



INTEGRATED REPORT 2019

COMMITTED

with the sustainable development of the city,
its inhabitants and its natural environment



INTEGRATED REPORT 2019

- 102-1, 102-3, 102-53
- ODS 6, 12

AGUAS ANDINAS S.A.

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We are pleased to present our Annual Report for 2019, which for the second consecutive year is being prepared under the Integrated Report format. With this model, Aguas Andinas reports to all its stakeholders on its performance in the period, combining its economic results with the progress of its strategic plan and its commitments regarding to environmental, social and corporate governance (ASG) management. The information contained in this Integrated Report covers the period from January 1st to December 31, 2019 and has been verified externally.

The preparation of this document considered the standard of the International Integrated Reporting Council (IIRC), in accordance with the comprehensive option of the GRI Standards in their most upgraded versions. Also, it integrates the regulatory requirements that the Financial Market Commission (CMF) contemplates in the presentation of reports of this nature, in accordance with the legislation in force in Chile for this matter. The text is structured based on the six capitals of the IIRC and the emphasis on each of the topics is in line with the results of the materiality analysis carried out in 2019, which included a consultation with all the company's stakeholders.

The abbreviations shown next to some titles correspond to contents established by the GRI, as well as the Sustainable Development Objectives (ODS) which are referred to throughout the document. More details on these indicators can be found in the ASG Indicators chapter, which also includes the indicators of the 2018-2022 Sustainability Roadmap, while along the issues addressed in Financial Capital it is possible to perform a monitoring of the Green and Social Bond, series AC, and Green and Social Bond, series AE.



In accordance with the commitment assumed by the company to contribute to the sustainable development of the planet, this Integrated Report, as in previous years, is only available in a digital version. Readers can access the issues of their interest only by clicking on those subjects.

The protection of the environment is everyone's responsibility, and we thank you in advance for your support in this task.





 **COMMITTED**
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In line with the environmental and climate challenges that the whole world is living, and Chile in particular, Aguas Andinas has resolved that the generation of environmental and social value is its main activity and central spindle of its operation.

Based on this definition, since 2016 the global strategy has been oriented towards transforming the organization into an environmental services company that respects its environment, which sees in the integrated management of water an opportunity to build a sustainable city, friendly to those who live and work there. This approach requires the provision of quality services, managed sustainably and closely related to the current needs of citizens, seeking a better future for all.

 Mountain Parrot in Laguna Lo Encañado, in Cajón del Río Maipo (Metropolitan Region)



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Integrated Report 2019



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CORPORATE vision

01

MESSAGE FROM Claudio Muñoz



102-14

2019

“During this cycle, we have proven the importance of having invested and worked to evolve towards a circular business model, transforming ourselves into a resilient organization”.

Our Integrated Report 2019, which reports on the economic, social and environmental performance and challenges of Aguas Andinas during the last year, is part of our continuous effort to make transparent and share information of interest with all groups with which we interact. During this cycle, we have proven the importance of having invested and worked to evolve towards a circular business model, transforming ourselves into a resilient organization, where the creation of social and environmental value, and the long-term vision, are as important as the economic results. Thanks to all this, today we are an environmental services company, capable of comprehensively addressing the challenges faced by the Metropolitan Region.

Currently, we are experiencing the most important drought ever recorded in central zone of Chile during the last century, deepening the scenario of water scarcity that already manifested itself in previous periods. Climate change affects the main resource we work with - water - and this, in addition to guiding our investments and commitments to adapt to its effects, encourages us to think of ambitious solutions and to work actively together with other actors to local and international level in

the search for adaptation and mitigation mechanisms. Thus, understanding the implications of climate change and the impact of this situation on the daily management of Aguas Andinas, the company decided to be present at COP25, despite the fact that the meeting was moved to Spain, although without neglecting our operation during the difficult times the country experienced from last October.

We believe in innovation to transform problems into opportunities. As a private actor, we have been able to transform our business model in time into one of circular value creation, using for example our waste in the generation of energy or organic material for agriculture; in 2019, in fact, once again we do not send waste to landfills. These achievements have been possible thanks to investments that exceed the requirements of health legislation, which has also allowed the city of Santiago to have 34 hours of autonomy in the supply of potable water, as opposed to 9 hours in 2015. With the definitive enablement of Pirque mega-tanks, we are facing the summer period without suspension of the supply, even though the episodes of rain in the range have intensified, thus increasing the turbidity of the water.

Into the future, the deepening of the drought and the increase of the water consumption with a growing urban population, forces us to advance more quickly. Along with the investments we have projected to face this scenario, incorporating sustainable financing mechanisms, currently one of our greatest and most important challenges is to increase collaboration and closeness with all actors in the basin, joining forces and efforts to ensure access to quality potable water for each inhabitant of our concession areas. In times where trust between each other is fragile, we want to offer a close organizational culture, aligned with the digital transformation to provide agile, efficient and safe solutions and the best customer experience.

Our path has made Santiago one of the most advanced cities in the world in terms of access to potable water and sanitation. Today we are advancing in more complex challenges, integrating technology for the efficiency of the entire network and valuing our waste; also, changing and developing the internal talent to achieve all that we have set out to do. In this sense, we are confident in what we have already built and that our history of commitment to the city is a good basis to continue improving our management and service, while promoting business growth at the same time as urban and people development. We also believe that the goals we have set will contribute to any future scenario for the well-being of Chile and its inhabitants, both in regulatory and standards matters, and even if situations of instability should arise. We will work together with all our stakeholders to make this happen.

Below, our report details how we have advanced in the commitments we made to progress on these challenges, many of which will persist for years to come and it also constitutes our Communication of Progress for the Global Compact of the United Nations. We invite you to review it and to work together towards the integral well-being of people, for today and tomorrow.

CLAUDIO MUÑOZ
Chairman of the Board of Directors





MESSAGE FROM Marta Colet

102-14

2019

“Today we can say that we are a more resilient company thanks to the full integration of environmental and social factors to daily job of the company and as a fundamental part of the integrated management model”.

If the previous year was for Aguas Andinas a period of consolidation of the process of transformation of our business model and we observed the advantages of the circular economy, 2019 showed that the investments and work involved were necessary to comprehensively address such a fundamental and complex activity as the supply of potable water and associated environmental services. This was evident during the last months of the year. Because, in addition to being the driest year in two centuries of history, after the social explosion that occurred in the country, we were able to maintain the operation without damaging the infrastructure and, most importantly, safeguarding the integrity and well-being of our entire human team. Therefore, today we can say that we are a more resilient company thanks to the

full integration of environmental and social factors to daily job of the company and as a fundamental part of the integrated management model.

This is a major advance in an increasingly challenging context for the industry, especially in a climate change scenario. The core of the company implies the reception of an increasingly scarce resource, so that our entire production process is focused on protecting it. Consequently, we have deepened the action and value creation axes of our work and we must promote with greater strength and speed the objectives set out in the company's strategic plan, especially after the latest social events and the deepening of natural phenomenon that impact our operation.

Currently, we are displaying an investment plan which is over 500 million dollars, destined to infrastructures that will increase our capacity of extraction and production of potable water, ensuring the continuity of supply in adverse climate conditions. We have more than 13,000 kilometers of pipe networks running through Santiago and we continue accelerating its modernization, decreasing damages and minimizing the impact in breaks. The technology has been an important partner in this regard: for example, it was installed sensors that allow remote monitoring of the network and in real time, improving significantly the response capacity, but also our hydraulic efficiency.

Likewise, in 2019 we will intensify the work developed for years with the main water users in the Metropolitan Region -electric companies, mining companies, irrigation companies and natural persons-, to prioritize human consumption and make a shared and efficient use of the resource. Also, we work with municipalities to optimize the irrigation of big parks and squares of the city, giving them detailed information about its consumptions and providing specific solutions for the identified problems.

The response of all these stakeholders and the progress achieved are noteworthy; however, the scale of the challenge requires us to act in an even deeper and more integrated manner. Because just as we are transforming our entire model at Aguas Andinas, we also want to promote new ways of understanding and quantifying a sanitary operation that serves over two million customers based on an thorough analysis of the current environmental scenario and always in coordination with all stakeholders.

Another milestone in 2019 was the new tariff process that concluded with results that ensure a return on investment and did not mean a rate increase for users. Looking ahead, it is important to think about updating the regulations that govern these procedures, adapting them to the changing conditions and challenges imposed by the nature and growth of the city. In this regard, the ongoing review of the regulatory framework is a propitious occasion to face the challenges of the industry from a perspective of its effects on society, and not only as a matter of updating and investing in technology. For example, incentives should be considered for new uses of regenerated water, or modernizing tariff structures so that they deliver a message of protection of the resource, establishing a differentiated tariff scheme by level of consumption, among other alternatives to ensure the population's access to water.

The future is challenging, but we see in the collaboration and joint action, a real opportunity to face it with optimism and long-term vision.

MARTA COLET
CEO





WELCOME
to aguas andinas

02

● 102-2, 102-4, 102-6, 102-7, 102-45

● ODS 6



Following the adoption of a business model based on the concept of a circular economy, Aguas Andinas aims to achieve a zero-waste and zero-emission operation that ensure the supply and continuity of the city's water supply and, at the same time, meet one of the greatest current challenges: adapting to climate change and contributing to its mitigation.

Aguas Andinas is a group of companies capable of providing all the environmental and sanitary services required by the population, providing a comprehensive response to the current challenges of water resource management. Its long history, together with the vast international experience provided by its controlling partner, positions the company as one of the main sanitary companies in Latin America.

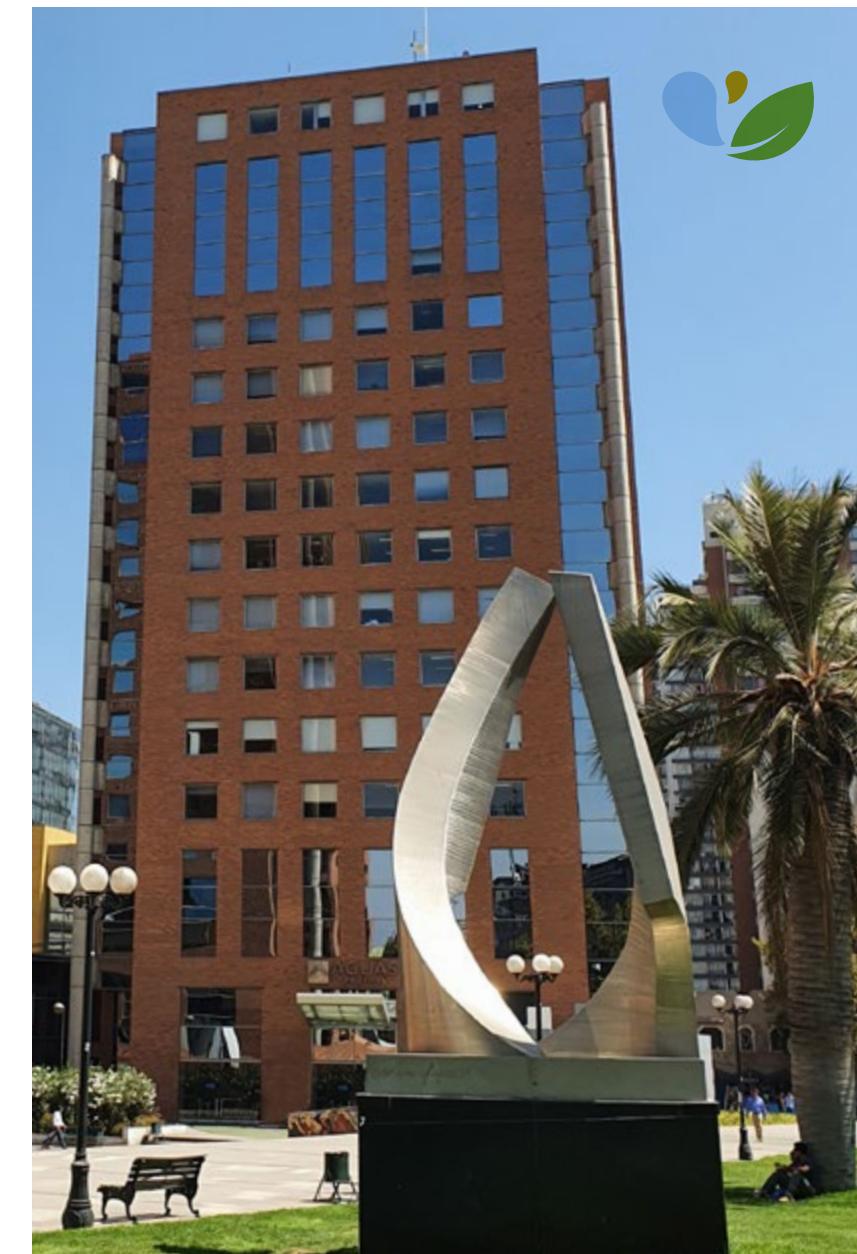
AGUAS ANDINAS AND ITS SANITARY SUBSIDIARIES

They focus on the production and distribution of potable water, together with the collection, treatment and final disposal of sewage and resources generation, treatment sub-products.



ENVIRONMENTAL SERVICES SUBSIDIARIES

They offer complementary services to the water utility industry and support its main management, focusing on the treatment of liquid industrial waste (LIW), marketing of materials and non-conventional renewable energy, laboratory analysis and development of energy projects related to sanitary companies.



Our history: a historical relation with Santiago and its inhabitants

The origin of Aguas Andinas dates to 1861, with the birth of the Empresa de Agua Potable de Santiago, which in turn was the predecessor of the Empresa Metropolitana de Obras Sanitarias (EMOS). In 1989, the company was transformed into a corporation, subsidiary Corfo, and a decade later it was privatized, acquiring its ownership the company Inversiones Aguas Metropolitanas (IAM), then conformed by Suez Group and Agbar Group, both with 50%. IAM currently holds 50.1% of the company's shares.

Since the beginning of its operation, the company has focused its efforts on promoting infrastructure works of enormous importance, which have improved the quality of life of the inhabitants of the Metropolitan Region, including Laguna Negra aqueduct (1917), Las Vizcachas plant (1946) and El Yeso reservoir (1967). In recent years, while continuing to make major investments, with efficient and sustainable management of resources, the company has also added a policy of decontamination and creation of environmental and social value as a strategic guideline.

All this trajectory has laid the foundations for making Aguas Andinas one of the main sanitary companies in Latin America, and they are the basis for the company's contribution to the country's objective of achieving sustainable growth.



Throughout its history, the company has sought to contribute to the development of Chile, and of Santiago in particular, adding in recent years a focus on sustainable growth.

• 2001

EMOS changes its name to Aguas Andinas S.A.

• 2002

The most advanced Operational Control Center in the country and the region is inaugurated.

• 2003

La Farfana Sewage Treatment Plant begins operations.

• 2010

One of the country's greatest environmental milestones is inaugurated: Clean Urban Mapocho, a project that decontaminates the river's water along its extension within the Metropolitan area.

• 2013

With the operation of the Mapocho Wastewater Treatment Plant, the commitment of the country to clean 100% of the wastewater in the Metropolitan Region is fulfilled, making Santiago one of the capitals with the best sanitation rates in the world. The first major works to adapt to climate change begins operations, with an investment of 63 million USD.

• 2015

Aguas Andinas enters the Dow Jones Sustainability Index of Emerging Markets and the Dow Jones Sustainability Index Chile.

• 2017

The company evolves from a paradigm of linear economy to a circular one and inaugurates the Biofactory of the Greater Santiago, the first of the sanitary industry at worldwide, which transforms wastewater into electricity, natural gas and fertilizer of agricultural use.

• 2018

Aguas Andinas places the first Green and Social Bond issued in the Chilean capital market. The UN Secretary of Climate Change awarded the company with the "Momentum for Change" award for the Biofactory project.

• 2019

The filling of the Pirque Tank begins, facility that allow to reach an autonomy of 34 hours of potable water supply for Santiago. Science Based Targets Initiative (SBTi) approves the goals of greenhouse gases reductions over scientific basis with ambition of 1.5 °C of the company. Aguas Andinas is the only Chilean company that obtains rating A-, Leadership category, in the climate change performance evaluation of Carbon Disclosure Project (CDP). Also is rated as Leadership company in CDP Supply Chain Project, being the only company of the country to disclose the climate change performance of its suppliers through this initiative.




Aguas Andinas is the only company in the Water Utilities sector in the world whose greenhouse gas (GHG) reduction targets with scientific basis and ambition 1.5°C have been ratified by The Science Based Targets Initiative, SBTi.



In April 2018 Aguas Andinas joined The Science Based Targets (SBTi), an initiative whose mission is to help corporations during their transition to a low CO₂ economy, from measurements made on a scientific basis.

Within this framework, the company set about defining an action and investment plan that would allow it to establish the foundations with which to work in order to reduce its greenhouse gas emissions by 2030. After approximately 18 months of work, the process culminated with a design that was presented to SBTi for its evaluation.

In sum, the company's approach was to set a target of 1.5°C, an ambition that is in line with the global objectives on United Nations' scientific basis. After a period of analysis, in December 2019 the SBTi approved the goal for Aguas Andinas, in what was an enormously significant milestone for the company.

It should be noted that the SBTi is the result of a collaboration between the United Nations Global Compact (UNGC), the World Resources Institute (WRI), the WWF (World Wide Fund for Nature), the CDP (Carbon Disclosure Project) and the We Mean Business Coalition.



Science Based Targets



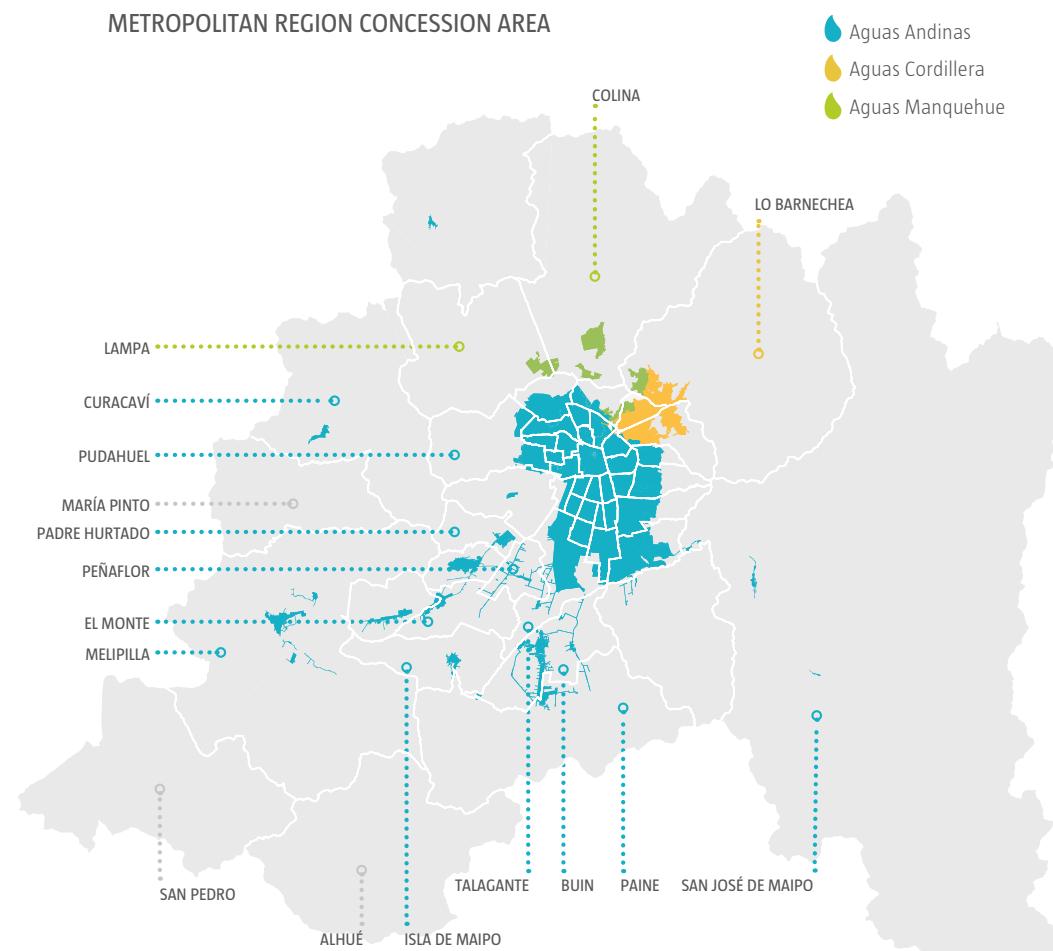
Coverage and operational territory



In its respective concession areas, Aguas Andinas and its subsidiaries reach 100% of potable water supply, 98% sewage and 100% wastewater treatment.

The concession area of Aguas Andinas, Aguas Cordillera and Aguas Manquehue is located in Metropolitan Region of Santiago, specifically in the basin located in intermediate depression of central Chile. Bordered to the north by the Chacabuco grade and to the south by Angostura de Paine, including 49 municipalities.

Out of its concession areas, and from a transfer point, the company provides services of collection and treatment of water to sanitary companies Smapa in Maipú, Sembcorp Aguas Santiago in Lo Barnechea and Santa Rosa del Peral in El Peral sector, La Florida commune.

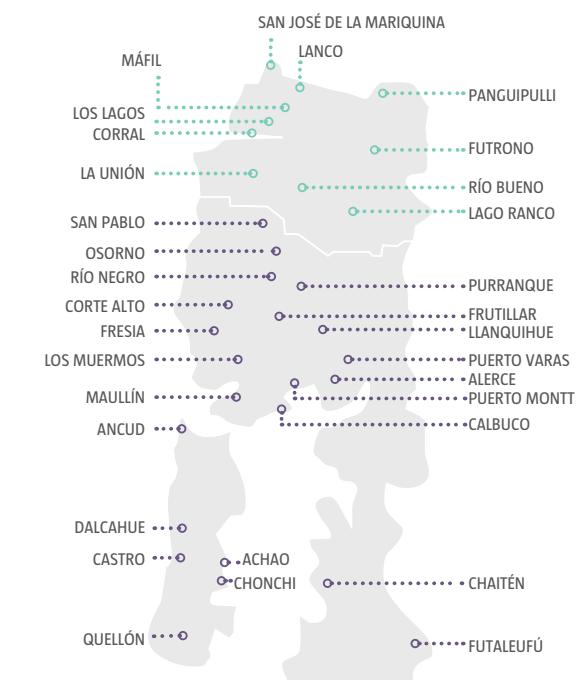


 **71 thousand OF HECTARES**
IS THE SUPPLIED ZONE IN METROPOLITAN REGION.



ESSAL CONCESSION AREA

The concession area corresponding to ESSAL includes 33 localities located in Los Lagos and Los Ríos region, and specifically in provinces of Osorno, Llanquihue, Puerto Montt, Chiloé and Palena and Valdivia and Ranco.

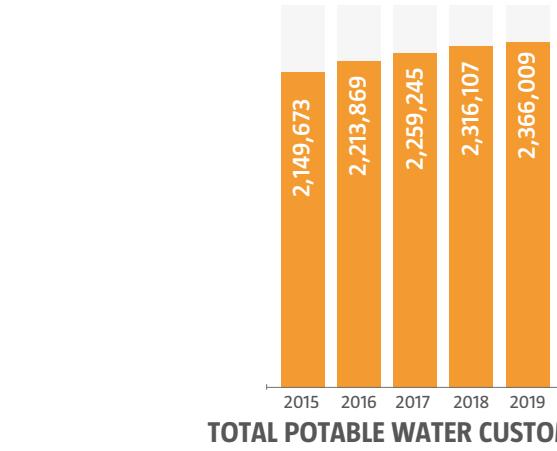


 **13 thousand OF HECTARES**
IS THE SUPPLIED ZONE IN LOS LAGOS AND LOS RÍOS REGIONS.

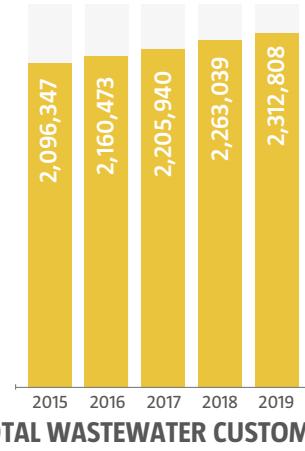


Company's evolution

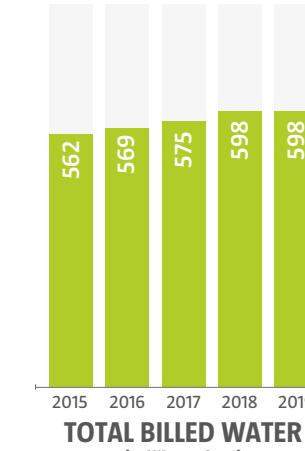
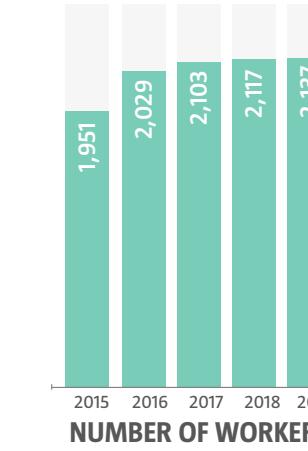
102-7
ODS 6



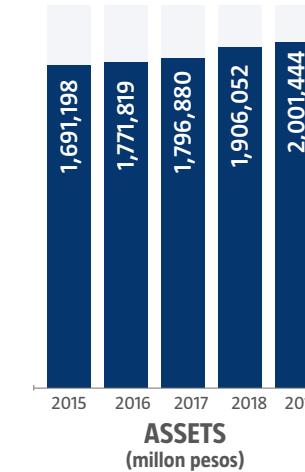
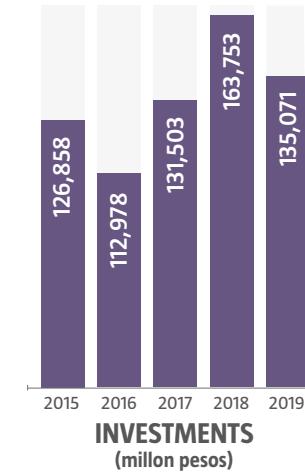
TOTAL POTABLE WATER CUSTOMERS



TOTAL WASTEWATER CUSTOMERS

TOTAL BILLED WATER
(million of m³)

NUMBER OF WORKERS

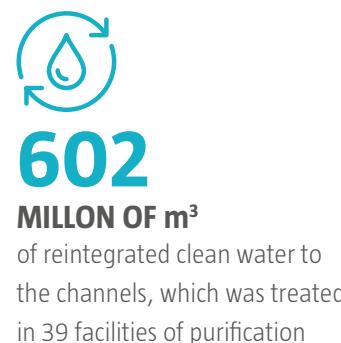
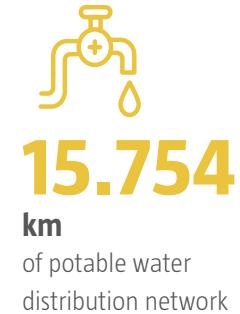
TOTAL INCOME
(million pesos)EBITDA
(million pesos)NET INCOME
(million pesos)ASSETS
(million pesos)INVESTMENTS
(million pesos)

More information in the indicators section of this report

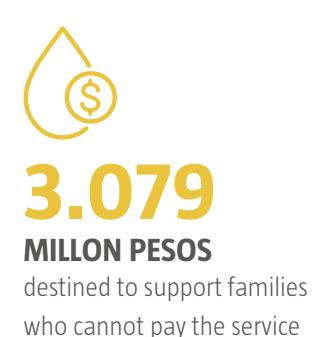


Aguas Andinas in 2019

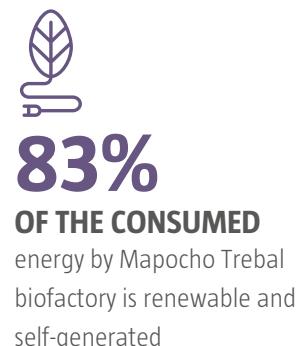
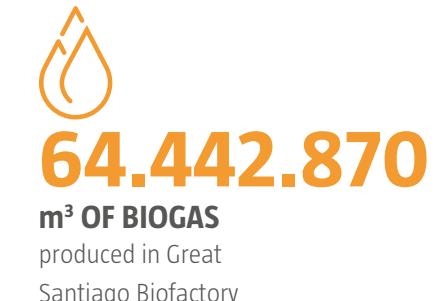
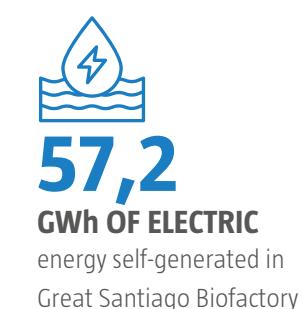
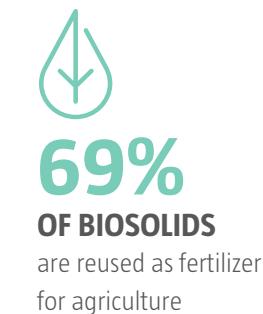
OPERATION



SOCIAL IMPACT



ENVIRONMENTAL SUPPORT



Awards and recognitions



Selected to be a component of Dow Jones Sustainability Indexes (DJSI) Emerging Markets and Chile Index for five years in a row.



For five years in a row, Aguas Andinas maintained its ranking A within MSCI Index ESG Ratings, which places it within the upper limit of average range of utilities sector companies.



Aguas Andinas was ranked as B- "Prime" for ISS – OE – KOM, German institution that analyzes companies and countries regarding its environmental and social governance performance. This is the first year in which Aguas Andinas is incorporated in its evaluation system, being "Prime" category, which is awarded to companies that are among the leaders in the industry.



FTSE4Good

Selected to be part of FTSE-4Good Emerging Index for three years in a row.



First place in "Leader Company in Investor Relations" category in its 2019 edition.



Second place of Latin-American in annual study 2019 of investor relations made by Vigeo and Gobernart.



The subsidiary Ecoriles was awarded with the "Inclusion" prize, granted by ACHS in the "Reinstatement of the rehabilitated worker" category.



Women Leaders Award: Marta Colet, CEO, elected one of the 100 women leaders.



Aguas Andinas was highlighted among the 100 companies with the best reputation of Chile. Claudio Muñoz, chairman of Aguas Andinas, and Marta Colet, CEO of Aguas Andinas, were highlighted among the 100 most reputable executives of the country.



The Energy Management System (SGE) of Aguas Andinas was recognized with the Energy Management Insight 2019, distinction awarded by Clean Energy Ministerial (CEM), a forum that brings together the energy ministries of countries that promote policies and technology programs with clean energy. The award considers efforts related to the energy performance in the Mapocho-Trebal and La Farfana Biofactories, San Antonio, Padre Hurtado and Talagante.



Aguas Andinas received the A-, which places the company in "Leadership" category, in the evaluation of its climate change performance, made by Carbon Disclosure Project (CDP) in 2019. In doing so, it became the only Chilean company that achieved the levels of compliance necessary to reach the aforementioned category.



The company is the only organization in Chile that participates in CDP's Supply Chain program, and therefore has a policy of disclosing its supply chain performance in climate change initiatives. In this order, Aguas Andinas obtained an A rating, corresponding to the "Leadership" category.



The "Emergency Supply System" program, was elected the most innovative project in Chile in 2019, by the company, thereby obtained the "Special Achievement in GIS" award.



BUSINESS MODEL_

management and commitments

03

Aguas Andinas has evolved into a company that gives environmental services, thanks to a value creation model that prioritizes the sustainability and the well-being of people and their environment.

GOING BEYOND WATER: we are a company of environmental services

103-1, 103-2, 103-3

A substantial part of the model is the strict adherence to the regulatory framework and regulations that allow the operation and sustainability of the business; good governance and management practices, which safeguard confidence for decision making; and a clear definition of the company's long-term vision through its work proposal and corporate values.

REGULATORY FRAMEWORK

Aguas Andinas carries out its activities under a regulatory framework dictated by the General Law of Sanitary Services (DFL 382-88) and its respective regulation (DS 1199-04). Its operation is supervised by the SISS, which also acts as a counterpart in the tariff regulation process.

CONFIDENCE FRAMEWORK

Good corporate governance and ethical management practices are key aspects in the decision-making process that governs and guides the company's work. They are based on an ethical culture shared by those who are part of the organization, and advanced management of risks and opportunities.

More information in chapter 05 of this report

Aguas Andinas' business model seeks to achieve greater efficiency in production processes and the use of resources, making operations more resilient against the current scenario of water scarcity, while at the same time complying with the mandate to ensure supply to those living in its concession areas.



Parque de la Familia, Santiago.

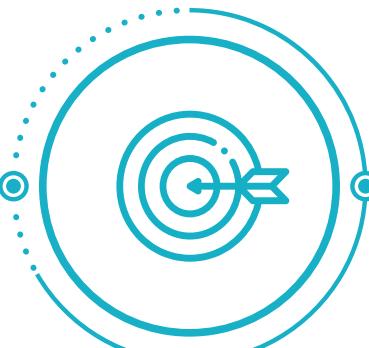
Vision, mission and values

102-16



VISION

Going beyond water, managing resources in a **sustainable way**.



MISSION

We are dedicated to **our customers** 24 hours a day.

We manage the **underground city** to ensure the **continuity** of our services.

We deliver **quality water** and transform **waste into resources**.



VALUES



Excellence



Commitment



Co-creation



Talent



Shared value



Sustainability

We create **shared value** with our **environment**.

We are committed to the **life quality** of people and the **development** of the country.



What do we do?: value chain

- 102-7, 303-1 (2016-2018), 303-2 (2016-2018), 303-3 (2018), 303-4 (2018), 303-5 (2018), 306-1 (2016), 306-5 (2016)
- ODS 3, 6, 7, 11, 12, 13, 15

CONTEXT



In **2035**, the population of Santiago could reach **9 million of inhabitants**.¹



To December 2019, the Metropolitan Region accumulated a **rainfall deficit² of 76%**, being one of the **driest years** from the beginning of weather reports.



The potable water and sanitation sector **consume 6.3%** of the total of surface water and groundwater in Chile. Meanwhile, the **agricultural industry** uses 88,3% of that total, the **industrial and energy sector** 0.6% each one and **mining and livestock sector**, 3.8% and 0.4% respectively³.



To ensure both the supply and continuity of potable water supply for an increasing population, as an appropriate collection and revaluation of waste.



To find alternatives sources of water supply, as well as a higher efficiency in the distribution network and new possibilities of reuse.



To coordinate the different actors of water basins to ensure the availability of water to human consumption without affecting other activities and services.

CHALLENGES

CIRCULAR ECONOMY MODEL

Considering that water is an element that must supply a growing urban population with an availability that is increasingly threatened by the effects of climate change - particularly by the phenomenon of drought - the company is applying a circular economy model, aimed to maximizing efficiency in the use of both the available water resources and the sub-products of the water treatment and sanitation process.

Through this management, water is managed in a collaborative manner and in interaction with multiple actors in the productive environment of both the city and the concession area as a whole.

1. INE, 2019 / Summary of Estimates and Projections of Chilean Population 2002-2035.



[Going to web](#)

2. Weather Direction of Chile. / http://www.meteochile.cl/PortalDMC-web/climatologia/inicio_climatologia/informe_precipitaciones.xhtml?0.6154106731992215



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3. Chile Foundation, 2018 / Water X-ray. Water Gap and Risk in Chile.



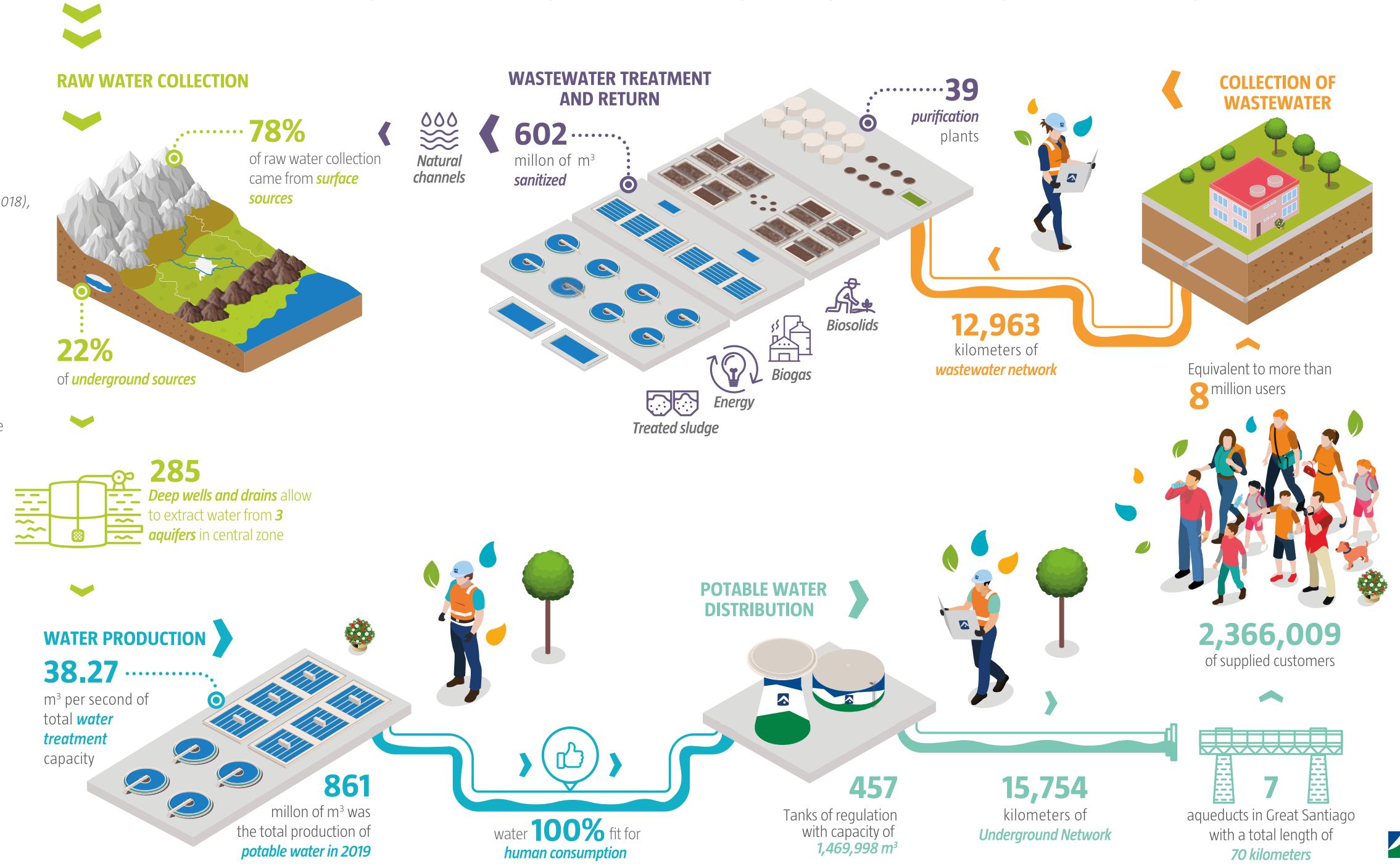
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Value Chain

- 102-7, 303-1 (2016-2018), 303-2 (2016-2018), 303-3 (2018), 303-4 (2018), 303-5 (2018), 306-1 (2016), 306-5 (2016)
- ODS 3, 6, 7, 11, 12, 13, 15

Aguas Andinas provides environmental services through integrated management that includes: raw water collection, potable water production and distribution, wastewater treatment and disposal, and the transformation of waste into sustainable resources. In 2019 this work meant the following results.



How do we do it?: integrated management system

403-8



The SGI is linked to different certifications that help to supervise processes associated with quality, health and safety, environment, energy efficiency, business continuity, equality, conciliation of personal and professional life, and anti-corruption matters.

Through this mechanism, the company is able to advance in the application of high standards in quality systems, and also support a global management of operations and processes.

The different international and national certifications of SGI are submitted to constant review and updates in order to strengthen all the operation and share good practices. Thus, Aguas Andinas and its subsidiaries are able to guarantee the competitiveness of its business model.

SGI	ISO 9001	ISO 45001	OH&AS 18001	ISO 14001	NCh 3262	ISO 37001	ISO 50001	ISO 22301
AGUAS andinas	●	●		●	●	●	●	●
AGUAS cordillera	●	●		●	●	●	●	●
AGUAS manquehue	●	●		●	●	●	●	●
essal	●			●				
EcoRiles	●							
GESTIÓN & SERVICIOS	●		●					
ANAM	●	●		●				



What do we do it for?: strategy and commitments

Aguas Andinas defined a long-term strategy called Santiago Deserves a 7 (SM7), which allows it to be in tune with its commitment to the sustainable development of the city, its inhabitants and its natural environment. SM7 consists of seven pillars or axes, which point out the route and the challenges facing the daily management of the company, including the obligations undertaken in its Sustainability Policy and Strategy.

These axes have specific purposes and goals, detailed in the "Roadmap 2018 - 2022", which are both a guide for the company's transformation towards sustainability, and a tool to control and, in particular, contribute to the fulfillment of the commitments acquired by Chile in the COP21 climate agreement, proposed by the United Nations (UN).





BUSINESS MODEL

Commitment:
To be a profitable, responsible and transparent company.



RESILIENCE

Commitment:
Guarantee supply in conditions of drought and climate change, preserving water as a source of life.



DIGITALIZATION

Commitment:
Accelerate the digital revolution at the service of the citizens, the operation and the internal culture.



CIRCULAR ECONOMY

Commitment:
Leading the battle against climate change by contributing to the global objective of limiting the global temperature increase to 1.5°C.



SOCIAL LEGITIMACY

Commitment:
Increase stakeholder satisfaction by reinforcing dialogue and promoting shared value.



INNOVATION AND PEOPLE

Commitment:
Promote diversity and well-being at work, guaranteeing health and safety at work, encouraging the development and promotion of talent and fostering a collaborative and innovative culture.



WATER AND QUALITY OF LIFE

Commitment:
Favoring the improvement in the quality of life of citizens and promoting the creation of healthy environments.

Objective:

- To be an economically sustainable company.
- To be leaders in best Corporate Governance.
- Support the development of socially and environmentally responsible suppliers.
- Promote a business model that is responsible for the climate and has a positive social impact.

Objective:

- Implement a climate change adaptation strategy by strengthening operational resilience.
- Protect and restore water-related ecosystems, including glaciers, mountains, wetlands, riverside forests, rivers, aquifers and lakes.
- Promote the use of alternative sources for uses that do not require potable water quality.
- Systematically propose to our customers resilience plans to the effects of climate change.

Objective:

- Lead the digital connection with the citizens.
- Automate the operation.
- Implement the internal culture AGUA 4.0.

Objective:

- To achieve zero climate impact by reducing Greenhouse Gases emissions and the Water Footprint.
- To achieve energy sustainability by reducing energy consumption in processes, self-generate renewable energy and maximize the renewable components in the energy matrix.
- To achieve 0 waste, favoring the reuse and valuation of waste that becomes secondary raw materials.

Objective:

- Increase stakeholder satisfaction with the company, maintaining a proactive, permanent and regulated relationship.
- Strengthen the figure of the Customer Counsel.
- Contribute to local development.
- Guarantee water to all vulnerable people.

Objective:

- Ensure good health and safety at work, committing ourselves to the challenge of zero accidents at work.
- Attract and retain talent.
- Promote well-being and equal opportunities by creating inclusive and diverse environments.
- Encourage collaborative and globalized ways of working.
- Promoting open innovation for the development of sustainable solutions.



SUSTAINABLE DEVELOPMENT OBJECTIVES

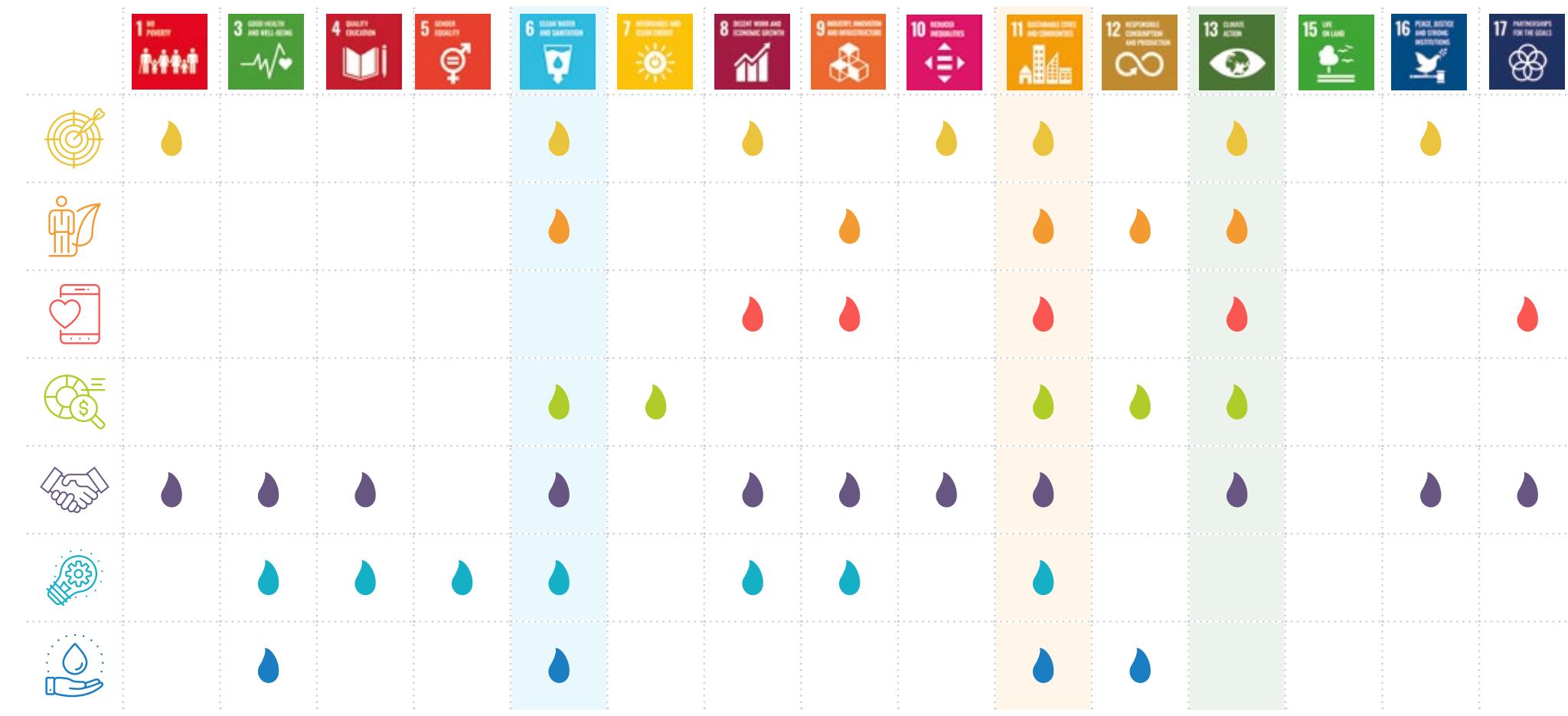
The SM7 strategy is linked with the 17 Sustainable Development Objectives (ODS) defined by UN in 2015, where is settled concrete goals towards 2030.

In this regard, Aguas Andinas identified 15 objectives linked to its operation, which are addressed in its strategic plan, with particular emphasis on three of them: ODS 6 "Clean water and sanitation", ODS 13 "Climate action", and ODS 11 "Sustainable cities and communities".

Since 2006, the company is signatory of United Nations Global Compact. Since then, the sustainability has been a comprehensive part of its strategy, implementing and giving an account of the 10 principles centered in human rights, labor relations, environment and anti-corruption.



AGUAS ANDINAS' CONTRIBUTION TO ODS



FOCUS:





OUR assets

04

The resources used and affected by Aguas Andinas, as well as the relationships that allow value to be created for citizens and other stakeholders, are collectively referred to in this Integrated Report as "Capitals", which, following the guidelines of the International Integrated Reporting Council (IIRC), are categorized as: financial, natural, human, intellectual, social and relational, and industrial.



FINANCIAL CAPITAL

Funds available within the organization for the creation and delivery of services.



NATURAL CAPITAL

Natural resources used and/or affected by the operation of the organization.



HUMAN CAPITAL

Competences, abilities and experience of the people in the organization, and their motivations to innovate.



INTELLECTUAL CAPITAL

Intangibles based on the organization's knowledge, including intellectual property and organizational capital.



RELATIONAL CAPITAL

Relationships within and between stakeholders and other networks, and the ability to share knowledge to improve individual and collective well-being.



INDUSTRIAL CAPITAL

Tangible assets or goods that are available for use in the provision of the organization's services, including buildings, equipment and infrastructure.

Axes of value creation

- Stable financial management.
- Efficient tariff system.
- Sustainable investments.
- Responsible financing.

Axes of value creation

- Adaptation to climate change.
- Mitigation of climate change effects.
- Biodiversity management.

Axes of value creation

- Promotion of equality and diversity.
- Attracting and retaining talent.
- Welfare incentive, health and safety at work.

Axes of value creation

- Promotion of investment in R+D+I
- Innovation in customer service.
- Educating for stakeholders' benefit.

Axes of value creation

- The customer at the center.
- Collaboration for the local development.
- Suppliers as allies.

Axes of value creation

- Assets for potable water production.
- Assets for wastewater treatment.
- Other assets.





FINANCIAL capital

The financial management of Aguas Andinas meets the needs of the community with the environment with corporate and shareholder requirements for performance that generates and distributes value in each period, with sustainable investment criteria that strengthen the long-term development of the company, the city and its environment.

Axes of value creation

Stable Financial Management

201-1
ODS 8, 9, 10, 13

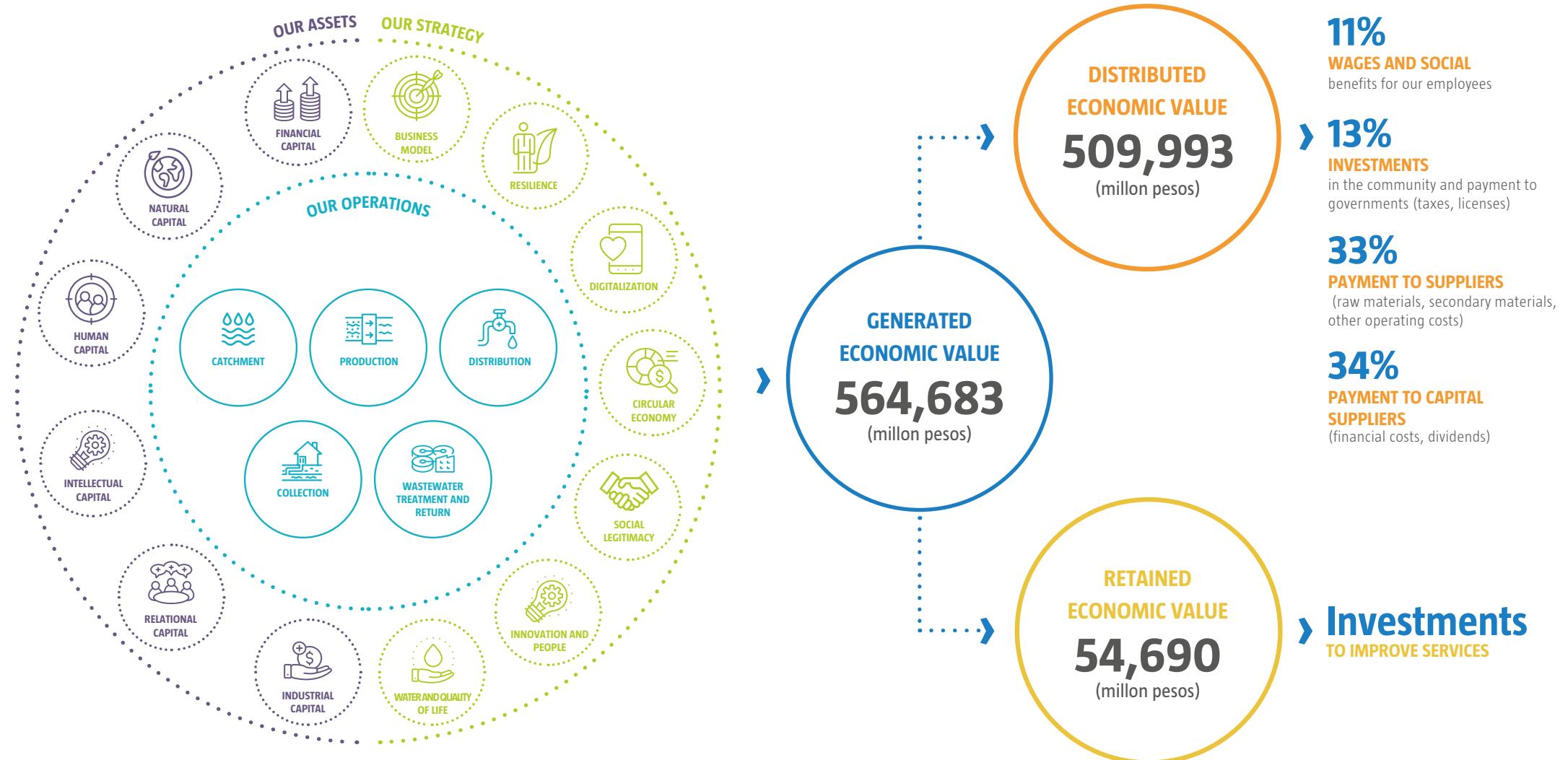
The financial performance of Aguas Andinas is aimed at generating economic value, which is distributed among its stakeholders, based on responsible decisions in the social and environmental sphere, always with a long-term vision.

To achieve these objectives, the company has at its disposal sophisticated management tools and applies strict control parameters, which help it to reinforce its financial stability and maintain limited risks in its operation. The company's financial management also takes into consideration the sustainability of its decisions and the creation of social and environmental value.

As a result, year after year the company records positive economic results, with continuous growth, consistent with the characteristics of a regulated sector such as sanitary.

More information in indicators section of this report

VALUE CREATION AND IMPACTS OF OUR BUSINESS



RESPONSIBLE PROFITABILITY

Another important component of Aguas Andinas' economic management is the orientation towards achieving high standards of sustainability and continuous improvement, which are assessed annually in an independent manner, through extra-financial rating agencies. Consequently, the company has managed to excel in different international indicators focused on sustainability, among which are:

- Dow Jones Sustainability Index de Mercados Emergentes
- Dow Jones Sustainability Index Chile
- FTSE4Good Emerging Index
- Vigeo Eiris Emerging Markets*
- MSCI
- ISS-oekom

These results provide valuable information to design plans and set goals that help to obtain new progresses in the management.

Nº	CLASSIFIER	INDEX	SCORE				
			2015	2016	2017	2018	2019
1	SAM		67	67	65	70	71
2	FTSE4Good		N/A	N/A	3,2	3,8	3,7
3	VigeoEiris*		38	N/A	53	N/A	58
4	MSCI		A	A	A	A	A
5	ISS-oekom		N/A	N/A	N/A	N/A	B-

