



Interim Consolidated Financial Statements

**For the fiscal years ended on
June 30, 2020 and 2019**

AGUAS ANDINAS S.A. AND SUBSIDIARIES





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INDEPENDENT AUDITOR'S REVIEW REPORT (Translation of the Report originally issued in Spanish)

Shareholders and Directors
Aguas Andinas S.A.

We have reviewed the accompanying interim consolidated financial statements of Aguas Andinas S.A. and Subsidiaries, which comprise: the interim consolidated statement of financial position as of June 30, 2020; the interim consolidated statements of comprehensive income for the six and three month periods ended June 30, 2020 and 2019; the interim consolidated statements of changes in equity and cash flows for the six month periods then ended, and; the corresponding notes to the interim consolidated financial statements.

Management's Responsibility for the interim consolidated financial statements

Management is responsible for the preparation and fair presentation of the interim consolidated financial statements in accordance with IAS 34, "*Interim Financial Reporting*" incorporated in the International Financial Reporting Standards (IFRS). This responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of the interim consolidated financial statements, in accordance with the applicable framework for the preparation and fair presentation of financial statements.

Auditor's Responsibility

Our responsibility is to conduct our reviews in accordance the Generally Accepted Auditing Standards in Chile applicable to reviews of interim financial statements. A review of interim financial statements consists principally of applying analytical procedures and making inquiries with the people responsible for financial and accounting matters. The scope is substantially more limited than an audit conducted in accordance with the Generally Accepted Auditing Standards in Chile, whose objective is expressing an opinion on the financial statements. Accordingly, we do not express such an opinion.

Conclusion

Based on our review, we are not aware of any material adjustment that should be applied to the interim consolidated financial statements, referred to in the first paragraph, in order to be in accordance with IAS 34. "*Interim Financial Information*", incorporated in the International Financial Reporting Standards (IFRS).



CONSOLIDATED FINANCIAL STATEMENTS AGUAS ANDINAS S.A. AND SUBSIDIARIES

This document includes:

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



Interim Consolidated Financial Position Statements
As of June 30, 2020 (unaudited) and December 31, 2019
(In thousand pesos - Th\$)

ASSETS	Note	06-30-2020 Th\$	12-31-2019 Th\$
CURRENT ASSETS	-	-	-
Cash and cash equivalent	4	167,557,116	72,062,758
Other financial assets	8	91,942	-
Other non-financial assets		3,096,381	2,453,658
Commercial debtors and other accounts receivable	5	113,411,775	115,937,498
Accounts receivable from related entities	6	17,092	25,324
Inventories	7	5,047,561	3,810,599
Tax assets		4,187,440	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		293,409,307	197,676,646
Non-current assets held for sale		80,974	-
TOTAL CURRENT ASSETS		293,490,281	197,676,646
NON-CURRENT ASSETS			-
Other financial assets	8	7,913,380	7,852,912
Other non-financial assets		2,840,318	3,037,505
Receivables	5	3,156,896	4,251,661
Intangible assets other than goodwill	9	223,366,545	223,786,740
Goodwill	10	36,233,012	36,233,012
Properties, plant and equipment	11	1,514,788,219	1,495,658,317
Usage rights assets	12	2,844,817	3,419,001
Deferred tax assets	13	32,532,370	29,528,508
TOTAL NON-CURRENT ASSETS	-	1,823,675,557	1,803,767,656
	-	-	-
TOTAL ASSETS	-	2,117,165,838	2,001,444,302

The accompanying notes 1 to 34 are an integral part of these interim consolidated financial statements.

Interim Consolidated Financial Position Statements
As of June 30, 2020 (unaudited) and December 31, 2019
(In thousand pesos - Th\$)

EQUITY AND LIABILITIES	Note	06-30-2020 Th\$	12-31-2019 Th\$
CURRENT LIABILITIES		-	-
Other financial liabilities		105,139,592	36,385,815
Lease liability		1,439,281	1,496,533
Trade debts and other accounts payable		85,938,749	132,451,851
Accounts payable from related entities		15,718,801	41,030,704
Other provisions	16	3,215,957	3,732,169
Tax liabilities		9,750,430	1,873,831
Provisions for employee benefits	17	2,869,388	5,184,148
Other non-financial liabilities		25,806,977	19,982,666
		-	-
TOTAL CURRENT LIABILITIES		249,879,175	242,137,717
NON-CURRENT LIABILITIES		-	-
Other financial liabilities		1,046,937,070	1,002,955,393
Lease liability		1,447,831	1,942,083
Other accounts payable		1,136,331	1,159,317
Other provisions	16	1,400,335	1,380,131
Deferred tax liabilities		33,627,978	33,595,773
Provisions for employee benefits	17	20,959,832	20,768,569
Other non-financial liabilities		10,148,171	10,031,855
TOTAL NON-CURRENT LIABILITIES		1,115,657,548	1,071,833,121
		-	-
TOTAL LIABILITIES		1,365,536,723	1,313,970,838
EQUITY		-	-
Issued capital		155,567,354	155,567,354
Accumulated earnings (losses)		393,116,036	330,787,493
Share premium		164,064,038	164,064,038
Other equity interests		(5,965,550)	(5,965,550)
Equity attributable to owners of the controller		706,781,878	644,453,335
Non-controlling interests		44,847,237	43,020,129
TOTAL EQUITY		751,629,115	687,473,464
		-	-
TOTAL EQUITY AND LIABILITIES		2,117,165,838	2,001,444,302

The accompanying notes 1 to 34 are an integral part of these interim consolidated financial statements.



Interim Consolidated Statements of Comprehensive Income by Nature
For the fiscal years ended June 30, 2020 and 2019 (unaudited)
(In thousand pesos - Th\$)

INCOME STATEMENT BY NATURE	Note	06-30-2020 Th\$	06-30-2019 Th\$	04-01-2020 06-30-2020 Th\$	04-01-2019 06-30-2019 Th\$
Revenues for regular activities		276,565,594	284,899,948	119,466,335	128,036,639
Used raw materials and expendables		(25,954,791)	(21,515,539)	(12,807,457)	(11,048,060)
Provisions for employee benefits		(31,170,394)	(29,898,860)	(16,430,125)	(15,538,404)
Expenses related to depreciation and amortization		(39,379,658)	(37,569,286)	(20,468,134)	(18,785,986)
Other expenses by nature		(68,660,553)	(62,503,139)	(35,512,797)	(31,698,149)
Other (losses) earnings		(866,405)	(1,249,139)	(991,217)	(1,171,081)
Earnings (losses) from operating activities		110,533,793	132,163,985	33,256,605	49,794,959
Financial income		2,406,420	2,823,807	1,068,448	1,480,346
Financial costs		(15,624,340)	(15,361,563)	(8,253,615)	(7,894,944)
Earnings (losses) exchange differences		77,907	(67,434)	118,705	(54,305)
Results of indexation adjustments		(12,527,431)	(10,542,931)	(3,139,924)	(10,571,801)
Earnings before taxes		84,866,349	109,015,864	23,050,219	32,754,255
Expenses for earning taxes		(20,709,205)	(26,816,196)	(5,537,801)	(6,200,972)
Earnings from continuous operations		64,157,144	82,199,668	17,512,418	26,553,283
Earnings		64,157,144	82,199,668	17,512,418	26,553,283
Earnings due to					
Earnings attributable to owners of the controller		62,328,543	80,610,197	16,188,957	26,040,935
Earnings (losses) attributable to non-controlling shares		1,828,601	1,589,471	1,323,461	512,348
Earnings		64,157,144	82,199,668	17,512,418	26,553,283
Earnings per share					
Earnings per basic shares in continuous operations (\$)		10.186	13.174	2.646	4.256
Earnings per basic shares (\$)		10.186	13.174	2.646	4.256

The accompanying notes 1 to 34 are an integral part of these interim consolidated financial statements.



Consolidated Statements of Comprehensive Income by Nature
For the fiscal years ended June 30, 2020 and 2019
(In thousand pesos - Th\$)

COMPREHENSIVE INCOME STATEMENT	Note	30-06-2020 Th\$	30-06-2019 Th\$	01-04-2020 30-06-2020 Th\$	01-04-2019 30-06-2019 Th\$
Earnings		64,157,144	82,199,668	17,512,418	26,553,283
TOTAL COMPREHENSIVE INCOME STATEMENT		64,157,144	82,199,668	17,512,418	26,553,283
Comprehensive income statement attributable to					
Comprehensive income statement attributable to the owners of the controller		62,328,543	80,610,197	16,188,957	26,040,935
Comprehensive income statement attributable to non-controlling shares		1,828,601	1,589,471	1,323,461	512,348
Total comprehensive income		64,157,144	82,199,668	17,512,418	26,553,283

The accompanying notes 1 to 34 are an integral part of these interim consolidated financial statements.



Consolidated Statements of Direct Cash Flows
For fiscal years ended June 30, 2020 and 2019 (unaudited)
(In thousand pesos – Th\$)

Direct cash flow statement	Note	06-30-2020 Th\$	12-31-2019 Th\$
Collections from the sales of assets and services		328,820,669	347,329,939
Collections from premiums and services, annuities and other liabilities arising from contracted policies		259,619	515,136
Other collections from operational activities		8,956,383	818,835
Types of payments in cash from operational activities		338,036,671	348,663,910
Payments to suppliers for goods and services		(109,154,688)	(100,280,477)
Payments to and on behalf of the employees		(36,646,485)	(34,519,906)
Payments of premiums and services, annuities and other liabilities arising from contracted policies		(1,877)	(2,040,215)
Other payments for operational activities		(29,649,384)	(29,179,571)
Cash flow from operational activities		(175,452,434)	(166,020,169)
Interests paid		(12,126,431)	(10,675,227)
Interest received		444,743	487,637
Taxes on earnings paid (reimbursed)		(16,569,983)	(23,177,822)
Other cash in-flow (out-flow)		(1,483,383)	(1,146,899)
Cash flow from (used in) operations		(29,735,054)	(34,512,311)
Cash flow from (used in) operational activities		132,849,183	148,131,430
Amounts from the sale of property, plant and equipment		225,777	349,393
Purchase of property, plant and equipment		(82,923,391)	(103,858,323)
Purchase of intangible assets		-	(10,450)
Other cash in-flow (out-flow)		-	(1,104,633)
Cash flow from (used in) investment activities		(82,697,614)	(104,624,013)
Amounts from long-term loans		7,207,831	68,178,608
Amounts from short-term loans		104,579,066	68,716,592
Amounts from loans, classified as financing activities		111,786,897	136,895,200
Loans refund		(22,016,466)	(64,166,519)
Paid dividends		(44,427,642)	(137,877,548)
Cash flows from (used in) financing activities		45,342,789	(65,148,867)
Net increase (decrease) in cash and cash equivalents		95,494,358	(21,641,450)
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	167,557,116	18,339,024

The accompanying notes 1 to 34 are an integral part of these interim consolidated financial statements.



Consolidated Statements of Changes in Net Equity
For the fiscal years ended June 30, 2020 and 2019 (unaudited)
(In thousand pesos - Th\$)

Status of equity changes	Note	Issued Capital Th\$	Share premiums Th\$	Other equity shares Th\$	Reserve for actuarial earnings or losses on defined benefit plans Th\$	Accumulated earnings (losses) Th\$	Equity attributable to the owners of the controlled Th\$	Non-controlling equity Th\$	Equity Total Th\$
Initial balance at 01-01-2020		155,567,354	164,064,038	(5,965,550)	-	330,787,493	644,453,335	43,020,129	687,473,464
Gain		-	-	-	-	62,328,543	62,328,543	1,828,601	64,157,144
Other comprehensive result		-	-	-	-	-	-	-	-
Comprehensive result		-	-	-	-	62,328,543	62,328,543	1,828,601	64,157,144
Dividends		-	-	-	-	-	-	(1,493)	(1,493)
Decrease by transfers and other changes		-	-	-	-	-	-	-	-
Total changes in equity		-	-	-	-	62,328,543	62,328,543	1,827,108	64,155,651
Closing balance at 06-30-2020		155,567,354	164,064,038	(5,965,550)	-	393,116,036	706,781,878	44,847,237	751,629,115

Status of equity changes	Note	Issued Capital Th\$	Share premiums Th\$	Other equity shares Th\$	Reserve for actuarial earnings or losses on defined benefit plans Th\$	Accumulated earnings (losses) Th\$	Equity attributable to the owners of the controlled Th\$	Non-controlling equity Th\$	Equity Total Th\$
Initial balance at 01-01-2019		155,567,354	164,064,038	(5,965,550)	-	324,954,813	638,620,655	48,370,742	686,991,397
Gain		-	-	-	-	80,610,197	80,610,197	1,589,471	82,199,668
Other comprehensive result		-	-	-	-	-	-	-	-
Comprehensive result		-	-	-	-	80,610,197	80,610,197	1,589,471	82,199,668
Dividends		-	-	-	-	(89,626,930)	(89,626,930)	-	(89,626,930)
Decrease by transfers and other changes		-	-	-	-	-	-	(3,391,381)	(3,391,381)
Total changes in equity		-	-	-	-	(9,016,733)	(9,016,733)	(1,801,910)	(10,818,643)
Closing balance at 06-30-2019		155,567,354	164,064,038	(5,965,550)	-	315,938,080	629,603,922	46,568,832	676,172,754

The accompanying notes 1 to 34 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 June 30, 2020 and December 31, 2019 and the consolidated statements of comprehensive income, changes in net equity and cash flows for the years ended June 30, 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 (reviewed)	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 NIC 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 the 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 August 26, 2020, 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.	99.99998	0.00002	100.00000	99.99998	0.00002	100.00000
96.579.800-5	ESSAL S.A.	2.50650	51.00000	53.50650	2.50650	51.00000	53.50650
96.945.210-3	EcoRiles S.A.	99.03846	0.96154	100.00000	99.03846	0.96154	100.00000
96.828.120-8	Gestión y Servicios S.A.	97.84783	2.15217	100.00000	97.84783	2.15217	100.00000
96.967.550-1	Análisis Ambientales S.A.	99.00000	1.00000	100.00000	99.00000	1.00000	100.00000
76.190.084-6	Aguas del Maipo S.A.	82.64996	17.35004	100.00000	82.64996	17.35004	100.00000

B. Operating Segments

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

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

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

C. Intangible assets other than goodwill

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



i. Separately acquired intangible assets:

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

ii. Amortization method for intangibles:

Intangibles with a defined useful life

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

Software

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

Intangibles of indefinite useful life

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

Determination of useful life

The factors to be considered for the estimation of the useful life are, among others, the following:

- Legal, regulatory or contractual limitations.
- Predictable business or industry life.
- Economic factors (product obsolescence, changes in demand).
- Expected reactions from actual or potential competitors.
- Natural, climatic and technological changes that affect the ability to generate benefits.

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

D. Goodwill

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

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

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

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



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

E. Property, plant and equipment

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

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

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

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

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to its recoverable amount (Note 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 through profit or loss
- Financial assets at fair value through other comprehensive income
- Financial assets at amortized cost

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

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

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

i. Effective interest rate method

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

ii. Fair value through other comprehensive income

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

iii. Fair value through profit or loss

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

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



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

iv. Financial assets at amortized cost

Loans and accounts receivable

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

Trade debtors and other accounts receivable

Trade debtors correspond to the amounts billed for consumption of 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	06-30-2020	12-31-2019
	\$	\$
US Dollar	821.23	748.74
Euro	922.73	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. y Aguas Manquehue S.A.

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



ESSAL S.A.

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

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

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

P. Income tax and deferred taxes

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been approved, or the approval process is substantially completed, at the end of the period of the statement of financial position. The measurement of deferred tax assets and liabilities reflects the tax consequences that would arise from the manner in which the Group expects, at the reporting date, to recover or settle the carrying value of its assets and liabilities.

