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FINANCIAL
STATEMENT.**Sociedad Concesionaria Vespucio Norte Express S.A****Financial Statements**

As of December 31, 2020 and December 31, 2019

Content

Independent Auditor's Report
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(ThCL\$: Thousands of Chilean pesos)



INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Directors of
Sociedad Concesionaria Vespucio Norte Express S.A.

We have audited the attached financial statements of Sociedad Concesionaria Vespucio Norte Express S.A., which comprise the statements of financial position at December 31, 2020 and 2019 and the related statements of comprehensive income, of changes in equity and of cash flow for the years ended on those dates and the related notes to the financial statements.

Responsibility of the Management for the Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB"). The Management is also responsible for designing, implementing and maintaining an appropriate internal control for the preparation and reasonable presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements mentioned in the first paragraph, fairly present, in all material respects, the financial position of Sociedad Concesionaria Vespucio Norte Express S.A. at December 31, 2020 and 2019 and the results of its operations and the cash flows for the years then ended, in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB").

A handwritten signature in blue ink that reads "Deloitte." with a period at the end.

March 4, 2021
Santiago, Chile

A handwritten signature in blue ink that reads "Milton Catacoli" in a stylized script.

Milton Catacoli
ID No.: 25,070,919-6

SOCIEDAD CONCESIONARIA VESPUCIO NORTE EXPRESS S.A.

CLASSIFIED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020 AND 2019

(Amounts in thousands of Chilean Pesos - ThCL\$)

	Notes	12.31.2020	12.31.2019
ASSETS	No.	ThCL\$	ThCL\$
Current assets			
Cash and cash equivalent	4	20,493,337	9,140,695
Other financial assets	5	3,249,426	-
Other nonfinancial assets	6 - a	1,116,609	679,321
Trade receivables and other accounts receivable	7	57,563,413	51,072,856
Accounts receivable from related parties	9 - a	639,395	305,059
TOTAL CURRENT ASSETS		83,062,180	61,197,931
Noncurrent assets			
Other nonfinancial assets		10,414	122,716
Accounts receivable and other accounts receivable	8	1,960,630	-
Accounts receivable from related parties	9 - a	54,953,809	52,191,251
Intangible assets other than goodwill	11	192,151,226	200,709,469
Property, plant and equipment	12	2,169,584	2,499,698
Right-of-use assets	14	907,187	978,198
Tax assets		20,243	20,243
Deferred tax assets	25	29,757,687	36,184,715
TOTAL NONCURRENT ASSETS		281,930,780	292,706,290
TOTAL ASSETS		364,992,960	353,904,221

The attached notes form an integral part of these financial statements

SOCIEDAD CONCESIONARIA VESPUCIO NORTE EXPRESS S.A.

CLASSIFIED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020 AND 2019

(Amounts in thousands of Chilean Pesos - ThCL\$)

	Notes	12.31.2020	12.31.2019
NET EQUITY AND LIABILITIES	No.	ThCL\$	ThCL\$
Current liabilities			
Other financial liabilities	17	27.729.604	22.401.387
Lease liabilities	14 - c	212.592	232.348
Trade creditors and other accounts payable	19	4.629.265	3.388.635
Accounts payable to related entities	9 - b	929.714	189.185
Other provisions	15 - a	359.083	481.185
Tax liabilities	10	1.322.648	1.653.115
Other nonfinancial liabilities	6 - b	1.262.008	1.262.060
TOTAL CURRENT LIABILITIES		36.444.914	29.607.915
Noncurrent liabilities			
Other financial liabilities	18 - a	288.683.183	307.291.699
Lease liabilities	14 - d	833.006	735.893
Other provisions	18 - b	3.104.934	2.328.930
Other nonfinancial liabilities		130.753	303
TOTAL NONCURRENT LIABILITIES		292.751.876	310.356.825
TOTAL LIABILITIES		329.196.790	339.964.740
Equity			
Issued capital	20 - b	55.142.669	55.142.669
Accumulated losses		(19.346.499)	(41.203.188)
TOTAL NET EQUITY		35.796.170	13.939.481
TOTAL LIABILITIES AND EQUITY		364.992.960	353.904.221

The attached notes form an integral part of these financial statements

SOCIEDAD CONCESIONARIA VESPUCIO NORTE EXPRESS S.A.
COMPREHENSIVE PROFIT AND LOSS STATEMENT BY FUNCTION
 FOR THE YEARS ENDED ON DECEMBER 31 2020 AND 2019
 (Amounts in thousands of Chilean Pesos - ThCL\$)

	Notes	12.31.2020	12.31.2019
	No.	ThCL\$	ThCL\$
Profit and loss statement by function			
Revenues from ordinary activities	21	84,393,715	102,883,799
Cost of sales	22	<u>(28,494,319)</u>	<u>(31,764,945)</u>
Gross margin		<u>55,899,396</u>	<u>71,118,854</u>
Other revenue, by function		608,300	-
Administrative expenses	22	(2,906,650)	(3,521,563)
Financial income	24 - a	7,049,202	4,914,282
Financial costs	24 - b	(24,875,660)	(25,327,673)
Exchange rate differences	23 - a	35,675	(52,549)
Results for indexation units	23 - b	<u>(7,521,926)</u>	<u>(8,445,405)</u>
Profit, before taxes		28,288,337	38,685,946
Expense for income tax	25	<u>(6,431,648)</u>	<u>(8,995,639)</u>
Revenue from ongoing operations		<u>21,856,689</u>	<u>29,690,307</u>
Profit		<u>21,856,689</u>	<u>29,690,307</u>
Comprehensive profit and loss statement			
Profit		<u>21,856,689</u>	<u>29,690,307</u>
Total comprehensive profit		<u>21,856,689</u>	<u>29,690,307</u>

The attached notes form an integral part of these financial statements

SOCIEDAD CONCESIONARIA VESPUCIO NORTE EXPRESS S.A.

STATEMENT OF CHANGES IN NET EQUITY

FOR THE YEARS ENDED ON DECEMBER 31 2020 AND 2019

(Amounts in thousands of Chilean Pesos - ThCL\$)

	Note No.	Issued Capital ThCL\$	Accumulated profits (losses) ThCL\$	Total equity ThCL\$
Opening Balance as of 01.01.2020	20	55,142,669	(41,203,188)	13,939,481
Changes in Equity				
Comprehensive income				
Profit		-	21,856,689	21,856,689
		-	21,856,689	21,856,689
Total changes in equity		-	21,856,689	21,856,689
Closing balance as of 12.31.2020		55,142,669	(19,346,499)	35,796,170

	Note No.	Issued Capital ThCL\$	Accumulated profits (losses) ThCL\$	Total equity ThCL\$
Opening Balance as of 01.01.2019	20	55,142,669	(70,893,495)	(15,750,826)
Changes in Equity				
Comprehensive income				
Profit		-	29,690,307	29,690,307
Comprehensive income		-	29,690,307	29,690,307
Total changes in equity		-	29,690,307	29,690,307
Closing balance as of 12.31.2019		55,142,669	(41,203,188)	13,939,481

The attached notes form an integral part of these financial statements

SOCIEDAD CONCESIONARIA VESPUCIO NORTE EXPRESS S.A.

CASH FLOW STATEMENT

FOR THE YEARS ENDED ON DECEMBER 31 2020 AND 2019

(Amounts in thousands of Chilean Pesos - ThCL\$)

Cash Flow Statement, Direct Method	Notes	01.01.2020 12.31.2020	01.01.2019 12.31.2019
	No.	ThCL\$	ThCL\$
Cash flows from (used in) operating activities			
Collection for operating activities		92,027,000	108,736,073
Payments to vendors for the provision of goods and services		(30,194,576)	(36,269,687)
Payments to and on behalf of the employees		(4,299,262)	(4,769,979)
Other charges (payments) for operating activities		825,212	210,931
Interest paid		(151,604)	(23,548)
Interest received		954,360	1,521,272
Income tax payments		(4,940)	(8,827)
Net cash flow from operating activities		<u>59,156,190</u>	<u>69,396,235</u>
Cash flow from investment activities			
Purchase of property, plant and equipment		(659,180)	(847,802)
Payments to acquire other financial assets		(3,248,451)	-
Net cash flows used investment activities		<u>(3,907,631)</u>	<u>(847,802)</u>
Cash flows used in financing activities			
Refund of other financial liabilities	4 - d	(21,944,366)	(16,755,886)
Interest paid	4 - d	(21,778,212)	(22,329,668)
Payment of lease liabilities	14 - f	(173,339)	(233,336)
Loans granted to related entities	9 - c	-	(30,360,032)
Net cash flows used in financing activities		<u>(43,895,917)</u>	<u>(69,678,922)</u>
Net increase (decrease) in cash and cash equivalents		11,352,642	(1,130,489)
Cash and cash equivalents at the beginning of the year	4	<u>9,140,695</u>	<u>10,271,184</u>
Cash and cash equivalents at the end of the year	4	<u>20,493,337</u>	<u>9,140,695</u>

The attached notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

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SOCIEDAD CONCESIONARIA VESPUCIO NORTE EXPRESS S.A.**NOTES TO THE FINANCIAL STATEMENTS**

AS OF DECEMBER 31, 2020 AND 2019

(Amounts in thousands of Chilean Pesos - ThCL\$)

1. GENERAL INFORMATION**Incorporation**

Sociedad Concesionaria Vespucio Norte Express S.A., taxpayer No. 96.992.030-1, hereinafter "the Company", was incorporated as a closed corporation, subject to the regulations of open corporations, granted through a public deed on July 9, 2002, before Notary Public Mr. José Musalem Saffie.

Sociedad Concesionaria Autopista Vespucio Norte Express S.A.'s, registered address and main offices are located on Avda. Américo Vespucio Oriente No. 1305, Enea Parque de Negocios, Pudahuel, Santiago, Chile.

Corporate Purpose

The Company's purpose is the execution, repair, preservation, maintenance, exploitation and operation of the State-owned public works called "Sistema Américo Vespucio Nor-Poniente, Avda. El Salto – Ruta 78", as well as the rendering and exploitation of the services as may be agreed in the concession contract, intended to develop those works and the other activities required for the proper execution of the project.

Through a public deed dated December 4, 2002, executed at the Notary Public's office of Santiago of Mr. José Musalem Saffie, the corporate name of "Sociedad Concesionaria Autopista Vespucio Norte S.A." was modified, becoming "Sociedad Concesionaria Vespucio Norte Express S.A.". This modification was agreed in an Extraordinary Stockholders' Meeting held on October 22, 2002.

Through a public deed executed on January 23, 2003, before Notary Public of Santiago Mr. José Musalem Saffie, the Company's bylaws were modified, setting its term to 35 years as from the date of incorporation. This modification was agreed in an Extraordinary Stockholders' Meeting held on December 23, 2002.

On March 13, 2003, the Company was registered in the Securities' Register under No. 798, therefore it is subject to the supervision of the Financial Market Commission.

Through a public deed dated January 31, 2007, executed before Notary Public of Santiago Mr. José Musalem Saffie, the Company's bylaws were modified, incrementing the number of directors from six to seven. This modification was agreed in an Extraordinary Stockholders' Meeting held on January 31, 2007.

2. BASES OF PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CRITERIA APPLIED**2.1. Bases of Presentation****a) Accounting Standards Applied**

The financial statements as of December 31, 2020 and 2019, have been prepared in accordance with the International Financial Reporting Standards, IFRS, issued by the International Accounting Standards Board (hereinafter, the IASB).

New accounting pronouncements

The following new standards and interpretations have been adopted in these financial statements. Their adoption, where applicable, has not had a material impact on the amounts reported in these financial statements. However, they could affect the accounting of future transactions or agreements:

a) The following IFRS, Amendments to IFRS and Interpretations have been adopted in these financial statements.

Amendments to IFRS	Mandatory effective date
Definition of a business (amendments to IFRS 3)	Annual periods started on or after January 1, 2020.
Definition of Material (amendments to IAS 1 and IAS 8)	Annual periods started on or after January 1, 2020.
Revised Conceptual Framework for Financial Reporting	Annual periods started on or after January 1, 2020.
Interest Rate Benchmark Reform (amendments to IFRS 9, IAS 39 and IFRS 7)	Annual periods started on or after January 1, 2020.
Covid-19-Related Rent Concessions (amendments to IFRS 16)	Annual periods started on or after June 1, 2020.

Applying these amendments, including the amendments to IFRS 16, has not had a material effect on the amounts reported in these financial statements. However, they could affect the accounting of future transactions or agreements.

b) Standards, Amendments and Interpretations that have been issued but their effective date has not occurred yet:

New IFRS	Mandatory effective date
IFRS 17, <i>Insurance Contracts</i>	Annual periods started on or after January 1, 2023.
Amendments to IFRS	Mandatory effective date
Classification of liabilities as Current or Noncurrent (amendments to IAS 1)	Annual periods started on or after January 1, 2023.
Reference to the Conceptual Framework (amendments to IFRS 3)	Annual periods started on or after January 1, 2022.
Property, Plant and Equipment – Proceeds before Intended Use (amendments to IAS 16)	Annual periods started on or after January 1, 2022.
Onerous Contracts – Cost of Fulfilling a Contract (amendments to IAS 37)	Annual periods started on or after January 1, 2022.
Annual Improvements to IFRS Standards, 2018-2020 cycle (amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	Annual periods started on or after January 1, 2022.
Interest Rate Benchmark Reform–Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	Annual periods started on or after January 1, 2021.

The Company's Management estimates that the future application of IFRS 17 will not have a material impact on the Company's financial statements. Additionally, the Company's Management estimates that the application of the amendments could have an impact on the Company's financial statements in future periods as those transactions occur.

c) Responsibility for the Information and Estimations Made

The Company's Board of Directors is responsible for the information contained in these financial statements. It expressly states that all of the principles and criteria included in the IFRS have been applied in full.

These financial statements were approved by the board of directors in a meeting held on March 04, 2021.

In preparing the financial statements, estimations made by the Company's Management to quantify on an appropriate accounting basis assets, liabilities, revenue, expenses and commitments recorded in the same have been used.

These estimations basically refer to:

The assets' useful life - The useful life of the elements comprising property, plant and equipment used for the purposes of calculating the depreciation is determined by the Management on the basis of the evaluation of the use, which does not exceed the term of the concession contract.

Impairment of assets - As of the date of the financial statements, the Company reviews the carrying value of its tangible and intangible assets with a definite useful life to determine whether there are any indicators that those assets have suffered any impairment in their value. In the presence of any such indicator, the recoverable amount of the asset is estimated to calculate the amount of the impairment loss.

Amortization of assets - Through the productive units method, which in this case corresponds to the projected flow of vehicles until the end of the concession period to amortize the intangible assets with a definite useful life, "Concession Right".

Bad debt estimation - The estimation of bad debt is made by applying a model designed on the basis of the Company's past collection experience, where a distinction of the type of user is made (Tag device holder or offender). To determine the amount of the provision, three user segments have been established: i) users with an enabled tag device, ii) offenders without a tag device, and iii) offenders whose tag device has been disabled. In each case, the bad debt percentages are 4.6%, 46% y 73.4%, respectively, calculated over the total billing in each segment for all the presented years. The percentage of bad debt for Accounts Receivable and Other Accounts Receivable as per what is required by the Ad Referendum Agreement No. 2 issued by the Ministry of Public Works is 5.57% and is calculated on the basis of bad debt obtained using the aforementioned percentages. The segment of users with an enabled tag device represents 97.6% of billing as of December 31, 2020 and 98.1% as of December 31, 2019.

Fair value of financial instruments - The assumptions used to calculate the fair value of the financial instruments.

Recovery of tax losses - Estimations of the realization of tax losses, in accordance with IAS 12 income Taxes.

Litigation and contingencies - The Company periodically assesses the likelihood of loss in connection with its litigation and contingencies in accordance with IAS 37 and on the basis of the estimations made by its legal counsel. For the periods represented in these financial statements, the Company is not a party to any labor or civil litigation, therefore, no provisions have been computed.

Despite the fact that the estimations have been made on the basis of the best information available at the date of issuance of these financial statements, it is likely that certain events that may take place in the future render necessary to modify the same (upwards or downwards) in the forthcoming years, which would be done recognizing the effects of the change in estimation in the respective future financial statements.

2.2 Main Accounting Criteria Applied

The main accounting policies adopted in the preparation of these financial statements, as required by IAS 1, are described below. These policies have been defined on the basis of the IFRSs in force at December 31, 2020, which have been uniformly applied to all the periods presented in these financial statements.

a) Accounting period

Período contable:

	12.31.2020	12.31.2019
Statement of financial position	X	X
Comprehensive profit and loss statement	X	X
Statement of changes in net equity	X	X
Statement of cash flow	X	X

b) Functional currency

In accordance with what is stated in IAS 21, the Company's management determined that the Company's functional currency is the Chilean peso, as this is the currency used in the main economic environment where the Company operates. The currency in which these financial statements are presented is the peso, which is also its functional currency.

c) Transactions and balances in foreign currency

Transactions carried out in a currency other than the Chilean peso are converted using the exchange rate in force at the date on which the respective transaction takes place. The monetary assets and liabilities agreed in currencies other than the functional currency are converted using the exchange rate in force at closing. The profits and losses resulting from the conversion are included in the profit and loss statement.

d) Conversion bases

The assets and liabilities in foreign currencies and unidades de fomento (UF) are translated into Chilean pesos at the exchange rate in force on the closing date of the financial statements, as per the following breakdown:

	12.31.2020	12.31.2019
	CL\$	CL\$
Unidad de Fomento (UF)	29,070.33	28,309.94
United States Dollar (USD)	710.95	748.74
Euro (EUR)	873.30	839.58

e) Offsetting of balances and transactions

As a general norm, neither the assets and liabilities nor the profits and expenses are offset in the financial statements, except in those cases where the offset is required or permitted by a norm and this presentation is a reflection of the funds employed in the transaction.

The profits or expenses originating in transactions that, either contractually or by the command of a legal norm contemplate the possibility of offsetting, and the Company has the intention to settle at its net amount or of realizing the asset and proceed to pay the liabilities concurrently, are presented net in the comprehensive profit and loss statements and in the statement of financial position.

These financial statements do not present any net revenues or expenses in the comprehensive profit and loss statement.

The following offsetting of items has been performed in the balances in the statement of financial position:

The assets and liabilities from current taxes are presented net when the Company has the legally applicable right to offset tax current assets with tax current liabilities, whenever the same are related with taxes issued by the same tax authority, and that authority allows the entity to settle or receive one single net payment.

Other items that are presented net in the financial statements are the assets and liabilities from deferred taxes. Trade receivables are presented discounted from the bad debt provision.

f) Intangible assets other than goodwill – Intangible “Right of Concession”

The interpretation contained in IFRIC No. 12 “Service Concession Arrangements”, provides guidelines for accounting the public Service Concession Arrangements with a private operator. This accounting interpretation is applicable to this Company as the two premises contained in the same are met, namely:

- i) The grantor of the concession (State of Chile) controls or regulates which services the operator must provide with the infrastructure, to whom they should be provided and at what price.
- ii) The grantor of the concession controls –via ownership, right of usufruct or otherwise– any material residual ownership interest in the infrastructure upon completion of the term of the agreement.

The Company has recognized an intangible asset, in accordance with what is set forth in paragraph No. 17 of IFRIC No. 12: “The operator will recognize an intangible asset to the extent that he receives a right (a license) to charge users for the public service. A right to charge users for a public service is not an unconditional right to receive cash, since the amounts are subject to the extent to which the public uses the service”. The concession contract includes no other type of payments guaranteed by the Ministry of Public Works.

The intangible asset specified in the preceding paragraph has a definite useful life, which started in January 2006 with the start of operations and charging of tariffs to the users for all of the sections of the highway, and ends with the termination of the concession contract on May 23, 2033. Consequently, the total useful life is 329 months, and the remaining useful life of the intangible asset at the date of these financial statements is 148 months.

The valuation of the intangible asset was determined by way of an assessment, the conclusion of which was the amount to be recognized in the books is the cost of construction of the works, measured by fully applying the IFRS as if those standards had been in force at the date on which the asset was ready to operate.

g) Property, plant and equipment

The Company chose to record property, plant and equipment using the cost model, under IAS No. 16. In other words, property, plant and equipment is recognized initially at purchase or construction cost, plus other directly related costs, net of accumulated depreciation and any impairment loss as may have occurred.

Property, plant and equipment, net as applicable of their residual value, are depreciated by distributing on a straight-line basis the cost of the different elements comprising it through the years of estimated useful life, namely the period of time in which the Company expects to use them. The useful life is revised periodically and does not exceed the term of the concession.

The estimated useful life for the depreciation of the element classes of property, plant and equipment is shown below:

	Average useful Life in years
Office furniture	7
Office equipment	3
Computer equipment	6
Vehicles	7
Safety equipment	7
Third-party installations	4
Own tags	5

The property, plant and equipment are revised on each reported date to determine whether there is any evidence that these assets have undergone a loss for impairment in value. If there are any traces of an eventual impairment in value, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying value. If the estimated recoverable value is lower, the amount in books is written down to the estimated recoverable amount, and a loss for impairment in value is recognized in the results.

