211,483)	2,855,249	-

Note 6. INFORMATION TO BE DISCLOSED ABOUT RELATED ENTITIES

Balances and transactions with related entities

Transactions between the Company and its Subsidiaries are carried out on an arm's length basis. These transactions have been eliminated on consolidation and are not disclosed in this note.

Balances and transactions with related entities

Accounts receivable from related parties are originated in Chile, the type of currency of transactions is in Chilean pesos, maturities are 30 days and there are no guarantees.

Related Rut	Related party name	Nature of relationship	Nature of related party transactions	12-31-2019 Th\$	12-31-2018 Th\$
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Laboratory analysis and sampling services	6,141	4,232
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Office rental	416	404
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the controller	Laboratory analysis and sampling services	86	414
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the controller	Office rental	-	1,393
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	Laboratory analysis and sampling services	-	26,766
Sin Rut	Aqua Development Network S.A.	Related to the controller	Integrated talent management contract	-	32,010
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Sales of materials	18,681	25,964
Totals				25,324	91,183



Accounts payable to related entities

Accounts payable to related entities are originated in Chile, the type of currency of transactions is in pesos.

Related Rut	Related party name	Nature of relationship	Nature of related party transactions	Deadlines	Guarantees	12-31-2019 Th\$	12-31-2018 Th\$
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	CCO 2.0 Operational Control Center Upgrade Project	30 days	Contract performance guarantee Amount UF 30,899	586,835	1,453,134
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	SCADA Platform	30 days	No guarantees	5,979	28,462
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	Plant under construction Arsenic San Antonio	30 days	Contract performance guarantee Amount UF24,264	249,326	1,230,939
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	Plant under construction Chamisero	30 days	Contract performance guarantee Amount UF 66,809.74	350,000	4,534,306
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	Talagante plant extension	30 days	No guarantees	-	1,173,221
76.746.454-1	Suez Biofactoria Andina Spa.	Related to the Controller	Plan of adaptation to biofactory of the treatment plant La Farfana	30 days	Contract performance guarantee Amount UF 1,048,050	4,564,482	9,029,874
76.746.454-1	Suez Biofactoria Andina Spa.	Related to the Controller	Nitrogen removal and plan of adaptation to the biofactory of the Mapocho-Trebal treatment plant	30 days	Contract performance guarantee Amount UF 1,048,050	10,575,060	4,199,865
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the Controller	Studies and Consultancies	30 days	No guarantees	270,081	97,322
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the Controller	Virtual platform, Siebel	30 days	No guarantees	81,579	78,265
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the Controller	Purchase of materials	60 days	Contract compliance guarantee. Amount Th\$279,298	36,268	8,182
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the Controller	Consulting service evolutionary maintenance	30 days	No guarantees	701,861	368,916
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the Controller	Service contract for process reengineering and implementation of new information systems for customer service	30 days	Guarantee of faithful compliance with contract for Th\$845,149	141,217	102,855
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the Controller	Rehabilitation of Digesters Mapocho - Trebal Wastewater Plant	90 days	Guarantee of faithful compliance with contract for UF357,863	787,428	1,468,596
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the Controller	Biogas Plant Operation Services	30 days	No guarantees	59,739	167,783
Sin Rut	Aqua Development Network S.A.	Related to the Controller	Integrated talent management contract	30 days	No guarantees	28,197	426,413
Sin Rut	Aqua Development Network S.A.	Related to the Controller	Studies and Consultancies	30 days	No guarantees	-	41,712
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Dividends to be paid	30 days	No guarantees	22,262,210	21,656,113
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Common Director	Purchase electricity	30 days	No guarantees	11,552	-
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Common Director	Purchase of water	30 days	No guarantees	226,250	-
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common Director	Purchase of water	30 days	No guarantees	92,640	5,657
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common Director	Dividends to be paid	30 days	No guarantees	-	497,487
Totals						41,030,704	46,569,102



Transactions with related entities

Transactions with related entities are originated in Chile, and the type of currency of transactions is in Chilean pesos.

Related Rut	Related party name	Nature of relationship	Nature of related party transactions	Currency Type	12/31/2019		12/31/2018	
					Th\$		Th\$	
					Amount	Effects on Income (Charge) / Credit	Amount	Effects on Income (Charge) / Credit
76.080.553-K	Suez Advanced Solutions Chile Ltda	Related to the Controller	Purchase of materials and maintenance of the virtual platform Siebel and Aquacis, consultancy and evolutionary maintenance	CLP	2,067,634	(1,443,062)	2,832,912	(1,881,666)
Sin Rut	Aqua Development Network S.A.	Related to the Controller	Talent management	CLP	279,378	(279,378)	817,138	(817,138)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	Chamisero Plant	CLP	1,460,329	-	3,979,333	-
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	San Antonio Arsenic Plant	CLP	680,571	-	397,055	-
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	CCO 2.0 Operational Control Center Upgrade Project	CLP	1,348,270	(271,050)	2,408,239	(216,910)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	Talagante plant, hydraulic efficiency plan, materials and services	CLP	1,413,783	-	4,197,033	45,909
59.066.560-6	Suez International	Related to the Controller	Supply of equipment, assembly and commissioning of the second stage of the Mapocho Wastewater Treatment Plant, module 4	CLP	-	-	5,916,581	-
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal	Related to the Controller	Operation, maintenance, expansion and rehabilitation services of Digesters Mapocho - Trebal Wastewater Plant	CLP	1,402,394	-	1,970,385	-
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal	Related to the Controller	Operation and maintenance services Biogas Plant	CLP	225,970	(195,795)	265,489	(208,884)
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Director Común	Compensation for reduced flow, purchase of water and electricity	CLP	1,786,978	(1,501,662)	1,424,590	(1,197,135)
76.746.454-1	Suez Biofactoría Andina spa.	Related to the Controller	Operation, maintenance and adaptation of a Biofactory treatment plant.	CLP	54,324,345	(27,731,571)	50,527,274	(25,879,843)
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common Director	Purchase of water and cutting of the San Carlos canal	CLP	328,671	(276,194)	137,293	(115,372)
65.113.732-2	Corporación Chilena de Investigación del Agua Spa	Related to the Controller	Study on management models for resilient urban hydraulic infrastructures in relation to hydrological and geological risks, sludge recovery	CLP	744,753	(370,529)	388,680	(315,954)
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Dividends paid	CLP	66,561,303	-	68,979,435	-

The materiality criterion for reporting transactions with related entities is for amounts in excess of the cumulative Th\$100,000.



Compensation paid to directors of Aguas Andinas S.A. and Subsidiaries and directors' committee

	12-31-2019 Th\$	12-31-2018 Th\$
Board of Directors	449,815	428,581
Committee of Directors	52,295	45,130
Totals	502,110	473,711

They correspond only to fees associated with their functions as defined and agreed at the Ordinary Shareholders' Meeting.

At the end of the 2019 financial year, the payroll of managers and main executives of the company and its Subsidiaries was made up of 84 professionals. The total remuneration received during the year was \$9,190 million and the severance package for senior executives amounted to \$1,095 million.

Details of related entities and transactions with related entities between Directors and Executives

The Company's management is not aware of the existence of transactions between related parties and directors and/or executives, other than their allowances and compensation.

Note 7. INVENTORIES

The detail by type of inventory as of December 31, 2019 and 2018 is as follows:

Types of inventories	12-31-2019 Th\$	12-31-2018 Th\$
Merchandise	1,629,763	2,143,347
Production Supplies	1,871,849	1,488,249
Other inventories	437,964	104,060
Estimation of obsolescence	(128,977)	(99,268)
Total inventories	3,810,599	3,636,388

The cost of inventories recognized as an expense in the statement of income as of December 31, 2019 and 2018 amounts to Th\$12,637,541 and Th\$11,240,422, respectively.

Additionally, an allowance for inventory impairment is presented, which includes amounts related to obsolescence resulting from low turnover, obsolescence due to damage and/or its market price is greater than 20%. The movement in the aforementioned estimate is as follows:

Movement of obsolescence estimation	12-31-2019 Th\$	12-31-2018 Th\$
Opening balance	(99,268)	(2,883)
Provision by price	(2,294)	(15,624)
Obsolescence provision	(87,959)	(52,810)
Provision for damage	(38,724)	(30,834)
Reversal of provision	99,268	2,883
Totals	(128,977)	(99,268)



Note 8. OTHER FINANCIAL ASSETS

8.1 Non-current

This corresponds mainly to the acquisition of shares in Sociedad Eléctrica Puntilla S.A. (EPSA), for Th\$7,835,395 at December 31, 2019 and 2018 (note 2.2 letter H, ii), over which the Group has no control or significant influence. Additionally, there are other investments for Th\$17,517 in both periods.

Associated with this acquisition is an obligation with the Asociación Sociedad de Canalistas del Maipo, related to the commitment not to transfer the water rights in force at the contract date in the amount of Th\$7,294,709 at December 31, 2019 and 2018.

Note 9. INTANGIBLE ASSETS OTHER THAN GOODWILL

Below is the required information regarding the Company's intangible assets, according to IAS 38 Intangible Assets:

Intangible assets other than goodwill	12-31-2019 Th\$	12-31-2018 Th\$
Trademarks, net	15,933	15,933
Computer programs, net	5,010,908	5,700,799
Other intangible assets, net	218,759,899	219,147,692
Intangible assets, net	223,786,740	224,864,424
Trademarks, gross	15,933	15,933
Computer programs, gross	52,879,096	50,717,784
Other intangible assets, gross	231,888,852	232,089,430
Intangible assets, gross	284,783,881	282,823,147
Computer programs, accumulated amortization	(47,868,188)	(45,016,985)
Other intangible assets, accumulated amortization	(13,128,953)	(12,941,738)
Intangible assets, accumulated amortization	(60,997,141)	(57,958,723)

Movements in intangible assets as of December 31, 2019

Movements in intangible assets	Trademarks, net Th\$	Computer programs, net Th\$	Other Intangible Assets, net Th\$	Total Th\$
Opening balance	15,933	5,700,799	219,147,692	224,864,424
Amortization, intangible assets other than goodwill	-	(2,851,203)	(187,215)	(3,038,418)
Total amortizations	-	(2,851,203)	(187,215)	(3,038,418)
Increases (decreases) due to transfers	-	1,293,583	(133,582)	1,160,001
Increases (decreases) due to other charges	-	867,729	116,320	984,049
All increases (decreases) due to transfers and other changes	-	2,161,312	(17,262)	2,144,050
Disposals and withdrawals from service	-	-	(183,316)	(183,316)
Total disposals and withdrawals from services	-	-	(183,316)	(183,316)
Changes, total	-	(689,891)	(387,793)	(1,077,684)
Final balance	15,933	5,010,908	218,759,899	223,786,740



Movements in intangible assets as of December 31, 2018

Movements in intangible assets	Trademarks, net Th\$	Computer programs, net Th\$	Other Intangible Assets, net Th\$	Total Th\$
Opening balance	13,000	7,910,586	219,160,913	227,084,499
Amortization	-	(4,051,560)	(187,216)	(4,238,776)
Total amortizations	-	(4,051,560)	(187,216)	(4,238,776)
Increases (decreases) due to transfers	-	1,740,932	(58,904)	1,682,028
Increases (decreases) due to other charges	2,933	100,841	238,494	342,268
All increases (decreases) due to transfers and other changes	2,933	1,841,773	179,590	2,024,296
Disposals and withdrawals from service	-	-	(5,595)	(5,595)
Total disposals and withdrawals from services	-	-	(5,595)	(5,595)
Changes, total	2,933	(2,209,787)	(13,221)	(2,220,075)
Final balance	15,933	5,700,799	219,147,692	224,864,424

Detailed disclosure of intangible assets (gross value)

Current year: December 31, 2019

Movements in intangible assets	Trademarks, gross Th\$	Computer programs, gross Th\$	Other Intangible Assets, gross Th\$	Trademarks, gross Th\$
Opening balance	15,933	50,717,784	232,089,430	282,823,147
Increases (decreases) due to transfers	-	1,293,583	(133,582)	1,160,001
Increases (decreases) due to other charges	-	867,729	116,320	984,049
All increases (decreases) due to transfers and other changes	-	2,161,312	(17,262)	2,144,050
Disposals and withdrawals from service	-	-	(183,316)	(183,316)
Total disposals and withdrawals	-	-	(183,316)	(183,316)
Changes, total	-	2,161,312	(200,578)	1,960,734
Final balance	15,933	52,879,096	231,888,852	284,783,881



Previous year: December 31, 2018

Movements in intangible assets	Trademarks, gross Th\$	Computer programs, gross Th\$	Other Intangible Assets, gross Th\$	Total Th\$
Opening balance	13,000	48,876,011	231,915,435	280,804,446
Increases (decreases) due to transfers	-	1,740,932	(58,904)	1,682,028
Increases (decreases) due to other charges	2,933	100,841	238,494	342,268
All increases (decreases) due to transfers and other changes	2,933	1,841,773	179,590	2,024,296
Disposals and withdrawals from service	-	-	(5,595)	(5,595)
Total disposals and withdrawals	-	-	(5,595)	(5,595)
Changes, total	2,933	1,841,773	173,995	2,018,701
Final balance	15,933	50,717,784	232,089,430	282,823,147

Detailed disclosure of intangible assets (accumulated amortization)

Current year: December 31, 2019

Movements in intangible assets	Trademarks, Accumulated Depreciation Th\$	Computer programs, accumulated amortization Th\$	Other intangible assets, accumulated amortization Th\$	Total Th\$
Opening balance	-	(45,016,985)	(12,941,738)	(57,958,723)
Amortization	-	(2,851,203)	(187,215)	(3,038,418)
Total amortizations	-	(2,851,203)	(187,215)	(3,038,418)
Changes, total	-	(2,851,203)	(187,215)	(3,038,418)
Final balance	-	(47,868,188)	(13,128,953)	(60,997,141)

Previous year: December 31, 2018

Movements in intangible assets	Trademarks, Accumulated Depreciation Th\$	Computer programs, accumulated amortization Th\$	Other intangible assets, accumulated amortization Th\$	Total Th\$
Opening balance	-	(40,965,425)	(12,754,522)	(53,719,947)
Amortization	-	(4,051,560)	(187,216)	(4,238,776)
Total amortizations	-	(4,051,560)	(187,216)	(4,238,776)
Changes, total	-	(4,051,560)	(187,216)	(4,238,776)
Final balance	-	(45,016,985)	(12,941,738)	(57,958,723)



Details of significant individual intangible assets (other):

Water rights and easements are the main intangible assets with an indefinite useful life and the breakdown by company is as follows:

Company	12-31-2019			12-31-2018		
	Water rights Th\$	Easement Th\$	Others Th\$	Water rights Th\$	Easement Th\$	Others Th\$
Aguas Andinas S.A.	76,459,202	8,422,025	4,387,051	76,598,437	8,364,563	4,574,022
Aguas Cordillera S.A.	92,745,249	7,761,932	-	92,732,674	7,761,932	-
Aguas Manquehue S.A.	21,925,915	866,673	-	21,924,557	866,673	-
Essal S.A.	5,422,410	1,162,350	-	5,622,185	1,095,557	-
Aguas del Maipo S.A.	13,700	-	-	13,700	-	-
EcoRiles S.A.	13,700	-	-	13,700	-	-
Gestión y Servicios S.A.	13,700	-	-	13,700	-	-
Análisis Ambientales S.A.	13,700	-	-	13,700	-	-
Consolidations Adjustments	(333,913)	(113,795)	-	(333,913)	(113,795)	-
Totals	196,273,663	18,099,185	4,387,051	196,598,740	17,974,930	4,574,022

Intangible assets with indefinite life

Both water rights and easements are rights held by the Company for which it is not possible to establish a finite useful life, i.e. the terms of the economic benefits associated with these assets are indefinite. Both assets constitute legal rights that are not extinguished and are not subject to restrictions.

Commitments for the acquisition of intangible assets

The commitments for the acquisition of intangible assets for 2020 relate to water rights, easements and software required for the normal operation of the Group companies and, in particular, for the new projects under development or in the preliminary study stages, as well as the extension of the concession areas, which are presented below:

Company	Th\$
Aguas Andinas S.A.	2,510,000
Essal S.A.	553,703
Análisis Ambientales S.A.	85,500
Total	3,149,203

Note 10. CAPITAL GAINS

The following is a detail of the capital gain for the various Cash Generating Units (CGUs) or group of CGUs to which it is assigned as of December 31, 2019 and 2018:

Rut	Company	12-31-2019 Th\$	12-31-2018 Th\$
96.809.310-K	Aguas Cordillera S.A.	33,823,049	33,823,049
95.579.800-5	Empresa de Servicios Sanitarios de Los Lagos S.A.	343,332	343,332
96.897.320-7	Inversiones Iberaguas Ltda.	2,066,631	2,066,631
Totals		36,233,012	36,233,012



Note 11. PROPERTY, PLANT AND EQUIPMENT

The balances of property, plant and equipment as of December 31, 2019 and 2018 are as follows:

Property, plant and equipment	Net Values		Gross Values		Accumulated Depreciations	
	12-31-2019	12-31-2018	12-31-2019	12-31-2018	12-31-2019	12-31-2018
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	155,968,467	159,536,229	155,968,467	159,536,229	-	-
Buildings	78,508,879	79,624,966	116,130,335	113,252,042	(37,621,456)	(33,627,076)
Subtotal land and buildings	234,477,346	239,161,195	272,098,802	272,788,271	(37,621,456)	(33,627,076)
Complementary works	22,306,553	21,892,366	46,084,005	44,316,092	(23,777,452)	(22,423,726)
Production facilities	192,436,984	173,754,928	354,410,675	328,291,901	(161,973,691)	(154,536,973)
Potable water networks	211,675,723	192,291,391	542,162,844	514,892,514	(330,487,121)	(322,601,123)
Sewer systems	250,729,079	249,193,038	548,997,867	534,440,825	(298,268,788)	(285,247,787)
Wastewater treatment plants	166,316,257	168,050,123	236,840,131	232,373,341	(70,523,874)	(64,323,218)
Other facilities	50,848,300	47,699,634	168,257,935	158,049,182	(117,409,635)	(110,349,548)
Non-operating assets	214,254	222,036	1,861,200	1,868,637	(1,646,946)	(1,646,601)
Rights of use asset	3,419,001	-	4,542,542	-	(1,123,541)	-
Subtotal other property, plant and equipment	897,946,151	853,103,516	1,903,157,199	1,814,232,492	(1,005,211,048)	(961,128,976)
Machinery	127,272,849	115,993,853	415,747,609	384,958,947	(288,474,760)	(268,965,094)
Transportation Equipment	884,149	958,353	5,450,565	5,102,427	(4,566,416)	(4,144,074)
Equipment and accessories	1,373,731	1,407,509	6,328,520	6,291,229	(4,954,789)	(4,883,720)
Computer equipment	1,618,966	2,460,174	14,739,458	14,284,065	(13,120,492)	(11,823,891)
Lease Rights Enhancements	185,188	234,177	821,872	806,931	(636,684)	(572,754)
Construction in progress	235,318,938	226,774,354	235,318,938	226,774,354	-	-
Totals	1,499,077,318	1,440,093,131	2,853,662,963	2,725,238,716	(1,354,585,645)	(1,285,145,585)



Below is information on the main holdings of the Group companies.