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

Q. Ordinary income

Revenue recognition policy

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

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



Revenue recognition policy for sales of goods

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

Revenue recognition policy for sales of services

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

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

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

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

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

Method for determining completion of service status

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

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

R. Earnings per share

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

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

S. 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.

T. Consolidated statements of cash flow

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

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

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

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

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

U. Construction contracts

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

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

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

V. Capitalized financing costs

Policy on interest-bearing loans:

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

Policy on capitalization of interest costs:

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



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

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

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

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

X. Reclassifications

For the year ended December 31, 2019, certain reclassifications have been made to facilitate comparison on June 30, 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)

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 June 30, 2020 and December 31, 2019, credit risk balances are Th\$38,806,809 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	1,178,951	2.78%	9,787,194	3.04%	58,614,878	3.91%	44,501,841	3.37%	113,977,160	2.49%
Bank loans	13,632,961	2.73%	68,915,108	3.89%	100,902,682	2.93%	43,413,460	1.83%	-	0.00%
Bonuses	10,883,488	3.05%	21,762,722	2.40%	85,416,809	2.34%	69,869,342	2.19%	874,749,279	3.52%
Lease liability	385,330	3.84%	1,053,951	3.84%	1,431,053	3.84%	16,778	3.84%	-	0.00%
Trade accounts and other accounts payable	67,687,098	0.00%	18,251,651	0.00%	386,874	0.00%	175,768	0.00%	573,689	0.00%
Totals	93,767,828		119,770,626		246,752,296		157,977,189		989,300,128	

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	18.86%
Bonuses	Fixed	63.70%
AFR	Fixed	17.19%
Lease liability	Fixed	0.25%
Total		100.00%

Interest rate awareness analysis

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



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

Company	Nominal debt amount (Th\$)	Variable Rate	Points (+/-)	Annual Impact on result (Th\$) (+/-)
Aguas Andinas Consolidated	218,304,231	30 and 180 BAR	159	1,998,313

iv. COVID-19 risk

On March 18, 2020, the President of the Republic decreed a State of Constitutional Emergency of Catastrophe in the whole national territory, with a validity, in principle, of 90 days, which was extended for 90 days more, with the objective of avoiding the propagation and contagion of the virus called COVID-19. During this period, a series of health and economic measures have been adopted to deal with the pandemic situation, including, among others, restrictions on the movement of persons and the closure of borders, the cancellation of educational activities and limitations on public events.

Aguas Andinas and its sanitary subsidiaries have voluntarily decided to suspend the cut of the service due to the delay in the payment of their bills during the validity of the State of Catastrophe. It also agreed with the Government to allow 40% of the most vulnerable households that consume less than 10 m³ a month to postpone payment of their drinking water bill for the entire period of the State of Disaster. The unpaid balances will be pro-rated up to 12 months from the end of the state of emergency, without fines or interest.

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

As of June 30, 2020, there were direct costs of \$2,240 million associated with confinement plans, personnel transportation, hygiene supplies, teleworking, security measures, worker health monitoring program, logistics and communications.

Other effects presumably derived from the pandemic in the first semester are the following; a) A 3% decrease in invoiced consumption and a decrease in activity associated with unregulated income from home and engineering services of nearly 40%. In total, lower sales are estimated for \$14,650 million due to these effects; b) A lower collection of regulated customers accounts that increased the age of the balance of accounts receivable, generating a higher expense for uncollectibility in \$3,333 million regarding to the same semester of the previous year and an increase in accounts receivable; and c) Lower costs due to the decrease in certain commercial activities.

In total, at the closing of the first semester an impact of \$17,845 million is estimated due to direct and indirect effects associated to the exceptional situation by Covid-19.

Note 4. CASH AND CASH EQUIVALENTS

The composition of the item is as follows:

Cash and cash equivalents	06-30-2020	12-31-2019
	Th\$	Th\$
Banks	33,057,019	10,658,547
Term deposits	68,000,097	496,943
Mutual Funds	66,500,000	60,907,268
Totals	167,557,116	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	06-30-2020	12-31-2019
		Th\$	Th\$
Aguas Andinas S.A.	Term deposit	65,000,000	-
Aguas Andinas S.A.	Mutual Funds	66,500,000	56,906,947
Aguas Cordillera S.A.	Mutual Funds	-	3,050,281
Aguas Manquehue S.A.	Mutual Funds	-	250,040
Gestión y Servicios S.A.	Mutual Funds	-	700,000
Essal S.A.	Term deposit	3,000,097	496,943
Totals		134,500,097	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 June 30, 2020 and March 31, 2019 is as follows:

Credit risk	06-30-2020	12-31-2019
	Th\$	Th\$
Gross exposure of commercial debtors	137,899,343	136,266,844
Gross exposure documents receivable	6,562,127	6,172,403
Gross exposure other accounts receivable	7,757,114	5,774,196
Trade debtors and other accounts receivable, gross	152,218,584	148,213,443
Estimates for risks of accounts receivable	(38,806,809)	(32,275,945)
Trade debtors and other accounts receivable, neto	113,411,775	115,937,498
Gross exposure documents receivable	1,146,709	2,217,792
Gross exposure other accounts receivable	2,010,187	2,033,869
Rights receivable, non-current	3,156,896	4,251,661
Estimates for accounts receivable risks	-	-
Non-current rights receivable, net	3,156,896	4,251,661
Net exposure, risk concentrations	116,568,671	120,189,159



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

Movement credit risk accounts receivable	06-30-2020	12-31-2019
	Th\$	Th\$
Beginning balance 06-01-2020	(32,275,945)	(34,211,483)
Increase in existing provisions	(7,742,985)	(4,547,485)
Decreases	1,212,121	6,483,023
Changes, totals	(6,530,864)	1,935,538
Closing balance	(38,806,809)	(32,275,945)

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	06-30-2020	12-31-2019
	Th\$	Th\$
less than three months	96,486,501	110,121,623
between three and six months	15,200,657	5,810,700
between six and eight months	4,309,554	2,248,447
greater than eight months	39,378,768	34,284,334
Totals	155,375,480	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	06-30-2020	12-31-2019
	Th\$	Th\$
less than three months	9,099,162	10,205,860
between three and six months	9,317,819	2,367,419
between six and eight months	2,841,170	1,118,797
Totals	21,258,151	13,692,076

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 June 30, 2020 and December 31, 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:



June 30, 2020						
Debtor tranche	Non-rescheduled portfolio		Rescheduled portfolio		Total gross portfolio	
Commercial	No of customers	Gross amount Th\$	No of customers	Gross amount Th\$	No of customers	Gross amount Th\$
To date	958,008	60,741,063	258	16,991	958,266	60,758,054
Between 1 and 30 days	390,616	18,180,824	2,596	138,160	393,212	18,318,984
Between 31 and 60 days	63,054	6,058,189	6,055	327,269	69,109	6,385,458
Between 61 and 90 days	53,034	4,940,115	4,390	300,050	57,424	5,240,165
Between 91 and 120 days	42,992	5,432,173	3,686	364,140	46,678	5,796,313
Between 121 and 150 days	23,933	4,035,003	2,625	317,824	26,558	4,352,827
Between 151 and 180 days	12,642	3,046,148	1,894	240,246	14,536	3,286,394
Between 181 and 210 days	7,204	2,030,952	2,011	304,076	9,215	2,335,028
Between 211 and 250 days	5,421	1,148,137	1,806	274,948	7,227	1,423,085
More than 251 days	37,093	20,018,278	28,707	17,693,593	65,800	37,711,871
Total	1,593,997	125,630,882	54,028	19,977,297	1,648,025	145,608,179

December 31, 2019						
Debtor tranche	Non-rescheduled portfolio		Rescheduled portfolio		Total gross portfolio	
Commercial	No of customers	Gross amount Th\$	No of customers	Gross amount Th\$	No of customers	Gross amount Th\$
To date	1,033,745	73,991,877	221	9,544	1,033,966	74,001,421
Between 1 and 30 days	438,719	21,183,315	2,903	88,524	441,622	21,271,839
Between 31 and 60 days	49,233	5,087,174	8,542	280,687	57,775	5,367,861
Between 61 and 90 days	17,091	2,250,495	5,692	244,504	22,783	2,494,999
Between 91 and 120 days	8,862	1,707,812	4,822	294,860	13,684	2,002,672
Between 121 and 150 days	5,492	1,545,204	3,737	296,043	9,229	1,841,247
Between 151 and 180 days	3,802	1,412,576	2,947	275,196	6,749	1,687,772
Between 181 and 210 days	2,726	1,086,203	2,583	278,551	5,309	1,364,754
Between 211 and 250 days	1,511	682,717	2,111	264,800	3,622	947,517
More than 251 days	25,516	12,553,637	35,987	21,123,320	61,503	33,676,957
Total	1,586,697	121,501,010	69,545	23,156,029	1,656,242	144,657,039



As of June 30, 2020 and December 31, 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 06-30-2020		Non-rescheduled portfolio 12-31-2019	
	No of	Portfolio amount	No of	Portfolio amount
	Customers	Th\$	Customers	Th\$
Protested documents receivables	20	54,565	12	19,944
Documents receivable in judicial collection	5	262,918	5	306,728
Total	25	317,483	17	326,672

As of June 30, 2020 and December 31, 2019, the analysis of credit risk is as follows

June 30, 2020				
Provision			Period punishment Th\$	Recovery of the period Th\$
Non-rescheduled portfolio Th\$	Rescheduled portfolio Th\$	Total Provision Th\$		
(18,829,512)	(19,977,297)	(38,806,809)	1,212,121	-

December 31, 2019				
Provision			Period punishment Th\$	Recovery of the period Th\$
Non-rescheduled portfolio Th\$	Rescheduled portfolio Th\$	Total Provision Th\$		
(9,119,916)	(23,156,029)	(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	06-30-2020 Th\$	12-31-2019 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	479	6,141
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	Laboratory analysis and sampling services	30 days	Without guarantees	10,184	-
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the Controller	Laboratory analysis and sampling services	30 days	Without guarantees	4,740	86
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the Controller	Office lease	30 days	Without guarantees	1,452	-
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
Totals						17,092	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	Guarantees	06-30-2020 Th\$	12-31-2019 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 compliance guarantee Amount UF30,899	664,439	586,835
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	SCADA platform	30 days	Without guarantees	5,979	5,979
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	San Antonio Arsenic Plant	30 days	Contract compliance guarantee Amount UF24.264	205,186	249,326
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	Chamisero Plant	30 days	Contract compliance guarantee Amount UF66,809.74	-	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 compliance guarantee Amount UF1.048.050	5,391,060	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 compliance guarantee Amount UF1.048.050	6,760,261	10,575,060
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the controller	Consulting	30 days	Without guarantees	615,239	270,081
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Purchase of materials	60 days	Contract compliance guarantee. Amount Th\$ 279,298	96,157	36,268
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Virtual platform, Siebel	30 days	Without guarantees	92,747	81,579
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Consulting service evolutionary maintenance	30 days	Without guarantees	482,797	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	Guarantee faithful fulfillment of contract for Th\$ 845,149	206,118	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	Guarantee faithful fulfillment of contract for UF357.863	707,673	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	56,383	59,739
No tax ID	Aqua Development Network S.A.	Related to the controller	Integrated talent management contract	30 days	Without guarantees	7,890	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
A03466604	Logistium Servicios Logísticos S.A	Related to the controller	Consulting and certification	30 days	Without guarantees	7,423	-
96.817.230-1	EPSA Electrica Puntilla S.A.	Common director	Water purchase	30 days	Without guarantees	293,963	226,250
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common director	Water purchase	30 days	Without guarantees	125,486	92,640
Totals						15,718,801	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\$		Th\$		Th\$		Th\$	
						06-30-2020		06-30-2019		04-01-2020 06-30-2020		04-01-2020 06-30-2020	
						Amount	Effects on Result (Charge) / Credit	Amount	Effects on Result (Charge) / Credit	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	350,726	(113,901)	523,780	(426,425)	138,396	(22,874)	265,243	(283,599)
76.080.553-K	Suez Advanced Solutions Chile Ltda	Related to the controller	CL	Sale of materials	CLP	6,308	5,301	121,382	102,002	6,308	5,301	121,382	102,002
76.080.553-K	Suez Advanced Solutions Chile Ltda	Related to the controller	CL	Siebel and Aguacis virtual platform maintenance, consulting and	CLP	1,110,743	(681,002)	1,045,026	(606,409)	705,164	(343,214)	377,864	(390,830)
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal	Related to the controller	CL	Digester Rehabilitation	CLP	1,847,787	-	1,107,883	-	946,798	-	257,955	-
76.078.231-9	Emp. Dep. Agua Serv. Mapocho-Trebal Ltda.	Related to the controller	CL	Operation and Maintenance Services Biogas Plant	CLP	90,576	(81,568)	88,824	(78,687)	33,767	(24,760)	51,585	(48,604)
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	1,957,626	(532,091)	1,104,320	(420,839)	1,424,176	(362,679)	978,222	(387,110)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	Chamisero Plant Construction (Batuco Canal)	CLP	482,009	-	163,531	-	205,186	-	145,420	-
No tax ID	Aqua Development Network S.A.	Related to the controller	CL	Talent Management Project	CLP	-	-	281,303	(281,303)	-	-	122,297	(122,297)
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Common director	CL	Purchase of water and electricity	CLP	1,708,066	(1,435,350)	168,615	(141,693)	969,714	(814,885)	139,661	(117,362)
76.746.454-1	Suez Biofactoría Andina spa.	Related to the controller	CL	Operation, maintenance and adaptation of Biofactory treatment plant.	CLP	23,262,993	(13,663,671)	29,946,495	(14,043,088)	11,909,143	(6,913,635)	14,612,217	(7,021,161)
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common director	CL	Purchase of water	CLP	730,784	(614,105)	-	-	420,450	(353,319)	-	-
70.009.410-3	Asociación de Canalistas del Canal del Maipo	Common director	CL	Leasing water rights Batuco Canal	CLP	74,948	(62,981)	132,420	-	0	0	191,920	-
65.113.732-2	Corporación Chilena de Investigación del Agua	Related to the controller	CL	Study on management models for resilient urban hydraulic infrastructures in relation to hydrological and geological risks, sludge recovery	CLP	527,915	(527,915)	189,312	(189,312)	311,212	(498,211)	127,714	(127,714)
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	CL	Paid dividends	CLP	22,262,210	-	66,561,303	-	-	-	44,905,190	-

The materiality criterion for reporting transactions with related entities is for amounts in excess of the cumulative Th\$50,000.



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

	06-30-2020 Th\$	06-30-2019 Th\$	04-01-2020 06-30-2020 Th\$	04-01-2019 06-30-2019 Th\$
Board of Directors	209,642	215,515	102,236	99,483
Directors Committee	32,311	23,919	17,651	12,758
	241,953	239,434	119,887	112,241

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 June 30, 2020 and December 31, 2019 is as follows:

Inventory classes	06-30-2020 Th\$	12-31-2019 Th\$
Merchandise	2,025,299	1,629,763
Supplies for production	2,451,555	1,871,849
Other inventories	699,684	437,964
Obsolescence estimation	(128,977)	(128,977)
Totals	5,047,561	3,810,599

The cost of inventories recognized as an expense in the statement of income as of June 30, 2020 and 2019 amounts to Th\$6,966,487 and Th\$6,226,997, 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	06-30-2020 Th\$	12-31-2019 Th\$
Beginning balance	(128,977)	(99,268)
Provision for price	-	(2,294)
Provision of obsolescence	-	(87,959)
Provision for damage	-	(38,724)
Reverse provision	-	99,268
Totals	(128,977)	(128,977)



Note 8. NON-CURRENT ASSETS HELD FOR SALE

As of June 30, 2020, the company classified lands by Th\$80,974 as held for sale according to established in IFRS 5. The company has started actively a sale plan for lands located in different communes of Metropolitan Region. That transaction is expected to take place within next 12 months.

Note 9. OTHER FINANCIAL ASSETS

9.1 Current

As of June 30, 2020, the Group presents the effect on the interim consolidated financial statements of the market valuation of Forward exchange rate derivative transactions in dollars, amounting to Th\$91,942.

9.2 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 June 30, 2020 and December 31, 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 both periods.

Associated with this acquisition is an obligation with the Asociación Sociedad de Canalistas del Maipo, related to the commitment not to transfer the water rights in force at the contract date in the amount of Th\$7,355,177 and Th\$7,294,709 on June 30, 2020 and December 31, 2019, respectively.

Note 10. 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	06-30-2020	12-31-2019
	Th\$	Th\$
Trademarks, gross	15,933	15,933
Computer programs, gross	53,374,584	52,879,096
Other intangible assets, gross	232,444,896	231,888,852
Intangible assets, gross	285,835,413	284,783,881
Computer programs, accumulated depreciation	(49,246,307)	(47,868,188)
Other intangible assets, accumulated amortization	(13,222,561)	(13,128,953)
Intangible assets, accumulated amortization	(62,468,868)	(60,997,141)
Trademarks, net	15,933	15,933
Computer programs, net	4,128,277	5,010,908
Other intangible assets, net	219,222,335	218,759,899
Intangible assets, net	223,366,545	223,786,740

* Corresponds to water rights, easements and others.



