



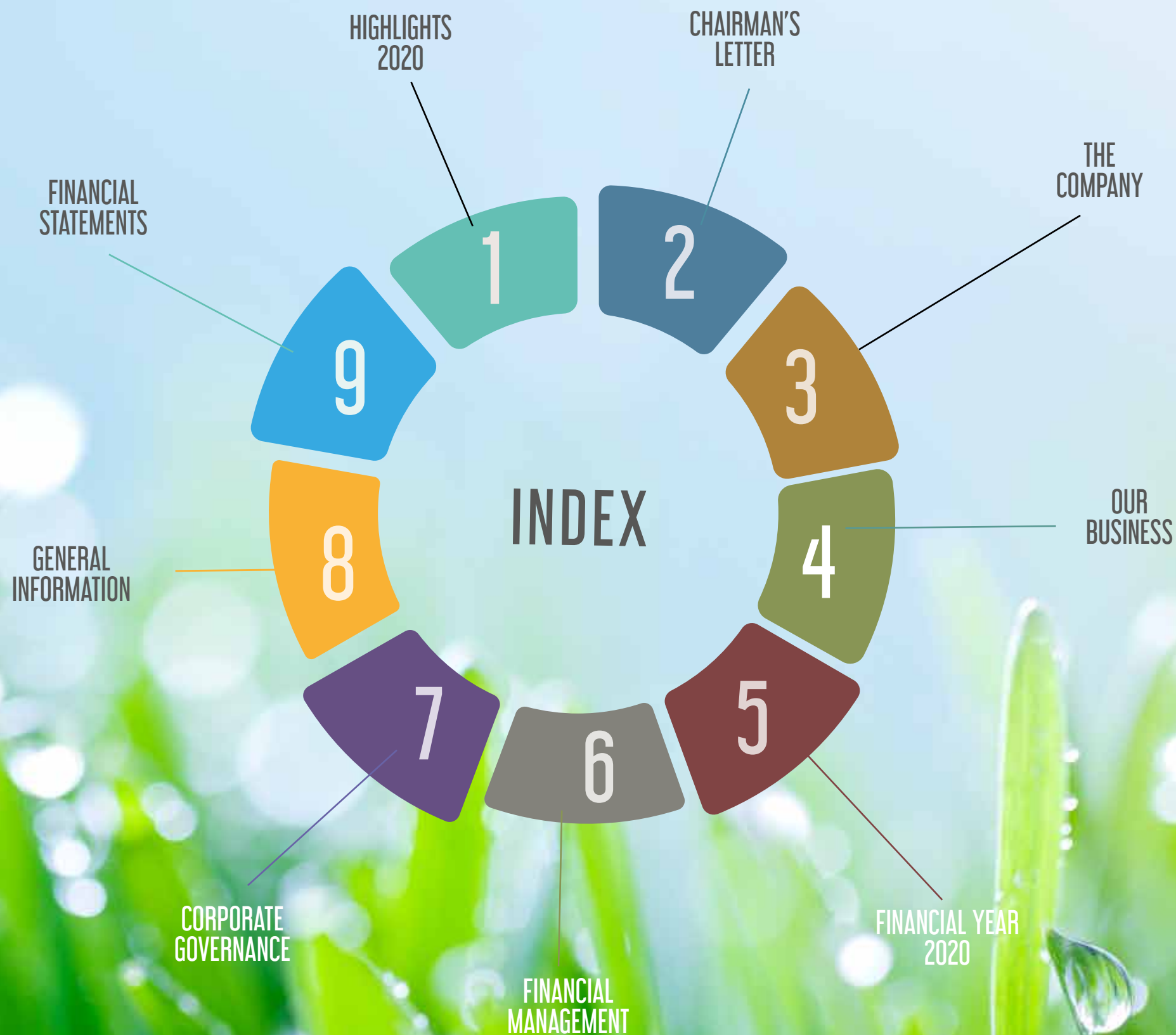
Inversiones Aguas Metropolitanas / Annual Report



## #zeropaper

In accordance with the company's commitment to contribute to the sustainable development of the planet, this annual report is available in digital format. Readers can access the topics of interest by simply clicking on them. Protecting the environment is everyone's responsibility.

We thank you for your support in this task.





# Highlights 2020



## Consolidated financial summary (MM\$)

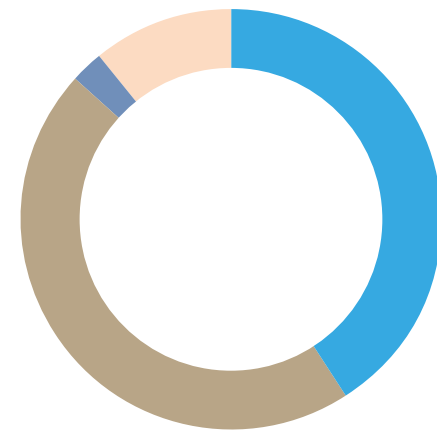
As of December	2016	2017	2018	2019	2020
Potable water income	190.400	195.091	208.467	193.821	195.788
Wastewater income	235.459	240.399	254.084	229.779	219.124
Other Regulated Income	17.161	18.408	17.656	13.018	13.004
Other non-regulated activities	49.225	55.638	50.194	47.707	50.853
<b>TOTAL INCOME</b>	<b>492.245</b>	<b>509.536</b>	<b>530.400</b>	<b>484.325</b>	<b>478.769</b>
Operating Income (1)	223.334	222.990	233.234	234.668	161.453
<b>Profit for the Year</b>	<b>74.289</b>	<b>68.719</b>	<b>67.128</b>	<b>69.918</b>	<b>48.225</b>
Total assets	2.044.461	2.069.371	2.178.638	2.273.846	2.419.031
Short-term liabilities	212.349	237.819	242.928	242.608	245.463
Long Term Liabilities	873.274	866.737	977.009	1.072.110	1.059.920
Minority Interest	369.155	371.326	367.027	364.587	419.527
Equity Attributable to the Owners of the Holding Company	589.683	593.488	591.674	594.540	694.121

(1) Operating income = Ordinary income - consumption of raw materials and secondary materials - personnel expenses - depreciation and amortization - impairment losses - other miscellaneous operating expenses.

## Operational background of IAM subsidiaries

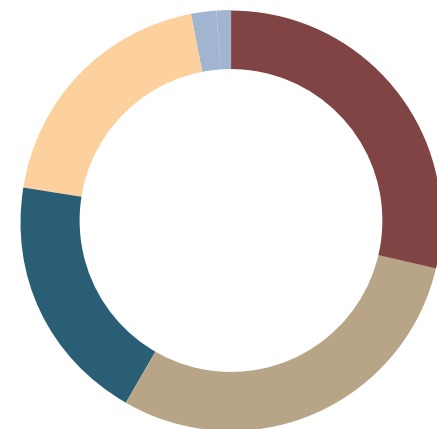
As of December 31	2016	2017	2018	2019	2020
Total potable water customers	2.213.869	2.259.245	2.316.107	2.132.607	2.169.426
Total sewage collection clients	2.160.473	2.205.940	2.263.039	2.089.505	2.125.918
Total accrued water (millions m3)	570,3	575,5	596,3	559,4	533,9
Sewage collection accrued (million m3)	551	554,3	572	536	511,3
Accrued wastewater treatment and disposal (millions of m3)	480,1	484	497,7	461,8	440,6
Accrued sewerage interconnection (million m3)	123	124,3	128,2	128,8	124,7
Total potable water coverage	100%	100%	100%	100%	100%
Total sewage collection coverage	98,4%	98,8%	98,8%	98,8%	98,8%
Total sewage treatment coverage	100%	100%	100%	100%	100%
Total employees	2.032	2.107	2.121	2.141	1.733

## 2020 Income distribution



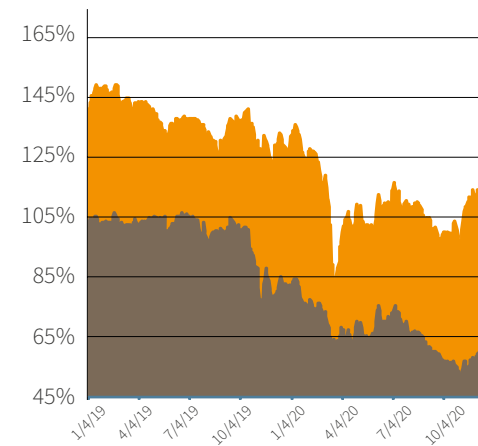
- Potable water, 41%
- Sewage, 46%
- Other Regulated Income, 3%
- Non-regulated Business, 10%

## Investments 2020



- Production, 29%
- Distribution, 30%
- Collection, 19%
- Disposal, 19%
- Others, 3%

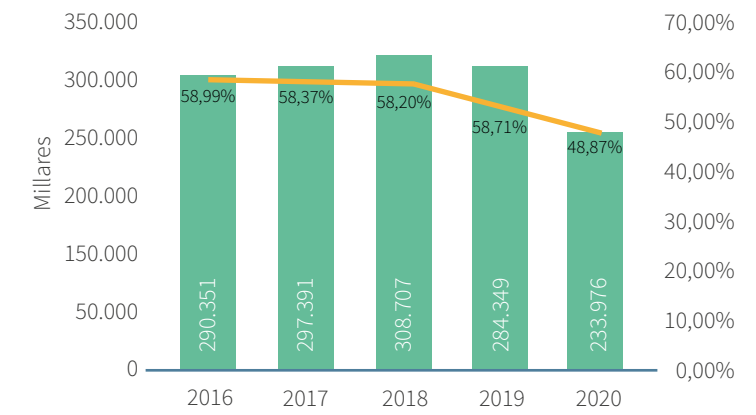
## Stock performance <sup>(1)</sup>



- IAM
- IPSA

(1) Source: Bolsa de Comercio de Santiago. Base 100.

## EBITDA - EBITDA Margin <sup>(2) (3)</sup>

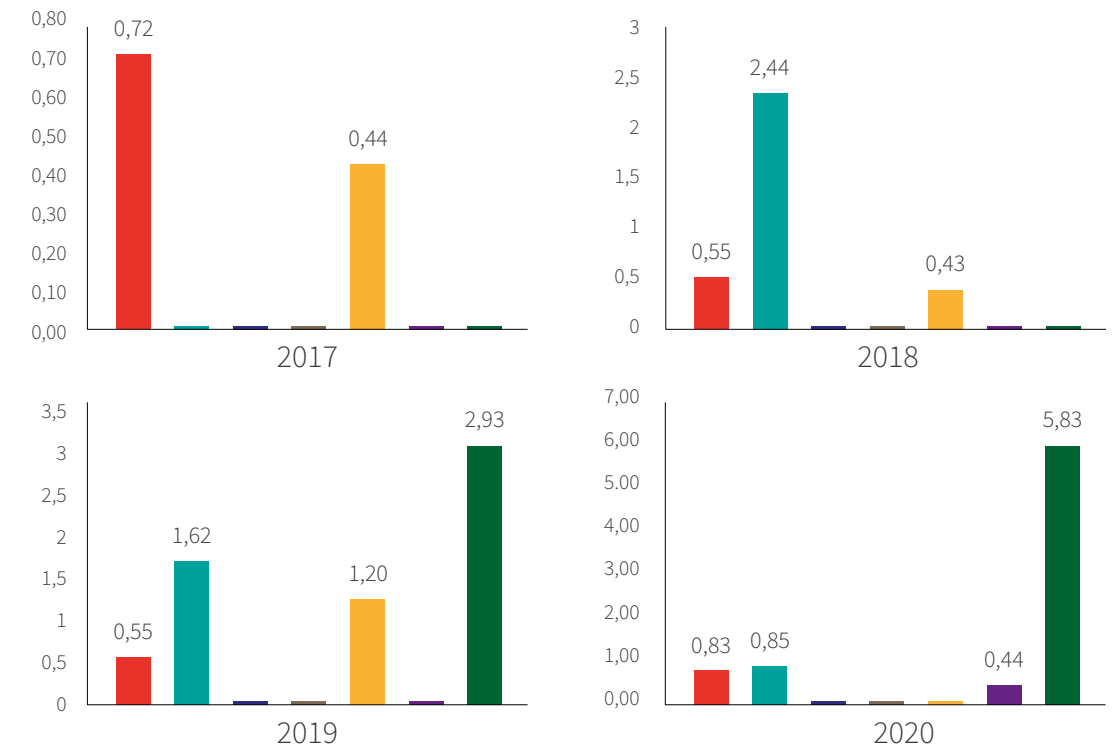


(2) EBITDA: Operating income + depreciation for the year + amortization of intangibles.

(3) EBITDA: Ordinary income - consumption of raw materials and secondary materials - personnel expenses - other miscellaneous operating expenses.

## Accident rate <sup>(4)</sup>

- Aguas Andinas S.A.
- Aguas Cordillera S.A.
- Aguas Manquehue S.A.
- Aguas del Maipo
- Anam
- EcoRiles
- G&S



(4) Accident Rate: Number of accidents with lost time / Average number of workers in the period.

# Chairman's Letter





## Dear shareholders:

As Chairman of the Board of Inversiones Aguas Metropolitanas S.A. I have the honor to present you the Annual Report and the Financial Statements of the company corresponding to the year 2020.

Adaptation, resilience, flexibility. These are some of the words that characterize what was the year that ended on December 31st. A period in which the company, like the whole planet, had to quickly adapt to a new way to work and operate, product pandemic the Covid-19. A greater challenge, which implied a great effort from our sanitary companies to carry out a safe management, implementing measures and protocols quickly, which guaranteed, on the one hand, the health of our workers, and on the other, the continuity of the service, thus deepening the commitment with the citizens of Greater Santiago and with the country in general.

Added to this context, 2020 was a new year of water scarcity in central Chile, which further stressed the operational management of the IAM water utilities. To alleviate this situation and face the effects of climate change, our subsidiaries continued and reinforced their proactive plan, which involves purchasing water from irrigators in the basin, coordinating with other stakeholders in the Maipo River, and making important investments to make more resilient infrastructure raw water reserve and production and distribution of potable water.

In this line, one of the milestones of the year was the start-up of the Pirque mega ponds, a relevant security

work, with a size equivalent to 50 soccer fields and a water reserve capacity of 1,500 million liters. This project, which began to be executed only two years ago (in 2018), implied a total investment of \$ 77.5 billion and generated more than 1,200 jobs during its construction. Thanks to this investment, the Santiago water system increased its autonomy from 11 to 34 hours in 2020, which has made it possible to provide security for the continuity of supply, even in the face of adverse weather conditions.

Along with this, we can add investments in the Hydraulic Efficiency Plan, in order to reduce the losses of drinking water in the network; the new Operational Control Center, which allows remote control and monitoring of the company's water collection and distribution system; new drilling in wells, such as the Lo Mena-Cerro Negro project; and the reinforcements in the production of potable water, with the modernization of the Padre Hurtado plant. Thus, our subsidiary Aguas Andinas managed more than 40 projects, closing the year with investments that totaled \$ 130 billion.

All this management was carried out during 2020, a year of uncertainties and that, due to the health crisis of the Coronavirus pandemic also generated an economic crisis worldwide, but we are working to overcome it with innovation, realism and stable financial management and responsible, which has always characterized our company. This unstable context also impacted the stock market, both in Chile and in the world. This is how the share price of our company fell by 28% compared

to the previous year. In terms of results, an EBITDA of \$ 233,976 million was obtained, and the net profit for the year amounted to \$ 48,225 million.

Notwithstanding the foregoing, during fiscal year 2020 we continued and is continually being evaluated the distribution of dividends to reward in a timely manner the trust placed in us by our shareholders, as has historically been done in the company, which materialized with a dividend in December of last year.

During the year, in addition, the sale of 100% of the stake of the subsidiary Aguas Andinas in the subsidiary ESSAL to the Canadian company Algonquin Power & Utilities Corp. (APUC) was carried out. For this transaction, the Aguas Andinas utility received US \$ 92.3 million, generating an expected impact on its net results after taxes of approximately \$ 7 billion for the company.

In this way, IAM places its strategic focus on the Santiago basin and its almost 8 million inhabitants, with which it reaffirms and strengthens its commitment to maintain a continuous and safe service, betting on a robust and resilient operation. To do this, the company began with its green and social reconstruction plan, with which it is expected to contribute decisively to economic development of the country, maintaining the high level of investments and generating thousands of jobs with the execution of sustainable projects that mitigate the effects of climate change. Always thinking about the sustainable development of the company, the country, the planet and its inhabitants.

**Felipe Larrain Aspillaga**



# The Company







We are Inversiones Aguas Metropolitanas, IAM, a company that owns 50.1% of the shares of Aguas Andinas and subsidiaries, the largest sanitarian group in Chile and one of the largest in Latin America.

# IAM history

## First decade

Inversiones Aguas Metropolitanas, IAM, was incorporated in May 1999 as a limited liability company, with the aim of participating in the process of incorporating private capital into EMOS SA, now Aguas Andinas SA, by the Agbar and Suez groups Environnement (today known as Suez).

In the international tender, carried out by the Corporación de Fomento de la Producción (CORFO), IAM was awarded a share package, then signed a capital increase and bought additional shares on the Santiago Stock Exchange, thus taking control of Aguas Andinas (ex EMOS), with the ownership of 51.2% of its capital stock.

In June 2005, IAM became an open limited company and restricted its corporate purpose, which was limited to investing in Aguas Andinas shares and the provision of all kinds of advice, consultancy and services related to the transfer of technology and know-how, technical assistance, business and project management, especially those related to the management and operation of businesses related to the sanitary sector.

In November 2005, the company went public, placing a share package corresponding to 43.4% of its titles. After this operation, new shareholders were incorporated, with Agbar remaining as the sole controller of the company, with 56.6% ownership. In 2006, IAM sold 1.1% of its shares in Aguas Andinas, retaining control of the utility with 50.1% of the shares.

In 2007 IAM implemented an ADR Level I program, which allowed its shares to be traded in the Over the Counter market in the United States, which ended in 2016.

During 2008, the Aguas Andinas subsidiary acquired 53.5% of the Empresa de Servicios Sanitarios de Los Lagos (ESSAL), with which IAM's sanitary holding company achieved a 42.5% market share at the local level.

## Second decade

Already beginning the second decade since the birth of IAM, in 2010 Suez Environnement indirectly acquired 75.01% of the shares of Agbar, becoming the new controller of the company. Then, in 2014 Suez Environnement acquired the remaining 24.99% of Agbar, thus consolidating itself as the sole controller of Inversiones Aguas Metropolitanas.

In 2015, IAM, together with its subsidiary Aguas Andinas, entered the Dow Jones Sustainability Index Chile, the first sustainability index of the Santiago Stock Exchange, a recognition that they have maintained uninterruptedly until now, which reflects their good performance in sustainability matters.

As of 2017, the main subsidiary of the company, the sanitary Aguas Andinas, oriented its operation

towards the circular economy seeking environmental sustainability, an effort that was recognized in 2018 with the "Impulso para el Cambio" award granted by the United Nations to the Biofactory of Greater Santiago de Aguas Andinas. Likewise, and as part of this commitment, the subsidiary Aguas Andinas issued the first green and social bond in Chile.

In 2018 Suez Inversiones Aguas del Gran Santiago Limitada made the sale of 6.5% of its shareholding in IAM, which allowed increasing the liquidity of the shares issued by the company. In this operation, Suez retained 50.1% of the share ownership of IAM, ratifying its commitment to maintain control of the company and, therefore, of Aguas Andinas, a leading company in the Chilean sanitation sector.

In September 2019, IAM integrated the S&P IPSA indicator portfolio,

the main indicator of the Santiago Stock Exchange; and the subsidiary Aguas Andinas maintained the sixth position in the world ranking of the Dow Jones Sustainability Indexes for the Multi and Water Utilities sector.

At the beginning of 2020, the Pirque mega ponds begin to operate, a large security work with a raw water capacity of 1.5 hectometres. Finally, in October, the Aguas Andinas subsidiary sold 100% of its direct and indirect participation in the ESSAL subsidiary to the Canadian-based company Algonquin Power & Utilities Corp (APUC), with this operation IAM maintains its commitment to the the country's sanitary industry through the management of Aguas Andinas, Aguas Cordillera and Aguas Manquehue.



# IAM Management Milestones

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**2000**

The Aguas Andinas subsidiary acquires 100% of Aguas Cordillera and 50% of Aguas Manquehue.

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**2001**

The operation of the El Trebal sanitation plant begins. The subsidiaries Anam and EcoRiles are established.

**2002**

Acquisition of the remaining 50% of Aguas Manquehue by the subsidiary Aguas Andinas.

**2003**

La Farfana, the largest sewage treatment plant in Latin America, begins operating. Aguas Andinas obtains the ISO 9,000 certification in customer service.



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THE COMPANY



**2004**

The subsidiary Aguas Andinas obtains ISO 9.001 certification in billing, takings and collections.

**2005**

IAM becomes a public limited company and is listed on the stock market, by placing a 43.4% stake in its ownership. Aguas Andinas obtains the OHSAS certification in occupational health and safety.

**2006**

The subsidiary Aguas Andinas obtains the ISO 9.001 certification for its process of incorporating new clients.

**2007**

Implementation of the ADR Level I program to trade shares in the Over the Counter market in the United States. Renewal of the ISO 9,000, ISO 14,000 and OHSAS 18,000 certifications for the Aguas Andinas sanitation facilities.

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**2008**

The subsidiary Aguas Andinas takes control of the Empresa de Servicios Sanitarios de Los Lagos (ESSAL) with the purchase of 53.5% of its property.

**2010**

Inauguration of the Aguas Andinas Clean Urban Mapocho project, the country's bicentennial milestone. IAM obtained second place in the XV Annual Contest of Memories of Stock Companies of Chile 2010, organized by Diario Strategy and Price Waterhouse Coopers.

**2012**

Aguas Andinas receives the "Best Company" award, granted by ICARE, one of the most prestigious awards given in Chile.

**2013**

Aguas Andinas' Mapocho Sewage Treatment Plant comes into operation, achieving 100% purification of wastewater from the Metropolitan Region.



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**2014**

The subsidiary Aguas Andinas obtains the best historical rate in the Chilean capital market for corporate issues to longer terms to 20 years.

**2015**

IAM and its subsidiary Aguas Andinas are selected to integrate the Dow Jones Sustainability Index Chile, the first sustainability index of the Santiago Stock Exchange, made up of only 12 companies.

**2016**

IAM and Aguas Andinas are once again part of the Dow Jones Sustainability Index Chile. Aguas Andinas sanitary obtains a bronze medal in the PROHumana 2016 sustainability ranking.

**2017**

IAM and Aguas Andinas are once again part of the Dow Jones Sustainability Index Chile. Aguas Andinas inaugurates the world's first biofactory for the sanitary industry, which allows waste to be converted into resources.

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**2018**

The Aguas Andinas biofactory receives the Impulso para el Cambio award, in the planetary health category, awarded by the United Nations. In addition, the utility issues the first green and social bond in Chile. IAM and Aguas Andinas are once again part of the Dow Jones Sustainability Index Chile.

**2019**

IAM is part of the S&P IPSA index, the main indicator of the Santiago Stock Exchange. IAM and Aguas Andinas are once again part of the Dow Jones Sustainability Index Chile. Aguas Andinas issues for the second consecutive year a green and social bond.

**2020**

The Pirque mega tanks begin to operate, allowing the autonomy of the Santiago water system to be increased to 34 hours. The subsidiary Aguas Andinas sells 100% of its stake in Empresa de Servicios Sanitarios de los Lagos S.A.





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## Our purpose

The investment in shares of the Chilean corporation Aguas Andinas S.A. ; and the provision of all kinds of consultancies, consulting and services related to the transfer of technology and know-how, technical assistance, business administration and projects, especially those related to the management and operation of businesses related to the sanitary sector.



# Company property

At the end of 2020, IAM's share capital is comprised of 1,000,000,000, single series, fully subscribed and paid, distributed among 479 shareholders.

As of December 31, 2020, the twelve main shareholders of IAM are the following:

NAME OR SOCIAL REASON	RUT	SHARES	%
Suez Inversiones Aguas del Gran Santiago Ltda.	77.329.730-4	501.000.000	50,10%
Sociedad de Inversiones y Rentas Liguria Ltda.	87.736.700-2	77.166.039	7,71%
Banco de Chile on behalf of non-resident third parties	97.004.000-5	72.105.597	7,21%
Larraín Vial S.A. Stockbroker	80.537.000-9	51.708.532	5,17%
Banco de Chile on behalf of State Street	97.004.000-5	42.625.383	4,26%
Banchile Corredores de Bolsa S.A.	96.571.220-8	25.078.048	2,51%
BCI Corredora de Bolsa S.A.	96.519.800-8	24.125.703	2,41%
Banco Santander on behalf of foreign investors	97.036.000-k	20.833.404	2,1%
Santander Corredores de Bolsa Limitada	96.683.200-2	18.703.781	1,87%
Valores Security S.A. Corredores de Bolsa	96.515.580-5	11.303.547	1,13%
Banco de Chile on behalf of Citi Na London Client	97.004.000-5	11.125.064	1,11%
Banco de Chile on behalf of Citi Na New York Client	97.004.000-5	9.076.943	0,91%
Others (487 shareholders)		135.147.959	13,51%
		1.000.000.000	100,00%

## Shareholder composition in 2020

- Suez IAGSA, 50,10%
- Stock brokers, 17,69%
- International shareholders, 15,91%
- Others, 15,58%
- AFP, 0,72%



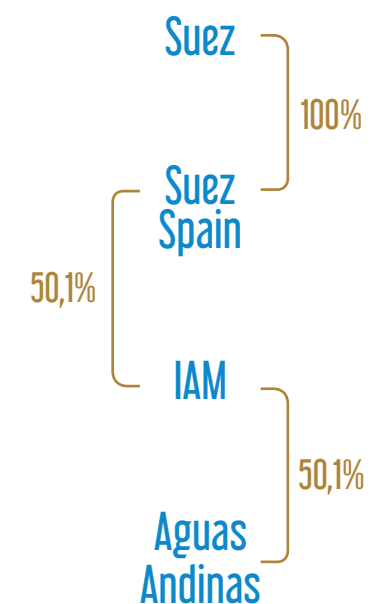


## Controller

The controller of IAM is Suez Spain, through Suez IAGSA, which holds 50.1% of the company's equity. In turn, IAM owns 50.1% of the shares of Aguas Andinas and its subsidiaries.

Suez Spain belongs to the Suez Group, a world leader in water and waste management, with a presence on 5 continents and 90,000 employees worldwide.

With more than 150 years of experience, the companies of the Suez Spain group are world leaders in activities related to water and environmental management, with a presence in several countries, such as Spain, Chile, Mexico, Colombia and Peru.





# Directory

At the close of fiscal year 2020, the IAM directors are the following:



## President / **Felipe Larraín Aspillaga**

Civil Engineer from the Pontificia Universidad Católica de Chile. General Manager of Aguas Andinas between 2004 and 2011, President of Aguas Andinas from 2011 to 2016, Director of Sociedad del Canal de Maipo and Junta de Vigilancia del Río Maipo.

Director of IAM since April 30, 2014. President of IAM as of June 29, 2016.



## Vice President / (Independent Director)

### **Alberto Muchnick Mlynarz**

Commercial Engineer and Business Administrator from the Universidad de Chile. He was Managing Director of HSBC Bank (USA) and Executive Vice President for Latin America of Republic National Bank. Current Executive President of CGIS Securities, LLC in Miami, United States.

Director of IAM since April 21, 2010.



## Director / **Herman Chadwick Piñera**

Lawyer and Law Degree from the Pontificia Universidad Católica de Chile, freely practices the profession of lawyer as a partner of the law firm Chadwick & Cía. He holds the position of President of Enel Chile, is Director and Counselor of Inversiones Aguas Metropolitanas and Viña Santa Carolina. He is also Vice President of the Compañías Concesionarias de Autopistas Intervial Chile S.A., Ruta del Maipo, Ruta del Maule, Ruta del Bosque, Ruta de la Araucanía and Ruta de Los Ríos. He is President of the Center for Arbitration and Mediation of the Chamber of Commerce of Santiago. He is also a member of the Board of the Center of Public Studies. Mr. Chadwick has a law degree from the Pontificia Universidad Católica de Chile.

Director of IAM since April 27, 2006.



## Director (Independent) / **Ignacio Guerrero Gutiérrez**

Commercial Engineer from Pontificia Universidad Católica de Chile and Master in Business Administration (MBA) from Harvard Business School. He was Vice President of Citibank in New York and NMB Bank (today ING Bank) also in New York and Vice President of Codelco Chile. He is currently a partner and Executive Director of CMB PRIME A.G.F. S.A.; Director of Enjoy, Hites Companies and of several road and airport infrastructure companies linked to the Prime Infrastructure Investment Fund.

Director of IAM since April 27, 2006.



## Director / **Hernán Cheyre Valenzuela**

Bachelor of Economic Sciences and Commercial Engineer from the Pontificia Universidad Católica de Chile, Master in Economics of University of Chicago, specializing in Public Finance and Economic Development. Founding partner and president of Econsult consulting. He was General Manager of risk rating agency Duff and Phelps Chile and Fitch Chile. He holds the position of director in various public and private companies. Between 2010 and 2014 he was Executive Vice President of Corfo. He is currently Director of the Institute of Entrepreneurship of the Faculty of Economics and Business of the Universidad del Desarrollo.

Director of IAM since April 27, 2017.



## Director (Independent) / **Luis Enrique Álamos Olivos**

Auditor Accountant, University of Santiago de Chile. PADE, ESE, Business School, Universidad de los Andes. He joined PwC Chile in 1983. During his career he served a wide range of companies, specializing in the retail, salmon, consumer goods and insurance industries. The last 15 years he specialized in Tax Consulting and Planning for individuals and companies. In addition, during the years 2010 to 2018 he served as Principal Partner of PwC Chile. He currently sits on the boards of Empresas AquaChile S.A., Grupo de Empresas FG, Exportadora e Inversiones Agroberries S.A. and Inversiones Aguas Metropolitanas S.A., among others. Member of the Circle of Directors of the ESE. Member of the G12 Group / Directors of Icare.

Director of IAM since July 24, 2019.



## Director / **Rodrigo Azócar Hidalgo**

Industrial Civil Engineer from the University of Chile, Chilean academic and consultant. Throughout his long career, he has been General Manager of Credits at Banco del Estado; consultant for the Ministry of Economy, Development and Reconstruction; consultant for the Inter-American Development Bank (IDB); General Manager of Metro de Santiago; Pro Rector of the Universidad de Viña del Mar; General Manager of ENAP, ESVAL and Aguas del Valle; CORFO corporate manager; Chairman of the Board of Metro S.A. He is currently a director of ENAP, ERSa and SIPETROL, Prohabit S.A., Prohabit Ltda., De Fondo de Infraestructura S.A. and Empresa Metro de Bogotá S.A.

Director of IAM since July 24, 2019.

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## Alternate directors

### Alternate Director / **Albert Martínez Lacambra**

Degree in Economics and Business Administration, and Degree in Right. Professor of the Faculty of Economics of the Universidad Autonoma de Barcelona, and different Masters related to public and private management.

Vast experience in the public sector in activities related to social housing, public transport and finance; in the private sector, in consulting and advisory companies. He joined Agbar in 2005 and has participated in its activity in Spain and Chile. He is currently the CEO of Aguas de Barcelona and General Manager of Agbar.

### Alternate Director / **Andrés Muchnick Cruz**

Commercial Engineer from the Pontificia Universidad Católica de Chile. Studies in Venture Capital Executive Program from the University of California and Value Investing from Columbia Business School.

He has developed his career in the finance field and as an advisor to companies including Santander Global Banking and Markets, Moneda Asset Management, NotCo and AMM Invest / AMM Capital.

### Alternate Director / **Narciso Berberana Sáenz**

Industrial Civil Engineer, with master's degrees in New Technologies Business Management at the School of Industrial Organization of Madrid, and in Executive Development Planning at the Instituto de Company, IE from Madrid, Spain.

He has served as CEO in large environmental services companies. He has been part of the global Agbar Suez group for more than 23 years. He was CEO of the Aguas Andinas group (2016-2019), and has been its director since April 2019.

### Alternate Director (independent) / **Rodrigo Castro Fernández**

Commercial Engineer with a major in Economics from the Gabriela Mistral University. Master in Economics from Georgetown University. Specialization courses in Strategy and Finance at Stanford University and at the University of California, Berkeley. He was Director of the Social Program for Freedom and Development and Dean of the

Faculty of Economics and Business at the Universidad del Desarrollo. Professor at the Adolfo Ibáñez University. Business director. Consultant for the World Bank and the IDB. Current partner and director of Genesis Partners.

### Alternate Director / **Carlos Mladinic Alonso**

Commercial Engineer from the Universidad de Chile and Economist. He was minister of two portfolios in the Government of Eduardo Frei Ruiz-Tagle. He was a director of the Banco del Estado and president of the Sistema de Empresas Públicas and the Board of Directors of TVN. He was Regional Manager of Banco Concepción, Clínica Imega (in Magallanes).

He was president of the Foundation for the Development of Magallanes, member of the Binational Commission for Chilean-Argentine Austral Integration, President of the Servicio de Cooperación Técnica(Sercotec), President of the Board of Directors of the Europa-Chile Foundation (EuroChile) and counselor of the Foundation Chili. He has been director of Empresa Eléctrica Pilmaiquén, Empresa Nacional del Carbón, Celulosa Arauco y Constitución and Aguas Andinas.

### Alternate Director / **Hugo Silva Raveau**

Industrial Mechanical Technician and DPA from Universidad Santa María. He worked 42 years at GE as Regional Director of Mining, and was Regional President for Bolivia, Chile, Peru and Ecuador, among other countries. Current partner of Crisis Management Latin America.

### Director suplente (independiente) / **María José Uauy Cúneo**

Commercial Engineer with a major in Administration from the Pontificia Universidad Católica de Chile. Diploma in Public Policies from the Pontificia Universidad Católica de Chile.

He was Deputy Manager of Funds and ETF's at Larrain Vial and Investment Analyst at Inversiones Liguria. Current Executive Director of Fundación Liguria Infancia & Futuro.

## The administration

### General manager

### **Laureano Cano Iniesta**

Graduate in Economic and Business Sciences from the Pompeu Fabra University of Barcelona.

He has vast experience in the Agbar Group, where he has worked as Economic-Financial Manager and member of the Board of Directors of various sanitation companies. Director of Aguas Andinas since April 2016.

**IAM General Manager since May 2, 2016.**





# Our Business

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## The company

Inversiones Aguas Metropolitanas, IAM, through its sanitary subsidiaries, provides drinking water service in the concession areas located in the Metropolitan Region. At the same time, through its non-sanitary subsidiaries, it provides complementary environmental services to the sanitation industry.

### What does IAM through its sanitation subsidiaries?

Delivers the services of:

- Raw water uptake
- Production, transportation and distribution of potable water
- Collection, treatment and final disposal of sewage



### What are his sanitary affiliates?



### Where?

In **71 thousand hectares** located in the Santiago basin, in the intermediate depression of central Chile (Metropolitan Region).



### Who do you deliver these services to?

+ **7 million** inhabitants (estimated population)





### What are his environmental services affiliates?



### What service does IAM provide through these unregulated affiliates?

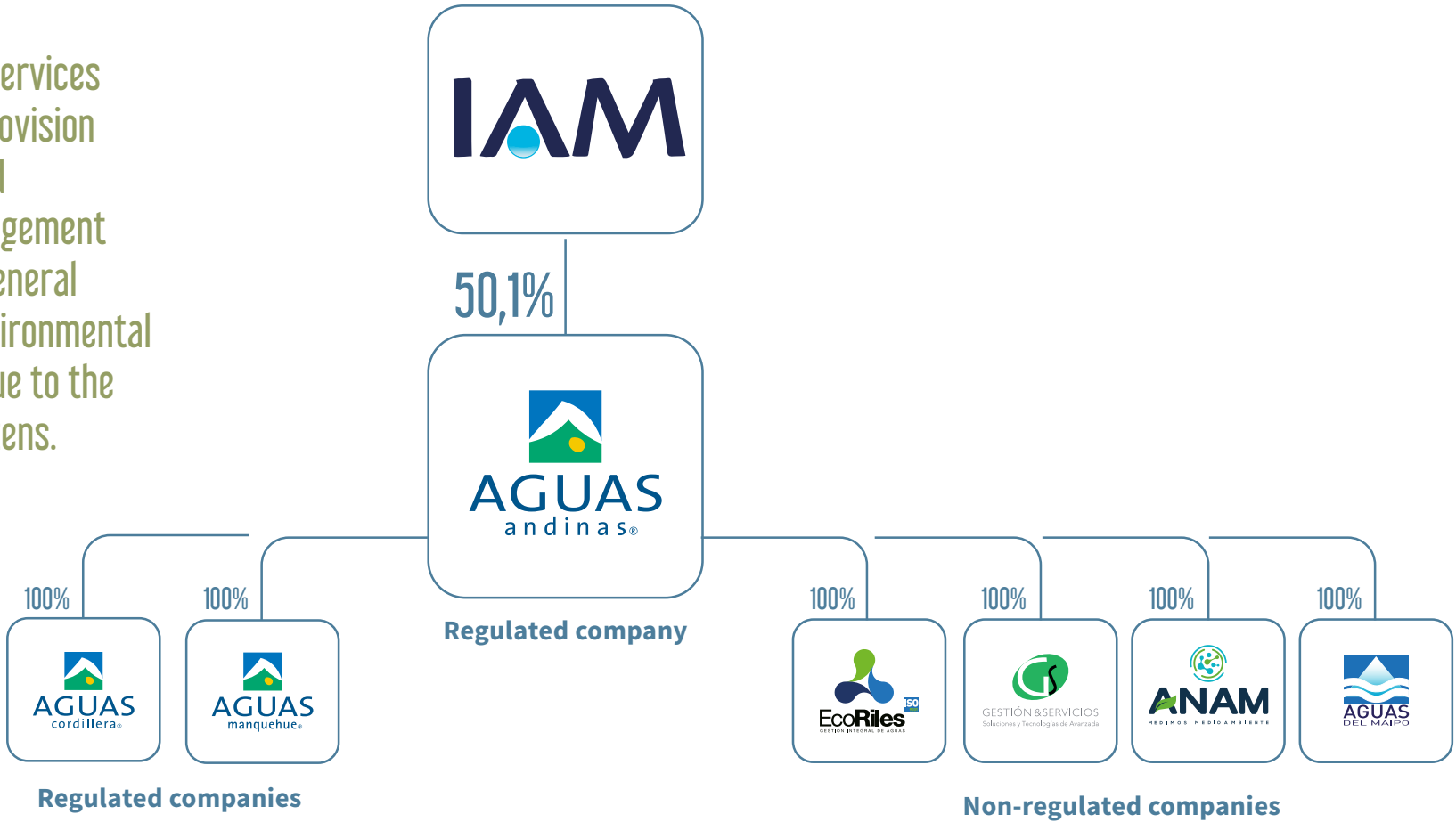
Industrial waste treatment services

Equipment marketing

Laboratory analysis

Development of energy projects related to sanitation

IAM's environmental services affiliates allow the provision of comprehensive and complementary management to the sanitary and general industry, through environmental services that add value to the environment and citizens.





# Operations

Through the operation of its sanitation subsidiaries, IAM integrally manages the water cycle, which includes the processes for capturing raw water; production, transportation and distribution of potable water; and collection, treatment and final disposal of sewage.

## Raw water uptake

### Capture sources:

The Maipo and Mapocho rivers, which are born in the Andes Mountains, in the Metropolitan Region.

Through its subsidiaries, IAM maintains legal ownership of the rights to use water from all its sources.

### Water reserves:

The three largest reserves are Embalse El Yeso (220 million m<sup>3</sup>), Laguna Negra (600 million m<sup>3</sup>) and Laguna Lo Encañado (50 million m<sup>3</sup>). In addition, as of 2020, the 6 mega ponds of Pirque were added as a large reserve, which have a storage capacity of 1.5 cubic hectometres (1,480 million liters) of raw water.



Pirque mega tanks cover an area equivalent to 50 football fields.

## Production of potable water

### Potable water production plants:

The main facilities are the Las Vizcachas Complex (with a production capacity of 16 thousand liters per second) and the La Florida Plant (of 4 thousand liters per second).





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## Transport and distribution of potable water

### Regulation ponds:

357 ponds in the Metropolitan Region  
1,200,000 total m3 of capacity  
= High autonomy of the system

### Distribution network:

The IAM subsidiaries maintain an extensive underground network, which allows the transport and distribution of drinking water to all the clients of the water utilities.

100%  
distribution coverage of  
potable water.



98,8%

coverage of sewage  
collection.



## Sewage collection

### Collection network:

Through its subsidiaries, IAM has an efficient collection network, designed to function gravitationally, taking advantage of the location of the city of Santiago, at the foot of the Andes Mountains, and which allows wastewater to be evacuated through from the sewer system and take them to sanitation plants or points of final disposal.

## Treatment and final disposal of sewage

### Sewage treatment plants:

2 large facilities: La Farfana and the Mapocho-Trebal Complex  
+ 10 minor plants

They allow the sanitation of the used waters, leaving them in optimal conditions for their restitution to natural channels, in accordance with the standards required by Chilean legislation.

100%  
sewage treatment coverage.





# Customers

On a daily basis, the IAM sanitation companies supply a universe of almost 2.2 million clients, equivalent to an estimated population of 7 million people.

## Customers

(they are classified in :)



Year 2019:

With ESSAL

2.366.009

Customers (1) potable water

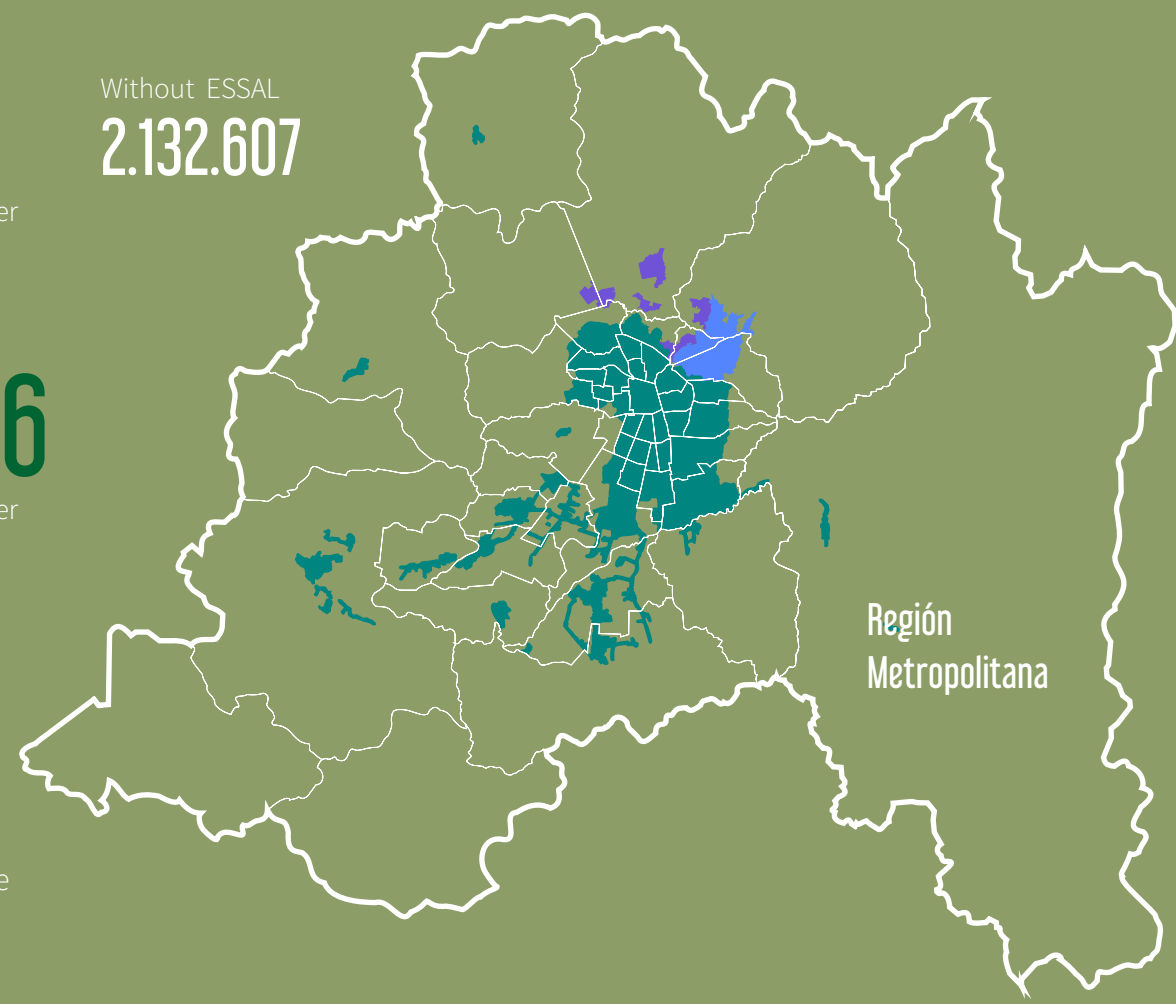
Without ESSAL

2.132.607

Year 2020:

2.169.426

Customers (1) potable water



- Aguas Andinas
- Aguas Manquehue
- Aguas Cordillera

1) The term "client" corresponds to the natural or legal person that lives and / or resides in the property that receives the public service of distribution of potable water, collection of sewage or both.



# Environmental services subsidiaries



It is the leading operator of industrial effluent plants in the country. Created in 2000, this subsidiary provides comprehensive solutions to more than 30 clients throughout Chile, mainly from the paper and cardboard, food, beverage, dairy, chemical, fishing and aquaculture industries, among others. With a strong commitment to sustainability, the figures support its comprehensive management during 2020, where 27 million m3 of riles were treated, 50 thousand tons of sludge managed and valued, generated 4.2 million normal m3 of biogas and 650 thousand m3 of reclaimed water reused.



GESTIÓN & SERVICIOS  
Soluciones y Tecnologías de Avanzada

Logistics operator specialized in the marketing of materials of potable water and sewerage networks, G&S provides on-site technical advice to its clients, providing them with timely solutions and services for the development and execution of all types of sanitation projects. Since December 2020, the subsidiary has a new warehouse, which optimizes storage capacity, with cutting-edge technology and equipment, ensuring traceability, availability and timely delivery of materials. The subsidiary, in search of continuous improvement, has developed a plan to review and digitize its processes, strengthening planning with a focus on customer satisfaction. On the other hand, water use and reuse projects are being evaluated, aimed at mitigating the drought projected for the coming years in the institutional and real estate market.



Created in 2002, this laboratory is oriented to provide a comprehensive environmental sampling, measurement and diagnosis service, accredited with high standards of technical quality. ANAM is a benchmark ETFA and Respel laboratory in Chile, authorized by the INN, ISP, SAG and Sernapesca, with trinorm accreditations associated with quality, environmental management and occupational health and safety (ISO 9001, 14001 and 45001). It also has the support of a network of international laboratories, such as Labaqua-Agbar and Cirsee-Suez. Leader in the field of physical, chemical and microbiological analysis associated with water resources, hazardous waste, sludge and soils with the performance of more than 1 million annual analyzes in various sectors such as sanitary, fishing and aquaculture, food, beverages, cardboard and papers, mining, manufacturing and chemistry, also having areas for monitoring, diagnosing, odor management and odorant gas control and telemetry and flow contracting, respectively.



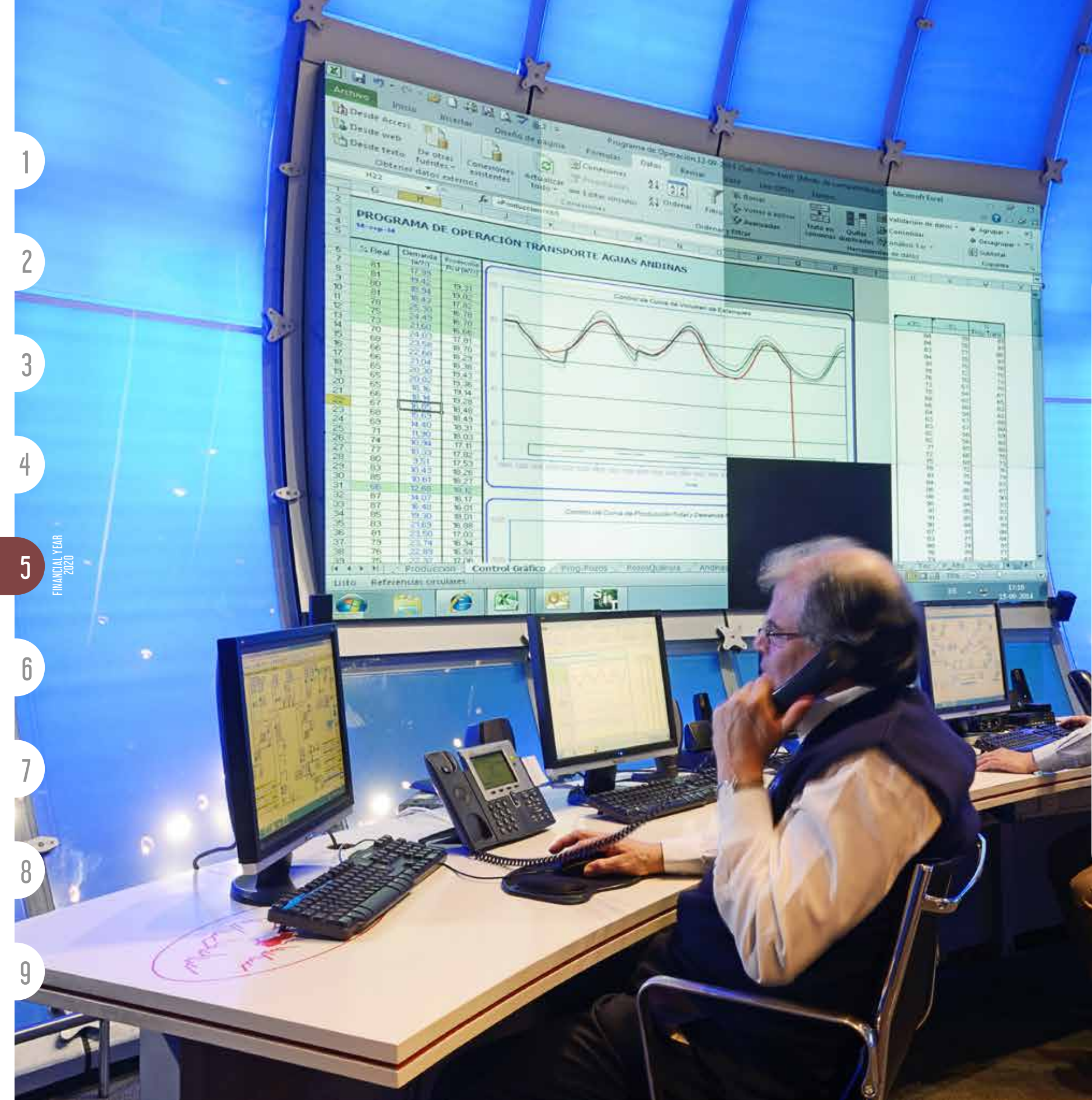
This subsidiary, created in 2011, is dedicated to developing energy projects derived from the sanitation business. In mid-2017, the Methanization Plant began operation, which transforms the biogas generated by La Farfana Biofactory into biomethane, which is injected into the natural gas networks of the city of Santiago, significantly reducing CO2 production in the Region. Metropolitan. This initiative obtained in 2018 two distinctions granted by the Recyclápolis Foundation, which highlights the best projects in the country in sustainability.





Financial Year 2020





# Ensuring continuity of service

The year 2020 was demanding in many ways for the company. The global pandemic posed new challenges to IAM sanitary operations, in terms of continuity of supply and worker safety; those that were added to the work of adaptation and mitigation to climate change that the subsidiaries have been developing for a decade.

The drought continued to be present in the Santiago basin, an already structural phenomenon in the area, which required continuing with a robust investment plan, which reached 130 billion pesos during the year, in order to face this climatic condition and guarantee the service to the citizens of the Metropolitan Region, in the present, medium and long term.

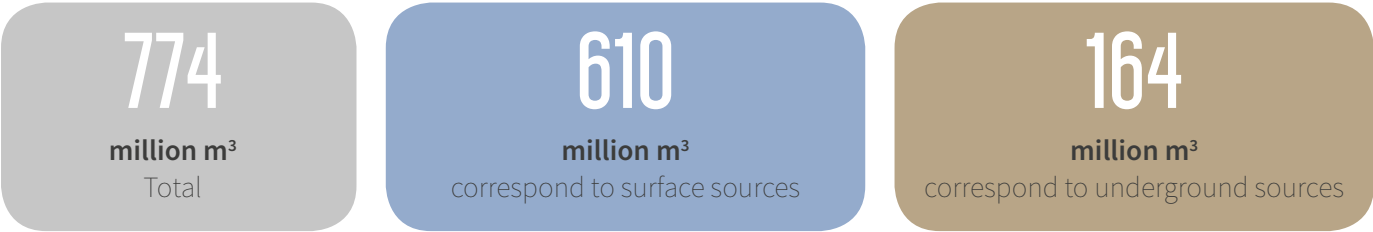
As a milestone of the year, it is worth highlighting the inauguration of the Pirque mega ponds, a major security work that allowed the autonomy of the drinking water system in the Metropolitan Region to be increased to 34 hours, giving greater resilience to the operation of Aguas Andinas and other subsidiaries of IAM. Along with this project, other investments continued to expand and modernize facilities in the drinking water production and distribution processes.

This serious and responsible operation, which has a focus on sustainability, was recognized with the obtaining of the subsidiary Aguas Andinas of the first Latin American place in the 2020 edition of ALAS20 (Sustainable Leaders Agenda) in the categories Grand Prix Company, Latin America; ALAS20 Company, Chile and as a Leading Company in Corporate Governance, Chile.



Collection and production of drinking water

Annual production of drinking water in 2020 (1):



Production by type of source in millions of m³ (2016 - 2020)

COMPANIES	2016	2017	2018	2019	2020
Aguas Andinas surface water	556,6	561,1	571,17	568,52	533,94
Aguas Andinas underground	89,8	98,6	111,44	133,61	141,35
Aguas Cordillera surface water (2)	88,9	85,7	80,12	70,44	76,2
Aguas Cordillera underground (2)	11,7	16	18,9	19,44	22,51
Total	747,00	761,40	781,63	792,01	774,00

(1) Measurement at the exit of the plants.  
(2) Aguas Cordillera includes Aguas Manquehue.

