



autopista
vespucio
norte®

2018 ANNUAL REPORT

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The cover features a textured, light-colored background with a blue and orange geometric design on the left and right sides. A central horizontal band shows an aerial view of an industrial or airport area with a runway and buildings under a hazy sky. The text '2018 ANNUAL REPORT' is positioned in the top right corner, with '2018' in a large, dark blue font and 'ANNUAL REPORT' in a smaller, blue font below it.

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1- LETTER FROM THE CHAIRMAN OF THE BOARD

Dear Shareholders:

On behalf of the Board of Directors of Sociedad Concesionaria Vespucio Norte Express S.A. (the “Company”), I present to you the Annual Report for year 2018, providing an account of the financial statements and the main facts that influenced the Company’s performance during this year.

The dynamic growth of domestic economy during 2018 had a positive impact on the sale of light and medium-size vehicles which reached an annual growth of 15.6% (source: ANAC). Traffic along our highway featured a more moderate annual growth (0.9%), equivalent to more than 299 million transactions, mainly due to the start of operations of several road infrastructure improvement works in areas adjacent to our highway.

With regard to operations and investments, year 2018 witnessed important progress, which I share with you below.

In the commercial area, our alliances with vehicle dealerships for the direct delivery of TAGs at new and used car dealership facilities allowed us to reach a 16% annual growth in the placement of these electronic devices. Additionally, customer service by way of our in-person, telephone and digital communication channels also showed a strong annual growth of 17%, as a result of our efforts to maintain a high standard of quality. The positive evaluation by our users of the direct contact through social media explains the growth of 12% in the number of followers of our Twitter account, totaling more than 80 thousand during 2018.

In the technological field, we upgraded the central hub of our communications network thus consolidating the platform that connects the on-lanes equipment with our Commercial and Operating Systems, strengthening the operating security of the network. Additionally, the system that controls the video cameras located along the highway was renewed allowing to take advantage of the high megapixel resolutions of the cameras that monitor traffic. These important upgrades provide increased robustness, dependability and continuity to the operation of our monitoring and traffic management systems.

With regard to Risk Prevention and Occupational Health, during year 2018 we emphasized fieldwork, strengthening the action of our road safety area with our main contractors, improving the training of those who are in charge of attending to accidents and incidents on the road addressing the control fire in vehicles, the management of conflict, safe driving, among others. On a parallel basis, we renewed our entire surveillance and road assistance fleet, ensuring the availability of our road assistance vehicles in both morning and evening peak hours, reducing the time of assistance and ensuring greater fluency of road traffic.

In the framework of our Environmental Management Plan for the Operation Stage, during 2018 the Company maintained and reinforced the follow-up and control action relating with the environmental components, such as the Emission of Particles in the Air, Landscaping, Noise and Waste Control, comfortably complying with the maximum levels permitted contractually.

During year 2018, the international auditing firm of AENOR renewed our triple certification under international standards ISO 14001:2015, for Environmental Management, ISO 9001:2008, for Quality Management, and OHSAS 18001:2007, for Safety and Occupational Health reaffirming that our operation is within the highest international standards in these fields.



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Our Human Resources Policy, focused on the comprehensive development of our employees, resulted during year 2018 in the execution of programs relating with training, organizational climate and renewal of our performance evaluation platform. In this sense, we conducted training efforts in which more than 70% of our employees participated in more than 40 programs. In the field of labor climate, we conducted improvement programs that involved all our workers and their families.

Our organization, committed with the professional and personal development of its workers, conducted an organization-wide survey in the context of the program on Psychosocial Risks Surveillance Protocol to assess the level of exposure to labor and family-related situations that could affect their well-being as well as their physical, mental and social health. Based on these results, and in direct consultation with our employees, the company shall implement during year 2019 an action plan intended to capitalize on improvement opportunities from the current Benefit and Good Practices program, aiming at improving and strengthening on an ongoing basis the conditions for an optimum development of our employees.

In an effort to promote good business practices, during the year we expanded the coverage of our Code of Conduct and Ethics in Business and our Anti-Bribery and Anticorruption Policy, requiring our 50 main contractors to subscribe and adopt the norms and recommendations contained in these documents, in addition to promoting the use of our hotline or channel for anonymously reporting any such acts, which is available to all employees.

Regarding projects, in 2018 we were able to proceed as planned in the development of the detail engineering for the works of expansion from 3 to 4 lanes per direction in the section Ruta 78 – Ruta 68, which will considerably improve the flow of traffic in one of the most crowded sections of our highway. Such engineering is currently in its final stage, and is scheduled to be completed during the first half of 2019.

Also, during 2018 the Ministry of Public Works started, by way of Sociedad Concesionaria Vespucio Oriente, the works of the urban highway project known as AVO I, situated from Av. Bilbao through the connection with Sociedad Concesionaria Túnel San Cristóbal, in the area of La Pirámide (Huechuraba), which, once completed, will allow a direct connection between highways for users from the eastern section of Santiago.

The results presented in this report have been possible thanks to the effort and dedication of all of our Company's workers whose constant commitment I hereby recognize.

Sincerely,

Ronald Paz Vargas
Chairman
Autopista Vespucio Norte

2 . IDENTIFICATION OF THE COMPANY

Corporate Name	: Sociedad Concesionaria Vespucio Norte Express S.A
Trademark	: Autopista Vespucio Norte
Legal Domicile	: Américo Vespucio Oriente N° 1305, ENEA Parque de Negocios, Comuna de Pudahuel, Santiago de Chile.
Taxpayer Number	: 96.992.030-1
Type of Company	: Financial Markets Commission. of Chile.
Telephone No.	: (56-2) 2571 3015
Fax No.	: (56-2) 2571 3204
Web Site	: www.vespucionorte.cl
E-Mail	: contacto@vespucionorte.cl
External Auditors	: Deloitte Auditores Consultores Limitada.

2.1 Corporate Purpose

The purpose of Sociedad Concesionaria Vespucio Norte Express S.A., hereinafter “the Company”, is the execution, repair, conservation, maintenance, exploitation and operation of the State-owned public works called “Concesión Sistema Américo Vespucio Nor-Poniente, Av. El Salto – Ruta 78” through the concessions system, as well as the rendering and operation 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.

The Company was registered in the Securities Register of the Superintendence of Securities and Insurance on March 13, 2003, under No. 798.

2.2 Legal Background

The Company was organized under the name “Sociedad Concesionaria Autopista Vespucio Norte S.A.” through a public deed executed on July 9, 2002, at the Public Notary of Santiago Mr. José Musalem Saffie. An extract of the deed was registered in the Commerce Register kept by the Real Estate Registrar of Santiago, on page 17563, No. 14434 of year 2002, and was published in the Official Gazette on July 12, 2002.

2.3 Modifications

Through a public deed dated December 4, 2002, executed at the Public Notary's office of Santiago of Mr. José Musalem Saffie, which summarized the minutes of the Extraordinary Stockholders' Meeting that took place on October 22, 2002, the Company's corporate name was modified, becoming “**Sociedad Concesionaria Vespucio Norte Express S.A.**” An extract of the public deed was registered on page 33444, No. 26996 of the Commerce Register kept by the Real Estate Registrar of Santiago for year 2002, and was published in the Official Gazette on December 12, 2002.

Through a public deed dated January 23, 2003, executed at the Public Notary 's office of Santiago of Mr. José Musalem Saffie, which summarized the minutes of the Extraordinary Stockholders' Meeting that took place on December 23, 2002, the original 35-year term of the Company was modified, and the number of regular directors and their respective alternates was incremented from five to six. An extract of the deed was registered on page 3457, No. 2768 of the Commerce Register kept by the Real Estate Registrar of Santiago for year 2003, and was published in the Official Gazette on February 6, 2003.

Through a public deed dated January 31, 2007, executed at the Public Notary's office of Santiago of Mr. José Musalem Saffie, which summarized the minutes of the Extraordinary Stockholders' Meeting that took place on January 31, 2007, the number of regular directors and their respective alternates was incremented from six to seven. An extract of the deed was recorded on page 7299, No. 5401 of the Commerce Register kept by the Real State Registrar of Santiago for year 2007, and was published in the Official Gazette No. 38,693 on February 19, 2007.

Lastly, through a public deed dated September 10, 2015, executed at the Public Notary's office of Santiago of Mr. Juan Ricardo San Martín Urrejola, which summarized the Minutes of the Extraordinary Shareholders' Meeting held on September 10, 2015, the number of regular directors and their respective alternate directors was reduced from seven to five. An extract of the deed was recorded on page 69053, No. 40207 of the Commerce Register kept by the Real State Registrar of Santiago for year 2015 and was published in the Official Gazette No. 41,261 on September 17, 2015.

2.4 Capital, Ownership and Control

2.4.1 Capital

Pursuant to its bylaws, the Company's capital is divided into forty three million ordinary, nominative shares, without face value, of a single series and value. At December 31, 2018, the capital is fully subscribed and paid-in by the shareholders and amounts to CLP 55,142,668,831.-

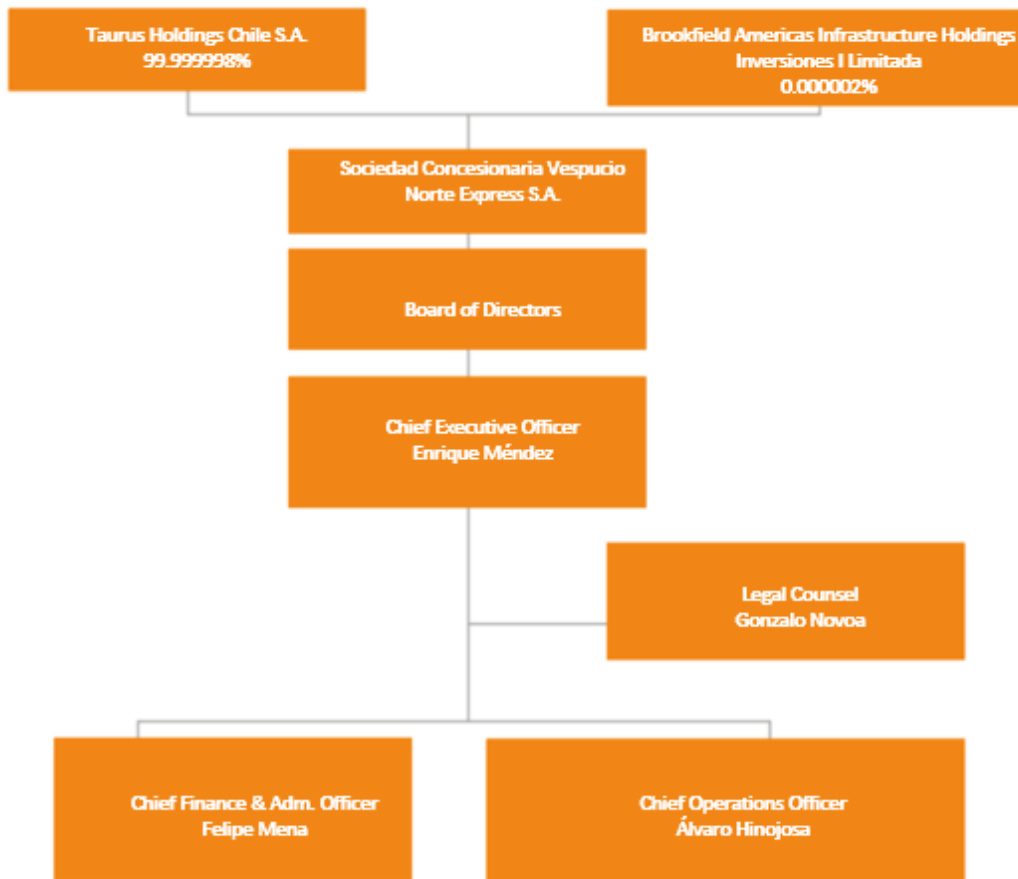
2.4.2 Propiedad Accionaria de la Sociedad al 31 de Diciembre de 2018 / Stock Ownership in the Company as of December 31, 2018

Shareholders	No. of Shares	% Interest
Taurus Holdings Chile S.A.	42,999,999	99.999998
Brookfield Americas Infrastructure Holdings Inversiones Chile I SpA	1	0.000002
Total	43,000,000	100.00

2.4.3 Shareholders

No changes in the ownership of the Company occurred during year 2018.

ORGANIZATIONAL STRUCTURE



2.4.4 Controlling Party

Sociedad Concesionaria Vespucio Norte Express S.A. (AVN) is indirectly controlled by Brookfield Asset Management Inc.

Brookfield Asset Management Inc. (“Brookfield”) is a corporation organized under the laws of the province of Ontario, Canada, that holds 100% indirect interest over AVN, by way of Taurus Holdings Chile S.A., a Chilean Corporation in which Brookfield indirectly owns 100% of the shares, by way of Brookfield Americas Infrastructure Holdings Inversiones Chile I SpA (formerly Limitada) and by Brookfield Americas Infrastructure Holdings Chile I S.A., both companies having been organized under the laws of Chile.

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Information about Brookfield

Brookfield is a corporation the shares in which are listed in the New York Stock Exchange (NYSE), the Toronto Stock Exchange (TSX) and in the Pan-European Euronext. It is owned by a number of stockholders, the main ones as of December 31, 2018 are:

Accionista	Participación (%)
RBC Global Asset Management, Inc.	3.60%
TD Asset Management, Inc.	2.60%
Principal Global Investors, LLC	2.42%
Fidelity (Canada) Asset Management ULC	1.96%
Beutel Goodman & Company, LTD	1.60%

2.5 Term

The Company's term is 35 years, computed from July 9, 2002, its date of incorporation.

3 CORPORATE STRUCTURE

3.1 Board of Directors

The Board of Directors' Mission is to manage the Company with broad powers and carry forth the corporate purpose, pursuant to what is set forth in its bylaws and in the Law on Corporations.

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Pursuant to the Company's bylaws in force as of December 31, 2018, the Board of Directors is comprised of five regular directors and their respective alternate directors, appointed by the Shareholders Meeting.

Regular Directors	Alternate Directors
Ronald Paz Vargas Economist National Identification Card for Aliens No. 23.697.864-8	Marcos Pinto Almeida Economist Brazilian Passport FG549087
Mark Murski Auditing Accountant Canadian Passport HK958464	Carlos David Castro Ibáñez Industrial Engineer Colombian Passport CC72167679
Tomás Escrich Halabi Business Administrator National Identification Card No. 18.019.313-8	Salvador Valdés Correa Lawyer National Identification Card No. 9.842.734-1
Rodrigo Franco Martínez del Solar Economist Peruvian Passport No. 5871851	Benjamin Vaughan Auditing Accountant Canadian Passport WN4456646
Matthew Unruh Accountant Canadian Passport HP159277	Fernando Bernardes Boniolo Ziziotti Lawyer Brazilian Passport FM581911

(*)The Company's Board of Directors was renewed in an Extraordinary Shareholders' Meeting held on April 26, 2018. The appointed directors are the individuals shown in the chart above.

3.2 Managers

The team of managers' mission is to analyze, coordinate and make decisions with respect to the operation of the Company, and review on a periodic basis the compliance with the corporate purposes.

Enrique Méndez Velasco Chief Executive Officer RUN N° / ID No. 6.996.659-4 Business Administrator P. Universidad Católica de Chile	
Felipe Mena Muñoz Chief Financial Officer ID No. 15.636.090-2 Business Administrator Universidad Finis Terrae	Álvaro Hinojosa Castillo Chief Operations Officer ID No. 12.627.744-K Civil Industrial Engineer Universidad de Chile
Gonzalo Novoa Valenzuela Legal Counsel ID No. 12.025.285-2 Lawyer P. Universidad Católica de Chile.	

3.3. Personnel

As of December 31, 2018, the Company had a total of 137 employees.

Managers	4
Professionals	40
Administrative	59
Operations	34

4. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

4.1 Diversity in the Board of Directors

i) Number of Individuals by Gender.

As of December 31, 2018, the Company has 10 male directors (five regular directors and five alternate directors).

ii) Number of Individuals by Nationality.

As of December 31, 2018, the Company has 8 foreign directors (four regular directors and four alternate directors) and two Chilean directors (one regular and other alternate).

iii) Number of Individuals by Age Group.

As of December 31, 2018, the number of Board members whose age is between 21 and 30 is 1; between 31 and 40: 3, and between 41 and 50: 6.

iv) Number of Individuals by Seniority.

As of December 31, 2018, the number of members of the Board of Directors who have served as a director in the entity for less than 3 years is 4 and from 3 to 6 years is 6.

4.2 Diversity in the CEO's Department and the Other Executive Office Departments Reporting to the CEO or to the Board.

i) Number of Individuals by Gender.

As of December 31, 2018, all of the managers in the Company are male.

ii) Number of Individuals by Nationality.

As of December 31, 2018, all of the managers in the Company are Chilean.

iii) Number of Individuals by Age Group.

As of December 31, 2018, the number of managers in the Company whose age is between 31 and 40 years of age is 1, between 41 and 50 years of age: 2, and between 61 and 70 years of age: 1.

iv) Number of Individuals by Seniority.

As of December 31, 2018, the number of managers in the Company who have served in the entity between 3 and 6 years is 4.

4.3 Diversity in the Organization

i) Number of Individuals by Gender.

As of December 31, 2018, the total number of male workers is 109 and the total number of female workers is 28.

ii) Number of Individuals by Nationality.

As of December 31, 2018, the total number of Chilean workers is 133 and the total number of foreign workers is 4.

iii) Number of Individuals by Age Group.

As of December 31, 2018, the total number of workers whose age is less than 30 years is 14; between 30 and 40 years: 47; between 41 and 50 years: 49; between 51 and 60 years: 23; and between 61 and 70 years: 4.

iv) Number of Individuals by Seniority.

As of December 31, 2018, the total number of workers who have served in the Company for less than 3 years is 33; between 3 and 6 years: 19; more than 6 but less than 9 years: 12; between 9 and 12 years: 40; and for more than 12 years: 33.

4.4 Wage Gap by Gender

As of December 31, 2018, the proportion represented by the average gross salary in the Company, of female executives and workers to that of male executives and workers is as follows:

i) By type of position, the proportion is 1 : 1.09

ii) By responsibility, the proportion is 1 : 1.08, and

iii) By function performed, the proportion is 1 : 1.09.