Property, plant and equipment, net	12-31-2019 Th\$	Aguas Andinas S.A. %	Aguas Cordillera S.A. %	Aguas Manquehue S.A. %	ESSAL S.A. %	Others %
Land	155,968,467	75%	13%	1%	11%	0%
Buildings	78,508,879	70%	6%	4%	17%	3%
Subtotal land and buildings	234,477,346					
Complementary works	22,306,553	75%	7%	5%	12%	1%
Production facilities	192,436,984	61%	14%	16%	9%	0%
Potable water networks	211,675,723	67%	15%	3%	16%	0%
Sewer systems	250,729,079	83%	2%	4%	11%	0%
Wastewater treatment plants	166,316,257	92%	0%	0%	6%	1%
Other facilities	50,848,300	71%	8%	9%	10%	3%
Non-operating assets	214,254	29%	71%	0%	0%	0%
Rights of use asset	3,419,001	54%	11%	1%	18%	16%
Subtotal other property, plant and equipment	897,946,151					
Machinery	127,272,849	69%	7%	6%	14%	3%
Transportation Equipment	884,149	80%	0%	0%	18%	2%
Equipment and accessories	1,373,731	67%	3%	1%	11%	17%
Computer equipment	1,618,966	83%	1%	0%	13%	3%
Lease Rights Enhancements	185,188	84%	0%	0%	0%	16%
Construction in progress	235,318,938	82%	5%	2%	12%	0%
Totals	1,499,077,318	75%	8%	5%	11%	1%

In accordance with IAS 16 paragraph 79 letter d, the Group presents information regarding the fair value of its main assets:



Asset classes	Cost 12-31-2019 Th\$	Fair value 12-31-2019 Th\$
Buildings	78,508,879	109,667,665
Complementary works	22,306,553	35,702,661
Production facilities	192,436,984	298,380,092
Potable water networks	211,675,723	400,187,988
Sewer systems	250,729,079	392,016,905
Wastewater treatment plants	166,316,257	180,514,069
Other facilities	50,848,300	51,956,946
Machinery	127,273,371	134,328,919
Totals	1,100,095,146	1,602,755,245

Reconciliation of changes in property, plant and equipment by class

As noted in IAS 16 paragraph 73, information is provided for each class of property, plant and equipment of the entity.



Movements in property, plant and equipment as of December 31, 2019 (net value)

Concept	Opening balance	Increases (decreases) for transfers from construction in progress	Increases (decreases) for other changes	Subtotal increases (decreases) for transfers and other changes	Depreciation	Disposals and withdrawals from service	Subtotal depreciation, disposals and withdrawals	Final balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	159,536,229	125,330	(514,915)	(389,585)	-	(3,178,177)	(3,178,177)	155,968,467
Buildings	79,624,966	4,530,262	910,673	5,440,935	(5,536,059)	(1,020,963)	(6,557,022)	78,508,879
Subtotal land and buildings	239,161,195	4,655,592	395,758	5,051,350	(5,536,059)	(4,199,140)	(9,735,199)	234,477,346
Complementary works	21,892,366	2,752,384	(407,006)	2,345,378	(1,690,510)	(240,681)	(1,931,191)	22,306,553
Production facilities	173,754,928	24,683,747	1,495,801	26,179,548	(7,468,380)	(29,112)	(7,497,492)	192,436,984
Potable water networks	192,291,391	15,636,037	11,717,685	27,353,722	(7,939,808)	(29,582)	(7,969,390)	211,675,723
Sewer systems	249,193,038	8,447,992	6,109,050	14,557,042	(13,021,001)	-	(13,021,001)	250,729,079
Wastewater treatment plants	168,050,123	5,697,365	(366,990)	5,330,375	(6,486,803)	(577,438)	(7,064,241)	166,316,257
Other facilities	47,699,634	9,754,590	865,427	10,620,017	(7,458,500)	(12,851)	(7,471,351)	50,848,300
Non-operating assets	222,036	-	-	-	(7,782)	-	(7,782)	214,254
Rights of use asset	-	-	4,728,295	4,728,295	(1,309,296)	2	(1,309,294)	3,419,001
Subtotal other property, plant and equipment	853,103,516	66,972,115	24,142,262	91,114,377	(45,382,080)	(889,662)	(46,271,742)	897,946,151
Machinery	115,993,853	21,567,698	10,024,991	31,592,689	(20,300,857)	(12,836)	(20,313,693)	127,272,849
Transportation Equipment	958,353	511,654	(139,227)	372,427	(446,071)	(560)	(446,631)	884,149
Equipment and accessories	1,407,509	177,954	(23,185)	154,769	(188,349)	(198)	(188,547)	1,373,731
Computer equipment	2,460,174	461,212	(5,819)	455,393	(1,296,601)	-	(1,296,601)	1,618,966
Lease Rights Enhancements	234,177	16,449	(1,508)	14,941	(63,930)	-	(63,930)	185,188
Construction in progress	226,774,354	(95,522,674)	104,423,444	8,900,770	-	(356,186)	(356,186)	235,318,938
Property classes, plant and equipment, net	1,440,093,131	(1,160,000)	138,816,716	137,656,716	(73,213,947)	(5,458,582)	(78,672,529)	1,499,077,318



Movements in property, plant and equipment as of December 31, 2018 (net value)

Concept	Opening balance Th\$	Increases (decreases) for transfers from construction in progress Th\$	Increases (decreases) for other changes Th\$	Subtotal increases (decreases) for transfers and other changes	Depreciation Th\$	Disposals and withdrawals from service Th\$	Subtotal depreciation, disposals and withdrawals Th\$	Final balance Th\$
Land	160,461,335	58,903	41,948	100,851	-	(1,025,957)	(1,025,957)	159,536,229
Buildings	79,601,087	1,569,810	714,702	2,284,512	(2,245,955)	(14,678)	(2,260,633)	79,624,966
Subtotal land and buildings	240,062,422	1,628,713	756,650	2,385,363	(2,245,955)	(1,040,635)	(3,286,590)	239,161,195
Complementary works	22,349,067	768,303	343,898	1,112,201	(1,564,306)	(4,596)	(1,568,902)	21,892,366
Production facilities	167,598,083	9,510,498	2,624,481	12,134,979	(5,963,222)	(14,912)	(5,978,134)	173,754,928
Potable water networks	174,661,097	12,978,119	12,266,887	25,245,006	(7,585,423)	(29,289)	(7,614,712)	192,291,391
Sewer systems	246,165,604	9,496,203	6,406,072	15,902,275	(12,874,297)	(544)	(12,874,841)	249,193,038
Wastewater treatment plants	169,331,810	3,608,476	324,499	3,932,975	(5,214,662)	-	(5,214,662)	168,050,123
Other facilities	48,103,767	5,505,350	2,089,687	7,595,037	(7,999,170)	-	(7,999,170)	47,699,634
Non-operating assets	230,781	-	-	-	(8,746)	1	(8,745)	222,036
Rights of use asset	-	-	-	-	-	-	-	-
Subtotal other property, plant and equipment	828,440,209	41,866,949	24,055,524	65,922,473	(41,209,826)	(49,340)	(41,259,166)	853,103,516
Machinery	120,338,507	13,145,270	8,021,019	21,166,289	(25,510,942)	(1)	(25,510,943)	115,993,853
Transportation Equipment	1,320,419	129,550	72,545	202,095	(453,132)	(111,029)	(564,161)	958,353
Equipment and accessories	1,315,585	251,739	47,738	299,477	(207,553)	-	(207,553)	1,407,509
Computer equipment	3,659,346	215,394	147,094	362,488	(1,561,660)	-	(1,561,660)	2,460,174
Lease Rights Enhancements	64,266	64,999	144,653	209,652	(39,741)	-	(39,741)	234,177
Construction in progress	156,563,062	(58,984,644)	130,120,937	71,136,293	-	(925,001)	(925,001)	226,774,354
Property classes, plant and equipment, net	1,351,763,816	(1,682,030)	163,366,160	161,684,130	(71,228,809)	(2,126,006)	(73,354,815)	1,440,093,131



Detailed property, plant and equipment disclosures (gross value)

Current year: December 31, 2019

Concept	Opening balance	Increases (decreases) for transfers from construction in progress	Increases (decreases) for other changes	Subtotal increases (decreases) for transfers and other changes	Disposals and withdrawals from service	Subtotal provisions and withdrawals	Final balance
	Th\$	Th\$	Th\$		Th\$	Th\$	Th\$
Land	159,536,229	125,330	(514,915)	(389,585)	(3,178,177)	(3,178,177)	155,968,467
Buildings	113,252,042	4,530,262	910,673	5,440,935	(2,562,642)	(2,562,642)	116,130,335
Subtotal land and buildings	272,788,271	4,655,592	395,758	5,051,350	(5,740,819)	(5,740,819)	272,098,802
Complementary works	44,316,092	2,752,384	(407,006)	2,345,378	(577,465)	(577,465)	46,084,005
Production facilities	328,291,901	24,683,747	1,495,117	26,178,864	(60,090)	(60,090)	354,410,675
Potable water networks	514,892,514	15,636,037	11,717,685	27,353,722	(83,392)	(83,392)	542,162,844
Sewer systems	534,440,825	8,447,992	6,109,050	14,557,042	-	-	548,997,867
Wastewater treatment plants	232,373,341	5,697,365	(366,990)	5,330,375	(863,585)	(863,585)	236,840,131
Other facilities	158,049,182	9,754,590	865,427	10,620,017	(411,264)	(411,264)	168,257,935
Non-operating assets	1,868,637	-	-	-	(7,437)	(7,437)	1,861,200
Rights of use asset	-	-	4,776,799	4,776,799	(234,257)	(234,257)	4,542,542
Subtotal other property, plant and equipment	1,814,232,492	66,972,115	24,190,082	91,162,197	(2,237,490)	(2,237,490)	1,903,157,199
Machinery	384,958,947	21,567,698	10,025,675	31,593,373	(804,711)	(804,711)	415,747,609
Transportation Equipment	5,102,427	511,654	(139,227)	372,427	(24,289)	(24,289)	5,450,565
Equipment and accessories	6,291,229	177,954	(23,185)	154,769	(117,478)	(117,478)	6,328,520
Computer equipment	14,284,065	461,212	(5,819)	455,393	-	-	14,739,458
Lease Rights Enhancements	806,931	16,449	(1,508)	14,941	-	-	821,872
Construction in progress	226,774,354	(95,522,674)	104,423,444	8,900,770	(356,186)	(356,186)	235,318,938
Property classes, plant and equipment, gross	2,725,238,716	(1,160,000)	138,865,220	137,705,220	(9,280,973)	(9,280,973)	2,853,662,963



Previous year: December 31, 2018

Concept	Opening balance Th\$	Increases (decreases) for transfers from construction in progress Th\$	Increases (decreases) for other changes Th\$	Subtotal increases (decreases) for transfers and other changes	Disposals and withdrawals from service Th\$	Subtotal provisions and withdrawals Th\$	Final balance Th\$
Land	160,461,335	58,903	41,948	100,851	(1,025,957)	(1,025,957)	159,536,229
Buildings	111,011,034	1,569,810	714,626	2,284,436	(43,428)	(43,428)	113,252,042
Subtotal land and buildings	271,472,369	1,628,713	756,574	2,385,287	(1,069,385)	(1,069,385)	272,788,271
Complementary works	43,248,022	768,303	343,898	1,112,201	(44,131)	(44,131)	44,316,092
Production facilities	316,220,864	9,510,498	2,624,481	12,134,979	(63,942)	(63,942)	328,291,901
Potable water networks	492,846,317	12,978,119	12,266,887	25,245,006	(3,198,809)	(3,198,809)	514,892,514
Sewer systems	519,580,232	9,496,203	6,406,148	15,902,351	(1,041,758)	(1,041,758)	534,440,825
Wastewater treatment plants	228,440,366	3,608,476	324,499	3,932,975	-	-	232,373,341
Other facilities	150,469,536	5,505,350	2,089,687	7,595,037	(15,391)	(15,391)	158,049,182
Non-operating assets	2,023,017	-	-	-	(154,380)	(154,380)	1,868,637
Rights of use asset	-	-	-	-	-	-	-
Subtotal other property, plant and equipment	1,752,828,354	41,866,949	24,055,600	65,922,549	(4,518,411)	(4,518,411)	1,814,232,492
Machinery	363,844,849	13,145,270	8,021,019	21,166,289	(52,191)	(52,191)	384,958,947
Transportation Equipment	5,866,755	129,550	72,545	202,095	(966,423)	(966,423)	5,102,427
Equipment and accessories	5,992,005	251,739	47,738	299,477	(253)	(253)	6,291,229
Computer equipment	13,921,577	215,394	147,094	362,488	-	-	14,284,065
Lease Rights Enhancements	597,279	64,999	144,653	209,652	-	-	806,931
Construction in progress	156,563,062	(58,984,644)	130,120,937	71,136,293	(925,001)	(925,001)	226,774,354
Property classes, plant and equipment, gross	2,571,086,250	(1,682,030)	163,366,160	161,684,130	(7,531,664)	(7,531,664)	2,725,238,716



Detailed property, plant and equipment disclosures (accumulated depreciation)

Current year: December 31, 2019

Concept	Opening balance	Increases (decreases) for other changes	Subtotal increases (decreases) for other changes	Depreciation	Disposals and withdrawals from service	Subtotal depreciation, disposals and withdrawals	Final balance
	Th\$	Th\$		Th\$	Th\$	Th\$	Th\$
Buildings	(33,627,076)	-	-	(5,536,059)	1,541,679	(3,994,380)	(37,621,456)
Subtotal buildings	(33,627,076)	-	-	(5,536,059)	1,541,679	(3,994,380)	(37,621,456)
Complementary works	(22,423,726)	-	-	(1,690,510)	336,784	(1,353,726)	(23,777,452)
Production facilities	(154,536,973)	684	684	(7,468,380)	30,978	(7,437,402)	(161,973,691)
Potable water networks	(322,601,123)	-	-	(7,939,808)	53,810	(7,885,998)	(330,487,121)
Sewer systems	(285,247,787)	-	-	(13,021,001)	-	(13,021,001)	(298,268,788)
Wastewater treatment plants	(64,323,218)	-	-	(6,486,803)	286,147	(6,200,656)	(70,523,874)
Other facilities	(110,349,548)	-	-	(7,458,500)	398,413	(7,060,087)	(117,409,635)
Non-operating assets	(1,646,601)	-	-	(7,782)	7,437	(345)	(1,646,946)
Rights of use asset	-	(48,504)	(48,504)	(1,309,296)	234,259	(1,075,037)	(1,123,541)
Subtotal other property, plant and equipment	(961,128,976)	(47,820)	(47,820)	(45,382,080)	1,347,828	(44,034,252)	(1,005,211,048)
Machinery	(268,965,094)	(684)	(684)	(20,300,857)	791,875	(19,508,982)	(288,474,760)
Transportation Equipment	(4,144,074)	-	-	(446,071)	23,729	(422,342)	(4,566,416)
Equipment and accessories	(4,883,720)	-	-	(188,349)	117,280	(71,069)	(4,954,789)
Computer equipment	(11,823,891)	-	-	(1,296,601)	-	(1,296,601)	(13,120,492)
Lease Rights Enhancements	(572,754)	-	-	(63,930)	-	(63,930)	(636,684)
Property classes, plant and equipment, accumulated depreciation	(1,285,145,585)	(48,504)	(48,504)	(73,213,947)	3,822,391	(69,391,556)	(1,354,585,645)



Previous year: December 31, 2018

Concept	Opening balance	Increases (decreases) for other changes	Subtotal increases (decreases) for other changes	Depreciation	Disposals and withdrawals from service	Subtotal depreciation, disposals and withdrawals	Final balance
	Th\$	Th\$		Th\$	Th\$	Th\$	Th\$
Buildings	(31,409,947)	76	76	(2,245,955)	28,750	(2,217,205)	(33,627,076)
Subtotal buildings	(31,409,947)	76	76	(2,245,955)	28,750	(2,217,205)	(33,627,076)
Complementary works	(20,898,955)	-	-	(1,564,306)	39,535	(1,524,771)	(22,423,726)
Production facilities	(148,622,781)	-	-	(5,963,222)	49,030	(5,914,192)	(154,536,973)
Potable water networks	(318,185,220)	-	-	(7,585,423)	3,169,520	(4,415,903)	(322,601,123)
Sewer systems	(273,414,628)	(76)	(76)	(12,874,297)	1,041,214	(11,833,083)	(285,247,787)
Wastewater treatment plants	(59,108,556)	-	-	(5,214,662)	-	(5,214,662)	(64,323,218)
Other facilities	(102,365,769)	-	-	(7,999,170)	15,391	(7,983,779)	(110,349,548)
Non-operating assets	(1,792,236)	-	-	(8,746)	154,381	145,635	(1,646,601)
Rights of use asset	-	-	-	-	-	-	-
Subtotal other property, plant and equipment	(924,388,145)	(76)	(76)	(41,209,826)	4,469,071	(36,740,755)	(961,128,976)
Machinery	(243,506,342)	-	-	(25,510,942)	52,190	(25,458,752)	(268,965,094)
Transportation Equipment	(4,546,336)	-	-	(453,132)	855,394	402,262	(4,144,074)
Equipment and accessories	(4,676,420)	-	-	(207,553)	253	(207,300)	(4,883,720)
Computer equipment	(10,262,231)	-	-	(1,561,660)	-	(1,561,660)	(11,823,891)
Lease Rights Enhancements	(533,013)	-	-	(39,741)	-	(39,741)	(572,754)
Property classes, plant and equipment, accumulated depreciation	(1,219,322,434)	-	-	(71,228,809)	5,405,658	(65,823,151)	(1,285,145,585)



Commitments for the acquisition of property, plant and equipment

The detail for each company of the consolidated Group by amount of future commitments for the acquisition of property, plant and equipment, for the year 2020 is as follows

Company	Th\$
Aguas Andinas S.A.	110,833,023
Aguas Cordillera S.A.	19,144,177
Aguas Manquehue S.A.	2,749,200
Essal S.A.	26,708,532
EcoRiles S.A.	101,800
Gestión y Servicios S.A.	297,000
Análisis Ambientales S.A.	375,550
Total	160,209,282

Idle property, plant and equipment, temporarily as of December 31, 2019:

Company	Gross Value Th\$	Accumulated depreciation Th\$	Net Value Th\$
Aguas Andinas S.A.	1,586,868	(1,525,135)	61,733
Aguas Cordillera S.A.	274,332	(121,811)	152,521
Total	1,861,200	(1,646,946)	214,254

Restrictions on ownership of property, plant and equipment

As of December 31, 2019 and 2018, property, plant and equipment are not subject to restrictions on title, nor are they subject to guarantees of compliance with obligations, as required by IAS 16 paragraph 74 (a).

Financial leasing contracts

As of December 31, 2019, active property, plant and equipment is recorded for rights of use under IFRS 16 (see Note 12). At December 31, 2018, there are no property, plant and equipment held under finance leases under IAS 17.

Impairment of assets

As of December 31, 2019 and 2018, the Company has not recognized in the profit or loss for the year, impairment losses on assets, reversals of impairment losses on assets, or compensation from third parties, as required by paragraphs 73(e)(v) and (vi) and 74(d) of IAS 16, for which there is no indication of impairment in accordance with IAS 36 (see Note 29).



Note 12. LEASE

The following is a detail of the asset for rights of use and the liability for leases in accordance with IFRS 16.