Investments and projects featured 2020

A milestone of the year was the start-up of the Pirque mega ponds in February, a major security work, with a capacity of 1,500 million liters of water, which allowed to reach a 34-hour autonomy to the Gran Santiago water system in the event of high turbidity situations in the Maipo riverbed. This project of the Aguas Andinas subsidiary considered a total investment of \$ 77,500 million and generated more than 1,200 jobs during its construction.

In terms of drinking water production, the process of modernization and expansion of the Padre Hurtado plant continued, with the introduction of state-of-the-art technology for a more efficient and safe operation. Likewise, construction began on the Lo Mena-Cerro Negro project, consisting of 15 underground extraction wells to ensure supply to the inhabitants of the south-west area of the city of Santiago.

2020  
Water

cycle  
management

The management of the water cycle includes several complex processes, from the collection to the treatment of wastewater and its final disposal. IAM affiliates perform these services with safety, quality and efficiency, guaranteeing the supply to a universe of 7 million people, every day, 24 hours a day.

774 million m<sup>3</sup> of potable water produced in 2020

13.408 kilometers of distribution network

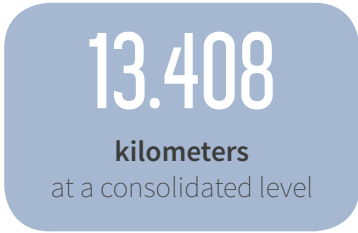
10.875 kilometers of sewerage

508,7 million m<sup>3</sup> of wastewater treated in 2020



## Distribution of potable water

Total length of the distribution network in 2020:



COMPANIES	2016	2017	2018	2019	2020
Aguas Andinas	11.814	11.884	11.919	11.985	12.028
Aguas Cordillera (1)	1.379	1.374	1.377	1.378	1.380
Total	13.193	13.258	13.296	13.363	13.408

(1) Aguas Cordillera includes Aguas Manquehue.

## Investments and projects featured 2020

During the fiscal year, the execution of the Hydraulic Efficiency Plan continued, which aims to achieve a more efficient management of the distribution of potable water, avoiding reducing losses, with the aim of a sustainable operation. During the year the terms of its execution were updated according to a new diagnosis of the state of the network.

At the same time, the digitalization of the network continued, which allows IAM's sanitary affiliates to monitor the operation in real time, in order to carry out a more efficient maintenance process and to alert early to possible contingencies. At the end of 2020, the implementation phase of the 2.0 Operational Control Center was entered, which provides the ability to manage and remotely control its infrastructure with greater resilience.

## Sewage collection

Total sewer length 2020:



COMPANIES	2016	2017	2018	2019	2020
Aguas Andinas	9.596	9.654	9.695	9.744	9.763
Aguas Cordillera (1)	1.109	1.109	1.111	1.112	1.113
Total	10.705	10.763	10.806	10.856	10.875

(1) Aguas Cordillera includes Aguas Manquehue.

## Investments and projects featured 2020

During the year, the company's subsidiaries continued to invest in the renewal of the sewage network, in order to maintain a safe service for the citizens of the Metropolitan Region.

In 2020, a preventive management of the sewerage was carried out, with efficient cleaning and unblocking tasks with television inspection of this network.

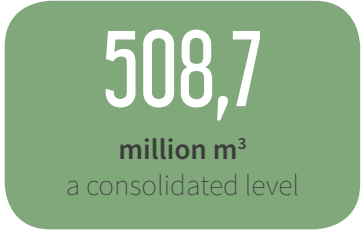




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### Sewage treatment

Annual wastewater treatment volume in 2020:



Sewage Treatment Aguas Group (million m<sup>3</sup>)

PLANT	2016	2017	2018	2019	2020
La Farfana	283,5	275,8	274,9	271,6	251,9
Mapocho - Trebal	209,2	222,4	229	227,1	221,9
Other Metropolitan Region plants	32	35,6	35,9	33,1	34,9
<b>Total</b>	<b>524,7</b>	<b>533,8</b>	<b>539,8</b>	<b>531,8</b>	<b>508,7</b>

### Investments and projects featured 2020

During the exercise, the IAM sanitation companies once again achieved their self-imposed goal of not depositing biosolids in sanitary landfills. During 2020, 77% of the sludge was reused as fertilizer for agriculture and 33% was destined for the El Rutar center.

Along these lines, the company's subsidiaries continue with their studies and projects in order to achieve new applications for the revaluation of waste obtained from sewage treatment processes.

## Investments of the year

\$124.620

million pesos at a consolidated level

Despite a year marked by the pandemic, the IAM utilities continued their investment effort in order to adapt to the effects of climate change and face the drought present in the Santiago basin.

The total investment during the year reached \$124.620 million, which confirms the company's commitment to sustainable development and the delivery of a continuous, safe and quality service for all citizens of its concession areas. These investments were mainly destined to drinking water production projects, which allow an increasingly redundant and resilient infrastructure, with the aim of reinforcing the water system of the Metropolitan Region.

Of the total annual investment of IAM subsidiaries, 99.90% corresponded to sanitaries and the remaining 0.10% to non-regulated subsidiaries.

Investments by subsidiary in millions of pesos (2016 - 2020)

Companies	2016	2017	2018	2019	2020
Aguas Andinas	80.507	89.337	133.323	104.319	101.889
Aguas Cordillera (1)	19.710	20.159	11.686	10.576	21.351
ESSAL (2)	12.271	15.367	18.217	19.531	-
Subsidiaries not regulated	490	6.640	526	645	1.380
<b>Total</b>	<b>112.978</b>	<b>131.503</b>	<b>163.753</b>	<b>135.071</b>	<b>124.620</b>

(1) Contains Aguas Manquehue for MM \$ 1,770.

(2) Until the month of August 2020.



## Customers

IAM subsidiaries have a deep commitment to their customers, which was further enhanced in 2020. The utilities worked hard to ensure continuity of service, in a pandemic context, where supply became more vital than ever, and facing in turn the condition of extreme water scarcity that occurred a decade ago in the Santiago basin.

The sanitation companies adapted to the new scenario, giving greater strength to remote channels, the digitization of processes and customer service, maintaining their reading processes and the creation of a mobile agency, which allowed them to provide face-to-face care to those points in the concession area that most needed it.

### Number of clients in 2020

The total number of drinking water customers during 2020 of IAM's sanitary subsidiaries was 2,169,426. Total sewerage customers, meanwhile, reached 2,125,918, which corresponded to an increase of 2.08% compared to 2019 in the Metropolitan Region.

SANITARY	POTABLE WATER	SEWERAGE
Aguas Andinas	1.986.341	1.945.706
Aguas Cordillera	167.715	165.290
Aguas Manquehue	15.370	14.922
Total	2.169.426	2.125.918



# Workers

In the field of its workers, the year 2020 was also marked by the global pandemic. The IAM subsidiaries had a special concern to ensure their health and safety, which was reflected in the voluntary confinement that began in mid-March for 70% of its own staff - which was sent to their homes in the telework mode -; To this was added the erection of camps inside the production, treatment plants and other facilities, where face-to-face work is essential for the continuity of the service. The objective was to maintain the operation together with granting working conditions that guaranteed adequate protection of people's health.

## Staffing 2020

At the end of fiscal year 2020, IAM's total workforce reached 1,733 employees.

Estate	IAM	Aguas Andinas	Aguas Cordillera*	Aguas Manquehue*	Others	Total
Managers and senior executives	2	154	12	0	25	193
Professionals and technicians	1	638	50	7	298	994
Operators and administrative	1	288	53	7	197	546
Total	4	1.080	115	14	520	1.733

\* Aguas Cordillera and Aguas Manquehue share managers and main executives.





## Safety indexes

Once again, the IAM subsidiaries presented very good safety and risk prevention indexes, which reflects their constant concern for the occupational health of all their workers.

Companies	No. of accidents with lost time				
	2016	2017	2018	2019	2020
Aguas Andinas S.A.	12	8	6	6	8
Aguas Cordillera S.A.	0	0	3	2	1
Aguas Manquehue S.A.	0	0	0	0	0
Non-regulated subsidiaries	3	1	1	4	6
<b>Total</b>	<b>16</b>	<b>13</b>	<b>12</b>	<b>12</b>	<b>16</b>

Companies	No. of days lost due to lost-time accidents				
	2016	2017	2018	2019	2020
Aguas Andinas S.A.	299	178	50	117	98
Aguas Cordillera S.A.	0	0	47	15	11
Aguas Manquehue S.A.	0	0	0	0	0
Non-regulated subsidiaries	14	7	2	82	35
<b>Total</b>	<b>671</b>	<b>315</b>	<b>170</b>	<b>214</b>	<b>144</b>

Companies	Accident Rate				
	2016	2017	2018	2019	2020
Aguas Andinas S.A.	1,1	0,72	0.55	0,55	0,74
Aguas Cordillera S.A.	0	0	2.40	1,62	1,70
Aguas Manquehue S.A.	0	0	0.00	0	0,00
Non-regulated subsidiaries	0,73	0,22	0.21	0,79	0,58
<b>Total</b>	<b>0,8</b>	<b>0,63</b>	<b>0.58</b>	<b>0,57</b>	<b>0,92</b>

Companies	Loss ratio				
	2016	2017	2018	2019	2020
Aguas Andinas S.A.	27,4	16,01	4.57	10,77	9,02
Aguas Cordillera S.A.	0	0	37.52	12,15	9,36
Aguas Manquehue S.A.	0	0	0.00	0	0
Non-regulated subsidiaries	3,4	1,52	0.42	16,29	2,5
<b>Total</b>	<b>33,75</b>	<b>15,19</b>	<b>8.16</b>	<b>10,08</b>	<b>8,28</b>





# Environment

Sustainable development, in harmony with the environment, is at the center of the vision of IAM subsidiaries. These companies have a management framed within the circular economy, which implies tending towards an operation that generates zero waste, zero emissions and with energy self-sufficiency.

With the intention of strengthening this corporate commitment, during 2020 the Aguas Andinas subsidiary became the first and only sanitary company in the world to take on the challenge of reducing its emissions by 2030 and thus contribute to the fight against climate change. With this, it seeks to avoid the inhabitants of Santiago the emission of 76,150 metric tons of CO2 each year, in addition to reducing annually the equivalent of almost 13 million car travel.

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FINANCIAL YEAR  
2020





# Financial Management





The health and later economic crisis unleashed around the world as a result of the Coronavirus pandemic deeply marked the year 2020, and also defined the financial management of the company.

Strengthening its long-term outlook, which is characterized by maintaining stable and coherent management, during the year, the challenges increased in order to maintain the financial strength of IAM together with solving the investment plans of its sanitation subsidiaries, which during 2020 reached 130 billion pesos in security works for adaptation to climate change.

## Stable and robust management in times of pandemic

In this context, one of the actions carried out during the first quarter of the year was to manage financial resources to increase the liquidity of the company, especially from the Aguas Andinas utility. Therefore, in that subsidiary a bank loan of \$ 90,000 million was managed.

During the year, in addition, Aguas Andinas sold 100% of the stake in the ESSAL subsidiary to the Canadian company Algonquin Power & Utilities Corp. (APUC). For this transaction, the Aguas Andinas utility received US \$ 92.3 million, generating an expected impact on its net results after taxes of approximately \$ 7 billion for the company.

Regarding share behavior, the share price was also affected by the global crisis, however the serious and stable management of the company allowed the IAM securities to obtain the first class level 2 category during the year, granted by the Fitch Ratings and Feller Rate rating agencies; as well as Aguas Andinas that obtained a first class rating level 1 by Feller-Rate and ICR.



# Risk Factors

## Operational risks

### Seasonality

The sanitary business is determined largely by its seasonality. The highest levels of demand and, therefore, income are recorded during the summer months (December to March in the southern hemisphere), while the lowest demand and lowest income coincide with the winter months (June to September), which may cause eventual variations in results from one quarter to another.

### Climate conditions

The climatic conditions that occur in the hydrographic basins are key for the processes of capture and production of drinking water. Precipitation, temperature, sediment drag, drought, among others, determine the quantity, quality and continuity of the raw water available. To face this risk, IAM's water utilities have water reserves and contingency plans, which are constantly updated.

### New investments

The company's subsidiaries must comply with development plans committed to the Superintendency of Health Services (SISS), which involve significant economic, administrative and technical resources. However, it should be noted that the tariffs charged to customers include these investments, guaranteeing them a minimum return. Furthermore, the experience of the controller ensures the necessary know-how to successfully and efficiently carry out these investment plans.

### Government regulation

The Chilean sanitary industry is highly regulated by the State due to its monopoly status, which exposes it to possible changes in established norms. The current legal framework regulates the operation of the concessions and the fees charged to customers, which are determined every 5 years. The mechanism for setting tariffs is implemented under technical

criteria, contrasting the studies that present both the sanitary and the SISS, which may show differences. If no agreement is reached, the discrepancies are resolved by a commission of experts made up of representatives of each of the parties.

In November 2019, the CMF was informed as an essential event, the result of the seventh rate process of the Aguas Andinas subsidiary, which established the rate level for the 2020-2025 five-year period, and which includes the following:

- A downward variation of -3% compared to the rates agreed for the five-year period 2010-2015 for current services and standards.
- Additional rates that will apply with the entry into operation of the additional works, including (i) the Pirque Ponds, (ii) works aimed at improving the quality of treated wastewater and its disposal, such as nutrient removal works in the Farfana and Trebal treatment plants, and the encapsulation of biosolids in El Rital.
- Additional fees for a series of works to face extreme turbidity events for up to 37 hours of autonomy and up to 48 hours.

These established rate formulas were established by decree of the Ministry of Economy, Development and Tourism, published in the Official Gazette prior to the date of their entry into force, that is, March 2020.

Despite the well-known stability of the Chilean regulatory framework, in December 2016 the House of representatives approved the bill Boletín No. 10,795-33, which seeks to modify the legislation applicable to public sanitary services in the area of non-regulated services, tariff setting and compliance with development plans by providers. The initiative was admitted to the Senate in the second legislative process and is currently in the Public Works Committee

of the Senate. In June 2018 the commission received a new report from the Ministry of Public Works, proposing a technical panel to discuss the bill. At the end of this

fiscal year, the discussion is still ongoing.

Likewise, in May 2018 the so-called Law for the Strengthening of the National Consumer Service, Bulletin No. 9369-03, came into force, which includes some modifications involving the sanitary industry. These changes generate the risk of fines for the suspension, paralysis or failure to provide basic potable water and sewerage services without justification, which is sanctioned with a fine of up to 1,500 UTM. In addition, the The Court can apply this fine on a per consumer base (up to 1,500 UTM).

It should be noted that the law states that multiple fines are not appropriate when the company has fully and effectively repaired the damage caused to all affected consumers, and that only a lump sum will be charged, which cannot be more than 30% of sales during the suspension or twice the economic benefit. It also specifies that the fine may not, however, exceed 45,000 UTA.

The compensation, for its part, has the following characteristics:

- They will be direct and automatic to the affected consumer.
- For each day of the service interruption, compensation will be paid in an amount equivalent to the average daily value of the previous account by 10.
- It is understood as a service interruption day, 4 continuous hours of suspension or more, within a period of 24 hours from the start of the event. In other cases, proportionality shall apply.
- Only applies if the special law does not provide for such compensation.

In addition, the law adds the concept of pain and suffering in class action lawsuits.



# Financial risks

## Inflation

The company's revenues are directly correlated to inflation, so its debt is mainly issued in Unidades de Fomento.

## Interest Rates

IAM at the individual level does not present debt. For their part, the financial liabilities of IAM subsidiaries are equivalent to 94.05% of fixed rate debt, made up of approximately 67.95% of short and long-term bonds, and 14.7% of financial contributions. refundable. The remaining 5.95% is at a variable rate and corresponds to loans with national banks.

In order to optimize the cost of financing, the company maintains an interest rate monitoring and management policy, which permanently evaluates the hedging instruments available in the financial market.



# Dividend Policy

## Main suppliers

As of December 31, 2020, the main IAM providers, on an individual basis, are the following:

- Oddo y Compañía Ltda.
- Ernst & Young Servicios Profesionales de Auditoría
- DCV Registros S.A.
- El Mercurio S.A.P.
- Global Business Travel Spain
- Salamanca Foods S.A.
- Renta Equipos Leasing S.A.
- Overseas Services SpA
- Bolsa de Comercio de Santiago
- Comunicaciones y Activación S.A.

IAM’s By-laws define its dividend policy, which consists of distributing 30% of the net distributable profits for the year, unless the shareholders unanimously agree to distribute a smaller percentage.

However, if the sum of the dividend distributions or capital received in cash by the subsidiary Aguas Andinas S.A. during the year, minus the operating and non-operating expenses and provisions for the year that must be made in accordance with the applicable accounting standards, is an amount that exceeds 30%, the company must distribute that excess as an additional dividend, within 60 working days following the respective Ordinary Shareholders’ Meeting, up to the total amount of the distributable net profit for the fiscal year.

### Dividends paid per share

(Figures expressed in currency of the payment date)

\$ per share	2016	2017	2018	2019	2020
Book value	589,683	593,488	591,674	594,54	694,121
Income	74,289	68,719	67,128	69,918	48,225
Amount paid	63,2833 <sup>(1)</sup>	66,6566 <sup>(2)</sup>	67,74514 <sup>(3)</sup>	65,5216 <sup>(4)</sup>	52,262 <sup>(5)</sup>

(1) Includes two items: a provisional dividend of \$ 20,324 per share, on account of 2015 earnings, paid on January 18, 2016; and a final dividend of \$ 42.9593 per share, corresponding to the distribution of profit for the year 2015, paid on May 27, 2016.

(2) Includes two items: a provisional dividend of \$ 20.0353 per share, on account of 2016 earnings, paid on January 23, 2017; and a final dividend of \$ 45.6213 per share, corresponding to the 2016 profit distribution, paid on May 25, 2017.

(3) Includes two items: a provisional dividend of \$ 21.0353 per share, on account of the 2017 profit, paid on January 29, 2018; and a final dividend of \$ 46.70984 per share, corresponding to the distribution of profit for the year 2017, paid on May 29, 2018.

(4) Includes two items: a provisional dividend of \$ 21,656 per share, on account of 2018 earnings, paid on January 25, 2019; and a final dividend of \$ 43.8656 per share, corresponding to the distribution of profit for the year 2017, paid on May 28, 2019.

(5) Includes two provisional items: One of \$ 22,262 per share, on account of the profit for the year 2019, paid on January 23, 2020; and the other of \$ 30.00 per share, paid on December 18, 2020, on account of the profits of the year 2020.



# Distributable income 2020

Distributable income 2020	M\$
Net profit for the year 2020	48.225.127
Accumulated distributable income	57.868.516
Interim dividend on account of profits 2020	30.000.000
Remaining distributable income	76.093.643
Dividends distributed as a % of net income for the year	62,21%

## Summary of distributions to shareholders

Type	Financial year	Payment date	Amount per share
Interim dividend	2005	09-27-05	\$ 10,9700
Final dividend	2005	05-29-06	\$ 5,9700
Capital distribution	-	06-15-06	\$ 33,6100
Interim dividend	2006	10-27-06	\$ 14,1300
Final dividend	2006	05-23-07	\$ 8,8500
Capital distribution	-	07-25-07	\$ 19,5100
Interim dividend	2007	10-25-07	\$ 14,5300
Final dividend	2007	05-29-08	\$ 9,7400
Capital distribution	-	06-25-08	\$ 23,2400
Interim dividend	2008	11-03-08	\$ 15,3000
Final dividend	2008	06-24-09	\$ 12,9100
Capital distribution	-	06-25-09	\$ 24,2200
Interim dividend	2009	11-25-09	\$ 16,0000
Final dividend	2009	05-19-10	\$ 44,6800
Interim dividend	2010	11-24-10	\$ 16,3400
Final dividend	2010	05-25-11	\$ 34,6600
Interim dividend	2011	11-25-11	\$ 17,0200
Final dividend	2011	05-25-12	\$ 37,9100
Interim dividend	2012	11-15-12	\$ 17,7600
Final dividend	2012	05-24-13	\$ 42,2149
Interim dividend	2013	01-17-14	\$ 18,5379
Final dividend	2013	05-29-14	\$ 39,1099
Interim dividend	2014	01-16-15	\$ 19,4764
Final dividend	2014	05-29-15	\$ 39,2433
Interim dividend	2015	01-18-16	\$ 20,3240
Final dividend	2015	05-27-16	\$ 42,9593
Interim dividend	2016	01-23-17	\$ 21,0353
Final dividend	2016	05-25-17	\$ 45,6213
Interim dividend	2017	01-29-18	\$ 21,0353
Final dividend	2017	05-29-18	\$ 46,7098
Interim dividend	2018	01-25-19	\$ 21,6560
Final dividend	2018	05-28-19	\$ 43,8656
Interim dividend	2019	01-23-20	\$ 22,2620
Interim dividend	2020	12-18-20	\$ 30,0000





1

2

# Stock transactions

As of December 31, 2020, the capital stock of Inversiones Aguas Metropolitanas S.A. It is made up of 1,000,000,000 shares, fully subscribed and paid.

3

### Trading of shares by majority shareholders and related persons

During the year, share transactions were carried out by related parties, which had the character of financial investment.

Reporting name / company name	Date of the trade	Date of communication ofthe trade to the cmf	Type of trade	Number of traded units	Unit price in pesos or weighted average rate of the intruments traded	Total amount of the trade in pesos
Inversiones Mejana Ltda.	29/10/2020	30/10/2020	A	250.000	520	130.000.000
YF Inversiones Spa	29/10/2020	30/10/2020	A	30.000	520	15.600.000
Tomás Muchnick Cruz	13/10/2020	14/10/2020	A	1.969	563,94	1.110.398
Tomás Muchnick Cruz	13/10/2020	14/10/2020	A	10.414	563,93	5.872.767
Sociedad de Inversiones y Rentas Liguria Limitada	07/10/2020	08/10/2020	A	2.500.000	563,9	1.409.910.789
YF Inversiones Spa	17/09/2020	17/09/2020	A	3.489	599	2.089.911
YF Inversiones Spa	17/09/2020	17/09/2020	A	17.685	600	10.611.000
YF Inversiones Spa	17/09/2020	17/09/2020	A	18.826	599,17	11.279.974
Inversiones Mejana Ltda.	04/09/2020	04/09/2020	A	325.203	615	199.999.845
Inversiones Mejana Ltda.	03/09/2020	04/09/2020	A	162	615	99.630
Inversiones y Asesorías Iculpe S.A.	27/07/2020	27/07/2020	A	12.821	691,53	8.866.106
Inversiones y Asesorías Iculpe S.A.	27/07/2020	27/07/2020	A	18.824	695	13.082.680
Inversiones y Asesorías Iculpe S.A.	27/07/2020	27/07/2020	A	127.579	699,1	89.190.480
Inversiones y Asesorías Iculpe S.A.	27/07/2020	27/07/2020	A	46.776	691,1	32.326.895
Inversiones y Asesorías Iculpe S.A.	27/07/2020	27/07/2020	A	2.000	691,64	1.383.280
Inversiones y Asesorías Iculpe S.A.	27/07/2020	27/07/2020	A	1.000	692,1	692.100
Inversiones y Asesorías Iculpe S.A.	24/07/2020	24/07/2020	A	78.738	683,5	53.817.425
YF Inversiones Spa	22/04/2020	23/04/2020	E	20.000	630	12.600.000
Inversiones y Ases. Garinim	05/03/2020	05/03/2020	A	551	719,07	396.208
YF Inversiones Spa	04/03/2020	05/03/2020	A	30.000	715	21.450.000

### Trading of shares in the secondary market

Stock market presence 2020 of 100%.

#### Santiago Stock Exchange

2020	Average price (\$)	Units	Amount (\$)
Total 1° quarter	732,61	68.318.552	50.050.663.766
Total 2° quarter	674,22	52.938.944	35.692.435.559
Total 3° quarter	646,18	70.321.741	45.440.598.457
Total 4° quarter	564,18	61.117.366	34.481.013.267
Year 2020	655,59	252.696.603	165.664.711.049

#### Electronic stock Exchange

2020	Average price (\$)	Units	Amount (\$)
Total 1° quarter	699,45	1.286.251	899.671.442
Total 2° quarter	673,43	2.964.404	1.996.325.884
Total 3° quarter	659,42	2.949.202	1.944.749.495
Total 4° quarter	573,24	1.067.260	611.795.554
Year 2020	659,55	8.267.117	5.452.542.375





# Corporate Governance





# Board of Directors

IAM's Board of Directors is the company's main corporate governance body. It is in charge of establishing the company's strategic guidelines, as well as supervising management.

It is composed of seven members, who are elected by the General Shareholders' Meeting in consideration of their competence and suitability for the position. After their election, each director receives an induction on the business, risks, policies and procedures, the main accounting criteria and the legal framework. Directors are also provided with the necessary means to receive external advice for the proper performance of their duties, if required.

Directors serve three-year terms. At the end of this period, the Board of Directors must be completely renewed. Without limiting the foregoing, the Board of Directors may be revoked in its entirety before the expiration of its term, by resolution of the Ordinary or Extraordinary Shareholders' Meeting, in which case the same meeting shall elect a new Board of Directors. Consequently, the individual or collective revocation of one or more directors is not applicable. Directors may be reelected indefinitely and may be shareholders of the corporation.

Each director shall have his or her respective alternate, who may replace him or her permanently in the event of vacancy, and temporarily in the event of absence or temporary impediment.

## Functioning of the Board of Directors

The Board of Directors meets in ordinary and extraordinary sessions. The meetings are held on dates predetermined by the Board itself and there is at least one meeting per month. The latter are held at the call of the Chairman or at the request of one or more directors, upon qualification by the Chairman of the need for the meeting, unless requested by an absolute majority of the directors. In either case, the quorum for a meeting of the Board of Directors is an absolute majority of its members.

Agreements are adopted with the affirmative vote of the absolute majority of the directors in attendance, except for those agreements that, according to the bylaws of Inversiones Aguas Metropolitanas S.A., the law and its regulations or other special provisions, require a higher majority.



## Current Board of Directors

Was elected for a period of three years, becoming his functions on July 24, 2019  
The current Board of Directors is made up of the following members:

Rut	Name	Position	Date of appointment
6.922.002-9	Felipe Larrain Aspillaga	President	24-07-2019
6.447.493-6	Alberto Muchnick Mlynarz	Vicepresident	24-07-2019
4.975.992-4	Herman Chadwick Piñera	Director	24-07-2019
5.546.791-9	Miguel Ignacio Guerrero Gutiérrez	Director	24-07-2019
6.375.408-0	Hernán Cheyre Valenzuela	Director	24-07-2019
6.444.699-1	Rodrigo Cristóbal Azócar Hidalgo	Director	24-07-2019
7.275.527-8	Luis Enrique Álamos Olivos	Director	24-07-2019
6.100.558-7	Carlos Mladinic Alonso	Alternate Director	24-07-2019
6.863.031-2	Hugo Silva Raveau	Alternate Director	24-07-2019
10.570.170-5	Rodrigo Castro Fernández	Alternate Director	24-07-2019
16.209.452-1	Salomón Andrés Muchnick Cruz	Alternate Director	24-07-2019
16.611.278-8	María José Uauy Cúneo	Alternate Director	24-07-2019
0-E (Foreign)	Albert Martínez Lacambra	Alternate Director	24-07-2019
0-E (Foreign)	Narciso Berberana Sáenz	Alternate Director	24-07-2019

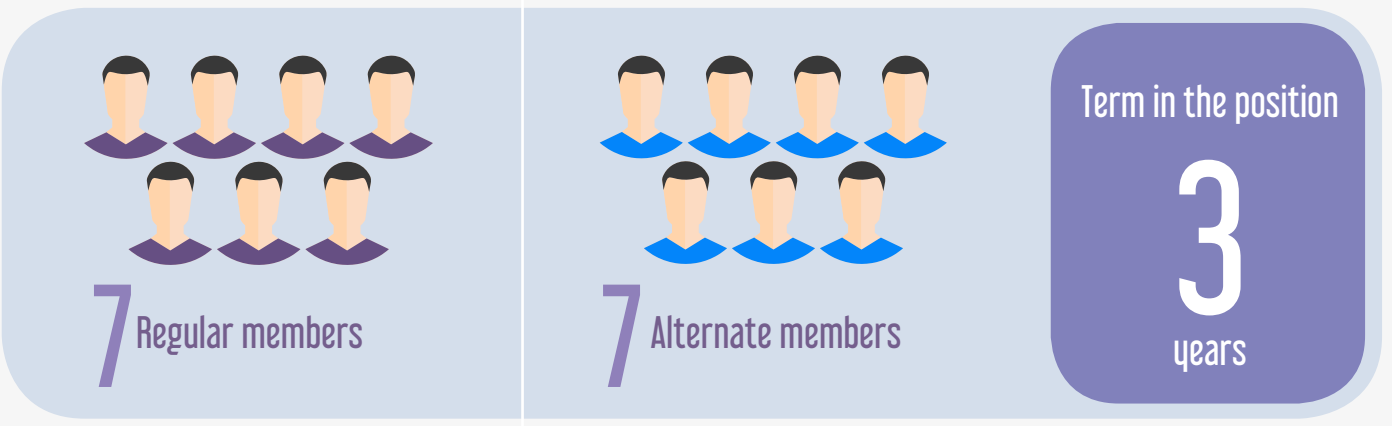
## Attendance to Board of Directors in 2020

Date	Quorum
January	100%
February	100%
March	100%
April	100%
May	100%
June	100%
July	100%
August	100%
September	100%
October	100%
November	100%
December	100%
<b>Total 2020</b>	<b>100%</b>

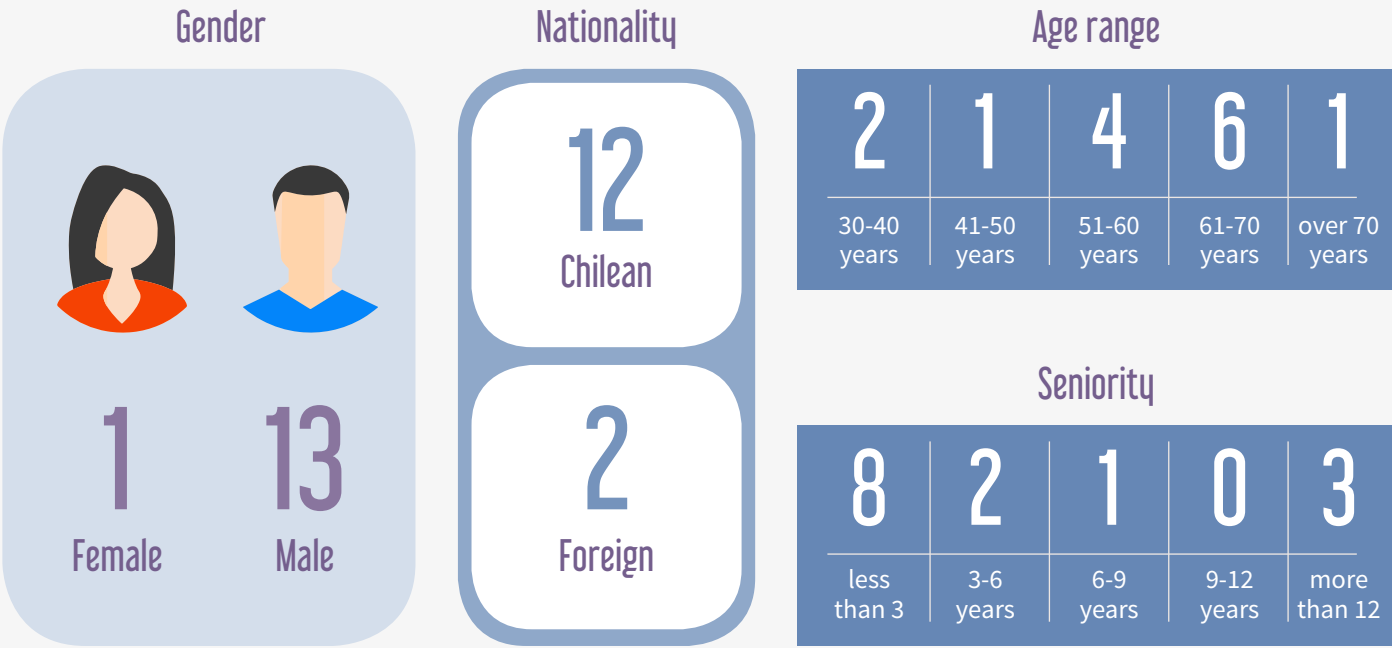


# Composition and Diversity of the Board of Directors

Number of members:



Nº of persons according to:





## Committee of Directors

According to the provisions of article 50 bis of Law No. 18,046 on public limited companies, IAM S.A. It has a Directors Committee, which includes the following powers and duties:

- To examine the reports of the external auditors, the balance sheet and other financial statements, and to express an opinion on them prior to their presentation to the shareholders.
- Propose to the Board of Directors names for external auditors and private risk classifiers.
- To examine the background to the operations referred to in Title XVI and to issue a report on those operations.
- Examine the compensation systems and compensation plans for managers, senior executives and employees of the company.
- Prepare an annual report on its management, including its main recommendations to shareholders.

### Composition

According to the law, the Directors' Committee must be composed of three members, most of whom must be independent. It should be noted that the Chairman of the Board of Directors may not serve on the committee or its sub-committees unless he is an independent director.

### Operation

As stipulated by the law and the Committee's internal regulations, the Committee holds ordinary sessions once a month and extraordinary sessions whenever required, in order to deal with the matters entrusted to it by article 50 bis of Law 18,046 on corporations. The minimum quorum is two members to sit.

### Agreements

In accordance with the law, the deliberations, agreements and organization of the Committee must be governed by the rules relating to the meetings of the Board of Directors of the company. The Committee shall inform the Board of Directors of the manner in which it will request information, as well as its agreements.

### Current Directors' committee

As of July 24th, 2019, the IAM Directors' Committee is comprised of the controller's independent director, Luis Enrique Alamos, and Ignacio Guerrero and Herman Chadwick, who were appointed by the independent director. The Committee is chaired by Luis Enrique Alamos and the lawyer Sebastián Oddó acts as secretary.

## Attendance at meetings of the Directors Committee in 2020

Date	Quorum
January	100%
February	100%
March	100%
April	100%
May	100%
June	100%
July	100%
August	100%
September	100%
October	100%
November	100%
December	100%
<b>Total 2020</b>	<b>100%</b>



# DIRECTOR'S COMMITTEE REPORT YEAR 2020 IAM

## I. Composition of the Committee

The Committee of Directors of Inversiones Aguas Metropolitanas S.A. It was made up of the Controller's Independent Director, Luis Enrique Álamos, and Herman Chadwick and Ignacio Guerrero, who were appointed by the Independent Director.

The Committee is chaired by Mr. Luis Enrique Álamos and the lawyer Sebastián Oddo acts as Secretary.

Since its constitution, the Committee has held ordinary sessions once a month to deal with matters entrusted to it by article 50 bis of Law 18,046 and others of general interest to the Company.

## II. Main activities of the year

The main activities carried out by the Committee during 2020 were the following:

1. Examination of the external auditors' reports, the balance sheet and other financial statements of Inversiones Aguas Metropolitanas S.A. for the year ended 31 December 2020.
- 2-Proposal to the Board of the external auditors and risk classifiers for the 2020 financial year.
- 3-Review of the external auditors' reports, the balance sheet and other financial statements of Inversiones Aguas Metropolitanas S.A., prepared quarterly.
- 4-Analysis of the antecedents related to the rate processes of Aguas Manquehue and Aguas Cordillera.
- 5-Analysis of the background information regarding the start of the Aguas Andinas land revaluation project.
- 6-Analysis of the antecedents of the process for the sale of the shareholding in the subsidiary company Essal.
- 7-Analysis of the background to recommend the distribution of the provisional dividend charged to the income statement for the year 2020.
- 8-Budget Review 2021.
- 9-Examination of the remuneration systems and compensation plans of the Company's managers and main executives.

In compliance with the provisions of Article 50 bis, paragraph eight, of Law 18,046 on Corporations, the activities of the Directors' Committee during the year ended December 31, 2020 and the expenses incurred, including those of its advisors, are reported.

## III. Budget and expenses of the Directors' Committee

At the Ordinary Shareholders' Meeting, held in April 2020, an annual budget of 2,000 Development Units was set for the Directors' Committee, which was not used during this year.



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## Board and directors committee expenses for 2020

### Of the Board

As provided by Law No. 18,046, the Ordinary General Shareholders' Meeting, held on April 27, 2020, agreed on the remuneration of the Board of Directors, the Directors' Committee and their expense budget for fiscal year 2020.

**The remuneration of the Board of Directors** is divided into two types: a monthly fixed amount of UF 100 for the President, UF 80 for the Vice President and UF 60 for regular and alternate Directors; and a variable, which is paid for attendance at each session, of UF 140 for the President, UF 100 for the Vice President, UF 60 for regular directors and UF 60 for alternate directors, when they replace the incumbents.

The expenses of the IAM Board of Directors during fiscal year 2020 amounted to ThCh \$ 3.384.

Compensation of the Board of Directors (thousands of pesos)					
Directors	Position	Fixed		Variable	
		2019	2020	2019	2020
Felipe Larrain Aspillaga	President	33.459	34.450	50.762	56.265
Alberto Muchnick Mlynarz	Vicepresident	26.767	27.560	36.258	40.190
Herman Chadwick Piñera	Director	20.075	20.670	20.089	24.114
Ignacio Guerrero Gutiérrez	Director	20.075	20.670	21.755	24.114
Hernán Cheyre Valenzuela	Director	20.075	20.670	21.755	24.114
Rodrigo Azócar Hidalgo	Director	10.116	20.670	11.795	24.114
Luis Enrique Álamos Olivo	Director	21.911	20.670	0	24.114
Marcelo Tokman Ramos	Alternate Director	9.960	0	0	0
Andrés Muchnick Cruz	Alternate Director	10.116	20.670	0	0
María José Uauy Cuneo	Alternate Director	10.116	20.670	0	0
Rodrigo Castro Fernández	Alternate Director	20.075	20.670	0	0
Giorgiana Cúneo Queirolo	Alternate Director	4.960	0	0	0
Carlos Mladinic Alonso	Alternate Director	20.075	20.670	9.960	0
Hugo Silva Raveau	Alternate Director	20.075	20.670	0	0
Total		247.855	268.710	172.374	217.025



**The remuneration of the Directors' Committee** for the year 2020 was the following: a fixed monthly remuneration of UF 25 and a variable remuneration for attending each session of UF 25. In addition, an expense budget of UF 2,000 was agreed upon, which was not used.

Directors	Position	Remuneration	
		2019	2020
Alberto Muchnick Mlynarz	Vicepresident	8.300	0
Herman Chadwick Piñera	Director	16.736	17.942
Ignacio Guerrero Gutiérrez	Director	17.430	17.942
Luis Enrique Alamos Olivos	Director	9.130	17.942
Maria Jose Uauy Cuneo	Alternate Director	4.215	8.612
Rodrigo Castro Fernández	Alternate Director	8.365	8.612
Giorgiana Cúneo Queirolo	Alternate Director	2.067	0
Totales		66.243	71.050





### Senior executive compensation

As of December 31, 2020, the list of IAM managers and main executives is made up of 2 professionals.

At an individual level, IAM's total compensation for the period was \$ 403 million. Of this amount, \$ 350 million corresponded to fixed remuneration and \$ 53 million to variable remuneration.

During 2020, no severance payments for years of service were recorded.

N°	Name	Rut	Position	Date in office
1	Laureano Cano Iniesta	25.374.056-6	General Manager of IAM	09-05-16
2	Patricio Andrés Acuña Solorza	10.696.150-6	Tax and Accounting Manager	01-09-06

Detail	Fixed		Variable		Total	
	2019	2020	2019	2020	2019	2020
Senior executive compensation	284	350	40	53	324	403

### Gender pay gap

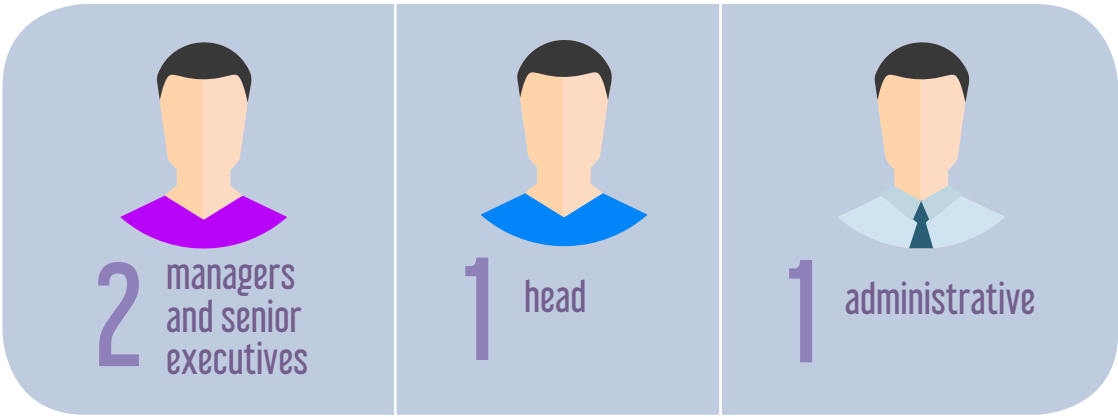
Since AMI at the individual level has only four people from different backgrounds, it is not possible to calculate its gender pay gap. However, it is possible to display the gender pay gap at the consolidated level of all its subsidiaries.

Estamento	Average gross salary base by estamento	
	Ratio of women's pay to men's pay	Difference in % of women's wages compared to men's wages
Executives	86,6%	(13,4%)
Heads	85,3%	(14,7%)
Professional	86,7%	(13,3%)
Technician	79,1%	(20,9%)
Administrative	118,4%	18,4%
Operator	98,0%	(2,0%)
Total	97,78%	(2,2%)



### Composition and diversity of IAM management

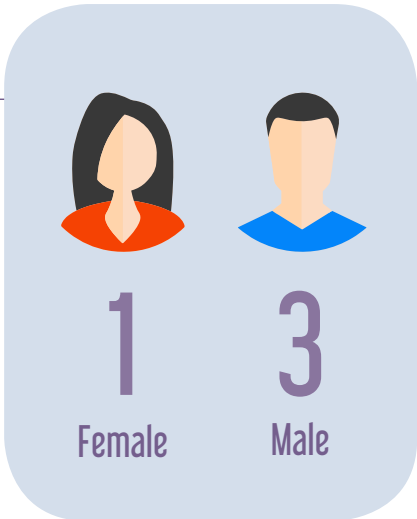
Staffing per company as of December 31st, 2020



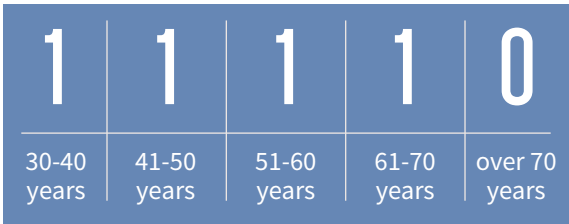
Number of people according to:



Gender



Age range



Seniority

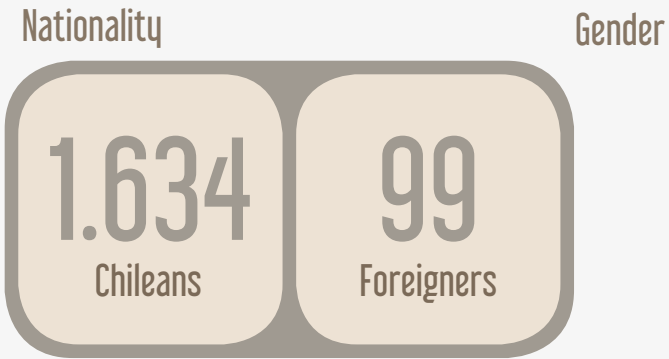


### Composition and diversity in the organization of IAM and its subsidiaries

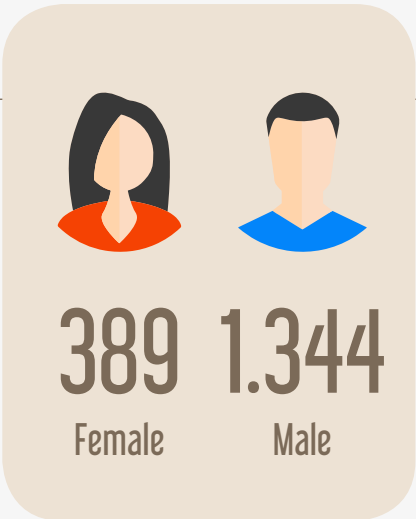
Staffing per company as of December 31st, 2020

	IAM	Aguas Andinas	Aguas Cordillera	Aguas del Maipo	Aguas Manquehue	Análisis Ambientales	EcoRiles	Gestión y Servicios	Total
Managers and business executives	2	59	5	0	0	2	3	3	74
Headship	1	95	7	1	0	6	7	3	120
Professionals	0	431	17	0	2	100	36	11	597
Technicians	0	207	33	1	5	127	19	4	396
Administrative	1	38	3	0	0	7	3	7	59
Operators	0	250	50	0	7	8	167	5	487
	4	1.080	115	2	14	250	235	33	1.733

Number of people according to:



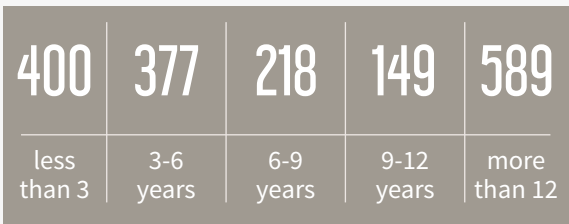
Gender



Age range



Seniority







# Other instances of Corporate Governance

## Code of Ethics

IAM has a Code of Ethics, which contains the fundamental principles of the company, among which are: to comply with laws and regulations, to embed a culture of integrity, to show loyalty and honesty, and to respect all people. These principles must be applied to shareholders, customers, competitors, the local community and the environment.

For more information on the Code of Ethics, please visit [www.iam.cl](http://www.iam.cl)

## Board of Directors Code of Conduct

Applicable to all Directors of the company, this code contains, among others:

- Identification of the main situations that constitute a conflict of interest.
- Mechanisms to avoid conflicts of interest.
- Procedure to declare conflicts of interest.
- How to resolve conflicts of interest.

The code additionally mentions situations that, although not specifically contained in the law, if poorly resolved could end up affecting the company interests.

## Crime Prevention Model

It allows to prove compliance with the duties of oversight and management of the company. For this purpose, it establishes rules, protocols and procedures as crime prevention measures, which everyone in the company must respect, including suppliers and contractors. For greater control, the Board of Directors appointed a person in charge of overseeing compliance with the model, called the Crime Prevention Officer.





### Release of information about Corporate Government Practices (NCG N°385)

In December 2015, the Board of Directors of IAM approved a series of policies, procedures and protocols within the framework of NCG No. 385, which were included in the document called “Compendium of Corporate Governance Policies and Procedures”, and which was reported to the Superintendency of Securities and Insurance on March 31st, 2016, and which are currently in force in the company.

This compendium is published on the IAM website.

### Evaluation of Corporate Governance

The Board of Directors of IAM acordó has a formal procedure of continuous improvement, of biennial periodicity, to detect and implement eventual improvements in its organization and functioning. This procedure considers the advice of an expert from outside society for the detection and implementation of these areas of reinforcement.

### Anti-Corruption Policy

The IAM Code of Ethics recognizes integrity as one of the basic principles of its corporate culture, and disapproves of corruption in all its forms.

The company maintains that fairness, integrity and impartiality should govern the relationships between workers, managers and representatives, as well as those that are generated with all those who are directly or indirectly related to IAM, be they natural or natural persons, and come from the public world or private.

In this context, IAM’s Anti-Corruption Policy is intended to serve as a guide for the actions of its staff, providing guidance on what the company expects and requires when dealing with public servants and in general with third parties, including suppliers and the company’s own employees.

### Investor Relations

IAM’s Investor Relations area is responsible for managing relationships and delivering timely information to the company’s investors and shareholders.

The contact for this area is duly identified on the company’s website, [www.iam.cl](http://www.iam.cl), a site that includes financial analysis tools, corporate presentations, along with related news and events.

The area holds permanent meetings and individual conference calls with local and international institutional investors, and participates in local and international conferences.



# Essential facts 2020

• **ON DATE JANUARY 22, 2020, THE CMF WAS INFORMED THAT:** In accordance with the provisions of articles 9 and second paragraph of article 10 of Law 18,045, as well as in General Regulation No. 30 of This Commission hereby communicates as an essential fact regarding the Company, its businesses, its public offering securities or their offering, the following:

The Board of Directors of the subsidiary of this Company, Aguas Andinas SA, in its ordinary session held on this date, has agreed to initiate an open and competitive process for the sale of the stake that it directly and indirectly holds in the Sanitary Services Company of Los Lagos SA, which represents 53.5% of the subscribed and paid shares of ESSAL SA. With the above, Aguas Andinas S.A. seeks to focus its business activity on its current strategic priorities. The process will be initiated immediately and for this the assistance of an investment bank and other advisors will seek, not yet defined.

Finally, it should be noted that in the case of a process that has just begun, there have not yet been contacts with potential stakeholders in the acquisition of the aforementioned shares, nor are there any valuations or price indications that allow determining the effect that the completion of the transaction could have in the results of the Company.

• **ON APRIL 8, 2020, THE CMF WAS INFORMED THAT:** In accordance with the provisions of articles 9 and second paragraph of article 10 of Law 18,045, as well as General Regulation No. 30 of The Commission for the Financial Market, hereby, communicates as an essential fact regarding the Company, its businesses, its public offering securities or their offering, the following:

The Company's Board of Directors has met today in an extraordinary session, agreeing on the following::

1. The circumstances that the country and the entire world are going through as a result of the Coronavirus pandemic, as well as the mobility and transportation restrictions of the population adopted by the Authority as public health measures, make it infeasible to hold the ordinary shareholders' meeting in person.

Due to the above, it has been decided to hold the next ordinary shareholders' meeting on April 27 at 1:00 p.m., at Avenida Presidente Balmaceda 1398, in the municipality of Santiago, without prejudice to implementing access to shareholders for the participation of its shareholders. remote to said Assembly through a Virtual Platform, of which the shareholders and this Committee will be informed in a timely manner.

The Assembly must know and pronounce on the matters of an ordinary shareholders' meeting.

2. The Board of Directors became aware of the proposal of its subsidiary Aguas Andinas in order to not distribute profits over the amount already distributed, which is higher than the legal minimum as provided by the Law on Corporations. All this due to the exceptional circumstances related to the Coronavirus Pandemic, it is necessary to prioritize operational needs and allocate all efforts and resources to these ends, until the effects of the aforementioned pandemic are clarified. The Company's Board of Directors shares Aguas Andinas' proposal on this matter.

Last January IAM distributed an interim dividend amounting to \$ 22,262 billion, which represents 31.84% of the profits for the year 2019, which amount to \$ 69,918 billion.

In view of the foregoing, the Board of Directors of the Company has agreed to propose to the next ordinary Shareholders' Meeting, the non-distribution of profits over the amount already distributed, which is higher than the legal minimum as provided by the Law on Public Limited Companies.

Notwithstanding the foregoing, and depending on what is agreed in the Aguas Andinas subsidiary, during the course of 2020 the distribution of a dividend will be evaluated in the event that prevailing circumstances allow it, which in any case would be submitted to the approval of the respective corporate governance bodies.



## ESSENTIAL FACTS

• **ON APRIL 27, 2020, THE CMF WAS INFORMED THAT:** In accordance with the provisions of articles 9 and second paragraph of article 10 of Law 18,045, as well as in General Regulation No. 30 of The Commission for the Financial Market, hereby, communicates as an essential fact with respect to the Company, its businesses, its public offering securities or their offer, the following: Today the Ordinary Shareholders' Meeting of the Company was held, in which all matters submitted for consideration by the shareholders were approved. Among the agreed matters was not to distribute profits over the amount already distributed in January 2020, which is higher than the legal minimum as provided by the Law on Corporations, taking into account the exceptional circumstances that the country and the entire world are experiencing related to the Pandemic Coronavirus, which makes it necessary to prioritize operational needs and allocate all efforts and resources to these ends, until the effects of this are clarified. Notwithstanding the foregoing, during the course of the 2020 financial year, the distribution of a dividend will be evaluated if the prevailing circumstances allow it, which in any case will be submitted to the approval of the respective corporate governance bodies.

• **ON SEPTEMBER 11, 2020, THE CMF WAS INFORMED THAT:** By virtue of the provisions of article 9 and second paragraph of article 10 of Law No. 18,045 and in General Regulation No. 30 of the Commission for the Mercado Financiero, hereby communicates as essential information regarding the Company, its businesses, its public offering securities or their public offering, the following:

On September 10, 2020, the Company's subsidiary, Aguas Andinas SA, reached a full agreement with the Canadian-based company Algonquin Power & Utilities Corp. ("APUC") for the sale of 100% of the direct and indirect participation that Aguas Andinas S.A. has in the

subsidiary Empresa de Servicios Sanitarios de Los Lagos S.A. ("ESSAL").