If a loss for impairment in value is subsequently reverted, the carrying value of the asset (or group of related assets) is incremented up to the revised estimation of its recoverable value, without exceeding the amount that would have been determined if no loss for impairment in the value of the asset (or group of assets) had been recognized in previous years. A reversal of a loss for impairment in value is immediately recognized in results.

h) Impairment in the value of assets

h.1) Non-financial assets

Throughout the period and essentially on the closing date of the same, and evaluation is made as to whether there is any evidence that an asset may have undergone a loss for impairment. If so, an estimation of the recoverable amount of that asset is made to determine, in its case, the amount of the impairment. If it is the case of identifiable assets that do not generate cash flows in an independent manner, the recoverability of the Cash Generating Unit (CGU) which the asset is a part of is estimated, with this being understood as the smaller identifiable group of assets that generates independent cash inflows.

Aside from what has been stated in the preceding paragraph, for the case of the Cash Generating Units to which goodwill has been assigned or intangible assets with an indefinite useful life, the analysis of recoverability is systematically performed at the closing of each period.

The recoverable amount is the higher of the fair value less the necessary cost to sell the same in the in-use-value, with the latter being understood as the present value of the future estimated cash flows. For the calculation of the recovery value of property, plant and equipment, and of the intangible asset, the value being used is the criterion used by the Company.

To estimate the in-use value, the Company prepares the future cash flow projections before taxes on the basis of the most recent assumptions available obtained from the Company's business plan. These assumptions incorporate the Company's management's best estimates over the revenues and costs of the Cash Generating Units using the sector's projections, past experience and future expectations.

These flows are deducted at a market rate, calculated at a comparable rate of that CGU.

In case that the CGU's recoverable amount is less than the asset's net carrying value, the respective impairment loss provision for the difference is recorded, charged against the item "Losses for Impairment in Value (Reversals)" in the comprehensive profit and loss statement. That provision is allocated, in the first place, to the CGU's goodwill value, if any, and subsequently to the other assets that comprise of the same, at pro rata on the basis of the accounting value of each one of them, with their limit being their fair value less the cost of sale, or their use value, and the result may not be a negative value.

The losses due to impairment recognized for an asset in prior years are reversed when a change in the estimation's recoverable amount occurs, such reversal being limited to the carrying value that the asset would have if the accounting adjustment had not been made. For the case of goodwill, the accounting adjustments as may have been made are not reversible.

h.2) Financial assets

The Company recognizes a correction in value for expected credit losses ("ECL") over financial assets that are measured at amortized cost or at Fair Value with Changes in Other Comprehensive Income (FVWCOCI), as well as a commitment of loans and financial guarantee contracts. No impairment loss is recognized for investments in equity instruments. The amount of the expected credit losses is updated as of each reporting date to reflect the changes in the credit risk from the initial recognition of the respective financial assets.

The Company always recognizes expected credit losses during the life of the asset for trade receivables, amounts owed by client under construction contracts and accounts receivable for leases. The expected credit losses in these financial assets are estimated using a provision matrix based on the Company's credit loss past experience, adjusted for factors that are specific to the debtors, overall economic conditions and an assessment of the current as well as the projected direction of the conditions as of the reporting date, including the value of cash in time where appropriate.

For all other financial instruments, the Company recognizes expected credit losses during the life of the asset when there has been a significant increase in the credit risk since the initial recognition. If, on the other hand, credit risk in the financial instrument has not increased significantly since the initial recognition, the Company measures the correction of value for losses for this financial instrument at an amount equal to the expected credit losses in the following twelve months. The evaluation on whether expected credit losses should be recognized during the life of the asset is based on significant increases in the likelihood or risk of a default to occur since the initial recognition instead of on the basis of the evidence of a financial asset with impaired credit value as of the reporting date or the occurrence of a default.

During the asset's life, ECLs represent the expected credit losses that will result from all the possible events of default during the expected life of a financial instrument. In contrast, the expected credit losses in the next twelve months represent the portion of the expected credit losses during the life of the asset that are expected to result from possible events of default over a financial instrument within 12 months after the reporting date.

i) Leases

i.1) The Company as a lessee

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognizes a right-of-use asset and corresponding lease liability with respect to all of the lease agreements in which the Company is the lessee, except for short-term leases (defined as a lease for lease term of 12 months or less) and low asset value leases. For these leases, the Company recognizes lease payments as an operating cost on a straight-line basis during the term of the lease unless another systematic basis represents better the pattern of time in which the economic benefits of the leased assets are consumed.

Lease liabilities are initially assessed at present value of the lease payments that have not been paid at the start date, discounted using the implicit rate in the lease. If this rate may not be easily determined, the Company uses the incremental rate for loans.

Lease payments included in the assessment of the lease liabilities include:

- Fixed payments (including payments that are fixed in the essence), less any lease incentive;
- Variable lease payments, that are contingent upon an index or rate, initially assessed using the index or rate on the start date;
- Amounts expected to be paid by the lessee as residual value guarantees;
- The price of exercising a purchase option if the lessee is reasonably certain of exercising that option; and
- Penalty payments for terminating the lease, if the term of the lease reflects that the lessee will exercise an option to terminate the lease.

Lease liabilities are presented in the "Lease liabilities" item of the statements of financial position.

A lease liability is subsequently assessed incrementing the book value to reflect the interest over the lease liability (using the effective rate method) and reducing the amount in books to reflect the lease payments made.

The Company reassesses the lease liability (and performs the appropriate adjustments in the respective right-of-use asset) whenever:

- The term of the lease has changed or there is a significant event or change in the circumstances that result in the assessment of exercising a purchase option, in which case the lease liabilities are reassessed discounting the revised lease payments using revised discount rate.
- Lease payments may change due to variations in an index, in a rate or in the expected payment under a residual value guarantee, in which cases the lease liability is reassessed discounting the lease payments revised using the initial discount rate (unless the change in the lease payments is due to a change in a variable interest rate, in which case a revised discount rate is used).
- A lease contract as modified and that modification is not separately accounted as a lease, in which case the lease liability is remediated on the basis of the term of the modified lease discounting the lease payments that have been revised using a revised discount rate on the actual date of modification.

The Company did not carry out any of such changes in neither of the presented years.

The right-of-use assets encompass the amount of the initial assessment of the lease liability, the lease payments made before or as from the start date, less the lease incentives received in any initial direct costs incurred. The right-of-use assets are subsequently assessed at cost less accumulated depreciation and accumulated losses for impairment in value.

When the Company incurs in an obligation for costs to dismantle or remove a leased asset, restore the place in which the same is located or restore the underlying asset to the condition required under the terms and conditions of the lease, a provision is recognized and assessed in accordance with IAS 37. The costs are included in the corresponding right-of-use asset, unless these costs are incurred to produce inventory.

The right-of-use assets are depreciated during the shorter period between the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the right-of-use asset is depreciated throughout the useful life of the underlying asset. Depreciation occurs from the start date of the lease.

The right-of-use assets are represented in the "Right-of-use assets" item.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts any identified impairment loss in the form described in the accounting policy called "Property, plant and equipment".

Variable lease payments that are not contingent upon an index or rate are not included in the assessment of the lease liability and the right-of-use asset. Variable payments are recognized as an expense in the period in which the event or condition that originates such payments occurs and are included in "Cost of Sales" and "Administrative Expenses" in the profit and loss statements.

As a practical solution, IFRS 16 allows a lessee not to separate the components that are not a lease, and instead to account for any lease and associated components that are not leases as a single agreement. The Company has not used this practical solution. For contracts that contain lease component and one or more additional leases or components that are not leases, the Company allocates the consideration in the contract to each one of the lease components on the basis of the individual relative price of the lease component and the aggregate individual price of the components that are not leases.

i.2) The Company as a lessor

Leases where the Company is a lessor are classified as either finance leases or operating leases. When the terms of the lease transfer substantially all of the risks and benefits of the property to the lessee the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, the company accounts the main lease and the sublease as two separate contracts. The sublease is classified as either a finance lease or operating lease by reference to the right-of-use asset that originates from the main lease.

Revenue from operating leases is recognized on a straight line basis during the term of the lease. The initial direct costs incurred in the negotiation and agreement of an operating lease are added to the book value of the leased asset and recognized on a straight line basis throughout the term of the lease.

The amounts receivable from the lessees under finance leases are recognized as accounts receivable from the Company's net investment amount in the leases. Revenue from finance leases is allocated to the accounting periods so as to reflect a constant periodic yield rate over the Company's pending net investment with regard to the leases.

Whenever a contract includes lease and no-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

The Company does not keep any contracts as a lessor, or as an intermediate lessor.

Critical accounting judgments and key sources to estimate uncertainty

The critical judgments required in the application of IFRS 16 could include the following:

- Identification of whether a contract (or part of a contract) includes a lease;
- To determine whether its reasonably certain that an option of extension or termination will be exercised;
- Classification of lease agreements (where the entity is a lessor);
- Determination of whether variable payments are in the essence fixed payments;
- To establish whether there are multiple leases in an agreement;
- To determine the individual sales prices of the lease components and no-lease components.

The key estimates required in the application of IFRS 16 could include the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount lease payments;
- Assessment of whether a right-of-use asset is impaired.

j) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual clauses of the instrument.

Financial assets and financial liabilities are initially measured at fair value. The transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than the financial assets and financial liabilities at fair value with changes in results) are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, in the initial recognition. The transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value with changes in results are immediately recognized in results.

j.1) Financial assets

They are elements representative of rights of collection in the Company's favor as a consequence of investments or loans. Those rights are computed as current and noncurrent on the basis of the term of maturity; current for those the term of which is less than 12 months, and noncurrent if the term exceeds 12 months. The Company keeps the following financial asset categories:

(i) Cash and cash equivalents

This item in the Statement of Financial Position includes cash in hand, balances in bank accounts, time deposits and other short-term high liquid investments (with maturity from acquisition date of less than three months), readily convertible to known amounts of cash and which have low risks of changes in value.

Cash surpluses are invested subject to the restrictions imposed on the Company by long-term financing contracts.

For the different bank accounts contemplated in those contracts, the permitted investments are the following:

- a) Fixed income instruments.
- b) Agreements at no more than 30 days.
- c) Mutual fund shares (fixed income).

(ii) Investments held to maturity

The investments held until their maturity correspond to non-derivative financial assets with fixed or determinable payments and specified maturity which the Company intends and has the capacity to hold until maturity. The financial assets held until their maturity are computed at amortized cost using the effective interest rate method less any impairment in value, and revenues are recognized on the basis of actual profitability.

(iii) Loans and accounts receivable

Trade receivables, other accounts receivable and accounts receivable from related parties which have fixed or determinable payments and are not traded in an active market are classified as loans and accounts receivable. They are valued at amortized cost using the effective interest rate method less any impairment loss.

The item trade receivables and other accounts receivable mainly include the sales documents issued to the users of the highway for their use of the same and accessory operations to that end, such as the lease of the "tag" device. These accounts receivable are valued as per the amount of the sales documents, after deducting the estimation for bad debt. Eventual interest is only documented for past due periods.

The classification is contingent upon the nature and the purpose of the financial assets and is determined at the time of initial recognition.

As of December 31, 2020 the classification and assessment of financial assets has been carried out under the standing IFRS 9 regulation.

j.1.1) Financial assets at amortized cost

Loans and accounts receivable are assessed at amortized cost. The amortized cost of a financial asset is the amount at which a financial asset was measured in its initial recognition, less refunds of principal, plus the accumulated amortization, using the effective interest method, of any difference between the initial amount and the amount upon maturity, adjusted for any correction in value due to losses. On the other hand, the gross carrying value of a financial asset is the amortized cost of the financial assets prior to adjusting it for any correction in value due to losses.

j.2) Financial liabilities

Debt and equity instruments are classified as either equity instruments or as financial liabilities, in accordance with the substance of the contractual agreement.

(i) Equity instruments

An equity instrument is any contract evidencing a residual interest in the assets of an entity once all liabilities have been deducted. The equity instruments issued by the Company are computed at the amount received, net of the direct costs of issuance plus the accrued and unpaid interest as of the closing date of the period. Financial expenses are recorded on an accrued basis in the results account, using the effective

interest method which equalizes the net value of the revenue received with the current value of future refunds. The Company, currently, has only issued shares of a single series.

(ii) Other financial liabilities

Other financial liabilities, including loans, are initially valued at the effective amount received, net of the transaction costs. The other financial liabilities are subsequently valued at amortized cost using the effective interest rate method, recognizes interest expenses on the basis of effective profitability.

As of December 31, 2020 the application of IFRS 9 has not had an impact on the classification and measurement of the Company's financial liabilities, which are considered as financial liabilities at amortized cost.

The Company's main financial liabilities have been generated to hedge the financing of the construction of the State-owned public works and consist of the issuance of Bonds in the amount of UF 16,000,500 with long and short term maturities.

Classes of financial liabilities in force	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Bonds, current portion, includes accrued interest	27,729,604	22,401,387
Bonds, noncurrent portion, capital	288,683,183	307,291,699
Totals	<u>316,412,787</u>	<u>329,693,086</u>

j.3) Effective interest rate method

It is a method of calculating the amortized cost of a financial asset or liability (or of a group of financial assets or liabilities) and in computing the financial income or expense throughout the relevant period. The effective interest rate is not discount rate that exactly equalizes the estimated cash flows receivable or payable along the expected life of the financial instrument (or, where appropriate, over a shorter period of time) with the net carrying value of the financial asset or liability.

j.4) Fair value and classification of the financial instruments

The fair value of the different derivative financial instruments will be calculated by means of the following procedures:

- For financial instruments listed in an active market, at their quotation as of the closing of the period.
- For the case of financial instruments not negotiated in organized markets, the Company will use the discounted cash flow methodology and option valuation models generally accepted, on the basis of the market conditions, for both payments in cash and futures as of the period's closing date.

The book value of trade receivables and other accounts receivable in a reasonable approach to the fair value.

The fair value of financial instruments is equivalent to their face value, except for the case of the bond referred to in Notes 17 and 18, where this instrument is valued at the effective rate.

For bonds in circulation held by the public, given the specific conditions in which these liabilities were issued, namely the lack of prepayment clauses or the option to execute the market value of those

instruments, the Management has considered irrelevant to present the fair value as it does not reflect the Company's actual financial position, consequently, it is presented at amortized cost.

Taking into consideration the hierarchy of the inputs used in the procedures described above, the Company classifies the financial instruments into the following levels:

Level 1: Quoted price (not adjusted) in an active market for identical assets and liabilities;

Level 2: Inputs that are different from the quoted prices included in level 1 and that are observable for assets or liabilities, either directly (that is, as a price) or indirectly (that is, derived from a price). The methods and hypotheses used to determine the level 2 fair values, or class of financial assets or financial liabilities, take into consideration the estimation of future cash flows, discounted with the zero-coupon interest rate curves of each currency.

All the valuations described above are performed by means of external tools, for instance "Bloomberg"; and

Level 3: Inputs for assets or liabilities that are not based on observable market information (non-observable inputs). Valuation techniques are used.

As of December 31, 2020 and December 31, 2019, the Company has no derivatives contracts.

j.5) Writing-off of financial assets and liabilities

When a financial asset measured at amortized cost is written off, the difference between the asset's carrying value and the total consideration received and to be received is recognized in results. Additionally, when an investment in a debt instrument classified at fair value with changes in other comprehensive income (FVWCOI) is written off, the accumulated profit or loss previously recognized in the "Reserve of profits and losses over financial assets measured at fair value with changes in other comprehensive income" is reclassified to results. Conversely, when writing off an investment in an equity instrument which the Company has chosen to measure at FVWCOI in the initial recognition, the accumulated profit or loss previously recognized in the "Reserve of profits and losses over financial assets measured at fair value with changes in other comprehensive income" is not reclassified to results, but it is transferred to retained results.

The Company writes off financial liabilities if and only if the Company's obligations are discharged, canceled or have expired. The difference between the carrying value of the written off financial liability and the consideration paid and payable is recognized, including any transferred asset other than the assumed asset or liability, is recognized in results.

k) Provisions and contingent assets and liabilities

The provisions are recognized when the Company has a present (legal or implicit) obligation as a result of a past event, where the Company is likely to use resources to settle the obligation and over which it may do a reliable estimation of the amount of the obligation. The amount recognized as a provision represents the best estimation of the payments required to settle the present obligation as of the closing date of the financial statements, taking into consideration the risks of uncertainty relating to the obligation.

When a provision is determined using the estimated cash flows to settle the present obligation, its carrying value is the present value of those cash flows.

When the recovery of part or all of economic proceeds required to settle a provision from a third party is expected, the amount receivable is recognized as an asset, if there is practical certainty that the refund will be received, and the amount receivable may be reliably measured.

Contingent liabilities are obligations originating in past events, the realization of which is subject to the occurrence or not of events beyond the company's control, or present obligations derived from previous events, the amount of which may not be reliably estimated, or in the liquidation of which it is unlikely that an outflow of resources occurs.

The Company does not record any contingent assets or liabilities except for those derived from contracts on a consideration basis, which are recorded as a provision and are revised as of the date of each statement of financial position to adjust them to reflect the best estimation. As of December 31, 2020 and 2019 the Company does not present any contingent assets or contingent liabilities.

l) Maintenance provision

This provision is made to recognize an obligation to maintain and repair the public works under concession and maintain the quality standards defined in the terms and conditions of the tender, during the operating period.

This provision is made in accordance with paragraph 21 of IFRIC 12 and what is provided by IAS 37, in accordance with the technological cycles of maintenance and repair of the infrastructure, and considers the best estimates of future disbursements at present value, discounted at a pre-tax rate determined according to the current evaluation of the financial market and the specific risks of the obligation covered by this provision.

Any variance in the provision based on annual updates of the factors mentioned in the previous paragraph is recognized in the profit and loss statement each year.

m) Other provisions

Vacation pay and the annual allowance for vacation granted to the workers are recognized in results on an accrual basis, when the workers render the services that entitle them to this benefit.

Additional employee benefits, such as National Holiday allowances, Christmas allowances and others similar in nature, are reflected in the results for the period in which they are granted, which is the same period in which they become entitled to the benefit.

n) Income tax and deferred taxes

The Company accounts the Income Tax on the basis of the taxable net income determined as per the norms contained in the Law on Income Tax.

The deferred taxes originating in temporary differences and other events that give rise to differences between the accounting basis and the tax basis of assets and liabilities are recorded in accordance with IAS 12, Income Tax.

The result for income tax for the period is determined as the total current tax and is the result of the application of the type of lien over the taxable base for the period, once the tax deductions have been applied, plus the variation in assets and liabilities for deferred taxes and tax credits. The differences between the accounting value of the assets and liabilities and their tax base generate the deferred tax balances of assets or liabilities that are calculated using the tax rates that are expected to be in force when the assets and liabilities are realized.

The current tax and the variances in the deferred taxes are recorded in results or in net equity items in the statement of financial position, on the basis of where the profits or losses that originated them have been recorded.

The assets from deferred taxes and tax credits are only recognized when it is considered likely that there will be sufficient future tax profits to recover the deductions from temporary differences and collect the tax credits. Liabilities from deferred taxes are recognized for all the temporary differences.

o) Recognition of income and expense

As of December 31, 2020 and 2019, ordinary income includes the fair value of the consideration received or to be received for the sale of goods and services during the Company's ordinary course of business. Ordinary income is presented net of value added tax, refunds, deductions, discounts.

The Company recognizes the income when the amount of the same may be reliably valued, future economic profits are likely to flow to the entity and the specific conditions for each one of the Company's activities are met.

Ordinary income derived from the rendering of service

Income from toll transactions shall be recognized upon occurrence, provided that they are likely to generate a profit to the Company. Income from the administration of the daily pass sale system is accrued on the basis of the number of actual sales, therefore they shall be recognized on the moment a sale occurs.

Ordinary income is valued at fair value of the consideration received or to be received.

Therefore, the Company shall value its ordinary income taking into account the invoiced or invoiceable value on the basis of the respective tariffs and the extent of rendering of the service when appropriate.

Whenever doubt arises in connection with the possibility to collect an amount already included in the net ordinary income, the balance considered as bad debt is recognized in the results account.

As of December 31, 2020 and 2019 the Company analyzes and takes into consideration all of the relevant facts and circumstances when applying each step of the model established by IFRS 15 to the contracts with its clients: (i) identification of the contract, (ii) identification of performance obligations, (iii) determine the transaction price, (iv) allocate the price, and (v) recognize revenue.

By virtue of IFRS 15, revenue should be recognized as the obligations are fulfilled, i.e. when "control" of the underlying assets or services in connection with the respective obligation is transferred to the client. Likewise, guidelines of a much more prescriptive character for specific scenarios are incorporated, which require a more precise breakdown of information.

In connection with the aforementioned standard, in the highway concession management business - operating segment, which already represents 100% of the Company's revenue, the application of the criteria from IFRS 15 has not implied a change in the recognition of revenue from the recognition that used to be performed in the past.

In accordance with the foregoing, ordinary revenue includes the fair value of the consideration received or to be received for the sale of goods and services during the Company's ordinary course of business. Ordinary revenue is presented net of income tax, refunds, deductions, discounts and the corresponding allocation of the same to the provision for insolvency/delinquency.

The Company recognizes the income when the amount of the same may be reliably valued, future economic profits are likely to flow to the entity and the specific conditions for each one of the Company's activities are met.

p) Information on environment

The Company regularly reviews the legal framework in force regarding safety, occupational health and environmental matters, and maintains its triple certification under ISO 9001, ISO 14001 and ISO 45001 standards.