* Permanence in index during first semester 2019

~~~~~

**After its evaluation in 2019, Aguas Andinas was maintained in 6th position of world ranking of Dow Jones Sustainability Indexes for Multi and Water Utilities sector.**

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Classification of risk AA+

In 2019, the risk classifier agencies Feller-Rate and ICR maintained the ranking of debt securities of Aguas Andinas in "AA+ Category", "Stable" trend. Meanwhile, the A series shares were classified in "First Class Level 1", and B series in "First Class Level 4".

SALE OF SUBSIDIARY ESSAL

At the close of this Integrated Report, Aguas Andinas reported that it will initiate an open and competitive process to sell its 53.5% direct and indirect shares in Empresa de Servicios Sanitarios de Los Lagos (ESSAL).

The decision taken by the company's board of directors in this regard responds to strictly business reasons, unrelated directly to the crisis caused by the hydrocarbons spill at the Caipulli potable water production plant in July 2019.



Efficient tariff system

Tariffs that Aguas Andinas applies to its customers' consumption are regulated by the current regulations in the Chilean sanitary sector. In the procedures for calculating the monthly charges, the company strictly follows the legal provisions that exist in this regard.

This factor, key to the company's results, was subject in 2019 to the Seventh Tariff Process, period 2020-2025, which ended with a **reduction in the tariff** for the provision of potable water and wastewater treatment at **Aguas Andinas** of 3%. For **Aguas Cordillera** and **Aguas Manquehue** the tariff reduction was **1.5%**.

The process also established that new investments must be made in infrastructure to progressively increase water storage capacity, to ensure that Santiago can be supplied for 48 hours (instead of the 34 hours achieved with Pirque tanks) in the event that episodes of extreme turbidity occur that stop production. In addition, works were defined to address drought and global warming.

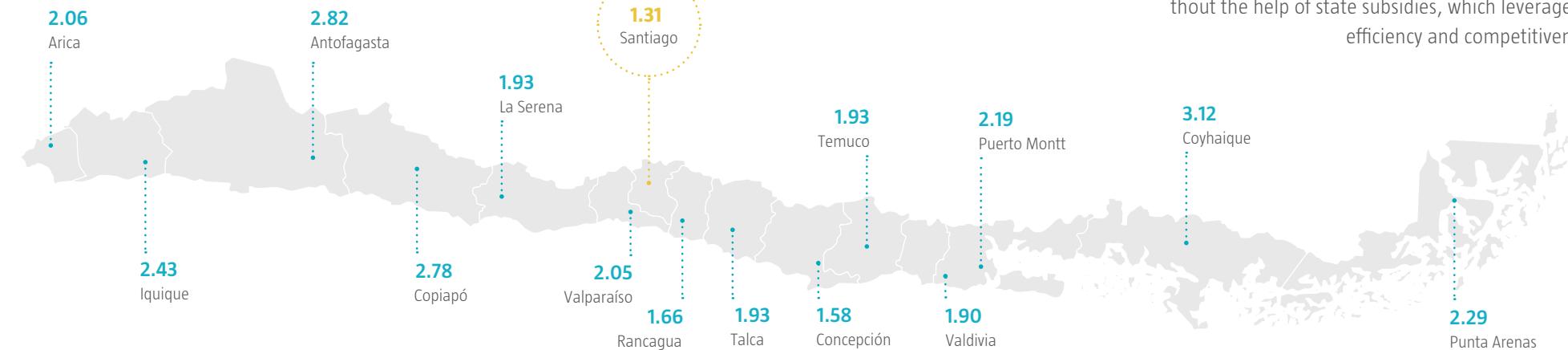
Aguas Andinas believes that the conditions of the ongoing review of the regulatory framework are a favorable condition for modernizing the tariff structures existing in the country today, adapting them to the reality imposed by climate change, for example, incorporating future social tariffs, defined according to progressive block sections and differentiated by the level of consumption. In this way, incentives would be applied to reduce intensive consumption, while disseminating a message of protection of water resources.

COMBINED TARIFF OF POTABLE WATER AND WASTEWATER (IN US\$/m³) OF CHILE'S REGIONAL CAPITALS

Source: Sanitary Sector Management Report 2018, of the Superintendence of Sanitary Services (SISS), regulatory government agency of the service.

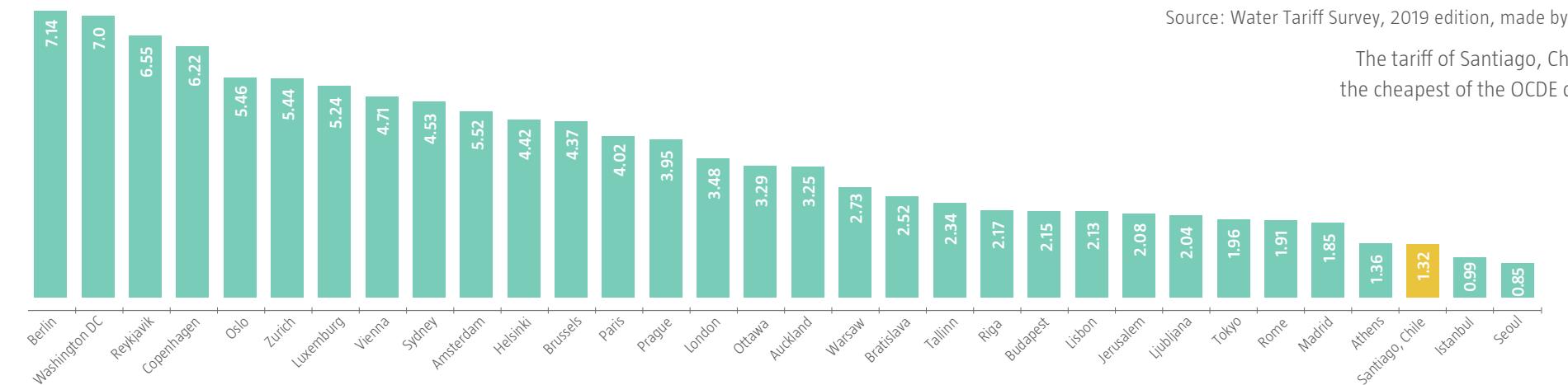


Sanitary Sector Management Report 2018, SISS



COMBINED TARIFF OF POTABLE WATER AND WASTEWATER (IN US\$/m³) BASED ON A CONSUMPTION OF 15 M³/MONTH FOR THE MAIN CITIES OF OCDE COUNTRIES

Source: Water Tariff Survey, 2019 edition, made by GWI.



The tariff of Santiago, Chile is also the cheapest of the OCDE countries.

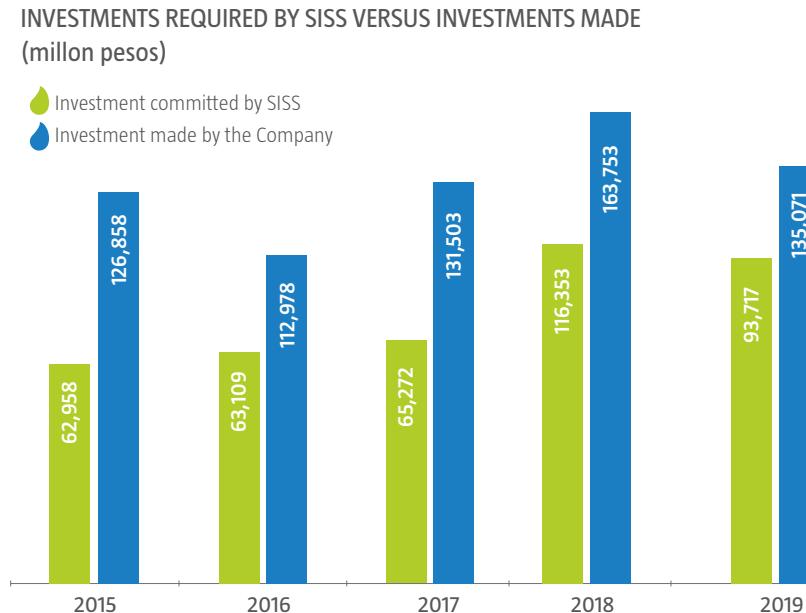


Sustainable investments

203-1
ODS 6, 9, 11, 13

Given the requirements of the regulator, and the need to ensure a quality supply of potable water to customers in the concession areas, Aguas Andinas must constantly implement development plans that generally demand significant investment flows, which are addressed with a sustainable and long-term vision.

At this level, and aware of the enormous challenge posed by climate change and the rainfall deficit in the Metropolitan Region, the company today seeks to generate greater resilience and autonomy to the operation. The main focus is to face the water scarcity as efficiently as possible, promoting an ambitious plan of US\$500 million, aimed to ensure the supply, and that the city of Santiago is prepared before severe climate episodes. Among other projects, it will be implemented different works of interconnection and new drillings in zones with higher availability of aquifers, which, once materialized, will allow a water supply from alternative sources.



Historically, the investment plans of Aguas Andinas exceed the committed amounts to the SISS in the framework of development plans for sanitary companies. Thus, in 2019 the company consolidated investments by \$135,071 million, of which 43% was destined to potable water production projects.

MAIN INVESTMENTS 2019 (million pesos)	TOTAL BUDGET FOR ACTION (million pesos)
PIRQUE TANK 37,147	84,349
COGENERATION MAPOCHO-TREBAL BIOFACTORY 4,553	6,582
FILTER RENEWAL OF VIZCACHAS POTABLE WATER TREATMENT PLANT 3,785	32,804
NITRATES TREATMENT LA FARFANA BIOFACTORY 3,088	13,428
NITRATES TREATMENT MAPOCHO-TREBAL BIOFACTORY 2,499	19,908
WATER EFFICIENCY PLAN 2,082	42,194
UPDATE OF OPERATING CONTROL CENTER 2.0 1,981	12,510



Responsible financing

2008

World Bank issues the **1st Green Bond** in the world

2012

OCDE and IEA (International Energy Agency) Recommended to the governments to consider the **Green Bonds** to finance **climate change** solutions.

2013

The **1st Corporate Green Bond** (Vasakronan, Swedish company)

2016

The **1st Sovereign Green bond** is issued (Poland)



2018

Aguas Andinas issues the **1st Green and Social Bond** in the local market in **Chile**

2019

Aguas Andinas issues its **2nd Green and Social Bond** in the **Chilean** local market



Green and social bond

During 2019, and for second year in a row, Aguas Andinas placed successfully a new green and social bond in the local capital market. The operation was in line with the objective of raise debt leveraging in sustainable financial instruments.

WHAT IS IT?

They are instruments whose resources are destined to finance projects that have environmental and social benefits.

REQUIREMENTS

- ✓ Assessment of ASG performance of the issuer, including dispute analysis.
- ✓ Analysis and coherence of Sustainable Strategy of the issuer.
- ✓ Projects to be financed in line with the ODS.
- ✓ Existence of concrete environmental and social benefits of financed projects.
- ✓ Projects with clearly defined, measurable, relevant and accurate goals.



RESULT

✓ Placed amount **CLF 2,000,000**

✓ Placement period **25 years**

✓ Placement time **27 sec**

✓ Total demand **2.7 times** the amount offered

✓ Placement rate **CLF + 2.0%**

✓ Spread **51 bps**

✓ **Main investors:** pension funds, insurance company and mutual funds.

ENVIRONMENTAL AND SOCIAL BENEFITS

- **Ensure accessibility** of potable water to sectors that have had high population growth.
- **Provide sanitation** services to new growth areas.
- **Contribute to improving** the people's quality of life and health, favoring healthy environments.
- **Protect the water** resources against externalities.
- **Strengthen the operating resilience**, improving the operational security conditions.
- **Move towards** energy self-sufficiency.





NATURAL capital

The growth plans of Aguas Andinas promote the need to explore new form of environment care, value creations and strategies to energetically face one of the biggest current challenges of the planet: *climate change*.

Axes of value creation



The main focus of Aguas Andinas' activity is the creation of Environmental Value, generating actions that protect their natural capital and the environment for the benefit of the planet and society. To do this, it has been proposed to manage water highlighting its condition as a vital resource for the maintenance of ecosystems and urban functioning, and actively innovating in environmental management.

Climate change adaptation

201-2
ODS 6, 12, 13

The changes in climate caused by global warming put enormous pressure on a resource like water. To face the consequences of this situation, the company is promoting adaptation strategies that involve heavy investments in infrastructure to ensure supply to those who live in Santiago, the adoption of sustainable solutions to better interact with water resources, and the in-depth analysis of each variable that can put even more pressure on them.

DROUGHT

Chile currently ranks among the thirty countries with the highest water risk on the planet, a circumstance aggravated by the 22 years of uninterrupted drought that have affected the country, a problem that is becoming particularly acute in the Metropolitan

Region, where Aguas Andinas' concession areas are located. As a result, the availability of freshwater is continuously declining.

In this context, the actions taken by the company have made it possible to maintain a high rate of continuity of supply.

0.9982
is the index

of Aguas Andinas' supply continuity

0.9933
is the index

of Aguas Manquehue' supply continuity

0.9987
is the index

of Aguas Cordillera' supply continuity

0.9961
is the average
continuity index of
sanitary sector

 Sanitary sector management report 2018, SISS

Indexes disclosed here correspond to the latest official SISS data, from the year 2018.

During that year, Aguas Manquehue increased the number of power outage events (48 in 2017 to 63) and duration (5.1 to 5.3 hours), which meant a drop in the indicator. The continuity index 2019 (calculated by the company) for Aguas Manquehue is 0.9974, reflecting that it has exceeded the incidents of the previous year, returning to outperform the sector average.

For the entire company of Metropolitan Region, the number of breaks did not caused by a power cut for the customer in 2019 has decreased by 9% compared to 2018.



Two decades with less rainfall

201-2
ODS 6, 12, 13

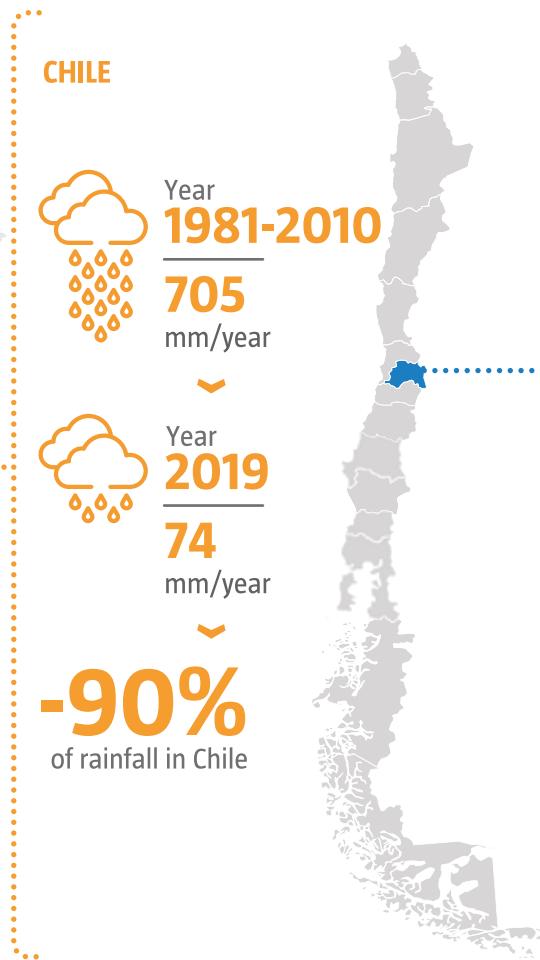
Chile in general, and its central zone in particular, suffer from an unprecedented drought that imposes enormous challenges on the management of water resources.

WORLD DROUGHT

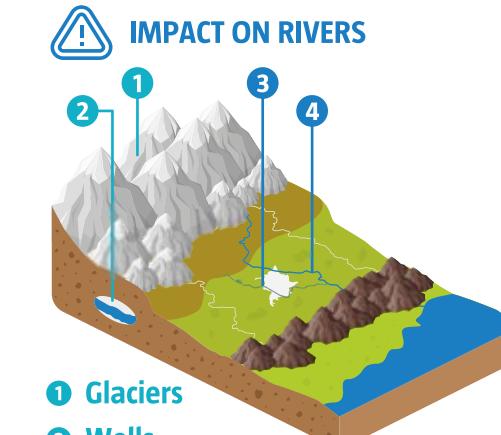


- 1 Qatar
- 2 Israel
- 3 Líbano
- 4 Irán
- 5 Jordania
- 6 Libia
- 7 Kuwait
- 8 Arabia Saudita
- 9 Eritrea
- 10 Emiratos Árabes Unidos
- 11 San Marino
- 12 Baréin
- 13 India
- 14 Pakistán
- 15 Turkmenistán
- 16 Omán
- 17 Botsuana
- 18 Chile

Chile is among the 18 driest countries



Going to web



17% of its historical flow 1981-2010
 $10.9^* \text{ m}^3/\text{sec} \rightarrow 1.8^{**} \text{ m}^3/\text{sec}$

28% of its historical flow 1981-2010
 $232^* \text{ m}^3/\text{sec} \rightarrow 64^{**} \text{ m}^3/\text{sec}$

*Average flow of December of period 1981-2010.
**Average flow of December 2019.



WHAT ARE WE DOING?

Infrastructure construction

Investment plan of USD\$500 million that began to be executed in 2019 and with a development horizon of 10 years.

- Increase productive capacity.
- Increase of wells extraction capacity.
- Interconnection of basins.

Networks Advanced Management

- Identification leaks.
- Network Digitalization.
- Technological innovation.

Responsible Consumption

- Work with municipalities in consumption reduction in green areas.
- Campaigns in awareness raising to the population.

WHICH ARE THE FOLLOWING CHALLENGES?

- Use of regenerated water.
- Aquifers infiltration.

Water scarcity degrees



Newsletter No. 500, Dec 2019 DGA

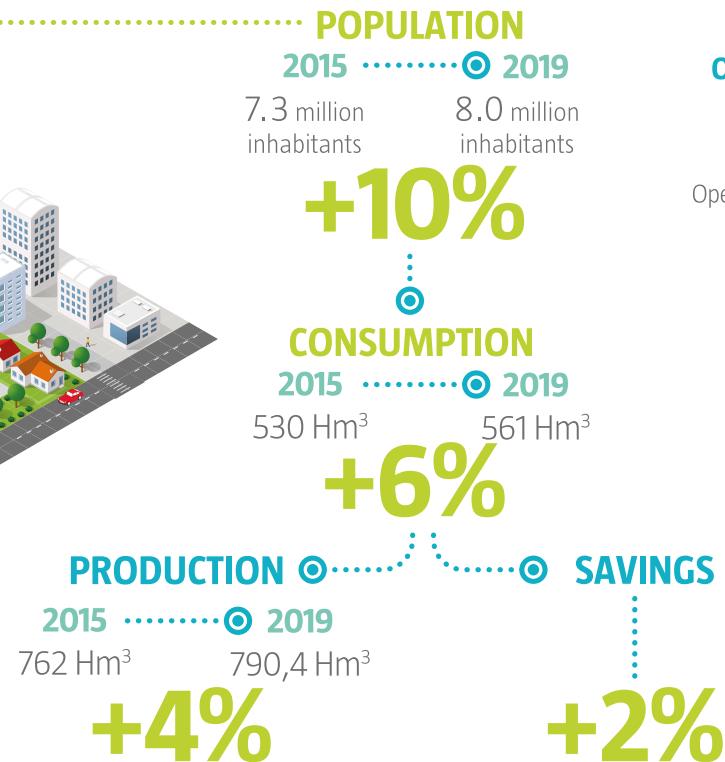
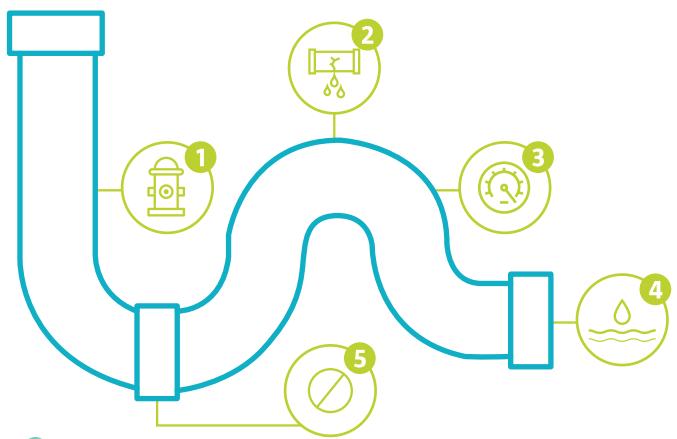


Advanced networks management

203-1
ODS 6, 9, 11, 12, 13



MAIN ITEMS WHICH CONSTITUTE UNBILLED WATER (NBW)



- 1 Legitimate social uses, water extraction for fire control
- 2 Network breaks
- 3 Meter sub-testing
- 4 Network washing
- 5 Fraud and irregular opening of taps

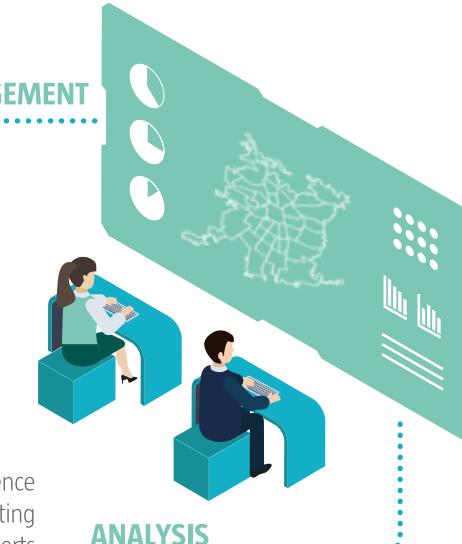
The Chilean sanitary sector has an ANF index of **33.8%**; for regulated companies of the Group in the Metropolitan Region is **28.7%**, according to the last report of SISS (2018).

The company has technological resources and has the necessary experience for the application of advanced solutions during the development of its operations, facilitating a sustainable territorial management and that it has people at the center.

OPERATIVE CONTROL CENTER

Operative
Losses
Assets

MANAGEMENT



Intelligence
Automating
Alerts
Models
Indicators
Monitoring

ANALYSIS

- Use of technologies for the detection and prevention of invisible leakage
 - Satellite mapping
 - Tracking gas
- Use of technologies for network monitoring
 - Technologies to avoid supply cuts
 - Digitalization of the network

15,754

kilometers of
Underground Network

which have allowed that
950,000
people have stopped facing supply cuts.

1/3 of the increase in the consumption has been covered with more efficiency in only 4 years equivalent to the consumption of
332,000

people, or 14 Hm³ per year, the population of cities as Antofagasta, Temuco or Iquique.



Reacting to water scarcity

The scarcity of rainfall in the Aguas Andinas concession area has become increasingly evident. In fact, 2019 was the second driest year in the last 200 years in terms of rainfall in the area covered by the Metropolitan Region.

The alarming reduction of the Mapocho River's course, by 88% compared to its historical average, reaching only 1.5 m³ per second, is illustrative in this respect. In the case of the Maipo River, its course has also fallen dramatically, by 65% in terms of the historical average, which is only a third of what is considered normal.

In this line, the company requested the decree of a water scarcity zone in the first upper section of the Maipo and Mapocho river basins, which in practice means empowering the authority to take the necessary measures to privilege human consumption over other water uses. Both requests were approved by MOP Decree No. 105 of September 6, 2019 and MOP Decree No. 124 of October 17, 2019.

The importance of glaciers

Among the efforts indicated to preserve the sources of water available in the Maipo basin, there is a focus of special importance: the glaciers that feed the flows, from which the potable water for the capital is produced and which, since 2014, have decreased by 8%.

These ice masses present in the range are fundamental water reserves, whose monitoring and care is increasingly important in view of the effects of climate change, which is accelerating their melting.

Therefore, since 2017 Aguas Andinas, the Surveillance Board of the first section of the Maipo River and the Sociedad de Canalistas del Maipo, have been monitoring the glacial contribution to the Maipo River basin, an action that includes an effort to raise awareness and work in an integrated manner with different actors for its protection and conservation.

In this context, during the celebration of COP25 in Madrid, Aguas Andinas presented the book "Endangered Ice: Glaciers and Andean Basins", where the initiatives to be implemented to face the possible disappearance of the mountain ice are deepened. Likewise, on the occasion of World Environment Day, the company contributed with the publication of the book "Louis Lliboutry, the man who deciphered the glaciers", by the Frenchman Marc Turrel, which describes the receding of the Chilean snowdrifts during the last decade.



Glaciers and Andean Basins Book, Endangered Ice.

WORK WITH OTHER STAKEHOLDERS TO TAKE CARE OF WATER

Water Fund

On October 15, 2019, the Santiago-Maipo Water Fund was established as a public-private collaboration to help safeguard water security in Santiago and protect the Maipo River. The Fund has the participation of the Regional Government, representatives of social and environmental institutions and various companies. Aguas Andinas participates as a founding partner and member of the Board of Directors.

From its beginning, the Water Fund has sought to integrate solutions aimed to protecting water sources, efficient use of the resource, information and risk management, communication and awareness raising, and territorial planning.

Technical Table for the Water Emergency of Metropolitan Region

This instance held by the Metropolitan Intendency, within the framework of the plan stipulated by the authority in view of the urgency and concern caused by the country's water crisis, and after decreeing areas of water scarcity and agricultural emergency in different communes of the region.

Joint work with municipalities

In the short term, the company has also worked with the municipalities to reduce the consumption of the resource, especially in the irrigation of parks and public squares, as well as providing information focused on their consumption and the necessary guidance to make more efficient use of water.



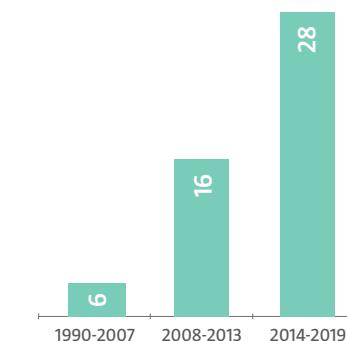


TURBIDITY

- 201-2
- ODS 6, 7, 12, 13

Although 2019 was a very dry year and it is estimated that rainfall will continue to drop significantly in central Chile, climate change has also led to an increase in phenomenon linked to short but intense rains in the mountain area, which cause extreme turbidity in the Maipo and Mapocho rivers. When this occurs, the production of potable water in the company's plants is affected.

NUMBER OF EVENTS LASTING MORE THAN 12 HOURS OVER 3,000 UNT WITH PEAKS HIGHER THAN 5,000 UNT



The nephelometric turbidity unit (UNT) is used to measure the turbidity. 5,000 UNT means that for every liter of treated water 3.8 grams of sludge or mud is removed.

5,000 UNT of turbidity in Las Vizcachas plant, with 20 m³/s of treatment flow, means the entrance to the plant of 6,566 tons of mud per day.

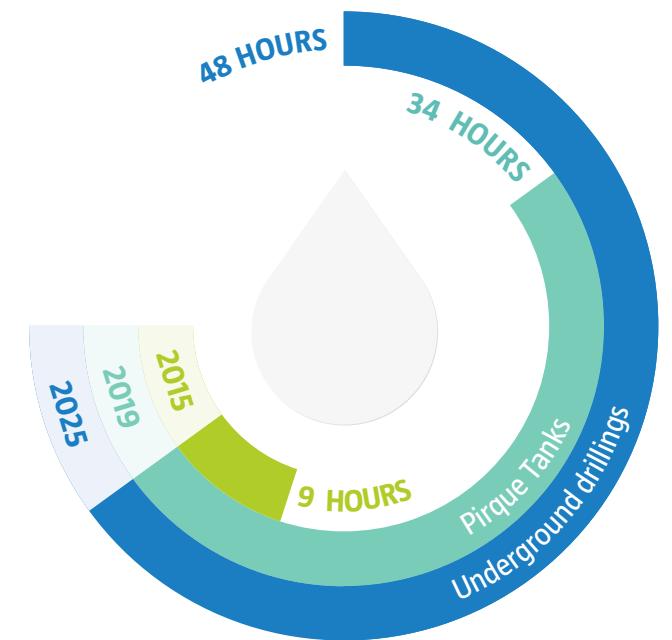
In order to reduce the risk mentioned above, Aguas Andinas is promoting important investments in new tanks, pipelines and wells, in order to increase the hours of operation and supply autonomy, projects that are making significant progress in this regard.

Autonomy hours increase

At the end of 2019, the Pirque mega-tanks began to be filled, allowing the company to reach 34 hours of autonomy.

In the coming years, investments will continue to be made that allow to reach 48 hours of autonomy in the face of turbidity events, including the drilling of new wells.

AUTONOMY HOURS



Mitigation of climate change effects

- 305-1, 305-2
- ODS 6, 7, 12, 13

Aguas Andinas' business model has been adapted to minimize the impact caused by its operations on the environment and communities. Thus, and within the framework of the circular economy scheme, innovative solutions are carried out which enable better management of the different resources, add value to society and, in the end, contribute to mitigating climate change.

GREENHOUSE GASES (GHG) EMISSIONS MANAGEMENT

The company has set out to take advantage of clean energy generation opportunities in order to ensure more efficient use of energy. In this sense, the Mapocho Trebal and La Farfana biofactories are currently a fundamental component of the efforts to reduce Aguas Andinas' carbon footprint, together with creating value from the waste that they generate, producing agricultural fertilizer and clean energy that is used to supply the company's own facilities and the Santiago natural gas network.

The biofactories are essential to continue contributing for a sustainable development of the city and its environment, and for the effort of strengthen the corporates commitments in terms of sustainability and fight against global warming.



Greenhouse gases emission management (GHG)

305-1,305-2,305-3

ODS 7, 13

2009

- Aguas Andinas for the first time made the measurement of Carbon Footprint.

2015

- First disclosure of climate change performance in Carbon Disclosure Project (CDP).

2018

- Second company in Chile to join to the commitment of establish its goals of emissions reduction scientifically based.
- The company increase the scope of its measurement and recalculates the emission for 2017.

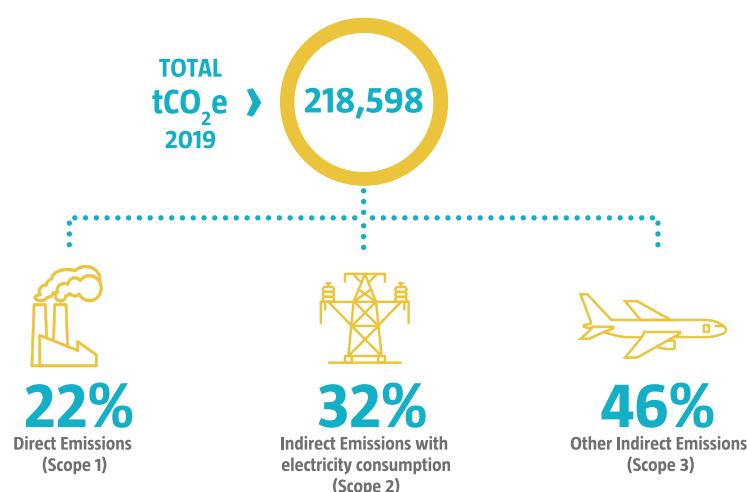
2019



Science Based Targets

- Science Based Targets Initiative approve the goals of emission reduction scientifically based, being the first company in the world of water utilities sector.
- Only company in Chile with assessment in A category ("Leadership") in climate change performance in CDP.
- First and only company in Chile that participates of CDP Supply Chain program, of climate change performance disclosure of suppliers. In 2019, obtained an A rating, corresponding to "Leadership" category.

GHG EMISSION BY SCOPE



WHAT ARE WE DOING?

-  Promoting the renewable energy use.
-  Generating renewable energy.
-  Adding electric vehicles to its fleet.
-  Reducing the quantity of waste.
-  Having processes more efficient.

GOALS OF REDUCTION OF EMISSION SCIENTIFICALLY BASED AND AMBITION 1.5°C



TO REDUCE
54%
of the absolute
scope 1 and 2

2030

TO REDUCE
16%
of absolute
scope 3

2030

 Achieved the goals, we will be **avoiding** to the **inhabitants** of Santiago the emission of **76,150 metric tons** of CO₂ each year.

 Obtained the goals, our **reduction** each year will be equivalent to **12,689,833 trips** in a gasoline sedan⁴.

4. Calculation based on return trip of 15 km.  [Going to web](#) 

WATER FOOTPRINT MANAGEMENT

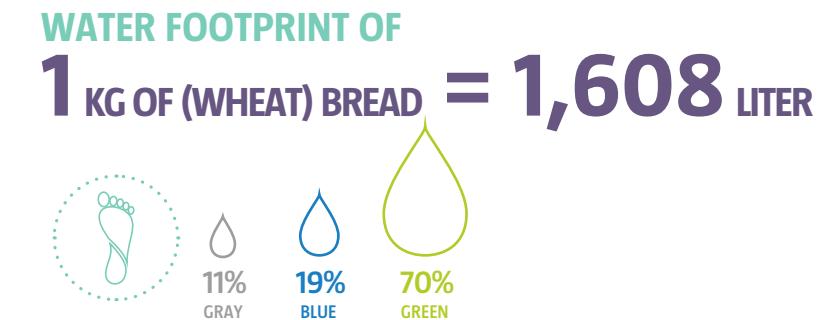
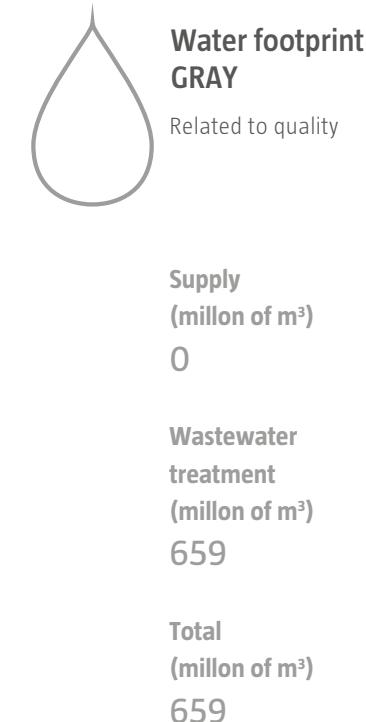
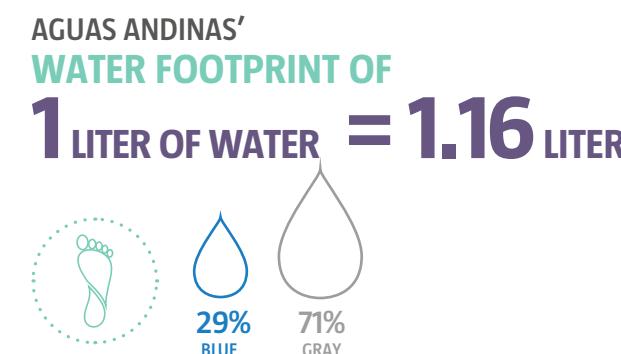
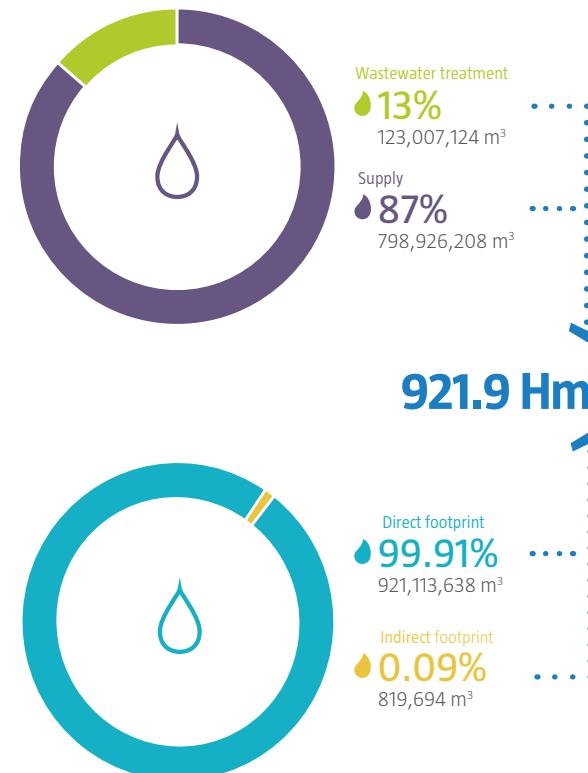
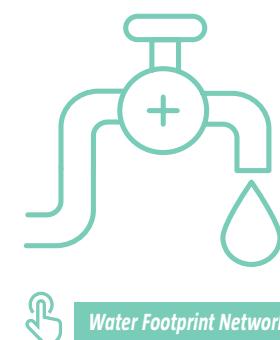


The water footprint reflects the total volume of fresh water used to produce the goods and services consumed directly or indirectly.

According to the criteria of Water Footprint Network, 87% of Aguas Andinas' footprint corresponds to supply tasks and is linked to the collection, on one side, and to the treatment of the resource that does not return to the original basins (and is mostly destined for the final consumer), on the other.

Within the integral water cycle, the regeneration of wastewater carried out in the biofactories contributes to reduce the global water footprint, since they avoid the gray part of the process (related to the amount of water that would be necessary so that the returned flows have an original quality).

In 2019, the calculation of the water footprint in the perimeter of Aguas Andinas and sanitation subsidiaries of the Metropolitan Region achieved relevant results that are set out in the attached infographic.





OUR ENERGY MANAGEMENT SYSTEM RECEIVED INTERNATIONAL CEM AWARDS

Aguas Andinas' Energy Management System (SGE) was recognized with the Energy Management Insight 2019, a distinction awarded by the Clean Energy Ministerial (CEM), a forum that brings together the energy ministries of countries that encourage clean energy technology policies and programs.

The award considers management related to energy performance in the Mapocho-Trebal and La Farfana, San Antonio, Padre Hurtado and Talagante Biofactories; for aspects such as: design, purchase of goods and services, plant operation, maintenance, data analysis, operational control and indicator monitoring.

ENERGY MANAGEMENT

302-1, 302-3, 302-4, 302-5

ODS 7, 13

Due to the scarcity of surface water, and with the commitment to ensure the supply of the population, Aguas Andinas is making more intensive use of groundwater potable water lifting and production facilities, which rises energy consumption.

The company is facing this situation by applying both economic rationality and sustainability criteria, so that procedures allow for the maintenance of service levels with the least possible impact on the environment. To this end, numerous projects have been developed and contemplated to make energy consumption more efficient.

Our energy consumption

60.9%

OF TOTAL ENERGY

of total energy came from biofuels, **2.5%** fossil fuels and **47.1%** of electricity.

0.23

kWh/m³

is the intensity ratio of energy use for volumes of potable water production.

0.26

kWh/m³

is the ratio for wastewater treatment in biofactories.

What are we doing to improve?

- Strengthen the Energy Management System (SGE) with ISO 50001 certification, a standard on energy consumption efficiencies, savings and sustainability.
- Negotiate contracts for Free Customers with certificate of Official Declaration of Redemption of I-RECs (guarantee of origin, ERNC). The company conducted a tender with 100% renewable supply, to certify that "cleaning" the energy matrix up to the limit allowed by the regulation.
- Remote consumption measurement. During 2019, more than 120 electrical connections with telemetry and radio frequency equipment for remote control the consumption billing and collections.
- Search of new self-generation projects with biogas and solar energy.
- Online consumption measurement. The company works in the implementation of billing meters Class A for the instantaneous record of consumptions.

The ERNC in the energy matrix of Aguas Andinas

Aguas Andinas is strongly committed to Non-Conventional Renewable Energies (ERNC), a focus that has led to them already representing a significant portion of the company's total consumption. Thanks to the new supply contracts signed with suppliers that give priority to ERNC in their offer, the proportion represented by clean energies in the matrix should increase considerably.

44%
OF CONSUMED ENERGY

came from renewal sources.

The contribution of biofactories

The company's biofactories are making a significant contribution to the effort to consolidate a matrix made up mainly of renewable energies. The biogas generated by Mapocho Trebal is used as fuel to produce electricity; in addition, the heat from the engines and their exhaust gases are reused as an energy source for the anaerobic digestion and thermal hydrolysis processes.

83%
OF THE ENERGY DEMAND

of Mapocho Trebal was self-supply.

16.5%
INCREASED

the electric energy production of the biofactory regarding 2018, up to 57.16 Gwh.

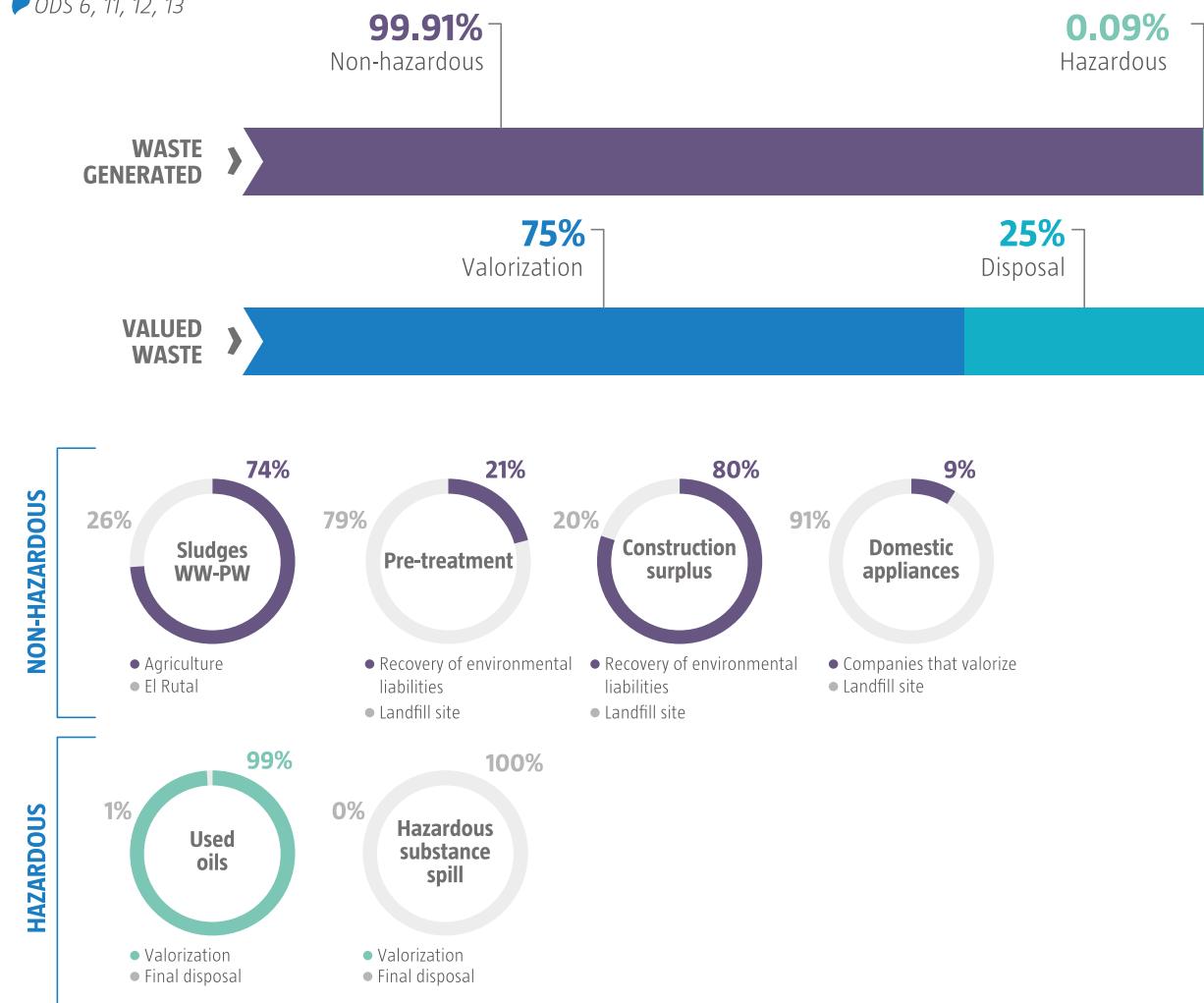
WASTE MANAGEMENT

Aguas Andinas make a constant effort to invest in investigation and innovative technologies implementation that allow to optimize resources during the water management processes and, in this way, diminish and enhance its waste generation.

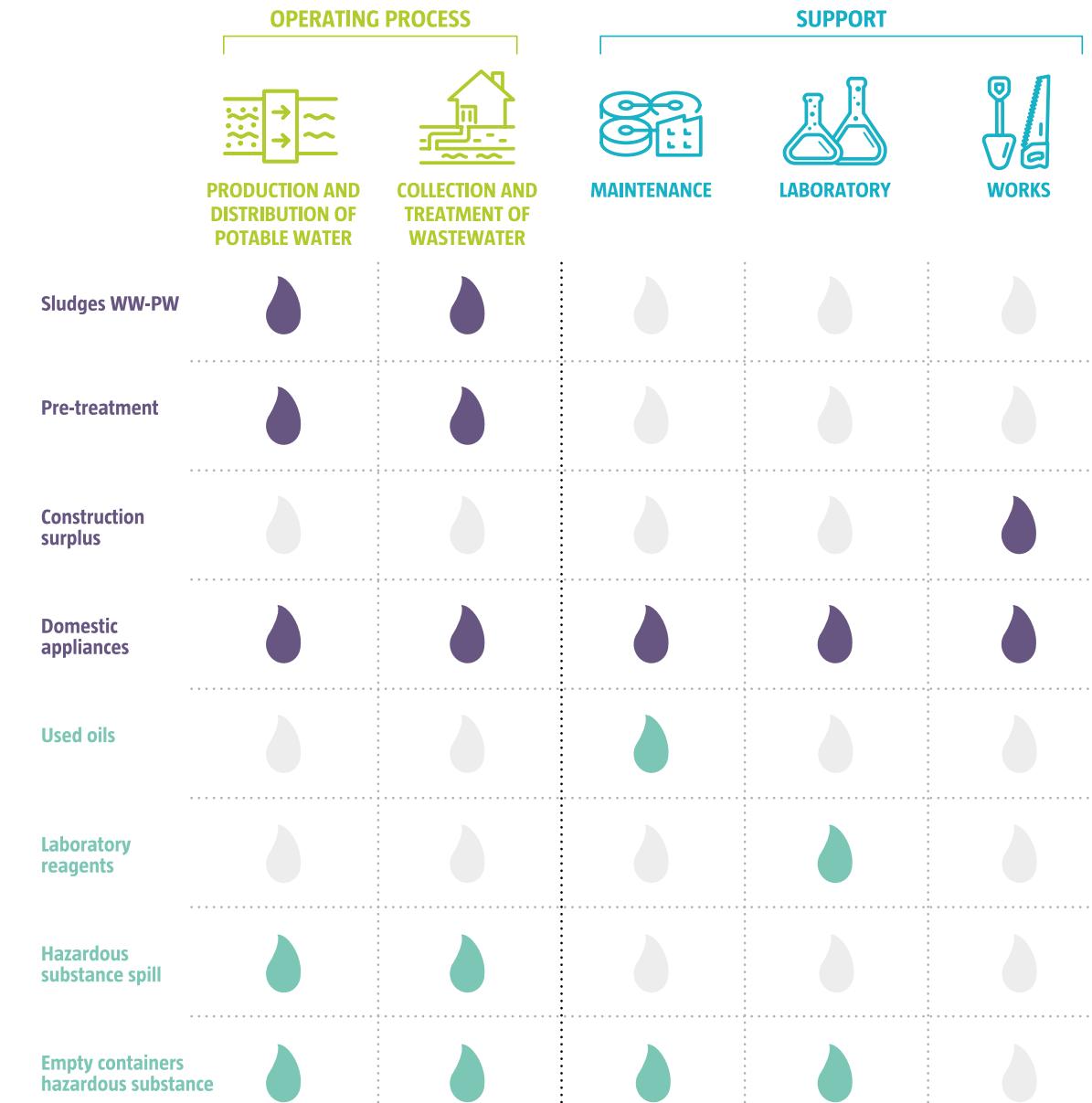


Moving to zero waste

306-2
ODS 6, 11, 12, 13



One of the benefits of implementing the circular economy model has been the significant progress of the company in its aim to reach the goal zero waste, from which produces renewable energy and secondary materials.



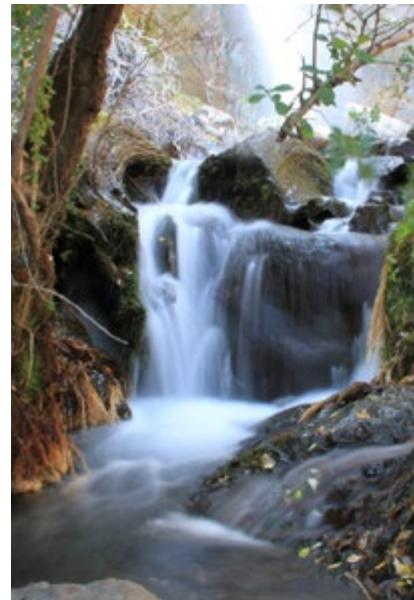
Biodiversity Management

304-1, 304-2, 304-3, 304-4

ODS 6, 15

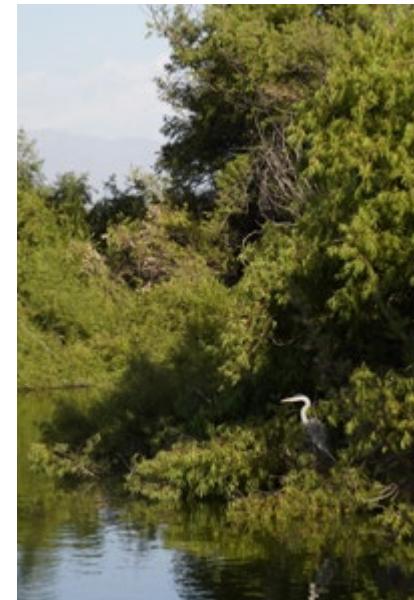
The strong commitment to contribute to the common benefit of Chilean society and the ecological diversity of its territory also translates into initiatives to maintain and create healthy environments, strengthening ecological diversity and facilitating the conservation and recovery of biodiversity.

To this objective, in the Metropolitan Region Aguas Andinas develops protection projects aimed to the conservation and protection of different species of flora and fauna living near or inside the company's facilities, as well as their ecosystems.



AGUAS DE RAMÓN NATURAL PARK

Through a cooperation agreement with Conaf valid since 2002, Aguas Andinas contributes to protect the biodiversity in the 3,600 hectares of Aguas de Ramón Natural Park. The company supports the infrastructure maintenance works (perimeter fences) and the implementation of preventive measures of forest fires.



LA FARFANA ENVIRONMENTAL LAGOON

In the land where the La Farfana Biofactory is located, there are 15 hectares of forest and a water mirror, called the Environmental Lagoon, an environment that is home to various species of flora and fauna, which are protected since 2003 by an agreement between Aguas Andinas and the Union of Ornithologists of Chile (UNORCH).



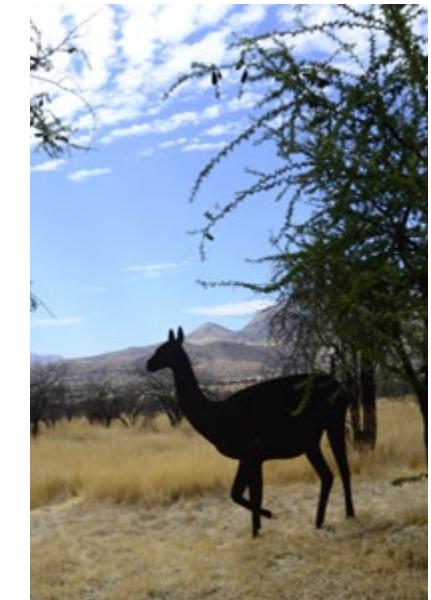
EL CANELO BASIN

Located in the Cajón del Maipo, in the source of potable water of the Estero El Canelo, is a natural area of 2,000 hectares rich in vegetation and avian fauna. This area has been worked on since 2015 on flora and fauna surveys, with the aim of identifying and knowing the richness of the site in terms of biodiversity and proposing a protection plan that takes into account its link with the water quality of the estuary.



MELIPILLA ENVIRONMENTAL LAGOON

Located on the lands of the old Melipilla Wastewater Plant, which is now non-operational, the company has been preserving the site as a 4.3-hectare artificial reservoir where a monitoring is carried out of seasonal bird.



EL RUTAL CENTER FOR INTEGRATED BIOSOLIDS MANAGEMENT

Located 59 kilometers north of Santiago, the Center for Integrated Biosolids Management El Rutal covers a perimeter of approximately 1,886 hectares where the company carried out ecosystem characterization studies that have provided relevant information on the components of a semi-arid Mediterranean climate zone.





HUMAN capital

The value proposal of Aguas Andinas and its subsidiaries places people at the center of the operation, betting on generating a virtuous circle where the company is committed to the well-being of all those who are part of it, and the workers, in turn, generate a deep bond with the organization's development and growth plans.

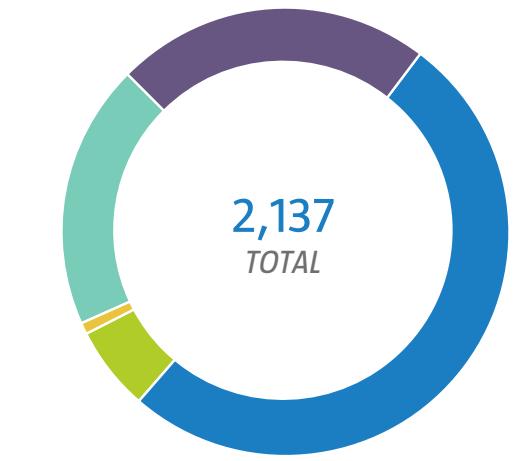
This explicit recognition of the workers importance for the company's operations has three basic axes:



102-8
ODS 5, 8

The Aguas Group is formed by more than two thousand people that are protagonist of strategic plan compliance of the company and of its contribution to harmonic development of the city. With its effort and commitment, the company can daily provide to the social and environmental value creation for the citizenship.

STAFFING AND PERCENTAGE OF EMPLOYEES PER COMPANY



2,137
WORKERS

of Aguas Andinas and Subsidiaries.

97%
OF TOTAL STAFFING

has permanent contract.

85.6%
OF UNIONIZATION IN
AGUAS GROUP

vs 21,7% in Chile.

50%
Aguas Andinas

19%
ESSAL

6%
Aguas Cordillera

24%
Non-regulated
subsidiaries

1%
Aguas Manquehue



102-41
ODS 8, 10

The company recognizes the importance of maintaining labor relations with workers based on constructive dialogue and mutual trust. For this reason, it encourages and values the creation and existence of unions as instances that allow a respectful and formal relationship against issues of common interest, especially on those that contribute to improving their quality of life and working conditions.



Main instances of workers representation:

- Unions
- Health Solidarity Fund
- Health and Safety Parity Committees
- Bipartite Training Committee
- Committee by Chilean norm of gender equality
- ISTAS 21 Committee
- Dressing Committee

11
UNIONS

that collectively negotiate, currently exist in Aguas Group.



Reconciling family and labor life

403-6

Aguas Andinas has implementing various support programs that benefits company workers and its family group. Through the development of these initiatives it is intended to have a positive impact in its quality of life, health and well-being.



FOR WHOM?

● Aguas Andinas, Cordillera and Manquehue

● ANAM, Ecoriles and Gestión y Servicios

* Benefit only for Aguas Andinas

** This schedule does not apply to workers that perform front-office functions, neither those with working days in shift system.



Promoting equality and diversity

- 102-8, 405-1, 405-2
- ODS 5, 8

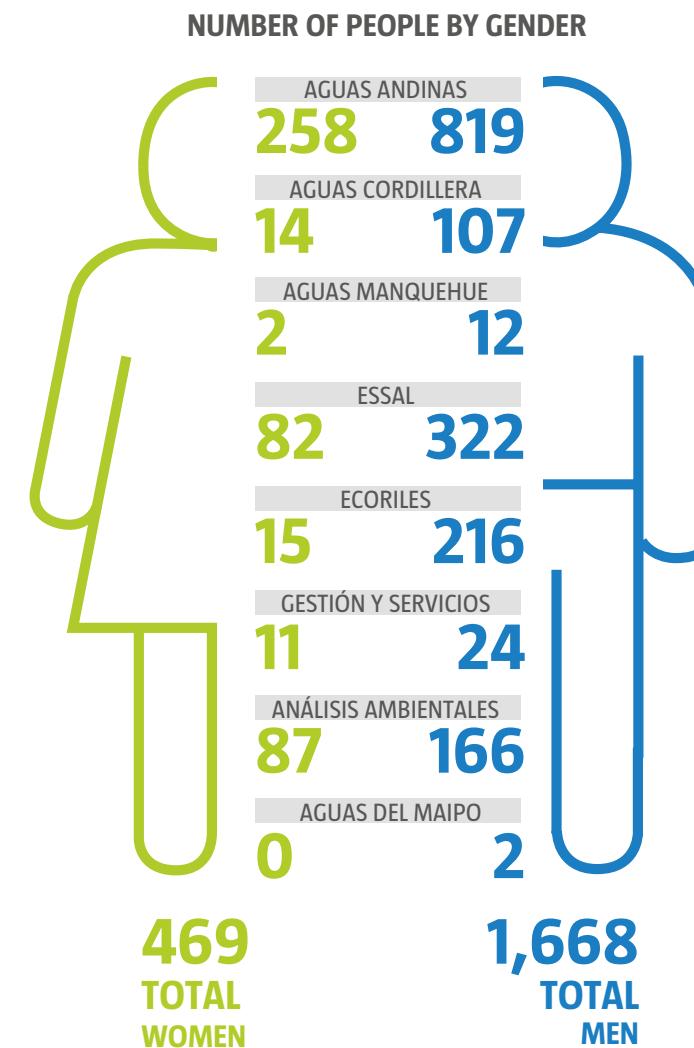
Following its principles regarding people, the company has designed protocols aimed to establishing an organizational culture that respects the criteria of equality, inclusion and diversity, currently key elements in the Aguas Andinas business model.

Pillars of the Diversity and Inclusion Policy

- Gender Equity
- Disabled People
- Cultural Diversity
- Gender Identity

 [Policy of diversity and inclusion](#)

For Aguas Andinas, diversity implies that its workers can, without restrictions, to show and develop all its individuality, and that its team works are composed by people of different gender, origin, culture, ethnic group, perspectives, ideas, nations, unionization, generations, sexual orientations, abilities and capabilities and all the characteristics that make each one unique.



GENDER EQUITY

In order to deepen the issues related to parity, the company established an Equal Opportunities and Gender Plan that addresses wage gaps, work/household conciliation, flexible hours and selection processes for executive positions with women candidates, among other issues.

22%
OF TOTAL WORKERS
are women.

36%
OF TOTAL PROFESSIONALS
are women.

2%
HIGHER AVERAGE SALARY FOR
WOMEN THAN FOR MEN.

At consolidated level the companies of the Group in Metropolitan Region.



Strengthening and awareness raising

As a complement to all the above-mentioned equity activities, in 2019, empowerment and awareness-raising initiatives were promoted in order to further strengthen the situation of women within the company.

Program of mentoring with woman community

Focused on women with high potential, during which leadership abilities, strategic network training and career development are strengthened, identifying specific facilitators and hinderers for a labor career.



Remunerations

102-35, 102-36

ODS 5

Aguas Andinas' Compensation Policy considers the skills and performance of its workers as a whole, in order to establish fair and equitable remuneration. In addition, it defines annual procedures for hiring, promotion and evaluation according to criteria based on equity and non-discrimination, which applies to the entire organization, including directors and senior executives.

100 MUJERES LÍDERES

CEO OF AGUAS ANDINAS AMONG THE 100 WOMEN LEADERS OF 2019

In 2019, the CEO of Aguas Andinas, Marta Colet, was distinguished as one of the "100 women leaders" in the country, an award given each year by Mujeres Empresarias and Diario El Mercurio to highlight entrepreneurs, executives, professionals, academics and researchers who stand out for their excellence, management skills, innovation, influence and contribution to the growth of Chile.



DISABLED PEOPLE

Likewise, an important part of the corporate strategy aims to generate more opportunities for the integration and development of disabled people in the company. In this regard, during 2019 the number of people with disabilities working in the company increased to 23.



The subsidiary Ecoriles was awarded with the "**Inclusion**" prize by ACHS in the category "**Reintegration of the rehabilitated worker**", which recognizes employers who support and assist the process of comprehensive recovery and subsequent reintegration of workers who, due to an occupational accident or professional disease, have become permanently and/or significantly disabled over 20%.

The recognition highlighted the successful reintegration process of a collaborator of subsidiary Ecoriles badly damaged who, after 5 years of rehabilitation and after a re-education procedure, could insert in new labors in the company.





CULTURAL DIVERSITY

The Diversity Policy considers the creation of instances that allow to promote a cultural, ethnic, social and value origin of endowment representative of social multiculturalism. Consequently, the selection processes use the blind curriculum system, so that applicants are qualified according to their experience and not according to other variables.

**IN 2019,
86
FOREIGNERS
worked in Aguas Andinas,
4%
OF TOTAL STAFF.**



GENDER IDENTITY

In line with its global vision, Aguas Andinas also promotes work environments that allow each person to express themselves freely, without prejudice to their sexual orientation or gender identity.

To reinforce this commitment, throughout 2019 the company trained its employees across the four strategic pillars of corporate policy on these issues, through the online course "Managing Inclusion and Diversity in the Workplace". In addition, the "Let your rights out" activation was promoted, an initiative of the Educaiguals project and promoted by Fundación Igualas.

Workshop of awareness raising about sexual harassment

Sessions organized to disseminate conceptual knowledge on sexual harassment, the existing legislation about this subject and to provide tools to recognize and prevent this type of behavior. In addition, Aguas Andinas' policy on the subject is made known and the internal complaints channel is strengthened.



For Aguas Andinas, inclusion involves to promote work environments that respect, accept, and reject any type of offense, harassment, authority abuse and another form of hostility and/or aggression triggered by discrimination attitudes and non-acceptance of differences both among and to workers and customer and in general all its stakeholders, also complying with the legal and regulatory dispositions prevailing in this field.



Attract and retain talent

404-1, 404-2, 404-3

ODS 4, 8

The development of talent and key competencies within the company is another cardinal component of human capital management. Aguas Andinas provides effective learning platforms and instances, which have a significant scope and can be monitored and evaluated periodically. In this area it has also been important to promote the development of people by encouraging collaboration and innovation, with emphasis on new digital skills.

DURING 2019

102,618

TOTAL HOURS

of training

59

AVERAGE HOURS

of training per person

\$389

MILLON PESOS

in training investment

\$224,409

PESOS

in training investment
per worker



TRAINING PROGRAMS

Diploma for operators and supervisors of potable water networks and plants

It seeks to strengthen and standardize the knowledge of those who perform these tasks, certifying their job profiles through "Chilevalora", ensuring the establishment of standardized critical skills.

Health, occupational safety and business continuity

Of a mandatory nature, they are aimed to strengthening the capacity to respond to emergencies and to adequately comply with the regulations in force for the industry.

Applications and digital tools

It seeks to promote the digitalization, development and strengthening of digital knowledge and tools, to provide workers with more skills in the management of their work.

Beyond water

Addressed to develop soft skills and to strengthen transversal competences for all the company, promoting the personal leadership and team works.

PERFORMANCE ASSESSMENT

Annually a performance assessment is applied to all the workers of the organization. This allow to determine, according objective and effective criteria, the career potential of each one of them.

The areas in which the workers potential is measure are:



DURING 2019,

100%

OF AGUAS ANDINAS WORKERS

were assessed according to this tool.



Encourage the well-being, health and labor safety

• ODS 3, 4, 8

WORK CLIMATE

Based on the results of psychosocial risk surveys conducted in the various corporate units, during 2019 the company promoted three initiatives aimed at advancing equity, climate and leadership issues.

- Four focus group with women, to design and implement measures of gender equity in the organization.
- Good Treatment and Fellowship Campaign in two facilities, to improve the workers coexistence in those business units.
- Leadership program to middle management and supervisors.

SAFETY AND HEALTH IN THE COMPANY

• 403-1, 403-2, 403-7

The company's health and safety guidelines are also a priority and are constantly updated, with permanent actions to reduce accidents and days off work. These initiatives have been certified under the ISO 45001 Occupational Health and Safety standard for Aguas Andinas, Aguas Cordillera, Aguas Manquehue and ANAM, and under the OHSAS 18001 standard for ESSAL and Gestión y Servicios.

Self-evaluation of culture in labor safety and health

• 403-3, 403-4

Based on the "Fair Culture" approach, Aguas Andinas carries out a self-evaluation of its safety culture, based on information about errors and incidents, in order to correct deviations in advance in processes that could trigger accidents or serious consequences for the operation. The diagnoses seek to strengthen three pillars:

- A positive approach of safety and health.
- The promotion of spontaneous statement of events.
- Not tolerating transgressions and adapt sanctions to responsibility levels.

0 FATALITIES AND 0 PROFESSIONAL DISEASES

in the company during 2019.

12 LABOR ACCIDENTS

of own workers, same as 2018.

214 LOST DAYS

from labor accidents, 44 more than last year (considers 62 lost days for accident occurred in 2018).

Joint Committees

• 403-4

The Joint Health and Safety Committees are made up of representatives of the company and the workers, promote activities to ensure good working conditions of safety and health of people.

100% OF THE WORKERS

of Aguas Andinas are represented by joint health and safety committees.

Risks

• 403-2

The main risk to which the workers of Aguas Andinas and its subsidiaries are exposed, according to the type of work, is operations in confined spaces.

The risk of exposure in the company is below the limits established by Supreme Decree 594 on basic sanitary and environmental conditions in the workplace.





- 403-2
- ODS 3, 4, 8

SAFETY AND HEALTH IN CORPORATE CONTRACTORS

The company seeks to ensure that its health and safety standards are also applied to the workers of contractor companies. This entails a prior commitment from such companies to comply with the organization's guidelines on this matter. For this reason, Aguas Andinas and its subsidiaries monitor compliance with labor laws and transparency and social security protocols by contractors, ensuring that they are free from legal problems. There is also a permanent search for solutions to make its processes more efficient and safer and to accelerate operational activities carried out on the public road.

Aguas Andinas has surveyed 500 companies in its value chain, on which nearly 7,000 workers depend, and recorded their risks. This action resulted in all purchase contracts including specific health and safety requirements, as well as penalty clauses for non-compliance. In addition, investment plans are being destined for internal infrastructure, to reduce the risks of contractor workers, including improvements in gateways, access to tanks and life lines.

1 FATALITY AND 0 PROFESSIONAL DISEASES

in corporate contractors.

38 LABOR ACCIDENTS

of contractor workers,
1 more than 2018.

246 LOST DAYS

from labor accidents,
166 less than last year.

Accident of contractor worker in Pirque

During April 2019, an accident occurred with fatal consequences for a worker from a contractor company in charge of building the raw water reserve tanks in Pirque.

The tragic incident was subjected to in-depth analysis in order to strengthen preventive protocols. Lessons learned include the need to improve the flow of communication between the company and its corporate contractors; to have more detailed operational plans for interventions to be made on a construction site; to emphasize controls on high-risk activities over routine ones; and to strengthen the good use of prevention tools available in the field.





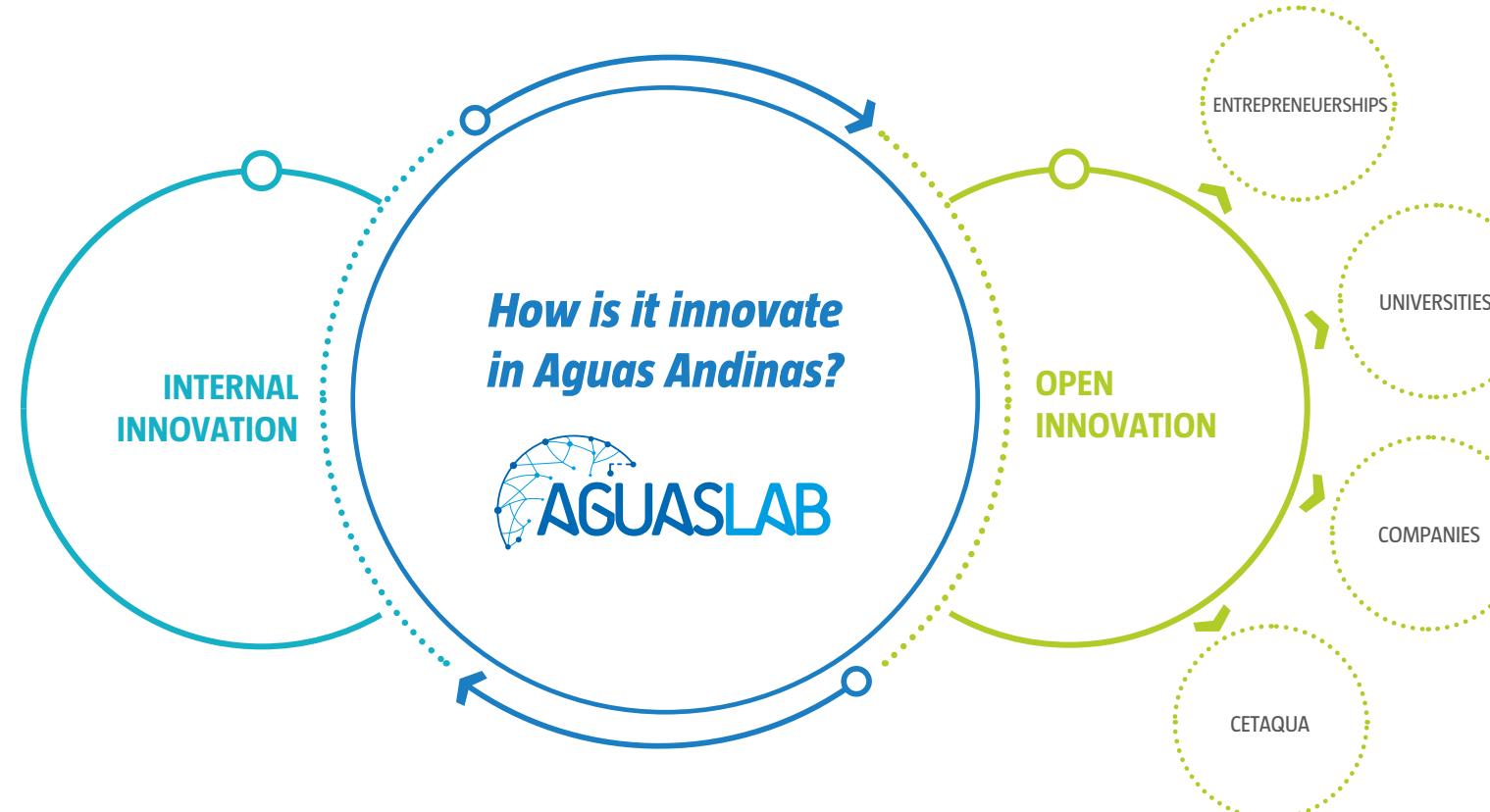
INTELLECTUAL capital

To value the company's intangibles is an objective that Aguas Andinas promotes by strengthening a culture of innovation both within the organization and in other actors in society, seeking to increase the economic, social and environmental benefits of operations, contribute to people's well-being and offer a better-quality service.

Axes of value creation



Promote the investment in R+D+I

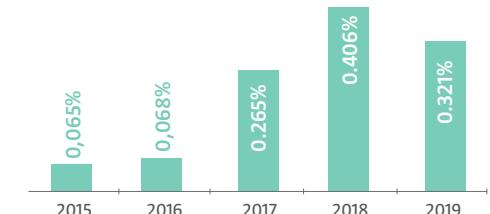


ODS 9

Development of sustainable solutions requires an optimization of resources through research, development and innovation. Convinced of this, the company encourages its employees to spread an innovative culture and offers incentives to generate projects internally that will translate into operational efficiency gains, as well as improvements in performance and occupational health and safety indexes.

From this perspective, Aguas Andinas develops and/or participates in emblematic initiatives from the point of view of R+D+I in the field of environmental services, defining annual budgets which are allocated to financing various projects in these areas.

In 2019, Aguas Andinas R+D+I investment amounted to \$1,748 million, figure that meant 0.32% of the sales.



During the last quarter of 2019, efforts of the Innovation area focused on redefining the strategy, as well as develop the management capabilities for innovation in the Company, which will allow, for the next period, develop new projects under innovation process aligned to the new vision.



AGUASLAB

AguasLab is a collaborative work space of Aguas Andinas that was born in 2017 to promote innovation and generate sustainable value beyond water. It is in charge of managing the different internal and external innovation processes of the company, integrating workers, entrepreneurs, academic community and other actors from the public and social spheres.

This model builds support networks and articulates a work that results in providing solutions to different environmental or social problems, identifying ideas, evaluating the business opportunity and shaping projects that aim to a particular objective and group.

Currently, AguasLab has innovation poles in Recoleta and San Joaquín.



MEET-UPS AGUASLAB RECOLETA

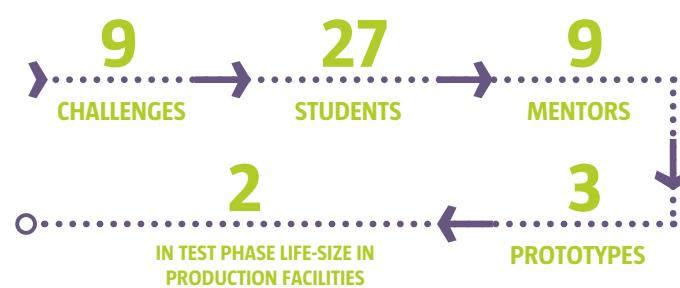
Space for the exchange of ideas and conversations that stimulate an innovative culture within the company. In 2019, four Meetups were held, where topics related to empowerment and senior leadership, digital transformation, Aguas Andinas' open innovation model and design for climate change were discussed. The meetings were attended by prominent speakers and expert institutions.

Also, at the end of 2019 were carried out the "Workshop about Agile Methodologies, with the participation of workers from different areas of the company.



 "SINLÍMITE" AGUASLAB SAN JOAQUÍN

Program developed in cooperation with Centro de Innovación UC. Its purpose is to promote the collaboration between the academy and industry for the solution search to the real problems of companies, through a work modality where students and mentors of the company share viewpoints around different challenges.



Aguaslab has become a complete platform of knowledge management, doing relevant contributions to innovation and digital transformation of sanitary and environmental sector. Its contribution of concrete, sustainable, exportable and scalable solutions, has been fundamental to resolve part of the challenges that Aguas Andinas faces and in its bid for a better future for Santiago.

CETAQUA: INNOVATION AND DEVELOPMENT

The Chilean Water Research Corporation (Cetaqua) is a non-profit organization founded in 2016, with the participation of Aguas Andinas, Suez, Federico Santa María Technical University and the Scientific Research Superior Council (CSIC) of Spain.

Conceived under a model of public-private-academic collaboration that aims to sustainability and efficiency, its mission is to carry out research, technological development and promote solutions in the field of integrated water and environmental management, taking into account local needs and specific challenges of business and society. Its work focuses on four areas of research:



Cetaqua

Water Resources Management

It seeks to provide technical and scientific support to future investments, reduce operational risks associated with water scarcity and increase resources through alternative sources. This area promoted a project during 2019.

Study of the Glacial Contribution to the Maipo River Basin (Phase I and II)

In the area of Water Resource Management, Aguas Andinas financed the study "Glacial Contribution to the Maipo River Basin" in its different phases, in order to monitor the permanent ice masses located in the upper part of the aforementioned basin and to quantify the contribution of glaciers to the runoff of water courses. Included a variability analysis year-on-year, hydrological model development and records of spatial and temporal transferability of parameters.

The results will open the possibility to predict the climate change impact on glaciers and its contribution to El Yeso reservoir.

Management of Critical Infrastructure and resilience

It is aimed at reducing operational risks and their associated costs, and impacts due to infrastructure failures, analyzing information to optimize investment plans. In 2019, eight projects were carried out in this area.

Evaluation of Sensor Technologies for High Turbidity Measurement

The Critical Infrastructure and Resilience Management study area identified a sensor with greater potential for the remote and online measurement of turbidity phenomenon, through the analysis of images captured in the near infrared range, in particular for the research band between 920 and 1000nm, using a Basler camera with filter.

As a result, a measuring capacity of up to 50,000 NTU was obtained. In the future it is planned to adjust the measurements to real conditions, particularly under different lighting conditions.

Biofactories and resources recovery

It consists of the valorization of waste from the wastewater treatment, which, after being collected, is derived to plants where it is purified with the aim of returning it clean to the natural channels. From this process, biofactories obtain value-added sub-products: biosolids, energy, biogas, decontaminated water and fertilizer for agriculture. Five projects were carried out in this area during the period.

Technological process for bio-sulfur recovery

The analysis associated to biofactories and resources recovery conducted to the development of a technologic process that allow the valorization of bio-sulfur in the sewage sludge of biogas treatment. By means of various samples and physical processes of sedimentation, centrifugation and thermal purification, the work finally carried out resulted in obtaining bio-sulfur with a purity of over 90%.

It should be noted that sulfur is a sub-product of biofactories of high interest to suppliers of agricultural inputs, especially those oriented towards organic agriculture.

Environmental, economic and social sustainability

It aims to reduce the environmental footprint through the incorporation of sustainable technologies in the communities surrounding the operations. Three projects were implemented in this area during the year.

Membrane photobioreactor and microalgae/bacteria for small community wastewater treatment

Among the projects associated with environmental, economic and social sustainability, during 2019 the results of a pilot test in the laboratory of a membrane photobioreactor and microalgae/ bacteria project fed with raw wastewater were obtained. Oriented to the wastewater treatment in small communities, it was determined that the indicators met the required quality parameters. As a next step, the construction of industrial facilities in the Mapocho Trebal biofactory was started in order to carry out tests in a real environment through the treatment of water from El Trebal area.



Innovating in customer service

● ODS 9

With its policy of accelerating the digital revolution in the internal culture, Aguas Andinas seeks to trigger improvements in relevant areas of the operation from the perspective of the customers experience. To this end, during 2019 multiple projects were managed that incorporated new technologies, efficient solutions and advances in various services, seeking to raise the well-being and satisfaction levels of the communities.



PREDICTIVE MODEL OF PRESSURE REGULATING VALVE FAILURES

Solution that allows predicting undesirable events that may affect customers. It is also a real time alert tool in the detection of operational or infrastructure anomalies in the potable water network.



BIOENERGY TO CUSTOMERS

Initiative that allows the process of photosynthesis generated by plants to be converted into electrical energy. The idea is to bring Aguas Andinas' customers closer to the use of new sustainable energy sources, which allow the company to be recognized as a responsible company, concerned about climate change and willing to innovate.



WATER MEMBRANE

Easy to use, non-invasive and low-cost device, developed to cut off the supply or isolate a section in potable water distribution networks, with the aim of allowing works on the network without affecting customers around the perimeter to be intervened.



SEWAGE METER

Wireless network for IOT devices, developed to know the real state of wastewater network through steady online measurements and sending of early warning through ultrasound.



Educating for stakeholders' benefit

WATER SCHOOL



The Water School is an initiative addressed to both companies and other actors related to the resource. Through various training programs aimed to key positions in an organization, it allows for the sharing of knowledge solutions in environmental matters and all areas of the integral water cycle. The initiative has been developed with an approach that combines the academic rigor provided by prestigious universities and technical schools (among them, the Adolfo Ibáñez University, the Polytechnic University of Catalonia and Duoc UC), with the experience acquired by the company throughout its national and international career.



School of Water

Milestones 2019



Certification of labor competences

During the year, Aguas Andinas ended the first stage of a job profile certification process developed by ChileValora and oriented to operators and supervisors of potable water networks. With more than a hundred workers being part of the initiative, the company became the first environmental services organization in the country to formally recognize the labor skills of its workers, favoring opportunities for continuous learning and valorization.

The new job profiles linked to wastewater treatment processes were also approved. In this case, a process map was carried out that led to the identification of various functions to be certified, thanks to field visits and technical tables, among other actions.



Diploma in operation of potable water plants

Training program that included the participation of more than 100 workers of Aguas Andinas. It lasted 130 hours and its focus was to reinforce the knowledge associated with the processes of collection, conduction and treatment of raw water, starting with the control and monitoring of the hydraulic quality and operational parameters of the different systems and equipment, to the execution of operational procedures in the treatment and minor maintenance systems. It also addressed the application of improvement measures in the event of detected failures, according to the protocols and procedures established by the company, and the regulations in force.



Diploma in operation of rural potable water networks

During the year, the first generation of students graduated from the Rural Potable Water Diploma, a program that was developed jointly by the Water School and Duoc UC. Twenty-three workers from the Sub-Management of Rural Services of Aguas Andinas participated, who acquiring knowledge during more than 4 months in subjects as: control of hydraulic parameters, quality of conduction systems, attention and solution of requirements, and maintenance of network elements.





SOCIAL AND relational capital

Aguas Andinas constantly seeks to increase the levels of satisfaction of each of its stakeholders, through an attitude of strengthening dialogue and mutual understanding, and promoting shared value through various instances of cooperation.

Axes of value creation



Customer at the center

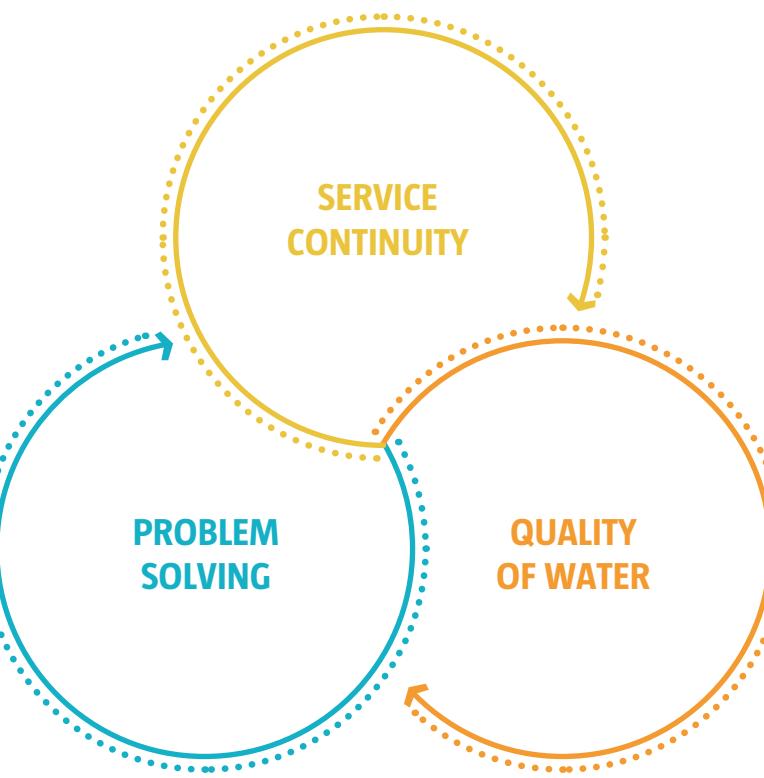
- 413-2, 416-1
- ODS 11

More than 2,000,000 homes and other institutions depend on the daily supply of water for their normal development, which means that they have to generate instances of exchange with the communities in order to know and attend to their needs and requirements in a timely manner. On this basis, the company is able to structure its decision-making process regarding relevant interventions and works that are, in the end, valued by the citizens.



WHAT ARE THE MAIN EXPECTATIONS OF CUSTOMERS?

- 307-1, 416-1
- ODS 6, 11



- Water cuts affect the normal development of people's activities. For this reason, a large part of the company's daily management and planning is aimed to ensuring the service continuity, the water supply and the autonomy of the operation, carrying out constant preventive maintenance.

- The SISS checks that all sanitary providers comply with the regulations in force regarding the quality of drinking water (NCh 409). In this regard, Aguas Andinas strives to provide water that tastes good and is odorless, together with monitoring and ensuring product quality through a hardness map (a factor related to calcium content) that allows us to respond to customer concerns.

- For their part, discharges of treated water from biofactories and wastewater treatment plants must comply with Supreme Decree 90 (DS90).

- Working with contractors is crucial in the face of events or contingencies, especially in networks. They are the ones who are most responsible for dealing with emergencies and maintaining a standard of work similar to that of the company, providing a timely and definitive solution to users.



WHAT ARE WE DOING?

Payment facilities

203

According to the conviction that the relationship with the target public must be managed according to codes of shared value and a long-term view, Aguas Andinas has established support mechanisms to complement the official subsidies that exist in Chile for those who have difficulties with their potable water and sewage service accounts. Through two modalities and depending on his/her economic situation, the company offers facilities to customers who have problems paying by offering a debt repayment for non-payment (in fees and without considering interest) or establishing new regularization agreements.



FRIEND ACCOUNT

Debt repayment and normalization plan aimed to vulnerable families with eight or more unpaid balances. It operates through a social agreement, which establishes a shared foot: a municipal contribution and another from the customer. Once the agreement is signed, the customer pays his/her monthly consumption plus an additional 25% for a period of 36 months, without interest. After that period, the rest of the debt is forgiven. Thus, also, an incentive is implemented to save water.

8,243
SIGNED SOCIAL AGREEMENTS

	2016	2017	2018	2019	VARIATION 2019 VS 2018
Number of forgiven customers	1,837	2,248	2,337	4,632	98%
Total number of cancellation (\$)	845	1,017	1,174	3,079	162%



AGUAS ANDINAS GIVES YOU A HAND

An initiative aimed to regularizing the situation of vulnerable customers with accumulated debts equal to or greater than \$200,000, who present from 24 unpaid balances and cannot access a normal payment formula. The agreement allows to pay a minimum foot of \$5,000 and a fixed fee of \$2,500 for 24 months, after which the debt is extinguished.

16,553
SIGNED SOCIAL AGREEMENTS

NEW ELECTRONIC BILL

At the end of 2019, the company enabled a new electronic bill to be sent to customers with a closer design and a more environmentally friendly format. The initiative includes all homes supplied by Aguas Andinas, Aguas Cordillera and Aguas Manquehue, and involves eliminating the plastic wrapping used to distribute the physical document. With this measure, the company reduces its waste volumes and helps avoid the environmental impact of paper bill issuance.

The commitment of customers is key to reach these objectives, through his/her electronic delivery subscription of his/her billing document.

12
BILLS

are sent to each home supplied by the company in a year.

10
LITERS

of water are required to make a sheet of paper → 100 million of water liters are consumed only to elaborate paper for bills.

1
MILLION

people could subsist in a day with the necessary amount of water to make paper bills.



Claims management**416-2****ODS 11**

Aguas Andinas ensures to manage the claims of various types presented by customers in a quick and efficient way and to give an adequate response to the concerns that trigger them.

In 2019, the total number of claims received by the company fell compared to the previous year, a decrease that can be explained by the company's efforts to digitize services through its Virtual Office, Chatbot or the totems installed in 19 municipalities in the concession area. Additionally, during the period a preventive campaign was carried out, sending information to customers on how to react to possible problems, notices of reading dates or emergency cuts, increases in consumption in their billing, among other things.

164,496

CLAIMS

were received in total during 2019, 9,8 lower than 2018.

72% OF THE CLAIMS

were due to problems with networks and

28%

for commercial reasons.

Quality of water**307-1, 416-1****ODS 6**

As an expert in environmental services, Aguas Andinas provides a quality service to its clients and at the same time takes a leading role in the dissemination and research of the benefits of water, considering the impacts that it can generate with its operations, mainly in biodiversity.

The SISS is in charge of controlling that the providers comply with the current regulations regarding the quality of potable water (standard NCh 409), guaranteeing a supply suitable for human consumption, also monitoring the discharges to the channels from the biofactories and the wastewater treatment plants (Decree DS90).

99.2% COMPLIANCE

in parameter of potable water for Aguas Andinas.

99.3% COMPLIANCE

in parameter of potable water for Aguas Cordillera and Aguas Manquehue.

100% COMPLIANCE

in parameter of potable water for ESSAL.

Regarding non-compliance in the discharges of biofactories and wastewater plants, in the Metropolitan Region 339 non-compliances were generated, 93% of which corresponded to the parameter of total nitrogen. In ESSAL there were 170 non-compliances, 81% corresponding to fecal coliforms.

Customer Counsel**416-2****ODS 11**

The Customer Counsel acts as an impartial entity that intervenes as a second instance of mediation when a user disagrees with the solution provided by the company, or does not obtain an answer to his claim. Its resolutions are binding for the company and voluntary for the customers. Together with resolving conflicts, it also makes recommendations for the continuous improvement of service quality.

Also, as an independent body of operational areas of Aguas Andinas, protects the objectivity in mediations and decision making, and ensures transparency and confidentiality of its management.

320 CASES DURING 2019

92% OF SATISFACTION

PRIVACY PROTECTION AND PERSONAL DATA**418-1****ODS 9**

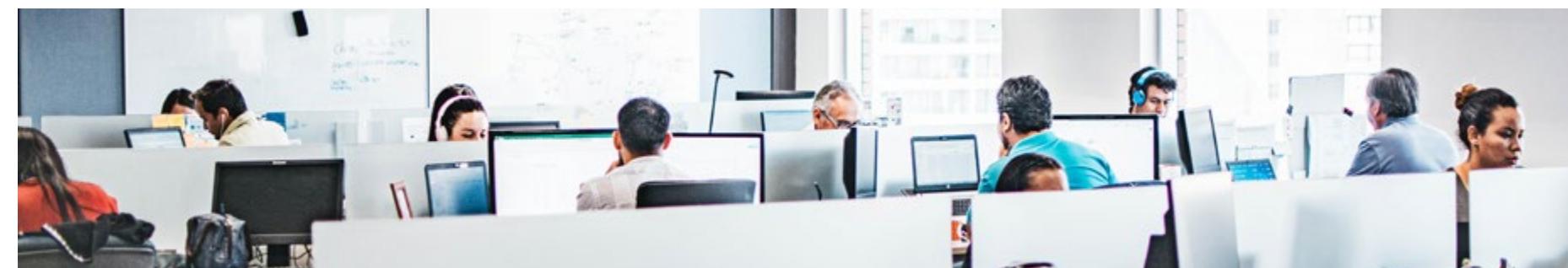
Aguas Andinas has an Integral Security Policy that safeguards and protects its clients' information, with permanent monitoring systems of all channels that provide data and internal awareness campaigns.

During 2019 there were no reports of privacy violations or loss of customer data, nor were there any information leakage events.



HOW ARE WE DOING? CUSTOMER PERCEPTION AND SATISFACTION

Through a series of studies, Aguas Andinas seeks to be up to date about its customers' perception of the services provided. Some correspond to measurements of the company's internal management and others are carried out by State institutions.



SISS perception study

Carried out by the regulatory entity of sanitation sector in Chile, it evaluates the perception of users about the quality of services provided by industry companies at the country level. Last study applied in 2018.

46.2%
**GENERAL
SATISFACTION LEVEL**
(vs 51% in 2017)

17.5%
**DISSATISFACTION
LEVEL**
(vs 19% in 2017)

1ST PLACE for **AGUAS CORDILLERA** in the Metropolitan Region (3rd in the national ranking).

AGUAS ANDINAS occupies **POSITION 17**, with satisfaction percentages of:

81.6%
ACCOUNT PAYMENT

61.2%
READINGS

55.4%
BILL

50.1%
CUT RESUMPTION

AGUAS MANQUEHUE holds **POSITION 21** in the national ranking.

Customers' Satisfaction National Index (INSC) of ProCalidad

This is the independent benchmark in Chile for Customer Satisfaction. Created in 2001, as a joint initiative of the Praxis consultant and the Adolfo Ibanez University, aims to gradually increase the level of competitiveness of Chilean companies, through their strengthening in a customer focus.

41 POINTS
OBTAINED IN NET SATISFACTION SURVEY

Of Aguas Andinas in INSC during second half of 2019.

3 POINTS
BELOW RESULT OBTAINED

In the same date of previous year.

In 2019 Aguas Cordillera was evaluated for the first time.

72 POINTS
REACHED THE NET SATISFACTION

of Aguas Cordillera at INSC during the second semester of 2019.

Global Satisfaction Study – Activa

Monthly quantitative telephone survey applied among residential customers with potable water and sewage services, who may or may not have entered a requirement in a period prior to its application in at least six months. It deepens in the experience of the users with the basic benefits and other associated services, and in their image about the company.

4,582
CUSTOMERS

were surveyed during 2019, 1,582 greater than year 2018.

70%
RATED

the services provided with "excellence" score, 1% higher than 2018.

Customers' Satisfaction Survey with Requirements – Activa

Quantitative study with monthly telephone surveys, applied to residential customers with potable water and sewage services who entered a requirement, solved or ended, during the period prior to the execution of the survey. It measures users' experience with the management of their request.

**MONTHLY,
5.9%**
OF THE CUSTOMERS

monthly present a claim.

72%
OF THE CUSTOMERS

assessed client's service with grade above 6.0 *, registering a 8% increase in relation to 2018.

14,917
CUSTOMERS

were surveyed in 2019, representing 24% more than 2018.

17.6%
INDICATED

an equal rating or less than 4.0 *, decreasing by 0.4% compared to 2018.

Post-attention Survey (EPA)

Automatically conducted survey (IVR) after a service in commercial agencies and contact center, which has been completed within 48 hours after the contact occurred. It is oriented to measure the quality of the attention received by the customers.

89%
OF CUSTOMERS

was satisfied with the attention increasing 1% compared to 2018.

* scale of 1 to 7, being 7 the best

ESSAL INCIDENT JULY 2019

On July 11, 2019 a hydrocarbons spill occurred at the Caipulli Potable Water Treatment Plant. In view of this incident, ESSAL took the decision to immediately suspend the supply to the city of Osorno in order to protect people's health. The timely action prevented contamination from reaching the distribution network, which would have put water consumption at risk for a prolonged period.

The fact had a serious impact on the facilities to make water drinkable and store it, which forced the reconstruction of a large part of the infrastructure and a rigorous washing of the affected facilities, in order to achieve a rapid reactivation of the service for the 49 thousand users in Osorno. Hundreds of the company's workers participated in the works and also received support from Aguas Andinas, which sent technical support personnel, engineers and more than 350 tons of materials from Santiago, an effort that allowed the reconstruction to be carried out in record time.



The event in Osorno was unique and punctual in the 15 years of ESSAL's concession in the area, during which the company showed complete willingness to collaborate with the authorities in quick and effective solutions, having the customers as the main focus, as evidenced by the SISS' own satisfaction surveys.

SISS file

As a result of the incident, the SISS opened two files to ESSAL, one for a sanctioning process and the other for a possible expiration of the concession for the production and distribution of potable water in the city. The company presented, within the established time limits, sheets of disclaimers, understanding that in the isolated episode in Osorno on July 11 the conditions established by law for the expiry of the concession were not met, and that the only cut in supply was an inevitable measure to protect the health of the population. It was also argued that ESSAL is a company that is absolutely committed with the community, as well as economically and technically viable.

Emergency Plan

Once the emergency occurred, from the first moment the company showed its complete willingness to collaborate with the authorities in quick and effective solutions, having as main focus the customers, as it is evidenced by the SISS' own satisfaction surveys. To this end, the technical teams of the sanitary company intensified the monitoring of the plant to identify the problem and solve the situation in the shortest time possible. At the same time, the emergency plan included the implementation of alternative supply points, as well as a system of hourly windows so that the entire population had water supply for at least a few hours a day.

Once the emergency occurred, from the first day the company activated a plan focused on protecting the users. The technical team of the sanitary intensified the monitoring of the plant to identify the problem and give a solution in the shortest time possible. At the same time, and in coordination with the authorities, the implementation of alternative water supply points was activated, installing 233

tanks that were maintained throughout the contingency (seven times more than planned in the Emergency Plan), in addition to a system of hourly windows so that the entire population had water supply for at least few hours a day, in addition to a special home service for families and people in vulnerability situation.

Other actions

- Purification of redundant hydrocarbons to avoid events that will delay the cleaning, operation in which participated 500 workers.
- Filter bed change: 350 tons of material were transferred from Santiago.
- 25 thousand measurement during the period of cut to guarantee that no user had effects in his/her health.

From August 2019, ESSAL was focused in repair and adapt plants in order to reduce risks.

\$1,500 million of investment for Caipulli Plant.

Emergency Plan Results

- There were no reports of disease or epidemic outbreaks in any of the inhabitants of Osorno.
- Cleaning and conditioning work carried out in record time to industry standards.
- Restoration of 70% of the supply on the sixth day of the incident.
- 100% of service recovered on day 10.



ESSAL-SERNAC agreements

ESSAL and the National Consumer Service (SERNAC) carried out negotiations with the aim of compensating users affected by the suspension of supply as soon as possible. Under Article 25-A of the Consumer Protection Law, \$2,914 million were allocated to be deducted from the customers' bill. In addition, and in an unprecedented process for this type of compensation, an agreement was reached with a Voluntary Collective Procedure (PVC), which resulted in an agreement to pay customers \$3,005 million (10 linear days without supply for all customers), which was ratified in a popular consultation carried out by SERNAC through the Internet to Osorno people themselves.

\$3,005
MILLON
(PVC – SERNAC)

Agreements with small entrepreneurs

Within the framework of the Micro and Small Companies Board (MIPES), which included the participation of the Osorno Chamber of Commerce and the Sub-secretary of Economy, ESSAL reached an agreement for the payment of compensation for the productive impact caused by the supply cut to micro and small entrepreneurs affected by the Osorno supply cut.

\$183
MILLON
Chamber of Commerce / MIPES

Total compensation

\$6,310
MILLON

Work with the Community

In order to rebuild trust, ESSAL and the Osorno Communal Union of Neighborhood Councils began a process of dialogue that resulted in 116 meetings with different representative entities of the community, which took place in the period August-December 2019.

As a result, it was decided to move forward with the following actions:

- A "Preparing for Future Emergencies" workshop.
- A water quality study (managed by the neighbors, who chose DICTUC as the independent body in charge of sampling and subsequent analysis). The final report confirms that there are no traces of hydrocarbons in Osorno's potable water.
- Permanent delivery of information on investments in the Caipulli Plant and compensation.
- Visit by the Osorno Communal Union of Neighborhood Councils to the Caipulli treatment plant, as well as other neighborhood councils of the city and social organizations.

Long-term investment plans

ESSAL plans to execute investments for its two concession regions (Región de Los Lagos and Región de Los Ríos), which include improvements in the Development and Operational plans, Rainwater and Network renewal. Among others, the following projects are carried out:

- Apply cutting-edge technology in Caipulli and Ovejería plants.
- Implementation of new wells for the production of drinking water.
- Increase efficiency in the network with the renewal of water distribution pipes drinking and loss reduction.
- More robust infrastructure and facilities to improve service quality and minimize risks.

Collaboration for local development

Large operations like Aguas Andinas can create social and environmental value from a collaborative attitude with the community. From this perspective and under the concept of shared value, the company has continued with a model of relationship with neighbors that aims to achieve fluid communication, increase trust and promote joint work that contributes to advancing common interests and local development. It also allows for early attention to be paid to possible problems that may affect the communities, increasing the security of daily management and improving education on the water and the environment care in general.

INSTANCES OF DIALOGUE

Work board

- 413-1
- ODS 4, 8, 10

Represent an opportunity to meet and coordinate permanently with those who live around the company's plants. They focus on strengthening the capacities of the neighborhood representatives, visualizing the real needs of each locality (such as access to and care of water, sustainable energy and neighborhood security) and promoting projects that contribute to improving the quality of life.

To evaluate its effectiveness, in 2019 the company carried out a perception study among the neighbors of sectors located near the biofactories, which showed an improvement in the community relations indexes and a positive evaluation of the support provided by Aguas Andinas in the territory during the year.

Aguas Andinas in my neighborhood

Program focused on favoring leadership skills in different stakeholders, supporting the formulation of projects, educating with respect to better labor practices in the sanitary area, deepening the digital literacy of citizens and making the company's infrastructure visible, among other points.

The program is especially aimed to neighborhood leaders from communities relevant to the company. During 2019, 316 leaders from Talagante, Pedro Aguirre Cerda, Ñuñoa, La Granja, Huechuraba and Cerro Navia participated, graduating 116 of them.

INVESTMENT SUPPORTING LOCAL COMMUNITIES

Aguas Andinas supports entrepreneurial actions and the implementation of social initiatives for local development destined to strengthening people's well-being.

Avanza Program

Mainly oriented to promote entrepreneurship in the communities of San José de Maipo and Pirque.

\$60

MILLON

were invested in San José de Maipo and Pirque during 2019

25

PERSONS

were graduated in San José de Maipo

21

PERSONS

were graduated in Pirque

Social Development Funds

Aguas Andinas allocates funds to finance social projects developed by neighboring communities to the Biofactories of Greater Santiago and El Ratal Biosolids Management Center.

\$100 **MILLON**

were aimed during the period to Social Development projects in three communes of Metropolitan Region.

- 34 winner projects in Tiltit
- 20 winner projects in Maipú
- 14 winner projects in Pudahuel

EDUCATION AS SHIFT LEVER

With different educational campaigns and workshops among the communities neighboring its operations and the school community, Aguas Andinas promotes environmental education and actively incorporates children in the water and the environment care, spreading habits of sustainable use of the resource in the context of water scarcity and continuous growth of the city.

Guided visits to biofactories

This initiative gives the opportunity to publicize Aguas Andinas' efforts in the area of the circular economy, involving schoolchildren, university students, professionals and neighbors with whom educational material is share.

9.196 
PEOPLE

visited biofactories in 2019

Education and awareness-raising projects – Water in Course

During 2019, the program was focused in grades from elementary school to high school.

45.308 
STUDENTS

102 
SCHOOLS



Suppliers as allies

- 102-9, 204-1
- ODS 1, 8, 10

With their work, Aguas Andinas' suppliers contribute to maintaining the potable water and sewage network in good condition, to caring for the environment by providing the necessary inputs for water treatment and, especially, to supporting contact with customers and communities.

The company's value chain provides essential services in the following areas:



**MAINTENANCE
IN NETWORKS AND CIVIL WORKS.**



**CUSTOMER ATTENTION:
METERS READING, CALL CENTER AND
BILLS DISTRIBUTION.**



**SUPPLY OF NETWORK
PRODUCTS AND CHEMICAL INPUTS.**



**SUPPORT
SERVICE.**

**1,540
SUPPLIERS AS OF DECEMBER
2019.**

99.51%
OF SUPPLIERS ARE DOMESTIC,

which represent 99% of the company expense in this item.

62%
OF SUPPLIERS

correspond to small companies.

HOW ARE SUPPLIERS INTEGRATED INTO THE AGUAS ANDINAS' BUSINESS MODEL?

Suppliers evaluation

- 412-3
- ODS 1, 8, 10

The company has a Supplier Evaluation Model that examines 10 areas of action, designed to ensure that the value chain participates and complies with the principles defined by Aguas Andinas for sustainable business management. Additionally, a sustainable questionnaire is carried out aimed to measure the risk of suppliers in the following areas:

- Supplier's operating principles
- Contingency plans
- Human rights
- Corporate Social Responsibility
- Inclusion
- Accessibility
- Outsourcing
- Environmental management
- Risk prevention
- Ethics

Climate change performance disclosure program

- ODS 13

The company is the only organization in Chile that participates in CDP's Supply Chain program and therefore has a policy of disclosing its supply chain performance in climate change initiatives. In this order, Aguas Andinas obtained an A rating, corresponding to the "Leadership" category.

52

SUPPLIERS

invited to participate in Supply Chain program during 2019.

41%

BILLING

The company's total represents the suppliers that disclosed their performance in climate change in the year.

1,830,412 tCO₂e

OF EMISSION REDUCTION

the suppliers identified through 40 initiatives.

US\$ 8,179

MILLION

is the potential financial impact of climate risks identified by the suppliers.

US\$ 93,619

MILLION

is the potential economic benefit of the opportunities related to the climate change identified by the suppliers.





INDUSTRIAL capital

The operation of a sanitary service represents an extensive and complex industrial system that is indispensable for the development of all the activities of the city and its inhabitants. In addition to the collection of raw water and the maintenance of reserves, the production or purification in different plants and its storage and distribution to each point, there is also the wastewater collection and treatment with a view to recovering and revaluing the waste in biofactories. It is a continuous cycle that is supported by a mega operation of millions of cubic meters of water that move through the urban fabric and thousands of kilometers of underground network that support the different activities that are performed daily and that allow the efficient development and the constant innovation of the company's operations.

Axes for value creation



Assets for the potable water production

203-1,301-1 (2016-2018), 303-3 (2018)

ODS 6

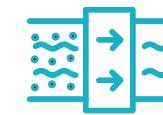
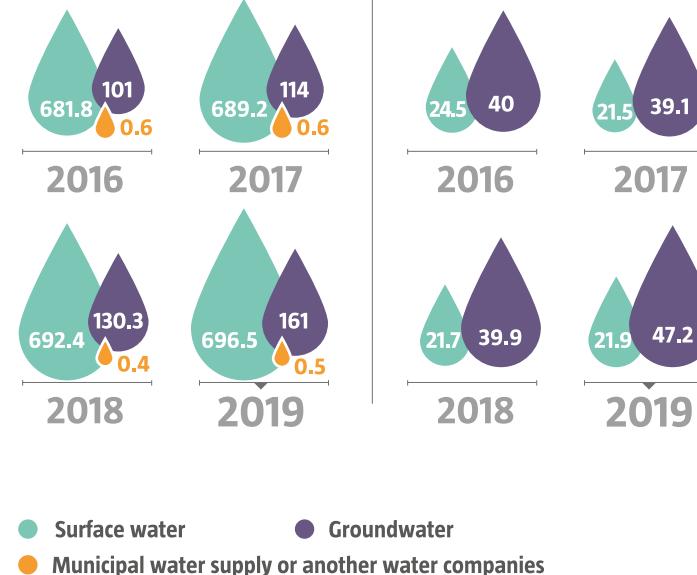


CATCHMENT OF RAW WATER

Water reserves

- El Yeso Reservoir **220 million m³** of capacity
- Laguna Negra **600 million m³** of capacity
- Laguna Lo Encañado **7 million m³** of capacity

Aguas Andinas, Aguas Cordillera and Aguas Manquehue (millions m³)

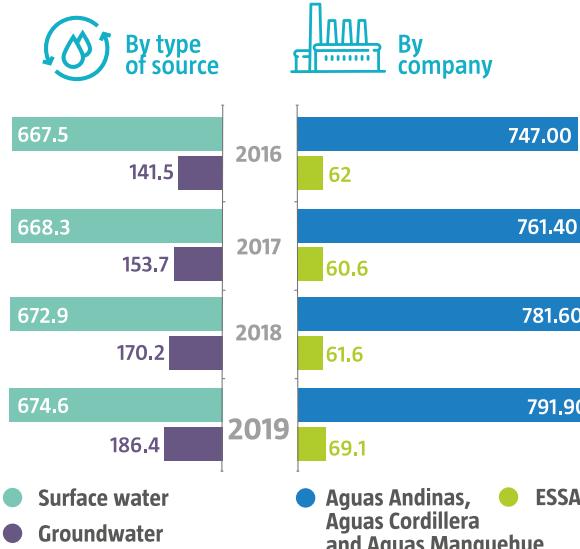


PRODUCTION

Potable water production is developed through the facilities:

- ✓ Las Vizcachas Complex, including Vizcachas Plant, Vizcachitas and Antonio Tagle.
- ✓ La Florida potable water production plant.
- ✓ Chamisero potable water plant.
- ✓ Another 15 smallest facilities including those from Aguas Cordillera and Aguas Manquehue.
- ✓ ESSAL: 24 facilities.

Potable water production (million of m³):

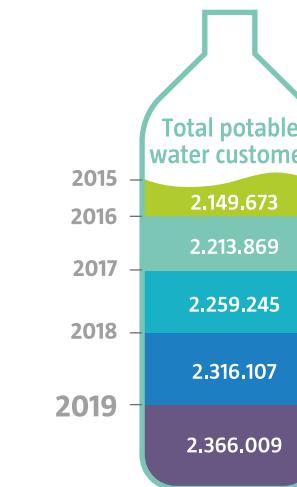
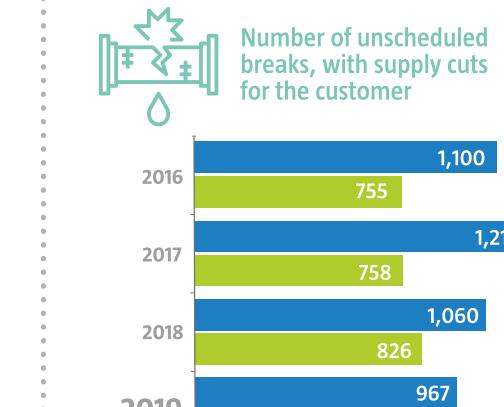
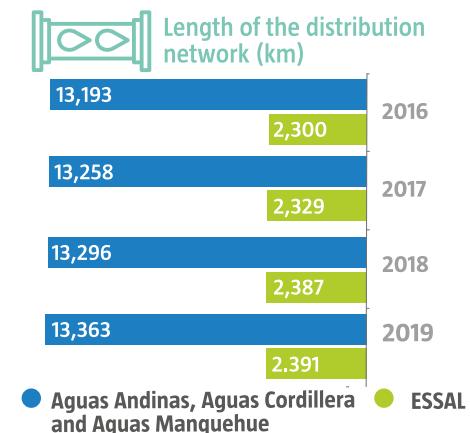
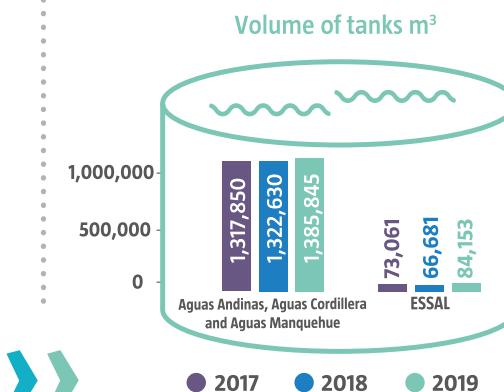


The collection of raw water and the assurance of water reservoirs for the potable water production, its storage and distribution, requires a big network complementing with plans and processes to increase the water efficiency and to introduce technology aimed to minimize the supply risks.



DISTRIBUTION

The distribution network is composed by:



Assets for wastewater treatment

• 303-2 (2018), 303-4 (2018), 306-1 (2016), 306-5 (2016)
 • ODS 6, 12

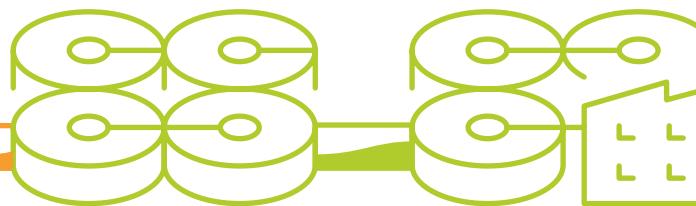
Aguas Andinas was the world's first sanitation company to build and put into operation two large biofactories in the Great Santiago -La Farfana plant and Trebal-Mapoch complex-, industrial facilities that, from its inauguration, have progressed in the use of sanitary waste to generate value-added sub-products, with a positive impact on environment and different communities.

COLLECTION



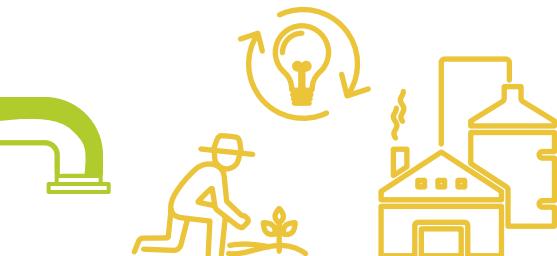
WASTEWATER TREATMENT

- **14** facilities of purification in the Metropolitan Region.
- **25** facilities of purification in Los Lagos and Los Ríos region.
- **602.2** million of m³ of treated wastewater.

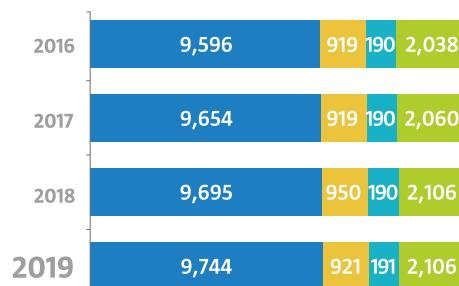


BIOSOLIDS/ENERGY/BIOGAS

- **69%** of biosolids are reused as agricultural fertilizer.
- **57.2** GWh of self-generated electric energy in Great Santiago biofactory.
- **64,442,870** m³ of biogas produced in Great Santiago biofactory.



LENGTH OF COLLECTION NETWORK (km)



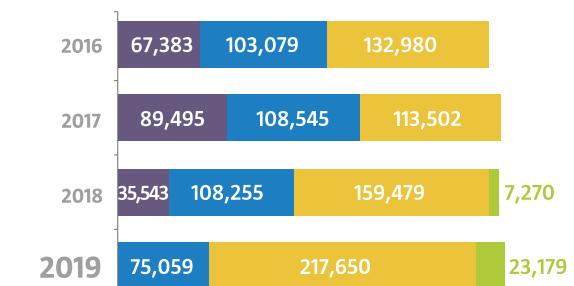
VOLUME OF TREATED WATER (million of m³)



● Aguas Andinas ● Aguas Cordillera ● Aguas Manquehue ● ESSAL

● La Farfana ● Trebal-Mapocho ● Otras depuradoras RM ● ESSAL

VOLUME (t) AND DESTINATION OF BIOSOLIDS



● Landfill ● El Ratal ● Farming reuse ● Co-digestion



Another assets

The company has a number of additional assets necessary to run its operations successfully, including buildings, offices and other workplaces. It also has assets for automation and control of the operation.

DIGITAL CONTROL OF THE NETWORK

The large urban deployment of the Aguas Andinas potable water and sewerage network is complemented by monitoring centers and systems that allow for the control and automation of processes.

Currently, **90%** of Aguas Andinas' facilities are remote controlled and monitor production processes, transportation, distribution, collection and purification. Each year new operational needs are addressed and control systems are incorporated to help operate in contingencies. On the other hand, the development of predictive models helps to reduce the occurrence of failures and emergencies, with the consequent advantages in providing service to customers.

OPERATIONAL CONTROL CENTER (CCO)

OPERATES

24

HOURS PER DAY

EVERY DAY OF THE YEAR

MANAGES OVER

55,000
VARIABLES

THROUGH

>700

REMOTE STATIONS

OF REMOTE CONTROL DISTRIBUTED

IN GREAT SANTIAGO





AN INTEGRITY_

framework



05

Corporate governance

Providing environmental services that, at the same time, ensure the continuity and safety of the city's potable water and sanitation service, and maintain a vision of development and value creation in the long term, requires a comprehensive commitment and behavior of the entire organization: from the highest corporate management to the daily work of each area of the business and the people who are an active part of the company.

Aguas Andinas has made progress in the adoption of good corporate practices and in specialization and knowledge of the business. In addition to the management of its professionals and workers, the Suez Group has centennial experience in environmental and sanitary management in 70 countries. Thus, from the property to its workers, the company presents itself as a highly specialized entity, which aims to carry out a plan with a long-term vision and a daily management that delivers fast and effective responses to the multiple needs of a dynamic and growing city.

OWNERSHIP AND CONTROL OF THE COMPANY

- 102-5
- ODS 17

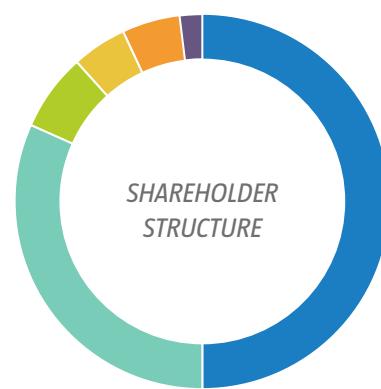
Aguas Andinas is an open corporation. Its main shareholder and controller with a 50.1% of its property is Inversiones Aguas Metropolitanas S.A. (IAM).

The major shareholder of IAM, in turn, is Suez IAGSA (SUEZ Inversiones Aguas del Gran Santiago), controlled in turn by Suez Spain, property in 100% of Suez Group. SGAB has more than 150 years of history and offers services to 32 million people in Spain, Chile, United Kingdom, Mexico, Colombia, Algeria, Brazil, Turkey and United States.

Suez Group has more than 120 years of experience, has a presence around 70 countries and employs over 90,000 people around the world.

INVESTOR RELATIONS

The investor relations area is responsible for promoting relations with the company's shareholders, providing them with timely information in a continuous and updated manner. Through diverse instances and channels, among which are conferences and meetings at local and international level, and platforms where they are provided with financial and ASG information, news and relevant events that are communicated to the capital market.



50.10%	31.97%
IAM	International Shareholders
6.77%	4.96%
Others	Stock brokers
5.0%	1.21%
Corfo	AFP

Shareholder structure as of December 31, 2019.



Investors Aguas Andinas



ALAS 20 AWARD AS "LEADER COMPANY IN INVESTOR RELATIONS"

Aguas Andinas was distinguished in 2019 as a Leader in Investor Relations by ALAS20, an initiative that evaluates excellence in public disclosure of information on sustainable development practices, corporate governance and responsible investment.

The recognition mainly considered the accessibility to contact the company's Investor Relations area and the assertiveness in interactions with key capital market agents (investors, financial analysts and regulators). It also evaluated the quality of the information provided in annual reports and website on corporate governance issues, strategy, and financial, economic and sustainability indicators. In other words, vital factors for making investment decisions and recommendations.

The distinction granted in the 2019 version of ALAS20 reaffirms that Aguas Andinas' commitment to be an organization that responsibly and comprehensively addresses its stakeholders is on the right track.

BOARD OF DIRECTORS: COMMITMENT AND VISION

102-18, 102-22, 102-23, 102-24

The company's Board of Directors is the highest governing body and is in whom lies the conduction from the shareholders. Its seven regular members with their respective alternate directors are characterized by their outstanding business experience and the necessary knowledge to meet the challenges of the company in the long term and guide the conduct that a complex sector such as sanitary requires.

The directors of the company are named by the Shareholders' Meeting and serve for three years. At the end of their term, the Board of Directors is renewed in its entirety, unless it is revoked before its term, in which case, the Board elects a new Board of Directors. Directors may be re-elected to consecutive terms. Alternate directors, on the other hand, can replace the regular definitively in case of vacancies, and temporarily in case of absence or temporary impediment. Directors do not perform executive functions but can be shareholders.

The Board of Directors has two independent directors, whose independence is defined according the established terms by Corporate Law of Chile.

DIVERSITY: POLICY OF MEMBER NOMINATION OF THE BOARD OF DIRECTORS

In line with the company's commitment to respect and promote the principle of non-discrimination in any area, Aguas Andinas has a Policy on the Nomination of Board Members, which guides shareholders on the guidelines they should consider when nominating a candidate for the company's Board of directors. This policy encourages the choice of profiles with appropriate skills and experience; selected on the basis of their capacity, experience, strength and leadership in his/her field of specialty; and with a strategic vision regarding the context of public service in a regulated area of the company's business. Likewise, the guidelines for the nomination of Board members consider the incorporation of the following perspectives, in order to enrich the view of the company:

- Presence of men and women.
- Different ages, cultures, nationalities or origin countries, religious beliefs or confessions, or policy thinking.
- Diversity and consistent complementarity in studies of its members, whether they are university graduates or otherwise.
- Different levels of specialty of its members.



SESSIONS AND FUNCTIONING

The Board's functions include approving policies, strategies and the company's stakeholder map. The implementation of these guidelines is delegated to senior management or the Management Committee (CODIR). In its sessions, the Board of Directors follows up and monitors compliance with the goals associated with the strategy, and makes decisions on the company's management in economic, social and environmental aspects, identifying the main risks and possible relevant aspects arising from the relationship with stakeholders. When contingencies, emergencies or critical concerns arise, the Board of Directors meets as often as necessary in extraordinary sessions to face such situations and find solutions.

The Board of Directors meets periodically and agreements are adopted with the favorable vote of the absolute majority of the assistant directors, except for those matters that, according to the Company's bylaws, the Law and its Regulations or other special provisions, require a higher majority.

Ordinary sessions

Aguas Andinas Board of Directors meets at least once a month in scheduled and determined sessions by the Board itself.

During 2019, 12 ordinary sessions were held.

Extraordinary sessions

Eventually, the chairman can summon, by himself or by indication of one or more directors, subject to his own assessment of the need, to extraordinary meetings. An absolute majority of the directors can call such a meeting.

During 2019, 6 extraordinary meetings were held.

The Board Members must attend to minimum nine sessions per year, seven of which must be on-site.

IN 2019, THE ATTENDANCE OF THE BOARD OF DIRECTORS WAS 100%



COMPOSITION OF THE BOARD: DIVERSITY AND EXPERIENCE

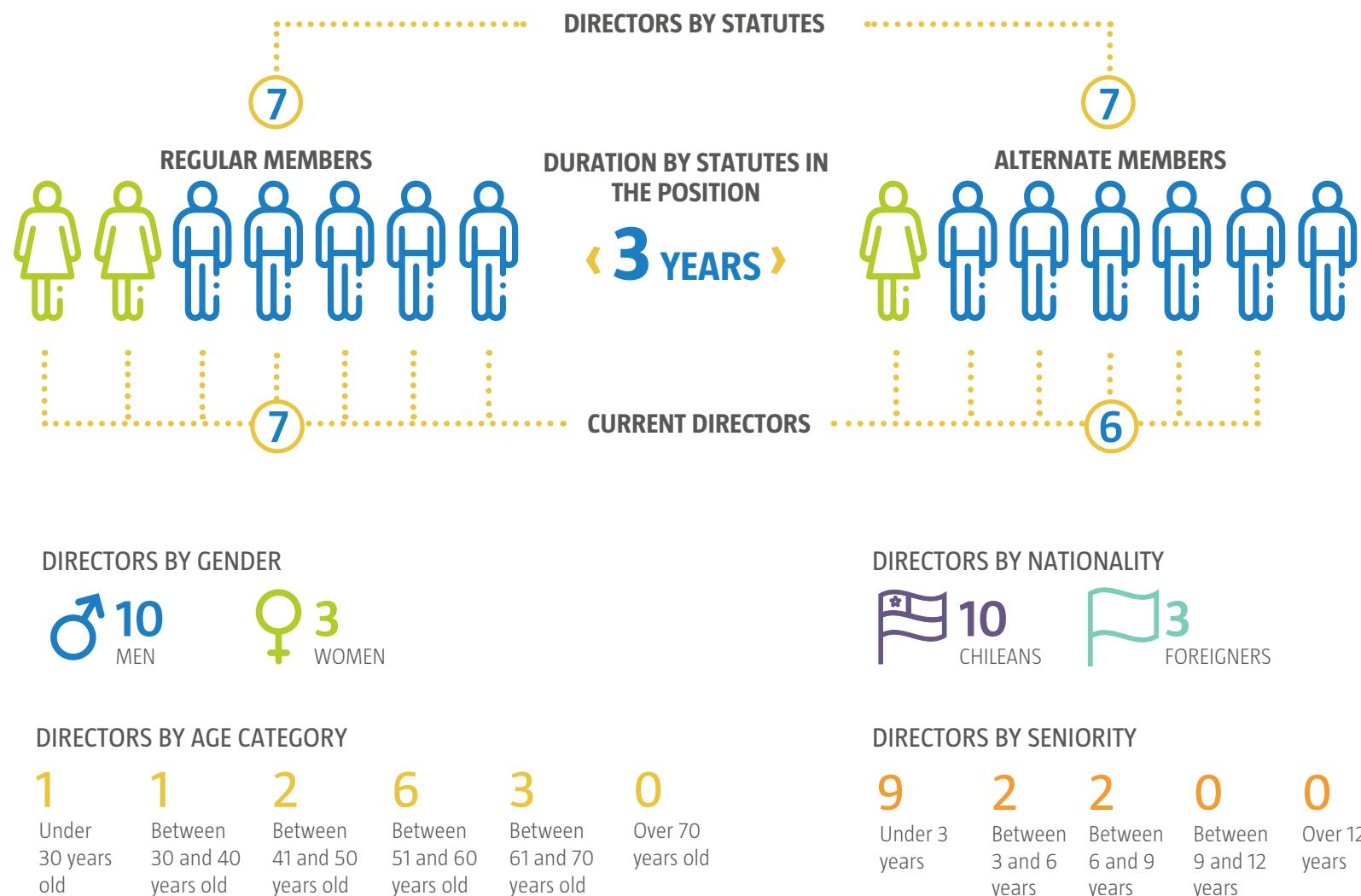
- 405-1
- ODS 5, 8

The current Board of Directors was elected for a three-year statutory period at the 29th Ordinary Shareholders' Meeting, held on April 23, 2019. By statute, a new election of the Board of Directors will take place in the first four-month period of 2022.

The directors of Aguas Andinas have extensive experience in the business world. Several of the current members of the Board of Directors perform executive or leadership positions in other companies. The company does not stipulate a maximum number of other terms for current directors.

NOMINATIONS 2019

During 2019 there were two important nominations in the management of the company. In the first half of the year, Marta Colet was named as CEO of Aguas Andinas, economist and once CEO of IAM, controller matrix of Aguas Group, who also was performed previously as alternate director and director of planification of Suez Group in Spain. Then and after an essential fact communicated opportunely to the Commission for Financial Market, during August Claudio Muñoz, industrial civil engineer and member of the current Board of the company, was presented as the new Chairman of the Board of Directors of Aguas Andinas, succeed Guillermo Pickering in his position.



BOARD OF DIRECTORS

102-22

**Claudio Muñoz Zúñiga**

Chairman
Chilean, Tax ID 9.618.122-1
57 years old
Board Member since April 2019

Civil Industrial Engineer from the Universidad de Chile, President of Icare and Business Director. Linked for more than 20 years to the Telefónica group, where he was its President and CEO from 2010 to April 2018. He is Director of the Infant Protection Foundation and President of the Digital Transformation Center of the Universidad del Desarrollo.

**Rodrigo Manubens Moltedo**

Independent Director
Chilean, Tax ID 6.575.050-3
61 years old
Board Member since July 2011

Business Engineer from Universidad Federico Santa María and Universidad Adolfo Ibáñez, Master of Science from London School of Economics and Political Science, London, United Kingdom. Director of the Santiago Stock Exchange, he has been Chairman of Banchile Seguros de Vida and SegChile Seguros Generales, Director of Banco de Chile, Orión Seguros Generales and SM Chile.

**Giorgianna Cúneo Queirolo**

Director
Chilean, Tax ID 9.667.948-3
50 years old
Board Member since April 2019

Publicist with Marketing Mention from Universidad del Pacífico. He has developed his career in the field of Marketing & Communications, he served as Advertising Manager at Banco de Chile. She was President of the Association of Viticulturists of the Casablanca Valley, Director of Tottus Supermarkets and Director of IAM. Currently, she is the Executive Director of Viña Casas del Bosque, of the Association of Viticulturists of the Casablanca Valley and Director of Falabella Retail. She also participates in the Board of Directors of Fundación Liguria.

**Narciso Berberana Sáenz**

Director
Spanish, Tax ID 22.105.171-8
52 years old
Board Member since April 2019

Industrial Civil Engineer, training complemented by master courses from EOI (School of Industrial Organization, Madrid) and IE (Instituto de Empresa, Madrid). He was CEO of Aguas Andinas between 2016 and April 2019. He is Director of IAM (Inversiones Aguas Metropolitanas) in Chile and Aigües de Barcelona in Spain, among other companies. He has joined Agbar Suez for 24 years. He currently works as Global Strategist Officer at Agbar SUEZ South Europe & Latam.

**Loreto Silva Rojas**

Director
Chilean, Tax ID 8.649.929-0
55 years old
Board Member since April 2016

Lawyer from Universidad de Chile and Partner at Estudio Bofill Escobar y Silva. In 2012, she was appointed Minister of Public Works. Previously, she was Undersecretary of Public Works and led the development of the National Strategy for Water Resources. She is President of the ENAP Board of Directors, and has been Director of electric power and mining companies. Counselor of the Infrastructure Policy Council; Instituto Libertad y Desarrollo, Santiago Chamber of Commerce and the CAM Arbitration and Mediation Center.

**Luis Mayol Bouchon**

Independent Director
Chilean, Tax ID 6.387.384-5
67 years old
Board Member since April 2019

Lawyer from Universidad de Chile and Partner at Estudio Varela, Mayol, Simonetti, Herrera. Former Chairman of Copeval, FISA, Radio Agricultura, Club de Polo y Equitación San Cristobal, Sociedad Nacional de Agricultura, Aguas Santa Amalia and Selenitia Vineyard. Currently, Director of Caldera Port, VFC Vineyards, and MÁS Recursos Naturales S.A. In 2011, he was appointed Minister of Agriculture. Then, in 2018, he assumed as Intendant of the Araucanía Region.

**Jorge Manent Codina**

Director
Spanish, DNI PAG723106
36 years old
Board Member since August 2019

Bachelor of Business Administration and Management and Master from ESADE. More than 13 years of experience in Corporate Finance. He has carried out a large part of his career in the financial area of the Suez Group, being his last responsibility the M&A Management for Spain and Latam. He has also been CFO of the Advanced Solutions division. Currently, he is CFO of Suez Latam.

ALTERNATE MEMBERS

Tomás Uauy Cúneo

Alternate member

Chilean, RUT 17.406.011-8, 30 years old

Board Member since april 2019

Commercial Engineer from Universidad Católica de Chile. He currently works as Deputy Investment Manager at Inversiones Liguria. Previously, he served as Deputy Investment Manager at Frontal Trust S.A. and previously as Corporate Finance Analyst for Banchile | Citi Global Markets.

Cosme Sagnier Guimón

Alternate member

Spanish, DNI PAE469266, 48 years old

Board Member since april 2019

Bachelor of Business Administration and Management, and MBA from ESADE Business School, Barcelona, Spain. Current Chief Financial Officer from Suez Spain. He was CEO of IAM and Director of Aguas Andinas between 2013 and 2016, and Director of IAM from April 2017 to July 2019. He has a vast experience in Suez Spain as Director of Administration and Management Control, Tax Director, Consolidation and Administration, and Director of Treasury and Finance.