12.1 Rights of use asset

The detail of assets by rights of use as of December 31, 2019, is as follows:

Active for rights of use:	Gross value Th\$	Accumulated depreciation Th\$	Net value Th\$
Buildings	507,086	(139,222)	367,864
Transportation Equipment	4,035,456	(984,319)	3,051,137
Totals	4,542,542	(1,123,541)	3,419,001

12.2 Lease liabilities

The present value of future payments under such contracts is as follows:

Lease liabilities:	12-31-2019 Th\$
Up to 90 days	426,429
More than 90 days and no more than one year	1,070,105
Total current	1,496,534
More than one year and not more than two years	1,167,873
More than two years and not more than three years	647,193
More than three years and not more than four years	126,376
More than four years and not more than five years	642
Total Non-Current	1,942,084

12.3 Disclosures for operating leases as lessee

Under this concept we present renting of Transportation services and commercial agencies.

Future non-payable minimum lease payments, tenants	12-31-2019 Th\$	12-31-2018 Th\$
Future minimum non-payable lease payments, up to one year, tenants	2,095,817	1,834,019
Future minimum non-payable lease payments, over one year and under five years, tenants	3,584,608	2,933,409
Total future non-payable minimum lease payments	5,680,425	4,767,428
Minimum lease payments under operating leases (*)	2,502,722	4,311,878
Total lease and sublease payments recognized in the income statement	2,502,722	4,311,878

(*) The consolidated income statement for the period ended December 31, 2019 includes an expense of Th\$2,502,722, which relates to short-term lease payments, which are exempted from the application of IFRS 16 (see Note 2.2 letter G). As of December 31, 2018, the amount recognized in income was Th\$4,311,878, arising from asset leases qualified as operating leases in accordance with IAS 17.



Significant operating lease agreements

The most significant operating leases are related to vehicle leasing. For these cases, the contracts correspond to periods of less than 12 months. Rental services are paid on a monthly basis upon submission and approval of payment statements.

Termination of contract: The company may terminate the rental contracts in advance in the event of serious breach of any of the conditions and obligations set out in the administrative bases and technical specifications. In such cases, the company must be entitled to enforce the guarantee for the faithful, complete and timely performance of the contract, by way of compensation for damages.

12.4 Disclosures on operating leases as lessors

The Company has contracts of this type in which it acts as lessor, which refers mainly to parts of operating premises, mostly with telecommunications companies, which have automatic renewal from 1 to 5 years, however, the Company has the power to give notice of termination between 30, 60, 90 and 180 days depending on the contract.

Future minimum lease payments not payable, lessors	12-31-2019 Th\$	12-31-2018 Th\$
Minimum future lease payments not payable, up to one year, lessors	320,062	311,649
Amount of contingent income recognized in the income statement	706,478	676,327
Totals	1,026,540	987,976

Significant operating lease agreements of the lessor

Income from these items is not material to the Company.

Note 13. DEFERRED TAXES AND PROFIT TAXES

In accordance with IAS 12, the net position of deferred tax assets and liabilities, determined by each individual company and presented in the consolidated statement of financial position by aggregating each position, is presented below.

Statements of financial position	12-31-2019 Th\$	12-31-2018 Th\$
Deferred tax assets	29,528,508	23,499,561
Deferred tax liabilities	(33,595,773)	(35,452,801)
Net deferred tax position	(4,067,265)	(11,953,240)

The net position presented has its origin in a variety of concepts constituting temporary and permanent differences which, at a consolidated level, allow it to be presented under the concepts mentioned below:



Disclosure of deferred tax assets

Deferred tax assets	12-31-2019 Th\$	12-31-2018 Th\$
Water rights (amortization)	527,787	504,001
Bad debt provision	8,707,858	9,230,453
Holiday provision	789,794	714,546
Litigation	1,007,686	807,907
Severance package	4,774,058	4,013,029
Other provisions	269,615	243,379
Amortizations	859,630	101
Variation in price-level restatement and asset depreciation	75,108,148	69,908,916
Deferred income	1,969,571	1,969,571
Tranque La Dehesa Transaction	399,561	389,058
Lease liabilities	931,568	-
Others	1,789,037	1,625,000
Deferred tax assets	97,134,313	89,405,961

Disclosure of deferred tax liabilities

Deferred tax liabilities	12-31-2019 Th\$	12-31-2018 Th\$
Depreciation of property, plant and equipment	19,301,796	18,637,043
Amortizations	269,558	645,687
Investment expenditure of related companies	114,266	114,266
Land revaluations	24,279,526	24,349,342
Revaluations of water rights	46,829,517	46,834,696
Fair value of assets by business combination	9,339,856	10,539,459
Rights of use asset	926,392	-
Others	140,667	238,708
Deferred tax liabilities	101,201,578	101,359,201

Movements in deferred tax assets

Movements in deferred tax assets	12-31-2019 Th\$	12-31-2018 Th\$
Deferred tax assets, opening balance	89,405,961	84,864,153
Increases (decreases) in deferred tax assets	3,051,715	1,201,059
Increases (decreases) due to changes in price-level restatement and depreciation of assets	5,199,232	3,046,526
Increases (decreases) for bad debt provisions	(522,595)	294,223
Changes in deferred tax assets	7,728,352	4,541,808
Changes in total deferred tax assets	97,134,313	89,405,961

Movements in deferred tax liabilities

Movements in deferred tax liabilities	12-31-2019 Th\$	12-31-2018 Th\$
Deferred tax liabilities, opening balance	101,359,201	102,484,409
Increases (decreases) in deferred tax liabilities	1,041,980	297,170
Increases (decreases) in acquisitions through business combinations	(1,199,603)	(1,422,378)
Changes in deferred tax liabilities	(157,623)	(1,125,208)
Changes in total deferred tax liabilities	101,201,578	101,359,201



Income Tax Expenses

Current and deferred income tax income (expense)	12-31-2019 Th\$	12-31-2018 Th\$
Current tax expense	(54,753,488)	(51,450,110)
Adjustment of tax expense for previous year	(579,640)	(216,089)
Current income tax expense	(55,333,128)	(51,666,199)
Deferred tax income (expense) relating to the creation and reversal of temporary differences	7,214,347	5,378,014
Single tax expense (rejected expenses)	(1,544,166)	(218,237)
Income (expense) from other taxes	5,670,181	5,159,777
Income tax expense	(49,662,947)	(46,506,422)

Numerical reconciliation between income (expense) for tax and the result of multiplying the accounting profit by the applicable tax rate or tariffs

	12-31-2019 Th\$	12-31-2018 Th\$
Tax expenses using the legal rate	(51,141,596)	(50,172,690)
Permanent difference due to price-level restatement of tax assets	3,990,729	4,076,156
Permanent difference for rejected expenses	(1,544,166)	(218,237)
Permanent income tax difference from previous years	(579,640)	(216,089)
Other permanent differences	(388,274)	24,438
Adjustments to tax expense using the statutory rate	1,478,649	3,666,268
Tax expense using the effective rate	(49,662,947)	(46,506,422)

Reconciliation of the statutory tax rate with the effective tax rate

	12-31-2019	12-31-2018
Statutory tax rate	27.00%	27.00%
Permanent difference due to price-level restatement of tax assets	-2.11%	-2.19%
Permanent difference for rejected expenses	0.82%	0.12%
Permanent income tax difference from previous years	0.31%	0.12%
Other permanent differences	0.20%	-0.02%
Effective tax rate	26.22%	25.03%

Note 14. FINANCIAL INSTRUMENTS

14.1 Capital risk management

The Group manages its capital to ensure that the Group entities will continue as a going concern by maximizing shareholder returns through the optimization of the debt and equity structure. The Group's overall strategy has remained unchanged since 2009. The Group's capital structure consists of debt, which includes the loans disclosed in point 14.4, and equity attributable to the parent company's equity holders, which includes capital, reserves and retained earnings which are disclosed in Note 19.

14.2 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the recognition criteria, measurement bases and bases on which income and expenses are recognized, with respect to each class of financial assets and financial liabilities are described in Note 2.2 letter H, 2.2 letter L and 2.2 letter M of these consolidated financial statements.



14.3 Class of financial instruments

The following is a summary of the financial instruments as of December 31, 2019 and 2018

Types of financial instruments	Currency	Note	12-31-2019 Th\$	12-31-2018 Th\$
Commercial and other accounts receivable	CLP	5	115,919,449	116,800,398
Commercial and other accounts receivable	USD	5	9,230	8,424
Commercial and other accounts receivable	EUR	5	8,819	12,240
Total Commercial and other receivables, current			115,937,498	116,821,062
Accounts receivable from related parties	CLP	6	25,324	91,183
Information on related entities, current			25,324	91,183
Total financial assets, current			115,962,822	116,912,245
Non-current financial assets				
Tariffs receivable	CLP	5	4,251,661	4,500,020
Other financial assets	CLP	8.1	7,852,912	7,852,912
Total financial assets, non-current			12,104,573	12,352,932
Total financial assets			128,067,395	129,265,177
Current financial liabilities				
Bank loans	CLP	14.4	13,876,507	3,503,647
Bonds	CLP	14.4	16,320,558	15,037,330
Refundable financial contributions	CLP	14.4	6,188,749	15,422,339
Lease liabilities	CLP	12	1,496,534	-
Other financial liabilities, current			37,882,348	33,963,316
Commercial and other accounts payable	CLP	15	131,416,429	135,896,418
Commercial and other accounts payable	USD	15	758,814	903,099
Commercial and other accounts payable	EUR	15	276,608	99,658
Commercial and other accounts payable, current			132,451,851	136,899,175
Accounts payable to related entities	CLP	6	41,030,704	46,569,102
Information on related entities, current			41,030,704	46,569,102
Total financial liabilities, current			211,364,903	217,431,593
Non-current financial liabilities				
Bank loans	CLP	14.4	101,352,095	92,519,209
Bonds	CLP	14.4	715,030,769	646,960,110
Refundable financial contributions	CLP	14.4	186,572,528	173,033,860
Lease liabilities	CLP	12	1,942,084	-
Other financial liabilities, non-current			1,004,897,476	912,513,179
Other accounts payable	CLP	15	1,159,317	983,335
Other accounts payable, non-current			1,159,317	983,335
Total financial liabilities, non-current			1,006,056,793	913,496,514
Total financial liabilities			1,217,421,696	1,130,928,107



14.4 Disclosures on financial liabilities

Other financial liabilities

Other financial liabilities include bank loans, obligations with the public (bonds), Reimbursable Financial Contributions (AFR) and lease liabilities, which are valued at amortized cost, as explained below:

Reimbursable Financial Contributions (AFR, for its acronym in Spanish)

In accordance with article 42-A of D.S. MINECON No. 453 of 1989, "Reimbursable financial contributions for extension and capacity constitute a financing alternative available to the provider (company providing water utility services) for the execution of water utility works of extension and capacity which, according to the Law, are its charge and cost".

They consist of specific amounts of money or works that public water utility service providers can demand from those who apply to be incorporated as customers, or request an extension of service, which, in accordance with the regulations in force, have defined forms and deadlines for their return.

The return of the amounts contributed by customers is basically through the issue of 10- or 15-year endorsable promissory notes, and in some cases lesser amounts, through the return of water utility services.

The detail of refundable financial contributions as of December 31, 2019 and 2018 is as follows:

Reimbursable Financial Contributions, current portion

Instrument Registration or Identification Number	Currency reset index	Residual UF	Book value		Actual contract interest rate	Effective rate	Placement in Chile or abroad	Issuing company	Debtor Rut	Type of depreciation	Guaranteed (Yes/No)
			12-31-2019	12-31-2018							
			Th\$	Th\$							
AFR	UF	177,510	5,098,342	10,460,816	2.93%	2.89%	Chile	Aguas Andinas S.A.	61.808.000-5	At maturity	No
AFR	UF	37,881	1,090,407	3,836,401	3.09%	2.98%	Chile	Aguas Cordillera S.A.	96.809.310-k	At maturity	No
AFR	UF	-	-	1,125,122	0.00%	0.00%	Chile	Aguas Manquehue S.A.	89.221.000-4	At maturity	No
Totals		215,391	6,188,749	15,422,339							

Reimbursable Financial Contributions, non-current portion

Instrument Registration or Identification Number	Currency reset index	Residual UF	Book value		Maturity date	Actual contract interest rate	Effective rate	Issuing company	Debtor Rut	Type of depreciation	Guaranteed (Yes/No)
			12-31-2019	12-31-2018							
			Th\$	Th\$							
AFR	UF	4,697,883	134,047,347	122,915,519	27-12-2034	3.12%	3.03%	Aguas Andinas S.A.	61.808.000-5	At maturity	No
AFR	UF	783,295	22,352,582	21,717,829	26-12-2034	3.08%	2.94%	Aguas Cordillera S.A.	96.809.310-k	At maturity	No
AFR	UF	682,791	19,488,860	17,950,443	27-12-2034	3.00%	3.00%	Aguas Manquehue S.A.	89.221.000-4	At maturity	No
AFR	UF	377,385	10,683,739	10,450,069	13-09-2034	3.37%	3.37%	Essal S.A	96.579.800-5	At maturity	No
Totals		6,541,354	186,572,528	173,033,860							



The detail of bank loans as of December 31st 2019 and 2018 is as follows:

Bank loan balances, current year

RUT debtor entity	61.808.000-5	61.808.000-5	96.809.310-K	96.579.800-5	96.579.800-5	96.579.800-5	96.579.800-5	96.579.800-5	
Name of debtor entity	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Cordillera S.A.	Essal S.A.	Essal S.A.	Essal S.A.	Essal S.A.	Essal S.A.	
Country of the debtor company	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	
RUT lending entity	97.004.000-5	97.006.000-6	97.018.000-1	97.004.000-7	97.006.000-6	97.006.000-6	97.018.000-1	97.018.000-1	
Name of lending institution	Bank of Chile	BCI Bank	Scotiabank	Bank of Chile	BCI Bank	BCI Bank	Scotiabank	Scotiabank	
Currency or reset unit	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	
Type of depreciation	Biannual	At maturity	At maturity	At maturity	At maturity	At maturity	At maturity	At maturity	
Effective rate	3.05%	2.42%	2.73%	3.84%	3.70%	0.49%	2.79%	2.67%	
Nominal rate	3.05%	2.42%	2.73%	3.84%	3.70%	0.49%	2.79%	2.67%	
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Up to one year	4,492,373	126,948	189,583	8,721	9,030,745	6,179	19,065	2,893	13,876,507
Up to 90 days	67,482	-	189,583	8,721	30,745	6,179	19,065	2,893	324,668
More than 90 days up to one year	4,424,891	126,948	-	-	9,000,000	-	-	-	13,551,839
More than 1 year up to 3 years	17,699,562	19,270,303	-	2,500,000	-	10,757,777	6,000,000	3,000,000	59,227,642
More than 1 year up to 2 years	8,849,781	-	-	2,500,000	-	-	6,000,000	3,000,000	20,349,781
More than 2 years up to 3 years	8,849,781	19,270,303	-	-	-	10,757,777	-	-	38,877,861
More than 3 years up to 5 years	17,699,562	-	20,000,000	-	-	-	-	-	37,699,562
More than 3 years up to 4 years	8,849,781	-	20,000,000	-	-	-	-	-	28,849,781
More than 4 years up to 5 years	8,849,781	-	-	-	-	-	-	-	8,849,781
More than 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
More than 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
Total nominal amounts	44,316,388	19,397,251	20,189,583	2,508,721	9,030,745	10,763,956	6,019,065	3,002,893	115,228,602
Book values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Current bank loans	4,492,373	126,948	189,583	8,721	9,030,745	6,179	19,065	2,893	13,876,507
Up to 90 days	67,482	-	189,583	8,721	30,745	6,179	19,065	2,893	324,668
More than 90 days up to one year	4,424,891	126,948	-	-	9,000,000	-	-	-	13,551,839
Non-current bank loans	39,824,015	19,270,303	20,000,000	2,500,000	-	10,757,777	6,000,000	3,000,000	101,352,095
More than 1 year up to 3 years	17,699,562	19,270,303	-	2,500,000	-	10,757,777	6,000,000	3,000,000	59,227,642
More than 1 year up to 2 years	8,849,781	-	-	2,500,000	-	-	6,000,000	3,000,000	20,349,781
More than 2 years up to 3 years	8,849,781	19,270,303	-	-	-	10,757,777	-	-	38,877,861
More than 3 years up to 5 years	17,699,562	-	20,000,000	-	-	-	-	-	37,699,562
More than 3 years up to 4 years	8,849,781	-	20,000,000	-	-	-	-	-	28,849,781
More than 4 years up to 5 years	8,849,781	-	-	-	-	-	-	-	8,849,781
More than 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
More than 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
Total bank loans	44,316,388	19,397,251	20,189,583	2,508,721	9,030,745	10,763,956	6,019,065	3,002,893	115,228,602

Book value = capital +/- issue over/under - issue costs + interest earned by effective rate method - interest and capital paid.

Nominal value = capital +/- accrued interest at issue rate - capital/interest payments.



In the detail of bank loans, there is no variation between the nominal value and the book value, since no issue costs have been incurred in obtaining and/or renewing loans.

Bank loan balances, previous year

RUT debtor entity	61.808.000-5	61.808.000-5	61.808.000-5	96.809.310-K	96.579.800-5	96.579.800-5	
Name of debtor entity	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Cordillera S.A.	ESSAL S.A.	ESSAL S.A.	
Country of the debtor company	Chile	Chile	Chile	Chile	Chile	Chile	
RUT lending entity	97.004.000-5	97.006.000-6	97.018.000-1	97.018.000-1	97.004.000-5	97.006.000-6	
Name of lending institution	Bank of Chile	BCI Bank	Scotiabank	Scotiabank	Bank of Chile	BCI Bank	
Currency or reset unit	CLP	CLP	CLP	CLP	CLP	CLP	
Type of depreciation	Biannual	At maturity	At maturity	At maturity	At maturity	At maturity	
Effective rate	3.83%	3.22%	3.51%	3.20%	3.44%	3.29%	
Nominal rate	3.83%	3.22%	3.51%	3.20%	3.44%	3.29%	
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Up to one year	71,002	217,177	439,245	222,223	2,512,182	41,818	3,503,647
Up to 90 days	-	217,177	300	222,223	12,182	-	451,882
More than 90 days up to one year	71,002	-	438,945	-	2,500,000	41,818	3,051,765
More than 1 year up to 3 years	13,274,672	19,270,304	-	-	-	9,000,000	41,544,976
More than 1 year up to 2 years	4,424,891	19,270,304	-	-	-	-	23,695,195
More than 2 years up to 3 years	8,849,781	-	-	-	-	9,000,000	17,849,781
More than 3 years up to 5 years	17,699,562	-	-	20,000,000	-	-	37,699,562
More than 3 years up to 4 years	8,849,781	-	-	-	-	-	8,849,781
More than 4 years up to 5 years	8,849,781	-	-	20,000,000	-	-	28,849,781
More than 5 years	13,274,671	-	-	-	-	-	13,274,671
More than 5 years	13,274,671	-	-	-	-	-	13,274,671
Total nominal amounts	44,319,907	19,487,481	439,245	20,222,223	2,512,182	9,041,818	96,022,856
Book values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Current bank loans	71,002	217,177	439,245	222,223	2,512,182	41,818	3,503,647
Up to 90 days	-	217,177	300	222,223	12,182	-	451,882
More than 90 days up to one year	71,002	-	438,945	-	2,500,000	41,818	3,051,765
Non-current bank loans	44,248,905	19,270,304	-	20,000,000	-	9,000,000	92,519,209
More than 1 year up to 3 years	13,274,672	19,270,304	-	-	-	9,000,000	41,544,976
More than 1 year up to 2 years	4,424,891	19,270,304	-	-	-	-	23,695,195
More than 2 years up to 3 years	8,849,781	-	-	-	-	9,000,000	17,849,781
More than 3 years up to 5 years	17,699,562	-	-	20,000,000	-	-	37,699,562
More than 3 years up to 4 years	8,849,781	-	-	-	-	-	8,849,781
More than 4 years up to 5 years	8,849,781	-	-	20,000,000	-	-	28,849,781
More than 5 years	13,274,671	-	-	-	-	-	13,274,671
More than 5 years	13,274,671	-	-	-	-	-	13,274,671
Total bank loans	44,319,907	19,487,481	439,245	20,222,223	2,512,182	9,041,818	96,022,856

Book value = capital +/- issue over/under - issue costs + interest earned by effective rate method - interest and capital paid.
Nominal value = capital +/- accrued interest at issue rate - capital/interest payments

In the detail of bank loans, there is no variation between the nominal value and the book value, since no issue costs have been incurred in obtaining and/or renewing loans.



