

12

FINANCIAL
STATEMENTS.**Sociedad Concesionaria Túnel San Cristóbal S.A**
Financial Statements

As of December 31, 2020 and December 31, 2019

Content

Independent Auditor's Report
Classified Statement of Financial Position
Comprehensive Profit and Loss Statement by Function
Statement of Changes in Net Equity
Direct Cash Flow Statement
Notes to the Financial Statements

(ThCL\$: Thousands of Chilean pesos)



INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Directors of
Sociedad Concesionaria Túnel San Cristóbal S.A.

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

Responsibility of the Management for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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



March 4, 2021
Santiago, Chile



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

SOCIEDAD CONCESIONARIA TÚNEL SAN CRISTÓBAL S.A.

CLASSIFIED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020 AND 2019

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

ASSETS	Notes	12.31.2020	12.31.2019
	No.	ThCL\$	ThCL\$
Current assets			
Cash and cash equivalents	4	1,165,323	936,312
Other financial assets	5	674,307	371,612
Other nonfinancial assets		152,028	186,925
Trade receivables and other accounts receivable	6	<u>4,312,666</u>	<u>4,236,497</u>
TOTAL CURRENT ASSETS		<u>6,304,324</u>	<u>5,731,346</u>
Noncurrent assets			
Other nonfinancial assets		15,179	15,179
Accounts receivable and other accounts receivable	7	199,487	-
Intangible assets other than goodwill	10	40,156,705	41,435,133
Property, plant and equipment	11	92,246	71,901
Right-of-use assets	13 - a	96,229	142,255
Tax assets	9	1,282,738	1,201,255
Deferred tax assets	25	<u>15,547,805</u>	<u>14,338,613</u>
TOTAL NONCURRENT ASSETS		<u>57,390,389</u>	<u>57,204,336</u>
TOTAL ASSETS		<u>63,694,713</u>	<u>62,935,682</u>

SOCIEDAD CONCESIONARIA TÚNEL SAN CRISTÓBAL S.A.

CLASSIFIED STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020 AND 2019

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

PATRIMONIO NETO Y PASIVOS	Notes	12.31.2020	12.31.2019
	No.	ThCL\$	ThCL\$
Current liabilities			
Other financial liabilities	23 - a	2,060,179	1,434,465
Lease liabilities	13 - c	55,351	51,937
Trade creditors and other accounts payable	18	414,131	619,581
Accounts payable to related entities	8 - b	1,067,916	3,259,575
Other provisions	14	25,436	18,493
Tax liabilities		283	459
Other nonfinancial liabilities	16	74,497	62,416
TOTAL CURRENT LIABILITIES		3,697,793	5,446,926
Noncurrent liabilities			
Other financial liabilities	23 - c	55,138,679	55,529,715
Lease liabilities	13 - d	55,460	87,395
Accounts payable to related entities	8 - b	30,871,154	26,151,950
Other provisions	17 - d	1,094,934	991,363
Other nonfinancial liabilities	17 - e	1,315,784	1,400,186
TOTAL LIABILITIES, NONCURRENT	17	88,476,011	84,160,609
Total liabilities		92,173,804	89,607,535
Equity			
Issued capital	19 - b	6,934,027	6,934,027
Accumulated losses		(35,413,118)	(33,605,880)
TOTAL NET EQUITY		(28,479,091)	(26,671,853)
TOTAL LIABILITIES AND EQUITY		63,694,713	62,935,682

SOCIEDAD CONCESIONARIA TÚNEL SAN CRISTÓBAL S.A.
COMPREHENSIVE PROFIT AND LOSS STATEMENT BY FUNCTION
 FOR THE YEARS ENDED ON DECEMBER 31 AND 2019
 (Amounts in thousands of Chilean pesos - ThCL\$)

		ACCUMULATED	
		01.01.2020 12.31.2020	01.01.2019 12.31.2019
Profit and loss statement by function	Notes		
	No.	ThCL\$	ThCL\$
Revenue from ordinary activities	20	7,994,529	11,642,242
Cost of sales	21	<u>(3,949,346)</u>	<u>(5,117,092)</u>
Gross margin		<u>4,045,183</u>	<u>6,525,150</u>
Administrative expenses	21	(482,639)	(530,413)
Financial income	24 - a	432,393	343,928
Financial costs	24 - b	(4,665,922)	(4,726,515)
Exchange rate differences	22 - a	3	(15)
Results for indexation units	22 - b	<u>(2,345,448)</u>	<u>(2,389,992)</u>
Loss before taxes		(3,016,430)	(777,857)
Income for income tax	25	<u>1,209,192</u>	<u>571,464</u>
Loss from ongoing operations		<u>(1,807,238)</u>	<u>(206,393)</u>
Loss		<u>(1,807,238)</u>	<u>(206,393)</u>
Comprehensive profit and loss statement			
Loss		<u>(1,807,238)</u>	<u>(206,393)</u>
Total comprehensive result		<u>(1,807,238)</u>	<u>(206,393)</u>

SOCIEDAD CONCESIONARIA TÚNEL SAN CRISTÓBAL S.A.

STATEMENT OF CHANGES IN NET EQUITY

FOR THE YEARS ENDED ON DECEMBER 31 AND 2019

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

	Notes No.	Issued capital ThCL\$	Accumulated profits (losses) ThCL\$	Total equity ThCL\$
Opening balance as of 01.01.2020	19	6,934,027	(33,605,880)	(26,671,853)
Changes in equity				
Comprehensive income				
Loss		-	(1,807,238)	(1,807,238)
Total changes in equity		-	(1,807,238)	(1,807,238)
Total changes in equity as of 12.31.2020		6,934,027	(35,413,118)	(28,479,091)

	Notes No.	Issued capital ThCL\$	Accumulated profits (losses) ThCL\$	Total equity ThCL\$
Opening balance as of 01.01.2019	19	6,934,027	(33,399,487)	(26,465,460)
Changes in equity				
Comprehensive income				
Loss		-	(206,393)	(206,393)
Total changes in equity		-	(206,393)	(206,393)
Total changes in equity as of 12.31.2019		6,934,027	(33,605,880)	(26,671,853)

The attached notes form an integral part of these financial statements

SOCIEDAD CONCESIONARIA TÚNEL SAN CRISTÓBAL S.A.

STATEMENT OF DIRECT CASH FLOW

FOR THE YEARS ENDED ON DECEMBER 31 AND 2019

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

	Notes	Accumulated	
		01.01.2020 12.31.2020	01.01.2019 12.31.2019
Cash flow statement, direct method	No.	ThCL\$	ThCL\$
Cash flows from (used in) operating activities			
Collection for operating activities		8,065,556	11,036,888
Payments to vendors for the provision of goods and services		(2,559,708)	(3,102,233)
Payments to and on behalf of employees		(381,978)	(424,327)
Other charges for operating activities		41,342	31,888
Interest paid		(24,876)	(5,200)
Interest received		24,338	76,273
Income tax payments		(4)	(2,430)
Net cash flows from operating activities		<u>5,164,670</u>	<u>7,610,859</u>
Cash flows from (used in) investment activities			
Amounts from the redemption of financial instruments		371,590	418,761
Purchases of property, plant and equipment		(49,477)	(11,614)
Payments for investments in financial instruments	5	<u>(674,300)</u>	<u>(371,590)</u>
Net cash flows from (used in) investment activities		<u>(352,187)</u>	<u>35,557</u>
Cash flows used in financing activities			
Payment of loans	4 - d	(1,282,892)	(1,096,673)
Interest paid	4 - d	(3,250,747)	(3,209,025)
Interest paid to related parties		-	(3,300,000)
Lease liability payments	13 - f	<u>(49,833)</u>	<u>(55,910)</u>
Net cash flows used in financing activities		<u>(4,583,472)</u>	<u>(7,661,608)</u>
Net increment (decrease) of cash and cash equivalents		229,011	(15,192)
Cash and cash equivalents at the beginning of the year	4	<u>936,312</u>	<u>951,504</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4	<u><u>1,165,323</u></u>	<u><u>936,312</u></u>

The attached notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

CONTENTS

	Page
1. GENERAL INFORMATION	45
2. BASES OF PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CRITERIA APPLIED.....	46
3. FINANCIAL RISK MANAGEMENT.....	61
4. CASH AND CASH EQUIVALENTS.....	64
5. OTHER CURRENT FINANCIAL ASSETS.....	65
6. TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE, CURRENT.....	67
7. ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE, NONCURRENT.....	69
8. DISCLOSURE OF INFORMATION ON RELATED PARTIES.....	70
9. TAX ASSETS, NONCURRENT.....	72
10. INTANGIBLE ASSETS OTHER THAN GOODWILL.....	72
11. PROPERTY, PLANT AND EQUIPMENT.....	75
12. IMPAIRMENT IN THE VALUE OF TANGIBLE AND INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIFE.....	76
13. RIGHT-OF-USE ASSETS, CURRENT AND NONCURRENT LEASE LIABILITIES.....	76
14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES.....	79
15. GUARANTEES AND RESTRICTIONS.....	80
16. OTHER NONFINANCIAL LIABILITIES, CURRENT.....	82
17. NONCURRENT LIABILITIES.....	82
18. TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE.....	83
19. NET EQUITY.....	84
20. ORDINARY INCOME.....	86
21. REVENUE FROM EXPLOITATION AND COSTS OF OPERATION AND MAINTENANCE.....	87
22. EFFECT OF VARIATIONS IN THE EXCHANGE RATE, FOREIGN CURRENCY AND INDEXATION UNITS.....	88
23. OTHER CURRENT AND NONCURRENT FINANCIAL LIABILITIES.....	91
24. FINANCIAL REVENUE AND FINANCIAL COSTS.....	94
25. INCOME TAX AND DEFERRED TAXES.....	95
26. ENVIRONMENT.....	96
27. SERVICE CONCESSION ARRANGEMENTS.....	96
28. COVID 19.....	111
29. EVENTS OCCURRED SUBSEQUENT TO THE DATE OF THE STATEMENT OF FINANCIAL POSITION.....	113

SOCIEDAD CONCESIONARIA TÚNEL SAN CRISTÓBAL S.A.

NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020 AND 2019

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

1. GENERAL INFORMATION

Incorporation

hereinafter "the Company", was incorporated as a closed corporation, subject to the regulations of open corporations, granted through a public deed on March 16, 2005, executed before Notary Public Mr. José Musalem Saffie.

Corporate purpose

The Company's corporate purpose is the execution, repair, conservation, maintenance, and operation of the State-owned public works called Concesión Variante Vespucio - El Salto - Kennedy, by way of the concessions system, as well as rendering and operating the services as may be agreed in the concession contract aimed at developing those works and the other necessary activities for the proper execution of the project.

Sociedad Concesionaria Túnel San Cristóbal S.A.'s domicile and main offices are on La Herradura No. 2750, Providencia.

The Company's bylaws were amended through a public deed dated July 26, 2005 executed at the Notary Public's office of Mr. José Musalem Saffie, whereby its term was set to 35 years from the date of incorporation. This amendment had been agreed in an Extraordinary Shareholders' Meeting held on July 26, 2005.

Through a public deed dated January 6, 2006, executed at the Notary Public's Office of Mr. José Musalem Saffie, the corporate name of "Sociedad Concesionaria San Cristóbal Express S.A." was changed to the current "Sociedad Concesionaria Túnel San Cristóbal S.A.". This amendment was agreed in an Extraordinary Shareholders' Meeting held on December 22, 2005.

On September 22, 2005, the Company was registered in the Securities Register under number 917, therefore it is subject to the supervision of the Comisión para el Mercado Financiero (Commission for Financial Market). Nevertheless, on March 10, 2010 this same entity issued general nature norm No. 284, whereby it created a new register for those entities that under a legal provision shall become subject to the supervision of that Commission provided that they are not among the entities referred to in paragraph 1st of article 1st of Law No. 18,045 on Securities Market. Consequently, the Company ceased to be included in the securities register and became registered in the new "Special Register of Reporting Entities". An immediate consequence of this modification is the fact that the Company only has the obligation to file annual financial statements with the Commission for Financial Market, instead of doing so on a quarterly basis as it used to be prior to this modification.

As of December 31, 2020, the accumulated result in the financial statement shows a deficit: This is within expectations, as the non-operating factors have a material impact on costs, especially in initial stages, such as the financial debt resulting from the construction of the works. The business model projects that these losses will be progressively offset as the concession period approaches its end.

2. BASES OF PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CRITERIA APPLIED.

2.1 Bases of Presentation

Accounting Standards Applied

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

New accounting pronouncements

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

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

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

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

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

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

The Company's Management estimates that the future application of IFRS 17 will not have a material impact on the Company's financial statements, as the Company does not issue insurance contracts. Additionally, the Company's Management estimates that the application of the amendments to IAS 1 could have an impact on the Company's financial statements in future periods as those transactions occur.

c) Responsibility for the information and estimations made

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

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

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

These estimations basically refer to:

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

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

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

Bad debt estimation - The Company has estimated the risk of recovery of its accounts receivable.

The estimation of bad debt is made by applying a model designed on the basis of the Company's past collection experience, where a distinction of the type of user is made (Tag device holder or offender). To determine the amount of the provision, three user segments have been established: i) users with an enabled tag device, ii) offenders without a tag device, and iii) offenders whose tag device has been disabled. In each case, the bad debt percentages are 2.8%, 44.4% and 80.9%, respectively, calculated over the total billing in each segment for all the presented years. The percentage of bad debt for Accounts Receivable and Other Accounts Receivable as per what is required by the Ad Referendum Agreement No. 4 issued by the Ministry of Public Works is 3.09% and is calculated on the basis of bad debt obtained using the aforementioned percentages. The segment of users with an enabled tag device represents 97.5% of billing as of December 31, 2020 and 98.2% as of December 31, 2019.

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

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

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

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

2.2 Main Accounting Criteria Applied

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

a) Accounting period

These financial statements encompass the following periods:

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

b) Functional currency

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

c) Transactions and balances in foreign currency

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

d) Conversion bases

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

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

e) Offsetting of balances and transactions

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

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

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

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

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

Other items that are presented net in the financial statements are the assets and liabilities from deferred taxes, provided that they meet the offsetting requirements set forth in IAS 12 Income Taxes. Trade receivables are presented discounted from the bad debt provision.

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

IFRIC No. 12 “Service Concession Arrangements”, provides guidelines for accounting the public Service Concession Arrangements with a private operator.

This accounting interpretation is applicable to this Company as the two premises contained in the same are met, namely:

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

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

The intangible asset specified in the preceding paragraph has a definite useful life, which started in January 2009 with the start of operations of the entire works (during the second half of 2008 only one of the two tunnels was in operation, and with time restrictions), and ends with the termination of the concession contract on August 20, 2037. Consequently, the total useful life is 344 months, and the remaining useful life of the intangible asset at the date of these financial statements is 200 months.

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

g) Property, plant and equipment

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

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

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

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

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

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

h) Impairment in the value of the assets

h.1) Nonfinancial assets

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

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

The recoverable amount is the higher of the fair value less the necessary cost to sell the same in the in-use-value, with the latter being understood as the present value of the future estimated cash flows. For the

calculation of the recovery value of property, plant and equipment, and of the intangible asset, the value being used is the criterion used by the Company.

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

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

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

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

h.2) Financial assets

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

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

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

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

i) Leases

i.1) Túnel San Cristóbal as a lessee

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

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

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

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

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

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

Túnel San Cristóbal S.A. reassesses the lease liability (and performs the appropriate adjustments in the respective right-of-use asset) whenever:

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

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

When Túnel San Cristóbal S.A. incurs in an obligation for costs to dismantle or remove a leased asset, restore the place in which the same is located or restore the underlying asset to the condition required under the terms and conditions of the lease, a provision is recognized and assessed in accordance with IAS 37.

To the extent that the costs relate with a right-of-use asset, costs are included in the corresponding right-of-use asset, unless those costs are incurred to produce inventory.

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

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

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

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

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

i.2) Túnel San Cristóbal S.A. as a lessor

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

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

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

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

Whenever a contract includes lease and no-lease components, Túnel San Cristóbal S.A. applies IFRS 15 to allocate the consideration under the contract to each component.

Túnel San Cristóbal S.A. does not keep any contracts as a lessor, or as an intermediate lessor.

Critical accounting judgments and key sources to estimate uncertainty

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

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

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

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

j) Financial instruments

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

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

j.1) Financial assets

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

(i) Cash and cash equivalents

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

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

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

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

(ii) Investments held to maturity

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

(iii) Loans and accounts receivable from related entities

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

(iv) Trade receivables and other accounts receivable

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

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

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

j.1.1) Financial assets at amortized cost

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

j.2) Financial liabilities

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

(i) Equity instruments

An equity instrument is any contract evidencing a residual interest in the assets of an entity once all liabilities have been deducted. The equity instruments issued by the Company are computed at the amount received, net of the direct costs of issuance plus the accrued and unpaid interest as of the closing date of the period. Financial expenses are recorded on an accrued basis in the results account, using the effective interest method which equalizes the net value of the revenue received with the current value of future refunds. The Company, currently, has only issued shares of a single series.

(ii) Other financial liabilities

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

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

The Company's main financial liabilities have been generated to hedge the financing of the construction of the State-owned public works and consist of a bank credit in the amount of UF 2,150,000 of capital and subordinated debt with the Shareholders, in an initial amount of UF 747,937.23, both of them with long-term maturities (see Notes 3.a and 17).

Classes of Financial Liabilities in Force	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Loans with financial entities, includes accrued interest	57,198,858	56,964,180
Subordinated debt with shareholders, includes accrued interest	31,311,294	29,151,950
Totals	88,510,152	86,116,130

j.3) Effective interest rate method.

