



Consolidated Financial Statements

**For the fiscal years ended on
December 31, 2020 and 2019**

AGUAS ANDINAS S.A. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AGUAS ANDINAS S.A. AND SUBSIDIARIES

This document includes:

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





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

Shareholders and 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 statement of financial position as of December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in shareholders' 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 Auditing Standards Generally Accepted 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 misstatement.

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 entity's preparation and fair presentation of the consolidated financial statements 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, 2020 and 2019, 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 24, 2021



Interim Consolidated Financial Position Statements
As of December 31, 2020 and 2019
(In thousand pesos - Th\$)

ASSETS	Note	31-12-2020 Th\$	31-12-2019 Th\$
CURRENT ASSETS			
Cash and cash equivalent		174,945,586	72,062,758
Other non-financial assets		3,803,544	2,453,658
Commercial debtors and other accounts receivable		87,482,681	115,937,498
Accounts receivable from related entities		982,856	25,324
Inventories		3,954,953	3,810,599
Tax assets		27,248,856	3,386,809
Total current assets other than the assets or groups of available assets classified as being retained for sale or being retained to be distributed among holders		298,418,476	197,676,646
Non-current assets or groups of assets for disposal classified as held for sale		3,836,023	-
TOTAL CURRENT ASSETS		302,254,499	197,676,646
NON-CURRENT ASSETS			
Other financial assets		7,895,863	7,852,912
Other non-financial assets		2,396,459	3,037,505
Receivables		4,178,613	4,251,661
Intangible assets other than goodwill		218,653,890	223,786,740
Goodwill		33,823,049	36,233,012
Properties, plant and equipment		1,568,189,347	1,495,658,317
Usage rights assets		3,740,278	3,419,001
Deferred tax assets		3,304,490	29,528,508
TOTAL NON-CURRENT ASSETS		1,842,181,989	1,803,767,656
TOTAL ASSETS		2,144,436,488	2,001,444,302

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.

Interim Consolidated Financial Position Statements
As of December 31, 2020 and 2019
(In thousand pesos - Th\$)

LIABILITIES	Note	31-12-2020 Th\$	31-12-2019 Th\$
CURRENT LIABILITIES			
Other financial liabilities		71,064,294	36,385,815
Lease liability		1,413,425	1,496,533
Trade debts and other accounts payable		98,758,134	132,451,851
Accounts payable from related entities		17,746,030	41,030,704
Other provisions		28,897,014	3,732,169
Tax liabilities		821,301	1,873,831
Provisions for employee benefits		4,926,436	5,184,148
Other non-financial liabilities		20,405,955	19,982,666
Total current liabilities other than liabilities included in groups of liabilities for disposal classified as held for sale		244,032,589	242,137,717
Liabilities included in groups of assets for disposal classified as held for sale		-	-
TOTAL CURRENT LIABILITIES		244,032,589	242,137,717
NON-CURRENT LIABILITIES			
Other financial liabilities		998,729,962	1,002,955,393
Lease liability		2,375,477	1,942,083
Other accounts payable		1,452,311	1,159,317
Other provisions		1,419,880	1,380,132
Deferred tax liabilities		25,153,705	33,595,773
Provisions for employee benefits		20,339,194	20,768,569
Other non-financial liabilities		10,184,563	10,031,855
TOTAL NON-CURRENT LIABILITIES		1,059,655,092	1,071,833,122
TOTAL LIABILITIES		1,303,687,681	1,313,970,839
EQUITY			
Issued capital		155,567,354	155,567,354
Accumulated earnings (losses)		364,961,863	330,787,492
Share premium		164,064,038	164,064,038
Other equity interests		(5,965,550)	(5,965,550)
Other reserves		162,095,537	-
Equity attributable to owners of the controller		840,723,242	644,453,334
Non-controlling interests		25,565	43,020,129
TOTAL EQUITY		840,748,807	687,473,463
TOTAL EQUITY AND LIABILITIES		2,144,436,488	2,001,444,302

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.



Interim Consolidated Statements of Comprehensive Income by Nature
For the fiscal years ended December 31, 2020 and 2019
(In thousand pesos - Th\$)

INCOME STATEMENT BY NATURE	Note	31-12-2020 Th\$	31-12-2019 Th\$
Revenues for regular activities		478,773,563	484,329,084
Used raw materials and expendables		(43,542,356)	(37,518,383)
Provisions for employee benefits		(55,045,719)	(50,638,865)
Expenses related to depreciation and amortization		(67,134,809)	(63,951,173)
Impairment losses		(1,404,946)	-
Other expenses by nature		(144,853,561)	(110,865,349)
Other (losses) earnings		(3,967,292)	14,280,922
Earnings (losses) from operating activities		162,824,880	235,636,236
Financial income		3,868,561	5,223,315
Financial costs		(28,172,393)	(26,752,209)
Earnings (losses) exchange differences		(496,138)	(481,551)
Results of indexation adjustments		(22,343,279)	(21,552,953)
Earnings before taxes		115,681,631	192,072,838
Expenses for earning taxes		(26,987,579)	(49,352,038)
Earnings from continuous operations		88,694,052	142,720,800
Profit (loss) from discontinued operations		11,671,443	(2,970,428)
Earnings		100,365,495	139,750,372
Earnings due to			
Earnings attributable to owners of the controller		98,691,668	141,737,188
Earnings (losses) attributable to non-controlling shares		1,673,827	(1,986,816)
Earnings		100,365,495	139,750,372
Earnings per share			
Earnings per basic shares in continuous operations (\$)		16.129	23.164
Earnings per basic shares (\$)		16.129	23.164

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.



Consolidated Statements of Comprehensive Income by Nature
For the fiscal years ended December 31, 2020 and 2019
(In thousand pesos - Th\$)

STATEMENTS OF COMPREHENSIVE RESULTS	Note	31-12-2020 Th\$	31-12-2019 Th\$
Earnings		100,365,495	139,750,372
OTHER COMPREHENSIVE RESULT			
Components of other comprehensive income that will not be reclassified to the result for the period, before taxes			
Gain (loss) on revaluation of land	12	223,346,427	-
Actuarial gains (losses) on defined benefit plans	18	387,032	(2,487,505)
Other comprehensive income that will not be reclassified to the result for the period, before taxes		223,733,459	(2,487,505)
Income taxes relating to components of other comprehensive income that will not be reclassified to the result for the period			
Income tax related to the revaluation of land		(61,389,750)	-
Income tax related to defined benefit plans		(104,498)	671,626
Income taxes relating to components of other comprehensive income that will not be reclassified to the result for the period		(61,494,248)	671,626
Total other comprehensive result		162,239,211	(1,815,879)
TOTAL COMPREHENSIVE RESULT		262,604,706	137,934,493
Comprehensive income attributable to			
Comprehensive income statement attributable to the owners of the controller		260,925,484	139,893,085
Comprehensive income statement attributable to non-controlling shares		1,679,222	(1,958,592)
Total comprehensive income		262,604,706	137,934,493

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.



Consolidated Statements of Direct Cash Flows
For fiscal years ended December 31, 2020 and 2019
(In thousand pesos – Th\$)

Direct cash flow statement	Note	31-12-2020 Th\$	31-12-2019 Th\$
Collections from the sales of assets and services		544,596,948	574,497,101
Collections from premiums and services, annuities and other liabilities arising from contracted policies		85,227	18,611
Other collections from operational activities		12,004,316	4,188,086
Types of payments in cash from operational activities		556,686,491	578,703,798
Payments to suppliers for goods and services		(194,753,162)	(187,354,664)
Payments to and on behalf of the employees		(54,474,101)	(51,681,538)
Payments of premiums and services, annuities and other liabilities arising from contracted policies		(92,656)	(2,572,938)
Other payments for operational activities		(42,416,053)	(44,324,296)
Cash flow from operational activities		(291,735,972)	(285,933,436)
Interests paid		(25,261,603)	(22,015,973)
Interest received		804,041	824,207
Taxes on earnings paid (reimbursed)		(47,954,637)	(48,277,458)
Other cash in-flow (out-flow)		(7,245,040)	(2,541,669)
Cash flow from (used in) operations		(79,657,239)	(72,010,893)
Cash flow from (used in) operational activities		185,293,280	220,759,469
Cash flows from loss of control of subsidiaries or other businesses		73,499,770	-
Amounts from the sale of property, plant and equipment		547,871	18,206,781
Purchase of property, plant and equipment		(149,004,549)	(125,868,435)
Purchase of intangible assets		(3,414,662)	(12,455)
Other cash in-flow (out-flow)		-	(2,020,253)
Cash flow from (used in) investment activities		(78,371,570)	(109,694,362)
Amounts from long-term loans		11,537,028	79,221,040
Amounts from short-term loans		163,300,000	57,284,683
Amounts from loans, classified as financing activities		174,837,028	136,505,723
Loans refund		(71,556,496)	(86,960,055)
Paid dividends		(106,199,425)	(127,075,487)
Other cash in-flow (out-flow)		(1,119,989)	(1,453,004)
Cash flows from (used in) financing activities		(4,038,882)	(78,982,823)
Net increase (decrease) in cash and cash equivalents		102,882,828	32,082,284
Cash and equivalent cash at the beginning of the fiscal year		72,062,758	39,980,474
Cash and equivalent cash at the end of the fiscal year	4	174,945,586	72,062,758

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.



Consolidated Statements of Changes in Net Equity
For the fiscal years ended December 31, 2020 and 2019
(In thousand pesos - Th\$)

Status of equity changes	Note	Issued Capital	Share premiums	Other equity shares	Accumulated earnings (losses)	Reserves			Total other reserves	Equity attributable to the owners of the controlled	Non-controlling equity	Total equity
						Revaluation surplus	Share-based payment reserve	Actuarial gain or loss reserve in defined benefit plans				
		Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Initial balance		155,567,354	164,064,038	(5,965,550)	330,787,492	-	-	-	-	644,453,334	43,020,129	687,473,463
Gain		-	-	-	98,691,668	-	-	-	-	98,691,668	1,673,827	100,365,495
Other comprehensive result		-	-	-	-	161,951,272	-	282,544	162,233,816	162,233,816	5,395	162,239,211
Comprehensive result		-	-	-	98,691,668	161,951,272	-	282,544	162,233,816	260,925,484	1,679,222	262,604,706
Dividends		-	-	-	(64,799,841)	-	-	-	-	(64,799,841)	(2,005)	(64,801,846)
Decrease by transfers and other changes		-	-	-	282,544	-	144,265	(282,544)	(138,279)	144,265	(44,671,781)	(44,527,516)
Total changes in equity		-	-	-	34,174,371	161,951,272	144,265	-	162,095,537	196,269,908	(42,994,564)	153,275,344
Closing balance		155,567,354	164,064,038	(5,965,550)	364,961,863	161,951,272	144,265	-	162,095,537	840,723,242	25,565	840,748,807

Status of equity changes	Note	Issued Capital	Share premiums	Other equity shares	Accumulated earnings (losses)	Reserves			Total other reserves	Equity attributable to the owners of the controlled	Non-controlling equity	Total equity
						Revaluation surplus	Share-based payment reserve	Actuarial gain or loss reserve in defined benefit plans				
		Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Initial balance		155,567,354	164,064,038	(5,965,550)	324,954,813	-	-	-	-	638,620,655	48,370,742	686,991,397
Gain		-	-	-	141,737,188	-	-	-	-	141,737,188	(1,986,816)	139,750,372
Other comprehensive result		-	-	-	-	-	-	(1,844,103)	(1,844,103)	(1,844,103)	28,224	(1,815,879)
Comprehensive result		-	-	-	141,737,188	-	-	(1,844,103)	(1,844,103)	139,893,085	(1,958,592)	137,934,493
Dividends		-	-	-	(134,060,406)	-	-	-	-	(134,060,406)	-	(134,060,406)
Decrease by transfers and other changes		-	-	-	(1,844,103)	-	-	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
Closing balance		155,567,354	164,064,038	(5,965,550)	330,787,492	-	-	-	-	644,453,334	43,020,129	687,473,463

The accompanying notes 1 to 3 are an integral part of these interim consolidated financial statements.



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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 potable 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 Superintendence 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 interim consolidated financial statements correspond to the consolidated statements of financial position as of December 31, 2020 and 2019 and the consolidated statements of comprehensive income, changes in net equity and cash flows for the years ended December 31, 2020 and 2019, which have been prepared in accordance with International Accounting Standards (IAS), IAS 34 Interim Financial Information included in the 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 enforcement
Conceptual framework	Annual periods beginning on or after January 1, 2020

Amendments	Date of mandatory enforcement
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 associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Financial Instruments - Reference Rate Reform	Annual periods beginning on or after January 1, 2020
IFRS 16, Leases - Rent reductions related to Covid-19	Annual periods beginning on or after January 1, 2020*

* Early application is permitted, including financial statements not yet authorized for publication as of May 28, 2020.

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, 2021, approved these consolidated financial statements.

The consolidated financial statements of Aguas Andinas S.A. and Subsidiaries corresponding to fiscal year 2019 were approved by its Board of Directors in a session held on March 25, 2020.

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:

Tax ID	Company Name	Direct %	Indirect %	Total 2020 %	Direct %	Indirect %	Total 2019 %
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.(*)	-	-	-	99,999998	0,000002	100,00000
96.579.800-5	ESSAL S.A.(*)	-	-	-	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

(*) On October 13, 2020, Aguas Andinas completed the sale of its direct and indirect participation (through Iberaguas Ltda.) in ESSAL to Eco Acquisitionco SpA, a company incorporated in Chile and controlled by the Canadian company Algonquin Power & Utilities Corp, therefore, as of that date these companies are not part of the consolidation perimeter.

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, except for land, where the revaluation method is used. 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 30).

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.F 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 with changes in results
- Financial assets at fair value with changes in 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 with changes in other comprehensive income

For the classification of an asset with fair value with effect on other comprehensive income, the sale of financial assets for which it is expected to recover the principal amount in addition to the interest, if applicable, must be met as a principle.

iii. Financial assets at fair value with changes in results

Financial assets are shown at fair value through results when the asset is held for trading or is designated as at fair value with changes in results.

Financial assets at fair value with changes in results are valued at fair value and any resulting loss or gain is recognized in the results. The net loss or gain recognized in the results includes any dividend or interest received over 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 potable 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 based on credit loss model expected according to IFRS 9.

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	31-12-2020 \$	31-12-2019 \$
US Dollar	710,95	748,74
Euro	873,30	839,58

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 17.

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.

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. and 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.

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

P. Share-based payment reserve

In accordance with IFRS 2, Aguas Andinas has recognized an expense (personnel costs) corresponding to the benefits granted by the Suez Parent to the employees of all subsidiaries worldwide, in the form of share-based payments, in consideration for services rendered, which benefit was subscribed by the employees of Aguas Andinas and subsidiaries in Chile. These services are valued at the fair value of the instruments awarded and the effects are described in note 22 of the Financial Statements.

The share purchase plans implemented by the Suez controller for employees of subsidiaries around the world allow employees to subscribe to Company shares at a lower cost than the market. The fair value of instruments awarded under employee share purchase plans is estimated at the grant date based on the value of this discount granted to employees and the vesting period applicable to the share subscribed. As this is a service provided by employees to each subsidiary, in accordance with IFRS 2, Aguas Andinas and domestic subsidiaries recognize the cost of the agreement as an expense for the year, which is offset by a credit to equity.

Q. 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.

R. 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.

S. 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.

T. Information on environment

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.

U. 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 net equity and liabilities that are not part of ordinary activities.

V. 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 "Commercial debtors 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).

W. 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.

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

The Company classifies as non-current assets (or group of assets for disposal) held for sale, property, plant and equipment, intangible assets, investments in associates, joint ventures and disposal groups (group of assets to be sold together with their directly associated liabilities), for which at the closing date of the statement of financial position active efforts have been initiated for their sale, and it is estimated that it is highly probable that the transaction will be completed during the twelve-month period following such date.

Assets or groups subject to divestiture classified as held for sale are valued at the lower of their carrying amount or fair value less selling costs and are no longer amortized from the moment they acquire this classification.

Non-current assets held for sale and groups components of disposal classified as held for sale or held for distribution to owners are presented in the consolidated financial statements as follows:

Assets in a single item called "Non-current assets or groups of assets for disposal classified as held for sale". Liabilities that are part of a group of assets for disposal classified as held for sale will be presented in the statement of financial position separately from other liabilities, i.e. in the item "Liabilities included in groups of assets for disposal classified as held for sale". These assets and liabilities will not be offset, nor will they be presented as a single amount.

In the statement of comprehensive income, a single amount comprising the total after-tax result of discontinued operations and the after-tax gain or loss recognized on measurement at fair value less selling costs, or on disposal of the assets or disposal groups constituting the discontinued operation, is presented under the item "Gain (loss) from discontinued operations".

Y. Reclassifications

For the year ended December 31, 2019, certain reclassifications have been made to facilitate comparison on December 31, 2020, as follows:

Reclassifications	Increase/(Decrease) Th\$
Statement of financial position:	
Usage rights assets	3,419,001
Properties, plant and equipment	(3,419,001)
Current lease liabilities	1,496,533
Other current financial liabilities	(1,496,533)
Non-current lease liabilities	1,942,083
Other non-current financial liabilities	(1,942,083)



Additionally, as indicated in Note 28, the Company completed the sale of 100% of the direct and indirect shareholding that Aguas Andinas S.A. had in the subsidiary ESSAL to the Canadian company Algonquin Power & Utilities Corp. ("APUC"). In this regard, and by application of IFRS 5 "Non-current assets held for sale and discontinued operations", the consolidated statements of comprehensive result and consolidated cash flows for the period ended December 31, 2019, included for comparative purposes, have been restated to facilitate their comparison.

Z. Change in accounting policy

As of September 30, 2020, the Aguas Group decided to use the revaluation model for the asset class "Land" classified within the property, plant and equipment group. Thus, the value of this asset class will be periodically updated according to its market value. The prospective application of this policy implied an increase in value in the property, plant and equipment group of \$225,964 million.

For more information, see Note 12.

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.

Sanitary 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%.