The detail of the bond obligations as of December 31, 2019 and 2018 is as follows

Total liabilities to the public, current year

RUT debtor entity	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	96.579.800-5	96.579.800-5	
Name of debtor entity	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Essal S.A.	Essal S.A.	
Country of the debtor company	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	
Registration number	630	655	655	713	713	778	778	806	777	806	887	886	887	284	870	
Series	BAGUA-M	BAGUA-P	BAGUA-Q	BAGUA-S	BAGUA-U	BAGUA-V	BAGUA-W	BAGUA-X	BAGUA-Z	BAGUA-AA	BAGUA-AD	BAGUA-AC	BAGUA-AE	Besal-B	Besal-C	
Maturity date	01-04-2031	01-10-2033	01-06-2032	01-04-2035	01-04-2036	01-04-2037	01-06-2037	01-02-2038	15-01-2023	15-01-2040	15-03-2043	15-03-2025	15-03-2044	01-06-2028	01-12-2040	
Currency or reset unit	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	
Periodicity of depreciation	At maturity	At maturity	At maturity	At maturity	At maturity	At maturity	At maturity	At maturity	Biannual	Biannual	Biannual	Biannual	Biannual	Biannual	Biannual	
Effective rate	4.16%	3.83%	4.05%	3.92%	3.81%	3.50%	3.18%	3.15%	2.34%	3.33%	2.87%	1.97%	2.05%	6.63%	2.93%	
Nominal rate	4.20%	3.86%	4.00%	3.90%	3.80%	3.50%	3.30%	3.00%		2.40%	3.20%	2.80%	1.80%	2.50%	6.00%	2.80%
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Up to one year	514,845	405,901	154,179	628,762	532,878	491,149	177,606	562,009	7,348,491	824,299	463,565	224,064	414,218	3,415,277	163,997	16,321,240
Up to 90 days	-	-	-	-	-	-	-	562,009	3,809,748	824,299	463,565	224,064	414,218	-	163,997	6,461,900
More than 90 days up to one year	514,845	405,901	154,179	628,762	532,878	491,149	177,606	-	3,538,743	-	-	-	-	3,415,277	-	9,859,340
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	14,154,970	-	-	15,924,342	-	6,495,446	-	36,574,758
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,077,485	-	-	5,308,114	-	3,247,723	-	15,633,322
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	7,077,485	-	-	10,616,228	-	3,247,723	-	20,941,436
More than 3 years	49,542,395	42,464,910	46,711,401	65,112,862	56,619,880	56,619,880	65,112,862	45,295,904	3,538,743	56,619,880	56,619,880	26,540,570	56,619,880	22,042,118	28,048,530	677,509,695
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	3,538,743	-	-	10,616,228	-	3,247,723	-	17,402,694
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	10,616,228	-	3,247,723	-	13,863,951
More than 5 years	49,542,395	42,464,910	46,711,401	65,112,862	56,619,880	56,619,880	65,112,862	45,295,904	-	56,619,880	56,619,880	5,308,114	56,619,880	15,546,672	28,048,530	646,243,050
Total nominal amounts	50,057,240	42,870,811	46,865,580	65,741,624	57,152,758	57,111,029	65,290,468	45,857,913	25,042,204	57,444,179	57,083,445	42,688,976	57,034,098	31,952,841	28,212,527	730,405,693
Book values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Obligations to the ordinary public	527,872	414,438	168,619	621,600	529,251	491,149	222,549	524,372	7,358,696	786,205	443,450	157,987	570,241	3,340,132	163,997	16,320,558
Up to 90 days	-	-	-	-	-	-	-	524,372	3,819,953	786,205	443,450	157,987	570,241	3,340,132	163,997	9,806,337
More than 90 days up to one year	527,872	414,438	168,619	621,600	529,251	491,149	222,549	-	3,538,743	-	-	-	-	-	-	6,514,221
Non-current obligations to the public	49,711,499	42,607,147	46,921,832	64,983,746	56,543,915	56,619,880	65,991,224	44,429,043	17,706,018	55,642,582	56,017,217	42,295,104	61,111,397	26,811,234	27,638,931	715,030,769
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	14,163,174	-	-	15,856,419	-	6,397,710	-	36,417,303
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,081,587	-	-	5,274,153	-	3,198,855	-	15,554,595
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	7,081,587	-	-	10,582,266	-	3,198,855	-	20,862,708
More than 3 years	49,711,499	42,607,147	46,921,832	64,983,746	56,543,915	56,619,880	65,991,224	44,429,043	3,542,844	55,642,582	56,017,217	26,438,685	61,111,397	20,413,524	27,638,931	678,613,466
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	3,542,844	-	-	10,582,266	-	3,198,855	-	17,323,965
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	10,582,266	-	3,198,855	-	13,781,121
More than 5 years	49,711,499	42,607,147	46,921,832	64,983,746	56,543,915	56,619,880	65,991,224	44,429,043	-	55,642,582	56,017,217	5,274,153	61,111,397	14,015,814	27,638,931	647,508,380
Total obligations to the public	50,239,371	43,021,585	47,090,451	65,605,346	57,073,166	57,111,029	66,213,773	44,953,415	25,064,714	56,428,787	56,460,667	42,453,091	61,681,638	30,151,366	27,802,928	731,351,327



Total liabilities to the public, previous year

RUT debtor entity	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	96.579.800-5	96.579.800-5	
Name of debtor entity	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	ESSAL S.A.	ESSAL S.A.	
Country of the debtor company	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	
Registration number	630	655	655	712	713	713	778	778	806	777	806	887	886	284	870	
Series	BAGUA-M	BAGUA-P	BAGUA-Q	BAGUA-R	BAGUA-S	BAGUA-U	BAGUA-V	BAGUA-W	BAGUA-X	BAGUA-Z	BAGUA-AA	BAGUA-AD	BAGUA-AC	Besal-B	Besal-C	
Maturity date	01-04-2031	01-10-2033	01-06-2032	01-04-2019	01-04-2035	01-04-2036	01-04-2037	01-06-2037	01-02-2038	15-01-2023	15-01-2040	15-03-2043	15-03-2025	01-06-2028	01-12-2040	
Currency or reset unit	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	
Periodicity of depreciation	At maturity	At maturity	At maturity	Biannual	At maturity	At maturity	At maturity	At maturity	At maturity	Biannual	Biannual	Biannual	Biannual	Biannual	Biannual	
Effective rate	4.16%	3.82%	4.05%	3.44%	3.92%	3.81%	3.50%	3.18%	3.15%	2.34%	3.33%	2.87%	1.96%	6.63%	2.93%	
Nominal rate	4.20%	3.86%	4.00%	3.30%	3.90%	3.80%	3.50%	3.30%	3.00%	2.40%	3.20%	2.80%	1.80%	6.00%	2.80%	
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Up to one year	501,311	395,231	150,126	3,087,924	612,235	518,871	478,239	172,938	547,236	3,748,693	806,326	219,393	451,380	2,649,403	-	14,339,306
Up to 90 days	-	-	-	-	-	-	-	-	547,236	3,748,693	806,326	219,393	451,380	2,649,403	-	8,422,431
More than 90 days up to one year	501,311	395,231	150,126	3,087,924	612,235	518,871	478,239	172,938	-	-	-	-	-	-	-	5,916,875
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	-	13,782,896	-	-	5,168,586	6,383,654	-	25,335,136
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	-	6,891,448	-	-	-	3,191,827	-	10,083,275
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	-	6,891,448	-	-	5,168,586	3,191,827	-	15,251,861
More than 3 years	48,240,133	41,348,685	45,483,554	-	63,401,317	55,131,580	55,131,580	63,401,317	44,105,264	10,337,172	55,131,580	55,131,580	36,180,099	23,606,307	27,565,790	624,195,958
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	-	6,891,448	-	-	10,337,171	3,191,827	-	20,420,446
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	3,445,724	-	-	10,337,171	3,191,827	-	16,974,722
More than 5 years	48,240,133	41,348,685	45,483,554	-	63,401,317	55,131,580	55,131,580	63,401,317	44,105,264	-	55,131,580	55,131,580	15,505,757	17,222,653	27,565,790	586,800,790
Total nominal amounts	48,741,444	41,743,916	45,633,680	3,087,924	64,013,552	55,650,451	55,609,819	63,574,255	44,652,500	27,868,761	55,937,906	55,350,973	41,800,065	32,639,364	27,565,790	663,870,400
Book values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Obligations to the ordinary public	514,006	403,555	163,916	3,088,985	605,265	515,342	478,239	216,304	510,665	3,762,546	769,268	199,950	390,405	3,259,198	159,686	15,037,330
Up to 90 days	-	-	-	-	-	-	-	-	510,665	3,762,546	769,268	199,950	390,405	-	-	5,632,834
More than 90 days up to one year	514,006	403,555	163,916	3,088,985	605,265	515,342	478,239	216,304	-	-	-	-	-	3,259,198	159,686	9,404,496
Non-current obligations to the public	48,424,970	41,501,290	45,709,303	-	63,263,490	55,051,193	55,131,580	64,327,541	43,204,473	24,139,660	54,118,401	54,513,068	41,129,323	29,601,126	26,844,692	646,960,110
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	-	13,792,692	-	-	5,113,745	6,218,496	-	25,124,933
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	-	6,896,346	-	-	-	3,109,248	-	10,005,594
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	-	6,896,346	-	-	5,113,745	3,109,248	-	15,119,339
More than 3 years	48,424,970	41,501,290	45,709,303	-	63,263,490	55,051,193	55,131,580	64,327,541	43,204,473	10,346,968	54,118,401	54,513,068	36,015,578	23,382,630	26,844,692	621,835,177
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	-	6,896,346	-	-	10,282,331	3,109,248	-	20,287,925
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	3,450,622	-	-	10,282,331	3,109,248	-	16,842,201
More than 5 years	48,424,970	41,501,290	45,709,303	-	63,263,490	55,051,193	55,131,580	64,327,541	43,204,473	-	54,118,401	54,513,068	15,450,916	17,164,134	26,844,692	584,705,051
Total obligations to the public	48,938,976	41,904,845	45,873,219	3,088,985	63,868,755	55,566,535	55,609,819	64,543,845	43,715,138	27,902,206	54,887,669	54,713,018	41,519,728	32,860,324	27,004,378	661,997,440



Lease liabilities

Corresponds to the obligation for lease payments in accordance with IFRS 16 for Th\$1,496,533 (current) and Th\$1,942,084 (non-current), see Note 12.

Reconciliation of financial liabilities

The following is a reconciliation between the opening and closing balances of other financial liabilities as of December 31, 2019 and 2018:

Current fiscal year:

Other financial liabilities, current	Opening balance 12/31/2018 Th\$	Additions Th\$	Retirements Th\$	Transfers Th\$	Ending balance 12/31/2019 Th\$
Bank loans	3,503,647	134,183,291	(128,108,621)	4,298,190	13,876,507
Bonds	15,037,330	7,807	(6,886)	1,282,307	16,320,558
Refundable financial contributions	15,422,339	27,233,300	(26,985,986)	(9,480,904)	6,188,749
Lease liabilities	-	2,014,767	(1,308,050)	789,816	1,496,534
Totals	33,963,316	163,439,165	(156,409,543)	(3,110,591)	37,882,348

Other financial liabilities, current	Opening balance 31/12/2018 Th\$	Additions Th\$	Retirements Th\$	Transfers Th\$	Ending balance 31/12/2019 Th\$
Bank loans	92,519,209	22,257,777	-	(13,424,891)	101,352,095
Bonds	646,960,110	56,686,306	(9,799,598)	21,183,951	715,030,769
Refundable financial contributions	173,033,860	27,233,300	(26,985,986)	13,291,354	186,572,528
Lease liabilities	-	2,731,898	-	(789,814)	1,942,084
Totals	912,513,179	108,909,281	(36,785,584)	20,260,600	1,004,897,476

Previous year:

Other financial liabilities, current	Opening balance 12/31/2017 Th\$	Additions Th\$	Retirements Th\$	Transfers Th\$	Ending balance 12/31/2018 Th\$
Bank loans	7,436,617	24,492,934	(24,436,123)	(3,989,781)	3,503,647
Bonds	40,406,918	3,191,827	(30,543,587)	1,982,172	15,037,330
Refundable financial contributions	15,201,817	16,301,555	(15,713,640)	(367,393)	15,422,339
Totals	63,045,352	43,986,316	(70,693,350)	(2,375,002)	33,963,316

Other financial liabilities, non-current	Opening balance 12/31/2017 Th\$	Additions Th\$	Retirements Th\$	Transfers Th\$	Ending balance 12/31/2018 Th\$
Bank loans	88,735,865	64,248,905	(44,248,905)	(16,216,656)	92,519,209
Bonds	545,691,060	113,369,845	(7,515,955)	(4,584,840)	646,960,110
Refundable financial contributions	168,551,242	-	-	4,482,618	173,033,860
Totals	802,978,167	177,618,750	(51,764,860)	(16,318,878)	912,513,179



14.5 Fair value of financial instruments

Fair value of financial instruments carried at amortized cost.

The following is a summary of the fair values of the main financial assets and liabilities, including those that are not presented at fair value in the consolidated statement of financial position:

	12-31-2019	
	Amortized cost Th\$	Fair value Th\$
Cash equivalents		
Fixed-term deposits, level 1	497,000	497,000
Mutual funds	60,907,268	60,907,268
Investments held at fair value	60,907,268	60,907,268
Other financial liabilities		
Bank debt, level 2	115,228,602	116,661,605
Bonds, level 1	731,351,327	849,941,605
AFR, level 3	192,761,277	192,761,277
Financial liabilities held at amortized cost	1,039,341,206	1,159,364,487

Methodology and assumptions used in the calculation of fair value

The fair value of financial assets and liabilities was determined using the following methodology:

- The amortized cost of time deposits and mutual funds is a good approximation of fair value, because they are short-term transactions.
- The amortized cost of AFR liabilities is a good approximation of the fair value, since they are operations with little liquidity in the market, the rate applied corresponds to that indicated in the standard that regulates them (DFL No. 70).
- The fair value of the bonds was determined based on market price references, as these instruments are Commercial in the market under standard conditions and with a high degree of liquidity.
- The fair value of the bank debt was determined by discounting the cash flows of each loan (principal and interest disbursements) at an interpolated swap curve rate corresponding to the remaining term. This term corresponds to the number of days counted from the month-end date of the Financial Statements to the date corresponding to the disbursement of each flow.

Recognition of hierarchy of measurements at fair value in the Consolidated Financial Statements

- Level 1 corresponds to measurement methodologies at fair value through market shares (without adjustment) in active markets and considering the same assets and liabilities valued.
- Level 2 corresponds to fair value measurement methodologies using quoted market prices data, not included in Level 1, that are observable for the valued assets and liabilities, either directly (prices) or indirectly (derived from prices).
- Level 3 relates to fair value measurement methodologies using valuation techniques, including data on valued assets and liabilities, that are not based on observable market data.



Note 15. COMMERCIAL AND OTHER ACCOUNTS PAYABLE

The composition of commercial accounts payable and other current and non-current accounts payable as of December 31, 2019 and 2018, is as follows:

Commercial and other accounts payable	Currency or reset unit	12-31-2019 Th\$	12-31-2018 Th\$
Subcontractors	CLP	34,881,915	39,997,433
Dividends	CLP	22,294,725	22,849,266
Suppliers	CLP	40,958,556	48,205,090
Suppliers	USD	758,814	903,099
Suppliers	EUR	276,608	99,658
Accrued products and services	CLP	25,230,374	17,545,125
Staff	CLP	3,863,611	4,221,514
Documents to be paid	CLP	3,535,897	2,640,953
Others	CLP	651,351	437,037
Total current		132,451,851	136,899,175
Documents to be paid	CLP	904,203	730,021
Suppliers	CLP	184,719	182,919
Sundry creditors	CLP	70,395	70,395
Total Non-Current		1,159,317	983,335
Totals		133,611,168	137,882,510

Below is information regarding invoiced commercial accounts by due date:

15.1 Commercial accounts

Current fiscal year:

Up-to-date commercial accounts according to term	12-31-2019			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	7,607,971	17,388,913	189,590	25,186,474
Between 31 and 60 days	1,179,791	10,888,431	2,720	12,070,942
Between 61 and 90 days	315,114	115,331	-	430,445
Between 91 and 120 days	-	230,670	-	230,670
Totals	9,102,876	28,623,345	192,310	37,918,531

Overdue commercial accounts by deadline	12-31-2019			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	(157,947)	681,169	9,194	532,416
Between 31 and 60 days	974,082	176,438	58	1,150,578
Between 61 and 90 days	361,633	673,907	11,008	1,046,548
Between 91 and 120 days	194,029	82,634	3,752	280,415
Between 121 and 365 days	48	1,049,148	8,219	1,057,415
More than 365 days	-	7,906	169	8,075
Totals	1,371,845	2,671,202	32,400	4,075,447



Previous year:

Up-to-date commercial accounts according to term	12-31-2018			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	11,577,843	22,520,176	229,274	34,327,293
Between 31 and 60 days	3,237,666	6,521,436	30,993	9,790,095
Between 61 and 90 days	-	435,541	-	435,541
Between 91 and 120 days	-	26,793	-	26,793
Between 121 and 365 days	-	228,113	-	228,113
Totals	14,815,509	29,732,059	260,267	44,807,835

Overdue commercial accounts by deadline	12-31-2018			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	-	458,332	4,979	463,311
Between 31 and 60 days	2,582,452	60,118	198,854	2,841,424
Between 61 and 90 days	663,178	24,747	45,366	733,291
Between 91 and 120 days	312,414	20,577	388	333,379
Between 121 and 365 days	1,581	22,696	1,451	25,728
More than 365 days	171	2,618	90	2,879
Totals	3,559,796	589,088	251,128	4,400,012

Note 16. OTHER PROVISIONS AND CONTINGENT LIABILITIES

A. Other Provisions

The breakdown of this item as of December 31, 2019 and 2018 is as follows:

Types of provisions	12-31-2019 Th\$	12-31-2018 Th\$
Provision for legal claims *	3,732,169	2,992,246
Other provisions, current	3,732,169	2,992,246
Other provisions, non-current	1,380,132	1,341,233
Provisions, not current	1,380,132	1,341,233

* In accordance with the policy established by the Company's Subsidiaries regarding the treatment of documents in guarantee associated with projects awarded to Group companies, a charge to income was recognized for those cases in which the guarantee is expected to be executed by the Company's customers.