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

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

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

- For financial instruments listed in an active market, at their quotation as of the closing of the period.
- For the case of financial instruments not negotiated in organized markets, the Company will use the discounted cash flow methodology and option valuation models generally accepted, on the basis of the market conditions, for both payments in cash and futures as of the period's closing date.
- The carrying value of trade receivables and other accounts receivable is a reasonable estimate of the fair value.

The fair value of financial instruments is equivalent to their face value, except for the case of the bank credit presented in Note 23, where this instrument is valued at the effective rate.

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

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

Level 2: Inputs that are different from the quoted prices included in level 1 and that are observable for assets or liabilities, either directly (that is, as a price) or indirectly (that is, derived from a price). The methods and hypotheses used to determine the level 2 fair values, or class of financial assets or financial liabilities, take into

consideration the estimation of future cash flows, discounted with the zero-coupon interest rate curves of each currency.

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

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

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

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

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

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

k) Provisions and contingent assets and liabilities

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

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

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

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

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

l) Major maintenance provision

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

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

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

m) Other provisions

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

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

n) Income tax and deferred taxes

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

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

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

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

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

o) Recognition of income and expense

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

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

Ordinary income derived from the rendering of service

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

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

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

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

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

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

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

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

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

p) Information on environment

The Company has implemented an Environmental Management Plan approved by the Chilean Ministry of Public Works (MOP), in accordance with what is set forth in chapter 2.7 of the Tender Terms, which implies adopting several measures for the mitigation, repair, compensation, risk prevention and control of accidents, as appropriate, for those activities and works of the project that, during the operating stage, produce a negative impact on some environmental component which may not be reversed without applying such measures, or whenever it is necessary to apply the same, to be compliant with the standing regulations. The aforementioned Plan contains the following management topics:

- Air
- Noise
- Landscaping
- Risk prevention
- Accident control

Additionally, the Company must report on a periodic basis, by means of the so-called Sustainable Development Follow-Up Report, on each one of the above-mentioned topics.

q) Statement of cash flow

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

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

r) Financing costs

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

s) Financial income and financial costs

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

Interest income or expense recognized using the effective interest method:

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

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

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

t) Classification of balances as current and noncurrent

The Statement of Financial Position classifies assets and liabilities in terms of their maturity dates, so that current ones are those that mature in twelve months or less, and non-current ones are those that mature in over twelve months. For the case of obligations the maturity of which is within twelve months or less, but the long-term refinancing of which is guaranteed at the Company's discretion, by way of credit contracts unconditionally available with a long-term maturity, may be classified as noncurrent liabilities.

u) Trade creditors and other accounts payable

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

3. FINANCIAL RISK MANAGEMENT

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

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

Market risk**a) Interest rate risk**

It consists of the variations that may occur in the interest rates, and that may affect the value of the Company's future cash flows. This type of risk appears, for this Company, mainly in the obligations undertaken at a variable interest rate, the most significant figure of which is given by the subordinated debt with the Shareholders. There is no contracted coverage for this obligation.

The Company's financial debt (bank credit and subordinated debt) has the following rate structure:

Classes of Financial Liabilities in Force	Rate	12.31.2020	% of total	12.31.2019	% del total
		ThCL\$		ThCL\$	
Loans with financial entities, current portion	Fixed	2,060,179	2.3%	1,434,465	1.7%
Loans with financial entities, noncurrent portion	Fixed	55,138,679	62.3%	55,529,715	64.4%
Subordinated debt with shareholders, includes accrued interest	Variable	31,311,294	35.4%	29,151,950	33.9%
Totals		88,510,152		86,116,130	

In the month of July 2014, the Company entered into a financing opening contract with Banco Itaú Corpbanca, the nominal accrued fixed interest rate of which is 5.25%. The purpose for obtaining this loan is to prepay the loan with banks BBVA and Banco del Estado in their entirety, to pay the break costs associated to prepayment, cover refinancing expenses and commissions and to finance the concession's operating and maintenance costs, as well as the needs of working capital.

Sensitivity analysis of the fair value for fixed income instruments:

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

b) Exchange rate risk and indexation

It consists of the variability that may affect the Company's cash flows when they involve collections and/or payments that must be made in a currency other than the Chilean peso. For the case of accounts receivable and other accounts receivable, as from January 01, 2020 there are accounts receivable with the Ministry of Public Works, denominated to Unidades de Fomento (UF), for the offsetting the elimination of the real annual indexation of 3.5% that used to be applied until December 31, 2019 in tariffs, in accordance with what is provided in the Ad Referendum Agreement No. 4 of Sociedad Concesionaria Túnel San Cristóbal S.A. Accounts Payable includes the bank debt with Itaú Corpbanca, the lease liabilities and interest payable for leases and the subordinated debt with the shareholders which are denominated to Unidades de Fomento (UF) and therefore, are subject to inflation, which is the variable that modifies the value of the UF.

Nevertheless, pursuant to the Terms and Conditions of the Tender, the tariffs charged to the tunnel users are also adjusted on an annual basis as per the variation in the Consumer Price Index (CPI).

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

Sensitivity analysis for the exchange rate risk and indexation:

The following table shows the Company's sensitivity to an increase and to a decrease in the functional currency (CLP) versus the unidad de fomento (UF). For operations denominated to unidades de fomento a rate of 0.5% as of December 31, 2020 (1.4% as of December 31, 2018) will be used. The sensitivity analysis only includes pending monetary entries denominated to unidades de fomento and adjusts its conversion at the end of the year for a change in the aforementioned rate. The sensitivity analysis includes accounts receivable from the Ministry of Public Works, a loan with a related entity, a loan with a financial entity and lease liabilities. A positive number below indicates an increase in profits or equity where the functional currency strengthens in the aforementioned interest rate versus the relevant currency (in this case the UF). For a weakening of the same rate of the functional currency versus the relevant currency, there would be a similar impact in the result or equity, and the balances below would be negative. The effect on risk of the exchange rate variations for the accounts receivable and/or payable are shown net in the chart below.

Effect	UF Impact	
	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Results	442,107	1,205,626 (i)
Equity	-	-

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

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

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

c) Credit risk

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

To address this risk, Sociedad Concesionaria Túnel San Cristóbal S.A. has a joint-operation contract in place with Sociedad Concesionaria Vespucio Norte Express S.A., through which collection management is performed, generating differentiated strategies per user segment, age of the debt and providers in charge of collection, in the following lines:

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

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

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

d) Liquidity risk

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

The Company's financing structure includes mechanisms for mitigating this risk. It considers the project's ability to generate operating revenue as the primary source of liquidity. If operating revenue is not sufficient, there is a structure of reserves and guarantees that ensures meeting those obligations, such as the debt service reserve account (which consists of the equivalent to one semesters' worth of debt service), the major maintenance reserve account (which is funded on the basis of the major maintenance budget).

4. CASH AND CASH EQUIVALENTS

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

Item	Currency	12.31.2020	12.31.2019
		ThCL\$	ThCL\$
Cash (a)	Chilean Peso \$	600	600
Banks (b)	Chilean Peso \$	29,561	1,995
Time deposits and mutual funds (c)	Chilean Peso \$	1,135,162	933,717
Totals		<u>1,165,323</u>	<u>936,312</u>

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

- Cash: The cash balance comprised of fixed funds allocated to cover minor expenses.
- Banks: Bank balances are comprised of funds kept in checking accounts with banks.
- The composition of time deposits and mutual funds by year, is as follows:

As of December 31, 2020:

Institution	Type of Investment	Maturity	Monthly Interest Rate	Amount of Investment Plus Interest ThCL\$
Itaú Corpbanca	Time deposit (1)	01-29-2021	0.02%	724,583
Itaú Adm. Gral. de Fondos S.A.	Mutual fund (2)	Daily	0.02%	410,526
Banco Scotiabank	Mutual fund (2)	Daily	0.16%	53
Totals				<u>1,135,162</u>

- (1) It includes deposit, plus the interest accrued as of December 31, 2020, which corresponds to the "Major Maintenance Reserve Account" in the amount of ThCL\$ 724,583 (See Note 15).
- (2) It corresponds to Fondo Mutuo Itaú Administradora General de Fondos S.A. series F5 of 217,432.047 share numbers, with a share value of CL\$ 1,888.0669 and Mutual Fund of the V-Corporativo Series with Banco Scotiabank S.A. of 32.5740 share numbers, with a share value of CL\$1,618.5926.

As of December 31, 2019

Institution	Type of Investment	Maturity	Monthly Interest Rate	Amount of Investment Plus Interest ThCL\$
Itaú Corpbanca	Time deposit (1)	01-15-2020	0.16%	55,236
Itaú Corpbanca	Time deposit (1)	01-31-2020	0.17%	750,003
Itaú Adm. Gral. de Fondos S.A.	Mutual fund (2)	Daily	0.18%	128,426
Banco Scotiabank	Mutual fund (2)	Daily	0.16%	52
Totals				<u>933,717</u>

- (1) It includes deposit, plus the interest accrued as of December 31, 2019, which corresponds to the "Major Maintenance Reserve Account" in the amount of ThCL\$ 805,194, and additionally includes ThCL\$ 45 corresponding to interest.

(2) It corresponds to Fondo Mutuo Itaú Administradora General de Fondos S.A. series M5 of 68,728.9255 share numbers, with a share value of CL\$ 1,868.5876, and Fondo Mutuo series V-Corporativo with Banco Scotiabank S.A. of 32.5740 share numbers, with a share value of CL\$ 1,602.0334.

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

Liabilities originating in financing activities	Balance as of	Financing cash flows			Changes that do not represent cash flow		Balance as of 12.31.2020 (1)
	01.01.2020 (1)				Exchange rate differences	Other changes (2)	
	ThCL\$	From ThCL\$	Used ThCL\$	Total ThCL\$	ThCL\$	ThCL\$	
Bank loans (Note 23)	56,964,180	-	(4,533,639)	52,430,541	1,544,295	3,224,022	57,198,858
Loans with related parties (Note 8)	29,151,950	-	-	29,151,950	799,678	1,359,666	31,311,294
Total	86,116,130	-	(4,533,639)	81,582,491	2,343,973	4,583,688	88,510,152

(1) Balance corresponding to the current and noncurrent portion

(2) It corresponds to the accrual of interest

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

Liabilities originating in financing activities	Balance as of				Exchange	Other	Balance as of
	01.01.2019 (1)	From	Used	Total	rate diff.	changes (2)	12.31.2019 (1)
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Bank loans (Note 22)	56,547,330	-	(4,305,698)	52,241,632	1,534,598	3187950	56,964,180
Loans with related parties (Note 7)	30,162,124	-	(3,300,000)	26,862,124	815,219	1474607	29,151,950
Total	86,709,454	-	(7,605,698)	79,103,756	2,349,817	4,662,557	86,116,130

(1) Balance corresponding to the current and noncurrent portion

(2) It corresponds to the accrual of interest

5. OTHER CURRENT FINANCIAL ASSETS

They correspond to time deposits the maturity of which is greater than three months from the date of acquisition.

	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Time deposits	674,307	371,612
Totals	674,307	371,612

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

As of December 31, 2020:

Institution	Type of Investment	Maturity	Monthly Interest Rate	Amount of Investment plus Interest ThCL\$
Itaú Corpbanca	Time deposit	05-31-2021	0.03%	250,901
Itaú Corpbanca	Time deposit	06-10-2021	0.03%	423,406
Totals				<u>674,307</u>

As of December 31, 2019:

Institution	Type of Investment	Maturity	Monthly Interest Rate	Amount of Investment plus Interest ThCL\$
Itaú Corpbanca	Time deposit	06-10-2020	0.18%	371,612
Totals				<u>371,612</u>

6. TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE, CURRENT

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

As of December 31, 2020

Item		As per Maturity										Total
		Up-to-date	From 1 to	From 31 to	From 61 to	From 91 to	From 121 to	From 151 to	Entre 181 y	From 211	250+ days	
Trade receivables	Currency	ThCL\$	30 days	60 days	90 days	120 days	150 days	180 days	210 días	to 250 days	ThCL\$	ThCL\$
Receivables for sales	Non-adjustable CL\$	201,235	344,492	146,586	122,095	104,902	64,238	66,982	66,358	91,175	2,434,418	3,642,481
Accrued income provision	Non-adjustable CL\$	540,400	-	-	2,022	614	768	20,387	-	5,665	159,846	729,702
Bad debt provision (1)	Non-adjustable CL\$	-	-	-	-	-	-	-	-	-	(148,113)	(148,113)
Sub total trade receivables		741,635	344,492	146,586	124,117	105,516	65,006	87,369	66,358	96,840	2,446,151	4,224,070
Other accounts receivable												
Accounts receivable from the MOP	Non-adjustable CL\$	33,141	-	-	-	-	-	-	-	-	-	33,141
Accounts receivable from personnel	Non-adjustable CL\$	421	-	-	-	-	-	-	-	-	-	421
Other accounts receivable	Non-adjustable CL\$	51,578	-	-	-	-	1,936	-	1,520	-	-	55,034
Subtotal other accounts receivable		85,140	-	-	-	-	1,936	-	1,520	-	-	88,596
Total trade receivables and other accounts receivable		826,775	344,492	146,586	124,117	105,516	66,942	87,369	67,878	96,840	2,446,151	4,312,666
Stratification of the portfolio of receivables from sales as of December 31, 2020		As per Maturity										Total
		Up-to-date	From 1 to	From 31 to	From 61 to	From 91 to	From 121 to	From 151 to	Entre 181 y	From 211	250+ days	
	Currency	ThCL\$	30 days	60 days	90 days	120 days	150 days	180 days	210 días	to 250 days	ThCL\$	ThCL\$
Gross non-renegotiated portfolio	Non-adjustable CL\$	26,445	306,683	128,595	91,528	82,497	55,492	57,238	60,850	90,233	2,433,606	3,333,167
Gross renegotiated portfolio	Non-adjustable CL\$	174,790	37,809	17,991	30,567	22,405	8,746	9,744	5,508	942	812	309,314
Total gross portfolio of trade receivables for sales		201,235	344,492	146,586	122,095	104,902	64,238	66,982	66,358	91,175	2,434,418	3,642,481
Number of clients with non-renegotiated portfolio (2)		91,546	179,225	91,000	80,034	68,465	53,555	58,853	59,173	66,844	171,624	
Number of clients with renegotiated portfolio (2)		12,159	1,837	803	1,242	1,283	663	760	569	118	88	
Total number of clients, gross portfolio		103,705	181,062	91,803	81,276	69,748	54,218	59,613	59,742	66,962	171,712	
Total number of clients, receivables for sales												376,903

As of December 31, 2019

Rubro		As per Maturity										
Deudores comerciales	Currency	Up-to-date ThCL\$	From 1 to 30 days ThCL\$	From 31 to 60 days ThCL\$	From 61 to 90 days ThCL\$	From 91 to 120 days ThCL\$	From 121 to 150 days ThCL\$	From 151 to 180 days ThCL\$	Entre 181 y 210 días ThCL\$	From 211 to 250 days ThCL\$	250+ days ThCL\$	Total ThCL\$
Receivables for sales	Non-adjustable CL\$	352,409	308,471	208,232	165,077	128,980	128,373	124,759	103,621	132,317	1,566,302	3,218,541
Accrued income provision	Non-adjustable CL\$	621,200	53,136	-	22,220	37,765	2,918	14,235	172	4,243	160,838	916,727
Bad debt provision (1)	Non-adjustable CL\$	-	-	-	-	-	-	-	-	-	(162,538)	(162,538)
Sub total trade receivables		973,609	361,607	208,232	187,297	166,745	131,291	138,994	103,793	136,560	1,564,602	3,972,730
Other accounts receivable												
Accounts receivable from the MOP	Non-adjustable CL\$	72,904	-	-	-	-	-	-	-	-	-	72,904
Accounts receivable from personnel	Non-adjustable CL\$	2,948	-	174	-	866	61	-	127	-	-	4,176
Other accounts receivable	Non-adjustable CL\$	184,061	-	-	2,626	-	-	-	-	-	-	186,687
Subtotal other accounts receivable		259,913	-	174	2,626	866	61	-	127	-	-	263,767
Total trade receivables and other accounts receivable		1,233,522	361,607	208,406	189,923	167,611	131,352	138,994	103,920	136,560	1,564,602	4,236,497

Stratification of the portfolio of receivables for sales as of December 31, 2019	Currency	As per Maturity										Total ThCL\$
		Up-to-date ThCL\$	From 1 to 30 days ThCL\$	From 31 to 60 days ThCL\$	From 61 to 90 days ThCL\$	From 91 to 120 days ThCL\$	From 121 to 150 days ThCL\$	From 151 to 180 days ThCL\$	Entre 181 y 210 días ThCL\$	From 211 to 250 days ThCL\$	250+ days ThCL\$	
Gross non-renegotiated portfolio	Non-adjustable CL\$	351,111	307,343	207,999	164,934	128,971	128,373	124,757	103,618	132,317	1,566,302	3,215,725
Gross renegotiated portfolio	Non-adjustable CL\$	1,298	1,128	233	143	9	-	2	3	-	-	2,816
Total gross portfolio of receivables for sale		352,409	308,471	208,232	165,077	128,980	128,373	124,759	103,621	132,317	1,566,302	3,218,541
Number of clients with non-renegotiated portfolio (2)		118,203	119,988	84,934	72,144	52,564	63,087	67,680	44,924	45,706	138,390	
Number of clients with renegotiated portfolio (2)		214	90	30	24	11	1	2	2	-	-	
Total number of clients, gross portfolio		118,417	120,078	84,964	72,168	52,575	63,088	67,682	44,926	45,706	138,390	
Total number of clients, receivables for sales												368,451

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

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

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

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

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

As of December 31, 2020, the charge against results for an increment in the bad debt provision is presented under "Cost of Sales" in the Profit and Loss Statement by Function.