As of December 31, 2020 and 2019, credit risk balances are Th\$33,733,524 and Th\$32,275,945, 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)

Expiry 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\$	Interest rate contract	Th\$	Interest rate contract	Th\$	Interest rate contract	Th\$	Interest rate contract	Th\$	Interest rate contract
AFR	2.902.414	3,00%	17.943.990	3,47%	55.213.248	4,02%	38.031.326	2,92%	105.812.502	2,45%
Bank loans	23.976.251	4,23%	10.138.714	0,61%	104.336.323	1,23%	61.976.287	1,60%	-	0,00%
Bonuses	7.387.294	2,40%	27.453.630	2,04%	75.940.860	2,00%	58.547.314	1,80%	837.326.860	3,45%
Lease liability	389	3,84%	1.024.801	3,84%	1.430.370	3,84%	435	3,84%	510	3,84%
Trade accounts and other accounts payable	63.128.386	0,00%	35.629.748	0,00%	688	0,00%	183	0,00%	582	0,00%
Total	97.782.969		92.190.883		237.608.938		159.172.905		944.230.665	

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	Rate	%
Bank loans	Variable	7.38%
Bank loans	Fixed	10.62%
Bonuses	Fixed	63.73%
AFR	Fixed	17.92%
Lease liability	Fixed	0.35%
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.

Company	Nominal debt amount	Variable Rate	Points (+/-)	Annual Impact on result
Aguas Andinas Consolidated	(Th\$)	TAB rate	192	(Th\$) (+/-)

iv. COVID-19 risk

The Company has developed an action plan to ensure continuity of service in the regions where it operates, implementing various measures to manage the exceptional situation arising from the Coronavirus pandemic.

As of December 31, 2020, an overall impact of \$36,949 million is estimated for the direct and indirect effects presumably derived from the exceptional situation due to Covid-19, which are explained below:

A decrease in sales volumes of \$16,759 million, associated with lower sales to residential customers by 0.3% and to non-residential customers by 13.4%; A lower collection of regulated customer accounts, which increased the aging of the accounts receivable balance, requiring the recognition of an allowance for doubtful accounts in the amount of \$20,172



million, generating a higher bad debt expense of \$16,151 million regarding previous year; Direct costs of \$6,557 million were recorded associated with confinement plans, personnel transportation, hygiene supplies, teleworking, safety measures, workers' health monitoring program, logistics and communications; A decrease in activity associated with non-regulated revenues of \$1,146 million, mainly due to home services, with a decrease in business sales volume close to 32%; and lower expenses of \$3,665 million are mainly associated with customer services due to lower supply cut-off and replacement services, meter reading, savings in the printing of commercial documents, together with lower corporate activities and administration expenses.

Note 4. CASH AND CASH EQUIVALENTS

The composition of the item is as follows:

Cash and cash equivalents	31-12-2020	31-12-2019
	Th\$	Th\$
Banks	3,140,085	10,658,547
Term deposits	110,899,988	496,943
Mutual Funds	60,905,513	60,907,268
Total	174,945,586	72,062,758

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	31-12-2020	31-12-2019
		Th\$	Th\$
Aguas Andinas S.A.	Term deposit	110,899,988	-
Aguas Andinas S.A.	Mutual Funds	53,415,489	56,906,947
Aguas Cordillera S.A.	Mutual Funds	1,485,005	3,050,281
Aguas Manquehue S.A.	Mutual Funds	1,555,005	250,040
Gestión y Servicios S.A.	Mutual Funds	790,002	700,000
Essal S.A.	Term deposit	-	496,943
EcoRiles	Mutual Funds	3,300,011	-
ANAM S.A.	Mutual Funds	360,001	-
Total		171,805,501	61,404,211

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) on December 31, 2020 and 2019 is as follows:

Credit risk	31-12-2020	31-12-2019
	Th\$	Th\$
Gross exposure of commercial debtors	110,854,478	136,266,774
Gross exposure documents receivable	6,201,585	6,172,473
Gross exposure other accounts receivable	3,904,223	5,774,196
Trade debtors and other accounts receivable, gross	120,960,286	148,213,443
Estimates for risks of accounts receivable	(33,477,605)	(32,275,945)
Trade debtors and other accounts receivable, net	87,482,681	115,937,498
Gross exposure documents receivable	526,813	2,217,792
Gross exposure other accounts receivable	3,907,719	2,033,869
Rights receivable, non-current, gross	4,434,532	4,251,661
Estimates for accounts receivable risks	(255,919)	-
Non-current rights receivable, net	4,178,613	4,251,661
Net exposure, risk concentrations	91,661,294	120,189,159

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

Movement credit risk accounts receivable	31-12-2020	31-12-2019
	Th\$	Th\$
Beginning balance as of 01-01-2020	(32,275,945)	(34,211,483)
Increase in existing provisions	(20,171,784)	(4,547,485)
Decreases (*)	6,152,495	-
Penalties	12,561,710	6,483,023
Changes, totals	(1,457,579)	1,935,538
Closing balance	(33,733,524)	(32,275,945)

(*) The decreases correspond to the groups of assets for its disposal classified as held for sale of the company ESSAL S.A. by Th\$6,152,495.

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	31-12-2020	31-12-2019
	Th\$	Th\$
less than three months	81,031,227	109,083,468
between three and six months	4,665,785	5,882,475
between six and eight months	3,102,160	2,258,606
greater than eight months	36,595,646	35,240,555
Total	125,394,818	152,465,104



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

Non-provisioned gross overdue debt	31-12-2020	31-12-2019
	Th\$	Th\$
less than three months	9,771,031	10,240,018
between three and six months	3,205,547	2,439,194
between six and eight months	1,915,592	1,128,956
Total	14,892,170	13,808,168

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, 2020 and 2019, the analysis of gross exposure of current commercial debtors and current and non-current collectables accounts, for the non-securitized, rescheduled and non-rescheduled portfolio, is as follows:

December 31, 2020						
Debtor tranche Commercial	Non-rescheduled portfolio		Rescheduled portfolio		Total gross portfolio	
	No of customers customers	Gross amount Th\$	No of customers customers	Gross amount Th\$	No of customers customers	Gross amount Th\$
To date	15,887	5,013,675	-	-	15,887	5,013,675
Between 1 and 30 days	967,254	60,842,256	259	18,872	967,513	60,861,128
Between 31 and 60 days	167,580	7,944,185	1,445	95,835	169,025	8,040,020
Between 61 and 90 days	54,706	2,886,976	2,611	148,599	57,317	3,035,575
Between 91 and 120 days	27,352	1,890,002	2,670	181,621	30,022	2,071,623
Between 121 and 150 days	14,741	1,346,084	2,791	215,541	17,532	1,561,625
Between 151 and 180 days	8,320	1,035,332	2,960	293,129	11,280	1,328,461
Between 181 and 210 days	6,786	1,158,755	3,080	365,983	9,866	1,524,738
Between 211 and 250 days	6,801	1,209,461	3,854	550,523	10,655	1,759,984
More than 251 days	88,167	14,526,746	34,015	17,859,301	122,182	32,386,047
Total	1,357,594	97,853,472	53,685	19,729,404	1,411,279	117,582,876



December 31, 2019						
Debtor tranche Commercial	Non-rescheduled portfolio		Rescheduled portfolio		Total gross portfolio	
	No of customers customers	Gross amount Th\$	No of customers customers	Gross amount Th\$	No of customers customers	Gross amount Th\$
To date	42,140	6,317,555	6	194	42,146	6,317,749
Between 1 and 30 days	1,228,100	79,432,080	215	9,354	1,228,315	79,441,434
Between 31 and 60 days	232,125	12,309,276	2,903	88,523	235,028	12,397,799
Between 61 and 90 days	49,118	3,811,927	8,542	280,687	57,660	4,092,614
Between 91 and 120 days	17,071	2,181,312	5,692	244,503	22,763	2,425,815
Between 121 and 150 days	8,848	961,131	4,822	294,859	13,670	1,255,990
Between 151 and 180 days	5,486	1,515,934	3,737	296,042	9,223	1,811,976
Between 181 and 210 days	3,831	1,158,152	2,947	275,195	6,778	1,433,347
Between 211 and 250 days	2,739	885,437	2,583	278,550	5,322	1,163,987
More than 251 days	23,116	12,928,208	38,098	21,388,120	61,214	34,316,328
Total	1,612,574	121,501,012	69,545	23,156,027	1,682,119	144,657,039

As of December 31, 2020 and 2019, the analysis of protested and judicially collected documents receivable of the non-securitized portfolio is as follows:

Portfolio protested and in judicial collection	NON-SECURITIZED PORTFOLIO			
	Non-rescheduled portfolio 31-12-2020		Non-rescheduled portfolio 31-12-2019	
	No of	Portfolio amount	No of	Portfolio amount
	Customers	Th\$	Customers	Th\$
Protested documents receivables	5	2,567	12	19,944
Documents receivable in judicial collection	5	273,705	5	306,728
Total	10	276,272	17	326,672

As of December 31, 2020 and 2019, the analysis of credit risk is as follows

December 31, 2020				
Provision			Period penalty	Recovery of the period
Non-rescheduled portfolio Th\$	Rescheduled portfolio Th\$	Total Provision Th\$		
(14,004,120)	(19,729,404)	(33,733,524)	12,561,710	

December 31, 2019				
Provision			Period penalty	Recovery of the period
Non-rescheduled portfolio Th\$	Rescheduled portfolio Th\$	Total Provision Th\$		
(9,119,918)	(23,156,027)	(32,275,945)	6,483,023	-



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.

Tax ID related company	Related company name	Nature of relationship	Nature of transactions with related parties	Terms	Guarantees	31-12-2020 Th\$	31-12-2019 Th\$
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the Controller	Laboratory analysis and sampling services	30 days	Without guarantees	3,820	6,141
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	Laboratory analysis and sampling services	30 days	Without guarantees	1,741	-
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the Controller	Laboratory analysis and sampling services	30 days	Without guarantees	-	86
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the Controller	Sales of materials	30 days	Without guarantees	237	18,681
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Office lease	30 days	Without guarantees	-	416
76.746.454-1	Suez Biofactoria Andina Spa.	Related to the Controller	La Farfana Biofactory Insurance	30 days	Without guarantees	977,058	-
Total						982,856	25,324



Accounts payable to related entities

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

Tax ID related company	Related company name	Nature of relationship	Nature of transactions with related parties	Terms	Garantías	30-09-2020 Th\$	31-12-2019 Th\$
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CCO 2.0 Operative Control Center Update Project	30 days	Contract performance guaranty Amount UF 30,899	60,094	586,835
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	SCADA platform	30 days	Without guarantees	-	5,979
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	San Antonio Arsenic Plant	30 days	Contract performance guaranty Amount UF 24,264	-	249,326
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	Chamisero Plant	30 days	Contract performance guaranty Amount UF 66,809.74	-	350,000
76.746.454-1	Suez Biofactoria Andina Spa.	Related to the controller	Biofactory adaptation plan for La Farfana treatment plant	30 days	Contract performance guaranty Amount UF 1,048,050	5,013,608	4,564,482
76.746.454-1	Suez Biofactoria Andina Spa.	Related to the controller	Nitrogen removal and adaptation plan to biofactory of Mapocho-Trebal treatment plant	30 days	Contract performance guaranty Amount UF 1,048,050	10,985,877	10,575,060
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the controller	Consulting	30 days	Without guarantees	507,241	270,081
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Purchase of materials	60 days	Contract performance guaranty Amount Th\$279,298	6,902	36,268
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Virtual platform	30 days	Without guarantees	53,602	81,579
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Specialized customer service	30 days	Without guarantees	205,213	701,861
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	Contract performance bond for Th\$ 845,149	42,208	141,217
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Rehabilitation of Digesters Sewage Plant Mapocho - Trebal	90 days	Contract performance bond for UF357,863	729,635	787,428
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Operation services Biogas Plant	30 days	Without guarantees	30,990	59,739
No tax ID	Aqua Development Network S.A.	Related to the controller	Integrated talent management contract	30 days	Without guarantees	-	28,197
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Payable dividends	30 days	Without guarantees	-	22,262,210
96.817.230-1	EPSA Electrica Puntilla S.A.	Common director	Electric power purchase	30 days	Without guarantees	-	11,552
96.817.230-1	EPSA Electrica Puntilla S.A.	Common director	Water purchase	30 days	Without guarantees	33,594	226,250
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common director	Water purchase	30 days	Without guarantees	77,066	92,640
Total						17,746,030	41,030,704



Transactions with related entities

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

Tax ID related company	Related company name	Nature of relationship	Country of origin	Nature of transactions with related parties	Currency	Th\$ 31-12-2020		Th\$ 31-12-2019	
						Amount	Effects on Result (Charge) / Credit	Amount	Effects on Result (Charge) / Credit
76.080.553-K	Suez Advanced Solutions Chile Ltda	Related to the controller	CL	Purchase of materials	CLP	581,525	(262,758)	902,543	(699,064)
76.080.553-K	Suez Advanced Solutions Chile Ltda	Related to the controller	CL	Sale of materials	CLP	7,687	6,459	181,944	152,894
76.080.553-K	Suez Advanced Solutions Chile Ltda	Related to the controller	CL	Siebel and Aguacis virtual platform maintenance, consulting and evolutionary maintenance, Aquacis licenses	CLP	2,998,246	(1,917,945)	983,147	(896,892)
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Digester Rehabilitation	CLP	1,869,749	-	1,402,394	-
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Operation and Maintenance Services Biogas Plant	CLP	198,553	(168,251)	225,970	(195,795)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	Project Update Operational Control Center CCO 2.0 and Tracer Gas Leak Detection	CLP	2,911,316	(1,040,805)	1,348,270	(271,050)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	Chamisero Plant Construction (Batuco Canal)	CLP	423,119	-	1,460,329	-
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	San Antonio Arsenic Plant Construction	CLP	2,658	-	680,571	-
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	Talagante Plant, Hydraulic efficiency plan, materials and services	CLP	-	-	1,413,783	-
No tax ID	Aqua Development Network S.A.	Related to the controller	CL	Talent Management Project	CLP	-	-	279,378	(279,378)
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Common director	CL	Purchase of water and electricity	CLP	3,291,168	(2,765,687)	1,786,978	(1,501,662)
76.746.454-1	Suez Biofactoría Andina spa.	Related to the controller	CL	Operation, maintenance and adequacy of the Biofactoria treatment plant.	CLP	56,848,374	(27,574,925)	54,324,345	(27,731,571)
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common director	CL	Purchase of water	CLP	1,309,734	(1,100,617)	328,671	(276,194)
65.113.732-2	Corporación Chilena de Investigación del Agua	Related to the controller	CL	Study on management models of resilient urban water infrastructure in relation to hydrological and geological risks, sludge valorization	CLP	802,005	(767,222)	744,753	(370,529)
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	CL	Paid dividends	CLP	54,728,445	-	66,561,303	-

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



Compensation to Directors and Directors' Committee

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

	31-12-2020 Th\$	31-12-2019 Th\$
Board of Directors	392,791	449,815
Directors Committee	69,517	52,295
Total	462,308	502,110

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

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, 2020 and 2019 is as follows:

Inventory classes	31-12-2020 Th\$	31-12-2019 Th\$
Merchandise	1,793,789	1,629,763
Supplies for production	2,016,963	1,871,849
Other inventories	439,361	437,964
Obsolescence estimation	(295,160)	(128,977)
Total	3,954,953	3,810,599

The cost of inventories recognized as an expense in the statement of income as of December 31, 2020 and 2019 amounts to Th\$13,052,441 and Th\$12,637,541, 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:

Obsolescence estimation movement	31-12-2020 Th\$	31-12-2019 Th\$
Beginning balance	(128,977)	(99,268)
Provision for price	(809)	(2,294)
Provision of obsolescence	(247,959)	(87,959)
Provision for damage	(46,392)	(38,724)
Reverse provision	128,977	99,268
Total	(295,160)	(128,977)



Note 8. CURRENT TAXES

The detail of current tax assets and liabilities for each year is as follows.

Current tax assets	31-12-2020	31-12-2019
	Th\$	Th\$
Monthly interim payments	41,688,200	10,162,442
Provision for income tax	(15,180,801)	(7,402,069)
Recoverable taxes	222,563	297,049
Credits	677,439	359,858
Others	(158,545)	(30,471)
Total	27,248,856	3,386,809

Current tax liabilities	31-12-2020	31-12-2019
	Th\$	Th\$
Monthly interim payments	(4,418,099)	(45,979,164)
Provision for income tax	5,348,631	48,204,377
Tax provision article 21 disallowed expenses	5,518	315,490
Recoverable taxes	-	-
Credits	(114,749)	(666,872)
Total	821,301	1,873,831

Note 9. NON-CURRENT ASSETS HELD FOR SALE

As of December 31, 2020, the Company classified land of Th\$3,836,023 as held for sale in accordance with IFRS 5. The Company has initiated a sale plan for land located in different districts of the Metropolitan Region. This transaction is expected to be completed within the next 12 months.

	Th\$
Book value of land	7,859,040
Adjustment for recognition at fair value	(4,023,017)
Total available-for-sale assets	3,836,023

Note 10. OTHER FINANCIAL ASSETS

10.1 Non-current

This corresponds mainly to the acquisition of shares in Sociedad Eléctrica Puntilla S.A. (EPSA), for Th\$7,895,863 and Th\$7,835,395 on December 31, 2020 and 2019 respectively (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 2019.

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\$7,355,177 and Th\$7,294,709 on December 31, 2020 and 2019, respectively.



Note 11. 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	31-12-2020 Th\$	31-12-2019 Th\$
Trademarks, gross	15.933	15.933
Computer programs, gross	52.752.143	52.879.096
Other intangible assets, gross	227.152.076	231.888.852
Intangible assets, gross	279.920.152	284.783.881
Computer programs, accumulated depreciation	(48.161.449)	(47.868.188)
Other intangible assets, accumulated amortization	(13.104.813)	(13.128.953)
Intangible assets, accumulated amortization	(61.266.262)	(60.997.141)
Trademarks, net	15.933	15.933
Computer programs, net	4.590.694	5.010.908
Other intangible assets, net	214.047.263	218.759.899
Intangible assets, net	218.653.890	223.786.740

* Corresponds to water rights, easements, and others.