The Company has implemented an environmental management plan approved by the Chilean Ministry of Public Works (MOP), which includes monitoring noise, air quality (particulate material in curbs), air pollution caused by the Company vehicles, waste and socio-cultural monitoring.

q) Statement of cash flow

The cash flow statement encompasses the cash movements that have taken place during the period, determined by means of the direct method, using the following expressions in the sense shown below:

- Cash flows: Inflows and outflows of cash or other equivalent media, this being understood as time investments over a period of less than three months, with high liquidity and low risk of fluctuation in value.
- Operating activities: The activities that comprise the main source of ordinary revenue, as well as other activities that may not be classified as investment or financing.
- Investment activities: The activities of acquisition, sale or disposal by other means of noncurrent assets and other investments not included in cash or cash equivalent.
- Financing activities: The activities that produce changes in the size and structure of the total equity and of the financial liabilities.

r) Financing costs

The costs from borrowings that are directly attributable to the acquisition, construction or production of assets are capitalized in accordance with IAS 23, forming part of the cost of such assets.

s) Financial income and financial costs

The Company's financial income and financial costs include the following:

Interest income or expense recognized using the effective interest method:

The 'effective interest rate' is the rate that exactly discounts estimated future payments or collection of cash throughout the expected life of the financial instrument from:

- The gross carrying amount of a financial asset; or
- the amortized cost of a financial liability.

When calculating interest income and interest expense the effective interest rate is applied to the asset's gross carrying value (when the asset has no credit impairment) or to the liability's amortized cost.

t) Classification of balances as current and noncurrent

The Statement of Financial Position classifies assets and liabilities in terms of their maturity dates, so that current ones are those that mature in twelve months or less, and non-current ones are those that mature in over twelve months. For the case of obligations the maturity of which is within twelve months or less, but

the long-term refinancing of which is guaranteed at the Company's discretion, by way of credit contracts unconditionally available with a long-term maturity, may be classified as noncurrent liabilities.

u) Trade creditors and other accounts payable

Trade accounts payable and other accounts payable are initially recognized at their fair value and subsequently at their amortized cost, considering the effective interest rate.

3. FINANCIAL RISK MANAGEMENT

Financial risk management means ensuring availability of funds, so that the Company is able to discharge its financial obligations, as well as manage the risk associated with interest rate fluctuations, exchange rate fluctuations in foreign currency operations, fluctuations of other indexed units, and fluctuations of any financial variables in the market that may affect this Concession Company.

The risk relating with the above-mentioned variables is measured periodically using methodologies that are generally used in the market. The outcomes of these measurements may need to decision-making that will be applied in accordance with the Company's strategic management.

Market risk

a) Interest rate risk

It consists of possible variances in interest rates that could affect the Company's future cash flows. For the Company, this risk is hedged, as the contracted financial debt has been agreed at a fixed interest rate throughout the debt's term.

The Company's main debt, namely the issued Bonds, is subject to a fixed interest rate. The Company's financial debt has the following rate structure:

Classes of financial liabilities in force	Rate	12.31.2020	% of total	12.31.2019	% of total
		ThCL\$		ThCL\$	
Bonds, current portion, includes accrued interest	Fixed	27,729,604	9%	22,401,387	7%
Bonds, noncurrent portion, capital	Fixed	288,683,183	91%	307,291,699	93%
Totals		<u>316,412,787</u>		<u>329,693,086</u>	

Sensitivity analysis of the fair value for fixed income instruments:

The Company does not account fixed rate financial assets and liabilities at fair value with changes in results and does not designate derivatives (interest rate financial swap) as hedging instruments as per a model of fair value hedging accounting. Therefore, a variation in the interest rates as of the date of presentation would not affect the result.

b) Exchange rate risk and indexation

It consists of the variability that may affect the Company's cash flows when they involve collections and/or payments that must be made in a currency other than the Chilean peso. For the case of accounts receivable, there are loans granted to a related party denominated to Unidades de Fomento and also as from January 01, 2020 there are accounts receivable with the Ministry of Public Works which have been recorded under Accounts Receivable and Other Accounts Receivable, denominated to Unidades de Fomento (UF), for the offsetting the elimination of the real annual indexation of 3.5% that used to be applied until December 31,

2019 in tariffs, in accordance with what is provided in the Ad Referendum Agreement No. 2 issued to the Company. Accounts payable includes the debt for the issuance of Bonds to the Public and lease liabilities and interest, both of which are denominated to Unidades de Fomento (UF), and therefore they are subject to the variations in inflation, which is the variable pursuant to which the amount of the UF varies.

Nevertheless, in accordance with the concession's terms, the tariffs charged to highway users are also adjusted on an annual basis as per the variation in the Consumer Price Index (CPI).

There are no other significant liabilities denominated to a foreign currency that imply exchange rate risk.

Sensitivity analysis for the exchange rate risk and indexation:

The following table shows the Company's sensitivity to an increase and to a decrease in the functional currency (CLP) versus the unidad de fomento (UF). For operations performed in unidades de fomento a rate of 0.5% as of December 31, 2020 (1.4% as of December 31, 2019) will be used. The sensitivity analysis only includes pending monetary entries denominated to unidades de fomento and adjusts its conversion at the end of the year for a change in the aforementioned rate. The sensitivity analysis includes loans granted to a related entity, bonds to the public, accounts receivable from the Ministry of Public Works and lease liabilities. A positive number below indicates an increase in profits or equity where the functional currency strengthens in the aforementioned interest rate versus the relevant currency (in this case the UF). For a weakening of the same rate of the functional currency versus the relevant currency, there would be a similar impact in the result or equity, and the balances below would be negative.

Effect	UF Impact	
	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Results	1,302,629	3,885,026 (i)
Equity	-	-

(i) This is mainly attributable to the exposure of the debt in unidades de fomento (discounted from accounts receivable from related entities) to accounts payable at the end of the year being reported.

The Company's sensitivity to the unidad de fomento has decreased during this year mainly due to the lower variation experienced by the unidad de fomento in contrast with the previous year. Also, the debt in unidades de fomento is decreasing in size due to the payment of bi-annual installments.

In the Management's opinion, the sensitivity analysis does not represent the inherent exchange risk because the exposure at the end of the year being reported does not reflect the exposure during the year. This because the debt in unidades de fomento involves bi-annual payments made in the months of June and December.

c) Credit risk

The Company is exposed to credit risk because of the nature of the free flow system used in the operation of the highway; drivers use the service and pay afterwards.

Collection management is focused on incorporating the business intelligence area to define the line of collection, generating differentiated strategies per user segment, age of the debt and vendors in charge of collection. For these purposes, the Company has defined the following collection lines:

- Collection via automatic payment.
- Collection via websites.
- Collection via third-party cashier windows.
- Collection via in-house cashier window.

Trade receivables present the risk of bad debt as a result of the system, in which the user uses the highway service and receives the collection document later, leaving the Concession Company exposed to an eventual default in payment. This risk is limited by the large number of users of the highway. To mitigate this risk, the Company has implemented several measures including collection activities -both direct and through third parties- which contemplate the disablement of the transponder unit of delinquent users, prejudicial collection and judicial collection, with what is provided in article 42 of the Concessions Law being applied in this last case. Other measures that have been implemented in the Company since January 2020 at the Ministry of Public Works' request, was the creation of payment agreements in connection with past due debt for motorcycles and intensive transport.

Additionally, it is important to state that those users who use the highway without a tag device or an alternative means of payment (Daily Pass), incur into a traffic violation contemplated in article 114 of the Traffic Law, and the offenders are reported by the Concession Company to the respective Municipal Court.

d) Liquidity risk

This risk involves the need to meet payments for investments, normal operating expenses and debt service.

The Company's financing structure includes mechanisms for mitigating this risk. It considers the project's ability to generate operating revenue as the primary source of liquidity. If operating revenue is not sufficient, there is a structure of reserve accounts that ensure the discharge of those obligations, the debt service reserve account (which equals two semesters' worth of debt service), the extraordinary maintenance reserve account (which is based on the extraordinary maintenance budget) and the operation and maintenance reserve account (which is based on actual and projected operating costs for a running period of one year).

4. CASH AND CASH EQUIVALENTS

The detail of each concept of cash and cash equivalent is as follows:

Item	Currency	12.31.2020	12.31.2019
		ThCL\$	ThCL\$
Cash	Chilean peso \$	3,222	3,222
Banks	Chilean peso \$	1,754,632	1,392,655
Banks	US dollar	217	228
Investments and Financial Instruments	Chilean peso \$	18,735,266	7,744,590
Total cash and cash equivalents		<u>20,493,337</u>	<u>9,140,695</u>

The detail for each concept of cash and cash equivalent is the following:

- a) Cash: The cash balance comprised of fixed funds allocated to cashiers, and funds to be rendered intended to cover minor expenses.
- b) Banks: Bank balances are comprised of funds kept in checking accounts with banks.
- c) Investments and Financial Instruments taken with different Banks with maturities of less than three months from the moment the investment is made:

As of December 31, 2020

Institution	Type of Investment	Maturity	Monthly Interest Rate	Amount of Investment plus Interest ThCL\$
Banco de Chile	Renewable time deposit	At 30 days	0.04%	58,995
Banco de Chile	Renewable time deposit	At 35 days	0.01%	2,211
Banco de Chile	Time deposit	At 34 days	0.02%	1,647,668
Banco de Chile	Time deposit	At 34 days	0.02%	662,244
Banco de Chile	Time deposit	At 59 days	0.02%	434,432
Banco Santander	Time deposit	At 12 days	0.02%	272,001
Banco Santander	Time deposit	At 12 days	0.02%	6,246,046
Banco de Chile	Time deposit	At 12 days	0.01%	1,356,032
Banco Santander	Time deposit	At 7 days	0.02%	1,827,570
Banco de Chile	Time deposit	At 8 days	0.01%	922,006
Banco Santander	Investment agreement	At 6 days	0.01%	3,031,814
Banchile Inversiones	Investment agreement	At 6 days	0.01%	424,252
Banchile Inversiones	Investment agreement	At 5 days	0.01%	1,515,698
Banchile Inversiones	Investment agreement	At 5 days	0.01%	334,297
Totals				18,735,266

As of December 31, 2019

Institution	Type of Investment	Maturity	Monthly Interest Rate	Amount of Investment plus Interest ThCL\$
Banco de Chile	Renewable time deposit	A 30 días	0.07%	58,811
Banco de Chile	Renewable time deposit	A 35 días	0.09%	2,203
Banco de Chile	Time deposit	A 31 días	0.17%	1,764,927
Banco de Chile	Time deposit	A 10 días	0.11%	112,721
BCI	Time deposit	A 10 días	0.16%	4,247,157
BCI	Time deposit	A 10 días	0.16%	20,867
BCI	Time deposit	A 9 días	0.16%	485,262
BCI	Time deposit	A 11 días	0.18%	21,464
Banchile Inversiones	Investment agreement	A 17 días	0.14%	12,020
Banchile Inversiones	Investment agreement	A 3 días	0.16%	1,019,158
Totals				7,744,590

d) The following table provides a detailed of the changes in liabilities originating in the Company's financing activities, including those changes that represent cash flows and changes that do not represent cash flows As of December 31, 2020. Liabilities originating in financing activities are those for which cash flows were, or cash flows will be, classified in the cash flow statement as cash flow from financing activities.

Liabilities originating in financing activities	Financing cash flows			Changes that do not represent cash flow		
	01.01.2020	Used	Total	Result by indexation	Other changes	12.31.2020
	(1)			unit	(2)	(1)
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Guaranteed obligations with the public. (Note 17 and 18.a)	329,693,086	(43,722,578)	285,970,508	8,865,843	21,576,436	316,412,787
Total	329,693,086	(43,722,578)	285,970,508	8,865,843	21,576,436	316,412,787

(1) Balance corresponding to the current and noncurrent portion

(2) It corresponds to the accrual of interest.

As of December 31, 2019 the breakdown is the following:

Liabilities originating in financing activities	Financing cash flows			Changes that do not represent cash flow		
	01.01.2019	Used	Total	Result by indexation	Other changes	12.31.2019
	(1)			unit	(2)	(1)
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Guaranteed obligations with the public. (Note 17 and 18.a)	337,530,602	(39,085,554)	298,445,048	9,111,805	22,136,233	329,693,086
Total	337,530,602	(39,085,554)	298,445,048	9,111,805	22,136,233	329,693,086

(1) Balance corresponding to the current and noncurrent portion

(2) It corresponds to the accrual of interest.

5. OTHER FINANCIAL ASSETS

They correspond to time deposits the maturity of which is greater than three months from their date of acquisition. Their structure as of the closing of each year is as follows:

	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Time deposits	3,249,426	-
Totals	3,249,426	-

The breakdown by financial institution is presented below:

As of December 31, 2020

Institution	Type of Investment	Maturity	Interest Rate	Amount of Investment plus Interest ThCL\$
Banco de Chile	Time deposit	At 182 days	0.03%	3,249,426
Totals				3,249,426

6. OTHER NONFINANCIAL ASSETS AND LIABILITIES, CURRENT**a) Other nonfinancial assets, current**

The structure of this item is as follows:

	Currency	12.31.2020	12.31.2019
		ThCL\$	ThCL\$
Deferred expenses, insurance policies	UF	1,078,527	522,598
Additional works under complementary agreement	Nonadjustable CL\$	38,082	38,082
Advance to vendors and others	Nonadjustable CL\$	-	118,641
Totals		<u>1,116,609</u>	<u>679,321</u>

b) Other non-financial liabilities, current

As of December 31, 2020 the item Other nonfinancial current liabilities is comprised as follows:

	Currency	12.31.2020	12.31.2019
		ThCL\$	ThCL\$
Reconstruction works (1)	Nonadjustable CL\$	1,261,858	1,261,858
Income received in advance, TAGs	Nonadjustable CL\$	150	202
Totals		<u>1,262,008</u>	<u>1,262,060</u>

- (1) It corresponds to the balance of the amounts transferred to the Company by the Ministry of Public Works (MOP), for the reconstruction works of the Highway subsequent to the earthquake that struck on February 27, 2010, to be imputed.

7. TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE, CURRENT

The composition and ageing analysis of the balances that comprise this item as of December 31, 2020 and 2019, is the following:

As of December 31, 2020

Item	Currency	As per maturity										Total ThCL\$
		Up to date ThCL\$	From 1 to 30 days ThCL\$	From 31 to 60 days ThCL\$	From 61 to 90 days ThCL\$	From 91 to 120 days ThCL\$	From 121 to 150 days ThCL\$	From 151 to 180 dsays ThCL\$	From 181 to 210 days ThCL\$	From 211 to 250 days ThCL\$	More than 250 days ThCL\$	
Trade receivables												
Receivables for sales	Nonadjustable CL\$	2,026,127	3,883,825	1,804,789	1,794,683	1,752,018	1,143,265	1,242,693	1,227,565	1,768,535	33,610,328	50,253,828
Accrued income provision	Nonadjustable CL\$	4,413,100	-	-	21,042	13,456	46,614	350,846	-	31,655	2,061,956	6,938,669
Bad debt provision (1)	Nonadjustable CL\$	-	-	-	-	-	-	-	-	-	(575,568)	(575,568)
Subtotal trade receivables		6,439,227	3,883,825	1,804,789	1,815,725	1,765,474	1,189,879	1,593,539	1,227,565	1,800,190	35,096,716	56,616,929
Other accounts receivable												
Accounts receivable from personnel	Nonadjustable CL\$	6,632	-	1,069	429	-	-	-	8	-	59	8,197
Other accounts receivable	Nonadjustable CL\$	436,563	2,505	580	-	-	8,349	78,723	-	28,026	383,541	938,287
Subtotal other accounts receivable		443,195	2,505	1,649	429	-	8,349	78,723	8	28,026	383,600	946,484
Total trade receivables and other accounts receivable		6,882,422	3,886,330	1,806,438	1,816,154	1,765,474	1,198,228	1,672,262	1,227,573	1,828,216	35,480,316	57,563,413

Stratification of the portfolio of receivables for sales as of December 31, 2020		As per maturity										Total ThCL\$
		Up to date ThCL\$	From 1 to 30 days ThCL\$	From 31 to 60 days ThCL\$	From 61 to 90 days ThCL\$	From 91 to 120 days ThCL\$	From 121 to 150 days ThCL\$	From 151 to 180 dsays ThCL\$	From 181 to 210 days ThCL\$	From 211 to 250 days ThCL\$	More than 250 days ThCL\$	
Gross non-renegotiated portfolio	Nonadjustable CL\$	833,573	1,985,607	1,576,841	1,441,992	1,488,099	1,028,018	1,106,943	1,174,768	1,757,026	33,599,312	45,992,179
Gross renegotiated portfolio	Nonadjustable CL\$	1,192,554	1,898,218	227,948	352,691	263,919	115,247	135,750	52,797	11,509	11,016	4,261,649
Total gross portfolio of trade receivables		2,026,127	3,883,825	1,804,789	1,794,683	1,752,018	1,143,265	1,242,693	1,227,565	1,768,535	33,610,328	50,253,828
Number of clients with non-renegotiated portfolio (2)		280,017	557,974	293,034	268,016	231,236	172,583	187,380	183,115	227,465	446,724	
Number of clients with renegotiated portfolio (2)		16,714	4,137	2,006	1,885	1,269	135	102	68	39	7	
Total number of clients, gross portfolio		296,731	562,111	295,040	269,901	232,505	172,718	187,482	183,183	227,504	446,731	
Total number of clients, receivables for sales												1,059,037

As of December 31, 2019

Item	Currency	As per maturity										Total ThCL\$
		Up to date ThCL\$	From 1 to 30 days ThCL\$	From 31 to 60 days ThCL\$	From 61 to 90 days ThCL\$	From 91 to 120 days ThCL\$	From 121 to 150 days ThCL\$	From 151 to 180 dsays ThCL\$	From 181 to 210 days ThCL\$	From 211 to 250 days ThCL\$	More than 250 days ThCL\$	
Trade receivables												
Receivables for sales	Nonadjustable CL\$	3,530,545	3,368,529	2,409,705	2,066,270	1,468,046	1,587,394	1,630,181	1,330,927	1,719,591	22,358,219	41,469,407
Accrued income provision	Nonadjustable CL\$	5,373,606	431,992	-	24,000	404,503	-	144,150	5,848	24,112	1,933,409	8,341,620
Bad debt provision (1)	Nonadjustable CL\$	-	-	-	-	-	-	-	-	-	(1,902,633)	(1,902,633)
Subtotal trade receivables		<u>8,904,151</u>	<u>3,800,521</u>	<u>2,409,705</u>	<u>2,090,270</u>	<u>1,872,549</u>	<u>1,587,394</u>	<u>1,774,331</u>	<u>1,336,775</u>	<u>1,743,703</u>	<u>22,388,995</u>	<u>47,908,394</u>
Other accounts receivable												
Accounts receivable from the MOP	Nonadjustable CL\$	1,742,183	-	-	-	-	-	-	-	-	-	1,742,183
Accounts receivable from personnel	Nonadjustable CL\$	5,731	793	-	1,403	39	-	172	1,390	1,654	4,820	16,002
Other accounts receivable	Nonadjustable CL\$	1,053,128	8,506	5,081	-	-	-	109,824	720	29,623	199,395	1,406,277
Subtotal accounts receivable		<u>2,801,042</u>	<u>9,299</u>	<u>5,081</u>	<u>1,403</u>	<u>39</u>	<u>-</u>	<u>109,996</u>	<u>2,110</u>	<u>31,277</u>	<u>204,215</u>	<u>3,164,462</u>
Total trade receivables and other accounts receivable		<u>11,705,193</u>	<u>3,809,820</u>	<u>2,414,786</u>	<u>2,091,673</u>	<u>1,872,588</u>	<u>1,587,394</u>	<u>1,884,327</u>	<u>1,338,885</u>	<u>1,774,980</u>	<u>22,593,210</u>	<u>51,072,856</u>
Stratification of the portfolio of receivables for sales as of December 31, 2019		As per maturity										Total ThCL\$
		Up to date ThCL\$	From 1 to 30 days ThCL\$	From 31 to 60 days ThCL\$	From 61 to 90 days ThCL\$	From 91 to 120 days ThCL\$	From 121 to 150 days ThCL\$	From 151 to 180 dsays ThCL\$	From 181 to 210 days ThCL\$	From 211 to 250 days ThCL\$	More than 250 days ThCL\$	
Gross non-renegotiated portfolio	Nonadjustable CL\$	3,502,969	3,352,361	2,406,473	2,064,485	1,466,243	1,587,352	1,629,873	1,330,813	1,719,549	22,358,070	41,418,188
Gross renegotiated portfolio	Nonadjustable CL\$	27,576	16,168	3,233	1,784	1,804	42	308	114	42	149	51,219
Total gross portfolio of trade receivables		<u>3,530,545</u>	<u>3,368,529</u>	<u>2,409,705</u>	<u>2,066,270</u>	<u>1,468,046</u>	<u>1,587,394</u>	<u>1,630,181</u>	<u>1,330,927</u>	<u>1,719,591</u>	<u>22,358,219</u>	<u>41,469,407</u>
Number of clients with non-renegotiated portfolio (2)		220,077	241,249	181,429	136,972	95,741	160,076	214,240	92,151	105,943	402,229	
Number of clients with renegotiated portfolio (2)		255	110	38	32	14	1	3	3	1	1	
Total number of clients, gross portfolio		<u>220,332</u>	<u>241,359</u>	<u>181,467</u>	<u>137,004</u>	<u>95,755</u>	<u>160,077</u>	<u>214,243</u>	<u>92,154</u>	<u>105,944</u>	<u>402,230</u>	
Total number of clients, receivables for sales												<u>878,346</u>

(1) The balance of the bad debt provision is presented in the segment of greater than 250 days, as it is impracticable to make the segregation, taking into consideration the nature of the Company's calculation of uncollectibility.