Mauricio Rojas Mullor

Independent alternate member

Chilean, RUT 4.435.722-4, 70 years old

Board Member since april 2019

PhD in Economic History (PhD) and Associate Professor at the University of Lund, Sweden. Member of the Swedish Parliament between 2002 and 2008. He served in 2018 as Director of Content and Strategy of the Presidency of the Republic and as Minister of Cultures, Arts and Heritage. Associate Professor at Universidad del Desarrollo.

Sonia Tschorne Berestesky

Alternate member

Chilean, RUT 7.289.989-K, 65 years old

Board Member since april 2016

Architect from Universidad de Chile, with studies from the Master in Urban Territorial Development of Universidad Católica de Chile. Executive Director of Neourbanismo Consultores. Vast experience in the Chilean public sector, she was Minister and Undersecretary of Housing and Urbanism, Minister of National Assets, Director General of Public Works and National Director of Architecture.

Gonzalo Rojas Vildósola

Independent alternate member

Chilean, RUT 6.179.689-4, 60 years old

Board Member since april 2019

Business Administration degree from the University of Santiago and MBA from the Adolfo Ibanez University. Bethia CEO S.A. (member of the controlling group Falabella S.A.) since 1999. He is currently Director of various publicly traded companies, as well as of other closed capital companies.

Fernando Samaniego Sangroniz

Alternate member

Chilean, RUT 6.374.438-7, 55 years old

Board Member since August 2013

Lawyer from the Pontificia Universidad Católica de Chile. Diplomat in Competition in Economics -Foundations for Lawyers- Universidad de Los Andes. Partner of the Prieto Lawyers Studio. Integrates the experts list for Arbitrage of the Mediation Center and Arbitration of the CCS and the National Center for Arbitration. Speaker at seminars and conferences related to Arbitration, Construction and Free Competition.

102-21, 102-25, 102-26, 102-27, 102-28, 102-31, 102-33, 102-34

EVALUATION OF THE BOARD BY EXTERNAL ADVISORS

Given the continuous effort that the Company makes in the search for improvements in its compliance standards in ASG matters (environmental, sustainable and corporate governance), within the framework of the implementation of NCG 385, the guidance and assistance of a series of third party professionals have been sought who, through their expert and technical recommendations, manage to enhance the Company's strengths in matters of Board of Directors' operation and interaction with investors. In this way, during 2019, the advice of an expert was hired to detect and implement improvements in the dissemination of information disclosed to the market. Likewise, during 2020, a process of evaluation and self-evaluation of the Board of Directors will be carried out by a third expert, in order to detect and implement possible improvements in the organization and functioning of the Board of Directors, and to identify opportunities for improvement through the development of measures to enhance strengths. For its part, year after year the Company carries out the certification of its good corporate governance practices, through an external company, which in addition to carrying out a diagnosis, ends its work with a series of recommendations.



Corporate Governance Practices

to maintain the line of continuous and permanent communication with its members.

COMMITMENT WITH SUSTAINABILITY

The Board of Directors agreed to create a Committee responsible for the Company's Sustainability Policy, which establish the rules for its adequate execution, advising on the design and planning of projects. Consultations have been carried out with the different stakeholders that have allowed the categorization of relevant issues that are addressed in this Report.

NOMINATION OF CANDIDATES TO THE BOARD OF DIRECTORS

The Board of Directors approved the creation of the "Policy of Board Candidates Nomination", which contains a guide of recommendations for the election of Board members, which seeks to reduce possible gender, social or cultural barriers and inhibit the natural diversity of capacities, visions and conditions of Board members.



Corporate Governance

BOARD INDUCTION AND TRAINING

Pursuant to CMF Rule NCG 385, since their incorporation, Directors receive different types of internal and external training and advisory, including informative talks and delivery of relevant material. Among matters addressed in these instances are: fundamental aspects of the business, risks, main policies and procedures, and the most relevant legal framework for the Company and for the Board of Directors. For the same purpose, the Board attends to periodic expositions from the Company's key executives. Pursuant to this regulation, during 2019 a training was carried out for the Board of Directors, which focused on the legislative discussion on the modifications related to regulation for sanitation in our country.

REMUNERATIONS AND EXPENSES OF BOARD OF DIRECTORS

In accordance with Law No. 18,046, the Ordinary Shareholders' Meeting held on April 23, 2019, agreed on the following remuneration scheme for the Board of Directors:

A monthly allowance of UF 100 for the Chairman, UF 75 for the Vice Chairman and UF 70 for the full and alternate directors.

A variable remuneration for attendance at each meeting, of UF 80 for the Chairman, UF 60 for the Vice Chairman, UF 20 for regular directors and UF 20 for alternate directors (only when they replace regular ones).

It also established the following remuneration for the participation of Board members in various committees, different from that established in Article 50 bis of the LSA: UF 20 for full and alternate directors (only when they replace the regular ones), for each session in which they effectively participate in the respective committee.

The expense of the board of directors was M\$12,588.

REMUNERATION OF BOARD OF DIRECTORS (M\$)

DIRECTOR	POSITION	STATEMENT	REMUNERATION		SESSION	
			2018	2019	2018	2019
Guillermo Pickering de la Fuente	Chairman	Non-current	32,634	22,354	30,456	21,071
Hernan Chadwick Piñera	Vice chairman	Non-current	24,475	7,791	21,212	3,309
Ricardo Escobar Calderón	Director	Non-current	22,843	7,272	5,450	3,309
Pedro Sierra Bosch	Director	Non-current	22,843	7,272	7,074	2,758
Rodrigo Terré Fontbona	Director	Non-current	22,843	7,272	-	-
Claudio Muñoz Zúñiga	Chairman	Current	-	20,151	-	23,178
Rodrigo Manubens Moltedo	Director		22,843	23,421	7,614	11,169
Fernando Samaniego Sangroniz	Director	Current	22,843	23,421	7,074	3,323
Loreto Silva Rojas	Director	Current	22,843	22,869	1,627	7,270
Sonia Tschorne Berestesky	Director	Current	22,843	23,421	1,630	2,236
Giorgianna Cúneo Queirolo	Director	Current	-	16,149	-	7,855
Luis Mayol Bouchon	Director	Current	-	16,149	-	7,852
Tomás Uauy Cúneo	Director	Current	-	16,154	-	555
Gonzalo Rojas Vildósola	Director	Current	-	16,149	-	-
Mauricio Rojas Mullor	Director	Current	-	16,149	-	-
Total			217,010	245,992	82,137	93,884

* Board of directors renewal in ordinary shareholders' meeting dated April 23, 2019.



DIRECTORS' COMMITTEE

102-18

MEMBERS



*Rodrigo Manubens
Moltedo*



*Luis Mayol
Bouchon*



*Narciso Berberana
Sáenz*



*Gonzalo Rojas
Vildósola*

ALTERNATE MEMBERS



*Mauricio Rojas
Mullor*



*Fernando Samaniego
Sangroniz*

IN 2019 THE ATTENDANCE TO THE MEETINGS OF DIRECTORS' COMMITTEE WAS 100%

The Directors' Committee has special functions and powers, which relate primarily to the supervision of financial management. Among its main functions is to examine the reports of the independent auditors, the balance sheet and other financial Statement, and to express an opinion on them, prior to their presentation to the shareholders. In addition, it proposes to the Board of Directors names for external auditors and private risk qualifiers. It also examines on the background of the operations mentioned in Title XVI, preparing its corresponding report. This instance also examines the company's remuneration schemes and compensation plans. It must prepare an annual report on its management, including its main recommendations to shareholders.

The Chairman of the Board of Directors, unless he/she is independent, cannot integrate this instance nor its subcommittees.

Remuneration of directors' committee

The allowance of Directors' Committee consists of a fixed monthly remuneration of UF 25 , for full and alternate directors; and remuneration for attendance at meetings, corresponding to UF 20 per meeting, for regular and alternate directors. Alternate directors will only receive remuneration for attendance if they replace the respective director.

Expenses of directors' committee

According to a UF 3,000 budget agreed for 2019, based on the activities that the law authorizes, the expenses incurred by the Committee during the period amounted to \$31 million, which corresponded to the remuneration of the Committee's secretary.

SUSTAINABILITY COMMITTEE

The Sustainability Committee is a mixed instance in which the Chairman of the Board and two members of the Board of Directors, together with the CEO and two executive level directors participate. The Sustainable Development Management, meanwhile, fulfils the role of Executive Secretariat.

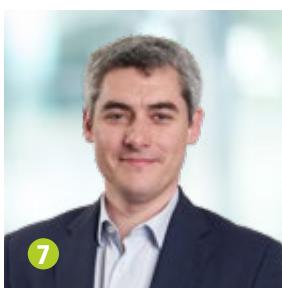
Its function is to define and supervise the company's Sustainability Strategy, ensuring the application of and compliance with internal guidelines and good practices in environmental, social and corporate governance matters. Through this role, it seeks to ensure that the organization's long-term vision and joint value creation is shared by all its areas and workers.

During 2019, the Sustainability Committee met once.



ADMINISTRATION: EXCELLENCE MANAGEMENT

102-18, 102-19, 102-20, 102-32



1. Marta Colet Gonzalo Chief Executive Officer

22.390.117-4

Degree in Business Administration and Management and MBA ESADE and the Polytechnic University of Catalonia. She has a wide and outstanding career in the Suez Group, where she has performed different roles for more than 20 years. Among others, she has held the positions of CEO of Inversiones Aguas Metropolitanas and Director at IAM, in Chile, Director of Concession Planning in Suez Spain, as well as administrator of several companies of the Suez Group. Previously, she was CFO of the electromechanical division from Alsthom Spain. Assumed as CEO of Aguas Andinas in April 2019.

2. Jonas de Miguel Gómez Strategy Director

21.857.732-6

Industrial Engineer from the Polytechnic University of Catalonia, MBA from IE Business School, with more than 20 years of experience in the field of the integral water cycle and in Business Management linked to technology and the environment. In his first position in Aguas Andinas, he was Territorial Manager and later Corporate Director of Communications and Human Resources. Later, he was CEO of Sorea in Catalonia, CEO of Aqualogy in Spain, CEO of Aqualogy in Brazil and Vice President of Strategy at USG in the United States. In 2019 he assumed as Director of Strategy at the Company.

3. Iván Yarur Sairafi Director of Finance

8.534.007-7

Civil Industrial Engineer and Master from Universidad de Chile, Master of Science in Accounting and Finance from London School of Economics and Political Science, UK. He joined in 2000. Between 2011 and 2013 he was CEO of Inversiones Aguas Metropolitanas S.A., parent company of Aguas Andinas. Since 2013 he held the position of Corporate Finance and Purchasing Manager and since 2017 he assumed as Finance Director.

4. Camilo Larraín Sánchez Director of Legal & Regulatory Affairs, and Corporate Governance

10.436.775-5

Lawyer from Universidad Diego Portales and Master in Business Law from Universidad de Los Andes. In Aguas Andinas since 2000. Secretary of the Board of Directors. Director at ANDESS A.G. and of the subsidiary ESSAL S.A. Also Director of Sociedad Canal del Maipo and Eléctrica Puntilla S.A. Professor of Water Rights Law at the Law School of Universidad de Los Andes.

5. Josep Bonet Farràs Director of Personnel, Organization, Culture and Talent

26.957.791-6

Graduate in Psychology (with a focus on Work and Organizations) from the University of Barcelona, with a specialization in Strategic Management of People and Business from ESADE Business School, and Master in Labor Relations from the Polytechnic University of Catalonia, among other studies. He has more than 20 years of experience in Human Resources Management, the last 14 years within Suez Spain, and since 2019 he has held his current position at the Company.

6. Eugenio Rodríguez Mingo Director of Customer Service

6.379.051-6

Commercial Engineer from the University of Chile. He was Commercial Manager of Santander Leasing S.A., Commercial Manager ENEA at Inmobiliaria Manso de Velasco of the Enersis Group and Commercial Manager of Piedra Roja at Inmobiliaria Manquehue. In Aguas Andinas, since 2005, he has served as Business Development Manager, Cordillera Zone Manager and Corporate Customer Service Manager. He assumed as Director of Service Management in 2017.

7. Daniel Tugues Andres Director of Operations and Circular Economy

23.872.190-3

Civil Engineer of Highways and Ports of the Polytechnic University of Catalonia, MBA from IESE Business School and Master in Integrated Water Management (Agbar-UPC). He has 15 years of experience in the environmental infrastructure sector, both water and sanitation, recycling and waste recovery. In his first stage in Chile he was Business Development Manager at Aqualogy Chile and Operations Manager at Suez Chile. Later he was General Manager of Suez Recycling & Recovery Spain. He assumed as Director of Operations and Circular Economy in 2019.

8. Alberto Julián Blanco Marenco Director of Planning and Engineering

25.879.803-1

Civil Engineer in Highways, Channels and Ports from the Polytechnic University of Madrid and Executive MBA from the Instituto de Empresa (IE) in Madrid, Spain. Director of Aguas Andinas since 2017, he has 20 years of experience in the construction of large infrastructures. For ten years he was a manager in two construction companies dedicated to large hydraulic works.

KEY EXECUTIVES
 405-1
 ODS 5, 8
NUMBER OF EXECUTIVES BY GENDER
 **3** WOMEN
 **22** MEN
NUMBER OF EXECUTIVES BY NATIONALITY
 **17** CHILEAN
 **8** FOREIGNERS
NUMBER OF EXECUTIVES BY AGE CATEGORY

2	10	8	5
Between 30 and 40 years old	Between 41 and 50 years old	Between 51 and 60 years old	Between 61 and 70 years old

NUMBER OF EXECUTIVES BY SENIORITY

8	0	2
Under 3 years	Between 3 and 6 years	Between 6 and 9 years

0	15
Between 9 and 12 years	More than 12 years

LIST OF SENIOR EXECUTIVES

TAX ID	NAME	PROFESSION	POSITION	COMPANY	STARTING DATE OF POSITION
07746808-0	Auger Hernandez Mario Alejandro	Civil Engineer	Major Works Construction Manager	Aguas Andinas S.A.	21/01/2010
25879803-1	Blanco Marenco Alberto	Road, Canal and Port Engineer	Director of Planification and Engineering	Aguas Andinas S.A.	21/08/2017
26957791-6	Bonet Ferràs Josep	Graduate in Psychology	Director of Personnel, Organization, Culture and Talent	Aguas Andinas S.A.	27/05/2019
13021075-9	Casarino Lillo Valeria Patricia	Psychologist	Human Resources Manager	Aguas Andinas S.A.	27/11/2019
22390117-4	Colet Gonzalo Marta	Economist	CEO	Aguas Andinas S.A.	17/04/2019
21857732-6	De Miguel Gomez Jonas	Senior Industrial Engineer	Director of Strategy	Aguas Andinas S.A.	05/12/2019
10943709-3	Esquivel Gómez Christian Patricio	Journalist	South Territorial Manager	Aguas Andinas S.A.	22/04/2019
06027966-7	Estay Caballero Ricardo	Civil Engineer	Production, Purification and Resources Manager	Aguas Andinas S.A.	21/01/2010
08043598-3	Faúndez Pérez Luis Alberto	Civil Engineer	Tariff and Regulation Manager	Aguas Andinas S.A.	02/05/2012
26810987-0	Hernández Tosca David	Degree in Business Administration and Management	Technology and Innovation Manager	Aguas Andinas S.A.	01/05/2019
09656371-K	Konig Besa Hernan Vicente	Civil Engineer	Technical-Scientific Relations Manager	Aguas Andinas S.A.	01/06/2019
24316412-5	Lacoma Astudillo María Carmen	Road, Canal and Port Engineer	Sustainable Development Manager	Aguas Andinas S.A.	22/04/2019
10436775-5	Larraín Sánchez Camilo Ernesto	Lawyer	Director of Legal Affairs, Regulatory and Corporate Governance	Aguas Andinas S.A.	21/01/2010
14709240-7	Lesty Yves	Sanitation Engineer	Circular Economy Manager	Aguas Andinas S.A.	21/01/2010
12028060-0	Nicoletti Ortigosa Franco Luighi	Civil Engineer	Distribution and Collection Manager	Aguas Andinas S.A.	03/10/2018
06613091-6	Ocariz Martín Hernan Alfonso	Civil Engineer	Planification Manager	Aguas Andinas S.A.	21/01/2010
12087571-K	Reyes Cea Rodrigo Andres	Accountant Auditor	Accounting and Tax Manager	Aguas Andinas S.A.	01/10/2017
10200262-8	Riquelme Hernández Alejandro	Accountant Auditor	Finance, Purchasing and Investor Relations Manager	Aguas Andinas S.A.	01/07/2014
06379051-6	Rodríguez Mingo Eugenio	Commercial Engineer	Director of Customer Service	Aguas Andinas S.A.	27/03/2012
12343884-1	Schwerter Loyola Cristian Bernardo	Civil Engineer	Engineering Manager	Aguas Andinas S.A.	06/06/2013
10405384-K	Tagle Swett Gonzalo Andrés	Commercial Engineer	North Territorial Manager	Aguas Andinas S.A.	01/07/2019
09383964-1	Torres Barrientos Carlos Rene	Electrical Execution Engineer	Operational Resilience Manager	Aguas Andinas S.A.	03/10/2018
12867840-9	Torres Rojas Cristian Patricio	Commercial Engineer	Management Control Manager	Aguas Andinas S.A.	03/10/2018
23872190-3	Tugues Andrés Daniel	Road, Canal and Port Engineer	Director of Operations and Circular Economy	Aguas Andinas S.A.	05/12/2019
08534007-7	Yarur Sairafi Iván	Industrial Civil Engineer	CFO	Aguas Andinas S.A.	01/09/2013

COMPENSATIONS

The metrics for calculating the total compensation of the company's executives are determined according to average market income, by company size and specialization of the business, with variable compensation components according to the company's results and the individual objectives set for the year. The company does not have special compensation or benefit plans for its senior executives, other than the variable bonus mentioned above.

As of December 31, 2019, Aguas Andinas' individual senior executive payroll consisted of 25 people, a group that received a total remuneration in the year of \$4,645 million, \$606 million less than previous year.

Severance indemnities totaled \$1,004 million.

TOTAL REMUNERATION (million pesos)

FIXED			VARIABLE			TOTAL REMUNERATION PAID		
2017	2018	2019	2017	2018	2019	2017	2018	2019
4,326	4,514	3,660	818	737	986	5,144	5,251	4,645

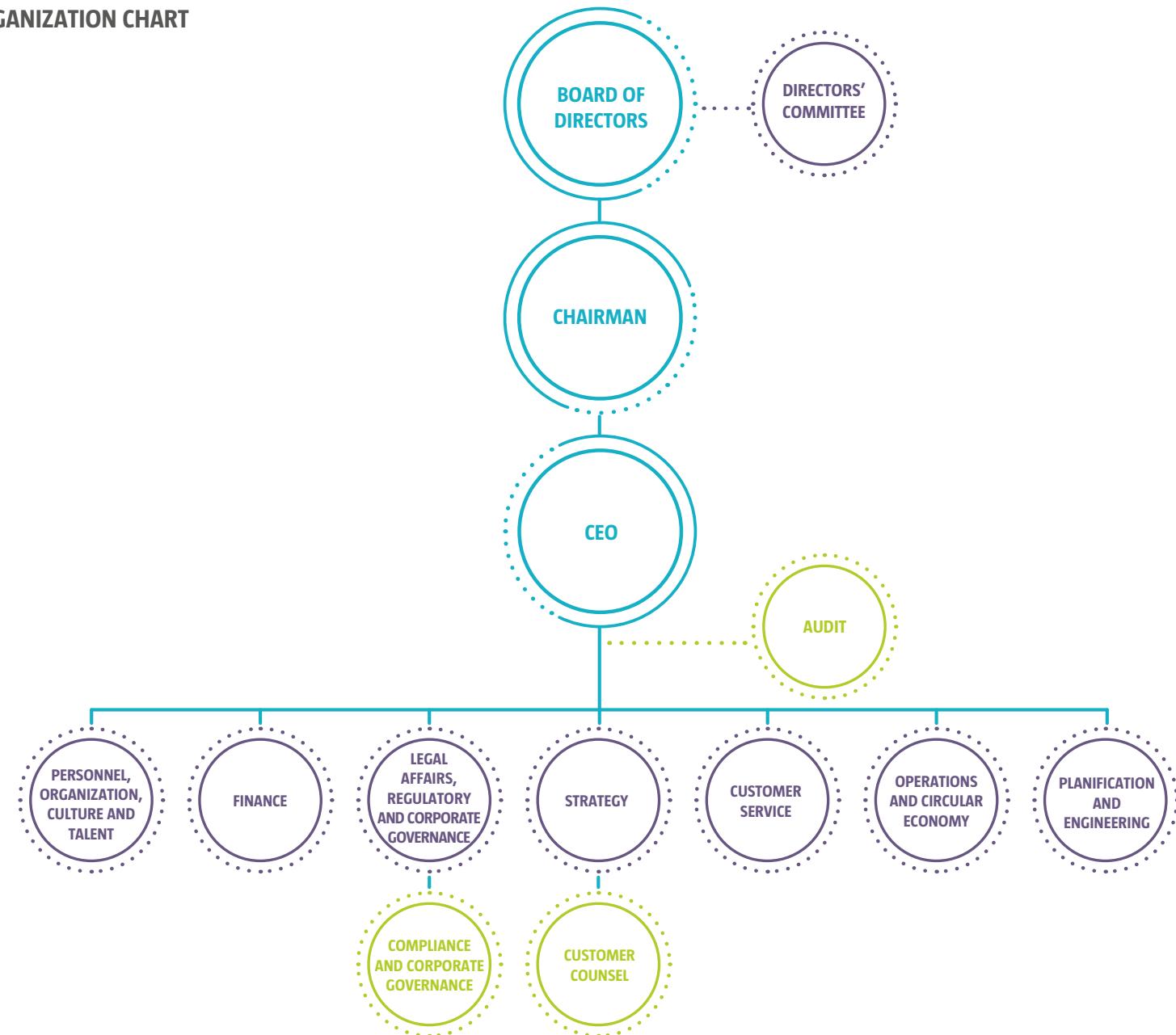
PAID COMPENSATION (million pesos)

2017	2018	2019
61	1,504	1,004





ORGANIZATION CHART



Culture of ethics and integrity

205-1, 205-2
ODS 16

Since the creation of the Compliance area in 2016, Aguas Andinas has made significant progress in strengthening a culture of integrity and corporate ethics that guides each person within the company to adopt best practices and behavior. Accompanying each worker in decision making and providing the necessary tools to support them in their discernment is the basis for aiming to the creation of social and environmental value, avoiding practices that deviate from the guidelines that the company has set for itself in this area of work. Thus, compliance and adherence to ethics is part of the company's seal.

The Compliance Management System is designed to go beyond the law in the protection and integrity of the company and is one of the most important corporate bodies, through which the high management provides the necessary guidelines for the general conduct of business and monitor the behavior of the organization in these matters.

Compliance forms an important part of corporate strategy within the "Business Model" pillar and is a fundamental area for advancing the commitment to be a profitable, responsible and transparent company. This constitutes a form of organization that reflects the contents of the processes, policies and procedures that are part of the Compliance Policy at a structural and operational level, applying it as a guide that is practical and obligatory for all employees of the Aguas Group. This area is led by the Head of Compliance, under the direct supervision of the Chief Executive Officer.



All company executives sign a conflict of interest statement. The same is done by each new person who joins the company.



Through the channel of complaints that the company has implemented and diffuse on its website and intranet, employees and third parties can warn of possible non-compliance. Each alert activates a procedure from which the complaint is handled confidentially.

During 2019, **12** complaints were received mainly related to labor relations and were resolved without generate relevant sanctions.

Additionally, the Compliance area has an e-mail box where employees can request advice, as well as being available by phone and in person to attend any requirement.



Two semesterly reports are presented to the Board of Directors with the progress of the system and the complaints received.

During 2019, progress was reported related to crime prevention model, ISO 37,001 certification, complaints channel, among other issues.



The continuous training in the guidelines and contents of the Compliance Management System ensures its operation and allows progress in strengthening a culture of ethics and integrity. During 2019, training was provided on the Compliance Management System, Crime Prevention Model, Code of Ethics, Compliance Policy, Anti-Corruption Policy, Conflict of Interest Management Procedure, Procedure for Interaction with Public Officials and Lobby, Procedure for Gifts, Invitations and Travel, Complaints, Investigations and Sanctions Procedure, Policy of Donations and Sponsorships, Procedure of the Committee of Donations and Sponsorships, Human Rights Policy, Personal Data Protection Law, Fisheries Law, Art.136 Crime Damage to Hydrobiological Resources, Relationship with Public Officials and Sexual Harassment.

In this line in 2019 more than 700 workers were trained in these different issues.



PROGRESS 2019

To keep the company in line with the challenges it has set itself and with the expectations of regulators and the most updated regulations, the Compliance area researches, designs, monitors and certifies the different models and patterns of behavior permanently.

In 2019, important advances were made in different matters relevant in the group companies, according to the structure of each one.

ENVIRONMENTAL COMPLIANCE

Design of an Environmental Compliance Model following Board approval of the Environmental Compliance Policy.

CONSUMER RIGHTS

Design of a Consumer Compliance Model after the approval of the Consumer Compliance Policy approved by the Board conforms to adapt all processes after the amendments to the Consumer Rights Protection Law.

PROTECTION OF PERSONAL DATA

Collection and investigation to determine the current panorama of the Company against the future modification of the Personal Data Protection Law.

CRIME PREVENTION MODEL

Updating of the MPD according to the amendments to the Law on the Criminal Responsibility of Legal Entities for all the companies of the Aguas Group.

Also, the process of certification of MPD was started regarding new crimes of corruption between individuals, unfair administration, incompatible negotiation and misappropriation.

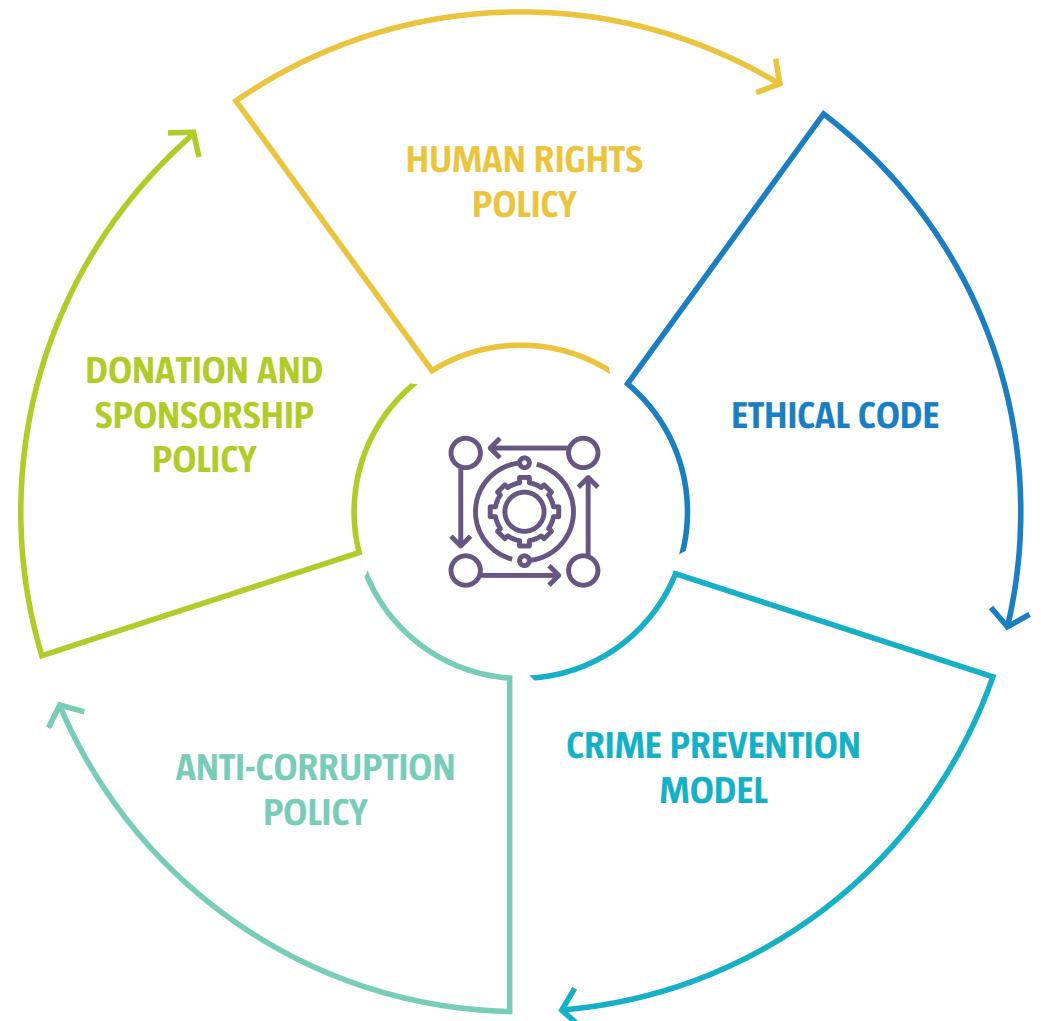
ANTI-BRIBERY

Monitoring audit contemplated in the ISO 37001 certification standard that was free of "non-conformities". Preparation of the re-certification process that will come in 2020.



COMPLIANCE MANAGEMENT SYSTEM

- 102-16, 102-17, 205-1, 205-2, 412-1, 412-2
- ODS 16



It establishes the principles and guidelines for all members of the Aguas Group regarding the protection of fundamental rights both within the company and throughout the value chain. It has a special complaints channel and tools for diffuse to suppliers, who have specific clauses on the subject in their contracts.

It is structured in accordance with the provisions of Law 20,393 and establishes rules, protocols and procedures to adopt measures that everyone must respect, including suppliers and contractors. The Crime Prevention Officer ensures compliance, and the entire model is audited and certified once a year by an external agency specialized in compliance. All subsidiaries have an MPD.

It establishes the principles of equity, integrity and impartiality that must govern relations between the members of the entire Aguas Group, as well as those established with those who are directly or indirectly related to the company and come from the public or private areas. The Anti-Corruption Management System is certified under the ISO 37001 standard. Under its guidelines, it is forbidden to make cash contributions, donations or collaborations to finance political parties or campaigns, or to support political activities of any kind.

It establishes the principles and guidelines through which the commitments of all the Group's collaborators with the social, environmental and cultural interest, as well as the sustainable and innovative development of the environment and local communities, are materialized. There is a Donations and Sponsorship Committee that evaluates and presents the initiatives to the Board of directors, which is responsible for their final authorization.



Risks management

102-11, 102-15, 102-29, 102-30, 102-31
ODS 6, 11, 13

The monitoring and risks management in a sanitary company, located in concession areas with a continuously growing population, and with constant pressure on natural resources, requires the adoption of best practices for management and reduction of risks. Aguas Andinas uses the ISO 31000 standard as a basis in this area of action and has a map of risks and transversal impacts, which is updated at least twice a year and duly and timely communicated to the company's Board of Directors. The analysis and consideration evaluates each risk according to the different types of impact, considering beyond the company's operational structure.

This structure allows the analysis of threats, probabilities of occurrence and existing level of control in all processes. Thus, the areas design mitigation plans and plan the investments that the company must make to minimize the impacts and, as far as possible, the occurrence of them. The company carries out a detailed follow-up of these mitigation plans, in order to maintain control and update the map.

This dynamic has allowed to address important operational risks in a timely manner and integrate them not only to mitigation and infrastructure plans, but also to crossover corporate strategies. Thanks to this, the company is now better prepared to, for example, face phenomenon and consequences derived from climate change or drought. The integration of stakeholders and their perspectives to the corporate management has also allowed to manage other risks early, in a process of continuous learning and listening that has been sustained over time, through communication channels with customers and community work boards, among other actions.

EMERGING RISKS

A characteristic of the work and development that Aguas Andinas has carried out over time is the timely attention given to the risks and challenges presented by a particular moment and context, which has allowed to take the necessary measures in time to reduce the possible impacts that certain phenomenon or variables may have on the city's operation and water system. The corporate risk management model is continuously adapted and contributes to strengthening the business model, also considering environmental and social variables as inherent parts of it.

Prepared against reduced water availability Attentive to threats to the continuous supply

Against possible greater future water unavailability due to the more severe effects of climate change and the prolongation of the drought affecting central zone of Chile, the company is actively monitoring different variables in order to take the necessary measures in a timely manner and ensure water supply for Santiago. Although the probability of this risk materializing is low, Aguas Andinas manages its business model, including its future investment plans, considering more critical scenarios in this regard.

Stakeholders' expectations in the current political and social context are increasingly demanding and vigilant, especially regarding strategic and essential services such as potable water and sanitation. In particular, the need to ensure the availability and continuous supply of water against threats and attacks on the network or supply system is a growing concern in society today. Aguas Andinas monitors and manages any sign or potential cause of contamination of the network and has also adapted its corporate structure and platforms to effectively and promptly address the observations and concerns of all social actors, understanding that the delivery of timely information can also minimize operational risks or continuity of supply.

COVID 19

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

To face this pandemic, Aguas Andinas and its subsidiaries have implemented a series of operational reinforcement measures to ensure the safety of its workers, collaborators and clients, as well as to safeguard the continuity of the service against expansion of this pandemic. In this sense, the Company has implemented operational and personnel protocols and procedures following the recommendations given by the authority and competent organizations. Within business continuity plans the Company has implemented, in coordination with the authority, it is worth to mention the identification of the necessary critical supplies and suppliers to develop their processes, in addition to defining strategies of action in case of contagion situations.

At the closing of this report, it is still not possible to accurately identify the economic impacts that this pandemic will have on the Company results.



ABOUT THIS_

integrated report

06

- 102-21, 102-32, 102-45, 102-46, 102-48, 102-49, 102-50, 102, 51, 102-52, 102-54
- ODS 12

This Integrated Report consolidates the information corresponding to the management of the companies of the Aguas Group, which includes the sanitary subsidiaries Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A. and Empresa de Servicios Sanitarios de Los Lagos S.A. (ESSAL), together with the environmental services subsidiaries Ecoriles S.A., Análisis Ambientales S.A. (ANAM), Gestión y Servicios S.A. and Aguas del Maipo S.A. In the financial Statement and the environmental, social and corporate governance (ASG) indicators addressed in the document, the information coverage considered in each particular case is defined.

The information provided in this report covers the period from January 1, 2019 to December 31 of the same year, in accordance with the requirements of General Standard No. 30 of the Commission for Financial Market (CMF) and the standards of the Global Reporting Initiative (GRI) in its Comprehensive Compliance option.



Within the framework of its strategy and integrated business management, this report is an important part of Aguas Andinas' effort to periodically make transparent its performance and commitment to its stakeholders, making them known in a timely and balanced manner.



Reporting the relevant: Materiality Analysis 2019

102-43, 102-44, 102-46, 102-47, 102-48, 102-50, 102-51, 102-52, 102-54



Water management and the challenges it faces in each territory require the integration of multiple viewpoints.

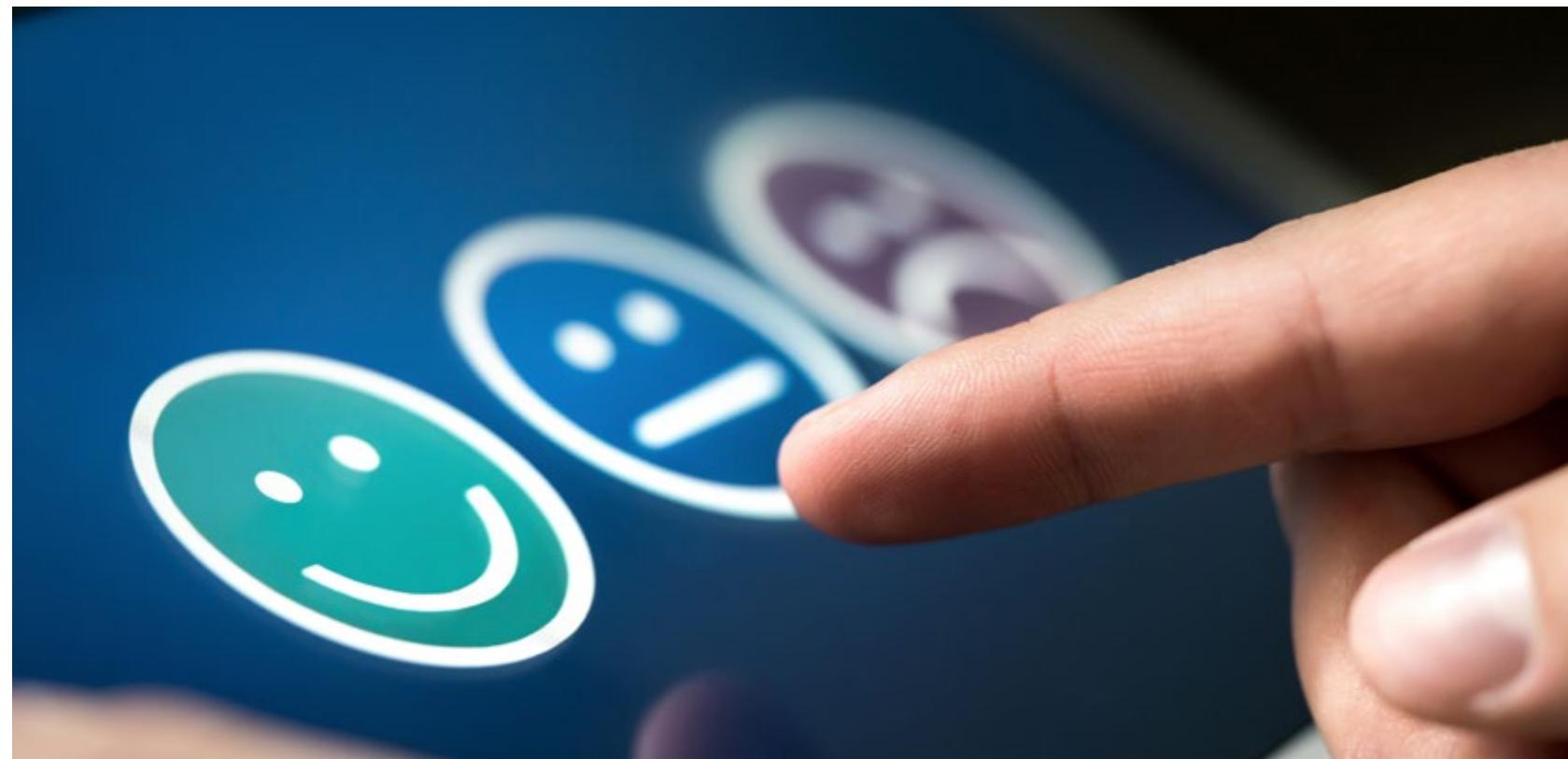
The responsible management of this resource in delicate contexts of balance -such as those imposed by climate change- requires a fluid and permanent exchange between the different actors in the city. To this end, the delivery of relevant information in a timely manner is very important and forms part of the company's strategic commitment to strengthen dialogue and promote shared value.

In 2019 Aguas Andinas decided to carry out a new materiality analysis as a way of ensuring the regular participation of all stakeholders, and to address their concerns in a timely and more accurate manner in a context of great changes and challenges, both economic, social and environmental.

This consultation process, unlike the previous ones, considered for the first time all the company's stakeholders and, on the other hand,

identified more specific material issues. Thus, for example, the old material theme "Water" was disaggregated into the themes Drought, Product Quality and Adaptation to Climate Change, for specifying the challenges facing the business today.

The process of raising material issues considered an analysis of the current context and trends in the sanitary industry, review of the Integrated Report 2018, press archives, and



the company's financial results, as well as the guidelines of various international standards and the materiality analysis of global sustainability leaders, especially from the multi-service and sanitary industry.

Then, in order to prioritize the issues according to their importance and potential impact on corporate management and its environment, the company collected the impressions of all its stakeholders, both internally and exter-

nally. In addition to sending the survey to all workers of the group, an effort was made to also collect the opinions of customers, investors, authorities, communities and suppliers. Also, other relevant stakeholders were also invited to participate, including academics, peers from other companies and private sector guilds, the media, civil society bodies and international organizations. The diversity of opinions allowed to value each issue according to its relative importance and present in

this report on those issues that are a priority for the stakeholders who interact with the company and are part of its model for creating shared value.

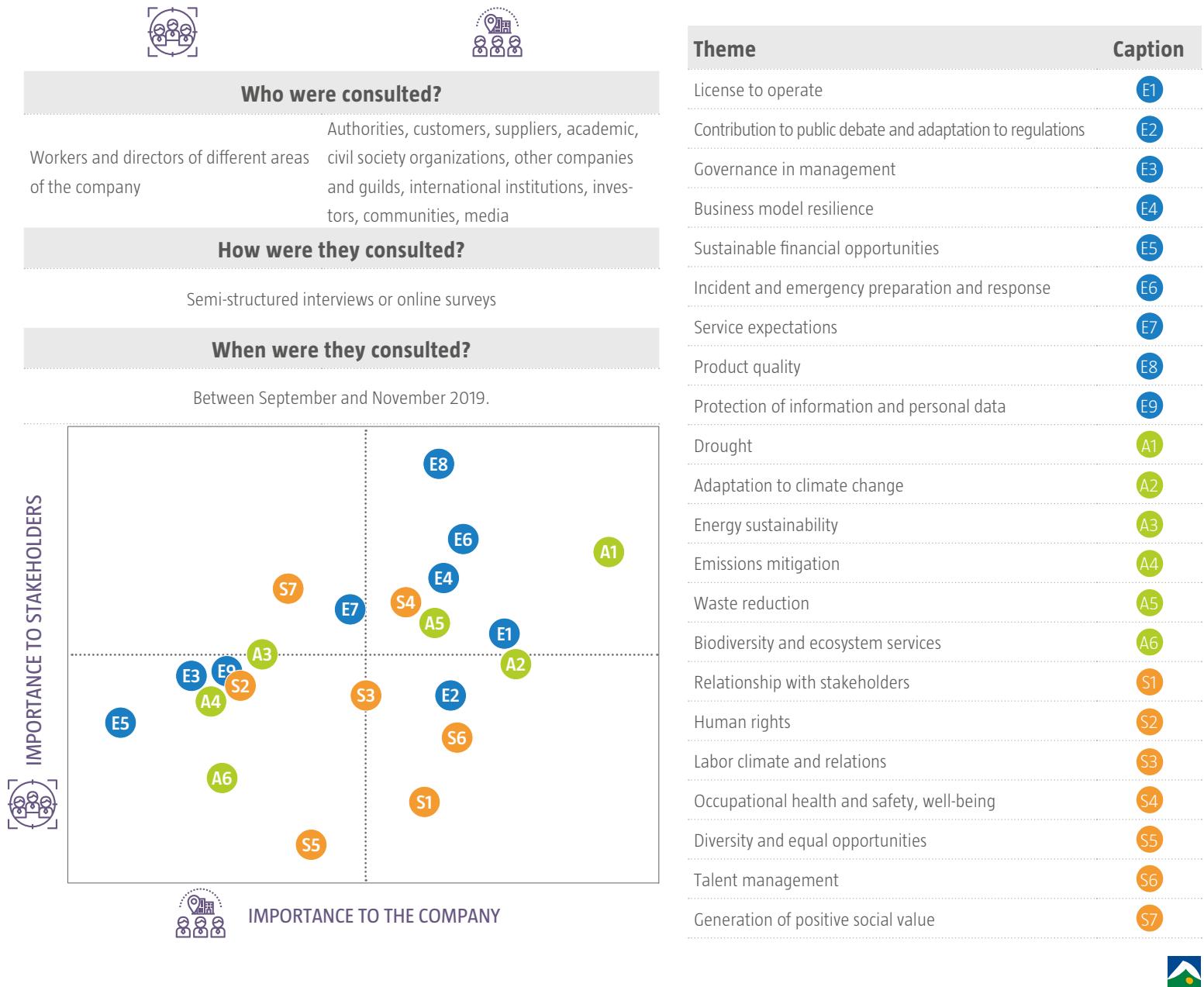
For elaboration purposes of Integrated Report 2019, and in consideration of the IIRC methodology that guides this type of document, the priority stakeholders is the one formed by the investors, for which a greater weight (40%) has been given regarding other five external stakeholders surveyed (12% each one).





MATERIALITY MATRIX

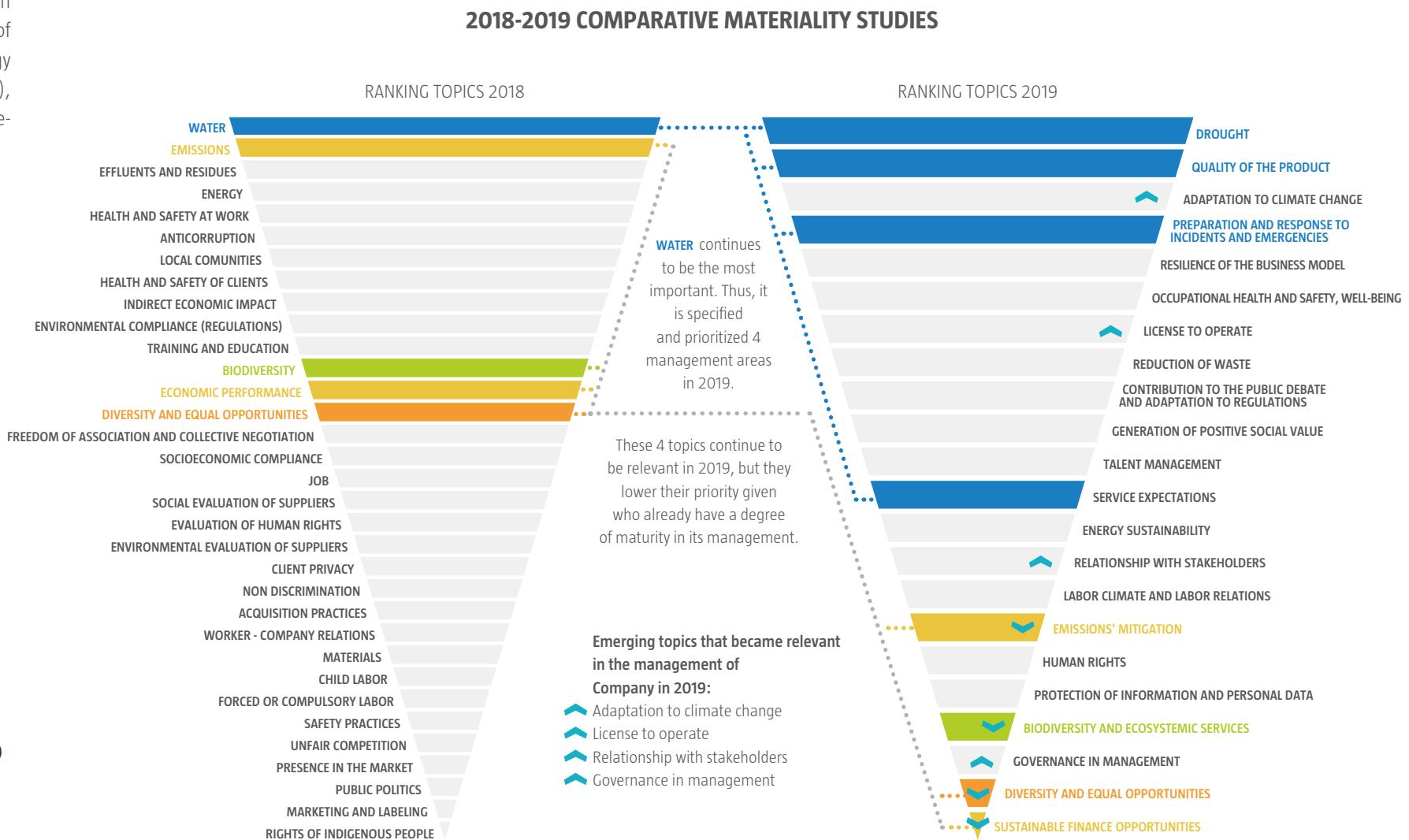
The results of the selection of relevant issues according to the context of Aguas Andinas and its corresponding prioritization are presented in the materiality matrix below:



The different material issues were included within the chapters of the Integrated Report, deepening especially in those with the highest priority and reporting on them according to their relative importance after the results of the analysis. The chapters of this report, on the other hand, respond to the capital approach of the methodology for the elaboration of reports of the International Integrated Reporting Council (IIRC), thus giving continuity to its presentation of the previous year, in order to ensure adequate comparability between each period.



External stakeholder consultation is an important instance of linkage and exchange, which allows the company to collect in detail the perceptions and interests of other people and organizations. Therefore, during the application of the external survey for the analysis of materiality, the impression of all external groups was collected through an open question where the respondents could indicate other issues that, beyond those consulted, were important from their perspective. Some of the issues raised specifically through this question were: sustainable water use (reduction and reuse of the resource), wage equity, tariff setting process, to name the most recurrent.



External verification

102-56

Deloitte.

INDEPENDENT REVISION REPORT OF AGUAS ANDINAS INTEGRATED REPORT 2019

Miss
Carmen Lacoma
Sustainability Manager

Present.

Please find herein the outcomes of the revision of the Integrated Report 2019 of Aguas Andinas according to the following aspects:

Scope

Limited assurance engagement of the adherence of the contents and indicators included in the 2019 Integrated Report to the Global Reporting Initiative (GRI) Standards, regarding the organization's profile and material indicators arising from the materiality process that the Company carried out following said Standards related to the economic, social, and environmental dimensions.

Standards and Assurance Process

We have carried out our task in accordance with the guidelines of the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC).

Our review has consisted in an inquiry process involving different Aguas Andinas units and management areas, involved in the process of developing the Report, as well as in the application of analytic procedures and verification tests, which are described in the following items:

- ✓ Meeting with Sustainability management.
- ✓ Requirements and review of evidence with the areas participating in the preparation of the 2019 Report.
- ✓ Analysis of the adherence of the contents of the 2019 Integrated Report to the GRI Standards: Comprehensive option, and review of the indicators included in the report in order to verify that they are aligned with the protocols established in the Standards, and whether the fact that some indicators are not applicable or not material is justified.
- ✓ Verification, through tests of quantitative and qualitative information corresponding to the GRI Standards indicators included in the 2019 Report, and its adequate gathering from the data provided by Aguas Andinas information sources.

Conclusions

- ✓ The assurance process was based on the indicators established in the materiality process carried out by Aguas Andinas. Once those indicators were identified, prioritized, and validated, they were included in the report. The reported and verified indicators appear in the following table:

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102-1	102-2	102-3	102-4	102-5	102-6	102-7
102-8	102-9	102-10	102-11	102-12	102-13	102-14
102-15	102-16	102-17	102-18	102-19	102-20	102-21
102-22	102-23	102-24	102-25	102-26	102-27	102-28
102-29	102-30	102-31	102-32	102-33	102-34	102-35
102-36	102-37	102-40	102-41	102-42	102-43	102-44
102-45	102-46	102-47	102-48	102-49	102-50	102-51
102-52	102-53	102-54	102-55	102-56	103-1	103-2
103-3	201-1	201-2	201-3	201-4	202-1	202-2
203-1	203-2	204-1	205-1	205-2	205-3	302-1
302-2	302-3	302-4	302-5	303-1	303-2	303-3
304-1	304-2	304-3	304-4	305-1	305-2	305-3
305-4	305-5	305-6	305-7	306-1	306-2	306-3
306-4	306-5	307-1	403-1	403-2	403-3	403-4
403-5	403-6	403-7	403-8	403-9	403-10	404-1
404-2	404-3	405-1	405-2	406-1	410-1	412-1
412-2	412-3	413-1	413-2	416-1	416-2	418-1
419-1						

- ✓ Regarding the verified indicators, we can say that no aspect has arisen to lead us to believe that the Integrated Report 2019 of Aguas Andinas has not been prepared in accordance with the GRI Standards in those areas identified in the scope.

Aguas Andinas Management and Deloitte Responsibilities

- The drafting of the 2019 Integrated Report, as well as its contents are under Aguas Andinas responsibility, which is in charge of the definition, adaptation, and maintenance of the management and internal control systems from who the information is obtained.
- Our responsibility is to issue an independent report based on the procedures applied in our review.
- This report has been prepared exclusively by Aguas Andinas's request, in accordance with the terms established in the Engagement Letter.
- We have developed our work according to the standards of Independence established in the Code of Ethics of the IFAC.
- The conclusions of the verification made by Deloitte apply to the latest version of the Aguas Andinas Integrated Report received on March 10, 2020.
- The scope of a limited assurance engagement is essentially inferior to a reasonable assurance engagement, thus, we are not hereby providing opinion about the 2019 Aguas Andinas Integrated Report.



Fernando Gaziano
Partner
March 10, 2020





ADDITIONAL information

07



RELEVANT

contents

INDEX



Stock information

MNEMONIC

Serie A: "Aguas-A"

Serie B: "Aguas-B"

INFORMATION TO SHAREHOLDERS

Central Securities Deposit

Address: Av. Los Conquistadores 1730, piso 24,
Providencia. Torre Nueva Santa María

Telephone: (56-2) 2393 9003

Fax: (56-2) 2393 9101

INVESTOR RELATIONS

Address: Av. Presidente Balmaceda Nº 1398, piso 13,
Santiago, Chile.

Telephone: 56-2) 2569 2301

E-mail: inversionista@aguasandinas.cl

The purpose of the company is to produce and distribute potable water; to collect and treat wastewater; and to perform other services related to such activities, in the manner and established conditions in decree having the force of Law No. 382 of the Ministry of Public Works of 1988, the General Law on Sanitary Services, and other applicable regulations.

LEGAL CONSTITUTION

Aguas Andinas S.A. was established by public deed dated May 31, 1989, granted at Santiago Notary's Office of Mr. Raúl Undurraga Laso, and an extract thereof was recorded on pages 13,981, No. 7,040, in the Commercial Registry of the Santiago Real Estate Conservative of 1989, and published in the Official Gazette of June 10, 1989.

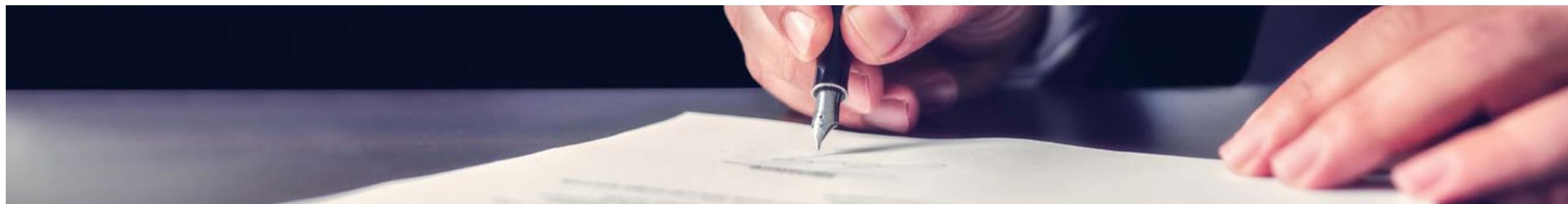
The corporate statutes have been amended several times. The last of these amendments was agreed by the 18th Extraordinary Shareholders' Meeting, the purpose of which was: (i) to incorporate the amendments made to the laws and regulations governing the company's activities; (ii) to modify the corporate purpose by adapting it to the General Sanitary Services Law; (iii) to extend the duration of the board of Directors to three years; (iv) to record that the share capital is fully subscribed and paid in; and (v) to repeal the transitional provisions that became obsolete.

A new consolidated text of the statutes was also granted. This modification consist by public deed dated October 2, 2013, granted at Santiago Notary's Office of Mr. Iván Torrealba Acevedo, and an extract of it was recorded on pages 78,299, No. 51,547, in the Commercial Registry of the Santiago Real Estate Conservative of 2013, and published in the Official Gazette on October 21, 2013.

LEGAL ASPECTS

The company is registered in the Securities Registry of the Commission for Financial Market with No. 0346 by provision of Law No. 18.777.

As a company in the sanitary sector, it is supervised by the Superintendence of Sanitary Services in accordance with Law No. 18,902 and Decrees with Force of Law No. 382 and No. 70, both of 1988.



Ownership of the company

AGUAS ANDINAS AND ITS SANITATION SUBSIDIARIES (REGULATED)

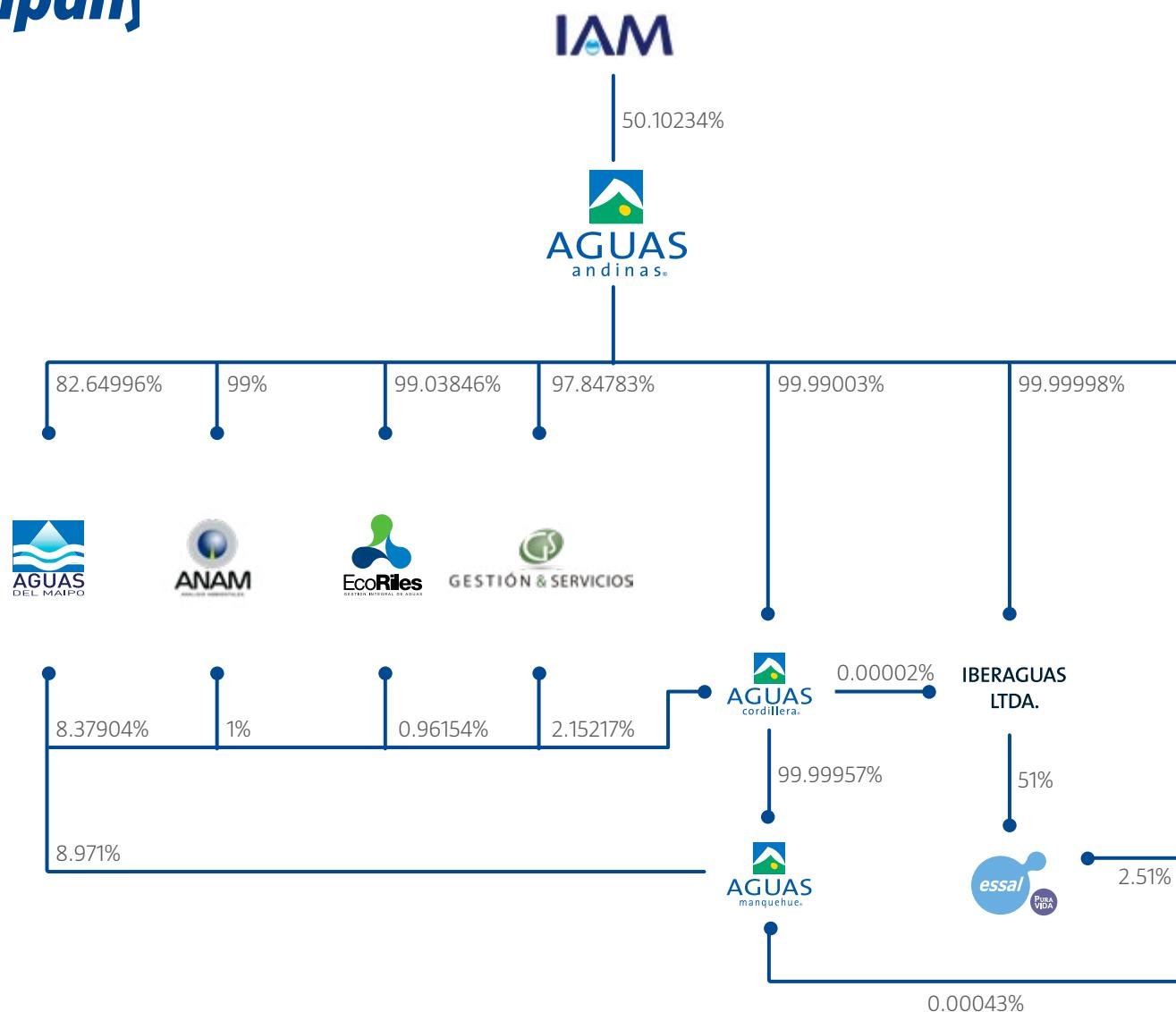
Aguas Andinas S.A. • Aguas Cordillera S.A. • Aguas Manquehue S.A. • Empresa de Servicios Sanitarios De Los Lagos S.A. (ESSAL).

Regulated by the Chilean legislation, these sanitary companies provide the services of production and distribution of potable water, together with the collection, treatment and final disposal of wastewater.

SUBSIDIARIES OF ENVIRONMENTAL SERVICES (NON-REGULATED)

EcoRiles S.A. • Gestión y Servicios S.A. • Análisis Ambientales S.A. • Aguas del Maipo S.A.

They provide knowledge in businesses related to the sanitary industry, including: industrial waste treatment services, merchandising of materials and non-conventional renewable energies, laboratory analysis and development of energy projects related to sanitary companies, respectively.





ECORILES S.A.

Created in 2000, it has consolidated itself as the leading operator of industrial effluent plants in the country, providing integral solutions to more than 30 customers throughout Chile associated to the Circular Economy, from the papers and cartons, food, beverage, dairy, chemical, fishing and aquaculture industries, among others. It is characterized by being a company oriented to advise on the integral management of water and the valorization of waste and sludge, being a reference in the market with experience in operating all the technologies and treatment systems existing in the country. This subsidiary is committed to providing sustainability to the industry, which has allowed us with our management to return 27 million m³ of treated liquid industrial waste to the environment, to manage and value 40,000 tons per year of generated sludge in a sustainable manner, to produce 370,000 Nm³ of biogas for energy recovery and 590,000 m³ per year of regenerated water used for reuse.



ANÁLISIS AMBIENTALES S.A. (ANAM)

This laboratory created in 2002 and dedicated to providing an integral service of sampling, measurement and environmental diagnosis, accredited with high technical quality standards for the reliability of its results. ANAM is a reference ETFA and Respel laboratory in Chile, authorized by ISP, SAG and Sernapesca, with tri-norm accreditations associated to quality, environmental management and occupational safety and health (ISO 9001, 14001 and 45001), together with the support of a network of international laboratories such as Labaqua-Agbar, Cirsee-Suez. ANAM is a leader in the field of physical, chemical and microbiological analysis associated to water resources, hazardous waste, sludge and soils. It also has an area that performs monitoring, diagnostics, odor management and odorant gas control, performed around 100,000 samples and more than 1 million analysis per year of the different environmental matrices in various sectors such as sanitary, fishing and aquaculture, food, beverages, cartons and papers, mining, manufacturing, chemicals, among others.



GESTIÓN Y SERVICIOS S.A. (G&S)

Logistic Operator specialized in the commercialization of materials for potable water and sewage networks, and service provider for the development and execution of sanitary projects. Thanks to its specialized and multidisciplinary knowledge, G&S provides on-site technical assistance to its customers, delivering timely solutions for each project executed. In 2020, G&S will have a new cellar implemented with forefront technology and equipment to ensure traceability, availability and timely delivery of our materials for the entire group. In addition, this subsidiary is evaluating water use and reuse projects aimed to mitigating the projected drought in the coming years.



AGUAS DEL MAIPO S.A.

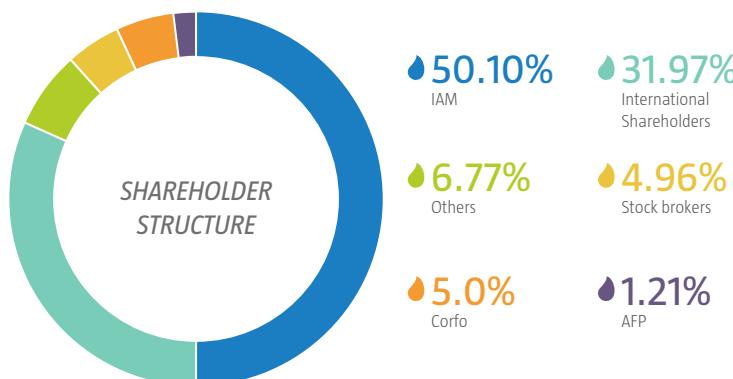
Created in 2011, Aguas del Maipo is dedicated to developing the energy projects derived from the sanitary business. In mid-2017, it began operating the Methanization Plant that allows the transformation of biogas, generated by La Farfana Biofactory, into biomethane, which is injected into the natural gas networks of the city of Santiago, significantly reducing the production of CO₂ in the Metropolitan Region. In 2018, this initiative obtained two distinctions awarded by Fundación Recyclápolis, which highlights the best projects of the country in sustainability.



SOCIAL CAPITAL OF AGUAS ANDINAS

AS OF DECEMBER 31, 2019

At the end of 2019, the social capital of Aguas Andinas consisted of 6,118,965,160 subscribed and paid shares, distributed between 1,586 shareholders, corresponding in 94.97% to Series A, equivalent to 5,811,031 securities, and 5.03% to series B, with 307,933,743 shares:

**MAIN SHAREHOLDERS AS OF DECEMBER 31, 2019**

Name or trade name	12/31/2019	%	Series
Inversiones Aguas Metropolitanas S.A.	3,065,744,510	50.10%	A
Banco de Chile por cuenta de terceros no residentes	642,164,738	10.49%	A
Banco Itaú Corpbanca por cuenta de inversionistas extranjeros	625,537,614	10.22%	A
Banco Santander por cuenta de inversionistas extranjeros	456,509,131	7.46%	A
Corporación de Fomento de la Producción	305,948,258	5.00%	B
Banchile Corredores de Bolsa S.A.	98,910,590	1.62%	A
Banco de Chile por cuenta de Citi N.A. London Client	82,532,449	1.35%	A
Asociación de Canalistas Sociedad del Canal de Maipo	70,426,696	1.15%	A
Banco de Chile por cuenta de Citi N.A. New York Client	64,085,888	1.05%	A
Bethia S.A.	59,989,534	0.98%	A
BCI Corredor de Bolsa S.A.	45,237,640	0.74%	A
Banco Santander-HSBC Bank Plc London Client Account	41,178,143	0.67%	A
Otros Serie A (1549 accionistas)	558,714,484	9.14%	A
Otros Serie B (25 accionistas)	1,985,485	0.03%	B
Total	6,118,965,160	100%	

SERIES OF SHARES A AND B

Article 5 of the Company's bylaws establishes that the Series B shares have preferential status, which gives them a special quorum established at the Extraordinary Shareholders' Meeting held on March 29, 1999. This allows them to decide on acts and contracts relating to water use rights and sanitary concessions of Aguas Andinas.

Series B will be automatically extinguished from the transfer or exchange of any of its securities for Series A shares, whereby the transferred or exchanged securities will become part of Series A. It will also disappear once 50 years have passed since the date of legalization of the modification of the statutes agreed in the aforementioned Extraordinary Shareholders' Meeting, and in the event that the Series B shares represent less than 5% of the total capital issued by the company. If any of these circumstances are verified, series A and B will be eliminated, and all the shares that conform them will be automatically transformed into common or ordinary securities, eliminating the division into series of shares.

The statutes of Aguas Andinas are available in the following web site:



www.aguasandinasinversionistas.cl



TRANSACTIONS OF SHARES 2019

OF RELATED PERSONS

INFORMER NAME/TRADE NAME	TRANSACTION DATE	DATE COMMUNICATION OF THE TRANSACTION TO SVS	SALE	PURCHASE	PRICE PER UNIT (\$)	AMOUNT (\$)	OBSERVATIONS
Inversiones y Asesorías El Maestro	17/09/2019	17/09/2019		20,006	403.10	8,064,419	Secretary of the Board of Directors of IAM (Parent Company of Aguas Andinas S.A.)
Luis Faúndez Pérez	26/08/2019	04/09/2019	11,653		385.00	4,486,405	Executive of Aguas Andinas
Luis Faúndez Pérez	26/08/2019	04/09/2019	40,556		385.01	15,614,462	Executive of Aguas Andinas
Giorgianna Cúneo Queirolo	02/04/2019	04/04/2019		950,000	384.72	365,678,490	Giorgianna Cúneo Queirolo, Director of the company Inversiones Aguas Metropolitan S.A., parent company of Aguas Andinas S.A., reports transaction on shares of Aguas Andinas.

SECONDARY MARKET

SANTIAGO STOCK EXCHANGE

2019	Average price (\$)	Units	Amount (\$)
Total 1st Quarter	392.68	257,989,280	101,306,298,956
Total 2nd Quarter	388.77	387,170,642	150,521,863,614
Total 3rd Quarter	395.65	351,136,183	138,925,391,482
Total 4th Quarter	346.90	628,854,494	218,147,200,288
2019	374.67	1,625,150,599	608,900,754,340

ELECTRONIC STOCK EXCHANGE

2019	Average price (\$)	Units	Amount (\$)
Total 1st Quarter	391.83	8,220,492	3,221,014,400
Total 2nd Quarter	390.27	5,909,422	2,306,288,631
Total 3rd Quarter	391.49	5,750,001	2,251,052,923
Total 4th Quarter	340.05	9,916,513	3,372,136,446
2019	374.22	29,796,428	11,150,492,400



Participation of executives in the ownership

102-35
ODS 5

NAME OR TRADE NAME	TAX ID	AGUAS A	%	IAM	%
Inversiones Palguin Ltda. (Luis Alberto Faúndez Pérez) custodia corredor de bolsa	77.429.760-K	895,879	0.01%	23,277	0.00%
Luis Alberto Faúndez Pérez (custodia corredor de bolsa)	8.043.598-3	73,620	0.00%		0.00%
Inversiones Los Patricios Ltda. (Patricio Norambuena Duncan)	77.431.180-7	509,421	0.01%	-	0.00%
Inversiones Certeza Ltda. (Julio Muñoz Anrique)	77.431.190-4	672,703	0.01%	-	0.00%
Rodrigo Andrés Reyes Cea	12.087.571-K	123,451	0.00%	-	0.00%
Sebastián Acevedo Walker	6.639.714-9	4,300	0.00%	-	0.00%



Dividend policy

DISTRIBUTABLE INCOME	THOUSAND PESOS
Net income of 2019	141,737,188
Accumulated distributable income	20,967,777
Interim dividend on account of income 2019	(44,433,477)
Remaining distributable income	118,271,488
% of dividend distributed on net income	31.35%

At the twenty-ninth Ordinary Shareholders' Meeting, a dividend policy was agreed consisting of distributing 100% of income, corresponding a 30% of net income of the period as mandatory dividend and the remaining 70% as an additional dividend.

This policy remains in effect as long as the company's current level of capitalization continues and is compatible with the investment and financing policies set for each period.

REMAINING DISTRIBUTABLE INCOME

The company distributes the 100% of its income, according to the established in its dividend policy.

DIVIDENDS PAID PER SHARE

\$ PER SHARE	2015	2016	2017	2018	2019
Book value	100.87	106.34	105.02	104.37	105.32
Income	21.08	24.61	22.81	22.235	23.16
Dividend paid	19.5167 ⁽¹⁾	21.0833 ⁽²⁾	22.1184 ⁽³⁾	22.5014 ⁽⁴⁾	21.7113 ⁽⁵⁾

(1) Includes two items: An interim dividend of \$6.35 per share paid on January 13, 2015 and a final dividend of \$13.1667 per share paid on May 26, 2015, on account of earnings for 2014.

(2) Includes two items: An interim dividend of \$6.6294 per share paid on January 13, 2016 and a final dividend of \$14.4539 per share paid on May 25, 2016, on account of earnings for 2015.

(3) Includes two items: An interim dividend of \$6.8614 per share paid on January 18, 2017 and a final dividend of \$15.257 per share paid on May 22, 2017, on account of earnings for 2016.

(4) Includes two items: An interim dividend of \$6.8614 per share paid on January 24, 2018 and a final dividend of \$15.64 per share paid on May 24, 2018, on account of earnings for 2017.

(5) Includes two items: An interim dividend of \$7.0639 per share paid on January 22, 2019 and a final dividend of \$14.6474 per share paid on May 23, 2019, on account of earnings for 2018.

DIVIDEND PAID

Nº OF DIVIDEND	PAYMENT DATE	HISTORIC DIVIDEND Ch\$	TYPE OF DIVIDEND	PERIOD
50	17-05-10	14.80945	Final	2009
51	22-11-10	5.4138	Interim	2010
52	23-05-11	11.5579	Final	2010
53	23-11-11	5.5985	Interim	2011
54	23-05-12	12.62015	Final	2011
55	13-11-12	5.7945	Interim	2012
56	22-05-13	14.02414	Final	2012
57	14-01-14	6.0468	Interim	2013
58	26-05-14	13.02105	Final	2013
59	13-01-15	6.35	Interim	2014
60	26-05-15	13.1667	Final	2014
61	13-01-16	6.6294	Interim	2015
62	25-05-16	14.4539	Final	2015
63	18-01-17	6.8614	Interim	2016
64	22-05-17	15.257	Final	2016
65	24-01-18	6.8614	Interim	2017
66	24-05-18	15.64	Final	2017
67	22-01-19	7.0639	Interim	2018
68	23-05-19	14.6474	Final	2018



Regulatory framework

Aguas Andinas carries out its activities under the single regulatory framework dictated by the General Law of Sanitary Services (DFL 38288) and its respective regulation (DS 1199-04). In addition, Aguas Andinas is supervised by the Superintendence of Sanitary Services (SISS), which also acts as a regulatory counterpart in the process of setting tariffs.

Tariffs are updated every five years, through a process involving the concessionaire and the regulator. The adjustment is made objectively, through a technical model that considers the total long-term cost of a model company, a minimum annual return on assets of 7% after taxes, and adjustments allowed between updates linked to CPI and PPI indexed polynomials. Aguas Andinas is always available to contribute to the debate on regulatory projects in the National Congress, mainly through its active participation in the National Association of Companies in the Sanitary Sector (ANDESS). Naturally, the company remains attentive to those proposed laws that are subject to processing that could impact its management, with the objective of preparing them in due time.

REGULATORY CHANGES

Law to strengthen SERNAC

In 2018, the new Law 21,081 was published, reforming the National Consumer Service (Sernac), giving it new faculties.

As a result, Aguas Andinas organized lectures with specialists who explained the proposed law in depth, its consequences and positive messages, with the aim of incorporating them into the company's internal processes. In particular, work was done on the design of a compliance model for clients, through a process of awareness raising led by the Compliance area. At the same time, a review of the company's risk map was carried out to adapt it to the contents of this new legislation

Regulation in Sanitation

The legislation in force in the country establishes that sanitary providers are under the supervision and regulation of the Superintendence of Sanitary Services (SISS), a functionally decentralized body with legal personality and its own equity, which operates under the supervision of the President of the Republic, through the Ministry of Public Works.

There is a set of laws and regulations governing the operation of the sector and sanitary companies. The main legal bodies are:

- General Law of Sanitary Services (DFL MOP No. 382 of 1988) It contains the main provisions regulating the regime of concessions and activity of sanitary service providers.
- Regulations of the General Law of Sanitary Services (DS MOP No. 1199/2004). It establishes the regulatory norms that allow the application of the General Law of Sanitary Services.

- Sanitary Services Tariff Law (DFL MOP No. 70 of 1988). It establishes the main provisions governing the setting of tariffs for potable water and sewage and reimbursable financing contributions.
- Regulation of the Law of Tariffs for Sanitary Services (DS MINECON No. 453 of 1989). It contains the regulatory standards that allow the application of the Law of Tariffs of Sanitary Services.
- Law creating the Superintendence of Sanitary Services (Law No. 18,902 of 1990). It establishes the functions of the SISS.
- Law of Subsidy for the Payment of Potable Water and Sewage Services (Law No. 18,778 of 1989). Establishes a subsidy for the payment of potable water and sewage service for low-income customers.
- Regulations to the Law of Subsidy (DS HACIENDA No. 195 of 1998). It contains the regulatory provisions for the application of the Subsidy Law.

A proposed law is currently under discussion in the National Congress that "Modifies the legislation applicable to public sanitary services, in terms of non-regulated services, tariff setting and compliance with development plans by providers".

The main idea of the project is to improve the sanitary legislation in aspects such as regulation of services that today are not regulated for tariff calculation purposes; citizen participation; tariff setting process; incentive to comply with development plans; modernization of the SISS' supervisory and sanctioning powers, among others.

The project is in its second constitutional stage, before the Senate and must be discussed and reports must also be heard before different committees. During the previous government, the Executive questioned the constitutionality of the project. During this Government, a Working Board was formed among advisors of the Senate Public Works Commission and the Ministry of Public Works to study issues that could improve the current sanitary regulatory framework, among which the Capital Cost Rate and the creation of a Panel of Experts were excluded, the two most sensitive issues for the sector. ANDESS, with a significant contribution from Aguas Andinas, has collaborated in this study by presenting minutes on the different topics, has made proposals and presentations to the Ministry of Public Works. The work of the Work Board is nearing completion, which will probably translate into indications from the Government to the project currently being processed in the National Congress.



Fines and sanctions

307-1, 416-2, 419-1

ODS 3, 6, 11, 16

AUTHORITY	COMPANY	AMOUNT (UTA/UTM)	REASON	AUTHORITY	COMPANY	AMOUNT (UTA/UTM)	REASON
SISS	Andinas	400	Breakage in potable water matrix	SISS	Essal	44	Quality of service of potable water distribution
SISS	Cordillera	43	Unscheduled cuts of potable water	SISS	Essal	95	Wastewater treatment deficiencies
SISS	Andinas	20	Unscheduled cuts of potable water	SISS	Essal	30	Wastewater treatment deficiencies
SISS	Andinas	68	Pressure deficiencies in the potable water network	SISS	Essal	153	Quality of service of potable water distribution
SISS	Andinas	204	Delays in construction of Development Plan works	SISS	Essal	232	Wastewater treatment deficiencies
SISS	Andinas	37	Sewage service deficiencies	SISS	Essal	91	Wastewater treatment deficiencies
SISS	Andinas	91	Pressure deficiencies in the potable water network	SISS	Essal	66	Wastewater treatment deficiencies
SISS	Andinas	260	Deficiencies in safeguarding potable water networks	SISS	Essal	20	Wastewater treatment deficiencies
SISS	Andinas	58	Pressure deficiencies in the potable water network	SISS	Essal	31	Wastewater treatment deficiencies
SISS	Andinas	309	Delays in construction of Development Plan works	SISS	Essal	20	Wastewater treatment deficiencies
SISS	Cordillera	51	Pressure deficiencies in the potable water network	SISS	Essal	25	Wastewater treatment deficiencies
Seremi Salud	Andinas	400 UTM	Workplace accident during construction work	SISS	Essal	50	Wastewater treatment deficiencies
SISS	Essal	81	Quality of service of potable water distribution	SISS	Essal	466	Wastewater treatment deficiencies
SISS	Essal	85	Wastewater treatment deficiencies	SISS	Essal	107	Quality of service of potable water distribution
SISS	Essal	106	Quality of service of potable water distribution	SISS	Essal	134	Wastewater treatment deficiencies
SISS	Essal	81	Quality of service of potable water distribution	SISS	Essal	63	Quality of service of potable water distribution
SISS	Essal	55	Wastewater treatment deficiencies	SISS	Essal	153	Delays in construction of Development Plan works
SISS	Essal	30	Wastewater treatment deficiencies	Seremi Salud	Essal	500 UTM	Use of bypass or spillways in Puerto Varas commune
SISS	Essal	65	Wastewater treatment deficiencies	Seremi Salud	Essal	100 UTM	Sludges treatment deficiencies
SISS	Essal	106	Wastewater treatment deficiencies	Seremi Salud	Essal	100 UTM	Wastewater treatment plants deficiencies
SISS	Essal	15	Quality of service of potable water distribution				



Current Tariffs

Within the Seventh Tariff Process of Aguas Andinas S.A., to which the Superintendence of Sanitary Services and Aguas Andinas S.A. are parties, the tariff level was established for the five-year period 2020-2025, through a document of agreement signed on November 14, 2019.

As established, the agreed tariff level as of December 31, 2018, meant a downward variation of -3% for current services and standards.

The agreement signed also contemplates additional tariffs for future works, which will be applied when they begin to operate, among them (i) Pirque Tanks, (ii) works aimed to improving the quality of treated wastewater and its disposal, such as the nutrient removal works at the Farfana and Trebal treatment plants, and the encapsulation of biosolids at El Ratal Integral Biosolids Management Center.

It is also considered a series of works to face events of extreme turbidity in the city of Santiago, which allow an autonomy of 37 hours and 48 hours.

It should also be noted that Aguas Andinas S.A. has also committed new fundamental works to address drought and climate change, which will be incorporated into the Company's updated Development Plan, subject to approval by SISS, highlighting (i) works to reuse 3 m³/s of wastewater, (ii) extension of La Florida Plant by 1 m³/s, (iii) drillings in the central aquifer by 1.8 m³/s, and (iv) investments to reduce losses in the network and re-purification of wastewater.

The new established tariffs will be set by decree of the Ministry of Economy, Promotion and Tourism, which must come into effect from March 1, 2020.





Property, equipment and insurances

Aguas Andinas owns the main buildings and equipment used in the provision of potable water production and distribution services, as well as those used in wastewater collection and treatment. The company is concerned with maintaining this infrastructure in optimum operating condition.

The following is a list of the main properties and facilities belonging to the company: El Yeso Reservoir, Las Vizcachas Complex, La Florida Potable Water Production Plant, potable water distribution and wastewater collection networks throughout its area, and La Farfana wastewater treatment facilities and Trebal-Mapocho Complex, which in 2017 were transformed into the Great Santiago Biofactory (La Farfana, Mapocho-Trebal, and El Rutil operating centers).

The company has current insurance that mainly covers nature and fire risks for all its infrastructure assets, real estate and its contents. Also covered are facilities for the production and distribution of potable water, collection and treatment of wastewater, as well as offices and cellars.

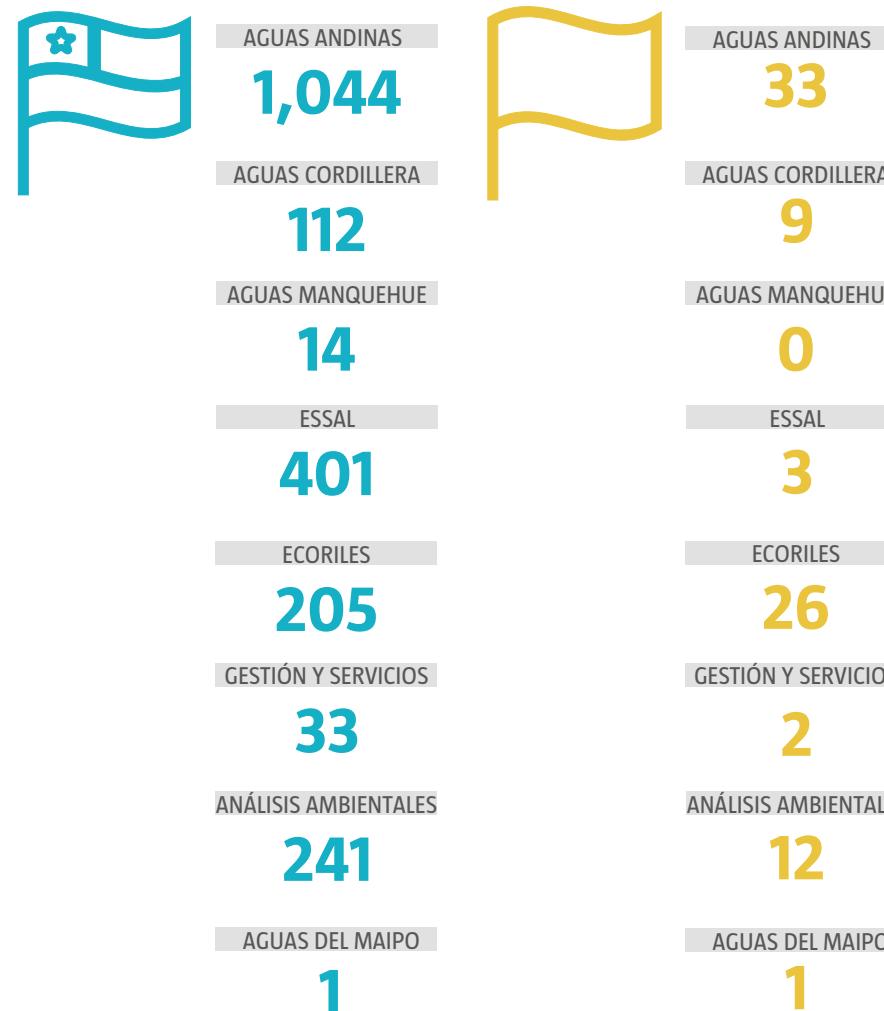
NAME	DIRECTION	MAIN CHARACTERISTICS	LEASED OR OWN
Planta La Florida	Tobalaba 9670, La Florida, Santiago	Potable water production plant	Own
Planta Las Vizcachas	Av. Camilo Henríquez 540, Puente Alto, Santiago	Potable water production plant	Own
Biofactoría El Trebal	Av. Las Parcelas S/N, Padre Hurtado, Santiago	Wastewater treatment plant	Own
Biofactoría La Farfana	Camino La Farfana, Maipú Santiago	Wastewater treatment plant	Own
Planta Mapocho	Av. Las Parcelas S/N, Padre Hurtado, Santiago	Wastewater treatment plant	Own



Profile of the organization

102-8, 405-1, 405-2
ODS 5, 8

NUMBER OF PEOPLE BY NATIONALITY (CHILEAN AND FOREIGNERS)



NUMBER OF PEOPLE BY AGE GROUP

<30 years old	Between 30 and 40 years old	Between 41 and 50 years old	Between 51 and 60 years old	Between 61 and 70 years old	>70 years old
84	419	282	231	61	0
9	25	30	45	11	1
0	0	3	10	1	0
32	151	122	76	23	0
43	104	62	16	6	0
5	15	9	6	0	0
77	114	44	15	3	0
0	1	1	0	0	0

NUMBER OF PEOPLE BY SENIORITY

<3 years	Between 3 and 6 years	Between 6 and 9 years	Between 9 and 12 years	>12 years
215	196	149	76	441
35	11	1	0	74
0	0	0	0	14
101	67	23	19	194
108	43	24	26	30
22	7	4	0	2
104	62	31	20	36
1	0	1	0	0

TOTAL STAFF OF AGUAS ANDINAS AND SUBSIDIARIES IN 2019

STAFFING BY COMPANY AS OF DECEMBER 31, 2019

POSITION	AGUAS ANDINAS	AGUAS CORDILLERA	AGUAS MANQUEHUE	ESSAL	OTHERS	TOTAL GENERAL
Main managers and executives	151	14	0	53	26	244
Professionals and technicians	640	53	7	198	293	1,191
Operators and administrative staff	286	54	7	153	202	702
Total general	1,077	121	14	404	521	2,137

GENDER WAGE GAP

Differences between men's and women's income in the company are produced only by general conditions not assignable to gender, such as seniority or bonuses for special works, area assignment, shifts or work on public holidays.

PROPORTION OF WOMEN'S REMUNERATION TO MEN'S REMUNERATION

CATEGORY	REGULATED AND NON-REGULATED COMPANIES OF METROPOLITAN REGION	ESSAL
Executives	90%	-
Headship	89%	78%
Professional	85%	76%
Technicians	83%	84%
Administrative staff	114%	84%
Operators	113%	(a)
Total general	102%	101%

The proportion of women remuneration compared to men in ESSAL is higher than 100 because the staff of operators (28% of the total workforce) is made up only by men and, in turn, corresponds to the lowest average remuneration, which results in a male average salary, lower than feminine.

Main customers and suppliers

MAIN CUSTOMERS

- Ilustre Municipalidad de Puente Alto
- Ministerio de Obras Públicas
- Ilustre Municipalidad de La Florida
- Ilustre Municipalidad de San Bernardo
- Ilustre Municipalidad de Santiago
- Ilustre Municipalidad de Peñalolén
- Adm. de Centros Com. Cencosud SpA
- Centro de Detención Preventiva Stgo 1
- Soprole S.A.
- Universidad de Chile

MAIN SUPPLIERS

- Suez Biofactoría Andina SpA.⁽⁵⁾
- Consorcio Constructor Los Estanques SpA.
- Inmobiliaria y Constructora Nueva Pacífico Sur S.A.
- Copergo Ltda.
- Echeverría Izquierdo Ingeniería y Construcción
- CGE S.A.
- Consorcio Bapa Gramatec SpA
- Enel Distribución Chile S.A.
- Suez Medioambiente Chile S.A.⁽⁵⁾
- Ingeniería y Construcción MST Ltda.

(5) Company Related with matrix of Aguas Andinas S.A



Risk factors

102-11, 102-15, 102-29, 102-30
ODS 6, 11, 13

Aguas Andinas has a Risk Map that is updated semesterly and presented to the Board of Directors. Through this process, risks and opportunities are evaluated in the following areas: legal and/or regulatory, reputational, financial, environmental, service, and labor and/or social security.

Based on the evaluation of these risks, the impacts, probability of occurrence and level of control existing in each process are systematically analyzed, so that each area generates mitigation plans and plans its investment projects.

BUSINESS RISKS



Regulatory risk

The local sanitary industry is highly regulated by the Chilean State, due to its natural monopoly status. The legal framework regulates the operation of the concessions and the tariffs charged to customers. The mechanism for setting tariffs is carried out every five years, under technical criteria, with studies presented by the sanitary company and by the sectorial regulator, which is the Superintendence of Sanitary Services (SISS). If there are differences between the two reports, these are resolved by a commission of experts conformed of representatives from each of the parties. The current regulations have been characterized by their stability, generating favorable conditions to making the necessary investments to address relevant works and long-term projects.



Investment risk

The development plans committed to the SISS require the company to comply with a high level of investment. However, the fees charged by Aguas Andinas - which are regulated by law - have incorporated these new investments, ensuring them a minimum return. Additionally, the experience of the controlling group and the company itself guarantees the necessary expertise to efficiently manage these investments.



Climate risk

The effects of the climate change phenomenon could alter the availability of raw water -indispensable for the processes of collection and production of potable water-, due to the occurrence of periods of drought as well as strong rainfall events that modify the flow of rivers and the quality of their water in terms of turbidity levels.

To mitigate this risk, Aguas Andinas is making significant investments in water reserves in order to give the system even more autonomy; hydraulic efficiency programs, which optimize the distribution of the resource; and studies to exploit other alternative collection sources, among other initiatives.



Environmental pollution risks

The company is subject to various environmental contamination risks, including: (i) possible environmental contamination as a result of discharges into natural streams; (ii) possible contamination due to odors emanating from wastewater treatment plants; (iii) possible presence of hydrocarbons in surface sources; (iv) possible saturation of landfills where sludge from wastewater treatment plants is deposited; (v) possible chlorine gas leaks; and (vi) possible blockages in the sewage system.





Company's infrastructure risks

Large-scale natural disasters, such as earthquakes, floods or volcanic eruptions, could cause serious damage to aqueducts, potable water and sewage systems, etc., or structural failures in the reservoirs owned by the company, causing in turn to the more or less prolonged suspension of the services provided by the company.

FINANCIAL RISKS



Credit risks

Credit risk is the possibility of financial loss arising from the non-compliance of our counterparties (customers) of their obligations. Aguas Andinas and its sanitary subsidiaries have an atomized market, which means that the credit risk of a particular customer is not significant. The company's objective is to maintain minimum levels of bad debt. There is a credit policy, which establishes the conditions and types of payment, as well as conditions to be agreed by defaulter customers.

The management processes are: to control, estimate and evaluate the uncollectible in order to carry out corrective actions to achieve the proposed compliance. One of the main actions and measures to maintain low levels of uncollectible is to cut off the supply. The method for analysis is based on historical data of accounts receivable to customers and other debtors.



Liquidity risk

Liquidity risk is the possibility that the Group will have difficulty complying its obligations associated with financial liabilities that are settled by delivering cash or another financial asset and cannot finance commitments made, such as long-term investments and working capital requirements, at reasonable market prices. Management monitors the Group's liquidity reserve projections on the basis of expected cash flows.

To manage the liquidity risk many preventive measures are used, such as:

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

Aguas Andinas' revenues are related to inflation in the Chilean economy. To mitigate this risk, a large portion of its debt is issued in Unidades de Fomento (unit of account monthly resettable according to inflation).

As of December 31, 2019, 92.7% of the company's debt was issued in UF.



Interest rate risk

In terms of interest rate, Aguas Andinas has 92.7% of its debt at a fixed rate, which is composed of short and long-term bonds 76.77%, and reimbursable financial contributions 15.94%. The remaining 7.3% of the debt is at a variable rate and corresponds to loans with local banks. All values recorded as of December 31, 2019.



Material Events

1. On April 17, 2019, the CMF was informed that, at an extraordinary meeting of the company's board of directors held on April 17, 2019, Mr. Narciso Berberana Sáenz presented his resignation from the position of CEO.

In the referred session, the board of directors unanimously agreed to name as new CEO to Mrs. Marta Colet Gonzalo.

2. On April 23, 2019, the CMF was informed that, pursuant to Article 9 and section two of Article 10 of Law 18,045, as well as General Rule No. 30 of the Commission for Financial Market, hereby notified as an essential fact with respect to the Company, its business, its public offering securities or the offering thereof, the following:

During this morning, the twenty-ninth Ordinary Shareholders' Meeting of the Company was held, in which matters thereof were discussed, including the renewal of the Board of Directors, the following persons resulting elected:

TITULAR DIRECTORS	ALTERNATE DIRECTORS
Guillermo Pickering de la Fuente	Jorge Manent Codina
Loreto Silva Rojas	Sonia Tschorne Berestesky
Giorgianna Cúneo Queirolo	Tomás Uauy Cúneo
Claudio Muñoz Zúñiga	Cosme Sagnier Guimón
Narciso Berberana Sáenz	Fernando Samaniego Sangroniz
Rodrigo Manubens Moltedo	Gonzalo Rojas Vildósola
Luis Mayol Bouchon	Mauricio Rojas Mullor

It is noted that Rodrigo Manubens Moltedo and Luis Mayol Bouchon and their respective alternates Gonzalo Rojas Vildósola and Mauricio Rojas Mullor, have been elected as independent directors.

The Company's Board of Directors then met, session in which was agreed by unanimous of its attendants members to name Mr. Guillermo Pickering De La Fuente as Chairman of the Board and of the Company.

It was also agreed that Rodrigo Manubens Moltedo, Luis Mayol Bouchon and Narciso Berberana Sáenz, and their respective alternates, will be members of the Directors' Committee.

3. On August 6, 2019, the CMF was informed that, on August 6, 2019, Mr. Guillermo Pickering de la Fuente had resigned as chairman of the company.

It should be noted that an extraordinary board meeting has been scheduled for Thursday, August 8, 2019, in order to elect a new chairman of the board of directors and of the company in the referred session.

4. On August 8, 2019, the CMF was informed that, at the extraordinary board meeting held on August 8, 2019, and as a result of the resignation presented on August 6 by Mr. Guillermo Pickering de la Fuente to the position of chairman and director of the company, the board has agreed to elect Mr. Claudio Muñoz Zúñiga as the new chairman.

5. On November 14, 2019, the CMF was informed that, in accordance with Article 10 of D.F.L. MOP No. 70/1988, Sanitary Services Tariff Law, and Article 6 of D.S. MINECON No. 453/1989, Regulations to the Sanitary Services Tariff Law, within the framework of the seventh tariff process of Aguas Andinas S.A, in which the Superintendence of Sanitary Services (the "SISS") and Aguas Andinas S.A. are parties, the tariff level was established for the five-year period 2020-2025, through a document signed with this date.





As established, the agreed tariff level as of December 31, 2018 (reference date established in the Tariff Bases set by the SISS), amounts to a Net Long Term Total Cost (CTLPN) of \$397,058 million pesos, which represents a downward variation of -3% compared to the tariffs agreed for the five-year period 2010-2015 for current services and standards.

Additional works under construction are contemplated, which will apply with the entry into operation of the same, including (i) the Pirque Tanks by CTLPN of \$ 6,596 million pesos, (ii) works aimed to improving the quality of treated wastewater and its disposal, such as the nutrient removal works in the Farfana and Trebal treatment plants by CTLPN of \$ 4,900 million pesos, and the encapsulation of biosolids in El Ratal by CTLPN of \$1,087 million pesos.

It also considers a series of works to face extreme turbidity events for up to 37 hours of autonomy, by a CTLPN of \$ 2,399

million pesos, and up to 48 hours by a CTLPN of \$ 3,047 million pesos. Finally, it should be noted that Aguas Andinas S.A. has also committed to new fundamental works to address drought and climate change, which will be incorporated into the Company's updated Development Plan, prior approval by the SISS, highlighting (i) works to reuse 3 m³/s of wastewater, (ii) extension of La Florida plant by 1 m³/s, (iii) drillings in the central aquifer by 1.8 m³/s, and (iv) investments to reduce losses in the network and re-potabilization of wastewater.

For a better understanding of the agreed tariff regime, Article 4 of the Sanitary Services Tariff Law defines the CTLPN as the constant annual value required to cover the costs of efficient operation and investment of an optimized replacement project of the concessionaire, sized to meet demand, consistent with a net updated value of the project equal to zero, in a horizon not less than 35 years.

In the end, this concept corresponds to the income (under a theoretical demand) of a sanitary company, from which the part corresponding to the networks and installations contributed by third parties has been discounted from the replacement value of the investment project of the concessionaire. The aforementioned amounts correspond to the revenue from current services (CTLPN) obtained by applying the updated annual demand for the years 2020-2025 to the new tariffs agreed and indexed at December 31, 2018.

It should be noted that it is not possible to determine exactly the magnitude of the impact on results that the new rates will have on the company's financial Statement, since this tariff regime is only one of many elements that contribute to determining the results of each period, including factors such as potable water consumption, costs, expenses, the applicable indexation polynomial, among others.

Finally, the tariff formulas established will be set by decree of the Ministry of Economy, Promotion and Tourism, which must be published in the Official Gazette before the date of entry into force, i.e. March 2020.

6. On December 19, 2019, the CMF was informed that, the Company's Board of Directors, in an ordinary meeting held on the same date, unanimously agreed to distribute the amount of \$44,433,477,406, on account of income of 2019, as an interim dividend.

Due to the above, the Company's interim dividend No. 69 will amount to \$7.2616 per share and will be payable from January 20, 2020.



Report of Directors' Committee 2019

In compliance with Article 50 bis), eighth section, No. 5 of Law No. 18,046 on Corporations, the activities and management carried out by the Directors' Committee during the year ended December 31, 2019 are reported below.

I. INTEGRATION AND FUNCTIONING OF THE COMMITTEE.

The Directors' Committee was composed until April 2019 by Mr. Rodrigo Manubens Moltedo, Pedro Sierra Bosch, both as independent directors and by Fernando Samaniego Sangroniz. Rodrigo Terré Fontbona was also integrated as alternate director of Mr. Rodrigo Manubens.

After the Ordinary Meeting, the Committee was composed by the Regular director Mr. Rodrigo Manubens Moltedo and his Alternate Mr. Gonzalo Rojas Vildósola; the Regular director Mr. Luis Mayol Bouchon and his Alternate Mr. Mauricio Rojas Mullor, all of them as independents; and by the Regular director Mr. Narciso Berberana Sáenz and his Alternate Mr. Fernando Samaniego Sangroniz, elected by the controlling shareholder.

The Committee had the independent director Mr. Rodrigo Manubens Moltedo as chairman during 2019.

It has met in an ordinary session once a month, and in extraordinary sessions whenever necessary.

II. ACTIVITIES AND MANAGEMENTS OF DIRECTORS' COMMITTEE DURING 2019.

II.1.- Review on Operations with Related Parties

In all cases where related parties transactions were reviewed by the Directors' Committee, this was done on the basis of information provided by the company's management, or additional information provided by the company at the request of the Committee. The Directors' Committee recommended its approval only when such operations complied with the following conditions: (i) that they were intended to contribute to the social interest; (ii) that they were adjusted in price, terms and conditions to those prevailing in the market at the time of their approval; and (iii) that they were within the business and the customary policy of the company. Regarding they are carried out under prices, terms and conditions similar to those that prevailed in the market at the time of their approval, there is to keep in mind that almost all transactions with related parties were subject to a public, open and informed tender, in compliance with Article 67 of the Sanitary Services General Law and the Regulations of the aforementioned article. In addition, in cases where it is appropriate, the Committee requests other backgrounds that demonstrates that the respective operation is carried out in price, terms and conditions similar to those that prevailed in the market at the time of its approval. Likewise, the Committee

seeks to recommend mechanisms that make public tender more competitive.

The related operations examined and then recommended by the Committee during 2019 were the following:

- 1) The award of the International Public Tender for Administration, Operation and Maintenance Services and Technological Updating Projects in its Lots A, B.1, B.2 and B.3 to the related entity Suez Advanced Solutions Chile. Lot A of administration, operation and maintenance, and three Lots B of complementary projects: Lot B.1, of technological updating for the Siebel platform; Lot B.2 of Interfaces migration from Biztalk to JBOSS Fuse; and Lot 3.B of AquaCIS updating. Plus Consult, a consulting firm specialized in information technologies, issued an independent report that made an Evaluation and Recommendations for the award of this tender, concluding essentially that, in its opinion, no conditions restricting competition in the process were included in the tender bases, that the financial, legal and technical requirements requested are reasonable for the services and the execution of the projects to be tendered, having made the tender with all the necessary formalities to ensure the transparency of the process; and that the price offered by Suez Advanced Solutions Chile Ltda. for Lots A, B.1, B.2 and B.3 is considered adequate and market based on the technical requirements requested.
- 2) The purchase of raw water from Sociedad de Canalistas del Maipo (SCM); the electricity production compensation contract with the power company EPSA S.A., which decreases its generation in its plants. These operations cannot be subject to public tenders since they are sole suppliers of their surplus water and affect the generation capacity of two EPSA hydroelectric plants. For the transfer of flows of raw water, between April and October 2019, a value of approximately \$10/m3 was approved, valued according to the marginal cost of EPSA's power generation (Puente Alto 110kv.) plus a fixed value of 81.09 UF/Hm3.
- 3) The award of the public tender of Aguas Andinas Leakage Repair Contract to the subsidiary Gestión y Servicios S.A., under the modality of unitary price series with monthly load vector; for a total of \$ 986,369,528.
- 4) The maintenance and payment of Aguas Andinas' membership in the Instituto de la Construcción, with a cost of 138 UTM, a fixed predetermined value that applies to all members.
- 5) The award of the Tender for the Leak Detection Service with Helium Tracer Gas, to the related company SUEZ MEDIOAMBIENTE CHILE; in the modality Item 1 + Item 2, at 36 months, for a value of MM\$ 2,417,814,059, price offered that has correlation with an evaluation of the



effective costs of that service and with the prices contracted and paid by Aguas Andinas for the development of the Pilot Plan 2017-2018.

6) The modification of the "Contract for the Plan to adapt the Great Santiago wastewater treatment plants to Biofactories and management of the generated resources", held on June 19, 2017 with Suez Biofactoría Andina SpA, SUBIAN. The modifications refer exclusively to the Nitrogen Treatment Project in the Dehydration Returns of the Mapocho - Trebal Plant, which was commissioned to the contractor in 2017 and the modifications consist of:

c.1) That a provisional solution is developed with the same objective, modifying the development schedule of this project, incorporating a Provisional Stage, with completion of works in December 2019, and establishing September 2020 as the completion date of the Final Stage.

c.2) That the contractor operates and maintains this provisional work.

c.3) That the contractor be paid for the operation service and maintenance or resource management of this provisional work.

7) The donation to Comunidad Mujer of the amount of \$15,000,000. This entity carries out in Aguas Andinas a mentoring program for female executives and leading workers, which has been successful, it is aligned with the company's inclusion policies, and is an accepted expense for tax purposes.

8) The contracting of the civil liability policy for directors and executives of Aguas Andinas S.A. and its subsidiaries with the company Orion Seguros Generales S.A.

9) The contracting with Suez for a sum of less than 500 UF to carry out a one-week visit by two specialized technicians from the Suez Group to review and validate data for the application of the Chemboard technology in the Las Vizcachas plant and thus improve the adjustments of chemical inputs in the production of potable water according to the flow and turbidity;

10) The transfer of two vehicles from Aguas Andinas S.A. to SUEZ IAGSA, which currently use executives of the latter, who were previously executives of Aguas Andinas, through a trading at net book value, which considers their residual useful life of 50 months.

II.2.- Regarding remunerations and compensations of managers, executives and workers.

During 2019 and early 2020, the Directors' Committee examined the system of remuneration and compensation for Managers, Senior Executives and Workers of Aguas Andinas S.A., and concluded based on the backgrounds presented by the Management to the Committee, that there were no observations to make on the company's general model of remuneration, compensation and benefits, as it was based on a remuneration policy linked to the company's organization, culture and values, and as it took as a reference the market income for equivalent positions based on Compensation Studies for companies of the same size.

II.3.- Regarding to proposal of External Auditors and Risk Classifiers.

1) The following External Auditors were proposed for Aguas Andinas and subsidiaries for 2019, to be suggested to the Shareholders' Meeting, in the order of priority indicated: EY External Auditors and Deloitte External Auditors. EY was preferred for its lower cost, because it knows the company after 9 years of auditing, has fulfilled with the tasks and terms required, and simultaneously audits the parent companies and subsidiaries facilitating the consolidation and quality of the audit.

2) The companies ICR and Feller Rate, which meet the appropriate working standards and quoted the lowest prices, were proposed as private risk classifiers of shares and bond issues of Aguas Andinas.

II.4.- Regarding to balances sheet and known financial Statement in 2019:

1) It reviewed and approved the Balance Sheet and other Financial Statement of the period ended December 31, 2018, the Earnings Release, Essential Facts for the period and the Report of the External Auditors. It highlighted significant progress in cost containment; savings in remuneration; energy efficiency; savings in the disposal of wastewater or its waste, efficiency gains that have a positive impact on tariffs for customers.

2) It examined and approved the same documents at the quarterly closing, that is, at the closing of March 31,

2019, of June 30, 2019, as well as the Limited Review report from the External Auditors, at the closing of September 30, 2019, requesting that the tariffs indexations and their effect on revenues be explained in greater detail in the Earnings Release.

II.5.- Regarding to additional hiring of the External Auditors of the Company:

The following services were approved that are not prohibited by law and whose nature does not create a risk of loss of independence of the external auditors in their main work:

1) The hiring of EY to independently analyze the revaluation of assets, reviewing the methodology; the main assumptions applied; the reasonability of the proposed useful lives; and the depreciation methodology used.

2) The hiring of EY to perform a consolidation report of the Neptune Project.

II.6.- Other issues addressed by the Directors' Committee:

1) It reviewed and followed up the progress of resolving the comments of the External Auditors contained in the Reports to Management of December 2018 and 2019.

2) It examined in a global and statistical way the public tender in which the related companies have acquired Tender Bases, those in which they have not presented offers, those that they have offered and those that have been awarded and their amounts.



- 3) It examined the development of Framework Contracts that were approved to regulate operations with habitual and small amount related parties, between the subsidiaries of Aguas Andinas S.A. and entities linked to the controlling group.
- 4) The follow up of Water Efficiency Plan.
- 5) The examination of the system of compensation to Maipo River power plants for purchases of raw water from Canalistas del Maipo.

- 6) The approval of the "Investment Protocol for the La Farfana and Trebal-Maipo Biofactories", within the framework of the Contract of Project Management and Management of Resources generated in those Treatment Plants, held on June 19, 2017 with Suez Biofactoría Andina SpA, SUBIAN.

III.- COMMITTEE'S ANNUAL BUDGET DURING 2019.

The Board Committee's annual budget set by the Ordinary Shareholders' Meeting 2019 was UF 3,000, which was partially used.

IV.- RECOMMENDATIONS OF THE SHAREHOLDERS' COMMITTEE:

As of the date of approval of this report, the Committee has no recommendations to make to shareholders.

The Committee's recommendations on the external auditors and private risk classifiers to be chosen for 2020, will be submitted to the Board of Directors and presented to the Ordinary Shareholders' Meeting, once the Committee has examined the proposals and adopted a resolution.





ASG_

indicators

Aguas Andinas seeks to provide transparent and in-depth information about its performance in the areas of environmental, social and corporate governance management, using for this purpose internationally accepted ASG criteria in the disclosure of issues relevant to stakeholders, and under standards that are comparable and verifiable.



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102-33	Full members of the Board	77				Materiality analysis 2019	90		
102-34	Full members of the Board	77			102-49	No significant changes from the reporting periods			
102-35	Promotion of equality and diversity	49	5	P.6		Materiality	89	12	
	Participation of executives in the property	101	5	P.6	102-50	Materiality analysis 2019	90		
102-36	Promotion of equality and diversity	49	5	P.6		Materiality	89	12	
102-37	No stakeholder involvement in remuneration				102-51	Materiality analysis 2019	90		
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Organization's Profile	MA	Stable financial management	28	Aguas Andinas	8; 9;10;13		Anti-corruption	MA	Culture of ethics and integrity	84	Aguas Andinas	16	
	201-1	Stable financial management	28	Aguas Andinas	8; 9;10;13				Culture of ethics and integrity	84	Aguas Andinas	16	
		Adaptation to climate change	34	Aguas Andinas	6; 12;13			205-1	Compliance management system	86	Aguas Andinas	16	
		Drought	34	Aguas Andinas	6; 12;13				Anti-corruption	130	Aguas Andinas		P.10
	201-2	Two decades with less rainfall	35	Aguas Andinas	12;13	P.7, P.8 Y P.9			Culture of ethics and integrity	84	Aguas Andinas	16	
		Turbidity	38	Aguas Andinas	6; 12;13			205-2	Compliance management system	86	Aguas Andinas	16	
		Economic performance	128	Aguas Andinas	6; 11; 13				Anti-corruption	130	Aguas Andinas		
	201-3	Economic performance	128	Aguas Andinas	8			205-3	During 2019, no cases of corruption were identified or confirmed, either in relation to the organization or any of its employees.		Aguas Andinas	16	
	201-4	No financial assistance received from the government		Aguas Andinas				MA	Energy management	42	Aguas Andinas	7; 13	
	MA	Presence in the market	129	Aguas Andinas	8			302-1	Energy management	42	Aguas Andinas	7; 13	
Presence in the market	202-1	Presence in the market	129	Aguas Andinas	8				Energy	131	Aguas Andinas	7	
	202-2	Presence in the market	129	Aguas Andinas				302-2	Aguas Andinas does not have information on energy consumption outside the organization.		Aguas Andinas		
Indirect economic impacts	MA	Industrial Capital	69	Aguas Andinas			Energy	302-3	Energy management	42	Aguas Andinas	7; 13	P.7, P.8 Y P.9
		Sustainable investments	31	Aguas Andinas	9				Energy	132	MR regulated companies	7	
	203-1	Assets for the potable water production	70	Aguas Andinas	6			302-4	Energy management	42	Aguas Andinas	7; 13	
		Advanced networks management	36	Aguas Andinas	6; 9; 11; 13				Energy	132	MR regulated companies	7	
	203-2	What are we doing?	62	Aguas Andinas				302-5	Energy management	42	Aguas Andinas	7; 13	
Purchasing practices	204-1	Suppliers as allies	68	Aguas Andinas	1; 8; 10								



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Water	303-1	MA	Value Chain	20	Aguas Andinas	3;6;7;11;12;13;15	Emissions	MA	Greenhouse gases (GHG) emission management	40	MR regulated companies	13	
			Value Chain	20	Aguas Andinas	3;6;7;11;12;13;15			Mitigation of the climate change effects	39	MR regulated companies	7;12;13	
		303-1	Assets for potable water production	70	Aguas Andinas	6		305-1	Greenhouse gases (GHG) emission management	40	MR regulated companies	13	
			Water	133	Aguas Andinas	6			Energy management	42	Aguas Andinas	7	
			Value Chain	20	Aguas Andinas	3;6;7;11;12;13;15			Emissions	137	MR regulated companies	7, 13	
	303-2		Assets for potable water production	70	Aguas Andinas	6			Mitigation of the climate change effects	39	MR regulated companies	7;12;13	
			Water	133	Aguas Andinas	6		305-2	Greenhouse gases (GHG) emission management	40	MR regulated companies	13	
			Water	134	Aguas Andinas	6			Energy management	42	Aguas Andinas	7	
			Value Chain	20	Aguas Andinas	3;6;7;11;12;13;15			Emissions	137	MR regulated companies	7, 13	P.7, P.8 Y P.9
Biodiversity	303-3		Assets for potable water production	70	Aguas Andinas	6		305-3	Greenhouse gases (GHG) emission management	40	MR regulated companies	13	
			Assets of wastewater	71	Aguas Andinas	6;12			Energy management	42	MR regulated companies	7	
			Water	133	Aguas Andinas	6			Emissions	137	MR regulated companies	7, 13	
			Water	134	Aguas Andinas	6		305-4	Energy management	42	Aguas Andinas	7	
			Value Chain	20	Aguas Andinas	3;6;7;11;12;13;15			Emissions	138	MR regulated companies	7, 13	
	303-4		Value Chain	20	Aguas Andinas	3;6;7;11;12;13;15			Energy management	42	Aguas Andinas	7	
			MA	44	Aguas Andinas	6, 15		305-5	Emissions	138	MR regulated companies	7, 13	
			Biodiversity management	44	Aguas Andinas	6, 15			Emissions	138	MR regulated companies	7, 13	
			Biodiversity management	44	Aguas Andinas	6, 15		305-6	Emissions	138	MR regulated companies	7, 13	
Biodiversity	304-1		Biodiversity	135	Aguas Andinas	15			Emissions	139	MR regulated companies	7, 13	
			Biodiversity	44	Aguas Andinas	6, 15		305-7	Emissions	139	MR regulated companies	7, 13	
			Biodiversity management	44	Aguas Andinas	6, 15		MA	Moving to zero waste	43	Aguas Andinas	6;11;12;13	
	304-2		Biodiversity	136	Aguas Andinas	15		306-1	Assets of wastewater	71	Aguas Andinas	6;12	
			Biodiversity management	44	Aguas Andinas	6, 15			Effluents and waste	141	Aguas Andinas		
			Biodiversity	135	Aguas Andinas	15		306-2	Moving to zero waste	43	Aguas Andinas	6;11;12;13	P.7, P.8 Y P.9
	304-3		Biodiversity management	44	Aguas Andinas	6, 15		306-3	Effluents and waste	141	Aguas Andinas		
			Biodiversity	135	Aguas Andinas	15		306-4	Effluents and waste	141	Aguas Andinas		
			Biodiversity management	44	Aguas Andinas	6, 15		306-5	Assets of wastewater	71	Aguas Andinas	6;12	