Movements in intangible assets as of June 30, 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	-	(1,378,119)	(93,608)	(1,471,727)
Total amortization	-	(1,378,119)	(93,608)	(1,471,727)
Increases (decreases) by transfers	-	631,579	(18,832)	612,747
Increases (decreases) due to other changes	-	(136,091)	577,010	440,919
Total increases (decreases) due to transfers and other changes	-	495,488	558,178	1,053,666
Disposals and withdrawals of service	-	-	(2,134)	(2,134)
Total disposals and withdrawals of service	-	-	(2,134)	(2,134)
Changes, Total	-	(882,631)	462,436	(420,195)
Closing balance	15,933	4,128,277	219,222,335	223,366,545

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)
Total 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
Total increases (decreases) due to transfers and other changes	-	2,161,312	(17,262)	2,144,050
Disposals and withdrawals of service	-	-	(183,316)	(183,316)
Total 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: June 30, 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	-	631,579	(18,832)	612,747
Increases (decreases) due to other changes	-	(136,091)	577,010	440,919
Total increases (decreases) due to transfers and other changes	-	495,488	558,178	1,053,666
Disposals and withdrawals of service	-	-	(2,134)	(2,134)
Total disposals and withdrawals of service	-	-	(2,134)	(2,134)
Changes, Total	-	495,488	556,044	1,051,532
Closing balance	15,933	53,374,584	232,444,896	285,835,413



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
Total increases (decreases) due to transfers and other changes	-	2,161,312	(17,262)	2,144,050
Disposals and withdrawals of service	-	-	(183,316)	(183,316)
Total 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: June 30, 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	-	(1,378,119)	(93,608)	(1,471,727)
Total amortization	-	(1,378,119)	(93,608)	(1,471,727)
Increases (decreases) by transfers	-	-	-	-
Increases (decreases) due to other changes	-	-	-	-
Total increases (decreases) due to transfers and other changes	-	-	-	-
Disposals and withdrawals of service	-	-	-	-
Total disposals and withdrawals of service	-	-	-	-
Changes, Total	-	(1,378,119)	(93,608)	(1,471,727)
Closing balance	-	(49,246,307)	(13,222,561)	(62,468,868)



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)
Total amortization	-	(2,851,203)	(187,215)	(3,038,418)
Increases (decreases) by transfers	-	-	-	-
Increases (decreases) due to other changes	-	-	-	-
Total increases (decreases) due to transfers and other changes	-	-	-	-
Disposals and withdrawals of service	-	-	-	-
Total 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	06-30-2020			12-31-2019		
	Water rights	Easement	Others	Water rights	Easement	Others
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Aguas Andinas S.A.	77,015,663	8,422,025	4,293,025	76,459,202	8,422,025	4,387,051
Aguas Cordillera S.A.	92,745,250	7,761,932	-	92,745,249	7,761,932	-
Aguas Manquehue S.A.	21,925,915	866,673	-	21,925,915	866,673	-
Essal S.A.	5,422,410	1,162,350	-	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	-	-
Ajustes de Consolidación	(333,913)	(113,795)	-	(333,913)	(113,795)	-
Totals	196,830,125	18,099,185	4,293,025	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 2020 relate to water rights, easements and software required for the normal operation of the Group companies and, in particular, for the new projects under development or in the preliminary study stages, as well as the extension of the concession areas, which are presented below:

Company	Th\$
Aguas Andinas S.A.	2,140,961
Aguas Cordillera S.A.	0
Aguas Manquehue S.A.	0
Essal S.A.	0
Ecoriles S.A.	0
Gestión y Servicios S.A.	0
Análisis Ambientales S.A.	0
Total	2,140,961

Note 11. 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 June 30, 2020 and December 31, 2019:

Tax ID	Company	06-30-2020	12-31-2019
		Th\$	Th\$
96.809.310-K	Aguas Cordillera S.A.	33,823,049	33,823,049
95.579.800-5	Empresa de Servicios Sanitarios de Los Lagos S.A.	343,332	343,332
96.897.320-7	Inversiones Iberaguas Ltda.	2,066,631	2,066,631
Total		36,233,012	36,233,012



Note 12. PROPERTY, PLANT AND EQUIPMENT

The balances of property, plant and equipment as of June 30, 2020 and March 31, 2019 are as follows:

Properties, plant and equipment	Gross values		Accumulated Depreciation		Net values	
	06-30-2020	12-31-2019	06-30-2020	12-31-2019	06-30-2020	12-31-2019
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	155,892,218	155,968,467	-	-	155,892,218	155,968,467
Buildings	120,068,113	116,130,335	(38,726,005)	(37,621,456)	81,342,108	78,508,879
Subtotal land and buildings	275,960,331	272,098,802	(38,726,005)	(37,621,456)	237,234,326	234,477,346
Complementary works	48,843,248	46,084,005	(24,591,097)	(23,777,452)	24,252,151	22,306,553
Production facilities	398,277,464	354,410,675	(165,368,838)	(161,973,691)	232,908,626	192,436,984
Drinking water networks	551,990,674	542,162,844	(334,588,012)	(330,487,121)	217,402,662	211,675,723
Sewer networks	557,574,061	548,997,867	(304,899,027)	(298,268,788)	252,675,034	250,729,079
Wastewater treatment plants	237,856,172	236,840,131	(73,112,147)	(70,523,874)	164,744,025	166,316,257
Other facilities	178,834,358	168,257,935	(121,617,439)	(117,409,635)	57,216,919	50,848,300
Goods out of operation	1,862,554	1,861,200	(1,650,705)	(1,646,946)	211,849	214,254
Subtotal other properties, plant and equipment	1,975,238,531	1,898,614,657	(1,025,827,265)	(1,004,087,507)	949,411,266	894,527,150
Machinery	454,789,484	415,747,609	(301,660,500)	(288,474,760)	153,128,984	127,272,849
Transportation equipment	5,465,143	5,450,565	(4,734,401)	(4,566,416)	730,742	884,149
Appliances and accessories	6,526,288	6,328,520	(5,073,353)	(4,954,789)	1,452,935	1,373,731
Computer equipment	16,581,663	14,739,458	(13,814,485)	(13,120,492)	2,767,178	1,618,966
Leasehold rights improvements	821,872	821,872	(661,830)	(636,684)	160,042	185,188
Constructions in process	169,902,746	235,318,938	-	-	169,902,746	235,318,938
Totals	2,905,286,058	2,849,120,421	(1,390,497,839)	(1,353,462,104)	1,514,788,219	1,495,658,317



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

	06-30-2020	Aguas	Aguas	Aguas	Essal S.A.	Others
Properties, plant and equipment, net		Andinas S.A.	Cordillera S.A.	Manquehue S.A.		
	Th\$	%	%	%	%	%
Land	155,892,218	75%	13%	1%	11%	0%
Buildings	81,342,108	71%	6%	4%	16%	3%
Machinery	153,128,984	74%	6%	5%	12%	2%
Transportation equipment	730,742	74%	0%	0%	25%	1%
Appliances and accessories	1,452,935	70%	3%	1%	11%	15%
Computer equipment	2,767,178	82%	0%	0%	16%	1%
Leasehold rights improvements	160,042	85%	0%	0%	0%	15%
Constructions in process	169,902,746	68%	10%	2%	21%	0%
Complementary works	24,252,151	77%	6%	5%	12%	1%
Production facilities	232,908,626	67%	11%	13%	8%	0%
Drinking water networks	217,402,662	68%	14%	3%	15%	0%
Sewer networks	252,675,034	83%	2%	4%	11%	0%
Wastewater treatment plants	164,744,025	92%	0%	0%	7%	1%
Other facilities	57,216,919	75%	6%	8%	9%	3%
Goods out of operation	211,849	28%	72%	0%	0%	0%
Totales	1,514,788,219	75%	8%	5%	11%	1%



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

Assets classes	Cost 06-30-2020 Th\$	Fair Value 06-30-2020 Th\$
Land	155,892,218	447,838,672
Buildings	81,342,108	111,903,698
Additional works	24,252,151	37,487,466
Production facilities	232,908,626	336,940,357
Drinking water networks	217,402,662	395,052,832
Sewer networks	252,675,034	384,541,399
Wastewater treatment plants	164,744,025	178,106,249
Other facilities	57,216,919	58,746,035
Machinery and equipment	153,128,984	156,774,256
Totals	1,339,562,727	2,107,390,964

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 June 30, 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	Dispositions and withdrawals of service	Subtotal depreciation, disposals and withdrawals	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	155,968,467	2,778	1,947	4,725	-	(80,974)	(80,974)	155,892,218
Buildings	78,508,879	4,334,917	(397,139)	3,937,778	(1,104,549)	-	(1,104,549)	81,342,108
Subtotal land and buildings	234,477,346	4,337,695	(395,192)	3,942,503	(1,104,549)	(80,974)	(1,185,523)	237,234,326
Complementary works	22,306,553	2,676,994	82,249	2,759,243	(813,645)	-	(813,645)	24,252,151
Production facilities	192,436,984	39,678,412	4,188,377	43,866,789	(3,395,147)	-	(3,395,147)	232,908,626
Drinking water networks	211,675,723	6,885,350	2,942,480	9,827,830	(4,100,891)	-	(4,100,891)	217,402,662
Sewer networks	250,729,079	7,955,906	620,288	8,576,194	(6,630,239)	-	(6,630,239)	252,675,034
Wastewater treatment plants	166,316,257	6,034,980	(5,018,939)	1,016,041	(2,588,273)	-	(2,588,273)	164,744,025
Other facilities	50,848,300	10,781,607	(205,184)	10,576,423	(4,207,804)	-	(4,207,804)	57,216,919
Goods out of operation	214,254	586	768	1,354	(3,759)	-	(3,759)	211,849
Subtotal other properties, plant and equipment	894,527,150	74,013,835	2,610,039	76,623,874	(21,739,758)	-	(21,739,758)	949,411,266
Machinery	127,272,849	38,456,463	567,820	39,024,283	(13,168,148)	-	(13,168,148)	153,128,984
Transportation equipment	884,149	81,115	(48,944)	32,171	(185,578)	-	(185,578)	730,742
Appliances and accessories	1,373,731	161,704	36,064	197,768	(118,564)	-	(118,564)	1,452,935
Computer equipment	1,618,966	2,177,302	(335,097)	1,842,205	(693,993)	-	(693,993)	2,767,178
Leasehold rights improvements	185,188	-	-	-	(25,146)	-	(25,146)	160,042
Constructions in process	235,318,938	(119,840,861)	54,424,669	(65,416,192)	-	-	-	169,902,746
Classes of properties, plant and equipment, net	1,495,658,317	(612,747)	56,859,359	56,246,612	(37,035,736)	(80,974)	(37,116,710)	1,514,788,219



Movements in property, plant and equipment as of December 31, 2019 (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	Dispositions and withdrawals of service	Subtotal depreciation, disposals and withdrawals	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	159,536,229	125,330	(514,915)	(389,585)	-	(3,178,177)	(3,178,177)	155,968,467
Buildings	79,624,966	4,530,262	910,673	5,440,935	(5,536,059)	(1,020,963)	(6,557,022)	78,508,879
Subtotal land and buildings	239,161,195	4,655,592	395,758	5,051,350	(5,536,059)	(4,199,140)	(9,735,199)	234,477,346
Complementary works	21,892,366	2,752,384	(407,006)	2,345,378	(1,690,510)	(240,681)	(1,931,191)	22,306,553
Production facilities	173,754,928	24,683,747	1,495,801	26,179,548	(7,468,380)	(29,112)	(7,497,492)	192,436,984
Drinking water networks	192,291,391	15,636,037	11,717,685	27,353,722	(7,939,808)	(29,582)	(7,969,390)	211,675,723
Sewer networks	249,193,038	8,447,992	6,109,050	14,557,042	(13,021,001)	-	(13,021,001)	250,729,079
Wastewater treatment plants	168,050,123	5,697,365	(366,990)	5,330,375	(6,486,803)	(577,438)	(7,064,241)	166,316,257
Other facilities	47,699,634	9,754,590	865,427	10,620,017	(7,458,500)	(12,851)	(7,471,351)	50,848,300
Goods out of operation	222,036	-	-	-	(7,782)	-	(7,782)	214,254
Subtotal other properties, plant and equipment	853,103,516	66,972,115	19,413,967	86,386,082	(44,072,784)	(889,664)	(44,962,448)	894,527,150
Machinery	115,993,853	21,567,698	10,024,991	31,592,689	(20,300,857)	(12,836)	(20,313,693)	127,272,849
Transportation equipment	958,353	511,654	(139,227)	372,427	(446,071)	(560)	(446,631)	884,149
Appliances and accessories	1,407,509	177,954	(23,185)	154,769	(188,349)	(198)	(188,547)	1,373,731
Computer equipment	2,460,174	461,212	(5,819)	455,393	(1,296,601)	-	(1,296,601)	1,618,966
Leasehold rights improvements	234,177	16,449	(1,508)	14,941	(63,930)	-	(63,930)	185,188
Constructions in process	226,774,354	(95,522,674)	104,423,444	8,900,770	-	(356,186)	(356,186)	235,318,938
Classes of properties, plant and equipment, net	1,440,093,131	(1,160,000)	134,088,421	132,928,421	(71,904,651)	(5,458,584)	(77,363,235)	1,495,658,317



Detailed property, plant and equipment disclosures (gross value)

Current period: June 30, 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	Dispositions and withdrawals of service	Subtotal depreciation, disposals and withdrawals	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	155,968,467	2,778	1,947	4,725	(80,974)	(80,974)	155,892,218
Buildings	116,130,335	4,334,917	(397,139)	3,937,778	-	-	120,068,113
Subtotal land and buildings	272,098,802	4,337,695	(395,192)	3,942,503	(80,974)	(80,974)	275,960,331
Complementary works	46,084,005	2,676,994	82,249	2,759,243	-	-	48,843,248
Production facilities	354,410,675	39,678,412	4,188,377	43,866,789	-	-	398,277,464
Drinking water networks	542,162,844	6,885,350	2,942,480	9,827,830	-	-	551,990,674
Sewer networks	548,997,867	7,955,906	620,288	8,576,194	-	-	557,574,061
Wastewater treatment plants	236,840,131	6,034,980	(5,018,939)	1,016,041	-	-	237,856,172
Other facilities	168,257,935	10,781,607	(205,184)	10,576,423	-	-	178,834,358
Goods out of operation	1,861,200	586	768	1,354	-	-	1,862,554
Subtotal other properties, plant and equipment	1,898,614,657	74,013,835	2,610,039	76,623,874	-	-	1,975,238,531
Machinery	415,747,609	38,456,463	585,412	39,041,875	-	-	454,789,484
Transportation equipment	5,450,565	81,115	(66,537)	14,578	-	-	5,465,143
Appliances and accessories	6,328,520	161,704	36,064	197,768	-	-	6,526,288
Computer equipment	14,739,458	2,177,302	(335,097)	1,842,205	-	-	16,581,663
Leasehold rights improvements	821,872	-	-	-	-	-	821,872
Constructions in process	235,318,938	(119,840,861)	54,424,669	(65,416,192)	-	-	169,902,746
Classes of properties, plant and equipment, gross	2,849,120,421	(612,747)	56,859,358	56,246,611	(80,974)	(80,974)	2,905,286,058



Previous period: December 31, 2019

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	Dispositions and withdrawals of service	Subtotal depreciation, disposals and withdrawals	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	159,536,229	125,330	(514,915)	(389,585)	(3,178,177)	(3,178,177)	155,968,467
Buildings	113,252,042	4,530,262	910,673	5,440,935	(2,562,642)	(2,562,642)	116,130,335
Subtotal land and buildings	272,788,271	4,655,592	395,758	5,051,350	(5,740,819)	(5,740,819)	272,098,802
Complementary works	44,316,092	2,752,384	(407,006)	2,345,378	(577,465)	(577,465)	46,084,005
Production facilities	328,291,901	24,683,747	1,495,117	26,178,864	(60,090)	(60,090)	354,410,675
Drinking water networks	514,892,514	15,636,037	11,717,685	27,353,722	(83,392)	(83,392)	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)	5,330,375	(863,585)	(863,585)	236,840,131
Other facilities	158,049,182	9,754,590	865,427	10,620,017	(411,264)	(411,264)	168,257,935
Goods out of operation	1,868,637	-	-	-	(7,437)	(7,437)	1,861,200
Subtotal other properties, plant and equipment	1,814,232,492	66,972,115	19,413,283	86,385,398	(2,003,233)	(2,003,233)	1,898,614,657
Machinery	384,958,947	21,567,698	10,025,675	31,593,373	(804,711)	(804,711)	415,747,609
Transportation equipment	5,102,427	511,654	(139,227)	372,427	(24,289)	(24,289)	5,450,565
Appliances and accessories	6,291,229	177,954	(23,185)	154,769	(117,478)	(117,478)	6,328,520
Computer equipment	14,284,065	461,212	(5,819)	455,393	-	-	14,739,458
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	8,900,770	(356,186)	(356,186)	235,318,938
Classes of properties, plant and equipment, gross	2,725,238,716	(1,160,000)	134,088,421	132,928,421	(9,046,716)	(9,046,716)	2,849,120,421