The movement in current provisions is as follows:

Legal claims	12-31-2019 Th\$	12-31-2018 Th\$
Opening balance provisions	2,992,246	2,603,819
Increase in existing provisions	4,294,266	891,679
Provision used	-1,424,220	-549,895
Other increase (decrease)	-2,130,123	46,643
Changes in provisions, totals	739,923	388,427
Totals	3,732,169	2,992,246



The movement in non-current provisions is as follows:

Other non-current provisions	12-31-2019 Th\$	12-31-2018 Th\$
Opening balance provisions	1,341,233	1,301,105
Other increase (decrease)	38,899	40,128
Changes in provisions, totals	38,899	40,128
Totals	1,380,132	1,341,233

The description of the provisions that make up this item are as follows:

1.- Legal claims

The Company records the provision for lawsuits arising from its operations, mainly arising from sanctioning processes carried out by auditing agencies. In addition, Aguas Andinas and Subsidiaries are involved in civil and labor lawsuits, whose resolutions are pending in the corresponding courts.

The provisions associated with the Company's current lawsuits have been reflected in the heading "Provisions", in accordance with the provisions of IAS 37. In those cases, where Management considers that the matters have a low probability of success and do not represent a certain probability of material loss, no provision has been made.

The legal claims that could affect the Company are detailed below:

The Superintendency of Sanitary Services (SISS), has issued fines for Aguas Andinas S.A. and its subsidiaries mainly due to the failure to comply with instructions and infringement of the continuity and quality of the service provided by the Company. The total number of claims filed as of December 2019 amounts to UTA 4,008, which were paid prior to initiating the claim processes in each of the cases, and are pending resolution of the final judgments.

Additionally, Aguas Andinas S.A. was notified of the initiation of sanctioning procedures by the Superintendency of Sanitary Services. This corresponds to alleged violations in the delivery of the service. Currently, there are administrative appeals and legal claims pending, so it is premature to estimate a result. The Company considers that it did not incur in the infractions filed, therefore, it is expected that the claims and appeals will be accepted.

Regional Ministerial Health Secretariat (RM), sanctioning processes are pending against Aguas Andinas, initiated by Resolution for alleged infractions in the service provided. Administrative appeals and legal claims are currently underway. The ranges of fines vary between 1 and 2000 UTM.

Labor Lawsuits: Aguas Andinas was directly or indirectly sued for labor claims, mainly for unjustified dismissals. Total claims amount to Th\$254,416. The legal proceedings are pending at the respective courts or administrative bodies.

2.- Other provisions, non-current

It basically corresponds to the transaction dated July 10, 2007, signed at the Notary's office of María Gloria Acharan Toledo, between Aguas Cordillera S.A. and developers, in which it is assumed that in the event that Aguas Cordillera S.A. disaffects and sells the land that was transferred to it in the future, it will have to pay at least U.F. 52,273.29. This amount will be charged against the existing debt receivable from the developers.



B.- Contingent liabilities

- 1.- Aguas Andinas S.A. was sued in an ordinary lawsuit for damages due to the damages allegedly suffered by a Mining Company, because of the installation of infrastructure by the company on land where the plaintiff would have mining properties, causing it alleged damage by preventing the extraction of minerals. The amount sued amounts to ThCh\$1,093,564. A first instance judgment was rendered which was reversed by the court of appeals, which upheld Aguas Andinas' claim. Pending ruling by the Supreme Court.
- 2.- On 9 June 2016, as a result of a break in the drinking water matrix that affected the district of Providencia, Aguas Andinas S.A. compensated for the damage caused to third parties. In view of the aforementioned emergency, the Company is in the process of being audited and notified of the beginning of the sanctioning process by the Superintendency of Sanitary Services. The Company presented its discharges, the resolution of the authority is pending.
- 3.- The Company was sued by the National Consumer Service regarding the supply cuts that occurred in February and April 2017. The lawsuit seeks to have the court establish fines and compensation for each of the users affected by the interruption of service. The company is awaiting the court's ruling.
- 4.- Aguas Cordillera was sued in the 11th Civil Court of Santiago for the constitution of easements, the amount demanded was Th\$3,689,946. The case is in the court of appeals and on May 20, 2019 a cassation appeal is filed in the form.
- 5.- As of December 31, 2019, there are 2 proceedings in administrative matters initiated by the Superintendency of Sanitary Services (SISS) against ESSAL and which are related to the events that occurred in July 2019 at the Caipulli drinking water production plant in the city of Osorno. One of the proceedings deals with the expiration of the concession in Osorno; and the second accuses ESSAL of several infractions for alleged deficiencies in the quality of service, aiming to establish sanctions of a fine. Both procedures are in the evidentiary stage before the SISS, with no resolution of a fine or resolution to end the administrative proceeding, and are still pending.

The Company and its Subsidiaries are involved in other minor lawsuits. It is considered that they will not have a material adverse effect on the financial statements of the respective Companies.

Note 17. EMPLOYEE BENEFITS

The Company, at consolidated level, has a staff of 2,137 employees, 77 of whom are managers and senior executives. The number of workers covered by collective agreements and individual employment contracts with special compensation clauses is 1,834 and 12, respectively. Meanwhile, 291 workers are governed by the provisions of the Labor Code.

In January 2018, Aguas Andinas S.A. completed advance collective bargaining with employee, operators and professional unions Nos. 1, 2 and 3.

The collective contracts in force for Aguas Cordillera S.A., and personnel of Aguas Manquehue S.A., were signed on December 1, 2018 and October 1, 2018 for Unions No. 1, 2, and Workers' and Supervisors' Union, respectively, all have a three-year term.



The current collective agreements for Análisis Ambientales S.A. The agreements with Gestión y Servicios S.A. and EcoRiles S.A. were signed in January 2019, November 2018 and April 2017, respectively. These contracts are valid for three years. The employees of these Subsidiaries are governed by the rules set forth in articles 159, 160 and 161 of the Labor Code, for which reason no provision for severance package is recorded.

The current collective bargaining agreement with the Unions of the subsidiary ESSAL S.A. was signed on December 31, 2016 and expires on December 31, 2019.

Policies on Defined Benefit Plans

Workers who are not party to the collective agreements of Aguas Andinas S.A. and its Subsidiaries are governed by the rules established in Articles 159, 160 and 161 of the Labor Code, and therefore no provision is recorded for severance payments.

For those employees who recorded severance at current value up to 2002 (including severance payments for all events recognized at that date), the actuarial calculation is applied, as well as to the advances granted on account of this severance.

For employees who are part of or were assimilated to the collective bargaining agreements in force at the date of the consolidated financial statements, the actuarial value calculation for severance payments applies.

Accounting policies on the recognition of profit and loss on defined benefit plans

The obligation for the severance payment, which is estimated to accrue to the workers who retire from Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A., and ESSAL S.A. The amount of the loan is recorded at the actuarial value, determined using the projected unit credit method.

Actuarial profit and loss on indemnities arising from changes in estimates of turnover tariffs, mortality tariffs, salary increases, or discount tariffs are recorded in accordance with revised IAS 19, in other comprehensive income, directly affecting Equity, which is subsequently reclassified to Retained Earnings. This procedure began to be applied in 2013, due to the entry into force of revised IAS 19. Until 2012, all variations in the estimates and parameters used determined a direct effect on the results of the year.

Actuarial assumptions

Years of service: In Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A. and ESSAL S.A. the assumption is that workers will remain in these Companies until they reach the legal age of retirement (women up to 60 years of age and men up to 65 years of age). In the subsidiary ESSAL S.A. there is a maximum of 6 months' compensation and it is paid to persons who retire or die.

Participants in each plan: Workers who are party to union agreements or similar (as indicated above) and workers with individual contracts with an indemnity clause for all events. The employees who are part of the calculation of actuarial compensation are as follows: Aguas Andinas S.A.: 884; Aguas Cordillera S.A.: 104; Aguas Manquehue S.A.: 14 and ESSAL S.A.: 349.

Mortality: The Financial Market Commission's RV-2014 mortality tables are used.

Employee turnover rate, disability and early retirement: According to the Group's statistical experience, the turnover used in the 2019 period for target workers is as follows: Aguas Andinas S.A.: 5.2%; Aguas Cordillera S.A.: 8.7%; Aguas Manquehue S.A.: 0.0% and ESSAL S.A.: 6.2%. No disabilities or premature withdrawals have been considered due to the rarity of these events.



Discount rate: For the 2019 period, the rate of 4.16% was used for Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Maquehue S.A. and 4.0% for ESSAL S.A. which corresponds to the risk-free rate, and the expected long-term inflation estimate.

Inflation rate: Long-term estimates for 2019 were made using the estimated long-term inflation rate reported by the Central Bank of Chile, which amounts to 3.0%.

Rate of pay increase: The tariffs used for the period 2019 are as follows Aguas Andinas S.A.: 2.5%; Aguas Cordillera S.A.: 1.7%; Aguas Maquehue S.A.: 0.3% and ESSAL S.A. : 1,5%.

Overview of Defined Benefit Plans

In addition to the benefits indicated in note 2.2 letter O, the following are indicated:

In the event of the worker's death, compensation shall be paid to his immediate family members in accordance with article 60 of the Labor Code.

In the event that the worker withdraws from the Company in accordance with numbers 2, 4 or 5 of article 159, number 1 letter a) or number 6 of article 160 of the Labor Code, the amount accumulated for this concept until July 31, 2002 in Aguas Andinas S.A. and December 31, 2002 in Aguas Cordillera S.A., readjusted on a quarterly basis by the variation of the Consumer Price Index, will be paid as compensation, provided that this variation is positive.

For the workers of Aguas Andinas S.A. and its Subsidiaries, which are not part of their collective agreements, what is indicated in their individual work contracts applies. As for the non-water utility subsidiaries, i.e. Gestión y Servicios S.A., EcoRiles S.A., Análisis Ambientales S.A. and Aguas del Maipo S.A., the provisions of the Labor Code apply, unless individual contracts indicate otherwise.

The provision for indemnity is presented by deducting the advances granted to the workers.

The movements of the actuarial provisions as of December 31, 2019 and 2018, which include the movements of the provisions, are as follows:

Employee benefits provisions	12-31-2019 Th\$	12-31-2018 Th\$
Movements in the actuarial provision		
Opening balance	18,133,927	16,245,576
Cost of services	1,011,621	1,260,866
Interest cost	808,754	1,645,624
Actuarial (gain) or loss	2,487,505	1,534,815
Benefits paid	(1,561,500)	(3,100,569)
Provision for termination benefits	-	-
Sub-totals	130,893	547,615
Profit-sharing and bonds	21,011,200	18,133,927
Totals	4,941,517	4,700,385

In the statement of financial position these balances are in the following items:

Employee benefits provisions	12-31-2019 Th\$	12-31-2018 Th\$
Provisions for employee benefits, current	5,184,148	5,496,070
Provisions for employee benefits, non-current	20,768,569	17,338,241
Totals	25.952.717	22.834.311



Expected payment flows

The collective agreement of Aguas Andinas S.A. indicates in its seventeenth clause that workers who voluntarily resign to take up retirement due to old age will have a period of 120 days, from the date they reach the legal age for retirement, to make their resignation effective.

The collective agreements of Aguas Cordillera S.A. and Aguas Manquehue S.A. indicate that compensation will be paid to workers who voluntarily resign because they have reached the legal age for old age pension.

During 2019, the company, together with the Aguas Andinas workers' Commercial unions, will recognize the contributions made by employees with serious health problems who have a duly accredited disabling illness that affects their work performance or prevents them from returning to their duties under normal conditions or who are close to reaching legal retirement age, this means that female workers with a permanent employment contract who have reached the age of 57 and male workers with a permanent employment contract who have reached the age of 62 have the option of taking part in a voluntary retirement plan. Those workers who have reached the age required by Article 3 of Decree Law No. 3500 to obtain an old-age pension, i.e. over 60 years of age for women and over 65 years of age for men (age reached), are also eligible.

In accordance with the aforementioned defined benefit plans, the flows for the current year are indicated below:

Company	Number of employees	Expected payment flow Th\$	Year
Aguas Andinas S.A.	30	3,742,149	2020
Aguas Cordillera S.A.	4	382,098	2020
Aguas Manquehue S.A.	1	33,616	2020
ESSAL S.A.	1	3,352	2020
Totals	36	4,161,215	

Projected liabilities as of December 31, 2019

In order to calculate the projected liabilities of the indemnities at the actuarial value, as of December 2019, in accordance with IAS 19, the actuarial assumptions in force on December 31, 2019, already informed in this note, have been used, only the amount of the legal bonus has been increased according to the increase in the minimum salary established in January of this year.

The summary by Company is as follows:

Company	Number of employees	Costs for services Th\$	Interest costs Th\$
Aguas Andinas S.A.	884	839,921	702,809
Aguas Cordillera S.A.	104	140,839	57,248
Aguas Manquehue S.A.	14	2,364	17,713
ESSAL S.A.	349	42,126	28,869
Totals	1,351	1,025,250	806,639

Sensitivity of assumptions

On the basis of the actuarial calculation as of December 31, 2019, the main assumptions were made and the following impacts were determined:

Discount rate	Base	Plus 0,5% Th\$	Less 0,5% Th\$
---------------	------	-------------------	-------------------



Aguas Andinas S.A.	4.16%	(16,132,449)	17,718,331
Aguas Cordillera S.A.	4.16%	(1,319,883)	1,435,647
Aguas Manquehue S.A.	4.16%	(407,530)	445,203
ESSAL S.A.	4.00%	(38,795)	42,589
Totals		(17,898,657)	19,641,770

Turnover rate	Base	Plus 0,5% Th\$	Less 0,5% Th\$
Aguas Andinas S.A.	5.20%	(16,063,615)	17,790,064
Aguas Cordillera S.A.	8.70%	(1,312,613)	1,443,103
Aguas Manquehue S.A.	0.00%	(406,872)	425,784
ESSAL S.A.	6.20%	(42,752)	46,896
Totals		(17,825,852)	19,705,847

Rate of pay increase	Base	Plus 0,5% Th\$	Less 0,5% Th\$
Aguas Andinas S.A.	2.50%	17,727,987	(16,116,936)
Aguas Cordillera S.A.	1.70%	1,436,821	(1,318,283)
Aguas Manquehue S.A.	0.30%	445,871	(414,245)
ESSAL S.A.	1.50%	43,465	(39,893)
Totals		19,654,144	(17,889,357)

Disclosure of Termination Benefits

The compensation for termination of employment is governed by the provisions of the Labor Code, except for those special clauses in the respective collective or individual contracts.

Profit sharing and bonds

This corresponds to the obligation that the Company has with its employees for participation certificates to be paid in February and March of the following year. The accrued participation payable to employees, as stipulated in current contracts, is re-determined in February on the basis of the statement of affairs for the immediately preceding business year. As of December 31, 2019 and 2018, the amounts are Th\$4,941,517 and Th\$4,700,835, respectively. In addition, advances on this bond are made in the months of March, June, September and December of each calendar year.

The annual amount will depend on the profits generated by each Company in the Group.

Staff costs

Personnel expenses as of December 31, 2019 and 2018 are as follows:

Staff costs	12-31-2019 Th\$	12-31-2018 Th\$
Wages and salaries	(37,827,036)	(36,739,135)
Defined benefits	(17,131,473)	(16,525,933)
Severance package	(2,644,258)	(3,841,224)
Other staff costs	(2,168,694)	(2,047,095)
Totals	(59,771,461)	(59,153,387)

Note 18. OTHER NON-FINANCIAL LIABILITIES

The breakdown of this current and non-current item as of December 31, 2019 and 2018 is as follows:



Other non-financial liabilities	12-31-2019 Th\$	12-31-2018 Th\$
Value Added Tax	10,224,688	8,884,571
Monthly Provisional Payments	4,805,725	4,452,524
Other taxes	367,582	311,364
Agreement for real estate developments	2,508,098	1,164,189
Work requested by third parties	2,076,573	1,404,208
Total flows	19,982,666	16,216,856
Asociación Sociedad de Canalistas del Maipo (see Note 8.1)	7,294,709	7,294,709
Agreement for real estate developments	2,737,146	1,818,680
Total non-current	10,031,855	9,113,389

Note 19. EQUITY ATTRIBUTABLE TO THE OWNERS OF THE CONTROLLER

The Company's capital is divided into 6,118,965,160 nominative shares with no par value, fully subscribed and paid up as of December 31, 2019, corresponding to 94.97% of the series A and 5.03% of the series B.

The Series B shares have a veto or preference, contained in Article 5 of the Company's bylaws, consisting of the special quorum required by the Extraordinary Shareholders' Meeting to decide on acts and contracts relating to water use rights and water utility concessions of Aguas Andinas.

The composition of each series is as follows:

Currency	12-31-2019	12-31-2018
Series A shares	5,811,031,417	5,811,031,417
Series B shares	307,933,743	307,933,743

The capital as of December 31, 2019 and December 31, 2018 amounts to Th\$155,567,354. There are no own shares in the portfolio, nor are there any preferred shares.

The Company manages its capital with the aim of ensuring permanent and prompt access to the financial markets, enabling it to achieve its growth, solvency and profitability objectives.

There have been no changes in capital management objectives or policies in the years reported.

In the years ended December 31, 2019 and 2018, the following dividend payments were agreed and made

At the Ordinary Shareholders' Meeting held on April 23, 2019, it was agreed the distribution of Th\$132,850,909. Taking into account the interim dividend paid in January 2019 amounting to Th\$43,223,758, the distributable profit amounted to Th\$89,627,151, corresponding to a dividend of \$14.6474 per share, payable as from May 23, 2019.

In the Essential Fact of December 19, 2019, the Board of Directors of the Company agreed to distribute the amount of Th\$44,433,477, on account of the profits of the year 2019, as an interim dividend.

As a result, the Company's interim dividend will amount to \$7.2616 per share and will be payable as of January 20, 2020.

In the year ended 31 December 2018, dividend payments were agreed and made as follows:



- At the Board of Directors meeting held on December 12, 2018, it was unanimously agreed to distribute among the shareholders the amount of Th\$43,223,758, as an interim dividend, to be charged to the profits of the year 2018. As a result, the Company's provisional dividend No. 67 amounted to \$7,0639 per share. The payment was due as of January 18, 2019.
- At the shareholders' meeting held on April 24, 2018, it was agreed to distribute the liquid profits obtained by the Company in the year 2017, which amounted to Th\$139,620,280, excluding the line "Results Other Gains" of the Financial Statements, net of taxes, leaving an amount to be distributed of Th\$137,677,083. In consideration of the interim dividend paid in January 2018, the distributable profit amounted to Th\$95,692,416 corresponding to a dividend of \$15.6386 per share, which was paid on May 24, 2018.

- **Minimum dividend provision**

In accordance with the policy described in note 2.2 letter J, the Company as of December 31, 2019 and December 31, 2018, did not record a minimum dividend provision.

- **Accumulated earnings**

The amounts recorded for the revaluation of land and intangible assets and other adjustments for first-time adoption of IFRSs are presented in retained earnings, and have restrictions for their distribution, since they must first be recognized as realized, through use or sale, in accordance with IFRS 1, IAS 16 and Circular Letter No. 456 of June 20, 2008, of the Financial Market Commission. Also included under this heading is the amount corresponding to actuarial profit and loss determined since 2009 as a result of changes in defined benefit plan obligations.

Additionally, as of December 31, 2019 and December 31, 2018, modifications were made to the parameters for calculating actuarial profit and loss on severance payments, which generated a recognition in the accumulated results of Th\$1.844.103 y Th\$1.150.464, respectively.

The total balances of accumulated profit as of December 31, 2019 and December 31, 2018 amount to Th\$330,787,492 and Th\$324,954,813, respectively.

- **Share premiums.**

The amount recorded in share premiums corresponds to the surcharge on the sale of shares produced in 1999 due to the capital increase. The balances as of December 31, 2019 and December 31, 2018 amount to Th\$164,064,038 in each period.