COMPANY'S ACTIVITIES AND BUSINESS

5.1 Description of the Activities and Business in which the Company Participates

Since 1993 the Concessions System promoted by the Chilean Government through the Ministry of Public Works has made it possible to renew a large part of the country's infrastructure through more than 90 projects on an open tender basis so far with a total actual investment as of the first half of 2018 in the amount of US\$ 17.03 billion.

The system is regulated by Executive Decree No. 900 of the Ministry of Public Works, which set the updated text of Law Force Decree No. 164 of 1991 on the Law of Public Works Concessions ("Concessions Law") and by Executive Decree No. 956, Regulations of the Law of Public Works Concessions (the "Concessions Regulations").

In this context, the concession called "Sistema Américo Vespucio Nor – Poniente, Av. El Salto – Ruta 78" was part of the First Program of Urban Concessions created in 1995, the main purpose of which was to improve the capital city's structuring roadway network by means of four highway projects using electronic toll collection technology which is currently operating.

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The Company's activity and business is the operation of the Concession through the collection of toll corresponding to the transactions carried out by means of the electronic toll collection device or Tag.

The area of influence of the Concession directly involves eight municipal districts in the north-west area of Santiago: Huechuraba, Recoleta, Conchalí, Quilicura, Renca, Cerro Navia, Pudahuel and Maipú, which are highly populated and in which there is a substantial industrial, commercial and residential development.

The concession also provides connectivity with several important points such as Santiago's International Airport and large business centers, as well as connections with the main highways to the north and south of the country, to the coast, and to the international route to Mendoza, Argentina.

The urban highways built in Santiago have different areas of influence. For this reason, competition per se occurs in only a few areas where users have the possibility to access one same destination using different highways.

5.2 Suppliers

During 2018, AVN's main suppliers and service providers were the following:

Supplier	Amount paid in CLP
MBIA Insurance Corporation	3,253,522,532
Bitumix S.A.	1,911,386,236
Constructora Cogutsa Ltda.	1,166,440,817
Taurus Holdings Chile S.A.	1,050,205,482
RSA Seguros Chile S.A.	1,004,309,813
Sap Chile Limitada	738,388,718
Sociedad Recaudación y Pago de Servicios Ltda.	730,902,981
Q-Free Chile Ltda.	663,845,792
Kapsch TrafficCom Chile S.A.	609,942,755
Técnicas y Proyectos S. A.	577,535,462
Constructora Be & Asociados Ltda.	463,255,573
Chilectra S.A.	334,834,976
S&A Consultores Asoc. Chile Ltda.	332,323,452
Servicios Integrales de Cobranzas y Correspondencia Ltda.	298,046,225
Servicios Profesionales y Gestión Integral SpA	266,893,491
Indra Sistemas Chile S.A.	229,216,883
Marketing Relacional UpCom Ltda.	205,510,853
Transbank S.A.	187,954,404
Servicio de Control de Crédito	184,548,872
WSP Servicios Postales S.A.	173,708,061

5.3 Users

Users are individuals who drive a motor vehicle with an enabled TAG along the road under concession called Américo Vespucio Nor-Poniente in the Av. El Salto – Ruta 78 segment, also known as Autopista Vespucio Norte.

During year 2018 no single user accounted for more than 10% of the Company's revenue.

5.4 Trademarks and Patents

The Company owns the following trademarks registered with the Department of Industrial Property of the Ministry of Economy.

Mark	
Autopista Vespucio Norte	Mixed. Classes 9, 16, 35 & 36.
Autopista Vespucio Norte	Designation. Classes 37, 38, 39 & 42
Autopista Vespucio Norte	Advertising. Class 39.
Vespucio Norte	Designation. Classes 9, 16, 35, 36 & 39.
Vespucio Norte Express.	Mixed. Classes 9, 36, 37 & 39.
Vespucio Norte Express.	Designation. Classes 9, 36, 37 & 39.
Autopista Vespucio Norte nos movemos por ti	Advertising Slogan. Classes 9, 16, 35, 36, 37, 38, 39 & 42.

The Concession Company also owns the following webpage domain names:

Web domains	
autopistasconcesionadas.cl	tagfacil.cl
autopistavespucioexpress.cl	tag-facil.cl
autopistavespucionorte.com	tagregiones.cl
autopistavespucionorte.cl	tagvespucionorte.cl
avn.cl	tagvespucio.cl
avne.cl	vespucioexpress.com
pasediario.cl	vespucioexpress.cl
taf7region.cl	vespucionorte.com
tadadomicilio.cl	vespucionorte.cl
tagregion.cl	vespucionortexpress.cl
tagdomicilio.cl	vespucionortexpress.com
tagenturegion.cl	vespucionortexpress.cl
tagexpres.cl	vne.cl
tagexpress.cl	vespucionorteteconviene.cl

6. OPERATION OF THE CONCESSION

6.1 Background of the Project

Autopista Vespucio Norte, also called *Concesión "Sistema Américo Vespucio Nor-Poniente Av. El Salto – Ruta 78"* is located in the city of Santiago, Chile. With a length of 29 km, the road connects 8 of the city's municipal

districts, between Av. El Salto on the city's North-Eastern part and the intersection with Ruta 78 on the South-Western end of greater Santiago.

For the purpose of its construction, the work was divided into 6 sections that were fully received and certified by the Ministry of Public Works on January 4, 2006.

Additionally, the Company has premises in an area of 5000 square meters, which holds two buildings that total 2,935 square meters of built space, located on Av. Américo Vespucio Oriente 1305, Enea Parque de Negocios, borough of Pudahuel.

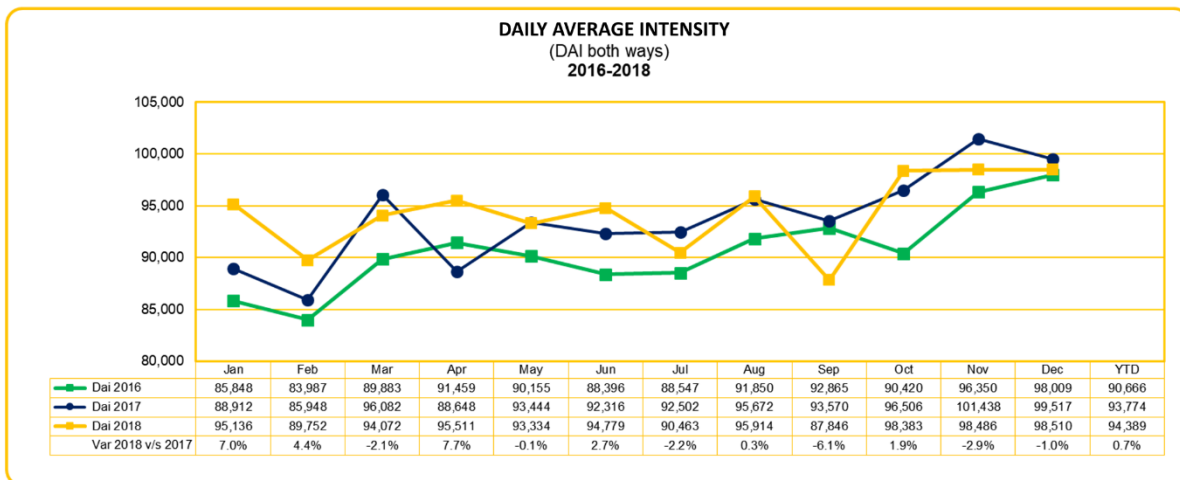
As this is a concession granted by State of Chile upon expiration of the concession, all the facilities must be conveyed to the State.

6.2 Tag Devices Distributed by Autopista Vespucio Norte

At the closing of year 2018, AVN had 23.17% of the active transponders in the Urban Highway System of Santiago. The total number of transponder devices enabled during 2018 was 221,345 units, which is equivalent to a 16% increase from year 2017. Thus, the total number of transponders in the market, owned by AVN is 744,346 units, considering the 4 vehicle categories.

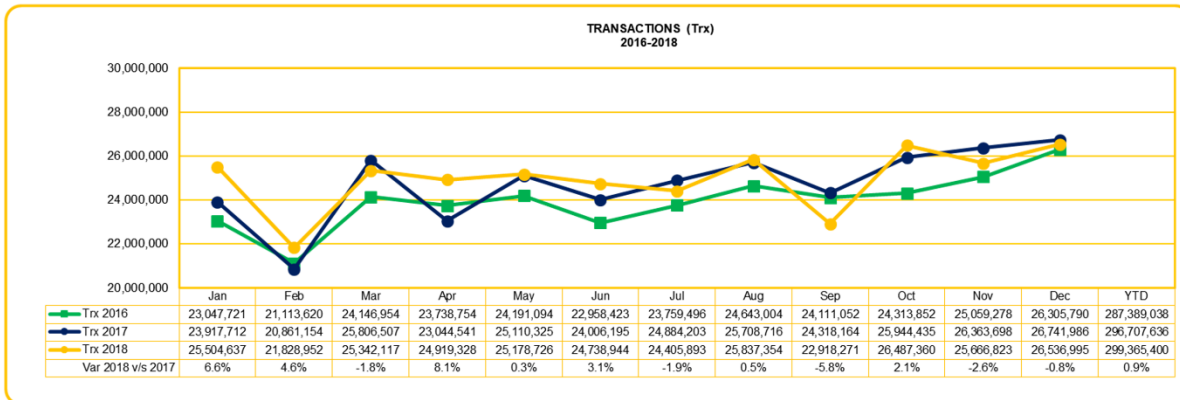
6.3 Traffic

In 2018 traffic measured as Daily Average Intensity (DAI) grew at a rate of 0.7% on a year-to-date basis.



In 2018 there was a total of 299.4 million transactions, 88.09% of which corresponds to motorcycles and automobiles, 7.88% to simple trucks and buses, and 4.03% to trailer trucks.

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6.4 Revenue from Operation

In 2018 revenue from operation amounted to CLP 97,759,951.043. In comparison to the revenue for the previous year, the increase was 8.9%.

AVN Revenue from Operation (CLP thousands)	2018	2017	Var %
Tolls	87,572,630	80,428,677	8.9%
Tag lease	3,955,554	3,082,968	28.3%
Offenders	1,700,812	1,632,370	4.2%
Daily passes	1,631,726	1,587,600	2.8%
Other ordinary revenue	2,899,229	3,005,494	-3.5%
Totals	97,759,951	89,737,109	8.9%

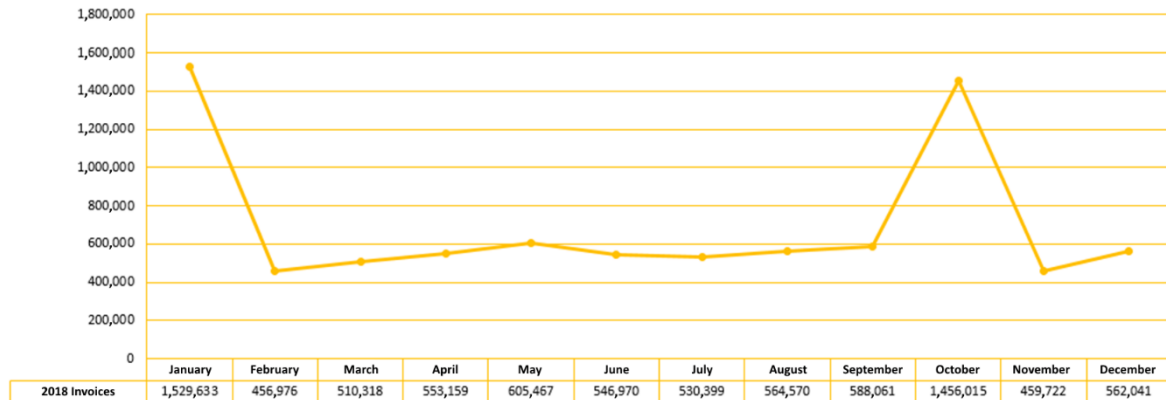
6.5 Invoicing

6.5 Invoicing

During 2018, Autopista Vespucio Norte processed 8,363,331 collection instruments, including Bills and Invoices corresponding to clients with a contract for the TAG device. This meant a 40.32% rise in the generated documents as compared to year 2017.

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2018 Bills and Invoices (Clients with an Enabled Tag)



6.6 Collection

During year 2018, AVN maintained its collection network, enhancing its website in order to mainly strengthen the web-based payment channel.

In this period we focused on incrementing the preference for web-based payments, achieving a 40.32.2% increase in the amounts collected through this channel, as compared to 2017.

In the year 2018, the payment channels available were the following:

Payment via external cashiers:

- Servipag (Normal and Express).
- Sencillito.
- Banco Estado (Caja Vecina and ServiEstado).
- Supermercados Líder.
- Supermercados Unimarc, Mayorista 10 and Ok Market by means of the UNIRED service.

Web-based payment:

- Zumpago.cl
- Unired.cl
- Servipag.com
- Santander.cl
- BancoEstado.cl
- Transbank's WebPay option at AVN's website.
- Servipag's payment button at AVN's website.

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Automatic payment:

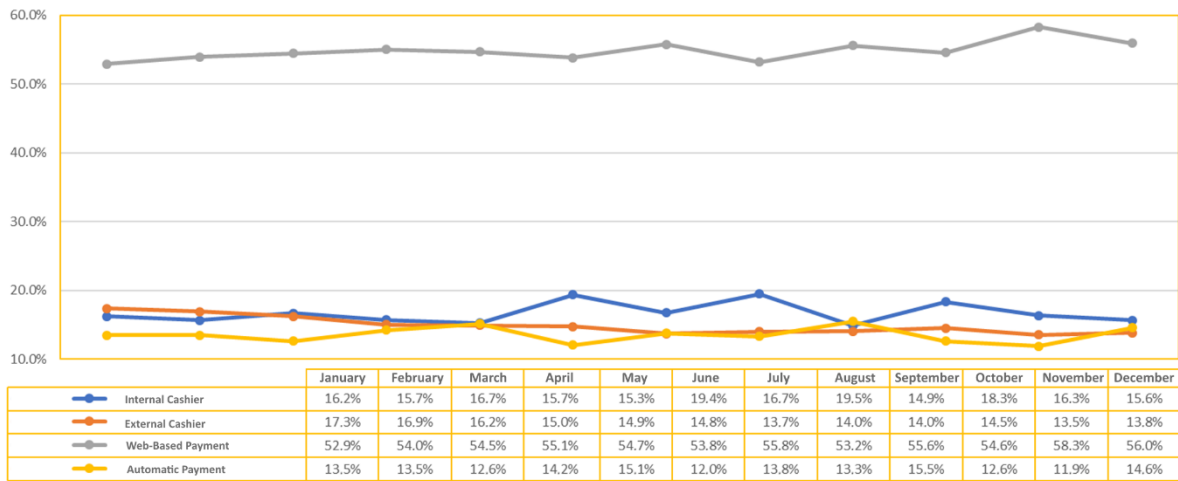
- PAC (Automatic payment via bank checking account).
- PAT (Automatic payment via bank credit card).
- PAM (Automatic payment via Falabella department store credit card).

Payments via internal cashiers:

- AVN's commercial office.

The following chart shows the distribution of collection by payment channel during year 2018:

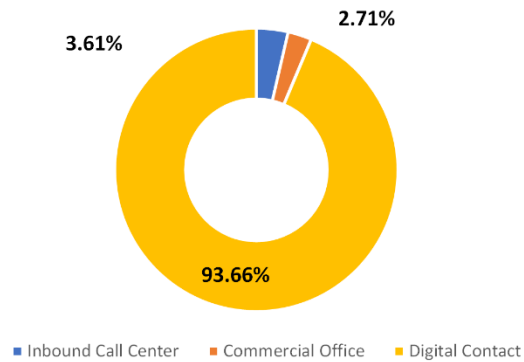
Means of Payment (Rolling Year)



6.7 User Services

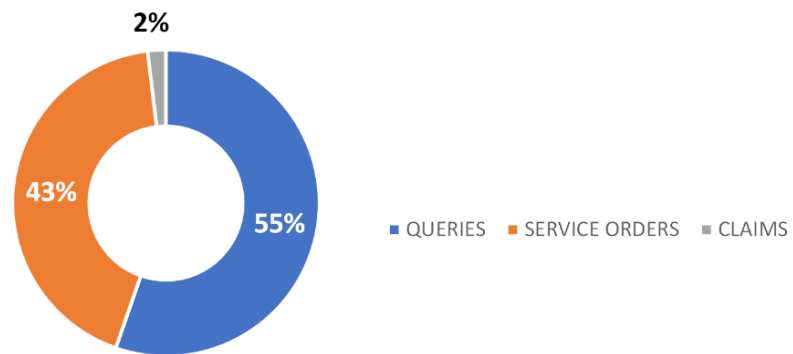
During year 2018, Autopista Vespucio Norte Autopista Vespucio Norte attended to a total of 6,044,763 user interactions, which represents a 17% increase from year 2017. The distribution of contacts by type of service provided is the following:

Contacts per Service Channel



Users make several types of requests, which are classified as Claims, Queries and Service Orders (OSS). The type of assistance received by users is distributed as follows:

CONTACTS PER TYPE OF CARE



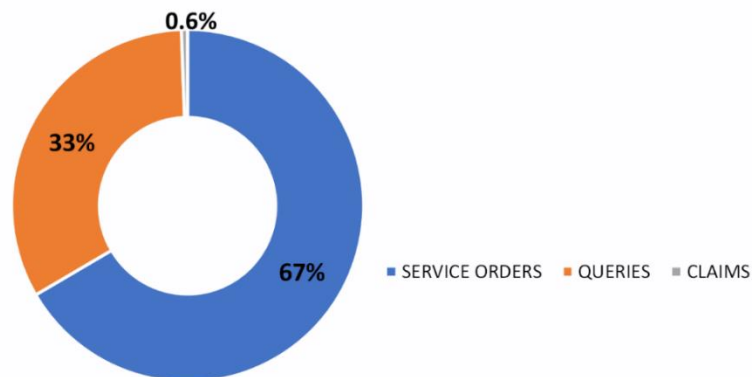
Customer Service Channels

Commercial Office

During year 2018, there were 164,001 assistances at the Commercial Office located at Mall Plaza Norte, which represents a 14% increase from the previous year. Notwithstanding this increase, the company featured better service indicators than in the previous year. For instance, the average percentage of assistance to customers was 99%. This means that the number of users who abandoned or desisted from the assistance dropped importantly from 2% to 0.93% and users assisted in less than 20 minutes grew from 92% to 96%.