Detailed property, plant and equipment disclosures (accumulated depreciation)

Current period: June 30, 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	Dispositions and withdrawals of service	Subtotal depreciation, disposals and withdrawals	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	(37,621,456)	-	-	(1,104,549)	-	(1,104,549)	(38,726,005)
Subtotal buildings	(37,621,456)	-	-	(1,104,549)	-	(1,104,549)	(38,726,005)
Complementary works	(23,777,452)	-	-	(813,645)	-	(813,645)	(24,591,097)
Production facilities	(161,973,691)	-	-	(3,395,147)	-	(3,395,147)	(165,368,838)
Drinking water networks	(330,487,121)	-	-	(4,100,891)	-	(4,100,891)	(334,588,012)
Sewer networks	(298,268,788)	-	-	(6,630,239)	-	(6,630,239)	(304,899,027)
Wastewater treatment plants	(70,523,874)	-	-	(2,588,273)	-	(2,588,273)	(73,112,147)
Other facilities	(117,409,635)	-	-	(4,207,804)	-	(4,207,804)	(121,617,439)
Goods out of operation	(1,646,946)	-	-	(3,759)	-	(3,759)	(1,650,705)
Subtotal other properties, plant and equipment	(1,004,087,507)	-	-	(21,739,758)	-	(21,739,758)	(1,025,827,265)
Machinery	(288,474,760)	(17,592)	(17,592)	(13,168,148)	-	(13,168,148)	(301,660,500)
Transportation equipment	(4,566,416)	17,593	17,593	(185,578)	-	(185,578)	(4,734,401)
Appliances and accessories	(4,954,789)	-	-	(118,564)	-	(118,564)	(5,073,353)
Computer equipment	(13,120,492)	-	-	(693,993)	-	(693,993)	(13,814,485)
Leasehold rights improvements	(636,684)	-	-	(25,146)	-	(25,146)	(661,830)
Classes of properties, plant and equipment, accumulated depreciation	(1,353,462,104)	1	1	(37,035,736)	-	(37,035,736)	(1,390,497,839)



Previous period: December 31, 2019

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	Dispositions and withdrawals of service	Subtotal depreciation, disposals and withdrawals	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	(33,627,076)	-	-	(5,536,059)	1,541,679	(3,994,380)	(37,621,456)
Subtotal buildings	(33,627,076)	-	-	(5,536,059)	1,541,679	(3,994,380)	(37,621,456)
Complementary works	(22,423,726)	-	-	(1,690,510)	336,784	(1,353,726)	(23,777,452)
Production facilities	(154,536,973)	684	684	(7,468,380)	30,978	(7,437,402)	(161,973,691)
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)
Subtotal other properties, plant and equipment	(961,128,976)	684	684	(44,072,784)	1,113,569	(42,959,215)	(1,004,087,507)
Machinery	(268,965,094)	(684)	(684)	(20,300,857)	791,875	(19,508,982)	(288,474,760)
Transportation equipment	(4,144,074)	-	-	(446,071)	23,729	(422,342)	(4,566,416)
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)
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.	74,158,069
Aguas Cordillera S.A.	12,894,569
Aguas Manquehue S.A.	2,528,533
Essal S.A.	4,494,906
Ecoriles S.A.	-
Gestión y Servicios S.A.	232,853
Análisis Ambientales S.A.	341,967
Total	94,650,897

Idle property, plant and equipment, temporarily as of June 30, 2020:

Company	Gross value	Accumulated depreciation	Net value
	Th\$	Th\$	Th\$
Aguas Andinas S.A.	1,588,222	(1,527,919)	60,303
Aguas Cordillera S.A.	274,332	(122,786)	151,546
Total	1,862,554	(1,650,705)	211,849

Restrictions on ownership of property, plant and equipment

As of June 30, 2020 and December 31, 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 June 30, 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 June 30, 2020 and December 31, 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 (see Note 30).



Note 13. LEASE

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

13.1 Usage right asset

The detail of usage rights assets as of June 30, 2020 and December 31, 2019, is as follows:

Usage rights assets	Gross values		Accumulated depreciation		Net values	
	30-06-2020 Th\$	31-12-2019 Th\$	30-06-2020 Th\$	31-12-2019 Th\$	30-06-2020 Th\$	31-12-2019 Th\$
Buildings	461,873	507,087	(185,113)	(139,222)	276,760	367,865
Transportation equipment	4,019,737	4,035,456	(1,451,680)	(984,320)	2,568,057	3,051,136
Totals	4,481,610	4,542,543	(1,636,793)	(1,123,542)	2,844,817	3,419,001

Usage rights movements:

Current period

Usage rights assets	01-01-2020 Th\$	Increases (decreases) due to other changes Th\$	Subtotal increases (decreases) for transfers and other changes	Depreciation Th\$	Dispositions and withdrawals of service Th\$	Subtotal depreciation, disposals and withdrawals Th\$	06-30-2020
			Th\$				
Buildings	367,865	(953)	(953)	(90,135)	(17)	(90,152)	276,760
Transportation equipment	3,051,136	298,981	298,981	(782,060)	-	(782,060)	2,568,057
Totals	3,419,001	298,028	298,028	(872,195)	(17)	(872,212)	2,844,817

Previous period

Usage rights assets	01-01-2019 Th\$	Increases (decreases) due to other changes Th\$	Subtotal increases (decreases) for transfers and other changes	Depreciation Th\$	Dispositions and withdrawals of service Th\$	Subtotal depreciation, disposals and withdrawals Th\$	12-31-2019 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
Totals	-	4,728,295	4,728,295	(1,309,296)	2	(1,309,294)	3,419,001



13.2 Lease liability

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

Lease liability	06-30-2020 Th\$	12-31-2019 Th\$
Up to 90 days	385,330	426,429
More than 90 days and no more than a year	1,053,951	1,070,104
Current total	1,439,281	1,496,533
More than one year and no more than two years	1,146,945	1,167,872
More than two years and no more than three years	284,108	647,193
More than three years and no more than four years	16,778	126,376
More than four years and no more than five years	-	642
More than five years	-	-
Non-current total	1,447,831	1,942,083
Non-current total	2,887,112	3,438,616

13.3 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	06-30-2020 Th\$	06-30-2019 Th\$
Minimum future payments of the non-cancelable lease, up to one year, lessee	749,055	908,274
Minimum future payments of non-cancelable lease, more than one year and less than five years, lessee	2,138,739	984,183
Total minimum future payments of the non-cancelable lease, total	2,887,794	1,892,457
Minimum payments for lease under operating leases	886,907	1,365,812
Total lease and sub-lease fees recognized in the income statement, total	886,907	1,365,812

(*) The interim consolidated income statement for the period ended June 30, 2020 and 2019 includes an expense of Th\$886,907 and Th\$1,365,812, 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.



13.4 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	06-30-2020 Th\$	06-30-2019 Th\$
Future minimum non-cancellable lease charges of up to one year, lessors	324,431	315,465
Amount of contingent rents recognized in the income statement	451,187	474,340
Total	775,618	789,804

Significant operating lease agreements of the lessor

Income from these items is not material to the Company.

Note 14. 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	06-30-2020 Th\$	12-31-2019 Th\$
Deferred tax assets	32,532,370	29,528,508
Deferred tax liability	(33,627,978)	(33,595,773)
Net position of deferred taxes	(1,095,608)	(4,067,265)

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	06-30-2020 Th\$	12-31-2019 Th\$
Water rights (amortization)	538,801	527,787
Provision for uncollectible receivables	10,471,191	8,707,858
Holiday provision	1,008,512	789,794
Litigation	868,309	1,007,686
Compensation for years of services	4,896,952	4,774,058
Other provisions	136,969	269,615
Amortization	1,627,157	1,668,123
Variation monetary correction and depreciation assets	76,598,766	75,108,148
Deferred income	1,985,898	1,969,571
Transaction Tranque La Dehesa	405,015	399,561
Liability for leases	782,662	931,568
Others	1,834,572	1,789,037
Deferred tax asset	101,154,804	97,942,806



Disclosure of deferred tax liabilities

Deferred tax liabilities	06-30-2020 Th\$	12-31-2019 Th\$
Depreciation of properties, plant and equipment	19,973,609	19,301,796
Amortization	1,141,728	1,078,051
Investment expense related companies	114,266	114,266
Revaluations of land	24,239,747	24,279,526
Revaluations of water rights	46,826,490	46,829,517
Fair value of assets by business combination	8,904,755	9,339,856
Usage rights assets	771,362	926,392
Others	278,455	140,667
Deferred tax liabilities	102,250,412	102,010,071
Net position of deferred taxes	(1,095,608)	(4,067,265)

Movements in deferred tax assets

Movements of deferred tax assets	06-30-2020 Th\$	12-31-2019 Th\$
Movements of deferred tax liabilities	97,942,806	89,838,528
Increases (decreases) in deferred tax assets	(41,953)	3,427,641
Increases (decreases) due to variation in monetary correction and depreciation assets	1,490,618	5,199,232
Increases (decreases) due to the provision of uncollectible debtors	1,763,333	(522,595)
Changes in deferred tax assets	3,211,998	8,104,278
Changes in total deferred tax assets	101,154,804	97,942,806

Movements in deferred tax liabilities

Movements of deferred tax liabilities	06-30-2020 Th\$	12-31-2019 Th\$
Deferred tax liabilities, initial balance	102,010,071	102,205,544
Increases (decreases) in deferred tax liabilities	675,442	1,004,130
Increases (decreases) in acquisitions through business combinations	(435,101)	(1,199,603)
Changes in deferred tax liabilities	240,341	(195,473)
Changes in total deferred tax liabilities	102,250,412	102,010,071



Income Tax Expenses

Income (expense) for income tax on current and deferred parts	06-30-2020 Th\$	12-31-2019 Th\$	04-01-2020 06-30-2020 Th\$	04-01-2019 06-30-2019 Th\$
Expenditure on current taxes	(23,516,328)	(30,511,740)	(5,716,774)	(11,193,381)
Adjustment of tax expense for previous year	57,154	(166,534)	57,154	(166,534)
Expenditure for current taxes on profits	(23,459,174)	(30,678,274)	(5,659,620)	(11,359,915)
Tax loss benefit	-	-	-	-
Income (expenses) deferred by taxes related to the creation and reversal of temporary differences	2,971,657	4,008,271	227,826	5,261,587
Expenses for a single tax (expenses rejected)	(221,688)	(146,193)	(106,007)	(102,644)
Income (expenses) for other taxes	2,749,969	3,862,078	121,819	5,158,943
Income tax expense	(20,709,205)	(26,816,196)	(5,537,801)	(6,200,972)

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

	06-30-2020 Th\$	12-31-2019 Th\$	04-01-2020 06-30-2020 Th\$	04-01-2019 06-30-2019 Th\$
Expenses for taxes using the legal rate	(22,913,914)	(29,434,283)	(6,223,559)	(8,843,648)
Permanent difference for monetary correction tax assets	2,626,378	3,021,018	606,976	3,015,713
Permanent difference for rejected expenses	(221,688)	(146,193)	(106,007)	(102,644)
Permanent income tax difference from previous years	57,154	(166,534)	57,154	(166,534)
Other permanent differences	(257,135)	(90,204)	127,635	(103,859)
Adjustments to tax expense using the legal rate	2,204,709	2,618,087	685,758	2,642,676
Tax expense using the effective rate	(20,709,205)	(26,816,196)	(5,537,801)	(6,200,972)

Reconciliation of the statutory tax rate with the effective tax rate

	06-30-2020	12-31-2019
Legal tax rate	27.00%	27.00%
Permanent difference for monetary correction tax assets	(3.09%)	(2.77%)
Permanent difference for rejected expenses	0.26%	0.13%
Permanent income tax difference from previous years	(0.07%)	0.15%
Other permanent differences	0.30%	0.09%
Effective tax rate	24.40%	24.60%



Note 15. FINANCIAL INSTRUMENTS

15.1 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.

15.2 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.



15.3 Class of financial instruments

The following is a summary of the financial instruments as of June 30, 2020 and December 31, 2019:

Types of financial instruments	Currency	Note	06-30-2020	12-31-2019
			Th\$	Th\$
Current Financial Assets				
Coverage	CLP		91,942	-
Other current financial assets			91,942	-
Trade debtors and other accounts receivable	CLP	5	113,396,578	115,919,449
Trade debtors and other accounts receivable	USD	5	6,214	9,230
Trade debtors and other accounts receivable	EUR	5	8,983	8,819
Total commercial debtors and other accounts receivable, current			113,411,775	115,937,498
Accounts receivable to related entities	CLP	6	17,092	25,324
Information on related entities, current			17,092	25,324
Total financial assets, current			113,520,809	115,962,822
Non-current financial assets				
Rights receivable	CLP	5	3,156,896	4,251,661
Other financial assets	CLP		7,913,380	7,852,912
Total financial assets, non-current			11,070,276	12,104,573
Total financial assets			124,591,085	128,067,395
Current financial liabilities				
Bank Loans	CLP	15.4	78,556,222	13,876,507
Bonds	CLP	15.4	16,500,158	16,320,558
Reimbursable financial contributions	CLP	15.4	10,083,212	6,188,750
Other financial liabilities, current			105,139,592	36,385,815
Lease liability	CLP	13	1,439,281	1,496,534
Lease liability, current			1,439,281	1,496,534
Trade accounts and other payable accounts	CLP	16	85,141,692	131,416,429
Trade accounts and other payable accounts	USD	16	655,066	758,814
Trade accounts and other payable accounts	EUR	16	141,991	276,608
Commercial accounts and other payable accounts, current			85,938,749	132,451,851
Accounts payable to related entities	CLP	6	15,623,949	41,030,704
Accounts payable to related entities	EUR	6	94,852	-
Information on related entities, current			15,718,801	41,030,704
Total financial liabilities, current			208,236,423	211,364,904
Financial liabilities non-current				
Bank loans	CLP	15.4	139,244,404	101,352,095
Bonds	CLP	15.4	719,186,237	715,030,769
Reimbursable financial contributions	CLP	15.4	188,506,429	186,572,529
Other financial liabilities, non-current			1,046,937,070	1,002,955,393
Lease liability	CLP	13	1,447,831	1,942,083
Lease liability, non-current			1,447,831	1,942,083
Other accounts payable	CLP	16	1,136,331	1,159,317
Other accounts payable, non-current			1,136,331	1,159,317
Total financial liabilities, non-current			1,049,521,232	1,006,056,793
Total financial liabilities			1,257,757,655	1,217,421,697



15.4 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 June 30, 2020 and December 31, 2019 is as follows:

Reimbursable Financial Contributions, current portion

Registration No. or identification of the instrument	Currency rate adjustment	Residual UF 06-30-2020	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)
			06-30-2020 Th\$	12-31-2019 Th\$							
AFR	UF	277,597	8,063,492	5,098,342	3.01%	2.95%	Chile	Aguas Andinas S.A.	61.808.000-5	Upon expiration	No
AFR	UF	51,653	1,499,076	1,090,407	2.97%	2.92%	Chile	Aguas Cordillera S.A.	96.809.310-k	Upon expiration	No
AFR	UF	17,974	520,644	-	2.95%	2.88%	Chile	Aguas Manquehue S.A.	89.221.000-4	Upon expiration	No
Totals		347,224	10,083,212	6,188,750							

Reimbursable Financial Contributions, non-current portion

Registration No. or identification of the instrument	Currency rate adjustment	Residual UF 06-30-2020	Book value		Expiration Date	Contract real interest rate	Effective rate	Issuing company	Issuer Tax Identification Number	Type of repayment	Guaranteed(Yes/No)
			06-30-2020 Th\$	21-31-2019 Th\$							
AFR	UF	4,691,310	135,622,617	134,047,348	26-06-2035	3.07%	3.00%	Aguas Andinas S.A.	61.808.000-5	Upon expiration	No
AFR	UF	762,870	22,069,923	22,352,582	18-06-2035	3.04%	2.98%	Aguas Cordillera S.A.	96.809.310-k	Upon expiration	No
AFR	UF	682,784	19,755,143	19,488,860	27-12-2034	3.10%	3.04%	Aguas Manquehue S.A.	89.221.000-4	Upon expiration	No
AFR	UF	385,370	11,058,746	10,683,739	21-02-2035	3.36%	3.36%	ESSAL S.A.	96.579.800-5	Upon expiration	No
Totals		6,522,334	188,506,429	186,572,529							