- **Other equity holdings.**

The amount recorded under Other equity corresponds to the monetary correction of paid-in capital for 2008, the year of transition to IFRS, pursuant to the provisions of Circular Letter No. 456 of the Financial Market Commission on the effects of business combinations of companies under common control carried out in 2007 and 2008. The balances as of December 31, 2019 and December 31, 2018 amount to Th\$5,965,550.



Note 20. EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

The detail, by Company, of the effects arising from the participation of third parties in the equity and results as of December 31st 2019 and 2018 is as follows:

Company	% of Participation		Non-controlling interests			
	12-31-2019	12-31-2018	Equity		Result	
	%	%	12-31-2019 Th\$	12-31-2018 Th\$	12-31-2019 Th\$	12-31-2018 Th\$
Aguas Cordillera S.A.	0.00997%	0.00997%	20,467	20,223	2,133	1,825
ESSAL S.A. (1)	46.49350%	46.49350%	42,999,662	48,350,519	(-1,988,949)	3,260,013
Totals			43,020,129	48,370,742	(-1,986,816)	3,261,838

(1) Includes the holdings of third parties due to the assignment at market value of the assets and liabilities arising from the purchase of Inversiones Iberaguas Ltda. and ESSAL S.A. at the time of the business combination.

Dividends paid to non-controlling interests in the subsidiaries ESSAL S.A. and Aguas Andinas S.A. as of December 31, 2019 and 2018 amount to Th\$5.048.004 y Th\$5.684.812, respectively.

Note 21. ORDINARY INCOME

The detail of ordinary income recorded by the Group companies is as follows:

Ordinary income classes	12-31-2019 Th\$	12-31-2018 Th\$
Ordinary income		
Drinking water	212,038,943	208,467,089
Wastewater	259,018,728	254,083,790
Other regulated income	17,739,192	17,130,203
Unregulated income	55,882,633	50,719,335
Totals	544,679,496	530,400,417

Note 22. OTHER EXPENSES BY NATURE

The following is information on other expenses, by nature:

Other expenses by nature	12-31-2019 Th\$	12-31-2018 Th\$
Operation of treatment plants	(27,739,420)	(25,879,842)
Services	(15,624,599)	(17,979,010)
Maintenance and repairs of networks	(16,361,245)	(14,403,921)
Commercial Services	(13,710,439)	(13,329,382)
Costs for work requested by third parties	(9,950,154)	(10,014,480)
Maintenance of premises and equipment	(9,862,429)	(8,151,903)
Operating leases	(7,179,647)	(7,708,393)
Waste and sludge removal	(6,187,759)	(5,884,761)
Contributions, patents, insurance and rights	(6,630,866)	(6,483,442)
Overheads	(7,715,813)	(6,706,411)
Others	(7,351,393)	(5,816,781)
Osorno Contingency *	(10,461,080)	-
Totals	(138.774.844)	(122.358.326)



* Osorno Contingency

On 11 July 2019, an oil spill occurred at the Osorno drinking water production plant. For this reason, safety protocols were activated and the subsidiary had to suspend the supply of drinking water for several days, affecting a large number of customers in that city.

The known economic impacts as of December 31, 2019 are as follows:

	Th\$
Compensation Law No. 19.496-Sernac	(2,914,114)
Voluntary Agreement with Customers (PVC(*), Mypes, SMEs and others)	(3,605,000)
Extraordinary operating expenses	(967,410)
Other Direct Costs	(2,974,556)
Totals	(10.461.080)

Note 23. OTHER INCOME AND EXPENSES

The following is additional information to be disclosed in accordance with IAS 1, referring to other income and expenses other than the operation:

Non-operating income and expenses	12-31-2019 Th\$	12-31-2018 Th\$
Income from the sale of non-current assets not held for sale	22,280,133	6,080,317
Costs for sale of non-current assets not held for sale	(4,441,297)	(1,689,073)
Organizational Restructuring Program*	(2,348,017)	(3,152,487)
Discarded Projects and Guarantee bonds**.	(1,075,682)	(2,551,759)
Losses from replacement of property, plant and equipment	(698,296)	(17,313)
Other profit (losses)	515,336	205,841
Other profit (losses)	14,232,177	(1,124,474)
Interest expenses, bank loans	(3,692,752)	(3,326,453)
Interest expenses, AFR	(6,091,164)	(6,088,030)
Interest expenses, Bonds	(19,674,231)	(19,649,641)
Interest expense, lease liability	(78,345)	-
Interest expenses, other	(700,711)	(604,042)
Amortization of supplementary costs related to loan contracts	(75,813)	(328,619)
Financial Costs	(30,313,016)	(29,996,785)
Interest income	3,557,604	4,498,634
Gain on redemption and extinction of debt	1,334,497	1,357,546
Income from derivative instruments	875,144	-
Financial income	5,767,245	5,856,180

* Corresponds to the compensation paid as a result of the restructuring plan that the Company has carried out, which consists of two parts: the redesign of the organization seeking greater efficiency, which entails a reduction in certain job positions, and a voluntary retirement plan.

** It corresponds mainly to the profit (losses) resulting from performance bonds and discarded projects (See Note 16).



Note 24. EXCHANGE RATE DIFFERENCE EFFECT

The detail of exchange rate differences as of December 31st 2019 and 2018 is as follows:

Item	Currency	12-31-2019 Th\$	12-31-2018 Th\$
Commercial and other accounts receivable	EUR	(13,590)	(36,619)
Commercial and other accounts receivable	USD	(24)	(717)
Other financial assets	USD	-	145
Total change by asset		(13,614)	(37,191)
Commercial and other accounts payable	EUR	(21,712)	(15,826)
Commercial and other accounts payable	USD	(446,226)	(19,450)
Other financial liabilities	EUR	-	(11,091)
Total change in liabilities		(467,938)	(46,367)
Exchange rate gain (loss)		(481,552)	(83,558)

Note 25. INCOMES BY UNITS OF READJUSTMENT

The composition of the results by unit of readjustment for the periods ended on December 31, 2019 and 2018, is as follows:

Item	12-31-2019 Th\$	12-31-2018 Th\$
Accounts receivable from related parties	9,073	4,485
Current tax assets	739,978	379,579
Commercial and other accounts receivable	1,089,413	(772,861)
Total change by asset	1,838,464	(388,797)
Other financial liabilities	(25,686,483)	(23,404,573)
Commercial and other accounts payable	(689,829)	881,302
Accounts payable to related entities	(1,593)	(92)
Other non-financial liabilities	1,010,337	(110,576)
Total change in liabilities	(25,367,568)	(22,633,939)
	(23,529,104)	(23,022,736)
Profit (loss) per unit of readjustments	9,073	4,485



Note 26. BUSINESS SEGMENTS

The Group discloses segment information in accordance with IFRS 8, "Operating Segments", which establishes standards for reporting on operating segments and related disclosures for products and services. Operating segments are defined as components of an entity for which separate financial information exists and is regularly used by management to make decisions, allocate resources and evaluate performance.

The Group manages and measures the performance of its operations by business segment. The operating segments reported internally are as follows:

- Operations related to the sanitary business (water).
- Non-sanitary business operations (non-water).

Description of types of products and services that provide the ordinary income of each segment to be reported

In the Water segment, only water utility services are involved that allow the delivery of products and services for the production and distribution of drinking water together with the collection and treatment of wastewater. The subsidiaries Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A. and ESSAL S.A. are classified in this segment through Iberaguas Ltda.

The Non-Water segment involves services relating to environmental analysis, industrial waste treatment (Riles, for its acronym in Spanish), integral engineering services, such as the sale of products relating to health services and energy projects. The subsidiaries included are EcoRiles S.A., Análisis Ambientales S.A., Gestión y Servicios S.A. and Aguas del Maipo S.A.

General information on results, assets, liabilities and equity and cash flows

Totals on general information on results	12-31-2019		12-31-2018	
	Water Th\$	Non-Water Th\$	Water Th\$	Non-Water Th\$
Income from ordinary activities from external customers	516,106,826	28,577,039	504,692,040	25,712,641
Inter-segment revenue from ordinary activities	1,086,210	4,709,044	1,172,343	4,311,876
Subtotal revenue from ordinary activities from external customers and transactions with other operating segments of the same entity	517,193,036	33,286,083	505,864,383	30,024,517
Raw materials and consumables used	(34,631,275)	(11,799,083)	(29,616,364)	(9,896,250)
Employee benefit expenses	(51,503,713)	(8,402,037)	(51,663,217)	(7,544,201)
Operating expenses	(137,005,544)	(6,982,098)	(120,533,467)	(6,971,666)
Depreciation and amortization	(74,546,528)	(1,869,315)	(74,224,202)	(1,271,095)
Other income and expenses	14,489,407	(257,230)	(825,519)	(271,241)
Financial income	5,913,901	15,670	5,898,244	95,959
Financial Costs	(30,274,108)	(203,216)	(29,994,480)	(140,329)
Profit/loss by units of adjustment and exchange rate difference	(23,656,909)	(353,731)	(23,128,443)	22,148
Profit (loss) before taxes	185,978,267	3,435,043	181,776,935	4,047,842
Income tax expense	(48,696,013)	(966,925)	(45,486,954)	(1,019,468)
Segment Profit	137,282,254	2,468,118	136,289,981	3,028,374
Segment profit attributable to parent company owners	139,269,070	2,468,118	133,028,143	3,028,374
Segment gain (loss) attributable to non-controlling interests	(1,986,816)	-	3,261,838	-



Totals on general information of assets, liabilities and equity	12-31-2019		12-31-2018	
	Water Th\$	Non-Water Th\$	Water Th\$	Non-Water Th\$
Current assets	189,359,896	17,693,519	160,097,263	15,288,956
Non-current assets	1,786,470,056	20,052,580	1,718,816,311	20,176,273
Total assets	1,975,829,952	37,746,099	1,878,913,574	35,465,229
Current liabilities	238,639,411	14,295,689	236,740,972	13,904,255
Non-current liabilities	1,071,480,597	1,686,891	976,643,094	99,085
Total liabilities	1,310,120,008	15,982,580	1,213,384,066	14,003,340
Equity attributable to the owners of the controller	622,689,815	21,763,519	617,158,766	21,461,889
Non-controlling interests	43,020,129	-	48,370,742	-
Total equity	665,709,944	21,763,519	665,529,508	21,461,889
Total equity and liabilities	1,975,829,952	37,746,099	1,878,913,574	35,465,229

Cash Flow Statement	12-31-2019		12-31-2018	
	Water Th\$	Non-Water Th\$	Water Th\$	Non-Water Th\$
Cash flows from (used in) operating activities	233,520,089	978,575	244,327,363	3,373,641
Cash flows from (used in) investing activities	(128,006,799)	(698,750)	(133,527,923)	(450,127)
Cash flows from (used in) financing activities	(74,447,831)	737,000	(89,742,821)	(2,808,000)

Significant income and expense items by segment

Water and Non-Water Segment

Significant items of income and ordinary expenses are mainly those related to the segment's activity. On the other hand, there are also significant amounts in relation to depreciation, personnel and other miscellaneous expenses, within which outsourced services are relevant.

Income

The Company's income is mainly derived from regulated services corresponding to: production and distribution of drinking water, collection, treatment and disposal of wastewater and other regulated services (which include income related to supply cut-off and restoration of supply, liquid industrial waste discharge monitoring and fixed charges).

Details of significant income items

Water segment

The significant items of ordinary income are mainly those related to the activity of the drinking water and wastewater business, i.e. income from water sales, over-consumption, variable charge, fixed charge, sewerage service, use of sewerage and wastewater treatment.

Tariffs

The most important factor determining the results of the Company's operations and its financial position is the tariffs set for its regulated sales and services. As a regulated company, Aguas Andinas and its water utility subsidiaries are supervised by the SISS and their tariffs are set in accordance with the Law on Tariffs for Sanitation Services D.F.L. No. 70 of 1988.



The tariff levels are reviewed every five years and, during that period, are subject to additional readjustments linked to an indexation polynomial, if the accumulated variation since the previous adjustment is 3.0% or more, as calculated on the basis of various inflation indexes.

Specifically, adjustments are applied based on a formula that includes the Consumer Price Index, the Wholesale Price Index for Imported Industrial Goods and the National Industrial Goods Wholesale Price Index, all measured by the Chilean National Institute of Statistics. In addition, the tariffs are subject to readjustment to reflect additional services previously authorized by the SISS.

During 2015 the processes of negotiating tariffs for the period 2015-2020 were concluded, the decrees that set the tariffs for the five-year period mentioned for Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A., correspond to numbers 152-2015; 83-2015; 139 2015; respectively.

For the subsidiary ESSAL S.A. The current tariffs for the period 2016-2021 were approved by Decree No. 143 dated August 25, 2016, published in the Official Gazette on January 21, 2017.

Non-water segment

Significant items of ordinary income are mainly those related to the activity of the segment and are closely related to the main activity of each subsidiary, this involves sale of materials to third parties, income from operation of liquid industrial waste treatment plant; income from services and analysis of drinking water and sewage and sale of biogas.

Details of significant expense items

Water segment

The significant items of expenses are mainly those related to compensation, electricity, Operation of Wastewater Treatment Plant, depreciation of real estate and personal property, interest expense and income tax expense.

Non-water segment

Significant expense items are mainly those related to salaries, cost of materials for sale and income tax expense.

Explanation of measurement of results, assets, liabilities and equity and cash flows of each segment

The measurement applicable to the segments corresponds to the grouping of those subsidiaries directly related to the segment.

The accounting criterion corresponds to the recording of those economic events in which rights and obligations in the same sense arise between economic relations with third parties. What is particular, is that these records will generate committed balances in an asset and liability account according to the spirit of the transaction in each related company according to the segment in which it participates. These accounts, called accounts receivable from or payable to related companies, must be netted when consolidating financial statements in accordance with the consolidation rules explained in IAS 27.



There are no differences in the nature of the measurement of results, since according to the standard there are no accounting policies that thus manifest different criteria for the allocation of costs or similar.

Reconciliation of income from ordinary activities	12-31-2019	12-31-2018
	Th\$	Th\$
Revenue from the segments' ordinary activities	550,479,119	535,888,900
Elimination of intersegment ordinary activities	(5,795,252)	(5,484,220)
Income from ordinary activities	544,679,496	530,400,417

Profit reconciliation	12-31-2019	12-31-2018
	Th\$	Th\$
Consolidation Total segment profit (loss)	139,750,372	139,318,355
Consolidation of intersegment profit (loss) elimination	1,986,816	(3,261,838)
Profit (loss) consolidation	141,737,188	136,056,517

There are no differences in the nature of the measurement of assets and liabilities since, according to the standard, there are no accounting policies that would indicate different allocation criteria.

Reconciliations of segment assets, liabilities and equity	12-31-2019	12-31-2018
	Th\$	Th\$
Asset Reconciliation		
Total segment assets consolidation	2,013,576,051	1,914,378,803
Elimination of accounts between segments	(12,131,749)	(8,326,704)
Total assets	2,001,444,302	1,906,052,099
Reconciliation of liabilities		
Consolidation of total segment liabilities	1,326,102,588	1,227,387,406
Elimination of accounts between segments	(12,131,749)	(8,326,704)
Total liabilities	1,313,970,839	1,219,060,702
Reconciliation of assets		
Consolidation of total segment assets	644,453,334	638,620,655
Equity attributable to the owners of the controller	644,453,334	638,620,655

There are no differences in the nature of the cash flow measurement since, according to the standard, there are no accounting policies that would indicate different allocation criteria.

Reconciliation of segment operating flows	12-31-2019	12-31-2018
	Th\$	Th\$
Consolidation of segment operating flows	234,498,664	247,701,004
Elimination of accounts between segments	(2,200,001)	(2,200,000)
Total operating flows	232,298,663	245,501,004

Reconciliation of segment investment flows	12-31-2019	12-31-2018
	Th\$	Th\$
Consolidation of segment investment flows	(128,705,549)	(133,978,050)
Elimination of accounts between segments	2,937,001	(1,472,999)
Total investment flows	(125,768,548)	(135,451,049)



Reconciliation of segment financing flows	12-31-2019 Th\$	12-31-2018 Th\$
Consolidation of segment financing flows	(73,710,831)	(92,550,821)
Elimination of accounts between segments	(737,000)	3,673,000
Total financing flows	(74,447,831)	(88,877,821)

Information about the main customers

Main customers in the water segment:

- I. Municipalidad de Puente Alto
- I. Municipalidad de Santiago
- I. Municipalidad de La Florida
- El Peñon SpA.
- I. Municipalidad de Peñalolén
- Administradora de Centros Comerciales CENCOSUD SpA.
- Ministerio de Obras Públicas
- Metro S.A.
- I. Municipalidad de San Bernardo
- Gobierno Regional Región Metropolitana

Main customers in the non-water segment

- Papeles Cordillera S.A.
- EME Servicios Generales Ltda.
- Inmobiliaria Constructora Nueva Pacífico
- Cartulinas CMPC S.A.
- Watt's S.A.
- Soprole S.A.
- Echeverría Izquierdo Ingeniería y Construcción S.A.
- Constructora Pérez y Gómez Ltda.
- Agroindustrial El Paico S.A.
- Cooperativa Agrícola y Lechera La Unión

Product types water segment – Non-water

Water segment

The types of products and services for the water segment are:

- Production and distribution of drinking water.
- Sewage collection and wastewater treatment.

Segment composed of Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A., ESSAL S.A. and Iberaguas Ltda.

Non-water segment

The types of products and services for the non-water segment are:

- Outsourcing service in operations of industrial waste treatment plants and treatment of excess organic load (subsidiary EcoRiles S.A.)
- Physical, chemical and biological analysis on water, air and solids (subsidiary Análisis Ambientales S.A.).
- Comprehensive engineering services and sale of products such as pipes, valves, taps and other related products (subsidiary Gestión y Servicios S.A.).
- Energy projects (subsidiary Aguas del Maipo S.A.).



Note 27. EARNINGS PER SHARE

Basic earnings per share is calculated as the ratio of the profit (loss) attributable to holders of equity instruments of the Parent Company to the weighted average number of ordinary shares outstanding during that period.

Earnings per share		12-31-2019	12-31-2018
Gain attributable to equity holders of the parent	Th\$	141,737,188	136,056,517
Results available to common shareholders, basic	Th\$	141,737,188	136,056,517
Weighted average number of shares, basic		6,118,965,160	6,118,965,160
Earnings per share	\$	23,164	22,235

Diluted earnings (loss) per share disclosure

The Company has not carried out any transactions with a potential dilutive effect that would result in a diluted earnings per share different from the basic earnings per share.