Additionally, during the year, 99.7% of the requests were solved on the spot and only 0.3% was derived to Commercial Support. This indicator remained low as it did in the previous year, mainly due to the knowledge shown by the staff, which renders them problem-solvers.

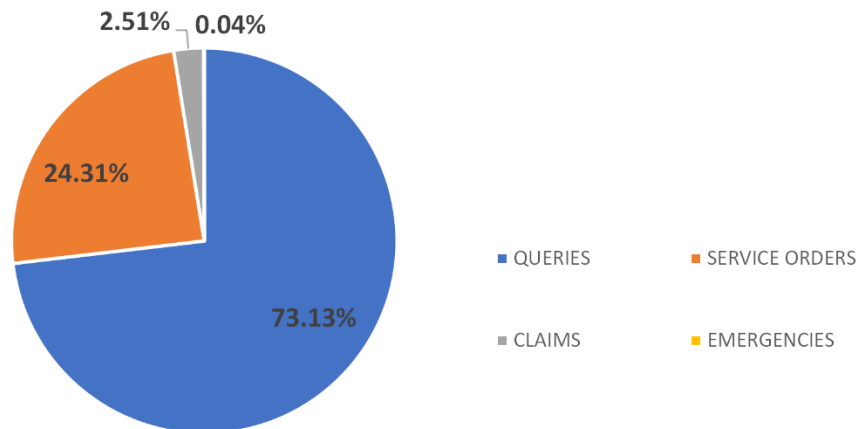
Depending on the type of request, customer assistance provided at the Commercial Office may be broken down as follows:



Call Center

At the closing of year 2018, the Call Center had answered a total of 218,450 calls, which represents a 4% year-to-date increase.

Customer service provided through telephone contacts is broken down as follows:



Web Site

During 2018, there was a total of 5,648,053 visits to the concession company's website www.vespucionorte.cl, representing a 17% increase from year 2017. Additionally, there was a total of 22 million accesses to the different sections of the webpage, that is an additional 4 million accesses as compared to 2017.

Of the total visits to the website during 2018, 24% corresponds to users who accessed the Virtual Office section, using their password. This percentage is slightly higher than in year 2017 (21%). This represents a rise in self-service on the part of the users as compared to the previous year.

Social Media

At the closing of year 2018 AVN had 23,526 Facebook fans, representing a slight year-to-date increase of 1.7%, resulting from the strict commercial policies implemented by this platform worldwide, as it makes invisible unpaid postings from company profile accounts. Additionally, followers on Twitter totaled nearly 80 thousand, representing a 9.3% increase from the previous year.

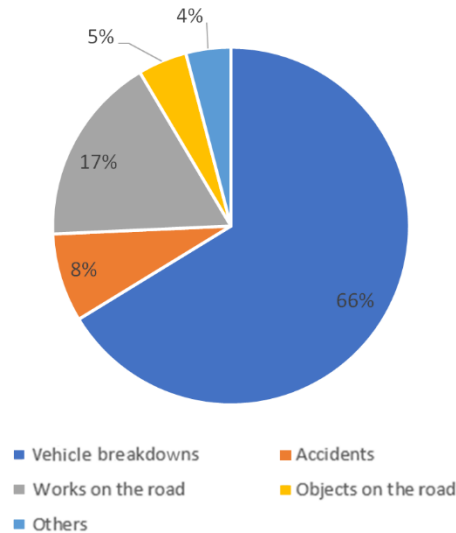
5.8 Road Safety and Traffic Management

In order to provide maximum safety to its users, AVN has road service equipment and a Traffic Control Center (TCC) that concentrates all of the highway's operating activities and traffic management on the highway. The Traffic Management System has 33 mobile and 17 fixed surveillance cameras, 42 S.O.S. poles and 22 variable messaging panels. The facilities are managed by a team of professionals who work in shifts on a 24x7x365-day basis.

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During year 2018, the Area of Roadside Operations responded to 7.086 incidents, that is a 0.7% drop in comparison to the previous year.

The breakdown of roadside assistance is the following:



5.9 Infrastructure Management and Maintenance

A- Road Infrastructure

This service essentially focuses on ensuring that the road infrastructure mostly used by the highway's users, namely pavements, footbridges, horizontal and vertical signaling, pedestrian protection fences, roadside defenses, landscaping, etc., remain within the service thresholds stipulated in the Concession Contract. Only the Mercurio pedestrian footbridge was not available during year 2018 due to the demolition of its northern ramp as per instructions given by the MOP.

During year 2018 both the preventive maintenance tasks stipulated in the Annual Maintenance Plan and the corrective maintenance tasks, mainly required due to damages caused by accidents, use, weather and the passage of time that affected different elements that comprise the highway's infrastructure (road defenses, dividers, signals, etc.), were performed. Such intervention for maintenance was necessary, and those works were carried out by different companies with a vast experience in the respective lines of business, which are in charge of keeping on an ongoing basis the standards that were undertaken in the Contract's terms.

In the field of Landscaping works, during 2018 the maintenance tasks described in the Annual Work Plan were performed, namely application of fertilizer, efficient drip irrigation, ornamental and safety pruning, as well as the replanting and densification of vegetation cover.

B- Electric and Electronic Maintenance

Its purpose is to maintain the adequate operation of the various electric and electronic systems required for the operation of the highway, such as the messaging systems, substations, water pumping plants and lighting of the road, etc.

During 2018, the renewal of the HVAC equipment of all of AVN's shelters was performed. Such new equipment is from German firm STULZ, and ensures continuity of operation and thus allows maintaining continuity of the business.

In year 2018, a call for tenders was made for the renewal of the UPS equipment for the Server Room and Traffic Control Center (CCT), which will be replaced in February 2019.

In January, one of the high voltage line towers of company ENEL fell in El Cortijo area of our highway, and another incident occurred in the month of May, at the Enea Substation (PK 16.860) where the medium voltage cell caught fire resulting in the total loss of that cell, of the hourly tariff meter and of the drop cable. As of this date, the Legal Counsel area is filing a claim with the SEC and ENEL for the damages caused by these incidents.

6.10 Technology Management and Maintenance

The Concession Company's operation is conducted by operating three major technological platforms: the Electronic Toll System, the Central Toll Operating System and the Client Attention System, that operate in an integrated way all the core processes of the business, such as capturing the passage of a vehicle under the toll gantries, the generation and pricing of the transactions, as well as invoicing, revenues, collection and customer service, among others.

During 2018, the Tolling, Operating and Commercial Systems operated as per the service levels required by the Concession Contract, with more than 299 million processed transactions. Likewise, the systems have supported the invoicing of over 8.3 million collection documents.

6.11 Projects and Civil Works

6.11.1 Projects

- **Expansion to Fourth Lanes – Section 6 (Ruta 78 – Ruta 68)**

Within the framework of the conduct of the studies and activities instructed in Executive Decree No. 270 for the Project called **"PID Obras Tramo 6"**, Phase 2 – Preliminary project of the same was conducted and approved during the year. In this stage the Ministry of Public Works selected the options that will be ultimately studied for each one of the following acts:

- Expansion to four lanes between Ruta 78 – Ruta 68.
- Improvement of the connection at Santa Elena /El Rosal - Américo Vespucio.
- Improvement of the connections at Américo Vespucio and San Pablo and Ruta 68.
- Improvement of the connection at Américo Vespucio and Ruta 78.
- Supplement of the connections at Avda. El Rosal in Ruta 78.

Likewise, Phase 3 of Final Engineering started. Its main purpose was to project the works that were selected in the preceding acts so that they can be fully constructible. Regarding this Phase 3, during year 2018 progress made included the presentation of replies to the observations made. At this point we are awaiting the appropriate approval as per the project schedule for the following period.

- **Construction of the Concession called “Concesión Américo Vespucio Oriente. Tramo Avenida El Salto – Príncipe de Gales”**

This project, executed by Concesionaria Vespucio Oriente S.A., contemplates the connection of the Avenida El Salto area, situated in the boroughs of Huechuraba and Recoleta, up to the Príncipe de Gales area in the borough of La Reina. The main purpose of this project is to complete the Américo Vespucio loop improving the urban road infrastructure in the Metropolitan Region. During 2018, the Vespucio Oriente concession started the on-site works, including interventions in the area of Avda. El Salto and segregations for various preparation tasks required in the work area.

- **Construction of the Quilicura Interchange in the Concesión Sistema Norte - Sur (Autopista Central)**

The Quilicura Interchange is situated in Km 27.74 of the highway and allows the direct connection between our Concession and Ruta 5; knot that currently gathers local and express flows due to the scarce local connectivity in place. The foregoing results in major congestion problems mainly due to the insufficient current capacity of the roads.

During the entire 2018 period, the Quilicura Interchange Project, executed by Concesionaria Autopista Central S.A. operated in accordance with the works executed within the framework of the “Mitigación vial Provisoria Sector Nudo Quilicura” [Provisional Mitigation of Roadworks in the Quilicura Interchange Area]. On a parallel basis, in July 2018 the project called “Etapa 1 Modificación Nudo Quilicura: Túnel Lo Ruiz” [Stage 1 Modification of the Quilicura Knot] was submitted to the Environmental Assessment System (SEA) which considers the construction of a new connection between General Velásquez and Américo Vespucio Norte by means of a twin-tube excavated tunnel across Lo Ruiz hill. This act will reduce the traffic density in the Quilicura Knot, as one of the traffic flows that considerably contributes to the current congestion in the Quilicura Knot is actually the traffic from General Velásquez.

6.11.2 Civil Works


There are no civil works to report in this period.

7 COMMERCIAL PERFORMANCE

7.1 Autopista Vespucio Norte's Tariffs for 2018

In accordance with what is provided in the Concession Contract, the price of Autopista Vespucio Norte's Off-Peak Base Tariff in 2018 was **65.479 \$/Km**, as per the following tariff structure:


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2018 TARIFFS

SISTEMA AMÉRICO VESPUCCIO NOR-PONIENTE, AV. EL SALTO – RUTA 78

In accordance with the Concession Contract published "Sistema Américo Vespucio Nor-Poniente, Av. El Salto-Ruta 78", awarded as per MOP S.D. No. 493 dated March 5, 2002 and published in the Official Gazette on May 23, 2002, Sociedad Concesionaria Vespucio Norte Express S.A. informs the tariffs to be in effect as from January 1, 2018.



SECTION	REFERENCE STREETS	GANTRY	TOLL FOR CATEGORIES 1 & 2			TOLL FOR CATEGORY 2			TOLL FOR CATEGORY 2			HOURS FOR PEAK HOUR BASE TARIFF (TBPF)				HOURS FOR SATURATION TARIFF (TS)
			ASSOCIATED LENGTH KM	TBPF	TBP	TS	TBPF	TBP	TS	TBPF	TBP	TS	MONDAYS THROUGH FRIDAYS**	SATURDAYS & HOLIDAYS**	SUNDAYS	MONDAYS THROUGH FRIDAYS**
WESTBOUND																
1	El Salto - Recoleta	P13	4.08	91.87	163.34	163.34	366.68	275.91	588.81							
1	Recoleta - Pedro Fontana	P13	4.18	288.48	538.93	538.93	1073.86	885.39	1859.78							
2	Pedro Fontana - Ruta 5 Norte	P11	3.00	196.44	362.87	362.87	789.75	589.31	1178.62							
3	Ruta 5 Norte - Conchalí	P6	6.58	435.81	811.23	811.23	1762.45	1278.84	2653.68	07:30 - 09:30						
4	Conchalí - Costanera Norte	P4	4.58	284.66	539.31	539.31	1119.62	883.97	1767.93	07:30 - 09:30						
5	Costanera Norte - Ruta 68	P4	3.58	228.18	438.35	438.35	916.71	687.53	1375.06	08:50 - 10:50	17:30 - 17:30					17:30 - 19:30
6	Ruta 68 - Las Mañenas	P2	2.58	137.51	275.01	275.01	588.82	425.84	851.67							
6	Las Mañenas - Ruta 78	P17	3.00	219.37	418.74	418.74	887.67	652.31	1304.61							
EASTBOUND																
4	Ruta 78 - Santa Elena	P1	1.28	78.57	157.15	157.15	334.30	250.72	501.44	06:30 - 07:00	09:00 - 09:30	19:00 - 19:30				07:00 - 09:00
6	Santa Elena - Ruta 68	P96	4.88	314.38	628.76	628.76	1357.28	1005.38	2010.76	06:30 - 07:00	09:00 - 09:30	19:00 - 19:30				07:00 - 09:00
5	Ruta 68 - Costanera Norte	P3	3.58	229.18	438.35	438.35	916.71	687.53	1375.06							
4	Costanera Norte - Conchalí	P5	4.58	284.66	539.31	539.31	1119.62	883.97	1767.93	07:30 - 09:30						
3	Conchalí - La Eschereira	P7	1.84	88.19	176.38	176.38	372.29	284.29	568.58							
3	La Eschereira - Ruta 5 Norte	P9	5.48	357.57	715.13	715.13	1502.86	1077.15	2154.30							
2	Ruta 5 Norte - Pedro Fontana	P18	3.88	198.44	396.87	396.87	833.75	589.31	1178.62	07:00 - 09:30						
1	Pedro Fontana - Guacama	P12	8.88	45.18	90.36	90.36	180.72	135.54	271.08	08:52	07:00 - 07:30	09:00 - 09:30	19:00 - 19:30			07:30 - 09:00
1	Guacama - El Salto	P14	4.88	314.38	628.76	628.76	1357.28	1005.38	2010.76	20:58	07:00 - 07:30	09:00 - 09:30	19:00 - 19:30			07:30 - 09:00

***TBPF IS APPLICABLE TO ALL OTHER HOURS**

PESOS PER KILOMETER	VEHICLE CATEGORY		
	1 & 2	2	3
Off-Peak Base Tariff (TBPF)	\$65.479	\$130.958	\$196.437
Peak-Hour Base Tariff (TBP)	\$130.958	\$261.916	\$392.874
Saturation Tariff (TS)	\$196.437	\$392.874	\$589.311

Depending on the Section, Direction, Type of Day, and Hourly Period, Tariff is applicable to vehicles with an enabled TELEVA (Tag device).

****APPLICABLE TO HOLIDAYS OTHER THAN SATURDAYS AND SUNDAYS**

DAILY PASS TARIFFS	PDU	PDUT
CARS, PICKUP TRUCKS, MOTORCYCLES, SCOOTERS	\$6,800	\$10,750
BUSES, SIMPLE TRUCKS, TRAILER TRUCKS	\$14,500	\$20,600

Daily Pass (PDU): Prior to circulating until 2 days after circulating without an enabled Tag.
Postpaid Daily Pass (PDUT): From the third day or up to 20 days after circulating without an enabled Tag. PDUs and PDUTs allow users without an enabled Tag to circulate for an entire calendar day along the 4 urban highways of Santiago under concession, the San Cristóbal Tunnel and the access to AMB Airport. Sold at WWW.PASEADONORTE.CL, SERENIPAGO and PUNTO COPEC.
 A user may purchase a maximum of 15 Daily Passes in a year per national license plate number. The effective date for PDU tariffs is January 1, 2018 or as from the completion of the MOP's administrative act whereby the same are approved, whichever occurs last. Prior to that, the reported PDU tariffs in force for 2017 will remain in force.

*****EXCEPT HOLIDAYS**

VIOLATOR TARIFFS	
CATEGORY 1 & 2 MOTORCYCLES, CARS AND SINGLE TRUCKS	\$3,601
CATEGORY 2 BUSES AND TRUCKS	\$7,202
CATEGORY 3 TRAILER TRUCKS	\$10,803

The concession company is empowered by the standing laws and the concession's terms and conditions to apply the following tariffs per date of the use of violators who use the highway without an enabled Tag device or without an alternative interposable means of collection (Daily Pass) and also to users with a contract in force who do not carry their Tag or, if the unit is defective, fail to request the replacement of the device. Paying the violator tariff referred to above does not exempt the violator from paying a fine in favor of the State for a violation of article 14 of the Traffic Law, in the amount of 1 UTM (Unit of Account for Fines). Failure to pay the violator tariff shall empower the Concession Company to start legal action pursuant to article 42 of the Law on Public Works Concessions.

TAG LEASE VALUE (VAT INCLUDED)	
WITH ELECTRONIC BILL The invoice is sent by email	\$ 499 per month
WITHOUT ELECTRONIC BILL The invoice is sent by postal mail	\$ 578 per month

WWW.VESPUCCIONORTE.CL

Facebook.com/AutopistaVespucioNorte

@Vespucio_Norte

7.2 Unified Daily Pass (PDU) and Postpaid Daily Pass (PDUT)

The Unified Daily Pass (PDU) or Postpaid Unified Daily Pass (PDUT) are alternative means to the Tag for collection and allows infrequent users who do not have an enabled TAG, to circulate for an entire calendar day along the four Urban Highways in Santiago under concession, the San Cristóbal Tunnel and the access to the AMB Airport.

Unified Daily Pass (PDU): It may be purchased ahead of the day of intended circulation until two days after circulating without an enabled TAG.

A Postpaid Unified Daily Pass (PDUT): It may be purchased from the third day after circulation up to twenty days after circulating without an enabled TAG.

A user may purchase a maximum of 15 Daily Passes each year per national license plate number.

During year 2018, a total of **954,287** transactions with the use of PDU were recorded in the Concession.

The prices in force for year 2018, were the following:

UNIFIED DAILY PASS TARIFFS	PDU	PDUT
CARS, PICKUP TRUCKS, MOTORCYCLES, SCOOTERS	\$6,800	\$10,750
BUSES, SIMPLE TRUCKS, TRAILER TRUCKS	\$14,500	\$20,600

8. FINANCIAL DATA

8.1 Remuneration of the Board and Executive Officers

During 2018 the Directors have not received any remuneration whatsoever for their functions, and no payment has been generated for the concept of Board meeting expenses.