(2) It corresponds to the total number of clients per maturity segment.

Due to the nature of the service and the fragmentation of clients, the existence of accounts receivable at periods greater than 250 days is common, as these clients may continue to use the highway, and there is a percentage of these balances that is actually paid even after a year. The Management has reached the conclusion that, due to several regulatory milestones in the granting of circulation permits, after 3 years the probability of recovery of these debts is almost zero. For this situation, the Company annually writes off the debt balances that reach 3 years.

As per the company's experience, there is a very high probability of collection of receivables between 1 and 1095 days old, as the process to obtain the circulation permits before the entities of the State identifies highway concession debtors and requires them to become up to date in payment prior to the renewal of their circulation permits. The aging period of this process is of up to 3 years due to the lack of instant data shared online between the concession companies and the entities that issue the circulation permits.

The fair value of trade receivables and other accounts receivable are the same values expressed in the previous tables, as they represent the amounts of cash expected to be collected for those items, less the estimated bad debt.

The impairment of trade receivables is presented as a bad debt provision, and is determined on the basis of a percentage of the values associated to each user type (tag, offenders, disabled tags). These percentages are based in the clients' past payment behavior, which are evaluated periodically to decide whether to maintain or update them.

The movement for the bad debt provision is as follows:

	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Opening balance	1,902,633	2,527,019
Increments	4,794,286	5,231,241
Written off clients	(6,121,351)	(5,855,627)
Closing balance	<u>575,568</u>	<u>1,902,633</u>

As of December 31, 2020, the Company has also written off ThCL\$ 245,412 referring to payment agreements entered into at the Ministry of Public Works' request and ThCL\$ 368 referring to users who have filed for bankruptcy by virtue of the law.

No significant credit risk is observed in Other Accounts Receivable.

8. ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE, NONCURRENT

This corresponds to accounts receivable from the Ministry of Public Works (MOP) and set by the Ad Referendum Agreement No. 2.

The Ministry of Public Works (MOP) approved the Concession Company's proposal to review the indexation formula for the tariff system and the term of the concession. The account receivable corresponds to the compensation for not applying the real annual indexation of 3.5% contemplated in article 1.14.5 of the Tender's Terms And Conditions (BALI), as from January 01, 2020. This will offset the amount of income that will not be received on occasion of the suspension of the aforementioned real annual indexation, and for which the Company shall be granted, in return either an increment in the term of the concession contract or a direct payment with the concession contract ending in the original scheduled term. Either option shall be at the Ministry of Public Works' choice, with a two-year prior notice.

The balances are shown below:

Taxpayer No.	Company	Country of origin	Nature of the relationship	Currency	Noncurrent	
					12.31.2020	12.31.2019
					ThCL\$	ThCL\$
61.202.000-0	Ministry of Public Works	Chile	Shareholder	CL\$	1,960,630	-
Totals					<u>1,960,630</u>	<u>-</u>

A cash lag was determined on the basis of the historic payment behavior of the Company's users, setting percentages that will serve to know the difference in revenue generated in each month of operation. As of December 31, 2020, the percentages set in the Ad Referendum Agreement have continued to be used. The Company is using 44% in the month following that of operation, 32% in the second following month, 6% in the third following month, 3% in the fourth following month and, lastly, 15% in the eighth following month.

The estimation of bad debt is made by applying a model designed on the basis of the Company's historic collection experience, segregating by user type (holders of a Tag device or violators). The percentage of bad debt calculated on the basis of the invoicing occurred as of December 31, 2020 is 5.57% and such percentage is used for these noncurrent accounts receivable set with the Ministry of Public Works.

As of December 31, 2020, the charge against results for the increment in the estimation of bad debt amounted to ThCL\$52,160. That amount is presented under "Cost of sale" in the Comprehensive Profit and Loss Statement by Function. As of December 31, 2020, the Company has not written off any amounts for the concept of the aforementioned bad debt from clients.

The movement in the bad debt provision as of December 31, 2020 is the following:

	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Opening balance	-	-
Increments	52,160	-
Exchange rate difference	<u>328</u>	<u>-</u>
Closing balance	<u>52,488</u>	<u>-</u>

9. DISCLOSURE OF INFORMATION ON RELATED PARTIES

Sociedad Concesionaria Vespucio Norte Express S.A., is indirectly controlled by Brookfield Asset Management Inc., a Canadian consortium that indirectly owns 34% of the shares in the Company. Infraestructura Alpha S.A., a company the stakeholders of which are Frontal Trust Infraestructura Alpha Fondo de Inversión, and Fondo de Inversión Infraestructura Chile I, Chilean investment funds, holds 33% of the shares in the Company and has a noncontrolling interest. Sociedad Apoquindo SpA, the vehicle that Fondo de Inversión CMB – LV Infraestructura III and Infralatina Fondo de inversión organized to acquire the shares in the Company, holds the remaining 33% of the shares, and has a noncontrolling interest.

The detail of balances and transactions with related parties is shown below:

a) Accounts receivable from related parties

a) ACCOUNTS RECEIVABLE FROM RELATED PARTIES

Taxpayer No.	Company	Country of origin	Nature of the relationship	Currency	Current		Noncurrent	
					12.31.2020	12.31.2019	12.31.2020	12.31.2019
					ThCL\$	ThCL\$	ThCL\$	ThCL\$
96.931.450-9	Taurus Holdings Chile S.A (1)	Chile	Shareholder	UF	-	-	54,953,809	52,191,251
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Shareholder	CL\$	130,192	130,192	-	-
99.588.750-9	Soc. Concesionaria Túnel San Cristóbal S.A.	Chile	Shareholder in common	CL\$	509,203	174,867	-	-
	Totals				<u>639,395</u>	<u>305,059</u>	<u>54,953,809</u>	<u>52,191,251</u>

- (1) The Company has granted to its shareholder four loans at the equivalent in pesos to UF 1,812,604.45 for the concept of capital. This has been formalized by way of four contracts that set interest capitalizable on a biannual basis. For Company Taurus Holdings Chile S.A., this debt is recorded as a long-term debt, with interest calculated at the current rate in the modality of adjustable operations in domestic currency, greater than one year and in excess of UF 2,000.

b) Accounts payable to related parties

Taxpayer No.	Company	Country of origin	Nature of the relationship	Currency	Current	
					12.31.2020	12.31.2019
					ThCL\$	ThCL\$
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Shareholder	\$	<u>929.714</u>	<u>189.185</u>
	Totals				<u>929.714</u>	<u>189.185</u>

A detail of the transactions with related parties is shown below:

c) Transactions

Taxpayer No.	Company	Country of origin	Nature of the relationship	Description of the transaction	Currency	Amount of the transaction	Effect on results	Amount of the transaction	Effect on results
						12.31.2020 Balances	Income (expense) 12.31.2020	12.31.2019 Balances	Income (expense) 12.31.2019
						ThCL\$	ThCL\$	ThCL\$	ThCL\$
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Shareholder	Loan	UF	-	-	30,360,032	-
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Shareholder	Loan interest	UF	1,344,739	1,344,739	799,255	799,255
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Shareholder	UF loan indexation	UF	1,417,819	1,417,819	806,821	806,821
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Shareholder	Technical assistance	CLP	575,360	(575,360)	559,138	(559,138)
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Shareholder	Technical assistance payment	CLP	(141,550)	-	(555,471)	-
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Shareholder	Professional services	CLP	507,631	(507,631)	441,053	(441,053)
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Shareholder	Professional services payment	CLP	(249,884)	-	(401,023)	-
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Shareholder	Stamp tax	CLP	-	-	242,880	-
99.588.750-9	Sociedad Concesionaria Túnel San Cristóbal S.A.	Chile	Shareholder in common	Joint operation services / SCOP	CLP	453,905	453,905	514,918	514,918
99.588.750-9	Sociedad Concesionaria Túnel San Cristóbal S.A.	Chile	Shareholder in common	Joint operation collection	CLP	255,422	-	472,886	-
99.588.750-9	Sociedad Concesionaria Túnel San Cristóbal S.A.	Chile	Shareholder in common	Managing services	CLP	186,717	186,717	181,338	181,338
99.588.750-9	Sociedad Concesionaria Túnel San Cristóbal S.A.	Chile	Shareholder in common	Managing services collection	CLP	108,042	-	165,638	-

d) Remuneration of the Board of Directors and Executive Officers

As of the date of these financial statements, the Directors have not received any remuneration whatsoever for performing the functions and no payments have been made for the concept of Board Meeting expenses.

The remuneration received by the Company's executive officers, during year 2020 amounted to CL\$601,264,963 (CL\$599,799,267 in 2019). In both periods, no indemnity payments were made to executive officers of the organization. The Company's executive officers do not own stock in the Company.

10. TAX LIABILITIES, CURRENT

Accounts payable for current taxes, as of December 31, 2020 and 2019, respectively, are shown below:

Tax liabilities	Current	
	12.31.2020	12.31.2019
Concepts	ThCL\$	ThCL\$
Second category tax	13,127	12,929
Fees withholdings	1,265	439
Income tax provision	4,618	4,865
Additional tax provision	-	5,206
VAT tax debit payable	1,303,638	1,629,676
Totals	1,322,648	1,653,115

11. INTANGIBLE ASSETS OTHER THAN GOODWILL

a) General information

The intangible assets' useful life is 329 months, from the beginning of the operation of the highway until the end of the concession contract. At the date of these financial statements, there are 148 months left to amortize.

The Company has classified as intangible assets the following:

- The entire highway infrastructure, from Av. El Salto in the north-western area of Santiago, on a 29-kilometer section westwards along Av. Américo Vespucio, as far as the crossroad with Ruta 78, known as Autopista del Sol.
- The electronic toll collection system. As from 2016, SAP licenses are included.
- The building located in Parque Industrial Enea, next to the highway at the entrance to the Arturo Merino Benítez airport, which corresponds to the corporate building, erected on State-owned land.

As of the date hereof, there are no indicators of impairment that affect the value of the intangible assets recorded by the Company.

b) Balances

The balances of the intangible assets in the classified financial position statement, with its respective amortizations, are the following:

Detail	12.31.2020			12.31.2019		
	Gross value	Accumulated amortization	Net Value	Gross Value	Accumulated amortization	Net Value
	ThCL\$	M\$	M\$	M\$	ThCL\$	ThCL\$
State.owned public works	271,422,126	(80,673,641)	190,748,485	271,422,126	(72,177,874)	199,244,252
SAP licenses	1,700,559	(297,818)	1,402,741	1,700,559	(235,342)	1,465,217
Totals	<u>273,122,685</u>	<u>(80,971,459)</u>	<u>192,151,226</u>	<u>273,122,685</u>	<u>(72,413,216)</u>	<u>200,709,469</u>

c) Movements of intangible assets:

The movements of intangible assets as of December 31, 2020 and 2019, are the following:

Movements of intangible assets	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Opening balance	<u>200,709,469</u>	<u>211,587,707</u>
Amortization	<u>(8,558,243)</u>	<u>(10,878,238)</u>
Total movements	<u>(8,558,243)</u>	<u>(10,878,238)</u>
Final balance	<u>192,151,226</u>	<u>200,709,469</u>

d) Insurance

To address eventual damages as may affect the public works in the future, the Company has contracted the following insurance policies:

Coverage	Insurer	Policy No.	Expiration	Insured Matter	Currency	Insured Amount	Deductibles
Completed civil works	Sura	6692687	12.31.2021	Physical assets	UF	8,331,526	Earthquake: 2% of insured amount.
Completed DIC civil works	Sura	6714189	12.31.2021	Physical assets and loss for stopped operations, with differentiated conditions	UF	11,368,159 (physical assets UF 8,331,526 + damages for stopped operations UF 3,036,633)	Seism, earthquake, tsunami, tidal wave and volcano eruption: 10% of the loss, minimum of UF 75,000 and maximum of 2% of the insured amount. Riesgos de la naturaleza: 10% of the loss, with a minimum of UF 15,000 and a maximum of UF 100,000. Other risks: Civil works for UF 3,000. Other assets for UF 1,000. In loss for stopped operations the deductible is 21 days of operation.
Fire and earthquake + Additional + Theft	Mapfre	Under issuance	12.23.2021	Avda. Américo Vespucio 1305, Pudahuel Avda. Américo Vespucio Norte 1737 Local S-010, Mall Plaza Norte Huechuraba Calle La Herradura 2750, Providencia	UF	17,185.00	Catastrophic risks: Seism, tsunami, see quake, tidal surge, flawed, volcano eruption. Commercial risks: 2% of the insured amount per location with a minimum of UF 50. Office use risk: 1% of the insured amount per location with a minimum of UF 25. Fire, explosion and other coverage included in this policy: 10% of the loss subject indemnity with a minimum of UF 10 in each and every loss. Risks of nature: 5% of the loss with a minimum of UF 5 in each and every loss. Broken pipes: 10% of the loss with a minimum of UF 15 in each and every loss. Among other deductions.
Electronic equipment	Mapfre	Under issuance	12.23.2021	Avda. Américo Vespucio 1305, Pudahuel Avda. Américo Vespucio Norte 1737 Local S-010, Mall Plaza Norte Huechuraba Calle La Herradura 2750, Providencia	UF	48,166.00	Fixed equipment: 10% in each and every loss with a minimum of UF 10. Mobile equipment: 10% in each and every loss. Seism: 2% over the total insured amount with a minimum of UF 50. Operating cost increment: 3 consecutive days in each and every loss.
Civil liability	Liberty	23027348	07.31.2021	Civil liability for damages to third parties	UF	25,000 per occurrence.	UF 250 per occurrence.
Civil liability	Liberty	23027347	07.31.2021	Civil liability for damages to third parties in excess of previous policy	UF	25,000 per occurrence.	UF 25,000 per occurrence.
Political risks	Chubb	513	12.31.2021	Physical assets	UF	8,331,526	2% of the insured amount
Political risks	Chubb	580	12.31.2021	Physical assets and loss for stopped operations, with differentiated conditions	UF	11,104,455 (physical assets UF 8,331,525 + damages for stopped operations UF 2,772,930)	10% of the loss with a minimum of UF 2,500

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment acquired by the Company at this date are recognized at cost, less accumulated depreciation and when appropriate, accumulated impairment losses. According to the evaluations performed, there are no impairment indicators that affect the values recorded by the Company.

The depreciation of assets is calculated using the straight-line method.

- a. The composition by class of property, plant and equipment as of December 31, 2020 and 2019 in net and gross values, is as follows:

Concept	12.31.2020			12.31.2019		
	Gross amount	Accumulated depreciation	Net amount	Gross amount	Accumulated depreciation	Net amount
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Office furniture	105,558	(95,834)	9,724	104,926	(94,018)	10,908
Office equipment	276,361	(263,405)	12,956	275,491	(255,876)	19,615
Computer equipment	1,587,632	(1,498,911)	88,721	1,535,964	(1,478,874)	57,090
Vehicles	142,004	(114,309)	27,695	142,004	(102,669)	39,335
Safety equipment	87,909	(77,918)	9,991	81,342	(75,578)	5,764
Third-party installations	280,399	(211,835)	68,564	280,399	(205,702)	74,697
Own assets on the highway	28,074	(28,074)	-	28,074	(28,074)	-
Own tags	7,823,163	(5,871,230)	1,951,933	7,426,816	(5,134,527)	2,292,289
Totals	<u>10,331,100</u>	<u>(8,161,516)</u>	<u>2,169,584</u>	<u>9,875,016</u>	<u>(7,375,318)</u>	<u>2,499,698</u>

b. The movements for 2020 of the items that comprise property, plant and equipment are as follows:

Movements	Office furniture ThCL\$	Office equipment ThCL\$	Computer equipment ThCL\$	Vehicles ThCL\$	Safety equipment ThCL\$	Third-party installations ThCL\$	Own assets on the highway ThCL\$	Own tags ThCL\$	Property, plant and equipment, net ThCL\$
Balance as of 01.01.2020	10,908	19,615	57,090	39,335	5,764	74,697	-	2,292,289	2,499,698
Additions	632	870	51,668	-	6,567	-	-	396,348	456,085
Write-offs (net)	-	-	-	-	-	-	-	-	-
Depreciation expense	(1,816)	(7,529)	(20,037)	(11,640)	(2,340)	(6,133)	-	(736,704)	(786,199)
Balance as of 12.31.2020	9,724	12,956	88,721	27,695	9,991	68,564	-	1,951,933	2,169,584

c. The movements for 2019 of the items that comprise property, plant and equipment are as follows:30

Movimientos	Office furniture ThCL\$	Office equipment ThCL\$	Computer equipment ThCL\$	Vehicles ThCL\$	Safety equipment ThCL\$	Third-party installations ThCL\$	Own assets on the highway ThCL\$	Own tags ThCL\$	Property, plant and equipment, net ThCL\$
Saldo al 01.01.2019	3,094	3,812	58,117	55,983	11,056	80,831	-	1,874,777	2,087,670
Additions	9,059	19,899	44,484	-	2,516	-	-	974,421	1,050,379
Write-offs (net)	-	-	-	-	-	-	-	-	-
Depreciation expense	(1,245)	(4,096)	(45,511)	(16,648)	(7,808)	(6,134)	-	(556,909)	(638,351)
Balance as of 12.31.2019	10,908	19,615	57,090	39,335	5,764	74,697	-	2,292,289	2,499,698

The Company currently has no any ownership restrictions involving Property, Plant and Equipment. Additionally, the Company has not pledged any Property, Plant and Equipment as security to third parties to carry out its business or as a security for payment of obligations.

The Company does not currently own any real estate for which a dismantling, removal or decommissioning cost estimation would need to be defined or recorded for Property, Plant and Equipment.

- d. The Company's own Tag devices and the third party installations are not covered by any insurance contracted by the Company. The other items, which total ThCL\$ 149,087.- are incorporated in the policies listed below, where both the insured amount and the agreed deductible may be observed:

Coverage	Insurer	Policy No.	Expiration	Insured Matter	Currency	Insured amount	Deductibles
Electronic equipment	Mapfre	Under issuance	12.23.2021	Avda. Américo Vespucio 1305, Pudahuel Avda. Américo Vespucio Norte 1737 Local S-010, Mall Plaza Norte Huechuraba Calle La Herradura 2750, Providencia	UF	48,166.00	Fixed equipment: 10% in each and every loss with a minimum of UF10. Mobile equipment: 10% in each and every loss. Seism: 2% over the total insured amount with a minimum of UF 50. Operating cost involvement: 3 consecutive days in each and every loss.

13. IMPAIRMENT IN THE VALUE OF TANGIBLE AND INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIFE

In accordance with IAS 36, the Company annually assesses whether there is any indication that an asset may be impaired. If so, the Company calculates the asset's recoverable amount. As of December 31, 2020 and 2019 the Company did not find any indication of impairment.

14. RIGHT-OF-USE ASSETS, CURRENT AND NONCURRENT LEASE LIABILITIES

For its right-of-use assets and lease liabilities, the Company recognizes assets and liabilities for the present value of the total future payments undertaken in the lease contracts. These flows are discounted at an incremental indebtedness rate on the basis of the term of the lease and the nature of the right-of-use asset. Right-of-use assets contemplate amortization costs throughout the non-cancelable term of the contract or of the useful life of the assets, whichever is less.

- a) The composition by class of right-to-use assets, at net and gross value, is the following:

Concept	12.31.2020			12.31.2019		
	Gross amount	Accumulated amortization	Net amount	Gross amount	Accumulated amortization	Net amount
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Land	584,799	(67,773)	517,026	579,953	(28,223)	551,730
Vehicles	450,542	(236,513)	214,029	312,920	(114,612)	198,308
Installations	231,653	(63,888)	167,765	238,340	(36,668)	201,672
Computer equipment	46,494	(38,127)	8,367	44,897	(18,409)	26,488
Totals	1,313,488	(406,301)	907,187	1,176,110	(197,912)	978,198

- b) Movements of right-of-use assets.