The detail of bank loans as of June 30, 2020 and December 31, 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	96.579.800-5	96.579.800-5	96.579.800-5	96.579.800-5	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 Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	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.	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	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile
Tax ID creditor entity	97.004.000-5	97.006.000-6	97.004.000-5	97.080.000-K	97.006.000-6	76.645.030-K	97.004.000-5	97.018.000-1	97.004.000-5	97.006.000-6	97.006.000-6	97.004.000-5	97.006.000-6	97.018.000-1	97.018.000-1	97.018.000-1	97.036.000-K
Creditor entity name	Banco de Chile	Banco BCI	Banco de Chile	Banco BICE	Banco BCI	Banco Itaú	Banco de Chile	Scotiabank	Banco de Chile	Banco de Chile	Banco BCI	Banco BCI	Scotiabank	Scotiabank	Banco BCI	Scotiabank	Santander
Currency or reset unit	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP
Amortization rate	Biannual	Upon Expiration	Biannual	Upon Expiration	Biannual	Upon Expiration	Biannual	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration
Effective rate	0.62%	2.77%	4.46%	4.72%	4.27%	4.58%	2.65%	2.73%	3.84%	2.99%	4.29%	0.42%	2.79%	2.67%	6.60%	2.42%	4.21%
Nominal rate	0.62%	2.77%	4.43%	4.68%	4.24%	4.54%	2.65%	2.73%	3.84%	2.99%	4.29%	0.42%	2.79%	2.67%	6.60%	2.42%	4.21%
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Until a year	8,861,212	145,309	330,699	20,267,800	22,256,496	10,121,056	10,022,419	186,550	2,799	1,400,000	45,146	7,118	5,447	715	981,761	389	4,295,247
Up to 90 days	-	145,309	330,699	-	-	-	10,022,419	186,550	2,799	1,400,000	45,146	7,118	5,447	715	981,761	-	13,127,963
More than 90 days up to a year	8,861,212	-	-	20,267,800	22,256,496	10,121,056	-	-	-	-	-	-	-	-	-	389	4,295,247
More than 1 year up to 3 years	17,699,562	19,270,304	28,000,000	-	-	-	-	2,500,000	-	9,000,000	10,904,640	6,000,000	3,000,000	-	5,300,000	-	101,674,506
More than 1 year up to 2 years	8,849,781	19,270,304	-	-	-	-	-	2,500,000	-	-	-	6,000,000	3,000,000	-	5,300,000	-	44,920,085
More than 2 years up to 3 years	8,849,781	-	28,000,000	-	-	-	-	-	-	9,000,000	10,904,640	-	-	-	-	-	56,754,421
More than 3 years up to 5 years	16,507,062	-	-	-	-	-	-	20,000,000	-	-	-	-	-	-	-	-	36,507,062
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	7,657,281	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,657,281
More than 5 years	1,192,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,192,500
More than 5 years	1,192,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,192,500
Total nominal amounts	44,260,336	19,415,613	28,330,699	20,267,800	22,256,496	10,121,056	10,022,419	20,186,550	2,502,799	1,400,000	9,045,146	10,911,758	6,005,447	3,000,715	981,761	5,300,389	218,304,231
Accounting values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Current bank loans	8,861,212	145,309	256,029	20,155,813	22,127,335	10,062,933	10,022,419	186,550	2,799	1,400,000	45,146	7,118	5,447	715	981,761	389	4,295,247
Up to 90 days	-	145,309	256,029	-	-	-	10,022,419	186,550	2,799	1,400,000	45,146	7,118	5,447	715	981,761	-	13,053,293
More than 90 days up to a year	8,861,212	-	-	20,155,813	22,127,335	10,062,933	-	-	-	-	-	-	-	-	-	389	4,295,247
Non-current bank loans	35,399,124	19,270,304	27,870,336	-	-	-	-	20,000,000	2,500,000	-	9,000,000	10,904,640	6,000,000	3,000,000	-	5,300,000	139,244,404
More than 1 year up to 3 years	17,699,562	19,270,304	27,870,336	-	-	-	-	2,500,000	-	9,000,000	10,904,640	6,000,000	3,000,000	-	5,300,000	-	101,544,842
More than 1 year up to 2 years	8,849,781	19,270,304	-	-	-	-	-	2,500,000	-	-	-	6,000,000	3,000,000	-	5,300,000	-	44,920,085
More than 2 years up to 3 years	8,849,781	-	27,870,336	-	-	-	-	-	-	9,000,000	10,904,640	-	-	-	-	-	56,624,757
More than 3 years up to 5 years	16,507,062	-	-	-	-	-	-	20,000,000	-	-	-	-	-	-	-	-	36,507,062
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	7,657,281	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,657,281
More than 5 years	1,192,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,192,500
More than 5 years	1,192,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,192,500
Total bank loans	44,260,336	19,415,613	28,126,365	20,155,813	22,127,335	10,062,933	10,022,419	20,186,550	2,502,799	1,400,000	9,045,146	10,911,758	6,005,447	3,000,715	981,761	5,300,389	217,800,626

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

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



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

Bank loan balances, previous 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\$
Until a year	4,492,373	126,948	189,583	8,721	9,030,745	6,179	19,065	2,893
Up to 90 days	67,482	-	189,583	8,721	30,745	6,179	19,065	2,893
More than 90 days up to a year	4,424,891	126,948	-	-	9,000,000	-	-	-
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
More than 1 year up to 2 years	8,849,781	-	-	2,500,000	-	-	6,000,000	3,000,000
More than 2 years up to 3 years	8,849,781	19,270,303	-	-	-	10,757,777	-	-
More than 3 years up to 5 years	17,699,562	-	20,000,000	-	-	-	-	-
More than 3 years up to 4 years	8,849,781	-	20,000,000	-	-	-	-	-
More than 4 years up to 5 years	8,849,781	-	-	-	-	-	-	-
More than 5 years	4,424,891	-	-	-	-	-	-	-
More than 5 years	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
Accounting values	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
Up to 90 days	67,482	-	189,583	8,721	30,745	6,179	19,065	2,893
More than 90 days up to a year	4,424,891	126,948	-	-	9,000,000	-	-	-
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
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
More than 1 year up to 2 years	8,849,781	-	-	2,500,000	-	-	6,000,000	3,000,000
More than 2 years up to 3 years	8,849,781	19,270,303	-	-	-	10,757,777	-	-
More than 3 years up to 5 years	17,699,562	-	20,000,000	-	-	-	-	-
More than 3 years up to 4 years	8,849,781	-	20,000,000	-	-	-	-	-
More than 4 years up to 5 years	8,849,781	-	-	-	-	-	-	-
More than 5 years	4,424,891	-	-	-	-	-	-	-
More than 5 years	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

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

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



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

The detail of the bond obligations as of June 30, 2020 and December 31, 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	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	04-01-2031	10-01-2033	06-01-2032	04-01-2035	04-01-2036	04-01-2037	06-01-2037	02-01-2038	01-15-2023	01-15-2040	03-15-2043	03-15-2025	03-15-2044	06-01-2028	12-01-2040
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%	3.19%	3.15%	2.35%	3.33%	2.87%	1.96%	2.06%	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	521,873	411,442	156,284	637,346	540,153	497,854	180,031	569,681	7,409,570	835,552	469,894	227,123	419,873	3,453,716	166,236
Up to 90 days	-	-	-	-	-	-	-	569,681	3,704,785	835,552	469,894	227,123	419,873	3,453,716	166,236
More than 90 days up to a year	521,873	411,442	156,284	637,346	540,153	497,854	180,031	-	3,704,785	-	-	-	-	-	-
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	14,348,210	-	-	21,522,316	-	6,645,484	-
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,174,105	-	-	10,761,158	-	3,322,742	-
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	7,174,105	-	-	10,761,158	-	3,322,742	-
More than 3 years	50,218,735	43,044,630	47,349,093	66,001,766	57,392,840	57,392,840	66,001,766	45,914,272	-	57,392,840	57,392,840	21,522,316	57,392,840	19,017,662	28,696,420
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	-	-	-	10,761,158	-	3,322,742	-
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	10,761,158	-	3,322,742	-
More than 5 years	50,218,735	43,044,630	47,349,093	66,001,766	57,392,840	57,392,840	66,001,766	45,914,272	-	57,392,840	57,392,840	-	57,392,840	12,372,178	28,696,420
Total nominal amounts	50,740,608	43,456,072	47,505,377	66,639,112	57,932,993	57,890,694	66,181,797	46,483,953	21,757,780	58,228,392	57,862,734	43,271,755	57,812,713	29,116,862	733,743,498
Accounting values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Obligations with the public	534,939	420,022	170,789	630,137	536,498	497,854	225,145	531,838	7,416,954	797,177	449,652	164,720	576,014	3,382,183	166,236
Up to 90 days	-	-	-	-	-	-	-	531,838	3,708,477	797,177	449,652	164,720	576,014	3,382,183	166,236
More than 90 days up to a year	534,939	420,022	170,789	630,137	536,498	497,854	225,145	-	3,708,477	-	-	-	-	-	-
Obligations with the non-current public	50,381,465	43,182,654	47,552,419	65,876,198	57,318,680	57,392,840	66,857,925	45,066,105	14,358,478	56,434,546	56,800,212	42,901,900	61,804,050	25,387,625	27,871,140
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	14,358,478	-	-	21,450,950	-	6,501,662	-
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,179,239	-	-	10,725,475	-	3,250,831	-
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	7,179,239	-	-	10,725,475	-	3,250,831	-
More than 3 years	50,381,465	43,182,654	47,552,419	65,876,198	57,318,680	57,392,840	66,857,925	45,066,105	-	56,434,546	56,800,212	21,450,950	61,804,050	18,885,963	27,871,140
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	-	-	-	10,725,475	-	3,250,831	-
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	10,725,475	-	3,250,831	-
More than 5 years	50,381,465	43,182,654	47,552,419	65,876,198	57,318,680	57,392,840	66,857,925	45,066,105	-	56,434,546	56,800,212	-	61,804,050	12,384,301	27,871,140
Total obligations with the public	50,916,404	43,602,676	47,723,208	66,506,335	57,855,178	57,890,694	67,083,070	45,597,943	21,775,432	57,231,723	57,249,864	43,066,620	62,380,064	28,769,808	735,686,395



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 June 30, 2020 and December 31, 2019:

Current period:

Other current financial liabilities	Initial balance 12-31-2019 \$	Additions \$	Payments \$	Transfers \$	Closing balance 06-30-2020 \$
Bank loans	13,876,507	64,381,760	(93,593)	391,548	78,556,222
Bonuses	16,320,558	-	(2,896,368)	3,075,968	16,500,158
Reimbursable financial contributions	6,188,750	-	-	3,894,462	10,083,212
Total financial liabilities	36,385,815	64,381,760	(2,989,961)	7,361,978	105,139,592
Lease liabilities	1,496,533	129,284	(855,785)	669,249	1,439,281
Total lease liabilities	1,496,533	129,284	(855,785)	669,249	1,439,281
Total other financial liabilities	37,882,348	64,511,044	(3,845,746)	8,031,227	106,578,873

Other non-current financial liabilities	Initial balance 12-31-2019 \$	Additions \$	Payments \$	Transfers \$	Closing balance 06-30-2020 \$
Bank loans	101,352,096	42,446,863	-	(4,554,554)	139,244,405
Bonuses	715,030,769	-	(3,692,282)	7,847,750	719,186,237
Reimbursable financial contributions	186,572,528	10,114,666	(6,715,120)	(1,465,646)	188,506,428
Total financial liabilities	1,002,955,393	52,561,529	(10,407,402)	1,827,550	1,046,937,070
Lease liabilities	1,942,083	174,992	-	(669,244)	1,447,831
Total lease liabilities	1,942,083	174,992	-	(669,244)	1,447,831
Totals	1,004,897,476	52,736,521	(10,407,402)	1,158,306	1,048,384,901

Previous period:

Other current financial liabilities	Initial balance 12-31-2018 \$	Additions \$	Payments \$	Transfers \$	Closing balance 12-31-2019 \$
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
Totals	33,963,316	163,439,165	(156,409,542)	(3,110,591)	37,882,348

Other non-current financial liabilities	Initial balance 12-31-2018 \$	Additions \$	Payments \$	Transfers \$	Closing balance 12-31-2019 \$
Bank loans	92,519,209	22,257,778	-	(13,424,891)	101,352,096
Bonuses	646,960,110	56,686,306	(9,799,598)	21,183,951	715,030,769
Reimbursable financial contributions	173,033,860	-	-	13,538,668	186,572,528
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
Totals	912,513,179	81,675,981	(9,799,598)	20,507,914	1,004,897,476



15.5 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:

	06-30-2020	
	Amortized cost Th\$	Fair value Th\$
Cash Equivalents		
Term deposits, level 1	68,000,097	68,000,097
Mutual funds, level 1	66,500,000	66,500,000
Investments held at fair value	134,500,097	134,500,097
Other financial liabilities		
Forward, level 1	91,942	91,942
Derivative instruments held at fair value	91,942	91,942
Other financial liabilities		
Bank debt, level 2	217,800,626	225,242,137
Bonuses, level 1	735,686,395	908,868,900
AFR, level 3	198,589,641	198,589,641
Financial liabilities maintained at amortized cost	1,152,076,662	1,332,700,678

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 16. COMMERCIAL AND OTHER ACCOUNTS PAYABLE

The composition of commercial accounts payable and other current and non-current accounts payable as of June 30, 2020 and December 31, 2019, is as follows:

Commercial accounts and other accounts payable	Currency	06-30-2020 Th\$	12-31-2019 Th\$
Subcontractors	CLP	24,687,465	34,881,915
Dividends	CLP	130,788	22,294,725
Suppliers	CLP	28,039,727	40,958,556
Suppliers	USD	655,066	758,814
Suppliers	EUR	141,991	276,608
Accrued products and services	CLP	23,997,525	25,230,374
Personnel	CLP	3,275,354	3,863,611
Documents to pay	CLP	4,418,564	3,535,897
Others	CLP	592,269	651,351
Current sub-total		85,938,749	132,451,851
AFR drinking water	CLP	898,305	904,203
Suppliers	CLP	167,631	184,719
Various creditors	CLP	70,395	70,395
Non-current sub-total		1,136,331	1,159,317
Total current and non-current		87,075,080	133,611,168

Below is information regarding invoiced commercial accounts by due date:

16.1 Commercial accounts

Current period:

Commercial accounts per day according to deadline	06-30-2020			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	8,335,206	13,129,428	96,146	21,560,780
Between 31 and 60 days	228,302	1,707,862	32	1,936,196
Between 61 and 90 days	39,282	-	-	39,282
Between 91 and 120 days	-	-	-	-
Between 121 and 365 days	-	20,888	-	20,888
More than 365 days	-	-	-	-
Totals	8,602,790	14,858,178	96,178	23,557,146

Commercial accounts expired according to term	06-30-2020			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	359	158,141	2,258	160,759
Between 31 and 60 days	2,419,842	332,024	207	2,752,073
Between 61 and 90 days	1,015,046	59,682	2,022	1,076,749
Between 91 and 120 days	802,497	244,051	570	1,047,118
Between 121 and 365 days	424	220,406	12,975	233,806
More than 365 days	-	8,907	226	9,133
Totals	4,238,168	1,023,211	18,259	5,279,638



Previous period:

Commercial accounts per day according to deadline	12-31-2019			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	7,607,971	17,388,913	189,590	25,186,474
Between 31 and 60 days	1,179,791	10,888,431	2,720	12,070,942
Between 61 and 90 days	315,114	115,331	-	430,445
Between 91 and 120 days	-	230,670	-	230,670
Between 121 and 365 days	-	-	-	-
More than 365 days	-	-	-	-
Totals	9,102,876	28,623,345	192,310	37,918,531

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

Note 17. OTHER PROVISIONS AND CONTINGENT LIABILITIES

A. Other Provisions

The breakdown of this item as of June 30, 2020 and December 31, 2019 is as follows:

Other provisions	06-30-2020			
	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	1,380,131	5,112,300
Changes in other provisions				
Additional provisions, other provisions				
New provisions	-	754,107	-	754,107
Increase in existing provisions	-	-	-	-
Total additional provisions	-	754,107	-	754,107
Acquisitions made through business combinations				
(-) Used provisions	-	(252,578)	-	(252,578)
(-) Unused reverse provisions	-	(1,017,741)	-	(1,017,741)
Increase for adjustments arising from the passage of time	-	-	20,204	20,204
Total Increase (decrease)	-	(1,270,319)	20,204	(1,250,115)
Other provisions at the end of the period	-	3,215,957	1,400,335	4,616,292

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



Other provisions	12-31-2020			
	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 01.01.2019	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
Acquisitions made through business combinations				-
(-) 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	-	-	38,898	38,898
Total Increase (decrease)	(2,130,122)	(1,424,220)	38,898	(3,515,444)
Other provisions at the end of the period	-	3,732,169	1,380,131	5,112,300

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 March 2020 amounts to UTA 3,917, 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\$344,581. The legal proceedings are pending at the respective courts or administrative bodies.