The remuneration received by the Company's executives during 2018 amounted to CLP 1,004,298,512. No indemnity payments to executives of the organization were made in 2018.

The positions of Chief Executive Officer and Chief Finance and Administration Officer are provided by way of managerial services contracts by company Taurus Holdings Chile S.A.

The company's executives have no stock ownership interest in the company.

8.2 Investment and Financing Policy

During 2018, Autopista Vespucio Norte carried out investments in the amount of CLP 868.7 million, the breakdown of which is as follows:

BREAKDOWN	Thousands of pesos
Use of major maintenance provision (1)	311,336
Other assets	557,371
TOTAL	868,707

(1) The Uses of the major maintenance provision corresponds to maintenance of systems and technology.

These investments were financed with resources from the operation and funds available in the Major Maintenance Reserve Account.

With regard to financial investments, the company invests in the type of instruments and with the maturities permitted by the financing contracts.

8.3 Insurance

In order to comply with the Tender's Terms and Conditions, as well as to protect the Company against possible economic consequences derived from the occurrence of accidents, a wide coverage insurance program has been contracted with national and international companies. This program has been contracted with Campania de Seguros Generales Penta Security S.A. and RSA Seguros Chile S.A.

The civil liability policies were renewed on January 31, 2018, and the all-risk policies covering physical assets were renewed on December 31, 2016. The insurance program contemplates the following coverage:

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- Material damages to the concession's assets valued at UF 9,911,531 and damages for stopped operations in the amount of UF 3,520,123.
- Damages to third parties for up to UF 275,000.

With regard to the Company's fixed assets, the following insurance has been contracted:

- Real estate: Coverage against fire and catastrophic events related to the Concession Holding Company's Corporate Building.
- Vehicles: The Company's vehicles have a full-risk coverage, such as damages, civil liability, larceny and theft.
- Computer equipment: This equipment is covered against possible damages or loss caused by fire, lightning, explosion, sudden voltage changes, theft, effect of water and moisture, among others.

The policies in force (as of December 31, 2018) are the following:

Policy No.	Insurance Company	Subject Matter	Expiration	Currency	Insured Amount or Limit	Premium
05264244	RSA	Catastrophic events	12-31-2018	UF	9,911,531	21,939,530
05264669	RSA	All risk including loss of proceeds	12-31-2018	UF	13,431,654	21,939,980
23016965	LIBERTY	Civil liability	07-31-2019	UF	25,000	2,972.62
13022152	PENTA	Excess civil liability	07-31-2019	UF	250,000	2,438.31
20339895	LIBERTY	Fire	12-23-2019	UF	16,110	34.3
13024114	LIBERTY	Theft	12-23-2019	UF	16,110	43.98
24045596	LIBERTY	Electronic equipment	12-23-2019	UF	50,016	122.53

9 RISK FACTORS

Dependency of the project on the economic performance of the country

Domestic demand in the services industry, in general, and particularly in the urban highway concessions, is materially contingent upon the levels of GDP growth. The fact that AVN maintains its dynamic growth in demand will depend on the GDP growth scenario occurring as from 2019.

Connectivity

San Cristóbal Tunnel –key infrastructure for connectivity between Autopista Vespucio Norte and the Central-Eastern part of Santiago– has been in operation since July 2008 and its operation has been a very important step towards the consolidation of vehicle traffic along Autopista Vespucio Norte. With the opening of the direct connection towards Kennedy Avenue in 2017 and the expansion of the exit to Av. Los Conquistadores in 2018,

traffic in Vespucio Norte became more expedite, minimizing the congestion in the sections that feed the San Cristóbal Tunnel.

La Pirámide

The current operating condition of La Pirámide has the restrictions posed by slopes and curves that affect safety and the smooth flow of traffic. The construction stage of the project called “Américo Vespucio Oriente I” started in late 2018. Its expected outcome will be more expedite circulation and safety when traveling to and from the East along our highway.

Catastrophes, Force Majeure and Civil Liability.

The company keeps insurance policies that provide the Company and the MOP with the proper coverage upon the occurrence of eventual disasters, such as earthquakes, floods, terrorist acts, strikes, accidents and other occurrences.

New Road Projects

The Ministry of Public Works is still assessing a series of road projects that could affect the operation of our Concession. Those works were not contemplated at the time of the tender.

Taking into consideration the possible risks arising from those projects that could affect the Concession, the Management is following up on all of them in order for the MOP to take into consideration the potential impact of those works on the traffic along AVN and the eventual compensations as may be sought.

Tariff Adjustment

The Tender’s Terms and Conditions contemplate an annual mechanism to adjust the tariffs for the different hours, vehicle categories and sections of the highway. As of the date hereof, the annual adjustment has been applied normally, including those relating to periods in which the increase in demand affects the speed of operation.

Payment Behavior

The free-flow tolling system in Chile was conceived as a postpaid modality. This has caused the Concession Company to implement several commercial strategies to contribute to collection management.

So far, management indicators show that the payment behavior of users has not undergone any impairments that could cause the company to foresee any emerging risks on this matter.

Circulation of vehicles without an enabled means of payment:

By the end of 2017, Autopista Vespucio Norte, jointly with the rest of the highways that operate with the Daily Pass, implemented the www.pasediario.cl portal, in order to make it easier for infrequent users without a Televía contract to purchase the Daily Pass. The fast enrollment of users in the portal in order to receive alerts for the timely purchase of the Daily Pass, confirms that the portal was well received by users were concerned about not infringing the Traffic Law

10 RELEVANT FACTS FOR THE PERIOD

- On April 26, 2018, a General Ordinary Shareholders' Meeting was held in which the following main agreements were adopted: i) the Annual Report, Balance Sheet and other audited Financial Statements for the year ended on December 31, 2017 were approved, and the Company's external auditors' report was informed; ii) the Company's Board of Directors was renewed in its entirety, with the new regular and alternate directors for the period of time contemplated in the bylaws being:

Regular Directors	Alternate Directors
Ronald Paz Vargas	Marcos Pinto Almeida
Mark Murski	Carlos David Castro Ibáñez
Tomás Escrich Halabi	Salvador Valdés Correa
Rodrigo Franco Martínez del Solar	Benjamín Vaughan
Matthew Unruh	Fernando Ziziotti

iii) the firm of Deloitte Auditores y Consultores Limitada was appointed as the Company's external auditors for year 2018; iv) it was left on record that no dividends were to be distributed taking into consideration the Company's accumulated losses; and v) other business pertaining to this Ordinary Shareholders' Meeting were addressed.

- On June 11, 2018, an Extraordinary Shareholders' Meeting was held, in which it was agreed to approve a loan contract to be granted by the Company to its shareholder Taurus Holdings Chile S.A., in an amount equivalent in pesos to UF 88,160.6, under market conditions.
- On December 06, 2018, an Extraordinary Shareholders' Meeting was held, in which it was agreed to approve a loan contract to be granted by the Company to its shareholder Taurus Holdings Chile S.A., in an amount denominated to UF and equivalent in pesos to \$17,730,000,000, under market conditions.

Other Subsequent Relevant Facts

- On January 11, 2019, an Essential Fact was reported to the CMF, namely the fact that on that same date an agreement had been entered into between Frontal Trust Administradora General de Fondos S.A., acting on behalf of Frontal Trust Infraestructura Alpha Fondo de Inversión (the "Fund") and Brookfield Americas Infraestructura Holdings I S.L., by virtue of which the Fund undertakes to acquire between 20% and 33% of the shares in Brookfield Americas Infraestructura Holdings Chile I S.A., which indirectly owns 100% of the shares in Sociedad Concesionaria Vespucio Norte Express S.A. and in Sociedad Concesionaria Túnel San Cristóbal S.A. The closing of the sale is subject to the discharge of certain conditions that are common for this type of contracts.
- On February 07, 2019, a General Extraordinary Shareholders' meeting was held, in which the Company's Board of Directors was renewed in its entirety, with the new regular and alternate directors for the period of time contemplated in the bylaws being:

Regular Directors	Alternate Directors
Ronald Paz Vargas	Marcos Pinto Almeida
Carlos David Castro Ibáñez	Mark Murski
Rodrigo Franco Martínez del Solar	Salvador Valdés Correa
Tomás Escrich Halabi	Fernando Ziziotti
Sergio Merino Gómez	Eduardo Andrés Beffermann Córdova

The top of the page features a decorative header with a textured, light-colored background. On the right side, the year "2018" is written in a large, dark blue, sans-serif font. Below it, the words "ANNUAL REPORT" are written in a smaller, blue, sans-serif font. The background of the header is a landscape photograph showing a wide, flat area, possibly an airport tarmac or a large industrial site, with some buildings and a road in the distance. The sky is a pale, hazy blue. The header is framed by blue and orange diagonal shapes on the left and right sides.

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11. OTHER INFORMATION

11.1 Information on Subsidiaries and Associate Entities

As of December 31, 2018 the Company has no subsidiaries, associate companies or investments in other companies.

11.2 Dividend Policy

As of December 31, 2018, the Company has agreed not to distribute any dividends. Taking into consideration the restrictions set forth in the Company's financing contracts, accepted by all of the shareholders and in accordance with the Policy on Dividends approved in the latest Ordinary Stockholders Meeting, no dividends were to be distributed to the stockholders during year 2018.

12. FINANCIAL STATEMENTS

13. FINANCIAL ANALYSIS

14. SUBSCRIPTION OF THE ANNUAL REPORT AND STATEMENT OF LIABILITY

2018 ANNUAL REPORT

AFFIDAVIT

In accordance with General Character Norm No. 30 from the Superintendency of Securities and Insurance, this Annual Report for year 2018, is signed by the majority of the members of the Board of Directors and the Chief Executive Officer of Sociedad Concesionaria Vespucio Norte Express S.A., undersigned, who declare to be responsible for the truthfulness of the information provided in the same.

NAME AND ID NUMBER

SIGNATURE

DIRECTORS:

Ronald Paz Vargas
Identification Card for Aliens
No. 23.697.864-8



Carlos David Castro Ibáñez
Colombian Passport CC72167679



Tomás Escrich Halabi
National Identification Card No. 18.019.313-8



CHIEF EXECUTIVE OFFICER:

Enrique Méndez Velasco
National Identification Card No. 6.996.659-4



Santiago, Chile, March 19, 2019

An aerial photograph of a multi-lane highway curving through a landscape, with an airport terminal and runways visible in the background under a sunset sky. The image is framed by large, overlapping geometric shapes in shades of blue, orange, and green.

autopista
vespucio
norte

FINANCIAL STATEMENTS

ANNUAL REPORT 2018

FINANCIAL STATEMENTS

As of December 31, 2018 and 2017

SOCIEDAD CONCESIONARIA VESPUCIO NORTE EXPRESS S.A.

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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, 2018 and 2017 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

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

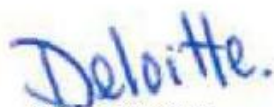
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements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

Audit Opinion

In our opinion, based on our audits, the aforementioned financial statements fairly present, in all material respects, the financial position of Sociedad Concesionaria Vespucio Norte Express S.A. at December 31, 2018 and 2017, 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").



Marzo 18, 2019
Santiago, Chile



Milton Catacoli
Rut: 25.070.919-6

SOCIEDAD CONCESIONARIA VESPUCIO NORTE EXPRESS S.A.

CLASSIFIED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2018 AND 2017

(Figures in thousands of Chilean pesos - ThCL\$)

	Notes	12.31.2018	12.31.2017
ASSETS	No.	ThCL\$	ThCL\$
Current assets			
Cash and cash equivalent	4	10,271,184	11,876,401
Other non-financial assets	5 - a	554,153	517,639
Trade debtors and other accounts receivable	6	39,947,384	30,339,877
Accounts receivable from related parties	7 - a	267,145	89,341
Tax assets	8	-	2,622,779
TOTAL CURRENT ASSETS		<u>51,039,866</u>	<u>45,446,037</u>
Noncurrent assets			
Other nonfinancial assets		63,241	452,874
Accounts receivable from related parties	7 - a	20,225,143	-
Intangible assets other than goodwill	9	211,587,707	222,461,159
Property, plant and equipment	10	2,087,670	2,435,607
Deferred tax assets	23	45,175,489	52,099,470
TOTAL NONCURRENT ASSETS		<u>279,139,250</u>	<u>277,449,110</u>
TOTAL ASSETS		<u>330,179,116</u>	<u>322,895,147</u>

The attached notes form an integral part of these financial statements

SOCIEDAD CONCESIONARIA VESPUCCIO NORTE EXPRESS S.A.

CLASSIFIED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2018 AND 2017

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

	Notes	12.31.2018	12.31.2017
	No.	ThCL\$	ThCL\$
NET EQUITY AND LIABILITIES			
Current liabilities			
Other financial liabilities	14	17,383,819	14,770,902
Trade creditors and other accounts payable	16	3,033,603	4,069,878
Other accounts payable to related entities	7-b	144,438	13,702,314
Other provisions	12-a	460,424	224,759
Tax liabilities	8	1,746,943	21,525
Other nonfinancial liabilities	5-b	1,262,126	1,262,147
TOTAL CURRENT LIABILITIES		24,031,353	34,051,525
Noncurrent liabilities			
Other financial liabilities	15 - a	320,146,783	327,231,552
Other provisions	15 - b	1,751,393	1,584,057
Other nonfinancial liabilities		413	407
TOTAL NONCURRENT LIABILITIES		321,898,589	328,816,016
TOTAL LIABILITIES		345,929,942	362,867,541
Equity			
Issued capital	17 - b	55,142,669	55,142,669
Accumulated losses		(70,893,495)	(95,115,063)
TOTAL NET EQUITY		(15,750,826)	(39,972,394)
TOTAL LIABILITIES AND EQUITY		330,179,116	322,895,147

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, 2018 AND DECEMBER 31, 2017

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

	Notes	12.31.2018	12.31.2017
	No.	ThCL\$	ThCL\$
Profit and loss statement by function			
Revenues from ordinary activities	18 - 19	97,759,951	89,737,109
Cost of sales	19	<u>(31,062,427)</u>	<u>(28,933,227)</u>
Gross margin		<u>66,697,524</u>	<u>60,803,882</u>
Other revenues by function	15 - b	-	3,808,532
Administrative expenses	19	(3,505,458)	(3,049,865)
Financial income		4,067,294	4,019,581
Financial costs	22	(26,134,266)	(29,143,956)
Exchange rate differences	21 - a	(50,664)	(1,015)
Results per indexation units	21 - b	<u>(9,918,596)</u>	<u>(7,068,867)</u>
Profit, before taxes		31,155,834	29,368,292
Expense for income tax	23	<u>(6,934,266)</u>	<u>(7,014,175)</u>
Revenue from ongoing operations		<u>24,221,568</u>	<u>22,354,117</u>
Profit		<u>24,221,568</u>	<u>22,354,117</u>
Comprehensive profit and loss statement			
Profit		<u>24,221,568</u>	<u>22,354,117</u>
Total comprehensive profit		<u>24,221,568</u>	<u>22,354,117</u>

The attached notes form an integral part of these financial statements

SOCIEDAD CONCESIONARIA VESPUCCIO NORTE EXPRESS S.A.

STATEMENT OF CHANGES IN NET EQUITY

FOR THE YEARS ENDED ON DECEMBER 31, 2018 AND DECEMBER 31, 2017

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

	Note No.	Issued capital ThCL\$	Accumulated profits (losses) ThCL\$	Total equity ThCL\$
Opening balance as of 01.01.2018	17	55,142,669	(95,115,063)	(39,972,394)
Changes in equity				
Comprehensive income				
Profit (loss)		-	24,221,568	24,221,568
Comprehensive income		-	24,221,568	24,221,568
Increase/(decrease) caused by other changes, equity		-	-	-
Total changes in equity		-	24,221,568	24,221,568
Closing balance as of 12.31.2018		55,142,669	(70,893,495)	(15,750,826)

	Note No.	Issued capital ThCL\$	Accumulated profits (losses) ThCL\$	Total equity ThCL\$
Opening balance as of 01.01.2017	17	55,142,669	(117,469,180)	(62,326,511)
Changes in equity				
Comprehensive income				
Profit (loss)		-	22,354,117	22,354,117
Comprehensive income		-	22,354,117	22,354,117
Increase/(decrease) caused by other changes, equity		-	-	-
Total changes in equity		-	22,354,117	22,354,117
Closing balance as of 12.31.2017		55,142,669	(95,115,063)	(39,972,394)

The attached notes form an integral part of these financial statements

SOCIEDAD CONCESIONARIA VESPUCIO NORTE EXPRESS S.A.

STATEMENT OF CASH FLOW

FOR THE YEARS ENDED ON DECEMBER 31, 2018 AND DECEMBER 31, 2017

(Figures in thousands of Chilean pesos - ThCL\$)

Cash Flow Statement, Direct Method	Notes	01.01.2018	01.01.2017
		12.31.2018	12.31.2017
	No.	ThCL\$	ThCL\$
Cash flows from (used in) operating activities			
Collection for operating activities		104,164,517	83,539,441
Payments to vendors for the provision of goods and services		(32,184,390)	(21,263,056)
Payments to and on behalf of the employees		(4,047,592)	(4,446,436)
Other charges (payments) for operating activities		577,265	134,455
Interest paid		(5,447)	-
Interest received		1,560,335	2,367,113
Income tax payments		(9,616)	(17,389)
Net cash flow from operating activities		<u>70,055,072</u>	<u>60,314,128</u>
Cash flow from investment activities			
Purchase of property, plant and equipment		(598,512)	(1,131,695)
Net cash flows from (used in) investment activities		<u>(598,512)</u>	<u>(1,131,695)</u>
Cash flows from (used in) financing activities			
Refund of other financial liabilities	4 d	(14,114,102)	(9,544,323)
Interest paid	4 d	(22,723,239)	(22,905,696)
Repayment of loans to related entities	4 d	(14,103,925)	(52,987,084)
Loans granted to related entities	4 d	(20,120,511)	-
Net cash flows used in financing activities		<u>(71,061,777)</u>	<u>(85,437,103)</u>
Net decrease in cash and cash equivalents		(1,605,217)	(26,254,670)
Cash and cash equivalents at the beginning of the year	4	<u>11,876,401</u>	<u>38,131,071</u>
Cash and cash equivalents at the end of the year	4	<u>10,271,184</u>	<u>11,876,401</u>

The attached notes form an integral part of these financial statements

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SOCIEDAD CONCESIONARIA VESPUCIO NORTE EXPRESS S.A.