Movements in intangible assets as of December 31, 2020

Movements in intangible assets	Trademarks, net	Computer programs, net	Other Intangible Assets, net	Total
	Th\$	Th\$	Th\$	Th\$
Initial balance	15,933	5,010,908	218,759,899	223,786,740
Amortization	-	(2,621,349)	(187,215)	(2,808,564)
Total amortization	-	(2,621,349)	(187,215)	(2,808,564)
Increases (decreases) by transfers	-	1,001,545	(18,833)	982,712
Increases (decreases) due to other changes	-	1,331,158	2,083,504	3,414,662
Total increases (decreases) due to transfers and other changes	-	2,332,703	2,064,671	4,397,374
Loss of subsidiary control	-	(131,568)	(6,584,760)	(6,716,328)
Disposals and withdrawals of service	-	-	(5,332)	(5,332)
Total held for sale and loss of control subsidiary	-	(131,568)	(6,590,092)	(6,721,660)
Changes, Total	-	(420,214)	(4,712,636)	(5,132,850)
Closing balance	15,933	4,590,694	214,047,263	218,653,890

Movements in intangible assets as of December 31, 2019

Movements in intangible assets	Trademarks, net	Computer programs, net	Other Intangible Assets, net	Total
	Th\$	Th\$	Th\$	Th\$
Initial balance	15,933	5,700,799	219,147,692	224,864,424
Amortization	-	(2,851,203)	(187,215)	(3,038,418)
Increases (decreases) by transfers	-	1,293,583	(133,582)	1,160,001
Increases (decreases) due to other changes	-	867,729	116,320	984,049
Disposals and withdrawals of service	-	-	(183,316)	(183,316)
Changes, Total	-	(689,891)	(387,793)	(1,077,684)
Closing balance	15,933	5,010,908	218,759,899	223,786,740



Detailed disclosure of intangible assets (gross value)

Current period: December 31, 2020

Movements in intangible assets	Trademarks, gross	Computer programs, gross	Other Intangible Assets, gross	Total
	Th\$	Th\$	Th\$	Th\$
Initial balance	15,933	52,879,096	231,888,852	284,783,881
Increases (decreases) by transfers	-	1,001,545	(18,833)	982,712
Increases (decreases) due to other changes	-	1,331,384	2,083,504	3,414,888
Total increases (decreases) due to transfers and other changes	-	2,332,929	2,064,671	4,397,600
Loss of subsidiary control	-	(2,459,882)	(6,796,115)	(9,255,997)
Disposals and withdrawals of service	-	-	(5,332)	(5,332)
Total held for sale and loss of control subsidiary	-	(2,459,882)	(6,801,447)	(9,261,329)
Changes, Total	-	(126,953)	(4,736,776)	(4,863,729)
Closing balance	15,933	52,752,143	227,152,076	279,920,152

Previous period: December 31, 2019

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

Detailed disclosure of intangible assets (accumulated amortization)

Current period: December 31, 2020

Movements in intangible assets	Trademarks, accumulated depreciation	Computer programs, accumulated depreciation	Other Intangible Assets, accumulated depreciation	Total
	Th\$	Th\$	Th\$	Th\$
Initial balance	-	(47,868,188)	(13,128,953)	(60,997,141)
Amortization	-	(2,621,349)	(187,215)	(2,808,564)
Total amortization	-	(2,621,349)	(187,215)	(2,808,564)
Increases (decreases) by transfers	-	-	-	-
Increases (decreases) due to other changes	-	(226)	-	(226)
Total increases (decreases) due to transfers and other changes	-	(226)	-	(226)
Loss of subsidiary control	-	2,328,314	211,355	2,539,669
Disposals and withdrawals of service	-	-	-	-
Total held for sale and loss of control subsidiary	-	2,328,314	211,355	2,539,669
Changes, Total	-	(293,261)	24,140	(269,121)
Closing balance	-	(48,161,449)	(13,104,813)	(61,266,262)



Previous period: December 31, 2019

Movements in intangible assets	Trademarks, accumulated depreciation	Computer programs, accumulated depreciation	Other Intangible Assets, accumulated depreciation	Total
	Th\$	Th\$	Th\$	Th\$
Initial balance	-	(45,016,985)	(12,941,738)	(57,958,723)
Amortization	-	(2,851,203)	(187,215)	(3,038,418)
Increases (decreases) by transfers	-	-	-	-
Increases (decreases) due to other changes	-	-	-	-
Disposals and withdrawals of service	-	-	-	-
Changes, Total	-	(2,851,203)	(187,215)	(3,038,418)
Closing balance	-	(47,868,188)	(13,128,953)	(60,997,141)

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	31-12-2020			31-12-2019		
	Water rights	Easement	Others	Water rights	Easement	Others
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Aguas Andinas S.A.	77,599,791	9,330,150	4,204,933	76,459,202	8,422,025	4,387,051
Aguas Cordillera S.A.	92,746,629	7,761,932	-	92,745,249	7,761,932	-
Aguas Manquehue S.A.	21,930,063	866,673	-	21,925,915	866,673	-
Essal S.A.	-	-	-	5,422,410	1,162,350	-
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	-	-
Consolidation Adjustments	(333,913)	(113,795)	-	(333,913)	(113,795)	-
Total	191,997,370	17,844,960	4,204,933	196,273,663	18,099,185	4,387,051

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 2021 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.	3,671,330
Aguas Cordillera S.A.	57,644
Aguas Manquehue S.A.	55,000
Ecoriles S.A.	-
Gestión y Servicios S.A.	-
Análisis Ambientales S.A.	-
Total	3,783,974



Note 12. GOODWILL

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, 2020 and 2019:

Tax ID	Company	31-12-2020 Th\$	31-12-2019 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
96.897.320-7	Inversiones Iberaguas Ltda.	-	2,066,631
Total		33,823,049	36,233,012



Note 13. PROPERTY, PLANT AND EQUIPMENT

The balances of property, plant and equipment as of December 31, 2020 and 2019 are as follows:

Property, plant and equipment	Gross values		Accumulated depreciation		Net values	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	356,816,248	155,968,467	-	-	356,816,248	155,968,467
Buildings	81,480,623	116,130,335	(21,620,741)	(37,621,456)	59,859,882	78,508,879
Subtotal land and buildings	438,296,871	272,098,802	(21,620,741)	(37,621,456)	416,676,130	234,477,346
Complementary works	43,100,018	46,084,005	(20,549,532)	(23,777,452)	22,550,486	22,306,553
Production facilities	391,852,278	354,410,675	(152,685,354)	(161,973,691)	239,166,924	192,436,984
Drinking water networks	501,526,504	542,162,844	(313,042,132)	(330,487,121)	188,484,372	211,675,723
Sewer networks	476,851,344	548,997,867	(264,028,086)	(298,268,788)	212,823,258	250,729,079
Wastewater treatment plants	216,800,904	236,840,131	(66,759,268)	(70,523,874)	150,041,636	166,316,257
Other facilities	158,236,557	168,257,935	(108,434,212)	(117,409,635)	49,802,345	50,848,300
Goods out of operation	1,862,554	1,861,200	(1,654,465)	(1,646,946)	208,089	214,254
Subtotal other properties, plant and equipment	1,790,230,159	1,898,614,657	(927,153,049)	(1,004,087,507)	863,077,110	894,527,150
Machinery	379,058,324	415,747,609	(269,692,323)	(288,474,760)	109,366,001	127,272,849
Transportation equipment	4,534,031	5,450,565	(4,123,639)	(4,566,416)	410,392	884,149
Appliances and accessories	6,117,046	6,328,520	(4,938,645)	(4,954,789)	1,178,401	1,373,731
Computer equipment	13,774,991	14,739,458	(12,837,846)	(13,120,492)	937,145	1,618,966
Leasehold rights improvements	759,124	821,872	(624,080)	(636,684)	135,044	185,188
Constructions in process	176,409,124	235,318,938	-	-	176,409,124	235,318,938
Total	2,809,179,670	2,849,120,421	(1,240,990,323)	(1,353,462,104)	1,568,189,347	1,495,658,317



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

	31-12-2020	Aguas Andinas S.A.	Aguas Cordillera S.A.	Aguas Manquehue S.A.	Others
Property, plant and equipment, net	Th\$	%	%	%	%
Land	356,816,248	73%	25%	2%	0%
Buildings	59,859,882	82%	9%	5%	3%
Machinery	109,366,001	82%	9%	7%	3%
Transportation equipment	410,392	99%	0%	0%	1%
Appliances and accessories	1,178,401	79%	3%	1%	17%
Computer equipment	937,145	96%	1%	0%	3%
Leasehold rights improvements	135,044	86%	0%	0%	14%
Constructions in process	176,409,124	85%	13%	1%	1%
Complementary works	22,550,486	87%	7%	6%	1%
Production facilities	239,166,924	75%	12%	13%	0%
Drinking water networks	188,484,372	80%	17%	3%	0%
Sewer networks	212,823,258	94%	2%	5%	0%
Wastewater treatment plants	150,041,636	99%	0%	0%	1%
Other facilities	49,802,345	81%	8%	9%	3%
Goods out of operation	208,089	28%	72%	0%	0%
Total	1,568,189,347	82%	13%	5%	1%



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

	Cost	Fair value
Assets classes	31-12-2020	31-12-2020
	Th\$	Th\$
Land	356,816,248	356,816,248
Buildings	59,859,882	79,408,212
Additional works	22,550,486	35,164,266
Production facilities	239,166,924	332,067,692
Drinking water networks	188,484,372	329,143,836
Sewer networks	212,823,258	316,800,317
Wastewater treatment plants	150,041,636	161,648,918
Other facilities	49,802,345	52,915,005
Machinery and equipment	109,366,001	110,344,437
Total	1,388,911,152	1,774,308,931

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, 2020 (net value)

Concept	Initial Balance	Increases (decreases) by transfers from constructions in process	Increases (decreases) due to other changes	Subtotal increases (decreases) for transfers and other changes	Depreciation	Held for sale	Loss of subsidiary control	Dispositions and withdrawals of service	Subtotal depreciation, held for sale, disposals and withdrawals	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	155,968,467	314	226,083,209	226,083,523	-	(7,859,040)	(17,177,304)	(199,398)	(25,235,742)	356,816,248
Buildings	78,508,879	3,231,589	1,021,382	4,252,971	(1,302,146)	-	(21,599,822)	-	(22,901,968)	59,859,882
Subtotal land and buildings	234,477,346	3,231,903	227,104,591	230,336,494	(1,302,146)	(7,859,040)	(38,777,126)	(199,398)	(48,137,710)	416,676,130
Complementary works	22,306,553	3,963,805	595,008	4,558,813	(1,363,074)	-	(2,951,717)	(89)	(4,314,880)	22,550,486
Production facilities	192,436,984	63,705,326	10,671,023	74,376,349	(6,749,070)	-	(20,897,339)	-	(27,646,409)	239,166,924
Drinking water networks	211,675,723	12,428,262	12,616,481	25,044,743	(6,825,057)	-	(41,411,037)	-	(48,236,094)	188,484,372
Sewer networks	250,729,079	5,132,666	7,755,419	12,888,085	(9,796,364)	-	(40,997,542)	-	(50,793,906)	212,823,258
Wastewater treatment plants	166,316,257	5,477,967	(3,088,910)	2,389,057	(4,734,528)	-	(13,929,150)	-	(18,663,678)	150,041,636
Other facilities	50,848,300	9,694,304	2,092,203	11,786,507	(7,974,041)	-	(4,858,421)	-	(12,832,462)	49,802,345
Goods out of operation	214,254	586	768	1,354	(7,519)	-	-	-	(7,519)	208,089
Subtotal other properties, plant and equipment	894,527,150	100,402,916	30,641,992	131,044,908	(37,449,653)	-	(125,045,206)	(89)	(162,494,948)	863,077,110
Machinery	127,272,849	20,702,334	1,916,509	22,618,843	(22,576,756)	-	(17,948,611)	(324)	(40,525,691)	109,366,001
Transportation equipment	884,149	(41,265)	34,730	(6,535)	(304,949)	-	(158,714)	(3,559)	(467,222)	410,392
Appliances and accessories	1,373,731	104,734	67,744	172,478	(210,987)	-	(156,821)	-	(367,808)	1,178,401
Computer equipment	1,618,966	784,249	(281,053)	503,196	(979,096)	-	(205,921)	-	(1,185,017)	937,145
Leasehold rights improvements	185,188	-	-	-	(50,144)	-	-	-	(50,144)	135,044
Constructions in process	235,318,938	(126,167,584)	95,551,624	(30,615,960)	-	-	(27,538,153)	(755,701)	(28,293,854)	176,409,124
Classes of properties, plant and equipment, net	1,495,658,317	(982,713)	355,036,137	354,053,424	(62,873,731)	(7,859,040)	(209,830,552)	(959,071)	(281,522,394)	1,568,189,347



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

Concept	Initial Balance	Depreciation	Increases (decreases) due to transfers from construction in process	Increases (decreases) due to other changes	Held for sale	Loss of subsidiary control	Dispositions and withdrawals of service	Total changes	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	159,536,229	-	125,330	(514,915)	-	-	(3,178,177)	(3,567,762)	155,968,467
Buildings	79,624,966	(5,536,059)	4,530,262	910,673	-	-	(1,020,963)	(1,116,087)	78,508,879
Machinery	115,993,853	(20,300,857)	21,567,698	10,024,991	-	-	(12,836)	11,278,996	127,272,849
Transportation equipment	958,353	(446,071)	511,654	(139,227)	-	-	(560)	(74,204)	884,149
Appliances and accessories	1,407,509	(188,349)	177,954	(23,185)	-	-	(198)	(33,778)	1,373,731
Computer equipment	2,460,174	(1,296,601)	461,212	(5,819)	-	-	-	(841,208)	1,618,966
Leasehold rights improvements	234,177	(63,930)	16,449	(1,508)	-	-	-	(48,989)	185,188
Constructions in process	226,774,354	-	(95,522,674)	104,423,444	-	-	(356,186)	8,544,584	235,318,938
Complementary works	21,892,366	(1,690,510)	2,752,384	(407,006)	-	-	(240,681)	414,187	22,306,553
Production facilities	173,754,928	(7,468,380)	24,683,747	1,495,801	-	-	(29,112)	18,682,056	192,436,984
Drinking water networks	192,291,391	(7,939,808)	15,636,037	11,717,685	-	-	(29,582)	19,384,332	211,675,723
Sewer networks	249,193,038	(13,021,001)	8,447,992	6,109,050	-	-	-	1,536,041	250,729,079
Wastewater treatment plants	168,050,123	(6,486,803)	5,697,365	(366,990)	-	-	(577,438)	(1,733,866)	166,316,257
Other facilities	47,699,634	(7,458,500)	9,754,590	865,427	-	-	(12,851)	3,148,666	50,848,300
Goods out of operation	222,036	(7,782)	-	-	-	-	-	(7,782)	214,254
Classes of properties, plant and equipment, net	1,440,093,131	(71,904,651)	(1,160,000)	134,088,421	-	-	(5,458,584)	55,565,186	1,495,658,317



Detailed property, plant and equipment disclosures (gross value)

Current period: December 31, 2020

Concept	Initial Balance	Increases (decreases) by transfers from constructions in process	Increases (decreases) due to other changes	Subtotal increases (decreases) for transfers and other changes	Depreciation	Held for sale	Loss of subsidiary control	Dispositions and withdrawals of service	Subtotal depreciation, held for sale, disposals and withdrawals
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	155,968,467	314	226,083,209	226,083,523	(7,859,040)	(17,177,304)	(199,398)	(25,235,742)	356,816,248
Buildings	116,130,335	3,231,589	1,021,382	4,252,971	-	(38,849,693)	(52,990)	(38,902,683)	81,480,623
Subtotal land and buildings	272,098,802	3,231,903	227,104,591	230,336,494	(7,859,040)	(56,026,997)	(252,388)	(64,138,425)	438,296,871
Complementary works	46,084,005	3,963,805	594,985	4,558,790	-	(7,527,811)	(14,966)	(7,542,777)	43,100,018
Production facilities	354,410,675	63,705,326	10,670,512	74,375,838	-	(36,934,235)	-	(36,934,235)	391,852,278
Drinking water networks	542,162,844	12,428,262	12,616,481	25,044,743	-	(65,681,083)	-	(65,681,083)	501,526,504
Sewer networks	548,997,867	5,132,666	7,755,419	12,888,085	-	(85,034,608)	-	(85,034,608)	476,851,344
Wastewater treatment plants	236,840,131	5,477,967	(3,089,048)	2,388,919	-	(22,428,146)	-	(22,428,146)	216,800,904
Other facilities	168,257,935	9,694,304	2,092,714	11,787,018	-	(21,793,186)	(15,210)	(21,808,396)	158,236,557
Goods out of operation	1,861,200	586	768	1,354	-	-	-	-	1,862,554
Subtotal other properties, plant and equipment	1,898,614,657	100,402,916	30,641,831	131,044,747	-	(239,399,069)	(30,176)	(239,429,245)	1,790,230,159
Machinery	415,747,609	20,702,334	1,934,012	22,636,346	-	(59,232,755)	(92,876)	(59,325,631)	379,058,324
Transportation equipment	5,450,565	(41,265)	17,137	(24,128)	-	(680,981)	(211,425)	(892,406)	4,534,031
Appliances and accessories	6,328,520	104,734	67,767	172,501	-	(343,246)	(40,729)	(383,975)	6,117,046
Computer equipment	14,739,458	784,249	(281,053)	503,196	-	(1,453,492)	(14,171)	(1,467,663)	13,774,991
Leasehold rights improvements	821,872	-	-	-	-	-	(62,748)	(62,748)	759,124
Constructions in process	235,318,938	(126,167,584)	95,551,624	(30,615,960)	-	(27,538,153)	(755,701)	(28,293,854)	176,409,124
Classes of properties, plant and equipment, gross	2,849,120,421	(982,713)	355,035,909	354,053,196	(7,859,040)	(384,674,693)	(1,460,214)	(393,993,947)	2,809,179,670



Previous period: December 31, 2019

Concept	Initial balance	Increases (decreases) due to transfers from construction in process	Increases (decreases) due to other changes	Held for sale	Loss of subsidiary control	Dispositions and withdrawals of service	Total changes	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	159,536,229	125,330	(514,915)	-	-	(3,178,177)	(3,567,762)	155,968,467
Buildings	113,252,042	4,530,262	910,673	-	-	(2,562,642)	2,878,293	116,130,335
Machinery	384,958,947	21,567,698	10,025,675	-	-	(804,711)	30,788,662	415,747,609
Transportation equipment	5,102,427	511,654	(139,227)	-	-	(24,289)	348,138	5,450,565
Appliances and accessories	6,291,229	177,954	(23,185)	-	-	(117,478)	37,291	6,328,520
Computer equipment	14,284,065	461,212	(5,819)	-	-	-	455,393	14,739,458
Leasehold rights improvements	806,931	16,449	(1,508)	-	-	-	14,941	821,872
Constructions in process	226,774,354	(95,522,674)	104,423,444	-	-	(356,186)	8,544,584	235,318,938
Complementary works	44,316,092	2,752,384	(407,006)	-	-	(577,465)	1,767,913	46,084,005
Production facilities	328,291,901	24,683,747	1,495,117	-	-	(60,090)	26,118,774	354,410,675
Drinking water networks	514,892,514	15,636,037	11,717,685	-	-	(83,392)	27,270,330	542,162,844
Sewer networks	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)	-	-	(863,585)	4,466,790	236,840,131
Other facilities	158,049,182	9,754,590	865,427	-	-	(411,264)	10,208,753	168,257,935
Goods out of operation	1,868,637	-	-	-	-	(7,437)	(7,437)	1,861,200
Classes of properties, plant and equipment, gross	2,725,238,716	(1,160,000)	134,088,421	-	-	(9,046,716)	123,881,705	2,849,120,421