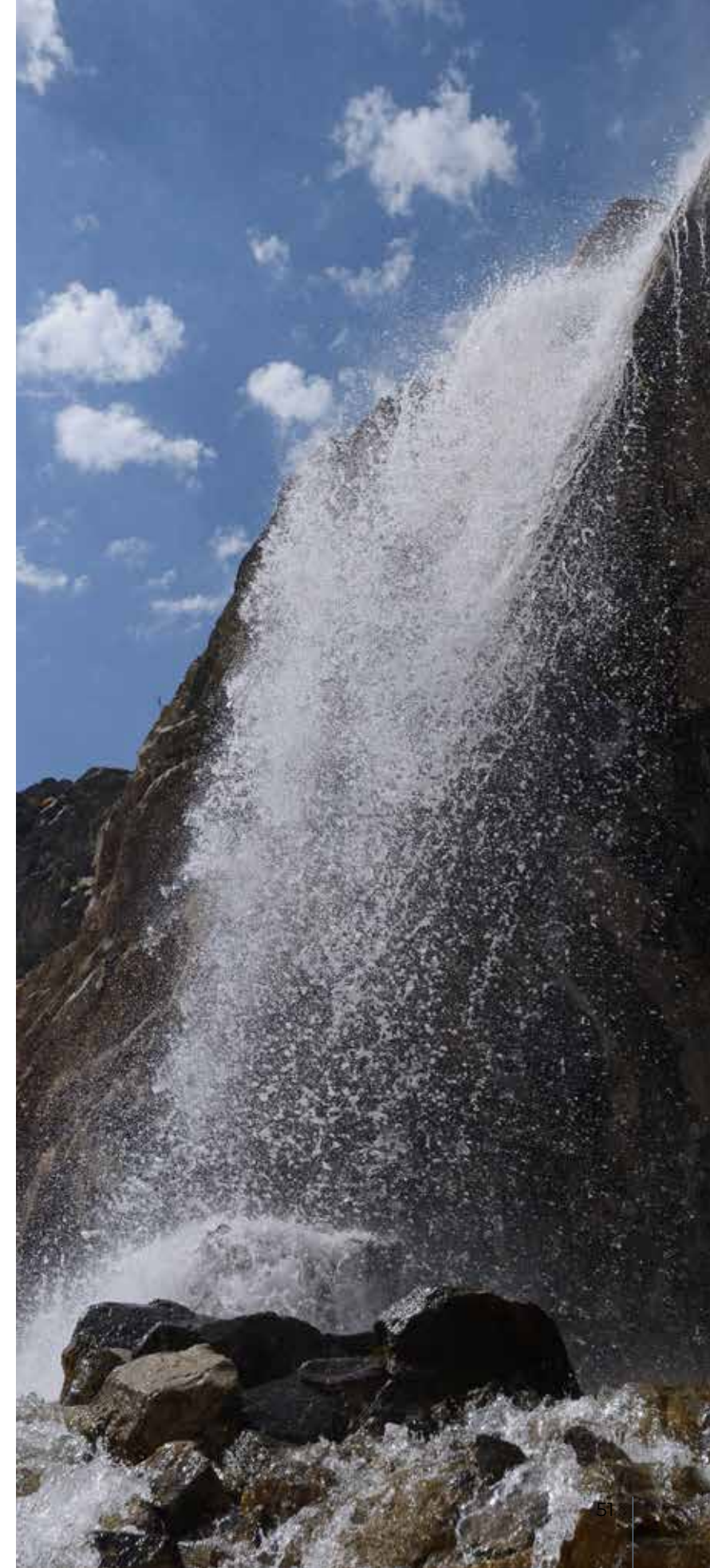
The agreed operation consists of a contract in English called Transaction Agreement ("TA"), by virtue of which Aguas Andinas S.A. undertakes to sell to APUC, or whoever it designates, and the latter to buy, its total direct and indirect participation in ESSAL, under the terms and conditions indicated therein.

In order to carry out the operation, APUC, within the fifth business day from the fulfillment of the conditions indicated below, will launch a public offer for the acquisition of shares ("OPA") for the total number of ESSAL shares, on the price of US \$ 0.18001375412 per share.

During the term of the OPA, the subsidiary Aguas Andinas S.A. It will concur to the OPA by accepting the sale of its direct participation in ESSAL, which amounts to 2.51% of the total issued shares, but it will not concur regarding its indirect participation through Inversiones Iberaguas Limitada ("Iberaguas"), which corresponds to 51% of the shares, given that, prior to the expiration of the OPA, it will sell to APUC all of its rights in Iberaguas, including those of its subsidiary Aguas Cordillera SA.

The launch of the OPA and the closing of the operation are subject to compliance with the usual conditions for this type of operation, among them that, from the date of subscription of the TA and until the closing date, no substantial negative effect occurs for ESSAL or Iberaguas.

The price per share indicated above shows a total value for the direct and indirect participation of the subsidiary Aguas Andinas S.A. in ESSAL of US \$ 92.3 million. The operation will have an expected impact on net results, after taxes, of approximately 7,000 million pesos for the Company's subsidiary, Aguas Andinas S.A..





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CORPORATE  
GOVERNANCE

## ESSENTIAL FACTS

**• ON DATE OCTOBER 13, 2020, THE CMF WAS INFORMED THAT:** By virtue of the provisions of article 9 and second paragraph of article 10 of Law No. 18,045 and in the General Regulation No. 30 of the Commission for the Mercado Financiero, hereby communicates as essential information regarding the Company, its businesses, its public offering securities or their public offering, the following:

Within the framework of the transaction reported to the Commission by means of communication of essential fact dated September 11, 2020, today, the Company's subsidiary, Aguas Andinas SA, completed the sale and assignment to Eco Acquisitionco SpA, a company incorporated in Chile and controlled by the Canadian-based company Algonquin Power & Utilities Corp., 100% of its direct and indirect participation in Inversiones Iberaguas Ltda. ("Iberaguas"), which in turn owns 488,712,657 shares of Series A of Empresa de Servicios Sanitarios de Los Lagos SA ("ESSAL"), which represent approximately 51% of the total shares issued by it, at the price of US \$ 87,975,000, which was received on the same date.

Additionally and in the context of said operation, Aguas Andinas S.A. participated in the public offer for the acquisition of ESSAL shares ("OPA") announced by Eco Acquisitionco SpA on September 24, 2020, accepting the sale of the direct participation of Aguas Andinas S.A. in ESSAL, amounting to 24,018,816 Series A shares, equivalent to 2.51% of the total shares issued by said company, at the total price of US \$ 4,323,717, an amount that will be received under the terms, terms and conditions offered in the OPA.

In this way, as a result of this operation and in accordance with the provisions of the contract signed between Aguas Andinas S.A. and Algonquin Power & Utilities Corp on September 11, 2020, the former will receive the total amount of US \$ 92,298,717 from the sale of all its direct and indirect participation in ESSAL, which will generate for Aguas Andinas S.A. an expected impact on net results, after taxes, of approximately CLP 7,000 million.

As a consequence of the aforementioned operation, the subsidiary Aguas Andinas S.A. It ceased to hold the quality of controlling shareholder of ESSAL, which will be reflected in the consolidated financial statements of the Company as of this date.

**• ON NOVEMBER 25, 2020, THE CMF WAS INFORMED THAT:** In accordance with the provisions of articles 9 and second paragraph of article 10 of Law 18,045, as well as General Regulation No. 30 of This Superintendency hereby communicates as an essential fact regarding the Company, its businesses, its public offering securities or their offering, the following:

The Company's Board of Directors, in an ordinary session held on the same date, has unanimously agreed to distribute the sum of \$ 30,000,000,000, on account of the profits for the year 2020, as a provisional dividend.

Due to the foregoing, the Company's 34th provisional dividend will amount to \$ 30.00 per share and will be payable as of December 18, 2020.



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CORPORATE  
GOVERNANCE

# ESSENTIAL FACTS

## • ON DATE NOVEMBER 25, 2020, THE CMF WAS INFORMED THAT:

By virtue of the provisions of article 9 and second paragraph of article 10 of Law No. 18.045 and in General Regulation No. 30 of the Commission for the Mercado Financiero, duly empowered, hereby communicates as essential information regarding the Company, its businesses, its public offering securities or their public offering, the following:

In an ordinary Board meeting held on the same date, the subsidiary of the Company, Aguas Andinas SA, unanimously agreed to replace the accounting treatment of the asset class “Land” in the property, plant and equipment item of the International Standard for Accounting No. 16, from the cost method to the revaluation method, so that the financial statements of Aguas Andinas more reliably reflect the fair value of the investment it owns in this class of assets.

The appraisal was carried out by the Transsa Consultores Inmobiliarios Company, who are specialized independent appraisers, with more than 35 years of experience throughout Chile.

Pursuant to the modification agreed by the Board of Directors of the subsidiary Aguas Andinas, there will be an increase in the Company's Financial Statements as of September 30, 2020 due to the revaluation of the “Land” asset class of the property, plant and equipment item, amounting to \$ 211,945 million, a surplus in other reserves of \$ 78,017 million in its equity and a deferred tax increase of \$ 57,225 million. This revaluation will imply for the Company a loss in income before tax for \$ 687 million as of September 30, 2020.

In accordance with the provisions of paragraph 5 of paragraph 2.2, Title I of Section II, of General Regulation No. 30 of this Commission, a preliminary, unaudited statement of financial position is attached to this communication, which incorporates the main balance sheet items before and after the change indicated, as of September 30, 2020.

It is also reported that the foregoing has been made known to our external auditors, the company EY.

**This financial information does not constitute or replace in any way the delivery of the corresponding financial statements to the Commission for the Financial Market and to the market, in terms of the content requirements, procedures and submission deadlines provided by said Commission in current regulations.**



# Inversiones Aguas Metropolitanas S.A. unaudited preliminary consolidated

## Interim Consolidated Statements of Financial Position

As of September 30, 2020

(Thousands of pesos - Th \$)

ASSETS	30-09-2020 Th\$	
	No Revaluation	With Revaluation
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	183.027.691	183.027.691
Other financial assets	5.219.587	5.219.587
Other non-financial assets	5.041.893	5.041.893
Trade debtors and other accounts receivable	81.053.732	81.053.732
Accounts receivable from related entities	22.259	22.259
Inventories	4.752.789	4.752.789
Tax assets	629.832	629.832
<b>Total current assets other than assets or groups of assets for disposal classified as held for sale or as held for distribution to owners</b>	<b>279.747.783</b>	<b>279.747.783</b>
Non-current assets or groups of assets for disposal classified as held for sale	256.220.852	256.220.852
<b>TOTAL CURRENT ASSETS</b>	<b>535.968.635</b>	<b>535.968.635</b>
<b>NON-CURRENT ASSETS</b>		
Other financial assets	7.895.863	7.895.863
Other non-financial assets	2.539.693	2.539.693
Receivables	3.004.892	3.004.892
Intangible assets other than goodwill	216.514.923	216.514.923
Capital gain	305.171.468	305.171.468
Property, plant and equipment	1.316.198.344	1.528.143.291
Assets for right of use	2.540.179	2.540.179
Deferred tax asset	32.639.618	1.022.459
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1.886.504.980</b>	<b>2.066.832.768</b>
<b>TOTAL ASSETS</b>	<b>2.422.473.615</b>	<b>2.602.801.403</b>

## Interim Consolidated Statements of Financial Position

As of September 30, 2020

(Thousands of pesos - Th \$)

EQUITY AND LIABILITIES	30-09-2020 Th\$	
	No Revaluation	With Revaluation
<b>CURRENT LIABILITIES</b>		
Other financial liabilities	69.176.360	69.176.360
Lease liabilities	1.236.099	1.236.099
Business accounts and other accounts payable	80.932.328	80.932.328
Accounts payable to related entities	17.655.438	17.655.438
Other provisions	152.054	152.054
Tax liabilities	2.271.478	2.271.478
Provisions for employee benefits	3.432.481	3.432.481
Other non-financial liabilities	15.920.061	15.920.061
<b>Total current liabilities other than liabilities included in groups of liabilities for disposal classified as held for sale</b>	<b>190.776.299</b>	<b>190.776.299</b>
Liabilities included in groups of assets for disposal classified as held for sale	157.122.242	157.122.242
<b>TOTAL CURRENT LIABILITIES</b>	<b>347.898.541</b>	<b>347.898.541</b>
<b>NON-CURRENT LIABILITIES</b>		
Other financial liabilities	996.936.460	996.936.460
Lease liabilities	1.348.853	1.348.853
Other accounts payable	1.118.735	1.118.735
Other provisions	1.400.932	1.400.932
Deferred tax liability	6.008.727	31.616.704
Provisions for employee benefits	20.812.410	20.812.410
Other non-financial liabilities	10.149.283	10.149.283
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1.037.775.400</b>	<b>1.063.383.377</b>
<b>TOTAL LIABILITIES</b>	<b>1.385.673.941</b>	<b>1.411.281.918</b>
<b>EQUITY</b>		
Issued capital	468.358.402	468.358.402
Accumulated earnings	201.097.053	200.595.835
Other equity interests	-37.268.415	-37.268.415
Other reserves	-	78.016.799
Equity attributable to owners of the parent	632.187.040	709.702.621
Non-controlling interests	404.612.634	481.816.864
<b>TOTAL EQUITY</b>	<b>1.036.799.674</b>	<b>1.191.519.485</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2.422.473.615</b>	<b>2.602.801.403</b>



## Interim Consolidated Statements of Comprehensive Income by Nature For the period ended September 30, 2020

(Thousands of pesos - Th \$)

INCOME STATEMENTS BY NATURE	30-09-2020 Th\$	
	No Revaluation	With Revaluation
Ordinary activities income	349.049.010	349.049.010
Raw materials and consumables used	(32.757.572)	(32.757.572)
Employee benefit expenses	(41.090.493)	(41.090.493)
Depreciation and amortization expenses	(49.725.471)	(49.725.471)
Impairment losses	-	(1.370.426)
Other expenses, by nature	(93.395.118)	(93.395.118)
Other (loss) gains	(1.874.103)	(1.874.103)
<b>Gains (losses) from operating activities</b>	<b>130.206.253</b>	<b>128.835.827</b>
Financial income	3.160.713	3.160.713
Financial costs	(21.727.771)	(21.727.771)
Foreign exchange gains (losses)	(1.783.416)	(1.783.416)
Results of indexed units	(11.866.830)	(11.866.830)
<b>Earnings before taxes</b>	<b>97.988.949</b>	<b>96.618.523</b>
Income tax expense	(24.661.895)	(24.291.880)
<b>Profit from continuing operations</b>	<b>73.327.054</b>	<b>72.326.643</b>
Profit (loss) from discontinued operations	4.346.601	4.346.601
<b>Profit</b>	<b>77.673.655</b>	<b>76.673.244</b>
Profit attributable to		
<b>Profit attributable to owners of the parent</b>	<b>37.646.778</b>	<b>37.145.560</b>
Profit attributable to non-controlling interests	40.026.877	39.527.684
<b>Profit</b>	<b>77.673.655</b>	<b>76.673.244</b>
<b>Earnings per share Earnings per basic share from continuing operations (\$)</b>		
<b>Earnings per basic share (\$)</b>	<b>37,647</b>	<b>37,146</b>

## Financial ratios

### For the period ended September 30, 2020

(Thousands of pesos - Th \$)

FINANCIAL RATIOS	30-09-2020 Th\$	
	No Revaluation	With Revaluation
<b>LIQUIDITY</b>		
Current liquidity	1.54 times	1.54 times
Reason acid	0.53 times	0.53 times
<b>INDEBTEDNESS</b>		
Total indebtedness	1.34 times	1.18 times
Current debt	0.25 times	0.25 times
Non-current debt	0.75 times	0.75 times
Annualized financial expense coverage	5.77 times	5.73 times
<b>Profitability</b>		
Profitability Return on equity attributable to owners of the parent annualized	9,46%	8,83%
Annualized asset profitability	2,52%	2,40%
Annualized earnings per share	\$58,17	57,67%
Dividend return (*)	3,91%	3,91%

**Current liquidity:** current assets / current liabilities.

**Acid ratio:** cash and cash equivalents / current liabilities.

**Total indebtedness:** payable liability / total equity.

**Current debt:** current liabilities / receivables.

**Non-current debt:** non-current liabilities / callable liabilities.

**Financial expense coverage:** annualized income before taxes and interest / annualized financial expenses.

**Return on equity:** annualized income for the year / total average equity for the annualized year.

**Return on assets:** annualized income for the year / total average assets for the annualized year.

**Earnings per share:** annualized income for the year / number of subscribed and paid shares.

**Dividend Return:** Annualized dividends paid per share / share price at closing.

(\*) The share price as of September 2020 amounts to \$ 569.



**Reasons for Indebtedness in Bond Contracts -  
Subsidiary Aguas Andinas S.A.  
Based on the Financial Statements as of September 30, 2020**  
(Thousands of pesos - Th \$)

**Bonds M, P, Q, S, U, V, W, X, Z and AA - (unaudited)**

Indebtedness level	30-09-2020 Th\$	
	No Revaluation	With Revaluation
Total current liabilities	346.084.741	346.084.741
Total non-current liabilities	1.037.505.825	1.063.113.802
<b>Total IFRS liabilities</b>	<b>1.383.590.566</b>	<b>1.409.198.543</b>
Guarantees with third parties (*)	547.619	547.619
<b>Total liability due</b>	<b>1.384.138.185</b>	<b>1.409.746.162</b>
Total assets	2.149.600.322	2.329.928.111
Total current liabilities	(346.084.741)	(346.084.741)
Total non-current liabilities	(1.037.505.825)	(1.063.113.802)
<b>Total net worth</b>	<b>766.009.756</b>	<b>920.729.568</b>
<b>Debt level</b>	<b>1,81</b>	<b>1,53</b>

**Level of indebtedness:** ratio between the Callable Liability and the Total Equity.

**Callable Liabilities:** sum of the Total Current Liabilities and Total Non-Current Liabilities accounts.

(\*) For the purposes of determining the aforementioned index, the amount of all the guarantees, simple or joint guarantees, joint debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have is included within the Net Callable Liability. granted to guarantee obligations of third parties, with the exception of: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiary Companies of the Issuer for its obligations, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of consulting and technical inspection services for rural drinking water projects.

**AC, AD and AE bonds - (unaudited)**

Indebtedness level	30-09-2020 Th\$	
	No Revaluation	With Revaluation
Total current liabilities	346.084.741	346.084.741
Total non-current liabilities	1.037.505.825	1.063.113.802
<b>Total IFRS liabilities</b>	<b>1.383.590.566</b>	<b>1.409.198.543</b>
Cash and cash equivalents	(181.733.180)	(181.733.180)
Guarantees with third parties (*)	547.619	547.619
<b>Total liability due</b>	<b>1.202.405.005</b>	<b>1.228.012.982</b>
Total assets	2.149.600.322	2.329.928.111
Total current liabilities	(346.084.741)	(346.084.741)
Total non-current liabilities	(1.037.505.825)	(1.063.113.802)
<b>Total net worth</b>	<b>766.009.756</b>	<b>920.729.568</b>
<b>Debt level</b>	<b>1,57</b>	<b>1,33</b>

**Level of indebtedness:** ratio between the Callable Liability and the Total Equity.

**Callable Liabilities:** sum of the Total Current Liabilities and Total Non-Current Liabilities accounts minus the "Cash and cash equivalents" account of its Financial Statements.

(\*) For the purposes of determining the aforementioned index, the amount of all the guarantees, simple or joint guarantees, joint debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have is included within the Net Callable Liability. granted to guarantee obligations of third parties, with the exception of: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiary Companies of the Issuer for its obligations, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of consulting and technical inspection services for rural drinking water projects.



**Bank Loan Restrictions (Debt Level) -  
Subsidiary Aguas Andinas S.A.  
Based on the Financial Statements as of September 30, 2020**  
(Thousands of pesos - Th \$)

**Banco BCI - (unaudited)**

Indebtedness level	30-09-2020 Th\$	
	No Revaluation	With Revaluation
Total current liabilities	346.084.741	346.084.741
Total non-current liabilities	1.037.505.825	1.063.113.802
<b>Total IFRS liabilities</b>	<b>1.383.590.566</b>	<b>1.409.198.543</b>
Guarantees with third parties (*)	547.619	547.619
<b>Total liability due</b>	<b>1.384.138.185</b>	<b>1.409.746.162</b>
Total assets	2.149.600.322	2.329.928.111
Total current liabilities	(346.084.741)	(346.084.741)
Total non-current liabilities	(1.037.505.825)	(1.063.113.802)
<b>Total net worth</b>	<b>766.009.756</b>	<b>920.729.568</b>
<b>Debt level</b>	<b>1,81</b>	<b>1,53</b>

**Level of indebtedness:** ratio between the Callable Liability and the Total Equity.

**Callable Liabilities:** sum of the Total Current Liabilities and Total Non-Current Liabilities accounts.

(\*) For the purposes of determining the aforementioned index, the amount of all the guarantees, simple or joint guarantees, joint debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have is included within the Net Callable Liability. granted to guarantee obligations of third parties, with the exception of: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiary Companies of the Issuer for its obligations, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of consulting and technical inspection services for rural drinking water projects.

**Banco de Chile - (unaudited)**

Indebtedness level	30-09-2020 Th\$	
	No Revaluation	With Revaluation
Total current liabilities	346.084.741	346.084.741
Total non-current liabilities	1.037.505.825	1.063.113.802
<b>Total IFRS liabilities</b>	<b>1.383.590.566</b>	<b>1.409.198.543</b>
Cash and cash equivalents	(181.733.180)	(181.733.180)
Guarantees with third parties (*)	547.619	547.619
<b>Total liability due</b>	<b>1.202.405.005</b>	<b>1.228.012.982</b>
Total assets	2.149.600.322	2.329.928.111
Total current liabilities	(346.084.741)	(346.084.741)
Total non-current liabilities	(1.037.505.825)	(1.063.113.802)
<b>Total net worth</b>	<b>766.009.756</b>	<b>920.729.568</b>
<b>Debt level</b>	<b>1,57</b>	<b>1,33</b>

**Level of indebtedness:** ratio between the Callable Liability and the Total Equity.

**Callable Liabilities:** sum of the Total Current Liabilities and Total Non-Current Liabilities accounts minus the "Cash and cash equivalents" account of its Financial Statements.

(\*) For the purposes of determining the aforementioned index, the amount of all the guarantees, simple or joint guarantees, joint debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have is included within the Net Callable Liability. granted to guarantee obligations of third parties, with the exception of: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiary Companies of the Issuer for its obligations, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of consulting and technical inspection services for rural drinking water projects.



Banco BICE and Itaú - (unaudited)

Indebtedness level	30-09-2020 Th\$	
	No Revaluation	With Revaluation
Total current liabilities	346.084.741	346.084.741
Total non-current liabilities	1.037.505.825	1.063.113.802
<b>Total IFRS liabilities</b>	<b>1.383.590.566</b>	<b>1.409.198.543</b>
Cash and cash equivalents	(181.733.180)	(181.733.180)
<b>Total liability due</b>	<b>1.201.857.386</b>	<b>1.227.465.363</b>
Total assets	2.149.600.322	2.329.928.111
Total current liabilities	(346.084.741)	(346.084.741)
Total non-current liabilities	(1.037.505.825)	(1.063.113.802)
<b>Total net worth</b>	<b>766.009.756</b>	<b>920.729.568</b>
<b>Debt level</b>	<b>1,57</b>	<b>1,33</b>

**Level of indebtedness:** ratio between the Callable Liability and the Total Equity.  
**Callable Liabilities:** sum of the Total Current Liabilities and Total Non-Current Liabilities accounts minus the “Cash and cash equivalents” account of its Financial Statements.

Bank Loan Restrictions (Debt Level) -  
Subsidiary Aguas Andinas S.A.  
Based on the Financial Statements as of September 30, 2020  
(Thousands of pesos - Th \$)

Banco BCI - (unaudited)

Financial expenses coverage	30-09-2020 Th\$	
	No Revaluation	With Revaluation
Ordinary activities income	349.052.377	349.052.377
Raw materials and consumables used	(32.757.564)	(32.757.564)
Employee benefit expenses	(40.741.521)	(40.741.521)
Other expenses, by nature	(92.732.289)	(92.732.289)
<b>EBITDA</b>	<b>182.821.003</b>	<b>182.821.003</b>
Financial costs	(21.714.056)	(21.714.056)
<b>Financial expenses coverage</b>	<b>8,42</b>	<b>8,42</b>

**Ebitda:** rresult of the sum of the items of Income from Ordinary Activities, Other Income by Nature, Raw Materials and Consumables Used, Expense for Employee Benefits and Other Expenses by Nature.  
**Financial Expenses Coverage:** Ebitda on Financial Expenses.



**Bank Loan Restrictions (Debt Level) -  
Subsidiary Aguas Andinas S.A.  
Based on the Financial Statements as of September 30, 2020**  
(Thousands of pesos - Th \$)

**Scotiabank Bank - (unaudited)**

Indebtedness level	30-09-2020 Th\$	
	No Revaluation	With Revaluation
Total current liabilities	61.551.677	61.551.677
Total non-current liabilities	72.789.852	92.520.856
<b>Total IFRS liabilities</b>	<b>134.341.529</b>	<b>154.072.533</b>
Guarantees with third parties (*)	-	-
<b>Total liability due</b>	<b>134.341.529</b>	<b>154.072.533</b>
Total assets	336.413.940	409.491.734
Total current liabilities	(61.551.677)	(61.551.677)
Total non-current liabilities	(72.789.852)	(92.520.856)
<b>Total net worth</b>	<b>202.072.411</b>	<b>255.419.201</b>
<b>Debt level</b>	<b>0,66</b>	<b>0,60</b>

**Level of indebtedness:** ratio between the Callable Liability and the Total Equity.  
**Callable Liabilities:** sum of the Total Current Liabilities and Total Non-Current Liabilities accounts.  
 (\*) For the purposes of determining the aforementioned index, the amount of all the guarantees, simple or joint guarantees, joint debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have is included within the Net Callable Liability. granted to guarantee obligations of third parties, with the exception of: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiary Companies of the Issuer for its obligations, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of consulting and technical inspection services for rural drinking water projects.

**Bank loan restrictions (Financial expenses coverage) -  
Subsidiary Aguas Cordillera S.A.  
Based on the Financial Statements as of September 30, 2020**  
(Thousands of pesos - Th \$)

**Scotiabank Bank - (unaudited)**

Financial expenses coverage	30-09-2020 Th\$	
	No Revaluation	With Revaluation
Ordinary activities income	50.266.158	50.266.158
Raw materials and consumables used	(5.408.752)	(5.408.752)
Employee benefit expenses	(3.350.388)	(3.350.388)
Other expenses, by nature	(18.773.386)	(18.773.386)
<b>EBITDA</b>	<b>22.733.632</b>	<b>22.733.632</b>
Financial costs	(1.494.217)	(1.494.217)
<b>Financial expenses coverage</b>	<b>15,21</b>	<b>15,21</b>

**Ebitda:** result of the sum of the items of Income from Ordinary Activities, Other Income by Nature, Raw Materials and Consumables Used, Expense for Employee Benefits and Other Expenses by Nature.  
**Financial Expenses Coverage:** Ebitda on Financial Expenses.



# General Information



# Identification of the company

**Name:** Inversiones Aguas Metropolitanas S.A.

**Legal address:** 4800 Apoquindo Avenue, Tower II, floor 20, Las Condes, Chile.

**RUT:** 77.274.820-5

**Telephone:** (56-2) 2739 6600

**Business:** Investment in shares of the Chilean corporation Aguas Andinas S.A.; and the provision of all kinds of advisory, consulting and services related to the transfer of technology and know-how, technical assistance, business and project administration, especially those related to the management and operation of businesses in the sanitary field.

**Registration in the Securities Registry:** N° 0912, dated August 19, 2005.

## Stock Information

**Stock exchange code**

**Single Series:** IAM

## Shareholder information

**Central Securities Deposit**

**Address:** 1730 Los Conquistadores Avenue, 24th floor, Providencia, Chile.

**Telephone:** (56-2) 2393 9003

## Legal incorporation of the company

The company was incorporated by public deed dated May 19th, 1999, granted in the Notary's Office of Santiago by Mr. Juan Ricardo San Martín Urrejola. An extract of it was registered on pages 11,226, No. 9,027, in the Commercial Registry of the Santiago Real Estate Conservative in 1999, and published in the Official Gazette on May 22, 1999.

The articles of association have been amended several times, among which the most important is the reform of the articles of association, which is recorded in a public deed dated July 15th, 2005, granted at the Santiago Notary's Office of Mr. Iván Torrealba Acevedo, through which its partners agreed, in accordance with Articles 96 and following of Law No. 18,046, on Corporations, to change the species or social type of the company, transforming it into a corporation, continuing legally its legal personality.

An excerpt from this change was recorded on the 25,668, No. 18,587, at the Commercial Registry of the Santiago's Real Estate Commissioner of the Year 2005, and was published in the Official Journal on 25 July 2005.

## Sanitation Regulation

The Chilean sanitary industry is governed by a set of laws and regulations. The main legal bodies are:

**General Law on Health Services (DFL MOP No. 382 of 1988).**

It contains the provisions that regulate the regime of concessions and the activity of sanitary service providers.

**Regulation of the General Law of Sanitary Services (DS MOP No. 1199/2004,** published in November 2005). Establishes the regulations that allow the application of the General Law on Sanitary Services (replaces DS MOP No. 121 of 1991).

**Sanitary Services Tariff Law (DFL MOP No. 70 of 1988).**

Contains provisions regulating the setting of rates for potable water and sewerage and reimbursable financing contributions.

**Regulation of the Sanitary Services Tariffs Law (DS MINECON No. 453 of 1990).** It contains the regulatory norms that allow the application of the Law of Sanitary Services Tariffs, including the methodology for calculating tariffs and administrative procedures.

**Law creating the Superintendence of Health Services (Law No. 18,902 of 1990).** It establishes the functions of this service.

**Law on Subsidies for the Payment of Potable Water Consumption and Sewerage Services (Law No. 18,778 of 1989).** Establishes a subsidy for the payment of potable water and sewerage service.

**Regulation of the Subsidy Law (DS Hacienda No. 195 of 1998).** Contains the regulatory provisions for the application of the Subsidy Law.

**DS MOP No. 214/05, Regulation of Article 67 of the General Law on Sanitary Services.** Establishes the requirements for public bidding processes, which are mandatory for sanitary providers.



## Statement of responsibility

The Directors of Inversiones Aguas Metropolitanas S.A. and the CEO, signatories of this declaration, are responsible under oath for the veracity of the information provided in this Annual Report, in accordance with the provisions of General Norm No. 30 of the Commission for the Financial Market (CMF).



**Felipe Larrain Aspillaga**  
R.U.T.: 6.922.002-9  
**Chairman**



**Alberto Muchnick Mlynarz**  
R.U.T.: 6.447.493-6  
**Vice President**



**Herman Chadwick Piñera**  
R.U.T.: 4.975.992-4  
**Director**



**Rodrigo Azócar Hidalgo**  
R.U.T.: 6.444.699-1  
**Director**



**Ignacio Guerrero Gutiérrez**  
R.U.T.: 5.546.791-9  
**Director**



**Hernán Cheyre Valenzuela**  
R.U.T.: 6.375.408-0  
**Director**



**Luis Enrique Álamos Olivos**  
R.U.T.: 7.275.527-8  
**Director**



**Laureano Cano Iniesta**  
R.U.T.: 25.374.056-6  
**Chief Executive Officer**

# Financial Statements



# Independent Auditor's Review Report



EY Chile  
Avda. Presidente  
Riesco 5435, piso 4,  
Las Condes, Santiago

Tel: +56 (2) 2676 1000  
www.eychile.cl

## Independent Auditor's Report

(Translation of the report originally issued in Spanish)

Shareholders and Directors  
Inversiones Aguas Metropolitanas S.A.

We have audited the accompanying consolidated financial statements of Inversiones Aguas Metropolitanas S.A., and its subsidiaries ("the Company"), which comprise the consolidated statement of financial position as of December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Auditing Standards Generally Accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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



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

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Inversiones Aguas Metropolitanas S.A., and its subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

Luis Martínez M.  
EY Audit SpA

Santiago, March 24, 2021

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# INVERSIONES AGUAS METROPOLITANAS S.A.Y FILIALES

Consolidated Statements of Financial Position

As of December 31, 2020 and 2019

(Thousands of pesos - M \$)

ASSETS	Note	31-12-2020 Th\$	31-12-2019 Th\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalent	4	177,964,853	73,057,118
Other non-financial assets		3,803,544	2,453,658
Commercial debtors and other accounts receivable	5-16	87,491,240	115,960,086
Accounts receivable from related entities	6-16	982,856	24,908
Inventories	7	3,954,953	3,810,599
Tax assets	8	27,445,509	3,386,809
Total current assets other than the assets or groups of available assets classified as being retained for sale or being retained to be distributed among holders		301,642,955	198,693,178
Non-current assets or groups of assets for disposal classified as held for sale	9	3,836,023	-
<b>TOTAL CURRENT ASSETS</b>		<b>305,478,978</b>	<b>198,693,178</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	10-16	7,895,863	7,852,912
Other non-financial assets		2,396,459	3,037,505
Receivables	5-16	4,178,613	4,251,661
Intangible assets other than goodwill	11	218,653,890	223,786,740
Goodwill	12	305,171,468	307,581,431
Properties, plant and equipment	13	1,568,199,192	1,495,676,429
Usage rights assets	14	3,751,803	3,437,562
Deferred tax assets	15	3,304,490	29,528,508
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,113,551,778</b>	<b>2,075,152,748</b>
<b>TOTAL ASSETS</b>		<b>2,419,030,756</b>	<b>2,273,845,926</b>

EQUITY AND LIABILITIES	Note	31-12-2020 Th\$	31-12-2019 Th\$
<b>CURRENT LIABILITIES</b>			
Other financial liabilities	16	71,064,294	36,385,815
Lease liability	14-16	1,420,568	1,503,349
Trade debts and other accounts payable	16-17	98,944,804	143,795,399
Accounts payable from related entities	6-16	17,757,162	29,933,892
Other provisions	18	28,897,014	3,732,169
Tax liabilities		1,979,070	2,028,368
Provisions for employee benefits	19	4,982,501	5,233,058
Other non-financial liabilities	20	20,417,525	19,996,231
<b>TOTAL CURRENT LIABILITIES</b>		<b>245,462,938</b>	<b>242,608,281</b>
<b>NON-CURRENT LIABILITIES</b>			
Other financial liabilities	17	998,729,962	1,002,955,393
Lease liability	14-16	2,380,303	1,954,162
Other accounts payable	16-17	1,452,311	1,159,317
Other provisions	18	1,419,880	1,380,132
Deferred tax liabilities	15	25,414,223	33,860,706
Provisions for employee benefits	19	20,339,194	20,768,569
Other non-financial liabilities	20	10,184,563	10,031,855
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,059,920,436</b>	<b>1,072,110,134</b>
<b>TOTAL LIABILITIES</b>		<b>1,305,383,374</b>	<b>1,314,718,415</b>
<b>EQUITY</b>			
Issued capital	21	468,358,402	468,358,402
Accumulated earnings	21	181,816,964	163,450,275
Other equity interests	21	(37,268,415)	(37,268,415)
Other reserves	21	81,213,656	-
<b>Equity attributable to owners of the controller</b>		<b>694,120,607</b>	<b>594,540,262</b>
Non-controlling interests	22	419,526,775	364,587,249
<b>TOTAL EQUITY</b>		<b>1,113,647,382</b>	<b>959,127,511</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,419,030,756</b>	<b>2,273,845,926</b>

Notes 1 to 37 are an integral part of these Consolidated Financial Statements.



Consolidated Statements of Comprehensive Income by Nature  
For the years ended December 31, 2020 and 2019  
(Thousands of pesos - M \$)

INCOME STATEMENTS BY NATURE	Note	31-12-2020 Th\$	31-12-2019 Th\$
Revenues for regular activities	24	478,769,061	484,324,712
Used raw materials and expendables		(43,542,356)	(37,520,425)
Provisions for employee benefits	19	(55,510,715)	(51,056,579)
Expenses related to depreciation and amortization	11-13-14	(67,150,111)	(63,961,850)
Impairment losses	13	(1,404,946)	-
Other expenses by nature	25	(145,739,999)	(111,398,456)
Other (losses) earnings	26	(3,967,292)	14,280,922
<b>Earnings (losses) from operating activities</b>		<b>161,453,642</b>	<b>234,668,324</b>
Financial income	26	3,872,811	5,248,673
Financial costs	26	(28,193,869)	(26,755,419)
Earnings (losses) exchange differences	27	(496,691)	(482,970)
Results of indexation adjustments	28	(22,345,643)	(21,553,822)
<b>Earnings before taxes</b>		<b>114,290,250</b>	<b>191,124,786</b>
Expenses for earning taxes	15	(26,817,906)	(49,499,396)
<b>Earnings from continuous operations</b>		<b>87,472,344</b>	<b>141,625,390</b>
Profit (loss) from discontinued operations	19	11,671,443	(2,970,428)
<b>Earnings</b>		<b>99,143,787</b>	<b>138,654,962</b>
<b>Earnings due to</b>			
<b>Earnings attributable to owners of the controller</b>		<b>48,225,127</b>	<b>69,918,238</b>
Earnings attributable to non-controlling shares	22	50,918,660	68,736,724
<b>Earnings</b>		<b>99,143,787</b>	<b>138,654,962</b>
<b>Earnings per share</b>			
Earnings per basic shares in continuous operations (\$)	31	48.225	69.918
<b>Earnings per basic shares (\$)</b>		<b>48.225</b>	<b>69.918</b>

STATEMENTS OF COMPREHENSIVE RESULTS	Note	31-12-2020 Th\$	31-12-2019 Th\$
<b>Earnings</b>		<b>99.143.787</b>	<b>138.654.962</b>
<b>OTHER COMPREHENSIVE RESULT</b>			
<b>Components of other comprehensive income that will not be reclassified to the result for the period, before taxes</b>			
Revaluation gain (loss)		223.346.428	-
Actuarial gains (losses) on defined benefit plans	19	387.032	(2.487.505)
<b>Other comprehensive income that will not be reclassified to the result for the period, before taxes</b>		<b>223.733.460</b>	<b>(2.487.505)</b>
<b>Income taxes relating to components of other comprehensive income that will not be reclassified to the result for the period</b>			
Income tax related to changes in revaluation surplus		(61.389.750)	-
Income tax related to defined benefit plans		(104.498)	671.626
<b>Income taxes relating to components of other comprehensive income that will not be reclassified to the result for the period</b>		<b>(61.494.248)</b>	<b>671.626</b>
<b>Total other comprehensive result</b>		<b>162.239.211</b>	<b>(1.815.879)</b>
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>261.382.998</b>	<b>136.839.083</b>
<b>Comprehensive income attributable to</b>			
Comprehensive income statement attributable to the owners of the controller		129.508.066	68.994.300
Comprehensive income statement attributable to non-controlling shares		131.874.932	67.844.783
<b>Total comprehensive income</b>		<b>261.382.998</b>	<b>136.839.083</b>

Notes 1 to 37 are an integral part of these Consolidated Financial Statements.

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

Direct cash flow statement	Note	31-12-2020 Th\$	31-12-2019 Th\$
Collections from the sales of assets and services		544,596,948	574,497,101
Collections from premiums and services, annuities and other liabilities arising from contracted policies		85,227	18,611
Other collections from operational activities		12,008,567	4,213,444
<b>Types of payments in cash from operational activities</b>		<b>556,690,742</b>	<b>578,729,156</b>
Payments to suppliers for goods and services		(195,547,097)	(188,077,139)
Payments to and on behalf of the employees		(54,859,302)	(52,029,139)
Payments of premiums and services, annuities and other liabilities arising from contracted policies		(127,890)	(2,584,782)
Other payments for operational activities		(42,614,473)	(44,452,680)
<b>Cash flow from operational activities</b>		<b>(293,148,762)</b>	<b>(287,143,740)</b>
Interests paid		(25,281,063)	(22,015,973)
Interest received		804,041	824,207
Taxes on earnings paid (reimbursed)		(48,113,027)	(48,390,549)
Other cash in-flow (out-flow)		(7,233,155)	(2,402,786)
<b>Cash flow from (used in) operations</b>		<b>(79,823,204)</b>	<b>(71,985,101)</b>
<b>Cash flow from (used in) operational activities</b>		<b>183,718,776</b>	<b>219,600,315</b>
Cash flows from loss of control of subsidiaries or other businesses		73,499,770	-
Amounts from the sale of property, plant and equipment		547,871	18,206,781
Purchase of property, plant and equipment		(149,004,549)	(125,868,435)
Purchase of intangible assets		(3,414,662)	(12,455)
Other cash in-flow (out-flow)		-	(2,020,253)
<b>Cash flow from (used in) investment activities</b>		<b>(78,371,570)</b>	<b>(109,694,362)</b>
Amounts from long-term loans		13,037,028	79,221,040
Amounts from short-term loans		133,300,000	57,284,683
<b>Amounts from loans, classified as financing activities</b>		<b>146,337,028</b>	<b>136,505,723</b>
Loans refund		(43,056,496)	(86,960,055)
Paid dividends		(102,600,014)	(126,028,776)
Other cash in-flow (out-flow)		(1,119,989)	(1,453,004)
<b>Cash flows from (used in) financing activities</b>		<b>(439,471)</b>	<b>(75,414,495)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>104,907,735</b>	<b>31,969,841</b>
Cash and equivalent cash at the beginning of the fiscal year		73,057,118	41,087,277
<b>Cash and equivalent cash at the end of the fiscal year</b>	<b>6</b>	<b>177,964,853</b>	<b>73,057,118</b>

Notes 1 to 37 are an integral part of these Consolidated Financial Statements.



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

Status of equity change	Note	Issued capital Th\$	Other equity shares Th\$	Accumulated earnings (losses) Th\$	Reserves			Total other reserves Th\$	Equity attributable to the owners of the controlled Th\$	Non-controlling equity Th\$	Total equity Th\$
					Revaluation surplus Th\$	Share-based payment reserve Th\$	Actuarial gain or loss reserve in defined benefit plans Th\$				
<b>Initial balance 01-01-2020</b>		<b>468.358.402</b>	<b>(37.268.415)</b>	<b>163.450.275</b>	-	-	-	-	<b>594.540.262</b>	<b>364.587.249</b>	<b>959.127.511</b>
Income		-	-	48.225.127	-	-	-	-	<b>48.225.127</b>	50.918.660	<b>99.143.787</b>
Other comprehensive result		-	-	-	81.141.377	-	141.562	81.282.939	<b>81.282.939</b>	80.956.272	<b>162.239.211</b>
<b>Comprehensive result</b>		<b>-</b>	<b>-</b>	<b>48.225.127</b>	<b>81.141.377</b>	<b>-</b>	<b>141.562</b>	<b>81.282.939</b>	<b>129.508.066</b>	<b>131.874.932</b>	<b>261.382.998</b>
Dividends		-	-	(30.000.000)	-	-	-	-	<b>(30.000.000)</b>	(32.335.609)	<b>(62.335.609)</b>
Decrease by transfers and other changes		-	-	141.562	-	72.279	(141.562)	(69.283)	<b>72.279</b>	(44.599.797)	<b>(44.527.518)</b>
<b>Total changes in equity</b>		<b>-</b>	<b>-</b>	<b>18.366.689</b>	<b>81.141.377</b>	<b>72.279</b>	<b>-</b>	<b>81.213.656</b>	<b>99.580.345</b>	<b>54.939.526</b>	<b>154.519.871</b>
<b>Closing balance 31-12-2020</b>	<b>21-22</b>	<b>468.358.402</b>	<b>(37.268.415)</b>	<b>181.816.964</b>	<b>81.141.377</b>	<b>72.279</b>	<b>-</b>	<b>81.213.656</b>	<b>694.120.607</b>	<b>419.526.775</b>	<b>1.113.647.382</b>
Status of equity change	Note	Issued capital Th\$	Other equity shares Th\$	Accumulated earnings (losses) Th\$	Reserves			Total other reserves Th\$	Equity attributable to the owners of the controlled Th\$	Non-controlling equity Th\$	Total equity Th\$
					Revaluation surplus Th\$	Share-based payment reserve Th\$	Actuarial gain or loss reserve in defined benefit plans Th\$				
<b>Initial balance 01-01-2019</b>		<b>468.358.402</b>	<b>(37.268.415)</b>	<b>160.583.574</b>	-	-	-	-	<b>591.673.561</b>	<b>367.027.498</b>	<b>958.701.059</b>
Income		-	-	69.918.238	-	-	-	-	<b>69.918.238</b>	68.736.724	<b>138.654.962</b>
Other comprehensive result		-	-	-	-	-	(923.938)	(923.938)	<b>(923.938)</b>	(891.941)	<b>(1.815.879)</b>
<b>Comprehensive result</b>		<b>-</b>	<b>-</b>	<b>69.918.238</b>	<b>-</b>	<b>-</b>	<b>(923.938)</b>	<b>(923.938)</b>	<b>68.994.300</b>	<b>67.844.783</b>	<b>136.839.083</b>
Dividends		-	-	(66.127.599)	-	-	-	-	<b>(66.127.599)</b>	(70.285.032)	<b>(136.412.631)</b>
Decrease by transfers and other changes		-	-	(923.938)	-	-	923.938	923.938	-	-	-
<b>Total changes in equity</b>		<b>-</b>	<b>-</b>	<b>2.866.701</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.866.701</b>	<b>(2.440.249)</b>	<b>426.452</b>
<b>Closing balance 31-12-2019</b>	<b>21-22</b>	<b>468.358.402</b>	<b>(37.268.415)</b>	<b>163.450.275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>594.540.262</b>	<b>364.587.249</b>	<b>959.127.511</b>

Notes 1 to 37 are an integral part of these Consolidated Financial Statements.

Note 1.  
OVERVIEW

Inversiones Aguas Metropolitanas S.A. (hereinafter “IAM” or the “Company”) and its subsidiaries make up Inversiones Aguas Metropolitanas S.A. Group (hereinafter the “Group”). Its legal address is Apoquindo N°4800, Torre 2; oficina 2001, 20th floor, Las Condes, Santiago, Chile and its Tax Identification Number is 77.274.820-5.

IAM was incorporated on May 19, 1999, by Aguas de Barcelona S.A. (“AGBAR”) and Suez Environment as a limited liability company, with the purpose of participating in the privatization process of Empresa Metropolitana de Obras Sanitarias (“EMOS”), currently Aguas Andinas S.A.

IAM was awarded the share package in the international bidding process carried out by Corporación de Fomento de la Producción (CORFO), it subscribed a capital increase and acquired additional shares in the Stock Exchange, thus gaining control over 51.2% of the share capital of Aguas Andinas S.A. (ex EMOS).

In July 2005, the company was transformed into an open share corporation and restricted its business purpose, which was limited to invest in shares of Aguas Andinas S.A. and the provision of all kinds of consulting services related to technology transfer and knowhow, technical assistance, business administration and projects, especially those related to the management and operation of businesses related to the water utility sector.

In November 2005, IAM began to trade its stock in the stock market offering a package comprising 43.4% of its shares. This meant that new shareholders joined the company.

During 2006, IAM sold 1.1% of its shares in Aguas Andinas S.A., retaining a 50.1% ownership of the company.

In 2007 the company executed a Level I ADR program, which made it possible to trade its shares in the over the counter market of the United States. The program was ended in 2016.

The Company is the parent company of four water utility companies in the Greater Santiago area (Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A.). In order to provide a comprehensive service within its scope of business, the Company has subsidiaries that are not water utility companies, providing services such as the treatment of liquid industrial waste (Ecoriles S.A.), laboratory analysis (Análisis Ambientales S.A.), marketing of materials and other services related to the water utility sector (Gestión y Services S.A.) and carrying out activities associated with water rights and energy projects derived from facilities and assets from water utility companies (Aguas del Maipo S.A.).

The Company and its subsidiaries Aguas Andinas S.A. are registered with the Securities Registry of the Financial Market Commission under No. 912 and No. 346. The subsidiaries Aguas Cordillera S.A. and Aguas Manquehue S.A. are registered in the Special Register of reporting entities of the Financial Market Commission and Insurance under No. 170 and No. 2, respectively. As companies in the water utility sector, they are regulated by the Superintendence of Sanitation Services, 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 the consolidated financial statements, a group is deemed to exist when the parent company has one or more subsidiaries, over which the parent company has direct or indirect control. The accounting policies applied in preparing the Group’s consolidated financial statements are outlined in Note 2.2.

The direct controlling entity is Suez Inversiones Aguas del Gran Santiago Ltda. (“SIAGSA”), with a 50.1% share of the ownership, which is controlled by Suez Andina S.A. and this by Suez Spain, S.L., a company based in Spain and one of the world’s largest water utility operators, which is in turn controlled by Suez Groupe, S.A.S. (France).

Note 2.  
BASES OF PREPARATION AND ACCOUNTING POLICIES

2.1 Bases of preparation

These consolidated financial statements correspond to the consolidated financial position statements as of December 31, 2020 and 2019 and the consolidated comprehensive income, changes in net equity and cash flows statements for the Fiscal years ended December 31, 2020 and 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter “IASBs”), and represent the adoption of the International Accounting Standards Board (hereinafter “IASBs”), and represent the full, explicit and unreserved adoption of the aforementioned IFRSs.

The Group complies with the legal conditions of the environment in which it carries out its operations, the water utility subsidiaries regarding the regulations of the water utility sector. The Group companies display normal operating conditions in each area in which they carry out their activities, their projections display a profitable operation and have the capacity to access the financial system to finance their operations, which; in the opinion of management, determines their ability to continue as an operating company, in accordance with the accounting standards under which these consolidated financial statements are issued.

Functional and presentation currency

The financial statements of each of the companies in the Group are presented in the currency of the main economic environment in which they operate (functional currency). For purposes of the consolidated financial statements, the Group’s income and financial position are stated in Chilean Pesos (rounded to thousand pesos), which is the functional currency of the Company and its subsidiaries, and the presentation currency for the consolidated financial statements.

New accounting statements

The standards and interpretations, as well as the improvements and amendments to IFRS that have been issued, effective as of the date of these financial statements, are detailed below. The Company has applied these standards and concluded that they did not have a significant impact on the financial statements.

Standards and Interpretations	Date of mandatory enforcement
Conceptual framework	Annual periods beginning on or after January 1, 2020

Amendments	Date of mandatory enforcement
IFRS 3, Business combinations - Definition of a business	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of financial statements and IAS 8, Investments in associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Financial Instruments - Reference Rate Reform	Annual periods beginning on or after January 1, 2020
IFRS 16, Leases - Rent reductions related to Covid-19	Annual periods beginning on or after January 1, 2020*

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

The standards and interpretations, as well as improvements and amendments to IFRS, that have been issued but are not yet effective as of the date of these financial statements are detailed below. The Company has not applied these standards early.



Standards and Interpretations	Date of mandatory enforcement
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023

Amendments	Date of mandatory enforcement
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Benchmark Interest Rate Reform - Phase 2	Annual periods beginning on or after January 1, 2021
IFRS 3, Business Combinations - Reference to the Conceptual Framework	Annual periods beginning on or after January 1, 2022
IFRS 16, Leases - Property, plant and equipment: proceeds obtained before intended use	Annual periods beginning on or after January 1, 2022
IAS 37, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - cost of fulfilling a contract	Annual periods beginning on or after January 1, 2022
IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	Annual periods beginning on or after January 1, 2023
IFRS 10 and IAS 28, Consolidated Financial Statements - 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 Inversiones Aguas Metropolitanas S.A. and Subsidiaries, is in the process of being assessed and it is estimated that, to date, they would not have a significant impact on the Group's consolidated financial statements in the period of their first application. Management is periodically assessing these implications.

Responsibility for the information and calculations

The corporate Director's Committee is responsible for the information contained in these consolidated financial statements, which states that all the principles and criteria included in the International Financial Reporting Standards (IFRS) have been applied.

The Director's Committee approved the following consolidated financial statements in the meeting held on March 24, 2021. The consolidated financial statements for the Fiscal year 2019 were approved by their Director's Committee in the Meeting held on March 25, 2020.

The following estimations have been used in the preparation of consolidated financial statements:

- Useful life of properties, plant and equipment and intangibles
- Asset appraisal and purchased goodwill (goodwill or decreased investment value)
- Loss due to depreciation
- Hypotheses used in the actuarial calculation of benefits for termination of contracts of employment
- Hypotheses used in the calculation of the reasonable value of financial instruments
- Income from supplies to be billed
- Provisions due to third-party commitments
- Risks resulting from current disputes

Although these estimates and judgments were made subject to the best information available as of the date of issue of the current consolidated financial statements, some events may happen in the future, which may force a variation (upward or downward) in coming periods. This should be recorded prospectively upon acknowledging the variation, registering the effects of said changes in the relevant future consolidated financial statements.

2.2 Accounting policies

Below is a description of the main accounting policies implemented in the preparation of these consolidated financial statements.

A. Bases for consolidation

Consolidated financial statements include the financial statements of the Company and the organizations controlled by the Company (its Subsidiaries). Subsidiaries are those organizations over which the Group has the power to control important activities, has the right to review variable share yields and the capacity to use that power to have an influence on investor yield amounts. Subsidiaries merge as from the date control is transferred to the Group and are excluded from the merge the date the Group ceases to exist.

The consolidation process eliminates all transactions, balances, losses and earnings between the Group's entities.

The Company and its Subsidiaries preset uniform policies applied by the Group.

The subsidiaries included in the Consolidated Financial Statements of Inversiones Aguas Metropolitanas S.A. are the following:

Tax ID	Company Name	Direct %	Indirect %	Total 2020 %	Direct %	Indirect %	Total 2019 %
61.808.000-5	Aguas Andinas S.A.	50,10234%	0,00000%	50,10234%	50,10234%	0,00000%	50,10234%
96.809.310-K	Aguas Cordillera S.A.	0,00000%	99,99003%	99,99003%	0,00000%	99,99003%	99,99003%
89.221.000-4	Aguas Manquehue S.A.	0,00000%	100,00000%	100,00000%	0,00000%	100,00000%	100,00000%
96.897.320-7	Inversiones Iberaguas Ltda. (*)	0,00000%	0,00000%	0,00000%	0,00000%	100,00000%	100,00000%
96.579.800-5	ESSAL S.A. (*)	0,00000%	0,00000%	0,00000%	0,00000%	53,50650%	53,50650%
96.945.210-3	EcoRiles S.A.	0,00000%	100,00000%	100,00000%	0,00000%	100,00000%	100,00000%
96.828.120-8	Gestión y Servicios S.A.	0,00000%	100,00000%	100,00000%	0,00000%	100,00000%	100,00000%
96.967.550-1	Análisis Ambientales S.A.	0,00000%	100,00000%	100,00000%	0,00000%	100,00000%	100,00000%
76.190.084-6	Aguas del Maipo S.A.	0,00000%	100,00000%	100,00000%	0,00000%	100,00000%	100,00000%

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

B. Operative segments

IFRS 8 sets the standards for reporting operative segments and releasing products and services. Operative segments are defined as components of an entity for which separate financial information is allocated and regularly reviewed by Management for making decisions on the assignment of resources to the subsidiaries and evaluating their performance.

The Group manages and measures the performance of its operations by business segment. The operative segments reported internally are:

- Sanitation business operations (Water).
- Non-sanitation business operations (Non-Water).

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 shown at cost subtracting accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis over their estimated useful lives. Estimated useful lives and the amortization method are checked at the closing of each status statement, including the effect of any change in the estimate thereon.

ii. Amortization method for intangible assets:

Intangible 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 period 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 period, as established in the acquisition contracts and the rights granted by the Water Resources Department of the Ministry of Public Works.

Determination of useful life

Some of the factors that should be considered for the estimation of useful life 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. Capital Gain

Capital gain, (a decrease in the value of investments) generated in the merge represents the excess of acquisition cost over the Group’s share in the fair value of assets and liabilities, including identifiable contingent liabilities of a Subsidiary as of the acquisition date.

The assets and liabilities acquired are temporarily appraised upon taking over the company and are then revised within one year from the acquisition date at the latest. Until the definite fair value of assets and liabilities is determined, the difference between the acquisition price and the book value of the acquired

company is temporarily recorded as goodwill.