Note 28. FINANCIAL STATEMENTS OF SUBSIDIARIES

The summary information of the statement of financial position and the statement of comprehensive income of each of the Subsidiaries included in the consolidated financial statements is as follows:

Summary Financial Information of Subsidiaries (Statement of Financial Position) as of December 31, 2019

12-31-2019	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity
Subsidiaries	Th\$	Th\$	Th\$	Th\$	Th\$
Aguas Cordillera S.A.	17,473,944	273,535,992	38,783,323	46,936,937	205,289,676
Aguas Manquehue S.A.	4,781,637	94,244,894	16,555,430	27,164,059	55,307,042
Inversiones Iberaguas Ltda.	4,726	61,005,602	37,336	-	60,972,992
ESSAL S.A.	20,984,804	180,028,688	29,613,229	104,167,148	67,233,115
EcoRiles S.A.	6,022,761	701,223	2,855,498	73,381	3,795,105
Gestión y Servicios S.A.	6,198,235	858,838	3,756,652	91,949	3,208,472
Análisis Ambientales S.A.	4,121,603	5,558,458	1,901,857	1,515,036	6,263,168
Aguas del Maipo S.A.	1,575,347	12,934,062	6,006,111	6,525	8,496,773

Summary financial information of subsidiaries (Statement of Comprehensive Income) as of December 31 2019

12-31-2019	Result for the year	Ordinary income	Operational expenses	Other net income (expense)
Subsidiaries	Th\$	Th\$	Th\$	Th\$
Aguas Cordillera S.A.	21,389,838	57,835,599	(34,743,353)	(1,702,408)
Aguas Manquehue S.A.	5,408,434	17,115,014	(8,680,556)	(3,026,024)
Inversiones Iberaguas Ltda.	(567,316)	-	(7,298)	(560,018)
ESSAL S.A.	(1,034,535)	60,354,783	(54,565,782)	(6,823,536)
EcoRiles S.A.	1,841,713	14,432,857	(11,908,958)	(682,186)
Gestión y Servicios S.A.	192,123	10,454,700	(9,983,482)	(279,095)
Análisis Ambientales S.A.	1,069,049	9,450,854	(7,868,702)	(513,103)
Aguas del Maipo S.A.	(634,767)	1,071,511	(1,415,227)	(291,051)



Summary Financial Information of Subsidiaries (Statement of Financial Position) as of December 31st 2018

12-31-2018 Subsidiaries	Current assets Th\$	Non-current assets Th\$	Current liabilities Th\$	Non-current liabilities Th\$	Equity Th\$
Aguas Cordillera S.A.	14,572,541	269,504,225	34,360,042	46,877,423	202,839,301
Aguas Manquehue S.A.	4,874,182	92,481,886	17,732,100	25,633,064	53,990,904
Inversiones Iberaguas Ltda.	1,820,982	65,220,985	33,186	-	67,008,781
ESSAL S.A.	22,086,592	167,386,351	21,913,688	92,060,682	75,498,573
EcoRiles S.A.	5,438,938	531,601	2,550,466	-	3,420,073
Gestión y Servicios S.A.	5,898,957	770,995	3,379,347	45,513	3,245,092
Análisis Ambientales S.A.	2,975,903	5,178,956	2,489,677	-	5,665,182
Aguas del Maipo S.A.	1,251,161	13,694,722	5,760,770	53,572	9,131,541

Summary financial information of Subsidiaries (Statement of Comprehensive Income) as of December 31, 2018

12-31-2018 Subsidiaries	Result for the year Th\$	Ordinary income Th\$	Operational expenses Th\$	Other net income (expense) Th\$
Aguas Cordillera S.A.	18,308,227	56,065,727	(34,883,515)	(2,873,985)
Aguas Manquehue S.A.	3,569,484	14,099,497	(8,380,740)	(2,149,273)
Inversiones Iberaguas Ltda.	5,499,575	-	(6,268)	5,505,843
ESSAL S.A.	10,857,446	58,268,739	(38,700,322)	(8,710,971)
EcoRiles S.A.	1,783,252	13,324,400	(10,870,582)	(670,566)
Gestión y Servicios S.A.	262,972	8,646,294	(8,279,949)	(103,373)
Análisis Ambientales S.A.	1,163,755	8,832,301	(7,166,509)	(502,037)
Aguas del Maipo S.A.	(181,604)	1,061,523	(1,206,172)	(36,955)

Detail of significant subsidiaries

The definition of significant subsidiaries is based on their percentage share of operating results and their share of fixed assets and results for the period with respect to the consolidated financial statements. The following companies are considered significant subsidiaries:

Name of significant subsidiary	Aguas Cordillera S.A.	Aguas Manquehue S.A.	ESSAL S.A.
Country	Chile	Chile	Chile
Functional currency	Chilean Pesos	Chilean Pesos	Chilean Pesos
Percentage of ownership in significant subsidiary	99.99003%	100.00000%	53.50650%
Percentage of voting power in significant subsidiary	99.99003%	100.00000%	53.50650%
Percentage over consolidated values as of December 31, 2019			
Contribution margin	10.32%	3.77%	0.47%
Property, plant and equipment	7.65%	4.63%	11.56%
Result for the year	11.29%	3.86%	-1.61%



Note 29. ASSET IMPAIRMENT

Disclosures on Impairment of Assets by Cash-generating Unit

A Cash Generating Unit (CGU) is defined as each company as a whole, since each one individually is capable of generating future economic benefits and represents the smallest group of assets that generate independent cash flows. In accordance with the standard, the Company assesses at each closing date of the statement of financial position whether there is any indication of impairment in the value of any asset. If any such indication exists, the Company estimates the recoverable amount of the asset. Assets with indefinite useful lives and goodwill are tested for impairment at least at the end of the financial year or when there is an indication of impairment.

For intangible assets with indefinite useful lives, water rights, a valuation study is carried out at market prices, which are compared with the values assigned as deemed cost at the date of adoption of IFRS standards.

For lower values, the value in use is calculated, considering the different companies as CGUs, using recent medium-term budget estimates, determining the different parameters according to models widely used in the market. The parameters are established through the information in force for risk-free tariffs typical of the relevant market, the useful life of each company's own assets and the usual income growth tariffs for the Companies, considering population growth and variations in consumption over the years.

The Company and its Subsidiaries carry out annual impairment tests for their intangible assets with indefinite useful lives and goodwill.

As of December 31st 2019 and 2018 the respective impairment tests were performed, based on estimates and projections available to the Group. These estimates indicated that the profits attributable to the investments with lower associated values individually exceeded their consolidated carrying amount in all cases, and also that the intangible assets with indefinite useful lives were evaluated resulting in a higher value than that recorded in the books.

As of December 31st 2019, there was no impairment of assets and there are no indications of impairment.



Note 30. GUARANTEES AND RESTRICTIONS

a) Direct guarantees

Policies and performance bonds have been granted to different institutions, the main ones being the Superintendency of Sanitary Services to guarantee the conditions of service provision and development programs in the company's concession areas, Metropolitan SERVIU to guarantee pavement replacement and other institutions for the total amount of Th\$51,663,831 and Th\$45,873,654 as of December 31, 2019 and 2018, respectively.

The detail of the main guarantees in excess of Th\$10,000 is as follows:

Guarantee Creditor	Debtor Name	Guarantee Type	12-31-2019 Th\$	12-31-2018 Th\$
ASOCIACION DE CANALISTAS DEL MAIPO	Aguas Andinas S.A.	Bond	8,059,241	7,870,828
CGE DISTRIBUCION	Aguas Andinas S.A.	Bond	53,349	53,349
COMITE INNOVA CHILE	Aguas Andinas S.A.	Bond	216,096	278,074
CONSTRUCTORA SAN FRANCISCO	Aguas Andinas S.A.	Bond	141,550	154,644
DGAC	Aguas Andinas S.A.	Bond	11,324	22,053
FERROCARRILES	Aguas Andinas S.A.	Bond	84,930	-
DIRECCION OBRAS HIDRAULICAS	Aguas Andinas S.A.	Bond	4,647,118	4,377,068
DIRECCION VIALIDAD	Aguas Andinas S.A.	Bond	33,066	61,637
GOB REG METROPOLITANO	Aguas Andinas S.A.	Bond	160,040	79,973
MUNICIPALIDAD PAINE	Aguas Andinas S.A.	Bond	19,837	19,837
MUNICIPALIDAD PROVIDENCIA	Aguas Andinas S.A.	Bond	58,092	56,730
MUNICIPALIDAD DE LA REINA	Aguas Andinas S.A.	Bond	70,775	68,914
MUNICIPALIDAD DE SANTIAGO	Aguas Andinas S.A.	Bond	26,328	25,636
INMOB MACUL S.A.	Aguas Andinas S.A.	Bond	28,310	55,132
MUNICIPALIDAD LA FLORIDA	Aguas Andinas S.A.	Bond	494,526	481,527
MUNICIPALIDAD PEÑALOEN	Aguas Andinas S.A.	Bond	45,971	44,762
MUNICIPALIDAD DE RENCA	Aguas Andinas S.A.	Bond	-	27,566
SOCIEDAD CONC. AUTOPISTA CENTRAL	Aguas Andinas S.A.	Bond	-	55,132
SERVIU METROPOLITANO	Aguas Andinas S.A.	Bond	12,890,555	8,182,332
S.I.S.S.	Aguas Andinas S.A.	Bond	6,306,351	6,589,433
SOCIEDAD CONC. MELIPILLA	Aguas Andinas S.A.	Bond	33,972	33,079
TESORERÍA MUNICIPAL DE LA FLORIDA	Aguas Andinas S.A.	Bond	30,078	-
ASOCIACION DE CANALISTAS DEL MAIPO	Aguas Cordillera S.A.	Bond	977,529	951,834
DIRECCION OBRAS HIDRAULICAS	Aguas Cordillera S.A.	Bond	-	410,234
MUNICIPALIDAD LAS CONDES	Aguas Cordillera S.A.	Bond	171,000	156,000
MUNICIPALIDAD LO BARNECHEA	Aguas Cordillera S.A.	Bond	14,155	13,783
MUNICIPALIDAD DE VITACURA	Aguas Cordillera S.A.	Bond	56,620	55,132
SENCORP	Aguas Cordillera S.A.	Bond	-	313,974
MINISTERIO DE OBRAS PUBLICAS	Aguas Cordillera S.A.	Bond	421,309	-
SERVIU METROPOLITANO	Aguas Cordillera S.A.	Bond	926,992	450,866
S.I.S.S.	Aguas Cordillera S.A.	Bond	1,263,812	1,241,618
ASOCIACION DE CANALISTAS DEL MAIPO	Aguas Manquehue S.A.	Bond	1,559,942	1,459,092
MUNICIPALIDAD LO BARNECHEA	Aguas Manquehue S.A.	Bond	-	88,514
MUNICIPALIDAD VITACURA	Aguas Manquehue S.A.	Bond	11,324	11,026
S.I.S.S.	Aguas Manquehue S.A.	Bond	1,016,214	1,119,006
SERVIU METROPOLITANO	Aguas Manquehue S.A.	Bond	110,537	-



DIRECCION OBRAS HIDRAULICAS	ESSAL S.A.	Bond	1,922,988	1,678,920
SERVIU METROPOLITANO	ESSAL S.A.	Bond	140,202	157,191
GOBIERNO REGIONAL DE LA REGION DE LOS RIOS	ESSAL S.A.	Bond	92,220	49,475
DIRECCION VIALIDAD	ESSAL S.A.	Bond	60,951	21,722
S.I.S.S.	ESSAL S.A.	Póliza	4,105,007	3,053,444
MUNICIPALIDAD DE PAILLACO	ESSAL S.A.	Bond	-	31,094
SOCIEDAD CONCECIONARIA DE LOS LAGOS	ESSAL S.A.	Bond	-	27,357
E.F.E.	ESSAL S.A.	Bond	42,465	-
SECRETARIO MINISTERIAL	ESSAL S.A.	Bond	18,692	-
FLESAN S.A.	Gestión y Servicios S.A.	Bond	29,095	-
SERVIU METROPOLITANO	Gestión y Servicios S.A.	Bond	2,330,686	2,892,320
AGUAS ANTOFAGASTA	Anam S.A.	Bond	36,350	-
CMPC PULP SPA	Anam S.A.	Bond	16,533	-
CODELCO	Anam S.A.	Bond	18,387	17,904
DIRECTEMAR	Anam S.A.	Bond	115,226	115,226
GOBIERNO REGIONAL V REGION VALPARAISO	Anam S.A.	Bond	-	24,862
SUPERINTENDENCIA DEL MEDIO AMBIENTE	Anam S.A.	Bond	14,155	27,566
Totals			48,883,900	42,905,866

b) Restrictions on bond issues

i) Aguas Andinas S.A.

The Company has restrictions and obligations arising from bond issues in the domestic market, as follows:

1. Send to the representative of Bond Holders a copy of the consolidated financial statements, and of the Subsidiaries Corporations registered with the Financial Market Commission, both the quarterly and the annual audited statements, in the same period in which they are to be delivered to the Financial Market Commission, and of all public information provided to said Commission.
2. To record in its accounting books, the provisions arising from adverse contingencies which, in the opinion of the Company's management, should be reflected in the Financial Statements of the Company and/or its Subsidiaries.
3. To maintain insurance that reasonably protects its operational assets, including its headquarters, buildings, plants, office furniture and equipment and vehicles, in accordance with the usual practices for industries in the nature of the Company.
4. The Company undertakes to ensure that the transactions it carries out with its Subsidiaries or with other related persons are carried out under conditions of equity similar to those normally prevailing in the market.
5. Maintain at the end of each quarter of the Issuer's Financial Statements, a Level of Indebtedness not exceeding 1.5 times. Notwithstanding, the above limit will be adjusted according to the quotient between the Consumer Price Index of the month in which the Level of Indebtedness is calculated and the Consumer Price Index of December 2009. However, the above limit will be adjusted up to a maximum level of 2 times. As of December 31, 2019, the variation in the debt level limit amounts to 2.0 times, with accumulated inflation at 33.1%.

For these purposes, the Debt Level will be defined as the ratio of Liabilities to Total Equity. The Issuer's Liabilities will be defined as the sum of the Total Current Liabilities and Total Non-Current Liabilities accounts in its consolidated financial statements.



As of December 31st 2019, the above-mentioned accounts are as follows:

Level of debt	12-31-2019 Th\$
Total current liabilities	242,137,717
Total non-current liabilities	1,071,833,122
Total liabilities IFRS	1,313,970,839
Guarantees with third parties (*)	(599,029)
Total liabilities	1,313,371,810
Total assets	2,001,444,302
Total current liabilities	(242,137,717)
Total non-current liabilities	(1,071,833,122)
Total Net Equity	687,473,463

The debt level as of December 31st 2019 is 1.91 times.

For the purposes of determining the aforementioned index, the amount of all the guarantees, simple or joint guarantees, joint and several liabilities or other guarantees, personal or real, that the Issuer or its subsidiaries may have granted to secure the obligations of third parties, except for (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiary Companies of the Issuer for obligations of the Issuer, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation and the execution of works in public spaces.

For the above purposes, total equity will correspond to the amount resulting from the difference between the total assets accounts and the sum of the total current liabilities and total non-current liabilities accounts in the Issuer's consolidated financial statements.

* Amount of all the guarantees, simple joint and several bonds, joint and several co-debts or other guarantees, personal or real, that it or its Subsidiaries have granted to secure obligations of third parties, with the exception of (i) those granted by the Issuer or its Subsidiaries for the obligations of other Subsidiary Companies of the Issuer; (ii) those granted by Subsidiary Companies of the Issuer for the obligations of the Issuer; and (iii) those granted to public institutions to guarantee compliance with sanitary legislation and the execution of works in public spaces.

Not to sell, assign or transfer essential assets (concession of public services granted by the S.I.S.S. for the Greater Santiago area), except in the case of contributions or transfers of essential assets to subsidiary companies.

The Company complies with all the requirements established in the bond contracts as of December 31, 2019 and 2018.

ii) Empresa de Servicios Sanitarios de los Lagos S.A. (ESSAL S.A.)

On December 4, 2019, the Meetings of Series B and Series C Bondholders were held, where the following changes to the restrictions and covenants were approved:

A.- Maintain a Debt Level at the end of each quarter of the Issuer's Financial Statements, defined as the ratio between Net Financial Debt and EBITDA, less than or equal to 5.0 times.

It is recorded that the Issuer will not be obliged to maintain in its Financial Statements corresponding to December 31, 2019 and until December 31, 2020, both dates inclusive, a Debt Level not exceeding 5.0 times, subject in any case, provided that the Issuer, during said period, may not (i) propose definitive or provisional dividend distributions above the legal minimum and / or capital decreases and / or (ii) make loans to its shareholders.



For these purposes, Net Financial Debt is understood to be the sum of the items in the Issuer's financial statements: Other Current Financial Liabilities and Other Non-Current Financial Liabilities less the sum of the following items: Cash and Cash Equivalents, Other Current Financial Assets and Other Non-Current Financial Assets of the Issuer's Financial Statements. Likewise, EBITDA is defined as the result of the following items measured over the twelve months prior to the delivery of the quarterly Financial Statements: Income from ordinary activities plus Other income by nature less the sum of the following items: Raw materials and consumables used, Employee benefits expense, and Other expenses, by nature. The result of the above items will be multiplied by the sum of one plus fifty percent of the variation of the Consumer Price Index during the twelve-month period ending the month immediately prior to the delivery of the quarterly Financial Statements.

The Issuer must send to the Bond Holders' Representative, together with its quarterly Financial Statements, the background information that allows to verify this indicator and include in a Note to the Financial Statements, the value of the index described in this letter indicating if it complies with the established limit and indicating the detail and amount of each of the accounts that comprise it.

B.- Maintain at the close of each quarter of the Issuer's Financial Statements, a "Minimum Equity" of sixty billion pesos. For these purposes, the Equity corresponds to the sum of all the equity accounts of the Issuer's Financial Statements.

The Issuer must send to the Bond Holders' Representative, together with its quarterly Financial Statements, the background information that allows verification of this indicator and include in a Note to the Financial Statements, the value of the index described in this letter indicating whether it complies with the established limit and indicating the detail and amount of each of the accounts that comprise it.

C. - "Essential Assets": The issuer's essential assets shall be understood as the public service concessions for the production and distribution of drinking water and the collection and disposal of wastewater that represent at least 75% of the Issuer's regulated income as of this date".

The following restrictions are maintained for both series:

- 1.- Send the representative of Bondholders a copy of the financial statements, both the quarterly and the annual audited, within the same period in which they must be delivered to the Commission for the Financial Market, and of any public information that they provide to said Commission.
- 2.- Record in their accounting books the provisions that arise from adverse contingencies that, in the opinion of the Company's management, must be reflected in the Company's Financial Statements.
- 3.- Maintain insurance that reasonably protects its assets, in accordance with the usual practices for industries of the nature of the Company.
- 4.- The Company undertakes to ensure that the operations it performs with related parties are carried out under conditions of equity similar to those that usually prevail in the market.
- 5.-Do not sell, transfer or transfer essential assets.



c) Restrictions on bank loans

i) Aguas Andinas S.A.

The Company has obligations and restrictions for obtaining loans from several national banks, which are detailed below:

1. A level of indebtedness not exceeding one point five times, measured on their consolidated balance sheet figures. Notwithstanding the above, the above limit shall be adjusted according to the quotient between the Consumer Price Index of the month in which the debt level is calculated and the Consumer Price Index of December 2009. With all the above limit will adjusted to a maximum level of two times, for the period ending December 31st 2019, the variation in the debt level limit amounts to 2.0 times, with accumulated inflation at 33.1%. For these purposes, the level of indebtedness is defined as the ratio of liabilities to total equity. As of December 31st 2019, the level of debt was 1.91 times.
2. Prohibition on the disposal or loss of ownership of essential assets, except in the case of contributions or transfers of essential assets to subsidiary companies.
3. Send to the different banks with which the Company maintains loans, a copy of the individual and consolidated financial statements, both quarterly and annual audited, within a period not exceeding five days of their submission to the Financial Market Commission.
4. To record in its accounting books, the provisions arising from adverse contingencies which, in the opinion of the Company's management, should be reflected in its financial statements.
5. Maintain insurance policies that reasonably protect its assets, including its headquarters, buildings, plants, stock, furniture and office equipment and vehicles, in accordance with the usual practices for industries in the nature of the Company.
6. Send a certificate issued by the Company's General Manager, declaring compliance with the obligations of the loan contract.
7. Prohibition to distribute dividends, except for the mandatory minimum if there is a situation of default or delay in the payment of any installment of the loan.
8. Maintain a financial expense coverage ratio equal to or greater than three times, measured on the figures in its consolidated and individual balance sheets, defined as the ratio of operating income plus depreciation for the year and amortization of intangibles divided by financial expenses. As of December 31st 2019, the coverage of financial expenses amounts to 9.90 times.
9. Prohibition to liquidate or dissolve the Company, to liquidate its operations or businesses that constitute its line of business; or to enter into any act or contract tending to the merger or consolidation, except in the case of a merger with its current Subsidiaries.
10. It undertakes to ensure that the transactions it carries out with its Subsidiaries or other related persons are carried out under conditions of equity similar to those normally prevailing in the market.

ii) Aguas Cordillera S.A.