2.- Other provisions, non-current

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

B.- Contingent liabilities

- 1.- Aguas Andinas S.A. was sued in an ordinary lawsuit for damages due to the damages allegedly suffered by a Mining Company, because of the installation of infrastructure by the company on land where the plaintiff would have mining properties, causing it alleged damage by preventing the extraction of minerals. The amount sued amounts to ThCh\$1,093,564. A first instance judgment was rendered which was reversed by the court of appeals, which upheld Aguas Andinas' claim. Pending ruling by the Supreme Court.
- 2.- On June 9, 2016, as a result of a break in the potable water matrix that affected the district of Providencia, Aguas Andinas S.A. compensated for the damage caused to third parties. In view of the aforementioned emergency, the Company is in the process of being audited and notified of the beginning of the sanctioning process by the Superintendence of Sanitary Services. The Company presented its discharges, the resolution of the authority is pending.
- 3.- On March 30 this year, Aguas Andinas was notified of the sentence rendered in first instance in the collective lawsuit filed by SERNAC in relation to a massive cut-off of potable water in April 2016, caused by extreme turbidity in the Maipo River. The ruling condemns the company and orders compensation to the users allegedly affected by the aforementioned cut, a decision that we consider erroneous and disproportionate, since it includes in the compensation unsolicited requests in court and, likewise, extends the scope of the ruling to users who were not really affected by that interruption. Therefore, Aguas Andinas filed appeals against this ruling, requesting the higher Courts of justice to amend the errors contained in the ruling.
4. As of June 30, 2020, there are two administrative proceedings initiated by the Superintendence of Sanitary Services (SISS) against ESSAL and which are related to the events that occurred in July 2019 at the potable water production plant in Caipulli, in Osorno. One of the procedures deals with the expiry of the concession in Osorno; and the second accuses ESSAL of various infractions for alleged deficiencies in the quality of service, aiming to establish sanctions of a fine. Both procedures are in the evidentiary stage before the SISS, with no resolution of a fine or resolution to end the administrative procedure and are still pending.

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

Note 18. EMPLOYEE BENEFITS

The Company, at consolidated level, has a staff of 2,189 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 1,865 and 18, respectively. Meanwhile, 306 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 April 2017, respectively. These contracts are valid for three years. The employees of these Subsidiaries are governed by the rules set forth in articles 159, 160 and 161 of the Labor Code, for which reason no provision for severance package is recorded.

The current collective bargaining agreement with the Unions of the subsidiary ESSAL S.A. was signed on December 31, 2019 and expires on December 31, 2022.

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.: 842; Aguas Cordillera S.A.: 109; Aguas Manquehue S.A.: 14 and ESSAL S.A.: 376.

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

Employee turnover rate, disability and early retirement: According to the Group's statistical experience, the turnover used in the 2019 period for target workers is as follows: Aguas Andinas S.A.: 5.20%; Aguas Cordillera S.A.: 8.70%; Aguas Manquehue S.A.: 0.00% and ESSAL S.A.: 6.20%. No disabilities or premature withdrawals have been considered due to the rarity of these events.

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



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

Rate of pay increase: The tariffs used for the period 2019 are as follows Aguas Andinas S.A.: 2.5%; Aguas Cordillera S.A.: 1.7%; Aguas Manquehue S.A.: 0.3% and ESSAL S.A. : 1.5%.

Overview of defined benefit plans

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

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

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

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

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

The movements of the actuarial provisions as of June 30, 2020 and December 31, 2019, which include the movements of the provisions, are as follows:

Provisions for employee benefits	06-30-2020 Th\$	12-31-2019 Th\$
Movements actuarial provision		
Beginning balance	21,011,200	18,133,926
Cost of services	461,566	1,011,621
Cost for interest	389,868	808,754
(Gain) or actuarial losses	-	2,487,505
Benefits paid	(426,742)	(1,561,500)
Provision for termination benefits	78,704	130,894
Special seniority compensation	-	-
Sub-totals	21,514,596	21,011,200
Profit and bonds participation	2,314,624	4,941,517
Totals	23,829,220	25,952,717

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

Provisions for employee benefits	06-30-2020 Th\$	12-31-2019 Th\$
Provisions for employee benefits, current	2,869,388	5,184,148
Provisions for employee benefits, not current	20,959,832	20,768,569
Totals	23,829,220	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.	23	2,083,467	2020
Aguas Cordillera S.A.	3	206,149	2020
Aguas Manquehue S.A.	1	33,616	2020
ESSAL S.A.	1	3,352	2020
Totals	28	2,326,584	

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.	884	830,192	702,809
Aguas Cordillera S.A.	104	130,179	57,248
Aguas Manquehue S.A.	14	2,364	17,713
ESSAL S.A.	362	46,858	28,869
Totals	1364	1,009,593	806,639



Sensitivity of assumptions

On the basis of the actuarial calculation as of June 30, 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.	4.16%	(757,730)	825,350
Aguas Cordillera S.A.	4.16%	(36,303)	75,571
Aguas Manquehue S.A.	4.16%	(16,553)	20,100
ESSAL S.A.	4.00%	(83,968)	3,298
Totals		(894,554)	924,319

Turnover rate	Base	More than 0.5% Th\$	Less than 0.5% Th\$
Aguas Andinas S.A.	5.20%	(826,468)	896,997
Aguas Cordillera S.A.	8.70%	(43,323)	82,778
Aguas Manquehue S.A.	0.00%	(17,186)	1,220
ESSAL S.A.	6.20%	(83,968)	3,298
Totals		(970,945)	984,293

Salary increase rate	Base	More than 0.5% Th\$	Less than 0.5% Th\$
Aguas Andinas S.A.	2.50%	834,990	(773,214)
Aguas Cordillera S.A.	1.70%	76,705	(37,848)
Aguas Manquehue S.A.	0.30%	20,750	(10,012)
ESSAL S.A.	1.50%	4,240	(85,143)
Totals		936,685	(906,217)

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 June 30, 2020 and December 31, 2019, the amounts are Th\$2,314,624 and Th\$4,941,517, 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 June 30, 2020 and 2019 are as follows:

Personnel expenses	06-30-2020 Th\$	12-31-2019 Th\$	04-01-2020 06-30-2020 Th\$	04-01-2019 06-30-2019 Th\$
Wages and salaries	19,966,494	18,593,137	10,662,043	9,714,384
Defined benefits	9,009,001	8,508,975	4,596,622	4,493,415
Severance pay	1,125,704	1,640,277	575,282	779,043
Other personnel costs	1,069,195	1,156,471	596,178	551,562
Totals	31,170,394	29,898,860	16,430,125	15,538,404

Note 19. OTHER NON-FINANCIAL LIABILITIES

The breakdown of this current and non-current item as of June 30, 2020 and December 31, 2019 is as follows:

Other non-financial liabilities	06-30-2020 Th\$	12-31-2019 Th\$
Value-Added Tax	9,623,277	10,224,688
Monthly Provisional Payments	3,754,652	4,805,725
Other taxes	332,084	367,582
Agreement for real estate developments	2,394,550	2,508,098
Advance income	7,590,000	-
Works requested by third parties	2,112,414	2,076,573
Current totals	25,806,977	19,982,666
Asociación Sociedad de Canalistas del Maipo	7,355,177	7,294,709
Agreement for real estate developments	2,792,994	2,737,146
Total non-current	10,148,171	10,031,855

Note 20. 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 June 30, 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	06-30-2019	12-31-2019
Series A shares	5,811,031,417	5,811,031,417
Series B shares	307,933,743	307,933,743

The capital as of June 30, 2020 and December 31, 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 2020, dividends payments have not been agreed, according to the following:

In the Ordinary Meeting of Shareholders held on April 27, 2020, it was approved not to distribute profits over the amount already distributed in January 2020, which is higher than the legal minimum as provided in the Law of Corporations, given the exceptional circumstances that the country and the entire world are experiencing in relation to the Coronavirus Pandemic, which makes it necessary to prioritize operational needs and allocate all efforts and resources for these purposes, until the effects of it are clarified.

Notwithstanding the above, during the course of the financial year 2020, the distribution of a dividend will be evaluated if the prevailing circumstances allow it, which in any case will be subject to the approval of the respective corporate governance bodies.

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 June 30, 2020 and December 31, 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\$1,844,103.

The total balances of accumulated profit as of June 30, 2020 and December 31, 2019 amount to Th\$393,116,036 and Th\$330,787,493, 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 June 30, 2020 and December 31, 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 June 30, 2020 and December 31, 2019 amount to Th\$-5,965,550.



Note 21. 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 June 30, 2020 and December 31, 2019 is as follows:

Company	% Interest		Non-controlling interests					
	06-30-2020	12-31-2019	Equity		Outcome			
	%	%	06-30-2020	12-31-2019	06-30-2020	06-30-2019	04-01-2020 06-30-2020	04-01-2019 06-30-2019
			Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Aguas Cordillera S.A.	0.00997%	0.00997%	20,049	20,467	1,074	1,175	296	360
Essal S.A. (1)	46.49350%	46.49350%	44,827,188	42,999,662	1,827,527	1,588,296	1,323,165	511,988
Totals			44,847,237	43,020,129	1,828,601	1,589,471	1,323,461	512,348

(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. 2019 amount to Th\$5,048,004, respectively.

Note 22. ORDINARY INCOME

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

Classes of ordinary income	06-30-2020	06-30-2019	04-01-2020 06-30-2020	04-01-2019 06-30-2019
	Th\$	Th\$	Th\$	Th\$
Ordinary income				
Drinking water	113,356,638	116,365,219	44,562,002	47,811,713
Wastewater	129,448,406	134,388,878	57,712,657	62,781,160
Other regulated income	7,813,055	7,817,668	3,748,038	3,730,961
Non-regulated businesses	25,947,495	26,328,183	13,443,638	13,712,805
Totals	276,565,594	284,899,948	119,466,335	128,036,639

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 65% between April and June. 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.



Note 23. OTHER EXPENSES BY NATURE

The following is information on other expenses, by nature:

Other expenses by nature	06-30-2020	06-30-2019	04-01-2020 06-30-2020	04-01-2019 06-30-2019
	Th\$	Th\$	Th\$	Th\$
Operation of treatment plants	(13,671,580)	(14,043,088)	(6,915,122)	(7,021,161)
Services	(10,625,056)	(8,112,456)	(6,304,873)	(3,887,184)
Maintenance and repairs of networks	(8,664,233)	(7,647,841)	(4,338,323)	(4,010,150)
Commercial services	(5,943,894)	(6,786,690)	(2,556,613)	(3,539,135)
Costs for work requested by third parties	(3,343,987)	(4,777,373)	(1,275,261)	(2,609,477)
Maintenance of enclosures and equipment	(4,902,224)	(4,706,424)	(2,404,884)	(2,718,812)
Operating leases	(4,098,932)	(3,480,097)	(2,033,027)	(1,738,284)
Removal of waste and sludge	(3,516,410)	(3,074,559)	(1,737,073)	(1,628,568)
Contributions, patents, insurance and rights	(3,485,932)	(3,068,932)	(2,080,697)	(1,777,959)
General expenses	(3,883,458)	(3,116,668)	(1,974,933)	(1,652,415)
Others	(6,524,847)	(3,689,011)	(3,891,991)	(1,115,004)
Totals	(68,660,553)	(62,503,139)	(35,512,797)	(31,698,149)

Note 24. 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	06-30-2020	06-30-2019	04-01-2020 06-30-2020	04-01-2019 06-30-2019
	Th\$	Th\$	Th\$	Th\$
Gain (loss) on sale of non-current assets, not held for sale	603,161	98,523	603,161	104,700
Organizational restructuring program *	(2,024,868)	(1,650,194)	(1,470,754)	(1,456,759)
Discarded projects and guarantee tickets **	1,345,369	(19,098)	420,020	152,378
Other gains (losses)	(790,067)	321,630	(543,644)	28,600
Other gains (losses)	(866,405)	(1,249,139)	(991,217)	(1,171,081)
Bank loans	(2,488,946)	(2,050,085)	(1,718,023)	(991,048)
Interest expenses, AFR	(3,084,022)	(3,037,967)	(1,591,984)	(1,526,130)
Interest expenses, Bonuses	(9,452,968)	(9,809,470)	(4,607,060)	(5,092,347)
Interest expenses, lease liability	(63,488)	(26,768)	(30,048)	(13,357)
Interest expenses, other	(475,149)	(411,427)	(276,774)	(289,375)
Amortization of complementary costs related to loan contracts	(59,767)	(25,846)	(29,726)	17,313
Financial costs	(15,624,340)	(15,361,563)	(8,253,615)	(7,894,944)
Interest income	2,032,176	2,136,858	965,376	1,143,168
Profit in the rescue and extinction of debt	374,244	686,949	103,072	337,178
Income from derivative instruments	-	-	-	-
Financial income	2,406,420	2,823,807	1,068,448	1,480,346

* 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 25. EXCHANGE RATE DIFFERENCE EFFECT

The detail of exchange rate differences as of June 30, 2020 and 2019 is as follows:

Category	Currency	06-30-2020 Th\$	06-30-2019 Th\$	04-01-2020 06-30-2020 Th\$	04-01-2019 06-30-2019 Th\$
Trade debtors and other accounts receivable	EUR	(7,126)	(37)	(5,268)	(37)
Trade debtors and other accounts receivable	USD	267	60	-	(62)
Total variation by assets		(6,859)	23	(5,268)	(99)
Commercial accounts payable and other accounts payable	EUR	8,863	(4,046)	32,748	(5,970)
Commercial accounts payable and other accounts payable	USD	75,903	(63,411)	91,225	(48,236)
Total variation for liabilities		84,766	(67,457)	123,973	(54,206)
Profit (loss) due to exchange difference		77,907	(67,434)	118,705	(54,305)

Note 26. INCOMES BY UNITS OF READJUSTMENT

The composition of the results by unit of readjustment for the periods ended on June 30, 2020 and 2019, is as follows:

Category	06-30-2020 Th\$	06-30-2019 Th\$	04-01-2020 06-30-2020 Th\$	04-01-2019 06-30-2019 Th\$
Accounts receivable from related entities	73	53	(8)	55
Current tax assets	55,927	202,867	613,635	205,239
Trade debtors and other accounts receivable	208,906	1,087,435	817,667	673,808
Total variation by assets	264,906	1,290,355	1,431,294	879,102
Other financial liabilities	(13,048,180)	(10,907,098)	(3,737,497)	(11,012,276)
Commercial accounts payable and other accounts payable	255,618	(926,188)	(987,710)	(438,627)
Accounts payable to related entities	213	-	154,258	-
Other non-financial liabilities	11	-	(269)	-
Total variation for liabilities	(12,792,337)	(11,833,286)	(4,571,218)	(11,450,903)
Loss per unit of readjustments	(12,527,431)	(10,542,931)	(3,139,924)	(10,571,801)

Note 27. 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., Aguas Manquehue S.A. and ESSAL S.A. through Iberaguas Ltda.