In the event the definitive goodwill is recorded in the financial statements for the year following the share acquisition, the items of the previous year shown for comparison purposes are modified to incorporate the value of the acquired assets and liabilities and the definitive goodwill from the share acquisition date.

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

Goodwill is not amortized. Instead, any impairment reducing the recoverable value to below the net book cost is estimated at the end of each accounting period. In this case, an adjustment for impairment is in order, as required by IAS 36.

E. Properties, plant and equipment

The Company uses the cost method for the valuation of Property, Plant and Equipment, except for land, where the revaluation method is used. The historical cost includes expenses that are directly attributable to the acquisition of the asset.

Land revaluations are performed with sufficient regularity to ensure that the carrying amount of the revalued asset does not differ significantly from fair value.

The revaluation surplus, net of related deferred taxes, is recognized in other comprehensive income within equity. However, in the event that a revaluation deficit of the same asset previously recognized as a loss is reversed, such increase is recognized in the statement of income.

A decrease in value is recorded in the statement of income, except in the case that such decrease cancels the surplus existing in the same asset that would have been recognized in adjustments for changes in value.

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 items of fixed asset will flow to the Group and the cost of the item can be measured reliably. The value of the replaced component is derecognized for accounting purposes. All other repairs

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

The depreciation method applied by the Company reflects how the assets are expected to be used by the entity over the period in which they generate profit. The Company therefore uses the straight-line depreciation method over the technical useful life, based on technical studies prepared by independent experts (specialized external companies). The residual value and useful life of assets are checked and adjusted if necessary, at each closing of the Statement of Financial Position.

When the value of an asset is higher than its estimated recoverable amount it is immediately reduced to the amount recoverable (Note 30).

Lifespan

The lifespan considered in calculating the depreciation are based on technical studies prepared by specialized external companies. They are revised as new information arises to allow considering that the useful life of any asset has been modified.

The assignment to assets of the total useful life is based on several factors, including the nature of the equipment. These factors generally include:

1. Nature of the equipment or construction materials
2. Equipment operation environment
3. Intensity of use
4. Legal, regulatory or contractual restrictions.

The lifespan period (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

Policy for estimating the costs for dismantling, decommissioning or renovating properties, plant and equipment:

Due to the nature of the assets constructed by the Company and given that there are no contractual obligations or construction requirements other than those mentioned in the IFRS, the concept of dismantling costs is not applicable as of the date of these consolidated financial statements.

Properties, plant and equipment sales policy

The results for sale of properties, plant and equipment are calculated by comparing the income received with the book value and are registered in the Consolidated Statement of Comprehensive Results.



F. Impairment of tangible and intangible assets except capital gain

The Group revises the book values of its tangible and intangible assets with a defined useful life at each closing date of the Consolidated Statement of Financial Position to see whether there is any indication of a loss due to impairment. Should this exist, the recoverable value of such assets is estimated in order to determine whether any impairment has been sustained. When it is not possible to estimate the recoverable value of an asset, the Group estimates the fair value of the Cash Generating Unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested annually for impairment or when there are indications that the asset might have sustained impairment before the end of the period.

The recoverable value is the greater amount of its fair value minus sale costs and value in use. To estimate the value in use, the estimated future cash flows are discounted from its current value using a pre-tax discount rate to reflect both the current conditions of the money market over time and the specific risks associated with the asset.

When 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 and the results immediately show a loss for impairment. When a loss for impairment is reversed, the book value of the asset (or cash-generating unit) is adjusted to the recoverable value revised estimate, 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 booked in previous Fiscal years.

G. Leases

The Group evaluates its lease agreements in accordance with IFRS 16, that is, if the right to control the use of an identified asset is transferred for a period in exchange for a consideration. It is considered that there is control if the client has i) the right to obtain substantially all the economic benefits derived 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 (that is, on the date on which the underlying asset is available for use) it records in the statement of financial position an asset for the usage right and a lease liability.

The Group initially recognizes the usage right asset at cost, adjusted for any new measurement of the lease liability, less accumulated depreciation and accumulated impairment losses. The usage right asset is depreciated over the term of the lease. To determine if the right-of-use asset has been impaired, the same criteria detailed in Note 2.2F.

The lease liability is measured initially at the present value of the lease payments, discounted at the incremental rate by the company's loans, if the interest rate implicit in the lease cannot be easily determined.

After the start date, the liability for lease is increased to reflect the accrual of interest

and reduced by the lease payments made. In addition, the book 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 evaluation of an option to buy or change in the amounts payable). Interest expense is recognized as a financial cost in the result of the period.

Short-term leases, equal or less than one year, or lease of low-value assets are excluded from the application of the recognition criteria described above, recording the payments associated with the lease as an expense in a straight line throughout the term of the lease.

When the Group acts as a lessor, it classifies at the beginning of the agreement if the lease is operative or financial, based on the essence of the transaction. Leases in which substantially all the risks and benefits inherent to 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

The acquisitions and disposals of financial instruments are recognized on the date of trading, i.e. the date on which the Group commits to acquire or sell the asset. Investments are written down when the rights to receive cash flows from the investments have been transferred and the Group has substantially passed all the risks and benefits deriving from 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 their initial recognition.

The Company and its subsidiaries invest in low-risk instruments that meet the classification standards established in their investment policies. The mutual funds invested in must therefore have an AAfm rating / M1 (quotas with very high protection against loss associated with credit risks/quotas with the lowest sensitivity to changes in economic conditions). Term deposits and repurchase agreements are instruments classified as N-1 (instruments with the highest capacity for paying capital and interests under the agreed terms and maturities).

The institutions issuing these instruments are bank Companies or bank subsidiaries with an N-1 credit rating, and their instruments have a rating of least AA (very high capacity for paying the principal and interest on the agreed terms and maturities, which would not be affected significantly 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 for calculating the amortized cost of a financial asset or liability and of the assignment of interest income or expense over the whole period. The effective interest rate is the rate that exactly discounts the estimated future cash flows receivable over the expected life of the financial asset and equals the Net Present Value (NPV) with 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, the sale of financial assets for which it is expected to recover the principal amount in addition to the interest, if applicable, must be met as a principle.

iii. Financial assets at fair value with changes in results

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

Financial assets at fair value with changes in results are valued at fair value and any resulting loss or gain is recognized in the results. The net loss or gain recognized in the results includes any dividend or interest received over the financial asset.

The Subsidiaries hold shares of Sociedad Eléctrica Puntilla SA, which have been valued at their fair value at the acquisition date, as established in IFRS 9. Their subsequent measurement is carried out 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, not traded on an active market and classified as loans and accounts receivable. Loans and accounts receivable are valued at amortized cost using the effective interest rate method less any loss for impairment, except for short-term accounts receivable, where the recognition of interest is immaterial.

Trade debtors and other accounts receivable

Trade debtors are the billing of water consumption, sewage services, sewage treatment and other services and the accrued revenue from consumption between the date of the last meter reading (following an established monthly routine) and the financial statement closing date. These are recorded at net value from the estimate of bad debts or debts unlikely to be recovered.

The trade debtor policy is subject to the credit policy, which sets the payment conditions and the different scenarios for reaching agreements with overdue customers.

Policy for impairment of trade debtors and other accounts receivable

The company evaluates impairments affecting its financial assets on a periodical basis. The amount is recorded in the uncollectible provisions account. The book value of an asset is reduced to the extent that the provision account is used, and the loss is booked in the statement of comprehensive results in “other expenses”. When the account receivable is not recoverable, it is recorded against provisions for accounts receivable, based on the expected credit loss model as stablished in IFRS 9.

Estimates are based considering recovery statistics, which indicate that eighth months after billing the possibility of recovery is marginal, i.e. the probability of recovering of the amount billed is minimal.

In Aguas Andinas S.A. and its subsidiaries Aguas Cordillera S.A., Aguas Manquehue S.A. a 100% provision is made for customers with debts overdue more than 8 months.

Additionally, the debts for consumption converted into payment agreements a provision is made for 100% of the agreed balance.

A 100% provision is made for overdue notes receivable.

I. Inventories

Materials, spare parts and inputs are valued at acquisition cost, which does not exceed their net realization value. The costing method is the average weighted cost. Every six months, a deterioration estimate is made of those materials which are damaged, partially or totally obsolete, or that have not rotated for the last twelve month and their market price would have fallen by more than 20%.

J. Dividend policy

The Company's dividend policy, pursuant to article 79 of Law 18,046 on Public Limited Companies, is to distribute 30% of the net earnings for each Fiscal year. In case these dividends do not exist or were lower than the minimum established by Law, the relevant provision would be in order.

Additionally, and after being authorized by the Ordinary Shareholders Meeting, the remaining 70% can be distributed as additional dividend, as long as the current level of capitalization is maintained and is compatible with the investment policies.

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

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.

L. Financial liabilities

Loans, bonds payable and similar documents are at first shown at their fair net value for the costs incurred in the transaction. They are then shown at amortized cost, using the effective interest rate, except for transactions for which hedging contracts have been signed, which have been valued as described in the following section.

M. Derivative financial instruments and hedge accounting

The employment of derivative financial instruments by the Company and Subsidiaries follows the Group’s financial risk management policies, which establish the guidelines for use.

The Group uses derivative financial instruments as hedging instruments to reduce inflation, exchange rates and foreign currency risks on current items to which it is exposed due to its operations.

Derivatives are recorded at fair value on the financial position statement date. In the case of financial derivatives, if the value is positive, it is recorded under "Other Financial Assets" and, if negative, under "Other Financial Liabilities."

Changes in the fair value are recorded directly in the results, except when a derivative has been designated as a hedge accounting instrument and meets all the conditions established by the IFRS to apply hedge accounting.

The treatment of hedge operations with derivative instruments is the following:

**Hedges of fair value.** Changes in the market value of derivative financial instruments designated as hedges, as well as the items hedged, are recorded as credit or charge to the financial results in the respective result accounts.

**Cash flow and foreign currency net investment hedging.** Changes in the fair value of the effective part of these derivative financial instruments are directly recorded in an equity reserve called “cash flow hedge,” while the ineffective part is registered in the results. The amount recognized in net equity is not transferred to the result account until the results of the operations hedged are therein recorded or until the expiration date of such operations.

In the event of hedging discontinuation, the net equity loss or gain accumulated to that date is maintained until the underlying hedging operation is executed. At that moment, the accumulated loss or gain in equity will be reversed in the result account affecting that transaction.

Financial instruments are presented at their fair value at the closing of each period. In the case of derivatives not traded in organized markets, the Group uses assumptions based on the market conditions on that date for valuation.

**Effectiveness.** Hedging is highly effective when the changes in fair value or cash flows of the underlying item directly attributable to the hedged risk are offset by changes in the fair value or cash flow of the hedge instrument, with effectiveness ranging from 80% to 125%.

**Implicit derivative.** The Group also evaluates the existence of derivatives implicit in contracts and financial instruments to determine whether their characteristics and risks are closely related to the main contract, provided that the combination is not being recorded at fair value. If they are not closely related, they are recorded separately, with the value variations being taken directly from the consolidated statement of results.

N. Provisions and contingent liabilities

The Group recognizes a provision when there is a current obligation resulting from past events, for which the Group is likely to use resources to settle the obligation and for which a fair estimate of the amount of the obligation can be made.

The provisions are quantified considering the best information available on the matter and its consequences and is reviewed at each accounting closing. The provisions made are used to cover the specific risks for which they were originally recognized, their full or partial revision being required when such risks disappear or decrease.

Contingent liabilities are possible obligations arising from past events, whose future materialization and associated equity effect is believed to be a low probability. In accordance with IFRS, the Group makes no provision for these concepts; if there were any, as is required in the same regulation, they are described in Note 17.

O. Employee benefits

The obligation of seniority benefits that are estimated to accrue to employees who retire in Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A., are shown at the actuarial value determined using the projected credit unit method. Actuarial gains and losses on indemnities deriving from changes in the estimates or changes in the turnover rates, mortality, wage increases, or discount rate are determined in accordance with IAS 19, in other comprehensive results, thus directly affecting the Equity, which is then re-classified into accumulated earnings.



### Aguas Andinas S.A.

Severance pay in Aguas Andinas S.A. is governed by the Labor Code, except for the amount of the indemnity in any event accumulated to July 31, 2002 and the termination benefit of 1.45 monthly wages, excluding voluntary resignation, without any amount or age limit, for workers subject to current collective bargaining agreements and those to whom this benefit was extended via their individual contract of employment. The amount in any event accumulated to that date is adjusted quarterly in line with the changes in the consumer price index. The mentioned collective bargaining agreement also states that workers who retire from Aguas Andinas S.A. within 120 days of the legal retirement age can have access to the benefits under the collective bargaining contract and continue to accrue this benefit after July 2002.

### Aguas Cordillera S.A. and Aguas Manquehue S.A.

Severance pay in Aguas Cordillera S.A. and Aguas Manquehue S.A. is governed by the Labor Code, except the amount of the indemnity in any event accumulated to December 31, 2002 and the termination benefit of 1 monthly wage without any amount or age limit for workers covered by current collective bargaining agreements and for those to whom this benefit was extended via their individual contract of employment. The amount in any event accumulated to that date is adjusted quarterly in line with the changes in the consumer price index. The mentioned collective bargaining agreement also states that workers who retire from Aguas Cordillera S.A. and Aguas Manquehue S.A. continue to accrue this benefit after December 2002.

For the other subsidiaries there are no benefits of this nature.

### P. Share-based payment reserve

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

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

### Q. Corporate income tax and deferred taxes

The expense on account of income tax is the sum of the income tax payable and variations in deferred tax assets and liabilities.

The income tax payable is determined on the basis of the tax result for the period. The income tax to be paid by the Group is calculated using tax rates approved or in the

process, on the closing date of the statement of financial position.

Deferred taxes are recognized on the basis of differences between the book values of assets and liabilities contained in the financial statements and the corresponding tax figures used in the calculation of the tax result and are recorded using the balance-sheet liability method. Deferred tax liabilities are recorded for all taxable timing differences, and deferred tax assets are recognized for all deductible timing differences as long as future tax benefits are likely to offset such differences. Deferred tax assets or liabilities are not recognized if timing differences arise from the reduced value or initial recognition (except in a combination of businesses) of other assets and liabilities in a transaction that does not affect the tax or the financial results.

The book value of deferred tax assets is revised on the closing date of each financial position statement and is reduced until sufficient tax results to allow the recovery of all or part of the asset are no longer available.

Deferred tax assets and liabilities are measured at the tax rates expected to be in effect at the time of settling the liability or realizing the asset, based on the tax rates that have been approved or are about to be approved at the closing of the statement of financial position. The measurement of deferred assets and liabilities reflects the possible tax consequences of the way in which Group expects to recover or settle the book values of its assets and liabilities to the date of report.

Deferred tax assets and liabilities are offset when there is a legal right to offset tax assets against tax liabilities related to the same entity and tax authority.

### R. Current revenue

#### Current revenue acknowledgment policy

The Company determined its recognition and measurement of revenues from ordinary activities, based on the principle that revenues are 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 must be applied based on a five-step model:

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

#### Policy for acknowledging current revenue from sales of goods

Income from sales of goods is recognized 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 income 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

Income from sales of services is measured at fair value. Billing is carried out on the basis of actual consumption or work carried out on the consideration receivable, net returns, trade discounts and rebates, so the income is recorded when it is transferred to the client and recovery is considered probable. In addition, the associated costs and possible discounts for erroneous billings can be reliably estimated.

The water utilities' services area is divided into billing groups that determine dates for meter readings and subsequent billing. This process is carried out in a calendar month. This means that at the end of each month there is unread consumption, and therefore, not billed.

For those billing groups that have the information about the consumption effectively read, the application of the corresponding tariff would be in order.

For those cases where the whole meter reading consumption is not available for the Company, a better estimation of those incomes pending of billing will be carried out on the basis of data from the previous month valued at the current tariff, considering for both cases (billing or estimation) the normal or overconsumption tariff.

The transfer of risks and benefits varies according to the corporate business. For Water Utilities, the provision of services and any related charge are based on the actual consumption and a monthly provision is made for unbilled consumption, based on the previous billing. For Anam S.A., EcoRiles S.A., Gestión y Services S.A. and Aguas del Maipo S.A., invoicing and the possible are based on the work carried out.

### Method used for determining the service termination statement

The provision of the sanitation services is confirmed by metering the consumption, in accordance with the relevant legislation, whereas non-water utility subsidiaries do so once the services and/or respective reports have been completed.

Income under agreements with property developers is recorded as current revenue if it complies with the conditions of each contract to ensure that the related economic benefits will flow to the Company.

### S. Earnings per share

Basic earnings per share are calculated as the ratio between the earnings (loss) attributable to the holders of Net Equity of the Controller and the average weighted number of common shares in circulation.

The Group has not performed any type of operation of potential dilutive effect that would entail diluted earnings per share other than the basic benefit per share.

T. Environmental information

Environmental assets are those that are used in a lasting way in the activity of the subsidiaries, 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 from the operation of the Subsidiaries.

These assets, like any other asset, are valued at cost. The Subsidiaries amortize these items on a straight-line basis as a function of the estimated remaining years of useful lives for the different items.

U. Consolidated statement of cash flows

Cash flow statements record the cash movements during the period, which include Value-Added Tax (VAT), determined by the direct method under the following criteria:

**Cash and cash equivalents:** 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 investing or financing.

**Investing activities:** Acquisition, disposal or use by other means of long-term assets and other investments that have not been included in cash and cash equivalents.

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

V. Construction contracts

For construction contracts, the Group uses the “percentage-of-completion method” for booking 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 recognized when incurred. When the result of a construction contract can be reliably estimated, and the contract is likely to be profitable, contract revenues are recognized over the term of the contract. When the contract costs are likely to exceed the total revenues, the expected loss is immediately recognized as an expense incurred in the Fiscal year. When the result of a construction contract cannot be estimated reliably enough, contract revenues are recognized only to the limit of the contract costs incurred that are likely to be recovered.

The Group shows the gross amount due by customers for the work of all the contracts in progress as an asset for which the costs incurred plus recognized earnings (less

booked losses) exceed the partial invoicing. Partial invoicing unpaid by customers and the withholdings are included in “Trade debtors and other accounts receivable”.

The Group shows 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 recognized earnings (less recognized losses)

W. Capitalized financing costs

Policy on interest-bearing loans:

Loan costs directly attributable to the acquisition, construction or production of assets that meet the conditions for their qualification are capitalized, forming part of the cost of such assets.

Policy on interest-cost capitalization:

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.

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

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

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

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

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

In the statement of comprehensive income, a single amount comprising the total after-tax result of discontinued operations and the after-tax gain or loss recognized on

measurement at fair value less selling costs, or on disposal of the assets or disposal groups constituting the discontinued operation, is presented under the item "Gain (loss) from discontinued operations".

Y. Reclassifications

For period ended as of December 31, 2019, the following reclassifications have been made to facilitate its comparison with period ended as of December 31, 2020:

Reclassifications	Increase/ (Decrease) Th\$
Statement of financial position:	
31-12-2019	
Non-current assets	
Usage rights assets	3.437.562
Properties, plant and equipment	(3.437.562)
Current liabilities	
Lease liabilities	1.503.349
Other financial liabilities	(1.503.349)
Non-current liabilities	
Lease liabilities	1.954.162
Other financial liabilities	(1.954.162)

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

Z. Change in accounting policy

As of December 31, 2020, the Aguas Group decided to use the revaluation model for the asset class "Land" classified within the property, plant and equipment group. Thus, the value of this asset class will be periodically updated according to its market value. The prospective application of this policy implied an increase in value in the property, plant and equipment group of \$225,964 million. For more information, see Note 12.



### Note 3.

## RISK MANAGEMENT

The main objectives of financial risk management are to ensure the availability of funds for the fulfillment of financial commitments and protect the value of economic flows, assets and liabilities of the Group.

This management is developed based on the identification of the risks, the determination of the tolerance of each risk, the coverage of said financial risks and the control of the operations of the hedges established. To achieve the objectives, the management of financial risks is based on covering all significant exposures, provided that adequate instruments exist, and the cost is reasonable.

#### i. Credit risk

Credit risk is the possibility of financial loss arising from the default by our counterparties (customers) of their obligations.

Sanitary subsidiaries have an atomized market, which implies that the credit risk of a customer is not significant.

The objective of the Company is to maintain minimum levels of uncollectibility. There is a credit policy, which establishes the conditions and types of payment, as well as conditions to be agreed upon by delinquent clients. The management processes are 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 the cut off the supply.

The method for analysis is based on the expected credit loss model as established in IFRS 9. The estimates are based considering the recovery statistics, which indicate after the 8th unpaid invoicing month, the probability to recovering an invoiced value is minimal. Consequently, from 9th invoicing month it is recognized immediately an impairment of account receivable value, i.e. the past-due customer is individualized and with it, the provision amount is determined (it is not a percentage over total portfolio). Additionally, the consumption debts turned into agreements and documents receivable with overdue debt are 100% provisioned.

As of December 31, 2020 and 2019 the credit risk balances are Th\$33,733,524 and Th\$32,275,945 respectively (see Note 5).

#### ii. Liquidity risk

The liquidity risk is the possibility that the Group has difficulties in meeting its obligations associated with financial liabilities that are settled through the delivery of cash or another financial asset and cannot finance the commitments acquired, such as long-term investments and working capital needs, at reasonable market prices.

The management monitors the provisions of the Group's liquidity reserve based on the expected cash flows.

Various preventive measures are used to manage liquidity risk, such as:

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

#### Expiry profile (undiscounted flows)

Expiry profile	Up to 90 days		From 91 days to 1 year		From 13 months to 3 years		More than 3 years to 5 years		More than 5 years	
	Th\$	Interest rate contract	Th\$	Interest rate contract	Th\$	Interest rate contract	Th\$	Interest rate contract	Th\$	Interest rate contract
AFR	2.902.414	3,00%	17.943.990	3,47%	55.213.248	4,02%	38.031.326	2,92%	105.812.502	2,45%
Bank loans	23.976.251	4,23%	10.138.714	0,61%	104.336.323	1,23%	61.976.287	1,60%	-	0,00%
Bonuses	7.387.294	2,40%	27.453.630	2,04%	75.940.860	2,00%	58.547.314	1,80%	837.326.860	3,45%
Lease liability	388.624	3,84%	1.024.801	3,84%	1.430.370	3,84%	435.473	3,84%	509.634	3,84%
Trade accounts and other accounts payable	63.315.056	0,00%	35.629.748	0,00%	688.137	0,00%	182.505	0,00%	581.669	0,00%
<b>Total</b>	<b>97.969.639</b>		<b>92.190.883</b>		<b>237.608.938</b>		<b>159.172.905</b>		<b>944.230.665</b>	

Liquidity risk is controlled periodically in order to perceive, detect and correct deviations to minimize possible impacts on results.

#### iii. Interest rate risk

The Company has a fee structure that combines fixed and variable rates as detailed below:

Debt instruments	Rate	%
Bank loans	Variable	7.38%
Bank loans	Fixed	10.62%
Bonuses	Fixed	63.73%
AFR	Fixed	17.92%
Lease liability	Fixed	0.35%
<b>Total</b>		<b>100.00%</b>

#### Interest rate awareness analysis

A rate analysis is performed, with respect to the TAB (Active Banking Rate), if 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 setting of the loans.

The analysis is based on historical data with respect to the average daily market price of the 180-day TAB of the last 3 years at the presentation of the report.

Sociedad	Monto nominal deuda Th\$	Variable rate	Points (+/-)	Annual Impact on result (+/-) Th\$
IAM S.A. Consolidated	79.179.102	Tasa TAB	192	1.517.988

iv. COVID-19 risk

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

As of December 31, 2020, an overall impact of \$36,948 million is estimated for the direct and indirect effects presumably derived from the exceptional situation due to Covid-19, which are explained below:

A decrease in sales volumes of \$16,759 million, associated with lower sales to residential customers by 0.3% and to non-residential customers by 13.4%; A lower collection of regulated customer accounts, which increased the aging of the accounts receivable balance, requiring the recognition of an allowance for doubtful accounts in the amount of \$20,172 million, generating a higher bad debt expense of \$16,151 million regarding previous year; Direct costs of \$6,557 million were recorded associated with confinement plans, personnel transportation, hygiene supplies, teleworking, safety measures, workers' health monitoring program, logistics and communications; A decrease in activity associated with non-regulated revenues of \$1,146 million, mainly due to home services, with a decrease in business sales volume close to 32%; and lower expenses of \$3,665 million are mainly associated with customer services due to lower supply cut-off and replacement services, meter reading, savings in the printing of commercial documents, together with lower corporate activities and administration expenses.

Note 4.  
CASH AND CASH EQUIVALENT

The composition of the item is as follows:

Cash and cash equivalents	31-12-2020 Th\$	31-12-2019 Th\$
Banks	3.421.242	10.849.822
Term deposits (Note 4.1)	110.899.988	496.943
Mutual Funds (Note 4.1)	63.643.623	61.710.353
<b>Total</b>	<b>177.964.853</b>	<b>73.057.118</b>

The equivalent to cash corresponds to financial assets in time deposits and mutual funds maturing less than 90 days from the date of the transaction that originates them.

Detail of some items of the statement of cash flow

• **Other charges for operating activities:** Correspond to services annexed 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 for investing activities:** Correspond mainly to interest associated with bond issues, which have been capitalized, as a result of investments made in properties, plant and equipment.

**There are no legal restrictions that prevent the immediate availability of the cash and cash equivalent balances used by the Group.**

4.1 Cash Equivalent

The detail by type of financial instruments in each company is as follows:

Company	Instruments	31-12-2020 Th\$	31-12-2019 Th\$
IAM S.A.	Mutual Funds	2.738.110	803.085
Aguas Andinas S.A.	Term deposit	110.899.988	-
Aguas Andinas S.A.	Mutual Funds	53.415.489	56.906.947
Aguas Cordillera S.A.	Mutual Funds	1.485.005	3.050.281
Aguas Manquehue S.A.	Mutual Funds	1.555.005	250.040
ESSAL S.A.	Term deposit	-	496.943
EcoRiles S.A.	Mutual Funds	3.300.011	-
Gestión y Servicios S.A.	Mutual Funds	790.002	700.000
Análisis Ambientales S.A.	Mutual Funds	360.001	-
<b>Totales</b>		<b>174.543.611</b>	<b>62.207.296</b>

The Company and Subsidiaries make investments with a portfolio limit of 40% maximum of the total per issuing institution, and limits for instruments corresponding to: mutual funds, 10% of the effective assets of the mutual fund and term deposits, 10% of the effective equity of the fund bank.

Note 5.

TRADE DEBTORS AND OTHER ACCOUNTS RECEIVABLE  
AND RIGHTS COLLECTED

The composition of commercial debtors (current and non-current) as of December 31, 2020 and 2019 is as follows:

Commercial debtors and credit risk	31-12-2020 Th\$	31-12-2019 Th\$
Gross exposure of commercial debtors	110.854.478	136.266.844
Gross exposure documents receivable	6.201.585	6.172.403
Gross exposure other accounts receivable	3.912.782	5.796.784
<b>Trade debtors and other accounts receivable, gross</b>	<b>120.968.845</b>	<b>148.236.031</b>
Estimates for risks of accounts receivable	(33.477.605)	(32.275.945)
<b>Trade debtors and other accounts receivable, net</b>	<b>87.491.240</b>	<b>115.960.086</b>
Gross exposure documents receivable	526.813	2.217.793
Gross exposure other accounts receivable	3.907.719	2.033.868
<b>Rights receivable, non-current, gross</b>	<b>4.434.532</b>	<b>4.251.661</b>
Estimates for accounts receivable risks	(255.919)	-
<b>Non-current rights receivable, net</b>	<b>4.178.613</b>	<b>4.251.661</b>
<b>Net exposure, risk concentrations</b>	<b>91.669.853</b>	<b>120.211.747</b>

(\*) As of December 31, 2020, the settlement was approved for the collective judgment between SERNAC, CONADECUS and Aguas Andinas S.A., regarding to the massive potable water cuts of April 2016, February and April 2017.This generated a recognition of Th\$9,909,734 within trade debtors, as a result of a compensation plan that will be made through rebates to the monthly accounts of affected customers.



The movement of the uncollectible debtors estimate is as follows:

Movement credit risk accounts receivable	31-12-2020 Th\$	31-12-2019 Th\$
<b>Initial balance</b>	<b>(32.275.945)</b>	<b>(34.211.483)</b>
Increase in existing provisions	(20.171.784)	(4.547.485)
Decrease due to loss of control of subsidiary	6.152.495	-
Penalties	12.561.710	6.483.023
<b>Changes, totals</b>	<b>(1.457.579)</b>	<b>1.935.538</b>
<b>Closing balance</b>	<b>(33.733.524)</b>	<b>(32.275.945)</b>

During fiscal year 2020, there was a lower collection of customer accounts, which increased the aging of the accounts receivable balance, and a higher allowance for doubtful accounts had to be recognized, which in turn generated a higher bad debt expense compared to the previous year.

In accordance with the Group's policy, the debts for consumption transformed into payment agreements are provisioned in full.

Next, the composition by age of the gross debt is presented:

Age of gross debt	31-12-2020 Th\$	31-12-2019 Th\$
less than three months	81.039.786	109.106.056
between three and six months	4.665.785	5.882.475
between six and eight months	3.102.160	2.258.606
greater than eight months	36.595.646	35.240.555
<b>Total</b>	<b>125.403.377</b>	<b>152.487.692</b>

In accordance with the provisions of IFRS 7 Financial Instruments, a breakdown of gross debt due by seniority is presented:

Non-provisioned gross overdue debt	31-12-2020 Th\$	31-12-2019 Th\$
less than three months	9.771.031	10.240.018
between three and six months	3.205.547	2.439.194
between six and eight months	1.915.592	1.128.956
<b>Total</b>	<b>14.892.170</b>	<b>13.808.168</b>

The overdue debt consists of all those amounts in which the counterparty stopped making a payment when contractually it had to do so. Clients with balances less than 9 months old, in accordance with the Company's policy, are not provisioned.

As of December 31, 2020 and 2019, the gross exposure analysis of current trade debtors and current and non-current documents receivable, for rescheduled portfolio and non-rescheduled, is the following:

December 31, 2020						
Debtor tranche Commercial	Non-rescheduled portfolio		Rescheduled portfolio		Total gross portfolio	
	No of customers	Gross amount Th\$	No of customers	Gross amount Th\$	No of customers	Gross amount Th\$
To date	15.887	5.013.675	-	-	15.887	5.013.675
Between 1 and 30 days	967.254	60.842.257	259	18.872	967.513	60.861.129
Between 31 and 60 days	167.580	7.944.185	1.445	95.835	169.025	8.040.020
Between 61 and 90 days	54.706	2.886.976	2.611	148.599	57.317	3.035.575
Between 91 and 120 days	27.352	1.890.002	2.670	181.621	30.022	2.071.623
Between 121 and 150 days	14.741	1.346.084	2.791	215.541	17.532	1.561.625
Between 151 and 180 days	8.320	1.035.332	2.960	293.129	11.280	1.328.461
Between 181 and 210 days	6.786	1.158.755	3.080	365.983	9.866	1.524.738
Between 211 and 250 days	6.801	1.209.461	3.854	550.523	10.655	1.759.984
More than 251 days	88.167	14.526.745	34.015	17.859.301	122.182	32.386.046
<b>Total</b>	<b>1.357.594</b>	<b>97.853.472</b>	<b>53.685</b>	<b>19.729.404</b>	<b>1.411.279</b>	<b>117.582.876</b>

December 31, 2019						
Debtor tranche Commercial	Non-rescheduled portfolio		Rescheduled portfolio		Total gross portfolio	
	No of customers	Gross amount Th\$	No of customers	Gross amount Th\$	No of customers	Gross amount Th\$
To date	42.140	6.317.555	6	194	42.146	6.317.749
Between 1 and 30 days	1.228.100	79.432.080	215	9.354	1.228.315	79.441.434
Between 31 and 60 days	232.125	12.309.276	2.903	88.523	235.028	12.397.799
Between 61 and 90 days	49.118	3.811.927	8.542	280.687	57.660	4.092.614
Between 91 and 120 days	17.071	2.181.312	5.692	244.503	22.763	2.425.815
Between 121 and 150 days	8.848	961.131	4.822	294.859	13.670	1.255.990
Between 151 and 180 days	5.486	1.515.934	3.737	296.042	9.223	1.811.976
Between 181 and 210 days	3.831	1.158.152	2.947	275.195	6.778	1.433.347
Between 211 and 250 days	2.739	885.437	2.583	278.550	5.322	1.163.987
More than 251 days	23.116	12.928.209	38.098	21.388.120	61.214	34.316.329
<b>Total</b>	<b>1.612.574</b>	<b>121.501.013</b>	<b>69.545</b>	<b>23.156.027</b>	<b>1.682.119</b>	<b>144.657.040</b>

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FINANCIAL  
STATEMENTS

As of December 31, 2020 and 2019, the analysis of protested documents receivable and in judicial collection, of non-securitized portfolio, is the following:

Portfolio protested and in judicial collection - Rescheduled portfolio	NON-RESCHEDULED PORTFOLIO			
	December 31, 2020		December 31, 2019	
	No of customers	Portfolio amount Th\$	No of customers	Portfolio amount Th\$
Protested documents receivables	5	2.567	12	19.944
Documents receivable in judicial collection	5	273.705	5	306.728
<b>Total</b>	<b>10</b>	<b>276.272</b>	<b>17</b>	<b>326.672</b>

As of December 31, 2020 and 2019, the analysis of credit risk is the following:

December 31, 2020				
Provision			Period penalty Th\$	Recovery of the period Th\$
Non-rescheduled portfolio Th\$	Scheduled portfolio Th\$	Total Provision Th\$		
(14.004.120)	(19.729.404)	<b>(33.733.524)</b>	12.561.710	-

December 31, 2019				
Provision			Period penalty Th\$	Recovery of the period Th\$
Non-rescheduled portfolio Th\$	Scheduled portfolio Th\$	Total Provision Th\$		
(9.119.918)	(23.156.027)	<b>(32.275.945)</b>	6.483.023	-

## Note 6.

### INFORMATION TO BE DISCLOSED ON RELATED ENTITIES

#### Balances and transactions with related entities

Transactions between the Company and its Subsidiaries are adjusted to market conditions. These transactions have been eliminated 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 currency of the transactions is in pesos, maturity dates are 30 days and have no guarantees.

Tax ID related company	Related company name	Nature of relationship	Nature of transactions with related parties	31-12-2020 Th\$	31-12-2019 Th\$
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the Controller	Laboratory analysis and sampling services	3.820	6.141
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	Laboratory analysis and sampling services	1.741	-
65.113.732-2	Corporación Chilena de Investigación del Agua	Related to the Controller	Laboratory analysis and sampling services	-	86
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the Controller	Sales of materials	237	18.681
76.746.454-1	Suez Biofactoría Andina SpA	Related to the Controller	La Farfana Biofactory Insurance	977.058	-
<b>Totales</b>				<b>982.856</b>	<b>24.908</b>



Accounts payable to related entities

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

Tax ID related company	Related company name	Nature of relationship	Nature of transactions with related parties	Terms	Guarantees	31-12-2020 Th\$	31-12-2019 Th\$
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CCO 2.0 Operative Control Center Update Project	30 days	Contract compliance guarantee Amount UF30,899	60,094	586,835
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	SCADA platform	30 days	Without guarantees	-	5,979
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	San Antonio Arsenic Plant	30 days	Contract compliance guarantee Amount UF24.264	-	249,326
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	Chamisero Plant	30 days	Contract compliance guarantee Amount UF66,809.74	-	350,000
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	Materials	30 days	Without guarantees	-	-
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	Sharing Payment	30 days	Without guarantees	11,132	11,132
76.746.454-1	Suez Biofactoria Andina Spa.	Related to the controller	Biofactory adaptation plan for La Farfana treatment plant	30 days	Contract compliance guarantee Amount UF1.048.050	5,013,608	4,564,482
76.746.454-1	Suez Biofactoria Andina Spa.	Related to the controller	Nitrogen removal and adaptation plan to biofactory of Mapocho-Trebal treatment plant	30 days	Without guarantees	10,985,877	10,575,060
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the controller	Consulting	30 days	Without guarantees	507,241	270,081
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Purchase of materials	60 days	Contract compliance guarantee. Amount Th\$ 279,298	6,902	36,268
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Virtual platform, Siebel	30 days	Without guarantees	53,602	81,579
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Consulting service evolutionary maintenance	30 days	Without guarantees	205,213	701,861
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Service contract for process reengineering and implementation of new information systems for customer service	30 days	Guarantee faithful fulfillment of contract for Th\$ 845,149	42,208	141,217
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Rehabilitation of Digesters Sewage Plant Mapocho - Trebal	90 days	Guarantee faithful fulfillment of contract for UF357.863	729,635	787,428
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Operation of the Biogas La Farfana purification plant, control and monitoring of electricity costs	30 days	Without guarantees	30,990	59,739
No tax ID	Aqua Development Network S.A.	Related to the controller	Integrated talent management contract	30 days	Without guarantees	-	28,197
77.329.730-4	Suez Inversiones Aguas del Gran Santiago	Controlles	Dividendos por pagar	30 days	Without guarantees	-	11,153,261
77.329.730-4	Suez Inversiones Aguas del Gran Santiago	Controller	Real estate rental	30 days	Without guarantees	-	1,005
96.817.230-1	EPSA Electrica Puntilla S.A.	Common director	Water purchase	30 days	Without guarantees	33,594	226,250
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common director	Water purchase	30 days	Without guarantees	77,066	92,640
Total						17,757,162	29,933,892

Transactions with related entities

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

Tax ID related company	Related company name	Nature of relationship	Nature of transactions with related parties	31-12-2020 Th\$		31-12-2019 Th\$	
				Amount	Effects on Result (Charge) / Credit	Amount	Effects on Result (Charge) / Credit
76.080.553-K	Suez Advanced Solutions Chile Ltda	Related to the controller	Purchase of materials	581,525	(262,758)	902,543	(699,064)
76.080.553-K	Suez Advanced Solutions Chile Ltda	Related to the controller	Sale of materials	7,687	6,459	181,944	152,894
76.080.553-K	Suez Advanced Solutions Chile Ltda	Related to the controller	Siebel and Aguacis virtual platform maintenance, consulting and evolutionary maintenance, Aguacis licenses	2,998,246	(1,917,945)	983,147	(896,892)
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Digester Rehabilitation	1,869,749	-	1,402,394	-
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Operation and Maintenance Services Biogas Plant	198,553	(168,251)	225,970	(195,795)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	Project Update Operational Control Center CCO 2.0 and Tracer Gas Leak Detection	2,911,316	(1,040,805)	1,348,270	(271,050)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	Chamisero Plant Construction (Batuco Canal)	423,119	-	1,460,329	-
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	San Antonio Arsenic Plant Construction	2,658	-	680,571	-
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	Talagante Plant, Hydraulic efficiency plan, materials and services	-	-	1,413,783	-
No tax ID	Aqua Development Network S.A.	Related to the controller	Talent Management Project	-	-	279,378	(279,378)
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Common director	Purchase of water and electricity	3,291,168	(2,765,687)	1,786,978	(1,501,662)
76.746.454-1	Suez Biofactoría Andina SpA	Related to the controller	Operation, maintenance and adaptation of Biofactory treatment plant.	56,848,374	(27,574,925)	54,324,345	(27,731,571)
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common director	Purchase of water	1,309,734	(1,100,617)	328,671	(276,194)
65.113.732-2	Corporación Chilena de Investigación del Agua	Related to the controller	Study on management models for resilient urban hydraulic infrastructures in relation to hydrological and geological risks, sludge recovery	802,005	(767,222)	744,753	(370,529)
77.329.730-4	Suez Inversiones Aguas del Gran Santiago Ltda.	Controller	Paid dividends	26,183,262	-	32,826,322	-

The materiality criterion for reporting transactions with related entities is of amounts greater than M \$100,000 accumulated.



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Remuneration paid to the directors of Inversiones Aguas Metropolitanas S.A. and Subsidiaries and Committee of Directors

	31-12-2020 Th\$	31-12-2019 Th\$
Board of Directors	919.865	930.116
Directors Committee	149.181	126.900
<b>Total</b>	<b>1.069.046</b>	<b>1.057.016</b>

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

Detail of related entities and transactions with related entities between Directors and Executives

The Company's management is not aware of the existence of transactions between related parties and directors and / or executives, other than their allowances and compensation.

Note 7.  
INVENTORIES

The breakdown by inventory class as of December 31, 2020 and December 31, 2019 is as follows:

Inventory classes	31-12-2020 Th\$	31-12-2019 Th\$
Merchandise	1.793.789	1.629.763
Supplies for production	2.016.963	1.871.849
Other inventories	439.361	437.964
Obsolescence estimation	(295.160)	(128.977)
<b>Total inventory</b>	<b>3.954.953</b>	<b>3.810.599</b>

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

Additionally, an estimate for impairment of inventories that include amounts related to obsolescence derived from low turnover, obsolescence due to damage and/ or its market price is greater than 20%. The movement of the estimate is as follows:

Obsolescence estimation movement	31-12-2020 Th\$	31-12-2019 Th\$
Beginning balance	(128.977)	(99.268)
Provision for price	(809)	(2.294)
Provision of obsolescence	(247.959)	(87.959)
Provision for damage	(46.392)	(38.724)
Reverse provision	128.977	99.268
<b>Total</b>	<b>(295.160)</b>	<b>(128.977)</b>

Note 8.  
CURRENT TAXES

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

Current tax assets	31-12-2020 Th\$	31-12-2019 Th\$
Provisional monthly payments	41.688.200	10.162.442
Provision for income tax	(15.180.801)	(7.402.069)
Recoverable taxes	419.216	297.049
Credits	677.439	359.858
Others	(158.545)	(30.471)
<b>Total</b>	<b>27.445.509</b>	<b>3.386.809</b>

Current tax liabilities	31-12-2020 Th\$	31-12-2019 Th\$
Provisional monthly payments	(4.419.444)	(45.984.530)
Provision for income tax	6.502.701	48.351.892
Tax provision article 21 disallowed expenses	10.562	327.878
Credits	(114.749)	(666.872)
<b>Total</b>	<b>1.979.070</b>	<b>2.028.368</b>

Note 9.  
NON-CURRENT ASSETS HELD FOR SALE

As of December 31, 2020, the company classified lands by Th\$3,836,023 as held for sale according to established in IFRS 5. The company has started actively a sale plan for lands located in different communes of Metropolitan Region. That transaction is expected to take place within next 12 months.

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

Note 10.  
OTHER FINANCIAL ASSETS

10.1 Non-current

Corresponds mainly to the acquisition of shares of Sociedad Eléctrica Puntilla S.A. (EPSA), for a value of Th\$7,895,863 and Th\$7,835,395 as of December 31, 2020 and 2019 respectively (note 2.2 letter H, ii), over which the Group has no control or significant influence. Additionally, there are other investments for Th\$17.517 in both periods.

Associated with this acquisition, an obligation is maintained with the Association Association of Canalistas del Maipo, referred to the commitment not to move the water rights in force on the contract date in the amount of Th\$7,355,177 and Th\$7,294,709 as of December 31, 2020 and 2019, respectively.

Note 11.  
INTANGIBLE ASSETS DIFFERENT FROM CAPITAL GAIN

The following is information required regarding the intangible assets of the Company, according to IAS 38 Intangible Assets: The composition of the item is the following:

Intangible assets other than goodwill	31-12-2020 Th\$	31-12-2019 Th\$
Trademarks, gross	15.933	15.933
Computer programs, gross	52.760.365	52.887.318
Other intangible assets, gross	227.152.076	231.888.852
<b>Intangible assets, gross</b>	<b>279.928.374</b>	<b>284.792.103</b>
Computer programs, accumulated depreciation	(48.169.671)	(47.876.410)
Other intangible assets, accumulated amortization	(13.104.813)	(13.128.953)
<b>Intangible assets, accumulated amortization</b>	<b>(61.274.484)</b>	<b>(61.005.363)</b>
Trademarks, net	15.933	15.933
Computer programs, net	4.590.694	5.010.908
Other intangible assets, net	214.047.263	218.759.899
<b>Intangible assets, net</b>	<b>218.653.890</b>	<b>223.786.740</b>

\*Corresponde a derechos de agua, servidumbres y otros.

Movements in intangible assets as of December 31, 2020

Movements in intangible assets	Trademarks, net Th\$	Computer programs, net Th\$	Other Intangible Assets, net Th\$	Total Th\$
Initial balance	15.933	5.010.908	218.759.899	223.786.740
Increases (decreases) by transfers	-	1.001.545	(18.833)	982.712
Increases (decreases) due to other changes	-	1.331.158	2.083.504	3.414.662
Total increases (decreases) due to transfers and other changes	-	2.332.703	2.064.671	4.397.374
Amortization	-	(2.621.349)	(187.215)	(2.808.564)
Loss of subsidiary control	-	(131.568)	(6.584.760)	(6.716.328)
Disposals and withdrawals of service	-	-	(5.332)	(5.332)
Total depreciation, loss of subsidiary control, disposals and withdrawals of service	-	(2.752.917)	(6.777.307)	(9.530.224)
Changes, Total	-	(420.214)	(4.712.636)	(5.132.850)
Closing balance	15.933	4.590.694	214.047.263	218.653.890

Movements in intangible assets as of December 31, 2019

Movements in intangible assets	Trademarks, net Th\$	Computer programs, net Th\$	Other Intangible Assets, net Th\$	Total Th\$
Initial balance	15.933	5.700.799	219.147.692	224.864.424
Increases (decreases) by transfers	-	1.293.583	(133.581)	1.160.002
Increases (decreases) due to other changes	-	867.729	116.320	984.049
Total increases (decreases) due to transfers and other changes	-	2.161.312	(17.261)	2.144.051
Amortization	-	(2.851.203)	(187.215)	(3.038.418)
Disposals and withdrawals of service	-	-	(183.317)	(183.317)
Total disposals and withdrawals of service	-	(2.851.203)	(370.532)	(3.221.735)
Changes, Total	-	(689.891)	(387.793)	(1.077.684)
Closing balance	15.933	5.010.908	218.759.899	223.786.740

Detailed disclosures about intangible assets (gross value)

Current period: December 31, 2020

Movements in intangible assets	Trademarks, gross Th\$	Computer programs, gross Th\$	Other Intangible Assets, gross Th\$	Total Th\$
Initial balance	15.933	52.887.318	231.888.852	284.792.103
Increases (decreases) by transfers	-	1.001.545	(18.833)	982.712
Increases (decreases) due to other changes	-	1.331.384	2.083.504	3.414.888
Total increases (decreases) due to transfers and other changes	-	2.332.929	2.064.671	4.397.600
Loss of subsidiary control	-	(2.459.882)	(6.796.115)	(9.255.997)
Disposals and withdrawals of service	-	-	(5.332)	(5.332)
Total held for sale, disposals and withdrawals of service	-	(2.459.882)	(6.801.447)	(9.261.329)
Changes, Total	-	(126.953)	(4.736.776)	(4.863.729)
Closing balance	15.933	52.760.365	227.152.076	279.928.374

Previous year: December 31, 2019

Movements in intangible assets	Trademarks, gross Th\$	Computer programs, gross Th\$	Other Intangible Assets, gross Th\$	Total Th\$
Initial balance	15.933	50.726.006	232.089.430	282.831.369
Increases (decreases) by transfers	-	1.293.583	(133.581)	1.160.002
Increases (decreases) due to other changes	-	867.729	116.320	984.049
Total increases (decreases) due to transfers and other changes	-	2.161.312	(17.261)	2.144.051
Disposals and withdrawals of service	-	-	(183.317)	(183.317)
Total disposals and withdrawals of service	-	-	(183.317)	(183.317)
Changes, Total	-	2.161.312	(200.578)	1.960.734
Closing balance	15.933	52.887.318	231.888.852	284.792.103



Detailed disclosures about intangible assets (accumulated amortization)

Current period: December 31, 2020

Movements in intangible assets	Trademarks, accumulated depreciation Th\$	Computer programs, accumulated depreciation Th\$	Other Intangible Assets, accumulated depreciation Th\$	Total Th\$
Initial balance	-	(47,876,410)	(13,128,953)	(61,005,363)
Increases (decreases) due to other changes	-	(226)	-	(226)
Total increases (decreases) due to transfers and other changes	-	(226)	-	(226)
Amortization	-	(2,621,349)	(187,215)	(2,808,564)
Loss of subsidiary control	-	2,328,314	211,355	2,539,669
Total amortization and held for sale	-	(293,035)	24,140	(268,895)
Changes, Total	-	(293,261)	24,140	(269,121)
Closing balance	-	(48,169,671)	(13,104,813)	(61,274,484)

Previous year: December 31, 2019

Movements in intangible assets	Trademarks, accumulated depreciation Th\$	Computer programs, accumulated depreciation Th\$	Other Intangible Assets, accumulated depreciation Th\$	Total Th\$
Initial balance	-	(45,025,207)	(12,941,738)	(57,966,945)
Amortization	-	(2,851,203)	(187,215)	(3,038,418)
Total amortization	-	(2,851,203)	(187,215)	(3,038,418)
Changes, Total	-	(2,851,203)	(187,215)	(3,038,418)
Closing balance	-	(47,876,410)	(13,128,953)	(61,005,363)

Detail of significant individual intangible assets (others):

Water rights and easements are the main intangible assets of indefinite useful life and their breakdown by company is as follows

Company	31-12-2020			31-12-2019		
	Water rights Th\$	Easement Th\$	Others Th\$	Water rights Th\$	Easement Th\$	Others Th\$
Aguas Andinas S.A.	77.599.791	9.330.150	4.204.933	76.459.202	8.422.025	4.387.051
Aguas Cordillera S.A.	92.746.629	7.761.932	-	92.745.249	7.761.932	-
Aguas Manquehue S.A.	21.930.063	866.673	-	21.925.915	866.673	-
ESSAL S.A.	-	-	-	5.422.410	1.162.350	-
Aguas del Maipo S.A.	13.700	-	-	13.700	-	-
EcoRiles S.A.	13.700	-	-	13.700	-	-
Gestión y Servicios S.A.	13.700	-	-	13.700	-	-
Análisis Ambientales S.A.	13.700	-	-	13.700	-	-
Consolidation Adjustments	(333.913)	(113.795)	-	(333.913)	(113.795)	-
Total	191.997.370	17.844.960	4.204.933	196.273.663	18.099.185	4.387.051

Intangible assets with indefinite useful life

Both water rights and easements are rights held by the Company for which it is not possible to establish a finite useful life, that is, the terms of the economic benefits associated with these assets are indefinite. Both assets are 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 intangibles for the year 2021 correspond to water rights, easements and computer programs necessary for the normal operation of the Group Companies and in particular for new works under development or previous stages of study, as well as the expansion of the concession areas, which are presented below:

Company	Th\$
Aguas Andinas S.A.	3.671.330
Aguas Cordillera S.A.	57.644
Aguas Manquehue S.A.	55.000
Total	3.783.974

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**Note 12.**  
**CAPITAL GAIN**

The detail of the capital gain is presented below by the different Cash Generating Units (CGU) or group of these to which it is assigned as of December 31, 2020 and 2019:

Tax ID	Company	31-12-2020	31-12-2019
		Th\$	Th\$
61.808.000-5	Aguas Andinas S.A.	271.348.419	271.348.419
96.809.310-k	Aguas Cordillera S.A.	33.823.049	33.823.049
96.897.320-7	Inversiones Iberaguas Ltda.	-	2.066.631
96.579.800-5	ESSAL S.A.	-	343.332
Total		305.171.468	307.581.431

**Note 13.**  
**PROPERTIES, PLANT AND EQUIPMENT**

The balances of properties, plant and equipment as of December 31, 2020 and 2019 are the following:

Properties, plant and equipment	Gross values		Accumulated Depreciation		Net values	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	356.816.248	155.968.467		-	356.816.248	155.968.467
Buildings	81.480.623	116.130.335	(21.620.741)	(37.621.456)	59.859.882	78.508.879
Subtotal land and buildings	438.296.871	272.098.802	(21.620.741)	(37.621.456)	416.676.130	234.477.346
Complementary works	43.100.018	46.084.005	(20.549.532)	(23.777.452)	22.550.486	22.306.553
Production facilities	391.852.278	354.410.675	(152.685.354)	(161.973.691)	239.166.924	192.436.984
Drinking water networks	501.526.503	542.162.844	(313.042.132)	(330.487.121)	188.484.371	211.675.723
Sewer networks	476.851.344	548.997.867	(264.028.086)	(298.268.788)	212.823.258	250.729.079
Wastewater treatment plants	216.800.904	236.840.131	(66.759.268)	(70.523.874)	150.041.636	166.316.257
Other facilities	158.236.557	168.257.935	(108.434.212)	(117.409.635)	49.802.345	50.848.300
Goods out of operation	1.862.554	1.861.200	(1.654.465)	(1.646.946)	208.089	214.254
Subtotal other properties, plant and equipment	1.790.230.158	1.898.614.657	(927.153.049)	(1.004.087.507)	863.077.109	894.527.150
Machinery	379.104.062	415.793.347	(269.737.757)	(288.519.976)	109.366.305	127.273.371
Transportation equipment	4.555.421	5.471.955	(4.137.390)	(4.577.111)	418.031	894.844
Appliances and accessories	6.150.713	6.366.631	(4.972.312)	(4.988.456)	1.178.401	1.378.175
Computer equipment	13.783.845	14.748.312	(12.844.797)	(13.126.895)	939.048	1.621.417
Leasehold rights improvements	759.124	821.872	(624.080)	(636.684)	135.044	185.188
Constructions in process	176.409.124	235.318.938	-	-	176.409.124	235.318.938
Total	2.809.289.318	2.849.234.514	(1.241.090.126)	(1.353.558.085)	1.568.199.192	1.495.676.429



Below, information is presented regarding the main participations of the Group companies:

Properties, plant and equipment, net	31-12-2020 Th\$	Aguas Andinas S.A. %	Aguas Cordillera S.A. %	Aguas Manquehue S.A. %	Others %
Land	356.816.248	73%	25%	2%	0%
Buildings	59.859.882	82%	9%	5%	3%
<b>Subtotal land and buildings</b>	<b>416.676.130</b>				
Complementary works	22.550.486	87%	7%	6%	1%
Production facilities	239.166.924	75%	12%	13%	0%
Drinking water networks	188.484.371	80%	17%	3%	0%
Sewer networks	212.823.258	94%	2%	5%	0%
Wastewater treatment plants	150.041.636	99%	0%	0%	1%
Other facilities	49.802.345	81%	8%	9%	3%
Goods out of operation	208.089	28%	72%	0%	0%
<b>Subtotal other properties, plant and equipment</b>	<b>863.077.109</b>				
Machinery	109.366.305	82%	9%	7%	3%
Transportation equipment	418.031	99%	0%	0%	1%
Appliances and accessories	1.178.401	79%	3%	1%	17%
Computer equipment	939.048	96%	1%	0%	3%
Leasehold rights improvements	135.044	86%	0%	0%	14%
Constructions in process	176.409.124	85%	13%	1%	1%
<b>Total</b>	<b>1.568.199.192</b>	<b>85%</b>	<b>9%</b>	<b>5%</b>	<b>1%</b>

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

Assets classes	Cost 31-12-2020 Th\$	Fair Value 31-12-2020 Th\$
Land	356.816.248	356.816.248
Buildings	59.859.882	79.408.212
Additional works	22.550.486	35.164.266
Production facilities	239.166.924	332.067.692
Drinking water networks	188.484.371	329.143.836
Sewer networks	212.823.258	316.800.317
Wastewater treatment plants	150.041.636	161.648.918
Other facilities	49.802.345	52.915.005
Machinery and equipment	109.366.305	110.344.741
<b>Total</b>	<b>1.388.911.455</b>	<b>1.774.309.235</b>

Reconciliation of changes in properties, plant and equipment according to class

As indicated in IAS 16 paragraph 73, information is provided for each of the property, plant and equipment classes of the entity.