The movement for the bad debt provision as of December 31, 2020 and 2019 is as follows:

	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Opening balance	162,538	162,943
Increments	265,671	353,381
Written off clients	<u>(280,096)</u>	<u>(353,786)</u>
Closing balance	<u>148,113</u>	<u>162,538</u>

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

As of December 31, 2020, the Company has written-off ThCL\$ 12,908 referring to payment agreements entered into at the Ministry of Public Works' request.

No significant commercial risk is observed in the Other accounts receivable.

7. ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE, NONCURRENT

This corresponds to accounts receivable from the Ministry of Public Works (MOP) and set by the Ad Referendum Agreement No. 4.

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

The balances are shown below:

Taxpayer No.	Company	Country of origin	Currency	Noncurrent	
				12.31.2020	12.31.2019
				ThCL\$	ThCL\$
61.202.000-0	Ministry of Public Works	Chile	CL\$	199,487	-
		Totals		<u>199,487</u>	<u>-</u>

A cash lag was determined on the basis of the historic payment behavior of the Company's users, setting percentages that will serve to know the difference in revenue generated in each month of operation. As of December 31, 2020, the percentages set in the Ad Referendum Agreement have continued to be used. The Company is using 49% in the month following that of operation, 33% in the second following month, 6% in the third following month, 2% in the fourth following month and, lastly, 10% in the eighth following month.

The estimation of bad debt is made by applying a model designed on the basis of the Company's historic collection experience, segregating by user type (holders of a Tag device or violators). The percentage of bad debt calculated on the basis of the invoicing occurred as of December 31, 2020 is 3.09% and such percentage is used for these noncurrent accounts receivable set with the Ministry of Public Works.

As of December 31, 2020, the charge against results for the increment in the estimation of bad debt amounted to ThCL\$ 2,941. That amount is presented under "Cost of sale" in the Comprehensive Profit and Loss Statement by Function. As of December 31, 2020, the Company has not written off any amounts for the concept of the aforementioned bad debt from clients.

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

	12.31.2020
	ThCL\$
Opening balance	-
Increments	2,941
Exchange rate difference	20
Closing balance	<u>2,961</u>

8. DISCLOSURE OF INFORMATION ON RELATED PARTIES

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

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

a) Accounts receivable from related parties:

As of December 31, 2020 and 2019, the Company has no accounts receivable from related parties.

b) Accounts payable to related entities:

The balances and transactions with related entities are shown below:

Taxpayer No.	Company	Country of origin	Nature of the relationship	Description of the transaction	Currency	Current		Noncurrent	
						12.31.2020	12.31.2019	12.31.2020	12.31.2019
						ThCL\$	ThCL\$	ThCL\$	ThCL\$
96.931.450-9	Taurus Holdings Chile S.A	Chile	Shareholder	Subordinated debt (1)	UF	440,140	3,000,000	30,871,154	26,151,950
96.931.450-9	Taurus Holdings Chile S.A	Chile	Shareholder in commo	Current account	CLP	118,573	84,708	-	-
96.992.030-1	Sociedad Conc.Vespucio Norte Express S.A.	Chile	Shareholder in commo	Current account	CLP	509,203	174,867	-	-
Totals						<u>1,067,916</u>	<u>3,259,575</u>	<u>30,871,154</u>	<u>26,151,950</u>

(1) The Shareholders have granted the Company a financing line in the nature of long-term subordinated debt. This has been formalized by means of a contract that set bi-annual capitalizable interest, calculated at the maximum conventional rate in the modality of operations in domestic currency subject to indexation, at more than one year's term and in excess of UF 2,000. This is a Bullet-type contract, with both the amortization of the principal and interest accrued being payable on demand at the end of the specified period of time. This term has been set by means of debt recognition documents for each disbursement, with the end of the term being December 16, 2028.

c) Transaction between related parties

Taxpayer No.	Company	Country of origin	Nature of the relationship	Description of the transaction	Currency	Amount of the transaction	Effect on results Income (expense)	Amount of the transaction	Effect on results Income (expense)
						12.31.2020	12.31.2020	12.31.2019	12.31.2019
						Balances ThCL\$	ThCL\$	Balances ThCL\$	ThCL\$
96.931.450-9	Taurus Holdings Chile S.A	Chile	Shareholder	Professional services	CLP	35,788	(35,788)	(34,295)	34,295
96.931.450-9	Taurus Holdings Chile S.A	Chile	Shareholder	Payment for professional services	CLP	(40,811)	-	(36,653)	-
96.931.450-9	Taurus Holdings Chile S.A	Chile	Shareholder	Subordinated debt interest	UF	1,359,666	(1,359,666)	1,474,607	(1,474,607)
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Shareholder	UF indexation subordinated debt	UF	799,678	(799,678)	815,219	(815,219)
96.931.450-9	Taurus Holdings Chile S.A.	Chile	Shareholder	Subordinated debt interest payment	UF	-	-	(3,300,000)	-
96.931.450-9	Taurus Holdings Chile S.A	Chile	Shareholder	Technical assistance	CLP	115,476	(115,476)	172,726	(172,726)
96.931.450-9	Taurus Holdings Chile S.A	Chile	Shareholder	Technical assistance payment	CLP	(83,388)	-	(170,352)	-
96.992.030-1	Sociedad Concesionaria Vespucio Norte Express S.A.	Chile	Shareholder in common	Joint operation service	CLP	453,905	(453,905)	514,918	(514,918)
96.992.030-1	Sociedad Concesionaria Vespucio Norte Express S.A.	Chile	Shareholder in common	Joint operation payment	CLP	(255,422)	-	(472,886)	-
96.992.030-1	Sociedad Concesionaria Vespucio Norte Express S.A.	Chile	Shareholder in common	Management services	CLP	186,717	(186,717)	181,338	(181,338)
96.992.030-1	Sociedad Concesionaria Vespucio Norte Express S.A.	Chile	Shareholder in common	Management services payment	CLP	(108,042)	-	(165,638)	-

d) Remuneration of the Board of Directors and Executive Officers

As of the date of these financial statements, the Directors have not received any remuneration whatsoever for serving as such, and no payments have been generated for the concept of Board meeting expenses.

The Company does not have an executive payroll as it keeps a management service contract with Sociedad Concesionaria Vespucio Norte Express S.A.

9. TAX ASSETS, NONCURRENT

The accounts receivable for current taxes at December 31, 2020 and 2019, respectively, are shown below:

	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
VAT tax credit remnant	<u>1,282,738</u>	<u>1,201,255</u>
Totals	<u><u>1,282,738</u></u>	<u><u>1,201,255</u></u>

The VAT credit remnant mainly originates in the construction services and operation of the concession. As of December 31, 2020 and 2019 this remnant corresponds to 25,162.58 Unidades Tributarias Mensuales (UTM) and 24,183.26 UTM, respectively.

The VAT tax credit amounts will be recovered in accordance with what is set forth in 1.12.3 of the Terms and Conditions of the Tender.

10. INTANGIBLE ASSETS OTHER THAN GOODWILL**a) General Information**

Commensurate with what is stated in Note 2.2 letter f), the Company has recognized an intangible asset replacing the public works consisting of the built Tunnel.

The asset under concession was recorded at historical cost in accordance with what is set forth in IAS 38 "Intangible Assets".

The intangible asset's useful life is 344 months. At the date of these financial statements, the amortization of 200 months is pending.

The Company classified the following as intangible assets:

- All of the infrastructure of the tunnel built which communicates the Américo Vespucio-El Salto Interchange with Avenida El Cerro in the borough of Providencia.
- The electronic toll collection system.
- The Building located on the side of the San Cristóbal hill, on La Herradura No. 2750, borough of Providencia.

As of the date of approval of these financial statements there are no indicators of impairment affecting the value of the intangible assets recorded by the Company.

b) Balances

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

Item	12.31.2020			12.31.2019		
	Gross value	Accumulated amortization	Net value	Gross value	Accumulated amortization	Net value
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
State-owned public works	52,379,033	(12,222,328)	40,156,705	52,379,033	(10,943,900)	41,435,133

c) Movements of intangible assets

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

Movements of Intangible Assets	State-owned Public Works	
	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Opening balance	41,435,133	43,434,529
Amortization	(1,278,428)	(1,999,396)
Final balance	40,156,705	41,435,133

d) Insurance

To address eventual damages, contingencies, third-party claims and to safeguard the State-owned public works, the Company has contracted the following insurance policies:

Insurance Class	Insurer	Policy	Expiration	Coverage	Insured Matter	Currency	Insured amount	Deductible
General Civil Liability	Liberty	23027349	07.31.2021	MOP Policy	Damages to third parties	UF	487,500	No deductible
General Civil Liability	Liberty	23027350	07.31.2021	2nd Layer RC	Damages to third parties	UF	12,500	UF 200 per occurrence
All Risk Physical Assets	Sura	6692686	12.31.2021	All Risk	MOP policy, all risk physical assets	UF	2,777,377	2% of the total insured amount
All Risk Physical Assets	Sura	6714188	12.31.2021	All Risk	DIC policy, all risk physical assets and damages for stopped operations	UF	2,993,771 (physical assets UF 2,777,377 + damages for stopped operations UF 216,394)	Seism: 2% of the insured amount // Risks of nature: 10% of the loss, min UF 10,000, max 2% insured amount // Other risks: Tunnels UF 5,000 - Other assets UF 1.000 // Damages for stopped operation of the tunnel: 30 days - Other: 15 days
Terrorism	CHUBB	514	12.31.2021	MOP policy, Political Risks	Political risks	UF	2,777,377	2% of the insured amount
Terrorism	CHUBB	581	12.31.2021	MOP policy, Political Risks	Political risks	UF	2,993,771 (physical assets UF 2,777,377 + damages for stopped operations UF 216,394)	10% of the loss with a minimum of UF 2,500/10 days for PxP

11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment acquired by the Company at this date are recognized at attributed cost, less accumulated depreciation. There are no indicators of impairment affecting the values recorded by the Company.

The depreciation of these assets is calculated using the straight line method, being distributed on a systematic way throughout their useful life according to the table referred to in Note 2.2.g.

a) The composition by class of Property, Plant and Equipment at net and gross values, is as follows:

Concept	12.31.2020			12.31.2019		
	Gross value	Accumulated depreciation	Net value	Gross value	Accumulated depreciation	Net value
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Office furniture	36,041	(32,740)	3,301	36,041	(31,514)	4,527
Office equipment	30,491	(30,214)	277	30,491	(29,816)	675
Computer equipment	171,026	(111,216)	59,810	142,924	(99,299)	43,625
Vehicles	62,465	(62,465)	-	62,465	(62,465)	-
Safety equipment	130,683	(117,479)	13,204	129,422	(112,717)	16,705
Third party installations	41,208	(25,554)	15,654	28,610	(22,241)	6,369
Own assets on highway	5,120	(5,120)	-	5,120	(5,120)	-
Totals	477,034	(384,788)	92,246	435,073	(363,172)	71,901

b) The movements as of December 31, 2020 of the items that comprise property, plant and equipment are the following:

Movements	Office furniture ThCL\$	Office equipment ThCL\$	Computer equipment ThCL\$	Vehicles ThCL\$	Safety equipment ThCL\$	Third-party installations ThCL\$	Own assets on the highway ThCL\$	Property, plant and equipment, net ThCL\$
Balance as of 01.01.2020	4,527	675	43,625	-	16,705	6,369	-	71,901
Additions	-	-	28,102	-	1,261	12,599	-	41,962
Depreciation expense	(1,226)	(398)	(11,917)	-	(4,762)	(3,314)	-	(21,617)
Other increments (decreases)	-	-	-	-	-	-	-	-
Balance as of 12.31.2020	3,301	277	59,810	-	13,204	15,654	-	92,246

c) The movements as of December 31, 2019 the items that comprise property, plant and equipment are the following:

Movements	Office furniture ThCL\$	Office equipment ThCL\$	Computer equipment ThCL\$	Vehicles ThCL\$	Safety equipment ThCL\$	Third-party installations ThCL\$	Own assets on the highway ThCL\$	Property, plant and equipment, net ThCL\$
Balance as of 01.01.2019	5,916	1,279	36,988	-	19,688	7,823	-	71,694
Additions	-	-	15,127	-	1,780	-	-	16,907
Depreciation expense	(1,389)	(604)	(8,490)	-	(4,763)	(1,454)	-	(16,700)
Other increments (decreases)	-	-	-	-	-	-	-	-
Balance as of 12.31.2019	4,527	675	43,625	-	16,705	6,369	-	71,901

The Company does not currently have any ownership restrictions involving assets under Property, Plant and Equipment. Additionally, the Company has not furnished any asset of Property, Plant and Equipment in guarantee to third parties to allow it to operate its normal business activities or as a commitment to back up payment of obligations.

The Company currently does not have any real estate of its own for which a dismantling, removal or shutting down cost estimate would have to be defined for assets of Property, Plant and Equipment. Nevertheless, if any such assets are incorporated in future, the costs specified would be estimated on the basis of quotes by suppliers of those services in the market.

d) Insurance: The items detailed above are incorporated in the policies listed below, where both the amount insured and the agreed deductible is shown.

Insured class	Insurer	Policy No.	Expiration	Coverage	Insured matter	Currency	Insured amount	Deductible
Fire and earthquake	HDI	Issuance pending	19.10.2021	Fire and seism + additional + theft + political risk	Contents of the offices located on La Herradura 2750, Providencia	UF	8,723.98	Seism: 2% of the insured amount with a minimum of UF 50 //Strike, looting, turmoil and other political risks. 10% of the loss with a minimum of UF 50//Broken pipes UF 10.// Fire, explosion and other coverage included in this policy 10% of the loss with a minimum of UF 5.// Damages from stopped operations/ Loss of proceeds from leases 5 consecutive days, in each and every occurrence// Employees' property UF 2.// Electronic equipment 10% of the loss with a minimum of UF 10.// Theft 10% of the loss with a minimum of UF 10.// Windows UF 2 per item/ UF 5 thermal panels.
Electronic equipment	HDI	Issuance pending	19.10.2021	Computer and mobile equipment	Equipment in general located on La Herradura 2750, Providencia	UF	7,181.15	Seism: 2% of the insured amount with a minimum of UF 50 per location// Equipment operating outside the premises 10% of the loss with a minimum of UF 10.// Rest of the coverage 10% in each and every loss with a minimum of UF 10 // Increment in the cost of operation: 3 business days.

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

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

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

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

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

Item	12.31.2020			12.31.2019		
	Gross value	Accumulated amortization	Net value	Gross value	Accumulated amortization	Net value
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Vehicles	196,527	(100,298)	96,229	190,944	(48,689)	142,255
Totals	196,527	(100,298)	96,229	190,944	(48,689)	142,255

b) Movements of right-of-use assets

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

Movements	Vehicles	Total
	ThCL\$	ThCL\$
Balance as of 01.01.2020	142,255	142,255
Other	5,583	5,583
Amortization for the period	(51,609)	(51,609)
Balance as of 12.31.2020	96,229	96,229

Movements	Vehicles	Total
	ThCL\$	ThCL\$
Balance as of 01.01.2019	190,944	190,944
Amortization for the period	(48,689)	(48,689)
Balance as of 12.31.2019	142,255	142,255

c) Composition of short-term lease liabilities

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

As of December 31, 2020

Company	Up to 6 months	6 to 12 months	Totals
	ThCL\$	ThCL\$	ThCL\$
Autorentas del Pacifico S.A	16,275	17,046	33,321
Rentaequipos del Pacifico Ltda	10,760	11,270	22,030
Totals	27,035	28,316	55,351

As of December 31, 2019

Company	Up to 6 months	6 to 12 months	Totals
	ThCL\$	ThCL\$	ThCL\$
Autorentas del Pacifico S.A	14,610	14,609	29,219
Rentaequipos del Pacifico Ltda	11,359	11,359	22,718
Totals	25,969	25,968	51,937

d) Composition of long-term lease liabilities

The maturity of lease liabilities at more than one year is the following:

As of December 31, 2020

Company	1 to 3 years ThCL\$	3 to 5 years ThCL\$	Totals ThCL\$
Autorentas del Pacifico S.A	7,007	-	7,007
Rentaequipos del Pacifico Ltda	48,453	-	48,453
Totals	55,460	-	55,460

As of December 31, 2019

Company	1 to 3 years ThCL\$	3 to 5 years ThCL\$	Totals ThCL\$
Autorentas del Pacifico S.A	31,597	-	31,597
Rentaequipos del Pacifico Ltda	39,803	15,995	55,798
Totals	71,400	15,995	87,395

As of December 31, 2020, the Company's operating flows have been affected by the decrease in revenue due to the COVID-19 pandemic. However, the liquidity risk associated to these maturities continues to be covered with the operating flows. There are no restrictions associated to leases.

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

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

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

Type of lease	12.31.2020 ThCL\$	12.31.2019 ThCL\$
Computer equipment	4,291	7,816
Totals	4,291	7,816

- f) Interest expenses for lease liabilities and total outflows of cash as of December 31, 2020 and 2019, are presented below:

As of December 31, 2020

Type of lease	Cash outflow		
	Interest expense	Lease liability payments	Total cash outflow
	ThCL\$	ThCL\$	ThCL\$
Vehicles	24,876	49,833	74,709
Totals	24,876	49,833	74,709

As of December 31, 2019

Type of lease	Cash outflow		
	Interest expense	Lease liability payments	Total cash outflow
	ThCL\$	ThCL\$	ThCL\$
Vehicles	5,200	55,910	61,110
Totals	5,200	55,910	61,110

14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Current Provisions

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

The breakdown is the following:

Current Provisions	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Vacation	25,436	18,493
Totals	25,436	18,493

The movements in the vacations provisions are shown below:

Movements	Vacation provision	
	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Initial balance	18,493	16,942
Increments	17,285	14,524
Provisions used	(10,342)	(12,973)
Final balance	25,436	18,493

b) Contingent liabilities

i) Lawsuits and other legal action:

As of the closing of these financial statements the company does not keep any important or material litigation in place.

ii) Other contingencies:

The Concession Company is compliant with all the standing provisions contained in Statutory Decree No. 900, Law of Public Works Concessions, dated October 31, 1996, as well as its Regulations (Decree Law No. 956 dated October 6, 1997) in their updated versions in force as of the date of award of its concession contract.