NOTES TO THE FINANCIAL STATEMENTS AT DECEMBER 31, 2018

(Figures 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, conservation, 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 Superintendence of Securities and Insurance.

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, 2018 and 2017, 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 standards have been adopted in these financial statements:

New IFRS	Mandatory Effective Date
IFRS 9, <i>Financial Instruments</i>	Annual periods started on or after January 1, 2018
IFRS 15, <i>Revenue from Contracts with Clients</i>	Annual periods started on or after January 1, 2018

IFRS Amendments	Mandatory Effective Date
Classification and measurement of share based payment transactions (Amendments to IFRS 2)	Annual periods started on or after January 1, 2018.
Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" (Amendments to IFRS 4)	Approach on effective superposition when applying IFRS 9 for the first time. Effective delay approach for annual periods started on or after January 1, 2018, and only available for three years after that date.
Transfers of Investment Property (Amendments to IAS 40)	Annual periods started on or after January 1, 2018.
Annual improvements to 2014-2016 cycle (Amendments to IFRS 1 and IAS 28)	Annual periods started on or after January 1, 2018.

New interpretations	Mandatory Effective Date
IFRIC 22 Foreign Currency Transactions and Advance Consideration	Annual periods started on or after January 1, 2018.

Impact of applying IFRS 9 Financial Instruments

IFRS 9 introduces new requirements on (1) classification and measurement of financial assets and financial liabilities, (2) impairment of financial assets, and (3) hedge accounting. Details of these new requirements, as well as the impact on the Company's interim financial statements are described below. The Company has applied IFRS 9 as from January 1, 2018 (initial application date) and has chosen not to restate comparative information for previous periods with regard to the classification and measurement requirements (including impairment).

As of December 31, 2018 and 2017, the Company has no hedge derivatives that should have been valued under IAS 39 or migrate to the IFRS 9 requirements.

Classification and measurement of financial assets

The initial application date on which the Company has measured its current financial assets and financial liabilities in terms of the IFRS 9 requirements is January 1, 2018. Consequently, the Company has applied the IFRS 9 requirements to instruments that have not been written off as of January 1, 2018 and has not applied the requirements to instruments that have already been written off as of January 1, 2018. The comparative amounts in connection with the instruments that have not been written off as of January 1, 2018, have not been restated.

All financial assets within the scope of IFRS 9 are required in order to be subsequently measured at amortized cost or fair value.

Specifically, the debt instruments that are kept within a business model the purpose of which is to collect the contractual cash flows, and that have contractual cash flows that solely consist of payments of principal and interest over the outstanding principal are generally measured at amortized cost at the closing of the subsequent accounting periods. The debt instruments that are maintained within a business model the purpose of which is achieved by way of the collection of the contractual cash flows and the sale of financial assets, and that have contractual terms that on specified dates give rise to cash flows consisting in payments of principal and interest over the outstanding principal, are generally measured at fair value with changes in other comprehensive income. All of the other debt instruments and equity instruments are measured at their fair value as of the closing of the subsequent accounting periods. Additionally, under IFRS 9, the entities could irrevocably choose to present subsequent changes in the fair value of an equity instrument (which is not held for negotiation, or a contingent consideration recognized by an acquiring party in a business combination) in other comprehensive income, where, generally, income from dividends would be recognized in results.

With regard to the measurement of financial liabilities designated to be measured at fair value with changes in results, IFRS 9 requires that the amount of the change in the fair value of a financial liability attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of those changes in other comprehensive income would result in the creation or expansion of an accounting imbalance in results. Changes in the fair value attributable to the credit risk of a financial liability are not classified subsequent to results. Under IAS 39, the total amount of the change in the fair value of the financial liability designated to be measured at fair value with effect on results is presented as a profit or loss.

The Company's directors reviewed and evaluated the Company's financial assets existing as of January 1, 2018 based on the facts and circumstances prevailing at that time and concluded that applying IFRS 9 had had the following impact on the Company's financial assets with regard to their classification and measurement:

The financial assets classified as 'maintained upon maturity' and 'loans and accounts receivable' under IAS 39 that used to be measured at amortized cost, continued to be measured at amortized cost under IFRS 9 as they are maintained within a business model for collecting the contractual cash flows, and these contractual cash flows solely consist of payments of principal and interest over the outstanding principal;

The financial assets that used to be measured at fair value with changes on results (FVWCR) under IAS 39 continued to be measured as such under IFRS 9.

None of the changes in the classification of financial assets has had an impact on the financial position, results, other comprehensive income or on the Company's comprehensive income.

The following table shows the classification and measurement of financial assets under IFRS 9 and IAS 39 as of the date of initial application, January 1, 2018:

Type of Financial Instrument	Original Measurement Category Under IAS 39	New Measurement Category Under IFRS 9	Original Book Value Under IAS 39 ThCL\$	New Book Value Under IFRS 9 ThCL\$
Cash and cash equivalent	Financial assets at amortized cost	Financial assets at amortized cost	11,876,401	11,876,401
Trade receivables and other accounts receivable	Financial assets at amortized cost	Financial assets at amortized cost	30,339,877	30,339,877
Accounts receivable from related entities	Financial assets at amortized cost	Financial assets at amortized cost	89,341	89,341

Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates with the accounting of the changes in fair value of a designated financial liability on Fair Value with Changes in Results (FVWCR) attributable to changes in the issuer's credit risk.

Specifically, IFRS 9 requires that changes in fair value of the financial liability that is attributable to the changes in that liability's credit risk be presented in comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or increment in accounting asymmetry on results. Changes in the fair value attributable to the credit risk of up financial library are not reclassified subsequently to results; instead they are transferred to withheld results when the financial liability is written off. In the past, under IAS 39, the total amount of the change in the fair value of the financial liability designated to FVWCR used to be presented in results.

The application of IFRS 9 has not had an impact on the classification and measurement of the Company's financial liabilities.

The following table shows the classification and measurement of financial liabilities under IFRS 9 and IAS 39 as of the date of initial application, January 1, 2018:

Type of Financial Instrument	Original Measurement Category Under IAS 39	New Measurement Category Under IFRS 9	Original Book Value Under IAS 39 ThCL\$	New Book Value Under IFRS 9 ThCL\$
Trade creditors and other accounts payable	Financial liabilities at amortized cost	Financial liabilities at amortized cost	4,069,878	4,069,878
Other financial liabilities	Financial liabilities at amortized cost	Financial liabilities at amortized cost	342,002,454	342,002,454
Accounts payable to related entities	Financial liabilities at amortized cost	Financial liabilities at amortized cost	13,702,314	13,702,314

Impairment: With regard to the impairment of financial assets, IFRS 9 requires a model of expected credit losses versus the model of incurred credit losses under IAS 39. The model of expected credit losses requires that an entity keeps an account of the expected credit losses and the changes in those expected credit losses as of each reporting date to reflect the changes in the credit risk from the initial recognition. In other words, it is not necessary for a credit event to occur for the credit losses to be recognized.

Additionally, IFRS 9 establishes a simplified approach to measure the correction of value from losses to an amount equal to the expected credit loss during the asset's life for trade receivables, assets from contracts and accounts receivable for leases under certain circumstances.

As of January 1, 2018, the Company's directors reviewed and evaluated for impairment the Company's financial assets, amounts owed by clients and financial guarantee contracts using reasonable and sustainable information that was available at no disproportionate cost or effort in accordance with IFRS 9 to determine the credit risk of the respective financial assets as of the date on which they were initially recognized and compared the same with the credit risk as of January 1, 2018. The outcome of the comparison is that there is no impact from changes in the estimations of expected losses.

Hedge Accounting: The new overall hedge accounting requirements maintain the 3 types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, increased flexibility to the type of eligible transactions for hedge accounting has been introduced. Specifically, the types of instrument that qualify as hedge instruments and the types of risk components of nonfinancial items that are eligible for hedge accounting have been expanded. Additionally, the effectiveness test has been reviewed and replaced by the 'economic relationship' principle. The retrospective assessment of hedge effectiveness shall no longer be required. Additionally, improved disclosure requirements about the entity's risk management activities have been introduced.

Impact of applying IFRS 15 Ordinary Activity Revenue from Contracts with Clients

In the current year, the Company has applied IFRS 15 Ordinary Activity Revenue from Contracts with Clients. IFRS 15 introduces a 5-step approach for recognizing revenues. Much more prescriptive guidelines have been added in IFRS 15 to address specific scenarios. Details of these new requirements, as well as the impact on the Company's consolidated financial statements are described below.

The Company has adopted IFRS 15 using the accumulated effect method without using the practical solutions available, recognizing the accumulated effect of the initial application of this Standard as an adjustment of the opening balance of withheld results as of January 1, 2018. Consequently, the presented comparative information has not been restated.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what would commonly be known as 'accrued income' and 'deferred income'. However, the Standard does not prohibit the use of alternative descriptions in the statement of financial position. The Company has adopted the terminology used in IFRS 15 to describe those balance sheet balances.

The Company's accounting policies for its income flows are disclosed in detail in Note 18. In addition to providing more extensive disclosures about the Company's income flows, the application of IFRS 15 has not had an impact on the financial position or on the financial performance of the Company.

In connection with the aforementioned standard, in the business of highway concession management - operating segment which represents the Company's main revenue, the application of the criteria contained in IFRS 15 has not implied a change in the recognition of revenue from what used to be applied until December 2017.

- b) Standards, Amendments and Interpretations that have been issued but the application of which is not in force yet:

New IFRS	Mandatory Effective Date
IFRS 16, <i>Leases</i>	Annual periods started on or after January 1, 2019.
IFRS 17, <i>Insurance Contracts</i>	Annual periods started on or after January 1, 2021.
IFRS Amendments	Mandatory Effective Date
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date postponed indefinitely
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	Annual periods started on or after January 1, 2019.
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	Annual periods started on or after January 1, 2019.
Annual improvements to 2015-2017 cycle (Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23)	Annual periods started on or after January 1, 2019.
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	Annual periods started on or after January 1, 2019.
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
New Interpretations	Mandatory Effective Date
IFRIC 23 <i>Uncertainty over Income Tax Treatments</i>	Annual periods started on or after January 1, 2019.

The management is assessing the impact of applying IFRS 16 and IFRIC 23. However, it is not possible to provide a reasonable estimate of the effects of these standards until the Management conducts a detailed review. In the Management's opinion, applying other norms and amendments and interpretations in the future is not expected to have a material effect on the financial statements.

b) 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 18, 2019.

In preparing the financial statements, estimations made by the Company's Management to quantify on an appropriate accounting basis assets, liabilities, revenues, 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 4.4%, 44.9% and 72.5%, respectively, calculated over the total billing in each segment for all the presented years. The segment of users with an enabled tag device represents 98.26% of billing.

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.

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, 2018, which have been uniformly applied to all the periods presented in these financial statements.

a) Accounting period

These financial statements encompass the following periods:

	Accumulated	
	12.31.2018	12.31.2017
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 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:

	12.31.2018	12.31.2017
	CL\$	CL\$
Unidad de Fomento (UF)	27,565.79	26,798.14
United States Dollar (USD)	694.77	614.75
Euro (EUR)	794.75	739.15

e) Offsetting of balances and transactions

As a general norm, in the financial statements neither the assets and liabilities nor the profits and expenses are offset, 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 173 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 the assets

h.1) Non-financial assets

Throughout the period and essentially on the closing date of the same, an 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. They 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

There are two types of leases:

- **Finance leases** – This is the case in which the lessor transfers substantially all of the risks and benefits inherent to the ownership of the asset to the lessee. The ownership of the asset may or may not be transferred.

When the Company acts as the lessee of an asset under a finance lease, the cost of the leased assets is presented in the statement of financial position depending on the nature of the asset subject matter of the contract and, concurrently, a liability for the same amount is recorded in the statement of financial position. That amount will be the lower value between the fair value of the leased asset or the total of the present values of the amounts to be paid to the lessor plus, if applicable, the price of the purchase option.

These assets are amortized using similar criteria to those applied to the aggregate of property, plant and equipment for the Company's own use.

The financial expenses derived from the financial update of the recorded liabilities are charged in the item "Financial expenses" in the Comprehensive Profit and Loss Statement.

- **Operating leases** – Operating leases are those in which the ownership of the leased asset and substantially all the risks and benefits related to the asset remain with the lessor. The operating lease installments are recognized as an expense during the life of the contract.

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:

- Cash and cash equivalents
- Loans and accounts receivable.

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

As of December 31, 2018 the classification and measurement of financial assets has been performed under the standing IFRS 9 standard.

J.1.1) Financial assets 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.

(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 below:

- a) Fixed income instruments.
- b) Covenants 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 an 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.

J.2) Financial liabilities

Until December 31, 2017, the instruments of debt and equity are classified as Equity Instruments or as financial liabilities, as per the essence 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, 2018 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 and subordinated debt with the shareholders in an initial amount of UF 1,967,000, (Note 7, 14 and 15), the final payment of which was made on June 15, 2018.

Classes of Financial Liabilities in Force	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Bonds, current portion, includes accrued interest	17,383,819	14,770,902
Bonds, noncurrent portion, capital	320,146,783	327,231,552
Subordinated debt with stockholders, includes accrued interest	-	13,660,544
Totals	<u>337,530,602</u>	<u>355,662,998</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 using 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 fair value of financial instruments is equivalent to their face value, except for the case of the bond referred to in Notes 14 and 15, 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.

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).

As of December 31, 2018 and 2017, 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 (FVWCOCI) 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 FVWCOCI 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.

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.

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

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 in the of value added 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.

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 Baghdad is recognized in the results account.

As of December 31, 2018 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 performed until December 2017.

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 standards and OHSAS 18001 specifications.

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) 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.

t) 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 could 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.

a) Interest rate risk

It consists of possible changes in interest rates that could affect the Company's future cash flows. This risk affects mainly the Company's obligations contracted at variable interest rates, the most significant being the subordinated debt with the shareholders, which was repaid in its entirety, with the last payment having been made on June 15, 2018. No hedges were contracted for this obligation.

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	12.31.2018	%	12.31.2017	%
		ThCL\$	of total	ThCL\$	of total
Bonds, current portion, includes accrued interest	Fixed	17,383,819	5%	14,770,902	4%
Bonds, noncurrent portion, capital	Fixed	320,146,783	95%	327,231,552	92%
Subordinated debt with stockholders, includes accrued interest	Variable	-	0%	13,660,544	4%
Totals		<u>337,530,602</u>		<u>355,662,998</u>	

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. Accounts receivable do not involve any currencies or indexation units other than the functional currency. In contrast, for

accounts payable, both the Bonds and the subordinated debt with the stockholders are denominated to Unidades de Fomento (UF) and therefore, are subject to inflation, which is the variable that modifies the value of the UF.

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.

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 cashiers.
- Collection via in-house cashiers

Trade debtors 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.

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 EQUIVALENT

The detail of the cash and cash equivalent balances is as follows:

Item	Currency	12.31.2018	12.31.2017
		ThCL\$	ThCL\$
Cash	Chilean Peso \$	3,222	3,221
Banks	Chilean Peso \$	742,452	1,930,497
Investments & Financial Instruments	Chilean Peso \$	<u>9,525,510</u>	<u>9,942,683</u>
Total cash and cash equivalents		<u>10,271,184</u>	<u>11,876,401</u>

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

- 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, 2018

Institution	Type of Investment	Maturity	Monthly Interest Rate	Amount of Investment Plus interest ThCL\$
Banco de Chile	Renewable time deposit	At 30 days	0.14%	58,003
Banco de Chile	Renewable time deposit	At 35 days	0.16%	2,174
BCI	Time deposit	At 62 days	0.26%	640,166
BCI	Time deposit	At 30 days	0.24%	1,295,599
BCI	Time deposit	At 12 days	0.22%	2,039,835
BCI	Time deposit	At 10 days	0.22%	1,645
BCI	Time deposit	At 10 days	0.22%	52,111
BCI	Time deposit	At 7 days	0.23%	393,264
BCI	Time deposit	At 7 days	0.23%	1,008,390
BCI	Time deposit	At 11 days	0.23%	20,865
BCI	Time deposit	At 11 days	0.23%	111,858
BCI	Time deposit	At 34 days	0.24%	19,591
BCI	Time deposit	At 10 days	0.23%	370,085
Banco de Chile	Investment agreement	At 6 days	0.17%	396,211
Banco de Chile	Investment agreement	At 5 days	0.17%	426,014
Totals				9,525,510

As of December 31, 2017

Institution	Type of Investment	Maturity	Monthly Interest Rate	Amount of Investment plus interest ThCL\$
BCI	Renewable time deposit	At 30 days	0.13%	57,116
BCI	Renewable time deposit	At 35 days	0.15%	2,141
BCI	Time deposit	At 32 days	0.26%	1,979,312
BCI	Time deposit	At 23 days	0.25%	33,920
BCI	Time deposit	At 12 days	0.25%	2,512,146
BCI	Time deposit	At 12 days	0.25%	287,946
BCI	Time deposit	At 8 days	0.25%	2,314,837
BCI	Time deposit	At 8 days	0.25%	24,340
BCI	Time deposit	At 62 days	0.28%	630,118
BCI	Time deposit	At 11 days	0.25%	239,524
Banco de Chile	Investment agreement	At 7 days	0.16%	331,603
Banco de Chile	Investment agreement	At 6 days	0.16%	717,889
Banco de Chile	Investment agreement	At 6 days	0.16%	414,681
Banco de Chile	Investment agreement	At 5 days	0.16%	397,111
Totals				9,942,683

- 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, 2018. 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		
	01.01.2018			12.31.2018		
	Used	Total	Result per indexation unit	Other changes (2)		
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Borrowings from related parties (Note 7 b))	13,660,544	-	(14,103,925)	(443,381)	164,624	278,757
Guaranteed obligations with the public (Note 14.1 and 15.3) (1)	342,002,454	-	(36,837,341)	305,165,113	9,804,767	22,560,720
Total	355,662,998	-	(50,941,266)	304,721,732	9,969,391	22,839,477

(1) Balance corresponding to the current and noncurrent portion
(2) It corresponds to the accrual of interest

As of December 31, 2017 the breakdown is as follows:

Liabilities originating in financing activities	Financing cash flows			Changes that do not represent cash flow		
	01.01.2017			12.31.2017		
	Used	Total	Result per indexation unit	Other changes (2)		
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Borrowings from related parties (Note 7 b))	62,645,705	(52,987,084)	9,658,621	1,019,434	2,982,489	13,660,544
Guaranteed obligations with the public (Note 14 and 15) (1)	345,695,460	(32,450,019)	313,245,442	5,989,683	22,767,329	342,002,454
Total	408,341,165	(85,437,103)	322,904,063	7,009,117	25,749,818	355,662,998

(1) Balance corresponding to the current and noncurrent portion
(2) It corresponds to the accrual of interest

5. OTHER NONFINANCIAL ASSETS AND LIABILITIES, CURRENT

a) Other non-financial assets, current

The structure of this item is as follows:

	Currency	12.31.2018	12.31.2017
		ThCL\$	ThCL\$
Deferred expenses, insurance policies	UF	516,071	477,772
Additional works under complementary agreement	Nonadjustable CL\$	38,082	38,082
Advance to suppliers and others	Nonadjustable CL\$	-	1,785
Totals		554,153	517,639

b) Other non-financial liabilities, current

As of December 31, 2018 and 2017 the item Other nonfinancial current liabilities is comprised as follows:

Item	Currency	12.31.2018	12.31.2017
		ThCL\$	ThCL\$
Reconstruction works (1)	Nonadjustable CL\$	1,261,857	1,261,858
Income received in advance, (Tags)	Nonadjustable CL\$	<u>269</u>	<u>289</u>
Totals		<u>1,262,126</u>	<u>1,262,147</u>

(1) Response to the balance of the amounts transferred to the Company by the Ministry of Public Works (MOP) for the highway reconstruction works required after the earthquake that struck on February 27, 2010, to be imputed.

6. TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE, CURRENT

The composition, ageing analysis and bad debt provision of the balances that comprise this item as of December 31, 2018 and 2017, is as follows:

As of December 31, 2018

Item	Currency	Balance by Item ThCL\$	Age of the balances			
			Up to 90 days ThCL\$	91-180 days past due ThCL\$	181-365 days past due ThCL\$	365+ days past due ThCL\$
Trade debtors						
Sales debtors	Non-adjustable CL\$	31,516,865	9,019,544	3,868,506	6,374,870	12,253,945
Accrued income provision	Non-adjustable CL\$	7,716,033	6,030,861	55,384	241,504	1,388,284
Bad debt provision (1)	Non-adjustable CL\$	<u>(2,527,019)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,527,019)</u>
Subtotal trade debtors		<u>36,705,879</u>	<u>15,050,405</u>	<u>3,923,890</u>	<u>6,616,374</u>	<u>11,115,210</u>
Other accounts receivable						
Accounts receivable from the MOP	Non-adjustable CL\$	1,784,719	1,784,719	-	-	-
Accounts receivable from personnel	Non-adjustable CL\$	23,021	10,981	9,769	966	1,305
Other accounts receivable	Non-adjustable CL\$	<u>1,433,765</u>	<u>784,161</u>	<u>194,866</u>	<u>433,149</u>	<u>21,589</u>
Subtotal other accounts receivable		<u>3,241,505</u>	<u>2,579,861</u>	<u>204,635</u>	<u>434,115</u>	<u>22,894</u>
Total trade debtors and other accounts receivable		<u>39,947,384</u>	<u>17,630,266</u>	<u>4,128,525</u>	<u>7,050,489</u>	<u>11,138,104</u>

As of December 31, 2017

Item	Currency	Balance by Item ThCL\$	Age of the balances			
			Up to 90 days ThCL\$	91-180 days past due ThCL\$	181-365 days past due ThCL\$	365+ days past due ThCL\$
Trade debtors						
Sales debtors	Non-adjustable CL\$	22,715,381	7,030,925	2,902,616	4,426,353	8,355,487
Accrued income provision	Non-adjustable CL\$	8,271,645	6,143,912	368,889	850,899	907,945
Bad debt provision (1)	Non-adjustable CL\$	(2,907,164)	-	-	-	(2,907,164)
Subtotal trade debtors		<u>28,079,862</u>	<u>13,174,837</u>	<u>3,271,505</u>	<u>5,277,252</u>	<u>6,356,268</u>
Other accounts receivable						
Accounts receivable from the MOP	Non-adjustable CL\$	1,516,882	1,516,882	-	-	-
Accounts receivable from personnel	Non-adjustable CL\$	15,524	3,541	1,707	8,999	1,277
Other accounts receivable	Non-adjustable CL\$	727,609	539,048	93,782	53,848	40,931
Subtotal other accounts receivable		<u>2,260,015</u>	<u>2,059,471</u>	<u>95,489</u>	<u>62,847</u>	<u>42,208</u>
Total trade debtors and other accounts receivable		<u>30,339,877</u>	<u>15,234,308</u>	<u>3,366,994</u>	<u>5,340,099</u>	<u>6,398,476</u>

(1) The balance of the bad debt provision is presented in the segment of greater than 365 days, as it is impracticable to make the segregation, taking into consideration the nature of the Company's calculation of uncollectibility.

Given the nature of the service and the fragmentation of clients, the existence of accounts receivable at periods greater than 365 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 90 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 maturity 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 grant 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 debtors 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:

	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Opening Balance	2,907,164	3,026,154
Increments	4,934,589	4,270,465
Written off Clients	<u>(5,314,734)</u>	<u>(4,389,455)</u>
Closing Balance	<u>2,527,019</u>	<u>2,907,164</u>

In Other Accounts Receivable no significant credit risk is observed.

7. DISCLOSURE OF INFORMATION ON RELATED PARTIES

Sociedad Concesionaria Vespucio Norte Express S.A., is indirectly controlled by Brookfield Asset Management Inc., a Canadian consortium.

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

a) Accounts receivable from related parties

Taxpayer No.	Company	Country of Origin	Nature of the relationship	Currency	Current		Noncurrent	
					12.31.2018	12.31.2017	12.31.2018	12.31.2017
					ThCL\$	ThCL\$	ThCL\$	ThCL\$
96.931.450-9	Taurus Holdings Chile S.A. (1)	Chile	Stockholder	UF	-	-	20,225,143	-
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	CL\$	160,964	-	-	-
99.588.750-9	Sociedad Concesionaria Túnel San Cristóbal S.A.	Chile	Stockholder in common	CL\$	106,181	89,341	-	-
Totals					<u>267,145</u>	<u>89,341</u>	<u>20,225,143</u>	<u>-</u>

b) Accounts payable to related parties

Taxpayer No.	Company	Country of Origin	Nature of the relationship	Currency	Current	
					12.31.2018	12.31.2017
					ThCL\$	ThCL\$
96.931.450-9	Taurus Holdings Chile S.A. (2)	Chile	Stockholder	UF	-	13,660,544
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	CL\$	137,829	41,770
99.588.750-9	Sociedad Concesionaria Túnel San Cristóbal S.A.	Chile	Stockholder in common	CL\$	6,609	-
Totals					<u>144,438</u>	<u>13,702,314</u>

- (1) The Company has granted its shareholder two loans in the equivalent ion pesos to UF 731,349.13 for the concept of principal. This has been formalized by means of two contracts that set interest capitalized on a biannual basis. For Company Taurus Holdings Chile S.A., this debt is recorded on a long-term basis, with interest calculated at the current rate in the modality of operations in domestic currency subject to indexation, at more than one year and in excess of UF 2,000.

- (2) The shareholders have granted the Company a financing line in the nature of an indefinite-term subordinated debt. The payment conditions of the subordinated debt with the shareholders accrue interest at the maximum conventional rate in the modality of operations in unidades de fomento, at less than one year. The credit contract has no specific maturity date, with the deadline for amortization of the debt and payment of the accrued interest being the date of termination of the concession.

Additionally, these contracts come further creditor the possibility of eventual prepayments (both voluntary and compulsory), provided that certain requirements are met.

The subordinated debt was paid in its entirety, and the last payment occurred on June 15, 2018.

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
						12.31.2018 Balances	Income (expense) 12.31.2018	12.31.2017 Balances	Income (expense) 12.31.2017
						ThCL\$	ThCL\$	ThCL\$	ThCL\$
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	Loan	UF	20,120,511	-	-	-
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	Loan Interest	UF	64,624	64,624	-	-
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	UF Loan Indexation	UF	40,008	40,008	-	-
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	Subordinated Debt Interest	UF	278,757	(278,757)	2,982,489	(2,982,489)
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	UF Indexation Subordinated Debt	UF	164,624	(164,624)	1,019,434	(1,019,434)
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	Subordinated Debt Repayment	UF	(14,103,925)	-	(52,987,084)	-
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	Technical Assistance	CLP	545,245	(545,245)	532,960	(532,960)
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	Technical Assistance Payment	CLP	(407,416)	-	(532,960)	-
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	Professional Services	CLP	424,337	(424,337)	209,476	(209,476)
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	Professional Services Payment	CLP	(459,438)	-	(207,506)	-
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Stockholder	Stamp Tax	CLP	160,964	160,964	-	-
76.060.273-6	Brookfield Inversiones Chile Limitada	Chile	Stockholder	Professional Services	CLP	-	-	237,032	(237,032)
76.060.273-6	Brookfield Inversiones Chile Limitada	Chile	Stockholder	Professional Services Payment	CLP	-	-	(237,032)	-
99.588.750-9	Sociedad Concesionaria Túnel San Cristóbal S.A.	Chile	Stockholder in common	Joint Operation Services/SCOP	CLP	486,202	486,202	430,241	430,241
99.588.750-9	Sociedad Concesionaria Túnel San Cristóbal S.A.	Chile	Stockholder in common	Joint Operation Payment	CLP	(473,175)	-	(384,479)	-
99.588.750-9	Sociedad Concesionaria Túnel San Cristóbal S.A.	Chile	Stockholder in common	Managing Services	CLP	176,874	176,874	172,932	172,932
99.588.750-9	Sociedad Concesionaria Túnel San Cristóbal S.A.	Chile	Stockholder in common	Managing Services Payment	CLP	(176,458)	-	(158,407)	-

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 2018 amounted to CL\$ 1,004,298,512. (\$937,044,102 in 2017). 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.

8. TAX ASSETS, CURRENT AND NON-CURRENT

The accounts receivable for current and non-current taxes at December 31, 2018 and 2017, respectively, are shown below:

Tax Assets	Current	
	12.31.2018	12.31.2017
Concepts	ThCL\$	ThCL\$
VAT credit remnant	-	2,622,779
Totals	-	2,622,779

Tax Liabilities	Current	
	12.31.2018	12.31.2017
Concepts	ThCL\$	ThCL\$
Second category tax	12,113	12,251
Fees withholdings	275	1,272
Income tax provision	8,783	8,002
VAT tax debit payable	1,725,772	-
Totals	1,746,943	21,525

9. 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 173 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, along 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	12.31.2018			12.31.2017		
	Gross value	Accumulated amortization	Net value	Gross value	Accumulated amortization	Net value
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
State-owned public works	271,422,126	(61,379,049)	210,043,077	271,422,126	(50,584,976)	220,837,150
SAP Licenses	1,700,559	(155,929)	1,544,630	1,700,559	(76,550)	1,624,009
Totals	273,122,685	(61,534,978)	211,587,707	273,122,685	(50,661,526)	222,461,159

c) Movements of intangible assets:

The movements of intangible assets as of December 31, 2018 and 2017, are the following:

Movements of Intangible Assets	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Opening balance	222,461,159	232,947,187
Amortization	(10,873,452)	(10,486,028)
Total movements	(10,873,452)	(10,486,028)
Final balance	211,587,707	222,461,159

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	No.	Expiration	Insured matter	Currency	Insured amount	Deductible
Completed civil works	RSA	5990460	12.31.2019	Physical assets	UF	9,988,681	Earthquake: 2% of insured amount
Completed DIC civil works	RSA	6016509	12.31.2019	Physical assets and loss for stopped operations, with differentiated conditions	UF	13,691,761 (Physical Assets UF 9,988,681 + damages for stopped operations UF 3,703,080)	Earthquake, Tsunami, and volcano eruption: 10% of the loss, minimum UF 75,000 and maximum 2% of the insured amount; Risks of nature: 10% of the loss, with a minimum of UF 15,000 and maximum of UF 100,000; Other risks: Civil works, UF 3,000; Other assets, UF 1,000; In loss for stopped operations the deductible is 21 days of operation.
Fire and earthquake	Liberty	20339895	12.23.2019	Avda. Américo Vespucio 1305, Pudahuel Avda. Américo Vespucio Norte 1737 Local S-010 , Mall Plaza Norte Huechuraba Calle La Herradura 2750, Providencia	UF	16,109.99	Earthquake: 2% of the insured amount per location, with a minimum of UF 50, Other risks: UF 10.
Electronic equipment	Liberty	24045596	12.23.2019	Avda. Américo Vespucio 1305, Pudahuel Avda. Américo Vespucio Norte 1737 Local S-010 , Mall Plaza Norte Huechuraba Calle La Herradura 2750, Providencia	UF	50,015.71	Earthquake: 2% of the insured amount per location with a minimum of UF 50; Other risks: 10% of the loss with a minimum of UF 15. Increased operating costs 48 hours with a minimum of UF 100.
Civil liability	Penta	23016961	07.31.2019	Civil liability for damages to third parties	UF	25,000 per occurrence	UF 250 per occurrence
Civil liability	Penta	23016965	07.31.2019	Civil liability for damages to third parties in excess of previous policy	UF	250,000 per occurrence	UF 25,000 per occurrence

10. 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, 2018 and 2017 in net and gross values, is as follows:

Concept	12.31.2018			12.31.2017		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Office furniture	95,866	(92,772)	3,094	94,485	(89,247)	5,238
Office equipment	255,592	(251,780)	3,812	253,661	(249,088)	4,573
Computer equipment	1,491,480	(1,433,363)	58,117	1,546,025	(1,391,283)	154,742
Vehicles	142,004	(86,021)	55,983	140,394	(68,180)	72,214
Safety equipment	78,826	(67,770)	11,056	77,086	(59,257)	17,829
Third party installations	280,399	(199,568)	80,831	276,607	(194,066)	82,541
Own assets on highway	28,074	(28,074)	-	28,074	(26,403)	1,671
Own tags	6,452,395	(4,577,618)	1,874,777	5,912,582	(3,815,783)	2,096,799
Totals	8,824,636	(6,736,966)	2,087,670	8,328,914	(5,893,307)	2,435,607

- b. The movements for 2018 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 at 01.01.2018	5,238	4,573	154,742	72,214	17,829	82,541	1,671	2,096,799	2,435,607
Additions	1,381	1,931	7,104	1,610	1,740	3,792	-	539,813	557,371
Writeoffs (net)	-	-	(61,649)	-	-	-	-	-	(61,649)
Depreciation expense	(3,525)	(2,692)	(42,080)	(17,841)	(8,513)	(5,502)	(1,671)	(761,835)	(843,659)
Balance at 12.31.2018	3,094	3,812	58,117	55,983	11,056	80,831	-	1,874,777	2,087,670

- c. The movements for 2017 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 at 01.01.2017	8,958	1,582	136,898	49,619	10,192	87,727	5,682	1,590,192	1,890,850
Additions	1,572	5,574	62,096	39,210	15,562	-	-	1,111,277	1,235,291
Writeoffs (net)	-	-	-	-	-	-	-	-	-
Depreciation expense	(5,292)	(2,583)	(44,252)	(16,615)	(7,925)	(5,186)	(4,011)	(604,670)	(690,534)
Balance at 12.31.2017	5,238	4,573	154,742	72,214	17,829	82,541	1,671	2,096,799	2,435,607

The Company does not currently have 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\$ 132,.062.- 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	Deductible
Electronic equipment	Liberty	24045596	12.23.2019	Avda. Américo Vespucio 1305, Pudahuel Avda. Américo Vespucio Norte 1737 Local S-010, Mall Plaza Norte Huechuraba Calle La Herradura 2750, Providencia	UF	50,015.71	Earthquake: 2% of the insured amount, with a minimum of UF 50
Theft	Liberty	13024114	12.23.2019	Avda. Américo Vespucio 1305, Pudahuel Avda. Américo Vespucio Norte 1737 Local S-010, Mall Plaza Norte Huechuraba Calle La Herradura 2750, Providencia	UF	11,372.99	15% of the loss minimum of 15 UF, with a limit of UF 5,000 per event and annual accumulation.

11. IMPAIRMENT IN THE VALUE OF THE 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, 2018 and 2017 the Company did not find any indication of impairment.

12. 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 probable amount that the Company is estimated to have to pay to discharge the obligation.

The breakdown is the following:

Current Provisions	Current	
	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Vacation provision	236,612	217,006
Refunds to clients	29,259	1,547
Others	194,553	6,206
Totals	460,424	224,759

The movements in the various categories are shown below:

Movements	Vacation provision ThCL\$	Refund to clients ThCL\$	Others ThCL\$	Totals ThCL\$
Balance as of 01.01.2018	217,006	1,547	6,206	224,759
Increments	153,488	165,731	194,553	513,772
Provisions used	(133,882)	(138,019)	(6,206)	(278,107)
Balance as of 12.31.2018	236,612	29,259	194,553	460,424

Movements	Vacation provision ThCL\$	Refund to clients ThCL\$	Others ThCL\$	Totals ThCL\$
Balance at 01.01.2017	190,456	4,606	12,970	208,032
Increments	201,752	250,302	6,206	458,260
Provisions used	(175,202)	(253,361)	(12,970)	(441,533)
Balance at 12.31.2017	217,006	1,547	6,206	224,759

b) Contingent assets and liabilities

Lawsuits and other legal action:

The Company is both a plaintiff and claimant in certain litigation and legal action as a result of its ordinary course of business. In the Management's judgment, the final outcome of these cases shall not result in a materially adverse effect on the Company's financial position, its operating results or its liquidity.

As of the closing of these financial statements the Company has no important or material lawsuits.