As of December 31, 2020 and 2019, the movements of right-of-use items is the following:

Movements	Land	Vehicles	Installations	Computer equipment	Total
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Balance as of 01.01.2020	551,730	198,308	201,672	26,488	978,198
Others	4,846	137,622	(6,687)	1,597	137,378
Depreciation for the period	(39,550)	(121,901)	(27,220)	(19,718)	(208,389)
Balance as of 12.31.2020	517,026	214,029	167,765	8,367	907,187

Movimientos	Terreno	Vehículos	Instalaciones	Equipos computacionales	Total
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Balance as of 01.01.2019	188,426	312,920	238,340	44,897	784,583
Others	391,527	-	-	-	391,527
Depreciation for the period	(28,223)	(114,612)	(36,668)	(18,409)	(197,912)
Balance as of 12.31.2019	551,730	198,308	201,672	26,488	978,198

c) Composition of short-term lease liabilities

Maturity of lease assets in less than one year, is as follows:

As of December 31, 2020

Company	Up to 6 months	6 to 12 months	Totals
	ThCL\$	ThCL\$	ThCL\$
Empresa constructora Belfi S.A	30,919	18,685	49,604
Autorentas del Pacifico S.A	44,210	46,306	90,516
Rentaequipos leasing S.A	13,909	14,568	28,477
Plaza Oeste SpA	16,769	17,565	34,334
Adexus S.A	9,661	-	9,661
Totals	115,468	97,124	212,592

As of December 31, 2019

Company	Up to 6 months	6 to 12 months	Totals
	ThCL\$	ThCL\$	ThCL\$
Empresa constructora Belfi S.A	33,705	31,280	64,985
Autorentas del Pacifico S.A	39,686	39,686	79,372
Rentaequipos leasing S.A	18,506	10,446	28,952
Plaza Oeste SpA	20,213	20,342	40,555
Adexus S.A	9,242	9,242	18,484
Totals	121,352	110,996	232,348

d) Composition of long-term lease liabilities

Maturity of lease liabilities in more than one year, is as follows:

As of December 31, 2020

Company	1 to 3 years	3 to 5 years	More than 5 years	Totals
	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Empresa constructora Belfi S.A	55,266	66,516	431,943	553,725
Autorentas del Pacifico S.A	19,035	-	-	19,035
Rentaequipos leasing S.A	65,515	27,872	-	93,387
Plaza Oeste SpA	85,049	81,810	-	166,859
Totals	224,865	176,198	431,943	833,006

As of December 31, 2019

Company	1 to 3 years	3 to 5 years	More than 5 years	Totals
	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Empresa constructora Belfi S.A	113,852	95,302	269,688	478,842
Autorentas del Pacifico S.A	85,835	-	-	85,835
Plaza Oeste SpA	76,296	70,251	17,247	163,794
Adexus S.A	7,422	-	-	7,422
Totals	283,405	165,553	286,935	735,893

As of December 31, 2020, the Company's operating flows have been affected by the decrease in revenue due to the COVID-19 pandemic. However, the liquidity risk associated to these maturities continues to be covered with the operating flows.

As of December 31, 2019, the liquidity risk associated to these maturities is covered with the Company's operating flows. There are no restrictions associated to leases.

The Company has certain contracts that contain renewal options and for which there is reasonable certainty that such option will be exercised (either indefinitely or for a specified period). The term of the lease used for assessing the liability and asset corresponds to that term save that the useful life of the respective asset is shorter, in which case the asset's useful life is considered as the contract's term.

e) Short-term and low value leases and the expense incurred in them as of December 31, 2020 and 2019, are presented below:

	12.31.2020	12.31.2019
Type of lease	ThCL\$	ThCL\$
Computer equipment	73,188	84,644
Office equipment	5,392	5,233
Total	78,580	89,877

f) Interest expenses for lease liabilities and total outflows of cash, are presented below:

As of December 31, 2020

Type of lease	Cash outflow		
	Interest expense	Payment for lease liabilities	Total cash outflow
	ThCL\$	ThCL\$	ThCL\$
Land	87,700	13,931	101,631
Vehicles	33,886	121,642	155,528
Installations	25,166	17,423	42,589
Computer equipment	3,936	20,343	24,279
Totals	150,688	173,339	324,027

As of December 31, 2019

Type of lease	Cash outflow		
	Interest expense	Payment for lease liabilities	Total cash outflow
	ThCL\$	ThCL\$	ThCL\$
Land	4,495	48,337	52,832
Vehicles	11,652	125,286	136,938
Installations	3,703	39,815	43,518
Computer equipment	1,850	19,898	21,748
Totals	21,700	233,336	255,036

15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Current Provisions

The information to be disclosed on provisions corresponds to obligations in place at the date of the financial statements arising from past events the amounts and times of payment of which are uncertain, are recorded in the statement of financial position as provisions for the current value of the most likely amount that the Company is estimated to have to pay to discharge the obligation.

The breakdown is the following:

Current Provisions	Current	
	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Vacation provision	351,291	275,029
Refund to clients	7,792	10,653
Others	-	195,503
Totals	359,083	481,185

The movements in the different categories are shown below:

Movements	Vacation provision ThCL\$	Refund to clients ThCL\$	Others ThCL\$	Totals ThCL\$
Balance as of 01.01.2020	275,029	10,653	195,503	481,185
Increments	172,450	646,124	-	818,574
Provisions used	(96,188)	(648,985)	(195,503)	(940,676)
Balance as of 12.31.2020	351,291	7,792	-	359,083

Movements	Vacation provision ThCL\$	Refund to clients ThCL\$	Others ThCL\$	Totals ThCL\$
Balance as of 01.01.2019	236,612	29,259	194,553	460,424
Increments	161,141	367,987	195,503	724,631
Provisions used	(122,724)	(386,593)	(194,553)	(703,870)
Balance as of 12.31.2019	275,029	10,653	195,503	481,185

b) Contingent assets and liabilities

Lawsuits and other legal action:

a.1) On May 15, 2020, the Company filed a claim before the Conciliatory/Arbitral Commission of its concession contract, requesting the Commission to confirm the correct enforcement of clause 1.14.4.4 of the Tender's Terms and Conditions, as the faculty of the concession company to modify on a quarterly basis the tariff structure in force during a then current year and, additionally, to sentence the MOP to compensate the concession company for all the economic damages derived from the quarterly tariff price reductions ordered by the MOP as from the second quarter of 2020.

The foregoing, derived from a differing interpretation by the MOP of the aforementioned clause 1.14.4.4, as an obligation for the concession company that derived in the imposition of quarterly reductions in price under imminent threat of penalties and fines applicable by the MOP.

As of December 31, 2020, the status of the claim is that of terminated conciliation, without an agreement, and the concession company requested the Conciliatory Commission to become and serve as an Arbitral Commission.

On March 03, 2021, the Company informed the Commission for Financial Market (CMF) in the form of an essential event, the following:

That, as the conciliatory stage has been terminated without any results, this Concession Company has filed on March 01, 2021, an arbitral claim against the Ministry of Public Works (MOP) before the Honorable Arbitral Commission of the Concession Contract called Sistema Américo Vespucio Nor-Poniente, Av. El Salto – Ruta 78, in order for that Commission, subsequent to due process, to resolve the existing conflict with the Ministry of Public Works in connection with the correct interpretation of the rules for the modification of the tariff structure set forth in article 1.14.4.4 of the Tender's Terms and Conditions of this concession.

It is not possible to estimate at this time the financial effects of this legal action, as the arbitral proceedings have just started, in accordance with article 36 of the Concessions Law, the final outcome and date of completion of which are still uncertain.

a.2) The Company is a defendant and plaintiff in litigation and legal actions as a result of its ordinary course of business with its clients. In the Management's opinion, the final outcome of these matters shall not have a material adverse effect on the Company's financial position, its operating results and its liquidity.

c) Other contingencies:

The Concession Company is in compliance with all the conditions established by Statutory Decree No. 900 Law of Public Works Concessions, dated October 31, 1996, and its regulations (Decree Law No. 956 dated 10/06/1997), in their updated versions in force as of the date of award of its concession contract.

16. GUARANTEES AND RESTRICTIONS

a) Direct guarantees

1) Special Public Works Concession Pledges, pursuant to which the Concession Company furnished a first-degree special public works concession pledge in favor of MBIA Insurance Corporation and a second-degree special public works concession pledge in favor of the Bondholders, executed through a public deed dated June 22, 2004, Digest No. 18,373 – 2004, at the Notary Public's office of Santiago of Mr. René Benavente Cash, registered on page 345 overleaf No. 185 and on page 355 No. 186, respectively, in the Industrial Pledge Register kept by the Real Estate Registrar of Santiago for year 2004; and provision to encumber, sell, dispose of or enter into any contract or execute any act that may affect the Concession and/or the assets pledged by the Concession Company under the Special Concession Pledge in favor of MBIA, registered on page 152 No. 68 of the Industrial Pledge Prohibition Register for year 2004.

2) Commercial Pledges and Prohibitions to Convey over credits arising from contracts, pursuant to which the Concession Company furnished a commercial pledge over credit in favor of MBIA over the Company's rights as may be derived from the following contracts :

- a. SAP Contract, executed through a public deed dated June 23, 2004, at a Notary Public's office of Santiago, Digest No. 18,737-2004.
- b. SICE-INDRA SGT Contract, executed through a public deed dated June 23, 2004, at a Notary Public's office of Santiago, Digest No. 18,736-2004.
- c. Contract with Gtech Corporation Chile (Sencillito), executed through a public deed dated January 20, 2006, at a Notary Public's office of Santiago, Digest No. 961-06.
- d. Contract with Servicio de Control de Créditos S.A., executed through a public deed dated August 18, 2006, at a Notary Public's office of Santiago, Digest No. 7,481-06.
- e. Contract with Transbank S.A., executed through a public deed dated April 6, 2004, at a Notary Public's office of Santiago, Digest No. 18,859-2004.

- f. Contract with GTD Teleductos S.A., executed through a public deed dated April 6, 2004, at a Notary Public's office of Santiago, Digest No. 18,859-2004.
- g. Contract with Sociedad de Recaudación y Pagos de Servicios Limitada (Servipag), executed through a public deed dated April 2, 2004, at a Notary Public's office of Santiago, Digest No. 8,314-2005.
- h. Contract with Promotora CMR Falabella S.A., executed through a public deed dated February 9, 2009, at a Notary Public's office of Santiago, Digest No. 2,470-2009.
- i. Sponsor Support and Guaranty Agreement with ACS Servicios y Concesiones, S.L., Hochtief Projektentwicklung GMBH, Empresa Constructora Belfi S.A. Empresa Constructora Brotec S.A., Taurus Holding S.A., Hochtief Projektentwicklung GMBH Sucursal en Chile, Inversiones de Infraestructura S.A. and Banco de Chile, executed through a public deed dated June 18, 2004, at a Notary Public's office of Santiago, Digest No. 18,733-2004.
- j. Maintenance contract with Kapsch TrafficCom Chile S.A. executed through a public deed dated May 16, 2007 and November 26, 2009, at a Notary Public's office of Santiago, Digest No. 11,095-2007 and No. 25,354-2009.

3) Appointment of MBIA as a Beneficiary or Additional Insured in Insurance Policies and Power of Attorney, with respect to the insurance policies taken by the Concession Company, through public deeds dated June 23 and 24, 2004 before Notary Public Mr. René Benavente Cash.

4) Commercial Pledge Contract over Shares and Prohibition to Encumber, convey, dispose or enter into any contracts or execute any acts, executed through a public deed dated June 23, 2004, Digest No. 18,733-2004 at the Notary Public's office of Santiago of Mr. René Benavente Cash, in accordance with Articles 813 et seq. of the Code of Commerce, by virtue of which each stockholder in the Concession Company furnished a commercial pledge over their shares registered with the Stockholders Register at that date, in favor of MBIA Insurance Corporation. Those pledges and prohibitions are duly recorded in the Concession Company's Stockholders' Register. This deed was modified through a public deed dated November 28, 2006 executed at the Notary Public's office of Santiago of Mr. René Benavente Cash, Digest 35,286-2006.

5) Commercial Pledge on Money, furnished through Public Deed of June 29, 2004, drawn up and executed at the Notary's Office of Notary Public René Benavente Cash, Digest No. 19,557-2004, whereby the Company furnished a commercial pledge on the money with respect to the funds deposited in the Company's current accounts in favor of the Bondholders and MBIA.

6) In addition to the foregoing, a number of mandates was granted in favor of the Common Security Representative (Citibank, currently Banco de Chile) and MBIA, to exercise the powers and rights specified therein on behalf of the Concession Company.

7) Commercial Pledge on Rights, granted through a public deed dated June 14, 2018, at the Notary Public's Office of Santiago of Mr. Roberto Antonio Cifuentes Allel, Digest No. 5.289/2018, by virtue of which the Concession Company grants a commercial pledge over all of the rights pertaining to it in accordance with the Credit Contract entered into on June 18, 2018 between the Concession Company and Taurus Holdings Chile S.A.

8) Commercial Pledge on Rights, granted through a public deed dated December 14, 2018, at the Notary Public's Office of Santiago of Mr. Roberto Antonio Cifuentes Allel, Digest No. 12.385/2018, by virtue of which the Concession Company grants a commercial pledge over all of the rights pertaining to it in accordance with the Credit Contract entered into on December 14, 2018 between the Concession Company and Taurus Holdings Chile S.A.

9) Commercial Pledge of Rights, granted by way of a public deed dated June 14, 2019, at the Notary Public's Office of Santiago of Mr. Roberto Antonio Cifuentes Allel, Digest No. 6,169/2019, by virtue of which the Concession Company grants a commercial pledge over all of the rights pertaining to it in accordance with the Credit Contract entered into on June 14, 2019 between the Concession Company and Taurus Holdings Chile S.A.

10) Commercial Pledge of Rights, granted by way of a public deed dated December 16, 2019, at the Notary Public's Office of Santiago of Mr. Roberto Antonio Cifuentes Allel, Digest No. 17,526/2019, by virtue of which the Concession Company grants a commercial pledge over all of the rights pertaining to it in accordance with the Credit Contract entered into on December 16, 2019 between the Concession Company and Taurus Holdings Chile S.A.

As the company does not own any real estate, there are no mortgages, encumbrances, prohibitions or any situation affecting deeds of ownership of any real estate owned by the Company.

b) Restrictions

As of December 31, 2020, the Concession Company is not subject to any restrictions except those related to the information described in previous letters and the restrictions imposed by the issuance of bonds as specified below:

1.- To fund on a monthly basis a bond payment account with an amount equivalent to 1/6 of the semi-annual coupon to cover the service of the debt through December 2028.

2.- To maintain as from December 2004, a Debt Service Reserve account with an amount equivalent to the 2 coupons subsequent to the current year's, during the life of the debt.

3.- To maintain an Operating and Maintenance Reserve account with an opening amount of six months' project costs plus an estimated annual increase / decrease based on the project's financial performance.

4.- The Concession Company may not contract any additional indebtedness with third parties other than that stipulated in the Bond Issue for Title Line Contract entered into on June 18, 2004 by the Issuer (Sociedad Concesionaria Vespucio Norte Express S.A.), the Bank representing the Bondholders (BBVA, Chile) and the Administrator and Custodian Bank (Banco Bice).

5.- Additionally, the following Indirect Guarantees were furnished:

5.1 The stockholders granted to MBIA Insurance Corporation, through their agent bank acting as Guarantee Agent, Citibank N.A. Agencia en Chile, the following letters of credit:

i) Operations and Maintenance Reserve Account: UF 249,644.-

On August 03, 2020 this account's fund was incremented in cash equivalent to UF 15,032.35. As of December 31, 2020, this account is funded with UF 234,703 and CL\$434,345,568, totaling UF 249,644 which amount is discharged by means of an existing letter of credit and cash, respectively.

ii) Debt Service Reserve Account ("DSRA"): UF 1,624,813.-

The DSRA will be funded 6 months prior to the end of the capitalization period with an amount equivalent to the 2 coupons following that of the then current year, throughout the life of the debt. On November 20, 2019, an increase in the letter of credit in the amount of UF 59,076 was made, incrementing the amount from UF 1,453,992 to UF 1,513,068, and the difference in the amount of UF 111,745 is funded with cash. The first letter of credit was placed on July 29, 2004.

As of December 31, 2020, the Concession Company is compliant with all of the restrictions imposed for the aforementioned issuance of bonds.

17. OTHER FINANCIAL LIABILITIES, CURRENT

This item is comprised of the following:

Current	Currency	12.31.2020	12.31.2019
		ThCL\$	ThCL\$
Obligations with the public (bonds)	UF	<u>27,729,604</u>	<u>22,401,387</u>
Totals		<u><u>27,729,604</u></u>	<u><u>22,401,387</u></u>

A breakdown of the maturity of the issued Bonds is shown below:

As of December 31, 2020

Creditor/Name	Country	Currency	Interest rate			Accounting value			Non-deducted value (interest until the end)		
			Type	Nominative	Effective	Up to 6 months ThCL\$	6 to 12 months ThCL\$	Totals ThCL\$	Up to 6 months ThCL\$	6 to 12 months ThCL\$	Totals ThCL\$
Bond (interest and coupon capital)	Chile	UF	Fixed	2.62%	3.30%	14,275,079	13,454,525	27,729,604	23,816,500	23,421,070	47,237,570
Totals						14,275,079	13,454,525	27,729,604	23,816,500	23,421,070	47,237,570

As of December 31, 2019

Creditor/Name	Country	Currency	Interest rate			Accounting value			Non-deducted value (interest until the end)		
			Type	Nominative	Effective	Up to 6 months ThCL\$	6 to 12 months ThCL\$	Totals ThCL\$	Up to 6 months ThCL\$	6 to 12 months ThCL\$	Totals ThCL\$
Bond (interest and coupon capital)	Chile	UF	Fixed	2.62%	3.30%	11,638,468	10,762,919	22,401,387	21,580,353	21,254,511	42,834,864
Totals						11,638,468	10,762,919	22,401,387	21,580,353	21,254,511	42,834,864

18. NONCURRENT LIABILITIES

The breakdown of this item at the date of these financial statements is the following:

Liabilities, noncurrent		12.31.2020	12.31.2019
		ThCL\$	ThCL\$
Other financial liabilities, noncurrent	a)	288,683,183	307,291,699
Lease liabilities		833,006	735,893
Other provisions, noncurrent	b)	3,104,934	2,328,930
Other nonfinancial liabilities, noncurrent		<u>130,753</u>	<u>303</u>
Totals		<u>292,751,876</u>	<u>310,356,825</u>

a) The breakdown of other noncurrent financial liabilities is the following:

Noncurrent	Currency	12.31.2020	12.31.2019
		ThCL\$	ThCL\$
Obligations with the public (bonds) (1)	UF	<u>288,683,183</u>	<u>307,291,699</u>
Totals		<u>288,683,183</u>	<u>307,291,699</u>

(1) On June 24, 2004, the Company issued Bonds in the local market for UF 16,000,500, with a 24.5-year maturity, at a 5.3% coupon rate. On this occasion, the Company issued two series: series A1 for UF 16,000,000 and series A2 for UF 500. The series A1 bonds were placed in the local market through Citigroup Corredores de Bolsa by means of a Dutch auction at a 5.25% rate. These bonds were mainly purchased by insurance companies, pension fund management companies (AFPs), and investment banks. The series A2 bond for UF 500 was sold to MBIA Insurance Corporation.

To obtain an "AAA" local risk rating for the bonds, the Company took insurance coverage with MBIA Insurance Corporation, which guarantees payment of the coupons if the Company is unable to discharge its obligation.

A detail of the Bonds to the Public valued at a nominal rate at December 31, 2020 is shown below:

	12.31.2020
	ThCL\$
Bonds to the Public - Capital part is current and noncurrent.	332,574,968
Bonds to the Public - Accrued interest part is current.	<u>724,955</u>
Totals	<u>333,299,923</u>

The breakdown of debt maturity for issuance of bonds valued under the amortized cost method, is the following:

As of December 31, 2020							Interest rate				Accounting value				Non-discounted value (interest until completion)			
Creditor/Name	Country	Currency	Type	Base	Nominative	Effective	More than 1 year up to 3	More than 3 years up to 5	More than 5 years	Totals	More than 1 year up to 3	More than 3 years up to 5	More than 5 years	Totals	More than 1 year up to 3	More than 3 years up to 5	More than 5 years	Totals
							ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Series A-1 & A-2 Bond 372	Chile	UF	Fixed	Bi-annual	fixed	2.62%	3.30%	68,385,730	83,817,751	136,479,702	288,683,183	103,258,330	108,756,409	152,317,370	364,332,109			
Totals							68,385,730	83,817,751	136,479,702	288,683,183	103,258,330	108,756,409	152,317,370	364,332,109				

As of December 31, 2019							Interest rate				Accounting value				Non-discounted value (interest until completion)			
Creditor/Name	Country	Currency	Type	Base	Nominative	Effective	More than 1 year up to 3	More than 3 years up to 5	More than 5 years	Totals	More than 1 year up to 3	More than 3 years up to 5	More than 5 years	Totals	More than 1 year up to 3	More than 3 years up to 5	More than 5 years	Totals
							ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Series A-1 & A-2 Bond 372	Chile	UF	Fixed	Bi-annual	fixed	2.62%	3.30%	57,052,901	76,299,311	173,939,487	307,291,699	94,934,104	105,706,765	200,163,419	400,804,288			
Totals							57,052,901	76,299,311	173,939,487	307,291,699	94,934,104	105,706,765	200,163,419	400,804,288				

- b) Item Other Long-Term Provisions reflects the provision for major maintenance of the highway, the movement and final balance of which are shown below:

Maintenance provision	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Opening balance	2,328,930	1,751,393
Increments	862,474	981,219
Provisions used	<u>(86,470)</u>	<u>(403,682)</u>
Final balance	<u><u>3,104,934</u></u>	<u><u>2,328,930</u></u>

19. TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE

As of December 31, 2020 and 2019, the Company had the following trade accounts payable:

Trade creditors and other accounts payable	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Trade creditors	2,941,091	1,851,496
Other accounts payable (1)	<u>1,688,174</u>	<u>1,537,139</u>
Totals	<u><u>4,629,265</u></u>	<u><u>3,388,635</u></u>

- (1) It corresponds to provisions for services that have been rendered but for which the respective invoice has not been received.