The foregoing is valid with regard to matters that affect the financial statements of the Company as of December 31, 2020 and 2019.

15. GUARANTEES AND RESTRICTIONS

a) Direct guarantees:

1) As of December 31, 2020, the Concession Company maintains with the Ministry of Public Works (MOP), as per what is set forth in the Tender's Terms and Conditions number 1.8.1.2, ten bank bonds for the concept of "Guarantee of Operation", issued by Banco Corpbanca, payable on demand, issued to the General Director of Public Works, for a total amount of UF 55,000, the expiration of which is July 07, 2025. These bonds correspond to a financing contract dated July 3, 2015, entered into by the Company with that bank, which established a credit line for that purpose, the expiration date of which is December 10, 2032.

2) Special Pledge of Public Works Concession, pursuant to Art. 43 of the Concessions Law (MOP SD No. 900 of 1996). Prohibition to sell, encumber and enter into contracts, or execute any acts that may affect the concession and/or the pledged assets, furnished by the Concession Company in favor of Corpbanca, by means of a public deed executed on July 24, 2014, Digest No. 7665 - 2014, at the Notary Public's Office of Santiago of Mr. Humberto Santelices Narducci.

3) Contract of Pledge without Conveyance over Monies, in accordance with law No. 20,190 and prohibition to sell, encumber and enter into any contracts or execute any acts with respect to the pledged assets, executed through a public deed dated July 29, 2014, Digest No. 7881-2014, at the Notary Public's Office of Santiago of Mr. Humberto Santelices Narducci.

4) Contract of Pledge over shares and prohibition to encumber, sell, dispose of or enter into any contracts or execute any acts whatsoever over the pledged assets, executed through a public deed dated July 24, 2014, Digest No. 7664-2014, at the Notary Public's office of Santiago of Mr. Humberto Santelices Narducci, in

accordance with article 813 of the Code of Commerce and Law No. 4,287, by virtue of which each stockholder in the Concession Company furnished a commercial pledge over their shares registered in the Stockholders' Register at that date, in favor of Corpbanca. Those pledges and prohibitions have been duly recorded in the Concession Company's Stockholders' Register.

5) Subordination Agreement and Commercial Pledge of Subordinated Credits and prohibition to sell, encumber and enter into any contracts or execute any acts whatsoever that may affect the pledged credits, executed by Taurus Holding Chile S.A. , Inversiones Hochtief PPP Solutions Chile Dos Limitada, SCE Chilean Holding S.A., Sociedad Concesionaria Túnel San Cristóbal S.A. in favor of de Corpbanca, executed through a public deed dated July 24, 2014, Digest No. 7663-2014, at the Notary Public's Office of Mr. Humberto Santelices Narducci.

6) Financing Opening Contract entered into with Corpbanca through a public deed dated June 19, 2014, Digest No. 6388-2014, at the Notary Public's Office of Mr. Humberto Santelices Narducci.

7) Power of Attorney for Collection from the MOP, in favor of Corpbanca, to exercise on behalf of the Concession Company the powers and rights specified in that instrument, executed through a public deed dated July 24, 2014, Digest No. 7667-2014, at the Notary Public's Office of Mr. Humberto Santelices Narducci.

8) Designation as a Beneficiary or Additional Insured in Insurance Policies and Power of Attorney pursuant to which the Concession Company appointed Corpbanca, as a beneficiary or additional insured in the insurance policies taken by the Concession Company.

As of December 31, 2020 there are no new Direct Guarantees to report. The only ones in force are those reported in the communication dated November 14, 2014.

As the Company does not own any real estate, there are no mortgages, liens, interdictions or any situation whatsoever as may affect deeds of domain over real estate.

b) Restrictions

As of December 31, 2020, the Company is subject to restrictions under the financing contracts entered into with Corpbanca. Number seven of clause eleventh of the financing contract dated June 19, 2014, forbids making restricted payments for as long as a series of cumulative conditions are not met, including: i) the achievement of a debt service coverage ratio (DSCR) equal to or greater than 1.2 times, calculated between the ratio of cash flow available for a period of twelve consecutive months (December – November and June– May) to the installments of capital and interest for the loans paid in the respective twelve- month period referred to above; and ii) that the reserve accounts have funds equal to or greater than those set forth in this contract.

As of December 31, 2020, the balance of the reserve accounts is the following:

- Debt Service Reserve Account: ThCL\$ 423,402; amount invested in time deposits; it does not include accrued interest (see Note No. 5 Other Current Financial Assets).
- Debt Service Reserve Account: On June 09, 2018 this account was funded with a letter of credit in the amount of UF 74,655. On November 19, 2019, an increment in the amount of UF 4,099 was made, with the new amount being UF 78,754.- Additionally, in December 2020 the account was funded with ThCL \$250,899.- in cash, with the new total being UF 87,385.-
- Major Maintenance Reserve Account: ThCL\$ 724,578.-; amount invested in time deposits in Banco Itaú Corpbanca, and does not include accrued interest (see Note 4 Cash and Cash Equivalents).

As of December 31, 2020, the Company is compliant with the aforementioned restrictions.

16. OTHER NONFINANCIAL LIABILITIES, CURRENT

This item is comprised of the following:

Concepts	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Revenue received in advance, Compl. Agreement No. 1 and 2 (1)	<u>74,497</u>	<u>62,416</u>
Total other nonfinancial liabilities, current	<u><u>74,497</u></u>	<u><u>62,416</u></u>

- (1) Revenue received in advance under Complementary Agreement No. 1 and No. 2, corresponds to the short-term portion of the amounts that the Ministry of Public Works (MOP) recognized and paid to the Company in the frame of the Complementary Agreement No. 1 and No. 2, for the concept of increased future expenses in administration, control and conservation, maintenance, and operation of the additional works set forth in the aforementioned agreements.

17. NONCURRENT LIABILITIES

As of the date of these financial statements the breakdown of this item is as follows:

Liabilities, noncurrent		12.31.2020	12.31.2019
		ThCL\$	ThCL\$
Other financial liabilities, noncurrent	a)	55,138,679	55,529,715
Lease liabilities, noncurrent	b)	55,460	87,395
Accounts payable to related entities, noncurrent	c)	30,871,154	26,151,950
Other provisions, noncurrent	d)	1,094,934	991,363
Other nonfinancial liabilities, noncurrent	e)	<u>1,315,784</u>	<u>1,400,186</u>
Total noncurrent liabilities		<u><u>88,476,011</u></u>	<u><u>84,160,609</u></u>

- a) This corresponds to a debt with Banco Itaú Corpbanca. Details in Note No. 23; b and c.
b) This corresponds to the balance of noncurrent lease liabilities. Its details are in Note No. 13; d.
c) This corresponds to the to the year-end balance with related parties. Details in Note No. 8.
d) This item reflects the provision for maintenance.

The movement of the provision for maintenance is shown below:

Maintenance Provision	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Initial balance	991,363	831,953
Increments	204,835	361,822
Provisions used	<u>(101,264)</u>	<u>(202,412)</u>
Final balance	<u><u>1,094,934</u></u>	<u><u>991,363</u></u>

- e) This corresponds to the amounts that the Ministry of Public Works recognized and paid to Sociedad Concesionaria Túnel San Cristóbal S.A. in the frame of Complementary Agreements 1 and 2, for the concept of increased future costs to be incurred in the administration, control and conservation, maintenance, operation and exploitation of the additional works set forth in the aforesaid agreement. These amounts are accrued on a periodic basis in results as ordinary revenues, in order to correlate them with the respective expenses.

18. TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE

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

Trade creditors and other accounts payable	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Trade creditors	205,356	488,091
Other accounts payable (1)	208,775	131,490
Totals	<u>414,131</u>	<u>619,581</u>

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

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

As of December 31, 2020:

Up-to-date payments

Vendor type	Amounts as per payment term						Totals
	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 120 days	From 121 to 365 days	More than 366 days	
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Goods	919	-	-	-	-	-	919
Services	189,647	10,729	-	-	-	-	200,376
Others	-	-	-	-	-	-	-
Total up-to-date payments	190,566	10,729	-	-	-	-	201,295

Past-due

Vendor type	Amounts as per payment term						Totals
	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 120 days	From 121 to 365 days	More than 366 days	
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Goods	-	-	-	-	-	-	-
Services	-	-	260	3,801	-	-	4,061
Others	-	-	-	-	-	-	-
Total past-due	-	-	260	3,801	-	-	4,061
Total trade accounts	190,566	10,729	260	3,801	-	-	205,356

As of December 31, 2019:

Up-to-date payments

	Amounts as per payment term						Totals ThCL\$
	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 120 days	From 121 to 365 days	More than 366 days	
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	
Goods	1,165	543	-	-	-	-	1,708
Services	431,460	26,725	-	-	-	-	458,185
Others	-	-	-	-	-	-	-
Total up-to-date payments	432,625	27,268	-	-	-	-	459,893

Past-due

Vendor type	Amounts as per payment term						Totals ThCL\$
	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 120 days	From 121 to 365 days	More than 366 days	
	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	
Goods	144	-	-	-	-	-	144
Services	28,054	-	-	-	-	-	28,054
Others	-	-	-	-	-	-	-
Total past-due	28,198	-	-	-	-	-	28,198
Total trade accounts	460,823	27,268	-	-	-	-	488,091

19. NET EQUITY

The Company's capital is represented by 5,700,000 shares without face value; all of them fully subscribed and paid-in.

a) Number of shares:

Period	Series	No. of shares
12.31.2020	Single	5,700,000
12.31.2019	Single	5,700,000

On July 8, 2015 the following share transactions were carried out:

- i. Taurus Holdings Chile S.A. acquired a total of 2,849,999 shares, sold by Hochtief PPP Solutions Chile Dos Limitada (1,710,000 shares) and SCE Chilean Holdings S.A. (1,139,999 shares). With this purchase, Taurus Holdings Chile S.A. accumulates a total of 5,699,999 shares.
- ii. Brookfield Americas Infrastructure Holdings Inversiones Chile I SPA acquired 1 share from SCE Chilean Holdings S.A.

Capital

Period	Series	Subscribed capital ThCL\$	Paid capital ThCL\$
12.31.2020	Single	6,934,027	6,934,027
12.31.2019	Single	6,934,027	6,934,027

b) Capital management

The Company's purpose is to comply with the requirements set forth in the Terms and Conditions of the Tender relating to corporate capital and assure, through its adequate capitalization, the normal access to financial markets to carry-out its obligations as established in the concession contract. This is supplemented with long-term subordinated debt with the shareholders whenever financial circumstances require so.

The Terms and Conditions of the Tender established a minimum nominal capital in the amount of ThCL\$ 5,700,000, fully subscribed and paid-in by the Company's stockholders, which had to be maintained unaltered throughout the Construction Stage of the State-owned public works. As a result of the legal indexation for inflation applied until December 31, 2009, the subscribed and paid-in capital at the date of these financial statements amounts to ThCL\$ 6,934,027.

In accordance with the Terms and Conditions of the Tender, during the Operation Stage the Concession Company may reduce the corporate capital, with the MOP's consent. To that end, the Concession Company's representative must submit a request to the General Director of Public Works explaining the reasons for the intended reduction. The DGOP may authorize such capital decrease provided that doing so does not affect the proper operation of the concession. At the date of these financial statements the Company has neither requested nor intends to request any such capital decrease.

c) Accumulated Losses

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

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

20. ORDINARY INCOME

The income originating in all of the regular operations is recorded at fair value received or receivable, taking in consideration the discounts or deductions that have been granted. The following chart provides a detail of ordinary income:

Concepts	Accumulated	
	01.01.2020	01.01.2019
	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Revenue from tolls (1)	7,180,026	11,091,125
Revenue from offenders	202,387	207,831
Revenue from daily passes	147,858	147,823
Other ordinary revenue	36,220	40,954
Ad Ref Agreement No.2	158,385	96,305
Ad Ref Agreement No.4 (2)	197,332	-
Revenue received in advance	72,321	58,204
Totals	7,994,529	11,642,242

- (1) Revenue from tolls has decreased mainly during the second and third quarter of year 2020. The foregoing is mainly due to the confinement measures imposed by the national authority, which restrict freedom of movement of individuals, the right of assembly, the operation of companies and commercial facilities, in order to prevent or minimize contagion with coronavirus (COVID-19). This has caused a reduction in the number of vehicles circulating along the highway under concession. However, since August 2020 and due to the "step-by-step" lockdown easing plan set in place by the government, several boroughs in the Metropolitan Region gradually started to come out of confinement, a situation that has remained constant until this date. This has resulted in the fact that during part of the third and the entire fourth quarter of 2020 there has been an improvement in the number of transactions at the Concession Company's concession.
- (2) Revenue corresponding to the Company's Ad Referendum agreement No. 4. This agreement was issued by the Ministry of Public Works on December 06, 2019 as a compensation for the elimination of the 3.5% annual indexation of the tariffs that was implicit in the Concession Company's Terms and Conditions. This adjustment was applied to the tariffs until December 31, 2019.

21. REVENUE FROM EXPLOITATION AND COSTS OF OPERATION AND MAINTENANCE

In accordance with what is set forth in letter a) number 1.8.6.2 of the Tender's Terms and Conditions, which form part of the Concession Contract for the Public Works called "Concesión Variante Vespucio - El Salto - Kennedy", the revenue from exploitation and the costs of operation and maintenance for the years ended as of December 31, 2020 and 2019 are shown in detail below:

Concepts	Accumulated	
	01.01.2020	01.01.2019
	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Revenue from operation	7,994,529	11,642,242
Income from collection of tariffs	7,727,603	11,446,779
Other charges authorized by the MOP	266,926	195,463
Cost of sales	3,949,346	5,117,092
Operation	3,161,059	4,191,106
Amortization and depreciation	1,348,085	2,063,305
Bad debt	281,520	353,381
Collection management	459,120	521,123
Personnel (1)	320,016	314,281
Fees and advisory services	209,034	271,415
Insurance	221,406	226,379
Supervision of the concession contract	85,015	82,639
Other operating expenses	236,863	358,583
Maintenance	788,287	925,986
Maintenance of infrastructure	734,143	885,837
Evaluation and condition of pavement	26,247	34,153
Other maintenance expenses	27,897	5,996
Administrative Expenses	482,639	530,413
Personnel (1)	51,203	120,747
Fees and advisory services	72,419	63,899
Amortization and depreciation	3,569	1,480
Maintenance of administrative equipment	52,721	49,254
Insurance	7,615	6,784
Other administrative expenses	295,112	288,249

(1) The Company has 28 employees as of December 31, 2020, and 28 employees as of December 31, 2019, and the breakdown of these expenses is the following:

Personnel expenses	Accumulated	
	01.01.2020	01.01.2019
	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Remuneration	302,434	289,484
Employee benefits	68,785	145,544
Totals	371,219	435,028

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

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

- a) As of December 31, 2020 and 2019, the Company presents these effects on results for exchange rate differences:

Concepts	currency	Accumulated	
		01.01.2020	01.01.2019
		12.31.2020	12.31.2019
		ThCL\$	ThCL\$
Liabilities			
Trade creditors and other accounts payable, current	USD	3	(15)
Subtotal	USD	3	(15)
Total	USD	3	(15)

- b) The following chart provides a detailed of the effect on results of the exchange rate differences as of December 31, 2020 and 2019, respectively:

Detail of indexation units:

Concepts	Indexation unit	Accumulated	
		01.01.2020 12.31.2020	01.01.2019 12.31.2019
		ThCL\$	ThCL\$
Assets (charges/credits)			
Tax assets, current	UTM	31,827	31,551
Other nonfinancial assets, noncurrent	UF	(3,165)	-
Accounts receivable, noncurrent	UF	2,041	-
Sub total credits		30,703	31,551
Liabilities (charges)/credits			
Other financial liabilities, noncurrent	UF	(1,471,508)	(1,480,744)
Lease liabilities, noncurrent	UF	(2,222)	(3,662)
Accounts payable to related entities, noncurrent	UF	(799,678)	(815,219)
Other financial liabilities, current	UF	(72,787)	(53,854)
Other provisions, noncurrent	UF	(28,230)	(68,073)
Lease liabilities, current	UF	(1,726)	(635)
Trade creditors and other Accounts Payable, current	UF	-	644
Subtotal (charges)		(2,376,151)	(2,421,543)
Total variaciones	UF	(2,377,275)	(2,421,543)
Total variances	UTM	31,827	31,551
Total effects on results for indexation units		(2,345,448)	(2,389,992)

c) Detail of assets and liabilities by currency

Assets	Currency	Functional currency	12.31.2020	12.31.2019
			ThCL\$	ThCL\$
Current assets				
Cash and cash equivalents	Nonadjustable CL\$	CL\$	1,165,323	936,312
Other financial assets, current	Nonadjustable CL\$	CL\$	674,307	371,612
Other nonfinancial assets, current	Nonadjustable CL\$	CL\$	152,028	186,925
Trade receivables and other accounts receivable, current	Nonadjustable CL\$	CL\$	4,312,666	4,236,497
Total current assets			6,304,324	5,731,346
Noncurrent assets				
Other nonfinancial assets, noncurrent	Nonadjustable CL\$	CL\$	15,179	15,179
Accounts receivable and other accounts receivable	U.F.	CL\$	199,487	-
Intangible assets other than goodwill	Nonadjustable CL\$	CL\$	40,156,705	41,435,133
Property, plant and equipment	Nonadjustable CL\$	CL\$	92,246	71,901
Right-of-use assets	Nonadjustable CL\$	CL\$	96,229	142,255
Tax assets, noncurrent	Nonadjustable CL\$	CL\$	1,282,738	1,201,255
Deferred tax assets	Nonadjustable CL\$	CL\$	15,547,805	14,338,613
Total noncurrent assets			57,390,389	57,204,336
Total assets			63,694,713	62,935,682