The Company has obligations and restrictions for obtaining a loan from a national bank, which are detailed below:

1. A level of indebtedness not exceeding one point five times, measured on their consolidated balance sheet figures. Notwithstanding the above, the above limit shall be adjusted according to the quotient between the Consumer Price Index of the month in which the debt level is calculated and the Consumer Price Index of December 2009. With all the above limit it will be adjusted up to a maximum level of twice. For these purposes, the level of indebtedness is defined as the ratio of liabilities to total equity. As of December 31st 2019, the level of debt was 0.63 times.
2. Maintain a financial expense coverage ratio of three or more times, measured on the basis of its consolidated annual balance sheet figures, defined as the ratio of operating income plus depreciation for the year and amortization of intangibles divided by financial expenses. As of December 31st 2019, financial expense coverage was 15.71 times.
3. Send the bank a copy of the debtor's annual consolidated financial statements within thirty days of their submission to the Financial Market Commission.



4. Send a certificate issued by the Company's General Manager, declaring compliance with the obligations of the loan contract.
5. Keep all your rights, licenses, permits, trademarks, franchises, concessions or relevant parts in full force and effect.
6. Maintain insurance policies that reasonably protect its assets, including its headquarters, buildings, plants, stock, furniture and office equipment and vehicles, in accordance with the usual practices for industries in the nature of the Company.
7. It undertakes to ensure that the transactions it carries out with its Subsidiary or with other related persons are carried out under conditions of equity similar to those normally prevailing in the market.

iii) ESSAL S.A.

The Subsidiary maintains obligations for obtaining loans contracted with national banks, which do not have committed financial indexes or associated restrictions.

As of December 31st 2019, the water utility Subsidiaries comply with all the requirements established in the loan contracts with creditor Banks, as well as with the provisions established by DFL No. 382, General Law on Sanitation Services, of 1988, as well as its Regulations (D.S. MOP No. 1199/2004, published in November 2005).

3) Guarantees obtained from third parties

As of December 31st 2019 and 2018, the Company has received documents in guarantee for Th\$45,012,353 and Th\$42,150,481, respectively, arising mainly from work contracts with construction companies to ensure the faithful compliance with the contract. In addition, there are other guarantees for service contracts and procurement of materials that ensure timely delivery of these.

A detail of the most significant bank guarantees received as of December 31, 2019, is summarized below:

Contractor or Supplier	Company	12-31-2019 Th\$	Expiration date
SECURITAS S.A.	Aguas Andinas S.A.	141,908	15-01-2020
CONSTRUCTORA VALKO S A	Aguas Andinas S.A.	2,521,113	30-01-2020
BROTEC CONSTRUCCIÓN LTDA.	Aguas Andinas S.A.	2,521,113	31-01-2020
XYLEM WATER SOLUTIONS CHILE S.A.	Aguas Andinas S.A.	151,600	28-02-2020
EL PENON SPA	Aguas Andinas S.A.	113,240	28-02-2020
C. DE PETROLEOS DE CHILE COPEC S.A.	Aguas Andinas S.A.	476,027	16-03-2020
EIFFAGE ENERGIA CHILE LTDA	Aguas Andinas S.A.	268,312	30-03-2020
BAPA S.A.	Aguas Andinas S.A.	128,456	30-03-2020
EMP.DEPURADORA DE A.S. MAPOCHO EL T	Aguas Andinas S.A.	14,688,444	31-03-2020
BAPA S.A.	Aguas Andinas S.A.	268,312	31-03-2020
ICM S.A.	Aguas Andinas S.A.	102,612	16-04-2020
MARKETING RELACIONAL UPCOM LIMITADA	Aguas Andinas S.A.	226,480	30-05-2020



Contractor or Supplier	Company	12-31-2019 Th\$	Expiration date
ING. Y CONSTRUCCION MST LTDA.	Aguas Andinas S.A.	139,733	31-05-2020
INM. Y CONST NVA. PACIFI. SUR LTDA.	Aguas Andinas S.A.	226,480	01-06-2020
CONSORCIO NAC. DE DIST. Y LOG. S.A.	Aguas Andinas S.A.	113,240	03-06-2020
CONSTRUCTORA PEREZ Y GOMEZ LTDA	Aguas Andinas S.A.	113,240	22-06-2020
CONSTRUCTORA PEREZ Y GOMEZ LTDA	Aguas Andinas S.A.	113,240	22-06-2020
CONSORCIO BAPA GRAMATEC SPA	Aguas Andinas S.A.	373,602	26-06-2020
INGENIERIA Y CONSTRUCCION M.S.T. LIMITADA	Aguas Andinas S.A.	194,030	30-06-2020
EMPRESA CONST. COTA MIL LTDA.	Aguas Andinas S.A.	113,240	01-07-2020
INGENIERIA Y CONSTRUCCION MST LTDA.	Aguas Andinas S.A.	346,712	06-08-2020
CONSTRUCTORA PEREZ Y GOMEZ LTDA	Aguas Andinas S.A.	133,534	07-08-2020
DALCO INGENIERIA LTDA.	Aguas Andinas S.A.	379,438	10-08-2020
SUEZ MEDIOAMBIENTE CHILE S.A.	Aguas Andinas S.A.	192,413	12-08-2020
CONSTRUCTORA PEREZ Y GOMEZ LTDA	Aguas Andinas S.A.	105,766	31-08-2020
DALCO INGENIERIA LTDA.	Aguas Andinas S.A.	275,626	04-09-2020
CRILLON S.A.	Aguas Andinas S.A.	208,871	15-09-2020
TERRA AUSTRALIS INVERSIONES INMOBIL	Aguas Andinas S.A.	137,586	10-10-2020
INM. Y CONST NVA. PACIFI. SUR LTDA.	Aguas Andinas S.A.	139,005	18-10-2020
INM. Y CONST NVA. PACIFI. SUR LTDA.	Aguas Andinas S.A.	138,079	18-10-2020
INM. Y CONST NVA. PACIFI. SUR LTDA.	Aguas Andinas S.A.	137,088	18-10-2020
INMOB. Y COMERCIAL QUILICURA LTDA.	Aguas Andinas S.A.	396,339	28-10-2020
INMOBILIARIA BBI S.A.	Aguas Andinas S.A.	360,640	29-10-2020
IDOM CONSULTING, ENGINEERING	Aguas Andinas S.A.	129,291	31-10-2020
ECHEVERRIA IZQUIERDO ING. Y CONSTRU	Aguas Andinas S.A.	673,362	17-11-2020
EMPRESAS JORDAN S.A.	Aguas Andinas S.A.	157,730	06-12-2020
INM. Y CONST NVA. PACIFI. SUR LTDA.	Aguas Andinas S.A.	111,239	20-12-2020
SUEZ MEDIOAMBIENTE CHILE S.A.	Aguas Andinas S.A.	102,731	28-12-2020
EULEN CHILE S.A.	Aguas Andinas S.A.	113,240	31-12-2020
EULEN CHILE S.A.	Aguas Andinas S.A.	113,240	31-12-2020
EMPRESA CONSTRUCTORA RICARDO	Aguas Andinas S.A.	304,975	15-01-2021
Suez Advanced Solutions Chile Ltda.	Aguas Andinas S.A.	662,453	30-03-2021
CONSTRUCTORA CONCRETA S.A.	Aguas Andinas S.A.	107,097	30-03-2021
Suez Advanced Solutions Chile Ltda.	Aguas Andinas S.A.	105,992	30-03-2021
ENEL DISTRIBUCION CHILE S.A	Aguas Andinas S.A.	283,099	10-05-2021
CONSTRUCTORA OLBERTZ LTDA	Aguas Andinas S.A.	117,771	28-05-2021
TELEFONICA EMPRESAS CHILE S.A.	Aguas Andinas S.A.	151,306	31-08-2021
A DENHAM Y CIA LTDA	Aguas Andinas S.A.	237,719	31-12-2021
METLIFE CHILE SEGUROS DE VIDA S.A.	Aguas Andinas S.A.	415,874	31-01-2022
AES GENER S.A.	Aguas Andinas S.A.	283,099	01-04-2022
TRANSPORTE CENTRO SUR-NORTE S.A.	Aguas Andinas S.A.	154,544	05-05-2022
SUEZ MEDIOAMBIENTE CHILE S.A.	Aguas Andinas S.A.	874,484	30-05-2022
TELEFONICA EMPRESAS CHILE S.A.	Aguas Andinas S.A.	139,823	30-12-2022
AUTORENTAS DEL PACIFICO SPA	Aguas Andinas S.A.	100,783	31-07-2023
SUEZ MEDIOAMBIENTE CHILE S.A.	Aguas Andinas S.A.	120,891	02-01-2024
MOTOROLA CHILE S.A.	Aguas Andinas S.A.	783,053	01-12-2025



Contractor or Supplier	Company	12-31-2019 Th\$	Expiration date
INMOBILIARIA EL QUIJOTE SPA	Aguas Cordillera S.A.	283,099	01-08-2020
DEGREMONT LIMITADA	Aguas Cordillera S.A.	288,619	25-09-2020
CONSTRUCTORA VESPUICIO ORIENTE S.A.	Aguas Cordillera S.A.	295,131	31-01-2021
INLAC S.A.	Aguas Cordillera S.A.	257,081	28-02-2021
CONSTRUCTORA VESPUICIO ORIENTE S.A.	Aguas Cordillera S.A.	141,550	30-06-2021
INMOBILIARIA DG CUATRO LIMITADA	Aguas Manquehue S.A.	143,050	28-02-2020
DEGREMONT LIMITADA	Aguas Manquehue S.A.	794,697	25-11-2020
INMOBILIARIA TERRAMERICA S.A.	Aguas Manquehue S.A.	176,286	29-12-2020
COBRA MONTAJES SERVICIOS Y AGUA LTDA.	ESSAL S.A.	111,131	20-01-2021
Totals		34,679,959	

Note 31. CAPITALIZED FINANCING COSTS

The detail of capitalized financing costs as of December 31, 2019 and 2018 is as follows:

Disclosure of Capitalized Interest Costs

Costos por intereses capitalizados, propiedades, planta y equipo		12-31-2019	12-31-2018
Capitalization rate of capitalized interest costs, property, plant and equipment	%	5.82	6.42
Amount of capitalized interest costs, property, plant and equipment	Th\$	3,880,277	3,215,456

Note 32. ENVIRONMENT

Disclosure of environmental investments

According to Circular Letter No. 1901 of October 30, 2008 of the Financial Market Commission, the following information is disclosed from investments related to the environment.

The following is a detail of the investments related to the environment:

Aguas Andinas S.A.

Project Name	12-31-2019 Th\$	12-31-2018 Th\$
Expansion and Improvements PTAS (WWTP) Buin Maipo	2,528,543	1,596,552
Expansion and Improvements PTAS Curacaví	-	501,322
Expansion and Improvements PTAS El Monte	2,170,174	1,097,243
Expansion and Improvements PTAS San José de Maipo	61	46,471
Expansion and Improvements PTAS Talagante	1,727,626	3,623,144
Expansion and Improvements PTAS Other Locations	20,735	5,948
Improvement and renewal of treatment equipment and facilities	783,577	1,047,679
La Farfana Plant	4,248,396	4,518,641
Mapocho - Trebal Plant	13,338,645	16,212,808
External platform for handling and disposal of sludge El Rutil	10,889	6,755
Totals	24,828,646	28,656,563



Aguas Manquehue S.A.

Project Name	12-31-2019 Th\$	12-31-2018 Th\$
Improvement and renewal of treatment equipment and facilities	37,044	26,590
Totals	37,044	26,590

ESSAL S.A.

Project Name	12-31-2019 Th\$	12-31-2018 Th\$
Improved disposal infrastructure	50,239	23,781
Improvement of the WWTP system	698,046	673,808
Renewal of treatment and disposal equipment	223,463	101,253
Totals	971.748	798.842

Projected investment in the environment for 2020:

Company	Th\$
Aguas Andinas S.A.	31,047,179
Aguas Manquehue S.A.	304,500
Essal S.A.	4,271,345
Total	35,623,024

Indication if the disbursement is part of the cost of an asset or was reflected as an expense, period disbursements

All the above projects are part of the cost of construction of the respective works.

Certain or estimated date on which future disbursements will be made, disbursements of the period

The projected disbursements are estimated to be made during the year 2020.

Subsidiaries are companies that are affected by disbursements related to the environment, i.e. compliance with ordinances, laws relating to industrial processes and facilities and any other that could directly or indirectly affect the protection of the environment.

Note 33. EVENTS OCCURRING AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

Aguas Andinas S.A.

The Board of Directors of Aguas Andinas S.A., in its ordinary meeting held on January 22, 2020, has agreed to initiate an open and competitive process for the sale of its direct and indirect shareholding in Empresa de Servicios Sanitarios de Los Lagos S.A., which represents 53.5% of the subscribed and paid-in shares of ESSAL S.A. With the above, Aguas Andinas S.A. aims to focus its business activity on its current strategic priorities. The process will be initiated immediately and for this purpose the assistance of an investment bank and other advisors, not yet defined, will be sought.

Finally, it should be noted that, as this is a process that has just begun, there have not yet been any contacts with possible parties interested in acquiring the aforementioned shares, nor are there any valuations or price indications that would make it possible to determine the effect that the completion of the operation could have on the results of Aguas Andinas.



Aguas Cordillera S.A.

In accordance with Article 10 of D.F.L. MOP No. 70/1988, Law on Tariffs for Sanitary Services, and Article 6 of D.S. MINECON No. 453/1989, Regulation of the Law on Tariffs for Sanitary Services, within the framework of the Seventh Tariff Process of Aguas Cordillera S.A, in which the Superintendency of Sanitary Services (the "SISS") and the Company are parties, established the tariff level for the five-year period 2020-2025, by means of a document signed on 14 January 2020.

As established, the agreed tariff level as of December 31, 2018 (reference date established in the Tariff Bases set by the SISS), amounts to a Total Net Long Term Cost (CTLPN, for its acronym in Spanish) of \$39,841 million pesos, which represents a downward variation of -1.5% compared to the tariffs agreed for the five-year period 2010-2015 for current services and standards.

Additional works are contemplated, which will apply with the entry into operation of the same, including (i) production safety works for events of extreme turbidity to reach 12 hours of autonomy for a CTLPN of \$ 1,294 million pesos, (ii) electrical safety works for a CTLPN of \$ 315 million pesos, and (iii) support infrastructure works for a CTLPN of \$ 61 million pesos.

For a better understanding of the agreed tariff regime, Article 4 of the Law on Tariffs for Sanitation Services defines the CTLPN as the constant annual value required to cover the costs of efficient operation and investment of an optimized replacement project of the concessionaire, sized to meet demand, consistent with a net present value of the project equal to zero, over a horizon of not less than 35 years. In short, this concept corresponds to the income (under a theoretical demand) of a water utility company, from which the part corresponding to the networks and installations contributed by third parties has been discounted from the replacement value of the investment project of the concessionaire. The values indicated above correspond to the collection for services (CTLPN) obtained by applying the updated annual demand for the years 2020-2025 to the new tariffs agreed and indexed as of December 31, 2018.

It should be noted that it is not possible to determine exactly the magnitude of the impact on results that the new tariffs will have on the financial statements of Aguas Cordillera S.A., since this tariff regime is only one of many elements that contribute to determining the results of each year, and factors such as drinking water consumption, costs, expenses, and the applicable indexation polynomial, among others, are also taken into account.

Finally, the tariff formulas established will be set by decree of the Ministry of Economy, Development and Tourism, which must be published in the Official Journal before the date of entry into force, that is, June 2020.

Aguas Manquehue S.A.

In accordance with Article 10 of D.F.L. MOP No. 70/1988, Law on Tariffs for Sanitary Services, and Article 6 of D.S. MINECON No. 453/1989, Regulation of the Law on Tariffs for Sanitary Services, within the framework of the Seventh Tariff Process of Aguas Manquehue S.A, in which the Superintendency of Sanitary Services (the "SISS") and the Company are parties, established the tariff level for the five-year period 2020-2025, by means of a document signed on 14 January 2020.

As established, the agreed tariff level as of December 31, 2018 (reference date established in the Tariff Bases set by the SISS), amounts to a Total Net Long Term Cost (CTLPN) of \$12,196 million pesos, which represents a downward variation of -1.5% compared to the tariffs agreed for the five-year period 2015-2020 for current services and standards.

For a better understanding of the agreed tariff regime, Article 4 of the Law on Tariffs for Health Services defines the CTLPN as the constant annual value required to cover the efficient operation costs and those of investment of an optimized replacement project of the concessionaire, sized to meet the demand, which is consistent with a net present value of such project equal to zero, in a horizon of not less than 35 years. In short, this concept corresponds to the income (under a theoretical demand) of a sanitary company, from which the replacement value of the investment project of the concessionaire has been discounted, that part corresponding to networks and installations contributed by third parties. The values indicated above correspond to the current service collection (CTLPN) obtained by applying the updated annual demand for the years 2020-2015, to the new agreed and indexed tariffs as of December 31st 2018.



It should be noted that it is not possible to determine exactly the magnitude of the impact on results that the new tariffs will have on the Company's Financial Statements, since this tariff regime is only one of many elements that contribute to determining the results of each year, and factors such as drinking water consumption, costs, expenses, and the applicable indexation polynomial, among others, are also taken into account.

Finally, the established tariff formulas will be set by decree of the Ministry of Economy, Development and Tourism, which must be published in the Official Journal before the date of entry into force.

COVID-19

On January 30, 2020, the World Health Organization designated the COVID19 disease outbreak as a public health emergency of international importance. In Chile, on March 16, 2020, the Ministry of Health declared to COVID-19 in stage 4 which implies a series of measures to contain its spread and on March 18 2020, a State of Constitutional Exception of Catastrophe has been decreed throughout the national territory. As part of sanitary measures that have been adopted to face this situation, both locally and internationally, include, among others, the restriction of movement of people and the closure of borders, which is expected to affect significant economic activity and markets in general.

In order to face this pandemic, the Group has implemented a series of operational reinforcement measures to ensure for the safety of its workers, collaborators and clients and, likewise, safeguard the continuity of the service before the expansion of this pandemic. In this sense, the company has put into practice its protocols and procedures operational and personnel following the recommendations given by the Authority and competent bodies.

Within the business continuity plans that the Company has implemented, in coordination with the authority, they mention the identification of critical supplies and suppliers necessary to develop their processes, in addition to define action strategies in case of contagion cases.

It is not yet possible to accurately identify the economic impacts that this pandemic will have on the results of the Company.

As of the date of issuance of these consolidated financial statements, the Management of the Company and Subsidiaries are not aware of any other subsequent events affecting the financial situation as of December 31st 2019.

* * * * *