The age analysis of up-to-date and past due trade accounts, and by vendor type is shown below:

As of December 31, 2020

Up-to-date payments

Vendor type	Amounts as per payment term						Totals
	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 120 days	From 121 to 365 days	More than 366 days	
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	
Goods	2,637	3,150	-	-	-	-	5,787
Services	2,623,895	257,289	-	-	-	-	2,881,184
Total up-to-date payments	2,626,532	260,439	-	-	-	-	2,886,971

Past-due

Vendor type	Amounts as per payment term						Totals
	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 120 days	From 121 to 365 days	More than 366 days	
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	
Services	52,784	303	813	-	-	220	54,120
Total past-due payments	52,784	303	813	-	-	220	54,120
Total Trade Accounts	2,679,316	260,742	813	-	-	220	2,941,091

As of December 31, 2019

Up-to-date payments

Tipo de proveedor	Amounts as per payment term						Totals
	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 120 days	From 121 to 365 days	More than 366 days	
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	
Goods	122,531	116,862	-	-	-	-	239,393
Services	1,258,621	223,024	-	-	-	-	1,481,645
Other	130,192	-	-	-	-	-	130,192
Total up-to-date payments	1,511,344	339,886	-	-	-	-	1,851,230

Past-due

Vendor type	Amounts as per payment term						Totals
	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 120 days	From 121 to 365 days	More than 366 days	
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	
Services	-	-	-	-	3	263	266
Total past-due payments	-	-	-	-	3	263	266
Total Trade Accounts	1,511,344	339,886	-	-	3	263	1,851,496

20. NET EQUITY

The Company's capital is represented by 43,000,000 shares at face value; all of them fully subscribed and paid-in.

a) Number of shares:

Period	Series	No. of shares
12.31.2020	Single	43,000,000
12.31.2019	Single	43,000,000

On October 1, 2012, certain share transactions were carried out which resulted in the current situation:

- i. Taurus Holdings Chile S.A. holds a total of 42,999,999 shares, that represent a 99.9999% interest.
- ii. Brookfield Americas Infrastructure Holdings Inversiones Chile I SpA holds one share, which represents a 0.0001% interest.

b) Capital:

Period	Series	Subscribed capital ThCL\$	Paid capital ThCL\$
12.31.2020	Single	55,142,669	55,142,669
12.31.2019	Single	55,142,669	55,142,669

c) Capital management

The purpose of the Company is to comply with the requirements set forth in the Terms and Conditions of the Tender related to corporate capital and assure, through its adequate capitalization, the normal access to financial markets to discharge its obligations as established in the concession contract. This is supplemented with long-term subordinated debt (until December 31, 2016) with the shareholders whenever financial circumstances require so.

The Terms and Conditions of the Tender established a minimum nominal capital in the amount of ThCL\$ 43,000,000, fully subscribed and paid-in by the Company's shareholders, which had to remain unaltered throughout the Construction Stage of the state-owned public works. As a result of legal indexation for inflation, that was applicable until December 31, 2009, the subscribed and paid-in capital at the date of these financial statements amounts to ThCL\$ 55,142,669.

In accordance with the Terms and Conditions of the Tender, during the Operating Stage the Concession Company may reduce its corporate capital, with the MOP's consent. For that purpose, the Concession Company's representative must submit a request to the General Director of Public Works (DGOP) explaining the reasons for the reduction. The DGOP may authorize a capital decrease provided it does not affect the proper operation of the concession. At the date of these financial statements the Company has not requested nor intends to request a capital decrease.

d) Accumulated Losses

As of the date hereof, the Company records accumulated financial and tax losses. These losses are expectable for the type of business during the first years of the concession, where non-operating factors, such as the financial debt incurred for the construction of the works under concession has a material impact on the Company's final results.

According to the projections and the business model determined by the Management, both the accumulated financial losses and tax losses will be recovered in the forthcoming years.

21. ORDINARY INCOME

The income from all of the regular operations is recorded at fair value received or receivable, taking into consideration the discounts or deductions that have been granted. The following chart provides a detailed view of revenues:

Concepts	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Revenue from tolls (1)	70,703,231	91,898,159
Revenue from Tag leases	5,354,744	4,521,081
Revenue from offenders	2,106,788	1,873,627
Revenue from daily passes	1,503,750	1,433,151
Revenue from Ad Ref Agm't No. 2 (2)	1,962,148	-
Other ordinary revenue	2,763,054	3,157,781
Totals	<u>84,393,715</u>	<u>102,883,799</u>

- (1) Revenue from tolls has decreased mainly during the second and third quarter of year 2020. The foregoing is mainly due to the confinement measures imposed by the national authority, which restrict freedom of movement of individuals, the right of assembly, the operation of companies and commercial facilities, in order to prevent or minimize contagion with coronavirus (COVID-19). This has caused a reduction in the number of vehicles circulating along the highway under concession. However, since August 2020 and due to the "step-by-step" lockdown easing plan set in place by the government, several boroughs in the Metropolitan Region gradually started to come out of confinement, a situation that has remained constant until this date. This has resulted in the fact that during part of the third and the entire fourth quarter of 2020 there has been an improvement in the number of transactions at the Concession Company's concession.

Revenue from tolls also decreased due to the fact that since the end of April 2020 the Ministry of Public Works repeatedly requested a Company to partially reduce tariffs in certain time blocks and sections of the highway, which in the Ministry of Public Works' opinion were being charged incorrectly. The Company consented to reduce the tariffs, although the Company believes that, pursuant to the concession's Tender's Terms and Conditions it does not have the obligation to make a quarterly adjustment of the tariffs. On May 15, 2020, the Concession Company requested the intervention by the Honorable Conciliatory/Arbitral Commission of this Concession Contract, in order for this Commission to resolve the conflict with the Ministry of Public Works. As of December 31, 2020, the claim is in a stage of terminated conciliation, without an agreement, and the Concession Company is preparing its claim document, to start the arbitral phase of this claim. The drop in revenue for this concept amounts to ThCL\$3,478,698 (see Note No. 15 letter b).

- (2) This revenue corresponds to the Ad Referendum agreement No. 2 of the Company. This agreement was issued by the Ministry of Public Works on December 06, 2019 as a compensation for the elimination of the 3.5% annual indexation of the tariffs that was implicit in the Concession Company's Terms and Conditions. This adjustment was applied to the tariffs until December 31, 2019.

22. REVENUE FROM EXPLOITATION AND COSTS OF OPERATION AND MAINTENANCE

In accordance with what is set forth in letter a) number 1.8.6.2 of the Tender's Terms and Conditions, which form part of the Concession Contract for the Public Works called "Sistema Américo Vespucio Nor-Poniente Avda El Salto - Ruta 78", the current operating revenue and operating and maintenance costs are shown below:

Concepts	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Revenue from operation	84,393,715	102,883,799
Income from collection of tariffs	78,348,160	97,559,214
Other charges authorized by the MOP	6,045,555	5,324,585
Cost of sales	28,494,319	31,764,945
Operation	24,279,451	27,143,854
Amortization and depreciation	9,442,051	11,608,055
Bad debt	5,092,226	5,231,686
Collection management	2,727,551	2,864,023
Personnel (1)	2,497,749	2,541,322
Fees and advisory services	1,323,079	1,368,604
Insurance	609,890	600,878
Supervision of the concession contract	340,059	330,554
Other operating expenses	2,246,846	2,598,732
Maintenance	4,214,868	4,621,091
Maintenance of highway infrastructure	2,848,953	3,022,855
Immolation and condition of the pavement	1,128,399	1,276,090
Other maintenance expenses	237,516	322,146
Administrative and sales expenses	2,906,650	3,521,563
Personnel (1)	1,091,765	1,486,601
Fees and advisory services	482,234	473,890
Amortization and depreciation	110,780	106,446
Maintenance of administrative equipment	125,471	200,149
Insurance	4,123	4,776
Other administrative expenses	1,092,277	1,249,701

- (1) The Company's payroll is currently comprised of 141 employees as of December 31, 2020 (140 as of December 31, 2019), y and the breakdown of these expenses for benefits is shown in the following chart:

Personnel expenses	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Remuneration	3,175,643	2,976,041
Employee benefits	375,642	844,097
Other personnel expenses	<u>38,229</u>	<u>207,785</u>
Totals	<u>3,589,514</u>	<u>4,027,923</u>

23. EFFECT OF VARIATIONS IN THE EXCHANGE RATE, FOREIGN CURRENCY AND INDEXATION UNITS

Transactions in foreign currencies are converted into the functional currency using the standing exchange rates on the dates of the transactions. Losses or profits in foreign currency resulting from the conversion of the balances of assets and liabilities at the year-end exchange rate are recognized in the statement of comprehensive income, save that they are related to cash flow hedges and investment hedges.

Details of the effect on income of the exchange rate differences are shown in the following table:

a) Detail of effects on exchange rate differences

Concepts	Currency	12.31.2020	12.31.2019
		ThCL\$	ThCL\$
Assets (charges/credits)			
Cash and cash equivalent	US dollar	<u>(11)</u>	<u>16</u>
Subtotal (charges/credits)		<u>(11)</u>	<u>16</u>
Liabilities (charges/credits)			
Liabilities from current taxes	US dollar	(37)	(3,723)
Trade accounts payable and other Accounts Payable	US dollar	<u>35,723</u>	<u>(48,842)</u>
Subtotal credits (charges)		<u>35,686</u>	<u>(52,565)</u>
Totals		<u>35,675</u>	<u>(52,549)</u>

b) Detail of results by indexation units

Concepts	Indexation Unit	12.31.2020 ThCL\$	12.31.2019 ThCL\$
Assets (charges/credits)			
Other nonfinancial assets, noncurrent	UF	20,569	2,222
Other nonfinancial assets, current	UF	-	1,467
Accounts receivable from related entities, noncurrent	UF	1,417,819	806,821
Assets from current taxes	UTM	(73)	(45)
Sub total credits		<u>1,438,315</u>	<u>810,465</u>
Liabilities (charges)			
Other nonfinancial liabilities, noncurrent	UF	2,673	-
Other financial liabilities, noncurrent	UF	(8,081,239)	(8,488,305)
Lease liabilities, noncurrent	UF	(22,726)	(22,456)
Other financial liabilities, current	UF	(784,604)	(623,500)
Lease liabilities, current	UF	(6,550)	(3,012)
Other provisions, noncurrent	UF	(67,795)	(118,597)
Subtotal (charges)		<u>(8,960,241)</u>	<u>(9,255,870)</u>
Total variances	UF	(7,521,853)	(8,445,360)
Total variances	UTM	<u>(73)</u>	<u>(45)</u>
Totals		<u><u>(7,521,926)</u></u>	<u><u>(8,445,405)</u></u>

c) Detail of assets and liabilities by currency

Assets	Currency	Functional Currency	12.31.2020	31.12.2019
			ThCL\$	ThCL\$
Current assets				
Cash and cash equivalent	US dollars	CL\$	217	228
Cash and cash equivalent	Nonadjustable CL\$	CL\$	20,493,120	9,140,467
Other financial assets, current	Nonadjustable CL\$	CL\$	3,249,426	-
Other nonfinancial assets, current	Nonadjustable CL\$	CL\$	1,116,609	679,321
Trade receivables and other accounts receivable, current	Nonadjustable CL\$	CL\$	57,563,413	51,072,856
Other accounts receivable, current	Nonadjustable CL\$	CL\$	639,395	305,059
Total current assets			83,062,180	61,197,931
Noncurrent assets				
Other nonfinancial assets, noncurrent	Nonadjustable CL\$	CL\$	10,414	122,716
Accounts receivable and other accounts receivable, noncurrent	UF	CL\$	1,960,630	-
Accounts receivable from related entities, noncurrent	UF	CL\$	54,953,809	52,191,251
Intangible assets other than goodwill	Nonadjustable CL\$	CL\$	192,151,226	200,709,469
Property, plant and equipment	Nonadjustable CL\$	CL\$	2,169,584	2,499,698
Right-of-use assets	Nonadjustable CL\$	CL\$	907,187	978,198
Tax assets	Nonadjustable CL\$	CL\$	20,243	20,243
Deferred tax assets	Nonadjustable CL\$	CL\$	29,757,687	36,184,715
Total noncurrent assets			281,930,780	292,706,290
Total assets			364,992,960	353,904,221

Liabilities	Currency	Functional Currency	12.31.2020	31.12.2019
			ThCL\$	ThCL\$
Current liabilities				
Other financial liabilities, current	UF	CL\$	27,729,604	22,401,387
Lease liabilities, current	UF	CL\$	212,592	232,348
Trade creditors and other Accounts Payable	Nonadjustable CL\$	CL\$	3,570,519	3,146,287
Trade creditors and other Accounts Payable	UF	CL\$	219,259	242,043
Trade creditors and other Accounts Payable	US dollars	CL\$	839,487	305
Accounts payable to related entities, current	Nonadjustable CL\$	CL\$	929,714	189,185
Other provisions, current	Nonadjustable CL\$	CL\$	359,083	481,185
Tax liabilities, current	Nonadjustable CL\$	CL\$	1,322,648	1,653,115
Other nonfinancial liabilities, current	Nonadjustable CL\$	CL\$	1,262,008	1,262,060
Total current liabilities			36,444,914	29,607,915
Noncurrent liabilities				
Other financial liabilities, noncurrent	UF	CL\$	288,683,183	307,291,699
Lease liabilities, noncurrent	UF	CL\$	833,006	735,893
Other provisions, noncurrent	UF	CL\$	3,104,934	2,328,930
Other nonfinancial liabilities, noncurrent	Nonadjustable CL\$	CL\$	130,753	303
Total noncurrent liabilities			292,751,876	310,356,825
Total liabilities			329,196,790	339,964,740

The following chart shows details of financial liabilities by type of currency and by maturity as of December 31, 2020 and 2019:

At the closing of the period 12.31.2020	Currency	Functional Currency	Up to 91 days ThCL\$	91 days to 1 year ThCL\$	1 year to 3 years ThCL\$	3 years to 5 years ThCL\$	More than 5 years ThCL\$	Totals ThCL\$
Other financial liabilities, current	U.F.	CL\$	14,275,079	13,454,525	-	-	-	27,729,604
Lease liabilities, current	U.F.	CL\$	57,857	154,735	-	-	-	212,592
Trade creditors and other accounts payable	U.F.	CL\$	129,493	89,766	-	-	-	219,259
Trade creditors and other accounts payable	US dollars	CL\$	785,246	54,241	-	-	-	839,487
Trade creditors and other accounts payable	Nonadjustable CL\$	CL\$	3,254,784	315,735	-	-	-	3,570,519
Accounts payable to related entities, current	Nonadjustable CL\$	CL\$	929,714	-	-	-	-	929,714
Other provisions, current	Nonadjustable CL\$	CL\$	359,083	-	-	-	-	359,083
Tax liabilities, current	Nonadjustable CL\$	CL\$	1,322,648	-	-	-	-	1,322,648
Other nonfinancial liabilities, current	Nonadjustable CL\$	CL\$	1,262,008	-	-	-	-	1,262,008
Other financial liabilities, noncurrent	U.F.	CL\$	-	-	68,385,730	83,817,751	136,479,702	288,683,183
Lease liabilities, noncurrent	U.F.	CL\$	-	-	224,865	176,198	431,943	833,006
Other provisions, noncurrent	U.F.	CL\$	-	3,104,934	-	-	-	3,104,934
Other nonfinancial liabilities, noncurrent	Nonadjustable CL\$	CL\$	-	-	130,749	4	-	130,753
Sub total liabilities			22,375,912	17,173,936	68,741,344	83,993,953	136,911,645	329,196,790

At the closing of the period 12.31.2019	Currency	Functional Currency	Up to 91 days ThCL\$	91 days to 1 year ThCL\$	1 year to 3 years ThCL\$	3 years to 5 years ThCL\$	More than 5 years ThCL\$	Totals ThCL\$
Other financial liabilities, current	U.F.	CL\$	11,638,468	10,762,919	-	-	-	22,401,387
Lease liabilities, current	U.F.	CL\$	60,918	171,430	-	-	-	232,348
Trade creditors and other accounts payable	U.F.	CL\$	170,945	71,098	-	-	-	242,043
Trade creditors and other accounts payable	US dollars	CL\$	305	-	-	-	-	305
Trade creditors and other accounts payable	Nonadjustable CL\$	CL\$	3,129,650	16,637	-	-	-	3,146,287
Accounts payable to related entities, current	Nonadjustable CL\$	CL\$	189,185	-	-	-	-	189,185
Other provisions, current	Nonadjustable CL\$	CL\$	481,185	-	-	-	-	481,185
Tax liabilities, current	Nonadjustable CL\$	CL\$	1,653,115	-	-	-	-	1,653,115
Other nonfinancial liabilities, current	Nonadjustable CL\$	CL\$	1,262,060	-	-	-	-	1,262,060
Other financial liabilities, noncurrent	U.F.	CL\$	-	-	57,052,901	76,299,311	173,939,487	307,291,699
Lease liabilities, noncurrent	U.F.	CL\$	-	-	283,405	165,553	286,935	735,893
Other provisions, noncurrent	U.F.	CL\$	-	2,328,930	-	-	-	2,328,930
Other nonfinancial liabilities, noncurrent	Nonadjustable CL\$	CL\$	-	-	298	5	-	303
Sub total liabilities			18,585,831	13,351,014	57,336,604	76,464,869	174,226,422	339,964,740

24. FINANCIAL REVENUE AND FINANCIAL COSTS

a) The breakdown for financial revenue for the years ended as of December 31, 2020 and 2019, is the following:

Concepts	12.31.2020	21.31.2019
	ThCL\$	ThCL\$
Interest collected from clients (1)	5,485,199	3,473,532
Interest from investment in financial instruments	189,191	641,495
Interest from loan	1,344,739	799,255
Interest earned in Ad Ref. Agreement No. 2 (2)	30,073	-
Totals	<u>7,049,202</u>	<u>4,914,282</u>

(1) Due to the social and sanitary contingencies that have affected the country lately, the clients' payment behavior has been affected, with longer average times for paying the issued invoices. This has caused an increase in the generated interest for failure to pay the collection instruments until the time the client pays his/her debt. The provision for bad debt is also calculated on the basis of this amount.

(2) It corresponds to interest earned under the Ad Referendum agreement No. 2. This agreement was issued by the Ministry of Public Works on December 06, 2019 as a compensation for the elimination of the 3.5% annual indexation of the tariffs that was implicit in the Company's Tender's Terms and Conditions. This adjustment was applied to the tariffs until December 31, 2019.

b) The breakdown of financial costs for the years ended as of December 31, 2020 and 2019, is the following:

Conceptos	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Bond Insurer Premium (MBIA)	3,115,205	3,137,988
Interest accrued from Bonds	21,576,436	22,136,233
Interest paid in lease contracts	150,688	21,700
Bank commissions	32,415	29,904
Others	916	1,848
Totals	<u>24,875,660</u>	<u>25,327,673</u>

25. INCOME TAX AND DEFERRED TAXES

The deferred taxes for the respective years are presented below:

Temporary difference	Tax assets		Tax liabilities	
	12.31.2020	31.12.2019	12.31.2020	31.12.2019
	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Tax loss	40,654,125	44,260,222	-	-
Accounts receivable (income not received), net	-	-	15,816,788	12,937,464
Provision for personnel bonus	-	37,519	-	-
Provision for vacation	94,849	74,258	-	-
Major maintenance provision	838,332	628,811	-	-
Sales provision	-	52,149	-	-
Prepaid expenses	-	-	10,654	24,990
Lease rights of use	37,371	-	-	56,124
Long-term revenue received in advance	82	136	-	-
Execution of additional works	35,261	-	10,282	40,604
Post earthquake reconstruction accounts	340,702	340,702	-	-
MBIA upfront premium	4,639,652	5,084,903	-	-
Financial-tax works cost difference	3,514,563	4,126,472	-	-
Bond obligations (issuance contract, placement costs)	-	-	4,559,526	5,361,275
Total assets and liabilities from deferred taxes	50,154,937	54,605,172	20,397,250	18,420,457
Net balance from deferred taxes	29,757,687	36,184,715		

The Company has not set any provision for first category income tax because it has accumulated tax losses in the amount of ThCL\$ 150,570,832 and ThCL\$ 163,926,749 as of December 31, 2020 and 2019, respectively. The Company has estimated that the deferred tax assets are likely to be reversed in their entirety.

The movements of deferred taxes are the following:

Deferred tax movements	Assets ThCL\$	Liabilities ThCL\$
Balance as of December 31, 2019	54,605,172	18,420,457
Increment (decrease) with affect on results	(4,450,235)	1,976,793
Balance as of December 31, 2020	50,154,937	20,397,250

The effect on results as of December 31, 2020 and 2019, is the following:

Effects on Results	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Deferred tax	(6,427,028)	(8,990,774)
Art. 21 paragraph 3rd	(4,620)	(4,865)
Income tax expense	(6,431,648)	(8,995,639)

i. Reconciliation of the accounting result and tax result.