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).

13. 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.

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, 2018, 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) Construction completion guarantee:

Equivalent to 20% of the works pending construction according to the construction contract, which would be reduced as the construction progressed. On July 29, 2004 the initial amount of the letters of credit was UF 1,514,044. The last write down was made on June 28, 2011, to UF 0.-

ii) Operations and Maintenance Reserve Account: UF 234,703.-

On the financial closing date this account was funded by way of letters of credit in the amount of UF 330,178. On July 29, 2004 the letters of credit were incremented to UF 339,177. In April and May of 2018 this letter was brought down to UF 287,111 and UF 222,716 respectively. On July 24, 2018, an increase in the amount of UF 11,987 was made to meet the funding requirement. As of December 31, 2018, the funds in this account amount to UF 234,703, which amount was reached by way of the existing letter of credit.

iii) Debt Service Reserve Account ("DSRA"): UF 1,392,824.-

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 18, 2018, an increase in the amount of UF 22,213 was made, incrementing the amount from UF 1,370,611 to UF 1,392,824, therefore this account is 100% funded through a letter of credit. The first letter of credit was placed on July 29, 2004.

iv) Contingent Equity Letter of Credit:

Contingent Equity Letter of Credit in favor of Citibank Agencia en Chile, in the amount of UF 1,800,146.- in compliance with section 4.5 (a) of the Sponsor Support and Guaranty Agreement (SSGA), it was reduced in its entirety on July 28, 2016.

5.2 Controlling shareholder Taurus Holdings Chile S.A. on behalf of the Company took 10 Bank Bonds in favor of the MOP's General Director of Public Works, which were issued On Demand by Corpbanca (currently Itaú Corpbanca), corresponding to the Guarantee for the Operation of the Concession Contract, in the total amount of UF 250,000.- the maturity of which is January 15, 2021.

14. OTHER FINANCIAL LIABILITIES, CURRENT

This item is comprised of the following:

Current	Currency	12.31.2018	31.12.2017
		ThCL\$	ThCL\$
Obligations with the public (bonds)	UF	<u>17,383,819</u>	<u>14,770,902</u>

The breakdown of maturity relating to the Bonds issued is as follows:

As of December 31, 2018											
Creditor/Name	Country	Currency	Interest Rate			Accounting Value			Non-deducted Value (Interest until the end)		
			Type	Nominative	Effective	Up to	6 to 12	Totals	Up to	6 to 12	Totals
						6 months	Months	ThCL\$	6 months	Months	ThCL\$
Bond (Interest and coupon capital)	Chile	UF	Fixed	2.62%	3.30%	9,148,718	8,235,101	17,383,819	19,326,945	19,067,353	38,394,298
Totals						9,148,718	8,235,101	17,383,819	19,326,945	19,067,353	38,394,298

As of December 31, 2017											
Creditor/Name	Country	Currency	Interest Rate			Accounting Value			Non-deducted Value (Interest until the end)		
			Type	Nominative	Effective	Up to	6 to 12	Totals	Up to	6 to 12	Totals
						6 months	Months	ThCL\$	6 months	Months	ThCL\$
Bond (Interest and coupon capital)	Chile	UF	Fixed	2.62%	3.30%	7,852,340	6,918,562	14,770,902	18,165,414	17,941,092	36,106,506
Totals						7,852,340	6,918,562	14,770,902	18,165,414	17,941,092	36,106,506

15. NON-CURRENT LIABILITIES

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

Liabilities, noncurrent		12.31.2018	31.12.2017
		ThCL\$	ThCL\$
Other financial liabilities, non-current	a)	320,146,783	327,231,552
Other provisions, noncurrent	b)	1,751,393	1,584,057
Other nonfinancial liabilities, noncurrent		413	407
Totals		321,898,589	328,816,016

a) The breakdown of other non-current financial liabilities is the following:

Noncurrent	Currency	12.31.2018	12.31.2017
		ThCL\$	ThCL\$
Obligations with the public (bonds) (1)	UF	320,146,783	327,231,552
		320,146,783	327,231,552

- (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 a local AAA rating for the bonds, the Company took out insurance coverage with MBIA Insurance Corporation (MBIA), which guarantees payment of the coupons if the Company is unable to fulfill its obligation.

A detail of the Bonds to the Public valued at a nominal rate at December 31, 2018 is shown below:

	ThCL\$
Bonds to the Public - Capital Portion	359,469,135
Bonds to the Public - Accrued interest portion	<u>783,579</u>
	<u>360,252,714</u>

The details of the debt for issuance of bonds valued under the amortized cost method are as follows, including their respective maturities

As of December 31, 2018:							Accounting Value				Non-discounted Value (Interest until Completion)			
Creditor / Name	Country	Currency	Type	Interest Rate			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
				Basis	Nominal	Effective	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%	46,404,449	64,846,414	208,895,920	320,146,783	86,501,696	97,914,177	247,561,860	431,977,733

As of December 31, 2017							Accounting Value				Non-discounted Value (Interest until Completion)			
Creditor / Name	Country	Currency	Type	Interest Rate			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
				Basis	Nominal	Effective	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%	36,349,765	54,006,176	236,875,611	327,231,552	77,872,505	89,864,458	289,536,184	457,273,147

- b) Item Other Long-Term Provisions reflects the provision for major maintenance of the highway, which amounts to ThCL\$ 1,751,393 for the period ended on December 31, 2018 and ThCL\$ 1,584,057 for the period ended on December 31, 2017.

The movement for the maintenance provision is shown below:

Maintenance Provision	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Opening balance	1,584,057	6,761,133
Increments	478,672	14,115
Provisions used	(311,336)	(1,382,659)
Decrease(1)	-	(3,808,532)
Closing Balance	<u>1,751,393</u>	<u>1,584,057</u>

- (1) As an effect of the change in circumstances that influence the parameters used in the estimation of the provision for maintenance as a result of current information of the technologies used at the gantries, during the first and second half of 2017 there was a reduction in the provision in the amount of ThCL\$ 1,994,386.- and ThCL\$ 1,814,146.- respectively. These amounts are recorded under Other revenues per function in the comprehensive profit and loss statement for year 2017.

16. TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE

As of December 31, 2018 and 2017, the Company had the following trade accounts payable:

Trade creditors and other accounts payable	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Trade creditors	1,714,686	2,497,969
Other Accounts Payable (1)	<u>1,318,917</u>	<u>1,571,909</u>
Totals	<u>3,033,603</u>	<u>4,069,878</u>

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

17. 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	Number of shares
12.31.2018	Single	43,000,000
12.31.2017	Single	43,000,000

On October 1, 2012 share transactions were performed which resulted in the current situation:

- i. Taurus Holdings Chile S.A. holds a total of 42,999,999 shares.
- ii. Brookfield Americas Infrastructure Holdings Inversiones Chile I SpA holds one share.

b) Capital:

Period	Series	Subscribed capital ThCL\$	Paid capital ThCL\$
12.31.2018	Single	55,142,669	55,142,669
12.31.2017	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 must remain unaltered throughout the Construction Stage of the state-owned public works. As a result of statutory adjustments for inflation, that were 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.

18. ORDINARY REVENUES

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

Concepts	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Revenue from tolls	87,572,630	80,428,677
Revenue from Tag leases	3,955,554	3,082,968
Revenue from offenders	1,700,812	1,632,370
Revenue from daily passes	1,631,726	1,587,600
Other ordinary revenue	2,899,229	3,005,494
Totals	<u>97,759,951</u>	<u>89,737,109</u>

19. REVENUES 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 Revenues and Operating and Maintenance Costs Are Shown below:

Concepts	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Revenues from operation	97,759,951	89,737,109
Income from collection of tariffs	92,967,445	85,544,096
Other charges authorized by the MOP	4,792,506	4,193,013
Cost of sales	31,062,427	28,933,227
Operation	26,584,262	25,148,676
Amortization and depreciation	11,711,534	11,168,563
Bad debt	4,934,589	4,270,465
Collection management	2,798,357	2,514,609
Personnel (1)	2,325,404	2,253,909
Fees and advisory services	1,303,627	1,219,423
Insurance	623,166	618,355
Supervision of the concession contract	321,899	315,819
Other operating expenses	2,565,686	2,787,533
Maintenance	4,478,165	3,784,551
Maintenance of highway infrastructure	2,489,381	2,047,021
Evaluation and condition of the pavement	1,547,469	1,507,112
Other maintenance expenses	441,315	230,418
Administrative and sales expenses	3,505,458	3,049,865
Personnel (1)	1,187,634	1,164,396
Fees and advisory services	695,258	431,866
Amortization and depreciation	5,577	7,999
Maintenance of administrative equipment	248,873	187,755
Insurance	9,006	5,665
Other administrative expenses	1,359,110	1,252,184

(1) The Company's payroll is currently comprised of 133 employees, and the breakdown of these expenses is shown in the following chart:

	Accumulated	
	01.01.2018 12.31.2018	01.01.2017 12.31.2017
Personnel expenses	ThCL\$	ThCL\$
Remuneration	2,755,282	2,729,608
Employee benefits	701,297	659,827
Other personnel expenses	56,459	28,870
Totals	<u>3,513,038</u>	<u>3,418,305</u>

20. LEASES

a) Finance Leases

At the closing of these financial statements the Company had not entered into any contracts of this type.

b) Operating Leases

The treatment of operating leases is explained in Note 2.2.i "Main Accounting Criteria Applied". Payments made for the leasing of vehicles, parking spaces and offices are included under this item.

**Information to disclose relating
to operating leases as a lessee**

	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Operating lease installments	392,038	343,052
Lease of parking places	24,154	23,821
Lease of offices	60,845	56,042
Totals	<u>477,037</u>	<u>422,915</u>

21. 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	12.31.2018	12.31.2017
		ThCL\$	ThCL\$
Liabilities (charges/credits)			
Liabilities from current taxes	US dollar	(517)	(2,848)
Trade Accounts Payable and other Accounts Payable	US dollar	<u>(50,147)</u>	<u>1,833</u>
Subtotal (charges/credits)		<u>(50,664)</u>	<u>(1,015)</u>
Totals		<u>(50,664)</u>	<u>(1,015)</u>

b) Detail of results by indexation units

Concepts	Indexation Unit	12.31.2018	12.31.2017
		ThCL\$	ThCL\$
Assets (charges/credits)			
Other nonfinancial assets	UF	1,642	-
Other nonfinancial assets, current	UF	555	-
Accounts receivable from related entities, noncurrent	UF	40,008	-
Assets from current taxes	UTM	<u>8,592</u>	<u>(58,773)</u>
Subtotal (charges) credits		<u>50,797</u>	<u>(58,773)</u>
Liabilities (charges/credits)			
Other financial liabilities, noncurrent	UF	(9,252,337)	(5,694,939)
Accounts payable to related entities, noncurrent	UF	(164,624)	(1,019,434)
Other financial liabilities, current	UF	(552,432)	(294,744)
Tax liabilities, current	UF	<u>-</u>	<u>(977)</u>
Subtotal (charges)		<u>(9,969,393)</u>	<u>(7,010,094)</u>
Total variances	UF	(9,927,188)	(7,010,094)
Total variances	UTM	<u>8,592</u>	<u>(58,773)</u>
Totals		<u>(9,918,596)</u>	<u>(7,068,867)</u>

c) Detail of assets and liabilities by currency

Assets	Currency	Functional currency	12.31.2018	31.12.2017
			ThCL\$	ThCL\$
Current assets				
Cash and cash equivalents	Nonadjustable CL\$	CL\$	10,271,184	11,876,401
Other nonfinancial assets, current	Nonadjustable CL\$	CL\$	554,153	517,639
Trade debtors and other accounts receivable, current	Nonadjustable CL\$	CL\$	39,947,384	30,339,877
Accounts receivable from related entities, current	Nonadjustable CL\$	CL\$	267,145	89,341
Tax assets, current	Nonadjustable CL\$	CL\$	-	2,622,779
Total current assets			<u>51,039,866</u>	<u>45,446,037</u>
Noncurrent assets				
Accounts receivable from related entities, noncurrent	Nonadjustable CL\$	CL\$	20,225,143	-
Other nonfinancial assets, noncurrent	Nonadjustable CL\$	CL\$	63,241	452,874
Intangible assets other than goodwill	Nonadjustable CL\$	CL\$	211,587,707	222,461,159
Property, plant and equipment	Nonadjustable CL\$	CL\$	2,087,670	2,435,607
Assets from deferred taxes	Nonadjustable CL\$	CL\$	45,175,489	52,099,470
Total noncurrent assets			<u>279,139,250</u>	<u>277,449,110</u>
Total assets			<u>330,179,116</u>	<u>322,895,147</u>
Liabilities				
Liabilities	Currency	Functional currency	12.31.2018	31.12.2017
			ThCL\$	ThCL\$
Current liabilities				
Other financial liabilities, current	UF	CL\$	17,383,819	14,770,902
Trade creditors and other accounts payable	Nonadjustable CL\$	CL\$	2,770,855	3,816,580
Trade creditors and other accounts payable	UF	CL\$	29,612	13,030
Trade creditors and other accounts payable	US dollars	CL\$	233,136	240,268
Accounts payable to related parties, current	Nonadjustable CL\$	CL\$	144,438	-
Accounts payable to related parties, current	UF	CL\$	-	13,702,314
Other short-term provisions	Nonadjustable CL\$	CL\$	460,424	224,759
Tax liabilities, current	Nonadjustable CL\$	CL\$	1,746,943	21,525
Other nonfinancial liabilities, current	Nonadjustable CL\$	CL\$	1,262,126	1,262,147
Total current liabilities			<u>24,031,353</u>	<u>34,051,525</u>
Noncurrent liabilities				
Other financial liabilities, noncurrent	UF	CL\$	320,146,783	327,231,552
Other long-term provisions	Nonadjustable CL\$	CL\$	1,751,393	1,584,057
Other nonfinancial liabilities, noncurrent	Nonadjustable CL\$	CL\$	413	407
Total noncurrent liabilities			<u>321,898,589</u>	<u>328,816,016</u>
Total liabilities			<u>345,929,942</u>	<u>362,867,541</u>

The following chart shows details of financial liabilities by type of currency and by maturity at December 31, 2018 and 2017:

At the closing of the period 12.31.2018	Currency	Functional currency	Up to 91 days ThCL\$	91+ days up to 1 year ThCL\$	1+ year up to 3 years ThCL\$	3+ years up to 5 years ThCL\$	5+ years ThCL\$	Totals ThCL\$
Other financial liabilities, current	U.F.	CL\$	9,148,718	8,235,101	-	-	-	17,383,819
Trade creditors and other accounts payable	US dollars	CL\$	180,732	52,404	-	-	-	233,136
Trade creditors and other accounts payable	U.F.	CL\$	19,714	9,898	-	-	-	29,612
Trade creditors and other accounts payable	Nonadjustable CL\$	CL\$	2,638,941	131,914	-	-	-	2,770,855
Cuentas por pagar a entidades relacionadas, corriente	Nonadjustable CL\$	CL\$	144,438	-	-	-	-	144,438
Other short-term provisions	Nonadjustable CL\$	CL\$	460,424	-	-	-	-	460,424
Tax liabilities, current	Nonadjustable CL\$	CL\$	1,746,943	-	-	-	-	1,746,943
Other nonfinancial liabilities, current	Nonadjustable CL\$	CL\$	1,262,126	-	-	-	-	1,262,126
Other financial liabilities, noncurrent	U.F.	CL\$	-	-	46,404,449	64,846,414	208,895,920	320,146,783
Other long-term provisions	Nonadjustable CL\$	CL\$	-	1,751,393	-	-	-	1,751,393
Other nonfinancial liabilities, noncurrent	Nonadjustable CL\$	CL\$	-	-	308	105	-	413
Sub total liabilities			15,602,036	10,180,710	46,404,757	64,846,519	208,895,920	345,929,942

At the closing of the period 12.31.2017	Currency	Functional currency	Up to 91 days ThCL\$	91+ days up to 1 year ThCL\$	1+ year up to 3 years ThCL\$	3+ years up to 5 years ThCL\$	5+ years ThCL\$	Totals ThCL\$
Other financial liabilities, current	U.F.	CL\$	7,852,340	6,918,562	-	-	-	14,770,902
Trade creditors and other accounts payable	US dollars	CL\$	153,885	56,753	29,630	-	-	240,268
Trade creditors and other accounts payable	U.F.	CL\$	9,392	98	3,540	-	-	13,030
Trade creditors and other accounts payable	Nonadjustable CL\$	CL\$	3,592,392	200,919	18,725	4,544	-	3,816,580
Accounts payable to related parties, current	U.F.	CL\$	-	13,702,314	-	-	-	13,702,314
Other short-term provisions	Nonadjustable CL\$	CL\$	224,759	-	-	-	-	224,759
Tax liabilities, current	Nonadjustable CL\$	CL\$	21,525	-	-	-	-	21,525
Other nonfinancial liabilities, current	Nonadjustable CL\$	CL\$	1,262,147	-	-	-	-	1,262,147
Other financial liabilities, noncurrent	U.F.	CL\$	-	-	36,349,765	54,006,176	236,875,611	327,231,552
Other long-term provisions	Nonadjustable CL\$	CL\$	-	1,584,057	-	-	-	1,584,057
Other nonfinancial liabilities, noncurrent	Nonadjustable CL\$	CL\$	-	-	393	14	-	407
Sub total liabilities			13,116,440	22,462,703	36,402,053	54,010,734	236,875,611	362,867,541

22. FINANCIAL COSTS

The expenses generated from financing are detailed in the following chart:

Financial costs	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Bond Insurer Premium (MBIA)	3,251,920	3,358,127
Interest accrued from Bonds	22,560,720	22,767,329
Subordinated debt interest	278,757	2,982,489
Bank commissions	37,421	35,885
Others	5,448	126
Totals	26,134,266	29,143,956

23. INCOME TAX AND DEFERRED TAXES

The deferred taxes for the respective years are presented below:

Temporary difference	Tax Assets		Tax Liabilities	
	12.31.2018	12.31.2017	12.31.2018	12.31.2017
	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Tax loss	51,034,815	56,419,009	-	-
Accounts receivable (income not received), net	-	-	9,911,516	7,581,887
Provision for personnel bonus	-	34,467	-	-
Provision for vacations	63,885	58,591	-	-
Major maintenance provision	472,876	427,696	-	-
Prepaid expenses	-	-	23,504	-
Long-term revenues received in advance	184	188	-	-
Execution of additional works	-	-	18,929	10,282
Post earthquake reconstruction accounts	340,702	340,702	-	-
MBIA upfront premium	5,496,674	5,882,242	-	-
Financial-tax works cost difference	3,855,272	3,388,554	-	-
Bond obligations (issuance contract, placement costs)	-	-	6,134,970	6,859,810
Total assets and liabilities from deferred taxes	<u>61,264,408</u>	<u>66,551,449</u>	<u>16,088,919</u>	<u>14,451,979</u>
Net balance from deferred taxes	<u>45,175,489</u>	<u>52,099,470</u>		

The Company has not made any provision for first category income tax because it has accumulated tax losses in the amount of ThCL\$ 189,017,833 and ThCL\$ 208,959,291 as of December 31, 2018 and 2017, respectively. The Company has estimated that the deferred tax assets are likely to be realized in their entirety.