Detailed property, plant and equipment disclosures (accumulated depreciation)

Current period: December 31, 2020

Concept	Initial Balance	Increases (decreases) by transfers from constructions in process	Increases (decreases) due to other changes	Subtotal increases (decreases) for transfers and other changes	Depreciation	Held for sale	Loss of subsidiary control	Dispositions and withdrawals of service	Subtotal depreciation, held for sale, disposals and withdrawals
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	(37,621,456)	-	-	(1,302,146)	-	17,249,871	52,990	16,000,715	(21,620,741)
Subtotal buildings	(37,621,456)	-	-	(1,302,146)	-	17,249,871	52,990	16,000,715	(21,620,741)
Machinery	(23,777,452)	23	23	(1,363,074)	-	4,576,094	14,877	3,227,897	(20,549,532)
Transportation equipment	(161,973,691)	511	511	(6,749,070)	-	16,036,896	-	9,287,826	(152,685,354)
Appliances and accessories	(330,487,121)	-	-	(6,825,057)	-	24,270,046	-	17,444,989	(313,042,132)
Computer equipment	(298,268,788)	-	-	(9,796,364)	-	44,037,066	-	34,240,702	(264,028,086)
Leasehold rights improvements	(70,523,874)	138	138	(4,734,528)	-	8,498,996	-	3,764,468	(66,759,268)
Subtotal other properties, plant and equipment	(117,409,635)	(511)	(511)	(7,974,041)	-	16,934,765	15,210	8,975,934	(108,434,212)
Complementary works	(1,646,946)	-	-	(7,519)	-	-	-	(7,519)	(1,654,465)
Production facilities	(1,004,087,507)	161	161	(37,449,653)	-	114,353,863	30,087	76,934,297	(927,153,049)
Drinking water networks	(288,474,760)	(17,503)	(17,503)	(22,576,756)	-	41,284,144	92,552	18,799,940	(269,692,323)
Sewer networks	(4,566,416)	17,593	17,593	(304,949)	-	522,267	207,866	425,184	(4,123,639)
Wastewater treatment plants	(4,954,789)	(23)	(23)	(210,987)	-	186,425	40,729	16,167	(4,938,645)
Other facilities	(13,120,492)	-	-	(979,096)	-	1,247,571	14,171	282,646	(12,837,846)
Goods out of operation	(636,684)	-	-	(50,144)	-	-	62,748	12,604	(624,080)
Classes of properties, plant and equipment, accumulated depreciation	(1,353,462,104)	228	228	(62,873,731)	-	174,844,141	501,143	112,471,553	(1,240,990,323)



Previous period: December 31, 2019

Concept	Initial Balance	Depreciation	Increases (decreases) due to other changes	Held for sale	Loss of subsidiary control	Dispositions and withdrawals of service	Total changes	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	(33,627,076)	(5,536,059)	-	-	-	1,541,679	(3,994,380)	(37,621,456)
Machinery	(268,965,094)	(20,300,857)	(684)	-	-	791,875	(19,509,666)	(288,474,760)
Transportation equipment	(4,144,074)	(446,071)	-	-	-	23,729	(422,342)	(4,566,416)
Appliances 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)
Leasehold rights improvements	(572,754)	(63,930)	-	-	-	-	(63,930)	(636,684)
Complementary works	(22,423,726)	(1,690,510)	-	-	-	336,784	(1,353,726)	(23,777,452)
Production facilities	(154,536,973)	(7,468,380)	684	-	-	30,978	(7,436,718)	(161,973,691)
Drinking water networks	(322,601,123)	(7,939,808)	-	-	-	53,810	(7,885,998)	(330,487,121)
Sewer networks	(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)
Goods out of operation	(1,646,601)	(7,782)	-	-	-	7,437	(345)	(1,646,946)
Classes of properties, plant and equipment, accumulated depreciation	(1,285,145,585)	(71,904,651)	-	-	-	3,588,132	(68,316,519)	(1,353,462,104)



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.	124,853,091
Aguas Cordillera S.A.	23,733,156
Aguas Manquehue S.A.	4,519,765
Ecoriles S.A.	228,500
Gestión y Servicios S.A.	106,000
Análisis Ambientales S.A.	1,050,000
Total	154,490,512

Idle property, plant and equipment, temporarily as of December 31, 2020:

Company	Gross value	Accumulated depreciation	Net value
	Th\$	Th\$	Th\$
Aguas Andinas S.A.	1,588,222	(1,530,704)	57,518
Aguas Cordillera S.A.	274,332	(123,761)	150,571
Total	1,862,554	(1,654,465)	208,089

Restrictions on ownership of property, plant and equipment

As of December 31, 2020 and 2019, 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, 2020 and December 31, 2019, the lease contracts are recorded in the item "Usage rights assets" under IFRS 16 (see Note 13).

Impairment of assets

As of December 31, 2020, as a result of the change in the accounting policy with respect to the measurement of Property, plant and equipment, an impairment loss was generated in income for those lands whose book value decreased regarding to their revalued value (see Note 30). The detail by company is as follows:

Company	31-12-2020	31-12-2019
	Th\$	Th\$
Aguas Andinas S.A.	1,101,872	-
Aguas Cordillera S.A.	277,536	-
Aguas Manquehue S.A.	25,538	-
Total	1,404,946	-

As of December 31, 2020 and 2019, 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 items (v) and (vi) of letter e) of paragraph 73 and letter d) of paragraph 74 of IAS 16, for which there is no indication of impairment in accordance with IAS 36.



Revaluation of property, plant and equipment.

Land is initially recognized at acquisition cost and subsequently revalued using the revaluation method at fair value.

Appraisals of property, plant and equipment are made whenever there are significant variations in the variables that affect the determination of their fair values. Such frequent revaluations will be unnecessary for items of Property, plant and equipment with insignificant variations in their fair value. For these, revaluations made every three or five years may be sufficient.

The fair value of the land of property, plant and equipment was determined using the Market Comparison methodology, where a value is assigned to the land associated with the properties, based on a comparison with other properties of similar or comparable characteristics, according to objective criteria such as location, suitability, level of exposure, surface, morphology, topography, building conditions, indicated in the respective Municipal Regulatory Plans in force, among others.

The sources used correspond to transactions of the Real Estate Registry, in the cases where such information is available, and offers registered in written media or real estate portals.

The appraisal of this land was carried out under the principle of highest and best use of land, in accordance with IAS 16, IFRS 13 and the requirements of the regulatory authority. The services of Transsa Consultores Inmobiliarios were hired, who are specialized independent appraisers with more than 35 years of experience throughout Chile and appraising all types of assets. Additionally, financial advice was hired from Valtin Capital, who carried out an analysis of the real estate funds during the period from December 2019 to September 2020.

As indicated in note 2.2.E, a decision has been made to change the accounting policy of IAS 16 from the cost method to the continuous revaluation method. The revaluation increase in assets has been as follows:

Reconciliation of the carrying value for revaluation of land	Th\$
Carrying amount of land as of January 1, 2020	155,968,467
Increase from revaluation recognized due to a change in accounting policy	227,369,445
Other increases	119,024
Carrying value and fair value	383,456,936
Dispositions and withdrawal of services	(199,398)
Revaluation loss	(1,404,946)
Held for sale	(7,859,040)
Loss of subsidiary control	(17,177,304)
Carrying value and fair value of land as of December 31, 2020	356,816,248

Note 14. LEASE

The following is a detail of the usage rights asset and the lease liability in accordance with IFRS 16.

14.1 Usage right asset

The detail of usage rights assets as of December 31, 2020 and 2019, is as follows:

Usage rights assets	Gross values		Accumulated depreciation		Net values	
	31-12-2020 Th\$	31-12-2019 Th\$	31-12-2020 Th\$	31-12-2019 Th\$	31-12-2020 Th\$	31-12-2019 Th\$
Buildings	1,956,203	507,087	(154,124)	(139,222)	1,802,079	367,865
Transportation equipment	3,645,756	4,035,456	(1,707,557)	(984,320)	1,938,199	3,051,136
Total	5,601,959	4,542,543	(1,861,681)	(1,123,542)	3,740,278	3,419,001



Usage rights movements:

Current period

Usage rights assets	01-01-2020	Increases (decreases) due to other changes	Subtotal increases (decreases) for transfers and other changes	Depreciation	Dispositions and withdrawals of service	Decrease due to the loss of control of a subsidiary	Subtotal depreciation, disposals and withdrawals	31-12-2020
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	367,865	1,622,321	1,622,321	(188,085)	(22)	-	(188,107)	1,802,079
Transportation equipment	3,051,136	763,598	763,598	(1,264,428)	-	(612,107)	(1,876,535)	1,938,199
Total	3,419,001	2,385,919	2,385,919	(1,452,513)	(22)	(612,107)	(2,064,642)	3,740,278

Previous period

Usage rights assets	01-01-2019	Increases (decreases) due to other changes	Subtotal increases (decreases) for transfers and other changes	Depreciation	Dispositions and withdrawals of service	Subtotal depreciation, disposals and withdrawals	31-12-2019
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	-	537,521	537,521	(169,656)	-	(169,656)	367,865
Transportation equipment	-	4,190,774	4,190,774	(1,139,640)	2	(1,139,638)	3,051,136
Total	-	4,728,295	4,728,295	(1,309,296)	2	(1,309,294)	3,419,001

14.2 Lease liability

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

Lease liability	31-12-2020 Th\$	31-12-2019 Th\$
Up to 90 days	388,624	426,429
More than 90 days and no more than a year	1,024,801	1,070,104
Current total	1,413,425	1,496,533
More than one year and no more than two years	975,297	1,167,872
More than two years and no more than three years	455,073	647,193
More than three years and no more than four years	236,458	126,376
More than four years and no more than five years	199,015	642
More than five years	509,634	-
Non-current total	2,375,477	1,942,083
Total lease liability	3,788,902	3,438,616



14.3 Disclosures for operating leases as lessee

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

Minimum future payments of the non-cancelable lease, tenants	31-12-2020 Th\$		31-12-2019 Th\$	
	Renting	Real Estate	Renting	Real Estate
Minimum future payments of the non-cancelable lease, up to one year, lessee	1,119,331	294,084	1,336,706	158,290
Minimum future payments of non-cancelable lease, more than one year and less than five years, lessee	860,490	1,005,353	1,724,259	208,490
Non-cancelable minimum future lease payments, lessees, total	1,979,821	1,299,437	3,060,965	366,780
Minimum payments for lease under operating leases (*)	1,806,344	493,340	1,984,207	518,515
Total lease and sub-lease fees recognized in the income statement, total	1,806,344	493,340	1,984,207	518,515

(*) The interim consolidated income statement for the period ended December 31, 2020 and 2019 includes an expense of Th\$2,299,683 and 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).

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.

14.4 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 charges of non-cancellable, lessors	31-12-2020 Th\$	31-12-2019 Th\$
Future minimum non-cancellable lease charges of up to one year, lessors	328,659	320,062
Amount of contingent rents recognized in the income statement	727,637	706,478
Total	1,056,296	1,026,540

Significant operating lease agreements of the lessor

Income from these items is not material to the Company.



Note 15. 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.

States of financial situation	31-12-2020		31-12-2019	
	Deferred tax asset Th\$	Deferred tax liabilities Th\$	Deferred tax asset Th\$	Deferred tax liabilities Th\$
Deferred tax assets	112,540,491	134,389,706	97,942,806	102,010,071
Deferred tax liability	(109,236,001)	(109,236,001)	(68,414,298)	(68,414,298)
Net position of deferred taxes	3,304,490	25,153,705	29,528,508	33,595,773

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	31-12-2020 Th\$	31-12-2019 Th\$
Water rights (amortization)	547,204	527,787
Provision for uncollectible receivables	9,108,051	8,707,858
Holiday provision	895,076	789,794
Litigation	43,666	1,007,686
Compensation for years of services	4,944,186	4,774,058
Other provisions	12,013,833	1,785,803
Amortization	1,600,140	1,668,123
Variation monetary correction and depreciation assets	79,371,395	75,108,148
Deferred income	1,985,898	1,969,571
Transaction Tranque La Dehesa	409,726	399,561
Liability for leases	1,026,146	931,568
Impairment losses due to change in accounting criterion	379,335	-
Others	215,835	272,849
Deferred tax asset	112,540,491	97,942,806

Disclosure of deferred tax liabilities

Deferred tax liabilities	31-12-2020 Th\$	31-12-2019 Th\$
Depreciation of properties, plant and equipment	2,575,331	19,301,796
Amortization	1,196,267	1,078,051
Investment expense related companies	114,266	114,266
Revaluation of land due to change in accounting criterion	61,389,750	-
Revaluations of land first-time adoption of IFRS	22,484,085	24,279,526
Revaluations of water rights first time adoption of IFRS	45,611,780	46,829,517
Fair value of assets by business combination	-	9,339,856
Usage rights assets	1,013,137	926,392
Others	5,090	140,667
Deferred tax liabilities	134,389,706	102,010,071



Movements in deferred tax assets

Movements of deferred tax assets	31-12-2020 Th\$	31-12-2019 Th\$
Movements of deferred tax liabilities	97,942,806	89,838,528
Increases (decreases) in deferred tax assets	9,934,245	3,427,641
Increases (decreases) due to variation in monetary correction and depreciation assets	4,263,247	5,199,232
Increases (decreases) due to the provision of uncollectible debtors	400,193	(522,595)
Changes in deferred tax assets	14,597,685	8,104,278
Changes in total deferred tax assets	112,540,491	97,942,806

Movements in deferred tax liabilities

Movements of deferred tax liabilities	31-12-2020 Th\$	31-12-2019 Th\$
Deferred tax liabilities, initial balance	102,010,071	102,205,544
Increases (decreases) in deferred tax liabilities	41,719,491	1,004,130
Increases (decreases) in acquisitions through business combinations	(9,339,856)	(1,199,603)
Changes in deferred tax liabilities	32,379,635	(195,473)
Changes in total deferred tax liabilities	134,389,706	102,010,071

Income Tax Expenses

Income (expense) for income tax on current and deferred parts	31-12-2020 Th\$	31-12-2019 Th\$
Expenditure on current taxes	(35,061,977)	(54,490,117)
Tax expenditure adjustment previous year	(50,790)	(428,747)
Expenditure for current taxes on profits	(35,112,767)	(54,918,864)
Income (expenses) deferred by taxes related to the creation and reversal of temporary differences	8,289,251	5,912,787
Expenses for a single tax (expenses rejected)	(164,063)	(345,961)
Income (expenses) for other taxes	8,125,188	5,566,826
Income tax expense	(26,987,579)	(49,352,038)

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

	31-12-2020 Th\$	31-12-2019 Th\$
Expenses for taxes using the legal rate	(34,385,330)	(51,057,651)
Permanent difference for monetary correction tax assets	5,557,246	3,990,729
Permanent difference for rejected expenses	(164,063)	(1,544,166)
Permanent income tax difference from previous years	(50,790)	(579,640)
Other permanent differences	2,055,358	(161,310)
Adjustments to tax expense using the legal rate	7,397,751	1,705,613
Tax expense using the effective rate	(26,987,579)	(49,352,038)



Reconciliation of the statutory tax rate with the effective tax rate

	31-12-2020	31-12-2019
Legal tax rate	27.00%	27.00%
Permanent difference for monetary correction tax assets	(4.36%)	(2.11%)
Permanent difference for rejected expenses	0.13%	0.82%
Permanent difference for income tax from previous years	0.04%	0.31%
Other permanent differences	(1.62%)	0.08%
Effective tax rate	21.19%	26.10%

Note 16. FINANCIAL INSTRUMENTS

16.1 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 15.4, and equity attributable to the parent company's equity holders, which includes capital, reserves and retained earnings which are disclosed in Note 20.

16.2 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.