Liabilities	Currency	Functional currency	12.31.2020	12.31.2019
			ThCL\$	ThCL\$
Current liabilities				
Other financial liabilities, current	U.F.	CL\$	2,060,179	1,434,465
Lease liabilities, current	U.F.	CL\$	55,351	51,937
Trade creditors and other accounts payable, current	U.F.	CL\$	97,654	37,547
Trade creditors and other accounts payable, current	USD	CL\$	-	4,144
Trade creditors and other accounts payable, current	Nonadjustable CL\$	CL\$	316,477	577,890
Accounts payable to related parties, current	U.F.	CL\$	440,140	3,000,000
Accounts payable to related parties, current	Nonadjustable CL\$	CL\$	627,776	259,575
Other provisions, current	Nonadjustable CL\$	CL\$	25,436	18,493
Tax liabilities, current	Nonadjustable CL\$	CL\$	283	459
Other nonfinancial liabilities, current	Nonadjustable CL\$	CL\$	74,497	62,416
Total current liabilities			3,697,793	5,446,926
Noncurrent liabilities				
Other financial liabilities, noncurrent	U.F.	CL\$	55,138,679	55,529,715
Lease liabilities, noncurrent	U.F.	CL\$	55,460	87,395
Accounts payable to related parties, noncurrent	U.F.	CL\$	30,871,154	26,151,950
Other provisions, noncurrent	U.F.	CL\$	1,094,934	991,363
Other nonfinancial liabilities, noncurrent	Nonadjustable CL\$	CL\$	1,315,784	1,400,186
Total noncurrent liabilities			88,476,011	84,160,609
Total liabilities			92,173,804	89,607,535

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

At the closing of the period 12.31.2020	Currency	Functional currency	Up to 91 days ThCL\$	91+ days up to 1 year ThCL\$	1+ year up to 3 years ThCL\$	3+ years up to 5 years ThCL\$	5+ years ThCL\$	Totals ThCL\$
Other financial liabilities, current	U.F.	CL\$	1,119,144	941,035	-	-	-	2,060,179
Lease liabilities, current	U.F.	CL\$	13,361	41,990	-	-	-	55,351
Trade accounts payable and other accounts payable	U.F.	CL\$	97,654	-	-	-	-	97,654
Trade accounts payable and other accounts payable	Nonadjustable CL\$	CL\$	302,911	13,566	-	-	-	316,477
Accounts payable to related parties, current	U.F.	CL\$	-	440,140	-	-	-	440,140
Accounts payable to related parties, current	Nonadjustable CL\$	CL\$	314,961	312,815	-	-	-	627,776
Other current provisions	Nonadjustable CL\$	CL\$	25,436	-	-	-	-	25,436
Tax liabilities, current	Nonadjustable CL\$	CL\$	283	-	-	-	-	283
Other nonfinancial liabilities, current	Nonadjustable CL\$	CL\$	-	74,497	-	-	-	74,497
Other financial liabilities, noncurrent	U.F.	CL\$	-	-	5,202,990	7,276,871	42,658,818	55,138,679
Lease liabilities, noncurrent	U.F.	CL\$	-	-	55,460	-	-	55,460
Accounts payable to related parties, noncurrent	U.F.	CL\$	-	-	-	-	30,871,154	30,871,154
Other provisions, noncurrent	U.F.	CL\$	-	1,094,934	-	-	-	1,094,934
Other nonfinancial liabilities, noncurrent	Nonadjustable CL\$	CL\$	-	-	235,598	163,430	916,756	1,315,784
Sub total liabilities			1,873,750	2,918,977	5,494,048	7,440,301	74,446,728	92,173,804

At the closing of the period 12.31.2019	Currency	Functional currency	Up to 91 days ThCL\$	91+ days up to 1 year ThCL\$	1+ year up to 3 years ThCL\$	3+ years up to 5 years ThCL\$	5+ years ThCL\$	Totals ThCL\$
Other financial liabilities, current	U.F.	CL\$	806,451	628,014	-	-	-	1,434,465
Lease liabilities, current	U.F.	CL\$	25,969	25,968	-	-	-	51,937
Trade accounts payable and other accounts payable	U.F.	CL\$	23,909	13,638	-	-	-	37,547
Trade accounts payable and other accounts payable	USD	CL\$	2,496	1,648	-	-	-	4,144
Trade accounts payable and other accounts payable	Nonadjustable CL\$	CL\$	559,386	18,504	-	-	-	577,890
Accounts payable to related parties, current	U.F.	CL\$	-	3,000,000	-	-	-	3,000,000
Accounts payable to related parties, current	Nonadjustable CL\$	CL\$	259,575	-	-	-	-	259,575
Other current provisions	Nonadjustable CL\$	CL\$	18,493	-	-	-	-	18,493
Tax liabilities, current	Nonadjustable CL\$	CL\$	459	-	-	-	-	459
Other nonfinancial liabilities, current	Nonadjustable CL\$	CL\$	62,416	-	-	-	-	62,416
Other financial liabilities, noncurrent	U.F.	CL\$	-	-	4,152,661	5,984,298	45,392,756	55,529,715
Lease liabilities, noncurrent	U.F.	CL\$	-	-	71,400	15,995	-	87,395
Accounts payable to related entities, noncurrent	U.F.	CL\$	-	-	-	-	26,151,950	26,151,950
Other provisions, noncurrent	U.F.	CL\$	-	991,363	-	-	-	991,363
Other nonfinancial liabilities, noncurrent	Nonadjustable CL\$	CL\$	-	-	65,932	143,713	1,190,541	1,400,186
Sub total liabilities			1,759,154	4,679,135	4,289,993	6,144,006	72,735,247	89,607,535

23. OTHER CURRENT AND NONCURRENT FINANCIAL LIABILITIES

For the periods ended as of December 31, 2020 and 2019, the Company had the following obligations with banks, which gave rise to interest:

a) Current financial liabilities

Concepts	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Obligations with domestic banks	1,882,535	1,256,581
Interest payable to domestic banks	177,644	177,884
Totals	<u>2,060,179</u>	<u>1,434,465</u>

a.1) The maturity and currency of the Obligations are presented below:

As of December 31, 2020

Creditor	Country	Currency	Type	Interest Rate			Accounting Value			Non-deducted Value (Interest until the end)		
				Base	Nominative	Effective	Up to 6 months	6 to 12 months	Totals	Up to 6 months	6 to 12 months	Totals
							ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Itaú Corpbanca	Chile	UF	Fixed	n/a	5.25%	5.55%	1,119,144	941,035	2,060,179	2,540,295	2,522,070	5,062,365
Totals							<u>1,119,144</u>	<u>941,035</u>	<u>2,060,179</u>	<u>2,540,295</u>	<u>2,522,070</u>	<u>5,062,365</u>

As of December 31, 2019

Creditor	Country	Currency	Type	Base	Interest Rate		Accounting Value			Non-deducted Value (Interest until the end)		
					Nominative	Effective	Up to 6 months	6 to 12 months	Totals	Up to 6 months	6 to 12 months	Totals
							ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Itaú Corpbanca	Chile	UF	Fixed	n/a	5.25%	5.55%	806,451	628,014	1,434,465	2,229,524	2,211,250	4,440,774
Totals							<u>806,451</u>	<u>628,014</u>	<u>1,434,465</u>	<u>2,229,524</u>	<u>2,211,250</u>	<u>4,440,774</u>

b) Detail of financial liabilities in effect

Bank credit with Itaú Corpbanca

The conditions of the long-term financing obtained through a bank credit are shown below:

Bank	:	Itaú Corpbanca
Opening of the Loan	:	On June 19, 2014, the Company entered into a Financing Opening contract.
Purpose	:	To prepay the entirety of the credit with BBVA and Banco Estado; to pay the break costs associated to the prepayment and the payment of the related derivative; to cover the refinancing expenses and commissions; to fund the reserve accounts of the new financing contract; to finance the operating and maintenance costs of the concession; and finance the working capital needs of the Company.

Currency	:	U.F.
Loan Amount	:	U.F. 2,150,000.
Term	:	19 years.
Interest period	:	Biannual
Interest payment	:	Biannual payment on June 10 and December 10 each year.
Repayment of principal	:	There is a 3-year grace period for the principal. The principal becomes payable from June 2017 through December 2032.
Debt's interest rate	:	5.25% fixed per annum.

The execution date of this credit was July 24, 2014.

c) Non-current financial liabilities

Concepts	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Obligations with domestic banks (1)	<u>55,138,679</u>	<u>55,529,715</u>
Totals	<u><u>55,138,679</u></u>	<u><u>55,529,715</u></u>

(1) The expiration and currency of the Obligations is shown below:

As of December 31, 2020

Creditor	Country	Currency	Type	Base	Interest rate		Accounting value					Nondiscounted value (Interest until the end)				
					Nominative	Effective	1 to 3 years	3 to 5 years	5 to 10 years	10+ years	Totals	1 to 3 years	3 to 5 years	5 to 10 years	10+ years	Totals
							ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Itaú Corpbanca	Chile	UF	Fija	-	5.25%	5.55%	5,202,990	7,276,871	29,549,106	13,109,712	55,138,679	11,205,466	12,603,317	37,997,072	14,033,205	75,839,060
Totals							<u>5,202,990</u>	<u>7,276,871</u>	<u>29,549,106</u>	<u>13,109,712</u>	<u>55,138,679</u>	<u>11,205,466</u>	<u>12,603,317</u>	<u>37,997,072</u>	<u>14,033,205</u>	<u>75,839,060</u>

As of December 31, 2019

Creditor	Country	Currency	Type	Base	Interest rate		Accounting value					Nondiscounted value (Interest until the end)				
					Nominative	Effective	1 to 3 years	3 to 5 years	5 to 10 years	10+ years	Totals	1 to 3 years	3 to 5 years	5 to 10 years	10+ years	Totals
							ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Itaú Corpbanca	Chile	UF	Fija	-	5.25%	5.55%	4,152,661	5,984,298	26,465,486	18,927,270	55,529,715	10,252,217	11,515,750	36,213,202	20,804,125	78,785,294
Totals							<u>4,152,661</u>	<u>5,984,298</u>	<u>26,465,486</u>	<u>18,927,270</u>	<u>55,529,715</u>	<u>10,252,217</u>	<u>11,515,750</u>	<u>36,213,202</u>	<u>20,804,125</u>	<u>78,785,294</u>

24. FINANCIAL REVENUE AND FINANCIAL COSTS

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

Concepts	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Interests collected from clients (1)	405,017	264,488
Interest for investment in financial instruments	24,322	79,440
Interest earned under Ad Ref No.4 (2)	3,054	-
Totals	<u>432,393</u>	<u>343,928</u>

- (1) Due to the social and sanitary contingencies that have affected the country lately, the clients' payment behavior has been affected, with longer average times for paying the issued invoices. This has caused an increase in the generated interest for failure to pay the collection instruments until the time the client pays his/her debt. The provision for bad debt is also calculated on the basis of this amount.
- (2) It corresponds to interest earned under the Ad Referendum agreement No. 4. This agreement was issued by the Ministry of Public Works on December 06, 2019 as a compensation for the elimination of the 3.5% annual indexation of the tariffs that was implicit in the Company's Tender's Terms and Conditions. This adjustment was applied to the tariffs until December 31, 2019.

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

Financial costs	Accumulated	
	01.01.2020 12.31.2020	01.01.2019 12.31.2019
	ThCL\$	ThCL\$
Subordinated debt interest	1,359,666	1,474,607
Bank debt interest	3,224,022	3,187,950
Interest paid in lease contracts	24,876	5,200
Bank commissions (1)	57,358	58,758
Totals	<u>4,665,922</u>	<u>4,726,515</u>

- (1) As of December 31, 2020 and 2019, the balance corresponds, for the most part, to the bank's commission originating in 10 bank bonds delivered to the al MOP, in the total amount of UF 55,000.- in accordance with clause fourth of the Opening and Financing Contract for Bank Bonds entered into with Corpbanca on July 03, 2015.

25. INCOME TAX AND DEFERRED TAXES

The items that originate deferred taxes at the closing of each period are shown below:

Concept	Tax Assets		Tax Liabilities	
	12.31.2020	12.31.2019	12.31.2020	12.31.2019
	ThCL\$	ThCL\$	ThCL\$	ThCL\$
Tax loss	15,426,195	14,130,154	-	-
Accounts receivable (income not received)	-	-	1,246,105	1,143,755
Right-of-use for leases	3,937	-	-	13,935
Vacations provision	6,868	4,993	-	-
Bad debt provision	40,790	43,885	-	-
Major maintenance provision	295,632	267,668	-	-
Revenue received in advance	375,376	394,903	-	-
Financial-tax works cost difference	916,369	949,372	-	-
Financial-tax bank debt difference	-	-	271,257	294,672
Totals	17,065,167	15,790,975	1,517,362	1,452,362
Net assets for deferred taxes	15,547,805	14,338,613		

The Company has not set a provision for first category income tax as there are accumulated tax losses in the amount of ThCL\$ 57,134,054 as of December 31, 2020 and ThCL\$ 52,333,905 as of December 31, 2019. A deferred tax valuation provision at the date of the statement of financial situation is not considered necessary because the deferred tax assets are likely to be realized in full.

The movements of deferred taxes are the following:

Deferred tax movements	Assets ThCL\$	Liabilities ThCL\$
Balance as of December 31, 2019	15,790,975	1,452,362
Increment	1,274,192	65,000
Balance as of December 31, 2020	17,065,167	1,517,362

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

Effects on Results	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Deferred taxes for the year	1,209,192	575,909
Income tax Art. 21 Par. 3rd	-	(4,445)
Totals	1,209,192	571,464

i) Reconciliation of the accounting result and tax result

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

	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Income for deferred taxes using the effective rate	814,436	210,021
Effect of indexation for tax los during the year	481,605	381,446
Effect of variance in temporary differences	(86,849)	(15,558)
Other effects for permanent differences	-	(4,445)
Total adjustment of income for taxes using the legal rate	394,756	361,443
Tax income using the effective rate	1,209,192	571,464

ii) The tax rates used for the reconciliations of periods 2020 and 2019 correspond to the tax rate payable by the Company on its taxable profits under the standing tax regulations.

	12.31.2020	12.31.2019
Legal tax rate	27.0%	27.0%
Effect of tax loss indexation of the year	16.0%	49.0%
Variance effect of temporary differences	-2.9%	-2.0%
Other ffects of permanent differences	0.0%	-0.6%
Tax income using the effective rate (%)	40.1%	73.4%

26. ENVIRONMENT

Sociedad Concesionaria Túnel San Cristóbal S.A. periodically submits the Follow-Up Report on Sustainable Development to the Ministry of Public Works, in accordance with the Terms and Conditions of the Tender, containing detailed information on the quality of Air, Noise, Landscaping, Risk Prevention and Control of Accidents. In these respects, the Company has complied with all the measures required by this authority.

27. SERVICE CONCESSION ARRANGEMENTS

1. Classification of the Arrangements

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

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

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

- i) The public policy is for services involving the infrastructure to be provided to the public, regardless of who operates those services. The arrangement binds the operator to provide the services to the public on behalf of the public sector entity -in this case, on behalf of the Ministry of Public Works (MOP);
- ii) The party granting the agreed service (grantor = Ministry of Public Works) is a public sector entity, including a government institution, or a private sector entity to which the responsibility for the service has been transferred.
- iii) The operator is responsible for at least part of the management of the infrastructure and its related services, and does not merely act as an agent for the grantor.
- iv) The contract provides the initial prices to be charged by the operator and regulates price changes during the period of the service agreement; and
- v) The operator is obligated to deliver the infrastructure to the grantor in a determined condition at the end of the period of the agreement, for an additional small consideration or none at all, regardless of who provided the initial funding.

A review of the terms and conditions of the contract entered into by Sociedad Concesionaria Túnel San Cristóbal S.A. and the Ministry of Public Works shows that all of the above criteria and characteristics have been met, therefore the activity performed by this Company is subject to the standards of IFRIC 12, which are applied starting from the mandatory application date: January 1, 2009 (for comparative purposes).

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

2. Characteristics of the Concession Contract

In accordance with SIC No. 29, the main characteristics of the concession contract are shown below:

- a) The concession contract is comprised of the Bidding Conditions, the explanatory circular documents, the decree of award, the Complementary Agreements No. 1 and No. 2, the Ad Referendum Agreements No. 1 and No. 2, MOP's Statutory Decree No. 514 and the relevant provisions of the various laws summarized below:
 - The MOP's Statutory Decree 900 of 1996, which establishes the adapted, coordinated and standardized text of MOP Statutory Decree 164 of 1991, Law on Public Works Concessions.
 - The MOP's Statutory Decree No. 956 of 1997, Regulations of the Law on Public Works Concessions.
 - Article 87 of the MOP's Statutory Decree No. 850 of 1997, which establishes the adapted, coordinated and standardized text of Law 15,840 Basic Law on the Ministry of Public Works of 1964, and Statutory Decree No. 206 of 1960, the Roadways Law.
- b) The concession's term is for a period of 390 months, as per the modification contained in letter d) of number 6.2 of Complementary Agreement No. 1, entered into on July 12, 2007, which modified the concession contract of the State-owned public works called "Concesión Variante Vespucio - El Salto - Kennedy". This agreement extended for a period of 6 months the original term laid out in article 1.7.6 of the Terms and Conditions of the Tender. The start of the concession shall be computed pursuant to what is set forth in article 1.7.5 of the aforesaid terms and conditions, that is as from the date of publication of the Official Gazette of the Statutory Decree of Award related to the concession contract. This Decree's number is 1129 and it is dated November 26, 2004. It was published on the Official Gazette on February 21, 2005. Consequently, the expiration date of the concession contract is August 21, 2037.
- c) The Concession Company shall execute, repair, preserve, maintain, exploit and operate the works specified in the Terms and Conditions of the Tender, namely the concession project called "Variante Vespucio - El Salto - Kennedy" shall communicate Américo Vespucio Avenue in the El Salto area, borough of Huechuraba, with the boroughs of Providencia and Las Condes, at Avenida del Cerro and Avenida Kennedy, respectively. The project shall be materialized by building 2 parallel tunnels that will run through the San Cristóbal Hill

and the surface road to materialize the connections specified in point 1.3 of the terms and conditions of the tender.