Movements of property, plant and equipment as of December 31, 2020 (net value)

Concept	Initial Balance Th\$	Increases (decreases) by transfers from constructions in process Th\$	Increases (decreases) due to other changes Th\$	Subtotal increases (decreases) for transfers and other changes Th\$	Depreciation Th\$	Held for sale Th\$	Loss of subsidiary control Th\$	Dispositions and withdrawals of service Th\$	Subtotal depreciation, held for sale, disposals and withdrawals Th\$	Closing balance Th\$
Land	155,968,467	314	226,083,209	226,083,523	-	(7,859,040)	(17,177,304)	(199,398)	(25,235,742)	356,816,248
Buildings	78,508,879	3,231,589	1,021,382	4,252,971	(1,302,146)	-	(21,599,822)	-	(22,901,968)	59,859,882
Subtotal land and buildings	234,477,346	3,231,903	227,104,591	230,336,494	(1,302,146)	(7,859,040)	(38,777,126)	(199,398)	(48,137,710)	416,676,130
Complementary works	22,306,553	3,963,805	595,008	4,558,813	(1,363,074)	-	(2,951,717)	(89)	(4,314,880)	22,550,486
Production facilities	192,436,984	63,705,326	10,671,023	74,376,349	(6,749,070)	-	(20,897,339)	-	(27,646,409)	239,166,924
Drinking water networks	211,675,723	12,428,262	12,616,480	25,044,742	(6,825,057)	-	(41,411,037)	-	(48,236,094)	188,484,371
Sewer networks	250,729,079	5,132,666	7,755,419	12,888,085	(9,796,364)	-	(40,997,542)	-	(50,793,906)	212,823,258
Wastewater treatment plants	166,316,257	5,477,967	(3,088,910)	2,389,057	(4,734,528)	-	(13,929,150)	-	(18,663,678)	150,041,636
Other facilities	50,848,300	9,694,304	2,092,203	11,786,507	(7,974,041)	-	(4,858,421)	-	(12,832,462)	49,802,345
Goods out of operation	214,254	586	768	1,354	(7,519)	-	-	-	(7,519)	208,089
Subtotal other properties, plant and equipment	894,527,150	100,402,916	30,641,991	131,044,907	(37,449,653)	-	(125,045,206)	(89)	(162,494,948)	863,077,109
Machinery	127,273,371	20,702,334	1,916,509	22,618,843	(22,576,974)	-	(17,948,611)	(324)	(40,525,909)	109,366,305
Transportation equipment	894,844	(41,265)	34,730	(6,535)	(308,005)	-	(158,714)	(3,559)	(470,278)	418,031
Appliances and accessories	1,378,175	104,734	67,744	172,478	(215,431)	-	(156,821)	-	(372,252)	1,178,401
Computer equipment	1,621,417	784,249	(281,053)	503,196	(979,644)	-	(205,921)	-	(1,185,565)	939,048
Leasehold rights improvements	185,188	-	-	-	(50,144)	-	-	-	(50,144)	135,044
Constructions in process	235,318,938	(126,167,584)	95,551,624	(30,615,960)	-	-	(27,538,153)	(755,701)	(28,293,854)	176,409,124
Classes of properties, plant and equipment, net	1,495,676,429	(982,713)	355,036,136	354,053,423	(62,881,997)	(7,859,040)	(209,830,552)	(959,071)	(281,530,660)	1,568,199,192



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

Concept	Initial Balance Th\$	Increases (decreases) by transfers from constructions in process Th\$	Increases (decreases) due to other changes Th\$	Subtotal increases (decreases) for transfers and other changes Th\$	Depreciation Th\$	Dispositions and withdrawals of service Th\$	Subtotal depreciation, disposals and withdrawals Th\$	Closing balance 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	(5.536.056)	(1.020.966)	(6.557.022)	78.508.879
Subtotal land and buildings	239.161.195	4.655.592	395.758	5.051.350	(5.536.056)	(4.199.143)	(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	1.495.797	26.179.544	(7.468.380)	(29.108)	(7.497.488)	192.436.984
Drinking water networks	192.291.391	15.636.037	11.717.685	27.353.722	(7.939.809)	(29.581)	(7.969.390)	211.675.723
Sewer networks	249.193.038	8.447.992	6.109.050	14.557.042	(13.021.001)	-	(13.021.001)	250.729.079
Wastewater treatment plants	168.050.123	5.697.365	(366.990)	5.330.375	(6.486.803)	(577.438)	(7.064.241)	166.316.257
Other facilities	47.699.634	9.754.590	865.427	10.620.017	(7.458.499)	(12.852)	(7.471.351)	50.848.300
Goods out of operation	222.036	-	-	-	(7.782)	-	(7.782)	214.254
Subtotal other properties, plant and equipment	853.103.516	66.972.115	19.413.963	86.386.078	(44.072.784)	(889.660)	(44.962.444)	894.527.150
Machinery	115.994.653	21.567.698	10.024.996	31.592.694	(20.301.140)	(12.836)	(20.313.976)	127.273.371
Transportation equipment	972.104	511.654	(139.227)	372.427	(449.127)	(560)	(449.687)	894.844
Appliances and accessories	1.411.953	177.954	(23.185)	154.769	(188.349)	(198)	(188.547)	1.378.175
Computer equipment	2.463.198	461.212	(5.819)	455.393	(1.297.174)	-	(1.297.174)	1.621.417
Leasehold rights improvements	234.177	16.449	(1.508)	14.941	(63.930)	-	(63.930)	185.188
Constructions in process	226.774.354	(95.522.674)	104.423.444	8.900.770	-	(356.186)	(356.186)	235.318.938
Classes of properties, plant and equipment, net	1.440.115.150	(1.160.000)	134.088.422	132.928.422	(71.908.560)	(5.458.583)	(77.367.143)	1.495.676.429

Detailed disclosures about property, plant and equipment (gross value)

Current period: December 31, 2020

Concept	Initial Balance Th\$	Increases (decreases) by transfers from constructions in process Th\$	Increases (decreases) due to other changes Th\$	Subtotal increases (decreases) for transfers and other changes Th\$	Held for sale Th\$	Loss of subsidiary control Th\$	Dispositions and withdrawals of service Th\$	Subtotal depreciation, held for sale, disposals and withdrawals Th\$	Closing balance Th\$
Land	155.968.467	314	226.083.209	226.083.523	(7.859.040)	(17.177.304)	(199.398)	(25.235.742)	356.816.248
Buildings	116.130.335	3.231.589	1.021.382	4.252.971	-	(38.849.693)	(52.990)	(38.902.683)	81.480.623
Subtotal land and buildings	272.098.802	3.231.903	227.104.591	230.336.494	(7.859.040)	(56.026.997)	(252.388)	(64.138.425)	438.296.871
Complementary works	46.084.005	3.963.805	594.985	4.558.790	-	(7.527.811)	(14.966)	(7.542.777)	43.100.018
Production facilities	354.410.675	63.705.326	10.670.512	74.375.838	-	(36.934.235)	-	(36.934.235)	391.852.278
Drinking water networks	542.162.844	12.428.262	12.616.480	25.044.742	-	(65.681.083)	-	(65.681.083)	501.526.503
Sewer networks	548.997.867	5.132.666	7.755.419	12.888.085	-	(85.034.608)	-	(85.034.608)	476.851.344
Wastewater treatment plants	236.840.131	5.477.967	(3.089.048)	2.388.919	-	(22.428.146)	-	(22.428.146)	216.800.904
Other facilities	168.257.935	9.694.304	2.092.714	11.787.018	-	(21.793.186)	(15.210)	(21.808.396)	158.236.557
Goods out of operation	1.861.200	586	768	1.354	-	-	-	-	1.862.554
Subtotal other properties, plant and equipment	1.898.614.657	100.402.916	30.641.830	131.044.746	-	(239.399.069)	(30.176)	(239.429.245)	1.790.230.158
Machinery	415.793.347	20.702.334	1.934.012	22.636.346	-	(59.232.755)	(92.876)	(59.325.631)	379.104.062
Transportation equipment	5.471.955	(41.265)	17.137	(24.128)	-	(680.981)	(211.425)	(892.406)	4.555.421
Appliances and accessories	6.366.631	104.734	67.767	172.501	-	(343.246)	(45.173)	(388.419)	6.150.713
Computer equipment	14.748.312	784.249	(281.053)	503.196	-	(1.453.492)	(14.171)	(1.467.663)	13.783.845
Leasehold rights improvements	821.872	-	-	-	-	-	(62.748)	(62.748)	759.124
Constructions in process	235.318.938	(126.167.584)	95.551.624	(30.615.960)	-	(27.538.153)	(755.701)	(28.293.854)	176.409.124
Classes of properties, plant and equipment, gross	2.849.234.514	(982.713)	355.035.908	354.053.195	(7.859.040)	(384.674.693)	(1.464.658)	(393.998.391)	2.809.289.318



Previous year: December 31, 2019

Concept	Initial Balance Th\$	Increases (decreases) by transfers from constructions in process Th\$	Increases (decreases) due to other changes Th\$	Subtotal increases (decreases) for transfers and other changes Th\$	Dispositions and withdrawals of service Th\$	Subtotal disposals and withdrawals Th\$	Closing balance Th\$
Land	159.536.229	125.330	(514.915)	(389.585)	(3.178.177)	(3.178.177)	155.968.467
Buildings	113.252.042	4.530.262	910.673	5.440.935	(2.562.642)	(2.562.642)	116.130.335
Subtotal land and buildings	272.788.271	4.655.592	395.758	5.051.350	(5.740.819)	(5.740.819)	272.098.802
Complementary works	44.316.092	2.752.384	(407.006)	2.345.378	(577.465)	(577.465)	46.084.005
Production facilities	328.291.901	24.683.747	1.495.117	26.178.864	(60.090)	(60.090)	354.410.675
Drinking water networks	514.892.514	15.636.037	11.717.685	27.353.722	(83.392)	(83.392)	542.162.844
Sewer networks	534.440.825	8.447.992	6.109.050	14.557.042	-	-	548.997.867
Wastewater treatment plants	232.373.341	5.697.365	(366.990)	5.330.375	(863.585)	(863.585)	236.840.131
Other facilities	158.049.182	9.754.590	865.427	10.620.017	(411.264)	(411.264)	168.257.935
Goods out of operation	1.868.637	-	-	-	(7.437)	(7.437)	1.861.200
Subtotal other properties, plant and equipment	1.814.232.492	66.972.115	19.413.283	86.385.398	(2.003.233)	(2.003.233)	1.898.614.657
Machinery	385.004.685	21.567.698	10.025.675	31.593.373	(804.711)	(804.711)	415.793.347
Transportation equipment	5.123.817	511.654	(139.227)	372.427	(24.289)	(24.289)	5.471.955
Appliances and accessories	6.329.340	177.954	(23.185)	154.769	(117.478)	(117.478)	6.366.631
Computer equipment	14.292.919	461.212	(5.819)	455.393	-	-	14.748.312
Leasehold rights improvements	806.931	16.449	(1.508)	14.941	-	-	821.872
Constructions in process	226.774.354	(95.522.674)	104.423.444	8.900.770	(356.186)	(356.186)	235.318.938
Classes of properties, plant and equipment, gross	2.725.352.809	(1.160.000)	134.088.421	132.928.421	(9.046.716)	(9.046.716)	2.849.234.514

Detailed disclosures about property, plant and equipment (accumulated depreciation)

Current period: December 31, 2020

Concept	Initial Balance Th\$	Increases (decreases) by transfers from constructions in process Th\$	Increases (decreases) due to other changes Th\$	Subtotal increases (decreases) for transfers and other changes Th\$	Held for sale Th\$	Loss of subsidiary control Th\$	Dispositions and withdrawals of service Th\$	Subtotal depreciation, held for sale, disposals and withdrawals Th\$	Closing balance Th\$
Buildings	(37.621.456)	-	-	(1.302.146)	-	17.249.871	52.990	16.000.715	(21.620.741)
<b>Subtotal buildings</b>	<b>(37.621.456)</b>	<b>-</b>	<b>-</b>	<b>(1.302.146)</b>	<b>-</b>	<b>17.249.871</b>	<b>52.990</b>	<b>16.000.715</b>	<b>(21.620.741)</b>
Complementary works	(23.777.452)	23	23	(1.363.074)	-	4.576.094	14.877	3.227.897	(20.549.532)
Production facilities	(161.973.691)	511	511	(6.749.070)	-	16.036.896	-	9.287.826	(152.685.354)
Drinking water networks	(330.487.121)	-	-	(6.825.057)	-	24.270.046	-	17.444.989	(313.042.132)
Sewer networks	(298.268.788)	-	-	(9.796.364)	-	44.037.066	-	34.240.702	(264.028.086)
Wastewater treatment plants	(70.523.874)	138	138	(4.734.528)	-	8.498.996	-	3.764.468	(66.759.268)
Other facilities	(117.409.635)	(511)	(511)	(7.974.041)	-	16.934.765	15.210	8.975.934	(108.434.212)
Goods out of operation	(1.646.946)	-	-	(7.519)	-	-	-	(7.519)	(1.654.465)
<b>Subtotal other properties, plant and equipment</b>	<b>(1.004.087.507)</b>	<b>161</b>	<b>161</b>	<b>(37.449.653)</b>	<b>-</b>	<b>114.353.863</b>	<b>30.087</b>	<b>76.934.297</b>	<b>(927.153.049)</b>
Machinery	(288.519.976)	(17.503)	(17.503)	(22.576.974)	-	41.284.144	92.552	18.799.722	(269.737.757)
Transportation equipment	(4.577.111)	17.593	17.593	(308.005)	-	522.267	207.866	422.128	(4.137.390)
Appliances and accessories	(4.988.456)	(23)	(23)	(215.431)	-	186.425	45.173	16.167	(4.972.312)
Computer equipment	(13.126.895)	-	-	(979.644)	-	1.247.571	14.171	282.098	(12.844.797)
Leasehold rights improvements	(636.684)	-	-	(50.144)	-	-	62.748	12.604	(624.080)
<b>Classes of properties, plant and equipment, accumulated depreciation</b>	<b>(1.353.558.085)</b>	<b>228</b>	<b>228</b>	<b>(62.881.997)</b>	<b>-</b>	<b>174.844.141</b>	<b>505.587</b>	<b>112.467.731</b>	<b>(1.241.090.126)</b>



Previous year: December 31, 2019

Concepto	Initial Balance Th\$	Increases (decreases) by transfers from constructions in process Th\$	Increases (decreases) due to other changes Th\$	Subtotal increases (decreases) for transfers and other changes Th\$	Dispositions and withdrawals of service Th\$	Subtotal disposals and withdrawals Th\$	Closing balance T h\$
Buildings	(33.627.076)	-	-	(5.536.056)	1.541.676	(3.994.380)	(37.621.456)
<b>Subtotal buildings</b>	<b>(33.627.076)</b>	<b>-</b>	<b>-</b>	<b>(5.536.056)</b>	<b>1.541.676</b>	<b>(3.994.380)</b>	<b>(37.621.456)</b>
Complementary works	(22.423.726)	-	-	(1.690.510)	336.784	(1.353.726)	(23.777.452)
Production facilities	(154.536.973)	680	680	(7.468.380)	30.982	(7.437.398)	(161.973.691)
Drinking water networks	(322.601.123)	-	-	(7.939.809)	53.811	(7.885.998)	(330.487.121)
Sewer networks	(285.247.787)	-	-	(13.021.001)	-	(13.021.001)	(298.268.788)
Wastewater treatment plants	(64.323.218)	-	-	(6.486.803)	286.147	(6.200.656)	(70.523.874)
Other facilities	(110.349.548)	-	-	(7.458.499)	398.412	(7.060.087)	(117.409.635)
Goods out of operation	(1.646.601)	-	-	(7.782)	7.437	(345)	(1.646.946)
<b>Subtotal other properties, plant and equipment</b>	<b>(961.128.976)</b>	<b>680</b>	<b>680</b>	<b>(44.072.784)</b>	<b>1.113.573</b>	<b>(42.959.211)</b>	<b>(1.004.087.507)</b>
Machinery	(269.010.032)	(679)	(679)	(20.301.140)	791.875	(19.509.265)	(288.519.976)
Transportation equipment	(4.151.713)	-	-	(449.127)	23.729	(425.398)	(4.577.111)
Appliances and accessories	(4.917.387)	-	-	(188.349)	117.280	(71.069)	(4.988.456)
Computer equipment	(11.829.721)	-	-	(1.297.174)	-	(1.297.174)	(13.126.895)
Leasehold rights improvements	(572.754)	-	-	(63.930)	-	(63.930)	(636.684)
<b>Classes of properties, plant and equipment, accumulated depreciation</b>	<b>(1.285.237.659)</b>	<b>1</b>	<b>1</b>	<b>(71.908.560)</b>	<b>3.588.133</b>	<b>(68.320.427)</b>	<b>(1.353.558.085)</b>

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### Commitments for the acquisition of properties, plant and equipment

The detail for each Company of the consolidated Group for amounts of future commitments for the acquisition of properties, plant and equipment, for the year 2021 is as follows:

Company	Th\$
Aguas Andinas S.A.	124,853,091
Aguas Cordillera S.A.	23,733,156
Aguas Manquehue S.A.	4,519,765
EcoRiles S.A.	228,500
Gestión y Servicios S.A.	106,000
Análisis Ambientales S.A.	1,050,000
<b>Total</b>	<b>154,490,512</b>

Elements of properties, plant and equipment idle, temporarily as of December 31, 2020:

Company	Gross value Th\$	Accumulated depreciation Th\$	Net value Th\$
Aguas Andinas S.A.	1.588.222	(1.530.704)	57.518
Aguas Cordillera S.A.	274.332	(123.761)	150.571
<b>Tota</b>	<b>1.862.554</b>	<b>(1.654.465)</b>	<b>208.089</b>

### Restrictions on ownership of property, plant and equipment

As of December 31, 2020 and 2019, properties, plant and equipment are not subject to ownership restrictions, nor are they subject to guarantees for compliance with obligations, as established in IAS 16 paragraph 74 (a).

### Financial lease contracts

As of December 31, 2020 and 2019 it is recorded in category “Usage rights assets” the lease contracts under IFRS 16 (see Note 13).

### Impairment of assets value

As of December 31, 2020, as a result of the change in the accounting policy with respect to the measurement of Property, plant and equipment, an impairment loss was generated in income for those lands whose book value decreased regarding to their revalued value (see Note 32). The detail by company is as follows:

Company	31-12-2020 Th\$
Aguas Andinas S.A.	1.101.872
Aguas Cordillera S.A.	277.536
Aguas Manquehue S.A.	25.538
<b>Tota</b>	<b>1.404.946</b>

As of December 31, 2020 and 2019, the Company has not recognized in the profit or loss for the year, impairment losses on assets, reversals of impairment losses on assets, or compensation from third parties, as required by items (v) and (vi) of letter e) of paragraph 73 and letter d) of paragraph 74 of IAS 16, for which there is no indication of impairment in accordance with IAS 36.

### Revaluation of property, plant and equipment.

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

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

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

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

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

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

Reconciliation of the carrying value for revaluation of land	31-12-2020 Th\$
<b>Carrying amount of land as of January 1, 2020</b>	<b>155.968.467</b>
Increase from revaluation recognized due to a change in accounting policy	227.369.445
Other increases (decreases)	119.024
<b>Carrying value and fair value</b>	<b>383.456.936</b>
Dispositions and withdrawal of services	(199.398)
Revaluation loss	(1.404.946)
Held for sale	(7.859.040)
Loss of subsidiary control	(17.177.304)
<b>Carrying value and fair value of land as of December 31, 2020</b>	<b>356.816.248</b>



**Note 14.**  
**LEASING**

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

**14.1 Usage rights assets**

The detail of the usage rights assets as of December 31, 2020 and 2019, correspond to the following:

Usage rights assets	Gross values		Accumulated depreciation		Net values	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019	31-12-2020	31-12-2019
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	1.956.203	507.087	(154.124)	(139.222)	1.802.079	367.865
Transportation equipment	3.671.087	4.060.787	(1.721.363)	(991.090)	1.949.724	3.069.697
<b>Total</b>	<b>5.627.290</b>	<b>4.567.874</b>	<b>(1.875.487)</b>	<b>(1.130.312)</b>	<b>3.751.803</b>	<b>3.437.562</b>

Usage rights movement:

Current period: December 31, 2020

Usage rights assets	01-01-2020 Th\$	Increases (decreases) due to other changes Th\$	Subtotal increases (decreases) for transfers and other changes Th\$	Depreciation Th\$	Dispositions and withdrawals of service Th\$	Decrease due to the loss of control of a subsidiary Th\$	Subtotal depreciation, disposals and withdrawals Th\$	31-12-2020 Th\$
Buildings	<b>367.865</b>	1.622.321	1.622.321	(188.085)	(22)	-	(188.107)	<b>1.802.079</b>
Transportation equipment	<b>3.069.697</b>	763.599	763.599	(1.271.465)	-	(612.107)	(1.883.572)	<b>1.949.724</b>
<b>Total</b>	<b>3.437.562</b>	<b>2.385.920</b>	<b>2.385.920</b>	<b>(1.459.550)</b>	<b>(22)</b>	<b>(612.107)</b>	<b>(2.071.679)</b>	<b>3.751.803</b>

Previous period: December 31, 2019

Usage rights assets	01-01-2019 Th\$	Increases (decreases) due to other changes Th\$	Subtotal increases (decreases) for transfers and other changes Th\$	Depreciation Th\$	Dispositions and withdrawals of service Th\$	Subtotal depreciation, disposals and withdrawals Th\$	31-12-2019 Th\$
Buildings	-	537.521	537.521	(169.656)	-	(169.656)	<b>367.865</b>
Transportation equipment	-	4.217.334	4.217.334	(1.146.408)	(1.229)	(1.147.637)	<b>3.069.697</b>
<b>Total</b>	-	<b>4.754.855</b>	<b>4.754.855</b>	<b>(1.316.064)</b>	<b>(1.229)</b>	<b>(1.317.293)</b>	<b>3.437.562</b>

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## 14.2 Lease liability

The present value of future payments under these contracts are as follows:

Lease liability	31-12-2020 Th\$	31-12-2019 Th\$
Up to 90 days	390.427	428.113
More than 90 days and no more than a year	1.030.141	1.075.236
<b>Current total</b>	<b>1.420.568</b>	<b>1.503.349</b>
More than one year and no more than two years	980.122	1.175.010
More than two years and no more than three years	455.073	652.134
More than three years and no more than four years	236.458	126.376
More than four years and no more than five years	199.015	642
More than five years	509.635	-
<b>Non-current total</b>	<b>2.380.303</b>	<b>1.954.162</b>
<b>Total lease liability</b>	<b>3.800.871</b>	<b>3.457.511</b>

## 14.3 Disclosures about operating leases as lessee

Under this concept, leasing transportation services and commercial agencies are presented.

Minimum future payments of the non-cancelable lease, tenants	31-12-2020 Th\$		31-12-2019 Th\$	
	Renting	Real Estate	Renting	Real Estate
Minimum future payments of the non-cancelable lease, up to one year, lessee	1.119.331	294.084	1.336.706	158.290
Minimum future payments of non-cancelable lease, more than one year and less than five years, lessee	860.490	1.005.353	1.724.259	208.490
Non-cancelable minimum future lease payments, lessees, total	1.979.821	1.299.437	3.060.965	366.780
Minimum payments for lease under operating leases (*)	1.799.808	526.087	1.982.705	555.432
<b>Total lease and sub-lease fees recognized in the income statement, total</b>	<b>1.799.808</b>	<b>526.087</b>	<b>1.982.705</b>	<b>555.432</b>

(\*) The consolidated statement of income for the period ended December 31, 2020 and 2019 includes an expense of Th\$2,325,895 and Th\$2,538,137, which is related to payments for short-term leases, which are excepted from the application of IFRS 16 (see Note 2.2 letter G).

## Significant operating lease agreements

The most significant operating leases are related to the leasing of vehicles. For these cases, the contracts correspond to periods of less than 12 months as of December 31, 2020. The leasing services are paid monthly upon presentation and approval of payment statements.

**Contract Term:** The company may terminate early lease contracts in case of serious breach of any of the conditions and obligations contained in the administrative bases and technical specifications, when this case occurs, the company will be empowered to make effective the guarantee for the faithful, complete and timely performance of the contract, as compensation for damages.

## 14.4 Disclosures about operating leases as lessors

The Company has contracts of this type where it acts as lessor, which refers mainly to parts of operating premises, the vast majority of which are telecommunications companies, which have automatic renewal from 1 to 5 years, however, the Company has the right to give notice of term between 30, 60, 90 and 180 days according to the contract.

Future minimum lease charges of non-cancellable, lessors	31-12-2020 Th\$ Real Estate	31-12-2019 Th\$ Real Estate
Future minimum non-cancellable lease charges of up to one year, lessors	328.659	320.062
Amount of contingent rents recognized in the income statement	723.136	702.106
<b>Total</b>	<b>1.051.795</b>	<b>1.022.168</b>

## Significant operating lease agreements of the lessor

Revenues from these concepts are not material to the Company.

## Note 15.

## DEFERRED TAXES AND TAXES ON PROFITS

According to the provisions of 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 adding each position, is presented below.

States of financial situation	31-12-2020		31-12-2019	
	Deferred tax asset Th\$	Deferred tax liabilities Th\$	Deferred tax asset Th\$	Deferred tax liabilities Th\$
Deferred tax assets	112.553.138	134.662.871	97.951.038	102.283.236
Deferred tax liability	109.248.648	(109.248.648)	(68.422.530)	(68.422.530)
<b>Net position of deferred taxes</b>	<b>3.304.490</b>	<b>25.414.223</b>	<b>29.528.508</b>	<b>33.860.706</b>

The net position presented, has its origin in a variety of constituent concepts of temporary and permanent differences that allow consolidated level presented under the concepts mentioned below:

## Disclosure of deferred tax assets

Activos por impuestos diferidos	31-12-2020 Th\$	31-12-2019 Th\$
Water rights (amortization)	547.204	527.787
Provision for uncollectible receivables	9.108.051	8.707.858
Holiday provision	904.398	795.966
Litigation	43.666	1.007.686
Compensation for years of services	4.944.186	4.774.058
Other provisions	12.013.833	1.785.803
Amortization	1.600.140	1.668.123
Variation monetary correction and depreciation assets	79.374.600	75.109.520
Deferred income	1.985.898	1.969.571
Transaction Tranque La Dehesa	409.726	399.561
Liability for leases	1.026.265	931.658
Impairment losses due to change in accounting criterion	379.335	-
Others	215.836	273.447
<b>Deferred tax asset</b>	<b>112.553.138</b>	<b>97.951.038</b>



## Disclosures about deferred tax liabilities

Deferred tax liabilities	31-12-2020 Th\$	31-12-2019 Th\$
Depreciation of properties, plant and equipment	2.575.331	19.301.796
Amortization	1.196.267	1.078.051
Investment expense related companies	387.431	387.431
Revaluation of land due to change in accounting criterion	61.389.750	-
Revaluations of land first-time adoption of IFRS	22.484.085	24.279.526
Revaluations of water rights first time adoption of IFRS	45.611.780	46.829.517
Fair value of assets by business combination	-	9.339.856
Usage rights assets	1.013.137	926.392
Others	5.090	140.667
<b>Deferred tax liabilities</b>	<b>134.662.871</b>	<b>102.283.236</b>

## Movements of deferred tax assets

Movements of deferred tax assets	31-12-2020 Th\$	31-12-2019 Th\$
<b>Movements of deferred tax liabilities</b>	<b>97.951.038</b>	<b>89.844.911</b>
Increases (decreases) in deferred tax assets	9.936.827	3.429.324
Increases (decreases) due to variation in monetary correction and depreciation assets	4.265.080	5.199.398
Increases (decreases) due to the provision of uncollectible debtors	400.193	(522.595)
<b>Changes in deferred tax assets</b>	<b>14.602.100</b>	<b>8.106.127</b>
<b>Changes in total deferred tax assets</b>	<b>112.553.138</b>	<b>97.951.038</b>

## Movements of deferred tax liabilities

Movements of deferred tax liabilities	31-12-2020 Th\$	31-12-2019 Th\$
<b>Deferred tax liabilities, initial balance</b>	<b>102.283.236</b>	<b>102.478.709</b>
Increases (decreases) in deferred tax liabilities	41.719.491	1.004.130
Increases (decreases) in acquisitions through business combinations	(9.339.856)	(1.199.603)
<b>Changes in deferred tax liabilities</b>	<b>32.379.635</b>	<b>(195.473)</b>
<b>Changes in total deferred tax liabilities</b>	<b>134.662.871</b>	<b>102.283.236</b>

## Expenses for income taxes

Income (expense) for income tax on current and deferred parts	31-12-2020 Th\$	31-12-2019 Th\$
Expenditure on current taxes	(35.061.979)	(54.637.631)
Tax expenditure adjustment previous year	(77.140)	(418.051)
<b>Expenditure for current taxes on profits</b>	<b>(35.139.119)</b>	<b>(55.055.682)</b>
Tax loss benefit	196.653	-
Income (expenses) deferred by taxes related to the creation and reversal of temporary differences	8.293.667	5.914.635
Expenses for a single tax (expenses rejected)	(169.107)	(358.349)
<b>Income (expenses) for other taxes</b>	<b>8.321.213</b>	<b>5.556.286</b>
<b>Income tax expense</b>	<b>(26.817.906)</b>	<b>(49.499.396)</b>

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

	31-12-2020 Th\$	31-12-2019 Th\$
<b>Expenses for taxes using the legal rate</b>	<b>(34.009.657)</b>	<b>(50.801.677)</b>
Permanent difference for monetary correction tax assets	5.405.871	3.589.401
Permanent difference for rejected expenses	(169.107)	(1.556.554)
Permanent income tax difference from previous years	(77.140)	(568.944)
Other permanent differences	2.032.127	(161.622)
<b>Adjustments to tax expense using the legal rate</b>	<b>7.191.751</b>	<b>1.302.281</b>
<b>Tax expense using the effective rate</b>	<b>(26.817.906)</b>	<b>(49.499.396)</b>

## Reconciliation the legal tax rate with the effective tax rate

	31-12-2020	31-12-2019
Legal tax rate	27,00%	27,00%
Permanent difference for monetary correction tax assets	(4,29%)	(1,91%)
Permanent difference for rejected expenses	0,13%	0,83%
Permanent difference for income tax from previous years	0,06%	0,30%
Other permanent differences	(1,61%)	0,09%
<b>Effective tax rate</b>	<b>21,29%</b>	<b>26,31%</b>

## Note 16. FINANCIAL INSTRUMENTS

### 16.1 Capital risk management

The Group manages its capital to ensure that Group entities will continue as a going concern by maximizing returns to shareholders by optimizing the structure of debt and capital. The Group's general strategy has not changed since 2009. The capital structure of the Group consists of debt, which includes the loans disclosed in point 15.4, and the capital attributable to the holders of the equity instruments of the parent company. , which includes the capital, reserves and retained earnings which are disclosed in Note 21.

### 16.2 Significant accounting policies

The detail of the significant accounting policies and methods adopted, including the recognition criteria, the bases of measurement and the bases on which the income and expenses are recognized, with respect to each class of financial assets and financial liabilities are described in Note 2.2 letter H, 2.2 letter L and 2.2 letter M of these consolidated financial statements.

16.3 Class of financial instruments

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

Types of financial instruments	Currency	Note	31-12-2020 Th\$	31-12-2019 Th\$
<b>Current Financial Assets</b>				
Commercial debtors and other accounts receivable	CLP	5	87.476.043	115.939.422
Commercial debtors and other accounts receivable	USD	5	6.214	8.424
Commercial debtors and other accounts receivable	EUR	5	8.983	12.240
<b>Total commercial debtors and other accounts receivable, current</b>			<b>87.491.240</b>	<b>115.960.086</b>
Accounts receivable to related entities	CLP	6	982.856	24.908
<b>Información sobre entidades relacionadas, corrientes</b>			<b>982.856</b>	<b>24.908</b>
<b>Total financial assets, current</b>			<b>88.474.096</b>	<b>115.984.994</b>
<b>Non-current financial assets</b>				
Rights receivable	CLP	5	4.178.613	4.251.661
Other financial assets	CLP	10	7.895.863	7.852.912
<b>Total financial assets, non-current</b>			<b>12.074.476</b>	<b>12.104.573</b>
<b>Total financial assets</b>			<b>100.548.572</b>	<b>128.089.567</b>
<b>Current financial liabilities</b>				
Bank Loans	CLP	16.4	31.994.420	13.876.507
Bonds	CLP	16.4	18.566.508	16.320.558
Reimbursable financial contributions	CLP	16.4	20.182.473	6.188.750
Forward	CLP	16,4	320.893	-
<b>Other financial liabilities, current</b>			<b>71.064.294</b>	<b>36.385.815</b>
Lease liability	CLP	14	1.420.568	1.503.349
<b>Lease liability, current</b>			<b>1.420.568</b>	<b>1.503.349</b>
Commercial accounts and other payable accounts	CLP	17	98.162.014	142.759.977
Commercial accounts and other payable accounts	USD	17	652.557	758.814
Commercial accounts and other payable accounts	EUR	17	130.233	276.608
<b>Commercial accounts and other payable accounts, current</b>			<b>98.944.804</b>	<b>143.795.399</b>
Accounts payable to related entities	CLP	6	17.662.310	29.933.892
Accounts payable to related entities	EUR	6	94.852	-
<b>Information on related entities, current</b>			<b>17.757.162</b>	<b>29.933.892</b>

Clases de instrumentos financieros	Moneda	Nota	31-12-2020 Th\$	31-12-2019 Th\$
<b>Total financial liabilities, current</b>			<b>187.766.260</b>	<b>210.115.106</b>
<b>Financial liabilities non-current</b>				
Bank loans	CLP	16.4	161.167.382	101.352.095
Bonds	CLP	16.4	665.413.008	715.030.769
Reimbursable financial contributions	CLP	16.4	172.149.572	186.572.529
<b>Other financial liabilities, no-current</b>			<b>998.729.962</b>	<b>1.002.955.393</b>
Lease liability	CLP	14	2.380.303	1.954.162
<b>Lease liability</b>			<b>2.380.303</b>	<b>1.954.162</b>
Other accounts payable	CLP	17	1.452.311	1.159.317
<b>Other accounts payable, non-current</b>			<b>1.452.311</b>	<b>1.159.317</b>
<b>Total financial liabilities, non-current</b>			<b>1.000.182.273</b>	<b>1.004.114.710</b>
<b>Total financial liabilities</b>			<b>1.187.948.533</b>	<b>1.214.229.816</b>

16.4 Disclosures about financial liabilities

Other financial liabilities

Other financial liabilities include bank loans, obligations with the public (bonds), reimbursable financial contributions (AFR) and lease liability, which are accounted for at amortized cost, which are explained below:

Reimbursable Financial Contributions (AFR)

According to what is stated in article 42-A of D.S. MINECON No. 453 of 1989, "The Reimbursable Financial Contributions, for extension and capacity, constitute an alternative financing for the provider (a company that provides sanitary services) for the execution of the extension and capacity sanitary works that, according to the Law, they are of their charge and cost."

They consist of certain amounts of money or works that public health service providers can demand from those who request to be incorporated as clients, or request an extension of service, which, according to current regulations, have defined forms and deadlines for its return.

The refund of the amounts contributed by the clients is basically made through the issuance of endorsable promissory notes to 10 or 15 years, and in some cases minor, by return in the provision of sanitary services.

The detail of the financial contributions reimbursable as of December 31, 2020 and 2019 is as follows:



1

Reimbursable Financial Contributions, current portion

Registration No. or identification of the instrument	Currency rate adjustment	Residual UF	Book value		Contract real interest rate	Effective rate	Placement in Chile or abroad	Issuing company	Issuer Tax Identification Number	Type of repayment	Guaranteed (Yes/No)
		31-12-2020	31-12-2020 Th\$	31-12-2019 Th\$							
AFR	UF	527.765	15.589.908	5.098.343	3,44%	3,30%	Chile	Aguas Andinas S.A.	61.808.000-5	Upon expiration	No
AFR	UF	83.853	2.474.212	1.090.407	3,25%	3,10%	Chile	Aguas Cordillera S.A.	96.809.310-k	Upon expiration	No
AFR	UF	71.679	2.118.353	-	3,29%	3,13%	Chile	Aguas Manquehue S.A.	89.221.000-4	Upon expiration	No
Total		683.297	20.182.473	6.188.750							

2

Reimbursable Financial Contributions, non-current portion

Registration No. or identification of the instrument	Currency rate adjustment	Residual UF	Book value		Expiration Date	Contract real interest rate	Effective rate	Issuing company	Issuer Tax Identification Number	Type of repayment	Guaranteed (Yes/No)
		31-12-2020	31-12-2020 Th\$	31-12-2019 Th\$							
AFR	UF	4.493.098	131.559.801	134.047.348	17-12-2035	3,00%	2,87%	Aguas Andinas S.A.	61.808.000-5	Al vencimiento	No
AFR	UF	743.186	21.777.961	22.352.582	17-12-2035	3,00%	2,88%	Aguas Cordillera S.A.	96.809.310-k	Al vencimiento	No
AFR	UF	641.857	18.811.810	19.488.860	15-07-2035	3,07%	2,97%	Aguas Manquehue S.A.	89.221.000-4	Al vencimiento	No
AFR	UF	-	-	10.683.739	-	-	-	ESSAL S.A.	96.579.800-5	Al vencimiento	No
Total		5.878.141	172.149.572	186.572.529							

4

5

6

7

8

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

**Balances of bank loans, current period**

Tax ID debit entity	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	96.809.310-K
Debtor entity name	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Cordillera S.A.
Country of the debtor company	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile
RUT creditor entity	97.004.000-5	97.006.000-6	97.004.000-5	97.080.000-K	97.006.000-6	76.645.030-K	76.362.099-9	97.018.000-1
Creditor entity name	Banco de Chile	Banco BCI	Banco de Chile	Banco BICE	Banco BCI	Banco Itaú	Banco BTG Pactual	Scotiabank
Currency or reset unit	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP
Amortization rate	Biannual	Upon Expiration	Biannual	Upon Expiration	Biannual	Upon Expiration	Upon Expiration	Upon Expiration
Effective rate	0.61%	0.59%	2.10%	2.39%	4.25%	2.18%	2.16%	0.61%
Nominal rate	0.61%	0.59%	1.90%	1.85%	4.24%	1.72%	2.16%	0.61%

Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Until a year	8,861,253	30,950	140,389	96,611	22,733,215	46,655	251,904	42,361	32,203,338
Up to 90 days	-	30,950	140,389	96,611	22,733,215	46,655	251,904	42,361	23,342,085
More than 90 days up to a year	8,861,253	-	-	-	-	-	-	-	8,861,253
More than 1 year up to 3 years	17,699,562	19,270,304	-	16,000,000	-	10,500,000	32,800,000	20,000,000	116,269,866
More than 1 year up to 2 years	8,849,781	19,270,304	-	8,000,000	-	-	-	-	36,120,085
More than 2 years up to 3 years	8,849,781	-	-	8,000,000	-	10,500,000	32,800,000	20,000,000	80,149,781
More than 3 years up to 5 years	13,274,672	-	28,000,000	4,000,000	-	-	-	-	45,274,672
More than 3 years up to 4 years	8,849,781	-	28,000,000	4,000,000	-	-	-	-	40,849,781
More than 4 years up to 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
Total nominal amounts	39,835,487	19,301,254	28,140,389	20,096,611	22,733,215	10,546,655	33,051,904	20,042,361	193,747,876

Accounting values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Current bank loans	8,861,253	30,950	93,973	22,280	22,692,054	(355)	251,904	42,361	31,994,420
Up to 90 days	-	30,950	93,973	22,280	22,692,054	(355)	251,904	42,361	23,133,167
More than 90 days up to a year	8,861,253	-	-	-	-	-	-	-	8,861,253
Non-current bank loans	30,974,234	19,270,304	27,872,357	19,832,754	-	10,417,733	32,800,000	20,000,000	161,167,382
More than 1 year up to 3 years	17,699,562	19,270,304	-	15,832,754	-	10,417,733	32,800,000	20,000,000	116,020,353
More than 1 year up to 2 years	8,849,781	19,270,304	-	7,832,754	-	-	-	-	35,952,839
More than 2 years up to 3 years	8,849,781	-	-	8,000,000	-	10,417,733	32,800,000	20,000,000	80,067,514
More than 3 years up to 5 years	13,274,672	-	27,872,357	4,000,000	-	-	-	-	45,147,029
More than 3 years up to 4 years	8,849,781	-	27,872,357	4,000,000	-	-	-	-	40,722,138
More than 4 years up to 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
Total bank loans	39,835,487	19,301,254	27,966,330	19,855,034	22,692,054	10,417,378	33,051,904	20,042,361	193,161,802

Accounting value = capital +/- emission on / low - issuance costs + interest accrued by the effective interest-rate method and capital paid.

Nominal value = capital +/- interest accrued at the rate of emission-payments capital / interest.



Balances of bank loans, previous period

Tax ID debit entity Debtor entity name Country of the debtor company RUT creditor entity Creditor entity name Currency or reset unit Amortization rate Effective rate Nominal rate	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	
	Aguas Andinas S.A.		Aguas Andinas S.A.		Aguas Cordillera S.A.		ESSAL S.A.		ESSAL S.A.		ESSAL S.A.		ESSAL S.A.	
	Chile		Chile		Chile		Chile		Chile		Chile		Chile	
	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	
	Banco de Chile		Banco BCI		Scotiabank		Banco de Chile		Banco BCI		Banco BCI		Scotiabank	
	CLP		CLP		CLP		CLP		CLP		CLP		CLP	
	Biannual		Upon Expiration		Upon Expiration		Upon Expiration		Upon Expiration		Upon Expiration		Upon Expiration	
	3.05%		2.42%		2.73%		3.84%		3.70%		0.49%		2.79%	
	3.05%		2.42%		2.73%		3.84%		3.70%		0.49%		2.79%	
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	
Until a year	4,492,373	126,948	189,583	8,721	9,030,745	6,179	19,065	2,893	13,876,507					
Up to 90 days	67,482	-	189,583	8,721	30,745	6,179	19,065	2,893	324,668					
More than 90 days up to a year	4,424,891	126,948	-	-	9,000,000	-	-	-	13,551,839					
More than 1 year up to 3 years	17,699,562	19,270,303	-	2,500,000	-	10,757,777	6,000,000	3,000,000	59,227,642					
More than 1 year up to 2 years	8,849,781	-	-	2,500,000	-	-	6,000,000	3,000,000	20,349,781					
More than 2 years up to 3 years	8,849,781	19,270,303	-	-	-	10,757,777	-	-	38,877,861					
More than 3 years up to 5 years	17,699,562	-	20,000,000	-	-	-	-	-	37,699,562					
More than 3 years up to 4 years	8,849,781	-	20,000,000	-	-	-	-	-	28,849,781					
More than 4 years up to 5 years	8,849,781	-	-	-	-	-	-	-	8,849,781					
More than 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891					
More than 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891					
Total nominal amounts	44,316,388	19,397,251	20,189,583	2,508,721	9,030,745	10,763,956	6,019,065	3,002,893	115,228,602					
Accounting values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	
Current bank loans	4,492,373	126,948	189,583	8,721	9,030,745	6,179	19,065	2,893	13,876,507					
Up to 90 days	67,482	-	189,583	8,721	30,745	6,179	19,065	2,893	324,668					
More than 90 days up to a year	4,424,891	126,948	-	-	9,000,000	-	-	-	13,551,839					
Non-current bank loans	39,824,015	19,270,303	20,000,000	2,500,000	-	10,757,777	6,000,000	3,000,000	101,352,095					
More than 1 year up to 3 years	17,699,562	19,270,303	-	2,500,000	-	10,757,777	6,000,000	3,000,000	59,227,642					
More than 1 year up to 2 years	8,849,781	-	-	2,500,000	-	-	6,000,000	3,000,000	20,349,781					
More than 2 years up to 3 years	8,849,781	19,270,303	-	-	-	10,757,777	-	-	38,877,861					
More than 3 years up to 5 years	17,699,562	-	20,000,000	-	-	-	-	-	37,699,562					
More than 3 years up to 4 years	8,849,781	-	20,000,000	-	-	-	-	-	28,849,781					
More than 4 years up to 5 years	8,849,781	-	-	-	-	-	-	-	8,849,781					
More than 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891					
More than 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891					
Total bank loans	44,316,388	19,397,251	20,189,583	2,508,721	9,030,745	10,763,956	6,019,065	3,002,893	115,228,602					

Accounting value = capital +/- emission on / low - issuance costs + interest accrued by the effective interest-rate method and capital paid.

Nominal value = capital +/- interest accrued at the rate of emission-payments capital / interest.

As of December 31, 2019 there is no variation between the nominal value and the book value, since in the obtaining and/ or renewal of loans no issuance costs have been incurred.

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The detail of the bond obligations as of December 31, 2020 and 2019 is as follows:

Total obligations with the public, current period

Tax ID debit entity	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	
Debtor entity name	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	
Country of the debtor company	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	
Registration number	630	655	655	713	713	778	778	806	777	806	887	886	887	
Series	BAGUA-M	BAGUA-P	BAGUA-Q	BAGUA-S	BAGUA-U	BAGUA-V	BAGUA-W	BAGUA-X	BAGUA-Z	BAGUA-AA	BAGUA-AD	BAGUA-AC	BAGUA-AE	
Expiration date	01-04-2031	01-10-2033	01-06-2032	01-04-2035	01-04-2036	01-04-2037	01-06-2037	01-02-2038	15-01-2023	15-01-2040	15-03-2043	15-03-2025	15-03-2044	
Currency or reset unit	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	
Amortization rate	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Biannual	Biannual	Biannual	Biannual	Biannual	
Effective rate	4.16%	3.83%	4.05%	3.92%	3.81%	3.50%	3.19%	3.14%	2.34%	3.32%	2.87%	1.97%	2.06%	
Nominal rate	4.20%	3.86%	4.00%	3.90%	3.80%	3.50%	3.30%	3.00%	2.40%	3.20%	2.80%	1.80%	2.50%	
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Until a year	528,673	416,803	158,320	645,651	547,191	504,341	182,377	577,104	7,467,462	851,142	476,016	5,680,769	425,344	18,461,193
Up to 90 days	-	-	-	-	-	-	-	577,104	3,833,671	851,142	476,016	230,082	425,344	6,393,359
More than 90 days up to a year	528,673	416,803	158,320	645,651	547,191	504,341	182,377	-	3,633,791	-	-	5,450,687	-	12,067,834
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	10,901,374	-	-	21,802,748	-	32,704,122
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,267,583	-	-	10,901,374	-	18,168,957
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	3,633,791	-	-	10,901,374	-	14,535,165
More than 3 years	50,873,078	43,605,495	47,966,045	66,861,759	58,140,660	58,140,660	66,861,759	46,512,528	-	58,140,660	58,140,660	16,352,061	58,140,660	629,736,025
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	-	-	-	10,901,374	-	10,901,374
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	5,450,687	-	5,450,687
More than 5 years	50,873,078	43,605,495	47,966,045	66,861,759	58,140,660	58,140,660	66,861,759	46,512,528	-	58,140,660	58,140,660	-	58,140,660	613,383,964
Total nominal amounts	51,401,751	44,022,298	48,124,365	67,507,410	58,687,851	58,645,001	67,044,136	47,089,632	18,368,836	58,991,802	58,616,676	43,835,578	58,566,004	680,901,340
Accounting values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Obligations with the public	542,255	425,672	171,628	638,203	543,424	504,341	223,769	554,616	7,472,012	829,984	461,434	5,614,893	584,277	18,566,508
Up to 90 days	-	-	-	-	-	-	-	554,616	3,838,221	829,984	461,434	164,206	584,277	6,432,738
More than 90 days up to a year	542,255	425,672	171,628	638,203	543,424	504,341	223,769	-	3,633,791	-	-	5,450,687	-	12,133,770
Obligations with the non-current public	51,028,766	43,738,950	48,163,447	66,740,023	58,068,432	58,140,660	67,699,404	45,667,877	10,909,752	57,184,267	57,552,511	38,048,041	62,470,878	665,413,008
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	10,909,752	-	-	21,749,364	-	32,659,116
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,271,771	-	-	10,874,682	-	18,146,453
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	3,637,981	-	-	10,874,682	-	14,512,663
More than 3 years	51,028,766	43,738,950	48,163,447	66,740,023	58,068,432	58,140,660	67,699,404	45,667,877	-	57,184,267	57,552,511	16,298,677	62,470,878	632,753,892
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	-	-	-	10,874,682	-	10,874,682
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	5,423,995	-	5,423,995
More than 5 years	51,028,766	43,738,950	48,163,447	66,740,023	58,068,432	58,140,660	67,699,404	45,667,877	-	57,184,267	57,552,511	-	62,470,878	616,455,215
Total obligations with the public	51,571,021	44,164,622	48,335,075	67,378,226	58,611,856	58,645,001	67,923,173	46,222,493	18,381,764	58,014,251	58,013,945	43,662,934	63,055,155	683,979,516



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Total obligations with the public, previous period

Tax ID debit entity	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	96.579.800-5	96.579.800-5	
Debtor entity name	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	ESSAL S.A.	ESSAL S.A.	
Country of the debtor company	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	
Registration number	630	655	655	713	713	778	778	806	777	806	887	886	887	284	870	
Series	BAGUA-M	BAGUA-P	BAGUA-Q	BAGUA-S	BAGUA-U	BAGUA-V	BAGUA-W	BAGUA-X	BAGUA-Z	BAGUA-AA	BAGUA-AD	BAGUA-AC	BAGUA-AE	Besal-B	Besal-C	
Expiration date	01-04-2031	01-10-2033	01-06-2032	01-04-2035	01-04-2036	01-04-2037	01-06-2037	01-02-2038	15-01-2023	15-01-2040	15-03-2043	15-03-2025	15-03-2044	01-06-2028	01-12-2040	
Currency or reset unit	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	
Amortization rate	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Biannual	Biannual	Biannual	Biannual	Biannual	Biannual	Biannual	
Effective rate	4.16%	3.83%	4.05%	3.92%	3.81%	3.50%	3.18%	3.15%	2.34%	3.33%	2.87%	1.97%	2.05%	6.63%	2.93%	
Nominal rate	4.20%	3.86%	4.00%	3.90%	3.80%	3.50%	3.30%	3.00%	2.40%	3.20%	2.80%	1.80%	2.50%	6.00%	2.80%	
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Until a year	514,845	405,901	154,179	628,762	532,878	491,149	177,606	562,009	7,348,491	824,299	463,565	224,064	414,218	3,415,277	163,997	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 a 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
Accounting values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Obligations with the public	527,872	414,438	168,619	621,600	529,251	491,149	222,549	524,372	7,358,696	786,205	443,450	157,987	570,241	3,340,132	163,997	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 a year	527,872	414,438	168,619	621,600	529,251	491,149	222,549	-	3,538,743	-	-	-	-	-	-	6,514,221
Obligations with the non-current public	49,711,499	42,607,147	46,921,832	64,983,746	56,543,915	56,619,880	65,991,224	44,429,043	17,706,018	55,642,582	56,017,217	42,295,104	61,111,397	26,811,234	27,638,931	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 with the public	50,239,371	43,021,585	47,090,451	65,605,346	57,073,166	57,111,029	66,213,773	44,953,415	25,064,714	56,428,787	56,460,667	42,453,091	61,681,638	30,151,366	27,802,928	731,351,327

## Reconciliation of other financial liabilities and lease liability:

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

### Current period:

Other financial liabilities and lease liability, current	Initial balance 01-01-2020 Th\$	Additions Th\$	Payments Th\$	Transfers Th\$	Decrease due to the loss of control of a subsidiary Th\$	Closing balance 31-12-2020 Th\$
Bank loans	13.876.507	52.000.000	(30.000.013)	5.185.529	(9.067.603)	<b>31.994.420</b>
Bonuses	16.320.558	-	-	5.750.079	(3.504.129)	<b>18.566.508</b>
Reimbursable financial contributions	6.188.750	-	-	13.993.723	-	<b>20.182.473</b>
Forward	-	320.893	-	-	-	<b>320.893</b>
<b>Total other financial liabilities</b>	<b>36.385.815</b>	<b>52.320.893</b>	<b>(30.000.013)</b>	<b>24.929.331</b>	<b>(12.571.732)</b>	<b>71.064.294</b>
Lease liabilities	1.503.349	506.535	(1.427.137)	1.075.224	(237.403)	<b>1.420.568</b>
<b>Total lease liabilities</b>	<b>1.503.349</b>	<b>506.535</b>	<b>(1.427.137)</b>	<b>1.075.224</b>	<b>(237.403)</b>	<b>1.420.568</b>
<b>Total</b>	<b>37.889.164</b>	<b>52.827.428</b>	<b>(31.427.150)</b>	<b>26.004.555</b>	<b>(12.809.135)</b>	<b>72.484.862</b>

Other financial liabilities and lease liability, current	Initial balance 01-01-2020 Th\$	Additions Th\$	Payments Th\$	Transfers Th\$	Decrease due to the loss of control of a subsidiary Th\$	Closing balance 31-12-2020 Th\$
Bank loans	101.352.095	91.300.000	(4.424.891)	(4.802.044)	(22.257.778)	<b>161.167.382</b>
Bonuses	715.030.769	-	(7.150.455)	11.982.858	(54.450.164)	<b>665.413.008</b>
Reimbursable financial contributions	186.572.529	17.143.444	(11.782.635)	(9.100.028)	(10.683.738)	<b>172.149.572</b>
<b>Total other financial liabilities</b>	<b>1.002.955.393</b>	<b>108.443.444</b>	<b>(23.357.981)</b>	<b>(1.919.214)</b>	<b>(87.391.680)</b>	<b>998.729.962</b>
Lease liabilities	1.954.162	1.880.218	-	(1.081.805)	(372.272)	<b>2.380.303</b>
<b>Total lease liabilities</b>	<b>1.954.162</b>	<b>1.880.218</b>	<b>-</b>	<b>(1.081.805)</b>	<b>(372.272)</b>	<b>2.380.303</b>
<b>Total</b>	<b>1.004.909.555</b>	<b>110.323.662</b>	<b>(23.357.981)</b>	<b>(3.001.019)</b>	<b>(87.763.952)</b>	<b>1.001.110.265</b>

### Previous period:

Other financial liabilities and lease liability, current	Initial balance 01-01-2019 Th\$	Additions Th\$	Payments Th\$	Transfers Th\$	Closing balance 31-12-2019 M\$
Bank loans	3.503.647	134.183.291	(128.108.621)	4.298.190	<b>13.876.507</b>
Bonuses	15.037.330	7.807	(6.886)	1.282.307	<b>16.320.558</b>
Reimbursable financial contributions	15.422.339	27.233.300	(26.985.986)	(9.480.903)	<b>6.188.750</b>
<b>Total other financial liabilities</b>	<b>33.963.316</b>	<b>161.424.398</b>	<b>(155.101.493)</b>	<b>(3.900.406)</b>	<b>36.385.815</b>
Lease liabilities	-	2.014.766	(1.289.152)	777.735	<b>1.503.349</b>
<b>Total lease liabilities</b>	<b>-</b>	<b>2.014.766</b>	<b>(1.289.152)</b>	<b>777.735</b>	<b>1.503.349</b>
<b>Total</b>	<b>33.963.316</b>	<b>163.439.164</b>	<b>(156.390.645)</b>	<b>(3.122.671)</b>	<b>37.889.164</b>

Other financial liabilities and lease liability, current	Initial balance 01-01-2019 Th\$	Additions Th\$	Payments Th\$	Transfers Th\$	Closing balance 31-12-2019 M\$
Bank loans	92.519.209	22.257.777	-	(13.424.891)	<b>101.352.095</b>
Bonuses	646.960.110	56.686.306	(9.799.598)	21.183.951	<b>715.030.769</b>
Reimbursable financial contributions	173.033.860	-	-	13.538.669	<b>186.572.529</b>
<b>Total other financial liabilities</b>	<b>912.513.179</b>	<b>78.944.083</b>	<b>(9.799.598)</b>	<b>21.297.729</b>	<b>1.002.955.393</b>
Lease liabilities	-	2.731.897	-	(777.735)	<b>1.954.162</b>
<b>Total lease liabilities</b>	<b>-</b>	<b>2.731.897</b>	<b>-</b>	<b>(777.735)</b>	<b>1.954.162</b>
<b>Total</b>	<b>912.513.179</b>	<b>81.675.980</b>	<b>(9.799.598)</b>	<b>20.519.994</b>	<b>1.004.909.555</b>



## Forward

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

### 16.5 Fair value of financial instruments

Fair value of financial instruments accounted for at amortized cost.