16.3 Class of financial instruments

The following is a summary of the financial instruments as of December 31, 2020 and 2019:

Types of financial instruments	Currency	Note	31-12-2020	31-12-2019
			Th\$	Th\$
Trade debtors and other accounts receivable	CLP		87,476,311	115,919,449
Trade debtors and other accounts receivable	USD		4,570	9,230
Trade debtors and other accounts receivable	EUR		1,800	8,819
Total commercial debtors and other accounts receivable, current			87,482,681	115,937,498
Accounts receivable to related entities	CLP		982,856	25,324
Information on related entities, current			982,856	25,324
Total financial assets, current			88,465,537	115,962,822
Non-current financial assets				
Rights receivable	CLP		4,178,613	4,251,661
Other financial assets	CLP		7,895,863	7,852,912
Total financial assets, non-current			12,074,476	12,104,573
Total financial assets			100,540,013	128,067,395
Current financial liabilities				
Bank Loans	CLP		31,994,420	13,876,507
Bonds	CLP		18,566,508	16,320,558
Reimbursable financial contributions	CLP		20,182,473	6,188,750
Forward	CLP		320,893	-
Other financial liabilities, current			71,064,294	36,385,815
Lease liability	CLP		1,413,425	1,496,533
Lease liability, current			1,413,425	1,496,533
Trade accounts and other payable accounts	CLP		97,975,344	131,416,429
Trade accounts and other payable accounts	USD		652,557	758,814
Trade accounts and other payable accounts	EUR		130,233	276,608
Commercial accounts and other payable accounts, current			98,758,134	132,451,851
Accounts payable to related entities	CLP		17,739,128	41,030,704
Accounts payable to related entities	EUR		6,902	-
Information on related entities, current			17,746,030	41,030,704
Total financial liabilities, current			188,981,883	211,364,903
Financial liabilities non-current				
Bank loans	CLP		161,167,381	101,352,095
Bonds	CLP		665,413,008	715,030,769
Reimbursable financial contributions	CLP		172,149,573	186,572,529
Other financial liabilities, non-current			998,729,962	1,002,955,393
Lease liability	CLP		2,375,477	1,942,083
Lease liability, non-current			2,375,477	1,942,083
Other accounts payable	CLP		1,452,311	1,159,317
Other accounts payable, non-current			1,452,311	1,159,317
Total financial liabilities, non-current			1,002,557,750	1,006,056,793
Total financial liabilities			1,191,539,633	1,217,421,696



16.4 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, 2020 and 2019 is as follows:

Reimbursable Financial Contributions, current portion

Registration No. or identification of the instrument	Currency rate adjustment	Residual UF	Book value		Contract real interest rate	Effective rate	Placement in Chile or abroad	Issuing company	Issuer Tax Identification Number	Type of repayment	Guaranteed (Yes/No)
			31-12-2020	31-12-2019							
		31-12-2020	Th\$	Th\$							
AFR	UF	527,765	15,589,908	5,098,343	3.44%	3.30%	Chile	Aguas Andinas S.A.	61.808.000-5	Upon expiration	No
AFR	UF	83,853	2,474,212	1,090,407	3.25%	3.10%	Chile	Aguas Cordillera S.A.	96.809.310-k	Upon expiration	No
AFR	UF	71,679	2,118,353	-	3.29%	3.13%	Chile	Aguas Manquehue S.A.	89.221.000-4	Upon expiration	No
Total		683,297	20,182,473	6,188,750							

Reimbursable Financial Contributions, non-current portion

Registration No. or identification of the instrument	Currency rate adjustment	Residual UF	Book value		Expiration Date	Contract real interest rate	Effective rate	Issuing company	Issuer Tax Identification Number	Type of repayment	Guaranteed(Yes/No)
			31-12-2020	31-12-2019							
		31-12-2020	Th\$	Th\$							
AFR	UF	4,493,098	131,559,802	134,047,347	17-12-2035	3.00%	2.87%	Aguas Andinas S.A.	61.808.000-5	Upon expiration	No
AFR	UF	743,186	21,777,961	22,352,583	17-12-2035	3.00%	2.88%	Aguas Cordillera S.A.	96.809.310-k	Upon expiration	No
AFR	UF	641,857	18,811,810	19,488,860	15-07-2035	3.07%	2.97%	Aguas Manquehue S.A.	89.221.000-4	Upon expiration	No
AFR	UF	-	-	10,683,739	-	-	-	Essal S.A	96.579.800-5	Upon expiration	No
Total		5,878,141	172,149,573	186,572,529							



The detail of bank loans as of December 31, 2020 and 2019 is as follows:

Bank loan balances, current period

Tax ID debit 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	96.809.310-K	
Debtor entity name	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 Cordillera S.A.	
Country of the debtor company	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	
RUT creditor entity	97.004.000-5	97.006.000-6	97.004.000-5	97.006.000-6	97.004.000-5	97.006.000-6	97.006.000-6	97.032.000-8	
Creditor entity name	Banco de Chile	Banco BCI	Banco de Chile	Banco BICE	Banco BCI	Banco Itau	Banco BTG Pactual	Banco BBVA	
Currency or reset unit	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	
Amortization rate	Biannual	Upon Expiration	Biannual	Upon Expiration	Biannual	Upon Expiration	Upon Expiration	Upon Expiration	
Effective rate	0.61%	0.59%	2.10%	2.39%	4.25%	2.18%	2.16%	0.61%	
Nominal rate	0.61%	0.59%	1.90%	1.85%	4.24%	1.72%	2.16%	0.61%	
	Loans	Loans	Loans	Loans	Loans	Loans	Loans	Loans	
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Until a year	8,861,253	30,950	140,389	96,611	22,733,215	46,655	251,904	42,361	32,203,338
Up to 90 days	-	30,950	140,389	96,611	22,733,215	46,655	251,904	42,361	23,342,085
More than 90 days up to a year	8,861,253	-	-	-	-	-	-	-	8,861,253
More than 1 year up to 3 years	17,699,562	19,270,304	-	16,000,000	-	10,500,000	32,800,000	20,000,000	116,269,866
More than 1 year up to 2 years	8,849,781	19,270,304	-	8,000,000	-	-	-	-	36,120,085
More than 2 years up to 3 years	8,849,781	-	-	8,000,000	-	10,500,000	32,800,000	20,000,000	80,149,781
More than 3 years up to 5 years	13,274,672	-	28,000,000	4,000,000	-	-	-	-	45,274,672
More than 3 years up to 4 years	8,849,781	-	28,000,000	4,000,000	-	-	-	-	40,849,781
More than 4 years up to 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
More than 5 years	-	-	-	-	-	-	-	-	-
More than 5 years	-	-	-	-	-	-	-	-	-
Total nominal amounts	39,835,487	19,301,254	28,140,389	20,096,611	22,733,215	10,546,655	33,051,904	20,042,361	193,747,876
Accounting values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Current bank loans	8,861,253	30,950	93,973	22,280	22,692,054	(355)	251,904	42,361	31,994,420
Up to 90 days	-	30,950	93,973	22,280	22,692,054	(355)	251,904	42,361	23,133,167
More than 90 days up to a year	8,861,253	-	-	-	-	-	-	-	8,861,253
Non-current bank loans	30,974,234	19,270,303	27,872,357	19,832,754	-	10,417,733	32,800,000	20,000,000	161,167,381
More than 1 year up to 3 years	17,699,562	19,270,303	-	15,832,754	-	10,417,733	32,800,000	20,000,000	116,020,352
More than 1 year up to 2 years	8,849,781	19,270,303	-	7,832,754	-	-	-	-	35,952,838
More than 2 years up to 3 years	8,849,781	-	-	8,000,000	-	10,417,733	32,800,000	20,000,000	80,067,514
More than 3 years up to 5 years	13,274,672	-	27,872,357	4,000,000	-	-	-	-	45,147,029
More than 3 years up to 4 years	8,849,781	-	27,872,357	4,000,000	-	-	-	-	40,722,138
More than 4 years up to 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
More than 5 years	-	-	-	-	-	-	-	-	-
More than 5 years	-	-	-	-	-	-	-	-	-
Total bank loans	39,835,487	19,301,253	27,966,330	19,855,034	22,692,054	10,417,378	33,051,904	20,042,361	193,161,801

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.



Bank loan balances, previous period

Tax ID debit 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	
Debtor entity name	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 creditor 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	
Creditor entity name	Banco de Chile	Banco BCI	Scotiabank	Banco de Chile	Banco BCI	Banco BCI	Scotiabank	Scotiabank	
Currency or reset unit	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	
Amortization rate	Biannual	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	
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\$
Until a 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 a 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
Accounting 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 a 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

As of December 31, 2020, 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, 2020 and 2019 is as follows:

Total liabilities to the public, current period

Tax ID debit 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	
Debtor entity name	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.	
Country of the debtor company	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	
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	
Expiration 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	
Currency or reset unit	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	
Amortization rate	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Biannual	Biannual	Biannual	Biannual	Biannual	
Effective rate	4.16%	3.83%	4.05%	3.92%	3.81%	3.50%	3.19%	3.14%	2.34%	3.32%	2.87%	1.97%	2.06%	
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%	
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Until a year	528,673	416,803	158,320	645,651	547,191	504,341	182,377	577,104	7,467,462	851,142	476,016	5,680,769	425,344	18,461,193
Up to 90 days	-	-	-	-	-	-	-	577,104	3,833,671	851,142	476,016	230,082	425,344	6,393,359
More than 90 days up to a year	528,673	416,803	158,320	645,651	547,191	504,341	182,377	-	3,633,791	-	-	5,450,687	-	12,067,834
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	10,901,374	-	-	21,802,748	-	32,704,122
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,267,583	-	-	10,901,374	-	18,168,957
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	3,633,791	-	-	10,901,374	-	14,535,165
More than 3 years	50,873,078	43,605,495	47,966,045	66,861,759	58,140,660	58,140,660	66,861,759	46,512,528	-	58,140,660	58,140,660	16,352,061	58,140,660	629,736,025
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	-	-	-	10,901,374	-	10,901,374
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	5,450,687	-	5,450,687
More than 5 years	50,873,078	43,605,495	47,966,045	66,861,759	58,140,660	58,140,660	66,861,759	46,512,528	-	58,140,660	58,140,660	-	58,140,660	613,383,964
Total nominal amounts	51,401,751	44,022,298	48,124,365	67,507,410	58,687,851	58,645,001	67,044,136	47,089,632	18,368,836	58,991,802	58,616,676	43,835,578	58,566,004	680,901,340
Accounting values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Obligations with the public	542,255	425,672	171,628	638,203	543,424	504,341	223,769	554,616	7,472,012	829,984	461,434	5,614,893	584,277	18,566,508
Up to 90 days	-	-	-	-	-	-	-	554,616	3,838,221	829,984	461,434	164,206	584,277	6,432,738
More than 90 days up to a year	542,255	425,672	171,628	638,203	543,424	504,341	223,769	-	3,633,791	-	-	5,450,687	-	12,133,770
Obligations with the non-current public	51,028,766	43,738,950	48,163,447	66,740,023	58,068,432	58,140,660	67,699,404	45,667,877	10,909,752	57,184,267	57,552,511	38,048,041	62,470,878	665,413,008
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	10,909,752	-	-	21,749,364	-	32,659,116
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,271,771	-	-	10,874,682	-	18,146,453
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	3,637,981	-	-	10,874,682	-	14,512,663
More than 3 years	51,028,766	43,738,950	48,163,447	66,740,023	58,068,432	58,140,660	67,699,404	45,667,877	-	57,184,267	57,552,511	16,298,677	62,470,878	632,753,892
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	-	-	-	10,874,682	-	10,874,682
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	5,423,995	-	5,423,995
More than 5 years	51,028,766	43,738,950	48,163,447	66,740,023	58,068,432	58,140,660	67,699,404	45,667,877	-	57,184,267	57,552,511	-	62,470,878	616,455,215
Total obligations with the public	51,571,021	44,164,622	48,335,075	67,378,226	58,611,856	58,645,001	67,923,173	46,222,493	18,381,764	58,014,251	58,013,945	43,662,934	63,055,155	683,979,515



Total liabilities to the public, previous period

RUT debit 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
Debtor entity name	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
Expiration 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	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	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\$
Until a 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
Up to 90 days	-	-	-	-	-	-	-	562,009	3,809,748	824,299	463,565	224,064	414,218	-	163,997
More than 90 days up to a year	514,845	405,901	154,179	628,762	532,878	491,149	177,606	-	3,538,743	-	-	-	-	3,415,277	-
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	14,154,970	-	-	15,924,342	-	6,495,446	-
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,077,485	-	-	5,308,114	-	3,247,723	-
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	7,077,485	-	-	10,616,228	-	3,247,723	-
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
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	3,538,743	-	-	10,616,228	-	3,247,723	-
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	10,616,228	-	3,247,723	-
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
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
Accounting values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Obligations with the 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
Up to 90 days	-	-	-	-	-	-	-	524,372	3,819,953	786,205	443,450	157,987	570,241	3,340,132	163,997
More than 90 days up to a year	527,872	414,438	168,619	621,600	529,251	491,149	222,549	-	3,538,743	-	-	-	-	-	-
Obligations with the non-current 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
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	14,163,174	-	-	15,856,419	-	6,397,710	-
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,081,587	-	-	5,274,153	-	3,198,855	-
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	7,081,587	-	-	10,582,266	-	3,198,855	-
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
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	3,542,844	-	-	10,582,266	-	3,198,855	-
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	10,582,266	-	3,198,855	-
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
Total obligations with 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



Reconciliation of other financial liabilities and lease liability:

The following is a reconciliation between the opening and closing balances of other financial liabilities as of December 31, 2020 and 2019:

Current period:

Other financial liabilities and lease liability, current	Initial balance 01-01-2020	Additions	Payments	Transfers	Decrease due to the loss of control of a subsidiary	Closing balance 31-12-2020
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Bank loans	13,876,507	52,000,000	(30,000,013)	5,185,529	(9,067,603)	31,994,420
Bonuses	16,320,558	-	-	5,750,079	(3,504,129)	18,566,508
Reimbursable financial contributions	6,188,750	-	-	13,993,723		20,182,473
Forward	-	320,893				320,893
Total other financial liabilities	36,385,815	52,320,893	(30,000,013)	24,929,331	(12,571,732)	71,064,294
Lease liabilities	1,496,533	506,535	(1,427,137)	1,074,897	(237,403)	1,413,425
Total lease liabilities	1,496,533	506,535	(1,427,137)	1,074,897	(237,403)	1,413,425
Total	37,882,348	52,827,428	(31,427,150)	26,004,228	(12,809,135)	72,477,719

Other financial liabilities and lease liability, current	Initial balance 01-01-2020	Additions	Payments	Transfers	Decrease due to the loss of control of a subsidiary	Closing balance 31-12-2020
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Bank loans	101,352,095	91,300,000	(4,424,891)	(4,802,046)	(22,257,777)	161,167,381
Bonuses	715,030,769	-	(7,150,455)	11,982,858	(54,450,164)	665,413,008
Reimbursable financial contributions	186,572,529	17,143,444	(11,782,635)	(9,100,026)	(10,683,739)	172,149,573
Total financial liabilities	1,002,955,393	108,443,444	(23,357,981)	(1,919,214)	(87,391,680)	998,729,962
Lease liabilities	1,942,083	1,880,218	-	(1,074,552)	(372,272)	2,375,477
Total lease liabilities	1,942,083	1,880,218	-	(1,074,552)	(372,272)	2,375,477
Total	1,004,897,476	110,323,662	(23,357,981)	(2,993,766)	(87,763,952)	1,001,105,439

Previous period:

Other financial liabilities and lease liability, current	Initial balance 01-01-2019	Additions	Payments	Transfers	Closing balance 31-12-2019
	Th\$	Th\$	Th\$	Th\$	Th\$
Bank loans	3,503,647	134,183,291	(128,108,621)	4,298,190	13,876,507
Bonuses	15,037,330	7,807	(6,886)	1,282,307	16,320,558
Reimbursable financial contributions	15,422,339	27,233,301	(26,985,986)	(9,480,904)	6,188,750
Total financial liabilities	33,963,316	161,424,399	(155,101,493)	(3,900,407)	36,385,815
Lease liabilities	-	2,014,766	(1,308,049)	789,816	1,496,533
Total lease liabilities	-	2,014,766	(1,308,049)	789,816	1,496,533
Total	33,963,316	163,439,165	(156,409,542)	(3,110,591)	37,882,348



Other financial liabilities and lease liability, current	Initial balance 01-01-2019 Th\$	Additions Th\$	Payments Th\$	Transfers Th\$	Closing balance 31-12-2019 Th\$
Bank loans	92,519,209	22,257,778	-	(13,424,892)	101,352,095
Bonuses	646,960,110	56,686,306	(9,799,598)	21,183,951	715,030,769
Reimbursable financial contributions	173,033,860	-	-	13,538,669	186,572,529
Total financial liabilities	912,513,179	78,944,084	(9,799,598)	21,297,728	1,002,955,393
Lease liabilities	-	2,731,897	-	(789,814)	1,942,083
Total lease liabilities	-	2,731,897	-	(789,814)	1,942,083
Total	912,513,179	81,675,981	(9,799,598)	20,507,914	1,004,897,476

Forward

As of December 31, 2020, the Group presents the effect in the interim consolidated financial statements of the market valuation of forward derived instruments operations for exchange rate in dollars, by an amount of Th\$ 320,893.

16.5 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:

	31-12-2020	
	Amortized cost Th\$	Fair value Th\$
Cash Equivalents		
Term deposits, level 1	110,899,988	110,899,988
Mutual funds, level 1	60,905,513	60,905,513
Investments held at fair value	171,805,501	171,805,501
Other financial assets		
Bank debt, level 2	193,161,801	175,238,236
Bonuses, level 1	683,979,516	834,958,500
AFR, level 3	192,332,046	192,332,046
Financial liabilities maintained at amortized cost	1,069,473,363	1,202,528,782

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 market value of Forward derived instruments operations in foreign currency, corresponds to the value resulting from applying current quotations on the valuation date at the maturity of the operation and applying a rate.
- 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 17. COMMERCIAL AND OTHER ACCOUNTS PAYABLE

The composition of commercial accounts payable and other current and non-current accounts payable as of December 31, 2020 and 2019, is as follows:

Commercial accounts and other accounts payable	Currency	31-12-2020 Th\$	31-12-2019 Th\$
Subcontractors	CLP	34,714,911	34,881,915
Dividends	CLP	131,299	22,294,725
Suppliers	CLP	19,495,020	40,958,556
Suppliers	USD	652,557	758,814
Suppliers	EUR	130,233	276,608
Accrued products and services	CLP	33,602,254	25,230,374
Personnel	CLP	5,110,683	3,863,611
Documents to pay	CLP	4,424,541	3,535,897
Others	CLP	496,636	651,351
Current subtotal		98,758,134	132,451,851
Notes payable	CLP	855,608	904,203
Suppliers	CLP	534,195	184,719
Various creditors	CLP	62,508	70,395
Non-current subtotal		1,452,311	1,159,317
Total current and non-current		100,210,445	133,611,168



Below is information regarding invoiced commercial accounts by due date:

17.1 Commercial accounts

Current period:

Commercial accounts per day according to deadline	31-12-2020			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	1,802,389	15,424,200	396	17,226,985
Between 31 and 60 days	24,047	772,674	-	796,721
Between 61 and 90 days	-	-	-	-
Between 91 and 120 days	-	-	-	-
Between 121 and 365 days	-	-	252,894	252,894
More than 365 days	-	-	-	-
Total	1,826,436	16,196,874	253,290	18,276,600

Commercial accounts expired according to term	30-09-2020			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	6,675	1,255,629	899	1,263,203
Between 31 and 60 days	-	466,364	-	466,364
Between 61 and 90 days	-	213,580	-	213,580
Between 91 and 120 days	143	9,964	-	10,107
Between 121 and 365 days	-	47,789	4	47,793
More than 365 days	48	(289)	404	163
Total	6,866	1,993,037	1,307	2,001,210

Previous period:

Commercial accounts per day according to deadline	31-12-2019			
	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
Between 121 and 365 days	-	-	-	-
More than 365 days	-	-	-	-
Total	9,102,876	28,623,345	192,310	37,918,531

Commercial accounts expired according to term	31-12-2019			
	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
Total	1,371,845	2,671,202	32,400	4,075,447



Note 18. OTHER PROVISIONS AND CONTINGENT LIABILITIES

A. Other Provisions

The breakdown of this item as of December 31, 2020 and 2019 is as follows:

Other provisions	31-12-2020			
	Provision for guarantees Th\$	Provisions for legal processes Th\$	Provision for onerous contracts Th\$	Total, Other provisions Th\$
Other provisions at the beginning of the period 01.01.2020	-	3,732,169	1,380,132	5,112,301
Changes in other provisions				
Additional provisions, other provisions				
New provisions	28,735,289	185,904	-	28,921,193
Increase in existing provisions	-	-	-	-
Total additional provisions	28,735,289	185,904	-	28,921,193
(-) Unused reverse provisions	-	(47,920)	-	(47,920)
Increase for adjustments arising from the passage of time	-	-	39,748	39,748
(-) Decrease due to the loss of control of a subsidiary	-	(3,708,428)	-	(3,708,428)
Total Increase (decrease)	-	(3,756,348)	39,748	(3,716,600)
Other current provisions	28,735,289	161,725	-	28,897,014
Other non-current provisions	-	-	1,419,880	1,419,880

Other provisions	31-12-2019			
	Provision for guarantees Th\$	Provisions for legal processes Th\$	Provision for onerous contracts Th\$	Total, Other provisions Th\$
Other provisions at the beginning of the periodo 01.01.2019	2,130,122	862,123	1,341,233	4,333,478
Changes in other provisions				
Additional provisions, other provisions				
New provisions	-	3,281,818	-	3,281,818
Increase in existing provisions	-	1,012,448	-	1,012,448
Total additional provisions	-	4,294,266	-	4,294,266
(-) Used provisions	-	(1,424,220)	-	(1,424,220)
(-) Unused reverse provisions	(2,130,122)	-	-	(2,130,122)
Increase for adjustments arising from the passage of time	-	-	38,899	38,899
Total Increase (decrease)	(2,130,122)	(1,424,220)	38,899	(3,515,443)
Other current provisions	-	3,732,169	-	3,732,169
Other non-current provisions	-	-	1,380,132	1,380,132

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 Superintendence 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 2020 amounts to UTA 4,764, 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 Superintendence 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 1000 UTM.