The Concession Company prepared the Detail Engineering Projects that were necessary for the execution of the works referred to in article 1.9.1 of the Terms and Conditions of the Tender, and may incorporate at its sole cost and responsibility, with the approval of the State Inspector, other works in addition to the minimum works required, as may contribute to the improvement of the standards and indicators set forth in the Terms and Conditions of the Tender.

The main works executed in the approximately 4.1 km of new road are the following:

- Construction of approximately 2.2 Km. of two-lane unidirectional roads 3.5 m wide and with a central division of a variable width, and 1.5 m wide shoulders.
- Construction of 2 unidirectional tunnels with a length of approximately 1.9 km.
- Construction of Electronic Collection Gantries.
- Connection with the Américo Vespucio - El Salto Interchange.
- Connection with Av. Kennedy - Lo Saldes.
- Connection with Av. El Cerro.

The Concession includes the maintenance of all of the works executed by the Concession Company under the conditions and standards set forth in the Terms and Conditions of the Tender for the Stages of Construction and Operation.

The executed works are laid out in articles 1.3 and 2.3 of the Terms and Conditions of the Tender, and include the following:

		Article of the Terms and Conditions of the Tender
a)	Works to be executed	2.3.1
1	Two way roads	2.3.1.1
2	Tunnels	2.3.1.2
3	Complementary works	2.3.1.3
4	Arturo Merino Benítez crossing	2.3.1.3.1
5	Fire fume exhaust system	2.3.1.3.2
6	Main road safety systems	2.3.1.3.3
7	Perimeter fences	2.3.1.4
8	Staking out the strip	2.3.1.5
9	Clearing and cleaning of the State-owned strip	2.3.1.6
10	Easements	2.3.1.7
11	Signaling and demarcation	2.3.1.8.1
12	Road defenses	2.3.1.8.2
13	Lighting	2.3.1.8.3
b)	Warehouse for State-owned assets	2.3.2
c)	Mandatory special services	2.3.3
a	Emergency vehicles	2.3.3.1
b	Tow truck	2.3.3.2
c	Emergency telephones	2.3.3.3

Pursuant to what is set forth in article 2.2 of the Terms and Conditions of the Tender, prior to beginning the construction of the works, the Company has had to develop the Detailed Engineering for the Project and present it to the State Inspector for approval including all of the works subject matter of the concession defined in the Terms and Conditions of the Tender and the Company's Technical Bid, and the works which have not been projected but are required by the Terms and Conditions of the Tender, which must comply with the terms and conditions stipulated in the Concession Contract documents.

With regard to the Detail Engineering of the tunnels, the Company has had to comply with the minimum requirements stipulated in article 2.2.3 of the Terms and Conditions of the Tender.

The Detail Engineering Projects to be prepared by the Concession Company have been adapted to the conditions set forth in the Technical Terms and Conditions that form part of the Terms and Conditions of the Tender, and to the minimum standards established in the Preliminary projects and Reference Studies that are part of its Technical Offer, as well as to the standing regulations, and particularly to the Instructions given by the Departments of Surveys, of Bridges, Tunnels and Signaling and of Road Safety or the Departments of the Roads Bureau acting in their lieu, having to take into consideration, among other documents, those individualized in article 2.2.1 of the Terms and Conditions of the Tender.

The Concession Company has implemented an Electric Toll Collection System for the right of passage, the characteristics of which must correspond to those stipulated in article 2.2.4 of the Terms and Conditions of the Tender and the general, necessary and specific requirements of which must be fully complied with, are respectively described in articles 1.15.1, 1.15.2, 1.15.3 of the Terms and Conditions of the Tender.

According to the Financial Bid of the Successful Bidding Group, the maximum value of the Base Rate in Off-peak Hours (TBFP) in the direction of Kennedy-El Sato is set at CL\$ 125 denominated to pesos at December 31, 2003, for vehicles classified as Type 1, according to table 7 of the Terms and Conditions of the Tender.

According to article 1.14 of the Terms and Conditions of the Tender, the Company awarded with the concession must comply with the following provisions to set its tariffs. Charging tariffs that exceed the maximum authorized, and/or the failure to comply the terms and conditions set forth for their collection, will cause the Company to be subject to the fine set forth in article 1.8.10 of the Bidding Conditions, notwithstanding the cashing of the performance bonds set forth in article 1.8.1 of the Terms and Conditions of the Tender, and the appropriate legal action.

a) Concession Holder's Obligations

- a. To legally organize the Concession Company promised in the Technical Bid, as set forth in article 1.7.3. of the Terms and Conditions of the Tender, within 60 calendar days from the publication on the Official Gazette of the Statutory Decree of award. Likewise, within 60 calendar days from that date, the successful bidder must subscribe, before a Notary Public, the transcriptions of the Statutory Decree awarding the Concession Contract, as proof of acceptance of its contents, and must notarize one of the counterparts with the same Notary Public, as required in article 1.7.4 of the Terms and Conditions of the Tender.
- b. The company's total capital must be subscribed upon execution of the public deed of incorporation of the Concession Company. Said capital may not be less than CL\$ 5,700,000,000 (five billion seven hundred million pesos) and at least CL\$ 1,440,000,000 (one billion four hundred and forty million pesos) must be paid in cash. The balance of capital must be paid, in cash, within 12 months from the date of the public deed of incorporation of the Concession Company, all the foregoing in accordance with what is set forth in article 1.7.3 of the Terms and Conditions of the Tender.
- c. Within 60 days from its date of incorporation, the Concession Company must have applied for its registration in the Securities Register of the Superintendency of Securities and Insurance (currently called *Comisión para el Mercado Financiero* [Commission for Financial Market]), which must be

evidenced through the appropriate certificate. Once the registration in this Register has been completed and not more than 5 days later, the Company must present a certificate of such registration to the State Inspector, all of the above in accordance with article 1.7.3 of the Terms and Conditions of the Tender.

- d. To execute, repair, preserve, exploit and operate the works that the Company has the obligation to perform, pursuant to the documents that form part of the Concession Contract, in the form, conditions, manner and terms set forth in those documents.
- e. To provide the basic services, for which the Company is authorized to charge tariffs to users.
- f. To provide the mandatory special services, in accordance with article 1.10.9.1 of the Terms and Conditions of the Tender.
- g. The Concession Company paid the MOP UF 142,000 (one hundred and forty two thousand Unidades de Fomento for acquisitions and expropriations. This payment was made to the MOP in a single installment in June, 2005, as specified in article 1.8.8 of the Terms and Conditions of the Tender.
- h. In accordance with what is set forth in articles 1.12.1.1.1 and 1.12.1.1.2 of the Terms and Conditions of the Tender, the Concession Company must make the following payments to the State for the Administration and Control of the Concession Contract and for Works of Art respectively:
 - An annual payment to the MOP for administration and control of the Concession Contract. During the Construction Stage as defined in article 1.9.2 of the Terms and Conditions of the Tender, the Concession Company had to pay UF 40,500 (forty thousand five hundred Unidades de Fomento) in three equal installments of UF 13,500 (thirteen thousand five hundred Unidades de Fomento). The first installment was paid in January, 2006 and the two remaining installments in January, 2007 and 2008. During the Exploitation Stage, the amount to be paid for this concept will be UF 3,000 (three thousand Unidades de Fomento) per year. In the first January after authorization of the Provisional Placement into Service (granted on July 4, 2008), i.e. in January 2009, the Concession Company had to pay, in addition to the full annual payment for 2009, the proportion of the prior year including the month in which the Provisional Placement into Service was authorized, which meant paying an additional UF 1,500.
 - The amount of UF 2,500 (two thousand five hundred Unidades de Fomento) for the execution of Works of Art associated to the project. This was defined by a Special Committee convened by the Architecture Department of the Ministry of Public Works, which acted as the Technical Agency, assuming the final inspection of the works, including their contracting. must include the maintenance of such Works of Art included in the Concession. This amount was paid to the MOP in a single installment in July, 2005.
- i. The Concession Holder or Successful Bidder, as the case may be, had to make a payment in the amount of UF 22,073 (twenty two thousand seventy three Unidades de Fomento) to bidder Infraestructura 2000 S.A., individualized in article 1.2.4 of the Terms and Conditions of the Tender, as a reimbursement for the surveys of engineering, demand and environmental impact performed by it for the project. This amount was paid to that in August, 2005, all of the above as provided for in article 1.12.1.1.3 of the Terms and Conditions of the Tender.
- j. The Concession Holder must contract Civil Liability Insurance for Damages to Third Parties and Catastrophic Insurance Coverage pursuant to what is set forth in articles 1.8.14 and 1.8.15, respectively, of the Terms and Conditions of the Tender.

b) Concession holder's rights

- a. To exploit the works once the Provisional Placement into Service has been authorized, until the end of the concession, all in accordance with article 1.10 of the Terms and Conditions of the Tender.
- b. To receive the Tariffs charged to all the users of the concession in accordance with articles 1.13, 1.14 and 1.15 of the Terms and Conditions of the Tender.
- c. In accordance with what is set forth in article 1.14.8 of the Terms and Conditions of the Tender, every two years the Concession Company may propose, on well-justified grounds, a review of the tariff adjustment system set forth in article 1.14.5 and of the collection system set forth in article 1.15, both of the Terms and Conditions of the Tender, as well as of the relocation of the points of collection, which may be either accepted or rejected by the MOP, subject to approval by the Minister of Finance.
- d. The Concession Company shall be entitled to perform Tariff Management according to the terms and conditions set forth in letters a), b), c) and d) of article 1.14.9 of the Terms and Conditions of the Tender.
- e. To exploit the complementary services in accordance with article 1.10.9.2 of the Terms and Conditions of the Tender.

c) Construction bond

Within 70 days from the beginning of the concession and the Construction Stage of the works, as set forth in article 1.7.5 of the Terms and Conditions of the Tender, the Concession Company had to furnish the Construction Performance Bond, which was done by means of ten bank bonds, in identical amounts, payable on demand and issued in Santiago, Chile, by a local bank to the General Director of Public Works, in the total amount of UF 75,000 (seventy five thousand Unidades de Fomento), each one with a term of 40 months.

The Bid Bond was returned by the MOP pursuant to what is set forth in the Terms and Conditions of the Tender.

The Construction performance bond was returned by the MOP to the Concession Company pursuant to what is set forth in the Regulations of the Concession Law and in the Terms and Conditions of the Tender.

d) Operation bond

Within 30 days prior to the application for Provisional Placement into Service of the Works, as defined in article 1.9.2.7 of the Terms and Conditions of the Tender, the Concession Company furnished the MOP with a performance bond for operating the concession. This guarantee consisted of ten performance bonds, all for an equal amount and totaling UF 55,000 (fifty five thousand Unidades de Fomento), issued in Santiago, Chile by a local bank to the name of the General Director of Public Works.

Each bank bond has a 5-year expiration date and will be renewed 90 days before it expires, with the new documents being delivered before the previous ones expire.

The MOP authorized the provisional commissioning indicated in article 1.9.2.7 of the Terms and Conditions of the Tender, once the Concession Company discharged the obligation to furnish the exploitation guarantee previously approved by the State Inspector.

The Concession Company must furnish an additional guarantee of operation to insure compliance

with the conditions in which the State will receive the Concession, as set forth in article 1.11.3 of the Terms and Conditions of the Tender. This guarantee must be delivered 24 months before the expiration of the Contract through ten equal payable on demand bank performance bonds issued in Santiago, Chile by a local bank to the General Director of Public Works, for a total of UF 55,000 (fifty five thousand Unidades de Fomento). This additional guarantee will be valid for 3 years.

All of the operating performance bonds must be payable on demand.

The bank performance bonds will be returned within 15 days after the State Inspector certifies that the Concession Company has discharged all of the obligations undertaken with the MOP.

The additional performance bond will be returned by the MOP within 15 days after its expiration date.

3. Complementary agreements

a) Complementary Agreement No. 1

The Ministry of Public Works, by way of Statutory Decree 508 dated July 30, 2007, published on the Official Gazette on November 12, 2007, approved Complementary Agreement 1, which amended the "Concesión Variante Vespucio – El Salto – Kennedy". public works concession contract. The main aspects of this contract are the following:

The modifications to the layout, design, works and services set forth in this contract were as follows:

1. Sociedad Concesionaria Túnel San Cristóbal S.A. had to modify and improve the works of the northern sector of the works under concession and of Avenida Américo Vespucio, by performing the engineering survey and other surveys required to modify the layout of the tunnels and their accesses in the northern sector of the works and execute the works of the so-called "Alternativa Pirámide". The Concession Company was responsible for and assumed all of the construction, geological and natural risks of the so-called "Alternativa La Pirámide", as well as all of the obligations set forth in the Terms and Conditions of the Tender for the Reference Project which were extended to include that alternative.
2. The layout of the works under concession was modified, in the following areas of the Acceso El Salto section: Zones 1 and 2 of the original Engineering Reference Project (PRI), which are defined in Table 1 of article 1.8.7.2.1 of the Terms and Conditions of the Tender.
3. The Concession Area was expressly modified, being applied to the PRI layout, which is maintained, and to the New Concession Layout, and ratifying what is stated in definition 4 of article 1.2.3 of the Terms and Conditions of the Tender, that is, anything that is required to execute the works and to render the services defined in the Concession Contract which are to be located on State-owned property for public use.
4. As a consequence of the foregoing and of the agreements hereunder, the PRI works of the northern area of the concession that are withdrawn, were excluded from the concession contract, therefore the Concession Company was released from having to fulfill all of the obligations relating to those works.

As a result of the new works, the total and partial periods of the concession contract were amended, with the new deadlines being the following:

1. Deadline for submitting the third Progress Report: August 20, 2007.
2. Deadline for presenting the fourth Progress Report: January 20, 2008.
3. Deadline for obtaining the Provisional Placement into Service for the entire works: June 20, 2008.
4. The term of the concession will be for 390 months as of its start as set forth in article 1.7.5 of the Terms and Conditions of the Tender, and consequently it will expire on August 20, 2037.

The concepts under which this contract is organized and their final values are the following:

1. New works and services to perform	:	UF	777,177.23
2. Works that will not be executed	:	UF	(165,002.17)
3. Total net value	:	UF	612,175.06

In addition to the items shown above, it is important to highlight that the additional Changes in Utilities needed to carry out the works of the so-called "Alternativa Pirámide", in excess of the amount included for this item in number 1 of the previous paragraph, will be regulated according to article 1.8.19 of the Terms and Conditions of the Tender.

The MOP paid the Concession Company UF 635,000 in December, 2007. At the cut-off date of the accounting control accounts for the cost of the works, there was a balance in favor of the MOP in the amount of UF 9,218.84, which was paid by the Concession Company on August 29, 2008.

The works contracted by virtue of this agreement did not involve any additional payments by the Concession Company to the MOP, for supervision, administration or control of the Concession Company.

The performance bonds referred to in articles 1.8.1.1 and 1.8.1.2 of the Terms and Conditions of the Tender will be fully applicable to the obligations of the Concession Company under this Complementary Agreement.

The agreement contemplates that the MOP may demand from the Concession Company, for reasons of public interest and urgency as set forth in article 69 No. 4 of the Regulations, to modify the contracted works and services, with a view to improving and/or building incoming and outgoing tunnel connections in the southern area of the project, specifically the widening of Avenida El Cerro with a bridge over the Mapocho River that connects opposite Nueva Tajamar street, as well as structures and road works for the connection to the Lo Saldes bridge and Costanera Norte, or equivalent works.

b) Modifications to the concession contract by way of MOP Statutory Decree No. 514

The concession contract for the public works known as "Variante Vespucio-El Salto-Kennedy" was amended by Statutory Decree 514 of the Ministry of Public Works of July 29, 2008, published on the Official Gazette of November 14, 2008. This amendment set forth an operating plan for the work consisting of four stages, the main aspects of which are described below:

Stage 1: It considered two Operating Phases starting from the date on which provisional Placement into Service of the entire works was authorized (July 4, 2008):

Phase 1.A: This phase contemplated opening the tunnel for South-North traffic, with two lanes and restricted hours from 7:30 a.m. to 10:00 a.m. and 5:00 p.m. to 9:00 p.m.

Scheduled start date: Starting from the date on which provisional Placement into Service of the entire work was authorized (July 4, 2008).

Scheduled completion date: One week after the start.

Phase 1.B: This phase considered opening the tunnel for South-North traffic, with two lanes and no time restrictions.

Stage 2: It contemplated operating the works with two-way traffic and the following restrictions:

Scheduled start date: August 15, 2008.

Scheduled end date: September 30, 2008.

The start of this stage (and end of the previous one) was subject to enabling the Improvement to the northwest turn at the exit of the tunnel on Av. El Cerro with Av. Los Conquistadores, which works forms part of the project known as "Ensanche de Av. El Cerro y Puente sobre el Río Mapocho".