The following summarizes the fair values of the main financial assets and liabilities, including those that are not presented at fair value in the consolidated statement

	31-12-2020	
	Amortized cost Th\$	Fair value Th\$
<b>Cash Equivalents</b>		
Term deposits, level 1	110,899,988	110,899,988
Mutual funds, level 1	63,643,623	63,643,623
<b>Investments held at fair value</b>	<b>174,543,611</b>	<b>174,543,611</b>
<b>Other financial assets</b>		
Bank debt, level 2	193,161,802	175,238,236
Bonuses, level 1	683,979,516	834,958,500
AFR, level 3	192,332,045	192,332,045
Forward, level 1	320,893	320,893
<b>Financial liabilities maintained at amortized cost</b>	<b>1,069,794,256</b>	<b>1,202,849,674</b>

### Methodology and assumptions used in the calculation of fair value

The fair value of financial assets and liabilities was determined using the following methodology:

- The amortized cost of time deposits and mutual funds is a good approximation of fair value, because they are short-term operations.
- The market value of Forward derived instruments operations in foreign currency, corresponds to the value resulting from applying current quotations on the valuation date at the maturity of the operation and applying a rate.
- The amortized cost of the AFR liabilities is a good approximation of the fair value, due to the fact that they are low liquidity operations in the market, the applied rate corresponds to that indicated in the regulation that regulates them (DFL N°70).
- The fair value of the bonds was determined based on references to market prices, since these instruments are traded in the market under standard conditions and with a high degree of liquidity.

e) The fair value of bank debt was determined by updating the cash flows of each loan (capital and interest disbursements) at an interpolated rate of swap curves corresponding to the remaining term. This term corresponds to the number of days counted between the closing date of the month of the Financial Statements, until the date corresponding to the disbursement of each flow.

### Recognition of hierarchy of measurements at fair value in the Consolidated Financial Statements

- Level 1 corresponds to measurement methodologies at fair value through market shares (without adjustments) in active markets and considering the same assets and liabilities valued.
- Level 2 corresponds to measurement methodologies at fair value through market quotation data, not included in Level 1, that are observable for assets and liabilities valued, either directly (prices) or indirectly (derived from prices).
- Level 3 corresponds to measurement methodologies at fair value through valuation techniques, which include data on assets and liabilities valued, that are not based on observable market data.

## Note 17.

### COMMERCIAL ACCOUNTS AND OTHER ACCOUNTS PAYABLE

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

Commercial accounts and other accounts payable	Currency	31-12-2020 Th\$	31-12-2019 Th\$
Subcontractors	CLP	34.715.509	34.882.554
Dividends	CLP	213.136	33.490.913
Suppliers	CLP	19.513.063	41.024.307
Suppliers	USD	652.557	758.814
Suppliers	EUR	130.233	276.608
Accrued products and services	CLP	33.709.502	25.294.973
Personnel	CLP	5.089.627	3.879.982
Documents to pay	CLP	4.424.541	3.535.897
Others	CLP	496.636	651.351
<b>Currenttotal</b>		<b>98.944.804</b>	<b>143.795.399</b>
Notes payable	CLP	855.608	904.203
Suppliers	CLP	526.308	184.719
Various creditors	CLP	70.395	70.395
<b>Non-current total</b>		<b>1.452.311</b>	<b>1.159.317</b>
<b>Total</b>		<b>100.397.115</b>	<b>144.954.716</b>

Next, information regarding commercial accounts invoiced according to expiration date is presented:

### Commercial Accounts (Suppliers)

#### Current period:

Commercial accounts per day according to deadline	31-12-2020			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	1.802.389	15.442.243	396	<b>17.245.028</b>
Between 31 and 60 days	24.047	772.674	-	<b>796.721</b>
Between 121 and 365 days	-	-	252.894	<b>252.894</b>
<b>Total</b>	<b>1.826.436</b>	<b>16.214.917</b>	<b>253.290</b>	<b>18.294.643</b>

Commercial accounts expired according to term	31-12-2020			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	6.675	1.255.629	899	<b>1.263.203</b>
Between 31 and 60 days	-	466.364	-	<b>466.364</b>
Between 61 and 90 days	-	213.580	-	<b>213.580</b>
Between 91 and 120 days	143	9.964	-	<b>10.107</b>
Between 121 and 365 days	-	47.789	4	<b>47.793</b>
More than 365 days	48	(289)	404	<b>163</b>
<b>Total</b>	<b>6.866</b>	<b>1.993.037</b>	<b>1.307</b>	<b>2.001.210</b>

#### Previous period:

Commercial accounts per day according to deadline	31-12-2019			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	7.607.971	17.454.664	189.590	<b>25.252.225</b>
Between 31 and 60 days	1.179.791	10.888.431	2.720	<b>12.070.942</b>
Between 61 and 90 days	315.114	115.331	-	<b>430.445</b>
Between 91 and 120 days	-	230.670	-	<b>230.670</b>
<b>Total</b>	<b>9.102.876</b>	<b>28.689.096</b>	<b>192.310</b>	<b>37.984.282</b>

Commercial accounts expired according to term	31-12-2019			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	(157.947)	681.169	9.194	<b>532.416</b>
Between 31 and 60 days	974.082	176.438	58	<b>1.150.578</b>
Between 61 and 90 days	361.633	673.907	11.008	<b>1.046.548</b>
Between 91 and 120 days	194.029	82.634	3.752	<b>280.415</b>
Between 121 and 365 days	48	1.049.148	8.219	<b>1.057.415</b>
More than 365 days	-	7.906	169	<b>8.075</b>
<b>Total</b>	<b>1.371.845</b>	<b>2.671.202</b>	<b>32.400</b>	<b>4.075.447</b>

**Note 18.**  
**OTHER PROVISIONS AND CONTINGENT LIABILITIES**

**A. Other Provisions**

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

Classes of provisions	31-12-2020			
	Provision for guarantees Th\$	Provisions for legal processes Th\$	Provision for onerous contracts Th\$	Total, Other provisions Th\$
Other provisions at the beginning of the period	-	3.732.169	1.380.132	5.112.301
<b>Changes in other provisions</b>				
<b>Additional provisions, other provisions</b>				
New provisions	28.735.289	185.904	-	28.921.193
<b>Total additional provisions</b>	<b>28.735.289</b>	<b>185.904</b>	<b>-</b>	<b>28.921.193</b>
(-) Unused reverse provisions	-	(47.920)	-	(47.920)
Increase for adjustments arising from the passage of time	-	-	39.748	39.748
(-)Decrease due to the loss of control of a subsidiary	-	(3.708.428)	-	(3.708.428)
<b>Total Increase (decrease)</b>	<b>-</b>	<b>(3.756.348)</b>	<b>39.748</b>	<b>(3.716.600)</b>
<b>Other current provisions</b>	<b>28.735.289</b>	<b>161.725</b>	<b>-</b>	<b>28.897.014</b>
<b>Other non-current provisions</b>	<b>-</b>	<b>-</b>	<b>1.419.880</b>	<b>1.419.880</b>

Classes of provisions	31-12-2019			
	Provision for guarantees Th\$	Provisions for legal processes Th\$	Provision for onerous contracts Th\$	Total, Other provisions Th\$
Other provisions at the beginning of the period	2.130.122	862.123	1.341.233	4.333.478
<b>Changes in other provisions</b>				
<b>Additional provisions, other provisions</b>				
New provisions	-	3.281.818	-	3.281.818
Aumento de provisiones existentes	-	1.012.448	-	1.012.448
<b>Total additional provisions</b>	<b>-</b>	<b>4.294.266</b>	<b>-</b>	<b>4.294.266</b>
(-) Used provisions	-	(1.424.220)	-	(1.424.220)
(-) Unused reverse provisions	(2.130.122)	-	-	(2.130.122)
Increase for adjustments arising from the passage of time	-	-	38.899	38.899
<b>Total Increase (decrease)</b>	<b>(2.130.122)</b>	<b>(1.424.220)</b>	<b>38.899</b>	<b>(3.515.443)</b>
<b>Other current provisions</b>	<b>-</b>	<b>3.732.169</b>	<b>-</b>	<b>3.732.169</b>
<b>Other non-current provisions</b>	<b>-</b>	<b>-</b>	<b>1.380.132</b>	<b>1.380.132</b>

The description of the provisions that make up this item are the following:

**1. Other provisions, current**

**i) Legal claims**

The Company records the provision corresponding to lawsuits derived from its operations, mainly originated by sanction processes carried out by auditing entities. Additionally, Aguas Andinas and Subsidiaries are parties to lawsuits for civil and labor actions whose resolutions are pending in the corresponding courts.

The provisions associated with the current lawsuits of the Company have been reflected in the item "Provisions", in accordance with the provisions of IAS 37. In those cases, in which the Administration considers that the matters have a low probability of prospering and do not represent a probability some material loss, have not been provisioned.

The following are legal claims that could affect the Company:

The Superintendence of Sanitary Services (SISS) has ruled fines for Aguas Andinas S.A. and Subsidiaries due mainly to the breach of instructions and breach of the continuity and quality of the service delivered by the Company. The total of the claims submitted to December 2020 amounted to UTA 4,764, which were paid prior to initiating the claims processes in each of the cases, pending resolution of the final judgments.

Additionally, Aguas Andinas S.A., was notified of the initiation of sanction procedures by the Superintendence of Sanitary Services. The foregoing corresponds to alleged infractions in the delivery of the service. Currently there are administrative appeals and legal claims pending resolution, so it is premature to estimate a result. The Company considers that it did not incur in the infractions carried out, therefore, it is expected that the claims and resources will be accepted.

Ministerial Regional Secretariat of Health RM, pending sanctions against Aguas Andinas, initiated by Resolution for alleged infractions in the service provided. Administrative appeals and legal claims are currently in process. The fine ranges vary between 1 and 1,000 UTM.

Labor Lawsuits: Aguas Andinas was sued directly or subsidiary, in response to labor lawsuits whose matter mainly corresponds to unjustified dismissals. The total of the claims amounts to M\$343,030. The judicial proceedings are pending in the respective courts or corresponding administrative instances.

**ii) Provision for guarantees**

The Company has recognized provisions for guarantees derived from the purchase and sale agreement of ESSAL S.A. and Iberaguas Ltda., signed between Aguas Andinas S.A. and Algonquin Power & Utilities Corp. (APUC).

**2. Other provisions, non-current**

Corresponds basically to the transaction dated July 10, 2007, signed at the Notary of María Gloria Acharan Toledo, between Aguas Cordillera S.A. and developers, in which it is assumed that in the eventuality that in the future Aguas Cordillera S.A. disaffect and sell the land that was transferred, must pay at least U.F. 52,273.29. This amount will be imputed to the existing debt owed to the developers.



B. Contingent liabilities

1. Aguas Andinas S.A. was sued in ordinary lawsuit for compensation of damages for damages allegedly suffered by a Mining Company, for the installation of infrastructure of the company on lands in which the plaintiff would have mining properties, causing an alleged damage by preventing the extraction of minerals. The amount demanded amounts to M\$1,093,564. A first instance judgment was issued, which was revoked by the appeals court, which proved right to Aguas Andinas. Pending ruling by the Supreme Court.

2. As a result of a potable water matrix break that affected the commune of Providencia in June 2016 and massive cuts in potable water supplies due to extreme turbidity in February and April 2017, the Company is in the process of being audited by the Superintendence of Sanitary Services. In the first case, it is pending that the Sanitary Authority resolves the reinstatement presented, while in the events of turbidity, the Company presented its disclaimers, which are pending resolution.

The Company and Subsidiaries are parties to other small claims. It is considered that they will not have a material adverse effect on the financial statements of the respective Companies.

Note 19.

EMPLOYEE BENEFITS

The Company, at the consolidated level, has a workforce of 1,733 employees, of which 86 are Managers and senior executives. Employees included in collective bargaining agreements and those with individual employment contracts containing special indemnity clauses total 1,461 and 18, respectively, whereas 254 workers are under the provisions of the Labor Code.

During the month of January 2018, the subsidiary Aguas Andinas S.A. culminated the anticipated collective bargaining with the unions of employees, operators and professions No. 1, 2 and 3. The agreement was signed on January 29, 2018, taking effect for three years.

The current collective bargaining agreements of Aguas Cordillera S.A., and personnel of Aguas Manquehue S.A., were signed on December 1, 2018 and October 1, 2018, with Unions No. 1 and 2 and with the Workers and Supervisors Union, respectively; all of them with a three-year term.

The current collective bargaining agreements of Anam S.A. and EcoRiles S.A., were signed on January 2019, November 2018 and April 2017, respectively; all of them with a three-year term. The personnel of those Subsidiaries are governed by the provisions contained in articles 159, 160 and 161 of the Labor Code, for which no severance pay provisions have been made.

Policies about defined benefit plans

Workers who are not party to the collective bargaining agreements of Aguas Andinas S.A. and its subsidiaries are governed by the provisions contained in articles 159, 160 and 161 of the Labor Code, for which no severance pay provision have been made.

The actuarial calculation is applied for workers with indemnities at present value until 2002 (including indemnities in any event recognized to that date), as well as for advances granted against such indemnities.

For workers who are party to or were incorporated to collective bargaining agreements in force at the date of the consolidated financial statements, the actuarial valuation calculation is applied by seniority.

Accounting policies for gains and losses on defined benefits plans

The obligation of providing termination benefits by seniority, which it is estimated to accrue for workers who retire from Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A., is booked at its actuarial value, determined using the projected credit-unit method.

Actuarial gains and losses on indemnities deriving from changes in estimates or in turnover, mortality, wage increases, or discount rates are booked directly as other comprehensive results in accordance with the revised IAS 19R, directly affecting Equity, which are later reclassified as Accumulated Results. The application of this procedure began in 2013 following the effective date of the revised IAS 19. Until 2012, all variations in estimates and parameters used determined a direct effect on results for the year.

Actuarial assumptions

**Seniority:** In Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A., it is assumed that workers will remain with those Companies until reaching the legal retirement age (60 years of age for women and 65 for men).

**Participants in each plan:** These benefits cover all workers who participate in a union agreement (indicated above) and workers with individual contracts including an indemnity clause in any event. Workers included in the calculation of the actuarial indemnity by company: Aguas Andinas S.A.: 986; Aguas Cordillera S.A.: 107; Aguas Manquehue S.A.: 13.

**Mortality:** The RV-2014 mortality tables of the Commission for the Financial Market are used.

**Employee turnover and disability rates and early retirements:** Based on the Group's statistical experience, the turnover rate used in period 2019 for target workers are the following: Aguas Andinas S.A.: 5.9%; Aguas Cordillera S.A.: 7.1%; Aguas Manquehue S.A.: 0.0%. Disabled workers and early retirements have not been considered due to their infrequent occurrence.

**Discount rate:** For fiscal year 2019 the Company applied a discount rate 3.34% for Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A., which corresponds to a risk-free rate and long-term inflation projections.

**Inflation rate:** For making long-term estimates, in fiscal year 2018 the Company applied an inflation rate of 3.0%, as reported by the Central Bank of Chile.

**Salary increase rates:** The rates applied for fiscal year 2020 are as follows: Aguas Andinas S.A.: 1.7%; Aguas Cordillera S.A.: 0%; and Aguas Manquehue S.A.: 0%.

General description of defined benefit plans

The following benefits are in addition to those indicated in Note 2.2, letter O:

In the event of the death of a worker, an indemnity will be paid to his/her immediate family in accordance with article 60 of the Labor Code.

In case an employee retires from the Company in accordance with paragraphs 2, 4 or 5 of article 159, number 1, letter a) or number 6 of article 160 of the Labor Code, the employee will be paid an indemnity consisting in the accumulated amount for this concept as of July 31, 2002 in Aguas Andinas S.A., and December 31, 2002 in Aguas Cordillera S.A., adjusted quarterly for changes in the Consumer Price Index, provided that the change is positive.

Workers of Aguas Andinas S.A. and its Subsidiaries who are not a party to their collective bargaining agreements are covered by their individual employment contracts, whereas for non-utility companies, that is Gestión y Servicios S.A., EcoRiles S.A., Anam S.A. and Aguas del Maipo S.A., the provisions of the Labor Code are applicable, except when individual employment contracts indicate otherwise.

The indemnity provision is calculated by deducting advances to the employees.

The movements of actuarial provisions as of December 31, 2020 and 2019 are:

Provisions for employee benefits	31-12-2020 Th\$	31-12-2019 Th\$
<b>Movements actuarial provision</b>		
Beginning balance	21.011.200	18.133.926
Cost of services	1.151.928	1.011.621
Cost for interest	777.770	808.754
(Gain) or actuarial losses	(387.032)	2.487.505
Benefits paid	(1.162.197)	(1.561.500)
Provision for termination benefits	168.904	130.894
Decrease due to the loss of control of a subsidiary	(721.729)	-
<b>Sub-total</b>	<b>20.838.844</b>	<b>21.011.200</b>
Profit and bonds participation	4.482.851	4.990.427
<b>Total</b>	<b>25.321.695</b>	<b>26.001.627</b>

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In the financial position statements, these balances are found under the following items:

Provisions for employee benefits	31-12-2020 Th\$	31-12-2019 Th\$
Provisions for employee benefits, current	4.982.501	5.233.058
Provisions for employee benefits, not current	20.339.194	20.768.569
<b>Total</b>	<b>25.321.695</b>	<b>26.001.627</b>

### Expected payment flows

Clause 17 of the collective bargaining Agreement of Aguas Andinas S.A. indicates that workers who resign voluntarily shall have 120 days from the date they reach the legal retirement age to make their resignation effective and be entitled to retirement.

The collective bargaining agreements of Aguas Cordillera S.A. and Aguas Manquehue S.A. indicate that a termination benefit will be paid to workers who resign voluntarily upon reaching the legal retirement age.

During fiscal year 2019 the Company, together with the Aguas Andinas' union workers and in the spirit of acknowledging the track record of personnel having serious health problems who, in turn, have a duly accredited a disabling disease that affects their performance or that does not allow them to resume the normal conditions of their duties or that are close to their legal age of retirement (in the understanding that this applies to women workers, with an indefinite-term work contract in force who turn 57 years of age and to men workers with an indefinite work contract in force, that turn 62 years of age) the option of accepting a Voluntary Retirement Plan. Also eligible to opt for this plan will be those workers that have already met their established retirement age, as required by article 3 of Decree Law No 3,500, in order to obtain their old-age pension, i.e. over 60 years of age for women and over 65 years of age for men (age reached).

According to the above-described benefit plans, the table below shows the flows for the current financial year:

Company	Number of employees	Expected flow of payment Th\$	Year
Aguas Andinas S.A.	20	1.528.000	2021
<b>Total</b>	<b>20</b>	<b>1.528.000</b>	

### Liabilities projected as of December 31, 2020

For the calculation of the projected liabilities of the indemnities at actuarial value, as of December 2020, as indicated in IAS 19, the actuarial assumptions in force as of December 31, 2020, already reported in this note, have been used. The amount of the legal bonus has increased according to the increase in the minimum wage established in January of this year.

The summary by company is as follows:

Company	Number of employees	Costs for services Th\$	Interest cost Th\$
Aguas Andinas S.A.	986	1.090.466	573.208
Aguas Cordillera S.A.	107	143.033	45.122
Aguas Manquehue S.A.	13	3.051	15.482
<b>Total</b>	<b>1.106</b>	<b>1.236.550</b>	<b>633.812</b>

### Sensitivity of assumptions

Based on the actuarial calculation as of December 31, 2020, the main assumptions have been sensitized, determining the following impacts:

Discount Rate	Base	More than 0.5% Th\$	Less than 0.5% Th\$
Aguas Andinas S.A.	3,34%	(741.449)	801.460
Aguas Cordillera S.A.	3,34%	(58.134)	61.592
Aguas Manquehue S.A.	3,34%	(18.149)	19.271
<b>Total</b>		<b>(817.732)</b>	<b>882.323</b>

Turnover rate	Base	More than 0.5% Th\$	Less than 0.5% Th\$
Aguas Andinas S.A.	5,87%	(854.455)	816.360
Aguas Cordillera S.A.	7,10%	(64.062)	67.569
Aguas Manquehue S.A.	0,00%	(18.658)	-
<b>Total</b>		<b>(937.175)</b>	<b>883.929</b>

Salary increase rate	Base	More than 0.5% Th\$	Less than 0.5% Th\$
Aguas Andinas S.A.	1,70%	810.763	(756.524)
Aguas Cordillera S.A.	0,00%	63.385	-
Aguas Manquehue S.A.	0,00%	19.833	-
<b>Total</b>		<b>893.981</b>	<b>(756.524)</b>

### Disclosures about benefits for termination of the contractual relationship

The compensation for termination of employment relationship is governed by the provisions of the Labor Code, except in those special clauses of the respective collective contracts or individual contracts.

### Share in profits and bonds

Corresponds to the obligation that the Company maintains with its workers for participation bonds payable in the months of February and March of the following year. The share accrued to be paid to the workers, stipulated in the current contracts, is re-classified during the month of February based on the status of the immediately preceding fiscal year. As of December 31, 2020, and 2019, the amounts amount to Th\$4,482,851 and Th\$4,990,427, respectively. Additionally, advances of 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 Group Company.

### Personnel expenses

Personnel expenses as of December 31, 2020 and 2019 are as follows:

Personnel expenses	31-12-2020 Th\$	31-12-2019 Th\$
Wages and salaries	(35.262.611)	(31.668.370)
Defined benefits	(16.392.162)	(15.367.340)
Severance pay	(2.512.976)	(2.543.207)
Other personnel costs	(1.342.966)	(1.477.662)
<b>Total</b>	<b>(55.510.715)</b>	<b>(51.056.579)</b>

## Note 20.

### OTHER NON-FINANCIAL LIABILITIES

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

Other non-financial liabilities	31-12-2020 Th\$	31-12-2019 Th\$
Value-Added Tax	8.642.402	10.224.688
Monthly Provisional Payments	4.531.574	4.805.914
Other taxes	3.337.530	380.958
Agreement for real estate developments	1.606.453	2.508.098
Works requested by third parties	2.299.566	2.076.573
<b>Current totals</b>	<b>20.417.525</b>	<b>19.996.231</b>
Asociación Sociedad de Canalistas del Maipo	7.355.177	7.294.709
Agreement for real estate developments	2.829.386	2.737.146
<b>Total non-current</b>	<b>10.184.563</b>	<b>10.031.855</b>



**Note 21.****EQUITY ATTRIBUTABLE TO OWNERS OF THE CONTROLLER**

The Company's equity capital is subdivided into 1,000,000,000 nominative shares without any nominal value and of a singles series.

Its capital as of December 31, 2020 and 2019 represented M\$468,358,402. There are neither company treasury nor preferred shares in its portfolio.

The Company manages its capital with the objective of ensuring continuous and expeditious access to financial markets, permitting it to materialize its growth, solvency and profitability objectives.

No changes have been recorded in capital management objectives or policies in the years reported.

In 2020, the following dividend payment was agreed and made:

- In ordinary board of directors' meeting held on November 25, 2020, it was agreed to distribute Th\$30,000,000, on account of the earnings of the year 2020, as interim dividend. Consequently, the Company's interim dividend No 34, amounted to \$30.00 per share, paid in two parts; the first one was made in December by Th\$28,865,834, whereas the second one by Th\$1,134,166 was paid in January 2021.

In 2019 the following dividends payments were agreed and made:

- Dated April 24, 2019, the 14th Ordinary Shareholders' Meeting was held, in which it was agreed the distribution of Th\$65,521,600. Considering the interim dividend paid in January 2019, which amounted to Th\$21,656,000, was agreed a definitive dividend of Th\$43,865,600, corresponding to \$43.8656 per share, payable from May 28, 2019.
- In ordinary board of directors' meeting held on December 19, 2019, it was agreed to distribute Th\$22,262,000, on account of the earnings of the year 2019, as interim dividend. Consequently, the Company's dividend No 33, amounted to \$22.262 per share and was paid on January 23, 2020.

**Minimum dividend provision**

Pursuant to the policy described under note 2.2 letter J, the Company did not make a minimum dividend provision as of December 31, 2020 and 2019.

**Accumulated earnings**

The amounts recorded for revaluation of land and intangible assets and other adjustments upon the first adoption of the IFRS are included as accumulated earnings and are subject to distribution restrictions, as they first have to be recognized as realized, through their use or sale, as established in IFRS 1, IAS 16 and Circular No. 456 of June 20, 2008 of the Commission for the Financial Market. Also included is the amount corresponding to the actuarial gains and losses determined since 2009, as a result of variations in the obligations for defined benefit plans.

Additionally, as of December 31, 2020 and 2019, modifications were made to the calculation parameters in the actuarial earnings and losses on compensation, which generated an account activity in the accumulated results for Th\$141,562 and Th\$-923,938 (See note 2.2. O).

The balance as of December 31, 2020 and 2019, amounts to Th\$181,816,964 and Th\$163,450,275, respectively.

**Other equity participations**

The amounts included in Other Participations refer to the monetary correction of the capital paid in 2008, the year of transition to IFRS, in accordance with Circular No. 456 of the Commission for the Financial Market, and the effects of businesses combinations of companies under common control made in Fiscal years 2007 and 2008. The balance as of December 31, 2020 and December 31, 2019 correspond to M\$-37,268,415.

**Other reserves.**

The amount recorded in other reserves corresponds to the surplus from the revaluation of property, plant and equipment land, produced on December 31, 2020, which generated an increase in value of Th\$ 81,141,377 as a result of the change in accounting criteria described in note 2.2.Z.

Additionally, a share-based payment reserve is considered for an amount of Th\$72,279, explained in note 22.

The total balance of reserves as of December 31, 2020 amounted to Th\$81,213,656.

**Note 22.****EQUITY ATTRIBUTABLE TO NON-CONTROLLING PARTICIPATION**

The breakdown by company of the effects originated by the participation of third parties in equity and results as of December 31, 2020 and 2019, is as follows:

Company	% Interest		Non-controlling interest			
	31-12-2020 %	31-12-2019 %	Equity		Outcome	
			31-12-2020 Th\$	31-12-2019 Th\$	31-12-2020 Th\$	31-12-2019 Th\$
Aguas Andinas S.A.	49,89766%	49,89766%	419.501.210	321.567.120	49.244.833	70.723.540
Aguas Cordillera S.A.	0,00997%	0,00997%	25.565	20.467	1.706	2.133
(*) ESSAL S.A. (1)	0%	46,49350%	-	42.999.662	1.672.121	(1.988.949)
<b>Totales</b>			<b>419.526.775</b>	<b>364.587.249</b>	<b>50.918.660</b>	<b>68.736.724</b>

(1) Includes third-party participation by assigning a market value to the assets and liabilities arising from the purchase of Inversiones Iberaguas Ltda. and Essal S.A. upon merging the businesses.

Dividends paid to the non-controlling interests of the Essal S.A. and Aguas Andinas S.A. as of December 31, 2020 and 2019, amounted to Th\$54,504,870 and Th\$71,337,389, respectively.

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

**Note 23.****SHARE-BASED PAYMENT RESERVE**

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

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

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

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

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

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

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

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

## Note 24. ORDINARY INCOME

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

Classes of ordinary income	31-12-2020 Th\$	31-12-2019 Th\$
<b>Ordinary income</b>		
Drinking water	195.787.729	193.820.931
Wastewater	219.123.955	229.778.955
Other regulated income	13.004.110	13.017.906
Non-regulated businesses	50.853.267	47.706.920
<b>Total</b>	<b>478.769.061</b>	<b>484.324.712</b>

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

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

## Note 25. OTHER EXPENSES BY NATURE

Next, information related to other expenses is presented, by nature:

Other expenses by nature	31-12-2020 Th\$	31-12-2019 Th\$
Operation of treatment plants	(28.806.240)	(27.739.420)
Services	(30.131.704)	(12.660.119)
Maintenance and repairs of networks	(15.207.039)	(13.709.943)
Commercial services	(9.122.133)	(11.522.374)
Costs for work requested by third parties	(7.485.243)	(9.499.793)
Maintenance of enclosures and equipment	(8.520.321)	(8.091.736)
Operating leases	(6.302.710)	(5.218.571)
Removal of waste and sludge	(5.097.746)	(4.707.510)
Contributions, patents, insurance and rights	(7.056.324)	(5.895.480)
General expenses	(6.282.249)	(7.038.912)
Others	(21.728.290)	(5.314.598)
<b>Total</b>	<b>(145.739.999)</b>	<b>(111.398.456)</b>

## Note 26. OTHER INCOME AND EXPENSES

Then, additional information is disclosed as indicated in IAS 1, referring to other income and expenses other than the operation:

other than the operation	31-12-2020 Th\$	31-12-2019 Th\$
Gain (loss) on sale of non-current assets, not held for sale	(244.180)	17.716.886
Organizational restructuring program *	(4.039.963)	(2.148.722)
Losses on replacements of property, plant and equipment	(31.431)	(698.296)
Discarded projects and guarantee tickets **	610.076	(147.532)
Other gains (losses)	(261.794)	(441.414)
<b>Other gains (losses)</b>	<b>(3.967.292)</b>	<b>14.280.922</b>
Bank loans	(4.237.817)	(3.073.189)
Interest expenses, AFR	(5.699.795)	(5.741.546)
Interest expenses, Bonuses	(17.385.279)	(17.438.861)
Interest expenses, lease liability	(101.586)	(68.403)
Interest expenses, other	(723.326)	(357.607)
Expenses for hedging instruments	(23.663)	-
Amortization of complementary costs related to loan contracts	(22.403)	(75.813)
<b>Financial costs</b>	<b>(28.193.869)</b>	<b>(26.755.419)</b>
Interest income	3.233.283	3.155.724
Profit in the rescue and extinction of debt	640.916	1.217.805
Income from derivative instruments	(1.388)	875.144
<b>Financial income</b>	<b>3.872.811</b>	<b>5.248.673</b>

\* Corresponds to the compensations paid as a result of the restructuring plan that the Company has made, which consists of two parts: the redesign of the organization seeking greater efficiency, which entails a reduction of certain positions and a voluntary retirement plan.

\*\* Corresponds mainly to the profits (losses) generated by guarantees associated to projects that have not yet been approved and/or discarded projects.

## Note 27. FOREIGN EXCHANGE GAINS (LOSSES)

The detail produced by the exchange differences as of December 31, 2020 and 2019 is as follows:

Category	Currency	31-12-2020 Th\$	31-12-2019 Th\$
Trade debtors and other accounts receivable	EUR	(17.703)	(13.590)
Trade debtors and other accounts receivable	USD	207	(24)
<b>Total variation by assets</b>		<b>(17.496)</b>	<b>(13.614)</b>
Commercial accounts payable and other accounts payable	EUR	(19.494)	(21.712)
Commercial accounts payable and other accounts payable	USD	(459.701)	(447.644)
<b>Total variation for liabilities</b>		<b>(479.195)</b>	<b>(469.356)</b>
<b>Profit (loss) due to exchange difference</b>		<b>(496.691)</b>	<b>(482.970)</b>

## Note 28. RESULTS BY RESETTING UNITS

The composition of the results by adjustment units corresponding to the periods ended December 31, 2020 and 2019, is as follows:

Category	31-12-2020 Th\$	31-12-2019 Th\$
Accounts receivable from related entities	-	9.075
Current tax assets	(18.512)	691.799
Trade debtors and other accounts receivable	419.936	1.089.413
<b>Total variation by assets</b>	<b>401.424</b>	<b>1.790.287</b>
Other financial liabilities	(24.351.438)	(23.662.986)
Commercial accounts payable and other accounts payable	1.608.210	(689.829)
Accounts payable to related entities	(3.358)	(1.593)
Other non-financial liabilities	(481)	1.010.299
<b>Total variation for liabilities</b>	<b>(22.747.067)</b>	<b>(23.344.109)</b>
<b>Utility (loss) per unit of readjustments</b>	<b>(22.345.643)</b>	<b>(21.553.822)</b>



**Note 29.**  
**DISCONTINUED OPERATIONS**

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

	31-12-2020 Th\$	31-12-2019 Th\$
Income before tax from discontinued operations	5.675.454	(2.659.518)
Income tax (expense) profit	(1.328.853)	(310.910)
<b>Profit after tax from discontinued operations</b>	<b>4.346.601</b>	<b>(2.970.428)</b>
Income before tax from the sale of subsidiaries	(14.738.596)	-
Income tax (expense) profit	22.063.438	-
<b>Result after tax from the sale of subsidiaries</b>	<b>7.324.842</b>	-
<b>Profit (loss) from discontinued operations</b>	<b>11.671.443</b>	<b>(2.970.428)</b>

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

STATEMENTS OF INCOME BY NATURE	31-12-2020 Th\$	31-12-2019 Th\$
Income from ordinary activities	47.298.245	60.354.783
Raw materials and consumables used	(7.256.365)	(8.629.245)
Employee benefit expenses	(7.824.215)	(9.132.596)
Depreciation and amortization expense	(8.925.878)	(12.301.192)
Other expenses, by nature	14.719.326)	(27.909.494)
Other (losses) income	512.818	(48.745)
<b>Profit (loss) from operating activities</b>	<b>9.085.279</b>	<b>2.333.511</b>
Financial income	230.761	543.930
Financial costs	(2.528.959)	(3.560.808)
Results per readjustment unit	(1.111.627)	(1.976.151)
<b>Income (loss) before taxes</b>	<b>5.675.454</b>	<b>(2.659.518)</b>
Income tax (expense) profit	(1.328.853)	(310.910)
<b>Profit (loss) from discontinued operations</b>	<b>4.346.601</b>	<b>(2.970.428)</b>
Profit (loss) attributable to non-controlling interests of discontinued operations	1.672.121	(1.988.949)

(2) 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.

STATEMENTS OF CASH FLOWS	31-12-2020 Th\$	31-12-2019 Th\$
Charges from the sale of goods and provision of services	49.895.883	68.092.921
Charges from premiums and benefits, annuities and other subscribed policy benefits	1.913.692	616.735
Other charges for operating activities	-	150.000
Payments to suppliers for the supply of goods and services	(30.307.009)	(38.883.014)
Payments to and on behalf of employees	(9.875.638)	(9.745.724)
Other payments for operating activities	(3.704.910)	(8.660.280)
Income taxes paid (reimbursed)	(32.731)	(31.445)
<b>Cash flows from (used in) operating activities</b>	<b>7.889.287</b>	<b>11.539.193</b>
Purchases of property, plant and equipment	(15.553.501)	(16.074.186)
<b>Cash flows from (used in) investing activities</b>	<b>(15.553.501)</b>	<b>(16.074.186)</b>
Amounts from long-term loans	554.583	1.179.916
Amounts from short-term loans	12.909.796	19.447.180
Loan repayments	(2.989.948)	(6.284.364)
Dividends paid	-	(10.819.546)
<b>Cash flows from (used in) financing activities</b>	<b>10.474.431</b>	<b>3.523.186</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2.810.217</b>	<b>(1.011.807)</b>
Cash and cash equivalents at beginning of period	1.119.988	2.131.795
<b>Cash and cash equivalents at end of period</b>	<b>3.930.205</b>	<b>1.119.988</b>

Note 30.

BUSINESS SEGMENTS

The Group discloses information by segment in accordance with IFRS No. 8, "Operative Segments", which sets the reporting standards for operative segments and related disclosures for products and services. Operative segments are defined as components of an entity on which separate financial information exists and is regularly used by Management for making decisions, allocating resources and evaluating performance.

The Group manages and measures the performance of its operations by business segment. The operative segments reported internally are:

- Water utility business operations.
- Non-water utility business operations.

Description of types of products and services that provide regular income from each segment reported

The Water Utility segment consists only of sanitation services that permit the provision of products and production services, water distribution and sewage collection and treatment. This segment includes the subsidiaries Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A.

The Non-Water Utility segment consists of environmental analysis, liquid waste treatment (Riles) and comprehensive engineering services, plus the sale of sanitation service and energy project products. 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

General information about results	31-12-2020		31-12-2019	
	Water Th\$	Non-water Th\$	Water Th\$	Non-water Th\$
Revenue from ordinary activities from external customers	450.436.685	28.336.878	455.752.043	28.577.041
Revenue from ordinary activities between segments	910.103	3.398.711	1.086.210	4.709.044
<b>Total revenue from ordinary activities from external customers and transactions with other operating segments of the same entity</b>	<b>451.346.788</b>	<b>31.735.589</b>	<b>456.838.253</b>	<b>33.286.085</b>
Raw materials and consumables used	(33.226.241)	(10.502.086)	(26.002.030)	(11.799.083)
Expenses for employee benefits	(46.111.746)	(9.194.593)	(42.371.116)	(8.402.037)
Operating expenses	(141.424.732)	(7.261.954)	(109.123.756)	(6.982.098)
Depreciation and amortization	(65.335.155)	(1.828.695)	(62.245.336)	(1.869.315)
Impairment losses	(1.404.946)	-	-	-
Other gains and expenses	(3.599.552)	(367.740)	14.565.857	(257.230)
Financial income	4.012.338	3.018	5.369.971	15.670
Financial costs	(28.121.037)	(198.182)	(26.713.300)	(203.216)
Result by units of adjustment and exchange difference	(22.871.070)	31.634	(21.680.760)	(353.731)
<b>Gain (loss) before taxes</b>	<b>113.264.647</b>	<b>2.416.991</b>	<b>188.637.783</b>	<b>3.435.045</b>
Income tax expense	(26.020.405)	(967.181)	(48.385.103)	(966.925)
<b>Segment gain from continuing operations</b>	<b>87.244.242</b>	<b>1.449.810</b>	<b>140.252.680</b>	<b>2.468.120</b>
Gain (loss) from discontinued operations	11.671.443	-	(2.970.428)	-
<b>Segment gain</b>	<b>98.915.685</b>	<b>1.449.810</b>	<b>137.282.252</b>	<b>2.468.120</b>
<b>Segment gain attributable to owners of the parent</b>	<b>97.241.858</b>	<b>1.449.810</b>	<b>139.269.068</b>	<b>2.468.120</b>
Gain (loss) of the segment attributable to non-controlling interests	1.673.827	-	(1.986.816)	-

General information on assets, liabilities and equity	31-12-2020		31-12-2019	
	Water Th\$	Non-water Th\$	Water Th\$	Non-water Th\$
Current assets	301.682.738	17.521.603	189.359.896	17.693.519
Non-current assets	1.822.353.094	21.547.013	1.786.470.056	20.052.580
<b>Total assets</b>	<b>2.124.035.832</b>	<b>39.068.616</b>	<b>1.975.829.952</b>	<b>37.746.099</b>
Current liabilities	249.034.074	13.332.476	238.639.411	14.295.689
Non-current liabilities	1.058.441.216	1.547.876	1.071.480.597	1.686.891
<b>Total liabilities</b>	<b>1.307.475.290</b>	<b>14.880.352</b>	<b>1.310.120.008</b>	<b>15.982.580</b>
Equity attributable to the owners of the parent	816.534.977	24.188.264	622.689.815	21.763.519
Non-controlling interests	25.565	-	43.020.129	-
<b>Total equity</b>	<b>816.560.542</b>	<b>24.188.264</b>	<b>665.709.944</b>	<b>21.763.519</b>
<b>Total equity and liabilities</b>	<b>2.124.035.832</b>	<b>39.068.616</b>	<b>1.975.829.952</b>	<b>37.746.099</b>

Statement of Cash Flow	31-12-2020		31-12-2019	
	Water Th\$	Non-water Th\$	Water Th\$	Non-water Th\$
Cash flows from (used in) operating activities	180.852.268	4.441.013	221.980.894	978.575
Cash flows from (used in) investing activities	(76.282.770)	(993.800)	(111.932.613)	(698.750)
Cash flows from (used in) financing activities	(2.918.893)	(1.095.000)	(77.971.017)	737.000



1

Significant items of income and expenses by segment

Water and Non-Water Utility Segments

The significant items of current revenue and expenses are mainly related to the business of the segment. There are also relevant sums in relation to expenses for depreciation, personnel and other assorted expenses, including relevant expenditures from outsourced services.

Income

The Company's Income is generated mainly by the regulated services relating to the production and distribution of water as well as the collection, treatment and disposal of sewage, and other regulated services (including income from cutting and restoring supply, monitoring liquid waste discharges and fixed charges).

Detail of significant revenue items

Water Segment

The significant items of ordinary revenues are mainly related to the potable water and sewage water business, that is, income from the sale of water, overconsumption, variable charge, fixed charge, sewage service, sewer use and wastewater treatment.

Tariffs

The most important factor determining the results of the Company's operations and financial position are the tariffs set for its regulated sales and services. As regulated companies, Aguas Andinas and its water utility subsidiaries are regulated by the SISS and their tariffs are set in accordance with the D.F.L. No. 70 of 1988 on Sanitary Service Tariffs.

The tariff levels are reviewed every five years and, during that period, are subject to additional polynomial indexation adjustments, if the accumulated variation after the previous adjustment is 3.0% or more, according to calculations based on different inflation indexes.

Specifically, the adjustments are applied as a function of a formula that includes the Consumer Price Index, the Wholesale Price Index for Imported Industrial Goods and the Wholesale Price Index for National Industrial Goods, published by the Chilean National Institute of Statistics. Tariffs are also subject to adjustment to reflect additional services previously authorized by the SISS.

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

As of December 31, 2020 the new tariff decree for Aguas Andinas for the period 2020-

2025 was published according to the Superintendence of Sanitary Services. For Aguas Cordillera and Aguas Manquehue the tariff decree are in publication process in the official gazette.

Non-water utility segment

The significant items of ordinary revenues are mainly related to the segment's business and are closely related to the main business of each subsidiary, involving the sale of materials to third parties, the operation of liquid-waste treatment plants, the provision of drinking water and sewage services and analyses and the sale of biogas.

Detail of significant expense items

Water utility segment

The significant expense items are mainly the payment of wages, electric power, Wastewater Treatment Plant Operation, depreciation of movable and immovable property, financial interest expenses, and income tax expense.

Non-water utility segment

The significant expense items are mainly the payment of wages, the cost of materials for sale and income tax expense.

Detailed explanation on the measurement of results, assets, liabilities and equity for each segment

These segments were measured by grouping the subsidiaries directly related to the segment.

The accounting criteria used was booking economic events giving rise to rights and obligations, in the same way that these arise in economic relations with third parties. These records will generate committed balances in an asset and liability account according to the nature of the transaction in each related company according to the segment in which it operates. These accounts, called accounts receivable or payable from/to related companies, are netted in the consolidation of the financial statements in accordance with the rules of consolidation explained in IAS 10.

There are no differences in the nature of the measurement of results, since the standard dictates that there are no accounting policies showing different criteria for assigning costs or similar items.

Reconciliation of income from ordinary activities	31-12-2020 Th\$	31-12-2019 Th\$
Revenue from the ordinary activities of the segments	483.082.377	490.124.338
Elimination of accounts of the corporate headquarters with the segments	(4.502)	(4.372)
Elimination of ordinary activities between segments	(4.308.814)	(5.795.254)
Ordinary activities income	478.769.061	484.324.712

Profit reconciliation	31-12-2020 Th\$	31-12-2019 Th\$
Total gain (loss) of the segments	98.691.668	141.737.188
Elimination of accounts of the corporate headquarters with the segments	(52.140.371)	(69.832.132)
Consolidation of elimination of gain (loss) between segments	1.673.830	(1.986.818)
Profit consolidation (loss)	48.225.127	69.918.238

There are no differences in the nature of the measurement of assets and liabilities, since the standard dictates that there are no accounting policies showing different allocation criteria.

Reconciliation of the assets, liabilities and equity of the segments	31-12-2020 Th\$	31-12-2019 Th\$
Asset reconciliation		
Consolidation of total assets of the segments	2.163.104.448	2.013.576.051
Elimination of accounts of the corporate headquarters with the segments	274.594.268	272.401.624
Elimination of accounts between segments	(18.667.960)	(12.131.749)
Total assets	2.419.030.756	2.273.845.926
Reconciliation of liabilities		
Consolidation of total liabilities of the segments	1.322.355.642	1.326.102.588
Elimination of accounts of the corporate headquarters with the segments	1.695.693	747.576
Elimination of accounts between segments	(18.667.961)	(12.131.749)
Total liabilities	1.305.383.374	1.314.718.415
Reconciliation of patrimony		
Consolidation of the total assets of the segments	840.723.241	644.453.334
Elimination of accounts of the corporate headquarters with the segments	(146.628.199)	(92.933.201)
Elimination of accounts between segments	25.565	43.020.129
Equity attributable to owners of the controller	694.120.607	594.540.262

There are no differences in the nature of the measurement of cash flows, since the standard dictates that there are no accounting policies showing different allocation criteria.

Reconciliation of cash flows of the segments	31-12-2020 Th\$	31-12-2019 Th\$
Reconciliation of operating flows of the segments		
Consolidation of the operating flows of the segments	185.293.281	222.959.469
Elimination of accounts of the corporate headquarters with the segments	(1.574.505)	(3.680.771)
Elimination of accounts between segments	-	321.617
Total operating flows	183.718.776	219.600.315
Reconciliation of investing flows of the segments		
Consolidation of investing flows of the segments	(77.276.570)	(112.631.363)
Elimination of accounts between segments	(1.095.000)	2.937.001
Total investing flows	(78.371.570)	(109.694.362)
Reconciliation of financing flows of the segments		
Consolidation of financing flows of the segments	(4.013.893)	(77.234.017)
Elimination of accounts of the corporate headquarters with the segments	2.479.422	2.556.522
Elimination of accounts between segments	1.095.000	(3.258.617)
Total financing flows	(439.471)	(77.936.112)

INFORMATION ON THE MAIN CUSTOMERS

Main customers of the water utility 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 of the non-water utility segment:

- Papeles Cordillera S.A.
- Soprole S.A.
- EME Servicios Generales Ltda.
- 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

Types of products in the water and non-water utility segments:

Water utility segment

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

- Potable water production and distribution.
- Sewage water collection and treatment.

This segment comprises Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A., Essal S.A. and Iberaguas Ltda.

Non-water utility segment

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

- Outsourcing service for operations in industrial waste and excess organic load treatment plants (subsidiary Ecoriles S.A.).
- Physical, chemical and biological analysis of water, air and solids (subsidiary Análisis Ambientales S.A.).
- Comprehensive Engineering Services and sale of products including pipes, valves, taps and other related items (subsidiary Gestión y Servicios S.A.).
- Energy projects (subsidiary Aguas del Maipo S.A.).

Note 31.  
EARNINGS PER SHARE

The basic earnings per share is calculated as the quotient between the earning (loss) attributable to holders of Net Equity instruments of the Controller divided by the weighted average number of common shares in circulation during that financial year.

Earnings per share		31-12-2020	31-12-2019
Profit attributable to the holders of equity instruments of the controller	Th\$	48.225.127	69.918.238
Results available for common, basic shareholders	Th\$	48.225.127	69.918.238
Weighted average number of shares, basic		1.000.000.000	1.000.000.000
Earnings per share	\$	48,225	69,918

Disclosures about earnings (losses) diluted per share

The Company has not made any type of operation of dilutive effect potential that constitute a diluted earnings per share different from basic benefit per share.

Note 32.  
FINANCIAL STATEMENTS OF SUBSIDIARIES

The summarized information of the statement of financial position and the statement of comprehensive income of each of the Subsidiaries included in the consolidated financial statements is as follows:

Summary of financial information of Subsidiaries (Statement of Financial Position) as of December 31, 2020

31-12-2020	Current assets	Non- current assets	Current liabilities	Current liabilities	Equity
Subsidiaries	Th\$	Th\$	Th\$	Th\$	Th\$
Aguas Andinas S.A.	314.668.175	1.704.101.532	211.310.021	966.736.445	840.723.241
Aguas Cordillera S.A.	14.164.001	358.800.642	52.557.958	63.989.171	256.417.514
Aguas Manquehue S.A.	5.660.146	98.536.028	17.975.680	27.715.600	58.504.894
EcoRiles S.A.	7.691.327	842.044	2.726.102	39.421	5.767.848
Gestión y Servicios S.A.	4.986.928	2.734.194	3.300.483	1.067.776	3.352.863
Análisis Ambientales S.A.	3.789.679	5.782.463	1.570.420	436.408	7.565.314
Aguas del Maipo S.A.	1.308.730	12.188.311	5.990.531	4.272	7.502.238



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

31-12-2020	Income for the period Th\$	Ordinary revenues Th\$	Operating costs Th\$	Other net income (expenses) Th\$	Discontinued operations Th\$
Subsidiaries					
Aguas Andinas S.A.	98.691.668	397.201.968	(257.610.925)	(48.224.216)	7.324.841
Aguas Cordillera S.A.	17.105.385	55.124.290	(36.454.036)	(1.564.869)	-
Aguas Manquehue S.A.	3.314.924	16.316.315	(10.761.326)	(2.240.065)	-
Inversiones Iberaguas Ltda.	2.730.979	-	-	-	2.730.979
ESSAL S.A.	5.361.039	-	-	-	5.361.039
EcoRiles S.A.	2.018.827	16.282.874	(13.390.610)	(873.437)	-
Gestión y Servicios S.A.	120.654	8.917.094	(8.708.217)	(88.223)	-
Análisis Ambientales S.A.	1.058.153	9.616.567	(8.015.058)	(543.356)	-
Aguas del Maipo S.A.	(994.535)	339.931	(1.341.031)	6.565	-

(\*)These balances correspond to September 30, 2020, since dated October 13, 2020 Aguas Andinas completed the sale of its direct and indirect participation (through Iberaguas Ltda.) in ESSAL to Eco Acquisitionco SpA, a company incorporated in Chile and controlled by the Canadian company Algonquin Power & Utilities Corp, therefore, as of that date these companies are not part of the consolidation perimeter.

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

31-12-2019	Current assets Th\$	Non- current assets Th\$	Current liabilities Th\$	Current liabilities Th\$	Equity Th\$
Subsidiaries					
Aguas Andinas S.A.	178.491.602	1.533.305.485	186.026.912	881.316.841	644.453.334
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 of financial information of Subsidiaries (Statement of Comprehensive Income) as of December 31, 2019

31-12-2019	Income for the period Th\$	Ordinary revenues Th\$	Operating costs Th\$	Other net income (expenses) Th\$	Discontinued operations Th\$
Subsidiaries					
Aguas Andinas S.A.	141.737.188	400.306.686	(213.390.190)	(45.179.308)	-
Aguas Cordillera S.A.	21.389.838	57.835.599	(34.743.353)	(1.702.408)	-
Aguas Manquehue S.A.	5.408.434	17.115.014	(8.680.557)	(3.026.023)	-
Inversiones Iberaguas Ltda.	(567.316)	-	-	-	(567.316)
ESSAL S.A.	(1.034.535)	-	-	-	(1.034.535)
EcoRiles S.A.	1.841.713	14.432.857	(11.908.959)	(682.185)	-
Gestión y Servicios S.A.	192.123	10.454.700	(9.983.482)	(279.095)	-
Análisis Ambientales S.A.	1.069.049	9.450.854	(7.868.702)	(513.103)	-
Aguas del Maipo S.A.	(634.767)	1.071.511	(1.415.227)	(291.051)	-

Detail of significant subsidiaries

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

Name of significant subsidiary	Aguas Andinas S.A.	Aguas Cordillera S.A.	Aguas Manquehue S.A.
Tax ID	61.808.000-5	96.809.310-k	89.221.000-4
Country	Chile	Chile	Chile
Functional currency	Pesos Chilenos	Pesos Chilenos	Pesos Chilenos
Percentage of participation in a significant subsidiary	50,10234%	99,99003%	100,00000%
Percentage of voting power in a significant subsidiary	50,10234%	99,99003%	100,00000%
Percentage of consolidated values as of December 31, 2020			
Contribution margin	84,02%	11,24%	3,34%
Properties, plant and equipment	82,10%	12,53%	4,73%
Period's result	80,33%	14,38%	3,54%
Resultado del ejercicio	80,33%	14,38%	3,54%

The subsidiary Aguas Andinas S.A. in the event of default or delay in the payment of any portion of one of the outstanding loans, it will be prohibited from distributing dividends, except for the mandatory minimum.