The reconciliation of the legal tax rate in force in Chile and the effective tax rate applicable to the Company is presented below:

	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Tax expense using the actual rate	(7,637,851)	(10,445,205)
Effect for previous year tax loss adjustment	4,031,754	3,670,612
Effect of temporary differences and adjustments	(2,820,931)	(2,216,181)
Effect of permanent differences and adjustments	(4,620)	(4,865)
Total adjustment of tax expenses using the legal rate	1,206,203	1,449,566
Tax expense using the actual rate	<u>(6,431,648)</u>	<u>(8,995,639)</u>

ii. The tax rate used for the reconciliations for years 2020 and 2019 corresponds to the tax rate payable by the Company on its taxable profits under the standing tax regulations.

	12.31.2020	12.31.2019
Legal tax rate	-27.0%	-27.0%
Effect for previous year tax loss adjustment (%)	14.3%	9.5%
Effect of temporary differences and adjustments (%)	<u>-10.0%</u>	<u>-5.8%</u>
Total adjustment of tax expenses using the legal rate (%)	4.3%	3.7%
Tax expense using the actual rate (%)	<u>-22.7%</u>	<u>-23.3%</u>

26. ENVIRONMENT

Considering Circular Letter No. 1,901 from the Commission for Financial Market, dated August 30, 2008, which issues instructions on the additional information that must be included in the financial statements under IFRS with regard to improving and/or investing in production processes, verifying and controlling compliance with regulations and laws on industrial processes and facilities and any other that may directly affect protection of the environment, specifying all of the disbursements that are committed for the future in this regard and the dates (certain, estimated) in which they will be made, Sociedad Concesionaria Vespucio Norte Express S.A. reports that it constantly reviews the legal framework involving safety, occupational health and environmental issues, which enables it to maintain its triple certification of the ISO 9,001, ISO 14,001 and ISO 45,001 standards.

Sociedad Concesionaria Vespucio Norte Express S.A. has an environmental management plan approved by the Ministry of Public Works, which includes monitoring noise, air quality (particulate material in curbs), air pollution caused by the company's vehicles, waste and socio-cultural monitoring.

There are environment-related service contracts in place with third-party providers for the following activities:

- Noise level monitoring.
- Landscaping advisory services, the review of green area conditions and phytosanitary controls.
- Landscaping maintenance for 29 kilometers of highway; irrigation, pruning, etc.
- Sweeping the highway along its 29 kilometers.
- Final disposal of fuel contaminated topsoil due to highway emergencies.
- Maintenance of the cafeteria's degreasing tank in the corporate building.

The expenses relating to environment are the following:

<u>Concept</u>	<u>Accumulated</u>	
	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Environmental advisory services and studies	8,183	11,216
Office maintenance (de-greasing chamber at cafeteria)	3,039	3,746
Green areas and landscaping	329,370	433,953
Sanitation	84,720	106,529
Totals	<u>425,312</u>	<u>555,444</u>

27. SERVICE CONCESSION ARRANGEMENTS

a) Classification of the arrangement

IFRIC 12 "Service Concession Arrangements" stipulates that the arrangements that meet the following criteria are within its scope:

- Those that involve an entity (an operator) from the private sector, building infrastructure to be used to provide a public service and operating and maintaining that infrastructure for a specified period of time;
- The operator is paid for its services during the period of the arrangement; and
- The arrangement stipulates the standards of performance, price-adjustment mechanisms and the agreements for arbitration of disputes.

Additionally, it specifies the following characteristics of the types of arrangements to which the interpretation of the standard refers to:

- The public policy is for services involving the infrastructure to be provided to the public, regardless of who operates those services. The arrangement binds the operator to provide the services to the public on behalf of the public sector entity -in this case, on behalf of the Ministry of Public Works (MOP);
- The party granting the agreed service (grantor = Ministry of Public Works) is a public sector entity, including a government institution, or a private sector entity to which the responsibility for the service has been transferred.
- The operator is responsible for at least part of the management of the infrastructure and its related services, and does not merely act as an agent for the grantor.

- iv) The contract provides the initial prices to be charged by the operator and regulates price changes during the period of the service agreement; and
- v) The operator is obligated to deliver the infrastructure to the grantor in a determined condition at the end of the period of the agreement, for an additional small consideration or none at all, regardless of who provided the initial funding.

A review of the terms and conditions of the concession contract entered into by Sociedad Concesionaria Vespucio Norte Express S.A. and the Ministry of Public Works shows that all of the above criteria and characteristics have been met; therefore, the activity performed by this Concession Company is subject to the standards of IFRIC No. 12, which are applied starting from the mandatory effective date: January 1, 2009 (for comparative purposes).

With regard to the specific provisions of IFRIC 12, Note 2.2, letter f) describes in detail the conclusion reached by the Company, which consists in having to recognize an intangible asset for its right to charge the general public for use of the infrastructure it operates, considering that the total income obtained will depend on the volume of users that use the service, with no guaranteed minimum revenues.

b) Characteristics of the Concession Contract

1. The concession contract includes the Conditions of the Tender, the explanatory circulars, the decree of award, the complementary agreements and the relevant provisions of the different statutes summarized below:
 - MOP's Statutory Decree 900 of 1996, which establishes the adapted, coordinated and standardized text of MOP Statutory Decree 164 of 1991, Law on Public Works Concessions.
 - MOP's Statutory Decree 956 of 1997, Regulations of the Law on Public Works Concessions.
 - Article 87 of MOP's Statutory Decree 850 of 1997, which establishes the adapted, coordinated and standardized text of Law 15,840 Basic Law on the Ministry of Public Works of 1964, and Statutory Decree 206 of 1960, the Roadways Act.
2. The concession term is 360 months as stipulated in article 1.7.6 in the Conditions of the Tender. The term of the concession will begin as established in article 1.7.5 in the Conditions of the Tender.
3. The Concession Company must build, operate and preserve the works specified in the Terms and Conditions of the Tender, located in the Circunvalación Américo Vespucio in the section between Av. El Salto and Ruta 78 (Santiago-San Antonio Highway), crossing the northwest sector of Santiago, over a total length of approximately 29 Km.

The project starts 500 meters east of the Américo Vespucio - Av. El Salto intersection, in the district of Huechuraba, and ends south of the intersection with Ruta 78 (Santiago-San Antonio Highway), in the borough of Maipú.

Along its 29 km, it includes the construction of a three-lane two-way express highway, with lateral service roads on both sides, bridges, overpasses over main and secondary intersecting roads, drains and structural rainwater collectors and footbridges for crossing the highway under concession.

4. As stipulated in article 1.13 of the Terms and Conditions of the Tender and the bid filed by the Successful Bidding Group, an open toll collection system was adopted, based on Dedicated Short Range Communication Technology or DSRC between the collection point and the vehicle, as established in the latest version of the document "Electronic Collection Systems and Other Applications- Specifications for the Interoperability in the Antenna-Transponder Transaction", issued by the General Concession Coordination Office, and as specified in articles 1.15 and 2.2.3 of the Terms and Conditions of the Tender.

The Concession Company may only charge tolls on the Américo Vespucio express lanes between Av. El Salto and Ruta 78, as stipulated in article 1.14 of the Terms and Conditions of the Tender.

The Concession Company, by virtue of the rights granted by the Concession Contract, has chosen to charge differentiated tariffs per type of vehicle, according to the following table:

Type	Classification
1	Motorcycles and motor scooters
1	Automobiles and pick-up trucks
1	Automobiles and pick-up trucks with a trailer
2	Buses and trucks
3	Trailer trucks

In accordance with what is provided in article 1.14.1 of the Terms and Conditions of the Tender, the Concession Company, will be entitled to charge three types of maximum toll tariffs, namely:

TBFP: Maximum base tariff during off-peak hours in CL\$/Km.
 TBP : Maximum base tariff during peak hours in CL\$/Km.
 TS : Maximum tariff during peak hours, applicable in congested highway conditions in CL\$/Km.

To determine the maximum toll tariffs according to the type of vehicle, the above maximum toll tariffs must be multiplied by the corresponding factor in the following table:

Type	Type of vehicle	Factor
1	Motorcycles and motor scooters	1.0
1	Automobiles and pick-up trucks	1.0
1	Automobiles and pick-up trucks with a trailer	1.0
2	Buses and trucks	2.0
3	Trailer trucks	3.0

The tariffs in force from January 1, 2020 through December 31, 2020 are the following:

TBFP: 71.626 \$/Km.
 TBP : 143.252 \$/Km.
 TS : 214.878 \$/Km.

The Maximum Tolls per collection point are calculated as stipulated in article 1.14.5 of the Tender Terms and Conditions.

These tariffs are adjusted annually according to the changes in the Consumer Price Index, (until December 31, 2019 a maximum real annual indexation of 3.5% was also contemplated, but this indexation was modified in Ad Referendum agreement No. 2 described below), as stipulated in paragraph 1.14.7 of the Tender Terms and Conditions.

- For the purposes of what is provided in article 16 letters c) and h) of DL No. 825 of 1974, as subsequently amended, 80% of the total operating revenues will be used to pay the cost of the construction service and the remaining 20% to pay the cost of the preservation, repair and operating service, as stipulated in article 1.12.3 of the Tender Terms and Conditions.

6. Insurance:

During the Operating Stage, the Concession Company must take and maintain liability insurance coverage and catastrophic insurance coverage as stipulated in articles 1.8.15 and 1.8.16 of the Tender Terms and Conditions.

7. Payments to the State during the Operating Stage:

In accordance with what is laid out in article 1.12.1.2 of the Tender Terms, during the Operating Stage, every year the Concession Company must pay the State UF 12,000 (twelve thousand Unidades de Fomento – Chilean inflation index-linked units of account) for its Administration and Control of the Concession Contract. This amount must be paid on the last business day of January each year, for the entire calendar year.

8. Payments by the MOP to the Company for the construction of rainwater channels and collectors:

In accordance with what is laid out in article 1.9.2.18 of the Tender Terms and Conditions, the MOP paid this Concession Company UF 276,000 in December, 2006, January, 2008 and December, 2008, totaling UF 828,000, for the construction of channels and structural rainwater collectors.

9. Guarantee for Operation

The Operating Guarantee of the Concession Contract is comprised of ten performance bonds in identical amounts payable on demand and to the name of the General Director of Public Works, for a total of UF 250,000 (two hundred and fifty thousand unidades de fomento), which will be in force for the remaining period of operation, plus 12 months. Nevertheless, the Concession Company may choose to deliver shorter term performance bonds, for a minimum 5 year term, and renew them 90 days before their expiry date, if the DGOP accepts so, and each document must be delivered before the expiry of the one being replaced. In this last case, the last performance bond will be in force for the remaining period of operation, plus 12 months.

Additionally, 24 months before the Contract expires, the Concession Company must deliver ten identical performance bonds in the amount of UF 250,000 (two hundred and fifty thousand unidades de fomento) each payable on demand and issued in Santiago, Chile by a local bank and to the name of the General Director of Public Works. This additional guarantee will be in force for 3 years.

10. The Concession Company and the Ministry of Public Works will make the payments stipulated in the contract on the dates stipulated in the Tender Terms and Conditions. In the event that any late payment occurs, such payments will accrue daily interest of 0.0198%, as stipulated in article 1.12.4 of the Tender Terms and Conditions. Nevertheless, unjustified delays in payments to be made by the Concession Company to the State will entitle the MOP to cash the respective performance bond, as stipulated in article 1.8.1 letter j) of the Tender Terms and Conditions.

11. Any fines as may be applicable fines will be imposed as per what is provided in the Tender Terms and Conditions, Clarifying Circular Letters, MOP's Statutory Decree No. 900 of 1996, which establishes the updated, coordinated and standardized text of MOP Statutory Decree 164 of 1991, Law on Public Works Concessions and in the MOP's Statutory Decree 956 of 1997, Regulations of the Law on Concessions.

12. The different aspects of the Concession Contract will be supervised by the Department of Public Works, which forms part of the Ministry of Public Works.

13. The concession contract does not contemplate any minimum guaranteed revenue.
14. By way of Resolution No. 2817 of the Department of Public Works dated August 22, 2006, Final Placement Into Service of the Public works known as the "Sistema Américo Vespucio Nor-Poniente, Avda. El Salto-Ruta 78" was approved, effective as of 00:00 hours of August 23, 2006.

c) Complementary agreements

- 1) The MOP's Statutory Decree No. 1,321 dated November 28, 2005, published in the Official Gazette on February 23, 2006, approved Complementary Agreement 1, which amended the Concession Contract for the public works known as the "Sistema Américo Vespucio Nor-Poniente, Av. El Salto-Ruta 78".

The works and services authorized by this agreement, for a total of UF 3,022,372, were executed by the Concession Company and fully approved by the Ministry of Public Works as of September 30, 2007.

- 2) The MOP's Statutory Decree No. 836 dated November 16, 2007, published in the Official Gazette on May 9, 2008, approved Complementary Agreement 2, which amended the Concession Contract for the public works known as the "Sistema Américo Vespucio Nor-Poniente, Av. El Salto - Ruta 78".

This second agreement stipulated an administrative procedure for the monthly recognition by the Ministry of Public Works of the progress in investments and expenses incurred by the Company in modifying wet and dry utilities that exceeded the UF 1,450,229 set in Complementary Agreement 1. These works were fully completed, with the Ministry of Public Works having approved twenty resolutions for a total of UF 508,129.51.

- 3) The MOP's Statutory Decree No. 270 dated December 21, 2016 and published in the Official Gazette on May 12, de 2017, approved the Ad-Referendum Agreement No. 1, which modified the Concession Contract for the public works known as the "Sistema Américo Vespucio Nor-Poniente, Av. El Salto - Ruta 78".

This agreement establishes that the Concession Company must prepare, develop, manage and submit for processing: i) the so-called "PID Obras Tramo 6" and ii) the specialty engineering project called "Sistemas de Gestión de Tránsito (SGT)" and "Sistemas Electrónicos de Peaje (SEP)". It is important to highlight that the so-called "PID Obras Tramo 6" is comprised of the following studies:

- 1 Expansion to four lanes;
- 2 Improvement of the connection at Santa Elena / El Rosal - Américo Vespucio;
- 3 Improvement of the connections at Américo Vespucio and San Pablo and Ruta 68;
- 4 Improvement of the connection at Américo Vespucio and Ruta 78;
- 5 Complementing the connections at Avda. El Rosal in Ruta 78.

The estimated cost of the works authorized through this agreement is UF 93,407. As of December 31, 2020 operations relating to this agreement have taken place in the amount of ThCL\$ 2,283,179 which form part of item Other nonfinancial assets, noncurrent.

- 4) The Ministry of Public Works, by means of Statutory Decree No. 149 issued on December 27, 2019 and published on the Official Gazette on January 31, 2020, approved the Ad Referendum Agreement No. 2 approved. Its main aspects are the following:

The Ministry of Public Works (MOP) approved the Concession Company's proposal to review the formula of indexation of the tariff system and the term of the concession. The proposal consists in not applying

the real annual indexation contemplated in article 1.14.7 of the Tender Terms (BALI) and an extension in the term of the concession contract to allow to cover the revenues that will not be received by the Company as a result of the elimination of the real annual indexation, with the Ministry of Public Works maintaining the option to terminate the concession contract in the original term, making a direct payment to the Concession Company.

The real indexation will not be applied as from January 1, 2020 and throughout the term of the concession. This will be informed to the public and to the Ministry of Public Works in accordance with the Tender Terms and Conditions, and an account called "Revenue Account" will be created. This account will record the differences between the tariffs applied without the real annual indexation and the tariffs that would have been actually charged if the real annual indexation had been applied. Its balance will be updated on a monthly basis at a real monthly compound interest rate equivalent to a real annual rate of 4%, denominated to unidades de fomento (UF) using two decimal points rounding up the second decimal point, using the UF corresponding to the date of accounting.

These differences will be accounted with a negative sign in the Revenue Account on the last day of the appropriate month considering the following percentages:

44% will be accounted on the last day of the month following each operation.

32% will be accounted on the last day of the second month following each operation.

6% will be accounted on the last day of the third month following each operation.

3% will be accounted on the last day of the fourth month following each operation.

The remainder balance until completing 100% will be accounted on the last day of the eighth month following each operation.

The aforementioned percentages will be referred to hereinafter as "Cash Lag". These amounts must be updated every two years since March 2022.

For the concept of bad debt, hereinafter "Bad Debt Provision", the percentage of bad debt reported in the financial statements of the quarter before that of operation will be computed in the revenue account with a positive sign.

The costs of technical, legal and business analysis as may be incurred by the Concession Company for an amount of up to UF 75,000 under certain terms and conditions will be recognized.

As from the month following January 2020 until May 2033, the Company must submit, within the first 15 days of the month, a detailed report to be accounted in the revenue account, corresponding to the immediately preceding month of operation, which must be approved by the State Inspector.

Quarterly reports certified by external auditors must be submitted. These reports must contain a breakdown of the amounts that should have been accounted in the Revenue Account during the preceding quarter.

As from April 23, 2033 the Concession Term will be extended until the last day of the month following that in which the accumulated and updated balance of the Revenue Account is zero or positive.

In this period, revenues invoiced for the concept of tariffs must be accounted in the Revenue Account with a positive sign. From this account, the bad debt associated to the aforementioned revenues, administrative costs, collection, control, conservation, routine maintenance and extraordinary maintenance must be subtracted. Also, 70% of the difference between invoiced revenue and associated costs from the operation of supplementary services will be accounted with a positive sign.

At the end of the concession, the Concession Company must return to the Ministry of Public Works any positive balance existing in the Revenue Account, within the first 10 days of the calendar month following that in which the State Inspector approves or renders as approved the last monthly report to be submitted by the Company. Once the aforementioned payment has been made, the same will be accounted in the final month of the concession, with a negative sign, in the same revenue account, so as to reflect an accumulated and updated balance in the account equal to zero.

The Ministry of Public Works may choose not to grant an extension in the term and in subsidy to make a direct payment to compensate the entire negative balance in the revenue account at April 22, 2033, by giving a 2-year prior notice.

In Addenda to the Ad Referendum Agreement No. 2, it was established in broad terms that:

- For the tariffs to be charged to users in year 2021 thereafter, the Ministry of Public Works could give instructions each year for the application of a positive annual real indexation of the tariffs, which may not exceed a real rate of 3.5% per annum.
- At the latest on October 31 each year, the Ministry of Public Works will inform the Concession Company the treatment to be applied to the difference between the tariffs that would have been implemented if the real annual indexation of 3.5% had been applied each year and those tariffs subject to indexation with a real annual interest equal to zero or the indexation referred to in the preceding point (not greater than 3.5% real per annum). The treatment will be subject to two options: 1. That the difference generated each month of operation be accounted for in the Revenue Account, and; 2. That a direct quarterly payment be made by the Ministry of Public Works to the Concession Company to offset the difference in revenue not accounted for in the Revenue Account.
- If the Ministry of Public Works fails to inform within the stipulated period of time about the treatment of the difference in revenues, the same will be accounted for in the Revenue Account.

28. COVID 19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the new coronavirus (COVID-19) as a pandemic, which has resulted in a series of public health and emergency measures that have been started to combat the spread of the virus.

The COVID-19 pandemic has caused the authorities to apply a series of restrictions to the mobility of individuals, the right of assembly, the operation of companies and commercial facilities throughout the country, in order to prevent or minimize cases of Covid-19 contagion.

On July 19, 2020 the government launched the plan called “paso a paso” [step-by-step]. The plan consists in classifying the lockdown into 5 stages: Quarantine, Transition, Preparation, Initial Lockdown Easing and Advanced Lockdown Easing. In order for a borough to move to a higher phase certain epidemiologic and tracing parameters defined by the health authority must be met.

As from the month of July 2020 and commensurate to a certain degree of control in the level of contagion and deaths derived from COVID-19, several boroughs in the Metropolitan Region started to come out of lockdown by means of the “paso a paso” plan, a situation that has remained constant until present day. This has resulted in the fact that during part of the third and the entire fourth quarter of 2020 there has been an improvement in the number of transactions (vehicles passing under the gantries) at the Concession Company's concession. As from December 2020, most of the Metropolitan Region has been under strict quarantine on the weekends.

The effects of the Covid-19 pandemic on the Company's financial statements have mainly occurred during the second, third and fourth quarter of year 2020. The impact of Covid-19 on revenue, costs and expenses as of December 31, 2020, are described below:

Revenue

Revenue from tolls at the concession dropped as a result of the decrease in the flow of vehicles along the highway under the Company's concession. This effect has occurred during the second, third and fourth quarter of year 2020, mainly due to the Covid-19 pandemic.

The foregoing is reflected in the fewer transactions (vehicles passing by the gantries) during year 2020. Comparing the transactions occurred as of December 31, 2020 with those as of December 2019, there has been a 23.3% decrease.