Labor Lawsuits: Aguas Andinas was directly or indirectly sued for labor claims, mainly for unjustified dismissals. Total claims amount to Th\$343,030. 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.- As a result of a potable water matrix break that affected the commune of Providencia in June 2016 and massive cuts in potable water supplies due to extreme turbidity in February and April 2017, the Company is in the process of being audited by the Superintendence of Sanitary Services. In the first case, it is pending that the Sanitary Authority resolves the reinstatement presented, while in the events of turbidity, the Company presented its disclaimers, which are pending resolution.
- 3.- On December 24, 2020, the approval of the settlement in the class action lawsuit between SERNAC, CONADECUS and Aguas Andinas S.A. in relation to the massive potable water cut-off of April 2016, February and April 2017 was presented before the Court of Appeals of Santiago and the 4th Civil Court of Santiago. For this settlement, criteria such as daily compensation per cut-off, the recognition of timely notice and the duration of the supply cut-off were considered, which, consequently, resulted in a compensation to customers amounting to Th\$9,925,042. The compensation plan will be made through rebates to the monthly accounts of customers within 30 days from the date on which the settlement is certified and approved by a final or enforceable judgment.

On March 25, 2020, a first instance ruling was issued in a class action lawsuit filed by SERNAC in relation to a massive water cut-off in April 2016, caused by extreme turbidity of the Maipo River. The judgment condemns the company and orders it to compensate the users allegedly affected by the aforementioned cut-off, a decision that is considered erroneous and disproportionate, since it includes in the compensation requests not requested in the lawsuit and, likewise, extends the scope of the judgment to users who were not really affected by that interruption. The case is pending before the Court of Appeals due to the appeals filed by the company.



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 19. EMPLOYEE BENEFITS

The Company, at consolidated level, has a staff of 1,729 employees, 84 of whom are managers and senior executives. The number of workers covered by collective agreements and individual employment contracts with special compensation clauses is 1,461 and 18, respectively. Meanwhile, 250 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 No. 1, 2 and 3. The agreement was signed on January 29, 2018 and is valid for three years.

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, Gestión y Servicios S.A. and EcoRiles S.A. were signed in January 2019, November 2018 and May 2020, 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.

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.: 921; Aguas Cordillera S.A.: 104 and Aguas Manquehue S.A.: 13.

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 2020 period for target workers is as follows: Aguas Andinas S.A.: 5.87%; Aguas Cordillera S.A.: 7.10%; Aguas Manquehue S.A. No disabilities or premature withdrawals have been considered due to the rarity of these events.

Discount rate: For the 2020 period, the rate of 3.34% was used for Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A. which corresponds to the risk-free rate, and the expected long-term inflation estimate.

Inflation rate: Long-term estimates for 2020 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 2020 are as follows Aguas Andinas S.A.: 1.7%; Aguas Cordillera S.A.: and Aguas Manquehue S.A.:. No salary increase rate.

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, 2020 and 2019, which include the movements of the provisions, are as follows:

Provisions for employee benefits	31-12-2020 Th\$	31-12-2019 Th\$
Movements actuarial provision		
Beginning balance	21,011,199	18,133,926
Cost of services	1,151,928	1,011,621
Cost for interest	777,770	808,752
(Gain) or actuarial losses	(387,032)	2,487,505
Benefits paid	(1,162,197)	(1,561,500)
Provision for termination benefits	168,904	130,894
Decrease for liabilities included in groups of assets for disposal classified as held for sale	(721,729)	-
Sub-total	20,838,843	21,011,198
Profit and bonds participation	4,426,787	4,941,519
Total	25,265,630	25,952,717



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

Provisions for employee benefits	31-12-2020 Th\$	31-12-2019 Th\$
Provisions for employee benefits, current	4,926,436	5,184,148
Provisions for employee benefits, not current	20,339,194	20,768,569
Total	25,265,630	25,952,717

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. 3,500 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 flow of payment Th\$	Year
Aguas Andinas S.A.	20	1,528,000	2021
Aguas Cordillera S.A.	-	-	2021
Aguas Manquehue S.A.	-	-	2021
Total	20	1,528,000	

Projected liabilities as of December 31, 2020

In order to calculate the projected liabilities of the indemnities at the actuarial value, as of December 2020, 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 cost Th\$
Aguas Andinas S.A.	986	1,090,466	573,208
Aguas Cordillera S.A.	107	143,033	45,122
Aguas Manquehue S.A.	13	3,051	15,482
Total	1,106	1,236,550	633,812



Sensitivity of assumptions

On the basis of the actuarial calculation as of December 31, 2020, the main assumptions were made and the following impacts were determined:

Discount Rate	Base	More than 0.5% Th\$	Less than 0.5% Th\$
Aguas Andinas S.A.	3.34%	(741,449)	801,460
Aguas Cordillera S.A.	3.34%	(58,134)	61,592
Aguas Manquehue S.A.	3.34%	(18,149)	19,271
Total		(817,732)	882,323

Turnover rate	Base	More than 0.5% Th\$	Less than 0.5% Th\$
Aguas Andinas S.A.	5.87%	(854,455)	816,360
Aguas Cordillera S.A.	7.10%	(64,062)	67,569
Aguas Manquehue S.A.	0.00%	(18,658)	-
Total		(937,175)	883,929

Salary increase rate	Base	More than 0.5% Th\$	Less than 0.5% Th\$
Aguas Andinas S.A.	1.70%	810,763	(756,524)
Aguas Cordillera S.A.	0.00%	63,385	-
Aguas Manquehue S.A.	0.00%	19,833	-
Total		893,981	(756,524)

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, 2020 and 2019, the amounts are Th\$4,426,787 and Th\$4,941,519, 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, 2020 and 2019 are as follows:

Personnel expenses	31-12-2020 Th\$	31-12-2019 Th\$
Wages and salaries	35,006,299	31,388,350
Defined benefits	16,186,687	15,232,136
Severance pay	2,512,976	2,543,207
Other personnel costs	1,339,757	1,475,172
Total	55,045,719	50,638,865



Note 20. OTHER NON-FINANCIAL LIABILITIES

The breakdown of this current and non-current item as of December 31, 2020 and 2019 is as follows:

Other non-financial liabilities	31-12-2020 Th\$	31-12-2019 Th\$
Value-Added Tax	8,642,402	10,224,688
Monthly Provisional Payments	4,531,526	4,805,725
Other taxes	3,326,008	367,582
Agreement for real estate developments	1,606,453	2,508,098
Works requested by third parties	2,299,566	2,076,573
Current totals	20,405,955	19,982,666
Asociación Sociedad de Canalistas del Maipo	7,355,177	7,294,709
Agreement for real estate developments	2,829,386	2,737,146
Total non-current	10,184,563	10,031,855

Note 21. 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, 2020, 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	31-12-2020	31-12-2019
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, 2020 and 2019 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 period ended December 31, 2020, the following dividend payment was agreed and made:

To distribute the amount of Th\$64,799,841,044, on account of 2020 profits, as an interim dividend. Due to the above, the Company's interim dividend number 70 will amount to \$10.59 per share and will be payable as of December 15, 2020. This dividend will be paid in two parts; the first part of Th\$61,771,783 was paid in December, while the second part of Th\$3,028,058 will be paid in January 2021.

In the period ended December 31, 2019, 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. Considering 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.

- **Minimum dividend provision**

In accordance with the policy described in note 2.2 letter J, the Company as of December 31, 2020 and 2019, 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, 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\$(282,544).

The total balances of accumulated profit as of December 31, 2020 and 2019 amount to Th\$364,961,863 and Th\$330,787,492, 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, 2020 and 2019 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, 2020 and 2019 amount to Th\$(5,965,550).

- **Other reserves.**

The amount recorded in other reserves corresponds to the surplus from the revaluation of property, plant and equipment land, produced on December 31, 2020, which generated an increase in value of Th\$ 162,095,537 as a result of the change in accounting criteria described in note 2.2.

Additionally, a share-based payment reserve is considered for an amount of Th\$144,265, explained in note 22.



Note 22. 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 31, 2020 and 2019 is as follows:

Company	% Interest		Non-controlling interest			
	31-12-2020	31-12-2019	Equity		Result	
	%	%	31-12-2020	31-12-2019	31-12-2020	31-12-2019
			Th\$	Th\$	Th\$	Th\$
Aguas Cordillera S.A.	0.00997%	0.00997%	25,565	20,467	1,706	2,133
Essal S.A. (1)	46.49350%	46.49350%	-	42,999,662	1,672,121	(1,988,949)
Total			25,565	43,020,129	1,673,827	(1,986,816)

(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. 2020 amount to Th\$5,048,004.

Note 23. SHARE-BASED PAYMENT RESERVE

Suez Groupe S.A.S. (France), the parent company of Aguas Andinas and subsidiaries, has offered the acquisition of shares of its own issue to employees of 25 subsidiaries in various parts of the world, under the terms detailed below:

In 2019, SUEZ launched a new global employee share plan, called Sharing. This share issuance program for Group employees around the world is part of the policy to increase employee involvement and strengthen the existing relationship between SUEZ and its employees, offering them the possibility of being more closely associated with the Group's growth and performance. The effects of the plans have been recorded in accordance with the IFRS 2 criteria described in the note on accounting policies letter P.

For the 2019 plan it was offered to the employees the following two formulas:

a) Sharing Classic: in this formula, the employee benefits from a complementary contribution of free shares, under the following conditions:

- Reference price minus 20% discount.
- Potential dividends.
- Complementary contribution in shares, up to 25 free shares.

b) Sharing Multiple: this formula assures the minimum investment and profitability, under the following conditions:

- Discount of 10%.
- Guaranteed capital with a minimum guaranteed return of 3% per annum (in euros).
- Potential dividends.

In 2019, 186 workers of Aguas Andinas and subsidiaries accessed the subscription of shares by an amount of Th\$196,380, in 2017 the subscription was for an amount of Th\$ 765,079, 692 workers participated.

Accordingly, in the consolidated financial statements as of December 31, 2020, the accrued expense as of December 31, 2020, for an amount of Th\$144,265 has been recognized, with a credit to share-based payment reserve, in accordance with IFRS 2.



Note 24. ORDINARY INCOME

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

Classes of ordinary income	31-12-2020 Th\$	31-12-2019 Th\$
Ordinary income		
Drinking water	195,787,729	193,820,931
Wastewater	219,123,955	229,778,955
Other regulated income	13,004,110	13,017,906
Non-regulated businesses	50,857,769	47,711,292
Total	478,773,563	484,329,084

The effectiveness of the reading of customer consumption has decreased due to the quarantines decreed in the municipalities of the Metropolitan Region, reaching an average of 77% between April and December. This implies that when it is not possible to take a reading of the customer's consumption, the minimum is applied between the average of the last six months of consumption read according to the current regulations of the Superintendence of Sanitary Services and the customer's consumption in the same month of the previous year. Additionally, customers have the option of reporting their consumption directly, which in these cases, replaces the previous estimates.

(*) As of December 31, 2020, the income of US\$10 million associated to the agreement for Alto Maipo project is included, due to that company exercised its extension option, as established in the contract signed between the parties.



Note 25. OTHER EXPENSES BY NATURE

The following is information on other expenses, by nature:

Other expenses by nature	31-12-2020 Th\$	31-12-2019 Th\$
Operation of treatment plants	(28,806,240)	(27,739,420)
Services	(30,026,541)	(12,520,109)
Maintenance and repairs of networks	(15,207,039)	(13,709,943)
Commercial services	(9,122,133)	(11,522,374)
Costs for work requested by third parties	(7,485,243)	(9,499,793)
Maintenance of enclosures and equipment	(8,520,321)	(8,091,012)
Operating leases	(6,276,254)	(5,186,692)
Removal of waste and sludge	(5,097,746)	(4,707,510)
Contributions, patents, insurance, and rights	(6,999,453)	(5,840,699)
General expenses	(5,584,302)	(6,733,200)
Others	(21,728,289)	(5,314,597)
Total	(144,853,561)	(110,865,349)

Note 26. 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:

Income and expenses other than the operation	31-12-2020	31-12-2019
	Th\$	Th\$
Gain (loss) on sale of non-current assets, not held for sale	(244,180)	17,716,886
Organizational restructuring program *	(4,039,963)	(2,148,722)
Losses on replacements of property, plant and equipment	(31,431)	(698,296)
Discarded projects and guarantee tickets **	610,076	(147,532)
Other gains (losses)	(261,794)	(441,414)
Other gains (losses)	(3,967,292)	14,280,922
Bank loans	(4,218,358)	(3,073,189)
Interest expenses, AFR	(5,699,795)	(5,741,546)
Interest expenses, Bonuses	(17,385,279)	(17,438,861)
Interest expenses, lease liability	(100,902)	(67,091)
Interest expenses, other	(721,993)	(355,709)
Expenses for hedging instruments	(23,663)	-
Amortization of complementary costs related to loan contracts	(22,403)	(75,813)
Financial costs	(28,172,393)	(26,752,209)
Interest income	3,229,033	3,130,366
Profit in the rescue and extinction of debt	640,916	1,217,805
Income from derivative instruments	(1,388)	875,144
Financial income	3,868,561	5,223,315

* 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 gains (losses) generated by the guarantees associated with projects that have not yet been approved and/or projects that have been discarded.



Note 27. EXCHANGE RATE DIFFERENCE EFFECT

The detail of exchange rate differences as of December 31, 2020 and 2019 is as follows:

Category	Currency	31-12-2020	31-12-2019
		Th\$	Th\$
Trade debtors and other accounts receivable	EUR	(17,703)	(13,590)
Trade debtors and other accounts receivable	USD	207	(24)
Total variation by assets		(17,496)	(13,614)
Commercial accounts payable and other accounts payable	EUR	(19,494)	(21,712)
Commercial accounts payable and other accounts payable	USD	(459,148)	(446,225)
Total variation for liabilities		(478,642)	(467,937)
Profit (loss) due to exchange difference		(496,138)	(481,551)

Note 28. INCOMES BY UNITS OF READJUSTMENT

The composition of the results by unit of readjustment for the periods ended on December 31, 2020 and 2019, is as follows:

Category	31-12-2020 Th\$	31-12-2019 Th\$
Accounts receivable from related entities	-	9,075
Current tax assets	(16,149)	692,668
Trade debtors and other accounts receivable	419,936	1,089,413
Total variation by assets	403,787	1,791,156
Other financial liabilities	(24,351,438)	(23,662,986)
Commercial accounts payable and other accounts payable	1,608,210	(689,829)
Accounts payable to related entities	(3,358)	(1,593)
Other non-financial liabilities	(481)	1,010,299
Total variation for liabilities	(22,747,066)	(23,344,109)
Loss per unit of readjustments	(22,343,279)	(21,552,953)



Note 29. DISCONTINUED OPERATIONS

On October 13, 2020, Aguas Andinas completed the sale of its direct and indirect participation (through Iberaguas Ltda.) in ESSAL to Eco Acquisitionco SpA, a company incorporated in Chile and controlled by the Canadian company Algonquin Power & Utilities Corp. As a result of this operation and in accordance with IFRS 5, the line "Discontinued operations" reflects the after-tax results of the sale of the subsidiaries Iberaguas Ltda. and ESSAL S.A. together with the accumulated results as of September 2020 (date on which had control) and December 2019 of these companies.

	31-12-2020 Th\$	31-12-2019 Th\$
Income before tax from discontinued operations	5,675,454	(2,659,518)
Income tax (expense) profit	(1,328,853)	(310,910)
Profit after tax from discontinued operations	4,346,601	(2,970,428)
Income before tax from the sale of subsidiaries	(14,738,596)	-
Income tax (expense) profit	22,063,438	-
Result after tax from the sale of subsidiaries	7,324,842	-
Profit (loss) from discontinued operations	11,671,443	(2,970,428)

The statements of income by nature of Iberaguas Ltda. and ESSAL (1) S.A. as of December 31, 2020 and 2019 are presented below:

STATEMENTS OF INCOME BY NATURE	31-12-2020 Th\$	31-12-2019 Th\$
Income from ordinary activities	47,298,245	60,354,783
Raw materials and consumables used	(7,256,365)	(8,629,245)
Employee benefit expenses	(7,824,215)	(9,132,596)
Depreciation and amortization expense	(8,925,878)	(12,301,192)
Other expenses, by nature	(14,719,326)	(27,909,494)
Other (losses) income	512,818	(48,745)
Profit (loss) from operating activities	9,085,279	2,333,511
Financial income	230,761	543,930
Financial costs	(2,528,959)	(3,560,808)
Results per readjustment unit	(1,111,627)	(1,976,151)
Income (loss) before taxes	5,675,454	(2,659,518)
Income tax (expense) profit	(1,328,853)	(310,910)
Profit (loss) from discontinued operations	4,346,601	(2,970,428)
Profit (loss) attributable to non-controlling interests of discontinued operations	1,672,121	(1,988,949)



The net cash flows incurred by Iberaguas Ltda. and ESSAL S.A. are as follows:

CASH FLOW STATEMENTS	31-12-2020 Th\$	31-12-2019 Th\$
Types of operating activity charges	51,809,575	68,859,656
Charges from the sale of goods and provision of services	49,895,883	68,092,921
Charges from premiums and benefits, annuities and other subscribed policy benefits	1,913,692	616,735
Other charges for operating activities	-	150,000
Types of cash payments from operating activities	(43,887,557)	(57,289,018)
Payments to suppliers for the supply of goods and services	(30,307,009)	(38,883,014)
Payments to and on behalf of employees	(9,875,638)	(9,745,724)
Other payments for operating activities	(3,704,910)	(8,660,280)
Cash flows from (used in) operations	(32,731)	(31,445)
Income taxes paid (reimbursed)	(32,731)	(31,445)
Cash flows from (used in) operating activities	7,889,287	11,539,193
Purchases of property, plant and equipment	(15,553,501)	(16,074,186)
Cash flows from (used in) investing activities	(15,553,501)	(16,074,186)
Amounts from long-term loans	554,583	1,179,916
Amounts from short-term loans	12,909,796	19,447,180
Amounts from loans, classified as financing activities	13,464,379	20,627,096
Loan repayments	(2,989,948)	(6,284,364)
Dividends paid	-	(10,819,546)
Cash flows from (used in) financing activities	10,474,431	3,523,186
Net increase (decrease) in cash and cash equivalents	2,810,217	(1,011,807)
Cash and cash equivalents at beginning of period	1,119,988	2,131,795
Cash and cash equivalents at end of period	3,930,205	1,119,988

(1) Includes third party participations for the allocation at market value of the assets and liabilities originated in the purchase of Inversiones Iberaguas Ltda. and ESSAL S.A., at the time of the business combination.