Tunnel for South-North traffic: No time restrictions, two lanes.

Tunnel for North-South traffic: From Monday to Friday from 7:30 a.m. to 10:00 p. m., and from 5:00 p.m. to 9:00 p.m.; other days with no time restrictions.

Stage 3: It considered two operating phases:

Phase 3.A:

Scheduled start date: September 30, 2008.

Scheduled end date: October 10, 2008.

The start of this phase was subject to enabling the project works known as "Ensanche de Avenida El Cerro y Puente sobre el Río Mapocho".

This Phase considered operating both tunnels with the same time and lane restrictions as in Stage 2, but including the enablement of the widening of two lanes of Av. El Cerro in both directions, between Av. Los Conquistadores and Av. Santa Maria, together with the operation of three lanes of the East Bridge over the River Mapocho and the northwest turn-off enabled in Stage 2 above.

Phase 3.B:

Scheduled start date: October 10, 2008

Scheduled end date: March, 2009.

This Phase contemplated operating both tunnels without any time restriction.

Complementary road works: It considers the widening of two lanes of Av. El Cerro in both directions, from Av. Los Conquistadores to Av. Santa Maria, together with the operation of three lanes of the East Bridge over the Mapocho River and the northwest turn-off enabled in Stage 2 above.

Stage 4:

Actual start date: From March 7, 2009.

This Stage contemplated unrestricted operation of the works under concession.

In other provisions contained in the aforesaid Statutory Decree 514, it is worthwhile to highlight the following:

- None of the other deadlines or obligations of the concession contract are amended, with the Concession Company having to fulfill in time and form each and every one of the obligations set forth in the concession contract.
- The economic and financial effects of the above amendments on the economic balance of the concession contract will be addressed in the agreement to be entered into by the parties, which at December 31, 2009 was still under preparation.
- A maximum of 12 months from the date of this decree was set forth in order for the parties to the concession contract to agree to applicable compensations and other regulations.

On July 3, 2009, the Ministry of Public Works granted the final Placement into Service by means of (Exempt) Resolution 2443 of the General Public Works Department, starting at 00:00 hours of July 4, 2009.

c) Ad Referendum Agreement No. 1

This agreement, approved by Statutory Decree No. 236 of the Ministry of Public Works, issued on August 25, 2009, and reviewed by the Contraloría General de la República on November 4, 2009, modified the following main aspects of the concession contract:

- Performance of the project works known as “Conexión Lo Saltes Fase 1 Versión 2”, was approved, according to a project submitted to the Concession Company and declared to be in the public interest by the MOP via DGOP Resolution 5257 of December 16, 2008.
- UF 30,916.78 was set as the single, total amount to be paid by the MOP to the Concession Company as compensation for the investments and disbursements associated with the characteristics of the works and services referred to in DGOP Resolution 5257. This calculation considered values updated at June 30, 2009.
- It set December 31, 2009 as the deadline for paying the aforesaid amount, authorizing accrual of interest as of July 1, 2009 to the date of actual payment. This payment was received in full by the Concession Company on the contemplated date.
- For VAT purposes, the same treatment contemplated in article 1.12.3 of the Terms and Conditions of the Tender shall operate.

d) Complementary Agreement No. 2

This agreement, approved via Statutory Decree 237 of the Ministry of Public Works, issued on August 25, 2009, and reviewed by the Contraloría General de la República on December 17, 2009, modified the following main aspects of the concession contract:

- It authorized execution of the complementary road works project known as “Ensanche de Avenida El Cerro y Puente sobre el Río Mapocho”, consisting of the following:
 - a) Widening of Av. El Cerro to two lanes per direction, a 2.5-meter wide central division and 3.0 meter-wide lanes on each side.
 - b) Grade modification at the intersections of Av. El Cerro with Los Conquistadores, Santa Maria and Andrés Bello.
 - c) Construction of the “El Cerro I” Bridge over the Mapocho River, approximately 52 meters long and with three lanes.
 - d) Landscaping, Lighting, Traffic Lights and Utility Change projects.
- It set a final, total price for the aforesaid project works in the amount of UF 192,920, without considering the cost of the utility changes.
- UF 70,002.76 was set as the final, total value of the Utility Changes required by the aforesaid project.
- Interest in the amount of UF 15,712.00 was recognized and added to the above values for the investments already made by the Concession Company, price-level restated at June 30, 2009.
- UF 2087.95 was set as the balance of the amount of the Complementary Road works set forth in article 1.9.2.18 of the Terms and Conditions of the Tender. This amount was deducted from those specified in the previous paragraphs.
- It set forth that the maintenance, conservation and operation of the complementary project road works known as “Ensanche de Avenida El Cerro y Puente sobre el Río Mapocho” will not be charged to the Concession Company and the Concession Company will not be liable for them.
- It set December 31, 2009 as the deadline for paying the above amounts, authorizing accrual of interest as of July 1, 2009 to the date of actual payment. This payment was received in full by the Concession Company on December 31, 2009.

- For VAT purposes, the same treatment set forth in article 1.12.3 of the Terms and Conditions of the Tender shall be applied.

e) Ad Referendum Agreement No. 2

This agreement was approved via Statutory Decree 288 of the Ministry of Public Works, issued on November 18, 2009 and published on the Official Gazette of April 8, 2010. The most important aspects of the Agreement are the following:

1. This project's works are incorporated into the Concession regime.
2. The Concession Company must execute all the works and activities established by DGOP (Exempt) Resolution No. 4,760 dated November 4, 2009, known as "Conexiones Lo Saltes" Project for a total approved cost of UF 420,143.32. The details of the works and activities including the related approved costs are the following:
 - a) Construction of all of the project works known as "Conexiones a los Túneles del Sector Sur – Fase I" which were not provided for in DGOP (Exempt) Resolution 5257 of 12.16.2008, which is contained in Statutory Decree 133 of March 06, 2009. The cost of these works was set at UF 288,754.93 (amount modified in Resolution No. 3319 to UF 294,027.33). It is left on record that this amount includes the costs for the concept of Traffic Management System.
 - b) Administration and inspection activities incurred by the Concession Company in order to fulfill its proposed Quality Plan. The cost of these activities was set at UF 8,698.77.
 - c) Conservation, maintenance, operation and exploitation of the additional works. A cost of UF 101,989.62 was set for entire remaining concession period.
 - d) Changes in Utilities involved in the project works. The cost of this item was set at UF 2,500.00. The State Inspector must approve a pro forma value submitted by the Concession Company to this end.
 - e) Contracting all of the additional insurance for the project, the cost of which was set at UF 2,500.00. The State Inspector must approve a pro forma value submitted by the Concession Company to this end.
 - f) Taking the Performance Bonds required for this project for which a maximum cost of UF 3,700.00 was set. The State Inspector must approve pro forma value submitted by the Concession Company to this end.
 - g) Execution of the project's Landscaping and Irrigation works called "Conexiones a los Túneles del Sector Sur – Fase I", for which purpose a maximum of UF 12,000.00 was set (this amount was modified by Resolution No. 3319, to UF 11,966.63). The Concession Company must submit a budget for this project to the State Inspector for approval, within 75 days from the final processing of this Resolution. Once the budget has been approved, the works must be carried out within 120 days. The State Inspector must approve the values submitted by the Concession Company to that end.
3. A methodology for accounting all new investments is agreed. This includes the application of interest rates to calculate the restated amounts of the investments made. Two periods are identified: the period from the date of execution of investments to the beginning of the life of this agreement; and the period from the date of entry into force of this agreement to the approval of these investments by the State Inspector. For the first of the aforementioned periods, the interest rate is 360 day TAB UF plus 0.27% of spread on a monthly basis; and for the second period, a real monthly compound interest rate equivalent to a real annual rate of 4.8%.
4. It is established that the payments to be made by the MOP will only be recognized by the issuance of DGOP Resolutions in accordance with the progress of the investments made by the Concession Company,

subsequent to approval by the State Inspector.

5. It is defined that the compensations for the investments established by DGOP (Exempt) Resolution No. 4,760 will be paid by the MOP in 3 installments: i) the first installment for UF 120,000 will be paid on March 31, 2011; ii) the second one for UF 120,000, on March 30, 2012; and iii) the third one for the difference between total investments and the respective adjustments for restatement of amounts, less the previous two installments, on March 29, 2013.
6. The Resolution establishes and identifies amounts for each remaining year of concession in unidades de fomento for the payment of activities of conservation, maintenance and operation identified in letter b) of number 2 in this title, and the date of payment, that is every June 30 in the equivalent amount in Chilean pesos, in accordance with the value of the UF on the date of the actual payment.
7. It established that the VAT borne by the Concession Company for the aforementioned works and services will be treated in accordance with Article 1.12.3 of the Terms and Conditions of the Tender for such tax in relation to the rest of concession works.
8. A maximum period of 15 months was established for the construction of all works in the project called "Conexiones Lo Saldes". This period of time was extended by the Ministry of Public Works.
9. Additionally, on November 22, 2012, the MOP, by way of the General Public Works Department, completed the formal processing of DGOP Resolution No. 3319, dated August 25, 2012, whereby, due to public interest and urgency reasons, the characteristics and services contemplated in the concession of the State-owned public works called "Concesión Variante Vespucio – El Salto – Kennedy", are modified per the following main terms:
 - i. The new deadline for completing the construction of all of the works in the project called "Conexiones Lo Saldes" shall be 7 months, computed from the entire processing of this Resolution, thereby modifying the time period set in the first paragraph of No. 2 of the MOP's Statutory Decree No. 288, dated November 18, 2009.
 - ii. It shall be the Concession Company's duty and responsibility to make sure that at all times, all of the works contemplated in the project called "Conexiones Lo Saldes" be covered by civil liability insurance policies and catastrophic event policies, under the terms and conditions set forth in the Terms and Conditions of the Tender. The Concession Company must also make sure that all of the pending works in the aforesaid project, be guaranteed by way of construction bank bonds throughout the term of construction plus three months. The aforesaid bank bonds must comply with the same requirements set in place in the Terms and Conditions of the Tender.
 - iii. The total and final lump sum amount agreed for the concept of construction of all of the works in the project called "Conexiones a los Túneles del Sector Sur – Fase I" provided for through DGOP (Exempt) Resolution No. 4760, is set in the amount of UF 294,027.33 net of VAT.
 - iv. The total and final lump sum amount agreed for the concept of administrative and inspection expenses incurred and as may be incurred by the Concession Company in order to complete the Quality Plan attached to its letter TSC/GGE/09/0004805/MOP, is set in the amount of UF 12,427.04 net of VAT. This amount shall be computed as follows: a) UF 12,088.90 as per the procedure set forth in number 2.4.2 of the Ad Referendum Agreement No. 2 (per degree of progress); and b) UF 338.14 shall be computed on the last day of April 2011.
 - v. The maximum amount to be recognized by the MOP for the concept of execution of the Landscaping and Irrigation project of the works called "Conexiones a los Túneles del Sector Sur – Fase I" and the execution of the works in said project is set in the amount of UF 11,966.63, net of VAT.

- vi. By virtue of what has been stated in the preceding paragraphs, the maximum price as may be reached by the execution of the entire works in the project called "Conexiones Lo Saltes" is set in the amount of UF 429,110.62 net of VAT.
 - vii. It is established that the MOP must issue a Statutory Decree that contains the characteristics of the works and services encompassed in this Resolution, within 30 days from the date on which the formal processing of the same is completed.
10. On December 16, 2012, the Ministry of Public Works, by way of a document signed by the Minister of Public Works, started the official processing of Statutory Decree No. 430, which was published on the Official Gazette on April 19, 2013. In broad terms this Decree ratifies what is set forth in DGOP Resolution No. 3319, referred to in the preceding letter.
 11. Up to this date, the MOP had issued 19 Resolutions approving works to be executed by this Concession Company in the total amount of UF 320,552.69.

f) Ad referendum agreement No. 3

This Agreement was approved by way of Statutory Decree No. 390 of the Ministry of Public Works, issued on November 10, 2010, and published on the Official Gazette on January 14, 2011. The main aspects of this legal document are the following:

It is established that MOP Statutory Decree No. 514 (detailed in letter b) of this number) and DGOP Resolution (E) No. 2304, among other annexed documents, form an integral part of this agreement.

It is agreed that the MOP shall pay Sociedad Concesionaria Túnel San Cristóbal S.A., a compensation for the loss of revenues (net of costs not incurred) derived from the partial operation by stages of the State-owned public Works called "Concesión Variante Vespucio – El Salto – Kennedy", pursuant to what is set forth in MOP Statutory Decree No. 514 and DGOP Resolution (E) No. 2304. The effective period of time goes from the authorization of the Provisional Placement into Service, which occurred on July 4 2008, with the partial opening of the works, until March 6, 2009, bearing in mind that the entire unrestricted operation of both tunnels was authorized on March 7, 2009.

In order to calculate that indemnity payment, the revenues received since April 1, 2009 until September 30, 2011, will be taken into consideration. This data will generate a curve that will reflect the appropriate growth of those revenues. This trend must incorporate the following effects: i) annual adjustment of the tariffs by 3.5% as from the year after the partial placement into service of the concession; ii) annual indexation as per the CPI variation, in accordance with article 1.14.5 of the Tender Terms; and iii) application of base tariff, peak tariff and/or saturation tariff. In an analogous manner, the monthly costs and expenses for the same aforementioned period will be processed, resulting in a curve that will reflect the trend of these costs and expenses.

The trend curves of both income and of costs and expenses determined as per what has been described above will be adjusted by way of the minimum ordinary squares method. These adjusted curves will be used to extrapolate (retrospectively) the revenues, costs and expenses of the analyzed period.

This way, the difference between the extrapolated revenues for the period from July 4, 2008 through March 6, 2009, both dates inclusive, and those recorded during that period of time, will determine the Concession Company's unearned revenues. The same procedure will be applied to the costs and expenses, which will be extrapolated for the aforesaid periods of time and their difference with the actual costs and expenses will determine the costs and expenses not incurred into by the Concession Company for the effect of the partial operation of the Works by stages.

The compensation for loss of revenues will be, consequently, the value resulting from the unearned revenues and costs and expenses not incurred into by the Concession Company.

Nevertheless, the calculation will also incorporate the Ramp-Up effect (i.e. the period of time required to reach the trendy curve of growth of revenues, once the works have been placed into service), both for the initial months of partial operation by stages and per stage of the tunnels, and for the initial months of unrestricted operations of the public Works, with a limit of 6 months' time in each case. An expert investigation will determine the economic effects of the Ramp-Up, with this being negative, reducing the compensation for loss of income in the initial months of partial operation by stages and for stages of the tunnels; and positive, incrementing the compensation for loss of income in the first months of unrestricted operation of the State-owned public Works.

The entire calculation procedure will be analyzed, verified and calculated by means of an expert analysis to be conducted by a firm of external auditors from September 2011 through March 2012. The loss of revenues, net of costs and operating expenses not incurred derived from the partial operation by stages of the public works as may be determined on a monthly basis by the expert analysis, will be updated at the last business day of the month of June 2012, by way of the application of real monthly rates the mechanism of which is set in the agreement. The total cost of the expert analysis to be performed by the firm of external auditors will be borne entirely by the Concession Company, and the MOP will refund the Concession Company 50% of that cost.

On an preliminary basis the MOP will pay the Concession Company a total amount of UF 85,000 until the final figures are known (March 2012). The difference between the aforesaid preliminary payment and the amount of the actual compensation determined, must be paid by the appropriate party on the last business day of the month of June 2012. The preliminary amount, i.e. UF 85,000, was paid by the MOP to this Concession Company on January 19, 2011.

Any delay by the MOP in the payment or by the Concession Company, is subject to a daily real interest of 0.0198% from the stipulated date and the date of actual payment.

On June 26, 2012, by way of Ordinary Official Letter No. 1257/12, the State Inspector approved of the Expert Investigation referred to in the second paragraph above, whereby it was established that an amount of UF 3,721 should be paid to Sociedad Concesionaria Túnel San Cristóbal S.A. This amount was paid by the MOP to this Company on November 21, 2012, figure that additionally incorporated UF 100.94 for the concept of interest for the delayed payment.

g) Ad referendum Agreement No. 4

This agreement was approved by means of Statutory Decree No. 148 of the Ministry of Public Works, issued on December 27, 2019 and published on the Official Gazette on January 31, 2020. Its main contents of the following:

The Ministry of Public Works (MOP) approved the proposal to review the formula for the indexation of the tariff system and of the term of the concession that had been submitted by the Concession Company. The proposal consists in not applying the real annual indexation contemplated in article 1.14.5 of the Tender Terms (BALI) and an extension in the term of the concession contract to allow to cover the revenues that will not be received by the Company as a result of the elimination of the real annual indexation, with the Ministry of Public Works maintaining the option to terminate the concession contract in the original term, making a direct payment to the Concession Company.

The real indexation will not be applied as from January 1, 2020 and throughout the term of the concession. This will be informed to the public and to the Ministry of Public Works in accordance with the Tender terms, and an account called "Revenue Account" will be created. This account will record the differences between the tariffs applied without the real annual indexation and the tariffs that would have been actually charged if the real annual indexation had been applied. Its balance will be updated on a monthly basis at a real monthly compound

interest rate equivalent to a real annual rate of 4%, denominated to unidades de fomento (UF) using two decimal points rounding up the second decimal point, using the UF corresponding to the date of accounting.

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

49% will be accounted on the last day of the month following each operation.

33% will be accounted on the last day of the second month following each operation.

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

2% will be accounted on the last day of the fourth month following each operation.

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

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

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

The costs of technical, legal and business analysis as may be incurred by the Concession Company for an amount of up to UF 50,000.-, under certain terms and conditions will be recognized.

As from the month following January 2020 until September 2037, the Company must submit, within the first 15 days of the month, a detailed report to be accounted in the revenue account, corresponding to the immediately preceding month of operation, which must be approved by the State Inspector.