	304-4		Biodiversity	136	Aguas Andinas	15			Effluents and waste	19-20-134	Aguas Andinas	6;11;12;13	



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Environmental compliance	307-1	MA	What do we do it for?: strategy and commitments	22	Aguas Andinas	6; 12	P.7, P.8 Y P.9	Training and education	404-1	Attraction and retention of talent	51	Aguas Andinas	4; 8	
			Customer at the center	61	Aguas Andinas	6; 11			404-1	Training and education	145	Aguas Andinas	4	
			Quality of water	63	Aguas Andinas	6			404-2	Attraction and retention of talent	51	Aguas Andinas	4; 8	P.6
			Fines and sanctions	104	Aguas Andinas	3; 6; 11; 16			404-2	Training and education	146	Aguas Andinas	4; 8	
			Environmental compliance (regulatory)	142	Aguas Andinas	3, 6			404-3	Attraction and retention of talent	51	Aguas Andinas	4; 8	
Health and Safety at Work	403-1	MA	Labor well-being, health and safety incentive	52	Aguas Andinas	3; 4; 8	P.6	MA	Promotion of equality and diversity	48	Aguas Andinas	5; 8		
			Health and safety at work	52	Aguas Andinas	8			Promotion of equality and diversity	48	Aguas Andinas	5; 8		
			Health and safety at work	52	Aguas Andinas	8			Composition of Board of Directors: diversity and experience	76	Aguas Andinas	5; 8		
			Safety and health in contractor companies	53	Aguas Andinas	8			Main executives	82	Aguas Andinas	5; 8		
			Workers with high incidence or high risk of activity related diseases	144	Aguas Andinas	8			405-1	Profile of the organization	107	Aguas Andinas	5	
	403-2		Labor well-being, health and safety incentive	52	Aguas Andinas	8			Profile of the organization	123	Aguas Andinas	5	P.6	
			Health and safety at work	53	Aguas Andinas	8			Diversity and equal opportunities	147	Aguas Andinas	5		
			Health and safety at work	145	Aguas Andinas	8			Diversity and equal opportunities	148	Aguas Andinas	5		
			Joint committees	52	Aguas Andinas	8			Promotion of equality and diversity	48	Aguas Andinas	5; 8		
			Participation of workers consultations and communication on health and safety at work	144	Aguas Andinas	8			405-2	Profile of the organization	107	Aguas Andinas	5	
Health and Safety at Work	403-3		Training and education	146	Aguas Andinas	4			Diversity and equal opportunities	148	Aguas Andinas	5		
			Reconciliation of labor and family life	47	Aguas Andinas	8			406-1	Discrimination cases and remedial action taken. There were no cases of this nature				
			Health and safety at work	52	Aguas Andinas	3; 4; 8			MA	Human Rights Policy	86	Aguas Andinas		
			How do we do?: integrated management system	21	Aguas Andinas	8			410-1	Safety practices	148	Aguas Andinas	16	
			Health and safety at work	143	Aguas Andinas	8								
	403-4		Health and safety at work	143	Aguas Andinas	8								



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Evaluation of Human Rights	412-1	MA Human Rights Policy	86	Aguas Andinas	16	P.2, P.3, P.4 P.5 Y P.6	Customer health and safety	MA	Customer at center	61	Aguas Andinas	11	
		Human Rights Policy	86	Aguas Andinas	16			416-1	Customer at center	61	Aguas Andinas	11	
		Evaluation of Human Rights	149	Aguas Andinas	16				Quality of water	63	Aguas Andinas	6	
	412-2	Human Rights Policy	86	Aguas Andinas	16				Claims management	63	Aguas Andinas	11	
		Evaluation of Human Rights	149	Aguas Andinas	16			416-2	Customer counsel	63	Aguas Andinas	11	
		How are suppliers integrated into Aguas Andinas' business model?	68	Aguas Andinas	1; 8; 10				Fines and sanctions	104	Aguas Andinas	3; 6; 11; 16	
Local communities	413-1	MA Collaboration for local development	67	Regulated Companies	4; 8; 10	P1	Customer privacy: "Privacy and personal data protection"	418-1	Privacy and personal data protection	63	Aguas Andinas	9	
		Collaboration for local development	67	Regulated Companies	4; 8; 10								
	413-2	Social and Relational Capital	61	Regulated Companies	11		Socioeconomic compliance	MA	Culture of ethics and integrity	84	Aguas Andinas	16	
		Local communities	151	Regulated Companies	3								
							419-1		Fines and sanctions	104	Aguas Andinas	3; 6; 11; 16	

In order to elaborate this Integrated Report, it was considered GRI 303 "Water and effluents" the most updated standard, corresponding to its 2018 version. However, for reasons of comparability of information regarding previous years, also included and verified the contents 306-1 and 306-5 of the GRI 306 standard "Effluents and waste", and the contents prior to standard 303. Delivery of future information will be made only in the most current version of GRI Standards for both cases.



Organization's Profile

102-8, 405-1 ODS 5, 8

INFORMATION ABOUT EMPLOYEES AND OTHER WORKERS

TYPE OF CONTRACT

2016
 **1,555**
 CONTRACTED INDEFINITELY
44
 FIXED-TERM CONTRACT

2017
 **1,594**
 CONTRACTED INDEFINITELY
47
 FIXED-TERM CONTRACT

2018
 **1,591**
 CONTRACTED INDEFINITELY
53
 FIXED-TERM CONTRACT

2019
 **1,613**
 CONTRACTED INDEFINITELY
55
 FIXED-TERM CONTRACT

2016
 **349**
 CONTRACTED INDEFINITELY
9
 FIXED-TERM CONTRACT

2017
 **447**
 CONTRACTED INDEFINITELY
15
 FIXED-TERM CONTRACT

2018
 **460**
 CONTRACTED INDEFINITELY
13
 FIXED-TERM CONTRACT

2019
 **454**
 CONTRACTED INDEFINITELY
15
 FIXED-TERM CONTRACT

TYPE OF WORKDAY (INTERNAL WORKERS)

 FULL-TIME JOB

2016 **1,599** 2017 **1,641** 2018 **1,644** 2019 **1,668**

 FULL-TIME JOB

2016 **358** 2017 **462** 2018 **473** 2019 **469**

The 2016 data on workers by type of contract do not include the endowment of ESSAL. 81% of the endowment is located in the Metropolitan Region. In the Los Ríos and Los Lagos regions, ESSAL is staffed by 82 women and 322 men.



Organization's Profile

102-12,102-13 ODS 17

MEMBERSHIP TO ASSOCIATIONS

The membership or affiliation to associations of 2019 were



Asociación de Empresas de Servicios Sanitarios (ANDESS)



Capítulo Chileno de Transparencia Internacional (Chile Transparente)



Pacto Global



Fundación ACCIÓN EMPRESAS



Instituto Chileno de Administración Racional de Empresas (ICARE)



Empresas Conscientes



Sociedad de Fomento Fabril



Instituto de la Construcción



Instituto de Ingenieros



Centro de Estudios Públicos



Club de Innovación



World Water Council



Cámara Franco Chilena



Fundación Iguales (Pride Connection)



Fundación Generación Empresarial



CAMACOES - Cámara Oficial Espanola de Comercio de Chile



Participation of stakeholders

102-40 LIST OF STAKEHOLDERS

102-42 IDENTIFICATION AND SELECTION OF STAKEHOLDERS

ODS 17

102-43 APPROACH FOR THE PARTICIPATION OF STAKEHOLDERS

102-44 KEY TOPICS AND CONCERN MENTIONED

The stakeholders of Aguas Andinas and its subsidiaries were defined in a process agreed by the different areas of the company and validated by the Board of Directors.

STAKEHOLDERS	APPROACH TO PARTICIPATION	FREQUENCY	TOPICS AND CONCERN	RESPONSE OF THE ORGANIZATION TO TOPICS AND CONCERN	STAKEHOLDERS	APPROACH TO PARTICIPATION	FREQUENCY	TOPICS AND CONCERN	RESPONSE OF THE ORGANIZATION TO TOPICS AND CONCERN
Customers	Customers require a service that is 100% available and of good quality (potable water suitable for human consumption and wastewater collection). In addition, the company is expected to manage its environmental impacts responsibly.	Monthly or according customers requirement, particularly responding to those critical.	Consumers of the service expect that: <ul style="list-style-type: none"> The service is delivered consistently and with quality. There is a customer service and attention channels necessary for the management of claims. Any interruptions in the service are notified in advance and resolved in the shortest possible time. Service charges are transparent and accurate. In case of errors, there are quick and effective solutions. Alternative supply support is available in the event of an incident (hospitals, dialysis centers and prisons). That, in the event of infrastructure intervention, it is kept in safe physical condition. 	<ul style="list-style-type: none"> Delivery of potable water service. Collection and treatment. Commercial relationship. Attention to requirements through the Contact Center. Web Platforms and Commercial Agencies. Perception and satisfaction surveys. Massive communications and by Social Media. Web platforms and Commercial Agencies. Development of non-presentational platforms of attention. Easy to understand information on bills. Informative videos. Access to Complaints Channel of Aguas Group. Perception and satisfaction surveys. Massive communications and by Social Media. 	Workers	Contingent/Ad-hoc	Workers expect a working environment that: <ul style="list-style-type: none"> The service is delivered consistently and with quality. There is a customer service and attention channels necessary for the management of claims. Any interruptions in the service are notified in advance and resolved in the shortest possible time. Service charges are transparent and accurate. In case of errors, there are quick and effective solutions. Alternative supply support is available in the event of an incident (hospitals, dialysis centers and prisons). That, in the event of infrastructure intervention, it is kept in safe physical condition. 	<ul style="list-style-type: none"> Be safe, constant and timely training according to the positions and equal opportunities. Reliable assessment and adequate recognition. - That the necessary communication channels exist and are known by the parties. A communication channel to the family is functioning in case of emergency. That the organization has benefits that provide a better quality of life, health and safety. Access to a channel where they can make complaints regarding the behavior of the workers of Aguas Group, as well as of suppliers and third parties in matters of integrity and compliance, without fear of reprisals. Specifically for the Committees and Boards: Information to be able to follow up and propose improvements to the Policies, including those that integrate the Compliance Management System. 	<ul style="list-style-type: none"> Notice board. Mailing. Internal campaigns. Newspapers and institutional magazines. Work meetings. Formation of committees and participation groups Intranet and social media Aguas Andinas website. Training. Periodic reports on the operation of the Management System, including Compliance.
Suppliers/ Contractors	Suppliers require the company to carry out its functions on a regular basis, relating to them with the parameters and guidelines that have been defined in the contracting of the service.	Permanent	Suppliers or contractors expect that: <ul style="list-style-type: none"> A constant operation of the services provided is maintained. Communicate and train regarding the protocols to face incidents in the organization. Communicate and train regarding the roles, responsibilities and authorities within the delivery of the service and in front of any incident. Deliver a rapid response to incidents presented. To comply with the clauses agreed in the contract or other formal document signed by the parties. Transparent and equitable conditions. Timely payment and development opportunities. Be trained in Anti-corruption matters. 	<ul style="list-style-type: none"> Business meetings. Suppliers' Portal. Active listening meetings. Satisfaction surveys. Mailing. Web platforms, including Compliance section and Complaints System. Clear contracts with pre-established formal requirements, including those of the Crime Prevention Model, Anti-Corruption Policy and the existence of the Complaints Channel. 	Authorities	Contingent/ Permanent	The authorities expect that: <ul style="list-style-type: none"> The company complies with current legislation. Is aligned with government policies and the areas of national interest defined for its operation. Aguas Andinas carries out an ethical behavior. The company carries out its operations in accordance with the regulations stipulated for its operation. The company's various facilities are monitored to ensure that service is not affected. Decrease the impact of the incidents presented. The organization complies with regulatory aspects. Collaborative relations between the parties and contribution to local development. Emergency response. 	<ul style="list-style-type: none"> Consulting and/or informing them about issues of interest through formal communication channels. Coordination in emergency situations. Development of management plans. Visits to facilities. Response to requirements. Direct communication. Meetings. Inspection visits. Participation in public activities. Training. Communication plan to the population. Early warning. 	
Regulatory Bodies	Regulatory Bodies pursue the Company to comply with the guidelines defined by law within the scope of its operation, in harmony with the environment and adding value to the country. For this, they have a role of surveillance and guarantors in front of society.	Contingent / Permanent	Inspection entities expect that, mainly, timely and truthful information will be provided each time it is requested, in addition to ensuring compliance under the standards that each one supervises. <ul style="list-style-type: none"> Regulatory compliance Resilience / operational continuity Impact management Investments Management of communication to the population Customer claims Compensations 	<ul style="list-style-type: none"> One-stop communication through the Tariff and Regulation Management. Response to requirements. Direct communication. Meetings. Inspection visits. Training. 					



Participation of stakeholders

STAKEHOLDERS	APPROACH TO PARTICIPATION	FREQUENCY	TOPICS AND CONCERNs	RESPONSE OF THE ORGANIZATION TO TOPICS AND CONCERNs	STAKEHOLDERS	APPROACH TO PARTICIPATION	FREQUENCY	TOPICS AND CONCERNs	RESPONSE OF THE ORGANIZATION TO TOPICS AND CONCERNs
Regulatory bodies	Shareholders need the business to be profitable, with an acceptable financial return, lasting over time and a sustained increase in the value of the company. Likewise, shareholders must have information about the policies that the company implements to prevent risks of corruption. The focus is mainly on communication through market information.	Annual/Contingent/ Ad-hoc	<ul style="list-style-type: none"> The company increase its value and growth in the short and long term. Profitability. The organization is in optimal conditions to not be affected by the decrease in the company's value. Importance of risk management and transparency of management in general. Investments. Financial performance. Corporate governance practices. Risk management. Transparency. ASG performance. Access to a confidential channel where they can make consultation/complaints regarding the behavior of the Aguas Group's workers, as well as suppliers and third parties in matters of integrity and compliance. <p>Communities surrounding plants and facilities expect Aguas Andinas:</p> <ul style="list-style-type: none"> To ensure the quality of life in the areas surrounding the plants and facilities. To decrease the impact of incidents that may affect them. To support community development in the areas surrounding the plants and facilities (local development opportunities). To generate opportunities for dialogue and relationship, to maintain a lasting relationship over time. To has certifications that ensure the quality of service and care of the environment. There is a communication channel and the corresponding flows. <p>The Association of Canal Operators expects Aguas Andinas:</p> <ul style="list-style-type: none"> To meet the operating requirements. To ensure the quality of service and care for the environment. There is a channel and corresponding communication flows. To ensure the water supply for all those who "benefit" or depend on the intervened channels. Water management in general: Discharges of treated water, Water quality, Water extraction, Availability of the resource. Support the community development of the localities surrounding the plants (local development opportunities). 	<ul style="list-style-type: none"> Investor website. Meetings and ad-hoc calls Investor relations area. Shareholder meeting. Integrated Report. Local and international conferences. 	Civil society associations	Circumstantial	<p>The company is expected:</p> <ul style="list-style-type: none"> To fulfill the performance requirements. To ensure the quality of service and care for the environment. There is a channel and corresponding communication flows. To support the community development of the areas surrounding the plants (local development opportunities). To ensure the water supply for all those who "benefit" or depend on the intervened channels. <p>The media expects Aguas Andinas:</p> <ul style="list-style-type: none"> To generate communication instances when necessary, in attractive and reproducible formats, according to the nature of each media. To be available to respond to consultations, especially for contingencies. <p>Recurrent themes:</p> <ul style="list-style-type: none"> Operational continuity and resilience. Investments. Projects (investment, social, environmental) Development of works. Company preparation for climate events. <p>Opinion leaders expect access to correct, substantiated and timely information about Aguas Andinas' work, in order to maintain their position, or to change it.</p> <p>Recurrent themes:</p> <ul style="list-style-type: none"> Operational continuity/resilience. Capacity to deal with emergencies. Financial position. Work practices. Environmental practices. Development of activities of public interest. <p>Specialized entities expect Aguas Andinas:</p> <ul style="list-style-type: none"> To commit to the care of the environment. There is a channel and corresponding communication flows. To support the development of studies related to research and innovation. To generate alliances with study centers to train its workers. Main themes: Innovation. Development of human capital. Water management. Regulation. Challenges of the industry. Climate change. 	<ul style="list-style-type: none"> Respond to their requirements. Communicate to them the actions of the company to provide a better service. Customer Counsel. Mass media publications. Customized answer according to the requirement. <ul style="list-style-type: none"> Proactive and direct communication (telephone, face-to-face, e-mail). Meetings. Sending press releases. Plant visits. <ul style="list-style-type: none"> Keep them informed of matters of interest to them. Direct communication (face-to-face meetings, telephone conversations, e-mail). Invitation to events. Development of management plans. Delivery of specialized and detailed information. <ul style="list-style-type: none"> Participation/Support in events (seminars, workshops, lectures). Consultations on issues involving the industry. Provision of information. Request of consultancies. 	
Communities	Neighboring communities need facilities that meet fundamental requirements to safeguard the care of environment and quality of life in the surrounding areas. Communication/management of impacts and local development projects.	Daily/monthly/ biweekly. Some communications regulated by RCA.	<ul style="list-style-type: none"> Aló Vecino. Work Boards. Community relations programs. 	Opinion leaders	Periodically/ Contingent	<p>The media expects Aguas Andinas:</p> <ul style="list-style-type: none"> To generate communication instances when necessary, in attractive and reproducible formats, according to the nature of each media. To be available to respond to consultations, especially for contingencies. <p>Recurrent themes:</p> <ul style="list-style-type: none"> Operational continuity and resilience. Investments. Projects (investment, social, environmental) Development of works. Company preparation for climate events. <p>Opinion leaders need to take a stand on the work of Aguas Andinas, especially in situations of public interest.</p>	Periodically/ Contingent	<p>Opinion leaders expect access to correct, substantiated and timely information about Aguas Andinas' work, in order to maintain their position, or to change it.</p> <p>Recurrent themes:</p> <ul style="list-style-type: none"> Operational continuity/resilience. Capacity to deal with emergencies. Financial position. Work practices. Environmental practices. Development of activities of public interest. 	<ul style="list-style-type: none"> Proactive and direct communication (telephone, face-to-face, e-mail). Meetings. Sending press releases. Plant visits. <ul style="list-style-type: none"> Keep them informed of matters of interest to them. Direct communication (face-to-face meetings, telephone conversations, e-mail). Invitation to events. Development of management plans. Delivery of specialized and detailed information.
Water users associations	The Associations need an effective functioning of the water supply for all the agents that depend on the intervened channels.	Periodically/ Contingent	<ul style="list-style-type: none"> Report of discharges to water bodies. Water collection report. Monitoring of reserves. 	Specialized entities	Periodically/ Contingent	<p>The specialized entities trust Aguas Andinas to support their agreements, to have a common development and to watch over the rights and interests of the companies that provide Sanitary and Environmental Services.</p>	<p>The company is expected:</p> <ul style="list-style-type: none"> To fulfill the performance requirements. To ensure the quality of service and care for the environment. There is a channel and corresponding communication flows. To support the development of studies related to research and innovation. To generate alliances with study centers to train its workers. Main themes: Innovation. Development of human capital. Water management. Regulation. Challenges of the industry. Climate change. 	<ul style="list-style-type: none"> Participation/Support in events (seminars, workshops, lectures). Consultations on issues involving the industry. Provision of information. Request of consultancies. 	



Participation of stakeholders

102-41 ODS 8

COLLECTIVE BARGAINING AGREEMENTS

COMPANY	2016				2017				2018				2019			
	TOTAL STAFF	UNIONIZED	NEGOTIATORS	WITH BENEFITS EXTENSION	TOTAL STAFF	UNIONIZED	NEGOTIATORS	WITH BENEFITS EXTENSION	TOTAL STAFF	UNIONIZED	NEGOTIATORS	WITH BENEFITS EXTENSION	TOTAL STAFF	UNIONIZED	NEGOTIATORS	WITH BENEFITS EXTENSION
Aguas Andinas	1,100	81.50%	72.90%	0.00%	1,127	87.70%	67.00%	19.70%	1,089	88.00%	83.20%	6.60%	1,077	89.97%	79.29%	18.29%
Aguas Cordillera	109	93.60%	86.20%	0.00%	123	96.70%	73.20%	22.80%	127	96.10%	95.30%	0.80%	121	95.04%	91.74%	6.61%
Agua Manquehue	14	100.00%	100.00%	0.00%	14	100.00%	100.00%	0.00%	14	100.00%	100.00%	0.00%	14	100.00%	100.00%	0.00%
ESSAL	373	85.50%	52.30%	0.00%	371	86.00%	51.20%	40.40%	395	83.50%	47.60%	44.60%	404	86.39%	45.79%	51.73%
EcoRiles	196	68.40%	44.90%	0.00%	211	68.20%	71.60%	10.40%	212	63.20%	62.30%	18.90%	231	74.03%	51.52%	47.62%
Gestión y Servicios	20	85.00%	65.00%	0.00%	25	80.00%	40.00%	40.00%	34	91.20%	29.40%	64.70%	35	88.57%	20.00%	77.14%
ANAM	214	56.50%	55.10%	0.00%	231	77.50%	58.40%	29.00%	245	77.60%	49.80%	38.00%	253	77.87%	75.49%	24.11%
Aguas del Maipo	1	0.00%	0,00%	0.00%	1	0.00%	0,00%	0.00%	1	0.00%	0,00%	0.00%	2	0.00%	0,00%	0.00%
Total	2,027	79.10%	65.30%	0.00%	2,103	84.80%	64.00%	23.70%	2,117	84.00%	70.50%	19.10%	2,137	85.63%	69.30%	28.73%



Economic performance

201-2 ODS 6, 11, 13

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES FROM CLIMATE CHANGE

One of the main aspects shown by Aguas Andinas throughout its history, is the timely attention given to the risks and challenges presented by a particular moment and context, which has made it possible to take the necessary measures in time to reduce the possible impacts that certain phenomenon or variables may have on the city's operation and water system. The corporate risk management model is continuously adapted and contributes to strengthening the business model, also considering environmental and social variables as inherent parts of it.

Facing possible greater unavailability of future water due to the more severe effects of climate change and the prolongation of the drought affecting central zone of Chile, the company is actively monitoring different variables in order to take the necessary measures in a timely manner and ensure water supply for Santiago. Although the probability of this risk materializing is low, Aguas Andinas manages its business model, including its future investment plans, considering more critical scenarios in this regard.

201-3 ODS 8

DEFINED BENEFIT AND OTHER RETIREMENT PLAN OBLIGATIONS

The voluntary retirement plan signed in January 2019 in conjunction with Union No. 1, Union No. 2, the Union of Professionals and Technicians of Aguas Andinas, and the Union of Workers and Supervisors of Aguas Cordillera S.A., consists of recognizing the contributions made by the workers in their labor history by offering additional benefits to those agreed in the current collective instruments, improving their compensation by granting a fixed incentive and a variable one.

The company has not considered any special fund for its workers' pension plan.



Market presence

202-1 ODS 8

RATIO OF THE WAGE OF STANDARD INITIAL CATEGORY BY GENDER AGAINST THE LOCAL MINIMUM WAGE

In order to maintain and retain the organization's personnel, in addition to ensuring fair compensation for its workers, a competitive compensation is established, which is determined based on the average income of the market referred for the equivalent positions. Ranges of remuneration are defined for each of the levels that group together the different positions in the Group. Thus, the relative position will depend on different factors required for each position, such as the level of studies, experience, work performance, among others.

For both men and women, the assigned minimum base salary corresponds to the legal minimum wage of \$301,000; however, the group's minimum monthly salary is \$554,580.

202-2

RATIO OF SENIOR EXECUTIVES HIRED FROM THE LOCAL COMMUNITY

Senior executives are those professionals who perform as managers, directors and CEOs. It has been defined as part of the local community, those senior executives who are of Chilean nationality.

74%
CHILEAN

26%
FOREIGNERS



Anti-corruption

205-1

ODS 16

OPERATIONS EVALUATED FOR CORRUPTION-RELATED RISKS

In order to prepare the company's compliance risk matrix, 66 processes or operations were analyzed.

Once the risks were evaluated in accordance with the company's Corporate Risk Management Methodology, none of the risks associated with corruption were assessed as significant. However, it should be noted that action plans associated with the risks are developed from the "Average" assessment onwards.

During 2019, there were no confirmed cases of corruption in the company.

205-2

ODS 16

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES

NUMBER OF WORKERS TRAINED BY THE COMPANY IN ANTI-CORRUPTION MEASURES

	AGUAS ANDINAS	AGUAS CORDILLERA	AGUAS MANQUEHUE	AGUAS DEL MAIPO	ECORILES	GESTIÓN Y SERVICIOS	ANAM	TOTAL
Executives	69	6	-	-	4	11	3	93
Headship	70	5	-	-	8	3	6	92
Professional	266	7	-	-	24	16	66	379
Technician	21	2	-	-	4	2	28	57
Administrative staff	9	-	-	-	-	4	5	18
Operator	63	2	-	-	-	1	2	68
Total	498	22	0	0	40	37	110	707

ESSAL

Executives	1
Headship	21
Professional	43
Technician	6
Administrative staff	9
Operator	0
Total	80



Energy

302-1 ODS 7, 13

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

INTERNAL ENERGETIC CONSUMPTION

ENERGY SOURCES	UNIT OF MEASUREMENT	2016		2017		2018		2019	
		RM	ESSAL	RM	ESSAL	RM	ESSAL	RM	ESSAL
Non-renewable fuel	Gigajoules (GJ)	48,127	24	60,168	26	61,606	44	65,236	28
Biofuel (biogas)	Gigajoules (GJ)	1,181,349	7,413	1,302,872	5,481	1,390,675	5,208	1,436,596	0
Electricity	Gigajoules (GJ)	762,957	228,758	983,863	231,132	1,013,827	231,284	1,109,334	242,883
Energy Consumption Total	Gigajoules (GJ)	1,992,433	236,195	2,346,902	236,639	2,466,108	236,536	2,611,166	242,911
Energy Sale	Gigajoules (GJ)	10,655	0	347,560	0	289,425	0	245,367	0

FUEL CONSUMPTION

	ENERGY SOURCE	UNIT OF CONSUMPTION	2016		2017		2018		2019	
			RM	ESSAL	RM	ESSAL	RM	ESSAL	RM	ESSAL
NON-RENEWABLE	Diesel-oil (power generation)	Gigajoules (GJ)	6,050	7.2	9,701	9.3	12,975	26.7	9,983	11.9
	Diesel-oil (mobile sources)	Gigajoules (GJ)	37,903	14.2	46,359	15.7	45,418	16.0	52,796	14.7
	Gasoline (mobile sources)	Gigajoules (GJ)	4,174	2.2	4,108	0.9	3,213	1.2	2,457	1.3
	Fuel Consumption Total	Gigajoules (GJ)	48,127	23.6	60,168	25.9	61,606	43.9	65,236	27.9
RENEWABLE	Biofuel (biogas)	Gigajoules (GJ)	1,181,349	7,413	1,302,872	5,481.0	1,390,675	5,208	1,436,596	0
	Fuel Consumption Total	Gigajoules (GJ)	1,181,349	7,413	1,302,872	5,481.0	1,390,675	5,208	1,436,596	0
	Fuel Consumption Total	Gigajoules (GJ)	1,229,476	7,436.6	1,363,040	5,506.9	1,452,281	5,251.9	1,501,832	27.9

ELECTRICITY CONSUMPTION

ELECTRICITY CONSUMPTION PER ACTIVITY	UNIT OF CONSUMPTION	2016		2017		2018		2019	
		RM	ESSAL	RM	ESSAL	RM	ESSAL	RM	ESSAL
Potable water production	kWh/year	44,414,061	26,396,304	52,741,056	26,212,426	60,274,635	24,986,541	71,462,714	25,492,112
	GJ/year	159,890	95,026	189,866	94,364	216,987	89,951	257,266	91,771
Transport and distribution	kWh/year	57,065,802	10,265,229	67,475,520	10,193,721	71,211,901	9,716,988	84,867,208	9,913,599
	GJ/year	205,436	36,955	242,910	36,697	256,361	34,981	305,522	35,689
Buildings	kWh/year	3,909,268	373,990	3,984,188	322,423	3,260,449	483,651	3,453,594	494,479
	GJ/year	14,073	1,346	14,343	1,161	11,738	1,741	12,433	1,780
Sewerage	kWh/year	2,337,379	13,407,222	1,946,907	14,600,659	2,035,756	14,827,231	1,872,205	15,254,750
	GJ/year	12,539	48,266	7,009	52,562	7,329	53,378	6,740	54,917
Wastewater treatment	kWh/year	103,060,902	13,101,691	147,149,673	12,874,644	144,837,986	14,231,594	146,492,511	16,313,224
	GJ/year	371,019	47,166	529,735	46,348	521,413	51,233	527,373	58,727
Total	kWh/year	210,787,412	63,544,436	273,297,344	64,203,873	281,620,727	64,246,005	308,148,233	67,468,164
	GJ/year	762,957	228,758	983,863	231,132	1,013,827	231,284	1,109,334	242,883

SELF-GENERATED ELECTRIC ENERGY

	2016	2017	2018	2019
Self-generated electric energy	45,990,665	51,792,240	54,513,162	57,185,082

BIOGAS GENERATED (m³)

DESTINATION	2018		2019	
	LA FARFANA	TREBAL-MAPOCHO	LA FARFANA	TREBAL-MAPOCHO
Metrogas	12,844,284	37%	0	0%
Cogeneration motors	0	0%	24,237,265	79%
Boilers	5,910,975	17%	2,274,615	7%
Torches	15,999,377	46%	3,988,470	13%
Subtotal	34,754,636	100%	30,500,350	100%
Total	65,254,986		64,442,870	

Energy

302-3 ODS 7, 13

ELECTRICAL INTENSITY

The information on energy intensity includes energy consumption within the organization.

PROCESS ELECTRICAL INTENSITY (kWh/m ³) 2019								
MAPOCHO-TREBAL	LA FARFANA	LOCALITIES PURIFICATION	PW SURFACE COLLECTION	PW TREATMENT CONSUMPTION	PW LIFTING CONSUMPTION	PW UNDERGROUND COLLECTION	WW LIFTING CONSUMPTION	
Total Energy Consumption (kWh)	62,015,685	69,211,407	15,265,420	1,302,423	6,454,977	86,125,126	63,705,314	1,872,205
Treated water (m ³)	227,109,433	271,612,631	32,012,852	696,567,655	635,200,871	242,189,338	153,050,563	32,802,273
Intensity (kWh/m ³)	0.273	0.255	0.477	0.003	0.010	0.356	0.416	0.057
	2016	2017	2018	2019				
Organization's energy intensity (kWh/m ³)	0.273	0.276	0.268	0.276				

Regarding the intensity in the electricity consumption of Aguas Andinas and regulated subsidiaries of the Metropolitan Region (measured as energy consumption in kWh, in proportion to cubic meters of treated wastewater), during 2019 the energy requirement for treatment increased compared to 2018, from 0.268 kWh/m³ to 0.276 kWh/m³.

The increase in energy intensity is due to several factors. On one hand, in Mapocho-Trebal there was a higher consumption due to the start-up of the local sludge reception silo (which, in parallel, optimizes their management), in La Farfana there was a higher consumption in the stage of aeration, due to higher oxygen demand, and in localities we must highlight Melipilla and Trapenses, where there was also a change in the aeration instructions, Curacaví where a higher power blower was installed and Talagante where equipment was expanded as a result of the plant expansion works.

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REDUCTION OF ENERGY CONSUMPTION

As part of the Energy Management System, Aguas Andinas uses a proven international methodology (IPMVP) for estimating and measuring savings. With this, by taking as a baseline the normal operation of the plant without efficiency modifications, it is possible to correctly estimate the savings generated by each measure. In addition, an explanatory model of energy consumption is considered based on the independent variables that directly influence in this consumption, through statistical and modeling tools.

ENERGY SAVINGS PRODUCED						
INITIATIVE NAME	DESCRIPTION	UNIT OF MEASUREMENT	2016	2017	2018	2019
Aguas Andinas; Stage 1	Underground Collection	gigajoules				
Aguas Andinas; Stage 2	Wastewater Lifting Plants	gigajoules	416	4,500	877	-
Aguas Andinas; Stage 3	Potable Water Lifting Plants (Efficient Delivery) PWLP San Antonio, PWLP PH Las Flores and Lo Gallo	gigajoules			3,852	3,625
Co-generation	From 2013, the Mapocho-Trebal Biofactory's electricity co-generation system came into operation. Its purpose is to produce part of the energy consumed through the biogas generated in the anaerobic digestion process. Only self-consumption will be considered.	gigajoules	176,207	186,310	176,543	182,988
Aguas Andinas Contractors	In the Biofactories, a series of improvements were implemented in the processes that allowed the indicated savings.	gigajoules	14,319	30,775	33,640	14,494
Other (indicate name of the project)		gigajoules				723
Other (indicate name of the project)		gigajoules				
Total		gigajoules	190,942	221,586	214,913	201,788

Water

303-1 ASSETS FOR THE POTABLE WATER PRODUCTION

303-2 WATER SOURCES SIGNIFICANTLY AFFECTED BY WATER EXTRACTION (2016)

ODS 6

303-1 INTERACTION WITH WATER AS A SHARED RESOURCE (2018)

303-3 WATER EXTRACTION (2018)

WATER SOURCES SIGNIFICANTLY AFFECTED BY THE WATER EXTRACTION

SIGNIFICANTLY AFFECTED SOURCE	COLLECTION ANNUAL VOLUME 2016 (m ³)	% OF WATER EXTRACTED OF TOTAL FLOW (2016)	COLLECTION ANNUAL VOLUME 2017 (m ³)	% OF WATER EXTRACTED OF TOTAL FLOW (2017)	COLLECTION ANNUAL VOLUME 2018 (m ³)	% OF WATER EXTRACTED OF TOTAL FLOW (2018)	COLLECTION ANNUAL VOLUME 2019 (m ³)	% OF WATER EXTRACTED OF TOTAL FLOW (2019)
Río Maipo	537,616,589	15.73%	552,376,256	17.86%	561,632,956	26.16%	568,615,600	40.80%
Río Mapocho	44,038,008	28.92%	27,711,565	23.28%	32,919,723	45.37%	29,484,344	61.00%
Estero Arrayán	9,629,617	25.61%	10,809,271	35.18%	8,951,123	42.40%	5,278,555	41.80%
Total	591,284,214		590,897,092		603,503,802		603,378,499	

The process of production of potable water begins with the collection of water resources, which come from different sources in the Metropolitan Region. 81% of the raw water that Aguas Andinas collects comes from surface sources, mainly from the

Maipo and Mapocho rivers. The remaining 19% is extracted from natural aquifers that cross the subsoil of the concession area. These underground sources are composed of 285 deep wells and drains that extract water from 3 aquifers.

RAW WATER CATCHMENT BY SOURCE (millions of m³)

SOURCE	AGUAS ANDINAS, AGUAS CORDILLERA Y AGUAS MANQUEHUE				ESSAL			
	2016	2017	2018	2019	2016	2017	2018	2019
Surface water	681,8	689,2	692,4	696,5	24,5	21,5	21,7	21,9
Groundwater	101,0	114,0	130,3	161,0	40,0	39,1	39,9	47,2
Municipal or from others water companies	0,6	0,6	0,4	0,5	0,0	0,0	0,0	0,0
Total	783,4	803,8	823,1	857,9	64,5	60,6	61,6	69,1

PRODUCTION OF POTABLE WATER BY COMPANY (in million of m³)

COMPANY	2016	2017	2018	2019
Aguas Andinas	646.4	659.7	682.6	701.25
Aguas Cordillera y Aguas Manquehue	100.6	101.7	99	90.65
ESSAL	62	60.6	61.6	69.10
Total	809	822	843.2	861.00

PRODUCTION OF POTABLE WATER BY SOURCE TYPE (in million of m³)

Source	2016	%	2017	%	2018	%	2019	%
Surface water	667.5	83%	668.3	81%	672.9	80%	674.6	78%
Groundwater	141.5	17%	153.7	19%	170.2	20%	186.4	22%
Total	809.0	100%	822.0	100%	843.1	100%	861.0	100%



Water

VOLUME OF TREATED WATER SUPPLY

COMPANY	2017		2018		2019	
	Nº OF TANKS	VOLUME (m ³)	NO. OF TANKS	VOLUME (m ³)	NO. OF TANKS	VOLUME (m ³)
Aguas Andinas	171	1,179,100	172	1,183,600	207	1,217,960
Aguas Cordillera	58	100,550	59	100,830	74	121,935
Aguas Manquehue	33	38,200	33	38,200	38	45,950
ESSAL	120	73,061	128	66,681	138	84,153
Total	382	1,390,911	392	1,389,311	457	1,469,998

LENGTH OF THE DISTRIBUTION AND COLLECTION NETWORK (km)

COMPANY	2016		2017		2018		2019	
	DISTRIBUTION	COLLECTION	DISTRIBUTION	COLLECTION	DISTRIBUTION	COLLECTION	DISTRIBUTION	COLLECTION
Aguas Andinas	11,814	9,596	11,884	9,654	11,919	9,695	11,985	9,744
Aguas Cordillera	1,159	919	1,154	919	1,157	950	1,158	921
Aguas Manquehue	220	190	220	190	220	190	220	191
ESSAL	2,300	2,038	2,329	2,060	2,387	2,106	2,391	2,107
Total	15,493	12,743	15,587	12,823	15,683	12,941	15,754	12,963

NUMBER OF UNSCHEDULED BREAKS WITH CUSTOMER SUPPLY CUT-OFF

COMPANY	2016	2017	2018	2019
Aguas Andinas, Aguas Cordillera and Aguas Manquehue	1,100	1,216	1,060	967
ESSAL	755	758	826	620
Total	1,855	1,974	1,886	1,587

The breakage indicator in the Metropolitan Region is 7.2 breaks/100 km, considering the failures that suppose a supply cut for the client, a value lower than the 8 breaks/100 km of the previous year. When considering breaks with and without outage, the indicator is 15.9 breaks/100 km, keeping the Company at levels below the industry, which has an index of 17.6.

303-2 MANAGEMENT OF IMPACTS RELATED TO WATER SPILLS (2018)

303-4 WATER DISCHARGE (2018)

306-1 WATER DISCHARGE ACCORDING TO ITS QUALITY AND DESTINATION (2016)

306-5 WATER BODIES AFFECTED BY WATER SPILLS AND / OR RUNOFFS (2016)

ODS 6

PURIFIED WATER VOLUME (million m³)

EMPRESA	2016	2017	2018	2019
La Farfana	283,5	275,8	274,9	277,8
Trebal-Mapicho	209,2	222,4	229,0	225,3
Otras depuradoras RM	32,0	35,6	35,9	27,6
ESSAL	55,1	62,0	65,2	71,6
Total	579,8	595,8	605,0	602,2

303-3 RECYCLED AND REUSED WATER (2016)

ODS 3, 6, 15

RECYCLED AND REUSED WATER

WASTEWATER COLLECTION	UNIT OF MEASUREMENT	2016	2017	2018	2019
Total water collection	m ³ /year	580,815,395	560,184,705	541,990,447	531,781,187
Volume of recycled/reused water	m ³ /year	3,451,922	3,861,308	3,783,659	41,299,356
Percentage of recycled/reused water	%	0.59%	0.69%	0.70%	7.77%



Biodiversity

- 304-1 OWNED, LEASED OR MANAGED OPERATIONS CENTERS LOCATED WITHIN OR ADJACENT TO PROTECTED AREAS OR AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE OF PROTECTED AREAS
- 304-3 PROTECTED OR RESTORED HABITATS
- ODS 6, 15

INITIATIVES OF BIODIVERSITY PROTECTION

	Type of areas	Description	Investment (M\$) 2019
Aguas de Ramón Natural Park	Unprotected area (officially) of the Metropolitan Region of great value for biodiversity. 36,000 hectares.	Aguas Andinas has a cooperation agreement with Conaf, which aims to protect biodiversity by maintaining infrastructure (perimeter fences) and implementing preventive measures to avoid fires.	185,294
La Farfana Environmental Lagoon	Lagoon that hosts several species of birds within the land of La Farfana plant. 15 hectares.	Designed by the Union of Ornithologists of Chile (UNORCH), it aims to conserve aquatic birds and maintain a protected ecosystem for the life that naturally grows in the Santiago Basin. A permanent monitoring of water quality and of the birds present in the lagoon and its surroundings is carried out.	0
El Canelo	Sub-basin of the Maipo River basin. 2,000 hectares.	It is a natural area rich in biodiversity (flora and fauna) where there is a source of potable water (El Canelo Estuary). The reported expenditure is related to the publication of a book of biodiversity, made with information from studies previously carried out in the area, and the maintenance of the underwood in the lower basin.	17,800
Melipilla Environmental Lagoon	It hosts several species of birds, located within the land of the Melipilla Wastewater plant. 4.3 hectares.	It is a space corresponding to old treatment lagoons that have become a habitat for wild birds. The expenditure reported corresponds to the monitoring of birds in the lagoons. There were 4 monitoring activities during the year.	1,848
El Rutal	This property is located 59 kilometers north of Santiago. Total land of 1,886 hectares, however the operational land is approximately 80 hectares.	A publication of biodiversity has been made at this site, considering information from previous biodiversity studies carried out in El Rutal. The associated expenses are related to the publication of the book.	3,000
La Dehesa Reservoir	Aguas Andinas site, with raw water reservoir located in the commune of Barnechea, has approximately 8.1 hectares of water body.	A monitoring campaign is carried out for the characterization of terrestrial and aquatic fauna and terrestrial flora and vegetation.	2,188

SITES WHERE BIODIVERSITY PROTECTION PROJECTS ARE CARRIED OUT IN THE SOUTHERN AREA (ESSAL) CUENCA EL BOLDO AND BELLAVISTA

The El Boldo property, owned by ESSAL, has an area of 185 hectares, located in the Cordillera de la Costa, in the so-called "Selva Valdiviana", very close to the National Park Alerce Costero, where the Larchs (*Fitzroyacupressoides*) are conserved and preserved species declared Natural Monument. High biodiversity and, in particular, high existing endemism in the Cordillera de la Costa de Valdivia, has turned into a site internationally recognized as a priority for the conservation of biodiversity.

Due to the deterioration caused by anthropic action, ESSAL has signed since 2013, a tripartite agreement with the Municipality of Corral and the National Forest Corporation in Los Ríos Region (CONAF), to restore, conserve and protect the basin of water from the El Boldo property. To date, 48 hectares with species have been restored with native Evergreen Forest type, developing permanently protection actions with a property caretaker.

Likewise, in the Bellavista property, which has an area of 214 hectares, located in the Paillaco Commune, the presentation of management plans of the forest to the competent authority. The objective is to ensure continuous supply of water from the basin, both in quantity and quality.



Biodiversity

304-2 SIGNIFICANT IMPACT OF ACTIVITIES, PRODUCTS AND SERVICES IN BIODIVERSITY

304-4 SPECIES ON THE IUCN RED LIST AND NATIONAL CONSERVATION LISTS WHOSE HABITATS ARE IN AREAS AFFECTED BY THE OPERATIONS

ODS 6, 15

Species richness: is the number of species found in a determined habitat, ecosystem, landscape, area or region.

Absolute abundance: is the number of individuals in a community per unit area (population density).

Relative abundance (%): is the percentage of individuals of each species in relation to the total that conform the community or sub-community.

Note: The data present the annual averages of richness and abundance.

MELIPILLA LAGOON BIRDS

COMMON NAME	RICHNESS					ABSOLUTE ABUNDANCE (Nº)					RELATIVE ABUNDANCE (%)				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Ducks and swans	6	6	6	6	6	288	235	220	297	337	81.59	77.81	83.65	80.05	85.1
Herons and Huairavos	3	3	1	1	1	3	2	3	6	1	0.85	0.66	1.14	1.62	0.3
Seagulls, Queltehues, Chorlo, Perrito, Pitotoy	6	7	2	2	2	29	5	11	32	32	8.22	1.66	4.18	8.63	8.1
Zambullidores	0	1	0	1	1	6	2	2	1	4	1.7	0.66	0.76	0.27	1.0
Taguas	5	4	4	3	3	27	57	27	35	22	7.65	18.87	10.27	9.43	5.6
Yecos	1										0.33				
Total	0	21	21	13	13	353	301	263	371	396	100	100	100	100	100

LA FARFANA LAGOON (WATER BIRDS)

COMMON NAME	RICHNESS					ABSOLUTE ABUNDANCE (Nº)					RELATIVE ABUNDANCE (%)				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Ducks and swans	10	10	10	8	9	191	102	115	126	231	56	41	50	53	62
Herons and Huairavos	4	5	3	2	1	8	6	8	5	6	2	2	3	2	2
Queltehues	1	1	1	1	1	3	5	4	5	3	1	2	2	2	1
Seagulls, perritos	2	2	2	1	1	41	84	24	42	4	12	34	10	18	1
Zambullidores	3	4	3	3	3	7	9	8	9	7	2	4	3	4	2
Taguas and pidén	4	4	4	3	5	89	36	71	49	121	26	15	31	21	32
Yecos	1	1	1	1	1	1	5	2	1	1	0.3	2	1	0.4	0.1
Total	25	27	24	19	21	340	247	232	237	373	100	100	100	100	100

LA FARFANA LAGOON (LAND BIRDS)

COMMON NAME	ABUNDANCE
Peuco	2
Queltehue	3
Tortolita cuyana	10
Tórtola	3
Tiuque	7
Codorniz	4
Tijeral	2
Chincol	10
Jilguero	6
Golondrina chilena	11
Mirlo	3
Trile	2
Gorrión	13
Chirihue	2
Diuca	4
Chercán	10
Zorzial	5
Fío fio	5
Cachudito	1
Total abundance	103
Richness	19

Emissions

- 305-1 DIRECT EMISSIONS OF GHG (SCOPE 1)
- 305-2 INDIRECT GHG EMISSIONS WHEN GENERATING POWER (SCOPE 2)
- 305-3 OTHER INDIRECT GHG EMISSIONS (SCOPE 3)

- 305-4 INTENSITY OF GHG EMISSIONS
- 305-5 REDUCTION OF GHG EMISSIONS
- ODS 7, 12, 13

EMISSION OF GREENHOUSE GASES (GHG) BY SCOPE

	UNIT OF MEASUREMENT	2016	2017	2017 UPDATED WITH CALCULATION CRITERIA 2018			2018	2019	% VAR. 2019 VS 2018
				2018	2019	% VAR. 2019 VS 2018			
Direct emissions (Scope 1)	tCO ₂ e	26,387	27,316	38,245	35,295	48,451	37.3%		
Indirect emissions (Scope 2)	tCO ₂ e	83,391	74,977	75,931	64,182	69,974	9.0%		
Other indirect emissions (Scope 3)	tCO ₂ e	106,635	108,516	104,571	117,124	100,173	-14.5%		
Total	tCO₂e	216,413	210,809	218,748	216,601	218,598	0.9%		

GHG EMISSIONS BY SECTOR

SECTOR	2016 TCO ₂ /YEAR	2017 TCO ₂ /YEAR	2017 UPDATED WITH CALCULATION CRITERIA 2018 TCO ₂ /YEAR			2018 TCO ₂ /YEAR	2019 TCO ₂ /YEAR	% VAR. 2019 VS 2018
			2018	2019	% VAR. 2019 VS 2018			
Energy	85,417	77,142	82,691	71,670	77,616	8.3%		
Transportation	11,495	12,549	7,491	10,277	4,612	-55.1%		
Reagents and supplies	14,225	15,664	22,481	25,130	22,550	-10.3%		
Water Lines	66,913	68,883	77,767	79,487	81,280	2.3%		
Sludges Lines	38,364	36,571	28,318	30,036	32,266	7.4%		
Fugitive emissions					274			
Total	216,413	210,809	218,748	216,601	218,598	0.9%		

GHG EMISSIONS BY PROCESS

EMISSION SOURCE	UNIT OF MEASUREMENT	DIRECT EMISSIONS (SCOPE 1)					INDIRECT EMISSIONS (SCOPE 2)					INDIRECT EMISSIONS (SCOPE 3)				
		2016	2017	2017 UPDATED WITH CALCULATION CRITERIA 2018 TCO ₂ /YEAR			2016	2017	2017 UPDATED WITH CALCULATION CRITERIA 2018 TCO ₂ /YEAR			2016	2017	2017 UPDATED WITH CALCULATION CRITERIA 2018 TCO ₂ /YEAR		
				2018	2019	% VAR. 2019 VS 2018			2018	2019	% VAR. 2019 VS 2018			2018	2019	% VAR. 2019 VS 2018
Potable water production	tCO ₂ e	377	518	520	194	358	18,036	17,191	18,231	19,435	1,699	5,193	4,802	8,266	8,757	8,287
Water transportation and distribution	tCO ₂ e	4,461	4,720	1.086	709	567	24,583	22,746	22,699	13,096	37,356	1,270	1,695	1,983	2,275	2,698
Non-productive buildings	tCO ₂ e	591	871	853	1	1,819	1,552	1,323	1,321	981	1,162	51	37	20	0	515
Sewage	tCO ₂ e	1,887	1,982	760	290	499	523	656	690	663	603	11	11	0	33	2
Wastewater Treatment	tCO ₂ e	19,071	19,225	35,026	34,101	45,208	38,698	33,060	32,991	30,007	29,155	100,110	101,972	94,303	106,058	88,671
Total	tCO₂e	26,387	27,316	38,245	35,295	48,451	83,392	74,976	75,932	64,182	69,974	106,635	108,517	104,572	117,123	100,173

In 2019 there is an increase associated, in large part, with the aspects excluded from the inventories in previous reports:

- Fugitive emissions of refrigerant gases (274 tCO₂e)
- WWTP Chamisero (885 tCO₂e)
- Transportation of diesel (4 tCO₂e)
- Transportation of waste from the RDAC (2 tCO₂e)
- Air travel (515 tCO₂e)
- Storage of digested sludge in biofactories (5,936 tCO₂e).

Excluding these aspects of the 2019 inventory, the carbon footprint is 3% lower than 2018.

Emissions

- 305-1 DIRECT EMISSIONS OF GHG (SCOPE 1)
- 305-2 INDIRECT GHG EMISSIONS WHEN GENERATING POWER (SCOPE 2)
- 305-3 OTHER INDIRECT GHG EMISSIONS (SCOPE 3)

- 305-4 INTENSITY OF GHG EMISSIONS
- 305-5 REDUCTION OF GHG EMISSIONS
- ODS 7, 12, 13

INTENSITY OF GHG EMISSIONS FROM THE WASTEWATER TREATMENT PROCESS IN PERIMETER REGULATED COMPANIES IN METROPOLITAN REGION

	2016	2017	2017 UPDATED WITH CALCULATION CRITERIA 2018	2018	2019
t/millions of liters	301	289	304	315	320

AVOIDED AND REDUCED EMISSIONS

	2016 TCO ₂ /YEAR	2017 TCO ₂ /YEAR	2017 UPDATED WITH CALCULATION CRITERIA 2018 TCO ₂ /YEAR	2018 TCO ₂ /YEAR	2019 TCO ₂ /YEAR
Avoided	3	20,560	22,314	19,882	17,928
Reduced	42,279	32,435	29,654	45,777	49,962



EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)

During 2019, 12 refrigerant canisters were used.

Of these, five canisters are R-22 (common refrigerant): 2 in the Aguas Andinas corporate building and 3 in the operating enclosures. Considering that each pump weighs approximately 13.5 kilos, using a conversion factor of 0.05 units of potential ODS for each unit of R-22, this results in a quantity of 3.38 kg equivalent CFC-11. There is also 1 canister in an operating enclosure that uses refrigerant R-141B, so considering a weight of 13.5 kilos and a conversion factor of 0.11 units of potential ODS, there is an additional 1.49 kg equivalent CFC-11, making a total in the company of 4.87 kg equivalent CFC-11.

The value is higher than previous year, when counting the R-141B canister. At the same time, the program to renew air conditioning equipment in the Aguas Group's enclosures, implemented since 2017, continues, having increased the number of air conditioning equipment that uses R-410 refrigerant (which does not generate equivalent CFC-11): 4 units in the corporate building and 2 in operating enclosures.

Reduced and prevented emissions in the Company are due to the use of biogas, both in internal and external operations. Internally it is used for the heating of sludge and the use of cogenerated energy (low emissions). Externally it is used for the sale of biogas and electrical energy (emissions prevented).

Throughout 2019, electrical and thermal self-consumption through biogas combustion energy cogeneration increased; this allowed an increase in the associated reduced emissions. Emissions avoided through biogas sales decreased by 10% compared to 2018.



Emissions

 305-7

NITROGEN OXIDES (NOx), SULPHUR OXIDES (SOx) AND OTHER SIGNIFICANT AIR EMISSIONS

REAL DATA, HOURS OF OPERATION

ORIGIN	Ton NOx				TON SOx				TON COV				TON MP			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Farfana	4.37	4.85	3.64	3.77	3.88	4.91	1.89	0.06	0.06	0.01	0.09	0.24	0.23	0.64	0.34	0.31
Trebal-Mapocho	5.38	3.16	1.62	2.80	0.61	0.61	0.07	0	0	0	0	0	0.42	0.54	1.7	0.37
Total	9.75	8.01	5.26	6.57	4.49	5.52	1.96	0.06	0.06	0.01	0.09	0.24	0.65	1.18	2.04	0.68

ESSAL and the environmental services subsidiaries do not report this information.

DATA 24H/365 DAYS

ORIGIN	Ton NOx				TON SOx				TON COV				TON MP			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Farfana	11.11	10.6	8.76	9.6	9.7	10.95	4.99	1.53	0.16	0.11	0.25	0.5	0.57	1.23	0.79	0.90
Trebal-Mapocho	6.43	6.31	3.5	6.13	5.96	5.5	0.19	2.19	N/I	0	0	0	1.04	0.95	2.3	0.62
Total	17.53	16.91	12.26	15.73	15.66	16.45	5.19	3.72	0.16	2.17	0.25	0.5	1.61	2.17	3.09	1.52

Note: The perimeter of coverage for the Mapocho-Trebal Biofactory and La Farfana Biofactory.

Regarding NOx emissions, an increase is observed in both biofactories during 2019. In the case of La Farfana, it is related to the increase in the hours of operation of boiler 4039, while in Mapocho-Trebal it is related to the increase in the hours of operation of the steam boiler (Loos) and the PR 12998 and PR 12997 generators (cogeneration engines 1 and 2). In the overall analysis, NOx emissions are lower than 2016 and 2017, as a result of the renewal of the catalysts associated to the cogeneration system.

The SOx emissions present a decrease in La Farfana biofactory compared to 2018, associated to a decrease in the 4041 boiler. In Mapocho-Trebal, a smaller increase in this type of emissions can be seen, which is associated to an increase in the hours of operation of fixed sources.

Regarding the VOC measured at the La Farfana biofactory, an increase has been recorded which is related to the operation of boiler 4039.

Finally, regarding MP emissions, similar behavior to previous years is observed at La Farfana, while at Mapocho-Trebal there is a decrease associated with the PR 12996 generator (cogeneration engine 3), which has been out of operation for some time (therefore, the data does not include this measurement).



Effluents and residues

306-1 ODS 6

WATER DISCHARGE ACCORDING TO ITS QUALITY AND DESTINATION

SCHEDULED AND UNSCHEDULED DISCHARGES 2019

DISCHARGES	AMOUNT (m ³)	SCHEDULED/UNSCHEDULED	DESTINATION	TREATMENT METHOD	QUALITY OF WATER	USED PARAMETER
Mapocho-Trebal	225,252,919	Scheduled	Mapocho River	Activated sludges	Treated water in wastewater plants	DS90
Mapocho-Trebal	1,763,850	Unscheduled	Mapocho River	Untreated	Raw water	by-pass during the rainy season
La Farfana	277,827,022	Scheduled	Mapocho River	Activated sludges	Treated water in wastewater plants	DS90
La Farfana	1,090,543	Unscheduled	Mapocho River	Untreated	Raw water	by-pass during the rainy season
La Farfana	37,179,734	Scheduled	Canal Association	Activated sludges	Treated water in wastewater plants	DS90
Localities	27,555,492	Scheduled	Destination vary according locality	Vary according plant	Treated water in wastewater plants	DS90
Localities	9,082	Unscheduled	Destination vary according locality	Untreated	Raw water	by-pass during the rainy season

2016*	2017				2018				2019			
AGUAS ANDINAS AND REGULATED SUBSIDIARIES METROPOLITAN REGION	AGUAS ANDINAS AND REGULATED SUBSIDIARIES METROPOLITAN REGION	ESSAL	ECORILES	AGUAS ANDINAS AND REGULATED SUBSIDIARIES METROPOLITAN REGION	ESSAL	ECORILES	AGUAS ANDINAS AND REGULATED SUBSIDIARIES METROPOLITAN REGION	ESSAL	ECORILES	AGUAS ANDINAS AND REGULATED SUBSIDIARIES METROPOLITAN REGION	ESSAL	
Discharges	m³	m³	m³	m³	m³	m³	m³	m³	m³	m³	m³	
Scheduled	536,305,480	536,623,153	62,006,003	11,601,534	570,292,598	65,016,486	17,371,163	530,635,433	67,634,054	26,147,643		
Unscheduled	11,511,831	11,604,630	537,695	0	5,546,632	3,985,590	0	2,863,475	5,346,072	0		
Total	547,817,311	548,227,783	62,543,698	11,601,534	575,839,230	69,002,076	17,371,163	533,498,908	72,980,126	26,147,643		

*The detail of scheduled and unscheduled discharges for ESSAL and EcoRiles during 2016 has not been lifted.

For the preparation of this Integrated Report, the most updated GRI 303 "Water and Effluent" standard was considered, corresponding to its version in 2018. However, for reasons of comparability of the information regarding previous years, contents 306-1 and 306-5 of GRI 306 "Effluents and waste" standard, and previous contents of standard 303 were also included and verified. The delivery of future information will be done only in the most updated version of GRI Standards for both cases.

Regarding EcoRiles' operations, these only consider scheduled discharges, established by an operation contract with the respective industrial customers. Unscheduled discharges by customers cannot be quantified by EcoRiles and its management. The role that EcoRiles plays in the treatment process, as a strategic partner of its customers, is to ensure the regulatory compliance of their liquid industrial waste discharges, through a correct treatment of them, using the infrastructure of each customer. The liquid industrial wastes are discharged to the different receiving bodies, according to the resolutions that each customer has, according to DS 90 and/or discharges to the sewage system according to DS 609. The quantification of the discharges is informed in due time to each customer, who is responsible for making the declaration to the corresponding sanitary authority.

Effluents and residues

306-2 ODS 12

WASTE BY TYPE AND ELIMINATION METHOD

The information for 2019 corresponds to all hazardous waste produced in Aguas Andinas and is consistent with a plan to register all hazardous waste in the Hazardous Waste System (SIDREP) during 2019. The SIDREP is an official digital system of the Chilean Government.

Hazardous waste (Ton.)	2016	2017	2018	2019
Regulated company of Metropolitan Region*	79	160	112	553
ESSAL**	1	10	15.5	396.7
ANAM	10	13	15.5	19.2
Total	90	183	143	968.9

* Considers hazardous waste from the Mapocho-Trebal and La Farfana wastewater treatment plants (WWTP), Maintenance, ACAL, WWTP, Operation plants and corporate building.

** 100% of ESSAL's hazardous waste went to a hazardous waste landfill. ESSAL 2019: 27.8 Contingency Caipulli: 368.9 EcoRiles does not generate hazardous waste.

Waste by disposal type regulated companies in the Metropolitan Region (t)	2016	2017	2018	2019
Reused sludges (agriculture)	132,980	113,502	159,479	217,650
Non-hazardous final disposal	192,473	225,545	178,623	98,401
Reused oils	15	13	19	29
Hazardous final disposal	64	147	93	524
Construction and Works Surplus				274,787
Household and assimilated waste				325
Total	325,532	339,207	338,214	591,716

VOLUME (T) AND DESTINATION OF BIOSOLIDS

DESTINATION	2016	2017	2018	2019
Landfill	67,383	89,495	35,543	0
El Ratal	103,079	108,545	108,255	75,059
Agricultural reuse	132,980	113,502	159,479	217,650
Codigestion	0	0	7,270	23,179
Total	303,442	311,542	310,547	315,887

306-3

ODS 6

SIGNIFICANT SPILLAGES

During 2019 there were 2 significant spills in Aguas Andinas S.A.

1. Oil Spill: There was an oil spill on the soil and in the groundwater in Melipilla wastewater treatment Plant. The volume of the spill corresponds to 1,100 liters. 380.8 tons of soil with oil and 6.4 m³ water with oil were removed.
2. Ferric Chloride Spill: A spill of ferric chloride occurred in the soil of Talagante wastewater treatment Plant. The volume of the spill corresponds to approximately 40 liters of ferric chloride, removing 30.4 tons of soil with chloride.

During 2019 there was 1 significant spill in ESSAL

At the Caipulli wastewater treatment Plant, in Osorno, a spill of 915 liters of oil occurred, of which: 713 liters were left in the pumping bilge and 202 liters were spilled to the environment. Of those, 100 liters were removed from the soil and 102 liters reached the channel of Rahue river in Osorno.

306-4

TRANSPORTATION OF HAZARDOUS WASTE

TRANSPORTATION OF HAZARDOUS WASTE	TON 2017	TON 2018	TON 2019
Hazardous waste transported	160	112	553
Imported Hazardous Waste	0	0	0
Exported Hazardous Waste	0	0	0
Treated Hazardous Waste	160	112	553
Percentage of hazardous waste transported to other countries	0	0	0



Environmental compliance (regulatory)

307-1 ODS 3, 6

NON-COMPLIANCE WITH ENVIRONMENTAL LEGISLATION AND REGULATIONS

As a provider of public sanitary services, the objective of the Aguas Group is to guarantee and permanently control the quality of the potable water it supplies to its customers in accordance with current standards. To this end, it carries out monitoring and analysis, whose results are sent monthly to the Superintendence of Sanitary Services in a report summarizing the results obtained, and the same goes for the Sanitary Authority, the SEREMI de Salud.

In potable water supply, the requirements of Nch409 are met in parts 1 and 2, which include quality and sampling requirements respectively, and in terms of discharges to water courses from biofactories and wastewater treatment plants, the current regulation is DS90.

The specific events of non-compliance with drinking water quality, which were restored to normal in a maximum of 24 hours once the information was collected, are described below by parameter:

Aguas Andinas

- Turbidity, occurring within the frame of networks and/or matrix breaks in Gran Santiago service on January, March, September and October.
- Fluorine, overdose due to miscalibration/system failure:
 - February in Gran Santiago service
 - March San Gabriel service

DRINKING WATER SUPPLY QUALITY COMPLIANCE

CATEGORY	AGUAS ANDINAS				AGUAS CORDILLERA				AGUAS MANQUEHUE				ESSAL			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Bacteriology	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Turbidity	100%	100%	99.6%	98.25%	100%	100%	100%	100%	100%	100%	100%	100%	99.6%	97.5%	100%	100%
Free residual chlorine	100%	100%	99.6%	100%	100%	100%	100%	100%	100%	98.3%	100%	98.3%	100%	100%	100%	100%
Critical parameters	100%	100%	97.81%	100%	100%	100%	100%	95.8%	100%	100%	100%	98.3%	100%	99.8%	100%	100%
Non-critical parameters	98.25%	98.25%	100%	97.81%	100%	91.7%	100%	100%	98.3%	100%	95%	100%	99.6%	99.8%	100%	100%
Summary	99.65%	99.65%	99.39%	99.21%	100%	98.33%	100%	99.17%	99.7%	99.7%	99.00%	99.33%	99.8%	99.%,	100%	100%

- April Buin Paine Linderos Maipo services and San José de Maipo
- November Curacaví service.

Aguas Cordillera

- Iron, two specific events occurred due to maneuvers/movements in networks in November in Los Dominicos service.

Aguas Manquehue

- Residual free chlorine, overdose due to decalibration/systems failure in April in Alto Lampa service.
- Arsenic, in December in Alto Lampa service, saturation of the adsorbent medium is detected. Its replacement was defined in the first quarter 2020.

Regarding sewage, in order to address the problem of non-compliance with nitrogen concentrations in treated water discharges, the company is executing an investment plan with a total budget of \$33,336 million. This amount is disaggregated into the nitrogen treatment works being carried out at the Mapocho-Trebal biofactory, which total amounted to \$19,908 million (\$2,499 million executed in 2019), and the nitrate treatment works being carried out at the La Farfana biofactory for a total of \$13,428 million (\$3,088 million executed during the period).

NON-COMPLIANCE WITH SEWAGE DISCHARGES

	PARAMETER	AMOUNT 2017	AMOUNT 2018	AMOUNT 2019
Aguas Andinas and subsidiaries Metropolitan Region	Fecal coliforms	10	13	9
	Free chlorine	1	0	0
	DBO ₅	4	9	8
	DBO _{5c5}	0	2	3
	Total Kjeldahl nitrogen	3	184	317
	Total Suspended Solids	5	0	2
ESSAL	Fecal coliforms	190	224	138
	Biochemical Oxygen Demand	31	19	21
	Total Kjeldahl nitrogen	10	2	0
	Phosphorus (P)	1	8	1
	Total Suspended Solids	9	9	9
	Methane trichloride	1	0	1

Health and safety at work

403-9 WORK-RELATED INJURIES

403-10 OCCUPATIONAL ILLNESSES AND DISEASES

ODS 8

ACCIDENT RATE (TA)			
COMPANY	2017	2018	2019
Aguas Andinas	0.72	0.55	0.55
Aguas Cordillera	0.00	2.40	1.62
Aguas Manquehue	0.00	0.00	0.00
ESSAL	1.08	0.53	0.00
EcoRiles	0.00	0.00	0.00
G&S	0.00	0.00	2.93
Anam	0.44	0.43	1.20
Aguas del Maipo	0.00	0.00	0.00
Total	0.63	0.58	0.57

LOST DAYS RATE (TDP)			
COMPANY	2017	2018	2019
Aguas Andinas	16.01	4.57	10.77
Aguas Cordillera	0.00	37.50	12.15
Aguas Manquehue	0.00	0.00	0.00
ESSAL	34.97	18.79	0.00
EcoRiles	0.00	0.00	0
G&S	0.00	0.00	64.39
Anam	3.06	0.85	24.08
Aguas del Maipo	0.00	0.00	0.00
Total	15.19	8.16	10.08

OWN WORKERS	2017		2018		2019	
	MAN	WOMAN	MAN	WOMAN	MAN	WOMAN
Lost Time Accidents (CTP)	13	0	11	1	12	0
Fatal accidents	0	0	0	0	0	0
Days lost due to accident	315	0	167	3	214	0
Days lost due to occupational disease	0	0	0	0	0	0
Days of absence due to other types of disability	0	0	0	0	0	0
Frequency of Occupational Diseases	0	0	0	0	0	0
Endowment (annual average)	2,074		2,084		2,124	
Worked Hours (HH)	4,187,918		4,253,012		4,328,749	

OWN WORKERS	2017		2018		2019	
	MAN	WOMAN	MAN	WOMAN	MAN	WOMAN
Accident Frequency Rate (TF)	3.104	0	2.586	0.235	2.772	0
Occupational Disease Incidence Rate (TI)	0	0	0	0	0	0
Lost Days Rate (TDP) (TG)	0.075	0	0.039	0.001	0.05	0
Absenteeism (days)*	315	0	167	3	214	0
Absenteeism Rate (TAS)	0	0	0	0	0	0

CONTRACTOR WORKERS	2018		2019	
	MAN	WOMAN	MAN	WOMAN
Lost Time Accidents (CTP)	37	0	38	0
Fatal accidents	0	0	1	0
Days lost due to accident	412	0	246	0
Days lost due to occupational disease	0	0	0	0
Days of absence due to other types of disability	0	0	0	0
Frequency of Occupational Diseases	0	0	0	0
Endowment (annual average)	1,979		1,969	
Worked Hours (HH)	4,330,826		4,265,290	

CONTRACTOR WORKERS	2018		2019	
	MAN	WOMAN	MAN	WOMAN
Accident Frequency Rate (TF)	8.543	0.000	8.91	0
Occupational Disease Incidence Rate (TI)	0	0	0	0
Lost Days Rate (TDP) (TG)	0.095	0.000	0.06	0
Absenteeism (days)*	412	0	246	0
Absenteeism Rate (TAS)	0	0	0	0

* This report considers those contracts of a permanent nature, equivalent to an average of 50 companies.



Health and safety at work

403-2

HAZARDS IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

WORKER TYPE	RISK OR DISEASE TO WHICH HE/SHE IS EXPOSED
Potable Water Plant Operator	Exposure to chemical agents, work in confined spaces and work at heights.
Analyst/laboratory assistant	Exposure to chemical agents, work in confined spaces and work at heights.
Equipment Maintainer	Contact with chemical products, entrapment, contact with energy sources, entry into confined spaces and work at heights, transportation on public roads.
Potable Water Transportation Operator	Exposure to chemical agents, transportation on public roads, entry into confined spaces and work at heights.
Wastewater Treatment Plant Operator / Samplers / LIW	Exposure to chemical and biological agents, entrapment, entry into confined spaces, work at heights and exposure to noise.
Wastewater Network Maintenance Operator	Entry into confined spaces, work on public roads, exposure to noise, contact with biological agents.

403-4

PARTICIPATION OF WORKERS, CONSULTATIONS AND COMMUNICATION ON HEALTH AND SAFETY AT WORK

COLLECTIVE AGREEMENT	DESCRIPTION
Health Bonuses	There is a Complementary Health and Dental Insurance for all the workers of Aguas Group and a Catastrophic Insurance for the workers of Aguas Cordillera and Manquehue.
Medical Guarantee and Loan Fund (HSF)	Aguas Andinas' unionized workers have a Health Solidarity Fund, which pays for 100% of the total cost of the service. The fund recovers the cost through the Isapre or Fonasa and the complementary health insurance, and the co-payment is subsequently deducted monthly from each worker's salary.
Health Commission	This commission is responsible for ensuring the proper management of financial resources and the service provided by the Medical Guarantee and Loan Fund, must approve the annual balance sheets of the HSF, ensuring that the health accident rate is kept at reasonable levels for the long-term sustainability of the HSF.
Occupational safety	The collective agreement mentions "Safety Clothing", indicating strict compliance with "Safety Clothing and Footwear Regulations".
Supplies of personal protective equipment (PPE)	The company provides all personal protection elements according to each worker's position, such as gloves, glasses, helmet, goggles, sunscreen, and disinfectant soap.
Complementary subsidy	Aguas Andinas pays or supplements the subsidy for incapacity for work, for a common or occupational accident or disease, or for maternity, for the net part not covered by the subsidy, either because the license is less than 11 days (first 3 days), or because the remuneration exceeds the maximum taxable remuneration.



Training and education

404-1 ODS 4

AVERAGE HOURS OF TRAINING PER YEAR BY EMPLOYEE

2019			AGUAS ANDINAS, AGUAS CORDILLERA AND AGUAS MANQUEHUE			ECORILES, GESTIÓN Y SERVICIOS Y ANAM			ESSAL		
CATEGORY	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING		
Executives	65	3,829	59	8	381	48	2	88	44		
Headship	100	5,860	59	17	642	38	24	147	6		
Professional	446	28,678	64	152	7,343	48	58	829	14		
Technician	254	16,510	65	140	6,032	43	36	584	16		
Administrative staff	40	2,869	72	19	601	32	21	192	9		
Operator	307	24,697	80	183	5,179	28	136	2,154	16		
Total	1,212	82,442	68	519	20,177	39	277	3,994	14		

2019			AGUAS ANDINAS, AGUAS CORDILLERA AND AGUAS MANQUEHUE			ECORILES, GESTIÓN Y SERVICIOS Y ANAM			ESSAL		
SEX	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING		
Man	938	61,243	65	406	15,635	39	240	3,532	15		
Woman	274	21,199	77	113	4,542	40	37	462	12		
Total	1,212	82,442	68	519	20,177	39	277	3,994	14		

2018			AGUAS ANDINAS, AGUAS CORDILLERA AND AGUAS MANQUEHUE			ECORILES, GESTIÓN Y SERVICIOS Y ANAM			ESSAL		
CATEGORY	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING		
Executives	68	6,116	90	7	971	139	8	24	3		
Headship	102	6,400	63	16	1,893	118	41	1,784	44		
Professional	456	29,437	65	147	8,269	56	132	2,628	20		
Technician	261	14,519	56	144	4,875	34	49	444	9		
Administrative staff	44	2,876	65	17	955	56	53	418	8		
Operator	307	33,966	111	163	7,084	43	112	2,856	26		
Total	1,238	93,314	75	494	24,047	49	395	8,154	21		

2018			AGUAS ANDINAS, AGUAS CORDILLERA AND AGUAS MANQUEHUE			ECORILES, GESTIÓN Y SERVICIOS Y ANAM			ESSAL		
SEX	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING		
Man	955	72,595	76	384	18,366	48	82	1,560	19		
Woman	283	20,718	73	110	5,681	52	313	6,594	21		
Total	1,238	93,313	75	494	24,047	49	395	8,154	21		

Training and education

ODS 4

2017	AGUAS ANDINAS, AGUAS CORDILLERA AND AGUAS MANQUEHUE			ECORILES, GESTIÓN Y SERVICIOS Y ANAM				ESSAL		
CATEGORY	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	
Executives	76	5,874	77	8	422	53	7	124	18	
Headship	100	9,666	97	13	2,697	207	39	972	25	
Professional	460	33,857	74	127	9,984	79	112	1,700	15	
Technician	266	9,303	35	133	3,351	25	45	768	17	
Administrative staff	54	2,500	46	12	636	53	52	3,540	68	
Operator	304	7,353	24	142	921	6	112	1,984	18	
Total	1,260	68,553	54	435	18,011	41	367	9,088	25	

2017	AGUAS ANDINAS, AGUAS CORDILLERA AND AGUAS MANQUEHUE			ECORILES, GESTIÓN Y SERVICIOS Y ANAM				ESSAL		
SEX	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	Nº OF WORKERS	Nº OF TRAINING HOURS	AVERAGE HOURS OF TRAINING	
Man	971	48,258	50	350	11,198	32	291	5,758	20	
Woman	289	20,296	70	85	6,813	80	76	3,330	44	
Total	1,260	68,554	54	435	18,011	41	367	9,088	25	

404-2

PROGRAMS TO IMPROVE EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS

	2016						2017						2018						2019						2019										
	AGUAS ANDINAS, AGUAS CORDILLERA AND AGUAS MANQUEHUE			ANAM, ECORILES, GESTIÓN Y SERVICIOS			ESSAL			AGUAS ANDINAS, AGUAS CORDILLERA AND AGUAS MANQUEHUE			ANAM, ECORILES, GESTIÓN Y SERVICIOS			ESSAL			AGUAS ANDINAS, AGUAS CORDILLERA AND AGUAS MANQUEHUE			ANAM, ECORILES, GESTIÓN Y SERVICIOS			ESSAL			AGUAS ANDINAS, AGUAS CORDILLERA AND AGUAS MANQUEHUE			ANAM, ECORILES, GESTIÓN Y SERVICIOS			ESSAL	
TRAINING PROGRAM	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL	NO. OF BENEFICIARIES	% OF BENEFICIARIES REGARDING TOTAL			
Of quality	100	8%	18	4%	100	8%	121	10%	44	10%	42	11%	34	3%	9	2%	67	17%	17	1.40%	4	0.77%	13	3%											
Various training	561	46%	92	21%	561	46%	454	36%	95	22%	48	13%	47	4%	20	4%	141	36%	37	3.05%	3	0.58%	9	2%											
Soft skills	546	45%	201	47%	546	45%	434	34%	110	25%	105	28%	214	17%	11	2%	17	4%	104	8.58%	0	0%	5	1%											
Languages	118	10%	30	7%	118	10%	116	9%	33	8%	2	1%	60	5%	18	4%	0	0%	78	6.44%	5	0.96%	0	0%											
Labor Risks	836	68%	40	9%	836	68%	1,418	113%	10	2%	122	33%	515	42%	55	11%	47	12%	655	54.04%	2	0.39%	197	49%											
About the Company's own activity	752	61%	89	21%	752	61%	505	40%	46	11%	118	32%	4,156	336%	1,360	275%	36	9%	2,144	176.90%	756	145.66%	48	12%											
Environment	103	8%	34	8%	103	8%	72	6%	6	1%	25	7%	339	27%	4	1%	29	7%	63	5.20%	6	1.16%	5	1%											
Others	5	0%	1	0%	5	0%	458	36%	193	44%	0%	0%	1,272	103%	390	79%	0	0%	235	19.39%	12	2.31%	0	0%											
Coaching/mentoring program	10	1%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	5	0.41%	0	0%	0	0%											

Diversity and equal opportunities

405-1

ODS 5, 8

DIVERSITY IN GOVERNING BODIES AND EMPLOYEES

GENDER	2016				2017				2018				2019					
		Nº	%		Nº	%		Nº	%		Nº	%		Nº	%		Nº	%
CATEGORY																		
Executives	72	85%	13	15%	78	86%	13	14%	72	88%	10	12%	71	85%	13	15%		
Headship	114	75%	39	25%	122	79%	33	21%	123	77%	36	23%	124	78%	36	23%		
Professional	441	67%	213	33%	456	65%	250	35%	469	64%	263	36%	469	64%	261	36%		
Technician	361	80%	91	20%	369	80%	93	20%	372	79%	96	21%	370	80%	91	20%		
Administrative staff	59	47%	67	53%	53	44%	67	56%	48	44%	61	56%	49	45%	60	55%		
Operator	550	99%	7	1%	563	99%	6	1%	560	99%	7	1%	585	99%	8	1%		
Sub-total	1,597	79%	430	21%	1,641	78%	462	22%	1,644	78%	473	22%	1,668	78%	469	22%		
Total	2,027				2,103				2,117				2,137					

OTHER GROUPS	2016				2017				2018				2019					
		Nº	%		Nº	%		Nº	%		Nº	%		Nº	%		Nº	%
Disabled	No data	-	13	68%	6	32%	15	65%										
Foreigners	24	71%	10	29%	38	73%	14	27%	48	73%	18	27%	67	78%	19	22%		

AGE GROUP	2016						2017						2018						2019							
	LESS THAN 30		BETWEEN 30 AND 50		MORE THAN 50		LESS THAN 30		BETWEEN 30 AND 50		MORE THAN 50		LESS THAN 30		BETWEEN 30 AND 50		MORE THAN 50		LESS THAN 30		BETWEEN 30 AND 50		MORE THAN 50			
Category	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%	Nº	%
Executives	0	0%	49	58%	36	42%	0	0%	54	59%	37	41%	0	0%	48	59%	34	41%	0	0%	48	57%	36	43%		
Headship	2	1%	108	70%	45	20%	4	3%	106	68%	45	29%	5	3%	101	64%	53	33%	3	2%	107	67%	50	31%		
Professional	71	11%	457	69%	132	20%	84	12%	488	69%	134	19%	86	12%	505	69%	141	19%	77	11%	530	73%	123	17%		
Technician	102	23%	233	52%	117	26%	86	19%	246	53%	130	28%	79	17%	258	55%	131	28%	67	15%	274	59%	120	26%		
Administrative staff	8	6%	68	54%	51	40%	8	7%	65	54%	47	39%	12	11%	50	46%	47	43%	6	6%	58	53%	45	41%		
Operator	103	18%	324	58%	135	24%	106	19%	324	57%	139	24%	100	18%	330	58%	137	24%	97	16%	365	62%	131	22%		
Sub-total	286	14%	1,239	61%	516	25%	288	14%	1,283	61%	532	25%	282	13%	1,292	61%	543	26%	250	12%	1,382	65%	505	24%		
Total	2,041						2,103						2,117						2,137							



Diversity and equal opportunities

405-2

RATIO OF BASE SALARY AND REMUNERATION OF WOMEN VS. MEN

PERCENTAGE OF WOMEN'S SALARY IN RELATION TO MEN'S SALARY IN REGULATED AND NON-REGULATED COMPANIES IN THE METROPOLITAN REGION

CATEGORY	2016	2017	2018	2019
	% WOMEN'S SALARY IN RELATION TO MEN'S SALARY	% WOMEN'S SALARY IN RELATION TO MEN'S SALARY	% WOMEN'S SALARY IN RELATION TO MEN'S SALARY	% WOMEN'S SALARY IN RELATION TO MEN'S SALARY
Executives	84%	85%	94%	90%
Headship	87%	89%	88%	89%
Professional	84%	83%	83%	85%
Technician	78%	75%	83%	83%
Administrative staff	120%	127%	119%	114%
Operator	96%	109%	114%	113%
Total	88%	89%	93%	102%

PERCENTAGE OF WOMEN'S SALARY IN RELATION TO MEN'S SALARY IN ESSAL

CATEGORY	2016	2017	2018	2019
	% WOMEN'S SALARY IN RELATION TO MEN'S SALARY	% WOMEN'S SALARY IN RELATION TO MEN'S SALARY	% WOMEN'S SALARY IN RELATION TO MEN'S SALARY	% WOMEN'S SALARY IN RELATION TO MEN'S SALARY
Headship	74%	67%	71%	78%
Professional	73%	73%	76%	76%
Technician	82%	100%	97%	84%
Administrative staff	88	90%	88%	84%
Operator	(a)	(a)	95%	(a)
Total	88%	87%	97%	101%

(a) In ESSAL during 2016, 2017 and 2019 there were no female operators.

The proportion of women remuneration compared to men in ESSAL is higher than 100 because the staff of operators (28% of the total workforce) is made up only by men and, in turn, corresponds to the lowest average remuneration, which results in a male average salary, lower than feminine.

Security practices

410-1

SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES

The company gave all workers a Practical Guide to Integrity and Compliance that aims to be an educational and simple document of guidance on issues such as ethics, anti-corruption and human rights. In addition to this activity, no specific actions have been carried out for security personnel in this area.



Evaluation of human rights

412-1

ODS 16

OPERATIONS SUBMITTED TO REVIEWS OR IMPACT EVALUATION ON HUMAN RIGHTS

The company carried out due diligence with the support of an external consultant, to evaluate all of the organization's processes in 100% of its operation, that is, for Aguas Andinas and its regulated and unregulated subsidiaries. This survey identified 12 processes or operations in which there is a potential risk of impact on Human Rights.

Since some of these processes are associated with more than one risk, the assessments were made from different perspectives.

The 12 processes evaluated were the following:

- Surface Collection
- Underground Collection
- Surface/Underground Collection
- Commercial Cycle
- Purchases and Contracts
- Potable Water Distribution
- Biosolids Management
- People Management
- Underground Production
- Protection of information assets
- Collection
- Occupational Safety

Regarding the evaluation carried out in Essal, this was done in an independent matrix, where 12 processes or operations were also evaluated.

With respect to the Action or Mitigation Plans raised in the human rights due diligence process, these were classified into 7 pillars evaluated in this area:

1. Context Identification
2. Commitment Definition
3. Impact and Risk Evaluation
4. Integration in the systems
5. Monitoring and Reporting
6. Repair
7. Communication

For each of these points, both the company's strengths and action plans were raised, several of which have already been implemented.

Among the remedial measures taken by the company are the following:

- The Human Rights Policy was incorporated as an explicit reference in other Company Policies and Procedures.
- The "Violation of Human Rights Policy" was included as a reportable type in the Company's Complaints Channel.
- The Human Rights Policy and its eventual infraction was incorporated as a reportable type in the Complaints, Investigations and Sanctions Procedure.
- The Human Rights Policy continues to be part of the Training Plan of the Compliance area.
- Regarding the diffusion of the Complaints Channel, work continued on it through face-to-face training and an e-learning system.

412-2

ODS 16

TRAINING OF EMPLOYEES IN HUMAN RIGHTS POLICIES OR PROCEDURES

Regarding the training of employees in human rights policies or procedures, the due diligence process considered as part of the National Action Plan for Human Rights and Companies (PAN), began with an awareness raising made for the executive team of Aguas Andinas, considering the Chairman of the Board, CEO and the Directors of each of the company's areas. This awareness raising included the standardization of fundamental concepts and definitions with respect to the Guiding Principles on Companies and Human Rights, a description of the human rights context, and international guidelines on the subject.

Regarding the Compliance action plans for 2019, we carried out communication and training on the human rights policy and the complaints channel



Local communities

413-2

ODS 3

OPERATIONS WITH SIGNIFICANT NEGATIVE IMPACTS - ACTUAL AND POTENTIAL - ON LOCAL COMMUNITIES

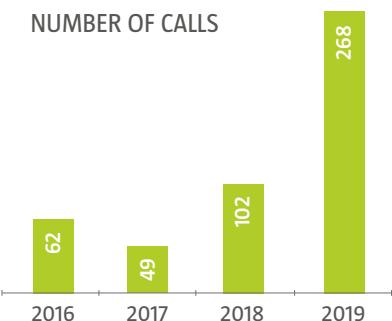
The free telephone line Aló Vecino 800 38 03 03, is the mechanism that the communities close to the Biofactories of the Great Santiago and the Center of Management of Biosolids - CGB- of El Rutal, have to record the perception of odors associated with the processes of the company. This is a free line, which is operated by Aguas Andinas contact center.

Likewise, and by entering the calls, field visits are made to determine the intensity, origin and source of the odors, indicating whether these are the responsibility of the company or of third parties.

The complaints made by the neighbors allow for checks and operational changes to minimize odor, implementing deodorization systems or modifications to the operational instructions of the Biofactories and CGB El Rutal.

During 2019, there was an increase in calls compared to 2018.

CENTER	2016	2017	2018	2019
La Farfana	27	13	26	210
Mapocho-Trebal	4	4	9	13
El Rutal	31	32	67	45
Total annual calls	62	49	102	268



The main increase was registered in La Farfana and is related to claims associated with bad odors, mostly caused by an operational failure in the sludge line of the facilities by the end of the year. The Company addressed the problem through its relationship area community, making visits to neighbors to explain the situation and instructing technical teams to find alternative solutions that allow to minimize these impacts in the future.



Other indicators

401-1

ODS 8

NEW CONTRACTS OF EMPLOYEES AND STAFF TURNOVER

NEW CONTRACTS

	2016		2017		2018		2019		
	Nº	%	Nº	%	Nº	%	Nº	%	
Sex	Man	174	10.5	213	12.3	175	8.3%	200	9.4%
	Woman	46	2.8	64	3.7	58	2.7%	55	2.6%
	Total	220	13.3	277	16	233	11.0%	255	11.9%
Ages	Less than 30	98	5.9	128	7.4	104	4.9%	108	5.1%
	Between 30 and 50	115	6.9	134	7.7	122	5.8%	141	6.6%
	More than 50	7	0.4	15	0.9	7	0.3%	6	0.3%
	Total	220	13.3	277	16	233	11.0%	255	11.9%

TURNOVER (LEFT THE ORGANIZATION)

	2016		2017		2018		2019		
	Nº	%	Nº	%	Nº	%	Nº	%	
Sex	Man	134	8.1	160	9.2	186	8.8%	176	8.2%
	Woman	28	1.7	40	2.3	51	2.4%	60	2.8%
	Total	162	9.8	200	11.5	237	11.2%	236	11.0%
Ages	Less than 30	38	2.3	62	3.6	51	2.4%	63	2.9%
	Between 30 and 50	74	4.5	101	5.8	131	6.2%	130	6.1%
	More than 50	50	3	37	2.1	55	2.6%	43	2.0%
	Total	162	9.8	200	11.5	237	11.2%	236	11.0%



Other indicators

201-1 GENERATED AND DISTRIBUTED DIRECT ECONOMIC VALUE

ODS 8

GENERATED AND DISTRIBUTED ECONOMIC VALUE BY AGUAS ANDINAS AND SUBSIDIARIES (in thousand pesos)

	2016	2017	2018	2019	%
Created Economic Value	513,321,130	518,201,829	535,136,387	564,683,290	5.5%
1. Ordinary activities revenues	492,249,645	509,540,577	530,404,680	544,683,867	2.7%
2. Other Revenues	14,597,521	2,608,255	-1,124,474	14,232,177	1365.7%
3. Financial Revenues	6,473,964	6,052,997	5,856,180	5,767,246	-1.5%
Distributed Economic Value	441,229,089	457,078,271	474,493,305	509,993,317	7.5%
1. Operative costs	147,114,359	155,387,319	161,587,558	184,922,472	14.4%
1.1 Consumption of raw and secondary materials	33,442,759	34,924,848	39,229,232	46,147,628	17.6%
1.2 Other expense by nature	113,671,600	120,462,471	122,358,326	138,774,844	13.4%
2. Wages and social benefits for employees	53,621,906	55,548,304	59,153,387	59,771,461	1.0%
3. Payment to Capital Providers	181,921,323	184,520,348	196,335,598	191,737,154	-2.3%
3.1 Financial Costs	27,117,541	31,112,258	29,996,785	30,313,017	1.1%
3.2 Dividend Payment ⁶	134,644,071	141,462,187	143,316,076	137,895,033	-3.8%
3.3 Results by adjustment units	20,159,711	11,945,903	23,022,737	23,529,104	2.2%
4. Payment to Governance⁷	57,241,150	60,548,290	56,675,450	72,098,538	27.2%
5. Investment in the community (donations)⁸	1,330,350	1,074,010	741,311	1,463,693	97.4%
Retained Economic Value	72,092,042	61,123,558	60,643,082	54,689,973	-9.8%

6. Corresponds to dividends paid to third parties during the period.

7. Includes provisional monthly payments (PPM), fines paid, municipal patents, contributions and additional tax.

8. Incorporates expenses and investments associated with community relations, awareness raising and donations.

FINANCIAL SUMMARY (in million pesos)

AS OF DECEMBER 31	2015	2016	2017	2018	2019
Potable water income	180,937	190,400	195,091	208,467	212,039
Wastewater income	220,706	235,459	240,399	254,084	259,019
Other regulated incomes	18,015	17,161	18,408	17,130	17,739
Other non-regulated incomes	53,739	48,983	55,642	50,724	55,887
Total incomes	473,297	492,003	509,540	530,405	544,684
Operational result	214,232	224,504	224,211	234,196	223,738
Year's income	129,008	150,576	139,620	136,057	141,737
Total assets	1,691,198	1,771,819	1,796,880	1,906,052	2,001,444
Short-term liabilities	232,407	211,931	237,112	242,319	242,138
Long-term liabilities	787,200	873,006	866,469	976,742	1,071,833
Non-controlling interest	54,395	52,725	50,669	48,371	43,020
Equity attributable to the owners of the controller	617,196	634,157	642,631	638,621	644,453



OPERATIONAL BACKGROUND

AS OF DECEMBER 31	2015	2016	2017	2018	2019
Total potable water customers	2,149,673	2,213,869	2,259,245	2,316,107	2,366,009
Total wastewater collection customers	2,096,347	2,160,473	2,205,940	2,263,039	2,312,808
Total invoiced water (millions of m ³)	562.2	569.2	575	597.6	597.6
Invoiced wastewater collection (millions of m ³)	542.9	549.5	554.3	573.3	572.1
Wastewater treatment and disposal invoiced (millions of m ³)	473.7	480.2	484.3	499.2	498.1
Invoiced sewage interconnection (millions of m ³)	121.8	122.2	123.8	128.1	128.5
Total potable water coverage	100.0%	100.0%	100.0%	100.0%	100.0%
Total wastewater collection coverage	98.4%	98.4%	98.80.0%	98.8%	98.8%
Total wastewater treatment coverage	100.0%	100.0%	100.0%	100.0%	100.0%
Total employees	1,951	2,029	2,103	2,117	2,137

WATER FOOTPRINT

	2017	2018	2019	
HH total (m ³)	947,636,568	918,682,097	921,933,332	
	2017 (m ³)	2018 (m ³)	2019 (m ³)	
Supply	765,895,737	777,503,985	798,926,208	
Wastewater treatment	-544,775,994	-538,756,518	-536,361,449	
	Total	221,119,743	238,747,467	262,564,759
Supply	7,491,487	11,129,416	0	
Wastewater treatment	719,025,338	668,805,214	659,368,573	
	Total	726,516,825	679,934,630	659,368,573
	Not applicable	Not applicable	Not applicable	



BLUE Water Footprint

Related to consumptive use of fresh water (surface or groundwater)



GRAY Water Footprint

Related to quality



GREEN Water Footprint

Related to rainwater



Roadmap 2018-2022



1. BUSINESS MODEL

Commitment	Objective	Goals 2022	Base 2017			2018	2019	Observations	State
				
To be a profitable, responsible and transparent company.	To be an economically sustainable company.	Be in the top 20% of extra-financial ratings.	...	68%	...	81%	83%	The selected indicator is the Dow Jones Sustainability Index percentile.	✓
	To be leaders in good Corporate Governance.	100% compliance with the practices listed in the General Standard (NCG) No. 385	...	51%	...	65%	77%	Of the 99 practices covered by the NCG, 50 were implemented in 2017, 64 in 2018 and 76 in 2019.	✓
	Support the development of socially and environmentally responsible suppliers.	Working with a percentage of vulnerable suppliers in the area of sustainability < 5%.	...	N/A	...	N/A	N/A	In 2019, a questionnaire was applied to measure financial, social and environmental impact, which allowed suppliers to be classified according to progress in ASG matters. During 2020, gaps will be identified in order to formulate a development plan for these vulnerable suppliers.	✓
	Promote a business model responsible with the climate and with positive social impact.	Have 100% of contracts with internal carbon price (investments > 100,000 UF).	...	N/A	...	N/A	N/A	In 2019, a survey and diagnosis was carried out to establish the corporate climate change strategy, with the aim of identifying the bases for implementing the internal price of carbon.	✓
		Have 100% of investments with social impact analysis (investments > 100,000 UF).	...	N/A	...	N/A	N/A	The methodology for impact analysis is available, to be applied in those investments that meet the requirement.	✓
		Increase environmental services volume by 25% compared to 2017.	...	0%	...	1.42%	12.71%	The reported data corresponds to the increase in the volume of accumulated income since 2017.	✓





2. RESILIENCE

Commitment	Objective	Goals 2022	Base 2017			2018	2019	Observations	Status
			2017	2018	2019				
Guaranteeing supply in conditions of drought and climate change, preserving water as a source of life.	Implementing a climate change adaptation strategy by strengthening operational resilience.	Limit water losses in the network to 25.4%.	28.60%	28.60%	29.33%			Due to the state of the network, the greater investment in micro sectorization required and the innovation in leak detection, the company's Water Efficiency Plan has been modified, re-setting the goal for 2022 from 20.0% to 25.4%, losses under the sector average (28.7% according to the latest report of SISS).	
	Increase the hours of autonomy of the supply service to 34.		9	11	34			At the end of the year, the filling of Pirque tanks began, increasing the autonomy of the system to 34 hours.	
	Achieving a 0.9990 supply continuity index.	0.9951 Aguas Andinas 0.9971 Aguas Cordillera 0.9967 Aguas Manquehue	0.9982 Aguas Andinas 0.9987 Aguas Cordillera 0.9933 Aguas Manquehue	0.9992 Aguas Andinas 0.9990 Aguas Cordillera 0.9974 Aguas Manquehue				The official 2019 continuity data published by the regulatory body (SISS) are not available at the closing date of this Integrated Report, so those indicated in this table are those calculated internally. They will be replaced by the official ones in the next Report.	
	Protect and restore water-related ecosystems, including glaciers, mountains, wetlands, riverside woodland, rivers, aquifers and lakes.	Develop 3 projects of protection on strategic resources.	0	0	1			On October 15, the Santiago Maipo Water Fund was established as a public-private collaboration to help safeguard water security in Santiago and protect the Maipo River. Aguas Andinas participates in the Water Fund as a founding member and member of the Board of Directors.	
	Promote the use of alternative sources for uses that do not require potable water quality.	To promote 3 initiatives for the reuse of treated wastewater and gray water.	0	0	1			During the year, the reuse of treated water at La Farfana was started to supply 100 l/s to Angloamerican for its operations in Colina. At the same time, contacts were initiated with large consumers with the aim of developing other specific projects in the coming years.	
	Systematically propose climate change resilience plans to our customers.	Carry out 1 campaign per year on responsible use and leakage mitigation.	0	0	1			During the year, an intense campaign was carried out to raise awareness of water saving, as a result of extreme drought conditions, under the title #NoLaDejesCorrer	





3. DIGITALIZATION

Commitment	Objective	Goals 2022	Base 2017	2018	2019	Observations	Status
Accelerating the digital revolution at the service of Citizens, Operation and Internal culture.	<ul style="list-style-type: none"> Leading the digital connection with citizens. 	<ul style="list-style-type: none"> 13,000 smart customers (remote reading technology). 75% requirements solved digitally. 	<ul style="list-style-type: none"> 671 4,033 	<ul style="list-style-type: none"> 701 5,500 	<ul style="list-style-type: none"> 595 8,713 	<ul style="list-style-type: none"> The decrease corresponds to the termination of 2G coverage and the end of the communications contract. This decrease was damped by the incorporation of Itron Temetra devices integrated with Virtual Office. Radiofrequency devices integrated in the meter, corresponding to the Sensus Iperl (Static Technology) brand, were incorporated in the meter renovation plan. All Integrated with Virtual Office. 	
	<ul style="list-style-type: none"> Automating the operation. 	<ul style="list-style-type: none"> To achieve 96% of remote-controlled installations. 	88%	<ul style="list-style-type: none"> N/A 17% 	<ul style="list-style-type: none"> 20% 	<ul style="list-style-type: none"> At the end of 2019, there were 595,000 users created in a virtual office, almost twice than previous year. 15% of payments were made through virtual office and app (vs 12% of previous year). This year, emphasis has been placed on proactive digital communication with customers, with useful information for them and inviting them to use these channels. 	
	<ul style="list-style-type: none"> Implementing the internal culture AGUA 4.0. 	<ul style="list-style-type: none"> Implement 8 communities of practices. Incorporate Artificial Intelligence into 50 processes. Implementation of 20 initiatives with agile methodologies. 	<ul style="list-style-type: none"> 88% 0 0 	<ul style="list-style-type: none"> 89% 0 4 7 	<ul style="list-style-type: none"> 90% 2 5 7 	<ul style="list-style-type: none"> The renovation project of the Operating Control Center (CCO 2.0) is being implemented with an estimated budget of \$12,510 million pesos. During the second semester of 2019, 2 were implemented: Community of Practice of Architecture and Community of Practice of Agile Methodologies. In addition to the processes of the previous year, one has been added, factoring assignments. There has been no further implementation during the year. 	





4. CIRCULAR ECONOMY

Commitment	Objective	Goals 2022	Base 2017	2018	2019	Observations	Status
To lead the fight against climate change, contributing to the global objective of limiting global temperature increase to 1.5°C.	<ul style="list-style-type: none"> To achieve zero climate impact through the reduction of Greenhouse Gas emissions and Water Footprint. 	<ul style="list-style-type: none"> Reduce scope 1 and 2 CO₂ emissions by 17.7% and reduce scope 3 CO₂ emissions by 4.9% (target with base year 2017-2018). Mitigation of 23,000 TCO₂/year avoided to citizens in the target period. Water footprint reduction (2017 baseline calculation. 2018 targets to be set). 	<ul style="list-style-type: none"> 218,747 TCO₂ 22,314 TCO₂ 947,636,568 m³ 	<ul style="list-style-type: none"> 216,601 TCO₂ 19,882 TCO₂ 918,682,097 m³ 	<ul style="list-style-type: none"> 218,598 TCO₂ 17,928 TCO₂ 921,933,332 m³ 	<p>During 2019, the Science Based Targets Initiative (SBTi) approved reduction targets to 2030 scientifically based and ambition of 1.5. Approved targets: 54% reduction of CO₂ emissions for scope 1 and 2, and 16% reduction of CO₂ emissions for scope 3 by 2030 with base year 2017-2018. The increase in footprint in 2019 is basically due to the inclusion of new aspects not considered in previous reports (air travel, refrigerant gas emissions...). Excluding these aspects from the inventory, the carbon footprint would be 3% lower.</p> <p>The avoided emissions correspond to the sale of biogas and electric energy. Although they decreased by 10% regarding 2018 (due to the lower sale of biogas), the reduced emissions (internal use for heating sludge and use of cogenerated energy) increased in the same percentage (10%), resulting in the sum of both above the previous year (65,659 T in 2018 and 67,890 T in 2019).</p>	
	<ul style="list-style-type: none"> To achieve energy sustainability, reducing energy consumption in processes, self-generate renewable energy and maximize the renewable component in the energy matrix. 	<ul style="list-style-type: none"> Energy consumption per m³ invoiced less than 0.50 kWh. 10% increase in 5 years in the percentage of self-generated electrical energy with respect to the total consumed. 85% of electricity consumed coming from renewable sources. 	<ul style="list-style-type: none"> 0.51 kW/m³ 51.8 GWh 18% 	<ul style="list-style-type: none"> 0.51 kW/m³ 54.5 GWh 44% 	<ul style="list-style-type: none"> 0.55 kW/m³ 57.2 GWh 44% 	<p>The increase in the water footprint is due to higher electricity consumption (due to extreme drought conditions, which has forced greater use of wells) and an increase in the volume of water collected.</p> <p>During the year there has been an increase in energy intensity due to extreme drought conditions, which have forced the extraction of more water from wells, in view of the drastic decrease in the flow of rivers.</p> <p>Increase in cogeneration at the Mapocho-Trebal Biofactory.</p>	
	<ul style="list-style-type: none"> To achieve zero waste, favoring the reuse and valuation of waste that turn into secondary raw materials. 	<ul style="list-style-type: none"> To achieve that 0% of biosolids produced in the Metropolitan Region go to landfills. To achieve that 50% of the waste is recovered. Plastic Footprint Decrease (Baseline to be calculated in 2018). 	<ul style="list-style-type: none"> 29% N/A N/A 	<ul style="list-style-type: none"> 11% 44% N/A 	<ul style="list-style-type: none"> 0% 75% 120,105 kg 	<p>In 2019 the goal of 0 sludge to landfill was reached. 69% was destined to agricultural revaluation and already 7% was destined to co-digestion.</p> <p>During 2019, 75% of the waste was recovered, highlighting the shipment of 69% of the sludge to agricultural land and the valorization of 80% of the surplus from construction work.</p> <p>In 2019, the first measurement of the plastic footprint was made, with all potable water production plants, wastewater treatment plants and the corporate building being perimetered.</p>	





5. SOCIAL LEGITIMACY

Commitment	Objective	Goals 2022	Base 2017	2018	2019	Observations	Status
Increasing Stakeholder satisfaction with the company, reinforcing dialogue and promoting shared value.	<ul style="list-style-type: none"> Increase Stakeholder satisfaction with the company, keeping a proactive, permanent and regulated relationship. 	<ul style="list-style-type: none"> Increase the satisfaction index of the relationship with stakeholders (to be defined in 2018). 	N/A	N/A	N/A	<ul style="list-style-type: none"> No implementation of stakeholder satisfaction measurement in 2019. 	
	<ul style="list-style-type: none"> Strengthen the figure of Customer Counsel 	<ul style="list-style-type: none"> Obtain a 95% recommendation from people who go to the Customer Counsel. 	85%	93%	92%	<ul style="list-style-type: none"> The number of cases attended has increased significantly (from 212 in 2018 to 320 in 2019), with satisfaction falling from 93% to 92%. An action plan will be developed to improve the index with new volumes of requirements. 	
	<ul style="list-style-type: none"> Contribute to local development. 	<ul style="list-style-type: none"> Increase the number of contracts signed with local entrepreneurs and/or B corporations. 	N/A	93%	100%	<ul style="list-style-type: none"> All community relations events are attended by local entrepreneurs. 	
		<ul style="list-style-type: none"> Ensure that more than 30,000 people per year are made aware of the sustainable use of water. 	7,485	19,313	54,504	<ul style="list-style-type: none"> During 2019, the number of visits to the facilities increased to 9,196 students (6,083 during 2018) and the educational program reached 45,308 students of 102 schools (13,230 students in 2018). 	
		<ul style="list-style-type: none"> Five-year contribution to the Community of more than \$2,000 million. 	\$580 million	\$840 million	\$783 million	<ul style="list-style-type: none"> The organization grants social development funds in 4 communes and develops community projects with the neighbors of its large facilities. 	
	<ul style="list-style-type: none"> Guarantee water to all people in vulnerable situation. 	<ul style="list-style-type: none"> To have 100% social coverage of the potable water service. 	\$1,017 million	\$1,174 million	\$3,079 million	<ul style="list-style-type: none"> In 2019, the amount of debt forgiven has increased by 162%, thanks to the reinforcement of the work to help vulnerable families with financial difficulties in paying the service. 	





6. INNOVATION AND PEOPLE

Commitment	Objective	Goals 2022	Base 2017	2018	2019	Observations	Status