**Note 33.**  
**DETERIORATION OF THE VALUE OF ASSETS**

**Disclosures about impairment of assets by cash generating unit**

Cash Generating Unit (CGU) is defined by each company, 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 will evaluate, on each closing date of the statement of financial position, if there is any indication of impairment of an asset. If there is such an indication, the Company will estimate the recoverable amount of the asset. Assets with indefinite lifespan and capital gain will be tested for impairment at least at the end of the year or when there are indications.

For intangible assets with indefinite lifespan, water rights, a valuation study is carried out at market prices, which are compared with the values assigned as attributed cost at the date of adoption of IFRS standards.

For the lower values, the calculation of their value in use is made, considering the different Companies as CGU, using the recent estimates of budgets in the medium term, determining the different parameters according to models of wide use in the market. The parameters are established through the current information for risk-free and market-specific rates, the useful life of each company's own assets and regular revenue growth rates for the Companies, considering growth of the population and changes in consumption to through the years.

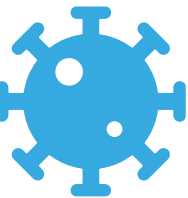
The Company and subsidiaries carry out impairment tests annually for their intangible assets with an indefinite useful life and a lower value of investments.

As of December 31, 2020 and 2019, the respective impairment tests were carried out, based on estimates and projections available to the Group. These estimates indicated that the benefits attributable to the participations with lower associated values individually exceed the consolidated book value of the same in all cases, as well as the intangible assets with indefinite useful life were evaluated, resulting in a higher value than that recorded in books.

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

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

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





**Note 34.**  
**GUARANTEES AND RESTRICTIONS**

**1) Direct guarantees**

Policies and guarantee slips have been granted in favor of various institutions, among which the Superintendence of Sanitary Services is the main one; to guarantee the conditions of provision of services and development programs of the concession areas of the company, SERVIU Metropolitano to guarantee replacement of pavements and other institutions, for the total sum of Th\$41,393,103 and Th\$51,663,831 as of December 31, 2020 and December 31, 2019, respectively.

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

Assurance creditor	Debtor Name	Type of assurance	31-12-2020 Th\$	31-12-2019 Th\$
Asociación de Canalistas Del Maipo	A. Andinas S.A.	Performance Bond	8.298.964	8.059.241
Compañía General de Electricidad Distribución S.A.	A. Andinas S.A.	Performance Bond	-	53.349
Comité Innova Chile	A. Andinas S.A.	Performance Bond	240.000	216.096
Constructora San Francisco	A. Andinas S.A.	Performance Bond	145.352	141.550
Dirección General de Aeronáutica Civil	A. Andinas S.A.	Performance Bond	11.628	11.324
Dirección Obras Hidráulicas	A. Andinas S.A.	Performance Bond	430.804	4.647.118
Dirección Vialidad	A. Andinas S.A.	Performance Bond	-	33.066
Ferrocarriles	A. Andinas S.A.	Performance Bond	43.605	84.930
Gobierno Regional Metropolitano	A. Andinas S.A.	Performance Bond	39.624	160.040
Municipalidad de Paine	A. Andinas S.A.	Performance Bond	-	19.837
Municipalidad de Providencia	A. Andinas S.A.	Performance Bond	88.723	58.092
Municipalidad de La Reina	A. Andinas S.A.	Performance Bond	72.676	70.775
Municipalidad de Santiago	A. Andinas S.A.	Performance Bond	27.035	26.328
Inmobiliaria Macul S.A.	A. Andinas S.A.	Performance Bond	-	28.310
Municipalidad La Florida	A. Andinas S.A.	Performance Bond	507.809	494.526
Municipalidad Peñalolen	A. Andinas S.A.	Performance Bond	47.205	45.971
Ministerio de Obras Publicas	A. Andinas S.A.	Performance Bond	380.206	-
Municipalidad de Vitacura	A. Andinas S.A.	Performance Bond	55.234	-
SERVIU Metropolitano	A. Andinas S.A.	Performance Bond	17.548.872	12.890.555
Superintendencia de Servicios Sanitarios	A. Andinas S.A.	Performance Bond	2.903.457	6.306.351
Sociedad Conc. Melipilla	A. Andinas S.A.	Performance Bond	-	33.972
Tesorería Municipal de La Florida	A. Andinas S.A.	Performance Bond	-	30.078
Asociación de Canalistas Del Maipo	A. Cordillera S.A.	Performance Bond	1.003.785	977.529
Dirección Obras Hidráulicas	A. Cordillera S.A.	Performance Bond	-	421.309

Assurance creditor	Debtor Name	Type of assurance	31-12-2020 Th\$	31-12-2019 Th\$
Municipalidad de Las Condes	A. Cordillera S.A.	Performance Bond	171.000	171.000
Municipalidad de Lo Barnechea	A. Cordillera S.A.	Performance Bond	336.290	14.155
Municipalidad de Vitacura	A. Cordillera S.A.	Performance Bond	58.141	56.620
Ministerio de Obras Publicas	A. Cordillera S.A.	Performance Bond	432.625	-
SERVIU Metropolitano	A. Cordillera S.A.	Performance Bond	596.442	926.992
Superintendencia de Servicios Sanitarios	A. Cordillera S.A.	Performance Bond	34.884	1.263.812
Asociación de Canalistas Del Maipo	A.Manquehue S.A.	Performance Bond	1.601.841	1.559.942
Municipalidad de Vitacura	A.Manquehue S.A.	Performance Bond	11.628	11.324
Superintendencia de Servicios Sanitarios	A.Manquehue S.A.	Performance Bond	986.996	1.016.214
SERVIU Metropolitano	A.Manquehue S.A.	Performance Bond	113.506	110.537
DIRECCION OBRAS HIDRAULICAS	Essal S.A	Performance Bond	-	1.922.988
SERVIU METROPOLITANO	Essal S.A	Performance Bond	-	140.202
BIENES NACIONALES	Essal S.A	Performance Bond	-	92.220
GOBIERNO REGIONAL DE LA REGION DE LOS RIOS	Essal S.A	Performance Bond	-	60.951
DIRECCION VIALIDAD	Essal S.A	Guarantee Policy	-	4.105.007
SUPERINTENDENCIA DE SERVICIOS SANITARIOS	Essal S.A	Performance Bond	-	42.465
EMPRESA DE LOS FERROCARRILES DEL ESTADO	Essal S.A	Performance Bond	-	18.692
Flesan S.A.	Gest. y Serv. S.A.	Performance Bond	-	29.095
SERVIU Metropolitano	Gest. y Serv. S.A.	Performance Bond	2.033.686	2.330.686
Aguas Antofagasta	Anam S.A.	Performance Bond	37.326	36.350
CMPC Pulp SpA	Anam S.A.	Performance Bond	11.105	16.533
Corporación Nacional del Cobre	Anam S.A.	Performance Bond	18.881	18.387
Dirección General del Territorio Marítimo y Marina Mercante de Chile	Anam S.A.	Performance Bond	115.226	115.226
Superintendencia del Medio Ambiente	Anam S.A.	Performance Bond	14.535	14.155
<b>Total</b>			<b>38.419.091</b>	<b>48.883.900</b>

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

**b) Restrictions due to bond issuance**

**i) AGUAS ANDINAS S.A.**

The Company has restrictions and obligations arising from bond issues in the domestic market, as follows:

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

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

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

Level of indebtedness as of December 31, 2020: 1.55

**2. Series AC, AD and AE Bonds:**

Maintain, at the close of each quarter of the Financial Statements of the Issuer, a Debt Level not exceeding 1.5 times. Without prejudice to this, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the Indebtedness Level is calculated and the Consumer Price Index for December of 2009. For these purposes, the Indebtedness Level will be defined as the ratio between the Total Current Liability and the Total Net Equity. The Issuer's Required Liabilities will be defined as the sum of the Total Current Liabilities and Total Non-Current Liabilities less the account "Cash and cash equivalent" of its Financial Statements. For the purposes of determining the index, the amount of all the guarantees, simple or solidary bonds, joint debt or other

guarantees, personal or real, that the Issuer or its subsidiaries have granted to secure obligations are included in the Required Liability. of third parties, with the exception of: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to institutions public to ensure compliance with health legislation and the execution of works in public spaces and the provision of technical advisory and inspection services for rural potable water projects. For these purposes, the Total Net Equity will correspond to the amount resulting from the difference between the Total Assets accounts and the sum of the Total Current Liabilities and Total Non-Current Liabilities of the Issuer's consolidated financial statements.

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

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

Level of indebtedness	31-12-2020	
	Th\$	
	Bonds M, P, Q, S, U, V, W, X, Z and AA	Bonds AC, AD and AE
Total current liabilities	244.032.589	244.032.589
Total non-current liabilities	1.059.655.092	1.059.655.092
<b>Total liabilities IFRS</b>	<b>1.303.687.681</b>	<b>1.303.687.681</b>
Cash and cash equivalents	-	(174.945.586)
Guarantees with third parties	529.774	529.774
<b>Total liability required</b>	<b>1.304.217.455</b>	<b>1.129.271.869</b>
Total assets	2.144.436.488	2.144.436.488
Total current liabilities	(244.032.589)	(244.032.589)
Total non-current liabilities	(1.059.655.092)	(1.059.655.092)
<b>Total net equity</b>	<b>840.748.807</b>	<b>840.748.807</b>
<b>Level of indebtedness</b>	<b>1,55</b>	<b>1,34</b>

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

Level of indebtedness prior to revaluation adjustment	31-12-2020	
	Th\$	
	Bonds M, P, Q, S, U, V, W, X, Z and AA	Bonds AC, AD and AE
Total current liabilities	244.032.589	244.032.589
Total non-current liabilities	1.039.687.120	1.039.687.120
<b>Total liabilities IFRS</b>	<b>1.283.719.709</b>	<b>1.283.719.709</b>
Cash and cash equivalents	-	(174.945.586)
Guarantees with third parties	529.774	529.774
<b>Total liability required</b>	<b>1.284.249.483</b>	<b>1.109.303.897</b>
Total assets	1.959.514.431	1.959.514.431
Total current liabilities	(244.032.589)	(244.032.589)
Total non-current liabilities	(1.039.687.120)	(1.039.687.120)
<b>Total net equity</b>	<b>675.794.722</b>	<b>675.794.722</b>
<b>Level of indebtedness</b>	<b>1,90</b>	<b>1,64</b>

3. Not sell, assign or transfer essential assets (concession of public services granted by the S.I.S.S. for the Greater Santiago), 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, 2020 and 2019.

**c) Restrictions on bank loans**

**i) Aguas Andinas S.A.**

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

**a) Restrictions on Banco BCI loans:**

1) A level of indebtedness not greater than one point five times, measured on the figures of its consolidated balance sheets. Notwithstanding the foregoing, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the level of indebtedness is calculated and the consumer price index for December of 2009. With the previous limit will be adjusted up to a maximum level of two times, for the period ended December 31, 2020, the variation of the limit of the level of indebtedness amounts to 2.0 times, with accumulated inflation 40.3%. For these purposes, the level of indebtedness will be defined as the ratio between current liabilities and total net equity. Liabilities are defined as the sum of Total Current Liabilities and Total Non-Current Liabilities in its consolidated financial statements. In determining the aforementioned ratio, Net Liabilities include the amount of



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all guarantees, simple or joint and several bonds, joint and several co-debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have granted to guarantee obligations of third parties, except for: (i) those granted by the Issuer or its subsidiaries to guarantee obligations of third parties: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiaries of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of advisory and technical inspection services for rural potable water projects. Finally, as of December 31, 2020, the level of indebtedness amounts to 1.55 times.

- 2) Prohibition on the disposal or loss of ownership of essential assets, except in the case of contributions or transfers of essential assets to subsidiary companies.
- 3) Prohibition to distribute dividends, except for the mandatory minimum if there is a situation of default or delay in the payment of any installment of the loan.
- 4) Maintain a financial expense coverage ratio equal to or greater than 3 times, measured as EBITDA over Financial Expenses, on a consolidated basis. EBITDA will be understood as the result of the sum of the items of Income from Ordinary Activities, Other Income by Nature, Raw Materials and Consumables Used, Employee Benefits Expense and Other Expenses by Nature. As of December 31, 2020, the financial expense coverage is 8.35 times.

HEDGING OF FINANCIAL EXPENSES	WITHOUT REVALUATION 31-12-2020 Th\$	WITH REVALUATION 31-12-2020 Th\$
Income from ordinary activities	478.773.563	478.773.563
Raw materials and consumables used	(43.542.356)	(43.542.356)
Employee benefit expenses	(55.045.719)	(55.045.719)
Other expenses, by nature	(144.853.561)	(144.853.561)
<b>EBITDA</b>	<b>(235.331.927)</b>	<b>(235.331.927)</b>
Financial costs	(28.172.393)	(28.172.393)
<b>Hedging of Financial Expenses</b>	<b>8,35</b>	<b>8,35</b>

#### b) Restriction on Banco de Chile loans:

- 1) A level of indebtedness not greater than one point five times, measured on the figures of its consolidated balance sheets. Notwithstanding the foregoing, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the level of indebtedness is calculated and the consumer price index for December of 2009. For the period ended December 31, 2020, the variation of the limit of the level of indebtedness amounts to 2.10 times, with accumulated inflation 40.3%. The level of indebtedness will be defined as the ratio between current liabilities and total net equity. Liabilities are defined as the sum of Total Current Liabilities and Total Non-Current Liabilities, less the account of Cash and Cash Equivalent of its consolidated financial statements. In determining the aforementioned ratio, Net Liabilities include the amount of all guarantees, simple or joint and several bonds, joint and several co-debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have granted to guarantee obligations of third parties, except for: (i) those granted by the Issuer or its subsidiaries to guarantee obligations of third parties: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiaries of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of advisory and technical inspection services for rural potable water projects. Finally, as of December 31, 2020, the level of indebtedness amounts to 1.34 times.
- 2) Prohibition on the disposal or loss of ownership of essential assets, except in the case of contributions or transfers of essential assets to subsidiary companies.
- 3) Prohibition to distribute dividends, except for the mandatory minimum if there is a situation of default or delay in the payment of any installment of the loan.

#### c) Restrictions on Banco BICE and ITAÚ loans:

- 1) A level of indebtedness not greater than one point five times, measured on the figures of its consolidated balance sheets. Notwithstanding the foregoing, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the level of indebtedness is calculated and the consumer price index for December of 2009. For the period ended December 31, 2020, the variation of the limit of the level of indebtedness amounts to 2.10 times, with accumulated inflation 40.3%. The level of indebtedness will be defined as the ratio between current liabilities and total net equity. Liabilities are defined as the sum of Total Current Liabilities and Total Non-Current Liabilities, less the account of Cash and Cash Equivalent of its consolidated financial statements. Finally, as of December 31, 2020, the level of indebtedness amounts to 1.34 times.
- 2) Prohibition on the disposal or loss of ownership of essential assets, except in the case of contributions or transfers of essential assets to subsidiary companies.
- 3) Prohibition to distribute dividends, except for the mandatory minimum if there is a situation of default or delay in the payment of any installment of the loan.

#### Summary of banking restrictions

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

Level of indebtedness	31-12-2020 Th\$		
	Banco BCI	Banco de Chile	Banco BICE e ITAÚ
Total current liabilities	244.032.589	244.032.589	244.032.589
Total non-current liabilities	1.059.655.092	1.059.655.092	1.059.655.092
<b>Total IFRS liabilities</b>	<b>1.303.687.681</b>	<b>1.303.687.681</b>	<b>1.303.687.681</b>
Cash and cash equivalents	-	(174.945.586)	(174.945.586)
Guarantees with third parties	529.774	529.774	-
<b>Total liabilities</b>	<b>1.304.217.455</b>	<b>1.129.271.869</b>	<b>1.128.742.095</b>
Total assets	2.144.436.488	2.144.436.488	2.144.436.488
Total current liabilities	(244.032.589)	(244.032.589)	(244.032.589)
Total non-current liabilities	(1.059.655.092)	(1.059.655.092)	(1.059.655.092)
<b>Total net equity</b>	<b>840.748.807</b>	<b>840.748.807</b>	<b>840.748.807</b>
<b>Leve lof indebtedness</b>	<b>1,55</b>	<b>1,34</b>	<b>1,34</b>

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

Level of indebtedness	31-12-2020 Th\$		
	Banco BCI	Banco de Chile	Banco BICE e ITAÚ
Total current liabilities	244.032.589	244.032.589	244.032.589
Total non-current liabilities	1.039.687.120	1.039.687.120	1.039.687.120
<b>Total IFRS liabilities</b>	<b>1.283.719.709</b>	<b>1.283.719.709</b>	<b>1.283.719.709</b>
Cash and cash equivalents	-	(174.945.586)	(174.945.586)
Guarantees with third parties	529.774	529.774	-
<b>Total liabilities</b>	<b>1.284.249.483</b>	<b>1.109.303.897</b>	<b>1.108.774.123</b>
Total assets	1.959.514.431	1.959.514.431	1.959.514.431
Total current liabilities	(244.032.589)	(244.032.589)	(244.032.589)
Total non-current liabilities	(1.039.687.120)	(1.039.687.120)	(1.039.687.120)
<b>Total net equity</b>	<b>675.794.722</b>	<b>675.794.722</b>	<b>675.794.722</b>
<b>Leve lof indebtedness</b>	<b>1,90</b>	<b>1,64</b>	<b>1,64</b>

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

ii) Aguas Cordillera S.A.

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

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

Level of indebtedness	31-12-2020	
	Without revaluation	With revaluation
Total current liabilities	69.051.362	69.051.362
Total non-current liabilities	71.736.799	91.704.771
<b>Total IFRS liabilities</b>	<b>140.788.161</b>	<b>160.756.133</b>
Guarantees with third parties (*)	-	-
<b>Total liabilities</b>	<b>140.788.161</b>	<b>160.756.133</b>
Total assets	343.218.448	417.173.898
Total current liabilities	(69.051.362)	(69.051.362)
Total non-current liabilities	(71.736.799)	(91.704.771)
<b>Total net equity</b>	<b>202.430.287</b>	<b>256.417.765</b>
<b>Leve lof indebtedness</b>	<b>0,70</b>	<b>0,63</b>

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

HEDGING OF FINANCIAL EXPENSES	WITHOUT REVALUATION 31-12-2020 Th\$	WITH REVALUATION 31-12-2020 Th\$
Income from ordinary activities	70.582.730	70.582.730
Raw materials and consumables used	(7.286.225)	(7.286.225)
Employee benefit expenses	(4.304.344)	(4.304.344)
Other expenses, by nature	(26.143.904)	(26.143.904)
<b>EBITDA</b>	<b>(32.848.257)</b>	<b>(32.848.257)</b>
Financial costs	(1.748.064)	(1.748.064)
<b>Hedging of Financial Expenses</b>	<b>18,79</b>	<b>18,79</b>

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



3) Guarantees obtained from third parties

As of December 31, 2020 and 2019, the Company has received documents in guarantee for Th\$65,336,000 and Th\$45,012,353, respectively, arising mainly from work contracts with construction companies to ensure the faithful compliance with the contract. In addition, there are other guarantees for service contracts and procurement of materials that ensure timely delivery of these.

A detail of the most important received bank guarantees as of December 31, 2020, is summarized below:

Company	Contractor or supplier	31-12-2020 Th\$	Expiring Date
Aguas Andinas S.A.	CONSTRUCTORA OLBERTZ LTDA.	117.771	28-05-2021
Aguas Andinas S.A.	INMOBILIARIA Y CONSTRUCTORA NUEVA PACÍFICO SUR LTDA.	244.544	16-07-2021
Aguas Andinas S.A.	I C M S.A.	234.593	24-08-2021
Aguas Andinas S.A.	TELEFONICA EMPRESAS CHILE S.A.	151.306	31-08-2021
Aguas Andinas S.A.	SOC. DE TERCERIZACION DE SERV. PROV	103.761	11-12-2021
Aguas Andinas S.A.	MONTECORVO INGENIERIA Y CONTRUCCION	117.115	06-08-2022
Aguas Andinas S.A.	EMPRESAS JORDAN S.A.	157.730	06-12-2022
Aguas Andinas S.A.	SUEZ MEDIOAMBIENTE CHILE S.A.	120.891	02-01-2024
Aguas Andinas S.A.	INMOBILIARIA VIVIENDAS 2000 SPA	116.281	04-01-2021
Aguas Andinas S.A.	EMP.DEPURADORA DE A.S. MAPOCHO EL TREBAL	15.082.968	30-01-2021
Aguas Andinas S.A.	EMP.CONST.MOLLER Y PEREZ-COTAPOS S.A.	133.287	09-02-2021
Aguas Andinas S.A.	C. DE PETROLEOS DE CHILE COPEC S.A.	488.813	06-03-2021
Aguas Andinas S.A.	CONSTRUCTORA CONCRETA S.A.	109.973	30-03-2021
Aguas Andinas S.A.	SUEZ ADVANCED SOLUTIONS CHILE LTDA.	789.085	30-03-2021
Aguas Andinas S.A.	INMOBILIARIA BBI S.A.	370.327	30-04-2021
Aguas Andinas S.A.	ENEL DISTRIBUCION CHILE S.A.	290.703	10-05-2021
Aguas Andinas S.A.	INMOBILIARIA Y CONSTRUCTORA NUEVA PACÍFICO SUR LTDA.	232.563	01-06-2021
Aguas Andinas S.A.	EMPRESA CONSTRUCTORA RICARDO	313.167	01-06-2021
Aguas Andinas S.A.	CONSORCIO NAC. DE DIST. Y LOG. S.A.	116.281	03-06-2021
Aguas Andinas S.A.	CONSTRUCTORA PEREZ Y GOMEZ LTDA.	105.700	29-06-2021
Aguas Andinas S.A.	AGBAR SOLUTIONS CHILE LTDA.	105.467	29-06-2021
Aguas Andinas S.A.	MARKETING RELACIONAL UPCOM LTDA.	232.563	30-06-2021
Aguas Andinas S.A.	COBRA MONTAJE SERVICIOS Y AGUA LTDA.	100.620	07-08-2021
Aguas Andinas S.A.	CONSORCIO BAPA GRAMATEC SPA	408.562	13-08-2021
Aguas Andinas S.A.	INMOBILIARIA MONTE ACONCAGUA S.A.	232.563	27-11-2021
Aguas Andinas S.A.	SERVICIO DE REHABILITACION INDUSTRIAL	108.554	30-11-2021
Aguas Andinas S.A.	CONSORCIO BAPA GRAMATEC SPA	191.818	30-11-2021

Company	Contractor or supplier	31-12-2020 Th\$	Expiring Date
Aguas Andinas S.A.	EMPRESA CONSTRUCTORA COTA MIL LTDA.	116.281	01-12-2021
Aguas Andinas S.A.	A DENHAM Y CIA LTDA.	244.104	31-12-2021
Aguas Andinas S.A.	ARRIGONI INGENIERIA Y CONSTRUCCION S.A.	325.064	23-01-2022
Aguas Andinas S.A.	METLIFE CHILE SEGUROS DE VIDA S.A.	427.045	31-01-2022
Aguas Andinas S.A.	CONSORCIO NAC. DE DIST. Y LOG. S.A.	116.281	22-02-2022
Aguas Andinas S.A.	TERRA AUSTRALIS INVERSIONES INMOBILIARIA	232.563	28-02-2022
Aguas Andinas S.A.	AES GENER S.A.	290.703	01-04-2022
Aguas Andinas S.A.	TRANSPORTE CENTRO SUR-NORTE S.A.	158.695	05-05-2022
Aguas Andinas S.A.	SUEZ MEDIOAMBIENTE CHILE S.A.	897.973	30-05-2022
Aguas Andinas S.A.	CONSTRUCTORA PEREZ Y GOMEZ LTDA.	116.281	22-06-2022
Aguas Andinas S.A.	CONSTRUCTORA PEREZ Y GOMEZ LTDA.	116.281	22-06-2022
Aguas Andinas S.A.	ANIDA CONSULTORES S.A.	131.066	01-12-2022
Aguas Andinas S.A.	TELEFONICA EMPRESAS CHILE S.A.	143.578	30-12-2022
Aguas Andinas S.A.	CENTURYLINK CHILE S.A.	269.203	31-05-2023
Aguas Andinas S.A.	AUTORENTAS DEL PACIFICO SPA	103.490	31-07-2023
Aguas Andinas S.A.	INMOBILIARIA Y COMERCIAL QUILICURA LTDA.	406.985	14-10-2023
Aguas Andinas S.A.	AES GENER S.A.	988.391	01-02-2024
Aguas Andinas S.A.	MOTOROLA CHILE S.A.	804.085	01-12-2025
Aguas Andinas S.A.	CONSORCIO AQUAMBIENTE - EDAM	30.467.159	10-05-2028
Aguas Andinas S.A.	BRENNTAG CHILE LTDA.	114.463	05-04-2021
Aguas Cordillera S.A.	INLAC S.A.	397.689	02-07-2021
Aguas Cordillera S.A.	CONSTRUCTORA OLBERTZ LTDA.	132.732	31-10-2022
Aguas Cordillera S.A.	CONSTRUCTORA VESPUCIO ORIENTE S.A.	303.058	31-01-2021
Aguas Cordillera S.A.	CONSTRUCTORA VESPUCIO ORIENTE S.A.	178.695	28-02-2021
Aguas Cordillera S.A.	CONSTRUCTORA VESPUCIO ORIENTE S.A.	145.352	30-06-2021
Aguas Manquehue S.A.	INMOBILIARIA TERRAMERICA S.A.	181.021	30-05-2021
		58.585.244	

## Note 35. CAPITALIZED FINANCING COSTS

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

### Disclosures about capitalized interest costs

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

## Note 36. ENVIRONMENT

### Disclosures about investments related to the environment

According to Circular No. 1901 of October 30, 2008 of the Commission for the Financial Market, information from investments related to the environment is revealed below.

The following is a detail of the investments related to the environment:

#### Aguas Andinas S.A.

Name of the Project	31-12-2020 Th\$	31-12-2019 Th\$
Expansion and Improvements WWTP Buin Maipo	479.094	2.528.543
Expansion and Improvements WWTP Canelo-Vertientes-La Obra	284.645	9.416
Expansion and Improvements WWTP El Monte	462.252	2.170.174
Expansion and Improvements WWTP Talagante	31.201	1.727.626
Expansion and Improvement of Other Localities	76.540	11.380
Improvement and renovation purification equipment and facilities	1.244.007	783.577
La Farfana Plant	7.172.473	4.248.396
Mapocho - Trebal Plant	14.942.814	13.338.645
External platform handling and disposal of sludges El Rutil	74.920	10.889
<b>Total</b>	<b>24.767.946</b>	<b>24.828.646</b>

#### Aguas Manquehue S.A.

Name of the Project	31-12-2020 Th\$	31-12-2019 Th\$
Improvement and renovation purification equipment and facilities	85.430	37.044
<b>Total</b>	<b>85.430</b>	<b>37.044</b>

### Projected investment in the environment for the year 2021:

Company	Th\$
Aguas Andinas S.A.	25.905.574
Aguas Manquehue S.A.	39.000
<b>Total</b>	<b>25.944.574</b>

### Indication if the disbursement is part of the cost of an asset or was reflected as an expense, disbursements for the period

All the projects mentioned are part of the cost of the construction of the respective works.

### Certain or estimated date in which future disbursements will be made, disbursements for the period

The projected disbursements are estimated to be made during the year 2021.

Subsidiaries are companies that are affected by disbursements related to the environment, that is, compliance with ordinances, laws related to industrial processes and facilities and any other that may directly or indirectly affect the protection of the environment.

## Note 37.

### FACTS OCCURRED AFTER THE DATE OF THE STATEMENT OF FINANCIAL SITUATION

As of the date of issue of these consolidated financial statements, the Management of the Company and its Subsidiaries are not aware of any subsequent events that could affect their financial position as of December 31, 2020.



# Earnings Release / Inversiones Aguas Metropolitanas S.A.

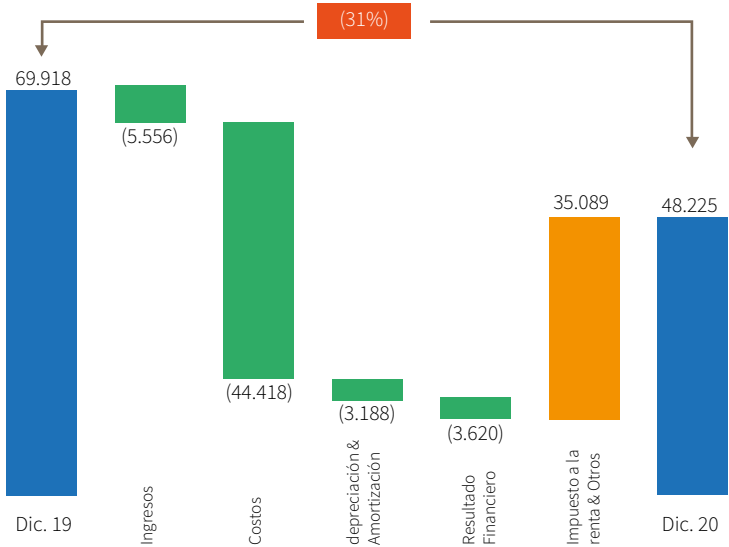
Period ended December 31, 2020



## 1. Summary of the period

**Net income as of December 31, 2020 was \$48,225 million.** The main changes from the same period last year are shown in the following chart:

Net income (Million \$)



**The EBITDA as of December 31, 2020 was \$233,976 million,** decreasing 17.7% regarding the same period of previous year, strongly influenced by impacts derived of Coronavirus contingency, expenses and compensation to customers due to massive cuts from 2016-2017 and higher costs for the Mega-drought. These effects are presented below:



**Situation of Covid-19.** The Company has developed an action plan to ensure service continuity in the regions it operates, implementing various measures to manage the exceptional situation resulting from the Coronavirus Pandemic.

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

- A decrease in sales volumes of \$16,759 million, associated with lower sales to Residential customers by 0.3% and to non-Residential customers by 13.4%.
- A lower collection of regulated customers accounts that increased the age of the accounts receivable balance, having to recognize an amount of \$20,172 million as a provision for bad debts, generating a higher bad debt expense of \$16,151 million with respect to the same period of the previous year.

The bad debt recognition policy used by the Company is based on collection statistics according to the age of the invoice. In this sense, 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.

The evolution of gross debt as of December 31, 2020 is shown below:

Age of gross debt (in million of \$)	Dic. 20	Dic. 19 *	2020 / 2019
less than three months	80.768	108.705	(27.937)
between three and six months	3.975	5.047	(1.072)
between six and eight months	2.186	1.705	481
more than eight months	18.736	13.852	4.884
Agreements	19.729	23.156	(3.427)
<b>Total</b>	<b>125.395</b>	<b>152.465</b>	<b>(27.070)</b>

\* 2019 contains the effect of uncollectibles of ESSAL company for \$6,152 million.

• There were direct costs of \$6,557 million associated with containment plans, personnel transportation, hygiene supplies, teleworking, safety measures, worker health monitoring program, logistics and communications.

• A decrease in activity associated with unregulated income of \$1,146 million, mainly due to home and engineering services, with a decrease in business volume of nearly 32%.

• The lower expenses of \$3,665 million are mainly associated with services to customers for reduced cut-off and replenishment services, meter reading, savings on printing commercial documents, together with reduced corporate activities and administration expenses.

On October 13, 2020, **Aguas Andinas completed the sale of the subsidiary ESSAL** to Eco Acquisitionco SpA, a company incorporated in Chile and controlled by the Canadian company Algonquin Power & Utilities Corp. As a result of this operation and in accordance with IFRS 5, the item "Discontinued operations" reflects the after-tax results of the sale of the subsidiaries Iberaguas Ltda. and ESSAL S.A. together with the accumulated results as of December 2020 and 2019 of these companies. It should also be noted that in the balance sheet as of December 31, 2019 Iberaguas and ESSAL are contained in assets and liabilities.

In the last quarter of 2020, following settlements signed by **SERNAC, Conadecus and Aguas Andinas**, the company must compensate customers who were affected by the massive cuts of 2016 and 2017. The payment of compensation will be credited to customers' accounts in the billing, within 30 days from the date the settlement is approved by the respective court.

**Mega-drought.** Due to the fact that the region is going through the greatest drought the biggest drought since records began and the one that has been going on for more than a decade, the Company has recorded higher costs by a total of \$6,274 million associated to raw water purchase and an increase in electric energy consumption mainly related to higher potable water lift and higher average rate. It should be noted that the Company has invested and several projects are underway to strengthen supply security in the face of this extreme drought scenario.

Revenues were lower by \$5,556 million (1.1%), mainly associated with lower regulated consumption, which is partially offset by higher unregulated revenues together with higher resulting average rates associated to the tariff indexation for security works in Pirque Tanks, VII Tariff Process and the tariff indexation due to inflation in the period, the latest being January 2020 for Aguas Andinas, March 2020 for Aguas Cordillera and May 2020 for Aguas Manquehue.

At the non-operating level, the financial result presented a loss of \$3,620 million with respect to the same previous period, mainly associated with higher interest on financial debt as a result of the greater volume of debt obtained to finance the company's investment plan and to strengthen the position of cash to face the Coronavirus situation.

**Generation and Position of Cash.** During the fourth quarter of 2020, the balance of cash and cash equivalent decreased by \$5,063 million regarding end of September, reaching \$183,028 million. This figure is in turn 2.4 times higher than the \$73,057 million held by the Company as of December 2019. The decrease in the balance of cash and cash equivalent in the fourth quarter is mainly explained by the dividends distribution, loans reimbursement and lower operating cash flow, which are partially offset by the revenues from the sale of ESSAL. The levels of cash and cash equivalents allow the company to have a margin to face the uncertainties of the current environment.

### Investments

As of December 31, 2020, investments of \$124,620 million were executed. The main projects developed were:

The Pirque Tanks project is in operation since February 2020. This project allows to increase the autonomy of the capital city from 11 to 34 hours of potable water, to cope with the effects of climate change, and thereby minimize the potable water cuts caused by increased levels of turbidity caused by rainfall in the high mountain range.

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FINANCIAL  
STATEMENTS

- Renewal of Wastewater and Potable Water networks
- Drilling and reinforcement of potable water supply systems
- Nitrate Treatment at La Farfana and Mapocho-Trebal Biofactories
- Asset Replacement at La Farfana and Mapocho-Trebal Biofactories
- Construction of Pirque Tanks
- Starters and meters
- Expansion of Padre Hurtado Potable Water Treatment Plant
- Expansion of Quilicura Arsenic Treatment Plant

To face the effects of the Mega-drought, the Company has carried out investment works such as the Hydraulic Efficiency Plan to be able to reduce the losses of potable water in the network and the new Operational Control Center for the constant monitoring of the networks. In addition, a plan of future investments has been contemplated to ensure consumption by the inhabitants, such as new drillings in wells and reinforcements in the potable water supply system such as the expansion of the Padre Hurtado Potable Water Treatment Plant.

In addition, 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 drought and climate change, which will be incorporated into the Company's updated Development Plan, prior approval by the SISS, highlighting the following:

(i) Works to reuse 3 m3/s of wastewater

(ii) Drilling in the central aquifer by 1.8 m3/s

#### KEY FACTS

**Aguas Andinas concretes sale of ESSAL** - On October 13, 2020, Aguas Andinas concluded the sale and assignment to Eco Acquisitionco SpA, a company established in Chile and controlled by the Canadian company Algonquin Power & Utilities Corp., from 100% of its direct and indirect participation in Inversiones Iberaguas Ltda., which in turn owns 488,712,657 Series A shares of Empresa de Servicios Sanitarios de Los Lagos S.A. ("ESSAL"), representing approximately 51% of the total shares issued by the latter, at a price of US\$ 87,975,000, which was received on this same date.

Additionally and in the context of this operation, Aguas Andinas S.A., participated in the public offer for the acquisition of ESSAL shares ("OPA") announced by Eco Acquisitionco SpA on September 24, 2020, accepting the sale of Aguas Andinas S.A.'s direct participation in ESSAL, amounting to 24,018,816 Series A shares, equivalent to 2.51% of the total shares issued by said company, at the total price of US\$ 4,323,717, amount that will be received in the terms, time and conditions offered in the OPA.

Thus, as a result of this operation and in accordance with the provisions of the contract signed with Algonquin Power & Utilities Corp on September 11, 2020, Aguas Andinas S.A. will receive the total amount of US\$ 92,298,717 from the sale of its entire direct and indirect participation in ESSAL, which will generate an expected impact on the company's net results, after-tax, of approximately \$7,325 million.

**Revaluation of Assets.** From September 30, 2020, Aguas Group decided to use the revaluation model for the "Lands" asset class classified within the property, plant and equipment grouping. In this way, the value of this asset class will be periodically updated according to its market value. The prospective application of this policy resulted in an increase in value of the property, plant, and equipment grouping of \$225,965 million.

**Results VII Tariff Process.** As of December 31, 2020, the new tariff decree for Aguas Andinas, for the period 2020-2025, is published, after the agreement with the Superintendence of Sanitary Services. For Aguas Cordillera and Aguas Manquehue the tariff decrees are in are in the process of being published in the official gazette.

In the case of Aguas Andinas, a reduction in the tariff for potable 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. The result of the tariff process for the companies Aguas Cordillera and Aguas Manquehue, considered a decrease of -1.5% compared to the tariffs agreed for the previous five-year period. The agreement also included works to ensure quality and continuity of service in the context of climate change and water scarcity, in order to extend the companies' operational autonomy.

## 2. Earnings for the period

### 2.1. Accumulated earnings

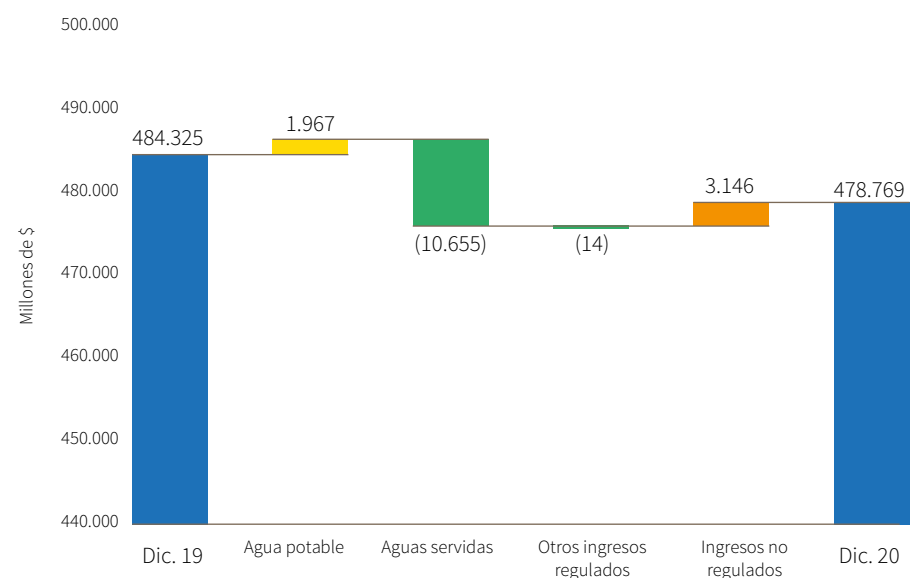
Income Statement (Th\$)	Dec. 20	Dec. 19	% Var.	2020 /2019
Ordinary Revenues	478.769.061	484.324.712	(1,1%)	(5.555.651)
Operational Costs and Expenses	(244.793.070)	(199.975.460)	22,4%	(44.817.610)
<b>EBITDA</b>	<b>233.975.991</b>	<b>284.349.252</b>	<b>(17,7%)</b>	<b>(50.373.261)</b>
Depreciation and Amortization	(67.150.111)	(63.961.850)	5,0%	(3.188.261)
<b>Income From Operations</b>	<b>166.825.880</b>	<b>220.387.402</b>	<b>(24,3%)</b>	<b>(53.561.522)</b>
Other Earnings	(3.967.292)	14.280.922	(127,8%)	(18.248.214)
Impairment losses	(1.404.946)	-	>200%	(1.404.946)
Financial Result*	(47.163.392)	(43.543.539)	8,3%	(3.619.853)
Tax expense	(26.817.906)	(49.499.396)	(45,8%)	22.681.490
Discontinued operations	11.671.443	(2.970.428)	<(200%)	14.641.871
<b>Net earnings</b>	<b>48.225.127</b>	<b>69.918.238</b>	<b>(31,0%)</b>	<b>(21.693.111)</b>

\* Includes financial income, financial costs, exchange rate differences and results by readjustment units

### 2.2. Revenue analysis

Revenues present a decrease of 1,1% regarding previous year, according the following:

	Dec. 20		Dec. 19	
	Sales Th\$	Participation	Sales Th\$	Participation
Potable Water	195.787.729	40,9%	193.820.931	40,0%
Wastewater	219.123.955	45,8%	229.778.955	47,4%
Other Regulated Income	13.004.110	2,7%	13.017.906	2,7%
Non-Regulated Income	50.853.267	10,6%	47.706.920	9,9%
<b>Total</b>	<b>478.769.061</b>	<b>100,0%</b>	<b>484.324.712</b>	<b>100,0%</b>



Sales Volume (Thousands of m3 accrued)	Dec. 20	Dec. 19	% Var.	Difference
Potable Water	533.881	559.408	(4,6%)	(25.527)
Wastewater Collection	511.267	535.956	(4,6%)	(24.688)
Wastewater Treatment and Disposal	440.582	461.803	(4,6%)	(21.221)
Interconnections*	124.710	128.799	(3,2%)	(4.088)

Customers	Dec. 20	Dec. 19	% Var.	Difference
Agua potable	2.169.426	2.132.607	1,7%	36.819
Recolección aguas servidas	2.125.918	2.089.505	1,7%	36.413

\* Interconnections include the Treatment and Disposal of Wastewater from other Water Utility Companies\* Las interconexiones incluyen el Tratamiento y Disposición de Aguas Servidas de otras empresas Sanitarias

REGULATED BUSINESSES

a) Potable water

Potable water income at the end of 2020 reached Th\$195,787,729, which meant an increase of Th\$1,966,798, mainly due to a tariff indexation for Security Works in Pirque Tanks together with inflation indexations applied, the last being in January 2020 for Aguas Andinas, March 2020 for Aguas Cordillera and May for Aguas Manquehue. The above is partially offset by the lower consumption registered in the period and for the recognition of the VII Tariff Process results in Aguas Andinas, Aguas Cordillera and Aguas Manquehue.

b) Wastewater

As of December 31, 2020 the wastewater income reached Th\$219,123,955, which represented a decrease of 4.6%, mainly due to lower volume registered together with the tariffs reduction related to the last tariff process, which was partially offset with the indexations applied during 2020.

c) Other regulated income

This line item presented a decrease of Th\$13,796, mainly due to lower incomes for cutting and replacement of services, which is partially offset with the customer growth of the period.

UNREGULATED INCOME

a) Sanitary services

Includes the income of US\$10 million associated to the agreement for the Alto Maipo project, since that company exercised its option to extension, established in the contract signed between the parties. The above is partially offset by lower activity in home services to customers and technical advice on rural potable water, which finally results in an increase of Th\$3,362,229.

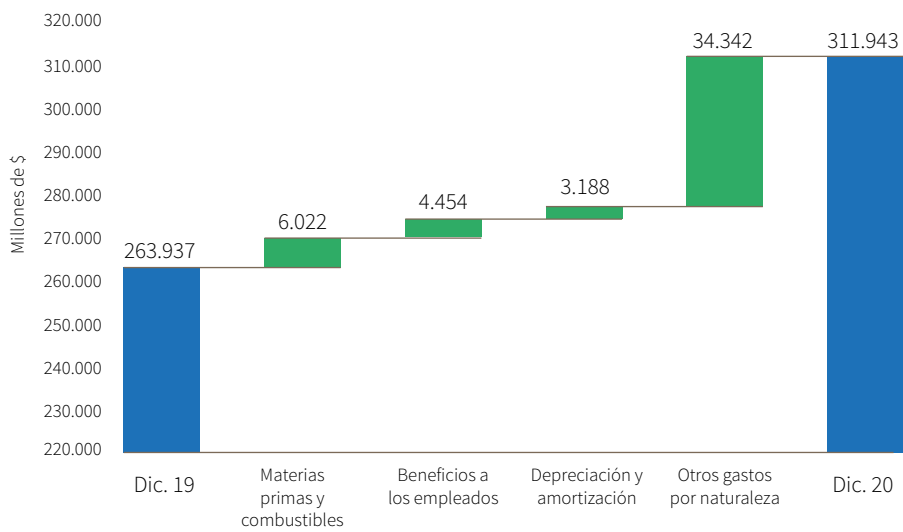
b) Non-sanitary services

A decrease of Th\$215,882 was mainly explained by lower material sales in Gestión y Servicios, which is offset by higher plant operating revenues in EcoRiles and higher potable water analysis and sampling in Anam.

(Th\$)	Dec. 20	Dec. 19	% Var.
EcoRiles S.A.	16.172.407	14.394.635	12,4%
Gestión y Servicios S.A.	6.257.482	8.359.396	(25,1%)
Anam S.A.	5.480.489	4.640.649	18,1%
Aguas del Maipo S.A.	339.931	1.071.511	(68,3%)
<b>Non-sanitary non-regulated products</b>	<b>28.250.309</b>	<b>28.466.191</b>	<b>(0,8%)</b>

2.3. Expense analysis

The variation in expenses with respect to the previous year is shown in the following graph:



a) Raw materials and consumables

As of December 31, 2020, the costs of raw materials and consumables reached Th\$43,542,356, Th\$ 6,021,931 higher than the one obtained in 2019. The increase was mainly due to purchase of raw water by Th\$3,932,239, to increase the security of supply of our customers due to the low flow in the Maipo river basin, and to higher costs in electric power by Th\$2,341,499, associated to higher potable water lift and higher average rate. Additionally, a higher cost of chemical inputs by Th\$1,365,828, due to the increase in the dollar exchange rate, and costs of hygiene supplies and personal security for contingency Covid-19 by Th\$419,095 million. The above is offset with lower material sale of subsidiary Gestión y Servicios by Th\$1,678,817 million.

b) Employee benefits

At the end of 2020, employee benefit expenses reached Th\$55,510,75, which was Th\$4,454,136 higher than the one obtained in the previous year. This increase is mainly related to higher costs associated to confinement plans by Covid-19, CPI adjustments and increased provision for accrued vacation.

c) Depreciation and amortization

As of December 31, 2020, depreciation and amortization amounted to Th\$67,150,111, Th\$3,188,261 higher than the one obtained in the previous year. This was due to the depreciations related to new incorporated assets in the period, as the Pirque tanks.

d) Other expenses by nature

At the end of 2020, these expenses amounted to Th\$145,739,999, which was Th\$34,341,543 higher mainly due to higher level of uncollectibility in Th\$16,151,172, contingency for massive cuts for 2016-2017 by \$11,000,000, following agreements signed between Aguas Andinas, Sernac and Conadecus, and expenses for Covid-19 in Th\$4,252,188, related to confinement plans, teleworking, measures of security, health, logistic and communications.

In addition, there was a higher expense in maintenance of potable water and

sewage networks of Th\$1,497,096, higher expenses in real estate contributions of Th\$405,931 and insurances of Th\$796,500. The above is offset by lower expenses in customer services of Th\$2,400,242 mainly associated with lower activity in cutting and replacement of services, meter reading, savings from printing commercial documents together with lower corporate activities and administration expenses of Th\$1,264,759. Finally, due to lower activity in the sale of home services, lower costs of Th\$1,773,154 were generated.

2.4. Analysis of Financial revenues and others

a) Impairment losses

As of December 31, 2020, impairment losses of Th\$1,404,946 were recognized, which was explained by the effect on the revaluation of the Company's lands.

b) Other gains (losses)

At the end of 2020, losses were Th\$18,248,214 higher than those obtained in 2019, mainly explained by the gain on the sale of land in 2019, together with higher expenses for voluntary retirement plans.

c) Financial income

At the end of 2020, financial income amounted to Th\$3,872,811, a decrease of Th\$1,375,862, mainly explained by lower interest on repurchase of promissory notes for reimbursable financial contributions together with an inflation insurance from 2019 by Th\$875,144.

d) Financial costs

As of December 31, 2020, financial costs amounted to Th\$28,193,869, an increase of Th\$1,438,450. This was mainly explained by higher interest on financial debt as a result of the higher volume of debt obtained to finance the company's investment plan and strengthen the position of cash of the Company, partially offset by higher financial activation.

e) Results by readjustment unit

At the end of 2020, the readjustment unit fees were Th\$22,345,643, resulting in a higher expense of Th\$791,821, due to higher level of financial debt.

f) Income Tax Expenses

Income tax expense as of December 31, 2020 was Th\$26,817,906, TH\$22,681,490 lower, mainly explained by lower before taxes income.

g) Discontinued operations

As of December 31, 2020, discontinued operations reached a higher profit of Th\$14,641,871 regarding previous year, due to profit on sale of ESSAL together with ESSAL's higher profit of 2020 regarding 2019, due to previous year presented losses by expenses derived from the Osorno contingency.

h) Earnings

Net income as of December 31, 2020 amounted to Th\$48,225,127, Th\$21,693,111 lower than the one obtained in the previous year, representing a decrease of 31%.



2.5. Results by segment

a) Accumulated income, Water segment

Income Statement (Th\$)	Dec. 20	Dec. 19	% Var.	2020 - 2019
External Revenue	450.436.685	455.752.043	(1,2%)	(5.315.358)
Revenues Segments	910.103	1.086.210	(16,2%)	(176.107)
Operating Costs and Expenses	(220.762.718)	(177.496.902)	24,4%	(43.265.816)
<b>EBITDA</b>	<b>230.584.070</b>	<b>279.341.351</b>	<b>(17,5%)</b>	<b>(48.757.281)</b>
Depreciation and Amortization	(65.335.155)	(62.245.336)	5,0%	(3.089.819)
<b>Income from Operations</b>	<b>165.248.915</b>	<b>217.096.015</b>	<b>(23,9%)</b>	<b>(51.847.100)</b>
Other Earnings (Losses)	(3.599.552)	14.565.857	(124,7%)	(18.165.409)
Impairment losses	(1.404.946)	-	>200%	(1.404.946)
Financial Results*	(46.979.769)	(43.024.089)	9,2%	(3.955.680)
Tax Expense	(26.020.405)	(48.385.103)	(46,2%)	22.364.698
Discontinued operations	11.671.443	(2.970.428)	<(200%)	14.641.871
<b>Net earnings</b>	<b>97.241.858</b>	<b>139.269.068</b>	<b>(30,2%)</b>	<b>(42.027.210)</b>

\* Includes financial income, financial costs, exchange rate differences and results by readjustment units

The results of this segment showed a decrease of 30.2%, mainly due to:

A decrease in external income, mainly associated with lower regulated income due to a lower sale volumes registered in the period. In terms of tariffs, the results of the VII tariff process are recognized for Aguas Andinas, Aguas Cordillera, and Aguas Manquehue, together with the tariff indexation for Security Works in Pirque Tanks and the indexation applied for inflation, the latest being January 2020 for Aguas Andinas, March 2020 for Aguas Cordillera, and May 2020 for Aguas Manquehue.

In non-regulated income, there was less activity in home services to customers and technical advice on rural potable water.

Costs increased mainly due to higher uncollectibility in Th\$16,065,498, contingency for massive cuts for 2016-2017 by \$11,000,000, following agreements signed between Aguas Andinas, Sernac and Conadecus and expenses for Covid-19 in Th\$5,992,390, related to confinement plans, personnel costs, hygiene supplies, teleworking, measures of security, health, logistic and communications. In addition, due to the extreme drought affecting the central area of the country, there have been increases in water purchase expenses of Th\$3,932,239 due to the low flow in the Maipo river basin and higher electricity costs of Th\$2,341,499, mainly associated with higher potable water lift and higher average rate.

Depreciation was Th\$3,089,819 higher than that obtained previous year. This

was the result of the depreciation associated with the new assets incorporated in the period, such as the Pirque tanks.

In Other gains (losses), there was a lower result of Th\$18,165,409 compared to that obtained in 2019, mainly explained by the gain on the sale of land in 2019, together with a higher expense for voluntary retirement plans.

As of December 31, 2020, impairment losses of Th\$1,404,946 were recognized, which was explained by the effect on the revaluation of the Company's lands.

The financial result presented a higher expense by Th\$3,955,680 regarding 2019, mainly associated with higher interest on financial debt as a result of the higher volume of debt obtained to finance the company's investment plan.

Income tax expense as of December 31, 2020 was Th\$26,020,405, Th\$22,364,698 lower, mainly explained by lower before taxes income.

At the end of 2020, discontinued operations reached a higher profit of Th\$14,671,871 compared to the same period of the previous year, due to profit on sale of ESSAL together with ESSAL's higher profit of 2020 regarding 2019, due to previous year presented losses by expenses derived from the Osorno contingency.

b) Accumulated income, Non-Water segment

Income Statement (Th\$)	Dec. 20	Dec. 19	% Var.	2020 - 2019
External Revenue	28.336.877	28.577.041	(0,8%)	(240.164)
Revenues Segments	3.398.711	4.709.044	(27,8%)	(1.310.333)
Operating Costs and Expenses	(26.958.633)	(27.183.218)	(0,8%)	224.585
<b>EBITDA</b>	<b>4.776.955</b>	<b>6.102.867</b>	<b>(21,7%)</b>	<b>(1.325.912)</b>
Depreciation and Amortization	(1.828.695)	(1.869.315)	(2,2%)	40.620
<b>Income from Operations</b>	<b>2.948.260</b>	<b>4.233.552</b>	<b>(30,4%)</b>	<b>(1.285.292)</b>
Other Earnings (Losses)	(367.740)	(257.230)	43,0%	(110.510)
Financial Results*	(163.530)	(541.277)	(69,8%)	377.747
Tax Expense	(967.181)	(966.925)	0,0%	(256)
<b>Net Earnings</b>	<b>1.449.809</b>	<b>2.468.120</b>	<b>(41,3%)</b>	<b>(1.018.311)</b>

\* Includes financial income, financial costs, exchange rate differences and results by readjustment units

The results of the Non-Water segment showed a decrease of Th\$1,018,311 in relation to the previous year, mainly due to:

A decrease of material sales in Gestión y Servicios, which is partially offset by higher plant operating revenues in Ecoriles, together with higher water analysis and samples in Anam.