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

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

General information about results	06-30-2020		06-30-2019	
	Water	Non-water	Water	Non-water
	Th\$	Th\$	Th\$	Th\$
Revenue from ordinary activities from external customers	262,503,193	14,062,401	271,085,617	13,816,760
Revenue from ordinary activities between segments	452,696	2,458,531	529,715	2,067,720
Total revenue from ordinary activities from external customers and transactions with other operating segments of the same entity	262,955,889	16,520,932	271,615,332	15,884,480
Raw materials and consumables used	(20,585,035)	(5,468,047)	(15,595,308)	(6,066,097)
Expenses for employee benefits	(26,768,980)	(4,572,948)	(25,834,352)	(4,163,280)
Operating expenses	(67,772,305)	(3,528,947)	(61,122,118)	(3,664,633)
Depreciation and amortization	(38,476,640)	(917,536)	(36,734,482)	(919,264)
Other gains and expenses	(681,396)	(171,167)	(1,072,081)	(162,805)
Financial income	2,502,051	2,458	2,897,449	7,862
Financial costs	(15,600,217)	(122,232)	(15,341,448)	(103,168)
Result by units of adjustment and exchange difference	(12,461,899)	12,370	(10,557,729)	(52,641)
Gain (loss) before taxes	83,111,468	1,754,883	108,255,263	760,454
Income tax expense	(20,239,311)	(469,896)	(26,619,377)	(196,672)
Segment gain	62,872,157	1,284,987	81,635,886	563,782
Segment gain attributable to owners of the parent	61,043,556	1,284,987	80,046,415	563,782
Gain (loss) of the segment attributable to non-controlling interests	1,828,601	-	1,589,471	-

General information on assets, liabilities and equity	06-30-2020		12-31-2019	
	Water	Non-water	Water	Non-water
	Th\$	Th\$	Th\$	Th\$
Current assets	283,794,813	18,806,620	189,359,896	17,693,519
Non-current assets	1,806,597,197	19,814,922	1,786,470,056	20,052,580
Total assets	2,090,392,010	38,621,542	1,975,829,952	37,746,099
Current liabilities	247,360,287	13,032,420	238,639,411	14,295,689
Non-current liabilities	1,115,381,980	1,609,751	1,071,480,597	1,686,891
Total assets	1,362,742,267	14,642,171	1,310,120,008	15,982,580
Equity attributable to the owners of the parent	682,802,506	23,979,371	622,689,815	21,763,519
Non-controlling interests	44,847,237	-	43,020,129	-
Total equity	727,649,743	23,979,371	665,709,944	21,763,519
Total equity and liabilities	2,090,392,010	38,621,542	1,975,829,952	37,746,099

Statement of Cash Flow	06-30-2020		06-30-2019	
	Water	Non-water	Water	Non-water
	Th\$	Th\$	Th\$	Th\$
Cash flows from (used in) operating activities	49,603,799	(72,729)	77,355,828	(117,088)
Cash flows from (used in) investing activities	(37,223,899)	(26,566)	(65,981,611)	(312,690)
Cash flows from (used in) financing activities	45,553,680	240,000	(22,709,961)	566,000



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 June 30, 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.

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



Non-water segment

Significant items of ordinary income are mainly those related to the activity of the segment and are closely related to the main activity of each subsidiary, this involves sale of materials to third parties, income from operation of liquid industrial waste treatment plant, income from services and analysis of 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	06-30-2020	06-30-2019
	Th\$	Th\$
Revenue from the ordinary activities of the segments	279,476,821	287,499,813
Elimination of accounts of the corporate headquarters with the segments		
Elimination of ordinary activities between segments	(2,911,227)	(2,599,865)
Ordinary activities income	276,565,594	284,899,948

Profit reconciliation	06-30-2020	06-30-2019
	Th\$	Th\$
Total gain (loss) of the segments	61,977,059	80,610,197
Elimination of accounts of the corporate headquarters with the segments		
Consolidation of elimination of gain (loss) between segments	2,180,085	1,589,471
Profit consolidation (loss)	64,157,144	82,199,668

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	06-30-2020	12-31-2019
	Th\$	Th\$
Asset reconciliation		
Consolidation of total assets of the segments	2,129,013,552	2,013,576,051
Elimination of accounts of the corporate headquarters with the segments		
Elimination of accounts between segments	(11,847,714)	(12,131,749)
Total assets	2,117,165,838	2,001,444,302
Reconciliation of liabilities		
Consolidation of total liabilities of the segments	1,377,384,438	1,326,102,587
Elimination of accounts of the corporate headquarters with the segments		
Elimination of accounts between segments	(11,847,715)	(12,131,749)
Total liabilities	1,365,536,723	1,313,970,838
Reconciliation of patrimony		
Consolidation of the total assets of the segments	706,781,878	644,453,335
Elimination of accounts of the corporate headquarters with the segments		
Elimination of accounts between segments	44,847,237	43,020,129
Equity attributable to owners of the controller	751,629,115	687,473,464

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	06-30-2020	06-30-2019
	Th\$	Th\$
Consolidation of the operating flows of the segments	49,531,070	77,238,739
Elimination of accounts of the corporate headquarters with the segments		
Elimination of accounts between segments	83,318,113	70,892,691
Total operating flows	132,849,183	148,131,430

Reconciliation of investing flows of the segments	06-30-2020	06-30-2019
	Th\$	Th\$
Consolidation of investing flows of the segments	(37,250,465)	(66,294,301)
Elimination of accounts of the corporate headquarters with the segments		
Elimination of accounts between segments	(45,447,149)	(38,329,712)
Total investing flows	(82,697,614)	(104,624,013)

Reconciliation of financing flows of the segments	06-30-2020	06-30-2019
	Th\$	Th\$
Consolidation of financing flows of the segments	45,793,680	(22,143,960)
Elimination of accounts of the corporate headquarters with the segments		
Elimination of accounts between segments	(450,891)	(43,004,907)
Total financing flows	45,342,789	(65,148,867)

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., Aguas Manquehue S.A., ESSAL S.A. and Iberaguas Ltda.

Non-water segment

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

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

Note 28. 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		06-30-2020	06-30-2019	04-01-2020 06-30-2020	04-01-2019 06-30-2019
Profit attributable to the holders of equity instruments of the controller	Th\$	62,328,543	80,610,197	16,188,957	26,040,935
Results available for common, basic shareholders	Th\$	62,328,543	80,610,197	16,188,957	26,040,935
Weighted average number of shares, basic		6,118,965,160	6,118,965,160	6,118,965,160	6,118,965,160
Earnings per share	\$	10.186	13.174	2.646	4.256

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 29. 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 June 30, 2020

06-30-2020 Subsidiaries	Current assets Th\$	Non- current assets Th\$	Current liabilities Th\$	Current liabilities Th\$	Equity Th\$
Aguas Cordillera S.A.	14,358,190	275,595,750	42,467,102	46,392,927	201,093,911
Aguas Manquehue S.A.	5,396,640	92,855,129	17,661,453	27,031,920	53,558,396
Inversiones Iberaguas Ltda.	6,944	63,610,222	43,322	-	63,573,844
ESSAL S.A.	31,719,661	188,791,308	29,553,444	118,617,312	72,340,213
EcoRiles S.A.	6,398,384	821,802	1,846,679	55,121	5,318,386
Gestión y Servicios S.A.	5,944,622	869,614	3,463,933	32,245	3,318,058
Análisis Ambientales S.A.	4,610,165	5,551,601	1,447,355	1,516,958	7,197,453
Aguas del Maipo S.A.	1,847,479	12,571,906	6,268,483	5,428	8,145,474

Summary financial information of subsidiaries (Statement of Comprehensive Income) as of June 30, 2020

06-30-2020 Subsidiaries	Income for the period Th\$	Ordinary revenues Th\$	Operating costs Th\$	Other income (expenses) net Th\$
Aguas Cordillera S.A.	10,777,122	30,093,848	(18,566,589)	(750,137)
Aguas Manquehue S.A.	2,037,258	8,397,136	(5,162,230)	(1,197,648)
Inversiones Iberaguas Ltda.	2,600,852	-	(3,284)	2,604,136
ESSAL S.A.	5,107,098	32,884,568	(23,742,789)	(4,034,681)
EcoRiles S.A.	970,768	7,920,835	(6,605,051)	(345,016)
Gestión y Servicios S.A.	51,949	4,557,719	(4,435,677)	(70,093)
Análisis Ambientales S.A.	613,569	5,012,337	(4,070,298)	(328,470)
Aguas del Maipo S.A.	(351,299)	313,615	(660,027)	(4,887)



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

12-31-2019 Subsidiaries	Current assets Th\$	Non- current assets Th\$	Current liabilities Th\$	Current liabilities Th\$	Equity 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 June 30, 2019

06-30-2019 Subsidiaries	Income for the period Th\$	Ordinary revenues Th\$	Operating costs Th\$	Other income (expenses) net Th\$
Aguas Cordillera S.A.	11,787,791	31,264,832	(18,360,735)	(1,116,306)
Aguas Manquehue S.A.	2,416,990	8,282,373	(4,454,220)	(1,411,163)
Inversiones Iberaguas Ltda.	2,707,106	-	(3,177)	2,710,283
ESSAL S.A.	5,339,012	30,249,956	(20,509,543)	(4,401,401)
EcoRiles S.A.	495,191	6,759,465	(6,099,194)	(165,080)
Gestión y Servicios S.A.	32,464	5,314,910	(5,111,137)	(171,309)
Análisis Ambientales S.A.	209,664	4,349,215	(3,954,286)	(185,265)
Aguas del Maipo S.A.	(173,537)	489,249	(677,018)	14,232



Detail of significant subsidiaries

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

Name of significant subsidiary	Aguas Cordillera S.A.	Aguas Manquehue S.A.	ESSAL S.A.
Country	Chile	Chile	Chile
Functional currency	Chilean pesos	Chilean pesos	Chilean pesos
Percentage of participation in a significant subsidiary	99.99003%	100.00000%	53.50650%
Percentage of voting power in a significant subsidiary	99.99003%	100.00000%	53.50650%
Percentage of consolidated values as of June 30, 2020			
Contribution margin	10.35%	2.90%	6.62%
Properties, plant and equipment	7.80%	4.50%	11.99%
Period's result	14.04%	3.32%	3.37%

Note 30. 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, 2019 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 June 30, 2020 and December 31, 2019 there was no impairment of assets and there are no 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 31. 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\$48,566,534 and Th\$51,663,831 as of June 30, 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	06-30-2020	12-31-2019
			Th\$	Th\$
ASOCIACION DE CANALISTAS DEL MAIPO	A. Andinas S.A.	Performance Bond	8,192,221	8,059,241
CGE DISTRIBUCION	A. Andinas S.A.	Performance Bond	-	53,349
COMITE INNOVA CHILE	A. Andinas S.A.	Performance Bond	240,000	216,096
CONSTRUCTORA SAN FRANCISCO	A. Andinas S.A.	Performance Bond	143,482	141,550
DGAC	A. Andinas S.A.	Performance Bond	11,479	11,324
DIRECCION OBRAS HIDRAULICAS	A. Andinas S.A.	Performance Bond	4,475,676	4,647,118
DIRECCION VIALIDAD	A. Andinas S.A.	Performance Bond	-	33,066
FERROCARRILES	A. Andinas S.A.	Performance Bond	86,089	84,930
GOB REG METROPOLITANO	A. Andinas S.A.	Performance Bond	80,620	160,040
I MUN PAINE	A. Andinas S.A.	Performance Bond	-	19,837
MUNICIPALIDAD PROVIDENCIA	A. Andinas S.A.	Performance Bond	43,791	58,092
MUNICIPALIDAD DE LA REINA	A. Andinas S.A.	Performance Bond	71,741	70,775
MUNICIPALIDAD DE SANTIAGO	A. Andinas S.A.	Performance Bond	26,688	26,328
INMOB MACUL S.A.	A. Andinas S.A.	Performance Bond	-	28,310
MUNICIPALIDAD LA FLORIDA	A. Andinas S.A.	Performance Bond	501,277	494,526
MUNICIPALIDAD PEÑALOEN	A. Andinas S.A.	Performance Bond	46,598	45,971
SERVIU METROPOLITANO	A. Andinas S.A.	Performance Bond	12,435,373	12,890,555
S.I.S.S.	A. Andinas S.A.	Performance Bond	6,409,345	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	30,489	30,078
ASOCIACION DE CANALISTAS DEL MAIPO	A. Cordillera S.A.	Performance Bond	990,874	977,529
DIRECCION OBRAS HIDRAULICAS	A. Cordillera S.A.	Performance Bond	-	421,309
I MUN LAS CONDES	A. Cordillera S.A.	Performance Bond	171,000	171,000
I MUN LO BARNECHEA	A. Cordillera S.A.	Performance Bond	408,004	14,155
MUNICIPALIDAD VITACURA	A. Cordillera S.A.	Performance Bond	57,393	56,620
SERVIU METROPOLITANO	A. Cordillera S.A.	Performance Bond	398,495	926,992
S.I.S.S.	A. Cordillera S.A.	Performance Bond	1,292,544	1,263,812
ASOCIACION DE CANALISTAS DEL MAIPO	A.Manquehue S.A.	Performance Bond	1,581,238	1,559,942
MUNICIPALIDAD VITACURA	A.Manquehue S.A.	Performance Bond	11,479	11,324
S.I.S.S.	A.Manquehue S.A.	Performance Bond	1,041,565	1,016,214
SERVIU METROPOLITANO	A.Manquehue S.A.	Performance Bond	112,046	110,537
DIRECCION OBRAS HIDRAULICAS	Essal S.A	Performance Bond	1,413,796	1,922,988
SERVIU METROPOLITANO	Essal S.A	Performance Bond	120,594	140,202
SEGRETERIA REGIONAL	Essal S.A	Performance Bond	18,947	-
GOBIERNO REGIONAL DE LA REGION DE LOS RIOS	Essal S.A	Performance Bond	98,582	92,220
DIRECCION VIALIDAD	Essal S.A	Performance Bond	43,102	60,951
S.I.S.S.	Essal S.A	Guarantee Policy	4,177,347	4,105,007
EFE	Essal S.A	Performance Bond	43,045	42,465
SECRETARIO MINISTERIAL	Essal S.A	Performance Bond	18,947	18,692
FLESAN S.A.	Gest. y Serv. S.A.	Performance Bond	-	29,095
SERVIU METROPOLITANO	Gest. y Serv. S.A.	Performance Bond	1,562,406	2,330,686
AGUAS ANTOFAGASTA	Anam S.A.	Performance Bond	-	36,350
CMPC PULP SPA	Anam S.A.	Performance Bond	-	16,533
CORP NACIONAL DEL COBRE	Anam S.A.	Performance Bond	18,638	18,387
DIRECTEMAR	Anam S.A.	Performance Bond	115,226	115,226
SUPERINTENDENCIA DEL MEDIO AMBIENTE	Anam S.A.	Performance Bond	14,348	14,155
Totals			46,504,485	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:

- 1.1 Send to the representative of Bond Holders a copy of the consolidated financial statements, and of the Subsidiaries Corporations registered with the Financial Market Commission, both the quarterly and the annual audited statements, in the same period in which they are to be delivered to the Financial Market Commission, and of all public information provided to said Commission.
- 2.1 To record in its accounting books, the provisions arising from adverse contingencies which, in the opinion of the Company's management, should be reflected in the Financial Statements of the Company and/or its Subsidiaries.
- 3.1 To maintain insurance that reasonably protects its operational assets, including its headquarters, buildings, plants, office furniture and equipment and vehicles, in accordance with the usual practices for industries in the nature of the Company.
- 4.1 The Company undertakes to ensure that the transactions it carries out with its Subsidiaries or with other related persons are carried out under conditions of equity similar to those normally prevailing in the market.
- 5.1 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 interim consolidated financial statements.

Limit of Indebtedness Level adjustment as of June 30, 2020: 2 times, being 37.9% the accumulated inflation.
Level of indebtedness as of June 30, 2020: 1.82

- 5.2 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 interim consolidated financial statements.

Limit of Indebtedness Level adjustment as of June 30, 2020: 2.07 times, being 37.9% the accumulated inflation. Indebtedness level as of June 30, 2020: 1.59.

As of June 30, 2020, the tables for the determination of Indebtedness Levels are the following:

Level of indebtedness	06-30-2020	
	Th\$	
	Bonds AA, Z, X, W, V, U, S, Q, P and M	Bonds AE, AC and AD
Total current liabilities	249,879,175	249,879,175
Total non-current liabilities	1,115,657,548	1,115,657,548
Total liabilities IFRS	1,365,536,723	1,365,536,723
Cash and cash equivalents	-	(167,557,116)
Guarantees with third parties (*)	539,954	539,954
Total liability required	1,366,076,677	1,198,519,561
Total assets	2,117,165,838	2,117,165,838
Total current liabilities	(249,879,175)	(249,879,175)
Total non-current liabilities	(1,115,657,548)	(1,115,657,548)
Total net equity	751,629,115	751,629,115
Level of indebtedness	1.82	1.59

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

The Company complies with all the requirements established in the bond contracts as of June 30, 2020 and December 31, 2019.

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

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

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

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

For these purposes, Net Financial Debt is understood to be the sum of the items in the Issuer's financial statements: Other Current Financial Liabilities and Other Non-Current Financial Liabilities less the sum of the following items: Cash and Cash Equivalents, Other Current Financial Assets and Other Non-Current Financial Assets of the Issuer's Financial Statements.



Likewise, EBITDA is defined as the result of the following items measured over the twelve months prior to the delivery of the quarterly Financial Statements: Income from ordinary activities plus Other income by nature less the sum of the following items: Raw materials and consumables used, Employee benefits expense, and Other expenses, by nature. The result of the above items will be multiplied by the sum of one plus fifty percent of the variation of the Consumer Price Index during the twelve-month period ending the month immediately prior to the delivery of the quarterly Financial Statements.

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

The Issuer must send to the Bond Holders' Representative, together with its quarterly Financial Statements, the background information that allows verification of this indicator and include in a Note to the Financial Statements, the value of the index described in this letter indicating whether it complies with the established limit and indicating the detail and amount of each of the accounts that comprise it. As of June 30, 2020, the equity of the Company is Th\$72,340,214.