Increase Stakeholder satisfaction with the company, reinforcing dialogue and promoting shared value.	<ul style="list-style-type: none"> Promote diversity and well-being at work, guaranteeing safety and health at work, encouraging the development and promotion of talent and fostering a collaborative and innovative culture. Attract and retain talent. 	<ul style="list-style-type: none"> Decrease the frequency rate of the Aguas Group. Obtain a Contractors frequency rate of less than 10. To achieve a rate of employees benefited from integral analysis of overall performance equal to 100%. To achieve a rate of employees benefiting from training equal to 100%. 	<ul style="list-style-type: none"> 3.17 12.6 N/A 80.0% 	<ul style="list-style-type: none"> 2.82 8.54 99% 95.0% 	<ul style="list-style-type: none"> 2.77 8.91 100% 99.9% 	<p>During 2019 there were 12 accidents, the same number as 2018. However, the higher number of hours worked this year implies a decrease in the rate.</p> <p>During 2019 there were 38 accidents, 1 more than 2018. In addition, we regret 1 fatal accident.</p> <p>100% of workers were evaluated on their performance during 2019.</p> <p>Increase of investment in training from \$220,469/worker in 2018 to \$224,409/worker in 2019.</p>	
	<ul style="list-style-type: none"> Promote well-being and equal opportunities by creating inclusive and diverse environments. 	<ul style="list-style-type: none"> Obtain an Employee satisfaction index > 80%. Increase the rate of women in executive positions. Increase the rate of people with functional diversity. 	<ul style="list-style-type: none"> N/A 23.0% N/A 	<ul style="list-style-type: none"> 72% 23.6% 1.0% 	<ul style="list-style-type: none"> N/A 25.1% 1.1% 	<p>The company is looking for the climate measurement tool. During 2018, an online measurement pilot called happyforce was implemented. This tool was abandoned in 2019 because it was not considered robust enough to conclude results.</p> <p>During 2019 Marta Colet took over as CEO of the organization, making Aguas Andinas the only IPSA company whose top executive is a woman. To calculate the number of executives, area addresses, management, sub-management, and headship are considered.</p> <p>Disability began to be measured in the organization in 2018. The number of disabled people increased from 19 in 2018 to 23 in 2019.</p>	
	<ul style="list-style-type: none"> Favor collaborative and globalized ways of working. 	<ul style="list-style-type: none"> Increase Penetration rate of collaborative environments (skype, yammer, onedrive...) to 100% Get a number of people participating in corporate volunteering > 100/year. 	<ul style="list-style-type: none"> N/A 100 	<ul style="list-style-type: none"> N/A 100 	<ul style="list-style-type: none"> 25.97% 100 	<p>During 2019 the organization completed its migration to Office 365, with a penetration rate of 25.97% in the use of the Teams tool.</p>	
	<ul style="list-style-type: none"> Promote open innovation for the development of sustainable solutions. 	<ul style="list-style-type: none"> 12 innovation projects executed with third parties (Startup Chile, Universities, etc). Obtain external recognition of the ecosystem by 2022. 	<ul style="list-style-type: none"> N/A 0 	<ul style="list-style-type: none"> 3 0 	<ul style="list-style-type: none"> 5 0 	<p>No volunteer activity has taken place during 2019. The emergency network is available, as in previous years.</p> <p>During 2019, two additional projects were implemented in addition to the three in 2018. The first, a circular economy initiative that sought to reuse and value the Lemna, a plant species that grows in local wastewater treatment plants causing worthless waste and a potential environmental problem. The second, in the Resilience pillar framework, was a project of searching or development of alternative technologies for leak detection.</p>	
						<p>In 2019, the company participated in two external events: an exhibition at the IBM Forum (Celeste as a success case) and the Innovation Club Forum (Digital Transformation Projects).</p>	



7. WATER AND LIFE QUALITY

Commitment	Objective	Goals 2022	Base 2017	2018			2019	Observations	Status
						
improvement in the quality of life of citizens and promote the creation of healthy environments	To favor the improvement of the quality of life of the citizens.	<ul style="list-style-type: none"> Compliance with 100% of the Plan for the dissemination of the dietary benefits of water. Compliance with 100% of the Plan for the dissemination of the benefits of wastewater treatment. Increase the number of Water and Health Studies. 	...	N/A	...	100%	...	100%	<ul style="list-style-type: none"> Wide dissemination, through multiple platforms, of the health benefits of water intake.
			...	N/A	...	100%	...	100%	<ul style="list-style-type: none"> Wide diffusion, through multiple platforms, of Biofactories and their contribution to mitigating the effects of climate change.
			...	N/A	...	2 studies	...	0 studies	<ul style="list-style-type: none"> During 2019, water and health studies were not continued, since the focus was on hydrological studies to cope with the drought.
	Preserve the ecosystems' biodiversity.	<ul style="list-style-type: none"> Develop 5 biodiversity preservation/recovery projects. 	...	N/A	...	3 projects	...	5 projects	<ul style="list-style-type: none"> 1.- Quebrada de la Plata Agreement 2.- Farfana Lagoon Contract 3.- Melipilla Lagoon Monitoring Service 4.- La Dehesa Reservoir Monitoring 5.- Recovery of Paine Lagoon PHASE I





LIABILITY statement

The Directors of Aguas Andinas S.A. and the CEO signatories of this statement are responsible under oath for the veracity of the information provided in this Integrated Report, which considers the contents of the Annual Report, in accordance with the provisions of General Standard No. 30 of the Commission for Financial Market.



Liability Statement



► **Claudio Muñoz Zúñiga**
RUT 9.618.122-1
Chairman



► **Rodrigo Manubens Moltedo**
RUT 6.575.050-3
Director



► **Luis Mayol Bouchon**
RUT 6.387.384-5
Director



► **Giorgianna Cúneo Queirolo**
RUT 9.667948-3
Director



► **Jorge Manent Codina**
DNI PAG723106
Director



► **Loreto Silva Rojas**
RUT 9.667948-3
Director



► **Narciso Berberana Sáenz**
RUT 22.105.171-8
Director



► **Marta Colet Gonzalo**
RUT 22.390.117-4
CEO





FINANCIAL Statement

Independent Auditor's Report

(Translation of the report originally issued in Spanish)



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

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial Statement based on our audits. We conducted our audits in accordance with Generally

Accepted Auditing Standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial Statement are free from material misStatement.

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

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

OPINION

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



Luis Martínez M.
EY Audit SpA

Santiago, March 25, 2020

CONSOLIDATED FINANCIAL STATEMENT

Aguas Andinas S.A. and Subsidiaries



This document includes:

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



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

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

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

EQUITY AND LIABILITIES	NOTE	12/31/2018 TH\$	12/31/2017 TH\$
CURRENT LIABILITIES			
Other financial liabilities	14	37,882,348	33,963,316
Commercial and other accounts payable	15	132,451,851	136,899,175
Accounts payable to related entities	6	41,030,704	46,569,102
Other provisions	16	3,732,169	2,992,246
Tax liabilities		1,873,831	181,758
Provisions for employee benefits	17	5,184,148	5,496,070
Other non-financial liabilities	18	19,982,666	16,216,857
Total current liabilities other than liabilities included in disposal groups classified as held for sale		242,137,717	242,318,524
TOTAL CURRENT LIABILITIES		242,137,717	242,318,524
NON-CURRENT LIABILITIES			
Other financial liabilities	14	1,004,897,476	912,513,179
Other accounts payable	15	1,159,317	983,335
Other provisions	16	1,380,132	1,341,233
Deferred tax liabilities	13	33,595,773	35,452,801
Provisions for employee benefits	17	20,768,569	17,338,241
Other non-financial liabilities	18	10,031,855	9,113,389
TOTAL NON-CURRENT LIABILITIES		1,071,833,122	976,742,178
TOTAL LIABILITIES		1,313,970,839	1,219,060,702
EQUITY			
Issued capital	19	155,567,354	155,567,354
Accumulated earnings	19	330,787,492	324,954,813
Share premium	19	164,064,038	164,064,038
Other equity interests	19	(5,965,550)	(5,965,550)
Equity attributable to owners of the controller		644,453,334	638,620,655
Non-controlling interests	20	43,020,129	48,370,742
TOTAL EQUITY		687,473,463	686,991,397
TOTAL EQUITY AND LIABILITIES		2,001,444,302	1,906,052,099

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

Consolidated Statement of Comprehensive Income by Nature

For the fiscal years ended December 31, 2019 and 2018

(In thousand pesos - Th\$)

INCOME STATEMENT BY NATURE	NOTE	12/31/2019 TH\$	12/31/2018 TH\$
Income from regular activities	21	544,683,867	530,404,680
Raw materials and consumables used		(46,147,628)	(39,229,232)
Employee benefit expenses	17	(59,771,461)	(59,153,387)
Other expenses, by nature	22	(138,774,844)	(122,358,326)
Depreciation and amortization expenses	9-11	(76,252,365)	(75,467,585)
Other (losses) earnings	23	14,232,177	(1,124,474)
Gains (losses) from operating activities		237,969,746	233,071,676
Financial income	23	5,767,246	5,856,180
Financial Costs	23	(30,313,017)	(29,996,785)
Exchange rate differences	24	(481,552)	(83,558)
Income by readjustment units	25	(23,529,104)	(23,022,736)
Profit before taxes		189,413,319	185,824,777
Income tax expense	13	(49,662,947)	(46,506,422)
Gain (loss)		139,750,372	139,318,355
Gain		139.750.372	139.318.355
Profit attributable to:			
Profit attributable to owners of the controller		141,737,188	136,056,517
Gain (loss) attributable to non-controlling interests	20	(1,986,816)	3,261,838
Gain		139.750.372	139.318.355
Earnings per share			
Earnings per share, basic, in continuous operations (\$)	27	23.164	22.235
Earnings per basic share (\$)		23.164	22.235

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

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

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



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

DIRECT CASH FLOW STATEMENT	NOTE	12/31/2019 TH\$	12/31/2018 TH\$
Collections from sales of goods and services		642,590,023	627,029,422
Collections of premiums and benefits, annuities and other policy benefits		635,346	1,183,157
Other collections from operating activities		4,338,086	1,289,520
Types of receivables from operating activities		647,563,455	629,502,099
Payments to suppliers for the provision of goods and services		(226,237,677)	(197,319,654)
Payments to and on behalf of employees		(61,427,262)	(65,375,320)
Payments for premiums and benefits, annuities and other obligations arising from policies taken out		(2,572,938)	(938,321)
Other payments for operating activities		(52,984,575)	(51,409,846)
Types of cash payments from operating activities		(343,222,452)	(315,043,141)
Interest paid		(22,015,973)	(23,504,622)
Interest received		824,207	843,116
Income taxes paid (refunded)		(48,308,903)	(44,673,978)
Other cash inflows (outflows)		(2,541,671)	(1,622,470)
Cash flows from (used in) operations		(72,042,340)	(68,957,954)
Net cash flows from (used in) operations		232,298,663	245,501,004
Amounts from sales of property, plant and equipment		18,206,781	5,108,439
Purchases of property, plant and equipment		(141,942,621)	(137,239,472)
Purchases of intangible assets		(12,455)	(297,701)
Other cash inflows (outflows)		(2,020,253)	(3,022,315)
Cash flows from (used in) investment activities		(125,768,548)	(135,451,049)
Amounts from long-term loans		80,400,956	113,109,288
Amounts from short-term loans		76,731,863	51,654,646
Amounts from loans, classified as financing activities		157,132,819	164,763,934
Loan repayments		(93,244,418)	(110,230,806)
Dividends paid		(137,895,033)	(143,316,076)
Other cash inflows (outflows)		(441,199)	(94,873)
Cash flows from (used in) financing activities		(74,447,831)	(88,877,821)
Net increase (decrease) in cash and cash equivalents		32,082,284	21,172,134
Cash and cash equivalents at the beginning of the period		39,980,474	18,808,340
Cash and cash equivalents at the end of the period	4	72,062,758	39,980,474

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



Consolidated Statement of Changes in Shareholders' Equity

For the fiscal years ended December 31, 2019 and 2018

(In thousand pesos - Th\$)

STATEMENT OF CHANGES IN EQUITY	NOTE	ISSUED CAPITAL	ISSUE PREMIUMS	OTHER EQUITY INTERESTS	RESERVE FOR ACTUARIAL PROFIT OR LOSSES ON DEFINED BENEFIT PLANS	ACCUMULATED PROFITS (LOSSES)	EQUITY ATTRIBUTABLE TO THE PROPERTY OWNERS OF THE CONTROLLER	NON-CONTROLLING INTERESTS	TOTAL EQUITY
		TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$
Comprehensive Result		155,567,354	164,064,038	(5,965,550)	-	324,954,813	638,620,655	48,370,742	686,991,397
Profit		-	-	-	-	141,737,188	141,737,188	(1,986,816)	139,750,372
Other comprehensive income		-	-	-	(1,844,103)	-	(1,844,103)	28,224	(1,815,879)
Comprehensive result		-	-	-	(1,844,103)	141,737,188	139,893,085	(1,958,592)	137,934,493
Dividends	19	-	-	-	-	(134,060,406)	(134,060,406)	-	(134,060,406)
Reduction due to transfers and other changes	19-20	-	-	-	1,844,103	(1,844,103)	-	(3,392,021)	(3,392,021)
Total changes in equity		-	-	-	-	5,832,679	5,832,679	(5,350,613)	482,066
Final balance as of 12-31-2019		155,567,354	164,064,038	(5,965,550)	-	330,787,492	644,453,334	43,020,129	687,473,463

STATEMENT OF CHANGES IN EQUITY	NOTE	ISSUED CAPITAL	ISSUE PREMIUMS	OTHER EQUITY INTERESTS	RESERVE FOR ACTUARIAL PROFIT OR LOSSES ON DEFINED BENEFIT PLANS	ACCUMULATED PROFITS (LOSSES)	EQUITY ATTRIBUTABLE TO THE PROPERTY OWNERS OF THE CONTROLLER	NON-CONTROLLING INTERESTS	TOTAL EQUITY
		TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$
Opening balance as of 01-01-2018		155,567,354	164,064,038	(5,965,550)	-	328,964,934	642,630,776	50,668,701	693,299,477
Profit		-	-	-	-	136,056,517	136,056,517	3,261,838	139,318,355
Other comprehensive income		-	-	-	(1,150,464)	-	(1,150,464)	(95,349)	(1,245,813)
Comprehensive result		-	-	-	(1,150,464)	136,056,517	134,906,053	3,166,489	138,072,542
Dividends	19	-	-	-	-	(138,916,174)	(138,916,174)	-	(138,916,174)
Reduction due to transfers and other changes	19-20	-	-	-	1,150,464	(1,150,464)	-	(5,464,448)	(5,464,448)
Total changes in equity		-	-	-	-	(4,010,121)	(4,010,121)	(2,297,959)	(6,308,080)
Final balance as of 12-31-2018		155,567,354	164,064,038	(5,965,550)	-	324,954,813	638,620,655	48,370,742	686,991,397

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



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to the states financial consolidated

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Note 1.

Overview

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

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

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

The Company is the parent company of three water utility companies, two in the Greater Santiago ("Aguas Cordillera S.A." and "Aguas Manquehue S.A.") and one in the De Los Ríos and De Los Lagos region ("Empresa de Servicios Sanitarios De Los Lagos S.A.", "ESSAL"). In order to provide a comprehensive service within its line of business, the Company has non-water utility subsidiaries that provide services such as liquid industrial waste treatment (EcoRiles S.A.), laboratory analysis (Análisis

Ambientales S.A.), sales of materials and other services related to the water utility business (Gestión y Servicios S.A.) and activities associated with water rights and energy projects arising from water utility facilities and assets (Aguas del Maipo S.A.).

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

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

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

Note 2.

Preparation basis and accounting policies

2.1 PREPARATION BASIS

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

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

Functional and presentation currency

The financial Statement of each of the Group Companies are presented in the currency of the main economic environment in which the companies operate (functional



currency). For purposes of the consolidated financial Statement, the results and financial position of each Group Company are expressed in Chilean pesos (rounded to thousands of pesos), which is the functional currency of the Company and its Subsidiaries, and the presentation currency for the consolidated financial Statement.

New accounting pronouncements

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

STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY APPLICATION
IFRS 16, Leases	Annual periods beginning on or after January 1, 2019
IFRIC 23, Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019
AMENDMENTS	
AMENDMENTS	DATE OF MANDATORY APPLICATION
IFRS 3, Business combinations - previously held interests in a joint operation	Annual periods beginning on or after January 1, 2019
IFRS 9, Financial instruments - payments with negative compensation	Annual periods beginning on or after January 1, 2019
IFRS 11, Joint arrangements - previously held interests in a joint operation	Annual periods beginning on or after January 1, 2019
IAS 12, Income taxes - tax consequences of payments on instruments classified as equity	Annual periods beginning on or after January 1, 2019
IAS 23, Borrowing Costs - Costs of Loans Eligible for Capitalization	Annual periods beginning on or after January 1, 2019

IAS 28, Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures	Annual periods beginning on or after January 1, 2019
IAS 19, Employee Benefits - Plan Amendment, Curtailment or Settlement	Annual periods beginning on or after January 1, 2019

IFRS 16 "Leases"

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

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

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

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

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

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

IFRIC 23 "Uncertainty over income tax treatments"

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

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



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

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

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

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

STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY APPLICATION
Conceptual framework (revised)	Annual periods beginning on or after January 1, 2020
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2021

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

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

Responsibility for the information and estimates made

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

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

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

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

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

2.2 ACCOUNTING POLICIES

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

A. Basis of consolidation

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

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

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

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



TAX ID	COMPANY NAME	DIRECT	INDIRECT %	TOTAL 2019 %	DIRECT	INDIRECT %	TOTAL 2018 %
96.809.310-K	Aguas Cordillera S.A.	99.99003	-	99.99003	99.99003	-	99.99003
89.221.000-4	Aguas Manquehue S.A.	0.00043	99.99957	100.00000	0.00043	99.99957	100.00000
96.897.320-7	Inversiones Iberaguas Ltda.	99.99998	0.00002	100.00000	99.99998	0.00002	100.00000
96.579.800-5	ESSAL S.A.	2.50650	51.00000	53.50650	2.50650	51.00000	53.50650
96.945.210-3	EcoRiles S.A.	99.03846	0.96154	100.00000	99.03846	0.96154	100.00000
96.828.120-8	Gestión y Servicios S.A.	97.84783	2.15217	100.00000	97.84783	2.15217	100.00000
96.967.550-1	Análisis Ambientales S.A.	99.00000	1.00000	100.00000	99.00000	1.00000	100.00000
76.190.084-6	Aguas del Maipo S.A.	82.64996	17.35004	100.00000	82.64996	17.35004	100.00000

B. Operating Segments

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

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

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

C. Intangible assets other than goodwill

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

i. Separately acquired intangible assets:

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

ii. Amortization method for intangibles:

Intangibles with a defined useful life

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

Software

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

Intangibles of indefinite useful life

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

Determination of useful life

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

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



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

D. Goodwill

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

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

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

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

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

E. Property, plant and equipment

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

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

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

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

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

Useful lives

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

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

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

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

ITEM	MINIMUM USEFUL LIFE (YEARS)	MAXIMUM USEFUL LIFE (YEARS)
Buildings	25	80
Plant and equipment	5	50
IT equipment	4	4
Fixed installations and accessories	5	80
Motor vehicles	7	10
Leasehold improvements	5	5
Other property, plant & equipment	5	80

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

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



Property, plant and equipment sales policy

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

F. Impairment of tangible and intangible assets other than goodwill

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

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

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

When the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of that asset (or cash-generating unit) is adjusted to its recoverable amount and an impairment loss is recognized immediately in income. When an impairment loss reverses, the carrying amount of the asset (or cash-generating unit) is adjusted to the revised estimate

of its recoverable amount, provided that the adjusted carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

G. Leases

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

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

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

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

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

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

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

H. Financial assets

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

Financial assets are classified in the following categories:

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

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

Aguas Andinas S.A. and its Subsidiaries invest in low risk instruments, which comply with classification standards established in their investment policies. Thus, mutual investment funds must have an AAfm / M1 rating (Quotas with very high protection against loss, associated with credit / quotas risks with the lowest sensitivity to



changes in economic conditions). Fixed-term deposits and covenants, contracted are instruments with a N-1 classification (Instruments with the highest capacity to pay the capital and interest in the terms and conditions agreed).

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

i. Effective interest rate method

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

ii. Fair value through other comprehensive income

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

iii. Fair value through profit or loss

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

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

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

iv. Financial assets at amortized cost

Loans and accounts receivable

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

Trade debtors and other accounts receivable

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

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

Policy on impairment of trade debtors and other accounts receivable

The Company periodically assesses the losses in value affecting its financial assets. The amount is recorded in the uncollectible provisions account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized

in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable.

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

In Aguas Andinas S.A. and its subsidiaries Aguas Cordillera S.A., Aguas Manquehue S.A. and ESSAL S.A., the debt of customers with more than 8 balances is 100% provisioned.

Additionally, debts for consumption transformed into payment agreements are provisioned at 100% of the agreed balance.

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

I. Inventories

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

J. Dividend policy

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



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

K. Foreign currency transactions

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

CURRENCY	12/31/2019	12/31/2018
	\$	\$
US Dollar	748.74	694.77
Euro	839.58	794.75

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

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

L. Financial liabilities

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

M. Derivative financial instruments and hedge accounting

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

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

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

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

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

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

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

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

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

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

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

N. Provisions and contingent liabilities

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

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



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

0. Employee benefits

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

Aguas Andinas S.A.

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

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

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

ESSAL S.A.

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

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

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

P. Income tax and deferred taxes

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

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

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

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

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

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



Q. Ordinary income

Revenue recognition policy

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

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

Revenue recognition policy for sales of goods

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

Revenue recognition policy for sales of services

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

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

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

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

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

Method for Determining Completion of Service Status

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

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

R. Earnings per share

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

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

S. Consolidated cash flow Statement

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

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

T. Consolidated Statement of cash flow

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

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



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

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

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

U. Construction contracts

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

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

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

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

V. Capitalized financing costs

Policy on interest-bearing loans:

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

Policy on capitalization of interest costs:

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

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

Non-current assets are classified as: held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing

use or held for distribution to owners when the entity undertakes to distribute the assets (or group of assets for disposal) to owners.

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

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

X. Reclassifications

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

RECLASSIFICATIONS	INCREASE/ (DECREASE) TH\$
STATEMENT OF FINANCIAL SITUATION:	
Commercial and other accounts payable	26,208
Other non-financial liabilities	(26,208)



Note 3.

Risk management

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

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

I. CREDIT RISK

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

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

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

The credit risk analysis method is based on the expected credit loss model, as established in IFRS 9. The estimates are based on recovery statistics, which indicate

that after the eighth month of unpaid billing, the probability of recovering a billed value is minimal. Consequently, as of the ninth month's billing, an impairment of the account receivable is immediately recognized, i.e. the delinquent customer is identified and the amount of the provision is determined (it is not a percentage of the total portfolio). Additionally, debts for consumption transformed into agreements and documents receivable with overdue debt are provisioned 100%.

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

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

II. LIQUIDITY RISK

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

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

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

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

Maturity profile (undiscounted flows)

MATURITY PROFILE	UP TO 90 DAYS		FROM 91 DAYS TO 1 YEAR		FROM 13 MONTHS TO 3 YEARS		MORE THAN 3 YEARS TO 5 YEARS		MORE THAN 5 YEARS	
	TH\$	CONTRACT INTEREST RATE	TH\$	CONTRACT INTEREST RATE	TH\$	CONTRACT INTEREST RATE	TH\$	CONTRACT INTEREST RATE	TH\$	CONTRACT INTEREST RATE
AFR	2,058,857	3.21%	4,743,040	3.74%	54,820,514	3.57%	46,526,993	3.94%	115,968,650	2.91%
Bank loans	573,786	2.62%	14,466,473	3.22%	62,625,390	2.42%	38,995,138	2.58%	4,478,432	2.42%
Bonds	10,782,620	4.04%	27,909,549	4.36%	79,253,460	2.69%	72,683,158	2.39%	873,885,029	3.69%
Lease liabilities	426,429	3.84%	1,070,105	3.84%	1,815,066	3.84%	127,018	3.84%	-	0.00%
Commercial and other accounts payable	121,580,424	0.00%	10,871,427	0.00%	381,769	0.00%	187,723	0.00%	589,825	0.00%
Total	135,422,116		59,060,594		198,896,199		158,520,030		994,921,936	



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

III. INTEREST RATE RISK

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

DEBT INSTRUMENTS	TARIFF	%
Bank loans	Variable	11.05%
Bonds	Fixed	70.13%
AFR	Fixed	18.49%
Lease liabilities	Fixed	0.33%
Total		100.00%

Interest rate awareness analysis

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

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

COMPANY	NOMINAL AMOUNT OF DEBT (TH\$)	VARIABLE RATE	POINTS (+/-)	ANNUAL IMPACT ON INCOMES (TH\$) (+/-)
Aguas Andinas S.A. Consolidated	115,228,602	180- day TAB	75	861,444

Note 4. Cash and cash equivalents

The composition of the item is as follows:

CASH AND CASH EQUIVALENTS	12/31/2019 TH\$	12/31/2018 TH\$
Banks	10,658,490	3,068,513
Time deposits	497,000	31,776,961
Mutual funds	60,907,268	5,135,000
Total	72,062,758	39,980,474

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

Details of some items in the cash flow statement

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

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

4.1 CASH EQUIVALENTS

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

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

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



Note 5.**Commercial debtors and other accounts receivable and rights to be collected**

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

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

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

CREDIT RISK MOVEMENT ACCOUNTS RECEIVABLE	12/31/2019 TH\$	12/31/2018 TH\$
Opening balance	(34,211,483)	(33,121,765)
Increase in existing provisions	(4,547,485)	(3,944,967)
Decreases	6,483,023	2,855,249
Changes, Total	1,935,538	(1,089,718)
Final balance	(32,275,945)	(34,211,483)

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

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

AGE OF GROSS DEBT	12/31/2019 TH\$	12/31/2018 TH\$
under three months	118,507,060	110,083,882
between three and six months	3,776,467	4,678,272
between six and eight months	1,811,095	1,822,807
longer than eight months	28,370,482	38,947,604
Total	152,465,104	155,532,565

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

GROSS OVERDUE DEBT	12/31/2019 TH\$	12/31/2018 TH\$
under three months	10,205,860	11,485,973
between three and six months	2,367,419	1,987,895
between six and eight months	1,118,797	948,253
Total	13,692,076	14,422,121

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

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



COMMERCIAL DEBTOR TRANCHE	DECEMBER 31, 2019			TOTAL GROSS PORTFOLIO	
	NON-REPURCHASED PORTFOLIO	REPURCHASED PORTFOLIO		NO. OF CUSTOMERS	GROSS AMOUNT TH\$
Up to date	1,035,199	84,130,774	221	9,544	1,035,420
Between 1 and 30 days	468,312	21,537,660	2,903	88,524	471,215
Between 31 and 60 days	49,243	3,470,034	8,542	280,687	57,785
Between 61 and 90 days	17,097	1,562,993	5,692	244,504	22,789
Between 91 and 120 days	8,863	989,852	4,822	294,859	13,685
Between 121 and 150 days	5,492	826,961	3,737	296,043	9,229
Between 151 and 180 days	3,802	694,376	2,947	275,196	6,749
Between 181 and 210 days	2,726	712,134	2,583	278,551	5,309
Between 211 and 250 days	1,512	535,024	2,111	264,800	3,623
More than 251 days	21,337	7,041,204	35,987	21,123,320	57,324
Total	1,613,583	121,501,012	69,545	23,156,028	1,683,128
					144,657,040

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

PROTESTED PORTFOLIO AND IN JUDICIAL COLLECTION	UNSECURED PORTFOLIO		12/31/2018	
	NON-REPURCHASED PORTFOLIO	NON-REPURCHASED PORTFOLIO	NO. OF CLIENTS	PORTFOLIO AMOUNT TH\$
Protested receivables	12	19,944	-	-
Documents receivable in judicial collection	5	306,728	5	260,387
Total	17	326,672	5	260,387

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

COMMERCIAL DEBTOR TRANCHE	DECEMBER 31, 2019				
	NON-REPURCHASED PORTFOLIO TH\$	REPURCHASED PORTFOLIO TH\$	TOTAL PROVISION TH\$	WRITE OFF OF THE PERIOD TH\$	RECOVERY OF THE PERIOD TH\$
Up to date	1,092,071	76,532,664	346	13,670	1,092,417
Between 1 and 30 days	491,440	26,534,595	4,055	132,195	495,495
Between 31 and 60 days	52,844	4,295,495	9,793	313,456	62,637
Between 61 and 90 days	16,388	1,387,963	6,244	251,932	22,632
Between 91 and 120 days	9,984	766,891	4,874	286,031	14,858
Between 121 and 150 days	3,202	577,875	4,116	289,614	7,318
Between 151 and 180 days	1,695	643,616	3,355	277,386	5,050
Between 181 and 210 days	2,435	674,478	2,791	301,724	5,226
Between 211 and 250 days	518	511,526	2,446	318,559	2,964
More than 251 days	12,410	9,788,732	39,103	23,081,528	51,513
Total	1,682,987	121,713,835	77,123	25,266,095	1,760,110
					146,979,930

COMMERCIAL DEBTOR TRANCHE	DECEMBER 31, 2018				
	NON-REPURCHASED PORTFOLIO TH\$	REPURCHASED PORTFOLIO TH\$	TOTAL PROVISION TH\$	PUNISHMENT OF THE PERIOD TH\$	RECOVERY OF THE PERIOD TH\$
Up to date	1,092,071	76,532,664	346	13,670	1,092,417
Between 1 and 30 days	491,440	26,534,595	4,055	132,195	495,495
Between 31 and 60 days	52,844	4,295,495	9,793	313,456	62,637
Between 61 and 90 days	16,388	1,387,963	6,244	251,932	22,632
Between 91 and 120 days	9,984	766,891	4,874	286,031	14,858
Between 121 and 150 days	3,202	577,875	4,116	289,614	7,318
Between 151 and 180 days	1,695	643,616	3,355	277,386	5,050
Between 181 and 210 days	2,435	674,478	2,791	301,724	5,226
Between 211 and 250 days	518	511,526	2,446	318,559	2,964
More than 251 days	12,410	9,788,732	39,103	23,081,528	51,513
Total	1,682,987	121,713,835	77,123	25,266,095	1,760,110
					146,979,930



Note 6.**Information to be disclosed about related entities****BALANCES AND TRANSACTIONS WITH RELATED ENTITIES**

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

BALANCES AND TRANSACTIONS WITH RELATED ENTITIES

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

RELATED TAX ID	RELATED PARTY NAME	NATURE OF RELATIONSHIP	NATURE OF RELATED PARTY TRANSACTIONS	12/31/2019 TH\$	12/31/2018 TH\$
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Laboratory analysis and sampling services	6,141	4,232
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Office rental	416	404
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the controller	Laboratory analysis and sampling services	86	414
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the controller	Office rental	-	1,393
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	Laboratory analysis and sampling services	-	26,766
No Tax ID	Aqua Development Network S.A.	Related to the controller	Integrated talent management contract	-	32,010
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Sales of materials	18,681	25,964
Total				25,324	91,183



ACCOUNTS PAYABLE TO RELATED ENTITIES

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

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



TRANSACTIONS WITH RELATED ENTITIES

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

RELATED TAX ID	RELATED PARTY NAME	NATURE OF RELATIONSHIP	NATURE OF RELATED PARTY TRANSACTIONS	CURRENCY TYPE	12/31/2019 TH\$		12/31/2018 TH\$	
					AMOUNT	EFFECTS ON INCOME (CHARGE) / CREDIT	AMOUNT	EFFECTS ON INCOME (CHARGE) / CREDIT
76.080.553-K	Suez Advanced Solutions Chile Ltda	Related to the Controller	Purchase of materials and maintenance of the virtual platform Siebel and Aquacis, consultancy and evolutionary maintenance	CLP	2,067,634	(1,443,062)	2,832,912	(1,881,666)
No Tax ID	Aqua Development Network S.A.	Related to the Controller	Talent management	CLP	279,378	(279,378)	817,138	(817,138)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	Chamisero Plant	CLP	1,460,329	-	3,979,333	-
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	San Antonio Arsenic Plant	CLP	680,571	-	397,055	-
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	CCO 2.0 Operational Control Center Upgrade Project	CLP	1,348,270	(271,050)	2,408,239	(216,910)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	Talagante plant, hydraulic efficiency plan, materials and services	CLP	1,413,783	-	4,197,033	45,909
59.066.560-6	Suez International	Related to the Controller	Supply of equipment, assembly and commissioning of the second stage of the Mapocho Wastewater Treatment Plant, module 4	CLP	-	-	5,916,581	-
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal	Related to the Controller	Operation, maintenance, expansion and rehabilitation services of Digesters Mapocho - Trebal Wastewater Plant	CLP	1,402,394	-	1,970,385	-
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal	Related to the Controller	Operation and maintenance services Biogas Plant	CLP	225,970	(195,795)	265,489	(208,884)
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Director Común	Compensation for reduced flow, purchase of water and electricity	CLP	1,786,978	(1,501,662)	1,424,590	(1,197,135)
76.746.454-1	Suez Biofactoría Andina spa.	Related to the Controller	Operation, maintenance and adaptation of a Biofactory treatment plant.	CLP	54,324,345	(27,731,571)	50,527,274	(25,879,843)
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common Director	Purchase of water and cutting of the San Carlos canal	CLP	328,671	(276,194)	137,293	(115,372)
65.113.732-2	Corporación Chilena de Investigación del Agua Spa	Related to the Controller	Study on management models for resilient urban hydraulic infrastructures in relation to hydrological and geological risks, sludge recovery	CLP	744,753	(370,529)	388,680	(315,954)
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Dividends paid	CLP	66,561,303	-	68,979,435	-

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



Note 7. Inventories

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

	12/31/2019 TH\$	12/31/2018 TH\$
Board of Directors	449,815	428,581
Committee of Directors	52,295	45,130
Total	502,110	473,711

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

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

DETAILS OF RELATED ENTITIES AND TRANSACTIONS WITH RELATED ENTITIES BETWEEN DIRECTORS AND EXECUTIVES

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

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

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

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

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

MOVEMENT OF OBSOLESCENCE ESTIMATION	12/31/2019 TH\$	12/31/2018 TH\$
Opening balance	(99,268)	(2,883)
Provision by price	(2,294)	(15,624)
Obsolescence provision	(87,959)	(52,810)
Provision for damage	(38,724)	(30,834)
Reversal of provision	99,268	2,883
Total	(128,977)	(99,268)

Note 8. Other financial assets

8.1 NON-CURRENT

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

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



Note 9.

Intangible assets other than goodwill

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

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

MOVEMENTS IN INTANGIBLE ASSETS AS OF DECEMBER 31, 2019

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

MOVEMENTS IN INTANGIBLE ASSETS AS OF DECEMBER 31, 2018

MOVEMENTS IN INTANGIBLE ASSETS	TRADEMARKS, NET TH\$	COMPUTER PROGRAMS, NET TH\$	OTHER INTANGIBLE ASSETS, NET TH\$	TOTAL TH\$
Opening balance	13,000	7,910,586	219,160,913	227,084,499
Amortization	-	(4,051,560)	(187,216)	(4,238,776)
Total amortizations	-	(4,051,560)	(187,216)	(4,238,776)
Increases (decreases) due to transfers	-	1,740,932	(58,904)	1,682,028
Increases (decreases) due to other charges	2,933	100,841	238,494	342,268
All increases (decreases) due to transfers and other changes	2,933	1,841,773	179,590	2,024,296
Disposals and withdrawals from service	-	-	(5,595)	(5,595)
Total disposals and withdrawals from services	-	-	(5,595)	(5,595)
Changes, total	2,933	(2,209,787)	(13,221)	(2,220,075)
Final balance	15,933	5,700,799	219,147,692	224,864,424

DETAILED DISCLOSURE OF INTANGIBLE ASSETS (GROSS VALUE)

Current year: December 31, 2019

MOVEMENTS IN INTANGIBLE ASSETS	TRADEMARKS, GROSS TH\$	COMPUTER PROGRAMS, GROSS TH\$	OTHER INTANGIBLE ASSETS, GROSS TH\$	TOTAL TH\$
Opening balance	15,933	50,717,784	232,089,430	282,823,147
Increases (decreases) due to transfers	-	1,293,583	(133,582)	1,160,001
Increases (decreases) due to other charges	-	867,729	116,320	984,049
All increases (decreases) due to transfers and other changes	-	2,161,312	(17,262)	2,144,050
Disposals and withdrawals from service	-	-	(183,316)	(183,316)
Total disposals and withdrawals	-	-	(183,316)	(183,316)
Changes, total	-	2,161,312	(200,578)	1,960,734
Final balance	15,933	52,879,096	231,888,852	284,783,881

Previous year: December 31, 2018

MOVEMENTS IN INTANGIBLE ASSETS	TRADEMARKS, GROSS TH\$	COMPUTER PROGRAMS, GROSS TH\$	OTHER INTANGIBLE ASSETS, GROSS TH\$	TOTAL TH\$
Opening balance	13,000	48,876,011	231,915,435	280,804,446
Increases (decreases) due to transfers	-	1,740,932	(58,904)	1,682,028
Increases (decreases) due to other charges	2,933	100,841	238,494	342,268
All increases (decreases) due to transfers and other changes	2,933	1,841,773	179,590	2,024,296
Disposals and withdrawals from service	-	-	(5,595)	(5,595)
Total disposals and withdrawals	-	-	(5,595)	(5,595)
Changes, total	2,933	1,841,773	173,995	2,018,701
Final balance	15,933	50,717,784	232,089,430	282,823,147

DETAILED DISCLOSURE OF INTANGIBLE ASSETS (ACCUMULATED AMORTIZATION)

Current year: December 31, 2019

MOVEMENTS IN INTANGIBLE ASSETS	TRADEMARKS, ACCUMULATED DEPRECIATION TH\$	COMPUTER PROGRAMS, ACCUMULATED AMORTIZATION TH\$	OTHER INTANGIBLE ASSETS, ACCUMULATED AMORTIZATION TH\$	TOTAL TH\$
Opening balance	-	(45,016,985)	(12,941,738)	(57,958,723)
Amortization	-	(2,851,203)	(187,215)	(3,038,418)
Total amortizations	-	(2,851,203)	(187,215)	(3,038,418)
Changes, total	-	(2,851,203)	(187,215)	(3,038,418)
Final balance	-	(47,868,188)	(13,128,953)	(60,997,141)

Current year: December 31, 2018

MOVEMENTS IN INTANGIBLE ASSETS	TRADEMARKS, ACCUMULATED DEPRECIATION TH\$	COMPUTER PROGRAMS, ACCUMULATED AMORTIZATION TH\$	OTHER INTANGIBLE ASSETS, ACCUMULATED AMORTIZATION TH\$	TOTAL TH\$
Opening balance	-	(40,965,425)	(12,754,522)	(53,719,947)
Amortization	-	(4,051,560)	(187,216)	(4,238,776)
Total amortizations	-	(4,051,560)	(187,216)	(4,238,776)
Changes, total	-	(4,051,560)	(187,216)	(4,238,776)
Final balance	-	(45,016,985)	(12,941,738)	(57,958,723)



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

INTANGIBLE ASSETS WITH INDEFINITE LIFE

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

COMMITMENTS FOR THE ACQUISITION OF INTANGIBLE ASSETS

The commitments for the acquisition of intangible assets for 2020 relate to water rights, easements and software required for the normal operation of the Group

companies and, in particular, for the new projects under development or in the preliminary study stages, as well as the extension of the concession areas, which are presented below:

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

Note 10. Capital gains

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

TAX ID	COMPANY	12/31/2019 TH\$	12/31/2018 TH\$
96.809.310-K	Aguas Cordillera S.A.	33,823,049	33,823,049
95.579.800-5	Empresa de Servicios Sanitarios de Los Lagos S.A.	343,332	343,332
96.897.320-7	Inversiones Iberaguas Ltda.	2,066,631	2,066,631
Total		36,233,012	36,233,012



Note 11.**Property, plant and equipment**

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

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

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

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



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

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

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

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

RECONCILIATION OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT BY CLASS

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



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

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



Detailed property, plant and equipment disclosures (gross value)

Current year: December 31, 2019

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



Previous year: December 31, 2018

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



Detailed property, plant and equipment disclosures (accumulated depreciation)

Current year: December 31, 2019

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



Previous year: December 31, 2018

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



Note 12. Lease

Commitments for the acquisition of property, plant and equipment

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

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

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

COMPANY	GROSS VALUE TH\$	ACCUMULATED DEPRECIATION TH\$	NET VALUE TH\$
Aguas Andinas S.A.	1,586,868	(1,525,135)	61,733
Aguas Cordillera S.A.	274,332	(121,811)	152,521
Total	1,861,200	(1,646,946)	214,254

Restrictions on ownership of property, plant and equipment

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

Financial leasing contracts

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

Impairment of assets

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

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

12.1 RIGHTS OF USE ASSET

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

ACTIVE FOR RIGHTS OF USE:	GROSS VALUE TH\$	ACCUMULATED DEPRECIATION TH\$	NET VALUE TH\$
Buildings	507,086	(139,222)	367,864
Transportation Equipment	4,035,456	(984,319)	3,051,137
Total	4,542,542	(1,123,541)	3,419,001

12.2 LEASE LIABILITIES

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

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



12.3 DISCLOSURES FOR OPERATING LEASES AS LESSEE

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

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

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

Significant operating lease agreements

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

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

12.4 DISCLOSURES ON OPERATING LEASES AS LESSORS

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

FUTURE MINIMUM LEASE PAYMENTS NOT PAYABLE, LESSORS	12/31/2019 TH\$	12/31/2018 TH\$
Minimum future lease payments not payable, up to one year, lessors	320,062	311,649
Amount of contingent income recognized in the income statement	706,478	676,327
Total	1,026,540	987,976

Significant operating lease agreements of the lessor

Income from these items is not material to the Company.

Note 13.

Deferred taxes and profit taxes

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

STATEMENT OF FINANCIAL POSITION	12/31/2019 TH\$	12/31/2018 TH\$
Deferred tax assets	29,528,508	23,499,561
Deferred tax liabilities	(33,595,773)	(35,452,801)
Net deferred tax position	(4,067,265)	(11,953,240)

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



Disclosure of deferred tax assets

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

Disclosure of deferred tax liabilities

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

Movements in deferred tax assets

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

Movements in deferred tax liabilities

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

Income Tax Expenses

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

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

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

Reconciliation of the statutory tax rate with the effective tax rate

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



Note 14.

Financial instruments

14.1 CAPITAL RISK MANAGEMENT

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

14.2 SIGNIFICANT ACCOUNTING POLICIES

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

14.3 CLASS OF FINANCIAL INSTRUMENTS

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

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



14.4 DISCLOSURES ON FINANCIAL LIABILITIES

Other financial liabilities

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

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

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

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

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

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

Reimbursable Financial Contributions, current portion

INSTRUMENT REGISTRATION OR IDENTIFICATION NUMBER	CURRENCY RESET INDEX	RESIDUAL UF	BOOK VALUE			ACTUAL CONTRACT INTEREST RATE	EFFECTIVE RATE	PLACEMENT IN CHILE OR ABROAD	ISSUING COMPANY	DEBTOR RUT	TYPE OF DEPRECIATION	GUARANTEED (YES/NO)
			12/31/2019	12/31/2019	12/31/2018							
			TH\$	TH\$	TH\$							
AFR	UF	177,510	5,098,342	10,460,816	2,93%	2.89%	Chile	Aguas Andinas S.A.	61.808.000-5	At maturity	No	
AFR	UF	37,881	1,090,407	3,836,401	3.09%	2.98%	Chile	Aguas Cordillera S.A.	96.809.310-k	At maturity	No	
AFR	UF	-	-	1,125,122	0.00%	0.00%	Chile	Aguas Manquehue S.A.	89.221.000-4	At maturity	No	
Total		215,391	6,188,749	15,422,339								

Reimbursable Financial Contributions, current portion

INSTRUMENT REGISTRATION OR IDENTIFICATION NUMBER	CURRENCY RESET INDEX	RESIDUAL UF	BOOK VALUE			ACTUAL CONTRACT INTEREST RATE	EFFECTIVE RATE	PLACEMENT IN CHILE OR ABROAD	ISSUING COMPANY	DEBTOR RUT	TYPE OF DEPRECIATION	GUARANTEED (YES/NO)
			12/31/2019	12/31/2019	12/31/2018							
			TH\$	TH\$	TH\$							
AFR	UF	4,697,883	134,047,347	122,915,519	27-12-2034	3.12%	3.03%	Aguas Andinas S.A.	61.808.000-5	At maturity	No	
AFR	UF	783,295	22,352,582	21,717,829	26-12-2034	3.08%	2.94%	Aguas Cordillera S.A.	96.809.310-k	At maturity	No	
AFR	UF	682,791	19,488,860	17,950,443	27-12-2034	3.00%	3.00%	Aguas Manquehue S.A.	89.221.000-4	At maturity	No	
AFR	UF	377,385	10,683,739	10,450,069	13-09-2034	3.37%	3.37%	Essal S.A.	96.579.800-5	At maturity	No	
Total		6,541,354	186,572,528	173,033,860								



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

Bank loan balances, current year

RUT DEBTOR ENTITY	61.808.000-5	61.808.000-5	96.809.310-K	96.579.800-5	96.579.800-5	96.579.800-5	96.579.800-5	96.579.800-5
NAME OF DEBTOR ENTITY	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Cordillera S.A.	Essal S.A.	Essal S.A.	Essal S.A.	Essal S.A.	Essal S.A.
 COUNTRY OF THE DEBTOR COMPANY	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile
RUT LENDING ENTITY	97.004.000-5	97.006.000-6	97.018.000-1	97.004.000-7	97.006.000-6	97.006.000-6	97.018.000-1	97.018.000-1
NAME OF LENDING INSTITUTION	Bank of Chile	BCI Bank	Scotiabank	Bank of Chile	BCI Bank	BCI Bank	Scotiabank	Scotiabank
CURRENCY OR RESET UNIT	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP
TYPE OF DEPRECIATION	Biannual	At maturity	At maturity	At maturity	At maturity	At maturity	At maturity	At maturity
EFFECTIVE RATE	3.05%	2.42%	2.73%	3.84%	3.70%	0.49%	2.79%	2.67%
NOMINAL RATE	3.05%	2.42%	2.73%	3.84%	3.70%	0.49%	2.79%	2.67%

NOMINAL AMOUNTS	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$
Up to one year	4,492,373	126,948	189,583	8,721	9,030,745	6,179	19,065	2,893	13,876,507
Up to 90 days	67,482	-	189,583	8,721	30,745	6,179	19,065	2,893	324,668
More than 90 days up to one year	4,424,891	126,948	-	-	9,000,000	-	-	-	13,551,839
More than 1 year up to 3 years	17,699,562	19,270,303	-	2,500,000	-	10,757,777	6,000,000	3,000,000	59,227,642
More than 1 year up to 2 years	8,849,781	-	-	2,500,000	-	-	6,000,000	3,000,000	20,349,781
More than 2 years up to 3 years	8,849,781	19,270,303	-	-	-	10,757,777	-	-	38,877,861
More than 3 years up to 5 years	17,699,562	-	20,000,000	-	-	-	-	-	37,699,562
More than 3 years up to 4 years	8,849,781	-	20,000,000	-	-	-	-	-	28,849,781
More than 4 years up to 5 years	8,849,781	-	-	-	-	-	-	-	8,849,781
More than 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
More than 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
Total nominal amounts	44,316,388	19,397,251	20,189,583	2,508,721	9,030,745	10,763,956	6,019,065	3,002,893	115,228,602



BOOK VALUES	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$
Current bank loans	4,492,373	126,948	189,583	8,721	9,030,745	6,179	19,065	2,893	13,876,507	
Up to 90 days	67,482	-	189,583	8,721	30,745	6,179	19,065	2,893		324,668
More than 90 days up to one year	4,424,891	126,948	-	-	9,000,000	-	-	-		13,551,839
Non-current bank loans	39,824,015	19,270,303	20,000,000	2,500,000	-	10,757,777	6,000,000	3,000,000	101,352,095	
More than 1 year up to 3 years	17,699,562	19,270,303	-	2,500,000	-	10,757,777	6,000,000	3,000,000		59,227,642
More than 1 year up to 2 years	8,849,781	-	-	2,500,000	-	-	6,000,000	3,000,000		20,349,781
More than 2 years up to 3 years	8,849,781	19,270,303	-	-	-	10,757,777	-	-		38,877,861
More than 3 years up to 5 years	17,699,562	-	20,000,000	-	-	-	-	-		37,699,562
More than 3 years up to 4 years	8,849,781	-	20,000,000	-	-	-	-	-		28,849,781
More than 4 years up to 5 years	8,849,781	-	-	-	-	-	-	-		8,849,781
More than 5 years	4,424,891	-	-	-	-	-	-	-		4,424,891
More than 5 years	4,424,891	-	-	-	-	-	-	-		4,424,891
Total bank loans	44,316,388	19,397,251	20,189,583	2,508,721	9,030,745	10,763,956	6,019,065	3,002,893	115,228,602	

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

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

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



Bank loan balances, previous year

RUT DEBTOR ENTITY	61.808.000-5	61.808.000-5	61.808.000-5	96.809.310-K	96.579.800-5	96.579.800-5	
NAME OF DEBTOR ENTITY	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Cordillera S.A.	ESSAL S.A.	ESSAL S.A.	
COUNTRY OF THE DEBTOR COMPANY	Chile	Chile	Chile	Chile	Chile	Chile	
RUT LENDING ENTITY	97.004.000-5	97.006.000-6	97.018.000-1	97.018.000-1	97.004.000-5	97.006.000-6	
NAME OF LENDING INSTITUTION	Bank of Chile	BCI Bank	Scotiabank	Scotiabank	Bank of Chile	BCI Bank	
CURRENCY OR RESET UNIT	CLP	CLP	CLP	CLP	CLP	CLP	
TYPE OF DEPRECIATION	Biannual	At maturity	At maturity	At maturity	At maturity	At maturity	
EFFECTIVE RATE	3.83%	3.22%	3.51%	3.20%	3.44%	3.29%	
NOMINAL RATE	3.83%	3.22%	3.51%	3.20%	3.44%	3.29%	
NOMINAL AMOUNTS	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$
Up to one year	71,002	217,177	439,245	222,223	2,512,182	41,818	3,503,647
Up to 90 days	-	217,177	300	222,223	12,182	-	451,882
More than 90 days up to one year	71,002	-	438,945	-	2,500,000	41,818	3,051,765
More than 1 year up to 3 years	13,274,672	19,270,304	-	-	-	9,000,000	41,544,976
More than 1 year up to 2 years	4,424,891	19,270,304	-	-	-	-	23,695,195
More than 2 years up to 3 years	8,849,781	-	-	-	-	9,000,000	17,849,781
More than 3 years up to 5 years	17,699,562	-	-	20,000,000	-	-	37,699,562
More than 3 years up to 4 years	8,849,781	-	-	-	-	-	8,849,781
More than 4 years up to 5 years	8,849,781	-	-	20,000,000	-	-	28,849,781
More than 5 years	13,274,671	-	-	-	-	-	13,274,671
More than 5 years	13,274,671	-	-	-	-	-	13,274,671
Total nominal amounts	44,319,907	19,487,481	439,245	20,222,223	2,512,182	9,041,818	96,022,856



BOOK VALUES	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$
Current bank loans	71,002	217,177	439,245	222,223	2,512,182	41,818	3,503,647
Up to 90 days	-	217,177	300	222,223	12,182	-	451,882
More than 90 days up to one year	71,002	-	438,945	-	2,500,000	41,818	3,051,765
Non-current bank loans	44,248,905	19,270,304	-	20,000,000	-	9,000,000	92,519,209
More than 1 year up to 3 years	13,274,672	19,270,304	-	-	-	9,000,000	41,544,976
More than 1 year up to 2 years	4,424,891	19,270,304	-	-	-	-	23,695,195
More than 2 years up to 3 years	8,849,781	-	-	-	-	9,000,000	17,849,781
More than 3 years up to 5 years	17,699,562	-	-	20,000,000	-	-	37,699,562
More than 3 years up to 4 years	8,849,781	-	-	-	-	-	8,849,781
More than 4 years up to 5 years	8,849,781	-	-	20,000,000	-	-	28,849,781
More than 5 years	13,274,671	-	-	-	-	-	13,274,671
More than 5 years	13,274,671	-	-	-	-	-	13,274,671
Total bank loans	44,319,907	19,487,481	439,245	20,222,223	2,512,182	9,041,818	96,022,856

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

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

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



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

Total liabilities to the public, current year

RUT DEBTOR ENTITY	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	96.579.800-5	96.579.800-5
NAME OF DEBTOR ENTITY	Aguas Andinas S.A.	Essal S.A.	Essal S.A.												
COUNTRY OF THE DEBTOR COMPANY	Chile	Chile	Chile												
REGISTRATION NUMBER	630	655	655	713	713	778	778	806	777	806	887	886	887	284	870
SERIES	BAGUA-M	BAGUA-P	BAGUA-Q	BAGUA-S	BAGUA-U	BAGUA-V	BAGUA-W	BAGUA-X	BAGUA-Z	BAGUA-AA	BAGUA-AD	BAGUA-AC	BAGUA-AE	Besal-B	Besal-C
MATURITY DATE	01-04-2031	01-10-2033	01-06-2032	01-04-2035	01-04-2036	01-04-2037	01-06-2037	01-02-2038	15-01-2023	15-01-2040	15-03-2043	15-03-2025	15-03-2044	01-06-2028	01-12-2040
CURRENCY OR RESET UNIT	UF	UF	UF												
PERIODICITY OF DEPRECIATION	At maturity	Biannual	Biannual	Biannual	Biannual	Biannual	Biannual	Biannual							
EFFECTIVE RATE	4.16%	3.83%	4.05%	3.92%	3.81%	3.50%	3.18%	3.15%	2.34%	3.33%	2.87%	1.97%	2.05%	6.63%	2.93%
NOMINAL RATE	4.20%	3.86%	4.00%	3.90%	3.80%	3.50%	3.30%	3.00%	2.40%	3.20%	2.80%	1.80%	2.50%	6.00%	2.80%

NOMINAL AMOUNTS	TH\$															
Up to one year	514,845	405,901	154,179	628,762	532,878	491,149	177,606	562,009	7,348,491	824,299	463,565	224,064	414,218	3,415,277	163,997	16,321,240
Up to 90 days	-	-	-	-	-	-	-	562,009	3,809,748	824,299	463,565	224,064	414,218	-	163,997	6,461,900
More than 90 days up to one year	514,845	405,901	154,179	628,762	532,878	491,149	177,606	-	3,538,743	-	-	-	-	3,415,277	-	9,859,340
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	14,154,970	-	-	15,924,342	-	6,495,446	-	36,574,758
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,077,485	-	-	5,308,114	-	3,247,723	-	15,633,322
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	7,077,485	-	-	10,616,228	-	3,247,723	-	20,941,436
More than 3 years	49,542,395	42,464,910	46,711,401	65,112,862	56,619,880	56,619,880	65,112,862	45,295,904	3,538,743	56,619,880	56,619,880	26,540,570	56,619,880	22,042,118	28,048,530	677,509,695
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	3,538,743	-	-	10,616,228	-	3,247,723	-	17,402,694
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	10,616,228	-	3,247,723	-	13,863,951
More than 5 years	49,542,395	42,464,910	46,711,401	65,112,862	56,619,880	56,619,880	65,112,862	45,295,904	-	56,619,880	56,619,880	5,308,114	56,619,880	15,546,672	28,048,530	646,243,050
Total nominal amounts	50,057,240	42,870,811	46,865,580	65,741,624	57,152,758	57,111,029	65,290,468	45,857,913	25,042,204	57,444,179	57,083,445	42,688,976	57,034,098	31,952,841	28,212,527	730,405,693



BOOK VALUES	TH\$	TH\$															
Obligations to the ordinary public	527,872	414,438	168,619	621,600	529,251	491,149	222,549	524,372	7,358,696	786,205	443,450	157,987	570,241	3,340,132	163,997	16,320,558	
Up to 90 days	-	-	-	-	-	-	-	524,372	3,819,953	786,205	443,450	157,987	570,241	3,340,132	163,997	9,806,337	
More than 90 days up to one year	527,872	414,438	168,619	621,600	529,251	491,149	222,549	-	3,538,743	-	-	-	-	-	-	6,514,221	
Non-current obligations to the public	49,711,499	42,607,147	46,921,832	64,983,746	56,543,915	56,619,880	65,991,224	44,429,043	17,706,018	55,642,582	56,017,217	42,295,104	61,111,397	26,811,234	27,638,931	715,030,769	
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	14,163,174	-	-	15,856,419	-	6,397,710	-	36,417,303	
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,081,587	-	-	5,274,153	-	3,198,855	-	15,554,595	
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	7,081,587	-	-	10,582,266	-	3,198,855	-	20,862,708	
More than 3 years	49,711,499	42,607,147	46,921,832	64,983,746	56,543,915	56,619,880	65,991,224	44,429,043	3,542,844	55,642,582	56,017,217	26,438,685	61,111,397	20,413,524	27,638,931	678,613,466	
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	3,542,844	-	-	10,582,266	-	3,198,855	-	17,323,965	
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	10,582,266	-	3,198,855	-	13,781,121	
More than 5 years	49,711,499	42,607,147	46,921,832	64,983,746	56,543,915	56,619,880	65,991,224	44,429,043	-	55,642,582	56,017,217	5,274,153	61,111,397	14,015,814	27,638,931	647,508,380	
Total obligations to the public	50,239,371	43,021,585	47,090,451	65,605,346	57,073,166	57,111,029	66,213,773	44,953,415	25,064,714	56,428,787	56,460,667	42,453,091	61,681,638	30,151,366	27,802,928	731,351,327	

Total liabilities to the public, previous year

RUT DEBTOR ENTITY	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	96.579.800-5	96.579.800-5
NAME OF DEBTOR ENTITY	Aguas Andinas S.A.	ESSAL S.A.	ESSAL S.A.												
COUNTRY OF THE DEBTOR COMPANY	Chile	Chile	Chile												
REGISTRATION NUMBER	630	655	655	712	713	713	778	778	806	777	806	887	886	284	870
SERIES	BAGUA-M	BAGUA-P	BAGUA-Q	BAGUA-R	BAGUA-S	BAGUA-U	BAGUA-V	BAGUA-W	BAGUA-X	BAGUA-Z	BAGUA-AA	BAGUA-AD	BAGUA-AC	Besal-B	Besal-C
MATURITY DATE	01-04-2031	01-10-2033	01-06-2032	01-04-2019	01-04-2035	01-04-2036	01-04-2037	01-06-2037	01-02-2038	15-01-2023	15-01-2040	15-03-2043	15-03-2025	01-06-2028	01-12-2040
CURRENCY OR RESET UNIT	UF	UF	UF												
PERIODICITY OF DEPRECIATION	At maturity	At maturity	At maturity	Biannual	At maturity	Biannual	Biannual	Biannual	Biannual	Biannual	Biannual				
EFFECTIVE RATE	4.16%	3.82%	4.05%	3.44%	3.92%	3.81%	3.50%	3.18%	3.15%	2.34%	3.33%	2.87%	1.96%	6.63%	2.93%
NOMINAL RATE	4.20%	3.86%	4.00%	3.30%	3.90%	3.80%	3.50%	3.30%	3.00%	2.40%	3.20%	2.80%	1.80%	6.00%	2.80%



NOMINAL AMOUNTS	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$
Up to one year	501,311	395,231	150,126	3,087,924	612,235	518,871	478,239	172,938	547,236	3,748,693	806,326	219,393	451,380	2,649,403	-	14,339,306	
Up to 90 days	-	-	-	-	-	-	-	-	547,236	3,748,693	806,326	219,393	451,380	2,649,403	-	8,422,431	
More than 90 days up to one year	501,311	395,231	150,126	3,087,924	612,235	518,871	478,239	172,938	-	-	-	-	-	-	-	-	5,916,875
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	-	13,782,896	-	-	5,168,586	6,383,654	-	25,335,136	
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	-	6,891,448	-	-	-	-	3,191,827	-	10,083,275
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	-	6,891,448	-	-	5,168,586	3,191,827	-	15,251,861	
More than 3 years	48,240,133	41,348,685	45,483,554	-	63,401,317	55,131,580	55,131,580	63,401,317	44,105,264	10,337,172	55,131,580	55,131,580	36,180,099	23,606,307	27,565,790	624,195,958	
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	-	6,891,448	-	-	10,337,171	3,191,827	-	20,420,446	
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	3,445,724	-	-	10,337,171	3,191,827	-	16,974,722	
More than 5 years	48,240,133	41,348,685	45,483,554	-	63,401,317	55,131,580	55,131,580	63,401,317	44,105,264	-	55,131,580	55,131,580	15,505,757	17,222,653	27,565,790	586,800,790	
Total nominal amounts	48,741,444	41,743,916	45,633,680	3,087,924	64,013,552	55,650,451	55,609,819	63,574,255	44,652,500	27,868,761	55,937,906	55,350,973	41,800,065	32,639,364	27,565,790	663,870,400	

BOOK VALUES	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$	TH\$
Obligations to the ordinary public	514,006	403,555	163,916	3,088,985	605,265	515,342	478,239	216,304	510,665	3,762,546	769,268	199,950	390,405	3,259,198	159,686	15,037,330	
Up to 90 days	-	-	-	-	-	-	-	-	510,665	3,762,546	769,268	199,950	390,405	-	-	5,632,834	
More than 90 days up to one year	514,006	403,555	163,916	3,088,985	605,265	515,342	478,239	216,304	-	-	-	-	-	3,259,198	159,686	9,404,496	
Non-current obligations to the public	48,424,970	41,501,290	45,709,303	-	63,263,490	55,051,193	55,131,580	64,327,541	43,204,473	24,139,660	54,118,401	54,513,068	41,129,323	29,601,126	26,844,692	646,960,110	
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	-	13,792,692	-	-	5,113,745	6,218,496	-	25,124,933	
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	-	6,896,346	-	-	-	-	3,109,248	-	10,005,594
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	-	6,896,346	-	-	5,113,745	3,109,248	-	15,119,339	
More than 3 years	48,424,970	41,501,290	45,709,303	-	63,263,490	55,051,193	55,131,580	64,327,541	43,204,473	10,346,968	54,118,401	54,513,068	36,015,578	23,382,630	26,844,692	621,835,177	
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	-	6,896,346	-	-	10,282,331	3,109,248	-	20,287,925	
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	3,450,622	-	-	10,282,331	3,109,248	-	16,842,201	
More than 5 years	48,424,970	41,501,290	45,709,303	-	63,263,490	55,051,193	55,131,580	64,327,541	43,204,473	-	54,118,401	54,513,068	15,450,916	17,164,134	26,844,692	584,705,051	
Total obligations to the public	48,938,976	41,904,845	45,873,219	3,088,985	63,868,755	55,566,535	55,609,819	64,543,845	43,715,138	27,902,206	54,887,669	54,713,018	41,519,728	32,860,324	27,004,378	661,997,440	



Lease liabilities

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

Reconciliation of financial liabilities

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

Current fiscal year:

OTHER FINANCIAL LIABILITIES, CURRENT	OPENING BALANCE 12/31/2018 TH\$	ADDITIONS TH\$	RETIREMENTS TH\$	TRANSFERS TH\$	ENDING BALANCE 12/31/2019 TH\$
Bank loans	3,503,647	134,183,291	(128,108,621)	4,298,190	13,876,507
Bonds	15,037,330	7,807	(6,886)	1,282,307	16,320,558
Refundable financial contributions	15,422,339	27,233,300	(26,985,986)	(9,480,904)	6,188,749
Lease liabilities	-	2,014,767	(1,308,050)	789,816	1,496,534
Total	33,963,316	163,439,165	(156,409,543)	(3,110,591)	37,882,348

OTHER FINANCIAL LIABILITIES, CURRENT	OPENING BALANCE 12/31/2018 TH\$	ADDITIONS TH\$	RETIREMENTS TH\$	TRANSFERS TH\$	ENDING BALANCE 12/31/2019 TH\$
Bank loans	92,519,209	22,257,777	-	(13,424,891)	101,352,095
Bonds	646,960,110	56,686,306	(9,799,598)	21,183,951	715,030,769
Refundable financial contributions	173,033,860	27,233,300	(26,985,986)	13,291,354	186,572,528
Lease liabilities	-	2,731,898	-	(789,814)	1,942,084
Total	912,513,179	108,909,281	(36,785,584)	20,260,600	1,004,897,476

Previous year:

OTHER FINANCIAL LIABILITIES, CURRENT	OPENING BALANCE 12/31/2017 TH\$	ADDITIONS TH\$	RETIREMENTS TH\$	TRANSFERS TH\$	ENDING BALANCE 12/31/2018 TH\$
Bank loans	7,436,617	24,492,934	(24,436,123)	(3,989,781)	3,503,647
Bonds	40,406,918	3,191,827	(30,543,587)	1,982,172	15,037,330
Refundable financial contributions	15,201,817	16,301,555	(15,713,640)	(367,393)	15,422,339
Total	63,045,352	43,986,316	(70,693,350)	(2,375,002)	33,963,316

OTHER FINANCIAL LIABILITIES, CURRENT	OPENING BALANCE 12/31/2017 TH\$	ADDITIONS TH\$	RETIREMENTS TH\$	TRANSFERS TH\$	ENDING BALANCE 12/31/2018 TH\$
Bank loans	88,735,865	64,248,905	(44,248,905)	(16,216,656)	92,519,209
Bonds	545,691,060	113,369,845	(7,515,955)	(4,584,840)	646,960,110
Refundable financial contributions	168,551,242	-	-	4,482,618	173,033,860
Total	802,978,167	177,618,750	(51,764,860)	(16,318,878)	912,513,179

14.5 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments carried at amortized cost.

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



Note 15.

Commercial and other accounts payable

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

Methodology and assumptions used in the calculation of fair value

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

- a) The amortized cost of time deposits and mutual funds is a good approximation of fair value, because they are short-term transactions.
- b) The amortized cost of AFR liabilities is a good approximation of the fair value, since they are operations with little liquidity in the market, the rate applied corresponds to that indicated in the standard that regulates them (DFL No. 70).

c) The fair value of the bonds was determined based on market price references, as these instruments are Commercial in the market under standard conditions and with a high degree of liquidity.

d) The fair value of the bank debt was determined by discounting the cash flows of each loan (principal and interest disbursements) at an interpolated swap curve rate corresponding to the remaining term. This term corresponds to the number of days counted from the month-end date of the Financial Statement to the date corresponding to the disbursement of each flow.

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

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

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

COMMERCIAL AND OTHER ACCOUNTS PAYABLE	CURRENCY OR RESET UNIT	OPENED TH\$	PAID TH\$
Subcontractors	CLP	34,881,915	39,997,433
Dividends	CLP	22,294,725	22,849,266
Suppliers	CLP	40,958,556	48,205,090
Suppliers	USD	758,814	903,099
Suppliers	EUR	276,608	99,658
Accrued products and services	CLP	25,230,374	17,545,125
Staff	CLP	3,863,611	4,221,514
Documents to be paid	CLP	3,535,897	2,640,953
Others	CLP	651,351	437,037
Total current		132,451,851	136,899,175
Documents to be paid	CLP	904,203	730,021
Suppliers	CLP	184,719	182,919
Sundry creditors	CLP	70,395	70,395
Total Non-Current		1,159,317	983,335
Total		133,611,168	137,882,510



Note 16.

Other provisions and contingent liabilities

Below is information regarding invoiced commercial accounts by due date:

15.1 COMMERCIAL ACCOUNTS

Current fiscal year:

UP-TO-DATE COMMERCIAL ACCOUNTS ACCORDING TO TERM	12/31/2019			
	GOODS TH\$	SERVICES TH\$	OTHERS TH\$	TOTAL TH\$
Up to 30 days	7,607,971	17,388,913	189,590	25,186,474
Between 31 and 60 days	1,179,791	10,888,431	2,720	12,070,942
Between 61 and 90 days	315,114	115,331	-	430,445
Between 91 and 120 days	-	230,670	-	230,670
Total	9,102,876	28,623,345	192,310	37,918,531

OVERDUE COMMERCIAL ACCOUNTS BY DEADLINE	12/31/2019			
	GOODS TH\$	SERVICES TH\$	OTHERS TH\$	TOTAL TH\$
Up to 30 days	(157,947)	681,169	9,194	532,416
Between 31 and 60 days	974,082	176,438	58	1,150,578
Between 61 and 90 days	361,633	673,907	11,008	1,046,548
Between 91 and 120 days	194,029	82,634	3,752	280,415
Between 121 and 365 days	48	1,049,148	8,219	1,057,415
More than 365 days	-	7,906	169	8,075
Total	1,371,845	2,671,202	32,400	4,075,447

Previous year:

UP-TO-DATE COMMERCIAL ACCOUNTS ACCORDING TO TERM	12/31/2018			
	GOODS TH\$	SERVICES TH\$	OTHERS TH\$	TOTAL TH\$
Up to 30 days	11,577,843	22,520,176	229,274	34,327,293
Between 31 and 60 days	3,237,666	6,521,436	30,993	9,790,095
Between 61 and 90 days	-	435,541	-	435,541
Between 91 and 120 days	-	26,793	-	26,793
Between 121 and 365 days	-	228,113	-	228,113
Total	14,815,509	29,732,059	260,267	44,807,835

OVERDUE COMMERCIAL ACCOUNTS BY DEADLINE	12/31/2018			
	GOODS TH\$	SERVICES TH\$	OTHERS TH\$	TOTAL TH\$
Up to 30 days	-	458,332	4,979	463,311
Between 31 and 60 days	2,582,452	60,118	198,854	2,841,424
Between 61 and 90 days	663,178	24,747	45,366	733,291
Between 91 and 120 days	312,414	20,577	388	333,379
Between 121 and 365 days	1,581	22,696	1,451	25,728
More than 365 days	171	2,618	90	2,879
Total	3,559,796	589,088	251,128	4,400,012

A. OTHER PROVISIONS

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

TYPES OF PROVISIONS	12/31/2019 TH\$	12/31/2018 TH\$
Provision for legal claims *	3,732,169	2,992,246
Other provisions, current	3,732,169	2,992,246
Other provisions, non-current	1,380,132	1,341,233
Provisions, not current	1,380,132	1,341,233

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

The movement in current provisions is as follows:

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



The movement in non-current provisions is as follows:

OTHER NON-CURRENT PROVISIONS	12/31/2019 TH\$	12/31/2018 TH\$
Opening balance provisions	1,341,233	1,301,105
Other increase (decrease)	38,899	40,128
Changes in provisions, Total	38,899	40,128
Total	1,380,132	1,341,233

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

1.- Legal claims

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

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

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

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

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

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

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

2.- Other provisions, non-current

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

B.- CONTINGENT LIABILITIES

1.- Aguas Andinas S.A. was sued in an ordinary lawsuit for damages due to the damages allegedly suffered by a Mining Company, because of the installation of infrastructure by the company on land where the plaintiff would have mining properties, causing it alleged damage by preventing the extraction of minerals. The amount sued amounts to ThCh\$1,093,564. A first instance judgment was

rendered which was reversed by the court of appeals, which upheld Aguas Andinas' claim. Pending ruling by the Supreme Court.

2.- On 9 June 2016, as a result of a break in the drinking water matrix that affected the district of Providencia, Aguas Andinas S.A. compensated for the damage caused to third parties. In view of the aforementioned emergency, the Company is in the process of being audited and notified of the beginning of the sanctioning process by the Superintendence of Sanitary Services. The Company presented its discharges, the resolution of the authority is pending.

3.- The Company was sued by the National Consumer Service regarding the supply cuts that occurred in February and April 2017. The lawsuit seeks to have the court establish fines and compensation for each of the users affected by the interruption of service. The company is awaiting the court's ruling.

4.- Aguas Cordillera was sued in the 11th Civil Court of Santiago for the constitution of easements, the amount demanded was Th\$3,689,946. The case is in the court of appeals and on May 20, 2019 a cassation appeal is filed in the form.

5.- As of December 31, 2019, there are 2 proceedings in administrative matters initiated by the Superintendence of Sanitary Services (SISS) against ESSAL and which are related to the events that occurred in July 2019 at the Caipulli drinking water production plant in the city of Osorno. One of the proceedings deals with the expiration of the concession in Osorno; and the second accuses ESSAL of several infractions for alleged deficiencies in the quality of service, aiming to establish sanctions of a fine. Both procedures are in the evidentiary stage before the SISS, with no resolution of a fine or resolution to end the administrative proceeding, and are still pending.

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



Note 17.

Employee benefits

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

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

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

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

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

POLICIES ON DEFINED BENEFIT PLANS

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

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

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

ACCOUNTING POLICIES ON THE RECOGNITION OF PROFIT AND LOSS ON DEFINED BENEFIT PLANS

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

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

ACTUARIAL ASSUMPTIONS

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

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

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



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

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

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

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

OVERVIEW OF DEFINED BENEFIT PLANS

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

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

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

For the workers of Aguas Andinas S.A. and its Subsidiaries, which are not part of their collective agreements, what is indicated in their individual work contracts applies.

As for the non-water utility subsidiaries, i.e. Gestión y Servicios S.A., EcoRiles S.A., Análisis Ambientales S.A. and Aguas del Maipo S.A., the provisions of the Labor Code apply, unless individual contracts indicate otherwise.

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

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

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

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

EMPLOYEE BENEFITS PROVISIONS	12/31/2019 TH\$	12/31/2018 TH\$
Provisions for employee benefits, current	5,184,148	5,496,070
Provisions for employee benefits, non-current	20,768,569	17,338,241
Total	25,952.717	22,834.311

EXPECTED PAYMENT FLOWS

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

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

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

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

COMPANY	NUMBER OF EMPLOYEES	EXPECTED PAYMENT FLOW TH\$	YEAR
Aguas Andinas S.A.	30	3.742.149	2020
Aguas Cordillera S.A.	4	382.098	2020
Aguas Manquehue S.A.	1	33.616	2020
ESSAL S.A.	1	3.352	2020
Total	36	4.161.215	



PROJECTED LIABILITIES AS OF DECEMBER 31, 2019

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

The summary by Company is as follows:

COMPANY	NUMBER OF EMPLOYEES	COSTS FOR SERVICES TH\$	INTEREST COSTS TH\$
Aguas Andinas S.A.	884	839,921	702,809
Aguas Cordillera S.A.	104	140,839	57,248
Aguas Manquehue S.A.	14	2,364	17,713
ESSAL S.A.	349	42,126	28,869
Total	1,351	1,025,250	806,639

SENSITIVITY OF ASSUMPTIONS

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

DISCOUNT RATE	BASE	PLUS 0,5% TH\$	LESS 0,5% TH\$
Aguas Andinas S.A.	4.16%	(16,132,449)	17,718,331
Aguas Cordillera S.A.	4.16%	(1,319,883)	1,435,647
Aguas Manquehue S.A.	4.16%	(407,530)	445,203
ESSAL S.A.	4.00%	(38,795)	42,589
Total		(17,898,657)	19,641,770

TURNOVER RATE	BASE	PLUS 0,5% TH\$	LESS 0,5% TH\$
Aguas Andinas S.A.	5.20%	(16,063,615)	17,790,064
Aguas Cordillera S.A.	8.70%	(1,312,613)	1,443,103
Aguas Manquehue S.A.	0.00%	(406,872)	425,784
ESSAL S.A.	6.20%	(42,752)	46,896
Total		(17,825,852)	19,705,847

RATE OF PAY INCREASE	BASE	PLUS 0,5% TH\$	LESS 0,5% TH\$
Aguas Andinas S.A.	2.50%	17,727,987	(16,116,936)
Aguas Cordillera S.A.	1.70%	1,436,821	(1,318,283)
Aguas Manquehue S.A.	0.30%	445,871	(414,245)
ESSAL S.A.	1.50%	43,465	(39,893)
Total		19,654,144	(17,889,357)

DISCLOSURE OF TERMINATION BENEFITS

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

PROFIT SHARING AND BONDS

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

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

STAFF COSTS

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

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



Note 18.

Other non-financial liabilities

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

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

Note 19.

Equity attributable to the owners of the controller

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

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

The composition of each series is as follows:

CURRENCY	12/31/2019 TH\$	12/31/2018 TH\$
Series A shares	5,811,031,417	5,811,031,417
Series B shares	307,933,743	307,933,743

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

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

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

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

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

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

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

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

- At the Board of Directors meeting held on December 12, 2018, it was unanimously agreed to distribute among the shareholders the amount of Th\$43,223,758, as an interim dividend, to be charged to the profits of the year 2018. As a result, the Company's provisional dividend No. 67 amounted to \$7,0639 per share. The payment was due as of January 18, 2019.
- At the shareholders' meeting held on April 24, 2018, it was agreed to distribute the liquid profits obtained by the Company in the year 2017, which amounted to Th\$139,620,280, excluding the line "Results Other Gains" of the Financial



Statement, net of taxes, leaving an amount to be distributed of Th\$137,677,083. In consideration of the interim dividend paid in January 2018, the distributable profit amounted to Th\$95,692,416 corresponding to a dividend of \$15.6386 per share, which was paid on May 24, 2018.

- Minimum dividend provision

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

- Accumulated earnings

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

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

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

- Share premiums.

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

- Other equity holdings.

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

Note 20. Equity attributable to non-controlling interests

A. OTHER PROVISIONS

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

COMPANY	% OF PARTICIPATION		NON-CONTROLLING INTERESTS			
	12/31/2019 TH\$	12/31/2018 TH\$	12/31/2019 TH\$	12/31/2018 TH\$	12/31/2019 TH\$	12/31/2018 TH\$
Aguas Cordillera S.A.	0.00997%	0.00997%	20,467	20,223	2,133	1,825
ESSAL S.A. (1)	46.49350%	46.49350%	42,999,662	48,350,519	(-1,988,949)	3,260,013
Total			43,020,129	48,370,742	(-1,986,816)	3,261,838

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

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



Note 21.

Ordinary income

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

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

Note 22.

Other expenses by nature

The following is information on other expenses, by nature:

OTHER EXPENSES BY NATURE	12/31/2019 TH\$	12/31/2018 TH\$
Operation of treatment plants	(27,739,420)	(25,879,842)
Services	(15,624,599)	(17,979,010)
Maintenance and repairs of networks	(16,361,245)	(14,403,921)
Commercial Services	(13,710,439)	(13,329,382)
Costs for work requested by third parties	(9,950,154)	(10,014,480)
Maintenance of premises and equipment	(9,862,429)	(8,151,903)
Operating leases	(7,179,647)	(7,708,393)
Waste and sludge removal	(6,187,759)	(5,884,761)
Contributions, patents, insurance and rights	(6,630,866)	(6,483,442)
Overheads	(7,715,813)	(6,706,411)
Others	(7,351,393)	(5,816,781)
Osorno Contingency *	(10,461,080)	-
Total	(138,774,844)	(122,358,326)

*Osorno Contingency

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

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

OSORNO'S CONTINGENCY	TH\$
Compensation Law No. 19.496-Sernac	(2,914,114)
Voluntary Agreement with Customers (PVC(*), Mypes, SMEs and others)	(3,605,000)
Extraordinary operating expenses	(967,410)
Other Direct Costs	(2,974,556)
Total	(10,461,080)



Note 23.

Other income and expenses

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

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

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

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

Note 24.

Exchange rate difference effect

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

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

Note 25.

Income by units of readjustment

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

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



Note 26.

Business segments

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

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

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

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

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

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

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

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



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

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

SIGNIFICANT INCOME AND EXPENSE ITEMS BY SEGMENT

Water and Non-Water Segment

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

Income

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

DETAILS OF SIGNIFICANT INCOME ITEMS

Water segment

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

Tariffs

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

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

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

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



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

Non-water segment

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

DETAILS OF SIGNIFICANT EXPENSE ITEMS

Water segment

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

Non-water segment

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

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

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

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

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

RECONCILIATION OF INCOME FROM ORDINARY ACTIVITIES	12/31/2019 TH\$	12/31/2018 TH\$
Revenue from the segments' ordinary activities	550,479,119	535,888,900
Elimination of intersegment ordinary activities	(5,795,252)	(5,484,220)
Income from ordinary activities	544,679,496	530,400,417

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

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

RECONCILIATIONS OF SEGMENT ASSETS, LIABILITIES AND EQUITY	12/31/2019 TH\$	12/31/2018 TH\$
Asset Reconciliation		
Total segment assets consolidation	2,013,576,051	1,914,378,803
Elimination of accounts between segments	(12,131,749)	(8,326,704)
Total assets	2,001,444,302	1,906,052,099
Reconciliation of liabilities		
Consolidation of total segment liabilities	1,326,102,588	1,227,387,406
Elimination of accounts between segments	(12,131,749)	(8,326,704)
Total liabilities	1,313,970,839	1,219,060,702

Reconciliation of assets		
Consolidation of total segment assets	644,453,334	638,620,655
Equity attributable to the owners of the controller	644,453,334	638,620,655

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

RECONCILIATION OF SEGMENT OPERATING FLOWS	12/31/2019 TH\$	12/31/2018 TH\$
Consolidation of segment operating flows	234,498,664	247,701,004
Elimination of accounts between segments	(2,200,001)	(2,200,000)
Total operating flows	232,298,663	245,501,004



RECONCILIATION OF SEGMENT INVESTMENT FLOWS	12/31/2019 TH\$	12/31/2018 TH\$
Consolidation of segment investment flows	(128,705,549)	(133,978,050)
Elimination of accounts between segments	2,937,001	(1,472,999)
Total investment flows	(125,768,548)	(135,451,049)

RECONCILIATION OF SEGMENT FINANCING FLOWS	12/31/2019 TH\$	12/31/2018 TH\$
Consolidation of segment financing flows	(73,710,831)	(92,550,821)
Elimination of accounts between segments	(737,000)	3,673,000
Total financing flows	(74,447,831)	(88,877,821)

INFORMATION ABOUT THE MAIN CUSTOMERS

Main customers in the water segment:

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

Main customers in the non-water segment

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

PRODUCT TYPES WATER SEGMENT – NON-WATER

Water segment

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

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

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

Non-water segment

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

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

Note 27. Earnings per share

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

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

DILUTED EARNINGS (LOSS) PER SHARE DISCLOSURE

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



Note 28.

Financial Statement of subsidiaries

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

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

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

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

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

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

12/31/2019 SUBSIDIARIES	RESULT FOR THE YEAR TH\$	ORDINARY INCOME TH\$	OPERATIONAL EXPENSES TH\$	OTHER NET INCOME (EXPENSE) TH\$
Aguas Cordillera S.A.	21,389,838	57,835,599	(34,743,353)	(1,702,408)
Aguas Manquehue S.A.	5,408,434	17,115,014	(8,680,556)	(3,026,024)
Inversiones Iberaguas Ltda.	(567,316)	-	(7,298)	(560,018)
ESSAL S.A.	(1,034,535)	60,354,783	(54,565,782)	(6,823,536)
EcoRiles S.A.	1,841,713	14,432,857	(11,908,958)	(682,186)
Gestión y Servicios S.A.	192,123	10,454,700	(9,983,482)	(279,095)
Análisis Ambientales S.A.	1,069,049	9,450,854	(7,868,702)	(513,103)
Aguas del Maipo S.A.	(634,767)	1,071,511	(1,415,227)	(291,051)

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

12/31/2019 SUBSIDIARIES	RESULT FOR THE YEAR TH\$	ORDINARY INCOME TH\$	OPERATIONAL EXPENSES TH\$	OTHER NET INCOME (EXPENSE) TH\$
Aguas Cordillera S.A.	18,308,227	56,065,727	(34,883,515)	(2,873,985)
Aguas Manquehue S.A.	3,569,484	14,099,497	(8,380,740)	(2,149,273)
Inversiones Iberaguas Ltda.	5,499,575	-	(6,268)	5,505,843
ESSAL S.A.	10,857,446	58,268,739	(38,700,322)	(8,710,971)
EcoRiles S.A.	1,783,252	13,324,400	(10,870,582)	(670,566)
Gestión y Servicios S.A.	262,972	8,646,294	(8,279,949)	(103,373)
Análisis Ambientales S.A.	1,163,755	8,832,301	(7,166,509)	(502,037)
Aguas del Maipo S.A.	(181,604)	1,061,523	(1,206,172)	(36,955)



Note 29 .

Asset impairment

Detail of significant subsidiaries

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

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

DISCLOSURES ON IMPAIRMENT OF ASSETS BY CASH-GENERATING UNIT

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

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

For lower values, the value in use is calculated, considering the different companies as CGUs, using recent medium-term budget estimates, determining the different

parameters according to models widely used in the market. The parameters are established through the information in force for risk-free tariffs typical of the relevant market, the useful life of each company's own assets and the usual income growth tariffs for the Companies, considering population growth and variations in consumption over the years.

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

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

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



Note 30.

Guarantees and restrictions

A) DIRECT GUARANTEES

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

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

GUARANTEE CREDITOR	DEBTOR NAME	GUARANTEE TYPE	12/31/2019	12/31/2018
ASOCIACION DE CANALISTAS DEL MAIPO	A. Andinas S.A.	Bond	8,059,241	7,870,828
CGE DISTRIBUCION	A. Andinas S.A.	Bond	53,349	53,349
COMITE INNOVA CHILE	A. Andinas S.A.	Bond	216,096	278,074
CONSTRUCTORA SAN FRANCISCO	A. Andinas S.A.	Bond	141,550	154,644
DGAC	A. Andinas S.A.	Bond	11,324	22,053
FERROCARRILES	A. Andinas S.A.	Bond	84,930	-
DIRECCION OBRAS HIDRAULICAS	A. Andinas S.A.	Bond	4,647,118	4,377,068
DIRECCION VIALIDAD	A. Andinas S.A.	Bond	33,066	61,637
GOB REG METROPOLITANO	A. Andinas S.A.	Bond	160,040	79,973
I MUN PAINÉ	A. Andinas S.A.	Bond	19,837	19,837
MUNICIPALIDAD PROVIDENCIA	A. Andinas S.A.	Bond	58,092	56,730
MUNICIPALIDAD DE LA REINA	A. Andinas S.A.	Bond	70,775	68,914
MUNICIPALIDAD DE SANTIAGO	A. Andinas S.A.	Bond	26,328	25,636
INMOB MACUL S.A.	A. Andinas S.A.	Bond	28,310	55,132
MUNICIPALIDAD LA FLORIDA	A. Andinas S.A.	Bond	494,526	481,527

MUNICIPALIDAD PEÑALOLEN	A. Andinas S.A.	Bond	45,971	44,762
I MUN DE RENCA	A. Andinas S.A.	Bond	-	27,566
SOCIEDAD CONC. AUTOPISTA CENTRAL	A. Andinas S.A.	Bond	-	55,132
SERVIU METROPOLITANO	A. Andinas S.A.	Bond	12,890,555	8,182,332
S.I.S.S.	A. Andinas S.A.	Bond	6,306,351	6,589,433
SOCIEDAD CONC. MELIPILLA	A. Andinas S.A.	Bond	33,972	33,079
TESORERIA MUNICIPAL DE LA FLORIDA	A. Andinas S.A.	Bond	30,078	-
ASOCIACION DE CANALISTAS DEL MAIPO	A. Cordillera S.A.	Bond	977,529	951,834
DIRECCION OBRAS HIDRAULICAS	A. Cordillera S.A.	Bond	-	410,234
I MUN LAS CONDES	A. Cordillera S.A.	Bond	171,000	156,000
I MUN LO BARNECHEA	A. Cordillera S.A.	Bond	14,155	13,783
I MUN DE VITACURA	A. Cordillera S.A.	Bond	56,620	55,132
SENCORP	A. Cordillera S.A.	Bond	-	313,974
MINISTERIO DE OBRAS PUBLICAS	A. Cordillera S.A.	Bond	421,309	-
SERVIU METROPOLITANO	A. Cordillera S.A.	Bond	926,992	450,866
S.I.S.S.	A. Cordillera S.A.	Bond	1,263,812	1,241,618
ASOCIACION DE CANALISTAS DEL MAIPO	A. Manquehue S.A.	Bond	1,559,942	1,459,092
I MUN LO BARNECHEA	A. Manquehue S.A.	Bond	-	88,514
MUNICIPALIDAD VITACURA	A. Manquehue S.A.	Bond	11,324	11,026
S.I.S.S.	A. Manquehue S.A.	Bond	1,016,214	1,119,006
SERVIU METROPOLITANO	A. Manquehue S.A.	Bond	110,537	-
DIRECCION OBRAS HIDRAULICAS	ESSAL S.A.	Bond	1,922,988	1,678,920
SERVIU METROPOLITANO	ESSAL S.A.	Bond	140,202	157,191



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

B) RESTRICTIONS ON BOND ISSUES

i) Aguas Andinas S.A.

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

- Send to the representative of Bond Holders a copy of the consolidated financial Statement, and of the Subsidiaries Corporations registered with the Financial Market Commission, both the quarterly and the annual audited Statement, in the same period in which they are to be delivered to the Financial Market Commission, and of all public information provided to said Commission.