Note 30. 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 potable water together with the collection and treatment of wastewater. This segment includes Aguas Andinas S.A. and its subsidiaries Aguas Cordillera S.A. and Aguas Manquehue S.A.

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, equity and cash flows

General information about results	31-12-2020		31-12-2019	
	Water	Non-water	Water	Non-water
	Th\$	Th\$	Th\$	Th\$
Revenue from ordinary activities from external customers	450,436,685	28,336,878	455,752,043	28,577,041
Revenue from ordinary activities between segments	910,103	3,398,711	1,086,210	4,709,044
Total revenue from ordinary activities from external customers and transactions with other operating segments of the same entity	451,346,788	31,735,589	456,838,253	33,286,085
Raw materials and consumables used	(33,226,241)	(10,502,086)	(26,002,030)	(11,799,083)
Expenses for employee benefits	(46,111,746)	(9,194,593)	(42,371,116)	(8,402,037)
Operating expenses	(141,424,732)	(7,261,954)	(109,123,756)	(6,982,098)
Depreciation and amortization	(65,335,155)	(1,828,695)	(62,245,336)	(1,869,315)
Reversal of impairment losses	(1,404,946)	-	-	-
Other gains and expenses	(3,599,552)	(367,740)	14,565,857	(257,230)
Financial income	4,012,338	3,018	5,369,971	15,670
Financial costs	(28,121,037)	(198,182)	(26,713,300)	(203,216)
Result by units of adjustment and exchange difference	(22,871,070)	31,634	(21,680,760)	(353,731)
Gain (loss) before taxes	113,264,647	2,416,991	188,637,783	3,435,045
Income tax expense	(26,020,405)	(967,181)	(48,385,103)	(966,925)
Profit (loss) from discontinued operations	11,671,443	-	(2,970,428)	-
Segment gain	98,915,685	1,449,810	137,282,252	2,468,120
Segment gain attributable to owners of the parent	97,241,858	1,449,810	139,269,068	2,468,120
Gain (loss) of the segment attributable to non-controlling interests	1,673,827	-	(1,986,816)	-

General information on assets, liabilities and equity	31-12-2020		31.12.2019	
	Water	Non-water	Water	Non-water
	Th\$	Th\$	Th\$	Th\$
Current assets	301,682,738	17,521,603	189,359,896	17,693,519
Non-current assets	1,822,353,094	21,547,013	1,786,470,056	20,052,580
Total assets	2,124,035,832	39,068,616	1,975,829,952	37,746,099
Current liabilities	249,034,074	13,332,476	238,639,411	14,295,689
Non-current liabilities	1,058,441,216	1,547,876	1,071,480,597	1,686,891
Total assets	1,307,475,290	14,880,352	1,310,120,008	15,982,580
Equity attributable to the owners of the parent	816,534,977	24,188,264	622,689,815	21,763,519
Non-controlling interests	25,565	-	43,020,129	-
Total equity	816,560,542	24,188,264	665,709,944	21,763,519
Total equity and liabilities	2,124,035,832	39,068,616	1,975,829,952	37,746,099



Statement of Cash Flow	31-12-2020		31-12-2019	
	Water	Non-water	Water	Non-water
	Th\$	Th\$	Th\$	Th\$
Cash flows from (used in) operating activities	180,852,268	4,441,013	221,980,894	978,575
Cash flows from (used in) investing activities	(76,282,770)	(993,800)	(111,932,613)	(698,750)
Cash flows from (used in) financing activities	(2,918,893)	(1,095,000)	(77,971,017)	737,000

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 potable 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 potable 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.

The current tariffs for the period 2015-2020 were approved by Decree No. 83 dated June 5, 2015, for Aguas Andinas S.A., of the Ministry of Economy, Development and Reconstruction and came into force on March 1, 2015 (published in the Official Gazette on September 3, 2015). The current tariffs for Aguas Cordillera S.A. for the same five-year period 2015-2020 were approved by Decree No. 152 dated October 19, 2015, and came into effect on June 30, 2015 (published in the Official Gazette on November 25, 2015) and the current tariffs for Aguas Manquehue S.A. 2015-2020 were approved by Decree No. 139 dated September 16, 2015, and came into effect on May 19, 2015 (published in the Official Gazette on November 25, 2015).

As of December 31, 2020, the new tariff decrees for Aguas Andinas, Aguas Cordillera and Aguas Manquehue, for the period 2020-2025, are in the process of being published, following the respective agreements with the Superintendence of Sanitary Services.



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 potable 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, 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	31-12-2020	31-12-2019
	Th\$	Th\$
Revenue from the ordinary activities of the segments	483,082,377	490,124,338
Elimination of ordinary activities between segments	(4,308,814)	(5,795,254)
Ordinary activities income	478,773,563	484,329,084

Profit reconciliation	31-12-2020	31-12-2019
	Th\$	Th\$
Consolidation total segment profit (loss)	98,691,668	141,737,188
Consolidation of elimination of gain (loss) between segments	1,673,827	(1,986,816)
Profit (loss) consolidation	100,365,495	139,750,372



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.

Reconciliation of the assets, liabilities and equity of the segments	31-12-2020	31.12.2019
	Th\$	Th\$
Asset reconciliation		
Consolidation of total assets of the segments	2,163,104,448	2,013,576,051
Elimination of accounts between segments	(18,667,960)	(12,131,749)
Total assets	2,144,436,488	2,001,444,302
Reconciliation of liabilities		
Consolidation of total liabilities of the segments	1,322,355,642	1,326,102,588
Elimination of accounts between segments	(18,667,961)	(12,131,749)
Total liabilities	1,303,687,681	1,313,970,839
Reconciliation of patrimony		
Consolidation of the total assets of the segments	840,723,242	644,453,334
Equity attributable to owners of the controller	840,723,242	644,453,334

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 cash flows of the segments	31-12-2020	31-12-2019
	Th\$	Th\$
Consolidation of the operating flows of the segments	185,293,280	222,959,469
Elimination of corporate headquarter accounts with segments		
Elimination of accounts between segments		(2,200,000)
Total operating flows	185,293,280	220,759,469

Reconciliation of investing flows of the segments	31-12-2020	31-12-2019
	Th\$	Th\$
Consolidation of investing flows of the segments	(77,276,570)	(112,631,363)
Elimination of corporate headquarter accounts with segments		
Elimination of accounts between segments	(1,095,000)	2,937,001
Total investing flows	(78,371,570)	(109,694,362)

Reconciliation of financing flows of the segments	31-12-2020	31-12-2019
	Th\$	Th\$
Consolidation of financing flows of the segments	(4,013,893)	(77,234,016)
Elimination of corporate headquarter accounts with segments		
Elimination of accounts between segments	(24,989)	(1,748,807)
Total financing flows	(4,038,882)	(78,982,823)

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 potable water.
- Sewage collection and wastewater treatment.

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

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 31. 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		31-12-2020	31-12-2019
Profit attributable to holders of equity instruments in the net equity of the controlling company	Th\$	98,691,668	141,737,188
Results available for common shareholders, basic	Th\$	98,691,668	141,737,188
Weighted average number of shares, basic		6,118,965,160	6,118,965,160
Earnings per share	\$	16.129	23.164

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 32. 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, 2020

31-12-2020 Subsidiaries	Current assets Th\$	Non- current assets Th\$	Current liabilities Th\$	Current liabilities Th\$	Equity Th\$
Aguas Cordillera S.A.	14,164,001	358,800,642	52,557,958	63,989,171	256,417,514
Aguas Manquehue S.A.	5,660,146	98,536,028	17,975,680	27,715,600	58,504,894
EcoRiles S.A.	7,691,327	842,044	2,726,102	39,421	5,767,848
Gestión y Servicios S.A.	4,986,928	2,734,194	3,300,483	1,067,776	3,352,863
Análisis Ambientales S.A.	3,789,679	5,782,463	1,570,420	436,408	7,565,314
Aguas del Maipo S.A.	1,308,730	12,188,311	5,990,531	4,272	7,502,238

Summary financial information of subsidiaries (Statement of Comprehensive Income) as of December 31, 2020

31-12-2020 Subsidiaries	Income for the period Th\$	Ordinary revenues Th\$	Operating costs Th\$	Other net income (expenses) Th\$	Discontinued operations Th\$
Aguas Cordillera S.A.	17,105,385	55,124,290	(36,454,036)	(1,564,869)	-
Aguas Manquehue S.A.	3,314,924	16,316,315	(10,761,326)	(2,240,065)	-
Inversiones Iberaguas Ltda.	2,730,979	-	-	-	2,730,979
ESSAL S.A.	5,361,039	-	-	-	5,361,039
EcoRiles S.A.	2,018,827	16,282,874	(13,390,610)	(873,437)	-
Gestión y Servicios S.A.	120,654	8,917,094	(8,708,217)	(88,223)	-
Análisis Ambientales S.A.	1,058,153	9,616,567	(8,015,058)	(543,356)	-
Aguas del Maipo S.A.	(994,535)	339,931	(1,341,031)	6,565	-



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

31-12-2019	Current assets	Non- current assets	Current liabilities	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

31-12-2019	Income for the period	Ordinary revenues	Operating costs	Other net income (expenses)	Discontinued operations
Subsidiaries	Th\$	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	(8,680,557)	(3,026,023)	-
Inversiones Iberaguas Ltda.	(567,316)	-	-	-	(567,316)
ESSAL S.A.	(1,034,535)	-	-	-	(1,034,535)
EcoRiles S.A.	1,841,713	14,432,857	(11,908,959)	(682,185)	-
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)	-



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.
Country	Chile	Chile
Functional currency	Chilean pesos	Chilean pesos
Percentage of participation in a significant subsidiary	99.99003%	100.00000%
Percentage of voting power in a significant subsidiary	99.99003%	100.00000%
Percentage of consolidated values as of December 31, 2020		
Contribution margin	11.15%	3.32%
Properties, plant and equipment	12.53%	4.73%
Period's result	14.02%	3.45%

Note 33. 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.

December 31, 2020 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 31, 2020, due to a change in accounting policy regarding to the measurement of Property, plant and equipment. An impairment loss was generated in income, for those lands whose book value decreased regarding to their revalued value. This resulted in an impairment loss amounting to Th\$ 1,404,946. For further information see note 12.



Except as mentioned in the preceding paragraph, as of December 31, 2020 and 2019, no other type of impairment in assets has been recorded, nor are there any indications of impairment.

COVID-19: the company shows no signs of impairment, since the company provides basic services under a concession regime, and therefore the Group has not had a significant impact on its financial statements as a result of the COVID-19 pandemic.



Note 34. GUARANTEES AND RESTRICTIONS

a) Direct guarantees

Policies and performance bonds have been granted to different institutions, the main ones being the Superintendence 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\$41,393,103 and Th\$51,663,831 as of December 31, 2020 and December 31, 2019, respectively.

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

Assurance creditor	Debtor Name	Type of assurance	31-12-2020	31-12-2019
			Th\$	Th\$
Asociacion de Canalistas Del Maipo	A. Andinas S.A.	Performance Bond	8,298,964	8,059,241
Compañía General de Electricidad Distribución S.A.	A. Andinas S.A.	Performance Bond	-	53,349
Comité Innova Chile	A. Andinas S.A.	Performance Bond	240,000	216,096
Constructora San Francisco	A. Andinas S.A.	Performance Bond	145,352	141,550
Dirección General de Aeronáutica Civil	A. Andinas S.A.	Performance Bond	11,628	11,324
Dirección Obras Hidráulicas	A. Andinas S.A.	Performance Bond	430,804	4,647,118
Dirección Vialidad	A. Andinas S.A.	Performance Bond	-	33,066
Ferrocarriles	A. Andinas S.A.	Performance Bond	43,605	84,930
Gobierno Regional Metropolitano	A. Andinas S.A.	Performance Bond	39,624	160,040
Municipalidad de Paine	A. Andinas S.A.	Performance Bond	-	19,837
Municipalidad de Providencia	A. Andinas S.A.	Performance Bond	88,723	58,092
Municipalidad de La Reina	A. Andinas S.A.	Performance Bond	72,676	70,775
Municipalidad de Santiago	A. Andinas S.A.	Performance Bond	27,035	26,328
Inmobiliaria Macul S.A.	A. Andinas S.A.	Performance Bond	-	28,310
Municipalidad La Florida	A. Andinas S.A.	Performance Bond	507,809	494,526
Municipalidad Peñalolen	A. Andinas S.A.	Performance Bond	47,205	45,971
Ministerio de Obras Publicas	A. Andinas S.A.	Performance Bond	380,206	-
Municipalidad de Vitacura	A. Andinas S.A.	Performance Bond	55,234	-
SERVIU Metropolitano	A. Andinas S.A.	Performance Bond	17,548,872	12,890,555
Superintendencia de Servicios Sanitarios	A. Andinas S.A.	Performance Bond	2,903,457	6,306,351
Sociedad Conc. Melipilla	A. Andinas S.A.	Performance Bond	-	33,972
Tesorería Municipal de La Florida	A. Andinas S.A.	Performance Bond	-	30,078
Asociacion de Canalistas Del Maipo	A. Cordillera S.A.	Performance Bond	1,003,785	977,529



Dirección Obras Hidráulicas	A. Cordillera S.A.	Performance Bond	-	421,309
Municipalidad de Las Condes	A. Cordillera S.A.	Performance Bond	171,000	171,000
Municipalidad de Lo Barnechea	A. Cordillera S.A.	Performance Bond	336,290	14,155
Municipalidad de Vitacura	A. Cordillera S.A.	Performance Bond	58,141	56,620
Ministerio de Obras Publicas	A. Cordillera S.A.	Performance Bond	432,625	-
SERVIU Metropolitano	A. Cordillera S.A.	Performance Bond	596,442	926,992
Superintendencia de Servicios Sanitarios	A. Cordillera S.A.	Performance Bond	34,884	1,263,812
Asociacion de Canalistas Del Maipo	A.Manquehue S.A.	Performance Bond	1,601,841	1,559,942
Municipalidad de Vitacura	A.Manquehue S.A.	Performance Bond	11,628	11,324
Superintendencia de Servicios Sanitarios	A.Manquehue S.A.	Performance Bond	986,996	1,016,214
SERVIU Metropolitano	A.Manquehue S.A.	Performance Bond	113,506	110,537
DIRECCION OBRAS HIDRAULICAS	Essal S.A	Performance Bond	-	1,922,988
SERVIU METROPOLITANO	Essal S.A	Performance Bond	-	140,202
BIENES NACIONALES	Essal S.A	Performance Bond	-	92,220
GOBIERNO REGIONAL DE LA REGION DE LOS RIOS	Essal S.A	Performance Bond	-	60,951
DIRECCION VIALIDAD	Essal S.A	Guarantee Policy	-	4,105,007
SUPERINTENDENCIA DE SERVICIOS SANITARIOS	Essal S.A	Performance Bond	-	42,465
EMPRESA DE LOS FERROCARRILES DEL ESTADO	Essal S.A	Performance Bond	-	18,692
Flesan S.A.	Gest. y Serv. S.A.	Performance Bond	-	29,095
SERVIU Metropolitano	Gest. y Serv. S.A.	Performance Bond	2,033,686	2,330,686
Aguas Antofagasta	Anam S.A.	Performance Bond	37,326	36,350
CMPC Pulp SpA	Anam S.A.	Performance Bond	11,105	16,533
Corporación Nacional del Cobre	Anam S.A.	Performance Bond	18,881	18,387
Dirección General del Territorio Marítimo y Marina Mercante de Chile	Anam S.A.	Performance Bond	115,226	115,226
Superintendencia del Medio Ambiente	Anam S.A.	Performance Bond	14,535	14,155
			38,419,091	48,883,900

The main restrictions of bonds and loans observed by the Company are presented below:

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. Series M, P, S, U, V, W, X, Z and AA Bonds:

Maintain, at the close of each quarter of the Financial Statements of the Issuer, a Debt Level not exceeding 1.5 times. Without prejudice to this, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the Indebtedness Level is calculated and the Consumer Price Index for December of 2009. However, the previous limit will be adjusted up to a maximum level of 2 times. For these purposes, the Indebtedness Level will be defined as the ratio between the Total Current Liability and the Total Net Equity. The Issuer's Required Liabilities will be defined as the sum of the Total Current Liabilities and Total Non-Current Liabilities. For the purposes of determining the index, the amount of all the guarantees, simple or solidary bonds, joint debt or other guarantees, personal or real, that the Issuer or its subsidiaries have granted to secure obligations are included in the Required Liability. of third parties, with the exception of: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to institutions public to ensure compliance with health legislation and the execution of works in public spaces. For these purposes, the Total Net 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 of the Issuer's consolidated financial statements.