The decrease in costs by 0.8% is mainly associated with the lower activity in the sale of materials of the company Gestión y Servicios, partially offset by the cost associated with the operation of plants of the company EcoRiles, together with an increase in personnel expenses due to a higher endowment of the company Anam.

The financial result presented a higher expense regarding previous year by Th\$377,747, mainly associated to exchange rate differences.

3. Quarterly results

Income Statement (M\$)	4T20	4T19	% Var.	4T20 – 4T19
Ordinary Revenues	129.720.051	123.371.039	5,1%	6.349.012
Operational Costs and Expenses	(77.549.887)	(52.141.150)	48,7%	(25.408.737)
<b>EBITDA</b>	<b>52.170.164</b>	<b>71.229.889</b>	<b>(26,8%)</b>	<b>(19.059.725)</b>
Depreciation and Amortization	(17.424.640)	(17.080.572)	2,0%	(344.068)
<b>Income From Operations</b>	<b>34.745.524</b>	<b>54.149.317</b>	<b>(35,8%)</b>	<b>(19.403.793)</b>
Other (Losses) Earnings	(2.093.189)	16.044.377	(113,0%)	(18.137.566)
Financial Result*	(14.946.088)	(13.554.591)	10,3%	(1.391.497)
Impairment losses	(34.520)	-	>200%	(34.520)
Tax expense	(2.526.026)	(14.717.628)	(82,8%)	12.191.602
Discontinued operations	7.324.842	(1.216.493)	(702,1%)	8.541.335
<b>Net earnings</b>	<b>11.079.567</b>	<b>20.523.510</b>	<b>(46,0%)</b>	<b>(9.443.943)</b>

\* Includes financial income, financial costs, exchange rate differences and results by readjustment units

3.1. Income analysis

a) Operating income

Ordinary revenues for the fourth quarter of 2020 amounted to Th\$129,720,051, which is higher by Th\$6,349,012 than that obtained in the same quarter of the previous year, mainly due to tariff indexation for Security Works in Pirque Tanks together with an increase in registered consumption. In addition, the results of the VII Tariff Process of Aguas Andinas, Aguas Cordillera and Aguas Manquehue are recognized in tariffs, together with the tariff indexations, the latest being in January 2020 for Aguas Andinas, March 2020 for Aguas Cordillera and May 2020 for Aguas Manquehue.

3.2. Expenses analysis

a) Raw materials and consumables

During the fourth quarter of 2020, the costs of raw materials and consumables amounted to Th\$10,784,784, Th\$86,416 lower than the one obtained in the same quarter of 2019, mainly associated with lower purchase of water for Th\$991,591, which is partially offset by lower cost of productive energy by Th\$745,517.

b) Employee benefits

Employee benefit expenses for the fourth quarter of 2020 reached Th\$14,420,222, which was Th\$704,145 higher than the one obtained in the previous year. This increase is mainly related to higher costs associated to confinement plans by Covid-19, CPI adjustments and increased provision for accrued vacation.

c) Depreciation and amortization

During the fourth quarter of 2020, depreciation and amortization amounted to Th\$17,424,640, Th\$344,068 higher than the one obtained in 2019, due to the depreciations related to new incorporated assets in the period, as the Pirque tanks.

d) Other expenses

In the fourth quarter of 2020, the other expenses amounted to Th\$52,344,881, Th\$24,791,008 higher than the one obtained in 2019, mainly explained by higher uncollectibility in Th\$7,025,751, contingency for massive cuts for 2016-2017 by \$11,000,000, following agreements signed between Aguas Andinas, Sernac and Conadecus, expenses for Covid-19 in Th\$1,714,882, related to confinement plans, teleworking, measures of security, health, logistic and communications, maintenance of networks and enclosures by Th\$1,190,141 and higher costs of sale of home services and sanitary infrastructure modifications by Th\$539,258.

3.3. Financial result analysis and others

a) Other gains (losses)

During the fourth quarter of 2020, losses of Th\$18,137,566 were higher than those obtained in the same quarter of 2019, mainly explained by the gain on the sale of land in 2019 together with higher expenses for voluntary retirement plans.

b) Impairment losses

In the fourth quarter, impairment losses of Th\$34,520 were recognized, which was explained by the effect on the revaluation of the Company's lands.

c) Financial income

The financial result for the fourth quarter of 2020 losses of Th\$14,946,088 were obtained, which increased by Th\$1,391,497 compared to the same quarter of 2019, mainly explained by higher debt revaluation due to the higher variation of the Unidad de Fomento (1.26% in 2020 versus 0.93% in 2019).

d) Income Tax Expenses

Income tax expense in the fourth quarter of 2020 was Th\$2,526,026, Th\$12,191,602 lower regarding the same quarter of the previous year, mainly explained by lower before taxes income.

e) Discontinued operations

In the fourth quarter of 2020, discontinued operations reached a higher profit of Th\$8,541,335 compared to the same quarter of the previous year, due to profit on sale of ESSAL together with ESSAL's higher profit of 2020 regarding 2019, due to previous year presented losses by expenses derived from the Osorno contingency.

f) Earnings

Net income of the fourth quarter of 2020 amounted to Th\$11,079,567, Th\$9,443,943 lower than the one obtained in the same quarter of 2019.

4. Statement of Financial Position

Assets	Dec. 20 Th\$	Dec. 19 Th\$	% Var.
Current Assets	301.642.955	198.693.178	51,8%
Non-Current Assets	2.113.551.778	2.075.152.748	1,9%
Assets held for sale	3.836.023	0	>200%
<b>Total assets</b>	<b>2.419.030.756</b>	<b>2.273.845.926</b>	<b>6,4%</b>
<b>Liabilities and Equity</b>			
Current Liabilities	245.462.938	242.608.281	1,2%
Non- Current Liabilities	1.059.920.436	1.072.110.134	(1,1%)
<b>Total liabilities</b>	<b>1.305.383.374</b>	<b>1.314.718.415</b>	<b>(0,7%)</b>
Shareholders' Equity	694.120.607	594.540.262	16,7%
Minority Interest	419.526.775	364.587.249	15,1%
<b>Total Shareholders' Equity</b>	<b>1.113.647.382</b>	<b>959.127.511</b>	<b>16,11%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2.419.030.756</b>	<b>2.273.845.926</b>	<b>6,4%</b>

\*The information as of December 31, 2020 contains ESSAL and Inversiones Iberaguas Ltda.

4.1. Assets analysis

The total assets of Inversiones Aguas Metropolitanas S.A. at consolidated level on December 31, 2020 showed an increase of 6.4% with respect to December 31, 2019, equivalent to Th\$145,184,830.

Current assets increased by Th\$106,785,800 mainly due to an increase in cash and cash equivalents of Th\$104,907,735, as a result of bank loans managed during the year and higher tax assets by Th\$24,058,700. The above is partially offset by lower commercial debtors and other receivables of Th\$28,468,846 mainly explained by the effect of the sale of the company ESSAL.

Non-current assets increased by Th\$38,399,030 mainly explained by revaluation of Lands and to the investments made in the year, which is partially offset by the effect of the sale of ESSAL. The main investment works of the period are:

Investments (Th\$)	Dec-20
Drilling and reinforcement of water supply system	15.476.490
Treatment of nitrates La Farfana and Mapocho-Trebal Biofactories	13.495.097
Renovation of wastewater networks	12.154.077
Renovation of potable water networks	9.363.553
Asset replenishment La Farfana and Mapocho-Trebal Biofactories	7.487.595
Pirque Tank Construction	6.464.265
Starter and meters	5.792.445
Expansion of Padre Hurtado Potable Water Treatment Plant	4.581.857
Expansion of Quilicura Arsenic Treatment Plant	3.470.496

## 4.2. Liabilities and equity analysis

Liabilities payable as of December 2020 decreased by Th\$9,335,041 compared to December 2019.

Current liabilities increased by Th\$2,854,657. This variation was mainly due to new bank loans and reimbursable financial contributions, partially offset by a decrease in accounts payable associated with investments and the distribution of interim dividends during the first and last quarters of 2020.

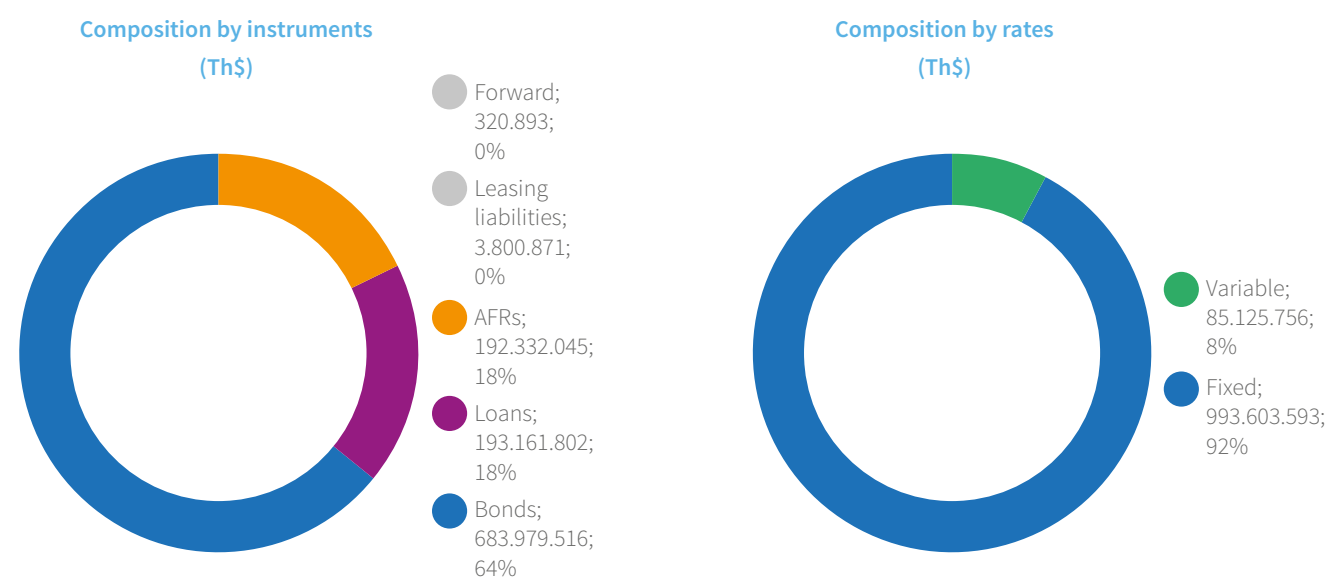
Non-current liabilities presented a decrease of Th\$12,189,698 (1.1%). This variation corresponds mainly to a decrease in deferred taxes of Th\$8,446,483 together with Other financial liabilities of Th\$4,225,431 associated with the effect of the sale of the company ESSAL and lower refundable financial contributions, which is partially offset by an increase in bank loans.

Total equity increased by Th\$154,519,871 and net shareholders' equity attributable to the owners of the parent company increased by Th\$99,580,345, mainly explained by the revaluation of Lands and the profit for the year, which is partially offset with the fourth quarter earnings distribution.

The maturity profile of the financial debt as of December 31, 2020 is as follows:

Financial Debt Th\$	Currency	Total	12 months	1 to 3 years	3 to 5 years	More than 5 years
AFRs	\$	192.332.045	20.182.473	51.169.685	34.103.965	86.875.922
Bonds	\$	683.979.516	18.566.508	32.659.116	16.298.677	616.455.215
Loans	\$	193.161.802	31.994.420	116.020.353	45.147.029	-
Forward	USD	320.893	320.893			
<b>Total other financial liabilities</b>		<b>1.069.794.256</b>	<b>71.064.294</b>	<b>199.849.154</b>	<b>95.549.671</b>	<b>703.331.137</b>
Leasing liabilities	\$	3.800.871	1.420.568	1.435.195	435.473	509.635
<b>Total leasing liabilities</b>		<b>3.800.871</b>	<b>1.420.568</b>	<b>1.435.195</b>	<b>435.473</b>	<b>509.635</b>
<b>Total</b>		<b>1.073.595.127</b>	<b>72.484.862</b>	<b>201.284.349</b>	<b>95.985.144</b>	<b>703.840.772</b>

## 4.3. Structure of financial liabilities



## 5. Cash flow statements

Cash Flow Statement (Th\$)	Dec. 20	Dec. 19	% Var.
Operating Activities	183,718,776	219,600,315	(16.3%)
Investment Activities	(78,371,570)	(109,694,362)	(28.6%)
Financing Activities	(439,471)	(77,936,112)	(99.4%)
<b>Net Cash Flow for the Period</b>	<b>104,907,735</b>	<b>31,969,841</b>	<b>228.1%</b>
<b>Final Cash Balance</b>	<b>177,964,853</b>	<b>73,057,118</b>	<b>143.6%</b>

Cash flow from operating activities decreased by Th\$35,881,539, when compared to December 2020 and December 2019.

The main variations were the following:

- Decrease in collections from the sale of goods and provision of services for Th\$29,900,153, as a result of lower collections from regulated customer accounts due to the situation of COVID-19, since there are no cut-off instances, only collections through virtual platforms are made, which increased the age of the debt between three and over eight months.
- Increase in payments to suppliers of Th\$7,469,958, mainly associated with infrastructure suppliers.
- Increase in payments to and on behalf of employees of \$2,830,163, this increase is mainly associated with higher costs associated with the Covid-19 confinement plans, CPI adjustments and higher accrued vacation provision.
- Increase in interest paid by Th\$3,265,090, mainly related to higher financial debt interests due to the higher volume of debt obtained.

These variations were partially offset by the following concepts:

- Decrease in payments for premiums and benefits, annuities and other obligations arising from policies subscribed for Th\$2,456,892, associated with the payment of corporate all-risk insurance on physical goods for 18 months and the renewal of liability insurance also for 18 months.
- Increase in other charges for operating activities derived from the policies signed for Th\$7,795,123, mainly associated with the Alto Maipo project agreement, since AES GENER exercised its option to extend the contract term.
- Decrease in other payments for operating activities for \$1,838,207, due to lower sales received in 2020 due to the COVID-19 situation.

Disbursements for investment activities decreased by Th\$31,322,792, mainly due to the fact that in October 2020, Aguas Andinas completed the sale of its direct and indirect participation in ESSAL, for which the company received an amount of Th\$73,499,770. Additionally, in 2019, further investments and reinforcements were made in the potable water supply system and the construction of the Pirque tanks, which has been operational since February 2020.

The financing activities made a net cash flow (decrease) of Th\$77,496,641, which is mainly explained by a lower payment of bank loans and reimbursable financial contributions, together with a lower payment of dividends made during 2020.



6. Financial ratios

		Dec. 20	Dec. 19
<b>Liquidity</b>			
Current liquidity	times	1,24	0,82
Acid Test Ratio	times	0,73	0,30
<b>Leverage</b>			
Total Leverage	times	1,17	1,37
Current Leverage	times	0,19	0,18
Non-Current Leverage	times	0,81	0,82
Annualized Financial Expenses Coverage	times	5,05	8,14
<b>Profitability</b>			
Annualized equity profitability attributable to the controller's property owners	%	7,48	11,79
Annualized asset profitability	%	2,06	3,14
Annualized earnings per share	\$	48,23	69,92
Dividend yield (*)	%	8,86	7,99

**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 2020 amounts to \$589.67, while as of December 2019 it amounts to \$819.92.

As of December 2020, current liquidity increased by 51.2%, due to the increase in current assets of Th\$ 106,785,800, mainly explained by higher cash and cash equivalents, resulting from bank loans arranged during the year and the proceeds from the sale of the direct and indirect participation in ESSAL.

The indebtedness ratio decreased by 14.6%, mainly due to an increase in total equity of Th\$154,519,871, mainly explained by the revaluation of Lands and the earnings of the period, offset with the dividends payment made in the fourth quarter of 2020. On the other hand, the current liabilities decreased by Th\$9,335,041 due to a decrease of deferred taxes and the other financial liabilities, associated to the effect of sale of company ESSAL.

The profitability of shareholders' equity attributable to the owners of the parent company decreased by 36.6% due to an increase of average equity by Th\$51,223,523, due to the revaluation of Lands and a decrease in the profit for the year by Th\$21,693,111.

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:

<b>Aguas Andinas S.A.</b>	
Group 1	January 2020
Group 2	January 2020
Rinconada de Maipú	May 2019 and January 2020

<b>Aguas Cordillera S.A.</b>	March 2020
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<b>Aguas Manquehue S.A.</b>	
Santa María	May 2020
Los Trapenses	May 2020
Chamisero	May 2020
Chicureo	January 2020
Valle Grande 3	January 2020

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 2020-2025 for Aguas Andinas S.A., were approved by Decree No. 33 dated May 5, 2020, for Aguas Andinas, of the Ministry of Economy, Development and Reconstruction and came into force on March 1, 2020 (published in the Official Gazette on December 2, 2020). The current tariffs of Aguas Cordillera S.A. for the 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).

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

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 potable water, 98.8% of sewerage services and 100% of wastewater treatment in the Santiago basin.

**Aguas Cordillera S.A.** has 100% coverage of potable water, 98.9% of sewerage service and 100% of wastewater treatment.

**Aguas Manquehue S.A.** has 100% coverage in potable water, 99.5% in sewerage service 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 have an obligation to agree on 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: October 29, 2020.

Locations: November 17, 2015, December 12, 2016, April 6, 2018, October 29, 2020, and November 16, 2020.

**Aguas Cordillera S.A.**

Aguas Cordillera and Villa Los Dominicos: October 29, 2020.

**Aguas Manquehue S.A.**

Santa María and Los Trapenses: November 9, 2020.

Chicureo, Chamisero and Valle Grande III: August 10, 2016

Alto Lampa: December 6, 2018.

**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 statements. 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, 2020, the interest rate risk held by Inversiones Aguas Metropolitanas S.A. is comprised of 92.6% fixed rate and 7.4% variable rate. The fixed-rate debt is made up of: issues of short and long-term bonds (68.8%), reimbursable financial contributions (19.3%), bank loans (11.5%) and lease liabilities (0.4%), while the variable-rate debt corresponds to loans with domestic banks.

As of December 31, 2019, the interest rate risk held by Aguas Metropolitanas 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.

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 assigned us a classification of first-class level 1 and Fitch Ratings assigned us a classification of first-class level 2.

# Summary Financial Statements / Aguas Andinas S.A. and Subsidiaries

Year ended December 31, 2020



AGUAS ANDINAS S.A. AND SUBSIDIARIES

General Background

Name:

Aguas Andinas S.A.

Type of entity:

Sociedad anónima abierta

Inscripción en Registro de valores:

Nº 0346

Legal address:

Avenida Presidente Balmaceda Nº 1398, Santiago Chile

Telephone:

(56-2) 569 2500

Fax:

(56-2) 569 2777

Single Tax Role (RUT):

61.808.000-5

Mail box:

1537 Santiago

Business line:

Collection, purification, distribution of potable water and wastewater disposal.

Subscribed and paid-in capital:

Th\$ 155,567,354

External auditors:

Ernst & Young

Single Tax Role (RUT):

61.808.000-5

Legal Incorporation of the Company.

Aguas Andinas S.A. was incorporated as a corporation by public deed on May 31, 1989 in Santiago, Chile, before the Notary Public Mr. Raúl Undurraga Laso. An extract of the bylaws was published in the Official Gazette of June 10, 1989 and was registered in the Commercial Registry on page 13,891, No. 7,040 of 1989 of the Santiago Real Estate Registry.

Legal Aspects.

The Company is registered in the Securities Registry of the Superintendence of Securities and Insurance (hereinafter "Financial Market Commission") under No. 0346, pursuant to Law No. 18,777. As a sanitary sector company, it is supervised by the Superintendence of Sanitary Services, in accordance with Law No. 18,902 and Law Decree No. 382 and Law Decree No. 70, both of 1988.

Corporate Purpose.

The Company's corporate purpose is the provision of sanitary services, which includes the construction and operation of public services to produce and distribute potable water and collect and dispose of wastewater within the concession area distributed in Greater Santiago, peripheral locations and in the Los Ríos and Lagos Region, except for the city of Valdivia.

In order to provide a comprehensive service to customers, the Company has non-sanitary subsidiaries providing diversified services such as industrial waste treatment, commercialization of materials and technical analysis.

Board of Directors

Chairman:

Claudio Muñoz Zuñiga

Regular Directors:

Jorge Manet Codina  
Loreto Silva Rojas  
Giorgianna Cúneo Queirolo  
Narciso Berberana Sáenz  
Rodrigo Manubens Moltedo  
Luis Mayol Bouchon

Alternate Directors:

Cosme Sagnier Guimón  
Sonia Tschorne Berestesky  
Tomás Uauy Cúneo  
Fernando Samaniego  
Gonzalo Rojas Vildósola  
Mauricio Rojas Mullor

Chief Executive Officer:

Marta Colet Gonzalo

Key Executives:

Service Management Director

Eugenio Rodríguez

Director of Operations and Circular Economy

Daniel Tugues

Chief Transformation Officer

Iván Yarur

Financial Director (CFO)

Didac Borrás

Legal, Regulatory Affairs and Corporate Governance Director

Camilo Larraín

Organization, People, and Work Environment Director

Josep Bonet

Planning and Engineering Director

Alberto Blanco

Percentage of parent company:

50,10234% direct

Proportion that represents the investment in the parent company's assets

The investment in the company represents the proportion of 52.31%

Business relationship with parent company and subsidiaries of the parent company

During the business year ended December 31, 2020, the Company maintained contracts for interconnection of potable water and wastewater, leases, purchase and sales of materials with its parent company, which are paid within a maximum period of 30 days. Similar commercial relationships are expected to be maintained in the future.similares relaciones comerciales.

## Note 1. OVERVIEW

Aguas Andinas S.A. (hereinafter the “Company”) and its Subsidiaries are part of the Aguas Andinas Group (hereinafter the “Group”). Its legal address is Avenida Presidente Balmaceda 1398, Santiago, Chile and its Taxpayer Identification Number (RUT, for its acronym in Spanish) is 61.808.000-5.

Aguas Andinas S.A. was incorporated as an open stock Company by public deed on May 31, 1989 in Santiago, before the Notary Public Mr. Raúl Undurraga Laso. An excerpt of the by-laws was published in the Official Gazette on June 10, 1989 and was registered in the Registry of Commerce on page 13,981, No. 7,040 of 1989 of the Santiago Real Estate Registrar.

The Company's corporate purpose, in accordance with Article 2 of its bylaws, is the provision of water utility services, which includes the construction and operation of public services aimed at producing and distributing potable water and collecting and disposing of wastewater. Its current concession area is distributed in Greater Santiago and outlying towns.

The Company is the parent company of two water utility companies, two in the Greater Santiago ("Aguas Cordillera S.A." and "Aguas Manquehue S.A."). 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 is registered in the Securities Registry of the Financial Market Commission under No. 346. 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 Sanitary Services (SISS, for its acronym in Spanish), in accordance with Law No. 18,902 of 1989 and Decrees with Force of Law No. 382 and No. 70, both of 1988.

For the purposes of preparing consolidated financial statements, a group is deemed to exist when the parent company has one or more Subsidiaries, over which the parent company has control either directly or indirectly. The accounting policies applied in the preparation of the Group's consolidated financial statements are detailed in Note 2.2.

The direct controlling entity is Inversiones Aguas Metropolitanas S.A. ("IAM") with a 50.10234% ownership, a corporation controlled by Suez Inversiones Aguas del Gran Santiago Ltda. ("IAGSA"), which is controlled by Suez Andinas S.A., its controller is Suez Spain, S.L., a company based in Spain and one of the largest operators of water utility services in the world, which in turn is controlled by Suez Groupe S.A.S. (France).

## Note 2. PREPARATION BASIS AND ACCOUNTING POLICIES

### 2.1 Preparation basis

These interim consolidated financial statements correspond to the consolidated statements of financial position as of December 31, 2020 and 2019 and the consolidated statements of comprehensive income, changes in net equity and cash flows for the years ended December 31, 2020 and 2019, which have been prepared in accordance with International Accounting Standards (IAS), included in the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the full, explicit and unreserved adoption of the aforementioned IFRS.

The Group complies with the legal conditions of the environment in which it operates, in particular the water utility Subsidiaries with respect to the regulations pertaining to the water utility sector. The Group companies present normal operating conditions in each area in which they develop their activities, their projections show a profitable operation and they have the capacity to access the financial system to finance their operations, which in the opinion of management determines their capacity to continue as a going concern, as established in the accounting standards under which these consolidated financial statements are issued.

### Functional and presentation currency

The financial statements of each of the Group Companies are presented in the currency of the main economic environment in which the companies operate (functional currency). For purposes of the consolidated financial statements, the results and financial position of each Group Company are expressed in Chilean pesos (rounded to thousands of pesos), which is the functional currency of the Company and its Subsidiaries, and the presentation currency for the consolidated financial statements.

### New accounting pronouncements

The standards and interpretations, as well as the improvements and modifications to IFRS, that have been issued, effective as of the date of these financial statements, are detailed below. The Company has applied these standards and concluded that they did not significantly affect the financial statements.

Standars and Interpretations	Date of mandatory enforcement
Conceptual framework	Annual periods beginning on or after January 1, 2020

Arrendments	Date of mandatory enforcement
IFRS 3, Business combinations - Definition of a business	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of financial statements and IAS 8, Investments in associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Financial Instruments - Reference Rate Reform	Annual periods beginning on or after January 1, 2020
IFRS 16, Leases - Rent reductions related to Covid-19	Annual periods beginning on or after January 1, 2020 *

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

The standards and interpretations, as well as improvements and amendments to IFRS, that have been issued but are not yet effective as of the date of these financial statements are detailed below. The Company has not applied these standards early.

Standars and Interpretations	Date of mandatory enforcement
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023

Arrendments	Date of mandatory enforcement
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Benchmark Interest Rate Reform - Phase 2	Annual periods beginning on or after January 1, 2021
IFRS 3, Business Combinations - Reference to the Conceptual Framework	Annual periods beginning on or after January 1, 2022
IFRS 16, Leases - Property, plant and equipment: proceeds obtained before intended use	Annual periods beginning on or after January 1, 2022
IAS 37, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - cost of fulfilling a contract	Annual periods beginning on or after January 1, 2022
IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	Annual periods beginning on or after January 1, 2023
IFRS 10 and IAS 28, Consolidated Financial Statements - 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 statements in the period of their first application. Management is periodically assessing these implications.

### Responsibility for the information and estimates made

The information contained in these consolidated financial statements is the responsibility of the Company's Board of Directors, which states that all principles and criteria included in International Financial Reporting Standards (IFRS) have been applied. The Board of Directors, at its meeting held on March 24, 2021, approved these consolidated financial statements.

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

Estimates have been used in the preparation of the consolidated financial statements, such as:

- Land revaluation
- Useful life of property, plant and equipment and intangibles
- Valuation of assets and purchased goodwill (goodwill or lower investment value)
- Impairment losses on assets
- Assumptions used in the actuarial calculation of employee termination benefits
- Assumptions used for the calculation of the fair value of financial instruments
- Income from supplies pending billing
- Provisions for commitments to third parties
- Risks arising from current litigation

Although these estimates and judgments were made on the basis of the best information available at the date of issuance of these consolidated financial statements, it is possible that events that may occur in the future, such as what happened in this period regarding Covid-19, as may require them to be modified (upwards or downwards) in future periods which would be recorded prospectively, when the variation is known, recognizing the effects of such changes in the corresponding future consolidated financial statements.

## 2.2 Accounting policies

The main accounting policies adopted in the preparation of these consolidated financial statements are described below.

### A. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and the entities controlled by it (its Subsidiary). 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 Subsidiary have uniformity in the policies used.

The subsidiaries included in the consolidated financial statements of Aguas Cordillera S.A. are the following:

Tax ID	Company Name	Direct %	Indirect %	Total 2020 %	Direct %	Indirect %	Total 2019 %
96.809.310-K	Aguas Cordillera S.A.	99,99003	-	99,99003	99,99003	-	99,99003
89.221.000-4	Aguas Manquehue S.A.	0,00043	99,99957	100,00000	0,00043	99,99957	100,00000
96.897.320-7	Inversiones Iberaguas Ltda. (*)	-	-	-	99,999998	0,000002	100,00000
96.579.800-5	ESSAL S.A. (*)	-	-	-	2,50650	51,00000	53,50650
96.945.210-3	EcoRiles S.A.	99,03846	0,96154	100,00000	99,03846	0,96154	100,00000
96.828.120-8	Gestión y Servicios S.A.	97,84783	2,15217	100,00000	97,84783	2,15217	100,00000
96.967.550-1	Análisis Ambientales S.A.	99,00000	1,00000	100,00000	99,00000	1,00000	100,00000
76.190.084-6	Aguas del Maipo S.A.	82,64996	17,35004	100,00000	82,64996	17,35004	100,00000

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

### B. Operating segments

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

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

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

### C. Intangible assets other than goodwill

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

#### i. Separately acquired intangible assets:

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

#### ii. Amortization method for intangibles:

##### Intangibles with a defined useful life

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

### Software

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

### Intangibles of indefinite useful life

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

### Determination of useful life

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

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

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

### D. Goodwill

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

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



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

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

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

### E. Property, plant and equipment

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

Land revaluations are performed with sufficient regularity to ensure that the carrying value of the revalued asset does not differ significantly from fair value.

The revaluation surplus, net of the corresponding deferred taxes, is recognized in other comprehensive income within equity. However, in the event that a revaluation deficit of the same asset previously recognized as a loss is reversed, such increase is recognized in the statement of income. A decrease in value is recorded in the statement of income, except in the event that such decrease reverses the existing surplus on the same asset that would have been recognized in adjustments for changes in value.

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 32).

### Useful lives

The useful lives considered for the purposes of calculating depreciation are based on technical studies prepared by specialized external companies, which are

reviewed to the extent that background information emerges that would allow the useful life of an asset to be considered modified.

The allocation of the total useful life for assets is made on the basis of several factors, including the nature of the equipment. Such factors generally include:

1. Nature of the materials that make up the equipment or construction.
2. Means of operation of the equipment
3. Intensity of use
4. Legal, regulatory or contractual limitations.

The useful life range (in years) by type of Asset is as follows:

Item	Minimum useful life (years)	Maximum useful life (years)
Buildings	25	80
Plant and equipment	5	50
IT equipment	4	4
Fixed installations and accessories	5	80
Motor vehicles	7	10
Leasehold improvements	5	5
Other property, plant & equipment	5	80

### Cost estimate policy for dismantling, decommissioning or restoration of property, plant and equipment:

Due to the nature of the assets that are built in the Company and given that there are no contractual obligations or other constructive requirements such as those mentioned by IFRS and, within the regulatory framework, the concept of decommissioning costs is not applicable at the date of these consolidated financial statements.

### Property, plant and equipment sales policy

The result from the sale of property, plant and equipment is calculated by comparing the income obtained with the carrying amount and is recorded in the Consolidated Statement of Comprehensive Income.

### F. Impairment of tangible and intangible assets other than goodwill

At each reporting date in the consolidated Statement of Financial Position, the Group reviews the carrying amounts of its tangible and intangible assets with defined useful lives to determine whether there are indications that those assets have suffered an impairment loss. If such indicators exist, the recoverable value of the assets is estimated to determine the amount of the impairment loss (if any). When it is not possible to estimate the recoverable amount of a particular asset, the Group estimates the recoverable value of the Cash Generating Unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested annually for impairment and, where there are indicators that the asset may be impaired before the end of that period.

Recoverable value is the higher of fair value less costs to sell and value in use. For the estimation of value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both current market conditions of the value of money over time and the specific risks associated with the asset.

When the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of that asset (or cash-generating unit) is adjusted to its recoverable amount and an impairment loss is recognized immediately in income. When an impairment loss reverses, the carrying amount of the asset (or cash-generating unit) is adjusted to the revised estimate of its recoverable amount, provided that the adjusted carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

### G. Leases

The Group evaluates its lease contracts in accordance with IFRS 16, i.e. if the right to control the use of an identified asset for a period of time is transferred in exchange for a consideration. Control is deemed to exist if the customer has (i) the right to obtain substantially all of the economic benefits from the use of an identified asset; and (ii) the right to direct the use of the asset.

When the Group acts as a lessee, at the beginning of the lease (i.e. on the date the underlying asset is available for use) it records in the statement of financial position an asset for the right of use and a liability for the lease.

The Group initially recognizes the right-to-use asset at cost, adjusted by any new measurement of the lease liability, less accumulated depreciation and accumulated impairment losses. The right-to-use asset is depreciated over the term of the lease. To determine whether the right-of-use asset is impaired, the same criteria detailed in Note 2.2.F is applied.

The lease liability is initially measured at the present value of the lease payments, discounted at the company's incremental lending rate, if the interest rate implicit in the lease cannot be easily determined.

After the start date, the lease liability is increased to reflect the accumulation of interest and is reduced by the lease payments made. In addition, the carrying value of the liability is remeasured if there is a change in the terms of the lease (changes in the term, in the amount of the payments or in the assessment of an option to purchase or change in the amounts to be paid). Interest expense is recognized as a financial cost in the result of the period.

Short-term leases of one year or less, or leases of low value assets are exempted from the application of the recognition criteria described above, with payments associated with the lease being recognized as an expense on a straight-line basis over the term of the lease.

When the Group acts as the lessor, it classifies at the beginning of the agreement whether the lease is an operating or finance lease, based on the essence of the transaction. Leases that transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as finance leases. All other leases are classified as operating leases.

H. Financial assets

Acquisitions and disposals of financial instruments are recognized on the trading date, i.e. the date on which the Group undertakes to acquire or sell the asset. Investments are derecognized when the rights to receive cash flows from them have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in results
- Financial assets at fair value with changes in comprehensive income
- Financial assets at amortized cost

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

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

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

i. Effective interest rate method

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

ii. Fair value with changes in other comprehensive income

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

iii. Financial assets at fair value with changes in results

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

Financial assets at fair value with changes in results are valued at fair value and any resulting loss or gain is recognized in the results. The net loss or gain recognized in the results includes any dividend or interest received over the financial asset.

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

iv. Financial assets at amortized cost

Loans and accounts receivable

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

Trade debtors and other accounts receivable

Trade debtors correspond to the amounts billed for consumption of potable water, sewage services, wastewater treatment and other services and to the earned income from consumption between the date of the last meter reading (according to the established monthly calendar) and the closing date of the Financial Statement. These are recorded at the net value of the estimated bad debts or those with a low probability of being collected.

Trade debtor policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed upon for delinquent customer.

Policy on impairment of trade debtors and other accounts receivable

The Company periodically assesses the losses in value affecting its financial assets. The amount is recorded in the uncollectible provisions account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on credit loss model expected according to IFRS 9.

The estimates are based on recovery statistics, which indicate that after the eighth month of unpaid billing, the possibility of recovery is marginal, in other words, the probability of recovering a billed value is minimal.

In Aguas Andinas S.A. and its subsidiaries Aguas Cordillera S.A. and Aguas Manquehue S.A., the debt of customers with more than 8 balances is 100% provisioned.

Additionally, debts for consumption transformed into payment agreements are provisioned at 100% of the agreed balance.

Provisions are made for 100% of notes receivable that are overdue.

I. Inventories

Materials, spare parts, and supplies are presented at acquisition cost, which does not exceed net realizable value. The costing method corresponds to the weighted average cost. Every six months, an estimate of impairment is made for those

materials that are damaged, partially or totally obsolete, or have had no turnover during the last twelve months and their price in the market has fallen by more than 20%.

J. Dividend policy

The Company's dividend policy, as established in Article 79 of Law 18,046 which governs Public Limited Companies, is to distribute at least 30% of the net profits of each year. In the event that these dividends do not exist or are less than the minimum established by Law, the respective provision will be made.

In addition to this and with the prior authorization of the Ordinary Shareholders' Meeting, the remaining 70% may be distributed as an additional dividend, provided that the current level of capitalization of the Company is maintained and is compatible with the investment policies.

K. Foreign currency transactions

Assets and liabilities in foreign currencies are presented at the respective financial year-end exchange rates, according to the following parities:

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the liquidation of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Exchange rate differences are recorded in the results of the period in which they are accrued.

**L. Financial liabilities**

Loans, obligations to the public and similar are initially recorded at fair value, net of transaction costs incurred. Subsequently, they are valued at amortized cost, using the effective interest rate, except for those operations for which hedge contracts have been entered into, which are valued in accordance with the following section.

**M. Derivative financial instruments and hedge accounting**

The use of derivative financial instruments by Aguas Andinas S.A. and Subsidiaries is based on the Group's financial risk management policies, which establish the guidelines for their use.

The Group uses derivative financial instruments as hedging instruments to mitigate inflation, interest rate and foreign currency risks on existing items to which it has been exposed due to its operations.

Derivatives are recorded at their fair value on the date of the statement of financial position. In the case of financial derivatives, if their value is positive, they are recorded under the heading "Other Financial Assets" and if it is negative, under the heading "Other Financial Liabilities".

Changes in fair value are recorded directly in the income statement, unless a derivative has been designated for accounting purposes as a hedging instrument and all the conditions set out in IFRS for applying hedge accounting are met.

The treatment of hedging transactions with derivative instruments is as follows:

**Fair value hedges.** Changes in the market value of derivative financial instruments designated as hedging instruments, as well as the items hedged, are recorded with a charge or credit to financial results in the respective income statements.

**Cash flow and net investment in foreign currency hedges.** Changes in the fair value of these derivative financial instruments are recorded for the effective part directly in an equity reserve called a "cash flow hedge", while the ineffective part is recorded in income. The amount recognized in net equity is not transferred to the income statement until the results of the hedged transactions are recorded therein, or until the maturity date of such transactions.

If the hedge is discontinued, the cumulative gain or loss at that date in net equity is maintained until the underlying hedged transaction is performed. At that time, the cumulative gain or loss in equity will be reversed to the income statement, affecting the transaction.

At the end of each fiscal year, financial instruments are presented at their fair value. In the case of derivatives not traded in formal markets, the Group uses assumptions based on market conditions at that date to measure them.

**Effectiveness.** A hedge is considered highly effective when the changes in fair value or cash flows of the underlying directly attributable to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument with effectiveness in the range of 80% to 125%.

**Implicit derivative.** The Group also assesses the existence of derivatives embedded

in contracts and financial instruments to determine whether their characteristics and risks are closely related to the main contract, provided that the set is not being accounted for at fair value. If they are not closely related, they are recognized separately and changes in value are recognized directly in the consolidated income statement.

**N. Provisions and contingent liabilities**

Provisions are recognized when the Group has a present obligation resulting from past events, for which it is probable that the Group will use resources to settle the obligation and for which it can make a reasonable estimate of the amount of the obligation.

Provisions are quantified taking into consideration the best available information on the event and its consequences and are re-estimated at the time of each accounting close. The provisions recorded are used to address the specific risks for which they were originally recognized and are revised, in full or in part, when these risks disappear or diminish.

Contingent liabilities are all possible obligations arising from past events, the future materialization of which and the associated loss in equity is considered to be of low probability. In accordance with IFRS, the Group does not recognize any provision for these items, although, as required by the same standard, they are detailed in Note 17.

**O. Employee benefits**

The obligation for the severance package, which is estimated to accrue to employees retiring from Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A., is recorded at actuarial value, determined using the projected unit credit method. Actuarial gains and losses on indemnities derived from changes in estimates of turnover rates, mortality rates, salary increases or discount rates, are determined in accordance with IAS 19 in other comprehensive income, directly affecting Equity, which is subsequently reclassified to accumulated results.

**Aguas Andinas S.A.**

Severance package in Aguas Andinas S.A. is governed by the provisions of the Labor Code, except for the amount of severance payment for all events accrued as of July 31, 2002 and the payment of 1.45 salaries for termination, excluding voluntary resignation, without limit of amount or years, for workers who are part of the collective bargaining agreements in force and to whom the same benefit was extended through their individual work contract. The amount to any event accumulated to that date is readjusted quarterly according to the variation of the consumer price index. In addition, the aforementioned collective bargaining agreements establishes that workers who retire from Aguas Andinas S.A. and make their retirement effective within 120 days from the date on which they reach legal retirement age may access the benefit detailed in the collective bargaining agreements, and continue to accrue this benefit after July 2002.

**Aguas Cordillera S.A. and Aguas Manquehue S.A.**

Severance package in Aguas Cordillera S.A., and Aguas Manquehue S.A., is governed by the provisions of the Labor Code, except for the amount of severance pay for all

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

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

**P. Share-based payment reserve**

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

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

**Q. Income tax and deferred taxes**

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

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

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

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



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

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

R. Ordinary income

Revenue recognition policy

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

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

Revenue recognition policy for sales of goods

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

Revenue recognition policy for sales of services

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

The service area of the Water Utility Companies is divided into billing groups, which determines dates for readings and subsequent billing. This process is developed on

the basis of a monthly calendar, which means that at the end of each month there is unread consumption and therefore not billed.

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

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

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

Method for determining completion of service status

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

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

S. Earnings per share

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

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

T. Information on environment

Assets of an environmental nature are considered to be those used on a lasting basis in the activity of the Company and its Subsidiaries, the main purpose of which is to minimize adverse environmental impacts and to protect and improve the environment, including the reduction or elimination of future pollution from the operations of Aguas Andinas S.A. and its Subsidiaries.

These assets are valued, like any other asset, at acquisition cost. The Company and its Subsidiaries depreciate these assets on a straight-line basis over the remaining years of estimated useful life of the various assets.

U. Consolidated statements of cash flow

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

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

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

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

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

V. Construction contracts

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

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

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

The Group presents as a liability the gross amount owed to customers for work on all contracts in progress for which partial billing exceeds costs incurred plus recognized profits (less recognized losses).

W. Capitalized financing costs

Policy on interest-bearing loans:

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

Policy on capitalization of interest costs:

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

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

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

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

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

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

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

Y. Reclassifications

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

Reclassifications	Increase/(Decrease) Th\$
Statement of financial position:	
Usage rights assets	3.419.001
Properties, plant and equipment	(3.419.001)
Current lease liabilities	1.496.533
Other current financial liabilities	(1.496.533)
Non-current lease liabilities	1.942.083
Other non-current financial liabilities	(1.942.083)

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

Z. Change in accounting policy

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

For more information, see Note 12.

Note 3. INFORMATION TO BE DISCLOSED ABOUT RELATED ENTITIES

Balances and transactions with related entities

Transactions between the Company and its Subsidiaries are carried out on an arm's length basis. These transactions have been eliminated on consolidation and are not disclosed in this note.

Balances and transactions with related entities

Accounts receivable from related parties are originated in Chile, the type of currency of transactions is in Chilean pesos, maturities are 30 days and there are no guarantees.

Tax ID related company	Related company name	Nature of relationship	Nature of transactions with related parties	31-12-2020 Th\$	31-12-2019 Th\$
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the Controller	Laboratory analysis and sampling services	3.820	6.141
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	Laboratory analysis and sampling services	1.741	-
65.113.732-2	Corporación Chilena de Investigación del Agua Spa.	Related to the Controller	Laboratory analysis and sampling services	-	86
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the Controller	Sales of materials	237	18.681
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Office lease	-	416
76.746.454-1	Suez Biofactoría Andina Spa.	Related to the Controller	La Farfana Biofactory Insurance	977.058	-
Total				982.856	25.324

Accounts payable to related entities

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

Tax ID related company	Related company name	Nature of relationship	Nature of transactions with related parties	31-12-2020 Th\$	31-12-2019 Th\$
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CCO 2.0 Operative Control Center Update Project	60.094	586.835
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	SCADA platform	-	5.979
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	San Antonio Arsenic Plant	-	249.326
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	Chamisero Plant	-	350.000
76.746.454-1	Suez Biofactoría Andina Spa.	Related to the controller	Biofactory adaptation plan for La Farfana treatment plant	5.013.608	4.564.482
76.746.454-1	Suez Biofactoría Andina Spa.	Related to the controller	Nitrogen removal and adaptation plan to biofactory of Mapocho-Trebal treatment plant	10.985.877	10.575.060
65.113.732-2	Corporación Chilena de Investigación del Agua Spa.	Related to the controller	Consulting	507.241	270.081
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Purchase of materials	6.902	36.268
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Virtual platform	53.602	81.579
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Specialized customer service	205.213	701.861
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Service contract for process reengineering and implementation of new information systems for customer service	42.208	141.217
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Rehabilitation of Digesters Sewage Plant Mapocho - Trebal	729.635	787.428
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Operation services Biogas Plant	30.990	59.739
Sin Rut	Aqua Development Network S.A.	Related to the controller	Integrated talent management contract	-	28.197
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Payable dividends	-	22.262.210
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Common director	Electric power purchase	-	11.552
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Common director	Water purchase	33.594	226.250
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common director	Water purchase	77.066	92.640
Total				17.746.030	41.030.704



Transactions with related entities

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

Tax ID related company	Related company name	Nature of relationship	Country of origin	Nature of transactions with related parties	Currency	31-12-2020 Th\$		31-12-2019 Th\$	
						Amount	Effects on Result (Charge) / Credit	Amount	Effects on Result (Charge) / Credit
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	CL	Purchase of materials	CLP	581.525	(262.758)	902.543	(699.064)
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	CL	Sale of materials	CLP	7.687	6.459	181.944	152.894
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	CL	Siebel and Aguacis virtual platform maintenance, consulting and evolutionary maintenance, Aquacis licenses	CLP	2.998.246	(1.917.945)	983.147	(896.892)
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Digester Rehabilitation	CLP	1.869.749	-	1.402.394	-
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Operation and Maintenance Services Biogas Plant	CLP	198.553	(168.251)	225.970	(195.795)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	Project Update Operational Control Center CCO 2.0 and Tracer Gas Leak Detection	CLP	2.911.316	(1.040.805)	1.348.270	(271.050)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	Chamisero Plant Construction (Batuco Canal)	CLP	423.119	-	1.460.329	-
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	San Antonio Arsenic Plant Construction	CLP	2.658	-	680.571	-
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	Talagante Plant, Hydraulic efficiency plan, materials and services	CLP	-	-	1.413.783	-
Sin Rut	Aqua Development Network S.A.	Related to the controller	CL	Talent Management Project	CLP	-	-	279.378	(279.378)
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Common director	CL	Purchase of water and electricity	CLP	3.291.168	(2.765.687)	1.786.978	(1.501.662)
76.746.454-1	Suez Biofactoría Andina spa.	Related to the controller	CL	Operation, maintenance and adequacy of the Biofactoria treatment plant.	CLP	56.848.374	(27.574.925)	54.324.345	(27.731.571)
70.009.410-3	Asociación Canalistas sociedad del canal del Maipo	Common director	CL	Purchase of water	CLP	1.309.734	(1.100.617)	328.671	(276.194)
65.113.732-2	Corporación Chilena de Investigación del Agua	Related to the controller	CL	Study on management models of resilient urban water infrastructure in relation to hydrological and geological risks, sludge valorization	CLP	802.005	(767.222)	744.753	(370.529)
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	CL	Paid dividends	CLP	54.728.445	-	66.561.303	-

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

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FINANCIAL STATEMENTS

### Compensation to Directors and Directors' Committee

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

	31-12-2020 Th\$	31-12-2019 Th\$
Boards of Directors	392.791	449.815
Directors Committee	69.517	52.295
Total	462.308	502.110

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

### Details of related entities and transactions with related entities between Directors and Executives

The Company's management is not aware of the existence of transactions between related parties and directors and/or executives, other than their allowances and compensation.

Statements of financial position	2020 Th\$	2019Th\$
<b>ASSETS</b>		
Current assets	302.254.499	197.676.646
Non-current assets	1.842.181.989	1.803.767.656
<b>Total Assets</b>	<b>2.144.436.488</b>	<b>2.001.444.302</b>
<b>LIABILITIES</b>		
Current liabilities	244.032.589	242.137.717
Non-current liabilities	1.059.655.092	1.071.833.122
Equity	840.723.242	644.453.334
Minority interests	25.565	43.020.129
<b>Total Liabilities and Equity</b>	<b>2.144.436.488</b>	<b>2.001.444.302</b>
<b>STATEMENT OF COMPREHENSIVE RESULTS</b>		
Ordinary income	478.773.563	484.329.084
Cost of operation	(311.981.391)	(262.973.770)
Financial result	(24.303.832)	(21.528.894)
Other than the operation	(26.806.709)	(7.753.582)
Income tax	(26.987.579)	(49.352.038)
Discontinued operations	11.671.443	(2.970.428)
Minority interest	1.673.827	(1.986.816)
<b>Profit attributable to owners of controlling company</b>	<b>98.691.668</b>	<b>141.737.188</b>
<b>STATEMENT OF CASH FLOW</b>		
Cash flows provided by (used in) operating activities	185.293.280	220.759.469
Cash flows provided by (used in) investing activities	(78.371.570)	(109.694.362)
Cash flows from (used in) financing activities	(4.038.882)	(78.982.823)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>102.882.828</b>	<b>32.082.284</b>
Cash and cash equivalents at beginning of period	72.062.758	39.980.474
<b>Cash and cash equivalents at the end of the period</b>	<b>174.945.586</b>	<b>72.062.758</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>		
Issued capital	155.567.354	155.567.354
Retained earnings (loss)	364.961.863	330.787.492
Share premium	164.064.038	164.064.038
Other equity interests	(5.965.550)	(5.965.550)
Other reserves	162.095.537	-
Non-controlling interests	25.565	43.020.129
<b>Total equity</b>	<b>840.748.807</b>	<b>687.473.463</b>

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STATEMENTS OF FINANCIAL POSITION ENDED AS OF DECEMBER 31, 2020	Aguas Andinas S.A. y Filiales		Aguas Cordillera S.A. y Filiales		Aguas Manquehue S.A.		Ecoriles S.A.		Aguas del Maipo S.A		Gestión y Servicios S.A		Análisis Ambientales S.A	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
ASSETS														
Current Assets	302.254.499	197.676.646	18.593.041	20.489.459	5.660.145	4.781.637	7.691.327	6.022.761	1.308.730	1.575.347	4.986.927	6.198.235	3.789.679	4.121.604
Non-current Assets	1.842.181.989	1.803.767.656	398.580.857	312.222.909	98.536.029	94.244.894	842.045	701.223	12.188.311	12.934.061	2.734.194	858.838	5.782.464	5.558.457
Total Assets	2.144.436.488	2.001.444.302	417.173.898	332.712.368	104.196.174	99.026.531	8.533.372	6.723.984	13.497.041	14.509.408	7.721.121	7.057.073	9.572.143	9.680.061
LIABILITIES														
Current Liabilities	244.032.589	242.137.717	69.051.362	53.321.458	17.975.680	16.555.430	2.726.103	2.855.498	5.990.531	6.006.110	3.300.482	3.756.652	1.570.421	1.901.856
Non-current Liabilities	1.059.655.092	1.071.833.122	91.704.771	74.100.996	27.715.600	27.164.059	39.421	73.381	4.272	6.525	1.067.776	91.949	436.408	1.515.036
Equity	840.723.242	644.453.334	256.417.513	205.289.676	58.504.894	55.307.042	5.767.848	3.795.105	7.502.238	8.496.773	3.352.863	3.208.472	7.565.314	6.263.169
Minority Interests	25.565	43.020.129	252	238	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Equity	2.144.436.488	2.001.444.302	417.173.898	332.712.368	104.196.174	99.026.531	8.533.372	6.723.984	13.497.041	14.509.408	7.721.121	7.057.073	9.572.143	9.680.061
STATEMENT OF RESULTS														
Ordinary income	478.773.563	484.329.084	70.582.730	74.177.612	16.316.315	17.115.014	16.282.874	14.432.857	339.931	1.071.511	8.917.094	10.454.700	9.616.567	9.450.854
Cost of operation	(311.981.391)	(262.973.770)	(46.357.488)	(42.650.910)	(10.761.326)	(8.680.556)	(13.390.610)	(11.908.959)	(1.341.032)	(1.415.228)	(8.708.216)	(9.983.482)	(8.015.058)	(7.868.702)
Financial result	(24.303.832)	(21.528.894)	(1.274.458)	(2.009.866)	(700.171)	(743.779)	(4.602)	(6.749)	(119.509)	(117.399)	(27.217)	(14.904)	(43.837)	(48.493)
Other than the operation	(26.806.709)	(7.753.582)	(1.309.387)	(1.474.514)	(676.501)	(626.121)	(150.258)	12.956	26.376	(303.405)	(42.461)	(244.401)	(169.762)	(76.113)
Income tax	(26.987.579)	(49.352.038)	(4.535.997)	(6.652.461)	(863.393)	(1.656.124)	(718.577)	(688.392)	99.699	129.754	(18.546)	(19.790)	(329.757)	(388.496)
Minority interests	11.671.443	(2.970.428)	-	-	-	-	-	-	-	-	-	-	-	-
Profit attributable to owners of controlling company	1.673.827	1.986.816	(14)	(23)	-	-	-	-	-	-	-	-	-	-
Ganancia atribuible a los propietarios de la controladora	98.691.668	141.737.188	17.105.386	21.389.838	3.314.925	5.408.434	2.018.827	1.841.713	(994.535)	(634.767)	120.654	192.123	1.058.153	1.069.050
STATEMENT OF CASH FLOW														
Net Cash Flows from Operating Activities	185.293.280	220.759.469	27.225.039	35.731.053	9.213.683	10.479.195	3.193.739	1.662.395	73.629	(2.258.720)	(332.385)	724.940	1.506.030	849.959
Net Cash Flows from Investing Activities	(78.371.570)	(109.694.362)	(21.261.540)	(12.376.686)	(3.587.493)	(6.926.409)	(257.625)	(47.123)	-	-	(194.703)	(24.109)	(541.472)	(627.518)
Net Cash Flows from Financing Activities	(4.038.882)	(78.982.823)	(7.318.788)	(18.993.227)	(4.881.984)	833.632	-	(1.450.000)	(95.000)	2.282.000	-	(250.000)	(1.000.000)	155.000
Net Increase (Decrease) in Cash and Cash Equivalents	102.882.828	32.082.284	(1.355.289)	4.361.140	744.206	757.833	2.936.113	165.273	(21.371)	23.280	(527.088)	450.831	(35.442)	377.441
Initial Balance Cash and Cash Equivalents	72.062.758	39.980.474	5.096.793	735.653	961.612	203.779	394.046	228.773	32.059	8.779	1.401.165	950.334	449.730	72.289
Closing Balance Cash and Cash Equivalents	174.945.586	72.062.758	3.741.504	5.096.793	1.705.818	961.612	3.330.159	394.046	10.688	32.059	874.077	1.401.165	414.288	449.730