- To record in its accounting books, the provisions arising from adverse contingencies which, in the opinion of the Company's management, should be reflected in the Financial Statement of the Company and/or its Subsidiaries.
- To maintain insurance that reasonably protects its operational assets, including its headquarters, buildings, plants, office furniture and equipment and vehicles, in accordance with the usual practices for industries in the nature of the Company.
- The Company undertakes to ensure that the transactions it carries out with its Subsidiaries or with other related persons are carried out under conditions of equity similar to those normally prevailing in the market.
- Maintain at the end of each quarter of the Issuer's Financial Statement, a Level of Indebtedness not exceeding 1.5 times. Notwithstanding, the above limit will be adjusted according to the quotient between the Consumer Price Index of the month in which the Level of Indebtedness is calculated and the Consumer Price Index of December 2009. However, the above limit will be adjusted up to a maximum level of 2 times. As of December 31, 2019, the variation in the debt level limit amounts to 2.0 times, with accumulated inflation at 33.1%. For these purposes, the Debt Level will be defined as the ratio of Liabilities to Total Equity. The Issuer's Liabilities will be defined as the sum of the Total Current Liabilities and Total Non-Current Liabilities accounts in its consolidated financial Statement.

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

The Issuer must send to the Bond Holders' Representative, together with its quarterly Financial Statement, the background information that allows verification of this indicator

and include in a Note to the Financial Statement, the value of the index described in this letter indicating whether it complies with the established limit and indicating the detail and amount of each of the accounts that comprise it.

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

The following restrictions are maintained for both series:

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

C) RESTRICTIONS ON BANK LOANS

i) Aguas Andinas S.A.

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



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

9. Prohibition to liquidate or dissolve the Company, to liquidate its operations or businesses that constitute its line of business; or to enter into any act or contract tending to the merger or consolidation, except in the case of a merger with its current Subsidiaries.

10. It undertakes to ensure that the transactions it carries out with its Subsidiaries or other related persons are carried out under conditions of equity similar to those normally prevailing in the market.

ii) Aguas Cordillera S.A.

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

1. A level of indebtedness not exceeding one point five times, measured on their consolidated balance sheet figures. Notwithstanding the above, the above limit shall be adjusted according to the quotient between the Consumer Price Index of the month in which the debt level is calculated and the Consumer Price Index of December 2009. With all the above limit it will be adjusted up to a maximum level of twice. For these purposes, the level of indebtedness is defined as the ratio of liabilities to total equity. As of December 31st 2019, the level of debt was 0.63 times.

2. Maintain a financial expense coverage ratio of three or more times, measured on the basis of its consolidated annual balance sheet figures, defined as the ratio of operating income plus depreciation for the year and amortization of intangibles divided by financial expenses. As of December 31st 2019, financial expense coverage was 15.71 times.

3. Send the bank a copy of the debtor's annual consolidated financial Statement within thirty days of their submission to the Financial Market Commission.

4. Send a certificate issued by the Company's General Manager, declaring compliance with the obligations of the loan contract.

5. Keep all your rights, licenses, permits, trademarks, franchises, concessions or relevant parts in full force and effect.

6. Maintain insurance policies that reasonably protect its assets, including its headquarters, buildings, plants, stock, furniture and office equipment and vehicles, in accordance with the usual practices for industries in the nature of the Company.

7. It undertakes to ensure that the transactions it carries out with its Subsidiary or with other related persons are carried out under conditions of equity similar to those normally prevailing in the market.

iii) ESSAL S.A.

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

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

3) GUARANTEES OBTAINED FROM THIRD PARTIES

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

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



CONTRACTOR OR SUPPLIER	COMPANY	12/31/2019 TH\$	EXPIRATION DATE	CONTRACTOR OR SUPPLIER	COMPANY	12/31/2019 TH\$	EXPIRATION DATE
SECURITAS S.A.	Aguas Andinas S.A.	141,908	15-01-2020	CONSTRUCTORA PEREZ Y GOMEZ LTDA	Aguas Andinas S.A.	133,534	07-08-2020
CONSTRUCTORA VALKO S A	Aguas Andinas S.A.	2,521,113	30-01-2020	DALCO INGENIERIA LTDA.	Aguas Andinas S.A.	379,438	10-08-2020
BROTEC CONSTRUCCIÓN LTDA.	Aguas Andinas S.A.	2,521,113	31-01-2020	SUEZ MEDIOAMBIENTE CHILE S.A.	Aguas Andinas S.A.	192,413	12-08-2020
XYLEM WATER SOLUTIONS CHILE S.A.	Aguas Andinas S.A.	151,600	28-02-2020	CONSTRUCTORA PEREZ Y GOMEZ LTDA	Aguas Andinas S.A.	105,766	31-08-2020
EL PENON SPA	Aguas Andinas S.A.	113,240	28-02-2020	DALCO INGENIERIA LTDA.	Aguas Andinas S.A.	275,626	04-09-2020
C. DE PETROLEOS DE CHILE COPEC S.A.	Aguas Andinas S.A.	476,027	16-03-2020	CRILLON S.A.	Aguas Andinas S.A.	208,871	15-09-2020
EIFFAGE ENERGIA CHILE LTDA	Aguas Andinas S.A.	268,312	30-03-2020	TERRA AUSTRALIS INVERSIONES INMOBIL	Aguas Andinas S.A.	137,586	10-10-2020
BAPA S.A.	Aguas Andinas S.A.	128,456	30-03-2020	INM. Y CONST NVA. PACIFI. SUR LTDA.	Aguas Andinas S.A.	139,005	18-10-2020
EMP.DEPURADORA DE A.S. MAPOCHO EL T	Aguas Andinas S.A.	14,688,444	31-03-2020	INM. Y CONST NVA. PACIFI. SUR LTDA.	Aguas Andinas S.A.	138,079	18-10-2020
BAPA S.A.	Aguas Andinas S.A.	268,312	31-03-2020	INM. Y CONST NVA. PACIFI. SUR LTDA.	Aguas Andinas S.A.	137,088	18-10-2020
ICM S.A.	Aguas Andinas S.A.	102,612	16-04-2020	INMOB. Y COMERCIAL QUILICURA LTDA.	Aguas Andinas S.A.	396,339	28-10-2020
MARKETING RELACIONAL UPCM LIMITADA	Aguas Andinas S.A.	226,480	30-05-2020	INMOBILIARIA BBI S.A.	Aguas Andinas S.A.	360,640	29-10-2020
ING. Y CONSTRUCCION MST LTDA.	Aguas Andinas S.A.	139,733	31-05-2020	IDOM CONSULTING, ENGINEERING	Aguas Andinas S.A.	129,291	31-10-2020
INM. Y CONST NVA. PACIFI. SUR LTDA.	Aguas Andinas S.A.	226,480	01-06-2020	ECHEVERRIA IZQUIERDO ING. Y CONSTRU	Aguas Andinas S.A.	673,362	17-11-2020
CONSORCIO NAC. DE DIST. Y LOG. S.A.	Aguas Andinas S.A.	113,240	03-06-2020	EMPRESAS JORDAN S.A.	Aguas Andinas S.A.	157,730	06-12-2020
CONSTRUCTORA PEREZ Y GOMEZ LTDA	Aguas Andinas S.A.	113,240	22-06-2020	INM. Y CONST NVA. PACIFI. SUR LTDA.	Aguas Andinas S.A.	111,239	20-12-2020
CONSTRUCTORA PEREZ Y GOMEZ LTDA	Aguas Andinas S.A.	113,240	22-06-2020	SUEZ MEDIOAMBIENTE CHILE S.A.	Aguas Andinas S.A.	102,731	28-12-2020
CONSORCIO BAPA GRAMATEC SPA	Aguas Andinas S.A.	373,602	26-06-2020	EULEN CHILE S.A.	Aguas Andinas S.A.	113,240	31-12-2020
INGENIERIA Y CONSTRUCCION M.S.T. LIMITADA	Aguas Andinas S.A.	194,030	30-06-2020	EULEN CHILE S.A.	Aguas Andinas S.A.	113,240	31-12-2020
EMPRESA CONST. COTA MIL LTDA.	Aguas Andinas S.A.	113,240	01-07-2020	EMPRESA CONSTRUCTORA RICARDO	A. Andinas S.A.	304,975	15-01-2021
INGENIERIA Y CONSTRUCCION MST LTDA.	Aguas Andinas S.A.	346,712	06-08-2020	Suez Advanced Solutions Chile Ltda.	A. Andinas S.A.	662,453	30-03-2021



CONTRACTOR OR SUPPLIER	COMPANY	12/31/2019 TH\$	EXPIRATION DATE
CONSTRUCTORA CONCRETA S.A.	A. Andinas S.A.	107,097	30-03-2021
Suez Advanced Solutions Chile Ltda.	A. Andinas S.A.	105,992	30-03-2021
ENEL DISTRIBUCION CHILE S.A	A. Andinas S.A.	283,099	10-05-2021
CONSTRUCTORA OLBERTZ LTDA	A. Andinas S.A.	117,771	28-05-2021
TELEFONICA EMPRESAS CHILE S.A.	A. Andinas S.A.	151,306	31-08-2021
A DENHAM Y CIA LTDA	A. Andinas S.A.	237,719	31-12-2021
METLIFE CHILE SEGUROS DE VIDA S.A.	A. Andinas S.A.	415,874	31-01-2022
AES GENER S.A.	A. Andinas S.A.	283,099	01-04-2022
TRANSPORTE CENTRO SUR-NORTE S.A.	A. Andinas S.A.	154,544	05-05-2022
SUEZ MEDIOAMBIENTE CHILE S.A.	A. Andinas S.A.	874,484	30-05-2022
TELEFONICA EMPRESAS CHILE S.A.	A. Andinas S.A.	139,823	30-12-2022
AUTORENTAS DEL PACIFICO SPA	A. Andinas S.A.	100,783	31-07-2023
SUEZ MEDIOAMBIENTE CHILE S.A.	A. Andinas S.A.	120,891	02-01-2024
MOTOROLA CHILE S.A.	A. Andinas S.A.	783,053	01-12-2025
INMOBILIARIA EL QUIJOTE SPA	A. Cordillera S.A.	283,099	01-08-2020
DEGREMONT LIMITADA	A. Cordillera S.A.	288,619	25-09-2020
CONSTRUCTORA VESPUCIO ORIENTE S.A.	A. Cordillera S.A.	295,131	31-01-2021
INLAC S.A.	A. Cordillera S.A.	257,081	28-02-2021
CONSTRUCTORA VESPUCIO ORIENTE S.A.	A. Cordillera S.A.	141,550	30-06-2021
INMOBILIARIA DG CUATRO LIMITADA	A. Manquehue S.A.	143,050	28-02-2020
DEGREMONT LIMITADA	A. Manquehue S.A.	794,697	25-11-2020
INMOBILIARIA TERRAMERICA S.A.	A. Manquehue S.A.	176,286	29-12-2020
COBRA MONTAJES SERVICIOS Y AGUA LTDA.	ESSAL S.A.	111,131	20-01-2021
Total		34,679,959	

Note 31. Capitalized financing costs

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

Disclosure of Capitalized Interest Costs

COSTOS POR INTERESES CAPITALIZADOS, PROPIEDADES, PLANTA Y EQUIPO	12/31/2019	12/31/2018
Capitalization rate of capitalized interest costs, property, plant and equipment	%	5.82
Amount of capitalized interest costs, property, plant and equipment	Th\$	3,880,277
		3,215,456



Note 32.

Environment

DISCLOSURE OF ENVIRONMENTAL INVESTMENTS

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

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

Aguas Andinas S.A.

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

Aguas Manquehue S.A.

PROJECT NAME	12/31/2019 TH\$	12/31/2018 TH\$
Improvement and renewal of treatment equipment and facilities	37,044	26,590
Total	37,044	26,590

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

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

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

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

ESSAL S.A.

PROJECT NAME	12/31/2019 TH\$	12/31/2018 TH\$
Improved disposal infrastructure	50,239	23,781
Improvement of the WWTP system	698,046	673,808
Renewal of treatment and disposal equipment	223,463	101,253
Total	971,748	798,842

Projected investment in the environment for 2020:

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

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



Note 33.

Events occurring after the date of the statement of financial position

AGUAS ANDINAS S.A.

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

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

AGUAS CORDILLERA S.A.

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

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

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

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

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

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

AGUAS MANQUEHUE S.A.

In accordance with Article 10 of D.F.L. MOP No. 70/1988, Law on Tariffs for Sanitary Services, and Article 6 of D.S. MINECON No. 453/1989, Regulation of the Law on Tariffs for Sanitary Services, within the framework of the Seventh

Tariff Process of Aguas Manquehue S.A, in which the Superintendence of Sanitary Services (the "SISS") and the Company are parties, established the tariff level for the five-year period 2020-2025, by means of a document signed on 14 January 2020.

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

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

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

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



AGUAS ANDINAS' — Earnings Release

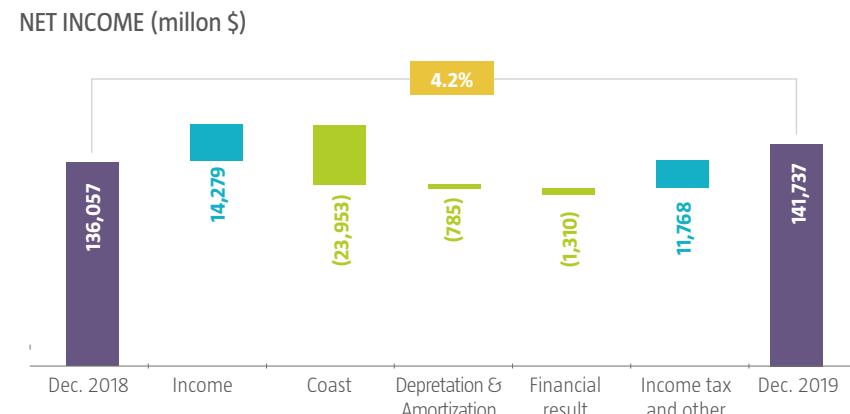


Year ended 31 December 2019



1. Summary of the fiscal year

- Net income as of December 31, 2019 amounted to \$141,737 million, representing a 4.2% increase over the previous year. The main variations for the year are shown in the following chart:



- The Company obtained an EBITDA of \$299,990 million at the end of the fiscal year 2019. Revenues increased by 2.7% reaching \$544,684 million, higher by \$14,279 million, mainly associated with the growth of the regulated business. Additionally, an active management of containment and cost reduction was carried out that allowed to partially compensate the higher direct costs generated by the Osorno event and severe drought.
- ESSAL's outage in Osorno.** The total cost recognized by ESSAL as of December 31, 2019 was \$10,864 million, mainly associated with operating expenses to restore the drinking water supply, compensations to affected customers and other costs derived from the contingency. It should be noted that possible insurance refunds related to these expenses are being assessed.
- Severe Drought.** Due to the fact that the region is going through the greatest drought of the last century and the one that has already lasted for more than a decade, the

Company has recorded higher reflected costs in water and electricity purchases associated with increased groundwater collection, for a total of \$4,597 million.

In this scenario of extreme drought, and taking into account that 2019 was the driest of the last 50 years, Aguas Andinas together with the Maipo River Surveillance Board requested to declare the Maipo River basin a water shortage zone. In the same way, Aguas Cordillera asked the Metropolitan Intendancy to decree a water scarcity area in the communes through which the Mapocho River flows in its First Section.

- At the non-operating level, there was a higher profit on sale of the Company's expendable assets, partially offset by higher bank interest expenses and interest on bonds associated with the higher volume of debt obtained to finance the investment plan together with an increase in the revaluation of debt in Unidades de Fomento (UF).

- Results VII Tariff Process.** The tariff processes for the five-year period 2020-2025 for Aguas Andinas, Aguas Cordillera and Aguas Manquehue have been completed, representing 70%, 10% and 3% of consolidated revenues, respectively. In the case of Aguas Andinas, a reduction in the tariff for drinking water and wastewater treatment of -3% was determined. Within this new tariff framework, the execution of various investments that will progressively increase the autonomy of the capital before episodes of extreme turbidity up to 48 hours, and new fundamental works to address the drought and climate change, such as the Pirque Tanks and Works to remove nutrients in the La Farfana Biofactory, projects that are expected to be operational in the first quarter of 2020. These investment projects will generate a tariff increase of 1.6% and 0.5% respectively.

- Important investment effort.** As of December 31, 2019, the Company has executed investments of \$135,071 million, highlighting that the construction of the Pirque tanks is practically finished, for a total of 1.5 million cubic meters, which will allow to increase the resilience capacity of Santiago from 11 to 34 continuous hours.

OPERATING INCOME

- Regulated revenues were higher by \$9,116 million (a 1.9% increase) mainly due to tariff indexation recorded over the course of 2018 and 2019, the last one in July 2019 (ESSAL) and for Aguas Andinas in September 2018, together with a customer growth of 2.2%.
- Non-regulated income increased by \$5,163 million at year-end 2019 (10.2% increase). This variation was mainly explained by higher income in non-sanitary subsidiaries, agreements with developers, technical advice for the rural drinking water segment and increased activity in home services.
- The main variations in operating costs are as follows:
 - ESSAL Company water outage event in the city of Osorno:** The total impact as of December 31, 2019 was \$10,864 million, mainly associated with operating expenses to restore the drinking water supply, compensation to affected customers and other costs derived from the contingency.
 - Costs associated with the drought:** due to the extreme drought affecting the central area of the country, increases in expenses have been recorded mainly in the following lines:
 - Purchase of raw water:** it has been necessary to purchase more raw water to increase the security of supply for our customers due to the low flow in the Maipo River basin. This implied a higher cost of \$3,276 million.
 - Electrical power:** there was a net cost increase of \$1,321 million, associated with higher groundwater collection, which is partially offset by the improvement in the average price for the entry into force of supply contracts for free customers for 52 Company facilities.



- **Efficiency Improvement Projects:** the development of process improvement and digital transformation projects has continued, which have made it possible to contain and reduce certain cost items such as the following:

- **Biosolids Management:** a saving of \$279 million was obtained from the beneficial use of sludge as a fertilizer and soil improver.
- **Other projects:** improvements in customer management, general and administration services costs of \$446 million.
- **Personnel costs:** at the consolidated level, there was an increase of 1.0%, equivalent to \$618 million, a percentage lower than the annual inflation for the year, mainly associated with the reorganization and retirement plans carried out in the Company.
- **Raw materials and consumables:** There is a higher cost of materials of \$1,488 million, mainly associated with the higher cost of sales of materials of the subsidiary Gestión y Servicios, and in chemical inputs, due to the higher consumption in operation of plants of the subsidiary EcoRiles.
- Finally, higher costs have been recognized for maintenance of drinking water and wastewater networks, maintenance of facilities and equipment, fines and higher sales costs associated with home services.

NON-OPERATING INCOME

The financial result presented a net expense of \$48,556 million, higher by \$1,310 million with respect to the previous year, as a consequence of higher interest associated with a higher level of indebtedness to finance the company's investment plan together with a higher appreciation of the debt in UF.

The line other profit/loss recorded a better performance of \$15,357 million compared to that obtained in 2018, mainly due to higher sales of expendable land located in the Metropolitan Region.

INVESTMENTS

- As of December 31, 2019, investments of \$135,071 million were executed. The main projects developed were:
 - Construction of Pirque Tanks
 - Renewal of Wastewater and Drinking Water networks
 - Asset Replacement at La Farfana and Mapocho-Trebal Biofactories
 - Nitrate Treatment at La Farfana and Mapocho-Trebal Biofactories
 - Connections and meters
 - Mapocho-Trebal Biofactory Cogeneration
- Progress in relevant investment projects - The construction of Pirque tanks is almost finished, a project that will increase the autonomy of the capital city from 11 to 34 hours of drinking water, to cope with the effects of climate change, and thereby minimize the drinking water cuts caused by increased levels of turbidity caused by rainfall in the high mountain range.

OTHER HIGHLIGHTS

- **Result Tariff Process 2020-2025** – On 14 November 2019, the result of the tariff setting for the five-year period 2020-2025 was communicated, in the framework of the seventh tariff process of Aguas Andinas. Within this new tariff framework, it is worth highlighting the execution of different investments that will progressively increase the autonomy of the capital before episodes of extreme turbidity up to 48 hours, and new fundamental works to address the drought and climate change.

In accordance with current legislation, tariffs are determined based on a "model company", which operates efficiently in the geographical area of service provision and is self-financing. In this sense, the base indicator for determining the Company's tariffs is the Total Net Long-Term Cost (CTLPN, for its acronym in Spanish), which corresponds to the constant annual value required to cover the costs of efficient operation and those of investment of an optimized replacement project of the concessionary, dimensioned to satisfy the demand, which is consistent with a net present value of said project equal to zero, in a horizon of no less than 35 years.

As a result of the aforementioned, the agreed tariff level as of December 31, 2018 (reference date established in the Tariff Bases set by the Superintendence of Sanitary Services (SISS, for its acronym in Spanish), amounts to a CTLPN of \$397,058 million, which represents a downward variation of -3% compared to the tariffs agreed for the five-year period 2010-2015 for the services and standards in force.

Also, additional works in construction are contemplated, which will apply with the entry into operation of the works, among them the Pirque tanks, for a total of 1.5 million cubic liters, which will increase the capacity of resilience of Santiago from 11 to 34 continuous hours, and investments in works of nutrient removal in La Farfana and Trebal Biofactories, aimed at improving the quality of treated wastewater and its disposal.

Additionally, works to face extreme turbidity events for up to 48 hours are considered, as well as Aguas Andinas has committed new fundamental works to address the drought and climate change, which will be incorporated in the updated Development Plan of the Company, prior approval of the SISS, highlighting the following:

- (i) Works to reuse 3 m³/s of wastewater
- (ii) Expansion by 1 m³/s of the La Florida Drinking Water Production Plant
- (iii) Probing in the central aquifer for 1.8 m³/s
- (iv) Investments for reduction of losses in the network and re-purification of wastewater



It should be noted that it is not possible to determine exactly the magnitude of the impact on results that the new tariffs will have on the financial Statement of our subsidiary Aguas Andinas S.A., given that this tariff regime is only one of many elements that contribute to determine the results of each year, counting also factors such as the consumption of drinking water, costs, expenses, the applicable indexation polynomial, among others.

Finally, on 15 January 2020, the result of the tariff process for the companies Aguas Cordillera and Aguas Manquehue was announced, which considers a decrease of -1.5% compared to the tariffs agreed for the previous five-year period. Likewise, the agreement included works to ensure the quality and continuity of the service in the context of climate change and water scarcity, in order to extend the companies' times of operational autonomy.

- On April 11, 2019, the Company successfully placed the **second Green and Social Bond** issued in the local market. Aguas Andinas, a pioneer company in issuing green and social bonds, will use these funds to finance investment projects that have a positive impact on the country's environmental and social area. The characteristic of the bond was the following:
 - Green and Social Bond, AE series for UF 2.0 million, structured for a 25-year term with a coupon rate of 2.5%.

The spread achieved by the Green and Social Bond was the lowest in recent years for an equivalent term issue and demand exceeded the amount offered to the market by 2.7 times.

- **New General Manager** – On April 17, 2019, Narciso Berberana Sáenz presented his resignation to the Company's Board of Directors. On the same occasion, the Board of Directors appointed *Marta Colet Gonzalo as the new General Manager*, who took office as of this date.

- **Renewal of the Board of Directors** – At the Ordinary Shareholders' Meeting held on April 23, 2019, matters proper to this meeting were discussed, among them the renewal of the Board of Directors, with the following persons being elected:

Regular Directors

1. Guillermo Pickering de la Fuente
2. Loreto Silva Rojas
3. Giorgianna Cuneo Queirolo
4. Claudio Muñoz Zúñiga
5. Narciso Berberana Sáenz
6. Rodrigo Manubens Moltedo
7. Luis Mayol Bouchon

Alternate Directors

- Jorge Manent Codina
- Sonia Tschorne Berestesky
- Tomás Uauy Cuneo
- Cosme Sagnier Guimón
- Fernando Samaniego Sangroniz
- Gonzalo Rojas Vildósola
- Mauricio Rojas Mullor

The Company's Board of Directors, in a meeting held on the same day, unanimously agreed to appoint Guillermo Pickering de la Fuente as Chairman of the Board. Likewise, it was agreed that the Directors' Committee will be formed by Rodrigo Manubens Moltedo, Luis Mayol Bouchon and Narciso Berberana Sáenz.

- **New President of Aguas Andinas Board of Directors:** On August 6, 2019, Mr. Guillermo Pickering de La Fuente presented his resignation as President and Director of the Company, effective as of this date. On August 8, the Board of Directors agreed to elect Mr. Claudio Muñoz Zúñiga as the new president.

- **Sale of ESSAL stake** – At the Ordinary Meeting of Shareholders held on 22 January 2020, it was agreed to initiate an open and competitive process for the sale of the 53.5% stake that Aguas Andinas directly and indirectly holds in ESSAL S.A. With this, the Company aims to focus its business activity on its current strategic priorities.

ESSAL

On July 11, 2019, the subsidiary ESSAL S.A. had to interrupt the supply of the service in the city of Osorno, affecting 50 thousand customers, due to the presence of hydrocarbons in the productive systems of drinking water. The Company carried out repairs in the processing plant, starting the restoration of service progressively from July 17th, normalizing the supply for all customers in Osorno on July 21st.

As a result of this operational contingency, the Superintendency of Sanitary Services announced the investigation of the facts and establishment of responsibilities, in order to determine the corresponding sanctions or fines according to the regulations in force.

The known economic impacts as of December 31, 2019, arising from the Osorno event, amount to \$10,864 million:

• Compensation Law No. 19,496-Sernac	\$2,914 million
• Compensation to customers	\$3,605 million
• Extraordinary operating expenses	\$ 967 million
• Other direct costs	\$3,378 million

Finally, it should be noted that there are committed insurances that have been activated with the respective insurance companies, whose scope of coverage is in the process of analysis and evaluation.

- **New General Manager of ESSAL** – On July 30, 2019, Gustavo Gomez Jimenez presented his resignation to the Company's Board of Directors. In view of this, the Board of Directors agreed to appoint *José Sáez Albornoz as the new General Manager*, who assumed his duties as of this date.

- **Renewal of the Board of Directors** – At the Extraordinary Shareholders' Meeting held on September 9, 2019, the Board of Directors was renewed with the following persons being elected:



2. Earnings for the fiscal year

Regular Directors

1. Gustavo Alcalde Lemarie
2. Joaquím Brahm Barril
3. Katia Trusich Ortíz
4. Camilo Larraín Sánchez
5. Domingo Cruzat Amunátegui
6. Eduardo Novoa Castellón
7. Andrés Fernández Fernández

The Company's Board of Directors, in a meeting held on the same day, unanimously agreed to appoint Gustavo Alcalde Lemarie as President of the Board and of the Company and Camilo Larraín Sánchez as Vice President.

Alternate Directors

Víctor de la Barra Fuenzalida
 Mauricio Fehrmann Miranda
 Juan Pablo Díaz de Valdés
 Iván Yarur Sairafi
 María Gracia Cariola Cubillos
 Nicole Porcile Yanine
 Eduardo Abuauad Abujatum

2.1. ACCUMULATED EARNINGS

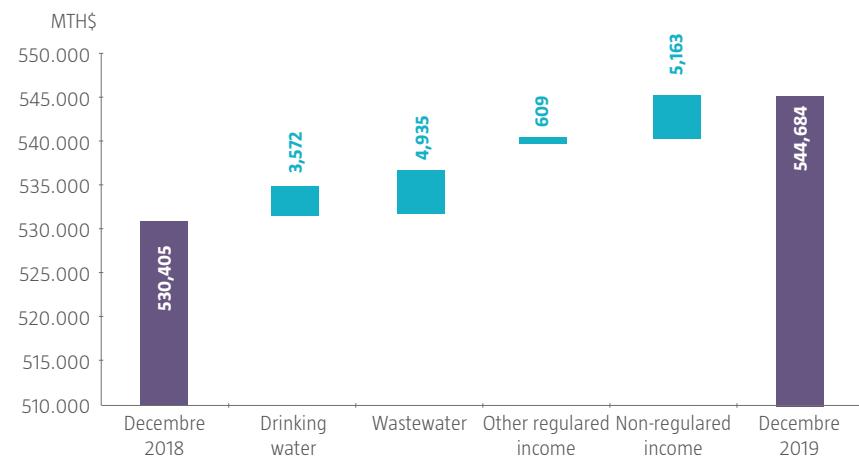
INCOME STATEMENT (TH \$)	12/31/2019	12/31/2018	% VAR.	2019 / 2018
Ordinary revenues	544,683,867	530,404,680	2.7%	14,279,187
Operating costs and expenses	(244,693,933)	(220,740,945)	10.9%	(23,952,988)
EBITDA	299,989,934	309,663,735	(3.1%)	(9,673,801)
Depreciation and amortization	(76,252,365)	(75,467,585)	1.0%	(784,780)
Operating income	223,737,569	234,196,150	(4.5%)	(10,458,581)
Other earnings	14,232,177	(1,124,474)	<(200%)	15,356,651
Financial result*	(48,556,427)	(47,246,899)	2.8%	(1,309,528)
Tax expense	(49,662,947)	(46,506,422)	6.8%	(3,156,525)
Net earnings	141,737,188	136,056,517	4.2%	5,680,671

* Includes financial income, financial costs, exchange rate differences and results by readjustment units

2.2. REVENUE ANALYSIS

	SALES 12/31/2019		SALES 12/31/2018	
	TH\$	PARTICIPATION	TH\$	PARTICIPATION
Drinking water	212,038,943	38.9%	208,467,089	39.3%
Wastewater	259,018,728	47.5%	254,083,790	47.9%
Other regulated income	17,739,192	3.3%	17,130,203	3.2%
Non-regulated income	55,887,004	10.3%	50,723,598	9.6%
Total	544,683,867	100.0%	530,404,680	100.0%

The variation in revenues with respect to the fiscal year 2018 is presented in the following graph:



SALES VOLUME (thousands of m³ invoiced)	12/31/2019	12/31/2018	% VAR.	DIFFERENCE
Drinking water	597,583	597,648	0.0%	(65)
Wastewater collection	572,081	573,323	(0.2%)	(1,242)
Wastewater treatment and disposal	498,101	499,221	(0.2%)	(1,120)
Interconnections*	128,500	128,054	0.3%	446

Customers	12/31/2019	12/31/2018	% VAR.	DIFFERENCE
Agua potable	2,366,009	2,316,107	2.2%	49,902
Wastewater collection	2,312,808	2,263,039	2.2%	49,769

* Interconnections include the Treatment and Disposal of Wastewater from other Water Utility Companies



Regulated businesses

a) Drinking water

Drinking water income at the end of the fiscal year 2019 reached Th\$212,038,943, showing an increase of 1.7% compared to 2018. The increase of Th\$3,571,854 was mainly due to tariff indexation during 2018 and 2019, the last one being in July 2019 for the company Essal.

b) Wastewater

Wastewater income at the end of the fiscal year 2019 reached Th\$259,018,728, which represented an increase of Th\$4,934,938 compared to the previous year, as a result of tariff indexation during the course of 2018 and 2019. The last indexation was recorded in July 2019 (Essal).

c) Other regulated income

This line item presented an increase of Th\$608,989, mainly explained by the variation in the provision for unbilled consumption together with fixed charge income associated with a 2.2% growth in customers.

Unregulated Income

a) Sanitary services

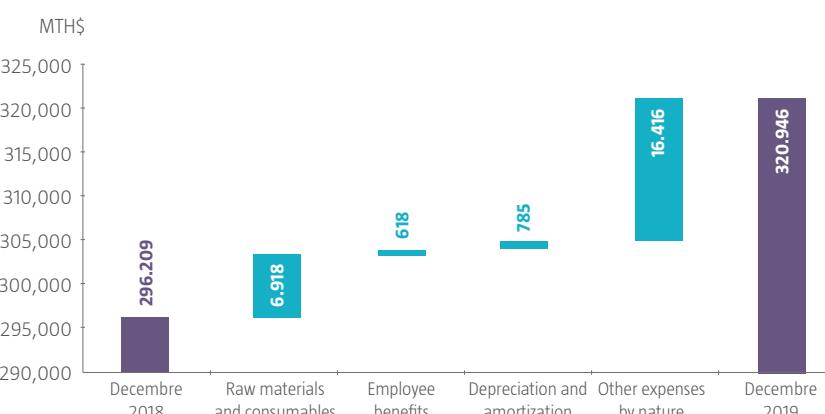
An increase of Th\$2,353,285 mainly due to greater agreements with developers, increased technical advice on rural drinking water and increased activity in home services, partially offset by lower activity in sanitary infrastructure modifications.

b) Non-sanitary services

An increase of Th\$2,810,121 was mainly explained by higher sales of materials in Gestión y Servicios together with higher plant operation income in EcoRiles.

(Thousands de \$)	12/31/2019	12/31/2018	% VAR.
EcoRiles S.A.	14,394,635	13,211,404	9.0%
Gestión y Servicios S.A.	8,359,396	6,720,684	24.4%
Anam S.A.	4,614,670	4,636,479	(0.5%)
Aguas del Maipo S.A.	1,071,511	1,061,523	0.9%
Non-regulated non-sanitary products	28,440,212	25,630,090	11.0

2.3. EXPENSE ANALYSIS



a) Raw materials and consumables

As of December 31, 2019, the costs of raw materials and consumables reached Th\$ 46,147,628, Th\$ 6,918,396 higher than in the previous year. The increase in these costs was mainly due to higher cost of sales of materials by the subsidiary Gestión y Servicios of Th\$1,488,464, higher use of chemical inputs of Th\$470,016 mainly due to higher consumption in operation of plants of the subsidiary EcoRiles and purchase of raw water of Th\$3,276,362, to increase the security of supply of our customers due to the low flow in the Maipo river basin. Finally, a higher cost of electric power of Th\$1,320,944, associated with a higher collection of groundwater, which is partially offset by an improvement in the average price due to the entry into force of supply contracts for free customers for 52 of the Company's facilities.

b) Employee benefits

At the end of fiscal year 2019, employee benefit expenses reached Th\$ 59,771,461, which was Th\$ 618,074 (1.0%) higher than in the previous year. This increase was below the annual CPI, mainly associated with reorganization and retirement plans carried out by the Company.

c) Depreciation and amortization

As of December 31, 2019, depreciation and amortization amounted to Th\$ 76,252,365, Th\$ 784,780 higher than in the previous year. This was the result of depreciation associated with new assets added during the year.

d) Other expenses by nature

At the end of fiscal year 2019, these expenses amounted to Th\$138,774,844, which was Th\$16,416,518 higher mainly due to

- Efficiency and process improvement projects have been carried out which have resulted in lower costs mainly in biosolids management for Th\$279,211 and customer management, other general and administration services for Th\$445,720.
- Higher costs have been recognized in maintenance of drinking water and wastewater networks for Th\$1,957,325, maintenance of equipment and facilities for Th\$1,710,526, associated cost of sale of new home services for Th\$485,606 and fines for Th\$714,581.
- ESSAL: as a result of the water outage event in the city of Osorno, the company has incurred operating costs to restore the supply of drinking water, along with compensation to customers who were affected and other costs arising from the contingency. This has generated a higher cost of Th\$10,864,412. It should be noted that possible insurance refunds related to these expenses have not been considered.



2.4. ANALYSIS OF FINANCIAL REVENUES AND OTHER

a) Other earnings (losses)

As of December 31, 2019, higher profits of Th\$ 15,356,651 were obtained than in 2018, mainly associated with higher sales of expendable land located in the Metropolitan Region.

b) Financial income

At the end of fiscal year 2019, financial income of Th\$ 5,767,246 was obtained, which is Th\$ 88,934 less than that obtained in 2018, mainly explained by lower interest on customer debt, which is partially offset by the gain from inflation insurance equivalent to Th\$ 875,144.

c) Financial costs

As of December 31, 2019, financial costs reached Th\$ 30,313,017, which represented an increase of Th\$ 316,232 over those obtained in 2018. This was explained by higher bank interest and interest on bonds as a result of the higher volume of debt obtained to finance the company's investment plan, partially offset by higher financial activation.

d) Results per readjustment unit

At the end of fiscal year 2019, readjustment unit charges were Th\$23,529,104 resulting in higher expenses of Th\$506,368 compared to 2018, mainly explained by a higher level of indebtedness, which is partially offset by a lower revaluation of debt due to lower variation in the Unidad de Fomento (2.70% in 2019 versus 2.86% in 2018).

e) Income tax expense

Income tax expense as of December 31, 2019 was Th\$49,662,947, Th\$3,156,525 higher than the previous year, mainly explained by higher income before taxes.

f) Earnings

Net income as of December 31, 2019 amounted to Th\$141,737,188, Th\$5,680,671 higher than in the previous year, representing an increase of 4.2%.

2.5. RESULTS BY SEGMENT

a) Accumulated income, Water segment

INCOME STATEMENT (TH\$)	12/31/2019	12/31/2018	% VAR.	2019 / 2018
External revenue	516,106,826	504,692,040	2.3%	11,414,786
Segment revenues	1,086,210	1,172,343	(7.3%)	(86,133)
Operating costs and expenses	(223,140,532)	(201,813,048)	10.6%	(21,327,484)
EBITDA	294,052,504	304,051,335	(3.3%)	(9,998,831)
Depreciation and amortization	(74,546,528)	(74,224,202)	0.4%	(322,326)
Operating income	219,505,976	229,827,133	(4.5%)	(10,321,157)
Other earnings (losses)	14,489,407	(825,519)	<(200%)	15,314,926
Financial results *	(48,017,116)	(47,224,679)	1.7%	(792,437)
Tax expense	(48,696,013)	(45,486,954)	7.1%	(3,209,059)
Net earnings	139,269,070	133,028,143	4.7%	6,240,927

* Includes financial income, financial costs, exchange rate differences and results by readjustment units

The results of this segment showed an increase of 4.7% over the previous year, mainly due to:

- An increase in external income, mainly associated with tariff indexation registered during the year 2018 and 2019, together with variations in non-billed consumption and fixed charge income associated with a 2.2% growth in customers. In addition, there were greater agreements with developers, greater technical advice on rural drinking water and an increase in home service activity, partially offset by lower activity in sanitary infrastructure modifications.

- Costs increased mainly due to higher expenses for maintenance of equipment and facilities of Th\$ 1,750,074, maintenance of drinking water and wastewater networks of Th\$ 1,615,376 and associated cost of sale of new home services of Th\$ 485,606. Additionally, due to the extreme drought affecting the central area of the country, there have been increases in water purchase expenses of Th\$ 3,276,362 due to the low flow rate in the Maipo river basin and higher electric power costs of Th\$ 1,320,944 associated with increased groundwater collection, which is partially offset by an improvement in the average price due to the entry into force of supply contracts for free customers for 52 of the Company's facilities.

- ESSAL: as a result of the water outage event in the city of Osorno, the company has incurred operating costs to restore the supply of drinking water, compensation to customers who were affected and other costs arising from the contingency. This has generated a higher cost of Th\$10,864,412.

- Additionally, projects have been generated which have allowed the generation of efficiencies, such as biosolids management with savings of Th\$279,211 and customer management, other general and administration services for Th\$445,720.

- The line other profit/loss recorded a better performance of Th\$15,314,926 million compared to that obtained in 2018, mainly due to higher sales of expendable land located in the Metropolitan Region.

- The financial result presented a net expense of Th\$ 48,017,116, which was Th\$ 792,437 higher than in the previous year, as a consequence of higher interest rates associated with a higher level of indebtedness to finance the company's investment plan together with a higher appreciation of the debt.

- Income tax expense as of December 31, 2019 was Th\$ 48,696,013, Th\$ 3,209,059 higher than the previous year, mainly explained by higher income before taxes.



b) Accumulated income, Non-Water segment

INCOME STATEMENT (TH\$)	12/31/2019	12/31/2018	% VAR.	2019 / 2018
External revenue	28,577,039	25,712,641	11.1%	2,864,398
Segment revenues	4,709,044	4,311,876	9.2%	397,168
Operating costs and expenses	(27,183,218)	(24,412,117)	11.4%	(2,771,101)
EBITDA	6,102,865	5,612,400	8.7%	490,465
Depreciation and amortization	(1,869,315)	(1,271,095)	47.1%	(598,220)
Operating income	4,233,550	4,341,305	(2.5%)	(107,755)
Other earnings (losses)	(257,230)	(271,241)	(5.2%)	14,011
Financial results *	(541,277)	(22,222)	>200%	(519,055)
Tax expense	(966,925)	(1,019,468)	(5.2%)	52,543
Net earnings	2,468,118	3,028,374	(18.5%)	(560,256)

* Includes financial income, financial costs, exchange rate differences and results by readjustment units

The income of the Non-Water segment showed a decrease of 18.5% in relation to the previous fiscal year, mainly due to

- An increase in income which was mainly due to greater sales of materials to third parties by the company Gestión y Servicios together with increased activity by EcoRiles.
- The 11.4% increase in costs is associated with the sales cost of materials by the company Gestión y Servicios, higher chemical input expenses associated with EcoRiles and higher personnel costs.
- An increase in the cost of depreciation and amortization, mainly due to new assets incorporated in the year, mainly the methanization plant of Aguas del Maipo.
- The financial result presented a higher expense with respect to the previous year of Th\$519,055, mainly associated with exchange rate differences.

3. 3. Quarterly results

INCOME STATEMENT (TH\$)	4T19	4T18	% VAR.	4T19 – 4T18
Ordinary revenues	139,305,201	139,713,278	(0.3%)	(408,077)
Operating costs and expenses	(64,857,723)	(57,638,366)	12.5%	(7,219,357)
EBITDA	74,447,478	82,074,912	(9.3%)	(7,627,434)
Depreciation and amortization	(19,945,576)	(18,601,137)	7.2%	(1,344,439)
Operating income	54,501,902	63,473,775	(14.1%)	(8,971,873)
Other earnings	16,074,378	(2,690,228)	<(200%)	18,764,606
Financial result*	(15,092,425)	(12,826,165)	17.7%	(2,266,260)
Tax expense	(14,364,199)	(12,243,554)	17.3%	(2,120,645)
Net earnings	41,790,831	34,491,006	21.2%	7,299,825

* Includes financial income, financial costs, exchange rate differences and results by readjustment units

3.1. INCOME ANALYSIS

a) Operating income

Ordinary income for the fourth quarter of 2019 amounted to Th\$ 139,305,201, which is Th\$ 408,077 (0.3%) lower than the amount obtained in the same quarter of the previous year. This variation was mainly due to lower volume supplied.

3.2. EXPENSE ANALYSIS

a) Raw materials and consumables used

During the fourth quarter of 2019, costs of raw materials and consumables amounted to Th\$13,287,663, Th\$3,499,661 more than in the same quarter of 2018, mainly associated with the purchase of water for Th\$2,719,863 and higher cost of electric power for Th\$556,064.

b) Employee benefits

Employee benefit expenses for the fourth quarter reached Th\$ 16,047,230, Th\$ 466,826 more than in 2018, mainly associated with higher CPI.

c) Depreciation and amortization

Depreciation and amortization for the fourth quarter of 2018 amounted to Th\$ 19,945,576, Th\$ 1,344,438 higher than that obtained in the same quarter of 2018, mainly associated with new assets incorporated in that period.

d) Other expenses

In the fourth quarter of 2019, other expenses amounted to Th\$35,522,830, which was Th\$3,252,871 higher than that obtained in 2018, mainly explained by expenses for the outage event in the city of Osorno for Th\$3,446,845.

3.3. FINANCIAL RESULT ANALYSIS

a) Other earnings (losses)

As of the fourth quarter of 2019, higher profits of Th\$18,764,606 were obtained compared to 2018, mainly explained by higher sales of expendable land located in the Metropolitan Region.

b) Financial result

The financial result for the fourth quarter of 2019 showed losses of Th\$ 15,092,425, which increased by Th\$ 2,266,260 compared to 2018, mainly explained by the higher appreciation of the debt, due to the lower variation of the UF compared to the same quarter of 2018.

c) Income tax expenses

Income tax expense at the end of the fourth quarter of 2019 was Th\$ 14,364,199, Th\$ 2,120,645 higher than the same quarter of the previous year, mainly associated with higher income before taxes of Th\$ 7,526,473.

d) Profit

Net income for the fourth quarter of 2019 amounted to Th\$41,790,831, which is Th\$7,299,825 (21.2%) higher than that obtained in the same quarter of 2018.



4. Statement of financial position

	12/31/2019 TH\$	12/31/2018 TH\$	% VAR.
ASSETS			
Current assets	197,676,646	168,513,972	17.3%
Non-current assets	1,803,767,656	1,737,538,127	3.8%
Total assets	2,001,444,302	1,906,052,099	5.0%
LIABILITIES AND EQUITY			
Current liabilities	242,137,717	242,318,524	(0.1%)
Non-current liabilities	1,071,833,122	976,742,178	9.7%
Total liabilities	1,313,970,839	1,219,060,702	7.8%
Equity attributable to the owners of the parent company	644,453,334	638,620,655	0.9%
Non-controlling interests	43,020,129	48,370,742	(11.1%)
Total shareholders' equity	687,473,463	686,991,397	0.1%
Total liabilities and shareholders' equity	2,001,444,302	1,906,052,099	5.0%

4.1. ASSETS ANALYSIS

The total assets of Aguas Andinas at consolidated level at December 31, 2019 showed an increase of 5.0% compared to December 31, 2018, equivalent to Th\$95,392,203.

Current assets increased by Th\$29,162,674, mainly due to an increase in cash and cash equivalents of Th\$32,082,284. This is partially offset by a decrease in recoverable taxes of Th\$2,284,081.

Non-current assets increased by Th\$ 66,229,530 mainly explained by an increase in property, plant and equipment of Th\$ 58,984,187 associated with investments made during the year. The main investment works are reflected in the following table:

INVESTMENTS (TH\$)	12/31/2019
Pirque tank construction	37,146,728
Renewal of drinking water networks	10,569,961
Renewal of wastewater networks	9,722,736
Replacement of assets of La Farfana and Mapocho-Trebal Biofactories	7,205,771
Nitrate treatment La Farfana and Mapocho-Trebal Biofactories	5,587,198
Connections and meters	5,265,336
Cogeneración de Biofactoría Mapocho-Trebal	4,552,515

4.2. LIABILITIES AND EQUITY ANALYSIS

Current liabilities as of December 2019 increased by Th\$ 94,910,137 compared to December 2018.

Current liabilities decreased by Th\$ 180,807. Non-current liabilities increased by Th\$ 95,090,944 (9.7%). This variation corresponds mainly to an increase in bond debt of \$68,070,658 associated with the issuance of

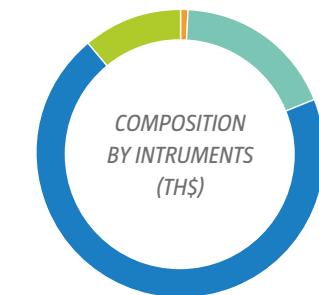
- "Green and Social Bond" AE series for UF 2.0 million, structured for 25-year terms at a coupon rate of 2.5%.

Total shareholders' equity increased by Th\$482,066 and shareholders' equity attributable to the owners of the parent company increased by Th\$5,832,679, mainly explained by the profit at the end of 2019.

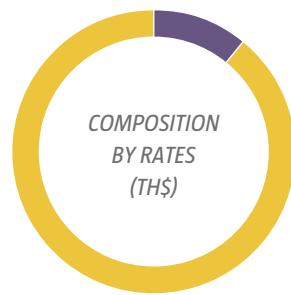
The maturity profile of the financial debt as of December 31, 2019 is as follows:

FINANCIAL DEBT TH\$	CURRENCY	TOTAL	12 MONTHS	1 A 3 YEARS	3 TO 5 YEARS	MORE THAN 5 YEARS
AFRs	\$	192,761,277	6,313,401	50,796,719	40,669,845	94,981,311
Bonds	\$	731,351,327	16,320,558	36,417,303	31,105,086	647,508,380
Loans	\$	115,228,602	13,876,507	59,227,642	37,699,562	4,424,891
Leasing Liabilities	\$	3,438,618	1,496,534	1,815,066	127,018	-
Total		1,042,779,824	38,007,000	148,256,730	109,601,511	746,914,582

STRUCTURE OF FINANCIAL LIABILITIES



1.0% Leasing liabilities
18% AFRs
70% Bonds
11% Loans



11% Variable
86% Fixed



5. Cash flow statement

CASH FLOW STATEMENT (TH\$)	12/31/2019 TH\$	12/31/2018 TH\$	% VAR.
Operating activities	232,298,663	245,501,004	(5.4%)
Investment activities	(125,768,548)	(135,451,049)	(7.1%)
Financing activities	(74,447,831)	(88,877,821)	(16.2%)
Net cash flow for fiscal year	32,082,284	21,172,134	51.5%
Final cash balance	72,062,758	39,980,474	80.2%

Cash flow from operating activities decreased by Th\$13,202,341 when compared to December 2019 and December 2018.

The main variations were the following:

- Increase in payments to suppliers of Th\$28,918,023, mainly associated with infrastructure suppliers.
- Increase in income taxes paid of Th\$ 3,634,925, this variation was mainly explained by an increase in the rate for the payment of Provisional Monthly Payments (PPMs, for its acronym in Spanish).
- Increase in premium and benefit payments, annuities and other obligations arising from policies subscribed for Th\$ 1,634,617, associated with the payment of all-risk insurance for physical assets.
- Increase in other payments for operating activities of Th\$1,574,729, due to a higher value added tax payment.
- Increase in other cash inflows and outflows of Th\$919,201, mainly associated with the payment of fines and donations.

These variations were partially offset by the following concepts:

- Increase in collections from sales of goods and service provision of Th\$15,560,601 mainly due to a higher volume of sales, together with the tariff indexations recorded in 2018 and 2019, the last being in July 2019.
- Increase in other operating activity charges of Th\$ 3,048,566 due to a refund of overpayment of real estate contract.
- Decrease in employee benefit payments of Th\$ 3,948,058, mainly due to the fact that the lower net staffing level offsets the higher costs resulting from the agreed inflation readjustments and the benefits obtained from the collective bargaining processes completed during the year 2018.
- Decrease in interest paid of Th\$1,488,649, due to lower payments for bond interest.

Disbursements for investment activities decreased by Th\$ 9,682,501, mainly associated with increased sales of expendable land located in the Metropolitan Region for Th\$ 13,098,342, offset by an increase in purchases of property, plant and equipment for Th\$ 4,703,149.

Financing activities generated a net cash flow (decrease) of Th\$ 14,429,990, which is mainly explained by a lower payment of loans and financing instruments.

6. Financial ratios

	12/31/2019	12/31/2018
LIQUIDITY		
Current liquidity	times	0.82
Acid test ratio	times	0.30
INDEBTEDNESS		
Total indebtedness	times	1.91
Current debt	times	0.18
Non-current debt	veces	0.82
Annualized financial expense coverage	veces	7.25
PROFITABILITY		
Annualized equity profitability attributable to the owners of the parent company	%	22.09
Annualized asset profitability	%	7.25
Annualized earnings per share	\$	23.16
Dividend yield (*)	%	6.81

Current liquidity: current assets/current liabilities.

Acid test ratio: cash and cash equivalents/current liabilities.

Total indebtedness: total liabilities / total shareholders' equity.

Current debt: current liabilities / total liabilities.

Non-current debt: non-current liabilities / current liabilities.

Financial expense coverage: annualized profit before tax and interest / annualized financial expense.

Equity profitability: annualized profit for the year/annualized average total equity for the year.

Asset profitability: annualized profit for the year / average total assets for the year annualized.

Earnings per share: annualized profit for the year/ number of shares subscribed and paid.

Dividend yield: dividends paid per share / share price.

(*) The share price as of December 2019 amounts to \$319, while as of December 2018 it amounts to \$381.72.



As of December 2019, current liquidity increased by 17.3%, due to the increase in current assets of Th\$ 29,162,674, mainly explained by higher cash and cash equivalents, resulting from the sale of expendable land in the Metropolitan Region.

The indebtedness ratio increased by 7.9%, mainly due to an increase in current liabilities of Th\$ 94,910,137 as a result of the issuance of the Green and Social Bond for UF 2.0 million.

The profitability of shareholders' equity attributable to the owners of the parent company increased by 4.0% due to the increase in income for the fiscal year of Th\$ 5,680,671.

7. Other background information

7.1. TARIFFS

The most important factor determining the results of our operations and financial condition is the tariffs set for our regulated sales and services. As a water utility, we are regulated by the S.I.S.S. and our tariffs are established in accordance with the D.F.L. No. 70 of 1988 on Sanitation Service Tariffs Law.

Our tariff levels are reviewed every five years and, during that period, are subject to additional readjustments linked to an indexation polynomial, which are applied when the accumulated variation since the previous adjustment is 3.0% or higher, as calculated based on various inflation indexes. Specifically, adjustments are applied based on a formula that includes the Consumer Price Index (IPC, for its acronym in Spanish), the Price Index for Imported Goods in the Manufacturing Sector and the Manufacturing Producer Price Index, all measured by the Chilean National Institute of Statistics. The latest indexations made by each Company of the Group were applied on the following dates:

Aguas Andinas S.A.:

Group 1	September 2018
Group 2	September 2018
Rinconada de Maipú	January 2018 and May 2019

Aguas Cordillera S.A.:

June 2018 and November 2018

Aguas Manquehue S.A.:

Santa María	February 2018 and November 2018
Los Trapenses	February 2018 and November 2018
Chamisero	May 2018 and November 2018
Chicureo	August 2018
Valle Grande 3	January 2018 and May 2019

Essal S.A.:

Group 1	July 2018 and July 2019
Group 2	July 2018 and July 2019
Group 3	July 2018 and July 2019
Los Alerces	July 2018 and July 2019
Chinquihue	July 2018 and July 2019

In addition, the tariffs are subject to readjustment to reflect additional services previously authorized by the S.I.S.S.

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

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

On November 30, 2018, the process of setting the tariffs of the companies Aguas Andinas, Aguas Cordillera and Aguas Manquehue began. On March 15, 2019, the Superintendence of Sanitary Services published the Definitive Terms and Conditions that rule this process. The new tariffs of Aguas Andinas will come into force on March 1, 2020.

7.2. MARKET RISK

Our company presents a favorable situation in terms of risk, which is mainly due to the particular characteristics of the water utility sector. Our business is seasonal and operating results may vary from quarter to quarter. The highest levels of demand and income are recorded during the summer months (December to March) and the lowest levels of demand and income during the winter months (June to September). In general, water demand is higher in the warmer months than in the temperate ones, mainly due to additional water requirements generated by irrigation systems and other external water uses.

Adverse climatic conditions may eventually affect the optimal delivery of water utility services, because the processes of collecting and producing drinking water depend to a large extent on the climatic conditions that develop in the river basins. Factors such as meteorological precipitation (snow, hail, rain, fog), temperature, humidity, dragging of sediments, river flows and turbidity determine not only the quantity, quality and continuity of raw water available in each intake, but also the possibility of it being properly treated in potable water treatment plants.

In case of drought, we have important water reserves that we maintain in the El Yeso, Laguna Negra and Lo Encañado reservoirs, in addition to the contingency plans that we have developed, which allow us to reduce the possible negative impacts that adverse weather conditions could generate for our operations. In the current period, the drought that has existed since 2010 persists, which means that



contingency plans are being applied, such as the purchase of raw water, intensive use of wells, and the lease and purchase of water rights, among others. All of this is aimed at reducing the impact of the drought and to provide our services normally, both in terms of quality and continuity.

7.3. MARKET ANALYSIS

The Company has no change in the market in which it participates because, due to the nature of its services and current legal regulations, it does not have competitors in its concession area.

Aguas Andinas S.A. has 100% coverage of drinking water, 98.8% of sewerage services and 100% of wastewater treatment in the Santiago basin.

Aguas Cordillera S.A. has 100% coverage of drinking water, 98.9% of sewerage service and 100% of wastewater treatment.

Aguas Manquehue S.A. has 100% coverage in drinking water, 99.5% in sewerage service and 100% in wastewater treatment.

ESSAL S.A. has 100% coverage in drinking water, 96.6% in the sewerage service in the X Region and 93.6% in the XIV Region; and 100% in wastewater treatment.

7.4. CAPITAL INVESTMENTS

One of the variables that most affect the result of our operations and financial situation is capital investments. These are of two types:

Committed investments. We are required to agree an investment plan with the S.I.S.S., which describes the investments we must make during the 15 years following the date on which the corresponding investment plan comes into force. Specifically, the investment plan reflects a commitment on our part to carry out certain projects related to maintaining certain standards of quality and coverage

of services. The aforementioned investment plan is subject to review every five years, with the possibility of requesting amendments when certain relevant facts are verified.

Approval and update dates of the Aguas Group's development plans:

Aguas Andinas S.A.

Greater Santiago: December 23, 2015

Locations: December 31, 2014, January 12, 2015, November 17, 2015, December 12, 2016 and April 6, 2018.

Aguas Cordillera S.A.

Aguas Cordillera and Villa Los Dominicos: December 21, 2015

Aguas Manquehue S.A.

Santa María and Los Trapenses: December 23, 2014

Chicureo, Chamisero and Valle Grande III: August 10, 2016

Alto Lampa: December 6, 2018.

ESSAL S.A.

Locations in the X and XIV Regions: June 1, 2016, June 14, 2016, August 12, 2016 and January 16, 2017.

Uncommitted investments. Uncommitted investments are those that are not contemplated in the investment plan and that we make voluntarily in order to ensure the quality of our services and replace obsolete assets. These generally relate to the replacement of network infrastructure and other assets, the acquisition of water rights and investments in non-regulated businesses, among others.

In accordance with international financial reporting standards in force in Chile, in particular IAS 23, interest on capital investments in works in progress is capitalized. IAS 23 establishes that when an entity acquires debt to finance investments, interest on that debt must be deducted from interest expense and included in the financed

construction work, up to the total amount of such interest, applying the respective rate to disbursements made at the date of submission of the financial Statement. Accordingly, financial costs associated with our capital investment plan affect the amount of interest expense recorded in the income statement and are reported along with the work in progress under the line item "property, plant and equipment" in our statement of financial position.

7.5. FINANCIAL ASPECTS

a) Currency risks

Our revenues are largely linked to the evolution of the local currency. As a result, our debt is primarily issued in local currency so we do not have significant foreign currency risks.

b) Interest rate risks

As of December 31, 2019, the interest rate risk held by Aguas Andinas S.A. was 88.9% at a fixed rate and 11.1% at a variable rate. The fixed-rate debt is made up of: issues of short- and long-term bonds (78.8%), reimbursable financial contributions (20.8%) and lease liabilities (0.4%), while the variable-rate debt corresponds to loans with domestic banks.

As of December 31, 2018, the interest rate risk held by Aguas Andinas S.A. was 89.8% at a fixed rate and 10.2% at a variable rate. The fixed-rate debt is made up of: issues of short- and long-term bonds (77.8%) and reimbursable financial contributions (22.2%), while the variable-rate debt corresponds to loans with domestic banks.

The company maintains an interest rate monitoring and management policy, which, in order to optimize the cost of financing, permanently evaluates the hedging instruments available in the financial market.

All this favorable situation has meant that the credit rating agencies have assigned us a risk rating of AA+ for long-term debt. In the case of shares, Feller Rate and ICR assigned us a first class level 1 rating for series A and first class level 4 for series B.



AGUAS CORDILLERA S.A._

and Affiliates



GENERAL BACKGROUND

Name:

Aguas Cordillera S.A.

Type of entity:

Open stock company (corporation)

Legal residence:

Avenida Presidente Balmaceda N° 1398, Santiago Chile

Telephone:

(56-2) 569 2500

RUT Taxpayer ID:

96.809.310-K

Subscribed and paid capital:

TH\$ 153.608.183

External auditors:

EY Chile

RUT Taxpayer ID:

77.802.430-6

LINE OF BUSINESS

The Company and its subsidiary Aguas Manquehue SA, have as their corporate purpose, as established in the second article of its Articles of Association, the provision of sanitary services, which includes the construction and development of public services aimed at producing and distributing drinking water and collecting and disposing of wastewater. Its current area of concession is distributed in the municipalities of Vitacura, Las Condes, Lo Barnechea, Colina and Lampa.

CONSTITUENT DOCUMENTS

The company was incorporated on April 22, 1996, via public deed granted at the Santiago Notary Public's office of René Benavente Cash, an excerpt of the bylaws was registered in the Registry of Commerce of the Santiago Real Estate Registrar of that year, on sheet 14,143, N° 8,258 and ratified on sheet 11,059, N° 8,996 both of the year 1996, published in the Official Gazette dated May 4,1996, ratified on May 9, 1996. The Company is registered in the Special Registry of reporting entities of the Financial Market Commission under with N° 170. As a health sector company, it is fiscally supervised by the Superintendence of Sanitary Services, pursuant to Law No. 18.902 and DFL N°. 382 and N°. 70, both of the year 1988.

BOARD OF DIRECTORS

Chairman:

Marta Colet Gonzalo

Board members:

Camilo Larraín Sánchez (Vice-president)
Iván Yarur Sairafi
Javier Ybarra Moreno
José Sáez Albornoz

General manager:

Eugenio Rodriguez Mingo

Percentage share parent company: 99.99003% direct

Proportion representing the investment in the assets of the parent company:

The investment in the Company represents the proportion of 15.22%

COMMERCIAL RELATIONSHIP WITH THE PARENT COMPANY

During the fiscal year ended December 31, 2019, the Company maintained contracts for the interconnection of potable water and wastewater, leases, purchase and sales of materials with its matrix, which are paid within a maximum period of 30 days. In the future it is expected to maintain similar business relationships.



Note 1.

Overview

Aguas Cordillera S.A. (hereinafter the "Company") and its Subsidiaries are part of the Aguas Andinas Group (hereinafter the "Group"). Its legal address is Avenida Presidente Balmaceda 1398, Santiago, Chile and its RUT Taxpayer ID Number is 96.809.310-K.

Aguas Cordillera S.A. was incorporated as an open joint stock company by public deed on April 22, 1996 in Santiago, before Notary Public Mr. Rene Benavente Cash. An excerpt of the by-laws was published in the Official gazette on June 4, 1996, and ratified on May 9 of that same year, remaining registered in the Registrar of Commerce on sheet 14.143, N° 8.258 and ratified on sheet 11.059, N°8.996 both of the year 1996 of the Santiago Registrar of Lands.

The Aguas Cordillera S.A. and its subsidiary Aguas Manquehue S.A. have as their corporate purpose, as established in the second article of its Articles of Association, the provision of sanitary services, which includes the construction and development of public services aimed at producing and distributing drinking water and collecting and disposing of wastewater. Its current area of concession is distributed in the municipalities of Vitacura, Las Condes, Lo Barnechea, Colina and Lampa.

The Aguas Cordillera S.A. and its subsidiary Aguas Manquehue S.A. are registered in the Special Registry of Reporting Entities of the Superintendence of Securities and Insurance under No. 170 and No. 2, respectively. As companies of the sanitary sector they are supervised by the Superintendence of Sanitary Services, in accordance with Law N ° 18.902 and Statutory Decrees N ° 382 and N ° 70, both of the year 1988.

For the purposes of the preparation of the consolidated financial Statement, it is understood that a group exists when the parent company has one or more subsidiary entities, being those over which the parent company has control either directly or indirectly. The accounting policies applied in the preparation of the consolidated financial Statement of the Group are detailed in Note 2.2.

The direct controlling entity is Inversiones Aguas Andinas S.A., whose direct controlling entity is Inversiones Aguas Metropolitanas S.A ("IAM"), corporation that is controlled by Suez Inversiones Aguas del gran Santiago Ltda. ("IAGSA"), which is controlled by Suez Andinas A.A., Its controller is Suez Spain, S.L., an entity based in Spain and one of the largest operators of sanitary services worldwide, which in turn is controlled by Suez Groupe, S.A.S. (France).

Note 2.

Preparation basis and accounting policies

2.1 PREPARATION BASIS

These consolidated financial Statement correspond to the statement of financial position as of December 31, 2019 and the consolidated comprehensive Statement of changes in net equity and cash flows for fiscal years ended on that date. They have been prepared based on the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the comprehensive, explicit adoption of the referred IFRS without reservations.

The Group complies with the legal conditions of the environment in which it operates, in particular with respect to the regulations of the healthcare sector. Aguas Cordillera and its subsidiary have normal operating conditions in each area in which they carry out their activities, their projections show a profitable operation and they have the capacity to access the financial system to finance their operations, which in the opinion of management determines its capacity to continue as a viable ongoing enterprise, as established by the accounting standards under which these consolidated financial Statement are issued.

Functional and presentation currency

The financial Statement of the Company and its are presented in the currency of the main economic environment in which the companies operate (functional currency). For the purposes of the consolidated financial Statement, the income and financial position of each Group company are stated in Chilean pesos (rounded to the nearest thousand), which is the functional currency of the Companies and the presentation currency for the consolidated financial Statement.



New accounting rules

The rules and interpretations, as well as the improvements and changes to IFRS, which have been issued to enter into effect the date of issue of these financial Statement, are summarized below. The Company has applied these rules and concluded that they did not have an impact on the financial Statement.

STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY ENFORCEMENT
IFRS 16, Leases	Annual periods beginning on or after January 1, 2019
IFRIC 23, Treatment of uncertain tax positions	Annual periods beginning on or after January 1, 2019
AMENDMENTS	DATE OF MANDATORY ENFORCEMENT
IFRS 3, Business combinations - interests previously held in a joint operation	Annual periods beginning on or after January 1, 2019
IFRS 9, Financial instruments – Payments with negative compensation	Annual periods beginning on or after January 1, 2019
IFRS 11, Joint agreements - interests previously held in a joint operation	Annual periods beginning on or after January 1, 2019
IAS 12, Corporate revenue taxes – Tax consequences of payments related to FINANCIAL INSTRUMENTS classified as equity	Annual periods beginning on or after January 1, 2019
IAS 23, Borrowing costs – Borrowing costs eligible to be capitalized	Annual periods beginning on or after January 1, 2019
IAS 28, Investment in associates and joint ventures – Long-term investments in partnerships or joint ventures.	Annual periods beginning on or after January 1, 2019
IAS 19, Employee benefits – modification, reduction or settlement of the plan	Annual periods beginning on or after January 1, 2019

IFRS 16, Leases

IFRS 16, issued in January 2016 by the IASB, establishes the principles for the recognition, measurement and presentation of leases, and their associated disclosures. The new standard replaced IAS 17 "Leases" and their interpretations: IFRIC 4 "Determination of whether an agreement contains a lease", "SIC 15" Operating leases - incentives ", SIC 27 "Evaluation of the essence of the transactions that take the legal form of a lease". The rule began its effective application from January 1, 2019.

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

The lessee measures rights-of-use assets analogously to other nonfinancial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, the lessee will recognize the depreciation of the right-of-use asset and the interests of the lease liability, and will also classify the cash reimbursements of the lease liability in a part of the principal and an interest part and will present them in the statement of cash flow applying IAS 7 Statement of Cash Flows.

Lessor accounting: does not change substantially with respect to what IAS 17 established. The lessor will continue to classify the leases under the same principles of the current standard, as operating or financial leases.

The main effects arising from the application of the Standard in the Group are those related to the leasing of buildings and vehicle fleet. As a consequence of the change in the accounting model for lessees, Aguas Cordillera and a subsidiary have recognized an increase in current and non-current liabilities for a total amount of M\$ 154,938 as of January 1, 2019, for the recognition of

lease liabilities, and an increase in non-current assets of the same amount, as a consequence of the recognition of the rights of use originated in said contracts.

As a result of the foregoing, at the end of the 2019 fiscal year, Aguas Cordillera and its subsidiary recognized a higher financial expense associated with the new lease liabilities of M\$ 5,609 and a higher depreciation associated with the rights of use of M\$ 108,038.

IFRIC Interpretation 23 "Uncertainty about the treatment of the income tax"

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

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

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

The Company applies an important judgment in identifying uncertainties regarding income tax treatments.

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



The standards and interpretations, as well as the improvements and amendments to IFRS, which have been issued but not entered into effect the date of issue of these financial Statement, are summarized below. The Company has not applied these standards before their enforcement.

STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY ENFORCEMENT
Conceptual framework	Annual periods beginning on or after January 1, 2020
IFRS 17, Insurance contracts	Annual periods beginning on or after January 1, 2021

AMENDMENTS	DATE OF MANDATORY ENFORCEMENT
IFRS 3, Business Combinations – Defining a business	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of financial Statement and IAS 8, Investments in associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 9 and IFRS 7 - Reform of the reference interest rate	Annual periods beginning on or after January 1, 2020
IFRS 10 y IAS 28, Consolidated Financial Statement – Sale or contribution of assets between an investor and its partner or joint venture	Pending

The Company's Administration estimates that the adoption of the Standards, Amendments and Interpretations, described above and that could be applied to Aguas Cordillera S.A. and Subsidiary, are in the process of evaluation and it is estimated that, to date, they would not have a significant impact on the consolidated financial Statement of the company in the exercise of their first application. The administration is periodically evaluating these implications.

Responsibility for information and estimates made

The information contained in these consolidated financial Statement is the responsibility of the Board of Directors of the Company, which states that all the principles

and criteria included in the International Financial Reporting Standards (IFRS) have been applied. The Board of Directors, in session dated March 23, 2020, approved these consolidated financial Statement.

The consolidated financial Statement of Aguas Cordillera S.A. and a Subsidiary for the year 2018 were approved by its Board of Directors held on March 18, 2019.

In the preparation of the financial Statement, estimates were used such as:

- Useful life of property, plant and equipment and intangibles.
- Losses due to asset impairment.
- Assumptions used in the actuarial calculation of termination benefits for employee contracts.
- Assumptions used to calculate the fair value of financial instruments.
- Income from supplies pending billing.
- Provisions for commitments acquired with third parties.
- Risks arising from current litigation.

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

2.2 ACCOUNTING POLICIES

Below is a description of the main accounting policies implemented in the preparation of these consolidated financial Statement.

A. Consolidation basis

The consolidated financial Statement include the financial Statement of the Company and its Subsidiary. Subsidiaries are those entities over which the company

has the power to direct the relevant activities, it is entitled to variable returns from its participation and the ability to use that power to influence the amounts of the investor's returns. The subsidiaries are consolidated as of the date on which the control is transferred and are excluded from the consolidation on the date on which the same ceases.

In the consolidation process, all transactions, balances, losses and gains between the Group's entities are eliminated.

The Company and its Subsidiary show uniformity in the policies applied.

The Companies included in the consolidated financial Statement of Aguas Cordillera S.A. are the following:

TAX IDENTIFICATION NUMBER	COMPANY NAME	DIRECT %	INDIRECT %	TOTAL 2019 %	DIRECT %	INDIRECT %	TOTAL 2018 %
89.221.000-4	Aguas Manquehue S.A.	99.99957	0.00000	99.99957	99.99957	0.00000	99.99957
96.945.210-3	EcoRiles S.A.	0.96154	0.00000	0.96154	0.96154	0.00000	0.96154
96.828.120-8	Gestión y Servicios S.A.	2.15217	0.00000	2.15217	2.15217	0.00000	2.15217
96.967.550-1	Ánálisis Ambientales S.A.	1.00000	0.00000	1.00000	1.00000	0.00000	1.00000
76.190.084-6	Aguas del Maipo S.A.	8.37904	8.97100	17.35004	8.37904	8.97100	17.35004
96.897.320-7	Iberaguas Ltda.	0.00002	0.00000	0.00002	0.00002	0.00000	0.00002

Aguas Cordillera S.A. consolidates only with Aguas Manquehue S.A., in the other companies it has a direct and / or indirect non-controlling participation.



B. Intangible assets other than goodwill

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

i. Intangible assets acquired separately:

Intangible assets acquired separately are presented at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated linearly using estimated useful lives. The estimated useful lives and the amortization method are reviewed at the closing of each statement of position, accounting for the effect of any change in the estimate prospectively.

ii. Amortization method for intangibles:

Intangibles assets with defined useful lives

The amortization method applied by the Company reflects the pattern at which the future economic benefits of the asset are expected to be used, by the entity. For this purpose, the Company uses the linear amortization method.

Softwares

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

Intangibles assets with indefinite useful lives

Intangible assets with an indefinite useful life correspond mainly to water rights and easements, which were obtained on an indefinite basis, as established in the acquisition contracts and the rights obtained from the Dirección General de Aguas, dependent of the Ministerio de Obras Públicas.

Determination of useful life

The factors that must be considered for estimating the useful life are, among others, the following:

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

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

C. Property, plant and equipment

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

Subsequent costs are included in the value of the initial asset or are recognized as a separate asset, only when it is probable that the future economic benefits associated with the elements of the fixed asset will flow to the Group and the cost of the element

can be reliably determined. The value of the replaced component is derecognised. The rest of the repairs and maintenance are charged to the result of the exercise in which they are incurred.

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

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

When the value of an asset is greater than its estimated recoverable amount, its value is immediately reduced to its recoverable amount (Note 10).

Useful lives:

The useful lives considered for the purposes of calculating depreciation are supported by technical studies prepared by external specialist companies, which are reviewed to the extent that antecedents arise that allow us to consider that the useful life of some asset has been modified.

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

1. Nature of the component materials of the equipment or constructions.
2. Equipment operating environment.
3. Intensity of use.



4. Legal, regulatory or contractual limitations.

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

ITEM	MINIMUM USEFUL LIFE (YEARS)	MAXIMUM USEFUL LIFE (YEARS)
Buildings	25	80
Plant & equipment	5	50
Information technology equipment	4	4
Fixed installations & accessories	5	80
Motor vehicles	7	10
Leased property improvements	5	5
Other property, plant and equipment	5	80

Cost estimation policy for dismantling, removing or rehabilitating property, plant and equipment:

Given the nature of the assets built into the Company and given that there are no contractual obligations or other constructive requirements, such as those mentioned by the IFRS, the concept of decommissioning costs is not applicable at the date of these financial Statement.

Property, plant and equipment sales policy

The income generated from the sale of fixed assets is calculated by comparing the income obtained with their book value and they are recorded in the statement of comprehensive income.

D. Impairment of tangible and intangible assets except goodwill

At each closing date of the balance sheet, the Company reviews the carrying amounts of its tangible and intangible assets with a defined useful life to determine whether there are indicators that said assets have suffered an impairment loss. If such indicators exist, the recoverable value of the assets is estimated to determine the amount

of the impairment loss (if any). When it is not possible to estimate the recoverable amount of a particular asset, the Company estimates the recoverable value of the Cash Generating Unit to which the asset belongs.

Intangible assets with an indefinite useful life are subject to annual impairment tests and when there are indicators that the asset could have suffered an impairment before the end of that period.

The recoverable value is the greater amount between the fair value less the costs of sale and the value in use. For estimating value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current market conditions of the value of money over time, as well as the specific risks associated to the asset.

When it is deemed that the recoverable value of an asset (or cash-generating unit) is less than its book value, the book value of that asset (or cash-generating unit) is adjusted to its recoverable value, immediately acknowledging a loss for deterioration income (income). When an impairment loss is reversed, the book value of the asset (or cash generating unit) is adjusted to the revised estimate of its recoverable value, provided that the adjusted book value does not exceed the book value that would have been determined if no loss for asset (or cash-generating unit) impairment had been acknowledged in previous fiscal years.

E. Leases

Aguas Cordillera and its subsidiary evaluate their leases in accordance with IFRS 16, that is, if the right to control the use of an identified asset is transferred for a period of time in exchange for a consideration. Control is deemed to exist if the customer has i) the right to obtain substantially all economic benefits from the use of an identified asset; and ii) the right to direct the use of the asset.

When the Company and its subsidiary act as lessee, at the beginning of the lease (that is, on the date the underlying asset is available for use), it records in the statement of financial position an asset for the right of use and a liability by lease.

The Company and its Subsidiary initially recognize the right-of-use asset at cost, adjusted by any new measurement of the lease liability, less accumulated depreciation and accumulated impairment losses. The right-of-use asset depreciates on the lease term. To determine if the right-of-use asset has been impaired, the same criteria detailed in Note 2.D apply.

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

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

Short-term leases, equal to or less than one year, or leasing of low-value assets, are excepted from the application of the recognition criteria described above, recording the payments associated with the lease as an expense on a linear basis throughout of the lease term.

When the company acts as lessor, it classifies at the beginning of the agreement whether the lease is operational or financial, based on the essence of the transaction. Leases in which all the risks and rewards inherent in ownership of the underlying asset are transferred, are classified as finance leases. The rest of the leases are classified as operating leases.

F. Financial assets

Acquisitions and disposals of financial instruments are acknowledged on the trading date, that is, the date on which the Company commits to acquire or sell the asset. Investments are written off when the rights to receive cash flows from the investments



have been transferred and the Company has substantially transferred all the risks and benefits derived from their ownership.

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in results
- Financial assets at fair value with changes in comprehensive income
- Financial assets at amortized cost

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

Aguas Cordillera and its subsidiary invests in low risk instruments that comply with the classification standards established in its investment policies. Thus, Mutual Investment Funds must have an AAfm / M1 rating (Quotas with very high protection against loss, associated with credit risks / installments with the lowest sensitivity to changes in economic conditions). Fixed term deposits and pacts contracted are instruments with N-1 classification (Instruments with the highest capacity to repay the capital and pay interest pursuant to the agreed terms and conditions).

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

i. Effective interest rate method

The effective interest rate method corresponds to the method of calculating the amortized cost of a financial asset or liability and the allocation of interest revenues or expenses during the entire corresponding period. The effective interest rate corres-

ponds to the rate that accurately discounts estimated future cash flows receivable over the expected life of the financial asset and makes the Net Present Value (NPV) equal to its nominal value.

ii. Fair value with changes in other comprehensive income

For the classification of an asset with fair value with effect on other comprehensive income, must be met as a principle, the sale of financial assets which are expected to be recovered within a certain period the principal amount plus interest if it corresponds.

iii. Financial assets at fair value with changes in results

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

The subsidiary Aguas Manquehue S.A. holds shares in Sociedad Eléctrica Puntilla SA, which have been valued at their fair value on the date of acquisition, as established in IFRS 9. Its subsequent measurement is made at cost because there is no active market, as provided in the same standard.

iv. Financial assets at amortized cost

Loans and accounts receivable

Trade debtors, loans and other accounts receivable are non-derivative financial assets payable in fixed or determinable periods and are not traded on an active market and are classified as loans and accounts receivable. Loans and accounts receivable are valued at amortized cost using the effective interest rate method minus any loss for impairment, except for short-term accounts receivable, where the acknowledgement of interest would be immaterial.

Trade debtors and other accounts receivable

Commercial debtors correspond to the amounts billed for consumption of potable water, sewerage services, sewage treatment and other services and the income earned from consumption made between the date of the last reading (according to the established monthly calendar) and the date of financial statement closing. These are recorded at the net value of the estimate of bad debts or of low probability of collection.

The commercial debtors policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed by defaulter clients.

Impairment policy for trade debtors and other accounts receivable

The Company periodically evaluates the value losses that affect its financial assets. The amount is recorded in the bad debt account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on the expected credit loss model as established in IFRS 9.

Estimates are based on the following historic situation: considering recovery statistics, which indicate that after the eighth months of an unpaid invoice, the possibility of collection is marginal; in other words, the probability of recovering the billed amount is minimal.

In Aguas Cordillera S.A. and its subsidiary Aguas Manquehue S.A., debt of customers with more than 8 balances are provisioned at 100%. Consumption debts transformed into payment agreements are provisioned at 100% of the agreed balance.

The receivables with past due debt are provisioned 100%.



G. Inventories

Materials, spare parts and supplies are presented valued at their acquisition cost, which does not exceed the net realization value. The costing method corresponds to the weighted average cost. Biannually, an estimate of deterioration is made for those materials that are damaged, partially or totally obsolete, or have not rotated in the last twelve months and their market price has fallen more than 20%.

H. Dividend payment policy

The Company's dividend policy, according to what was ratified at the ordinary shareholders' meeting dated April 20, 2017, is to maintain as a dividend distribution policy the distribution of 50% of the net profits for the corresponding year, this is, 30% as a mandatory dividend and the remaining 20% as an additional dividend.

In addition to this and with the prior authorization of the Ordinary Shareholders' Meeting, the remaining 50% may be distributed as an additional dividend, provided that the current level of capitalization of the Company is maintained and is compatible with the investment policies.

I. Foreign currency transactions

Assets and liabilities in foreign currency are shown at their respective exchange rates at the closing of each fiscal year, as per the following parities:

CURRENCY	12/31/2019	12/31/2018
	\$	\$
US dollar	748.74	694.77
Euro	839.58	794.75

Foreign currency transactions are converted to the functional currency using the exchange rates as of the transaction date. Foreign currency gains and losses resulting from the liquidation of these transactions and their conversion at the closing

exchange rates for monetary assets and liabilities denominated in foreign currency are shown in the consolidated statement of comprehensive results.

J. Financial liabilities

Loans and similar loans are initially recorded at their fair value, net of the costs incurred in the transaction. Subsequently, they are valued at amortized cost, using the effective interest rate, except for those operations for which they have subscribed hedge contracts that are valued according to the following section.

K. Provisions and contingent liabilities

Consequence of past events, and for which it is probable that they will use resources to settle the obligation and on which they can make a reasonable estimate of the amount of the obligation.

The quantification of the provisions is made considering the best available information on the event and its consequences and is re-estimated at the closing of each accounting closing. The provisions established are used to meet the specific risks for which they were originally acknowledged, and are reviewed in full or in part, when said risks disappear or decrease.

Contingent liabilities are all those possible obligations arising as a result of past events, whose future materialization and associated equity damage is estimated of low probability. In accordance with IFRS, Aguas Cordillera S.A. and its subsidiary does not recognize any provision for these concepts, although, as required in the same standard, they are detailed if they exist, in Note 15.

L. Employee benefits

The obligation for compensation for years of service, which is estimated to accrue to workers who retire at Aguas Cordillera S.A. and Aguas Manquehue S.A., is recorded at actuarial value, determined using the projected credit unit method. Actuarial gains and losses on compensation derived from changes in estimates of turnover rates,

mortality, salary increases or discount rates, are determined in accordance with the provisions of IAS 19 in other comprehensive income, directly affecting Equity, which is subsequently reclassified to accumulated results (see note 18).

The Compensation for years of service at Aguas Cordillera S.A. and Aguas Manquehue S.A. is governed by the provisions of the Labor Code, except the amount of compensation for any event accrued to December 31, 2002 and the payment for dismissal of 1 salary with no amount limit or years, for workers who are part of the collective contracts in force and to whom, through their individual employment contract, the same benefit was extended. The amount for any event accumulated to that date is readjusted quarterly according to the variation in the consumer price index. Likewise, the aforementioned collective contracts establish that workers who retire at Aguas Cordillera S.A. and Aguas Manquehue S.A. they continue accruing this benefit after December 2002.

The advances granted to the personnel with charge to said funds are presented deducting the current obligations. They will be imputed in the final liquidation in a readjusted form, in accordance with the provisions of the aforementioned agreements.

M. Income tax and deferred taxes

The expense for income tax corresponds to the sum of the tax on earnings payable and the variation of assets and liabilities for deferred taxes.

The income tax payable is determined based on the tax result of the period. The income tax payable of Aguas Cordillera S.A. and Subsidiary is calculated using the tax rates that have been approved, or that are in the last approval process, on the closing date of the statement of financial position.

Deferred taxes are acknowledged on the basis of the differences between the book values of the assets and liabilities in the financial Statement and the corresponding tax bases used in the calculation of the tax income and are accounted for in accordance with the liability method based on the balance sheet. Deferred tax liabilities are acknowledged



for all taxable temporary differences, and deferred tax assets are acknowledged for all deductible temporary differences to the extent that it is probable that future tax benefits exist with which to offset such differences. Deferred tax assets or liabilities are not acknowledged if the temporary differences arise from the lower value or from the initial acknowledgment (except in a business combination) of other assets and liabilities in a transaction that does not affect the tax incomes or financial income.

The book value of deferred tax assets is reviewed at the date of each balance sheet and is reduced to the extent that it is no longer probable that sufficient available tax incomes are available to allow the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates expected to be in force in the period in which the liability is settled or the asset is realized, based on the tax rates that have been approved, or are practically ending their approval process at the closing of the balance sheet fiscal year. The measurement of deferred tax assets and liabilities reflects the tax consequences that would arise due to the manner in which Aguas Cordillera S.A. and Subsidiary expects, at the reporting date, to recover or settle the book value of its assets and liabilities.

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

N. Current revenue

Policy for acknowledging current revenue

The Company determined its acknowledgment and measurement of revenues from ordinary activities, based on the principle that revenues are acknowledged for an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. This fundamental principle must be applied based on a 5-step model:

- (1) identifying the contract with the client;
- (2) identifying the performance obligations of the contract;
- (3) determining the price of the transaction;
- (4) allocating the transaction price to performance obligations; and
- (5) acknowledging income when (or as) performance obligations are being met.

Policy for acknowledging current revenue from sales of goods

Revenue from sales of goods is acknowledged once the risk and significant advantages resulting from the ownership of the goods have been transferred. The Company is no longer bound to the asset sold. The amount of revenue can be reliably measured. The company is likely to receive the economic benefits associated with the sale and the costs incurred in the transaction can also be reliably measured.

Policy for acknowledging current revenue from sales of services

Revenues from the sale of services are measured at fair value. The invoices are prepared based on the actual consumption or work performed of the consideration receivable, net of returns, commercial discounts and rebates. So the income is acknowledged when the risk is transferred to the buyer, the recovery is considered probable, and the associated costs and possible discounts for erroneous charges can be estimated reliably.

The service area of the sanitary companies is divided into billing groups which determine dates for readings and invoicing. This process is developed based on a monthly calendar, which means that at the end of each month there are consumption not read and, therefore, not invoiced.

For billing groups that have the information on the consumption base actually read, the corresponding rate will be applied.

In those cases in which the Company and its Subsidiary do not have all the consumption read, the best estimate will be made of those income pending invoicing, this is based on physical data from the previous month valued at the current rate, considering in both cases (billing or estimate) normal rate or overconsumption as appropriate.

The transfer of risks and benefits vary according to the line of business. For Sanitary Services companies, the provision of services and all their associated charges are made in accordance with actual consumption and a monthly provision is made on consumptions made and not invoiced, based on previous invoicing.

Method for determining the state of service termination

The provision of sanitary services is verified through the measurement of consumption, in accordance with the provisions of the associated legal regulations.

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

O. Environmental information

Environmental assets are those that are used durably in the Company's activity, whose main purpose is the minimization of adverse environmental impacts and the protection and improvement of the environment, including the reduction or elimination of future environmental contamination caused by the operations of Aguas Cordillera S.A. and Subsidiary.

These assets are valued, like any other asset, at acquisition cost. The Company amortizes these elements following the straight-line method, based on the estimated remaining useful life of the different elements.



P. Cash flow Statement

Cash flow Statement record the cash account activity during the fiscal year, which include Value Added Tax (VAT), determined by the direct method under the following criteria:

Cash and cash equivalent: Inflows and outflows of cash and equivalent financial assets. They are understood as being easily-liquidated short-term investments with a low value variation risk (maximum unrestricted term of 3 months from investment date).

Operating activities: Common activities in a regular business operation by the Company and its Subsidiaries, as well as other activities that have not been classified as investment or financing.

Investment activities: Acquisition, disposal or use by other means of long-term assets and other investments that have not been included in Cash and cash equivalent.

Financing activities: Activities that produce changes in the amount and composition of the net equity and liabilities that are not part of the regular activities.

Q. Construction contracts

For construction contracts, The Company and Subsidiary uses the "percentage-of-completion method" for acknowledging revenues and expenses referring to a contract being fulfilled. By this method, the revenues under the contract are compared with the related costs incurred according to the degree of progress achieved, which results in the amount of the ordinary revenue, expenses and earnings attributable to the completed portion of the contract.