The movements of deferred taxes are the following:

Deferred tax movements	Assets ThCL\$	Liabilities ThCL\$
Balance as of December 31, 2017	66,551,449	14,451,979
Increment (decrease) with effect on results	<u>(5,287,041)</u>	<u>1,636,940</u>
Balance as of December 31, 2018	<u>61,264,408</u>	<u>16,088,919</u>

The effect on results as of December 31, 2018 and 2017 is the following:

Effects on Results	12.31.2018 ThCL\$	12.31.2017 ThCL\$
Deferred tax	(6,923,981)	(7,005,274)
Art. 21 Par. 3rd	<u>(10,285)</u>	<u>(8,901)</u>
Income tax expense	<u>(6,934,266)</u>	<u>(7,014,175)</u>

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:

	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Tax expense using the actual rate	(8,412,075)	(7,488,914)
Effect for previous year tax loss adjustment	3,027,881	4,146,023
Effect of temporary differences and adjustments	(1,539,786)	(3,662,383)
Effect of permanent differences and adjustments	<u>(10,285)</u>	<u>(8,901)</u>
Total adjustment of tax expenses using the legal rate	<u>1,477,810</u>	<u>474,739</u>
Tax expense using the actual rate	<u>(6,934,266)</u>	<u>(7,014,175)</u>

iii. The tax rate used for the reconciliations for years 2018 and 2017 corresponds to the tax rate payable by the Company on its taxable profits under the standing tax regulations.

	12.31.2018	12.31.2017
Legal tax rate	-27.0%	-25.5%
Effect for previous year tax loss adjustment (%)	9.7%	14.1%
Effect of temporary differences and adjustments (%)	-4.9%	-12.5%
Effect of permanent differences and adjustments (%)	<u>0.0%</u>	<u>0.0%</u>
Total adjustment of tax expenses using the legal rate (%)	<u>4.7%</u>	<u>1.6%</u>
Tax (expense) using the legal rate (%)	<u>-22.3%</u>	<u>-23.9%</u>

24. ENVIRONMENT

Considering Circular Letter 1,901 from the Superintendence of Securities and Insurance, 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 and ISO 14,001 standards and OHSAS 18,001 specifications.

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>	12.31.2018	12.31.2017
	ThCL\$	ThCL\$
Environmental advisory services and studies	13,997	8,719
Office maintenance (de-greasing chamber at cafeteria)	2,619	2,812
Green areas, landscaping	424,654	228,448
Sanitation	98,187	66,417
Totals	539,457	306,396

25. SERVICE CONCESSION AGREEMENTS

a) Classification of the agreement

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

- i) 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;
- ii) The operator is paid for its services during the period of the agreement; and
- iii) The agreement 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 agreements to which the interpretation of the standard refers to:

- i) 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);
- ii) 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.
- iii) 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 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 Statutory Decree 956 of 1997, Enabling 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 Law.

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, with 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 Bidding Terms and Conditions, 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, 2018 through December 31, 2018 are the following:

TBFP: 65.479 \$/Km.
 TBP : 130.958 \$/Km.
 TS : 196.437 \$/Km.

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

These tariffs are adjusted annually according to the changes in the Consumer Price Index with a maximum actual annual indexation of 3.5%, as stipulated in paragraph 1.14.7 of the Tender Terms.

- 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 conservation, repair and operating service, as stipulated in article 1.12.3 of the Tender Terms.

- 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.

- 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.

- Payments by the MOP to the Company for the construction of rainwater channels and sewers:

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

9. Guarantee for Operation

The Operating Guarantee of the Concession Contract is comprised of ten performance bonds for equal 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 current 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 one being replaced expires. In the latter case, the last performance bond will be current 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 for 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. 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. 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.
11. Applicable fines will be imposed as stipulated in the Tender Terms, Clarifying Circular Letters, MOP 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 and in MOP 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 revenues.
14. Through Resolution No. 2817 of the Department of Public Works dated August 22, 2006, Final Start-Up of 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) MOP Statutory Decree 1,321 of 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) MOP 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 made 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) MOP Statutory Decree No. 270 dated December 21, 2016 and published in the Official Gazette on May 12, de 2017, approved the Ad-Referendum No. 1 Agreement, 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 Supplement of 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, 2018 operations relating to this agreement have taken place in the amount of ThCL\$ 1,175,418 which form part of item Other nonfinancial assets, noncurrent.

26. EVENTS OCCURRED SUBSEQUENTLY TO THE DATE OF THE STATEMENT OF FINANCIAL POSITION

On February 7, 2019, company Infraestructura Alpha SpA, which is controlled by the fund called Frontal Trust Infraestructura Alpha Fondo de Inversión, has acquired a total of 3,019,908,843 shares in company Brookfield Americas Infrastructure Holdings Chile I S.A, which corresponds to 33% of the company's stock. This is the parent company of the holding which Concesionaria Vespucio Norte Express S.A. is part of.

No other material events have occurred from January 1, 2019 and the date of presentation of these financial statements, that could materially alter the interpretation of the same.

* * * * *

An aerial photograph of a multi-lane highway stretching into the distance under a warm, golden sunset sky. The highway is flanked by green agricultural fields and some buildings. In the far distance, a range of mountains is visible. The sky is a mix of orange, yellow, and light blue. A small airplane is visible in the upper left portion of the sky. The image is overlaid with large, semi-transparent geometric shapes: a light beige triangle in the top left, a dark blue triangle in the middle left, an orange triangle in the top right, and a large blue triangle in the bottom right. The text 'autopista vespucio norte' is positioned in the beige area, and 'FINANCIAL ANALYSIS' is in the beige area below the dark blue triangle. 'ANNUAL REPORT 2018' is at the bottom center.

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norte

FINANCIAL ANALYSIS

ANNUAL REPORT 2018

**EXPLANATORY ANALYSIS OF THE FINANCIAL STATEMENTS PREPARED UNDER
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

AS OF DECEMBER 31, 2018 AND DECEMBER 31, 2017
(Amounts in thousands of Chilean pesos – ThCL\$)

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, 2017 and 2016, are the following:

Items	12-31-2018 ThCL\$	12-31-2017 ThCL\$
<u>Assets</u>		
Current	51,039,866	45,446,037
Noncurrent	279,139,250	277,449,110
Total Assets	330,179,116	322,895,147
<u>Liabilities</u>		
Current	24,031,353	34,051,525
Noncurrent	321,898,589	328,816,016
Equity	-15,750,826	-39,972,394
Total Liabilities and Equity	330,179,116	322,895,147

Assets

The chart above shows an increase in the amount of ThCL\$ 7,283,969 in total assets, the main variations in which were the following:

- i. A decrease in the amount of ThCL\$ 1,605,217 mainly originating in the operating, investment and financing activities recorded in "Cash and Cash Equivalent";
- ii. An increase in the amount of ThCL\$ 9,607,507 in "Trade Receivables and Other Accounts Receivable", explained by an increment in the tariff in accordance with the Tender's terms and conditions and in the number of transactions (vehicles passing under the gantries on the highway), as compared to the previous year;
- iii. An increase in the amount of ThCL\$ 20,225,143 in "Accounts receivable from related entities" mainly due to a loan granted to a shareholder.
- iv. A decrease in the amount of ThCL\$ 10,873,452 in "Intangible assets other than goodwill", as a result of the amortization of intangible asset (highway) in year 2018; and
- v. A decrease in the amount of ThCL\$ 9,546,760 in "Tax assets". This is due to a reduction in the amount of ThCL\$ 6,923,981 in deferred taxes and ThCL\$ 2,622,779 in current taxes, versus the balances as of December 31, 2017.

Liabilities

Liabilities (current + noncurrent) dropped in the amount of ThCL\$ 16,937,599 (4.7%), mainly due to:

- i. A reduction in the amount of ThCL\$ 4,471,852 in the debt of Bonds with the public, due to the greater payment made in 2018 as compared to 2017, as a result of the increment in the payment coupons;
- ii. A decrease in the amount of ThCL\$ 13,557,876 in Accounts payable to related entities, current, mainly due to the payment in June 2018 of the balance of the subordinated debt kept with the shareholder;
- iii. A reduction in the amount of ThCL\$ 1,036,275 in Accounts payable to vendors, mainly due to the fact that the study and engineering services for the project of expansion of the highway were contracted in late 2017;
- iv. An increase in the amount of ThCL\$ 1,725,418 in "Tax liabilities" due the change from having a remnant from the tax generated by the Company's purchases in December 2017, to having taxes payable generated from the sales instruments issued as of December 2018; and
- v. An increase in the amount of ThCL\$ 167,336 in the provision for maintenance of the highway as per what had been projected for this type of expenses.

Equity

Equity is presented as a negative amount, basically due to the loss from the adjustments resulting from the first adoption of IFRS, in the amount of ThCL\$ 124,256,766. This adjustment is included in "Accumulated Losses".

As of December 31, 2018, the result for the year was a profit in the amount of ThCL\$ 24,221,568.

The main financial indicators for the periods ended as of December 31, 2018 and 2017, are the following:

Indicators in the Statement of Financial Position	12-31-2018	12-31-2017
<u>Liquidity</u>		
Current liquidity	2.12	1.33
Acid ratio	2.12	1.33
<u>Indebtedness</u>		
Indebtedness ratio	N/A	N/A
Short-term debt/total debt	0.07	0.09
Long-term debt/total debt	0.93	0.91
Financial expense hedge (1)	2.19	2.01
(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.		
N/A: Not Applicable (Negative Equity).		

Both the liquidity index and the acid ratio showed 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.

As of December 31, 2018, indebtedness is for the most part on a long-term basis (93%). The short-term portion of indebtedness from the issuance of Bonds to the public exists as a financial liability.

2.- ANALYSIS OF THE RESULTS

The figures corresponding to the main items in the profit and loss statement as of December 31, 2018 and 2017 are the following:

Items	12-31-2018	12-31-2017
	ThCL\$	ThCL\$
Ordinary Revenues	97,759,951	89,737,109
Gross Profit (Loss)	66,697,524	60,803,882
Administrative and Sales Expenses	-3,505,458	-3,049,865
Profit before interest, exchange rate differences, taxes, depreciations and amortizations.	74,909,177	72,739,111
Financial Costs, net	-22,066,972	-25,124,375
Differences in exchange rates and other indexation units	-9,969,260	-7,069,882
Income Tax	-6,934,266	-7,014,175
Final Profit (Loss)	24,221,568	22,354,117

Gross Margin

The gross margin amounted to ThCL\$ 66,697,524 for year 2018 and ThCL\$ 60,803,882 for 2017. The increment in the amount of ThCL\$ 5,893,642, originates in a rise in ordinary revenue, offset by a rise in expenses and operating costs.

Ordinary revenues as of December 31, 2018 amounted to ThCL\$ 97,759,951, which represents an increase of 8.9% as compared to the ThCL\$ 89,737,109 in the same period of year 2017, the main causes of which are the higher vehicle flow along the highway and the indexation of tariffs applied for year 2018, in accordance with the concession contract.

In terms of transactions (passes of a vehicle recorded by the electronic toll systems at each gantry), a total of 299.4 million transactions were recorded as of December 31, 2018.

The operating costs and expenses as of December 31, 2018 rose 7.4% versus the same period of 2017. The most significant rise occurred in amortization and depreciation, in the amount of ThCL\$ 542,971 as compared to 2017, due to the fact that the method of amortization of the Public Works is on a transaction basis. The expenses referring to personnel, fees and advisory services grew in the amount of ThCL\$ 155,699 from year 2017. It is also necessary to highlight an increase in the amount of ThCL\$ 693,614 due to increased costs in the maintenance of the highway's infrastructure and the evaluation and condition of the pavements. Lastly, there was a rise in the amount of ThCL\$ 664,124 and the bad debt provision.

Administrative and Sales Expenses

As of December 31, 2018, administrative and sales expenses amounted to ThCL\$ 3,505,458, that is 14.9% higher in comparison with the same period in year 2017, mainly triggered by increased costs incurred in legal advisory services, third-party personnel, highway tolls, lease of vehicles and office maintenance.

Operating Results

Excluding the financial effects (interest, indexation and exchange rate differences), the income tax (current and deferred), the depreciation and amortizations, a higher profit in the amount of ThCL\$ 2,170,066 is observed if comparing the accumulated results accumulated as of December 2018 in the

amount of ThCL\$ 74,909,177 with the same period in year 2017 where the amount was ThCL\$ 72,739,111. The rationale for this is mainly the increased operating revenues.

Final Profit / (Loss)

The profit for the period rose in the amount of ThCL\$ 1,867,451, in comparison to the results obtained as of December 31, 2017. The main cause of the increment is explained by the rise in ordinary revenues in the amount of ThCL\$ 8,022,842. There was a greater variation in the Unidad de Fomento, as compared to the same period in the previous year. This resulted in a higher revaluation of the Company's financial liabilities -which are denominated to this indexation unit- in the amount of ThCL\$ 2,849,729. There was also a decrease in profits due to the fact that during 2017 the recorded margin was ThCL\$ 3,808,532 for a reevaluation of the highway maintenance provision, a fact that has not occurred again as of December 31, 2018. Other concepts that explain the variation in the profit for year 2018 is the higher expense incurred in advisory services, third-party personnel, tolls and other administrative expenses in the amount of ThCL\$ 445,272 versus year 2017. There was also a decrease in financial costs in the amount of ThCL\$ 3,009,690 as a result of a payment made in connection with the subordinate debt with the shareholder, which has resulted in a decrease in accrued interest. Lastly, the cost of sales rose in the amount of ThCL\$ 2,129,200, mainly due to the greater amortization, that's debt provision occurred in the period and an increase in the costs relating to personnel, fees and maintenance and evaluation of the highway's pavements.

Indicators of Profitability

Indicators in the Profit and Loss Statement	12-31-2018	12-31-2017
	%	%
Return on equity	N/A	N/A
Return on assets	7.34%	6.92%
Return on dividends	0.00%	0.00%
Profit (loss) per share (\$ per share)	\$ 563	\$ 520

N/A: Not Applicable (Negative Equity).

3.- CASH FLOWS

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

Items	12-31-2018	12-31-2017
	ThCL\$	ThCL\$
Net flow originating in operating activities	70,055,072	60,314,128
Collection from operation services	104,164,517	83,539,441
Payments to suppliers for the supply of goods and services	-32,184,390	-21,263,056
Payments to and on account of employees	-4,047,592	-4,446,436
Interest paid	-5,447	0
Interest received	1,560,335	2,367,113
Income tax payments	-9,616	-17,389
Other inflows (outflows) of cash	577,265	134,455
Net cash flow from investment activities	-598,512	-1,131,695
Purchases of property plant and equipment	-598,512	-1,131,695
Net cash flow originating in financing activities	-71,061,777	-85,437,103
Refund of other financial liabilities	-14,114,102	-9,544,323
Interest paid	-22,723,239	-22,905,696
Repayment of loans to related entities	-14,103,925	-52,987,084
Loans granted to related entities	-20,120,511	0
Positive/(negative) cash flow	-1,605,217	-26,254,670

In the operating flows, as of December 31, 2018 an increase in the amount of ThCL\$ 9,740,944, as compared to year 2017 is observed. This is mainly due to the following causes:

- i. Increased collection in the amount of ThCL\$ 20,625,076, due to a rise in the number of transactions and the indexation of tariffs during the year, and also because 2018 is the first year in which a monthly invoice is issued to the Ministry of Public Works for the VAT over 100% of the profits. Until 2017, the invoice used to be issued over 20% of the profits, giving rise to increased invoicing for this concept in the amount of ThCL\$ 14,975,726 (Part of this VAT was imputed to VAT credit remnant and subsequently it started to be paid to the State as per what is stated in the following paragraph);
- ii. Increase in the amount of ThCL\$ 10,921,334 in payments to vendors, originating in increased costs for studies in connection with the expansion of the highway, and the payment of the value-added tax since April 2018, a situation that did not occur last year, as there was a remnant of that tax.

With regard to flows from investment, as of December 31, 2018, an increase in the amount of ThCL\$ 533.183, in comparison with the same period of year 2017 is observed. This variation is explained by the fact that in year 2017 there were more purchases of fixed assets (tag devices) than in 2018.

In connection with financing flows, as of December 31, 2018 there was a reduced use of funds in comparison with the same period of year 2017, in the amount of ThCL\$ 14,375,326. This variation occurs due to a lower payment in the amount of ThCL\$ 38,883,159 of the subordinated debt with the shareholder, as the debt was settled during 2018. Therefore, payments were lower than in year 2017. There were also increment in the financing flows as a result of an increase in payments in the amount of ThCL\$ 4,569,779 in Bonds with the public and loans made to a shareholder in the amount of ThCL\$ 20,120,511.

4.- MARKET ANALYSIS

In the field of its operations, as of December 31, 2018 the company recorded a rise of 8.9% in its ordinary revenue, considering that this revenue amounted to ThCL\$ 97,759,951 in year 2018 and ThCL\$ 89,737,109 in the same period of 2017.

With regard to toll transactions, the number of individual transactions during 2018 was 299.4 million, as it was previously stated in the Gross Margin section.

5.- 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.

6.- 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.