C. - "Essential Assets Maintenance": The issuer's essential assets shall be understood as the public service concessions for the production and distribution of potable water and the collection and disposal of wastewater that represent at least 75% of the Issuer's regulated income as of this date. As of the date of these financial statements, there has been no reduction in the Company's concessions. As of the closing date of these financial statements, there has been no reduction in the Company's concessions.

The following restrictions are maintained for both series:

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

The Company complies with all the provisions established by the DFL No. 382 of the General Law of Sanitary Services, of 1988, as well as its regulations (D.S. MOP No. 1199/2004, published in November 2005).

2) Restrictions related to series B Bond.

In addition to what is indicated in section 1), the Company must comply with the following restriction or obligation with respect to holders of Series B bonds:

Maintain, at the end of each quarter of the Issuer's Financial Statements, a level of coverage of financial expenses no less than 3.5 times, measured on figures from its Financial Statements. For these purposes, the financial expense coverage level will be defined as the ratio between EBITDA and Financial Costs. For these purposes, EBITDA is defined as the result of the following items measured over the 12 months prior to the delivery of the quarterly Financial Statements: Income from ordinary activities plus Other income by nature less the sum of the following items: Raw materials and consumables used, Employee benefits expense, and Other expenses by nature. The result of the above items will be multiplied by the sum of one plus 50% of the variation of the Consumer Price Index during the 12-month period ending the month immediately prior to the delivery of the quarterly Financial Statements. As of June 30, 2020, ESSAL has an EBITDA indicator on Financial Expenses of 3.79 times, complying with the aforementioned restriction or obligation on that date.



c) Restrictions on bank loans

i) Aguas Andinas S.A.

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

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 June 30, 2020, the variation of the limit of the level of indebtedness amounts to 2.0 times, with accumulated inflation 37.9%. For these purposes, the level of indebtedness will be defined as the ratio between current liabilities and total net equity. Defining liabilities as the sum of the Total Current Liabilities and Total Non-Current Liabilities accounts, less the Cash and Cash Equivalent account in its consolidated financial statements for Banco de Chile's bank loans, while for Banco BCI the liabilities are defined as the sum of the Total Current Liabilities and Total Non-Current Liabilities accounts in its consolidated financial statements. Finally, as of June 30, 2020, the level of indebtedness amounts to 1.59 and 1.82 times, respectively.

1. 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.
2. Send to the different banks with which the Company maintains loans, a copy of the individual and consolidated financial statements, both quarterly and annual audited, within a period not exceeding five days of their submission to the Financial Market Commission.
3. To record in its accounting books, the provisions arising from adverse contingencies which, in the opinion of the Company's management, should be reflected in its financial statements.
4. Maintain insurance policies that reasonably protect its assets, including its headquarters, buildings, plants, stock, furniture and office equipment and vehicles, in accordance with the usual practices for industries in the nature of the Company.
5. Send a certificate issued by the Company's Chief Executive Officer, declaring compliance with the obligations of the loan contract.
6. 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.
7. Maintain a financial expense coverage ratio equal 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 Income from Ordinary Activities, Other Income by Nature, Raw Materials and Consumables Used, Employee Benefit Expense and Other Expenses by Nature. As of June 30, 2020, the coverage of financial expenses amounts to 9.65 times.
8. Prohibition to liquidate or dissolve the Company, to liquidate its operations or businesses that constitute its line of business; or to enter into any act or contract tending to the merger or consolidation, except in the case of a merger with its current Subsidiaries.
9. It undertakes to ensure that the transactions it carries out with its Subsidiaries or other related persons are carried out under conditions of equity similar to those normally prevailing in the market.

ii) Aguas Cordillera S.A.

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

1. A level of indebtedness not exceeding one point five times, measured on their consolidated balance sheet figures. Notwithstanding the above, the above limit shall be adjusted according to the quotient between the Consumer Price Index of the month in which the debt level is calculated and the Consumer Price Index of December 2009. With all the above limit it will be adjusted up to a maximum level of twice. For these purposes, the level of indebtedness is defined as the ratio of liabilities to total equity. As of June 30, 2020, the level of debt was 0.66 times.



2. Maintain a financial expense coverage ratio of three or more times, measured on the basis of its consolidated annual balance sheet figures, defined as the ratio of operating income plus depreciation for the year and amortization of intangibles divided by financial expenses. As of June 30, 2020, financial expense coverage was 26.80 times.
3. Send the bank a copy of the debtor's annual consolidated financial statements within thirty days of their submission to the Financial Market Commission.
4. Send a certificate issued by the Company's Chief Executive Officer, declaring compliance with the obligations of the loan contract.
5. Keep all your rights, licenses, permits, trademarks, franchises, concessions or relevant parts in full force and effect.
6. Maintain insurance policies that reasonably protect its assets, including its headquarters, buildings, plants, stock, furniture and office equipment and vehicles, in accordance with the usual practices for industries in the nature of the Company.
7. It undertakes to ensure that the transactions it carries out with its Subsidiary or with other related persons are carried out under conditions of equity similar to those normally prevailing in the market.

iii) ESSAL S.A.

a) Restrictions Scotiabank credit

On November 18, 2019, ESSAL and Scotiabank Chile entered into a contract of Credit Agreement for a maximum capital amount of \$14,300,000,000, which has the following restrictions:

1. Maintain the following financial ratios throughout the life of the Loans, which will be measured quarterly as of March, June, September and December of each year, based on the unconsolidated financial statements provided by the Debtor: i) A Net Financial Debt to EBITDA ratio equal or less than 8.5 times up to March thirty-first, two thousand twenty-one, included, and five point five times up to the maturity date of the loan. For these purposes, Net Financial Debt will be understood to be the sum of Other Current Financial Liabilities and Other Non-Current Financial Liabilities less the sum of the following items:

Obligations by AFR for other current financial liabilities, Obligations by AFR for other non-current financial liabilities, Cash and cash equivalents, Other current financial assets and Other non-current financial assets of the Debtor's Financial Statements. Likewise, EBITDA is defined as the result of the following items measured over the twelve months prior to the delivery of the quarterly financial statements: Income from ordinary activities plus Other income by nature less the sum of the following items: Raw materials and consumables used, Employee benefits expense, and Other expenses by nature. The result of the above items shall be multiplied by the sum of one plus fifty percent of the variation of the Consumer Price Index during the twelve-month period ending the month immediately prior to the delivery of the quarterly Financial Statements. As of June 30, 2020, ESSAL has a net financial debt/EBITDA indicator of 6.50 times, with the aforementioned restriction or obligation being met on that date.

2. An EBITDA to Net Financial Expense ratio equal or greater than 3.5 times For these purposes, Financial Expenses will be understood to be the difference in absolute value between (i) the Financial Costs account and (ii) the Financial Income account, both of the Debtor's Financial Statements. As of June 30, 2020, ESSAL has an EBITDA indicator on Net Financial Expenses of 4.25 times, complying at that date with the aforementioned restriction or obligation.

3. Do not sell, assign or transfer to any title its Essential Assets. For these purposes, Essential Assets are understood to be public service concessions for the production and distribution of potable water and the collection and disposal of wastewater that represent at least seventy-five percent of the issuer's regulated income. As of the date of these financial statements, there has been no reduction in the Company's concessions.

b) Restrictions Banco de Crédito e Inversiones (BCI) credits

The company maintains two loans in force for MM\$9,000 and UF 380,000, which maintain the following restriction:



Advance Demand. The following is incorporated to the provisions on Advance Demand contained in the Note:

1. Additionally, the Bank may immediately enforce the total amount due, with all outstanding terms expiring upon the mere occurrence of a "Change in Debtor Control". For these purposes, a "Change of Control of the Debtor" will be understood to have occurred if, at any time, Aguas Andinas S.A. owns less than 50.1% of the voting share capital of the Debtor or, if a person or group of persons with a joint action agreement, other than the aforementioned company, becomes the Debtor's controller. "Control" shall mean the capacity to carry out any of the actions described in article 97 a) and b) of Law 18,045 on the Stock Market.



3) Guarantees obtained from third parties

As of June 30, 2020 and December 31, 2019, the Company has received documents in guarantee for Th\$74,025,699 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 June 30, 2020, is summarized below:

Company	Contractor or supplier	06-30-2020	Expiring Date
		Th\$	
A. Andinas S.A.	EMPRESA CONST. COTA MIL LTDA.	114,786	07-01-2020
A. Andinas S.A.	EMP.DEPURADORA DE A.S. MAPOCHO EL T	14,888,967	07-31-2020
A. Andinas S.A.	INGENIERIA Y CONSTRUCCION MST LTDA.	351,445	08-06-2020
A. Andinas S.A.	CONSTRUCTORA PEREZ Y GOMEZ LTDA	135,357	08-07-2020
A. Andinas S.A.	DALCO INGENIERIA LTDA.	384,618	08-10-2020
A. Andinas S.A.	SUEZ MEDIOAMBIENTE CHILE S.A.	195,040	08-12-2020
A. Andinas S.A.	CONSTRUCTORA VALKO S A	2,555,531	08-17-2020
A. Andinas S.A.	BROTEC CONSTRUCCIÓN LTDA.	2,555,531	08-17-2020
A. Andinas S.A.	TRANSPORTES RIO NEGRO LTDA.	100,151	08-27-2020
A. Andinas S.A.	CONSTRUCTORA PEREZ Y GOMEZ LTDA	107,210	08-31-2020
A. Andinas S.A.	DALCO INGENIERIA LTDA.	279,388	09-04-2020
A. Andinas S.A.	CRILLON S.A.	211,722	09-15-2020
A. Andinas S.A.	TERRA AUSTRALIS INVERSIONES INMOBIL	139,465	10-10-2020
A. Andinas S.A.	INM. Y CONST NVA. PACIFI. SUR LTDA.	419,826	18-10-2020
A. Andinas S.A.	INMOB. Y COMERCIAL QUILICURA LTDA.	401,750	10-28-2020
A. Andinas S.A.	INMOBILIARIA BBI S.A.	365,564	10-29-2020
A. Andinas S.A.	IDOM CONSULTING, ENGINEERING	131,057	10-31-2020
A. Andinas S.A.	ECHEVERRIA IZQUIERDO ING. Y CONSTRU	682,554	11-17-2020
A. Andinas S.A.	INMOBILIARIA MONTE ACONCAGUA S.A.	229,571	11-27-2020
A. Andinas S.A.	EMPRESAS JORDAN S.A.	157,730	12-06-2020
A. Andinas S.A.	SOC. DE TERCERIZACION DE SERV. PROV	103,761	12-18-2020
A. Andinas S.A.	INM. Y CONST NVA. PACIFI. SUR LTDA.	112,758	12-20-2020
A. Andinas S.A.	SUEZ MEDIOAMBIENTE CHILE S.A.	104,134	12-28-2020
A. Andinas S.A.	EMPRESA NACIONAL DE ENERGIA ENEX S.	722,800	12-29-2020
A. Andinas S.A.	EULEN CHILE S.A.	229,571	12-31-2020
A. Andinas S.A.	BAPA S.A.	271,975	12-31-2020
A. Andinas S.A.	INMOBILIARIA VIVIENDAS 2000 SPA	114,786	01-04-2021
A. Andinas S.A.	EMPRESA CONSTRUCTORA RICARDO	309,138	01-15-2021
A. Andinas S.A.	EMP.CONST.MOLLER Y PEREZ-COTAPOS SA	131,573	02-09-2021
A. Andinas S.A.	C. DE PETROLEOS DE CHILE COPEC S.A.	482,525	03-06-2021
A. Andinas S.A.	CONSTRUCTORA CONCRETA S.A.	108,559	03-30-2021
A. Andinas S.A.	SUEZ ADVANCED SOLUTIONS CHILE LTDA.	778,936	03-30-2021
A. Andinas S.A.	BRENNTAG CHILE LTDA.	131,380	04-05-2021
A. Andinas S.A.	ENEL DISTRIBUCION CHILE S.A	286,964	05-10-2021
A. Andinas S.A.	CONSTRUCTORA OLBERTZ LTDA	117,771	05-28-2021
A. Andinas S.A.	I C M S.A.	234,593	08-24-2021
A. Andinas S.A.	TELEFONICA EMPRESAS CHILE S.A.	151,306	08-31-2021
A. Andinas S.A.	A DENHAM Y CIA LTDA	240,964	12-31-2021
A. Andinas S.A.	METLIFE CHILE SEGUROS DE VIDA S.A.	421,552	01-31-2022
A. Andinas S.A.	AES GENER S.A.	286,964	04-01-2022
A. Andinas S.A.	TRANSPORTE CENTRO SUR-NORTE S.A.	156,654	05-05-2022
A. Andinas S.A.	SUEZ MEDIOAMBIENTE CHILE S.A.	886,423	05-30-2022
A. Andinas S.A.	TELEFONICA EMPRESAS CHILE S.A.	141,732	12-30-2022
A. Andinas S.A.	AUTORENTAS DEL PACIFICO SPA	102,159	07-31-2023
A. Andinas S.A.	SUEZ MEDIOAMBIENTE CHILE S.A.	120,891	01-02-2024
A. Andinas S.A.	AES GENER S.A.	975,678	01-02-2024
A. Andinas S.A.	MOTOROLA CHILE S.A.	793,743	12-01-2025
A. Andinas S.A.	CONSORCIO AQUAMBIENTE - EDAM	30,075,283	05-10-2028
A. Cordillera S.A.	SACYR CHILE S.A.	100,481	07-07-2020
A. Cordillera S.A.	OBRASCON HUARTE LAIN S.A.	100,481	07-07-2020
A. Cordillera S.A.	INMOBILIARIA EL QUIOTE SPA	286,964	08-01-2020
A. Cordillera S.A.	DEGREMONT LIMITADA	292,559	09-25-2020
A. Cordillera S.A.	CONSTRUCTORA VESPUICIO ORIENTE S.A.	299,160	01-31-2021
A. Cordillera S.A.	INLAC S.A.	257,081	02-28-2021
A. Cordillera S.A.	CONSTRUCTORA VESPUICIO ORIENTE S.A.	176,397	02-28-2021
A. Cordillera S.A.	CONSTRUCTORA VESPUICIO ORIENTE S.A.	143,482	06-30-2021
A. Cordillera S.A.	INLAC S.A.	397,689	07-02-2021
A. Cordillera S.A.	CONSTRUCTORA OLBERTZ LTDA.	132,732	10-31-2022
A. Manquehue S.A.	DEGREMONT LIMITADA	805,546	11-25-2020
A. Manquehue S.A.	INMOBILIARIA TERRAMERICA S.A.	178,693	12-29-2020
Essal S.A	COBRA MONTAJES SERVICIOS Y AGUAS LTDA.	111,131	01-20-2021
Totals		66,284,232	



Note 32. CAPITALIZED FINANCING COSTS

The detail of capitalized financing costs as of June 30, 2020 and December 31, 2019 is as follows:

Disclosure of capitalized interest costs

Capitalized interest costs, property, plant and equipment		06-30-2020	12-31-2019
Rate of capitalization of capitalized interest costs, property, plant and equipment	%	6.60%	5.82%
Amount of capitalized interest costs, property, plant and equipment	Th\$	2,294,887	3,880,277

Note 33. 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	06-30-2020 Th\$	12-31-2019 Th\$
Expansion and Improvements WWTP Buin Maipo	20,914	2,528,543
Expansion and Improvements WWTP El Monte	238,523	2,170,174
Expansion and Improvements WWTP Talagante	2,039	1,727,626
Expansion and Improvement of Other Localities	48,169	20,735
Improvement and renovation purification equipment and facilities	502,055	783,577
La Farfana Plant	1,829,612	4,248,396
Mapocho - Trebal Plant	7,677,388	13,338,645
External platform handling and disposal of sludges El Rital	7,912	10,889
Totals	10,326,612	24,828,585

Aguas Manquehue S.A.

Name of the Project	06-30-2020 Th\$	12-31-2019 Th\$
Improvement and renovation purification equipment and facilities	65,623	37,044
Totals	65,623	37,044

ESSAL S.A.

Name of the Project	06-30-2020 Th\$	12-31-2019 Th\$
Improvement of disposal infrastructure	1,144,207	50,239
EDAR system improvement	675,307	698,046
Renovation of treatment and disposal equipment	161,259	223,463
Totals	1,980,773	971,748



Projected investment in the environment for 2020:

Company	Th\$
Aguas Andinas S.A.	25,037,642
Aguas Manquehue S.A.	285,763
Essal S.A.	2,290,572
Total	27,613,977

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 34. 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 June 30, 2020.

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