Contract costs are acknowledged when incurred. When the result of a construction contract can be reliably estimated, and the contract is likely to be profitable, contract revenues are acknowledged over the term of the contract. When the

contract costs are likely to exceed the total revenues, the expected loss is immediately acknowledged as an expense incurred in the fiscal year. When the result of a construction contract cannot be estimated reliably enough, contract revenues are acknowledged only to the limit of the contract costs incurred that are likely to be recovered.

Aguas Cordillera S.A. and Subsidiary show the gross amount owed by customers for the work of all the contracts in progress as an asset for which the costs incurred plus acknowledged earnings (minus acknowledged losses) exceed the partial invoicing. Partial invoicing unpaid by customers and the withholdings are included in "Trade debtors and other accounts receivable".

Aguas Cordillera S.A. and Subsidiary show the gross amount due to customers for the work of all contracts in progress as a liability for which the partial invoicing exceeds the costs incurred plus acknowledged earnings (minus acknowledged losses).

R. Capitalized financing costs

Política de préstamos que devengan intereses:

Los costos por préstamos que sean directamente atribuibles a la adquisición, construcción o producción de activos que cumplan las condiciones para su calificación, son capitalizados, formando parte del costo de dichos activos.

Policy on interest-bearing loans:

Interests paid or accrued on debt used to finance qualified assets are capitalized, as stipulated in IAS 23, which states that when the Entity acquires debt to finance investments, the interest on that debt should be deducted from the financial expense and incorporated to the construction project being financed up to the total amount of such interests, applying the respective rate to the disbursements to the financial statement submission date.

S. Non-current assets held for sale or to distribute to owners

Non-current assets are classified as: held for sale if their book value will be recovered primarily through a sale transaction, instead of, for their continued use, held to distribute to owners when the entity agrees to distribute assets (or group of assets for disposal) to owners.

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

Assets or groups subject to expropriation classified as held for sale or held to distribute to owners are measured at the lower value between their book value or their fair value, less costs of sale or distribution.

T. Reclassifications

For the year ended to December 31, 2019, certain reclassifications have been made to facilitate its comparison with the period ended to December 31, 2018, according to the following detail:

RECLASSIFICATIONS	INCREASE / (DECREASE) TH\$
STATEMENT OF FINANCIAL SITUATION:	
Business accounts and other accounts payable	8,592
Other non-financial liabilities	(8,592)



Note 3.**Disclosure of information about related entities****BALANCES AND TRANSACTIONS WITH RELATED ENTITIES**

Transactions between the Company and its Subsidiary are in line with market conditions. These transactions have been deleted in the consolidation process and are not broken down in this note.

Accounts receivable from related entities

Accounts receivable from related entities are originated in Chile. The transaction currency is Chilean Pesos and the maturity dates are 30 days.

TAX IDENTIFICATION NUMBER RELATED PARTY	NAME OF RELATED PARTY	RELATIONSHIP	NATURE OF TRANSACTION WITH RELATED PARTIES	DEADLINES	GUARANTEES	CURRENT (TH\$)	
						12/31/2019	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	Collections, sale of materials, rental guarantees, contract for interconnection of potable water and wastewater without interest, loan in pesos in the short term	30 days	Without guarantees	156,833	166,823
61.808.000-5	Aguas Andinas S.A.	Controller	Lease guarantee	30 days	Without guarantees	5,569	5,423
76.190.084-6	Aguas del Maipo S.A.	Related to controller	Dividend provision	30 days	Without guarantees	0	0
96.828.120-8	Gestión y Servicios S.A.	Related to controller	Materials Sales	30 days	Without guarantees	3,073	0
96.828.120-8	Gestión y Servicios S.A.	Related to controller	Dividend provision	30 days	Without guarantees	1,240	1,698
96.967.550-1	Ánálsis Ambientales S.A.	Related to controller	Dividend provision	30 days	Without guarantees	3,207	3,497
96.945.210-3	EcoRiles S.A.	Related to controller	Dividend provision	30 days	Without guarantees	5,313	5,152
65.113.732-2	Corporación Chilena de Investigación del Agua SPA.	Related to controller	Lease	30 days	Without guarantees	0	1,393
No Tax ID	Aqua Development Network S.A.	Related to controller	Comprehensive talent mgmt. contract	30 days	Without guarantees	0	1,913
Total						175,235	185,899



Accounts payable to related entities

Accounts payable to related entities are originated in Chile, and the transactions' currency is in CLP.

TAXPAYER ID (RUT) N°	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	NATURE OF TRANSACTIONS WITH RELATED PARTIES	DEADLINES	GUARANTEES	CURRENT (TH\$)	
						12/31/2019	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	Collections, sale of materials, rental guarantees, contract for interconnection of potable water and wastewater without interest, loan in pesos in the short term	30 days	Without guarantees	7,340,428	4,433,711
61.808.000-5	Aguas Andinas S.A.	Controller	Loans and interest receivable	30 days	Without guarantees	16,691,401	12,855,316
61.808.000-5	Aguas Andinas S.A.	Controller	Dividend payable to Aguas Andinas S.A.	30 days	Without guarantees	6,416,319	5,491,921
96.828.120-8	Gestión y Servicios S.A.	Related to controller	Purchase of materials	30 days	Without guarantees	10,209	5,230
96.828.120-8	Gestión y Servicios S.A.	Related to controller	Meter Verification Contract	30 days	Without guarantees	96	0
96.945.210-3	EcoRiles S.A.	Related to controller	Construction works PTAP San Antonio	30 days	Without guarantees	86,344	121,990
96.967.550-1	Análisis Ambientales S.A.	Related to controller	Laboratory analysis and sampling service	30 days	Without guarantees	112,807	114,857
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to controller	Virtual platform, Siebel	30 days	Without guarantees	4,446	4,446
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to controller	Process reengineering service contract and implementation of new information systems for customer service	30 days	Contract compliance guarantee Amount ThCh \$ 845,149	59,693	39,158
No Tax ID	Aqua Development Network S.A.	Related to controller	Integrated talent management contract	30 days	Without guarantees	0	33,112
77.441.870-9	Suez Medioambiente Chile S.A.	Related to controller	Construction works PTAP San Antonio	30 days	Contract compliance guarantee Amount ThCh \$ 24,264	249,326	0
77.441.870-9	Suez Medioambiente Chile S.A.	Related to controller	Construction works PTAP Chamisero	30 days	Contract compliance guarantee Amount UF 66.809,74	350,000	5,765,245
Total						31,321,069	28,864,986



Transactions with related entities

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

RELATED PARTY TAXPAYER ID (RUT) N°	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	CURRENT (TH\$)		12/31/2018	
						12/31/2019 AMOUNT	12/31/2019 EFFECTS ON INCOME (DEBIT)/CREDIT	12/31/2018 AMOUNT	12/31/2018 EFFECTS ON INCOME (DEBIT)/CREDIT
76.080.553-K	Suez Advanced Solutions Chile Ltda	Related to controller	CL	Purchase of materials and maintenance of the Siebel and Aquacis virtual platform, consulting and evolutionary maintenance	CL	158,632	(119,285)	127,059	(101,714)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to controller	CL	Construction of PTAP Chamisero works	CL	1,460,329	0	3,979,333	0
77.441.870-9	Suez Medioambiente Chile S.A.	Related to controller	CL	Talagante Plant, Hydraulic efficiency plan, materials	CL	0	0	294,019	0
77.441.870-9	Suez Medioambiente Chile S.A.	Related to controller	CL	Construction works PTAP San Antonio	CL	680,571	0	397,055	0
No Tax ID	Aqua Development Network S.A.	Related to controller	CL	Talent Management Contract	CL	8,266	(8,266)	855,214	(813,566)
65.113.732-2	Corporación Chilena de Investigación del Agua	Related to controller	CL	Office Leasing Service	CL	12,623	10,607	0	0
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Interconnections of potable water and sewage	CL	17,592,727	(14,799,521)	17,705,723	(17,705,723)
96.967.550-1	Análisis Ambientales S.A.	Related to controller	CL	Laboratory services	CL	277,689	(277,689)	628,478	(628,478)
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Loan collection	CL	0	0	1,895,000	0
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Loans Granted	CL	0	0	(1,895,000)	0
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Obtaining Loans	CL	20,213,000	0	34,391,223	0
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Payment of Loans	CL	(16,890,000)	0	(26,409,000)	0
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Payment of Loans	CL	(18,306,401)	0	(18,888,179)	0

The defining criterion to report transactions with related parties is for amounts over Th\$ 100,000.

The remuneration paid to the directors of Aguas Cordillera S.A. are the following:

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

	12/31/2019 TH\$	12/31/2018 TH\$
Board	12,752	42,426
Total	12,752	42,426

Detail of related entities and transactions with related entities between the Directors and Executives

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



Consolidated Financial Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

ASSETS	2019 TH\$	2018 TH\$
Current assets	20,489,459	18,232,503
Non-current assets	312,222,909	307,744,267
Total assets	332,712,368	325,976,770
LIABILITIES		
Current liabilities	53,321,458	50,626,750
Non-current liabilities	74,100,996	72,510,487
Equity	205,289,676	202,839,301
Minority participations	238	232
Total liabilities and equity	332,712,368	325,976,770

Comprehensive Income Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Ordinary revenue	74,177,612	69,421,060
Operating cost	(42,650,910)	(42,520,091)
Financial income	(2,009,866)	(1,668,679)
Other different from operating	(1,474,514)	(2,028,154)
Income tax	(6,652,461)	(4,895,894)
Minority participations	23	15
Profit attributable to the owners of the parent company	21,389,838	18,308,227

Cash Flow Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Net cash flows from operating activities	35,731,053	25,922,007
Net cash flows from investment activities	(12,376,686)	(14,234,522)
Net cash flows from financing activities	(18,993,227)	(11,927,983)
Net increase (decrease) in cash and cash equivalents	4,361,140	(240,498)
Initial balance of cash and cash equivalents	735,653	976,151
Final balance of cash and cash equivalents	5,096,793	735,653

Change In Equity Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Issued capital	153,608,183	153,608,183
Other equity shareholdings	(61,060,426)	(61,060,426)
Accumulated earnings (losses)	112,741,919	110,291,544
Non-controlling participations	238	232
Final equity balance	205,289,914	202,839,533



IBERAGUAS LTDA

and affiliate



GENERAL BACKGROUND

Name:

Inversiones Iberaguas Limitada.

Type of entity:

Limited Investment Company subject to the provisions of the Civil Code, the Commercial Code, and the Law N° 3.918

Legal address:

Avenida Presidente Balmaceda N° 1398, Santiago Chile

Telephone:

(56-2) 569 2382

RUT Taxpayer ID:

96.897.320-7

Subscribed and paid capital:

TH\$ 49.090.900

External auditors:

EY Chile

RUT Taxpayer ID:

77.802.430-6

LINE OF BUSINESS

The Company's line of business is to invest and participate in sanitary business projects, especially in firms and companies whose line of business is to provide public utility services for the production and distribution of potable water, the collection and disposal of sewage and any other services related to said activities.

CONSTITUENT DOCUMENTS

The Company was legally incorporated via public deed dated May 20, 1999 at the notary public's office of Mr. Ailio Veloso Muñoz. Its stock capital amounts to Th \$49,090,900. An extract of its bylaws was published in the Official Gazette of May 27, 1999 and registered in the Registry of Commerce, on sheet 19,028 N° 15,038 of the year 1999 of the Santiago Real Estate Registrar. At a meeting of partners of Iberaguas S.A., dated August 9, 1999 it was agreed to transform Iberaguas S.A. into a Limited Liability Company, named Inversiones Iberaguas Ltda. On July 10, 2008 Aguas Andinas S.A. and Aguas Cordillera S.A. acquired the corporate investment rights of Inversiones Iberaguas Ltda. of 99.999998% and 0.000002%, respectively, whose public deed was registered at the notary public's office of Mr. Raúl Undurraga Laso. Repertoire.

ADMINISTRATION

Proxy:

Felipe Larraín Aspíllaga
Iván Yarur Sairafi

Percentage share parent company:

Aguas Andinas S.A. : 99.999998% direct
Aguas Cordillera S.A.: 0.000002% indirect

COMMERCIAL RELATIONSHIP WITH THE PARENT COMPANY

During the fiscal year ended on December 31, 2019, the Company maintained business relationships with the Parent Company and related companies, mainly those related to laboratory and consulting services and to the delivery of computer services and supplies of materials, all of which adhere to market conditions. It is expected that in the future commercial relations of a similar nature will be maintained.



Note 1.

Overview

Inversiones Iberaguas Limitada (hereinafter the "Company") and its Subsidiaries are part of the Aguas Andinas Group (hereinafter the "Group"). Its legal address is Avenida Presidente Balmaceda 1398, Santiago, Chile and its RUT Taxpayer ID Number is 96.897.320-7.

The Company was legally incorporated via public deed dated May 20, 1999, at the notary public's office of Mr. Airo Veloso Muñoz. Its capital amounts to Th \$ 49,090,900. An excerpt from the bylaws was published in the Official Gazette of May 27, 1999 and was registered in the Registry of Commerce on sheet 19,028, N° 15,038 of the year 1999 of the Santiago Real Estate Registrar.

At a meeting of partners of Iberaguas S.A., dated August 9, 1999 it was agreed to transform Iberaguas S.A. into a Limited Liability Company, called Inversiones Iberaguas Ltda.

On July 10, 2008, Aguas Andinas S.A. and Aguas Cordillera S.A. acquired the corporate rights of Inversiones Iberaguas Ltda. of 99.999998% and 0.000002%, respectively, the corresponding public deed was registered in the notary public's office of Mr. Raúl Undurraga Laso.

The Company's corporate purpose, in accordance with article four of its Articles of Incorporation, is investment and participation in sanitary service businesses, especially in firms and companies whose purpose is the delivery of public utility services for the production and distribution of drinking water, wastewater collection and disposal and any other delivery related to said activities

The Company is the parent company of Empresa de Servicios Sanitarios de Los Lagos S.A. (ESSAL S.A.), whose line of business is the provision of sanitary services, which includes the construction and operation of public services designed to produce and distribute potable water and collect and dispose of wastewater. Its current concession area is distributed in the different areas of Región de los Lagos and Region de los Ríos, with the exception of the city of Valdivia.

ESSAL S.A., is registered in the Securities Registry of the Superintendence of Securities and Insurance (hereinafter "Financial Market Commission"), under N° 524. As a company operating in the sanitary sector, it is regulated by the Sanitary Services Superintendence, pursuant to Law N° 18.902 of 1989 and Executive Decrees N° 382 and N° 70, both of the year 1988.

The direct controlling entity is Inversiones Aguas Metropolitanas S.A. ("IAM"), a corporation that is controlled by Suez Inversiones Aguas del Gran Santiago Ltda. ("IAGSA") which is controlled by Suez Andinas AA, its parent is Suez Spain, SL, an entity based in Spain and one of the largest operators of health services worldwide, which in turn is controlled by Suez Groupe, SAS (France).

Note 2.

Preparation basis and accounting policies

2.1 PREPARATION BASIS

These consolidated financial Statement are the consolidated financial position Statement as of December 31, 2019 and December 31, 2018 and the consolidated comprehensive Statement of changes in net equity and cash flows for fiscal years ended on December 31, 2019 and December 31, 2018. They have been prepared based on the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the comprehensive, explicit adoption of the referred IFRS without reservations.

Inversiones Iberaguas Ltda. complies with the legal environmental conditions in which it carries out its operations, in particular the sanitary subsidiaries with respect to the regulations of the sanitary sector. The Company and its Subsidiary have normal operating conditions in each area in which they carry out their activities, their projections show a profitable operation and they have the capacity to access the financial system to finance their operations, which in the opinion of Management determines their capacity to continue as a viable company, as established by the accounting standards under which these consolidated financial Statement are issued.

Functional and presentation currency

The consolidated financial Statement are presented in the currency of the main economic environment in which the Company and its Subsidiary (functional currency) operate. For the purposes of these financial Statement, their income and financial position are stated in Chilean pesos, which is the functional currency of the Company and its Subsidiary and the presentation currency of these consolidated financial Statement.



New accounting rules

The rules and interpretations, as well as the improvements and changes to IFRS, which have been issued to enter into effect the date of issue of these financial Statement, are summarized below. The Company has applied these rules and concluded that they did not have an impact on the financial Statement.

STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY ENFORCEMENT
IFRS 16, Leases	Annual periods beginning on or after January 1, 2019
IFRIC 23, Treatment of uncertain tax positions	Annual periods beginning on or after January 1, 2019
AMENDMENTS	DATE OF MANDATORY ENFORCEMENT
IFRS 3, Business Combinations – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2019
IFRS 9, Financial instruments – Payments with negative compensation	Annual periods beginning on or after January 1, 2019
IFRS 11, Joint agreements – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2019
IAS 12, Corporate revenue taxes – Tax consequences of payments related to FINANCIAL INSTRUMENTS classified as equity.	Annual periods beginning on or after January 1, 2019
IAS 23, Borrowing costs – Borrowing costs eligible to be capitalized	Annual periods beginning on or after January 1, 2019
IAS 28, Investment in associates and joint ventures – Long-term investments in partnerships or joint ventures.	Annual periods beginning on or after January 1, 2019
IAS 19, Employee benefits – modification, reduction or settlement of the plan	Annual periods beginning on or after January 1, 2019

IFRS 16, Leases

IFRS 16, issued in January 2016 by the IASB, establishes the principles for the recognition, measurement and presentation of leases, and their associated disclosures. The new standard replaced IAS 17 "Leases" and their interpretations: IFRIC 4 "Determination of whether an agreement contains a lease", "SIC 15" Operating leases - incentives ", SIC 27 "Evaluation of the essence of the transactions that take the legal form of a lease". The rule began its effective application from January 1, 2019.

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

The lessee measures rights-of-use assets analogously to other nonfinancial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, the lessee will recognize the depreciation of the right-of-use asset and the interests of the lease liability, and will also classify the cash reimbursements of the lease liability in a part of the principal and an interest part and will present them in the statement of cash flow applying IAS 7 Statement of Cash Flows.

Lessor accounting: does not change substantially with respect to what IAS 17 established. The lessor will continue to classify the leases under the same principles of the current standard, as operating or financial leases.

IFRIC Interpretation 23 "Uncertainty about the treatment of the income tax"

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

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

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

The Company applies an important judgment in identifying uncertainties regarding income tax treatments.

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

The standards and interpretations, as well as the improvements and amendments to IFRS, which have been issued but not entered into effect the date of issue of these financial Statement, are summarized below. The Company has not applied these standards before their enforcement.



STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY ENFORCEMENT
Conceptual framework	Annual periods beginning on or after January 1, 2020
IFRS 17, Insurance contracts	Annual periods beginning on or after January 1, 2021

AMENDMENTS	DATE OF MANDATORY ENFORCEMENT
IFRS 3, Business Combinations – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of financial Statement and IAS 8, Investments in associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 9 and IFRS 7 - Reform of the reference interest rate	Annual periods beginning on or after January 1, 2020
IFRS 10 y IAS 28, Consolidated Financial Statement – Sale or contribution of assets between an investor and its partner or joint venture	Pending

The Company's Administration estimates that the adoption of the Standards, Amendments and Interpretations, previously described and that could be applied, are in the process of evaluation and it is estimated that, to date, they would not have a significant impact on the financial Statement of the company. in the exercise of its first application. Management is periodically evaluating these implications.

Responsibility for information and estimates made

The information contained in these consolidated financial Statement is the responsibility of the Company's Management, which states that all the principles and criteria included in the International Financial Reporting Standards (IFRS) have been applied. Management, in session dated August 21, 2019, approved these consolidated financial Statement.

The consolidated financial Statement of the Company and its Subsidiary for the year 2018 were approved by its Administration in session held on March 26, 2018.

In the preparation of the consolidated financial Statement estimates were applied, such as:

- Useful life of fixed and intangible assets.
- Losses due to asset impairment.
- Assumptions used in the actuarial calculation of termination benefits for employee contracts.
- Assumptions used to calculate the fair value of financial instruments.
- Income from supplies pending billing.
- Provisions for commitments acquired with third parties.
- Risks arising from current litigation

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

2.2 ACCOUNTING POLICIES

Below is a description of the main accounting policies implemented in the preparation of these consolidated financial Statement.

A. Consolidation bases

The consolidated financial Statement include the financial Statement of the Company and its Subsidiary. Subsidiaries are those entities over which the company has the power to direct the relevant activities, it is entitled to variable returns from its participation

and the ability to use that power to influence the amounts of the investor's returns. The subsidiary is consolidated as of the date on which the control is transferred, and it is excluded from the consolidation on the date on which the same ceases.

In the consolidation process, all transactions, balances, losses and gains between the Group's entities are eliminated.

The Company and its Subsidiary show uniformity in the policies applied.

The subsidiary included in the consolidated financial Statement Inversiones Iberaguas Ltda. is the following:

TAX IDENTIFICATION NUMBER	COMPANY NAME	DIRECT %	INDIRECT %	TOTAL 2019 %	DIRECT %	INDIRECT %	TOTAL 2018 %
96.579.800-5	Empresa de Servicios Sanitarios de los Lagos S.A. (Essal)	51.00000	0.00000	51.00000	51.00000	0.00000	51.00000

B. Operative segments

IFRS 8 establishes the rules for reporting about operating segments and disclosures related to products and services. Operating segments are defined as components of an entity for which there is separate financial information, which is regularly reviewed by Management for making decisions about the resources that should be assigned to the segments and evaluating their performance.

The participation in the sanitary service represents more than 90%, therefore, it does not have relevant importance in other business segments.



C. Intangible assets other than goodwill

The Company recognizes an intangible asset as being identifiable as long as it proves to be likely to bring about future economic benefits that will flow to the entity and its cost can be reliably valued.

i. Intangible assets acquired separately:

Intangible assets acquired separately are presented at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis using the estimated useful lives. The estimated useful lives and the amortization method are reviewed at the close of each balance sheet, accounting for the effect of any change in the estimate prospectively.

ii. Amortization method for intangibles:

Intangibles assets with defined useful lives

The amortization method employed by the Company reflects the pattern for which the future economic benefits of the asset are expected to be used by the entity. The Company therefore uses the straight-line depreciation method.

Software

The estimated useful life of software is 4 years. For any other asset with a defined useful life, the useful life for amortization is the fiscal year defined in the contracts or copyrights.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are water rights and easements granted for an indefinite fiscal year, as established in the acquisition contracts and the rights granted by the Water Authority of the Ministry of Public Works.

Determination of useful life

Some of the factors that should be considered, among others, to estimate useful lives are:

- Legal, regulatory or contractual restrictions.
- Predictable life of the business or industry.
- Economic factors (product obsolescence, changes in demand).
- Expected reactions from current or potential competitors.
- Natural or climatic factors and technological changes that affect the capacity to generate earnings.

Over time, useful life may require modifications due to changes in the estimates as a result of changes in the assumptions about the above-mentioned factors.

D. Goodwill

Goodwill (lower value of investments or goodwill) generated in the business combination represents the excess of the cost of acquisition over the company's share of the fair value of the assets and liabilities, including the identifiable contingent liabilities of a subsidiary on the date of acquisition.

The valuation of the acquired assets and liabilities is made provisionally on the date of taking control of the Company, being reviewed within a maximum period of one year from the date of acquisition. Until the fair value of the assets and liabilities is definitively determined, the difference between the acquisition price and the book value of the acquired Company is recorded provisionally as goodwill.

In the event that the final determination of the goodwill is made in the financial Statement of the year following the acquisition of the participation, the items of the previous year presented for comparative purposes are modified to incorporate the value of the assets and liabilities acquired and the final capital gain from the date of acquisition of the participation.

The goodwill generated before the date of our transition to IFRS, this is January 1, 2008, is maintained by the net value recorded at that date, while the value generated afterwards is recorded according to the acquisition method. Goodwill is not amortized; instead, at the end of each accounting period, it is estimated whether there has been any impairment that reduces its recoverable value to an amount lower than the net cost recorded, where appropriate, adjusting the adjustment accordingly, for impairment, as required by IAS 36.

E. Property, plant and equipment

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

Subsequent costs are included in the value of the initial asset or are acknowledged as a separate asset, only when it is probable that the future economic benefits associated with the elements of the fixed asset will flow to the Company and the cost of the element can be determined reliably. The value of the replaced component is written off. The rest of the repairs and maintenance are charged to the result (income) of the year in which they are incurred.

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

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

When the value of an asset is higher than its estimated recoverable amount, its value is reduced immediately to its recoverable amount.



Useful lives:

The useful lives considered for purposes of calculating depreciation are based on technical studies prepared by external specialist companies, which are reviewed to the extent that there are precedents that allow us to consider that the useful life of an asset has been modified.

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

1. Nature of the component materials of the equipment or constructions.
2. Environment of the operating equipment.
3. Intensity of use.
4. Legal, regulatory or contractual limitations

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

ITEM	USEFUL LIFE (YEARS)	VIDA ÚTIL (AÑOS) MÁXIMA
Buildings	25	80
Fixed installations & accessories	5	80
Plant and equipment	5	50
Computer equipment	4	4
Motor vehicles	7	10
Improvements of leased goods	5	5
Other property, plant and equipment.	5	80

Cost estimation policy for dismantling, removing or rehabilitating property, plant and equipment:

Given the nature of the assets built into the Company and given that there are no contractual obligations or other constructive requirements, such as those mentioned by the IFRS, the concept of decommissioning costs is not applicable at the date of these financial Statement.

Fixed asset sales policy

The income generated from the sale of fixed assets is calculated by comparing the income obtained with their book value and they are recorded in the statement of comprehensive income.

F. Impairment of tangible and intangible assets except goodwill

At each closing date of the Consolidated Balance Sheet, the Company and its Subsidiary review the book values of its tangible and intangible assets with a defined useful life to determine whether there are indicators that said assets have suffered an impairment loss. If such indicators exist, the recoverable value of the assets are estimated to determine the amount of the impairment loss (if any). When it is not possible to estimate the recoverable amount of a particular asset, the company and its subsidiary estimate the recoverable value of the Cash Generating Unit (CGU) to which the asset belongs.

Intangible assets with indefinite useful lives are subject to annual impairment tests and also when there are indicators that the asset could have suffered an impairment before the end of that period.

The recoverable value is the greater amount between the fair value less the costs of sale and the value in use. For estimating the value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current market conditions of the value of money over time, as well as the specific risks associated to the asset.

When it is estimated that the recoverable amount of an asset (or cash-generating unit) is less than its book value, the book value of that asset (or cash-generating unit) is adjusted to its recoverable amount, immediately acknowledging in earnings (profits) or losses a loss for deterioration. When an impairment loss is reversed, the book value of the asset (or the cash-generating unit) is adjusted to the revised estimate of its recoverable value, provided that the book value so adjusted does not exceed the book value that would have been determined had no asset (or cash-generating unit) impairment loss been acknowledged in previous fiscal years.

G.Leases

Aguas Cordillera and its subsidiary evaluate their leases in accordance with IFRS 16, that is, if the right to control the use of an identified asset is transferred for a period of time in exchange for a consideration. Control is deemed to exist if the customer has i) the right to obtain substantially all economic benefits from the use of an identified asset; and ii) the right to direct the use of the asset.

When the Company and its subsidiary act as lessee, at the beginning of the lease (that is, on the date the underlying asset is available for use), it records in the statement of financial position an asset for the right of use and a liability by lease.

The Company and its Subsidiary initially recognize the right-of-use asset at cost, adjusted by any new measurement of the lease liability, less accumulated depreciation and accumulated impairment losses. The right-of-use asset depreciates on the lease term. To determine if the right-of-use asset has been impaired, the same criteria detailed in Note 2.F apply.

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

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

Short-term leases, equal to or less than one year, or leasing of low-value assets, are excepted from the application of the recognition criteria described above, recording the payments associated with the lease as an expense on a linear basis throughout the lease term.



When the company acts as lessor, it classifies at the beginning of the agreement whether the lease is operational or financial, based on the essence of the transaction. Leases in which all the risks and rewards inherent in ownership of the underlying asset are transferred, are classified as finance leases. The rest of the leases are classified as operating leases.

H. Financial assets

Acquisitions and disposals of financial instruments are acknowledged on the trading date, that is, the date on which the Company commits to acquire or sell the asset. Investments are written off when the rights to receive cash flows from the investments have been transferred and the Company has transferred substantially all the risks and benefits derived from their ownership.

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in comprehensive income
- Financial assets at fair value with changes in results
- Financial assets at amortized cost

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

The Company and its Subsidiary invest in low risk instruments that comply with the classification standards established in its investment policies. Thus, mutual investment funds must have an AAfm / M1 classification (installments well hedged against loss, associated with credit risks / installments with the lowest sensitivity to changes in economic conditions Fixed term deposits and pacts contracted are instruments with N-1 classification (instruments with the highest capital and interest payment capacity pursuant to agreed terms and conditions).

The issuing institutions of these instruments correspond to banking companies or bank subsidiaries, with a risk classification of N-1 and whose securities have a risk rating of at least AA (with a very high capital and interest payment capacity pursuant to agreed terms and conditions, which would not be significantly affected by eventual changes of the issuer or the industry to which it belongs or by the economy).

i. Effective interest rate method

The effective interest rate method corresponds to the method of calculating the amortized cost of a financial asset or liability and the allocation of interest revenues or expenses during the entire corresponding period. The effective interest rate corresponds to the rate that accurately discounts estimated future cash flows receivable over the expected life of the financial asset and makes the Net Present Value (NPV) equal to its nominal value.

ii. Fair value with changes in other comprehensive income

For the classification of an asset with fair value with effect on other comprehensive income, must be met as a principle, the sale of financial assets which are expected to be recovered within a certain period the principal amount plus interest if it corresponds.

iii. Financial assets at fair value with changes in results

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

Financial assets at fair value with changes in results are valued at fair value and any resulting loss or gain is recognized in results. The net gain or loss recognized in the results includes any dividend or interest received on the financial asset.

iv. Financial assets at amortized cost

Loans and accounts receivable

Trade debtors, loans and other accounts receivable are non-derivative financial assets payable in fixed or determinable periods and are not traded on an active market and are classified as loans and accounts receivable. Loans and accounts receivable are valued at amortized cost using the effective interest rate method minus any loss for impairment, except for short-term accounts receivable, where the acknowledgement of interest would be immaterial.

Trade debtors and other accounts receivable

Commercial debtors correspond to the amounts billed for consumption of potable water, sewerage services, sewage treatment and other services and the income earned from consumption made between the date of the last reading (according to the established monthly calendar) and the date of financial statement closing. These are recorded at the net value of the estimate of bad debts or of low probability of collection.

The commercial debtors policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed by defaulter clients.

Impairment policy for trade debtors and other accounts receivable

The Company periodically evaluates the value losses that affect its financial assets. The amount is recorded in the bad debt account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on the expected credit loss model as established in IFRS 9.



Estimates are based on the following historic situation: considering recovery statistics, which indicate that after the eighth months of an unpaid invoice, the possibility of collection is marginal; in other words, the probability of recovering the billed amount is minimal.

customers with more than 8 balances are provisioned at 100%. Consumption debts transformed into payment agreements are provisioned at 100% of the agreed balance.

The receivables with past due debt are provisioned 100%.

I. Inventories

Materials, spare parts and supplies are presented valued at their acquisition cost, which does not exceed the net realization value. The costing method corresponds to the weighted average cost. Biannually, an estimate of deterioration is made for those materials that are damaged, partially or totally obsolete, or have not rotated in the last twelve months and their market price has fallen more than 20%.

J. Foreign currency transactions

Assets and liabilities in foreign currency are shown at their respective exchange rates at the closing of each fiscal year, as per the following parities:

CURRENCY	12/31/2019	12/31/2018
	\$	\$
US dollar	748.74	694.77
Euro	839.58	794.75

Foreign currency transactions are converted to the functional currency using the exchange rates as of the transaction date. Foreign currency gains and losses resulting from the liquidation of these transactions and their conversion at the closing exchange rates for monetary assets and liabilities denominated in foreign currency are shown in the consolidated statement of comprehensive results.

Different exchange rates are registered in the results of the fiscal year in which they have accrued.

K. Financial liabilities

Loans and similar loans are initially recorded at their fair value, net of the costs incurred in the transaction. Subsequently, they are valued at amortized cost, using the effective interest rate, except for those operations for which they have subscribed hedge contracts that are valued according to the following section.

L. Derivative financial instruments and hedge accounting

The use of derivative financial instruments by Inversiones Iberaguas Limitada and Subsidiaries is based on the Group's financial risk management policies, which establish the guidelines for their use.

The Group uses derivative financial instruments as hedging instruments to mitigate inflation, interest rate and foreign currency risks on existing items to which it has been exposed due to its operations. Derivatives are recorded at their fair value on the date of the statement of financial position. In the case of financial derivatives, if their value is positive, they are recorded under the heading "Other Financial Assets" and if they are negative under the heading "Other Financial Liabilities".

Changes in fair value are recorded directly in results, except in the case that a derivative has been designated for accounting purposes as a hedging instrument and all the conditions established by the IFRS are met to apply hedge accounting.

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

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

Coberturas de flujos de caja y de inversión neta en moneda extranjera. Changes in the market value of derivative financial instruments designated as hedging instruments, as well as the items hedged, are recorded with a charge or credit to the financial results of the respective results accounts.

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

In the event of discontinuation of the hedge, the accumulated loss or gain at that date in equity is maintained until the underlying hedged transaction is performed. At that time, the accumulated loss or gain in equity will be reversed on the income statement, affecting said operation.

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

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

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



M. Provisions and contingent liabilities

Provisions are recognized when the Company and its Subsidiary have a present obligation that is a consequence of past events, and for which it is probable that the Company and its Subsidiary will use resources to settle the obligation and on which it can make a reasonable estimate of the amount of the obligation.

The quantification of provisions is made taking into consideration the best information available on the event and its consequences, it is re-estimated at the end of each accounting close. The provisions established are used to meet the specific risks for which they were originally acknowledged, and are reviewed, in full or in part, when said risks disappear or decrease.

Contingent liabilities are all those possible obligations arising as a result of past events, whose future materialization and associated equity damage is estimated of low probability. In accordance with IFRS, Aguas Cordillera S.A. and its subsidiary does not recognize any provision for these concepts, although, as required in the same standard, they are detailed if they exist, in Note 16.

N. Employee benefits

The severance pay obligation, which is expected to accrue to workers who retire from the subsidiary, is recorded at actuarial value, determined using the projected credit unit method. Actuarial gains and losses on indemnities deriving from changes in estimates of turnover rates, mortality, salary increases or discount rates, are determined in accordance with the provisions of IAS 19, under Other comprehensive income, directly affecting equity, which is subsequently reclassified to accumulated results.(see note 18).

Employees who are part of or are assimilated to the collective agreement in force at the date of the financial Statement, are calculated actuarial value only in the

event of retirement and death. In such cases there is a six-month limit for payment purposes. In other cases, it is governed by the provisions of the Labor Code.

The advances granted to personnel charged to these funds are presented after deducting current obligations. They will be charged in the final settlement in a reshaped form, in accordance with the provisions of the aforementioned agreements.

O. Revenue tax and deferred taxes

The income tax expense corresponds to the sum of the income taxes payable and the variation of deferred tax assets and liabilities.

The income tax payable is determined based on the tax result for the year. The income tax payable is calculated using the tax rates that have been approved, or that are in the last approval process, on the closing date of the balance sheet.

Deferred taxes are acknowledged on the basis of the differences between the book values of the assets and liabilities in the financial Statement and the corresponding tax bases used in the calculation of the tax income and are accounted for in accordance with the liability method based on the balance sheet. Deferred tax liabilities are acknowledged for all taxable temporary differences, and deferred tax assets are acknowledged for all deductible temporary differences to the extent that it is probable that future tax benefits exist with which to offset such differences. Deferred tax assets or liabilities are not acknowledged if the temporary differences arise from the lower value or from the initial acknowledgement (except in a business combination) of other assets and liabilities in a transaction that does not affect the tax income or financial income.

The book value of deferred tax assets is reviewed at the date of each balance sheet and is reduced to the extent that it is no longer probable that sufficient available tax results are available to allow the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates expected to be in force in the period in which the liability is settled or the asset is realized, based on the tax rates that have been approved or that are expected to be applied, according to the official announcements of tax type, at the end of the period of the balance sheet. The measurement of deferred tax assets and liabilities reflects the tax consequences that would occur due to the manner in which the Company and its Subsidiary expect, as of the reporting date, to recover or settle the book value of their assets and liabilities.

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

P. Ordinary revenue

Policy for acknowledging current revenue

The Company determined its acknowledgment and measurement of revenues from ordinary activities, based on the principle that revenues are acknowledged for an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. This fundamental principle must be applied based on a 5-step model:

- (1) identifying the contract with the client;
- (2) identifying the performance obligations of the contract;
- (3) determining the price of the transaction;
- (4) allocating the transaction price to performance obligations; and
- (5) acknowledging income when (or as) performance obligations are being met.



Policy for acknowledging current revenue from sales of goods

Revenue from sales of goods is acknowledged once the risk and significant advantages resulting from the ownership of the goods have been transferred. The Company is no longer bound to the asset sold. The amount of revenue can be reliably measured. The company is likely to receive the economic benefits associated with the sale and the costs incurred in the transaction can also be reliably measured.

Policy for acknowledging current revenue from sales of services

Revenues from the sale of services are measured at fair value. The invoices are prepared based on the actual consumption or work performed of the consideration receivable, net of returns, commercial discounts and rebates. So the income is acknowledged when the risk is transferred to the buyer, the recovery is considered probable, and the associated costs and possible discounts for erroneous charges can be estimated reliably.

The service area of the sanitary companies is divided into billing groups which determine dates for readings and invoicing. This process is developed based on a monthly calendar, which means that at the end of each month there are consumption not read and, therefore, not invoiced.

For billing groups that have the information on the consumption base actually read, the corresponding rate will be applied.

In those cases in which the Company do not have all the consumption read, the best estimate will be made of those income pending invoicing, this is based on

physical data from the previous month valued at the current rate, considering in both cases (billing or estimate) normal rate or overconsumption as appropriate.

The transfer of risks and benefits occur according to actual consumption and a monthly provision is made on the consumption measured and not invoiced in the month, a measurement that is made based on previous invoicing.

Method for determining the state of service termination

The provision of sanitary services is verified through the measurement of consumption, in accordance with the provisions of the associated legal regulations.

Incomes from agreements with developers is recorded as ordinary incomes to the extent that certain conditions stipulated in each contract, which ensure that the associated economic benefit will flow to the Company and its Subsidiary

Q. Environmental information

Environmental assets are those that are used durably in the activity of the Company and its Subsidiary, whose main purpose is the minimization of adverse environmental impacts and the protection and improvement of the environment, including the reduction or elimination of future contamination of the operations of the Company and Subsidiary.

These assets are valued, like any other asset, at acquisition cost. The Company amortizes these elements following the straight-line method, based on the estimated remaining useful life of the different elements.

R. Consolidated Statement of cash flows

The cash flow statement includes the cash movements made during the year, which include the Value Added Tax (IVA), determined by the direct method and with the following criteria:

Cash and cash equivalent: Inflows and outflows of cash and equivalent financial assets. They are understood as being easily-liquidated short-term investments with a low value variation risk (maximum unrestricted term of 3 months from investment date).

Operating activities: Common activities in a regular business operation by the Company, as well as other activities that have not been classified as investment or financing.

Investment activities: Acquisition, disposal or use by other means of long-term assets and other investments that have not been included in Cash and cash equivalent.

Financing activities: Activities that produce changes in the amount and composition of the net equity and liabilities that are not part of the regular activities.



Note 3.**Disclosure of information about related entities****BALANCES AND TRANSACTIONS WITH RELATED ENTITIES**

Transactions between the Company are in line with market conditions.

Accounts receivable from related entities

TAX IDENTIFICATION NUMBER RELATED PARTY	NAME OF RELATED PARTY	RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF TRANSACTION WITH RELATED PARTIES	TYPE OF CURRENCY	DEADLINES	GUARANTEES	CURRENTS (TH\$)	
								12/31/2019	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Dividends Payable	CLP	30 days	Without guarantees	0	89,379
61.808.000-5	Aguas Andinas S.A.	Controller	CL	SAP Services Contract ASP modality	CLP	30 days	Guarantee faithful fulfillment of contract by UF750	0	165,539
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Telephone Agreement	CLP	30 days	Without guarantees	146	0
96.967.550-1	Análisis Ambientales S.A.	Related to controller	CL	Laboratory Services Contract	CLP	30 days	Guarantee faithful fulfillment of contract for ThCh \$ 30,000	0	407,208
96.967.550-1	Análisis Ambientales S.A.	Related to controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	943,667	0
76.148.998-4	Suez Medioambiente Chile S.A	Related to controller	CL	Scada Platform Supply	CLP	30 days	Guarantee faithful fulfillment of contract	0	28,459
76.148.998-4	Suez Medioambiente Chile S.A	Related to controller	CL	SCADA platform	CLP	30 days	Without guarantees	5,979	0
0-E	Aqua Development	Related to controller	Es	Talent management	CLP	30 days	Faithful fulfillment of the contract for ThCh \$ 8,650	28,197	30,499
Total Accounts Receivable								977,989	721,084



Transactions with related entities

Transactions with related entities originate in Chile and are transacted in pesos.

TAX ID N° RELATED PARTY	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	NATURE OF THE TRANSACTIONS WITH RELATED PARTIES	CURRENT (TH\$)			12/31/2018	
				12/31/2019 AMOUNT	12/31/2019 EFFECTS ON INCOME (DEBIT)/CREDIT	12/31/2018 AMOUNT	12/31/2018 EFFECTS ON INCOME (DEBIT)/CREDIT	
61.808.000-5	Aguas Andinas S.A.	Controller	SAP services on ASP mode	78,564	(78,564)	223,561	(223,561)	
61.808.000-5	Aguas Andinas S.A.	Controller	Dividends Payable	272,142	0	306,473	0	
96.967.550-1	Analisis Ambientales S.A.	Related to controller	Laboratory services	1,394,127	(1,394,127)	852,144	(852,144)	
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to controller	Supply of meters	0	0	60,084	0	
76.148.998-4	Suez Medioambiente Chile S.A.	Related to controller	PTAS centrifuge rental	0	0	65,773	0	

The materiality criterion for reporting transactions with related entities is of amounts greater than Th \$ 100,000 accumulated.

Remuneration paid to directors and chief executives

	12/31/2019 TH\$	12/31/2018 TH\$
Directory	97,187	87,009
Total	97,187	87,009

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

Detail of related entities and transactions with related entities between the Directors and Executives

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



Consolidated Financial Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

ASSETS	2019 TH\$	2018 TH\$
Current assets	20,989,529	21,688,431
Non-current assets	206,745,401	194,503,610
Total assets	227,734,930	216,192,041
LIABILITIES		
Current liabilities	29,650,564	20,128,277
Non-current liabilities	104,167,148	92,060,682
Equity	60,972,992	67,008,781
Minority participations	32,944,226	36,994,301
Total liabilities and equity	227,734,930	216,192,041

Comprehensive Income Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Ordinary revenue	60,354,783	58,268,739
Operating cost	(54,573,080)	(38,706,590)
Financial income	(3,320,532)	(2,848,907)
Other different from operating	(2,024,896)	(1,873,452)
Income tax	(1,510,513)	(4,020,066)
Minority participations	(506,922)	5,320,149
Profit attributable to the owners of the parent company	(1,074,238)	10,819,724

Cash Flow Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Net cash flows from operating activities	11,539,194	24,788,797
Net cash flows from investment activities	(16,074,186)	(18,859,388)
Net cash flows from financing activities	3,523,186	(16,554,306)
Net increase (decrease) in cash and cash equivalents	(1,011,806)	(10,624,897)
Initial balance of cash and cash equivalents	2,131,795	12,756,692
Final balance of cash and cash equivalents	1,119,989	2,131,795

Change In Equity Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Issued capital	49,090,900	49,090,900
Other equity shareholdings	15,234,660	15,234,660
Accumulated earnings (losses)	(3,352,568)	2,683,221
Non-controlling participations	32,944,226	36,994,301
Final equity balance	93,917,218	104,003,082



ECORILES

S.A.



GENERAL BACKGROUND

Name:

EcoRiles S.A.

Type of entity:

Closely Held Corporation, is governed by the provisions of its Articles of Incorporation and by those legal provisions that are applicable.

Legal address:

Av. Walter Lihn 1868 - Santiago

Telephone:

(56-2) 569 22 29

RUT Taxpayer ID:

96.945.210-3

Subscribed and paid capital:

TH\$ 333,787

External auditors:

EY Chile

RUT Taxpayer ID N°:

77.802.430-6

LINE OF BUSINESS

The purpose of the Company is the treatment of liquid waste, as well as any activity associated or linked to the treatment of wastewaters and residual waters, through the provision of technical consulting services and the development of training, design, construction, equipment marketing, maintenance services and the operation of all types of facilities.

CONSTITUENT DOCUMENTS

Ecoriles S.A., was incorporated via public deed dated December 15, 2000 before the notary public Mr. Juan Ricardo San Martín Urrejola and its extract was published in the Official Gazette of January 16, 2001.

BOARD OF DIRECTORS

Chairman:

Marta Colet Gonzalo

Board members:

Eugenio Rodriguez Mingo (Gerente de Aguas Andinas S.A.)
Ivan Yarur Sairafi (Gerente Aguas Andinas S.A.)

General manager:

Paola Arata Zapico

Parent company shareholding:

99.03846%

Proportion represented by the investment in the parent company's assets:

the company represents a proportion of 0.22%

COMMERCIAL RELATIONSHIP WITH THE PARENT COMPANY

During the fiscal year ended December 31, 2019, the Company maintained a service contract for treatment of excess load and rental of property. In the future it is expected maintain similar business relationships.



Note 1.

Basis of preparation and accounting policies

1.1 PREPARATION BASIS

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

The Company complies with all the legal conditions of the environment in which it operates. the Company has normal operating conditions in each area in which it carries out its activities, its projections show a profitable operation and it has the capacity to access the financial system to finance its operations, which in the opinion of management determines its ability to continue as a fully operational company, as established by the IFRS standards under which these financial Statement are issued.

Functional and presentation currency

The items included in the financial Statement are valued using the currency of the main economic environment in which the Company operates (functional currency), the financial Statement are presented in Chilean pesos, which is the functional currency of the Company.

New accounting rules

The rules and interpretations, as well as the improvements and changes to the IFRS, which have been issued to enter into effect on the date of issue of these financial Statement, are summarized herein below. The Company has applied these rules concluding that they did not significantly affect the financial Statement.

STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY ENFORCEMENT
IFRS 16, Leases	Annual periods beginning on or after January 1, 2019
IFRIC 23, Treatment of uncertain tax positions	Annual periods beginning on or after January 1, 2019
AMENDMENTS	DATE OF MANDATORY ENFORCEMENT
IFRS 3, Business Combinations – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2019
IFRS 9, Financial instruments – Payments with negative compensation	Annual periods beginning on or after January 1, 2019
IFRS 11, Joint agreements – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2019
IAS 12, Corporate revenue taxes – Tax consequences of payments related to FINANCIAL INSTRUMENTS classified as equity.	Annual periods beginning on or after January 1, 2019
IAS 23, Borrowing costs – Borrowing costs eligible to be capitalized	Annual periods beginning on or after January 1, 2019
IAS 28, Investment in associates and joint ventures – Long-term investments in partnerships or joint ventures.	Annual periods beginning on or after January 1, 2019
IAS 19, Employee benefits – modification, reduction or settlement of the plan	Annual periods beginning on or after January 1, 2019

IFRS 16, Leases

IFRS 16, issued in January 2016 by the IASB, establishes the principles for the recognition, measurement and presentation of leases, and their associated disclosures. The new standard replaced IAS 17 "Leases" and their interpretations: IFRIC 4 "Determination of whether an agreement contains a lease", "SIC 15" Operating leases - incentives ", SIC 27 "Evaluation of the essence of the transactions that take the legal form of a lease". The rule began its effective application from January 1, 2019.

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

The lessee measures rights-of-use assets analogously to other nonfinancial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, the lessee will recognize the depreciation of the right-of-use asset and the interests of the lease liability, and will also classify the cash reimbursements of the lease liability in a part of the principal and an interest part and will present them in the statement of cash flow applying IAS 7 Statement of Cash Flows.

Lessor accounting: does not change substantially with respect to what IAS 17 established. The lessor will continue to classify the leases under the same principles of the current standard, as operating or financial leases.

The main effects arising from the application of the new Standard in the Group are those related to the leasing of buildings and vehicle fleet. As a consequence of the



change in the accounting model for lessees, the company has recognized an increase in current and non-current liabilities for a total amount of ThCh \$ 150,818 as of January 1, 2019, due to the recognition of lease liabilities, and an increase in non-current assets for the same amount, as a consequence of the recognition of the rights of use originated in said contracts.

As a result of the foregoing, in the year 2019 the Company recognized a higher financial expense associated with the new lease liabilities of ThCh \$ 4,938 and a higher depreciation associated with use rights of ThCh \$ 130,341.

The standards and interpretations, as well as the improvements and modifications to IFRS, which have been issued, but have not yet entered into force as of the date of these financial Statement, are detailed below. The company has not applied these standards in advance.

IFRIC Interpretation 23 "Uncertainty about the treatment of the income tax"

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

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

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

The Company applies an important judgment in identifying uncertainties regarding income tax treatments.

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

STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY ENFORCEMENT
Conceptual framework	Annual periods beginning on or after January 1, 2020
IFRS 17, Insurance contracts	Annual periods beginning on or after January 1, 2021
AMENDMENTS	DATE OF MANDATORY ENFORCEMENT
IFRS 3, Business Combinations – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of financial Statement and IAS 8, Investments in associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 9 and IFRS 7 - Reform of the reference interest rate	Annual periods beginning on or after January 1, 2020
IFRS 10 y IAS 28, Consolidated Financial Statement – Sale or contribution of assets between an investor and its partner or joint venture	Pending

The Company's Administration estimates that the adoption of the Standards, Amendments and Interpretations, previously described and that could be applied, are in the process of evaluation and it is estimated that, to date, they would not have a significant impact on the financial Statement of the company. in the exercise of its first application. Management is periodically evaluating these implications.

Responsibility for the information and calculations

The information contained in these financial Statement is the responsibility of the Board of Directors of the Company, which states that all the principles and criteria included in the International Financial Reporting Standards (IFRS) have been applied. The Board of Directors in session, approved these financial Statement.

The financial Statement of EcoRiles S.A. corresponding to the 2018 financial year, were approved by its Board of Directors at a meeting held on March 15, 2019

In the preparation of the financial Statement, estimates were applied such as:

- Useful life of fixed and intangible assets.
- Losses due to asset impairment
- Provisions for commitments acquired with third parties

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



1.2 ACCOUNTING POLICIES

Below is a description of the main accounting policies implemented in the preparation of these consolidated financial Statement.

A. Intangible assets other than goodwill

The Company recognizes an identifiable intangible asset when it can demonstrate that the future economic benefits that have been attributed to it are likely to flow to the entity and the cost can be properly valued.

i. Intangible assets acquired separately:

Intangible assets acquired separately are presented at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis using the estimated lifespans. The estimated lifespans and the amortization method are reviewed at the close of each balance sheet, accounting for the effect of any change in the estimate prospectively.

ii. Amortization method for intangibles:

Intangibles with defined lifespans

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

Software

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

Intangibles with indefinite useful life

Intangible assets of indefinite useful life correspond mainly to water rights secured indefinitely, as established in the procurement contracts.

Determining the useful life

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

- Legal, regulatory or contractual limitations.
- Predictable life of the business or industry.
- Economic factors (obsolescence of products, changes in demand).
- Reactions expected by current or potential competitors.
- Natural factors, climatic factors and technological changes that affect the ability to generate benefits.

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

B. Property, plant and equipment

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

Subsequent costs are included in the value of the initial asset or are acknowledged as a separate asset, only when it is probable that the future economic benefits associated with the elements of the fixed asset will flow to the Company and the cost of the element can be determined reliably. The value of the replaced component is written off. The rest of the repairs and maintenance are charged to the result (income) of the year in which they are incurred.

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

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

When the value of an asset is higher than its estimated recoverable amount, its value is reduced immediately to its recoverable amount.

Useful lives:

The useful lives considered for purposes of calculating depreciation are based on technical studies prepared by external specialist companies, which are reviewed to the extent that there are precedents that allow us to consider that the useful life of an asset has been modified.

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

1. Nature of the component materials of the equipment or constructions.
2. Environment of the operating equipment.
3. Intensity of use.
4. Legal, regulatory or contractual limitations

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



ITEM	USEFUL LIFE MINIMUM	USEFUL LIFE MAXIMUM
Buildings	25	25
Plant & equipment	5	20
Information technology equipment	4	4
Fixed installations & accessories	10	10

Cost estimation policy for dismantling, removing or rehabilitating property, plant and equipment:

Given the nature of the assets built into the Company and given that there are no contractual obligations or other constructive requirements, such as those mentioned by the IFRS, the concept of decommissioning costs is not applicable at the date of these financial Statement.

Fixed asset sales policy

The income generated from the sale of fixed assets is calculated by comparing the income obtained with their book value and they are recorded in the statement of comprehensive income.

C. Impairment of tangible and intangible assets except goodwill

At each closing date of the balance sheet, the Company reviews the carrying amounts of its tangible and intangible assets with a defined useful life to determine whether there are indicators that said assets have suffered an impairment loss. If such indicators exist, the recoverable value of the assets is estimated to determine the amount of the impairment loss (if any). When it is not possible to estimate the recoverable amount of a particular asset, the Company estimates the recoverable value of the Cash Generating Unit to which the asset belongs.

Intangible assets with an indefinite useful life are subject to annual impairment tests and when there are indicators that the asset could have suffered an impairment before the end of that period.

The recoverable value is the greater amount between the fair value less the costs of sale and the value in use. For estimating value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current market conditions of the value of money over time, as well as the specific risks associated to the asset.

When it is deemed that the recoverable value of an asset (or cash-generating unit) is less than its book value, the book value of that asset (or cash-generating unit) is adjusted to its recoverable value, immediately acknowledging a loss for deterioration income (income). When an impairment loss is reversed, the book value of the asset (or cash generating unit) is adjusted to the revised estimate of its recoverable value, provided that the adjusted book value does not exceed the book value that would have been determined if no loss for asset (or cash-generating unit) impairment had been acknowledged in previous fiscal years.

D. Leases

i. Financial leases

Leases are classified as financial leases when the terms of the lease substantially transfer all the risks and benefits of the property to the lessee. All other leases are classified as operating leases.

ii. Operating leases

Operating lease payments are acknowledged as an expense on a straight-line basis over the term of the lease, except when another systematic basis is more representative to reflect the temporary pattern in which the economic benefits of

the leased asset are consumed. Contingent leases are acknowledged as expenses in the period in which they are incurred.

In the event that rental incentives are received in order to agree an operating lease, such incentives are acknowledged as a liability. The accumulated benefit for incentives is acknowledged linearly as a reduction of the lease expense, except when another systematic basis is more representative to reflect the temporary pattern in which the economic benefits of the leased asset are consumed.

iii. Implicit leases

The Company reviews its contracts to verify the possible existence of implicit leases, in accordance with IFRIC 4.

E. Financial assets

Acquisitions and disposals of financial instruments are acknowledged on the trading date, that is, the date on which the Company commits to acquire or sell the asset. Investments are written off when the rights to receive cash flows from the investments have been transferred and the Company has substantially transferred all the risks and benefits derived from their ownership.

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in comprehensive income
- Financial assets at fair value with changes in income
- Financial assets at amortized cost.

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



The Company invests in low risk instruments that comply with the classification standards established in its investment policies. Thus, Mutual Investment Funds must have an AAfm / M1 rating (Quotas with very high protection against loss, associated with credit risks / installments with the lowest sensitivity to changes in economic conditions). Fixed term deposits and pacts contracted are instruments with N-1 classification (Instruments with the highest capacity to repay the capital and pay interest pursuant to the agreed terms and conditions).

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

i. Effective interest rate method

The effective interest rate method corresponds to the method of calculating the amortized cost of a financial asset or liability and the allocation of interest revenues or expenses during the entire corresponding period. The effective interest rate corresponds to the rate that accurately discounts estimated future cash flows receivable over the expected life of the financial asset and makes the Net Present Value (NPV) equal to its nominal value.

ii. Fair value with changes in other comprehensive income

For the classification of an asset to fair value through other comprehensive income, it must be met as a principle the sale of financial assets which are expected to be recovered within a certain period the principal amount plus interest if it corresponds.

iii. Financial assets at fair value with changes in results

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

Financial assets at fair value with changes in results are valued at fair value and any resulting loss or gain is recognized in results. The net gain or loss recognized in the results includes any dividend or interest received on the financial asset.

iv. Financial assets at amortized cost

Loans and accounts receivable

Trade debtors, loans and other accounts receivable are non-derivative financial assets payable in fixed or determinable periods and are not traded on an active market and are classified as loans and accounts receivable. Loans and accounts receivable are valued at amortized cost using the effective interest rate method minus any loss for impairment, except for short-term accounts receivable, where the acknowledgement of interest would be immaterial.

Trade debtors and other accounts receivable

Trade debtors and other accounts receivable are initially recognized at their fair value, these are recorded at the net value of the estimates of bad debts or of low probability of collection.

The commercial debtors policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed by defaulter clients.

Impairment policy for trade debtors and other accounts receivable

The Company periodically evaluates the value losses that affect its financial assets. The amount is recorded in the bad debt account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on the expected credit loss model as established in IFRS 9.

Estimates are based on the following historic situation: considering recovery statistics, which indicate that after the eighth months of an unpaid invoice, the possibility of collection is marginal; in other words, the probability of recovering the billed amount is minimal.

F. Inventories

Materials, spare parts and inputs are valued at acquisition cost, which does not exceed their net sell-off value. The costing method is the weighted average cost. Semiannually, an estimate is made of deterioration of those materials that are damaged, that are partially or totally obsolete, or without rotation during the last 12 months and whose market price has fallen by more than 20%.

G. Dividend policy

The dividend policy is to register at the closing of each year a minimum dividend of 30% of the earnings, as established in the Corporations Act (Ley de Sociedades Anónimas), and as long as the financing conditions permit, to approve a definitive dividend in the Ordinary Shareholders' Meeting.



H. Foreign currency transactions

Assets and liabilities in foreign currency are shown at their respective exchange rates at the closing of each fiscal year, as per the following parities:

CURRENCY	12/31/2019 \$	12/31/2018 \$
US dollar	748.74	694.77
Euro	839.58	794.75

Foreign currency transactions are converted to the functional currency using the exchange rates as of the transaction date. Foreign currency gains and losses resulting from the liquidation of these transactions and their conversion at the closing exchange rates for monetary assets and liabilities denominated in foreign currency are shown in the consolidated statement of comprehensive income.

Different exchange rates are registered in the income of the fiscal year in which they have accrued.

I. Financial liabilities

Loans and similar loans are initially recorded at their fair value, net of the costs incurred in the transaction. Subsequently, they are valued at amortized cost, using the effective interest rate.

J. Provisions and contingent liabilities

Provisions are acknowledged when the Company has a present obligation that is a consequence of past events, and for which it is likely to use resources to settle the obligation and on which it can make a reasonable estimate of the amount of the obligation.

The quantification of the provisions is made considering the best available information on the event and its consequences and is re-estimated at the closing of each accounting closing. The provisions established are used to meet the specific risks for which they were originally acknowledged, and are reviewed in full or in part, when said risks disappear or decrease.

Contingent liabilities are all those possible obligations arising as a result of past events, whose future materialization and associated equity damage is estimated of low probability. In accordance with IFRS, the company does not recognize any provision for these items.

K. Employee benefits

The Company has 231 employees, as follows: 3 main executives, 8 headquarters, 35 professionals, 15 technicians, 4 administrative and 166 operators.

Defined benefit plan policies

EcoRiles S.A. workers are governed by the rules established in articles 159, 160 and 161 of the Labor Code.

L. Income tax and deferred taxes

The expense for income tax corresponds to the sum of the tax on earnings payable and the variation of assets and liabilities for deferred taxes.

The income tax is determined based on the tax income of the period. The income tax payable by the Company is calculated using the tax rates that have been approved, or that are in the last approval process, on the closing date of the balance sheet.

Deferred taxes are acknowledged on the basis of the differences between the book values of the assets and liabilities in the financial Statement and the corresponding tax bases used in the calculation of the tax income and are accounted for in accordance with the liability method based on the balance sheet. Deferred tax liabilities are acknowledged for all taxable temporary differences, and deferred tax assets are acknowledged for all deductible temporary differences to the extent that it is probable that future tax benefits exist with which to offset such differences. Deferred tax assets or liabilities are not acknowledged if the temporary differences arise from the lower value or from the initial acknowledgment (except in a business combination) of other assets and liabilities in a transaction that does not affect the tax incomes or financial income.

The book value of deferred tax assets is reviewed at the date of each balance sheet and is reduced to the extent that it is no longer probable that sufficient available tax incomes are available to allow the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates expected to be in force in the period in which the liability is settled or the asset is realized, based on the tax rates that have been approved or that are expected to be applied. according to the official announcements of tax type, at the end of the period of the balance sheet. The measurement of deferred tax assets and liabilities reflects the tax consequences that would occur due to the manner in which the Company and its Subsidiary expect, as of the reporting date, to recover or settle the book value of their assets and liabilities.

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



M. Ordinary revenue

Policy for acknowledging current revenue

The Company determined its acknowledgment and measurement of revenues from ordinary activities, based on the principle that revenues are acknowledged for an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. This fundamental principle must be applied based on a 5-step model:

- (1) identifying the contract with the client;
- (2) identifying the performance obligations of the contract;
- (3) determining the price of the transaction;
- (4) allocating the transaction price to performance obligations; and
- (5) acknowledging income when (or as) performance obligations are being met.

Policy for acknowledging current revenue from sales of goods

Revenue from sales of goods is acknowledged once the risk and significant advantages resulting from the ownership of the goods have been transferred. The Company is no longer bound to the asset sold. The amount of revenue can be reliably measured. The company is likely to receive the economic benefits associated with the sale and the costs incurred in the transaction can also be reliably measured.

Policy for acknowledging current revenue from sales of services

Revenues from the sale of services are measured at fair value. The invoices are prepared based on the actual consumption or work performed of the consideration receivable, net of returns, commercial discounts and rebates. So the income is acknowledged when the risk is transferred to the buyer, the recovery is considered probable, and the associated costs and possible discounts for erroneous charges

can be estimated reliably. Billing and eventual provision is made based on work performed.

N. Environmental information

Environmental assets are those that are used durably in the activity of the Company and its Subsidiary, whose main purpose is the minimization of adverse environmental impacts and the protection and improvement of the environment, including the reduction or elimination of future contamination of the operations.

These assets are valued, like any other asset, at acquisition cost. The Company amortizes these elements following the straight-line method, based on the estimated remaining useful life of the different elements.

O. Cash flow Statement

Cash flow Statement record the cash account activity during the fiscal year, which include Value Added Tax (VAT), determined by the direct method under the following criteria:

Cash and cash equivalent: Represent cash inflows and outflows of equivalent financial assets, meaning low-risk highly-liquid value investments (with expiration of under 3 months from the date of investment without restrictions).

Operating activities: Represent typical activities of the normal operation of the business of the company, as well as other activities not classified as investment or financing.

Investment activities: Represent activities of acquisition, sale or disposition by other means of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: Represent activities that produce changes in the amount and composition of the net equity and liabilities that are not part of the regular activities.

P. Reclassifications

For the year ended to December 31, 2018, certain reclassifications have been made to facilitate its comparison with the period ended to December 31, 2019, according to the following detail:

RECLASSIFICATIONS	INCREASE / (DECREASE) TH\$
STATEMENT OF FINANCIAL SITUATION:	
Business accounts and other accounts payable	7,529
Other non-financial liabilities	(7,529)

Said reclassification corresponds to account 214004300 Provision VAT-registered in SII, which in 2018 was under the heading "Other non-financial liabilities" and in 2019 is presented in "Commercial accounts and other accounts payable".



Note 2.**Disclosure of information about related entities****BALANCES AND TRANSACTIONS WITH RELATED ENTITIES**

Transactions between the Company are in line with market conditions.

Accounts receivable from related entities

RUT TAXPAYER ID Nº OF RELATED PARTY	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF THE TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	DEADLINES	GUARANTEES	CURRENTS (TH\$)	
								12/31/2019	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Property leasing	CLP	30 Days	Guarantee	3,428	3,338
96.809.310-K	Aguas Cordillera S.A.	Related to the controller	CL	San Antonio project	CLP	30 Days	Without guarantees	86,344	121,990
76.148.998-4	Aquology Medio Ambiente	Related to the controller	CL	Frutos del Maipo Project	CLP	30 Days	Without guarantees	0	
No Tax ID	AQUA DEVELOPMENT NETWORK S.A.	Related to the controller	CL	Difference in transfer	CLP	30 Days	Guarantees		2,146
Total accounts receivable								89,772	127,474



Accounts payable to related entities - Current

RUT TAXPAYER ID Nº OF RELATED PARTY	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF THE TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	DEADLINES	GUARANTEES	CURRENTS (TH\$)	
								12/31/2019	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Excess organic discharge to the network	CLP	30 Days	Guarantees	229,351	229,268
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Property leasing	CLP	30 Days	Without guarantees	0	10,084
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Dividends payable	CLP	30 Days	Guarantees	547,201	530,680
96.809.310-K	Aguas Cordillera S.A.	Related to the controller	CL	Dividends payable	CLP	30 Days	Without guarantees	5,313	5,152
96.967.550-1	Análisis Ambientales S.A.	Related to the controller	CL	Chemical and bacteriological analysis services	CLP	30 Days	Guarantees	78,621	108,250
96.828.120-8	Gestión y Servicios S.A.	Related to the controller	CL	Third Party services	CLP	30 Days	Without guarantees	145,651	167,754
76.148.998-4	Aqua Development Network	Related to the controller	CL	Materials and supplies	CLP	30 Days	Without guarantees	0	19,293
Total accounts receivable								1,006,137	1,070,481

Transactions with related entities

RUT TAXPAYER ID Nº OF RELATED PARTY	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF THE TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	CURRENTS (TH\$)			
						12/31/2019	EFFECTS ON INCOME	12/31/2018	EFFECTS ON INCOME
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Loans granted	CLP	870,000	0	0	0
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Loan Payment	CLP	870,000	(5,097)	0	0
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Excess organic discharge to the network	CLP	762,248	(643,479)	822,493	742,322
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Dividends paid	CLP	1,436,058	0	1,436,058	
96.809.310-K	Aguas Cordillera S.A.	Related to the controller	CL	San Antonio Project	CLP			109,263	27,232
96.967.550-1	Análisis Ambientales S.A.	Related to the controller	CL	Laboratory analysis	CLP	469,874	(395,318)	469,901	(393,288)
96.828.120-8	Gestión y Servicios S.A.	Related to the controller	CL	Purchase of chemical supplies	CLP	2,056,761	(1,728,370)	1,658,390	(1,393,605)

The materiality criterion for reporting transactions with related entities is for amounts greater than ThCh \$ 100,000.



Consolidated Financial Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

ASSETS	2019 TH\$	2018 TH\$
Current assets	6,022,761	5,438,938
Non-current assets	701,223	531,601
Total assets	6,723,984	5,970,539
LIABILITIES		
Current liabilities	2,855,498	2,550,466
Non-current liabilities	73,381	0
Equity	3,795,105	3,420,073
Total liabilities and equity	6,723,984	5,970,539

Comprehensive Income Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Ordinary revenue	14,432,857	13,324,400
Operating cost	(7,446,083)	(6,523,821)
Financial income	(6,749)	(9,827)
Other different from operating	(4,449,920)	(4,392,779)
Income tax	(688,392)	(634,375)
Year's earnings	1,841,713	1,783,252

Cash Flow Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Net cash flows from operating activities	1,662,395	1,151,923
Net cash flows from investment activities	(47,123)	1,233,728
Net cash flows from financing activities	(1,450,000)	(2,540,000)
Net increase (decrease) in cash and cash equivalents	(165,273)	(154,349)
Initial balance of cash and cash equivalents	228,773	383,121
Final balance of cash and cash equivalents	394,046	228,773

Change In Equity Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Issued capital	333,787	333,787
Other equity shareholdings	(27,279)	(27,279)
Accumulated earnings (losses)	3,488,597	3,113,565
Final equity balance	3,795,105	3,420,073



AGUAS_

del Maipo S.A.



GENERAL BACKGROUND

Name:

Aguas del Maipo S.A.

Type of entity:

Closed stock company, , is governed by the provisions of the Articles of Incorporation and by the applicable legal provisions.

Legal address:

Avenida Presidente Balmaceda N° 1398, Santiago Chile

Telephone:

(56-2) 569 2118

RUT Taxpayer ID:

76.190.084-6

Subscribed and paid capital:

TH\$ 7.971.221

External auditors:

EY Chile

RUT Taxpayer ID N°

77.802.430-6

LINE OF BUSINESS

The purpose of the Company is to carry out all kinds of related activities with rights to use water, the development and exploitation of any energy project derived from the use and use of facilities and goods natural sanitary companies their products and/or byproducts, including electric cogeneration, generation of biogas and hydroelectricity.

CONSTITUENT DOCUMENTS

Aguas del Maipo S.A. was incorporated on April 1, 2011, through public deed granted in the Notary of Santiago de Don Ivan Torrealba Acevedo, an excerpt from the bylaws was registered in the Registry of Commerce of the Santiago Real Estate Registry that year, to fojas 19364 N° 14746 of the registry of Commerce of Santiago corresponding to the year 2011.

BOARD OF DIRECTORS

Chairman:

Marta Colet Gonzalo

Board members:

Eugenio Rodriguez Mingo
Iván Yarur Sairafi

CEO:

Francesco Lula Cusumano

Percentage share parent company: 82.64996%

Representing investment proportion in the assets of the parent company:
The investment in the company represents the proportion of 0.36%

COMMERCIAL RELATIONSHIP WITH THE PARENT COMPANY

During the fiscal year ended December 31, 2019, the Company held contracts for the supply of biogas and leases with its Matrix, which are adjusted to market conditions. Similar business relationships are expected in the future.



Note 1.

Preparation bases and accounting policies

1.1 PREPARATION BASES

The present financial Statement correspond to the financial situation as of December 31, 2019 and 2018 and to the Statement of income, of changes to net equity and cash flows for the fiscal years ended on such dates, which have been prepared based on the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the comprehensive, explicit adoption of the referred IFRS without Reservations.

The Company complies with all the legal conditions of the environment in which it carries out its operations, presents normal operating conditions in each area in which it carries out its activities, its projections show a profitable operation and has the capacity to access the financial system to finance its operations. , which in the opinion of the Administration determines its ability to continue as a going concern, as established by the accounting standards under which these financial Statement are issued.

Functional and presentation currency

The financial Statement are presented in the currency of the main economic environment in which the Company operates (functional currency). As established in IAS 21, the financial Statement are presented in Chilean pesos, which is the functional currency of the Company and the presentation currency for the financial Statement.

New accounting rules

The rules and interpretations, as well as the improvements and changes to the IFRS, which have been issued to enter into effect on the date of issue of these financial

Statement, are summarized herein below. The Company has applied these rules concluding that they did not significantly affect the financial Statement.

STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY ENFORCEMENT
IFRS 16, Leases	Annual periods beginning on or after January 1, 2019
IFRIC 23, Treatment of uncertain tax positions	Annual periods beginning on or after January 1, 2019

AMENDMENTS	DATE OF MANDATORY ENFORCEMENT
IFRS 3, Business Combinations – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2019
IFRS 9, Financial instruments – Payments with negative compensation	Annual periods beginning on or after January 1, 2019
IFRS 11, Joint agreements – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2019
IAS 12, Corporate revenue taxes – Tax consequences of payments related to FINANCIAL INSTRUMENTS classified as equity.	Annual periods beginning on or after January 1, 2019
IAS 23, Borrowing costs – Borrowing costs eligible to be capitalized	Annual periods beginning on or after January 1, 2019
IAS 28, Investment in associates and joint ventures – Long-term investments in partnerships or joint ventures.	Annual periods beginning on or after January 1, 2019
IAS 19, Employee benefits – modification, reduction or settlement of the plan	Annual periods beginning on or after January 1, 2019

IFRS 16, Leases

IFRS 16, issued in January 2016 by the IASB, establishes the principles for the recognition, measurement and presentation of leases, and their associated disclosures. The new standard replaced IAS 17 "Leases" and their interpretations: IFRIC 4 "Determination of whether an agreement contains a lease", "SIC 15" Operating leases - incentives ", SIC 27 "Evaluation of the essence of the transactions that take the legal form of a lease". The rule began its effective application from January 1, 2019.

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

The lessee measures rights-of-use assets analogously to other nonfinancial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, the lessee will recognize the depreciation of the right-of-use asset and the interests of the lease liability, and will also classify the cash reimbursements of the lease liability in a part of the principal and an interest part and will present them in the statement of cash flow applying IAS 7 Statement of Cash Flows.

Lessor accounting: does not change substantially with respect to what IAS 17 established. The lessor will continue to classify the leases under the same principles of the current standard, as operating or financial leases.



The main effects arising from the application of the new Standard in the Group are those related to the leasing of buildings and vehicle fleet. As a consequence of the change in the accounting model for lessees, the company has recognized an increase in current and non-current liabilities for a total amount of ThCh \$8.982 as of January 1, 2019, due to the recognition of lease liabilities, and an increase in non-current assets for the same amount, as a consequence of the recognition of the rights of use originated in said contracts.

As a result of the foregoing, in the year 2019 the Company recognized a higher financial expense associated with the new lease liabilities of ThCh \$31 and a higher depreciation associated with use rights of ThCh \$200.

IFRIC Interpretation 23 "Uncertainty about the treatment of the income tax"

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

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

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

The Company applies an important judgment in identifying uncertainties regarding income tax treatments.

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

The standards and interpretations, as well as the improvements and modifications to IFRS, which have been issued, but have not yet entered into force as of the date of these financial Statement, are detailed below. The company has not applied these standards in advance.

STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY ENFORCEMENT
Conceptual framework	Annual periods beginning on or after January 1, 2020
IFRS 17, Insurance contracts	Annual periods beginning on or after January 1, 2021

AMENDMENTS	DATE OF MANDATORY ENFORCEMENT
Amendments	Date of mandatory enforcement
IFRS 3, Business Combinations – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of financial Statement and IAS 8, Investments in associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 9 and IFRS 7 - Reform of the reference interest rate	Annual periods beginning on or after January 1, 2020
IFRS 10 y IAS 28, Consolidated Financial Statement – Sale or contribution of assets between an investor and its partner or joint venture	Pending

The Company's Administration estimates that the adoption of the Standards, Amendments and Interpretations, described above and that could be applied to Aguas Cordillera S.A. and Subsidiary, are in the process of evaluation and it is estimated that, to date, they would not have a significant impact on the consolidated financial Statement of the company in the exercise of their first application. The administration is periodically evaluating these implications.