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

As from August 21, 2037 the Concession Term will be extended until the last day of the month following that in which the accumulated and updated balance of the Revenue Account is zero or positive.

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

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

The Ministry of Public Works may choose not to grant an extension in the term and in subsidy to make a direct payment to compensate the entire negative balance in the revenue account at August 20, 2037, by giving a 2-year prior notice.

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

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

28. COVID 19

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

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

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

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

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

Revenue

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

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

a 38,2% decrease.

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

	Revenue from Tolls		Transactions	
	Year 2020	Year 2019	Year 2020	Year 2019
	ThCL\$	ThCL\$	Units	Units
Q1	2,319,404	2,597,008	4,545,695	5,151,392
Q2	917,445	2,868,640	1,744,568	5,743,513
Q3	1,523,941	2,857,895	2,796,996	5,762,730
Q4	2,419,236	2,767,582	4,718,702	5,683,430
Totals as of December 31	7,180,026	11,091,125	13,805,961	22,341,065

Costs and expenses

In order to face the scenario of lower revenue caused by the Covid-19 pandemic, during the second quarter of 2020 negotiated new agreements by means of annexes to the contract with its vendors in order to be able to continue to discharge its payment commitments as appropriate. To reach these agreements the current conditions for the service rendering were revised, in order to adapt the actual use incurred in each one of them. Other agreements reached with vendors including agreeing payment plans in installments over a longer period of time than what is regularly the term for paying for those services. The owed amount of these installments that were agreed over a longer period of time amounts as of December 31, 2020 to ThCL\$ 26,949.

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

	Accumulated	
	01.01.2020	01.01.2019
	12.31.2020	12.31.2019
	ThCL\$	ThCL\$
Janitor services	22,591	25,080
Totals	22,591	25,080

New expenses

As of December 31, 2020, the Company has incurred in extraordinary expenses as a result of the Covid-19 pandemic, in order to preserve the health and well-being of its workers. The breakdown of the expenses incurred is the following:

	01.01.2020
Covid-19 Expenses	12.31.2020
	ThCL\$
Consumables and disinfectants	4,132
Others	<u>841</u>
Totals	<u><u>4,973</u></u>

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

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

--O--

13

FINANCIAL
ANALYSIS.

Sociedad Concesionaria Túnel San Cristóbal S.A.
Explanatory Analysis of the Financial Statements
prepared under International Financial Reporting Standards (IFRS)
as of December 31, 2020 and December 31, 2019

ThCL\$: Thousands of Chilean pesos

1.- STATEMENT OF FINANCIAL POSITION

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

Items	12-31-2020 ThCL\$	12-31-2019 ThCL\$
<u>Assets</u>		
Current	6,304,324	5,731,346
Noncurrent	57,390,389	57,204,336
Total Assets	63,694,713	62,935,682
<u>Liabilities</u>		
Current	3,697,793	5,446,926
Noncurrent	88,476,011	84,160,609
Equity	(28,479,091)	(26,671,853)
Total Liabilities and Equity	63,694,713	62,935,682

Assets

The chart above shows an increase in the amount of ThCL\$ 759,031 in total assets, mainly due to:

- i) An increase in the amount of ThCL\$ 531,706 in "Cash and Cash Equivalent" and "Other financial assets, current", due to the collection obtained as of December 31, 2020 which monies are invested in financial instruments to address the bi-annual payment of a bank credit in the month of June 2021. Another factor to consider in the increase in these items is the fact that during year 2020 no subordinated debt payments to its shareholder were made;
- ii) An increase in the amount of ThCL\$ 76,169 in "Trade Receivables and Other Accounts Receivable", caused by the increased use of the highway during the last months of year 2020, in contrast to previous months. This, due to the fact that several boroughs in the Metropolitan Region started to come out of the lockdown that had been decided by the authorities on occasion of the Covid-19 pandemic;
- iii) Since the month of January 2020, a new account receivable with the Ministry of Public Works (MOP) started to be recorded under "Accounts receivable and other accounts receivable, noncurrent", and for which as of December 31, 2020 accumulates the amount of ThCL\$ 199,487. This, as per the instructions contained in the Ad Referendum Agreement No. 4 entered into with the MOP in December 2019;
- iv) A decrease in the amount of ThCL\$ 1,278,428 in "Intangible assets other than goodwill", caused by the amortization of intangible asset; and
- v) An increase in the amount of ThCL\$ 1,209,192 in Deferred Taxes, versus the balances kept as of December 31, 2019.

Liabilities

Liabilities (current + noncurrent) show an increase in the amount of ThCL\$ 2,566,269, mainly due to:

- i) An increase in the amount of ThCL\$ 2,527,545 in "Accounts payable to related entities, current and noncurrent", mainly due to the accrual of interest and indexation for the variation on the basis of the Unidad de Fomento of a debt kept with a shareholder denominated to the currency as of December 31, 2020 in the amount of ThCL\$ 2,159,344. Also, no payment of this debt were made in year 2020. Lastly, there was an increment in the amount of ThCL\$ 368,201 cost by an increment in the term of payment of other services;

- ii) An increase in the amount of ThCL\$ 234,678 in the financial liabilities item due to new accrued interest plus indexation for the variation in the UF of a bank loan with bank Itaú Corpbanca in the amount of ThCL\$ 4,768,317. From this amount the annual payment of the credit in the amount of ThCL\$ 4,533,639 has to be deducted;
- iii) An increase in the amount of ThCL\$ 103,571 in the provision for maintenance of the tunnel, as per the projections for these expenses; and
- iv) A decrease in the amount of ThCL\$ 205,450 in "Trade creditors and other Accounts Payable" due to the fact that as of December 2019 the payment for the renewal of insurance policies was pending, a situation that differs from what happened in 2020.

Equity

Equity as of December 31, 2020 shows a negative amount of ThCL\$ 28,479,091. This is mainly due to the adjustments on occasion of the first adoption of the International Financial Reporting Standards (IFRS) in year 2010 and which represented a total loss in the amount of ThCL\$ 10,217,230. This adjustment is presented under "Accumulated Losses".

As of December 31, 2020, the result was a loss in the amount of ThCL\$ 1,807,238, which increments the negative amount of equity.

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

Indicators in the Statement of Financial Position	12-31-20	12-31-19
<u>Liquidity</u>		
Current liquidity	1.70	1.05
Acid ratio	1.70	1.05
<u>Indebtedness</u>		
Indebtedness ratio	N/A	N/A
Short-term debt/total debt	0.04	0.06
Long-term debt/total debt	0.96	0.94
Financial expense hedge (1)	0.35	0.84
(1) The effect of the variation in the unidad de fomento, or the exchange rate differences, have not been considered as higher or lower financial costs.		
N/A: Not Applicable (Negative Equity).		

Both the liquidity index and the acid ratio show that the Company has sufficient resources to meet its short-term obligations.

However, although the liquidity index as of December 31, 2020 is greater than 1, during year 2020, collection dropped as a result of the COVID-19 pandemic and the consequential economic crisis. This caused the Company not to make cash distributions to the parent company and, the parent company had to request new credits in order to be able to meet its financial obligations.

Indebtedness is for the most part of a banking type and on a long-term basis (96%); the only current liability is the short-term portion of the credit with Itaú Corpbanca.

2.- ANALYSIS OF THE RESULTS

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

Items	12-31-20 ThCL\$	12-31-19 ThCL\$
Ordinary Revenues	7,994,529	11,642,242
Gross Profit	4,045,183	6,525,150
Administrative and Sales Expenses	(482,639)	(530,413)
Profit before interest, exchange rate differences, taxes, depreciations and amortizations.	4,914,198	8,059,522
Financial Costs, net	(4,233,529)	(4,382,587)
Differences in exchange rates and other indexation units	(2,345,445)	(2,390,007)
Income Tax	1,209,192	571,464
Final Loss	(1,807,238)	(206,393)

Gross Margin

The gross margin amounted to ThCL\$ 4,045,183 for year 2020 and ThCL\$ 6,525,150 for 2019. This implied a decrease in the amount of ThCL\$ 2,479,967, explained by a drop in ordinary income, offset by a decrease in costs for the period.

Ordinary income in year 2020 amounted to ThCL\$ 7,994,529, which represents a 31.3% decrease from the income amounting to ThCL\$ 11,642,242 in year 2019, the main cause of which is a reduced flow of vehicles in the tunnel as a result of the social and health circumstances that have taken place in the country during year 2020. The foregoing, despite the indexation of tariffs applied for year 2020, in accordance with the concession contract.

In terms of transactions (passes of a vehicle recorded by the electronic toll systems at each gantry), as of December 31, 2020 there were 13,805,961 transactions, that is 38.2% less as compared to the same date in year 2019.

The operating costs and expenses as of December 31, 2020 decreased by 22.8% compared to the same period in 2019. The main causes for this decrease include the fact that the amortization of the Public Works dropped in the amount of ThCL\$ 715,220 from year 2019. This is due to the fact that the method of amortization is on the basis of transactions occurred, and the number of transactions has been affected mainly since the second quarter of year 2020 as a result of the COVID-19 pandemic, as the Authority promoted lockdown measures. Also, there was less expense in the maintenance of the concession's infrastructure in the amount of ThCL\$ 137,699 (-14.9%) in comparison to year 2019 this because there was a reduced use of the tunnel which required less service. The decreased use of the highway due to the COVID-19 pandemic also implied reduced work on the part of third-party personnel in the amount of ThCL\$ 35,585, a reduced lease of emergency vehicles in the amount of ThCL\$ 66,529 and less advisory services for technical assistance in the amount of ThCL\$ 62,318. Lastly, there was a decrease in the amount of ThCL\$ 71,861 in the bad debt provision. This is directly related with the drop in revenue as of December 31, 2020.

Administrative and Sales Expenses

As of December 31, 2020, administrative and sales expenses amounted to ThCL\$ 482,639, i.e. 9% less in comparison with the same period in year 2019. The main causes include a decrease in the amount of ThCL\$ 40,500 for bonuses to the personnel during 2019, which did not occur as of December 31, 2020. There was also a decrease in the amount of ThCL\$ 20,296 in services incurred to a lower extent versus those used during the same period in the previous year. This was mainly due to the COVID-19 pandemic (these services are: meals and health insurance).

Operating Results

Excluding the financial effects (interest, indexation and exchange rate differences), the income tax (current and deferred), the depreciation and amortizations, a lower profit in the amount of ThCL\$ 3,145,324 is observed, if comparing the accumulated results as of December 2020 in the amount of ThCL\$ 4,914,198 with the same period in year 2019 where the amount was ThCL\$ 8,059,522. This is mainly explained by a decrease in Ordinary Income (-31.3%) and the Operating Costs And Administrative and Sales Expenses (-21.5% in the aggregate). The foregoing is due to the lower use of the works under concession since the second quarter of 2020, as a result of the COVID-19 pandemic which gave rise to the implementation of lockdown measures by the Authority.

Final Loss

As of December 31, 2020, the final loss in the amount of ThCL\$ 1,807,238, compared to the loss obtained in the same period of 2019, implies a negative variation in the amount of ThCL\$ 1,600,845. In addition to the operating result explained above, there are lower net financial costs in the amount of ThCL\$ 149,058, lower amortization and depreciation in the amount of ThCL\$ 713,131 and a lower loss due to exchange rate differences and other indexation units in the amount of ThCL\$ 44,562.

Lastly, in comparison with year 2019 there was a higher income for the concept of Tax Expense in the amount of ThCL\$ 637,728.

Profitability Indicators

The main profitability indicators for the profit and loss statement as of December 31, 2020 and 2019 are the following:

Indicators in the Profit and Loss Statement	12-31-20	12-31-19
	%	%
Profitability of equity	N/A	N/A
Profitability of Assets	-2.8%	-0.3%
Return on dividends	0.0%	0.0%
Profit (loss) per share (\$ per share)	-\$ 317	-\$ 36
N/A: Not Applicable (Negative Equity).		

3.- CASH FLOWS

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

Items	12-31-20 ThCL\$	12-31-19 ThCL\$
Net cash flow originating in operating activities	5,164,670	7,610,859
Collection from operation services	8,065,556	11,036,888
Payments to suppliers for the supply of goods and services	(2,559,708)	(3,102,233)
Payments to and on account of employees	(381,978)	(424,327)
Interest paid	(24,876)	(5,200)
Interest received	24,338	76,273
Income tax payments	(4)	(2,430)
Other inflows of cash	41,342	31,888
Net cash flow (used in) originating in investment activities	(352,187)	35,557
Amounts from the redemption of financial instruments	371,590	418,761
Purchases of property plant and equipment	(49,477)	(11,614)
Payments for investment in financial instruments	(674,300)	(371,590)
Net cash flow used in financing activities	(4,583,472)	(7,661,608)
Repayment of loans	(1,282,892)	(1,096,673)
Interest paid	(3,250,747)	(3,209,025)
Interest paid to related parties	-	(3,300,000)
Lease liability payments	(49,833)	(55,910)
Positive (negative) cash flow	229,011	(15,192)

Operating flows

In the operating flows, as of December 31, 2020 a decrease in the amount of ThCL\$ 2,446,189 as compared to year 2019 is observed. This is mainly due to the following causes:

- i) Reduced collection in the amount of ThCL\$ 2,971,332, mainly due to a decrease in the number of transactions in the works under concession, despite the tariff indexation in the period; and
- ii) Increase in the amount of ThCL\$ 542,525 due to lower payments to suppliers as a result of new agreements with regard to the payment term, the rescheduling of services and the reduction of some services.

Investment flows

As of December 31, 2020, a greater investment in the amount of ThCL\$ 387,744 in comparison with the same period of year 2019 is observed. The explanation for this is the following:

- i) As of December 31, 2020 there were fewer redemptions of financial instruments in the amount of ThCL\$ 47,171; and
- ii) More investments in financial instruments with a maturity exceeding 90 days were made in the amount of ThCL\$ 302,710, as compared to December 31, 2019.

Financing flows

During the year 2020, just as in the previous year, a payment was made, both in the first and second half of the year, of the bank loan with Banco Itaú Corpbanca. An increment in payments in the amount of ThCL\$ 186,219 is observed, mainly because the principal installments of the loan are for a higher amount each year. Lastly, during year 2020 no payments of the subordinated debt with the shareholder were made, unlike year 2019 where a payment in the amount of ThCL\$ 3,300,000 was made.

4.- MARKET ANALYSIS

In the field of its operations, as of December 31, 2020, the company recorded a -31.3% decrease in its ordinary income, considering that in year 2020 amount was ThCL\$ 7,994,529 and in the same period of year 2019 the amount was ThCL\$ 11,642,242.

In terms of toll transactions, there was a -38.2% fall as compared with the same period of year 2019, with a total of 13.8 million accumulated transactions in year 2020, as it was stated above in the Gross Margin section. Additionally, as from January 01, 2020 tariffs were subject to indexation only in the percentage of the CPI in accordance with the Tender's Terms and Conditions and the Ad Referendum agreement No. 4 issued in December 2019 for the Concession Company.

The market in which Túnel San Cristóbal participates is influenced by the growth in domestic economy. Due to the social and health circumstances that have taken place worldwide and also in Chile, it is estimated that for year 2020 there will be a -6.0% decline in Chilean economy. Additionally, the quarantine measures adopted for the population have resulted in a reduced number of vehicles on the streets and reduced traffic along the works under concession since March 2020, reaching its lowest level in the month of June. However, from that point in time onward, due to the gradual lockdown easing, growth has remained constant in the urban highways of the Metropolitan Region, reaching 96% in September 2020 in comparison with the traffic of March 2020 and 112% if comparing October with March 2020, as per what was reported by the General Department of Concessions. Specifically in Túnel San Cristóbal, transactions (passes by a gantry) reached 1.7, 2.8 and 4.7 million in the second, third and fourth quarter of 2020, respectively, evidencing the increase in the use of the works under concession. Positive growth in the Chilean economy is projected for year 2021 onward. The GDP is estimated to grow by 5.2% in 2021. The projections for both 2020 and 2021 are made on the basis of the Central Bank's Economic Expectations Survey.

5.- RISK ANALYSIS

General Risks

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

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

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

Risk of Earthquakes and Natural Phenomena

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

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

Market Risks

- i. An increment in the Company's operating costs would have an effect of low significance in results due to the fact that the Company's EBITDA margin is greater than 61%. Additionally, most of its vendors participate in international competitive markets.
- ii. A reduction in the use of the highways is a relevant risk in the Concession Company's market. Social movements against toll collection have appeared over the last few years. However, the analyses performed by the Company show a sustained growth in the use of the highway for the entire term of the concession.
- iii. The development of alternative roads, whether or not subject to collection from users, suggests a risk of a reduction in the use of the highway and consequently a drop in revenue. The high investment required in long periods of construction of alternative solutions render this risk low.

Inflation and Exchange Rate Risks

As from January 01, 2020, the Company's revenue is subject to annual indexation for inflation in accordance with the Tender's Terms and Conditions, therefore the risk in this sense is low. Until December 31, 2019, indexation of 3.5% was applied, but in December 2019, the Ministry of Public Works issued Ad Referendum Agreement No. 4 by means of Statutory Decree No. 149, which provides that as from January 01, 2020 the real annual indexation of 3.5% shall no longer be applied to the tolls, and in compensation the term of the concession contract may be extended or a direct payment may be made, at the Ministry of Public Works' choice.

The costs, without considering amortization and depreciation, represent less than 32.6% of the revenue, and for the most part they are adjusted annually on the basis of the UF.

6.- RISK ALLOCATION MECHANISM

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

7.- EXCHANGE RATE HEDGE MECHANISMS

Sociedad Concesionaria Túnel San Cristóbal S.A. currently has no rate hedge contracts, as its debt is denominated to domestic currency.