Limit of Indebtedness Level adjustment as of December 31, 2020: 2 times, being 40.3% the accumulated inflation.
Level of indebtedness as of December 31, 2020: 1.55

2. Series AC, AD and AE Bonds:

Maintain, at the close of each quarter of the Financial Statements of the Issuer, a Debt Level not exceeding 1.5 times. Without prejudice to this, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the Indebtedness Level is calculated and the Consumer Price Index for December of 2009. For these purposes, the Indebtedness Level will be defined as the ratio between the Total Current Liability and the Total Net Equity. The Issuer's Required Liabilities will be defined as the sum of the Total Current Liabilities and Total Non-Current Liabilities less the account "Cash and cash equivalent" of its Financial Statements. For the purposes of determining the index, the amount of all the guarantees, simple or solidary bonds, joint debt or other guarantees, personal or real, that the Issuer or its subsidiaries have granted to secure obligations are included in the Required Liability. of third parties, with the exception of: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to institutions public to ensure compliance with health legislation and the execution of works in public spaces and the provision of technical advisory and inspection services for rural potable water projects. For these purposes, the Total Net 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 of the Issuer's consolidated financial statements.

Limit of Indebtedness Level adjustment as of December 31, 2020: 2.09 times, being 40.3% the accumulated inflation.
Indebtedness level as of December 31, 2020: 1.34



As of December 31, 2020, the tables for the determination of Indebtedness Levels are the following:

Level of indebtedness	31-12-2020	
	Th\$	
	Bonds M, P, Q, S, U, V, W, X, Z and AA	Bonds AC, AD and AE
Total current liabilities	244,032,589	244,032,589
Total non-current liabilities	1,059,655,092	1,059,655,092
Total liabilities IFRS	1,303,687,681	1,303,687,681
Cash and cash equivalents	-	174,945,586
Guarantees with third parties	529,774	529,774
Total liability required	1,304,217,455	1,129,271,869
Total assets	2,144,436,488	2,144,436,488
Total current liabilities	(244,032,589)	(244,032,589)
Total non-current liabilities	(1,059,655,092)	(1,059,655,092)
Total net equity	840,748,807	840,748,807
Level of indebtedness	1.55	1.34

Debt levels prior to the adjustment for the revaluation of property, plant and equipment as of December 31, 2020, were as follows:

Level of indebtedness prior to revaluation adjustment	31-12-2020	
	Th\$	
	Bonos M, P, Q, S, U, V, W, X, Z y AA	Bonos AC, AD y AE
Total current liabilities	244,032,589	244,032,589
Total non-current liabilities	1,039,687,120	1,039,687,120
Total liabilities IFRS	1,283,719,709	1,283,719,709
Cash and cash equivalents	-	174,945,586
Guarantees with third parties	529,774	529,774
Total liability required	1,284,249,483	1,109,303,897
Total assets	1,959,514,431	1,959,514,431
Total current liabilities	(244,032,589)	(244,032,589)
Total non-current liabilities	(1,039,687,120)	(1,039,687,120)
Total net equity	675,794,722	675,794,722
Level of indebtedness	1.90	1.64

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

The Company complies with all the requirements established in the bond contracts as of December 31, 2020 and 2019.

c) Restrictions on bank loans

i) Aguas Andinas S.A.

The Company has obligations and restrictions for obtaining loans from several national banks, within which the following financial conditions are established:

a) Restrictions on Banco BCI loans:

- A level of indebtedness not greater than one point five times, measured on the figures of its consolidated balance sheets. Notwithstanding the foregoing, the previous limit will be adjusted according to the quotient between the



Consumer Price Index for the month in which the level of indebtedness is calculated and the consumer price index for December of 2009. With the previous limit will be adjusted up to a maximum level of two times, for the period ended December 31, 2020, the variation of the limit of the level of indebtedness amounts to 2.0 times, with accumulated inflation 40.3%. For these purposes, the level of indebtedness will be defined as the ratio between current liabilities and total net equity. Liabilities are defined as the sum of Total Current Liabilities and Total Non-Current Liabilities in its consolidated financial statements. In determining the aforementioned ratio, Net Liabilities include the amount of all guarantees, simple or joint and several bonds, joint and several co-debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have granted to guarantee obligations of third parties, except for: (i) those granted by the Issuer or its subsidiaries to guarantee obligations of third parties: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiaries of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of advisory and technical inspection services for rural potable water projects. Finally, as of December 31, 2020, the level of indebtedness amounts to 1.55 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) 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.
- 4) Maintain a financial expense coverage ratio equal to or greater than 3 times, measured as EBITDA over Financial Expenses, on a consolidated basis. EBITDA will be understood as the result of the sum of the items of Income from Ordinary Activities, Other Income by Nature, Raw Materials and Consumables Used, Employee Benefits Expense and Other Expenses by Nature. As of December 31, 2020, the financial expense coverage is 8.35 times.

HEDGING OF FINANCIAL EXPENSES	WITHOUT REVALUATION 31-12-2020 Th\$	WITH REVALUATION 31-12-2020 Th\$
Income from ordinary activities	70,582,730	70,582,730
Raw materials and consumables used	(7,286,225)	(7,286,225)
Employee benefit expenses	(4,304,344)	(4,304,344)
Other expenses, by nature	(26,143,904)	(26,143,904)
EBITDA	(32,848,257)	(32,848,257)
Financial costs	(1,748,064)	(1,748,064)
Hedging of Financial Expenses	18.79	18.79

b) Restriction on Banco de Chile loans:

- 1) A level of indebtedness not greater than one point five times, measured on the figures of its consolidated balance sheets. Notwithstanding the foregoing, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the level of indebtedness is calculated and the consumer price index for December of 2009. With the previous limit will be adjusted up to a maximum level of two times, for the period ended December 31, 2020, the variation of the limit of the level of indebtedness amounts to 2.10 times, with accumulated inflation 40.3%. For these purposes, the level of indebtedness will be defined as the ratio between current liabilities and total net equity. Liabilities are defined as the sum of Total Current Liabilities and Total Non-Current Liabilities in its consolidated financial statements. In determining the aforementioned ratio, Net Liabilities include the amount of all guarantees, simple or joint and several bonds, joint and several co-debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have granted to guarantee obligations of third parties, except for: (i) those granted by the Issuer or its subsidiaries to guarantee obligations of third parties: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiaries of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of advisory and



technical inspection services for rural potable water projects. Finally, as of December 31, 2020, the level of indebtedness amounts to 1.34 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) 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.

c) Restrictions on Banco BICE and ITAÚ loans:

- 1) A level of indebtedness not greater than one point five times, measured on the figures of its consolidated balance sheets. Notwithstanding the foregoing, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the level of indebtedness is calculated and the consumer price index for December of 2009. With the previous limit will be adjusted up to a maximum level of two times, for the period ended December 31, 2020, the variation of the limit of the level of indebtedness amounts to 2.09 times, with accumulated inflation 40.3%. For these purposes, the level of indebtedness will be defined as the ratio between current liabilities and total net equity. Liabilities are defined as the sum of Total Current Liabilities and Total Non-Current Liabilities, less the account of Cash and Cash Equivalent of its consolidated financial statements. Finally, as of December 31, 2020, the level of indebtedness amounts to 1.34 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) 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.

Summary of banking restrictions

As of December 31, 2020, the tables for the determination of the Indebtedness Levels are as follows:

Level of indebtedness	31-12-2020		
	Th\$		
	Banco BCI	Banco de Chile	Banco BICE e ITAÚ
Total current liabilities	244,032,589	244,032,589	244,032,589
Total non-current liabilities	1,059,655,092	1,059,655,092	1,059,655,092
Total liabilities IFRS	1,303,687,681	1,303,687,681	1,303,687,681
Cash and cash equivalents	-	174,945,586	174,945,586
Guarantees with third parties	529,774	529,774	-
Total liability required	1,304,217,455	1,129,271,869	1,129,271,869
Total assets	2,144,436,488	2,144,436,488	2,144,436,488
Total current liabilities	(244,032,589)	(244,032,589)	(244,032,589)
Total non-current liabilities	(1,059,655,092)	(1,059,655,092)	(1,059,655,092)
Total net equity	840,748,807	840,748,807	840,748,807
Level of indebtedness	1.55	1.34	1.34



Debt levels prior to the adjustment for the revaluation of property, plant and equipment as of December 31, 2020, were as follows:

Level of indebtedness prior to revaluation adjustment	31-12-2020		
	Th\$		
	Banco BCI	Banco de Chile	Banco BICE e ITAÚ
Total current liabilities	244,032,589	244,032,589	244,032,589
Total non-current liabilities	1,039,687,120	1,039,687,120	1,039,687,120
Total liabilities IFRS	1,283,719,709	1,283,719,709	1,283,719,709
Cash and cash equivalents	-	174,945,586	174,945,586
Guarantees with third parties	529,774	529,774	-
Total liability required	1,284,249,483	1,109,303,897	1,109,303,897
Total assets	1,959,514,431	1,959,514,431	1,959,514,431
Total current liabilities	(244,032,589)	(244,032,589)	(244,032,589)
Total non-current liabilities	(1,039,687,120)	(1,039,687,120)	(1,039,687,120)
Total net equity	675,794,722	675,794,722	675,794,722
Level of indebtedness	1.90	1.64	1.64

The Company complies with all bank loan restrictions as of December 31, 2020 and 2019.

ii) Aguas Cordillera S.A.

The Company has obligations and restrictions for obtaining a loan contracted with Banco Scotiabank (formerly BBVA), within which, the restrictions associated with financial metrics are detailed below:

- 1) A level of indebtedness not greater than one point five times, measured on the figures of its consolidated balance sheets. Notwithstanding the foregoing, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the level of indebtedness is calculated and the consumer price index for December of 2009. With the previous limit will be adjusted up to a maximum level of two times, for the period ended December 31, 2020, the variation of the limit of the level of indebtedness amounts to 2.0 times, with accumulated inflation 40.3%. For these purposes, the level of indebtedness will be defined as the ratio between current liabilities and total net equity. Liabilities are defined as the sum of Total Current Liabilities and Total Non-Current Liabilities in its consolidated financial statements. In determining the aforementioned ratio, Net Liabilities include the amount of all guarantees, simple or joint and several bonds, joint and several co-debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have granted to guarantee obligations of third parties, except for: (i) those granted by the Issuer or its subsidiaries to guarantee obligations of third parties: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiaries of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of advisory and technical inspection services for rural potable water projects. Finally, as of December 31, 2020, the level of indebtedness amounts to 0.63 times. This ratio, prior to the adjustment for revaluation of property, plant and equipment, amounted to 0.70 times.



Level of indebtedness	31-12-2020 Th\$	
	Without revaluation	With revaluation
Total current liabilities	69,051,362	69,051,362
Total non-current liabilities	71,736,799	91,704,771
Total IFRS liabilities	140,788,161	160,756,133
Guarantees with third parties (*)	-	-
Total liabilities	140,788,161	160,756,133
Total assets	343,218,448	417,173,898
Total current liabilities	(69,051,362)	(69,051,362)
Total non-current liabilities	(71,736,799)	(91,704,771)
Total net equity	202,430,287	256,417,765
Level of indebtedness	0.70	0.63

- 2) Maintain a financial expense coverage ratio equal to or greater than 3 times, measured on the figures of its annual consolidated balance sheet, defined as the ratio between EBITDA and Financial Expenses. Ebitda shall be understood as the sum of the items Income from ordinary activities, Other income by nature, Raw materials and consumables used, Expenses for employee benefits and Expenses by nature.

HEDGING OF FINANCIAL EXPENSES	WITHOUT REVALUATION 31-12-2020 Th\$	WITH REVALUATION 31-12-2020 Th\$
Income from ordinary activities	70,582,730	70,582,730
Raw materials and consumables used	(7,286,225)	(7,286,225)
Employee benefit expenses	(4,304,344)	(4,304,344)
Other expenses, by nature	(26,143,904)	(26,143,904)
EBITDA	(32,848,257)	(32,848,257)
Financial costs	(1,748,064)	(1,748,064)
Hedging of Financial Expenses	18.79	18.79

The Company complies with all bank loan restrictions as of December 31, 2020 and 2019.



3) Guarantees obtained from third parties

As of December 31, 2020 and 2019, the Company has received documents in guarantee for Th\$65,336,000 and Th\$45,012,353, 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, 2020, is summarized below:

Company	Contractor or supplier	31-12-2020	Expiring Date
		Th\$	
1000	CONSTRUCTORA OLBERTZ LTDA.	117,771	28-05-2021
1000	INMOBILIARIA Y CONSTRUCTORA NUEVA PACÍFICO SUR LTDA.	244,544	16-07-2021
1000	I C M S.A.	234,593	24-08-2021
1000	TELEFONICA EMPRESAS CHILE S.A.	151,306	31-08-2021
1000	SOC. DE TERCERIZACION DE SERV. PROV	103,761	11-12-2021
1000	MONTECORVO INGENIERIA Y CONTRUCCION	117,115	06-08-2022
1000	EMPRESAS JORDAN S.A.	157,730	06-12-2022
1000	SUEZ MEDIOAMBIENTE CHILE S.A.	120,891	02-01-2024
1000	INMOBILIARIA VIVIENDAS 2000 SPA	116,281	04-01-2021
1000	EMP.DEPURADORA DE A.S. MAPOCHO EL TREBAL	15,082,968	30-01-2021
1000	EMP.CONST.MOLLER Y PEREZ-COTAPOS S.A.	133,287	09-02-2021
1000	C. DE PETROLEOS DE CHILE COPEC S.A.	488,813	06-03-2021
1000	CONSTRUCTORA CONCRETA S.A.	109,973	30-03-2021
1000	SUEZ ADVANCED SOLUTIONS CHILE LTDA.	789,085	30-03-2021
1000	INMOBILIARIA BBI S.A.	370,327	30-04-2021
1000	ENEL DISTRIBUCION CHILE S.A.	290,703	10-05-2021
1000	INMOBILIARIA Y CONSTRUCTORA NUEVA PACÍFICO SUR LTDA.	232,563	01-06-2021
1000	EMPRESA CONSTRUCTORA RICARDO	313,167	01-06-2021
1000	CONSORCIO NAC. DE DIST. Y LOG. S.A.	116,281	03-06-2021
1000	CONSTRUCTORA PEREZ Y GOMEZ LTDA.	105,700	29-06-2021
1000	AGBAR SOLUTIONS CHILE LTDA.	105,467	29-06-2021
1000	MARKETING RELACIONAL UPCOM LTDA.	232,563	30-06-2021
1000	COBRA MONTAJE SERVICIOS Y AGUA LTDA.	100,620	07-08-2021



1000	CONSORCIO BAPA GRAMATEC SPA	408,562	13-08-2021
1000	INMOBILIARIA MONTE ACONCAGUA S.A.	232,563	27-11-2021
1000	SERVICIO DE REHABILITACION INDUSTRIAL	108,554	30-11-2021
1000	CONSORCIO BAPA GRAMATEC SPA	191,818	30-11-2021
1000	EMPRESA CONSTRUCTORA COTA MIL LTDA.	116,281	01-12-2021
1000	A DENHAM Y CIA LTDA.	244,104	31-12-2021
1000	ARRIGONI INGENIERIA Y CONSTRUCCION S.A.	325,064	23-01-2022
1000	METLIFE CHILE SEGUROS DE VIDA S.A.	427,045	31-01-2022
1000	CONSORCIO NAC. DE DIST. Y LOG. S.A.	116,281	22-02-2022
1000	TERRA AUSTRALIS INVERSIONES INMOBILIARIA	232,563	28-02-2022
1000	AES GENER S.A.	290,703	01-04-2022
1000	TRANSPORTE CENTRO SUR-NORTE S.A.	158,695	05-05-2022
1000	SUEZ MEDIOAMBIENTE CHILE S.A.	897,973	30-05-2022
1000	CONSTRUCTORA PEREZ Y GOMEZ LTDA.	116,281	22-06-2022
1000	CONSTRUCTORA PEREZ Y GOMEZ LTDA.	116,281	22-06-2022
1000	ANIDA CONSULTORES S.A.	131,066	01-12-2022
1000	TELEFONICA EMPRESAS CHILE S.A.	143,578	30-12-2022
1000	CENTURYLINK CHILE S.A.	269,203	31-05-2023
1000	AUTORENTAS DEL PACIFICO SPA	103,490	31-07-2023
1000	INMOBILIARIA Y COMERCIAL QUILICURA LTDA.	406,985	14-10-2023
1000	AES GENER S.A.	988,391	01-02-2024
1000	MOTOROLA CHILE S.A.	804,085	01-12-2025
1000	CONSORCIO AQUAMBIENTE - EDAM	30,467,159	10-05-2028
1000	BRENNTAG CHILE LTDA.	114,463	05-04-2021
2000	INLAC S.A.	397,689	02-07-2021
2000	CONSTRUCTORA OLBERTZ LTDA.	132,732	31-10-2022
2000	CONSTRUCTORA VESPUCIO ORIENTE S.A.	303,058	31-01-2021
2000	CONSTRUCTORA VESPUCIO ORIENTE S.A.	178,695	28-02-2021
2000	CONSTRUCTORA VESPUCIO ORIENTE S.A.	145,352	30-06-2021
3100	INMOBILIARIA TERRAMERICA S.A.	181,021	30-05-2021
		58,585,244	



Note 35. CAPITALIZED FINANCING COSTS

The detail of capitalized financing costs as of December 31, 2020 and 2019 is as follows:

Disclosure of capitalized interest costs

Capitalized interest costs, property, plant and equipment		31-12-2020	31-12-2019
Rate of capitalization of capitalized interest costs, property, plant and equipment		6.33%	5.82%
Amount of capitalized interest costs, property, plant and equipment		4,676,809	3,880,277

Note 36. 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.

Name of the Project	31-12-2020	31-12-2019
	Th\$	Th\$
Expansion and Improvements WWTP Buin Maipo	479,094	2,528,543
Expansion and Improvements WWTP Canelo-Vertientes-La Obra	284,645	9,416
Expansion and Improvements WWTP El Monte	462,252	2,170,174
Expansion and Improvements WWTP Talagante	31,201	1,727,626
Expansion and Improvement of Other Localities	76,540	11,380
Improvement and renovation purification equipment and facilities	1,244,007	783,577
La Farfana Plant	7,172,473	4,248,396
Mapocho - Trebal Plant	14,942,814	13,338,645
External platform handling and disposal of sludges El Rital	74,920	10,889
Total	24,767,946	24,828,647

Aguas Manquehue S.A.

Name of the Project	31-12-2020	31-12-2019
	Th\$	Th\$
Improvement and renovation purification equipment and facilities	85,430	37,044
Total	85,430	37,044

Projected investment in the environment for 2020:

Company	Th\$
Aguas Andinas S.A.	25,905,574
Aguas Manquehue S.A.	39,000
Total	25,944,574

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 37. EVENTS OCCURRING AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

At 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 position as of December 31, 2020.

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