Revenue from tolls and the quarterly transactions for the years ending as of December 31, 2020 and 2019, respectively, are shown below:

	Revenue from Tolls		Transactions	
	Year 2020	Year 2019	Year 2020	Year 2019
	ThCL\$	ThCL\$	Units	Units
Q1	21,662,640	22,615,305	69,096,581	73,201,908
Q2	12,801,568	23,121,955	39,289,987	75,001,765
Q3	15,951,175	23,343,284	51,101,438	75,522,996
Q4	<u>20,287,848</u>	<u>22,817,615</u>	<u>70,794,520</u>	<u>76,533,970</u>
Totals as of December 31	<u>70,703,231</u>	<u>91,898,159</u>	<u>230,282,526</u>	<u>300,260,639</u>

Costs and expenses

In order to face the scenario of lower revenue caused by the Covid-19 pandemic, during the second quarter of 2020 negotiated new agreements by means of annexes to the contract with its vendors in order to be able to continue to discharge its payment commitments as appropriate. To reach these agreements the current conditions for the service rendering were revised, in order to adapt the actual use incurred in each one of them. Other agreements reached with vendors including agreeing payment plans in installments over a longer period of time than what is regularly the term for paying for those services. The owed amount of these installments that were agreed over a longer period of time amounts as of December 31, 2020 to ThCL\$478,749,705

The decreases in costs and expenses incurred by the Company as of the closing of these financial statements due to the Covid-19 pandemic is shown below:

	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Janitorial services	53,661	104,424
Meal services	86,259	124,615
Shuttle buses	14,833	30,665
Information system advisory services and studies	93,135	93,311
Equipment maintenance	99,720	143,315
Third-party personnel services	49,099	119,727
Totals	<u>396,707</u>	<u>616,057</u>

Also, due to the Covid-19 pandemic, the Company's commercial office located at the Mall Plaza Norte shopping center was closed without attending to public, just as the entire shopping center, from April through August 2020. The shopping center and the Company's commercial office resumed their operation gradually as from the first week of September 2020. As a result of the foregoing, the lease contract entered into with company Plaza Oeste SpA was suspended from April through August 2020, being resumed to normal as from September 2020.

New expenses

As of December 31, 2020, the Company has incurred in extraordinary expenses as a result of the Covid-19 pandemic, in order to preserve the health and well-being of its workers considering that since part of the first and during the entire second and third quarters of 2020 many of our workers were working from home, and gradually returned to work in person during the fourth quarter of 2020 by shifts. The breakdown of the expenses incurred is the following:

Covid-19 Expenses	12.31.2020
	ThCL\$
Consumables and disinfectants	14,074
Computer supplies	5,621
Others	<u>2,655</u>
Totals	<u>22,350</u>

29. EVENTS OCCURRED SUBSEQUENT TO THE DATE OF THE STATEMENT OF FINANCIAL POSITION

No subsequent events have occurred from January 1, 2021 and the date of presentation of these financial statements, that could materially affect the interpretation of the same.

Notwithstanding the foregoing, on March 03, 2021, the Company reported to the Commission for Financial Market in the form of an essential event, the following:

That, as the conciliatory stage has been terminated without any results, this Concession Company has filed on March 01, 2021, an arbitral claim against the Ministry of Public Works (MOP) before the Honorable Arbitral Commission of the Concession Contract called Sistema Américo Vespucio Nor-Poniente, Av. El Salto – Ruta 78, in order for that Commission, subsequent to due process, to resolve the existing conflict with the Ministry of Public Works in connection with the correct interpretation of the rules for the modification of the tariff structure set forth in article 1.14.4.4 of the Tender's Terms and Conditions of this concession.

It is not possible to estimate at this time the financial effects of this legal action, as the arbitral proceedings have just started, in accordance with article 36 of the Concessions Law, the final outcome and date of completion of which are still uncertain.

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FINANCIAL
ANALYSIS.

Sociedad Concesionaria Vespucio Norte Express S.A.

Financial Analysis of the Financial Statements.

Prepared under International Financial Reporting Standards (IFRS)

As of December 31, 2020 and December 31, 2019

(ThCL\$: Thousands of Chilean pesos)

1. ANALYSIS OF THE FINANCIAL POSITION

The balances of the main groups in the classified statement of financial position, for the periods ended at December 31, 2020 and 2019, are the following:

Items	12-31-20 ThCL\$	12-31-19 ThCL\$
Assets		
Current	83,062,180	61,197,931
Noncurrent	281,930,780	292,706,290
Total Assets	364,992,960	353,904,221
Liabilities		
Current	36,444,914	29,607,915
Noncurrent	292,751,876	310,356,825
Equity	35,796,170	13,939,481
Total Liabilities and Equity	364,992,960	353,904,221

Assets

The chart above shows an increase in the amount of ThCL\$11,088,739 in total assets, the main variations in which were the following:

- i. An increase in the amount of ThCL\$ 14,602,068 in "Cash and Cash Equivalent" and "Other financial assets, current", due to the collection obtained as of December 31, 2020 which monies are invested in financial instruments to address the payment of the coupon of the Company's Bonds to the Public in the month of June 2021;
- ii. In "Trade Receivables and Other Accounts Receivable" there is an increase in the amount of ThCL\$ 6,490,557, caused by the increased use of the highway during the last months of year 2020, in contrast to previous months. This, due to the fact that several boroughs in the Metropolitan Region started to come out of the lockdown that had been decided by the authorities on occasion of the Covid-19 pandemic;
- iii. Since the month of January 2020, a new account receivable with the Ministry of Public Works (MOP) started to be recorded under "Accounts receivable and other accounts receivable, noncurrent", and for which as of December 31, 2020 accumulates the amount of ThCL\$ 1,960,630. This, as per the instructions contained in the Ad Referendum Agreement No. 2 entered into with the MOP in December 2019;
- iv. A decrease in the amount of ThCL\$ 8,558,243 in "Intangible assets other than goodwill", caused by the amortization of intangible asset (Highway) in year 2020;
- v. "Accounts receivable from related entities" grew in the amount of ThCL\$ 2,762,558 mainly as a result of accrued interest for loans granted to a related entity; and
- vi. A decrease in the amount of ThCL\$ 6,427,028 in Deferred Taxes, versus the balances kept as of December 31, 2019.

Liabilities

Liabilities (current + noncurrent) dropped in the amount of ThCL\$ 10,767,950 (3.2%), mainly due to:

- i. A decrease in the amount of ThCL\$ 43,722,578 in the debt of bonds to the public due to the annual payment. However, this debt was incremented in the amount of ThCL\$ 30,442,279 for the generation of new accrued interest and U.F. indexation occurred during year 2020;
- ii. The item "Accounts payable to related entities" was incremented in the amount of ThCL\$ 740,529 as compared to December 31, 2019, caused by an increase in the term for payment;
- iii. An increase in the amount of ThCL\$ 1,240,630 in "Trade creditors and other Accounts Payable" for new agreements in the term of payment with vendors;
- iv. A decrease in the amount of ThCL\$ 330,467 in "Tax liabilities" relating to the sales invoices tax. As a result of the pandemic there is a reduced use of the highway and, therefore, the invoiced amounts are less and consequently taxes are less; and
- v. Lastly, there is an increase in the amount of ThCL\$ 776.004 in the provision for maintenance of the highway as per what had been projected for this type of expense.

Equity

Equity as of December 31, 2020 amounts to ThCL\$ 35,796,170. Until the first semester of 2019 it appeared as a negative amount, basically due to the loss caused by the adjustments on occasion of the first adoption of IFRS, in the amount of ThCL\$ 124,256,766. This adjustment is presented under "Accumulated Losses".

As of December 31, 2020, the result was a profit in the amount of ThCL\$ 21,856,689.

The main financial indicators for the periods ended as of December 31, 2020 and 2019, are the following:

Indicators in the Statement of Financial Position	12-31-20	12-31-19
<u>Liquidity</u>		
Current liquidity	2.28	2.07
Acid ratio	2.28	2.07
<u>Indebtedness</u>		
Indebtedness ratio	9.20	24.39
Short-term debt/total debt	0.11	0.09
Long-term debt/total debt	0.89	0.91
Financial expense hedge (1)	2.14	2.53
(1) The effect of the variation in the unidad de fomento, or the exchange rate differences, have not been considered as higher or lower financial costs.		

Both the liquidity index and the acid ratio show that the Company has sufficient resources to meet its short-term obligations. Nevertheless, utilizing these resources shall be subject to provisions contained in the long-term financing contract.

However, although the liquidity index as of December 31, 2020 is 2.28, during year 2020, collection dropped as a result of the COVID-19 pandemic and the consequential economic crisis. This caused the Company not to make cash distributions to the parent company and, the parent company had to request new credits in order to be able to meet its financial obligations.

As of December 31, 2020, indebtedness is for the most part on a long-term basis (89%). The short-term portion of indebtedness from the issuance of Bonds to the public exists as a financial liability.

In the second half of 2019, the Company moved from having a negative equity to a positive one. This is in line with the type of business which in the first years of the concession give rise to a negative equity due to, for example, nonoperating factors such as the financial debt contracted for the construction of the works under concession. This is reflected in the indebtedness ratio index obtained at December 31, 2020 and 2019.

2.- ANALYSIS OF THE RESULTS

The figures corresponding to the main items in the profit and loss statement as of December 31, 2020 and 2019 are the following:

Items	12-31-20 ThCL\$	12-31-19 ThCL\$
Ordinary Revenues	84,393,715	102,883,799
Gross Profit	55,899,396	71,118,854
Administrative and Sales Expenses	(2,906,650)	(3,521,563)
Profit before interest, exchange rate differences, taxes, depreciations and amortizations.	63,153,877	79,311,792
Financial Costs, net	(17,826,458)	(20,413,391)
Differences in exchange rates and other indexation units	(7,486,251)	(8,497,954)
Tax Expense	(6,431,648)	(8,995,639)
Final Profit	21,856,689	29,690,307

Gross Margin

The gross margin amounted to ThCL\$ 55,899,396 as of December 31, 2020 and ThCL\$ 71,118,854 for year 2019. The decrease in the amount of ThCL\$ 15,219,458 is generated by a decrease in ordinary income, offset by a decrease in costs for the period.

Ordinary revenues as of December 31, 2020 amounted to ThCL\$ 84,393,715, which represents an 18% decrease from the income amounting to ThCL\$ 102,883,799 in the same period of 2019, the main cause of which is a reduced flow of vehicles on the highway as a result of the social and health circumstances that have taken place in the country during year 2020. Also, Ordinary revenues has decreased because since April this year there has been no indexation of the tariffs in some time blocks and sections of the highway, at the Ministry of Public Works' request. The Concession company considers that, in accordance with the Terms and Conditions of the Bases Tender for the concession, it has the right to apply this quarterly indexation of the tariffs. Therefore, on May 15, 2020, requested the intervention by the Hon. A

Conciliatory/Arbitral Commission of this Concession Contract, in order for the same to resolve this conflict. The drop in revenue for this concept amounts to ThCL\$ 3,478,698.

In terms of transactions (passes of a vehicle recorded by the electronic toll systems at each gantry), as of December 31, 2020 there were 230.3 million transactions, that is -23.3% less than in the previous year.

The operating costs and expenses as of December 31, 2020 decreased by -10.3% compared to the same period in 2019. The main causes for this decrease were the drop in the amount of amortization and depreciation (ThCL\$ 2,166,004), mainly because the Public Works' amortization is contingent upon the number of transactions (passes by a gantry) occurred, and the number of transactions has been dramatically affected, mostly in the second half of 2020, by the COVID-19 pandemic, as the Authority promoted lockdown measures. Also, there was less expense in the maintenance and evaluation of the condition of pavements (ThCL\$ 406,223), this because there was a reduced activity in the Works under concession which required less service and a reduction in the maintenance of pavements that had been scheduled beforehand. The decreased use of the highway due to the COVID-19 pandemic also implied reduced work on the part of third-party personnel. Thus, the expense incurred in this item went down by ThCL\$ 349,151. Lastly, there was a decrease in the amount of ThCL\$ 139,460 in the bad debt provision. This is directly related with the drop in revenue as of December 31, 2020.

Administrative and Sales Expenses

As of December 31, 2020, administrative and sales expenses amounted to ThCL\$ 2,906,650, i.e. 17.5% less in comparison with the same period in year 2019. The main causes include a decrease in the amount of ThCL\$ 313,558 for bonuses to the personnel during 2019, which did not occur as of December 31, 2020. There was also a decrease in the amount of ThCL\$ 299,096 in services incurred, as compared to the previous year. This was mainly due to the COVID-19 pandemic (these services are: meals, shuttle buses, health insurance, third-party personnel, office maintenance, labor exams, refund of expenses to users and transportation expenses).

Operating Results

Excluding the financial effects (interest, indexation and exchange rate differences), the income tax (current and deferred), the depreciation and amortizations, a lower profit in the amount of ThCL\$ 16,157,915 is observed, if comparing the accumulated results as of December 2020 in the amount of ThCL\$ 63,153,877 with the same period in year 2019 where the amount was ThCL\$ 79,311,792. This is mainly explained by a decrease in Ordinary revenues (-18%) and the Operating Costs And Administrative and Sales Expenses (-11% in the aggregate). The foregoing is due to the lower use of the works under concession since the second quarter of 2020, as a result of the COVID-19 pandemic which gave rise to the implementation of lockdown measures by the Authority. Additionally, income has decreased to a lower extent because since April this year there has been no quarterly indexation of the tariffs in some time blocks and sections of the highway, at the Ministry of Public Works' request.

Final Profit

The profit for the period in the amount of ThCL\$ 21,856,689 implied a decline in the amount of ThCL\$ 7,833,618 in comparison with the result obtained as of December 31, 2019. In addition to the operating income explained above, there are lower net financial costs in the amount of ThCL\$ 2,586,933, lower amortization and depreciation in the amount of ThCL\$ 2,161,670 and a lower loss due to exchange rate differences and other indexation units in the amount of ThCL\$ 1,011,703.

Lastly, in comparison with year 2019 there was a higher income for the concept of Tax Expense in the amount of ThCL\$ 2,563,991.

Profitability Indicators

Indicators in the Profit and Loss Statement ¹	12-31-20 %	12-31-19 %
Return on equity	61.1%	213.0%
Return on assets	6.0%	8.4%
Return on dividends	0.0%	0.0%
Profit per share (\$ per share)	\$ 508	\$ 690

3.- CASH FLOWS

The main components of the net cash flow originated as of December 31, each year are the following:

Items	12-31-20 ThCL\$	12-31-19 ThCL\$
Net flow originating in operating activities	59,156,190	69,396,235
Collection from operation services	92,027,000	108,736,073
Payments to suppliers for the supply of goods and services	(30,194,576)	(36,269,687)
Payments to and on account of employees	(4,299,262)	(4,769,979)
Interest paid	(151,604)	(23,548)
Interest received	954,360	1,521,272
Income tax payments	(4,940)	(8,827)
Other inflows (outflows) of cash	825,212	210,931
Net cash flow used in investment activities	(3,907,631)	(847,802)
Purchases of property plant and equipment	(659,180)	(847,802)
Payments for investment in financial instruments	(3,248,451)	-
Net cash flow used in financing activities	(43,895,917)	(69,678,922)
Refund of other financial liabilities	(21,944,366)	(16,755,886)
Interest paid	(21,778,212)	(22,329,668)
Repayment of loans to related entities	-	(30,360,032)
Lease liability payments	(173,339)	(233,336)
Positive/(negative) cash flow	11,352,642	(1,130,489)

In the operating flows, as of December 31, 2020 a decrease in the amount of ThCL\$ 10,240,045, as compared to year 2019 is observed. This is mainly due to the following causes:

- i. Reduced collection in the amount of ThCL\$ 16,709,073, mainly due to a decrease in the number of transactions in the works under concession, despite the tariff indexation in the period;
- ii. Increase in the amount of ThCL\$ 6,075,111 due to lower payments to suppliers as a result of new agreements with regard to the payment term, the rescheduling of services and the reduction of some services; and
- iii. Increase in the amount of ThCL\$ 614,281, mainly corresponding to indent the payments received for damages to the highway during year 2019.

With regard to flows from investments, as of December 31, 2020, a greater investment in the amount of ThCL\$ 3,059,829, in comparison with the same period of year 2019 is observed. The explanation for this is the following:

- i. As of December 31, 2020 investments were made in financial instruments with maturity at more than 90 days in the amount of ThCL\$ 3,248,451. In year 2019 no investments of this type were made; and
- ii. During year 2020 fewer fixed asset purchases were made (mainly tag devices) as compared to year 2019 in the amount of ThCL\$ 188,622.

In connection with financing flows, there was a reduced use of these flows in the amount of ThCL\$ 25,783,005 mainly due to the following causes:

- i. An increase in the amount of ThCL\$ 5,188,480 in the annual payment made for the Bonds to the public, due to the fact that the installment of principal payable is incremented with the passage of time; and
- ii. A reduced use of funds in the amount of ThCL\$ 30,360,032, due to the fact that as of December 31, 2019 loans were made to an investment company, but in 2020 no such loans were made.

4.- MARKET ANALYSIS

In the field of its operations, as of December 31, 2020, the company recorded a -18% decrease in its ordinary income, considering that in year 2020 amount was ThCL\$ 84,393,715 and in the same period of year 2019 the amount was ThCL\$ 102,883,799.

In terms of toll transactions, there was a -23.3% fall as compared with the same period of year 2019, with a total of 230.3 million accumulated transactions in year 2020, as it was stated above in the Gross Margin section. Additionally, as from January 01, 2020 tariffs were subject to indexation only in the percentage of the CPI in accordance with the Tender's Terms and Conditions and the Ad Referendum agreement issued in December 2019 for the Concession Company.

The market in which Autopista Vespucio Norte participates is influenced by the growth in domestic economy. Due to the social and health circumstances that have taken place worldwide and also in Chile, it is estimated that for year 2020 there will be a -6.0% decline in Chilean economy. Additionally, the quarantine measures adopted for the population have resulted in a reduced number of vehicles on the streets and reduced traffic along the works under concession since March 2020, reaching its lowest level in the month of June. However, from that point in time onward, due to the gradual lockdown easing, growth has remained constant in the urban highways of the Metropolitan Region, reaching 96% in September 2020 in comparison with the traffic of March 2020 and 112% if comparing October with March 2020, as per what was reported by the General Department of Concessions. Specifically in Autopista Vespucio Norte, transactions (passes by a gantry) reached 39, 51 and 71 million in the second, third and fourth quarter of 2020, respectively, evidencing the increase in the use of the works under concession. Positive growth in the Chilean economy is projected for year 2021 onward. The GDP is estimated to grow by 5.2% in 2021. The projections for both 2020 and 2021 are made on the basis of the Central Bank's Economic Expectations Survey.

5.- RISK ANALYSIS

General Risks

Political, legal and economic changes in Chile may affect the Company's economic performance.

The Company has no inherence or capability to predict changes of this sort.

As of December 31, 2020, Autopista Vespucio Norte's concession is experiencing the impact of the confinement and quarantine measures adopted by the Authority on occasion of the COVID-19 pandemic. This impact will be gradually mitigated as the restrictive measures are eased and the economic activity returns to normal levels. As from August 2020, several boroughs in the Metropolitan Region have started to gradually come out of total confinement which was set in place as part of the "step-by-step" plan devised by the Authority and which consists of a strategy to address the pandemic on the basis of the health situation of each specific area. In the month of December 2020, the health authority decreed weekend quarantines in the entire Metropolitan Region.

Risk of Earthquakes and Natural Phenomena

The concession Company's infrastructure is mainly exposed to the risk of earthquakes. These circumstances may affect the Company's capability to provide its services to users, reducing its capacity to generate revenue and demanding investment in repairs.

The Company keeps insurance pursuant to what is set forth in the Tender's terms and conditions, as well as additional policies to minimize impact in the event of a potential earthquake or natural disaster, both in the value of its infrastructure and in the potentially lost profits due to these phenomena.

Market Risks

i. An increment in the Company's operating costs would have an effect of low significance in results due to the fact that the Company's EBITDA margin is greater than 74.8%. Additionally, most of its vendors participate in international competitive markets.

ii. A reduction in the use of the highways is a relevant risk in the Concession Company's market. Social movements against toll collection have appeared over the last few years. However, the analyses performed by the Company show a sustained growth in the use of the highway for the entire term of the concession.

iii. The development of alternative roads, whether or not subject to collection from users, suggests a risk of a reduction in the use of the highway and consequently a drop in revenue. The high investment required in long periods of construction of alternative solutions render this risk low.

Inflation and Exchange Rate Risks

As from January 01, 2020, the Company's revenue is subject to annual indexation for inflation in accordance with the Tender's Terms and Conditions, therefore the risk in this sense is low. Until December 31, 2019, indexation of 3.5% was applied, but in December 2019, the Ministry of Public Works issued Ad Referendum Agreement No. 2 by means of Statutory Decree No. 149, which provides that as from January 01, 2020 the real annual indexation of 3.5% shall no longer be applied to the tolls, and in compensation the term of the concession contract may be extended or a direct payment may be made, at the Ministry of Public Works' choice.

The costs, without considering amortization and depreciation, represent less than 22.5% of the revenue, and for the most part they are adjusted annually on the basis of the UF.

6.- RISK ALLOCATION MECHANISM

The Company is not part of the risk allocation mechanism with the State, regardless of whether it is via Minimum Guaranteed Revenue or Exchange Rate Hedge.

7.- EXCHANGE RATE HEDGE MECHANISMS

Sociedad Concesionaria Vespucio Norte Express S.A. currently has no rate hedge contracts, as its debt is denominated to domestic currency.