Responsibility for the information and estimates made

The information contained in these consolidated financial Statement is the responsibility of the Company's Management, which states that all the principles and criteria included in the International Financial Reporting Standards (IFRS) have been applied. Management, in session dated March 25, 2020, approved these consolidated financial Statement.

The financial Statement of Analisis Ambientales S.A. corresponding to the 2018 financial year, were approved by its Board of Directors at a meeting held on March 15, 2019.

In the preparation of the financial Statement, estimates were applied such as:

- Useful life of fixed and intangible assets.
- Impairment losses on assets.
- Income from services pending billing.
- Provisions for commitments acquired with third parties.

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



1.2 ACCOUNTING POLICIES

Below is a description of the main accounting policies implemented in the preparation of these consolidated financial Statement.

A. Intangible assets other than goodwill

The Company recognizes an identifiable intangible asset when it can demonstrate that the future economic benefits that have been attributed to it are likely to flow to the entity and the cost can be properly valued.

i. Intangible assets acquired separately:

Intangible assets acquired separately are presented at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis using the estimated lifespans. The estimated lifespans and the amortization method are reviewed at the close of each balance sheet, accounting for the effect of any change in the estimate prospectively.

ii. Amortization method for intangibles:

Intangibles with defined lifespans

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

Software

La vida útil estimada para los softwares es de 4 años, para aquellos otros activos de The estimated useful life for the software is 4 years, for those other assets with a

defined useful life, the useful life period in which they are amortized corresponds to the periods defined in the contracts or rights that originate them.

Intangibles with indefinite useful life

Intangible assets of indefinite useful life correspond mainly to water rights secured indefinitely, as established in the procurement contracts.

Determining the useful life

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

- Legal, regulatory or contractual limitations.
- Predictable life of the business or industry.
- Economic factors (obsolescence of products, changes in demand).
- Reactions expected by current or potential competitors.
- Natural factors, climatic factors and technological changes that affect the ability to generate benefits.

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

B. Property, plant and equipment

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

Subsequent costs are included in the value of the initial asset or are acknowledged as a separate asset, only when it is probable that the future economic benefits associated with the elements of the fixed asset will flow to the Company and the cost of the

element can be determined reliably. The value of the replaced component is written off. The rest of the repairs and maintenance are charged to the result (income) of the year in which they are incurred.

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

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

When the value of an asset is higher than its estimated recoverable amount, its value is reduced immediately to its recoverable amount.

Useful lives :

The useful lives considered for purposes of calculating depreciation are based on technical studies prepared by external specialist companies, which are reviewed to the extent that there are precedents that allow us to consider that the useful life of an asset has been modified.

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

1. Nature of the component materials of the equipment or constructions.
2. Environment of the operating equipment.
3. Intensity of use.
4. Legal, regulatory or contractual limitations



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

ITEM	USEFUL LIFE MINIMUM	USEFUL LIFE MAXIMUM
Buildings	25	25
Machinery	7	15
Sewage treatment plants	10	15
Other facilities	10	40

Cost estimation policy for dismantling, removing or rehabilitating property, plant and equipment:

Given the nature of the assets built into the Company and given that there are no contractual obligations or other constructive requirements, such as those mentioned by the IFRS, the concept of decommissioning costs is not applicable at the date of these financial Statement.

Fixed asset sales policy

The income generated from the sale of fixed assets is calculated by comparing the income obtained with their book value and they are recorded in the statement of comprehensive income.

C. Impairment of tangible and intangible assets except goodwill

At each closing date of the balance sheet, the Company reviews the carrying amounts of its tangible and intangible assets with a defined useful life to determine whether there are indicators that said assets have suffered an impairment loss. If such indicators exist, the recoverable value of the assets is estimated to determine the amount of the impairment loss (if any). When it is not possible to estimate the recoverable amount of a particular asset, the Company estimates the recoverable value of the Cash Generating Unit to which the asset belongs.

Intangible assets with an indefinite useful life are subject to annual impairment tests and when there are indicators that the asset could have suffered an impairment before the end of that period.

The recoverable value is the greater amount between the fair value less the costs of sale and the value in use. For estimating value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current market conditions of the value of money over time, as well as the specific risks associated to the asset.

When it is deemed that the recoverable value of an asset (or cash-generating unit) is less than its book value, the book value of that asset (or cash-generating unit) is adjusted to its recoverable value, immediately acknowledging a loss for deterioration income (income). When an impairment loss is reversed, the book value of the asset (or cash generating unit) is adjusted to the revised estimate of its recoverable value, provided that the adjusted book value does not exceed the book value that would have been determined if no loss for asset (or cash-generating unit) impairment had been acknowledged in previous fiscal years.

D. Leases

i. Financial leases

Leases are classified as financial leases when the terms of the lease substantially transfer all the risks and benefits of the property to the lessee. All other leases are classified as operating leases.

ii. Operating leases

Operating lease payments are acknowledged as an expense on a straight-line basis over the term of the lease, except when another systematic basis is more representative to reflect the temporary pattern in which the economic benefits of the leased asset are consumed. Contingent leases are acknowledged as expenses in the period in which they are incurred.

In the event that rental incentives are received in order to agree an operating lease, such incentives are acknowledged as a liability. The accumulated benefit for incentives is acknowledged linearly as a reduction of the lease expense, except when another systematic basis is more representative to reflect the temporary pattern in which the economic benefits of the leased asset are consumed.

iii. Implicit leases

The Company reviews its contracts to verify the possible existence of implicit leases, in accordance with IFRIC 4.

E. Financial assets

Acquisitions and disposals of financial instruments are acknowledged on the trading date, that is, the date on which the Company commits to acquire or sell the asset. Investments are written off when the rights to receive cash flows from the investments have been transferred and the Company has substantially transferred all the risks and benefits derived from their ownership.

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in comprehensive income
- Financial assets at fair value with changes in income
- Financial assets at amortized cost.

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

The Company invests in low risk instruments that comply with the classification standards established in its investment policies. Thus, Mutual Investment Funds must have an AAfm / M1 rating (Quotas with very high protection against loss, associated with credit risks / installments with the lowest sensitivity to changes in economic conditions). Fixed term deposits and pacts contracted are instruments with N-1 classification



(Instruments with the highest capacity to repay the capital and pay interest pursuant to the agreed terms and conditions).

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

i. Effective interest rate method

The effective interest rate method corresponds to the method of calculating the amortized cost of a financial asset or liability and the allocation of interest revenues or expenses during the entire corresponding period. The effective interest rate corresponds to the rate that accurately discounts estimated future cash flows receivable over the expected life of the financial asset and makes the Net Present Value (NPV) equal to its nominal value.

ii. Fair value with changes in other comprehensive income

For the classification of an asset to fair value through other comprehensive income, it must be met as a principle the sale of financial assets which are expected to be recovered within a certain period the principal amount plus interest if it corresponds.

iii. Financial assets at fair value with changes in results

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

Financial assets at fair value with changes in results are valued at fair value and any resulting loss or gain is recognized in results. The net gain or loss recognized in the results includes any dividend or interest received on the financial asset.

Aguas del Maipo S.A. It holds shares in Sociedad Eléctrica Puntilla SA, which have been valued at their fair value on the date of acquisition, as established in IAS N ° 39. Their subsequent measurement will be made at cost because there is no active market, according to the provisions of the same standard.

iv. Financial assets at amortized cost

Loans and accounts receivable

Trade debtors, loans and other accounts receivable are non-derivative financial assets payable in fixed or determinable periods and are not traded on an active market and are classified as loans and accounts receivable. Loans and accounts receivable are valued at amortized cost using the effective interest rate method minus any loss for impairment, except for short-term accounts receivable, where the acknowledgement of interest would be immaterial.

Trade debtors and other accounts receivable

Trade debtors and other accounts receivable are initially recognized at their fair value, these are recorded at the net value of the estimates of bad debts or of low probability of collection.

The commercial debtors policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed by defaulter clients.

Impairment policy for trade debtors and other accounts receivable

The Company periodically evaluates the value losses that affect its financial assets. The amount is recorded in the bad debt account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on the expected credit loss model as established in IFRS 9.

Estimates are based on the following historic situation: considering recovery statistics, which indicate that after the eighth months of an unpaid invoice, the possibility of collection is marginal; in other words, the probability of recovering the billed amount is minimal.

Clients with debts greater than 120 days are provisioned 100% on past due debt.

The receivables with past due debt are provisioned 100%.

F. Dividend payment policy

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

In addition to this and with the prior authorization of the ordinary shareholders' meeting, the remaining 70% may be distributed as an additional dividend, provided that it remains at the Company's current level of capitalization and is compatible with the investment policies.

G. Foreign currency transactions

Assets and liabilities in foreign currency are shown at their respective exchange rates at the closing of each fiscal year, as per the following parities:

CURRENCY	12/31/2019	12/31/2018
US dollar	748,74	694,77
Euro	839,58	794,75

Foreign currency transactions are converted to the functional currency using the exchange rates as of the transaction date. Foreign currency gains and losses resulting from the liquidation of these transactions and their conversion at the closing exchange



rates for monetary assets and liabilities denominated in foreign currency are shown in the consolidated statement of comprehensive income.

Different exchange rates are registered in the income of the fiscal year in which they have accrued.

H. Financial liabilities

Loans and similar loans are initially recorded at their fair value, net of the costs incurred in the transaction. Subsequently, they are valued at amortized cost, using the effective interest rate.

I. Provisions and contingent liabilities

Provisions are acknowledged when the Company has a present obligation that is a consequence of past events, and for which it is likely to use resources to settle the obligation and on which it can make a reasonable estimate of the amount of the obligation.

The quantification of the provisions is made considering the best available information on the event and its consequences and is re-estimated at the closing of each accounting closing. The provisions established are used to meet the specific risks for which they were originally acknowledged, and are reviewed in full or in part, when said risks disappear or decrease.

Contingent liabilities are all those possible obligations arising as a result of past events, whose future materialization and associated equity damage is estimated of low probability. In accordance with IFRS, the company does not recognize any provision for these items.

J. Employee benefits

The Company has 2 employees, divided into 1 head and 1 technician.

Defined benefit plan policies

EcoRiles S.A. workers are governed by the rules established in articles 159, 160 and 161 of the Labor Code.

K. Income tax and deferred taxes

The expense for income tax corresponds to the sum of the tax on earnings payable and the variation of assets and liabilities for deferred taxes.

The income tax is determined based on the tax income of the period. The income tax payable by the Company is calculated using the tax rates that have been approved, or that are in the last approval process, on the closing date of the balance sheet.

Deferred taxes are acknowledged on the basis of the differences between the book values of the assets and liabilities in the financial Statement and the corresponding tax bases used in the calculation of the tax income and are accounted for in accordance with the liability method based on the balance sheet. Deferred tax liabilities are acknowledged for all taxable temporary differences, and deferred tax assets are acknowledged for all deductible temporary differences to the extent that it is probable that future tax benefits exist with which to offset such differences. Deferred tax assets or liabilities are not acknowledged if the temporary differences arise from the lower value or from the initial acknowledgment (except in a business combination) of other assets and liabilities in a transaction that does not affect the tax incomes or financial income.

The book value of deferred tax assets is reviewed at the date of each balance sheet and is reduced to the extent that it is no longer probable that sufficient available tax incomes are available to allow the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates expected to be in force in the period in which the liability is settled or the asset is realized, based on the tax rates that have been approved or that are expected to be applied. according to the official announcements of tax type, at the end of the period of the balance sheet. The measurement of deferred tax assets and liabilities reflects the tax consequences that would occur due to the manner in which the Company and its Subsidiary expect, as of the reporting date, to recover or settle the book value of their assets and liabilities.

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

L. Ordinary revenue

Policy for acknowledging current revenue

The Company determined its acknowledgment and measurement of revenues from ordinary activities, based on the principle that revenues are acknowledged for an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. This fundamental principle must be applied based on a 5-step model:

- (1) identifying the contract with the client;
- (2) identifying the performance obligations of the contract;
- (3) determining the price of the transaction;
- (4) allocating the transaction price to performance obligations; and
- (5) acknowledging income when (or as) performance obligations are being met.

Policy for acknowledging current revenue from sales of goods

Revenue from sales of goods is acknowledged once the risk and significant advantages resulting from the ownership of the goods have been transferred. The Company is no longer bound to the asset sold. The amount of revenue can be reliably measured. The company is likely to receive the economic benefits associated with the sale and the costs incurred in the transaction can also be reliably measured.

Policy for acknowledging current revenue from sales of services

Revenues from the sale of services are measured at fair value. The invoices are prepared based on the actual consumption or work performed of the consideration receivable, net of returns, commercial discounts and rebates. So the income is acknowledged when the risk is transferred to the buyer, the recovery is considered probable, and the associated costs and possible discounts for erroneous charges can be estimated reliably. Billing and eventual provision is made based on work performed.



M. Environmental information

Environmental assets are those that are used durably in the activity of the Company, whose main purpose is the minimization of adverse environmental impacts and the protection and improvement of the environment, including the reduction or elimination of future contamination of the operations.

These assets are valued, like any other asset, at acquisition cost. The Company amortizes these elements following the straight-line method, based on the estimated remaining useful life of the different elements.

N. Cash flow Statement

Cash flow Statement record the cash account activity during the fiscal year, which include Value Added Tax (VAT), determined by the direct method under the following criteria:

Cash and cash equivalent: Represent cash inflows and outflows of equivalent financial assets, meaning low-risk highly-liquid value investments (with expiration of under 3 months from the date of investment without restrictions).

Operating activities: Represent typical activities of the normal operation of the business of the company, as well as other activities not classified as investment or financing.

Investment activities: Represent activities of acquisition, sale or disposition by other means of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: Represent activities that produce changes in the amount and composition of the net equity and liabilities that are not part of the regular activities.

Note 2. Information to be disclosed about related entities

BALANCES AND TRANSACTIONS WITH RELATED ENTITIES

The transactions between the Company and related entities are adjusted to market conditions.

Accounts receivable from related entities

TAX ID N° RELATED PARTY	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF THE TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	DEADLINES	GUARANTEES	CURRENTS (TH\$)	
								12/31/2019	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Office lease guarantee La Farfana plant	CLP	30 days	Without guarantees	679	662
A85788065	Aqua Development Network S.A.	Related to controller	CL	Integrated talent mgmt. contract	CLP	30 days	Without guarantees	0	411
Total accounts receivable								679	1,073



Accounts payable to current related entities

TAX ID N° RELATED PARTY	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF THE TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	DEADLINE	GUARANTEES	CURRENT (TH\$)	
								12/31/2019	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Biogas supply	CLP	30 days	Without guarantees	195,629	21,085
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Complementary insurance payment, land lease	CLP	30 days	Without guarantees	0	400,966
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Loan	CLP	30 days	Without guarantees	5,506,500	3,224,500
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Interests	CLP	30 days	Without guarantees	210,744	93,376
76.078.231-9	Emp. Dep. Agua Serv. Mapocho-Trebal Ltda.	Related to controller	CL	Operation of La Farfana biogas purifying plant, control and monitoring of electric energy costs.	CLP	30 days	Without guarantees	59,739	167,783
A85788065	Aqua Development Network S.A.	Related to controller	CL	Integrated talent mgmt. contract	CLP	30 days	Without guarantees	0	2,426
Total accounts receivable								5,972,612	3,910,136

Transacciones con entidades relacionadas

TAX ID N° RELATED PARTY	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF THE TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	CURRENT (TH\$)			
						12/31/2019	12/31/2018	EFFECTS ON INCOME (DEBIT)/CREDIT	EFFECTS ON INCOME (DEBIT)/CREDIT
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Biogas supply	CLP	92,069	(251,912)	333,791	(333,791)
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Taking of loans	CLP	3,147,000	(210,744)	2,229,000	0
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Amortization of loans	CLP	(865,000)	0	(1,802,000)	0
76.078.231-9	Emp. Dep. Agua Serv. Mapocho-Trebal Ltda.	Related to controller	CL	Biogas Plant operation and maintenance services	CLP	225,970	(195,795)	208,885	(208,885)

The materiality criterion for reporting transactions with related entities is for amounts greater than ThCh \$ 100,000.



Estados de Situación Financiera
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

ASSETS	2019 TH\$	2018 TH\$
Current assets	1,575,347	1,251,161
Non-current assets	12,934,062	13,694,722
Total assets	14,509,409	14,945,883
LIABILITIES		
Current liabilities	6,006,111	5,760,770
Non-current liabilities	6,525	53,572
Equity	8,496,773	9,131,541
Total liabilities and equity	14,509,409	14,945,883

Comprehensive Income Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Ordinary revenue	1,071,511	1,061,523
Operating cost	(1,415,228)	(1,206,172)
Other (loss) gains	-	-
Financial income	(117,399)	(91,661)
Other different from operating	(303,405)	27,683
Income tax	129,754	27,023
Year's earnings	(634,767)	(181,604)

Cash Flow Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Net cash flows from operating activities	(2,258,720)	1,389,617
Net cash flows from investment activities	-	(1,821,255)
Net cash flows from financing activities	2,282,000	427,000
Net increase (decrease) in cash and cash equivalents	23,280	(4,638)
Initial balance of cash and cash equivalents	8,779	13,417
Final balance of cash and cash equivalents	32,059	8,779

Change In Equity Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Issued capital	7,971,221	7,971,221
Other equity shareholdings	(410,716)	(410,716)
Accumulated earnings (losses)	936,269	1,571,036
Final equity balance	8,496,774	9,131,541



GESTIÓN Y Servicios S.A.



GENERAL BACKGROUND

Name:

Gestión y Servicios S.A.

Type of entity:

Closed stock company

Legal address:

Av. Presidente Balmaceda N° 1398

Telephone:

(56 2) 569 23 42

RUT Taxpayer ID:

96.828.120-8

Subscribed and paid capital:

TH\$ 506,908

External auditors:

EY Chile

RUT Taxpayer ID N°:

77.802.430-6

LINE OF BUSINESS

The object of the Company is the urbanization, purchase and sale of sanitary materials, sale of biogas, construction and consultancies specialty jobs.

CONSTITUENT DOCUMENTS

The Company was incorporated as a public limited company under the name of Aguas del Maipo S.A., by public deed dated June 6 of 1997, granted in the notary of Santiago de don Patricio Zaldivar Mackenna, later reformed the statutes according to consists of the deed dated November 10, 2000, in the Notary of Don Patricio Zaldivar Mackenna, changing his reason Social a Gestión y Servicios S.A.

BOARD OF DIRECTORS

Chairman:

Marta Colet Gonzalo

Board members:

Eugenio Rodriguez Mingo (Key executive at Aguas Andinas S.A.)
Ivan Yarur Sairafi Sairafi (Key Executive at Aguas Andinas S.A.)
Camilo Larraín Sánchez (Key Executive at Aguas Andinas S.A.)
Jose Saez Albornoz (Key executive at Essal)

CEO:

Francesco Iula Cusumano

Parent company shareholding: 97.84783%

Proportion represented by the investment in the parent company's assets:

Its investment in the company represents a proportion of 0,18%

COMMERCIAL RELATIONSHIP WITH THE PARENT COMPANY

During the fiscal year ended December 31, 2019, the Company entered into contracts for the purchase and sale of materials and leases with its Parent Company. Similar business relationships are expected in the future.



Note 1.

Preparation bases and accounting policies

1.1 PREPARATION BASIS

The present financial Statement correspond to the financial situation as of December 31, 2019 and to the Statement of income, of changes to net equity and cash flows for the fiscal years ended on such dates, which have been prepared based on the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the comprehensive, explicit adoption of the referred IFRS without Reservations.

The Company complies with all the legal conditions of the environment in which it carries out its operations, presents normal operating conditions in each area in which it carries out its activities, its projections show a profitable operation and has the capacity to access the financial system to finance its operations. , which in the opinion of the Administration determines its ability to continue as a going concern, as established by the accounting standards under which these financial Statement are issued.

Functional and presentation currency

The financial Statement are presented in the currency of the main economic environment in which the Company operates (functional currency). As established in IAS 21, the financial Statement are presented in Chilean pesos, which is the functional currency of the Company and the presentation currency for the financial Statement.

New accounting rules

The rules and interpretations, as well as the improvements and changes to the IFRS, which have been issued to enter into effect on the date of issue of these financial

Statement, are summarized herein below. The Company has applied these rules concluding that they did not significantly affect the financial Statement.

STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY ENFORCEMENT
IFRS 16, Leases	Annual periods beginning on or after January 1, 2019
IFRIC 23, Treatment of uncertain tax positions	Annual periods beginning on or after January 1, 2019

AMENDMENTS	DATE OF MANDATORY ENFORCEMENT
IFRS 3, Business Combinations – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2019
IFRS 9, Financial instruments – Payments with negative compensation	Annual periods beginning on or after January 1, 2019
IFRS 11, Joint agreements – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2019
IAS 12, Corporate revenue taxes – Tax consequences of payments related to FINANCIAL INSTRUMENTS classified as equity.	Annual periods beginning on or after January 1, 2019
IAS 23, Borrowing costs – Borrowing costs eligible to be capitalized	Annual periods beginning on or after January 1, 2019
IAS 28, Investment in associates and joint ventures – Long-term investments in partnerships or joint ventures.	Annual periods beginning on or after January 1, 2019
IAS 19, Employee benefits – modification, reduction or settlement of the plan	Annual periods beginning on or after January 1, 2019

IFRS 16, Leases

IFRS 16, issued in January 2016 by the IASB, establishes the principles for the recognition, measurement and presentation of leases, and their associated disclosures. The new standard replaced IAS 17 "Leases" and their interpretations: IFRIC 4 "Determination of whether an agreement contains a lease", "SIC 15" Operating leases - incentives ", SIC 27 "Evaluation of the essence of the transactions that take the legal form of a lease". The rule began its effective application from January 1, 2019.

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

The lessee measures rights-of-use assets analogously to other nonfinancial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, the lessee will recognize the depreciation of the right-of-use asset and the interests of the lease liability, and will also classify the cash reimbursements of the lease liability in a part of the principal and an interest part and will present them in the statement of cash flow applying IAS 7 Statement of Cash Flows.

Lessor accounting: does not change substantially with respect to what IAS 17 established. The lessor will continue to classify the leases under the same principles of the current standard, as operating or financial leases.

The main effects arising from the application of the new Standard in the Group are those related to the leasing of buildings and vehicle fleet. As a consequence of the



change in the accounting model for lessees, the company has recognized an increase in current and non-current liabilities for a total amount of ThCh \$166.760 as of January 1, 2019, due to the recognition of lease liabilities, and an increase in non-current assets for the same amount, as a consequence of the recognition of the rights of use originated in said contracts.

As a result of the foregoing, in the year 2019 the Company recognized a higher financial expense associated with the new lease liabilities of ThCh \$3.857 and a higher depreciation associated with use rights of ThCh \$137.599.

The standards and interpretations, as well as the improvements and modifications to IFRS, which have been issued, but have not yet entered into force as of the date of these financial Statement, are detailed below. The company has not applied these standards in advance.

IFRIC Interpretation 23 "Uncertainty about the treatment of the income tax"

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

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

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

The Company applies an important judgment in identifying uncertainties regarding income tax treatments.

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

Responsibility for information and estimates made

The information contained in these financial Statement is the responsibility of the Board of Directors of the Company, which states that all the principles and criteria included in the International Financial Reporting Standards (IFRS) have been applied. The Board of Directors in session dated March 15, 2020 approved these financial Statement.

The financial Statement of Gestión y Servicios S.A. corresponding to fiscal year 2018, were approved by its Board of Directors at a meeting held on March 15, 2019.

In the preparation of the financial Statement, estimates were applied such as:

- Useful life of fixed and intangible assets.
- Losses because of asset impairment.
- Assumptions (hypotheses) used in the actuarial calculation of benefits for termination of employee contracts.
- Provisions for commitments acquired with third parties.
- Risks arising from litigation

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

1.2 ACCOUNTING POLICIES

Below is a description of the main accounting policies implemented in the preparation of these consolidated financial Statement.



A. Intangible assets other than goodwill

The Company recognizes an identifiable intangible asset when it can demonstrate that the future economic benefits that have been attributed to it are likely to flow to the entity and the cost can be properly valued.

i. Intangible assets acquired separately:

Intangible assets acquired separately are presented at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis using the estimated lifespans. The estimated lifespans and the amortization method are reviewed at the close of each balance sheet, accounting for the effect of any change in the estimate prospectively.

ii. Amortization method for intangibles:

Intangibles with defined lifespans

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

Software

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

Intangibles with indefinite useful life

The intangibles of indefinite useful life correspond mainly to water rights, which were obtained as indefinite, as established in the procurement contracts and the rights obtained from the General Water Authority, under the Ministry of Public Works.

Determining the useful life

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

- Legal, regulatory or contractual limitations.
- Predictable life of the business or industry.
- Economic factors (obsolescence of products, changes in demand).
- Reactions expected by current or potential competitors.
- Natural factors, climatic factors and technological changes that affect the ability to generate benefits.

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

B. Property, plant and equipment

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

Subsequent costs are included in the value of the initial asset or are acknowledged as a separate asset, only when it is probable that the future economic benefits associated with the elements of the fixed asset will flow to the Company and the cost of the element can be determined reliably. The value of the replaced component is written off. The rest of the repairs and maintenance are charged to the result (income) of the year in which they are incurred.

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

The depreciation method applied by the Company reflects the pattern according to which the assets are expected to be used by the entity during the period in which they generate economic benefits. For this purpose, the Company uses the

straight-line method of depreciation over its technical useful life, which is based on studies prepared by independent experts (external specialist companies). The residual value and the useful life of the assets are reviewed and adjusted, if necessary, at each closing of the Balance sheet.

When the value of an asset is higher than its estimated recoverable amount, its value is reduced immediately to its recoverable amount.

Useful lives:

The useful lives considered for purposes of calculating depreciation are based on technical studies prepared by external specialist companies, which are reviewed to the extent that there are precedents that allow us to consider that the useful life of an asset has been modified.

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

1. Nature of the component materials of the equipment or constructions.
2. Environment of the operating equipment.
3. Intensity of use.
4. Legal, regulatory or contractual limitations

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

ITEM	USEFUL LIFE MINIMUM	USEFUL LIFE MAXIMUM
Plant and equipment	7	20
Information technology equipment	4	4
Fixed installations and accessories	10	10
Motor vehicles	7	7



Cost estimation policy for dismantling, removing or rehabilitating property, plant and equipment:

Given the nature of the assets built into the Company and given that there are no contractual obligations or other constructive requirements, such as those mentioned by the IFRS, the concept of decommissioning costs is not applicable at the date of these financial Statement.

Fixed asset sales policy

The income generated from the sale of fixed assets is calculated by comparing the income obtained with their book value and they are recorded in the statement of comprehensive income.

C. Impairment of tangible and intangible assets except goodwill

At each closing date of the balance sheet, the Company reviews the carrying amounts of its tangible and intangible assets with a defined useful life to determine whether there are indicators that said assets have suffered an impairment loss. If such indicators exist, the recoverable value of the assets is estimated to determine the amount of the impairment loss (if any). When it is not possible to estimate the recoverable amount of a particular asset, the Company estimates the recoverable value of the Cash Generating Unit to which the asset belongs.

Intangible assets with an indefinite useful life are subject to annual impairment tests and when there are indicators that the asset could have suffered an impairment before the end of that period.

The recoverable value is the greater amount between the fair value less the costs of sale and the value in use. For estimating value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current market conditions of the value of money over time, as well as the specific risks associated to the asset.

When it is deemed that the recoverable value of an asset (or cash-generating unit) is less than its book value, the book value of that asset (or cash-generating unit) is adjusted to its recoverable value, immediately acknowledging a loss for deterioration income (income).

When an impairment loss is reversed, the book value of the asset (or cash generating unit) is adjusted to the revised estimate of its recoverable value, provided that the adjusted book value does not exceed the book value that would have been determined if no loss for asset (or cash-generating unit) impairment had been acknowledged in previous fiscal years.

D. Leases

i. Financial leases

Leases are classified as financial leases when the terms of the lease substantially transfer all the risks and benefits of the property to the lessee. All other leases are classified as operating leases.

ii. Operating leases

Operating lease payments are acknowledged as an expense on a straight-line basis over the term of the lease, except when another systematic basis is more representative to reflect the temporary pattern in which the economic benefits of the leased asset are consumed. Contingent leases are acknowledged as expenses in the period in which they are incurred.

In the event that rental incentives are received in order to agree an operating lease, such incentives are acknowledged as a liability. The accumulated benefit for incentives is acknowledged linearly as a reduction of the lease expense, except when another systematic basis is more representative to reflect the temporary pattern in which the economic benefits of the leased asset are consumed.

iii. Implicit leases

The Company reviews its contracts to verify the possible existence of implicit leases, in accordance with IFRIC 4.

E. Financial assets

Acquisitions and disposals of financial instruments are acknowledged on the trading date, that is, the date on which the Company commits to acquire or sell the asset. Investments are written off when the rights to receive cash flows from the investments have been transferred and the Company has substantially transferred all the risks and benefits derived from their ownership.

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in comprehensive income
- Financial assets at fair value with changes in income
- Financial assets at amortized cost.

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

The Company invests in low risk instruments that comply with the classification standards established in its investment policies. Thus, Mutual Investment Funds must have an AAfm / M1 rating (Quotas with very high protection against loss, associated with credit risks / installments with the lowest sensitivity to changes in economic conditions). Fixed term deposits and pacts contracted are instruments with N-1 classification (Instruments with the highest capacity to repay the capital and pay interest pursuant to the agreed terms and conditions).

The issuing institutions of these instruments correspond to banking companies or bank subsidiaries, with risk classification N-1 and their instruments have a risk rating of at least AA (with a very high capacity to pay capital and interest according



to the agreed terms and conditions, which would not be significantly affected by eventual changes in the issuer, the industry to which it belongs or in the economy).

i. Effective interest rate method

The effective interest rate method corresponds to the method of calculating the amortized cost of a financial asset or liability and the allocation of interest revenues or expenses during the entire corresponding period. The effective interest rate corresponds to the rate that accurately discounts estimated future cash flows receivable over the expected life of the financial asset and makes the Net Present Value (NPV) equal to its nominal value.

ii. Fair value with changes in other comprehensive income

For the classification of an asset to fair value through other comprehensive income, it must be met as a principle the sale of financial assets which are expected to be recovered within a certain period the principal amount plus interest if it corresponds.

iii. Financial assets at fair value with changes in results

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

Financial assets at fair value with changes in results are valued at fair value and any resulting loss or gain is recognized in results. The net gain or loss recognized in the results includes any dividend or interest received on the financial asset.

iv. Financial assets at amortized cost

Loans and accounts receivable

Trade debtors, loans and other accounts receivable are non-derivative financial assets payable in fixed or determinable periods and are not traded on an active market and

are classified as loans and accounts receivable. Loans and accounts receivable are valued at amortized cost using the effective interest rate method minus any loss for impairment, except for short-term accounts receivable, where the acknowledgement of interest would be immaterial.

Trade debtors and other accounts receivable

Trade debtors and other accounts receivable are initially recognized at their fair value, these are recorded at the net value of the estimates of bad debts or of low probability of collection.

The commercial debtors policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed by defaulter clients.

Impairment policy for trade debtors and other accounts receivable

The Company periodically evaluates the value losses that affect its financial assets. The amount is recorded in the bad debt account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on the expected credit loss model as established in IFRS 9.

Estimates are based on the following historic situation: considering recovery statistics, which indicate that after the eighth months of an unpaid invoice, the possibility of collection is marginal; in other words, the probability of recovering the billed amount is minimal.

F. Inventories

Materials, spare parts and inputs are valued at acquisition cost, which does not exceed their net sell-off value. The costing method is the weighted average cost. Semiannually, an estimate is made of deterioration of those materials that are damaged, that are

partially or totally obsolete, or without rotation during the last 12 months and whose market price has fallen by more than 20%.

G. Dividend policy

The dividend policy of the Company and as established in article 79 of Law 18,046 that governs public limited companies, is to distribute at least 30% of the net earnings (profits) of each year. In the event that these dividends do not exist or are lower than the minimum established in the Law, the respective provision shall be made.

In addition to this and prior authorization from the ordinary shareholders' meeting, the remaining 70% may be distributed as an additional dividend, provided that it remains at the current level of capitalization of the Company and is compatible with the investment policies.

H. Foreign currency transactions

Assets and liabilities in foreign currency are shown at their respective exchange rates at the closing of each fiscal year, as per the following parities:

CURRENCY	12/31/2019	12/31/2018
US dollar	748.74	694.77
Euro	839.58	794.75

Foreign currency transactions are converted to the functional currency using the exchange rates as of the transaction date. Foreign currency gains and losses resulting from the liquidation of these transactions and their conversion at the closing exchange rates for monetary assets and liabilities denominated in foreign currency are shown in the consolidated statement of comprehensive income.

Exchange Rate Differences are registered in the income of the fiscal year in which they have accrued.



I. Financial liabilities

Loans and similar loans are initially recorded at their fair value, net of the costs incurred in the transaction. Subsequently, they are valued at amortized cost, using the effective interest rate.

J. Provisions and contingent liabilities

Provisions are acknowledged when the Company has a present obligation that is a consequence of past events, and for which it is likely to use resources to settle the obligation and on which it can make a reasonable estimate of the amount of the obligation.

The quantification of the provisions is made considering the best available information on the event and its consequences and is re-estimated at the closing of each accounting closing. The provisions established are used to meet the specific risks for which they were originally acknowledged, and are reviewed in full or in part, when said risks disappear or decrease.

Contingent liabilities are all those possible obligations arising as a result of past events, whose future materialization and associated equity damage is estimated of low probability. In accordance with IFRS, the company does not recognize any provision for these items, although, as required by the same norm, should they exist they are broken down under note 14.

K. Employee benefits

The Company has 35 employees, as follows: 3 main executives, 16 professionals, and 16 distributed between technicians, administrative staff and operators.

Policies on defined benefit plans

The workers of Gestión y Servicios S.A., are governed by the rules established in articles 159, 160 and 161 of the Labor Code.

L. Income tax and deferred taxes

The expense for income tax corresponds to the sum of the tax on earnings payable and the variation of assets and liabilities for deferred taxes.

The income tax is determined based on the tax income of the period. The income tax payable by the Company is calculated using the tax rates that have been approved, or that are in the last approval process, on the closing date of the balance sheet.

Deferred taxes are acknowledged on the basis of the differences between the book values of the assets and liabilities in the financial Statement and the corresponding tax bases used in the calculation of the tax income and are accounted for in accordance with the liability method based on the balance sheet. Deferred tax liabilities are acknowledged for all taxable temporary differences, and deferred tax assets are acknowledged for all deductible temporary differences to the extent that it is probable that future tax benefits exist with which to offset such differences. Deferred tax assets or liabilities are not acknowledged if the temporary differences arise from the lower value or from the initial acknowledgment (except in a business combination) of other assets and liabilities in a transaction that does not affect the tax incomes or financial income.

The book value of deferred tax assets is reviewed at the date of each balance sheet and is reduced to the extent that it is no longer probable that sufficient available tax incomes are available to allow the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates expected to be in force in the period in which the liability is settled or the asset is realized, based on the tax rates that have been approved or that are expected to be applied. according to the official announcements of tax type, at the end of the period of the balance sheet. The measurement of deferred tax assets and liabilities reflects the tax consequences that would occur due to the manner in which the Company and its Subsidiary expect, as of the reporting date, to recover or settle the book value of their assets and liabilities.

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

M. Ordinary revenue**Policy for acknowledging current revenue**

The Company determined its acknowledgment and measurement of revenues from ordinary activities, based on the principle that revenues are acknowledged for an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. This fundamental principle must be applied based on a 5-step model:

- (1) identifying the contract with the client;
- (2) identifying the performance obligations of the contract;
- (3) determining the price of the transaction;
- (4) allocating the transaction price to performance obligations; and
- (5) acknowledging income when (or as) performance obligations are being met.

Policy for acknowledging current revenue from sales of goods

Revenue from sales of goods is acknowledged once the risk and significant advantages resulting from the ownership of the goods have been transferred. The Company is no longer bound to the asset sold. The amount of revenue can be reliably measured. The company is likely to receive the economic benefits associated with the sale and the costs incurred in the transaction can also be reliably measured.

Policy for acknowledging current revenue from sales of services

Revenues from the sale of services are measured at fair value. The invoices are prepared based on the actual consumption or work performed of the consideration receivable, net of returns, commercial discounts and rebates. So the income is



acknowledged when the risk is transferred to the buyer, the recovery is considered probable, and the associated costs and possible discounts for erroneous charges can be estimated reliably.

Billing and eventual provision is made based on work performed.

N. Environmental information

Environmental assets are those that are used durably in the activity of the Company, whose main purpose is the minimization of adverse environmental impacts and the protection and improvement of the environment, including the reduction or elimination of future contamination of the operations.

These assets are valued, like any other asset, at acquisition cost. The Company amortizes these elements following the straight-line method, based on the estimated remaining useful life of the different elements.

O. Cash flow Statement

Cash flow Statement record the cash account activity during the fiscal year, which include Value Added Tax (VAT), determined by the direct method under the following criteria:

Cash and cash equivalent: Represent cash inflows and outflows of equivalent financial assets, meaning low-risk highly-liquid value investments (with expiration of under 3 months from the date of investment without restrictions).

Operating activities: Represent typical activities of the normal operation of the business of the company, as well as other activities not classified as investment or financing.

Investment activities: Represent activities of acquisition, sale or disposition by other means of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: Represent activities that produce changes in the amount and composition of the net equity and liabilities that are not part of the regular activities.

P. Reclassification

For the year ended December 31, 2018, certain reclassifications have been made to facilitate their comparison as of December 31, 2019, according to the following detail:

RECLASSIFICATIONS	INCREASE/ (DECREASE) TH\$
STATEMENT OF FINANCIAL SITUATION:	
Business accounts and other accounts payable	1,433
Other non-financial liabilities	(1,433)

Said reclassification corresponds to account 214004300 Provision VAT-registered in SII, which in 2018 was under the heading "Other non-financial liabilities" and in 2019 is presented in "Commercial accounts and other accounts payable".



Note 2.**Information to be disclosed about related entities****BALANCES AND TRANSACTIONS WITH RELATED ENTITIES**

Transactions between the Company and related entities are adjusted to market conditions.

Accounts receivable from related entities

RUT TAXPAYER ID N° OF RELATED PARTY	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	MATURITY	GUARANTEES	CURRENTS (TH\$)	
								12/31/2019	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Property lease, U.F. guarantee 18.73	CLP	30 days	Guarantees	530	516
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Collectors renovation retention	CLP	30 days	Without guarantees	137,465	137,465
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Sale of materials	CLP	30 days	Without guarantees	57.284	23,665
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Meter verification contract	CLP	30 days	Without guarantees	445	1,462
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Telephone Agreement	CLP	30 days	Without guarantees	39,064	15,282
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Leak Detection and Repair	CLP	30 days	Without guarantees	222,998	
96.809.310-K	Aguas Cordillera S.A.	Related to controller	CL	Leak Detection and Repair	CLP	30 days	Without guarantees	9,716	
96.809.310-K	Aguas Cordillera S.A.	Related to controller	CL	Sale of materials	CLP	30 days	Without guarantees	366	235
96.809.310-K	Aguas Cordillera S.A.	Related to controller	CL	Meter verification contract	CLP	30 days	Without guarantees	95	
89.221.000-4	Aguas Manquehue S.A.	Related to controller	CL	Sale of materials	CLP	30 days	Without guarantees	128	
89.221.000-4	Aguas Manquehue S.A.	Related to controller	CL	Meter verification contract	CLP	30 days	Without guarantees		64
96.967.550-1	Analisis Ambientales S.A.	Related to controller	CL	Convenio Entel	CLP	30 days	Without guarantees	155	
A85788065	Aqua Development Network	Related to controller	CL	Talent Management	CLP	30 days	Without guarantees		315
76.080.553-K	Aqualogy Solutions Chile Ltda.	Related to controller	CL	Ventas de Materiales	CLP	30 days	Without guarantees	18,681	25,964
96.945.210-3	Ecoriles S.A.	Related to controller	CL	Sale of chemical supplies	CLP	30 days	Without guarantees	145,651	167,753
Total accounts receivable								632,578	372,721



Accounts payable to related entities

RUT TAXPAYER ID Nº OF RELATED PARTY	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	MATURITY	GUARANTEES	CURRENTS (TH\$)	
								12/31/2019	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Purchase of materials	CLP	30 days	Without guarantees	120	18,170
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Lease	CLP	30 days	Without guarantees	10,043	30,032
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Provisional dividend	CLP	30 days	Without guarantees	56,397	77,196
96.809.310-K	Aguas Cordillera S.A.	Related to controller	CL	Purchase of materials	CLP	30 days	Without guarantees	3,073	
96.809.310-K	Aguas Cordillera S.A.	Related to controller	CL	Provisional dividend	CLP	30 days	Without guarantees	1,241	1,698
A-85788065	Aqua Development Network	Related to controller	CL	Training	CLP	30 days	Without guarantees		3,842
76.080.553-K	Aqualogy Solutions Chile Ltda.	Related to controller	CL	Purchase of materials	CLP	30 days	Without guarantees	36,268	8,182
Total accounts receivable								107,142	139,120

Transactions

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

RUT TAXPAYER ID N° OF RELATED PARTY	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	CURRENTS (TH\$)			
						12/31/2019	EFFECTS ON INCOME	12/31/2018	EFFECTS ON INCOME
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Dividend	CLP	244,620	0	489,239	0
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Loan granted	CLP	0	0	820,000	7,542
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Loan collection	CLP	0	0	1,455,000	0
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Loan obtained	CLP	0	0	500,000	-262
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Loan paid	CLP	0	0	500,000	0
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Lease	CLP	111,882	-100,867	118,727	-104,237
96.945.210-3	Ecoriles S.A.	Controller	CL	Sale of Chemical inputs	CLP	2,056,761	1,728,370	1,179,760	991,396
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Hydraulic efficiency and gauge verification	CLP	286,490	240,748	547,789	460,327
76.080.553-K	Aqualogy Solutions Chile Ltda.	Related to controller	CL	Sale of materials	CLP	181,944	152,894	153,647	129,115
76.080.553-K	Aqualogy Solutions Chile Ltda.	Related to controller	CL	Purchase of materials	CLP	902,543	-699,064	1,240,512	-720,778

The materiality criterion for reporting transactions with related entities is for amounts greater than ThCh \$ 100,000.



Financial Situation Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

ASSETS	2019 TH\$	2018 TH\$
Current assets	6,198,235	5,898,957
Non-current assets	858,838	770,995
Total assets	7,057,073	6,669,952
LIABILITIES		
Current liabilities	3,756,652	3,379,347
Non-current liabilities	91,949	45,513
Equity	3,208,472	3,245,092
Total liabilities and equity	7,057,073	6,669,952

Comprehensive Income Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Ordinary revenue	10,454,700	8,646,294
Operating cost	(9,542,783)	(7,532,354)
Financial income	(14,904)	72,015
Other different from operating	(685,100)	(890,468)
Income tax	(19,790)	(32,515)
Year's earnings	192,123	262,972

Cash Flow Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Net cash flows from operating activities	724,941	123,807
Net cash flows from investment activities	(24,110)	618,478
Net cash flows from financing activities	(250,000)	(500,000)
Net increase (decrease) in cash and cash equivalents	450,831	242,285
Initial balance of cash and cash equivalents	950,334	708,049
Final balance of cash and cash equivalents	1,401,165	950,334

Change In Equity Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Issued capital	506,908	506,908
Other equity shareholdings	(41,428)	(41,428)
Accumulated earnings (losses)	2,742,992	2,779,612
Final equity balance	3,208,472	3,245,092



ANÁLISIS_

Ambientales S.A.



GENERAL BACKGROUND

Name:

Análisis Ambientales S.A.

Type of entity:

Closely held corporation, governed by the provisions of its Articles of Incorporation and by applicable legal provisions.

Legal address:

Américo Vespucio 451, Quilicura

Telephone:

(56-2) 569 44 00

RUT Taxpayer ID:

96.967.550-1

Subscribed and paid capital:

TH\$ 262.456

External auditors:

EY Chile

Taxpayer ID N°:

77.802.430-6

LINE OF BUSINESS

The purpose of the Company is to carry out all types of physical, chemical and biological analysis of water, air and solids, including soils, sludge and waste, as well as any other element directly or indirectly related to the environment.

CONSTITUENT DOCUMENTS

Análisis Ambientales S.A., was incorporated by public deed dated August 20, 2001, before the notary public Mr. Ivan Torrealba Acevedo and its excerpt was published in the Official Gazette of September 20, 2001, its business name is ANAM S.A.

BOARD OF DIRECTORS

Chairman:

Marta Colet Gonzalo

Board members:

Eugenio Rodriguez Mingo
Iván Yarur Sairafi

CEO:

Paola Arata Zapico

Parent company shareholding: 99.00%

Proportion represented by the investment in the parent company's assets:

Its investment in the company represents a proportion of 0.36%.

COMMERCIAL RELATIONSHIP WITH THE PARENT COMPANY

During the fiscal year ended December 31, 2019, the Company controlled services contract for physical, chemical and biological analysis of water and sludge, and laboratory operation. Similar business relationships are expected in the future.



Note 1.

Preparation bases and accounting policies

1.1 PREPARATION BASIS

The present financial Statement correspond to the financial situation as of December 31, 2019 and 2018 and to the Statement of income, of changes to net equity and cash flows for the fiscal years ended on such dates, which have been prepared based on the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the comprehensive, explicit adoption of the referred IFRS without Reservations.

The Company complies with all the legal conditions of the environment in which it operates, presents normal operating conditions in each area in which they carry out their activities, their projections show a profitable operation and has the ability to access the financial system to finance its operations, which in the opinion of the Administration determines its ability to continue as a going concern, as established by the accounting rules under which they are issued these financial Statement.

Functional and presentation currency

The financial Statement are presented in the currency of the main economic environment in which the Company operates (functional currency). For the purposes of the financial Statement, the Company's income and financial position are state in Chilean pesos (rounded to the nearest thousand), which is the Company's functional currency and the currency for the presentation of the financial Statement.

New accounting rules

The rules and interpretations, as well as the improvements and changes to the IFRS, which have been issued to enter into effect on the date of issue of these financial

Statement, are summarized herein below. The Company has applied these rules concluding that they did not significantly affect the financial Statement.

STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY ENFORCEMENT
IFRS 16, Leases	Annual periods beginning on or after January 1, 2019
IFRIC 23, Treatment of uncertain tax positions	Annual periods beginning on or after January 1, 2019

AMENDMENTS	DATE OF MANDATORY ENFORCEMENT
IFRS 3, Business Combinations – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2019
IFRS 9, Financial instruments – Payments with negative compensation	Annual periods beginning on or after January 1, 2019
IFRS 11, Joint agreements – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2019
IAS 12, Corporate revenue taxes – Tax consequences of payments related to FINANCIAL INSTRUMENTS classified as equity.	Annual periods beginning on or after January 1, 2019
IAS 23, Borrowing costs – Borrowing costs eligible to be capitalized	Annual periods beginning on or after January 1, 2019
IAS 28, Investment in associates and joint ventures – Long-term investments in partnerships or joint ventures.	Annual periods beginning on or after January 1, 2019
IAS 19, Employee benefits – modification, reduction or settlement of the plan	Annual periods beginning on or after January 1, 2019

IFRS 16, Leases

IFRS 16, issued in January 2016 by the IASB, establishes the principles for the recognition, measurement and presentation of leases, and their associated disclosures. The new standard replaced IAS 17 "Leases" and their interpretations: IFRIC 4 "Determination of whether an agreement contains a lease", "SIC 15" Operating leases - incentives ", SIC 27 "Evaluation of the essence of the transactions that take the legal form of a lease". The rule began its effective application from January 1, 2019.

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

The lessee measures rights-of-use assets analogously to other nonfinancial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, the lessee will recognize the depreciation of the right-of-use asset and the interests of the lease liability, and will also classify the cash reimbursements of the lease liability in a part of the principal and an interest part and will present them in the statement of cash flow applying IAS 7 Statement of Cash Flows.

Lessor accounting: does not change substantially with respect to what IAS 17 established. The lessor will continue to classify the leases under the same principles of the current standard, as operating or financial leases.

The main effects arising from the application of the new Standard in the Group are those related to the leasing of buildings and vehicle fleet. As a consequence of the



change in the accounting model for lessees, the company has recognized an increase in current and non-current liabilities for a total amount of ThCh \$106.620 as of January 1, 2019, due to the recognition of lease liabilities, and an increase in non-current assets for the same amount, as a consequence of the recognition of the rights of use originated in said contracts.

As a result of the foregoing, in the year 2019 the Company recognized a higher financial expense associated with the new lease liabilities of ThCh \$7.608 and a higher depreciation associated with use rights of ThCh \$126.869.

IFRIC Interpretation 23 "Uncertainty about the treatment of the income tax"

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

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

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

The Company applies an important judgment in identifying uncertainties regarding income tax treatments.

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

The standards and interpretations, as well as the improvements and modifications to IFRS, which have been issued, but have not yet entered into force as of the date of these financial Statement, are detailed below. The company has not applied these standards in advance.

STANDARDS AND INTERPRETATIONS	DATE OF MANDATORY ENFORCEMENT
Conceptual framework	Annual periods beginning on or after January 1, 2020
IFRS 17, Insurance contracts	Annual periods beginning on or after January 1, 2021
AMENDMENTS	DATE OF MANDATORY ENFORCEMENT
IFRS 3, Business Combinations – Interests previously held in a joint operation	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of financial Statement and IAS 8, Investments in associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 9 and IFRS 7 - Reform of the reference interest rate	Annual periods beginning on or after January 1, 2020
IFRS 10 y IAS 28, Consolidated Financial Statement – Sale or contribution of assets between an investor and its partner or joint venture	Pending

The Company's Administration estimates that the adoption of the Standards, Amendments and Interpretations, described above, with the exception of IFRS 16, and that could be applied to Aguas Cordillera S.A. and Subsidiary, are in the

process of evaluation and it is estimated that, to date, they would not have a significant impact on the consolidated financial Statement of the company in the exercise of their first application. The administration is periodically evaluating these implications.

Responsibility for information and estimates made

The information contained in these financial Statement is the responsibility of the Board of Directors of the Company, which states that all the principles and criteria included in the International Financial Reporting Standards (IFRS) have been applied. The Board of Directors in session dated March 25, 2020 approved these financial Statement.

The financial Statement of Gestión y Servicios S.A. corresponding to fiscal year 2018, were approved by its Board of Directors at a meeting held on March 15, 2019.

In the preparation of the financial Statement, estimates were applied such as:

- Useful life of fixed and intangible assets.
- Losses because of asset impairment.
- Assumptions (hypotheses) used in the actuarial calculation of benefits for termination of employee contracts.
- Provisions for commitments acquired with third parties.
- Risks arising from litigation

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



1.2 ACCOUNTING POLICIES

Below is a description of the main accounting policies implemented in the preparation of these consolidated financial Statement.

A. Intangible assets other than goodwill

The Company recognizes an identifiable intangible asset when it can demonstrate that the future economic benefits that have been attributed to it are likely to flow to the entity and the cost can be properly valued.

i. Intangible assets other than goodwill

Intangible assets acquired separately are presented at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis using the estimated lifespans. The estimated lifespans and the amortization method are reviewed at the close of each balance sheet, accounting for the effect of any change in the estimate prospectively.

ii. Amortization method for intangibles:

Intangibles with defined lifespans

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

Software

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

Intangibles with indefinite useful life

Intangible assets with indefinite useful lives correspond mainly to water rights, which were obtained on an indefinite basis, as established in the acquisition contracts.

Determining the useful life

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

- Legal, regulatory or contractual limitations.
- Predictable life of the business or industry.
- Economic factors (obsolescence of products, changes in demand).
- Reactions expected by current or potential competitors.
- Natural factors, climatic factors and technological changes that affect the ability to generate benefits.

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

B. Property, plant and equipment

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

Subsequent costs are included in the value of the initial asset or are acknowledged as a separate asset, only when it is probable that the future economic benefits associated with the elements of the fixed asset will flow to the Company and the cost of the element can be determined reliably. The value of the replaced component is written off. The rest of the repairs and maintenance are charged to the result (income) of the year in which they are incurred.

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

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

When the value of an asset is higher than its estimated recoverable amount, its value is reduced immediately to its recoverable amount.

Useful lives:

The useful lives considered for purposes of calculating depreciation are based on technical studies prepared by external specialist companies, which are reviewed to the extent that there are precedents that allow us to consider that the useful life of an asset has been modified.

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

1. Nature of the component materials of the equipment or constructions.
2. Environment of the operating equipment.
3. Intensity of use.
4. Legal, regulatory or contractual limitations



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

ITEM	USEFUL LIFE MINIMUM	USEFUL LIFE MAXIMUM
Buildings	25	80
Machinery	5	15
Fixtures and accessories	10	10
Information technology equipment	4	4
Lease Rights Improvements	5	5
Complementary works	15	40
Other facilities	10	30

Cost estimation policy for dismantling, removing or rehabilitating property, plant and equipment:

Given the nature of the assets built into the Company and given that there are no contractual obligations or other constructive requirements, such as those mentioned by the IFRS, the concept of decommissioning costs is not applicable at the date of these financial Statement.

Fixed asset sales policy

The income generated from the sale of fixed assets is calculated by comparing the income obtained with their book value and they are recorded in the statement of comprehensive income.

C. Impairment of tangible and intangible assets except goodwill

At each closing date of the balance sheet, the Company reviews the carrying amounts of its tangible and intangible assets with a defined useful life to determine whether there are indicators that said assets have suffered an impairment loss. If such indicators exist, the recoverable value of the assets is estimated to

determine the amount of the impairment loss (if any). When it is not possible to estimate the recoverable amount of a particular asset, the Company estimates the recoverable value of the Cash Generating Unit to which the asset belongs.

Intangible assets with an indefinite useful life are subject to annual impairment tests and when there are indicators that the asset could have suffered an impairment before the end of that period.

The recoverable value is the greater amount between the fair value less the costs of sale and the value in use. For estimating value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current market conditions of the value of money over time, as well as the specific risks associated to the asset.

When it is deemed that the recoverable value of an asset (or cash-generating unit) is less than its book value, the book value of that asset (or cash-generating unit) is adjusted to its recoverable value, immediately acknowledging a loss for deterioration income (income). When an impairment loss is reversed, the book value of the asset (or cash generating unit) is adjusted to the revised estimate of its recoverable value, provided that the adjusted book value does not exceed the book value that would have been determined if no loss for asset (or cash-generating unit) impairment had been acknowledged in previous fiscal years.

D. Leases

i. Financial leases

Leases are classified as financial leases when the terms of the lease substantially transfer all the risks and benefits of the property to the lessee. All other leases are classified as operating leases.

ii. Operating leases

Operating lease payments are acknowledged as an expense on a straight-line basis over the term of the lease, except when another systematic basis is more representative to reflect the temporary pattern in which the economic benefits of the leased asset are consumed. Contingent leases are acknowledged as expenses in the period in which they are incurred.

In the event that rental incentives are received in order to agree an operating lease, such incentives are acknowledged as a liability. The accumulated benefit for incentives is acknowledged linearly as a reduction of the lease expense, except when another systematic basis is more representative to reflect the temporary pattern in which the economic benefits of the leased asset are consumed.

iii. Implicit leases

The Company reviews its contracts to verify the possible existence of implicit leases, in accordance with IFRIC 4.

E. Financial assets

Acquisitions and disposals of financial instruments are acknowledged on the trading date, that is, the date on which the Company commits to acquire or sell the asset. Investments are written off when the rights to receive cash flows from the investments have been transferred and the Company has substantially transferred all the risks and benefits derived from their ownership.

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in comprehensive income
- Financial assets at fair value with changes in income
- Financial assets at amortized cost.



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

The Company invests in low risk instruments that comply with the classification standards established in its investment policies. Thus, Mutual Investment Funds must have an AAfm / M1 rating (Quotas with very high protection against loss, associated with credit risks / installments with the lowest sensitivity to changes in economic conditions). Fixed term deposits and pacts contracted are instruments with N-1 classification (Instruments with the highest capacity to repay the capital and pay interest pursuant to the agreed terms and conditions).

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

i. Effective interest rate method

The effective interest rate method corresponds to the method of calculating the amortized cost of a financial asset or liability and the allocation of interest revenues or expenses during the entire corresponding period. The effective interest rate corresponds to the rate that accurately discounts estimated future cash flows receivable over the expected life of the financial asset and makes the Net Present Value (NPV) equal to its nominal value.

ii. Fair value with changes in other comprehensive income

For the classification of an asset to fair value through other comprehensive income, it must be met as a principle the sale of financial assets which are expected to be recovered within a certain period the principal amount plus interest if it corresponds.

iii. Financial assets at fair value with changes in results

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

Financial assets at fair value with changes in results are valued at fair value and any resulting loss or gain is recognized in results. The net gain or loss recognized in the results includes any dividend or interest received on the financial asset.

iv. Financial assets at amortized cost

Loans and accounts receivable

Trade debtors, loans and other accounts receivable are non-derivative financial assets payable in fixed or determinable periods and are not traded on an active market and are classified as loans and accounts receivable. Loans and accounts receivable are valued at amortized cost using the effective interest rate method minus any loss for impairment, except for short-term accounts receivable, where the acknowledgement of interest would be immaterial.

Trade debtors and other accounts receivable

Trade debtors and other accounts receivable are initially recognized at their fair value, these are recorded at the net value of the estimates of bad debts or of low probability of collection.

The commercial debtors policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed by defaulter clients.

Impairment policy for trade debtors and other accounts receivable

The Company periodically evaluates the value losses that affect its financial assets. The amount is recorded in the bad debt account. The carrying amount of the asset is

reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on the expected credit loss model as established in IFRS 9.

Estimates are based on the following historic situation: considering recovery statistics, which indicate that after the eighth months of an unpaid invoice, the possibility of collection is marginal; in other words, the probability of recovering the billed amount is minimal.

F. Dividend policy

The dividend policy of the Company and as established in article 79 of Law 18,046 that governs public limited companies, is to distribute at least 30% of the net earnings (profits) of each year. In the event that these dividends do not exist or are lower than the minimum established in the Law, the respective provision shall be made.

G. Foreign currency transactions

Assets and liabilities in foreign currency are shown at their respective exchange rates at the closing of each fiscal year, as per the following parities:

CURRENCY	12/31/2019	12/31/2018
US dollar	\$ 748.74	\$ 694.77
Euro	839.58	794.75

Foreign currency transactions are converted to the functional currency using the exchange rates as of the transaction date. Foreign currency gains and losses resulting from the liquidation of these transactions and their conversion at the closing exchange rates for monetary assets and liabilities denominated in foreign currency are shown in the consolidated statement of comprehensive income.



Exchange Rate Differences are registered in the income of the fiscal year in which they have accrued.

H. Financial liabilities

Loans and similar loans are initially recorded at their fair value, net of the costs incurred in the transaction. Subsequently, they are valued at amortized cost, using the effective interest rate.

I. Provisions and contingent liabilities

Provisions are acknowledged when the Company has a present obligation that is a consequence of past events, and for which it is likely to use resources to settle the obligation and on which it can make a reasonable estimate of the amount of the obligation.

The quantification of the provisions is made considering the best available information on the event and its consequences and is re-estimated at the closing of each accounting closing. The provisions established are used to meet the specific risks for which they were originally acknowledged, and are reviewed in full or in part, when said risks disappear or decrease.

Contingent liabilities are all those possible obligations arising as a result of past events, whose future materialization and associated net worth are considered to be of low probability. In accordance with IFRS, the company does not recognize any provision for these concepts.

J. Employee benefits

The Company has 253 workers, distributed in 2 main executives, 104 professionals and 147 in technical and administrative.

Defined benefit plan policies

The workers of Análisis Ambientales S.A. are governed by the rules established in articles 159, 160 and 161 of the Labor Code.

K. Income tax and deferred taxes

The expense for income tax corresponds to the sum of the tax on earnings payable and the variation of assets and liabilities for deferred taxes.

The income tax is determined based on the tax income of the period. The income tax payable by the Company is calculated using the tax rates that have been approved, or that are in the last approval process, on the closing date of the balance sheet.

Deferred taxes are acknowledged on the basis of the differences between the book values of the assets and liabilities in the financial Statement and the corresponding tax bases used in the calculation of the tax income and are accounted for in accordance with the liability method based on the balance sheet. Deferred tax liabilities are acknowledged for all taxable temporary differences, and deferred tax assets are acknowledged for all deductible temporary differences to the extent that it is probable that future tax benefits exist with which to offset such differences. Deferred tax assets or liabilities are not acknowledged if the temporary differences arise from the lower value or from the initial acknowledgment (except in a business combination) of other assets and liabilities in a transaction that does not affect the tax incomes or financial income.

The book value of deferred tax assets is reviewed at the date of each balance sheet and is reduced to the extent that it is no longer probable that sufficient available tax incomes are available to allow the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates expected to be in force in the period in which the liability is settled or the asset is realized, based on the tax rates that have been approved or that are expected to be applied. ac-

cording to the official announcements of tax type, at the end of the period of the balance sheet. The measurement of deferred tax assets and liabilities reflects the tax consequences that would occur due to the manner in which the Company and its Subsidiary expect, as of the reporting date, to recover or settle the book value of their assets and liabilities.

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

L. Ordinary revenue

Policy for acknowledging current revenue

The Company determined its acknowledgment and measurement of revenues from ordinary activities, based on the principle that revenues are acknowledged for an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. This fundamental principle must be applied based on a 5-step model:

- (1) identifying the contract with the client;
- (2) identifying the performance obligations of the contract;
- (3) determining the price of the transaction;
- (4) allocating the transaction price to performance obligations; and
- (5) acknowledging income when (or as) performance obligations are being met.

Policy for acknowledging current revenue from sales of goods

Revenue from sales of goods is acknowledged once the risk and significant advantages resulting from the ownership of the goods have been transferred. The Company is no longer bound to the asset sold. The amount of revenue can be reliably measured. The company is likely to receive the economic benefits associated with the sale and the costs incurred in the transaction can also be reliably measured.



Policy for acknowledging current revenue from sales of services

Revenues from the sale of services are measured at fair value. The invoices are prepared based on the actual consumption or work performed of the consideration receivable, net of returns, commercial discounts and rebates. So the income is acknowledged when the risk is transferred to the buyer, the recovery is considered probable, and the associated costs and possible discounts for erroneous charges can be estimated reliably.

M. Environmental information

Environmental assets are those that are used durably in the activity of the Company, whose main purpose is the minimization of adverse environmental impacts and the protection and improvement of the environment, including the reduction or elimination of future contamination of the operations.

These assets are valued, like any other asset, at acquisition cost. The Company amortizes these elements following the straight-line method, based on the estimated remaining useful life of the different elements.

N. Cash flow Statement

Cash flow Statement record the cash account activity during the fiscal year, which include Value Added Tax (VAT), determined by the direct method under the following criteria:

Cash and cash equivalent: Represent cash inflows and outflows of equivalent financial assets, meaning low-risk highly-liquid value investments (with expiration of under 3

months from the date of investment without restrictions).

Operating activities: Represent typical activities of the normal operation of the business of the company, as well as other activities not classified as investment or financing.

Investment activities: Represent activities of acquisition, sale or disposition by other means of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: Represent activities that produce changes in the amount and composition of the net equity and liabilities that are not part of the regular activities.

O. Reclassification

For the year ended December 31, 2018, certain reclassifications have been made to facilitate their comparison as of December 31, 2019, according to the following detail:

RECLASSIFICATIONS	INCREASE /(DECREASE) TH\$
STATEMENT OF FINANCIAL SITUATION:	
Business accounts and other accounts payable	3,126
Other non-financial liabilities	(3,126)

Said reclassification corresponds to account 214004300 Provision VAT-registered in SII, which in 2018 was under the heading "Other non-financial liabilities" and in 2019 is presented in "Commercial accounts and other accounts payable".



Note 2.**Information to be disclosed about related entities****BALANCES AND TRANSACTIONS WITH RELATED ENTITIES**

Transactions between the Company and related entities are adjusted to market conditions.

Accounts receivable from related entities

TAXPAYER ID (RUT) N°	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	MATURITY	GUARANTEES	CURRENT (TH\$)	
								12/31/2019	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	369,656	360,049
96.809.310-K	Aguas Cordillera S.A.	Related to controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	71,234	67,031
89.221.000-4	Aguas Manquehue S.A.	Related to controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	41,573	47,845
96.579.800-5	ESSAL S.A.	Related to controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	943,667	407,207
96.945.210-3	Eco Riles S.A.	Related to controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	78,621	108,250
76.078.231-9	Emp. Dep. Agua Serv. Mapocho-Trebal Ltda.	Related to controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	6,141	4,232
77.441.870-9	Suez Medioambiente Chile S.A.	Related to controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	0	26,766
65.113.732-2	Corp. Chilena de Investigación del Agua	Related to controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	86	411
A85788065	Aqua Development Network S.A.	Related to controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	0	1,619
Total accounts receivable								1,510,978	1,023,410



Accounts payable to current related entities

RELATED PARTY TAXPAYER ID (RUT) N°	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	MATURITY	GUARANTEES	CURRENT (TH\$)	
								12/31/2019	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Aqua Development Network S.A. payments	CLP	30 days	Without guarantees	34,387	18,170
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Loan	CLP	30 days	Without guarantees	0	679,000
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Interests	CLP	30 days	Without guarantees	271,385	231,525
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Dividends	CLP	30 days	Without guarantees	317,508	346,155
96.809.310-K	Aguas Cordillera S.A.	Related to controller	CL	Dividends	CLP	30 days	Without guarantees	3,207	3,497
96.828.120-8	Gestión y Servicios S.A.	Related to controller	CL	Entel Agreement	CLP	30 days	Without guarantees	154	0
A85788065	Aqua Development Network S.A.	Related to controller	CL	Consulting	CLP	30 days	Without guarantees	0	18,575
Total accounts receivable								626,641	1,296,922

Accounts payable to related companies – Non-current

RELATED PARTY TAXPAYER ID (RUT) N°	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	GUARANTEES	CURRENT (TH\$)	
							12/31/2019	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Debt	CLP	Without guarantee	1,334,000	0
Total accounts receivable								1,334,000



Transactions with related entities

RUT TAXPAYER ID Nº OF RELATED PARTY	NAME OF RELATED PARTY	NATURE OF THE RELATIONSHIP	COUNTRY OF ORIGIN	NATURE OF TRANSACTIONS WITH RELATED PARTIES	TYPE OF CURRENCY	CURRENT (TH\$)			
						12/31/2019	AMOUNT	EFFECTS ON INCOME	12/31/2018
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Laboratory analysis and sampling contract	CLP	2,819,648	2,338,308	2,479,461	2,083,581
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Dividend Payment	CLP	495,000	0	247,500	0
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Obtaining loans	CLP	1,965,000	(271,385)	2,485,000	(224,412)
61.808.000-5	Aguas Andinas S.A.	Controller	CL	Amortization Loans	CLP	(1,310,000)	0	(2,430,000)	0
96.809.310-K	Aguas Cordillera S.A.	Related to controller	CL	Laboratory analysis and sampling service	CLP	561,834	465,900	455,931	383,136
89.221.000-4	Aguas Manquehue S.A.	Related to controller	CL	Laboratory analysis and sampling service	CLP	277,689	228,398	215,915	181,442
96.579.800-5	ESSAL S.A.	Related to controller	CL	Laboratory analysis and sampling service	CLP	1,633,943	1,375,818	1,012,560	850,891
96.945.210-3	Eco Riles S.A.	Related to controller	CL	Laboratory analysis and sampling service	CLP	469,874	395,318	469,745	394,744

The materiality criterion for reporting transactions with related entities is for amounts greater than ThCh \$ 100,000.



Financial Situation Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

ASSETS	2019 TH\$	2018 TH\$
Current assets	4,121,604	2,975,903
Non-current assets	5,558,457	5,178,956
Total assets	9,680,061	8,154,859
LIABILITIES		
Current liabilities	1,901,856	2,489,677
Non-current liabilities	1,515,036	-
Equity	6,263,169	5,665,182
Total liabilities and equity	9,680,061	8,154,859

Comprehensive Income Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Ordinary revenue	9,450,854	8,832,301
Operating cost	(7,868,702)	(7,166,509)
Other (loss) gains	(84,093)	(86,827)
Financial income	(48,775)	(34,833)
Other different from operating	8,262	(778)
Income tax	(388,496)	(379,600)
Year's earnings	1,069,050	1,163,754

Cash Flow Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Net cash flows from operating activities	849,959	708,294
Net cash flows from investment activities	(627,518)	(481,078)
Net cash flows from financing activities	155,000	(195,000)
Net increase (decrease) in cash and cash equivalents	377,441	32,216
Initial balance of cash and cash equivalents	72,289	40,073
Final balance of cash and cash equivalents	449,730	72,289

Change In Equity Statement
At the December 31, 2019 and 2018
(Thousands of pesos - TH\$)

	2019 TH\$	2018 TH\$
Issued capital	262,456	262,456
Other equity shareholdings	(21,450)	(21,450)
Accumulated earnings (losses)	6,022,163	5,424,176
Final equity balance	6,263,169	5,665,182



Statement of Financial Position
Ended as of December 31, 2018
 (Thousands of pesos - TH\$)

	AGUAS ANDINAS S.A.	AGUAS CORDILLERA S.A.	AGUAS MANQUEHUE S.A.	IBERAGUAS LTDA. Y FILIAL
ASSETS	2019 TH\$	2018 TH\$	2019 TH\$	2018 TH\$
Current assets	197,676,646	168,513,972	20,489,459	18,232,503
Non-current assets	1,803,767,656	1,737,538,127	312,222,909	307,744,267
Total Assets	2,001,444,302	1,906,052,099	332,712,368	325,976,770
LIABILITIES				
Current Liabilities	242,137,717	242,318,524	53,321,458	50,626,750
Non-current liabilities	1,071,833,122	976,742,178	74,100,996	72,510,487
Equity	644,453,334	638,620,655	205,289,676	202,839,301
Minority Stake	43,020,129	48,370,742	238	232
Total Liabilities and Equity	2,001,444,302	1,906,052,099	332,712,368	325,976,770
INCOME STATEMENT				
Ordinary income	544,683,867	530,404,680	74,177,612	69,421,060
Operation cost	(320,946,298)	(296,208,530)	(42,650,910)	(42,520,091)
Financial results	(24,545,771)	(24,140,605)	(2,009,866)	(1,668,679)
Other different from operating	(9,778,479)	(24,230,768)	(1,474,514)	(2,028,154)
Income tax	(49,662,947)	(46,506,422)	(6,652,461)	(4,895,894)
Minority Participation	(1,986,816)	(3,261,838)	23	15
Profit attributable to the owners of the parent	141,737,188	136,056,517	21,389,838	18,308,227
CASH FLOW STATEMENT				
Net cash flows from operating activities	232,298,663	245,501,004	35,731,053	25,922,007
Net cash flows from investment activities	(125,768,548)	(135,451,049)	(12,376,686)	(14,234,522)
Net cash flows from financing activities	(74,447,831)	(88,877,821)	(18,993,227)	(11,927,983)
Net increase (decrease) in cash and cash equivalents	32,082,284	21,172,134	4,361,140	(240,498)
Initial balance of cash and cash equivalents	39,980,474	18,808,340	735,653	976,151
Final balance of cash and cash equivalents	72,062,758	39,980,474	5,096,793	735,653



Statement of Financial Position
Ended as of December 31, 2018
 (Thousands of pesos - TH\$)

	ESSAL S.A.		ECORILES S.A.		AGUAS DEL MAIPO S.A.		GESTIÓN Y SERVICIOS S.A.		ANÁLISIS AMBIENTALES S.A.	
ASSETS	2019 TH\$	2018 TH\$	2019 TH\$	2018 TH\$	2019 TH\$	2018 TH\$	2019 TH\$	2018 TH\$	2019 TH\$	2018 TH\$
Current assets	20,984,803	22,086,592	6,022,761	5,438,938	1,575,347	1,251,161	6,198,235	5,898,957	4,121,604	2,975,903
Non-current assets	180,028,688	167,386,351	701,223	531,601	12,934,062	13,694,722	858,838	770,995	5,558,457	5,178,956
Total Assets	201,013,491	189,472,943	6,723,984	5,970,539	14,509,409	14,945,883	7,057,073	6,669,952	9,680,061	8,154,859
LIABILITIES										
Current Liabilities	29,613,227	21,913,688	2,855,498	2,550,466	6,006,111	5,760,770	3,756,652	3,379,347	1,901,856	2,489,677
Non-current liabilities	104,167,148	92,060,682	73,381	-	6,525	53,572	91,949	45,513	1,515,036	-
Equity	67,233,116	75,498,573	3,795,105	3,420,073	8,496,773	9,131,541	3,208,472	3,245,092	6,263,169	5,665,182
Minority Stake	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Equity	201,013,491	189,472,943	6,723,984	5,970,539	14,509,409	14,945,883	7,057,073	6,669,952	9,680,061	8,154,859
INCOME STATEMENT										
Ordinary income	60,354,783	58,268,739	14,432,857	13,324,400	1,071,511	1,061,523	10,454,700	8,646,294	9,450,854	8,832,301
Operation cost	-54,565,781	(38,700,322)	(11,908,959)	(10,870,582)	(1,415,227)	(1,206,172)	(9,983,482)	(8,279,948)	(7,868,702)	(7,166,509)
Financial results	-3,320,532	(2,848,907)	(6,749)	9,827	(117,399)	(91,661)	(14,904)	72,015	(48,493)	(34,552)
Other different from operating	-2,024,739	(1,873,287)	12,956	(46,018)	(303,405)	27,683	(244,401)	(142,873)	(76,113)	(87,886)
Income tax	-1,478,265	(3,988,777)	(688,392)	(634,375)	129,754	27,023	(19,790)	(32,515)	(388,496)	(379,600)
Minority Participation	-	-	-	-	-	-	-	-	-	-
Profit attributable to the owners of the parent	-1,034,534	10,857,446	1,841,713	1,783,252	(634,766)	(181,604)	192,123	262,972	1,069,050	1,163,754
CASH FLOW STATEMENT										
Net cash flows from operating activities	11,574,749	24,817,909	1,662,395	1,151,923	(2,258,720)	1,389,617	724,941	123,807	849,959	708,294
Net cash flows from investment activities	-16,074,186	(18,859,388)	(47,123)	1,233,728	-	(1,821,255)	(24,110)	618,478	(627,518)	(481,079)
Net cash flows from financing activities	3,485,291	(16,577,132)	(1,450,000)	(2,540,000)	2,282,000	427,000	(250,000)	(500,000)	155,000	(195,000)
Net increase (decrease) in cash and cash equivalents	-1,014,146	(10,618,611)	165,273	(154,349)	23,280	(4,638)	450,831	242,285	377,441	32,216
Initial balance of cash and cash equivalents	2,129,410	12,748,021	228,773	383,122	8,779	13,417	950,334	708,049	72,289	40,073
Final balance of cash and cash equivalents	1,115,264	2,129,410	394,046	228,773	32,059	8,779	1,401,165	950,334	449,730	72,289





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